



May 15, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 Terumo Corporation [IFRS]

Company name: TERUMO CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 4543
 URL: <https://www.terumo.com/>
 Representative: Shinjiro Sato, President and CEO
 Inquiries: Kenichi Hata, General Manager, Investor Relations Dept.
 Telephone: +81-3-6742-8550
 Scheduled date of annual general meeting of shareholders: June 27, 2023
 Scheduled date to file annual securities report: June 28, 2023
 Scheduled date to commence dividend payments: June 28, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for Securities analysts, Institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

Fiscal year ended	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	820,209	16.6	117,332	1.2	116,137	1.4	89,325	0.6	89,325	0.6	176,415	(1.1)
March 31, 2022	703,303	14.6	115,960	17.9	114,501	18.0	88,813	15.0	88,813	14.9	178,394	54.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent	Profit before tax per total assets	Operating profit to revenue
	Yen	Yen	%	%	%
March 31, 2023	119.00	118.95	8.4	7.6	14.3
March 31, 2022	117.45	117.38	9.5	8.1	16.5

(Note) Share of profit/(loss) of investments accounted for using the equity method March 2023: 171 million yen
 March 2022: 440 million yen
 Adjusted operating profit March 2023: 138,025 million yen March 2022: 134,441 million yen

(2) Consolidated financial position

As of	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
	Millions of yen	Millions of yen	Millions of yen	%	(Yen)
March 31, 2023	1,602,225	1,111,063	1,111,063	69.3	1,492.15
March 31, 2022	1,473,693	1,012,313	1,012,313	68.7	1,338.46

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	117,536	(59,121)	(86,559)	187,322
March 31, 2022	141,467	(78,454)	(70,879)	205,251

2. Cash dividends

	Annual dividends per share					Total dividends (total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended								
March 31, 2022	—	16.00	—	18.00	34.00	25,714	28.9	2.8
March 31, 2023	—	19.00	—	21.00	40.00	29,946	33.6	2.8
Fiscal year ending March 31, 2024 (Forecast)	—	22.00	—	22.00	44.00		32.4	

3. Consolidated Forecast for the Fiscal Year Ending March, 2024 (From April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Revenue		Adjusted operating profit		Operating profit		Profit for the year attributable to owners of the parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March, 2024	854,000	4.1	151,000	9.4	132,500	12.9	101,000	13.1	135.64

(Note) Assumed exchange rate for the fiscal year ending March, 2024: USD1=130 JPY, EUR1=145 JPY

*Notes

(1) Changes in significant subsidiaries during the year (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: — Company (Company Name) —

Excluded : 1 Company (Company Name) Terumo Yamaguchi D&D Corporation

As of October 1, 2022, Terumo Yamaguchi D&D Corporation is excluded from the scope of consolidation due to its extinguishment following the exclusion of an absorption-type merger in which Terumo Yamaguchi Corporation, the Company's subsidiary, was the surviving company and Terumo Yamaguchi D&D Corporation was the extinguished company.

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: Yes

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

(iii) Changes in accounting estimates: None

* Please refer to [Attachment], page 15, "3. Consolidated Financial Statements and Main Notes (5) Notes Pertaining to Consolidated Financial Statements (ii) Changes in Accounting Policy".

(3) Number of shares outstanding (common stock)

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

As of March 31,2023	747,682,540 shares	As of March 31, 2022	759,521,040 shares
---------------------	--------------------	----------------------	--------------------

(ii) Treasury shares at the end of the year

As of March 31,2023	3,074,907 shares	As of March 31, 2022	3,194,976 shares
---------------------	------------------	----------------------	------------------

(iii) Average number of shares during the year

As of March 31,2023	750,614,507 shares	As of March 31,2022	756,209,050 shares
---------------------	--------------------	---------------------	--------------------

* Financial statements are not subject to audits by certified accountants or audit firms.

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

1. Forward-looking statements, including earnings forecasts, contained in these disclosure materials are based on currently available information and assumptions believed to be reasonable by management. This is not a promise or guarantee by the Company that it will achieve these goals. In addition, actual results may differ significantly due to several factors. For the assumptions that are the premise of the earnings forecast and the precautions for using the earnings forecast, refer to [Attachment], page 6, "1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023 (4) Mid- to Long-term Outlook."

