To Our Shareholders:

Disclosure on the Internet accompanying
the Notice of Convocation of the 107th Annual General Meeting of Shareholders

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The content of this document is posted on the website of Terumo Corporation ("the Company") (https://www.terumo.co.jp/), pursuant to laws and regulations and Article 15 of the Articles of Incorporation of the Company.

Terumo Corporation
(Securities Code: 4543)

[Business Report]

1. Matters Concerning Stock Acquisition Rights Issued by the Company

(1) Overview of Stock Acquisition Rights Held by the Company's Directors as of March 31, 2022

	Date of resolution of issuance	Issue price of stock acquisition rights	Exercise price	Period for exercise of stock acquisition rights	Number of holders *1	Number of stock acquisition rights	Types and number of shares to be issued upon exercise of stock acquisition rights
First issue of stock acquisition rights	August 1, 2013	1,046 yen	1 yen	From August 23, 2013 to August 22, 2043	3 directors	3,493	13,972 shares of common stock
Second issue of stock acquisition rights	August 6, 2014	1,153 yen	1 yen	From August 28, 2014 to August 27, 2044	4 directors	3,443	13,772 shares of common stock
					1 director who serves as an Audit/Supervisory Committee Member*2	335	1,340 shares of common stock
Third issue of stock acquisition rights	August 7, 2015	1,405 yen	1 yen	From August 26, 2015 to August 25, 2045	5 directors	4,144	16,576 shares of common stock
					1 director who serves as an Audit/Supervisory Committee Member*2	338	1,352 shares of common stock
Fourth issue of stock acquisition rights A-Type	August 4, 2016	2,042 yen	1 yen	From August 26, 2016 to August 25, 2046	4 directors	4,499	17,996 shares of common stock
Fourth issue of stock acquisition rights B-Type	August 4, 2016	1,991 yen	1 yen	From August 26, 2016 to August 25, 2046	1 director	355	1,420 shares of common stock
					1 director who serves as an Audit/Supervisory Committee Member*2	355	1,420 shares of common stock
Fifth issue of stock acquisition rights A-Type	August 3, 2017	1,953 yen	1 yen	From August 25, 2017 to August 24, 2047	4 directors	9,989	39,956 shares of common stock
Fifth issue of stock acquisition rights B-Type	August 3, 2017	1,917 yen	1 yen	From August 25, 2017 to August 24, 2047	1 director	360	1,440 shares of common stock
					1 director who serves as an Audit/Supervisory Committee Member*2	566	2,264 shares of common stock
Sixth issue of stock acquisition rights A-Type	August 8, 2018	2,933 yen	1 yen	From August 30, 2018 to August 29, 2048	4 directors	7,661	30,644 shares of common stock
Sixth issue of stock acquisition rights B-Type	August 8, 2018	2,902 yen	1 yen	From August 30, 2018 to August 29, 2048	1 director	396	1,584 shares of common stock
					1 director who serves as an Audit/Supervisory Committee Member*2	396	1,584 shares of common stock
Seventh issue of stock acquisition rights	July 11, 2019	3,061 yen	1 yen	From August 2, 2019 to August 1, 2049	1 director who serves as an Audit/Supervisory Committee Member*2	400	1,600 shares of common stock
Eighth issue of stock acquisition rights	July 15, 2020	3,941 yen	1 yen	From August 6, 2020 to August 5, 2050	1 director who serves as an Audit/Supervisory Committee Member*2	332	1,328 shares of common stock

Notes:

1 Excluding independent directors and non-executive directors.

2 Stock acquisition rights held by directors who serve as Audit/Supervisory Committee Members were granted to them while they were employees of the Company.

(2) Overview of Stock Acquisition Rights Allotted to the Company's Employees, etc.

	Date of resolution of issuance	Issue price of stock acquisition rights	Exercise price	Period for exercise of stock acquisition rights	Number of holders	Number of stock acquisition rights	Types and number of shares to be issued upon exercise of stock acquisition rights
Ninth issue of stock acquisition rights	July 14, 2021	4,171 yen	1 yen	From August 4, 2021 to August 3, 2051	11 executive officers and fellows	2,112	8,448 shares of common stock

2. Basic Policies Regarding the Company's Control

The Company has established the Basic Policies regarding the Company's Control stated below.

(1) Basic Policy Regarding Persons Who Control Decisions on the Company's Financial and Business Policies

The Company does not reject the notion that the transfer of managerial control may vitalize business and the economy. However, in the event of any attempt to make a large-scale purchase of shares, in principle it should be left to the judgment of the Company's shareholders whether such a purchase is to be accepted. At the same time, the Company acknowledges that the prudent judgment of shareholders is essential for determining the impact of such large-scale purchase of shares and related proposals that have a bearing on corporate value and shareholders' common interests, considering the business, business plans, past investment behavior, and other information concerning the purchaser. Accordingly, the Company considers that necessary and sufficient information, opinions, proposals, etc. should be provided to the Company's shareholders by both the large-scale purchaser and the Company's Board of Directors, as well as necessary and sufficient time to review such information.

In accordance with this basic policy, the Board of Directors of the Company will take measures deemed to be appropriate against those who intend to conduct a large-scale purchase, etc. to the extent permissible under the Financial Instruments and Exchange Act, Companies Act, other laws and regulations and the Company's Articles of Incorporation, including requesting the provision of necessary and sufficient information for shareholders to properly judge the necessity of large-scale purchases, etc. and disclosing information in a timely and appropriate manner, in order to secure the Company's corporate value and the common interests of the shareholders.

(2) Measures to Realize the Business Policies

i) Measures to enhance the Company's corporate value and advance shareholders' common interests

a. Corporate mission and basic approach for management

Since its foundation in 1921, guided by the corporate mission of "Contributing to Society through Healthcare," the Company has been striving to promote the progress of healthcare and enhance safety as a leader in the Japanese medical devices industry, while at the same time endeavoring to enhance corporate value and advance shareholders' common interests. As a result of management true to the founding spirit, the Company has established the brand and business foundation in Japan and abroad and supplies high-quality medical devices to customers in over 160 countries around the world.

b. Concrete initiatives

Today, the environment surrounding healthcare is undergoing major changes, including policies placing increasing downward pressure on healthcare expenditure around the world and growing societal demands to improve patients' quality of life (QOL) as our societies age. The COVID-19 pandemic will further accelerate such changes and the Company believes the business segments in which Terumo operates will continue to offer opportunities for growth. For example, intravascular intervention is no longer limited to the arteries of the heart and reduced burden on patients as well as improvements in medical economics are sought in intravascular treatment of the entire body, including in peripheral arterial disease, through less invasive catheter treatment approaching the lesioned part from the artery on the wrist (TRI). Furthermore, in the blood and cell management business, in addition to blood transfusion, demands for cell and gene therapy, therapeutic apheresis, and treatment using plasma derivatives are growing. Furthermore, in medical settings, in addition to needs for medical safety, measures against hospital-acquired infection, control of medical expenses, and personally optimized treatments for individual patients living with chronic diseases, the need for dosage devices taking into consideration drug dosage safety and ease of use are increasing. Aiming to seize such opportunities and thus continue contributing to society through healthcare as stated in our corporate philosophy, Terumo is working to achieve sustainable and profitable growth and create new value without being caught up in existing frameworks, contributing to patients in medical settings.

ii) The Company's social mission

As a leading enterprise in the field of medical devices, the Company has established relationships of trust with medical professionals over the long term and contributed to society through healthcare. The Company believes that the fulfillment of its social responsibility hinges on ensuring the stable supply of excellent products and services of high quality and working to create innovation for various social issues related to healthcare from the viewpoints of patients and healthcare professionals in order to contribute to their resolution. In accordance with this policy, the Company continues its effort to fulfill a vital role in global healthcare systems through supply of products and quality assurance that ensure safety and reliability in the healthcare field.

In the event of an attempt to purchase the Company's shares that is inimical to the stable supply and/or quality of the Company's products, people's health may be seriously affected and their lives may be placed in jeopardy. Through stable management of the Company over the long term to ensure such an eventuality never arises, the Company maintains and enhances the confidence of society and healthcare professionals in the Company while contributing to corporate value and advancing shareholders' common interests.

iii) Strengthening of corporate governance

Measures concerning corporate governance are stated on Pages 41-53 of the Notice of Convocation of the 107th Annual General Meeting of Shareholders.

(3) The Company's Board of Directors' View Concerning Specific Measures and the Reason

The sound implementation of the growth strategy for realizing the Company's long-term goal described in (2) above leads to securing and enhancing the Company's corporate value and advancing shareholders' common interests, and is in accordance with the Company's basic policies.

[Consolidated Financial Statements and Non-consolidated Financial Statements]

Consolidated Statements of Changes in Equity

Fiscal Year 2021 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Equity attributable to the owners of the parent						
	Share capital	Capital surplus	Treasury stock	Retained earnings	Other components of equity	Total	Total equity
Balance at 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 stock	−	−	(3)	−	−	(3)	(3)
Disposal of treasury stock	−	(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 transaction with owners of the Company	−	92	608	(16,913)	(6,531)	(22,742)	(22,742)
Balance at March 31, 2022	38,716	51,921	(6,229)	846,978	80,926	1,012,313	1,012,313

Notes to Consolidated Financial Statements

1. Basis for Preparation of Consolidated Financial Statements

(1) Standards for preparation of consolidated financial statements

The Group's consolidated financial statements are prepared in accordance with the specified International Financial Reporting Standards (hereinafter referred to as "IFRS"), pursuant to Article 120, Paragraph 1 of the Rules of Corporate Accounting. Some of the disclosure items required under IFRS for the consolidated financial statements have been omitted, based on the provisions of the latter part of the same paragraph.

(2) Scope of consolidation

- Number of consolidated subsidiaries: 102
- Names of principal consolidated subsidiaries:

  Terumo Europe N.V.
  Terumo Americas Holding, Inc.
  Terumo Medical Corporation
  Terumo Cardiovascular Systems Corporation
  MicroVention, Inc.
  Terumo (Philippines) Corporation
  Terumo Medical Products (Hangzhou) Co., Ltd.
  Terumo BCT Holding Corporation
  Terumo BCT, Inc.

(3) Application of the equity method

- Number of affiliates to which the equity method is applied: 4
- Names of affiliates to which the equity method is applied:

  Terumo BSN K.K.
  Olympus Terumo Biomaterials Corp.
  Wego Terumo Medical Products Co., Ltd.
  Shanghai Angiocare Medical Technology Co., LTD.

(4) Accounting standards

1) Standards and methods for valuation of financial assets and financial liabilities

i) Recognition and measurement of financial assets

a. Initial recognition and measurement

The Group classifies financial assets into financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, and financial assets measured at amortized cost. This classification is determined on initial recognition.

All financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition, except for the financial assets measured at fair value through profit or loss. However, the trade receivables that do not contain a significant financing component are measured at the transaction price on initial recognition.

Trade and other receivables are initially recognized when the transaction occurs. Other financial assets other than trade and other receivables are initially recognized when the Group becomes a contractual party to the contract provisions of the financial instrument.

The Group classifies its financial assets as those measured at amortized cost if both of the following conditions are met and does not designated those assets as financial assets measured at fair value through profit or loss,

- the financial assets are held within a business model with an objective of collecting contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets not classified as those measured at amortized cost are measured at fair value through profit or loss.

On initial recognition, the Group may irrevocably designate financial assets measured on an asset-by-asset basis as fair value through profit or loss or at fair value through comprehensive income and apply the designation consistently.

There are no debt investments that are classified as the financial assets measured at fair value through other comprehensive income in the reporting period.

b. Subsequent measurement

After initial recognition, financial assets are subsequently measured according to the following classifications:

(i) Financial assets measured at amortized cost

Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective interest method.

(ii) Financial assets measured at fair value

Financial assets measured at fair value are measured at fair value.

The changes in fair value of those financial assets are recognized in the profit or loss.

However, as for equity securities designated as the financial assets measured at fair value through other comprehensive income, the changes in fair value are recognized in other comprehensive income.

Dividends that arise from equity instruments measured at fair value through other comprehensive income are recognized as "finance income" in the profit or loss unless investment cost can only be partially recovered.

ii) Impairment of financial assets

As for the financial assets measured at amortized cost, a loss allowance provision is recognized based on the expected credit losses.

The Group evaluates whether the credit risk on a financial asset has significantly increased since initial recognition at the end of the reporting period. If the credit risk on a financial asset has not significantly increased since initial recognition, a loss allowance provision is measured at an amount equal to the 12-month expected credit losses. If the credit risk on a financial asset has significantly increased since initial recognition, a loss allowance provision is measured at an amount equal to the lifetime expected credit losses.

The Group judges whether or not there is any significant increase in credit risk of a company based on changes in the default risk. The Group determines the risk based on the following:

- Significant changes in credit rating by external credit rating organization
- Information on past due payment

The loss allowance provision for trade and other receivables is measured at an amount equal to the lifetime expected credit losses.

The expected credit loss on a financial instrument is measured at the present value of the differences between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The loss allowance provision for expected credit losses on a financial asset is recognized in profit or loss. The reversal of loss allowance provision for expected credit losses is recognized in profit or loss.

iii) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire.

iv) Recognition and measurement of financial liabilities

a. Initial recognition and measurement

The Group, on initial recognition, classifies financial liabilities into financial liabilities measured at amortized cost and financial liabilities measured at fair value through profit or loss. Financial liabilities are initially recognized when the Group becomes a party to the contract. At initial recognition, financial liabilities are classified as financial liabilities measured at amortized cost and financial liabilities measured at fair value through profit or loss. Even though all financial liabilities are initially measured at fair value, financial liabilities measured at amortized cost are recognized at cost less transaction costs that are directly attributable to the financial liabilities.

b. Subsequent measurement

After initial recognition, financial liabilities are subsequently measured as follows according to its classification:

(i) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method. Gains or losses arising from the cease of amortization of the financial liability under the effective interest rate method are recognized in profit or loss.

(ii) Financial liabilities measured at fair value through profit or loss

The net gains or losses arising from the financial liabilities measured at fair value through profit or loss, including interest expenses, are recognized in profit or loss.

v) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or has expired.

vi) Compound instruments

Compound financial instruments issued by the Group are convertible bonds with stock acquisition rights that are convertible to capital upon the call of the holders. The liability component of a compound financial instrument is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the equity and liability components of the compound financial instrument in proportion to their initial carrying values.

Subsequently, the liability component of the compound financial instrument is measured at amortized cost using the effective interest method; the equity component is not remeasured.

vii) Derivatives and hedge accounting

The Group uses derivatives to hedge foreign exchange risk and interest rate risk. Derivatives mainly consist of forward exchange contracts, interest rate swaps, and cross currency interest rate swaps. These derivatives are initially measured at the fair value when the derivative contracts are entered into. Subsequently, the derivatives are remeasured at the fair value at the end of each reporting period. The changes in fair value of derivatives are generally recognized in profit or loss.

The Group designates certain derivatives as cash flow hedges to hedge against the exposure to variability in cash flows that is attributable to the risk of foreign currency exchange rates and interest rate fluctuations, or a highly probable forecasted transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationships to which hedge accounting is applied, between hedging instruments and hedged items, along with the risk management objectives and strategies. The documentation includes the hedging instrument, the hedged item, the nature of the risk being hedged, and how to assess whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the risks to be hedged. The Group evaluates the hedge effectiveness in every reporting period. Specifically, when a hedging relationship meets all of the following hedge effective requirements, the hedge relationship is assessed as highly effective:

- there is an economic relationship between the hedged item and the hedging instrument resulting in an offset;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The Group adjusts the hedge ratio of the hedging relationships in the hedge accounting so that it meets the qualifying criteria again. The Group discontinues hedge accounting prospectively only when the hedging relationship ceases to meet the qualifying criteria.

The hedges that meet the requirements for hedge accounting are accounted for as follows:

The effective portion of the gain or loss on the hedging instrument that are designated as cash flow hedges, is recognized in other comprehensive income. The ineffective portion is recognized in profit or loss.

The Group uses interest rate currency swap for hedging. The Group designates the portion excluding the currency basis spread portion as the hedging instrument and recognizes any changes in the fair value of the currency basis spread portion through other comprehensive income in owner's equity.

The cumulative cash flow hedge reserve recognized previously in the other comprehensive income of equity for the hedging gain or loss and the cost of hedging are reclassified to profit or loss in the same period when the hedged forecast cash flows affect profit or loss.

Hedge accounting is discontinued prospectively if the hedge no longer meets the criteria for hedge accounting due to the expiration or sale of the hedge instrument. If the future cash flow is still expected to occur, the accumulated gains or losses recognized in other comprehensive income continues to be recognized in other comprehensive income. If the forecasted transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

2) Basis and method of valuation for inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined mainly by using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of conversion includes the allocated fixed and variable manufacturing overhead.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3) Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment is measured using the cost model and stated at costs less accumulated depreciation and impairment losses.