2. Adjusted operating profit factors out amortization expense for intangible assets obtained during acquisitions and one-off income and expenses from operating profit. In addition, adjusted operating profit is consistent with segment profit. We are disclosing adjusted operating profit as we are using it as a performance indicator.

○ Table of contents of attached materials

1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023	2
(1) Overview of Consolidated Business Results	2
(2) Overview of Consolidated Financial Position	5
(3) Cash flow trends in the fiscal year ended March 31, 2023	5
(4) Mid- to Long-term Outlook	6
(5) Basic policy for profit distribution, dividend payouts in the fiscal year ended March 31, 2023 and payout plan for the fiscal year ending March 31, 2024	7
2. Basic Concept Regarding the Selection of Accounting Standards	8
3. Consolidated Financial Statements and Main Notes	9
(1) Consolidated Statement of Financial Position	9
(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Profit or Loss	11
Consolidated Statement of Comprehensive Income	12
(3) Consolidated Statement of Changes in Equity	13
(4) Consolidated Statement of Cash Flows	14
(5) Notes Pertaining to Consolidated Financial Statements	15
(i) Going Concern Assumption	15
(ii) Changes in Accounting Policy	15
(iii) Segment Information	16
(iv) Earnings per Share	19
(v) Impairment of Non-Financial Assets	20
(vi) Subsequent Events	20
4. Others	21

1. Overview of Financial Results for the Fiscal Year Ended March 31, 2023

(1) Overview of Consolidated Business Results

In December 2021, the Terumo Group disclosed the 5-Year Growth Strategy. The strategy focuses on “From Devices to Solutions” as its vision in response to the major paradigm shifts taking place in healthcare, including the number of people living with chronic diseases rapidly increasing due to aging populations, and personalized medicine gaining traction through the evolution of genomic medicine and artificial intelligence (AI). We will promote management that transforms us into a company that can propose comprehensive solutions to customers’ issues by shifting our focus from products to customers and becoming more actively involved in the entire healthcare ecosystem. Consolidated financial results for the fiscal year under review, the first fiscal year of this 5-Year Growth Strategy, were as follows.

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023	Growth (%)	Growth excluding impact of FX translations (%)
Revenue	703,303	820,209	16.6	5.4
Gross profit	369,341	417,369	13.0	2.4
Adjusted operating profit	134,441	138,025	2.7	(6.1)
Operating profit	115,960	117,332	1.2	(5.4)
Profit before tax	114,501	116,137	1.4	—
Profit for the year	88,813	89,325	0.6	—
Profit for the year attributable to owners of the parent	88,813	89,325	0.6	—

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

(Unit: Millions of yen)

Geographic areas	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023	Growth (%)	Growth excluding impact of FX translations (%)
Japan	206,143	207,385	0.6	0.6
Europe	140,417	160,017	14.0	4.9
Americas	220,400	286,580	30.0	8.6
China	59,350	71,946	21.2	7.2
Asia and others	76,991	94,279	22.5	9.1
Overseas total	497,159	612,823	23.3	7.5
Total	703,303	820,209	16.6	5.4

Revenue

Revenue totaled ¥820.2 billion, an increase of 16.6% versus the previous fiscal year.

In Japan, overall revenue increased by 0.6% year on year, amid strong revenue from Pharmaceutical Solutions division, which pursues alliance business with pharmaceutical companies, and from new products in Vascular Graft division, despite a delayed recovery in medical demand due to the COVID-19 pandemic.

Overseas revenue increased by 23.3% year on year. This was because overall medical demand recovered, despite some localized impacts caused by COVID-19 in China etc., and all companies recorded double digit growth driven by Vascular Graft division.

Profit

Gross profit totaled ¥417.4 billion, an increase of 13.0% versus the previous fiscal year, because the effects of higher revenue and hikes to selling prices partially offset increases in manufacturing costs caused by a deteriorating macro economic environment.