Costs include costs directly attributable to the acquisition of property, plant and equipment; the initial estimated costs related to removing the asset and restoring the site.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Subsequent cost incurred after acquisition is included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Repair and maintenance of an asset are recognized as expenses during the financial period in which they are incurred.

Property, plant, and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of property, plant and equipment are recognized as profit or loss at the difference between the net disposal proceeds, if any, and the carrying amount of the asset at the time of derecognition. Gains or losses arising from derecognition of property, plant and equipment are recorded in "Other income" or "Other expenses" of the consolidated statements of profit or loss.

ii) Depreciation

Property, plant and equipment other than land and construction in progress is depreciated mainly using the straight-line method over their estimated useful lives. Land and construction in progress are not depreciated.

The estimated useful lives of property, plant and equipment are as follows.

- Buildings and structures 3-60 years
- Machinery and vehicles 4-15 years
- Tools, furniture and fixtures 2-20 years

The depreciation methods, useful lives, and residual values of property, plant and equipment are reviewed at the end of each fiscal year. Changes in depreciation methods, useful lives, and residual values are applied prospectively as changes of accounting estimates.

4) Goodwill and intangible assets

i) Goodwill

Goodwill is recognized as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquisition, and the fair value of the Group's previously held equity interest in the acquisition over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

Goodwill is not amortized and is tested for impairment annually and whenever there is an indication that they may be impaired. Impairment losses on goodwill is recognized in profit or loss and is not reversed in subsequent periods. Goodwill is stated at cost determined at the acquisition date, less any accumulated impairment losses.

ii) Intangible assets

a. Recognition and measurement

The Group recognizes intangible assets using the cost model. Intangible assets acquired separately are measured at cost at initial recognition. Intangible assets acquired in a business combination are measured at fair value at the acquisition date.

Expenditures on research activities are recognized as profit or loss when incurred. Expenditures on development activities which can be demonstrated to have met the following conditions are recognized as an asset. Where expenditures on development activities does not meet the following conditions, the expenditures are recognized in profit or loss in the period in which it is incurred.

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

After initial recognition, expenditures on development activities that are capitalized as an asset are measured at cost less accumulated amortization and impairment losses.

b. Amortization

After initial recognition, other than intangible assets with indefinite useful lives, intangible assets are stated at cost less accumulated amortization and impairment losses.

Intangible assets are amortized from the date when the intangible asset becomes available for use. The intangible assets, other than intangible assets with indefinite useful lives, are amortized on a straight-line basis over their estimated useful lives.

The estimated useful lives of major intangible assets are as follows:

・ Development costs	mainly 20 years
・ Software	5-10 years
・ Customer relationships	mainly 20 years
・ Technologies	10-20 years

Useful lives, amortization methods, and residual values are reviewed at the end of each reporting period. Changes in depreciation methods, useful lives, and residual values are applied prospectively as changes of accounting estimates.

5) Leases

The Group assesses whether a contract is a lease or contains a lease when entering into a contract. If a contract transfers the right to control the use of an identified asset for a period of time in exchange for consideration, it is determined to be a lease or contains a lease.

As a lessee, the Group measures right-of-use assets at cost and lease liabilities at the present value of total future lease payments at the beginning of the lease term. The cost of right-of-use assets are initially measured by adjusting the initially measured amount of lease liabilities for initial direct costs and prepaid lease payments, etc. On the consolidated statements of financial position, right-of-use assets are included in property, plant and equipment while lease liabilities are included in other current financial liabilities. After recognizing right-of-use assets and lease liabilities, the Group records depreciation of right-of-use assets and interest expenses for lease liabilities.

The Group estimates the lease term of right-of-use assets by adding to the non-cancelable lease term the period that it is reasonably certain that the extension option will be exercised or the termination option will not be exercised. The discount rate applied to lease liabilities for said right-of-use assets is the incremental borrowing rate of the lessee. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life or the lease term.

However, The Group does not recognize right-of-use assets or lease liabilities for leases with a lease term of 12 months or less and for leases with low-value underlying assets, and recognizes lease payments related to these leases as expenses on a straight-line basis over the lease term or any other standard basis.

6) Impairment of non-financial assets

At the end of each reporting period, the Group determines whether there is any indication that non-financial assets (excluding inventories and deferred tax assets) may be impaired. If any indication exists, the recoverable amount of the asset or the cash-generating unit to which the asset belongs is estimated. Goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for use are tested for impairment when there is any indication of impairment, and at a certain time in a fiscal year, regardless of whether there is any indication of impairment. A cash-generating unit is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising from a business combination is allocated to cash generating units or group of cash generating units expected to obtain synergies from the business combination.

The recoverable amount is the higher of fair value less costs of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and the risks specific to the asset.

Impairment losses are recognized in the consolidated statements of profit or loss when the carrying amount of assets or CGU is greater than the expected recoverable amount of assets or CGU. Impairment losses recognized in respect of CGU are allocated first, to reduce the carrying amount of any goodwill allocated to the CGU (group of units) and then, to reduce the carrying amount of other assets in the CGU (group of units) on a pro rata basis.

Any impairment loss for goodwill is recognized in profit or loss and is not reversed in subsequent periods. For assets other than goodwill, a reversal of an impairment loss is recognized, to the extent that the reversal does not exceed the carrying amount that would have been determined had no impairment loss been recognized, net of depreciation and amortization.

7) Standards of accounting for principal allowances and provisions

Provisions are recognized when the Group has legal or constructive obligations due to past events, it is probable that outflows of economic benefits will be required to settle the obligations, and reliable estimates of the obligation can be made. To determine the amount of a provision, the estimated future cash flows are discounted using a pre-tax discount rate that reflects the time value of money and the risks specific to the liability. Unwinding of the discount over time is recognized in finance cost.

Asset retirement obligation

The Group has recognized a provision for asset retirement obligation, which are recognized and measured by estimating asset retirement obligations individually and specifically taking into account the status of each property based on expected usable years, determined in light of past records of restoration and useful lives of inside fixtures in offices and other places, in preparation for obligations for restoration of rental offices, buildings and stores and removal of harmful materials related to noncurrent assets.

8) Employee benefits

i) Post-retirement benefits

a. Defined contribution plan

The contribution obligation of the defined contribution plan is recognized as an expense when employees render the related service. The prepayment of the contribution amount is recognized as an asset to the extent that the contribution amount is returned or the future payment amount decreases.

b. Defined benefit plan

The defined benefit plan is a defined benefit plan other than the defined contribution plan.

Assets or liabilities recognized in the consolidated statements of financial position related to the defined benefit pension plan are calculated by deducting the fair value of the assets from the present value of the defined benefit liabilities as of the end of the reporting period. Defined benefit plan obligations are calculated every year using the projected unit credit increase method.

The discount rate is calculated based on the market yield of the high quality corporate bonds on the reporting date, which is generally the same as the Group's defined benefit liabilities and is of the same currency as the expected payment.

Past service cost is recognized in profit or loss when incurred.

The Group recognizes remeasurement of the net defined benefit liabilities (assets) in other comprehensive income when remeasurements occur and immediately reclassified from other capital components to retained earnings.

ii) Short-term employee benefits

Short-term employee benefits are recognized as an expense on an undiscounted basis at the time when employees render the related service. Bonus and paid annual leave accruals are recognized as a liability in the amount estimated to be paid under these plans, when the Group has legal or constructive obligations to pay for the services rendered by employees in the past and reliable estimates of the obligation can be made.

9) Revenue

For contracts with customers excluding interest and dividend income based on IFRS 9 *Financial Instruments*, the Group recognizes revenue by applying the following five-step model in accordance with IFRS 15 *Revenue from Contracts with Customers*:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group is primarily engaged in manufacture and sales of medical devices and medical supplies. For the sales of these products, our performance obligation is to deliver products to the customer based on our contract with the customer.

Because the customer obtains control over the products upon delivery, the performance obligation is judged to have been satisfied and revenue is therefore recognized upon delivery of the products.

Revenue is measured at the consideration promised in a contract with a customer less discounts, rebates, returned products and other items. If the consideration in a contract with a customer includes variable

consideration, the variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.
The Group collects consideration in contracts for product sales based on contracts with customers mainly from one month to six months from when products are delivered to customers, and receives it within one year or less. Therefore, the contracts do not contain a significant financing component.

10) Foreign currency translation

i) Functional currency and presentation currency

The separate financial statements of each group company are prepared in their functional currency. The consolidated financial statements are prepared in the Company's functional currency, Japanese yen, which is also its presentation currency.

ii) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of each group companies at the spot exchange rate at the date of transactions or at the foreign exchange rate that approximates the spot exchange rate at the date of the translation.
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items measured at fair value that are denominated in foreign currencies are translated into the functional currency at the rates prevailing at the date when the fair value was measured. Exchange differences arising from foreign currency translation are recognized in profit or loss, except for exchange differences arising from financial assets measured through other comprehensive income and cash flow hedges that are recognized in other comprehensive income.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to the functional currency at the spot exchange rate at the date of transactions or at the foreign exchange rate that approximates the spot exchange rate at the date of the translation.

iii) Foreign operations

The assets and liabilities of the Group's foreign operations are translated into Japanese yen at the exchange rate at the end of each reporting period. Income and expenses are translated into Japanese yen at the average exchange rate for the period unless the exchange rate fluctuates significantly during the period. Exchange differences arising from the translation of the financial statements of foreign operations are recognized in the other comprehensive income, and subsequently transferred to profit and loss during the period in which foreign operations are disposed.

2. Changes in Accounting Standards

The Group has applied following accounting standards from the fiscal year ended March 31, 2022. These standards do not have a material impact on the consolidated financial statements as of March 31, 2022.

Standards	Standard name	Outline of the new standards and revisions
IFRS 7	Financial Instruments: Disclosures	Revised to address the financial reporting implications that arise when replacing an existing interest rate index with an alternative interest rate index in the context of IBOR reform.
IFRS 9	Financial Instruments	
IFRS 16	Leases	

3. Notes to Revenue Recognition

(1) Breakdown of revenue

The Group mainly comprises three reportable segments: "Cardiac and Vascular Company," "Medical Care Solutions Company," and "Blood and Cell Technologies Company." As the reportable segments of the Group are reviewed regularly by the Board of Directors to make decisions about allocation of management resources and assess the performance of the business, proceeds from these three reportable segments are presented as revenue. In addition, revenue is classified by country or region based on customer's location. The breakdown of revenue by geographic areas and reportable segments is as follows:

(Millions of yen)

	Cardiac and Vascular Company	Medical Care Solutions Company	Blood and Cell Technologies Company	Total	Adjustments	Amount recorded on consolidated financial statements
Japan	51,144	142,735	12,012	205,892	251	206,143
Europe	99,796	11,063	29,558	140,417	－	140,417
Americas	159,570	10,608	50,221	220,400	－	220,400
China	48,942	2,666	7,741	59,350	－	59,350
Asia and others	37,677	18,262	21,052	76,991	－	76,991
Total	397,130	185,335	120,586	703,052	251	703,303

"Cardiac and Vascular Company" sells products related to Interventional Systems (TIS), Neurovascular, Cardiovascular, and Vascular Graft.

"Medical Care Solutions Company" sells products related to Hospital Care Solutions, Life Care Solutions, and Pharmaceutical Solutions.

"Blood and Cell Technologies Company" sells products related to Blood and Cell Technologies.

"Adjustments" includes mainly proceeds from outward temporary staffing to external customers that are not attributable to reportable segments.

(2) Contract assets and contract liabilities

Contract assets and contract liabilities from contracts with customers are as follows:

(Millions of yen)

	As of March 31, 2022
Contract assets	1,267
Contract liabilities	6,522

The contract assets primarily relate to the Group's rights to consideration for performance obligation transferred but not billed at the reporting date. In particular, some Group subsidiaries provide some maintenance services and sell consumable goods, etc. The income related to the maintenance services is recognized throughout the contract period, but portions that are unbilled as of the reporting date are considered contract assets as rights to consideration for performance obligations. The contract assets are transferred to receivables when the rights for the payments become unconditional.

The contract liabilities primarily relate to the consideration received from customers in advance of delivery of products or provision of maintenance services. Contract liabilities are recorded when payments are received from customers, and the contract liabilities are reclassified to revenue when the Group satisfies a performance obligation based on the contract, such as said delivery of products or provision of maintenance services. The amount of revenue recognized during the fiscal year ended March 31, 2022 that was included in the contract liability balance as of April 1, 2021 was immaterial.
Furthermore, the amount of revenue recognized during the fiscal year ended March 31, 2022 from performance obligations satisfied in the previous period was immaterial.

(3) Transaction price allocated to the remaining performance obligations

The Group uses the practical expedient of omitting the disclosure of information on the remaining performance obligations because it has no significant individual transaction with expected contractual terms exceeding one year. In addition, there is no significant consideration from contracts with customers that is not included in transaction prices.

(4) Assets recognized related to the costs of obtaining or fulfilling contracts with customers

The amount of assets recognized related to the costs of obtaining or fulfilling contracts with customers during the fiscal year ended March 31, 2022 was immaterial. In addition, if the amortization period of the assets that the Group otherwise would have recognized is one year or less, the Group uses the practical expedient of recognizing the incremental costs of obtaining the contract as an expense when incurred.

4. Accounting Estimates

With respect to Preparation of consolidated financial statements in accordance with IFRS, as well as the Group’s application of accounting standards, judgments, estimates, and assumptions that affect the amount of assets, liabilities, income and expenses are made by the management. These estimates and their underlying assumptions are made upon experience and available information and are based on the best judgment of the management in consideration of various factors considered to be rational in the fiscal year-end. However, due to their nature, figures based on these estimates and assumptions may differ from actual results. In addition, estimates and assumptions will continue to be reviewed. With respect to changes in accounting estimates, changes to estimates will be recognized within the accounting period and in the affected future accounting period.

With respect to judgments made by management that have a significant impact on the amount of consolidated financial statements and estimates with risks leading to significant revisions to the book value of assets and liabilities in the following fiscal year, the underlying assumptions are as follows.

Furthermore, with respect to future earnings forecasts, although the impact of inflation will remain in fiscal 2022, we expect that the recovery from the impact of the spread of COVID-19 infections and growth drivers in each reporting segment will propel our business. Contributed also by improvements in operating rates of factories, we assume that sales and profits will increase, and perform accounting estimates such as impairment test of goodwill based on such assumption.

(1) Valuation of inventories

Although inventories are measured at cost, if the net realizable value at the fiscal year-end is falling lower than cost, it will be measured by relevant net realizable value. In principle, the differences between the cost and net realizable value are recognized as cost of sales. In addition, With respect to inventories unrelated to the business cycle process, the net realizable value, etc. is calculated to reflect future demand and market trends. Loss can occur if the market environment is worse than expected and the net realizable value drops significantly.

The amount of inventories stated on the consolidated financial position as of March 31, 2022 is 198,536 million yen.

(2) Estimate of useful lives and residual values of noncurrent assets

Property, plant and equipment is depreciated based on estimated useful lives, which is the expected period of future economic benefits associated with the asset. If Property, plant and equipment becomes obsolete in the future or is reused for other purposes, estimated useful lives may become shorter, and depreciation may increase. Details on useful lives of property, plant and equipment is stated in “1. Basis for Preparation of Consolidated Financial Statements (4) Accounting standards 3) Property, plant and equipment.” With respect to residual value, excluding those for which the sale value (after deducting disposal costs) can be estimated when useful lives arrive, is set to zero or a memorandum price. Furthermore, with respect to intangible assets, excluding those with indefinite useful lives or not yet available for use, they are amortized depending on estimated useful lives which is the expected period for future economic benefits associated with the asset. Depreciation costs have a risk that increases as the estimated useful lives change due to external factors such as changes in the business environment. Details for useful lives are stated in "1. Basis for Preparation of Consolidated Financial Statements (4) Accounting standards 4) Goodwill and intangible assets."

The amounts of property, plant and equipment and intangible assets stated on the consolidated financial position as of March 31, 2022 are 333,864 million yen and 264,120 million yen, respectively.

(3) Estimate of the recoverable amount at the impairment test

Non-financial assets (excluding inventories and deferred tax assets) are tested for impairment when there is any indication that the recoverable amount is lower than the carrying amount. Goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for use are tested for impairment when there is any indication of impairment, and at a certain time in a fiscal year.

Important factors which trigger impairment tests being conducted include significant deterioration in past or expected operating results, significant changes in the use of acquired assets, changes in overall strategies, and significant deterioration in industry and economic trends.

Goodwill is allocated to cash generating units or group of cash generating units identified based on the type of business and are tested for impairment when there is any indication of impairment, and at a certain time in a fiscal year.