Adjusted operating profit was ¥138.0 billion, an increase of 2.7% versus the previous fiscal year. This was attributed to stricter measures to control costs which partially offset the increase in selling, general and administrative expenses resulting from yen weakness.

Similarly, operating profit, profit before tax and profit for the year attributable to owners of the parent each rose.

Adjusted operating profit is a non-IFRS performance indicator that we disclose. Adjusted operating profit factors out amortization expense for intangible assets obtained during acquisitions and one-off income and expenses from operating profit. In addition, adjusted operating profit is consistent with segment profit.

Adjusted operating profit is being used as an indicator for corporate management to grasp earnings performance in each business as a part of our goal to achieve sustainable growth in the mid- to long-term. We believe this is also effective data for individuals using our financial statements to assess the Terumo Group's earnings.

Revenue results of the reportable segments are as follows:

(Unit: Millions of yen)

Segment		For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023	Growth (%)	Growth excluding impact of FX translations (%)
Cardiac and Vascular Company	Revenue	397,130	480,610	21.0	7.0
	(Japan)	51,144	51,900	1.5	1.5
	(Overseas)	345,986	428,709	23.9	7.8
Medical Care Solutions Company	Revenue	185,335	191,749	3.5	0.3
	(Japan)	142,735	143,502	0.5	0.5
	(Overseas)	42,599	48,247	13.3	(0.6)
Blood and Cell Technologies Company	Revenue	120,586	147,605	22.4	8.4
	(Japan)	12,012	11,738	(2.3)	(2.3)
	(Overseas)	108,573	135,866	25.1	9.5

Cardiac and Vascular Company

In Japan, revenue increased amid growth in sales of new products such as drug-eluting coronary stent and thoracic stent graft, which offset weaker demand caused by the impacts of the resurgence of COVID-19 cases. Overseas, all divisions performed well due to a steady recovery in medical demand as the market returned to a growth trajectory. The revenue for Vascular Graft division was solid amid launches of several new products in the United States.

As a result, Cardiac and Vascular Company revenue increased by 21.0% over the previous fiscal year to ¥480.6 billion.

Medical Care Solutions Company

In the Company's primary market of Japan, sales of new adhesion barrier products and pre-fillable syringes of Hospital Care Solutions division grew, offsetting impacts from the resurgence of COVID-19 cases. Additionally, sales of Pharmaceutical Solutions division, which pursues alliance business with pharmaceutical companies, trended strongly globally.

As a result, Medical Care Solutions Company revenue increased by 3.5% over the previous fiscal year to ¥191.7 billion.

Blood and Cell Technologies Company

In Japan, revenue declined amid weaker demand for blood bags in terms of products for blood centers. Overseas, revenue increased substantially, driven by the recovery in blood transfusion demand in Asia and other regions as well as strong demand for blood component collection systems in North America.

As a result, Blood and Cell Technologies Company revenue increased by 22.4% over the previous fiscal year to ¥147.6 billion.

(2) Overview of Consolidated Financial Position

Total assets stood at ¥1,602.2 billion, an increase of ¥128.5 billion. This was mainly owing to an increase in inventories of ¥51.1 billion due to the impacts of yen weakness in foreign exchange rates and growth in the size of business operations, as well as property, plant and equipment of ¥37.0 billion and goodwill and intangible assets of ¥23.4 billion due to the aforementioned foreign exchange rates impact and investment in manufacturing facility and new IT systems, which offset the decrease in cash and cash equivalents of ¥17.9 billion from acquisition of treasury shares.

Total liabilities came to ¥491.2 billion, an increase of ¥29.8 billion. This was mainly attributed to the increases in bonds and borrowings of ¥5.9 billion similarly due to the aforementioned foreign exchange rates impact and in trade and other payables of ¥16.2 billion owing to foreign exchange rates impact and raw materials purchases.

Total equity was ¥1,111.1 billion, an increase of ¥98.7 billion. This mainly reflects an increase from posting profit for the year of ¥89.3 billion, as well as the booking of other comprehensive income associated with the aforementioned foreign exchange rates impact resulted in a ¥87.1 billion increase, which offset the decrease of ¥50.1 billion from the acquisition of treasury shares and the decrease of ¥27.9 billion from dividends from retained earnings.

(3) Cash flow trends in the fiscal year ended March 31, 2023

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023	Change
Cash flows from operating activities	141,467	117,536	(23,931)
Cash flows from investing activities	(78,454)	(59,121)	19,332
Cash flows from financing activities	(70,879)	(86,559)	(15,679)
Cash and cash equivalents at the end of the year	205,251	187,322	(17,929)

Cash flows from operating activities

Net cash provided by operating activities was ¥117.5 billion. The main factors for this were profit before tax of ¥116.1 billion, depreciation and amortization of ¥70.2 billion, an increase in inventories of ¥39.3 billion, and income taxes paid of ¥27.7 billion.

Cash flows from investing activities

Net cash used in investment activities was ¥59.1 billion. The main factors for this were expenditures of ¥52.7 billion for the acquisition of property, plant and equipment following capital expenditures for manufacturing facility and expenditures of ¥19.5 billion for the acquisition of intangible assets following investment in new IT systems.

Cash flows from financing activities

Net cash used in financing activities was ¥86.6 billion. The main factors for this were expenditures of ¥50.1 billion for the payments for purchase of treasury shares and dividend payments of ¥27.9 billion.

In addition to the above, there was a ¥10.2 billion yen increase from the effect of exchange rate change on cash and cash equivalents. As a result, the fiscal year-end balance of cash and cash equivalents stood at ¥187.3 billion, down ¥17.9 billion from the end of the previous fiscal year.

(Reference) Cash flow indicators

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Equity ratio attributable to owners of the parent (%)	63.4	68.7	69.3
Market cap-based equity ratio attributable to owners of the parent (%)	223.8	191.1	166.1
Interest-bearing debt to cash flow ratio (annual)	2.4	1.8	2.3
Interest coverage ratio (x)	114.3	107.8	85.6

Note: Equity ratio attributable to owners of the parent = Equity attributable to owners of the parent/Total assets

Market cap-based equity ratio attributable to owners of the parent = Total market capitalization/Total assets

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

Interest coverage ratio = cash flow/total interest payments

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

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

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

(4) Mid- to Long-term Outlook

In FY2023, medical demand is expected to return to a growth trajectory and, as such, we anticipate that revenue will grow not only in Europe and North America, but also China and Japan as well. The macro economic environment appears to be headed in a positive direction, but the situation is expected to remain challenging due to further increases in raw materials prices and energy related costs such as electricity and gas. In this environment, the financial results forecast factors in further revisions in pricing policy (price increases), cost effective operations, and implementation of cost reduction measures ahead of schedule. In fields that are expected to grow, we will proactively invest in CAPEX centered on increases in production capacity. In addition, we will tackle the challenge of providing more complex solutions that address the issues and needs of healthcare, including shortages of healthcare workers and the need to promote greater operational efficiencies.

Despite the challenging environment for the corporate management, we will actively work to seize these opportunities and increase corporate value. In February 2023, we announced four additional measures. These are aggressive pursuit of M&A opportunities, acceleration of profit improvement, reinforcement of capital policy, and promotion of sustainability management. In terms of sustainability management, we established the Sustainability Committee in April 2023 to set specific KPIs for our ESG and CSV related action plans in the 5-Year Growth Strategy, and to lead the execution of these action plans. We will introduce a system that links these KPIs to directors' performance-based remuneration, and work to further heighten its effectiveness.

The forecast of financial results for the fiscal year ending March 2024 is as follows.