In calculating the recoverable amount with respect to an impairment test, certain assumptions are made with respect to useful lives of the asset, future cash flows and discount rates that reflect the risks specific to the asset and long-term growth rates. These assumptions are determined by management's best estimates and judgments but may be affected by the consequences of uncertain future fluctuations in economic conditions. When a review is needed, it can have a significant impact on the amount recognized in consolidated financial statements from the following fiscal year onwards. The calculation method for the recoverable amount is stated in "1. Basis for Preparation of Consolidated Financial Statements (4) Accounting standards 6) Impairment of non-financial assets."

The amounts of property, plant and equipment, goodwill, and intangible assets stated on the consolidated financial position as of March 31, 2022 are 333,864 million yen and 514,801 million yen, respectively.

Furthermore, consolidated statements of profit or loss for the consolidated fiscal year ended March 31, 2022 recorded no significant impairment loss.

(4) Measurement of defined benefit obligations

The Group has multiple retirement benefit plans, including a defined benefit plan.

The present value of the defined benefit liabilities and related service cost is calculated based on actuarial assumptions. Actuarial assumptions require estimates and judgments about variables such as discount rate and net interest.

Actuarial assumptions are determined by management's best estimates and judgments but may be affected by uncertain future fluctuations in economic conditions and need to be reviewed. They may have a significant impact on the amount recognized in the consolidated financial statements from the following fiscal year onwards.

The amounts of retirement benefit assets and liabilities stated on the consolidated financial position as of March 31, 2022 are 12,492 million yen and 5,811 million yen, respectively. Furthermore, retirement benefit assets are included in “Other non-current assets” in the Consolidated Statements of Financial Position.

(5) Share-based payments

The Group has a share-based compensation system. Estimates of share-based compensation costs related to share options granted to officers are based on the optional fair value determined by the Black-Scholes-Merton Option Pricing Model (hereinafter, referred to as “Black-Scholes Model”). The Black-Scholes Model involves various assumptions that require a high degree of judgment, such as expected volatility on the option grant date, expected remaining life of share options and fair value of the share on the option grant date. Estimates of expected volatility are based on the past volatility of similar listed reference companies. Estimates of expected remaining life of share options are based on forecasts of future share price fluctuations and forecast exercise patterns of option holders.
The amount of subscription rights to shares stated on the consolidated financial position as of March 31, 2022 is 707 million yen. Furthermore, subscription rights to shares are included in “Other components of equity” in the Consolidated Statements of Financial Position.

(6) Recoverability of deferred tax assets

Deferred tax assets are recognized to the extent that there is a high possibility that taxable income will be generated that can be used for deducted temporary differences in the future. With respect to recognition of deferred tax assets, in determining the possibility of taxable income, we estimate and calculate the period and amount of taxable income that can be earned in the future based on the business plan.
The period and amount of Taxable income may be affected by uncertain future fluctuations in economic conditions, and if the actual period and amount differ from the estimate, it may have a significant impact on the amount recognized in the consolidated financial statements from the following fiscal year onwards.
The amount of deferred tax assets stated on the consolidated financial position as of March 31, 2022 is 20,198 million yen.

(7) Fair value of financial instruments

The Group uses valuation techniques that utilize non-observable inputs in the market when valuing the fair value of financial instruments. Fair value calculated by valuation techniques, including non-observable inputs, is premised on assumptions such as appropriate basis rates and selection of computational models to be adopted. Non-observable inputs can be affected by uncertain future changes in economic conditions that may have a significant impact on future consolidated financial statements.
The amounts of financial assets and financial liabilities stated on the consolidated financial position as of March 31, 2022 are 6,560 million yen and 3,185 million yen, respectively.

5. Notes to the Consolidated Statement of Financial Position

(1) Loss allowance provision deducted directly from assets

Trade and other receivables 2,007 million yen

(2) Accumulated depreciation on property, plant and equipment 426,612 million yen

6. Notes to the Consolidated Statement of Changes in Equity

(1) Total number of shares issued

(Thousand shares)

	Number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Number of shares at the end of the fiscal year
Ordinary share	759,521	—	—	759,521
Total	759,521	—	—	759,521

(2) Number of treasury shares

(Thousand shares)

	Number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Number of shares at the end of the fiscal year
Ordinary share	3,508	0	313	3,194
Total	3,508	0	313	3,194

(Reason for the change)

Increase due to the purchase of shares of less than one unit of stock: 0 thousand shares

Decrease due to exercise of stock options: 25 thousand shares

Decrease due to disposal shares as restricted stock compensation 46 thousand shares

Decrease due to the conversion to shares by convertible bonds with share subscription rights:
241 thousand shares

(3) Dividends from retained earnings

1) Payment of dividends

Resolution	Class of shares	Total dividends paid (Millions of yen)	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 22, 2021	Ordinary share	11,340	15	March 31, 2021	June 23, 2021
Meeting of the Board of Directors held on November 4, 2021	Ordinary share	12,100	16	September 30, 2021	December 3, 2021
Total		23,440			

2) Dividends whose record date is in the current fiscal 2021 but whose effective date is in the next fiscal year

At the Annual General Meeting of Shareholders to be held on June 22, 2022, the following resolutions are expected to be made.

Resolution	Class of shares	Total dividends paid (Millions of yen)	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders to be held on June 22, 2022	Ordinary share	13,613	18	March 31, 2022	June 23, 2022

The source of dividends will be retained earnings.

(4) Matters concerning stock acquisition rights as of March 31, 2022 (excluding those for which the first date of the exercise period has not arrived yet)

	Class of shares to be issued upon exercise of stock acquisition rights	Number of shares to be issued upon exercise of stock acquisition rights
First issue of stock acquisition rights	Ordinary share	25,140 shares
Second issue of stock acquisition rights	Ordinary share	40,660 shares
Third issue of stock acquisition rights	Ordinary share	43,928 shares
Fourth issue of stock acquisition rights	Ordinary share	52,472 shares
Fifth issue of stock acquisition rights	Ordinary share	80,696 shares
Sixth issue of stock acquisition rights	Ordinary share	65,656 shares
Seventh issue of stock acquisition rights	Ordinary share	11,520 shares
Eighth issue of stock acquisition rights	Ordinary share	12,440 shares
Ninth issue of stock acquisition rights	Ordinary share	8,448 shares

7. Notes to Financial Instruments

(1) Overview of financial instruments

1) Capital management

The Group's capital management policy is to maximize corporate value by pursuing growth opportunities which are greater than cost of capital, increasing asset efficiency through improvement of business operations, and build a financially sound, optimal capital structure.

The Group monitors financial indicators to maintain an optimal capital structure. The Group monitors credit ratings for financial soundness and flexibility of capital, and the rate of return on invested capital (ROIC) and the return on equity attributable to owners of the parent company (ROE) for capital efficiency.

2) Financial risk management

The Group is exposed to a variety of financial risks, such as credit risk, liquidity risk, market risks (currency risk, interest rate risk, and price risk) in its operations. The Group manages its risks to reduce these financial risks. The basic policy of risk management covers the risks associated with business operations, but not for speculative transactions.

3) Credit risk management

Credit risk is the risk of financial loss due to counterparties' inability to fulfill their obligations.

The Group regularly monitors the conditions of its major customers, and manages the due date and balance of trade receivables by customers according to the Group's internal policy for credit management, for the purpose of identifying recoverability concerns due to deterioration of a customer's financial situation at an early stage and revising and improving the protection of trade receivables. As a result, there are no material past due trade receivables. In regard to derivative transactions, the Group only deals with highly creditworthy financial institutions, and therefore the credit risk is considered as to be low.

The Group is not exposed to excessive credit risk associated with specific customers that require exceptional management.

The Group's maximum exposures to credit risk are the carrying amount of the financial assets in the Consolidated Statement of Financial Position. Trade receivables are categorized according to customers' credit risk features, and loss allowance for trade receivables is measured based on the historical credit loss ratio and expected future economic conditions for each category based on a simplified approach.

4) Liquidity risk management

Liquidity risk is the risk of facing difficulties in fulfilling obligations related to financial liabilities settled by cash or other financial assets. The Group procures necessary funds through bank borrowings and corporate bonds; however, these liabilities are exposed to liquidity risk of failure for making payments on due dates due to the deterioration of funding environment or other factors.

The Group creates and revises the procurement of funding schedule based on the annual business plan, understands and consolidates the liquidity on hand and the status of the interest-bearing debt, and reports to the Board of Directors on a timely basis. The Group monitors the ongoing forecast for funding demand and maintains sufficient unused portion of the contractual borrowing facilities.