Consolidated forecast of financial results for the year ending March 2024

(Millions of yen)

	For the fiscal year ended March 31, 2023 Financial Results	For the fiscal year ending March 31, 2024 Financial Results Forecast	Change	Rate of Change (%)
Revenue	820,209	854,000	33,790	4.1
Adjusted operating profit	138,025	151,000	12,974	9.4
Adjusted operating profit ratio	16.8%	17.7%	-	-
Operating profit	117,332	132,500	15,167	12.9
Operating profit ratio	14.3%	15.5%	-	-
Profit for the year attributable to owners of the parent	89,325	101,000	11,674	13.1

Actual exchange rate for the fiscal year ended March 31, 2023: 1 USD equals 135 JPY and 1 EUR equals 141 JPY
 Exchange rate assumption for the fiscal year ending March 31, 2024: 1 USD equals 130 JPY and 1 EUR equals 145 JPY

(5) Basic policy for profit distribution, dividend payouts in the fiscal year ended March 31, 2023 and payout plan for the fiscal year ending March 31, 2024

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

In addition to offering stable dividend increases to our shareholders, we intend to achieve a total return ratio of 50% by utilizing returns from the acquisition of treasury shares.

In the fiscal year ended March 31, 2023, the Company plans to pay cash dividends per share of ¥40.

Therefore, the fiscal year-end dividend is ¥21 per share, and the interim dividend, which has already been paid, was ¥19 per share.

In the fiscal year ending March 31, 2024, the Company plans to pay an annual cash dividend of ¥44 per share (interim dividend of ¥22).

Cautionary note:

Forward-looking statements, including earnings forecasts, contained in the Company's disclosure materials are based on currently available information and assumptions believed to be reasonable by management. This is not a promise or guarantee by the Company that it will achieve these goals. Please note that the actual results or outcomes could differ due to a number of factors. Key elements that are likely to have an impact on actual earnings performance include economic conditions surrounding the Company's business environment, volatility in foreign exchange rates, and competition.

2. Basic Concept Regarding the Selection of Accounting Standards

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

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Statement of Financial Position

	(Unit: Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	205,251	187,322
Trade and other receivables	135,998	150,635
Other current financial assets	63	106
Inventories	198,536	249,618
Current tax assets	778	2,920
Other current assets	18,086	20,793
Total current assets	558,713	611,396
Non-current assets		
Property, plant and equipment	333,864	370,869
Goodwill and intangible assets	514,801	538,210
Investments accounted for using the equity method	4,133	3,680
Other non-current financial assets	25,937	34,421
Deferred tax assets	20,198	20,458
Other non-current assets	16,043	23,187
Total non-current assets	914,979	990,829
Total assets	1,473,693	1,602,225

	(Unit: Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	81,545	97,736
Bonds and borrowings	1,121	11,223
Other current financial liabilities	7,228	7,597
Current tax liabilities	14,104	23,563
Provisions	499	329
Other current liabilities	73,222	77,551
Total current liabilities	177,721	218,001
Non-current liabilities		
Bonds and borrowings	224,875	220,714
Other non-current financial liabilities	30,297	29,639
Deferred tax liabilities	12,746	8,870
Retirement benefit liabilities	5,811	4,703
Provisions	113	127
Other non-current liabilities	9,813	9,106
Total non-current liabilities	283,658	273,161
Total liabilities	461,379	491,162
Equity		
Share capital	38,716	38,716
Capital surplus	51,921	51,759
Treasury shares	(6,229)	(11,539)
Retained earnings	846,978	874,272
Other components of equity	80,926	157,855
Total equity attributable to owners of the parent	1,012,313	1,111,063
Total equity	1,012,313	1,111,063
Total liabilities and equity	1,473,693	1,602,225

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

(Consolidated Statement of Profit or Loss)

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Revenue	703,303	820,209
Cost of sales	333,962	402,839
Gross profit	369,341	417,369
Selling, general and administrative expenses	250,891	299,861
Other income	2,500	9,959
Other expenses	4,990	10,134
Operating profit	115,960	117,332
Finance income	1,062	2,649
Finance costs	2,961	4,016
Share of profit/(loss) of investments accounted for using the equity method	440	171
Profit before tax	114,501	116,137
Income tax expenses	25,687	26,811
Profit for the year	88,813	89,325
Attributable to:		
Owners of the parent	88,813	89,325
Total profit for the year	88,813	89,325
Earnings per share		
Basic earnings per share (yen)	117.45	119.00
Diluted earnings per share (yen)	117.38	118.95

(Consolidated Statement of Comprehensive Income)