5) Market risk management

The Group is exposed to market risks related to foreign currency exchange risk associated with the foreign currency-denominated transactions, the interest rate risk associated with raising funds , and the market price risk associated with the listed stocks held by the Group.

(1) Currency risk

The Group is exposed to currency risk that arises from import and export transactions and overseas transactions denominated in foreign currencies. Currency risk arises from forecast transactions such as future sales, financing and repayment, or assets and liabilities that have been already recognized. The Group continuously monitors foreign exchange rates to manage such risks.

The Group has entered into foreign currency forward contracts to hedge the currency risks arising from forecast transactions such as future sales, financial assets and financial liabilities denominated in foreign currency transactions. In addition, to hedge future cash flows arising from the borrowings denominated in foreign currency, the Group has entered into a cross-currency interest rate swap contract with the same maturity as the redemption date of the underlying transactions.

Consequently, receivables and liabilities denominated in foreign currencies are exposed to the risk arising from fluctuations in foreign exchange rates. However, the impact of the risk is limited due to the offset effect by foreign currency forward contracts.

(2) Interest rate risk

Interest rate risk is the risk arising from the changes in market interest rates affecting changes in the fair value or future cash flows of financial instruments. The Group's exposure to interest rate risk is mainly related to liabilities, such as bonds and borrowings, and receivables, such as interest-bearing deposits.

The Group is exposed to the risk of fluctuation of future cash flows resulting from the risk of interest rate fluctuation on part of its funding borrowed from financial institutions at floating rates.

In order to hedge its exposure to increase in future interest payments resulting from a rise in interest rates, the Group raises funds through issuance of corporate bonds with fixed interest rates or enters into mainly interest rate swap transactions to hedge interest rate risk associated with the floating rate on borrowings in order to make cash flows stable.

(3) Price risk of equity securities

The price risk of equity instruments is the risk arising from changes in market prices affecting the changes in fair value or future cash flows of financial instruments (excluding changes arising from interest rate risk and currency risk).

The Group is exposed to price risk arising from the equity instruments it holds. Shares with market prices, which are not for trading purpose, are classified as financial assets measured at fair value through other comprehensive income.

To manage price risk arising from such equity instruments, the Group makes basic policies in relation to the investment in such equity instruments that shall be complied within the Group. In addition, it is obligated to report to and obtain approval from the Board of Directors on a timely basis regarding significant investments in equity instruments. The Group reviews the economic rational and purpose of equity instruments held by the group from a mid-to-long term perspective and, in addition, significant equity instruments are regularly reviewed by the Board of Directors.

(2) Fair value measurements of financial instruments

1) Classification of fair value hierarchy

Financial instruments measured at fair value are classified from Level 1 to Level 3 in the fair value hierarchy with reference to the observability and significance of the inputs used in the valuation technique. The fair value hierarchy is defined as follows:

Level 1: Fair value is measured using quoted prices(unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is measured using the observable inputs which fail to meet level 1, either directly or indirectly.

Level 3: Fair value is measured using unobservable inputs.

2) Fair value of financial assets and financial liabilities measured at fair value on a recurring basis

(1) Fair value hierarch

The financial assets and financial liabilities measured at fair value in the Consolidated Statement of Financial Position by each level of the fair value hierarchy are as follows:

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets				
Financial assets measured at fair value through profit or loss				
Derivatives	−	4,129	−	4,129
Other	−	5,978	−	5,978
Financial assets measured at fair value through other comprehensive income				
Shares	5,335	−	2,754	8,090
Other	−	−	3,806	3,806
Total	5,335	10,108	6,560	22,004
Financial liabilities				
Other financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivatives	−	890	−	890
Contingent considerations	−	−	3,185	3,185
Total	−	890	3,185	4,075

Transfers of financial instruments between levels of the fair value hierarchy are assessed at each reporting date. There were no significant transfers between Level 1 and Level 2 for the fiscal year ended March 31, 2022.

(2) Valuation techniques for fair value measurement of financial assets and financial liabilities

(a) Shares

The fair value of listed stocks is measured at the quoted market prices on stock exchanges and is categorized into Level 1.

(b) Derivatives

The fair value of foreign currency forward contracts is measured at the present value calculated using the forward exchange rate at the end of the reporting period. The fair value of cross-currency interest rate swaps is measured based on observable market data such as interest rate. Therefore, foreign currency forward contracts and cross-currency interest rate swaps are categorized as Level 2.

(c) Contingent consideration

Contingent consideration arising from business combinations mainly resulted from the acquisitions of the large bore vascular closure business from Medeon Biodesign, Inc. and Quirem Medical B.V. which became 100% subsidiary of the Company by additional acquisition of shares.

The contingent consideration for the acquisition of the business from Medeon Biodesign, Inc. is based on the completion of the development and the period of FDA approval. According to the achievement of milestones, a payment between USD0 and USD20 million will be made. The fair value of the contingent consideration is measured using a discounted cash flows valuation technique and calculated based on the periods and the expected payments corresponding to the achievement of milestones, probability of occurrence and time value of money.

The contingent consideration for the acquisition of Quirem Medical B.V. is based on the acquisition of CE marking certification for the development of next-generation microspheres and achievement of specific performance indicators. According to the achievement of milestones, a payment USD20 million at maximum will be made.

The fair value of the contingent consideration is measured using a discounted cash flows valuation technique and calculated based on the periods and the expected payments corresponding to the achievement of milestones, probability of occurrence and time value of money.

The contingent consideration is categorized as level 3 measured using a valuation technique with reference to unobservable inputs.

(3) Movements in financial assets and financial liabilities classified as Level 3

Movements in financial assets classified as Level 3 from the beginning to the end of the fiscal year ended March 31, 2022 are as follows:

	(Millions of yen)
Beginning balance	4,851
Total gains or losses	
Profit or loss (Note)	39
Other comprehensive income	356
Additions	1,555
Sales	(202)
Other	(39)
Ending balance	6,560
Changes in unrealized profit or loss recorded in “Profit or loss” for assets held at the end of the reporting period	–

(Note) Profit or loss is presented in “Finance income” in the Consolidated Statement of Profit or Loss.

Movements in financial liabilities classified as Level 3 from the beginning to the end of the fiscal year ended March 31, 2022 are as follows:

	(Millions of yen)
Beginning balance	3,658
Business combinations	282
Settlements	(1,424)
Changes in fair value (Note 2)	409
Exchange differences on translation of foreign operations	260
Ending balance	3,185
Changes in unrealized profit or loss recorded in "Profit or loss" for liabilities held at the end of the reporting period (Note 3)	185

(Note 1) The financial liabilities are contingent consideration described in (2) (c) above.

(Note 2) Changes in fair value are included in "Other expenses" and "Finance costs" in the Consolidated Statement of Profit or Loss.

(Note 3) These changes are included in "Finance costs" in the Consolidated Statement of Profit or Loss.

3) Financial assets and financial liabilities that are not measured at fair value on a recurring basis

(1) Fair value and carrying amounts

The carrying amounts and fair values of the financial instruments for the fiscal year ended March 31, 2022 are described below. Carrying amounts shown below do not include financial instruments for which the carrying amounts reasonably approximate to their fair values.

		(Millions of yen)
	Carrying amount	Fair value
Bonds	29,956	29,959
Long-term loans borrowings	196,040	195,561

(Note) The above table includes current portion of long-term loans payable.

(2) Fair value measurements of financial instruments

The valuation techniques for fair value measurement for the financial instruments described above are as follows:

(a) Long-term borrowings

The fair value of long-term borrowings with floating interest rates reflecting short-term interest rates, are measured at book value, considering the carrying amounts approximate to the fair value, as the Company's credit conditions do not fluctuate significantly from executing the borrowings. The fair value of long-term borrowings with fixed interest rates are measured at the present value of the total amount of principal and interest for the remaining borrowing period, using an interest rate that would be applied for new borrowings.

(b) Bonds

The fair value of bonds is measured using quoted prices that are observable in markets.

8. Notes to Per Share Information

(1) Equity attributable to owners of parent per share:	1,338.46 yen
(2) Basic earnings per share:	117.45 yen

9. Notes to Material 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) Reasons 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 thousand 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 cancelled

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

3) Planned cancellation date

January 13, 2023

Non-consolidated Statements of Changes in Equity

Fiscal Year 2021 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for reduction entry	Reserve for special depreciation	Retained earnings brought forward	Total retained earnings
Balance at the beginning of current period	38,716	52,103	—	52,103	3,297	491	82,900	551,401	638,090
Changes of items during the period									
Dividends from surplus								(23,440)	(23,440)
Profit								62,791	62,791
Acquisition of treasury stock									
Disposal of treasury stock			105	105					
Conversion of convertible bond-type bonds with subscription rights to shares			(10)	(10)					
Reversal of reserve for reduction entry						(33)		33	
Net changes of items other than shareholders' equity									
Total changes of items during the period	—	—	94	94	—	(33)	—	39,384	39,351
Balance at the end of current period	38,716	52,103	94	52,198	3,297	458	82,900	590,786	677,441

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at the beginning of current period	(6,838)	722,072	2,385	2,385	710	725,169
Changes of items during the period						
Dividends from surplus		(23,440)				(23,440)
Profit		62,791				62,791
Acquisition of treasury stock	(3)	(3)				(3)
Disposal of treasury stock	141	246				246
Conversion of convertible bond-type bonds with subscription rights to shares	470	460				460
Reversal of reserve for reduction entry						
Net changes of items other than shareholders' equity			192	192	(3)	188
Total changes of items during the period	608	40,054	192	192	(3)	40,243
Balance at the end of current period	(6,229)	762,127	2,577	2,577	707	765,412

Notes to Non-consolidated Financial Statements

1. Significant Accounting Policies

(1) Standards and methods for valuation of assets

1) Securities

Stocks of subsidiaries and affiliates

Stated at cost using the moving-average method

Available-for-sale securities

- Securities other than shares, etc. that do not have a market price

  Stated at market value based on the quoted market price, etc., at fiscal year-end

  (Valuation difference is reported as a separate component of net assets. The cost of sales is calculated using the moving-average method.)

- Shares, etc. that do not have a market price

  Stated at cost using the moving-average method

2) Derivatives

Stated at fair value

3) Inventories

Inventories held for sale in the ordinary course of business

Principally, stated at cost using the weighted-average method

(Balance sheet amounts are calculated by writing down their net realizable value when there is evidence of deterioration in value.)

(2) Depreciation method for noncurrent assets

1) Property, plant and equipment (excluding lease assets)

The straight-line method is applied.

Principal useful lives are as follows:

Buildings:	3-50 years
Machinery and equipment:	4-15 years

2) Intangible assets (excluding lease assets)

The straight-line method is applied. However, computer software for internal use is amortized by the straight-line method over the estimated internal useful life (5-10 years).

Goodwill is amortized by the straight-line method over 20 years based on the estimated period for each acquired business during which the excess earning power is maintained.

Customer relationship is amortized by the straight-line method over the estimated useful life (10 years).

3) Lease assets

Finance leases that do not transfer the ownership of the leased assets to the lessee

The straight-line method with no residual value is applied, regarding the lease term as the useful life.

(3) Standards of accounting for allowances and provisions

1) Allowance for doubtful accounts

Allowance for doubtful accounts is provided to cover possible losses on notes and accounts receivable. The Company records an estimated irrecoverable amount based on the historical write-off rate for ordinary receivables and based on assessment of recoverability of individual receivables for specific doubtful accounts.

2) Provision for bonuses

The Company provides reserve for payment of bonuses to employees based on the amount of estimated employees' bonuses at the fiscal year-end.

3) Provision for directors' bonuses

Reserve for payment of bonuses to directors is provided based on the amount of estimated directors' bonuses at the fiscal year-end.

4) Provision for retirement benefits

The Company provides reserve for employees' retirement benefits based on the projected benefit obligation and plan assets at fair value at the fiscal year-end.

Prior service cost is charged to income by the straight-line method over certain periods (10 years) within the average remaining service period of employees expected to receive benefits, commencing with the following fiscal year.

Actuarial gains and losses are charged to income by the straight-line method over certain periods (10 years) within the average remaining service period of employees expected to receive benefits, commencing with the following fiscal year.

On the non-consolidated balance sheet, the amount of pension assets exceeded the projected benefit obligations net of unrecognized actuarial gains and losses and unrecognized prior service costs. The exceeded amount is included in "other" in "investment and other assets" as prepaid pension expenses.

5) Provision for directors' retirement benefits

Reserve for payment of directors' retirement benefits is provided in accordance with the former internal rules in the projected benefit obligation corresponding to the length of service of each eligible director and corporate auditor from his/her appointment to the conclusion of the Annual General Meeting of Shareholders held on June 29, 2006.

(4) Standards of accounting for recording revenue and expenses

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29 issued on March 31, 2020) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30 issued on March 26, 2021) have been applied from the fiscal year ended March 31, 2022. The Company recognizes revenue from contracts with customers based on the following five-step approach when control of a promised good or service is transferred to a customer or as it is transferred in an amount that reflects the consideration to which the Company expects to be entitled in exchange for such goods and services.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company is primarily engaged in manufacture and sales of medical devices and medical supplies. For the sales of these products, our performance obligation is to deliver products to the customer based on our contract with the customer.

Because the customer obtains control over the products upon delivery, the performance obligation is judged to have been satisfied and revenue is therefore recognized upon delivery of the products.

(5) Other significant matters for preparation of non-consolidated financial statements

(Significant hedge accounting)

i) Method of hedge accounting

The Company principally adopts the deferral method of hedge accounting. Interest rate and currency swaps that meet certain criteria are accounted for by the integrated accounting treatment (designated treatment and special accounting treatment).

ii) Hedging instruments and hedged items

Hedging instruments:	Forward exchange contracts and interest rate and currency swaps
Hedged items:	Monetary assets and liabilities denominated in foreign currencies, forecast transactions denominated in foreign currencies, long-term loans payable, loans payable denominated in foreign currencies

iii) Hedging policy

Based on the Company's policy of managing risks according to risk types, the Company hedges risks arising from changes in foreign currency exchange rates and interest rates.

iv) Method of assessment of hedge effectiveness

The Company assesses hedge effectiveness by comparing the cumulative changes in cash flows from hedged items or changes in fair value of hedged items and corresponding changes in hedging instruments every half year.

With respect to interest rate and currency swaps that meet the criteria for accounting by the integrated accounting treatment, assessment of hedge effectiveness is omitted.

2. Changes in Accounting Standards

(Application of "Accounting Standard for Revenue Recognition" and other standards)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29 issued on March 31, 2020; hereinafter "Revenue Recognition Standard") and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30 issued on March 26, 2021) have been applied from the fiscal year ended March 31, 2022. The Company recognizes revenue when control of a promised good or service is transferred to a customer or as it is transferred in an amount that reflects the consideration to which the Company expects to be entitled in exchange for such goods and services.

The impact of these changes on profit or loss and financial conditions in the fiscal year is slight, and there is no impact on per share information.

The Company applies the Revenue Recognition Standard, etc. in accordance with the transitional treatment provided for in the proviso to Paragraph 84 of the Revenue Recognition Standard. There is no impact on the balance of retained earnings at the beginning of the period.

(Application of "Accounting Standard for Fair Value Measurement" and other standards)

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30 issued on July 4, 2019), "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on July 4, 2019), "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10 issued on July 4, 2019), "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 issued on March 31, 2020), and "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 issued on July 4, 2019) have been applied from the fiscal year ended March 31, 2022.

These changes do not impact profit or loss, financial conditions, or per share information for the fiscal year.

3. Revenue Recognition

Useful information in understanding revenue from contracts with customers is omitted as the same details are presented in "1. Basis for Preparation of Consolidated Financial Statements (4) Accounting standards 9) Revenue" in the notes to consolidated financial statements.

4. Accounting Estimates

(1) Valuation of inventories

1) Amounts stated on the non-consolidated financial statements for the fiscal year ended March 31, 2022

Merchandise and finished goods	44,097 million yen
Work in process	7,731 million yen
Raw materials and supplies	16,795 million yen

2) Other information that contributes to the users understanding of non-consolidated financial statements regarding the content of accounting estimates

Information regarding the impact on significant accounting estimates measurement methods, underlying assumptions and non-consolidated financial statements for the following fiscal year is stated in "4. Accounting Estimates (1) Valuation of inventories," in notes to consolidated financial statements.

(2) Estimate of useful lives and residual values of noncurrent assets

1) Amounts stated on the non-consolidated financial statements for the fiscal year ended March 31, 2022

Property, plant and equipment	99,980 million yen
Intangible assets	27,115 million yen

2) Other information that contributes to the users understanding of non-consolidated financial statements regarding the content of accounting estimates

Information regarding the impact on significant accounting estimates measurement methods, underlying assumptions and non-consolidated financial statements for the following fiscal year is stated in “4. Accounting Estimates (2) Estimate of useful lives and residual values of noncurrent assets” in notes to consolidated financial statements.

(3) Estimate of recoverable amount at the impairment test

1) Amounts stated on the non-consolidated financial statements for the fiscal year ended March 31, 2022

No impairment loss is recorded in the fiscal year ended March 31, 2022.

2) Other information that contributes to the users understanding of non-consolidated financial statements regarding the content of accounting estimates

Information regarding the impact on significant accounting estimates measurement methods, underlying assumptions and non-consolidated financial statements for the following fiscal year is stated in “4. Accounting Estimates (3) Estimate of the recoverable amount at the impairment test” in notes to consolidated financial statements.

(4) Measurement of provision for retirement benefits

1) The amount stated on the non-consolidated financial statements for the fiscal year ended March 31, 2022

Prepaid pension expenses	9,065 million yen

Furthermore, repaid pension expenses are included in “Other” in “Investments and other assets” in the non-consolidated financial statements.

2) Other information that contributes to the users understanding of non-consolidated financial statements regarding the content of accounting estimates

Information regarding the impact on significant accounting estimates measurement methods, underlying assumptions and non-consolidated financial statements for the following fiscal year is stated in “4. Accounting Estimates (4) Measurement of defined benefit obligations” in notes to consolidated financial statements.

(5) Stock-based remuneration

1) The amount stated on the non-consolidated financial statements for the fiscal year ended March 31, 2022

Subscription rights to shares 707 million yen

2) Other information that contributes to the users understanding of non-consolidated financial statements regarding the content of accounting estimates

Information regarding the impact on significant accounting estimates measurement methods, underlying assumptions and non-consolidated financial statements for the following fiscal year is stated in “4. Accounting Estimates (5) Stock-based remuneration” in notes to consolidated financial statements.

(6) Recoverability of deferred tax assets

1) The amount stated on the non-consolidated financial statements for the fiscal year ended March 31, 2022

Deferred tax assets 9,887 million yen

2) Other information that contributes to the users understanding of non-consolidated financial statements regarding the content of accounting estimates

Information regarding the impact on significant accounting estimates measurement methods, underlying assumptions and non-consolidated financial statements for the following fiscal year is stated in “4. Accounting Estimates (6) Recoverability of deferred tax assets” in notes to consolidated financial statements.

5. Notes to the Non-consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment: 240,014 million yen

(2) Guarantee obligations

Guarantee obligations for subsidiaries’ borrowings from financial institutions

Terumo BCT Holding Corporation: 2,259 million yen

(3) Monetary receivables and monetary obligations to subsidiaries and affiliates (excluding items shown by category)

Short-term monetary receivables:	124,367 million yen
Short-term monetary obligations:	229,251 million yen

6. Notes to the Non-consolidated Statements of Income

(1) Amount of transactions with subsidiaries and affiliates

Amount of business transactions

Sales:	146,998 million yen
Purchase:	68,474 million yen
Other:	3,083 million yen
Amount of transactions other than business transactions:	21,465 million yen

7. Notes to the Non-consolidated Statements of Changes in Net Assets

(1) Number of treasury stock

(Thousand shares)

	Number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Number of shares at the end of the fiscal year
Common stock	3,508	0	313	3,194
Total	3,508	0	313	3,194

(Reason for the change)

The breakdown of the change in the number of shares is as follows:

Increase due to the purchase of shares of less than one unit of shares: 0 thousand shares

Decrease due to exercise of stock options: 25 thousand shares

Decrease due to disposal for restricted stock remuneration: 46 thousand shares

Decrease due to the conversion of convertible bonds with stock acquisition rights:

241 thousand shares

8. Notes to Deferred Tax Accounting

(1) Breakdown of deferred tax assets and deferred tax liabilities by major cause

	(Millions of yen)
Deferred tax assets	
Provision for retirement benefits	913
Research and development expenses	2,575
Provision for bonuses	1,686
Accounts payable-other and accrued expenses	1,563
Loss on valuation of investment securities	276
Shares of subsidiaries and associates	2,873
Loss on valuation of inventories	950
Other	1,664
Subtotal deferred tax assets	12,504
Valuation allowance related to total deductible temporary differences	(6)
Subtotal valuation allowance	(6)
Total deferred tax assets	12,497
Deferred tax liabilities	
Gain on contribution of securities to retirement benefit trust	(1,479)
Cost difference	(170)
Valuation difference on available-for-sale securities	(757)
Reserve for advanced depreciation	(202)
Total deferred tax liabilities	(2,609)
Net deferred tax assets	9,887

(2) Breakdown of major causes for the significant difference between the effective statutory tax rate and the actual effective tax rate after application of deferred tax accounting

	(%)
Effective statutory tax rate	30.6
(Adjustment)	
Permanent difference-expenses (entertainment expenses etc.)	0.4
Permanent differences-income (dividend income etc.)	(6.1)
Tax credit for research and development	(4.6)
Other	0.1
Actual effective tax rate after application of deferred tax accounting	20.4

9. Notes concerning Related Party Transactions

(1) Subsidiaries

(Millions of yen)

Type	Company name	Ownership of voting rights	Relationship with the related party	Transactions	Transaction amount	Account	Balance at the end of the fiscal year
Subsidiary	Terumo Europe N.V.	100% directly owned by the Company	Interlocking directorate Sales of the Company's products Borrowing	Sales of the Company's products	40,004	Accounts receivable-trade	22,767
				Borrowing of funds	6,421	Short-term loans payable	20,760
				Repayment of funds	7,929		
Subsidiary	Terumo Medical Corporation	100% indirectly owned by the Company	Interlocking directorate Sales of the Company's products Receipt of royalty	Sales of the Company's products	34,415	Accounts receivable-trade	9,187
				Receipt of royalty	2,064	—	—
Subsidiary	Terumo Americas Holding, Inc.	100% directly owned by the Company	Interlocking directorate Lending	Lending of funds	8,059	Long-term loans receivable from subsidiaries and affiliates	20,218
				Collection of funds	2,415		
Subsidiary	MicroVention, Inc.	100% indirectly owned by the Company	Interlocking directorate Lending	Collection of funds	628	Short-term loans receivable	710
						Long-term loans receivable from subsidiaries and affiliates	7,652
Subsidiary	Terumo BCT Holding Corp.	100% indirectly owned by the Company	Interlocking directorate Lending	Lending of funds	5,442	Short-term loans receivable	12,239
				Collection of funds	5,777	Long-term loans receivable from subsidiaries and affiliates	36,717
				Debt guarantee	2,259	—	—
Subsidiary	Terumo Asia Holdings Pte. Ltd.	100% directly owned by the Company	Interlocking directorate Borrowing	Borrowing of funds	6,594	Short-term loans payable	13,133
				Repayment of funds	3,913		

Type	Company name	Ownership of voting rights	Relationship with the related party	Transactions	Transaction amount	Account	Balance at the end of the fiscal year
Subsidiary	Terumo Yamaguchi Corporation	100% directly owned by the Company	Interlocking directorate Lending	Lending of funds	121,800	Short-term loans receivable	31,000
				Collection of funds	120,300		
Subsidiary	Terumo Yamaguchi D&D Corporation	100% indirectly owned by the Company	Interlocking directorate Lending	Lending of funds	58,500	Short-term loans receivable	14,800
				Collection of funds	59,200		
Subsidiary	Terumo Capital Management Pte. Ltd.	100% directly owned by the Company	Interlocking directorate Borrowing	Borrowing of funds	5,018	Short-term loans payable	130,673
				Payment of interest	591	—	—
Subsidiary	Terumo Global Reinsurance, Inc.	100% directly owned by the Company	Interlocking directorate Borrowing	Borrowing of funds	800	Short-term loans payable	36,360

Notes: Terms of transactions and the policy for determining the terms of transactions

1. Transaction prices and other terms of transactions with subsidiaries and affiliates are determined through negotiations with the Company.
2. Transaction amounts do not include foreign currency translation gains or losses. Year-end balances include foreign currency translation gains or losses.
3. Interest rates of loans payable are determined reasonably, taking into consideration market interest rates.
4. Interest rates of loans receivable are determined reasonably, taking into consideration market interest rates.
5. The Company provides debt guarantee to Terumo BCT Holding Corp. for its bank borrowings. The Company receives guarantee charges at 0.3% per annum.

10. Notes to Per Share Information

(1) Net assets per share: 1,011.08 yen

(2) Net income per share: 83.04 yen

11. Notes to Material Subsequent Events

Notes to material subsequent events are omitted as the same details are presented in “9. Notes to Material Subsequent Events” in the notes to consolidated financial statements.