	(Unit: Millions of yen)	
	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit for the year	88,813	89,325
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in financial assets measured at fair value through other comprehensive income	(29)	2,519
Remeasurements of defined benefit plans	6,699	6,970
Total items that will not be reclassified to profit or loss	6,670	9,489
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	83,029	77,535
Cash flow hedges	(458)	489
Cost of hedging	340	(425)
Total items that are or may be reclassified subsequently to profit or loss	82,910	77,599
Total other comprehensive income/(loss) for the year	89,581	87,089
Total comprehensive income for the year	178,394	176,415
Attributable to:		
Owners of the parent	178,394	176,415
Total comprehensive income for the year	178,394	176,415

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

(3) Consolidated Statements of Changes in Equity

(Unit: Millions of yen)

	Equity attributable to owners of the parent					Total	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity		
Balance as of April 1, 2021	38,716	51,829	(6,838)	775,078	(2,123)	856,662	856,662
Profit for the year	—	—	—	88,813	—	88,813	88,813
Other comprehensive income	—	—	—	—	89,581	89,581	89,581
Total comprehensive income	—	—	—	88,813	89,581	178,394	178,394
Acquisition of treasury shares	—	—	(3)	—	—	(3)	(3)
Disposal of treasury shares	—	(10)	49	—	(38)	0	0
Dividends	—	—	—	(23,440)	—	(23,440)	(23,440)
Transfer from other components of equity to retained earnings	—	—	—	6,527	(6,527)	—	—
Share-based payments	—	114	91	—	35	241	241
Conversion of convertible bonds	—	(11)	470	—	—	459	459
Total transactions with owners of the parent	—	92	608	(16,913)	(6,531)	(22,742)	(22,742)
Balance as of March 31, 2022	38,716	51,921	(6,229)	846,978	80,926	1,012,313	1,012,313

(Unit: Millions of yen)

	Equity attributable to owners of the parent					Total	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity		
Balance as of April 1, 2022	38,716	51,921	(6,229)	846,978	80,926	1,012,313	1,012,313
Profit for the year	—	—	—	89,325	—	89,325	89,325
Other comprehensive income	—	—	—	—	87,089	87,089	87,089
Total comprehensive income	—	—	—	89,325	87,089	176,415	176,415
Acquisition of treasury shares	—	(56)	(50,003)	—	—	(50,059)	(50,059)
Disposal of treasury shares	—	(17)	138	—	(121)	0	0
Cancellation of treasury shares	—	(44,430)	44,430	—	—	—	—
Dividends	—	—	—	(27,924)	—	(27,924)	(27,924)
Transfer from retained earnings to capital surplus	—	44,224	—	(44,224)	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	10,116	(10,116)	—	—
Share-based payments	—	117	123	—	76	318	318
Total transactions with owners of the parent	—	(162)	(5,310)	(62,031)	(10,161)	(77,665)	(77,665)
Balance as of March 31, 2023	38,716	51,759	(11,539)	874,272	157,855	1,111,063	1,111,063

(4) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	114,501	116,137
Depreciation and amortization	58,882	70,238
Impairment losses	—	5,338
Share of the (profit)/loss of investments accounted for using the equity method	(440)	(171)
Increase/(decrease) in retirement benefit assets or liabilities	646	1,427
Interest and dividend income	(640)	(1,620)
Interest expenses	1,833	2,230
Foreign exchange (gain)/loss	2,187	1,675
(Gain)/loss on disposal of property, plant and equipment	472	(5)
Gain on business transfer and other	—	(3,855)
(Increase)/decrease in trade and other receivables	(895)	(8,480)
(Increase)/decrease in inventories	(8,166)	(39,256)
Increase/(decrease) in trade and other payables	55	10,474
Others	3,799	(9,845)
Sub-total	172,236	144,287
Interest and dividend income received	1,033	2,276
Interest expenses paid	(1,312)	(1,372)
Income taxes paid	(30,489)	(27,655)
Net cash provided by operating activities	141,467	117,536
Cash flow from investing activities		
Payments for purchase of time deposits	(3)	(242)
Proceeds from withdrawal of time deposits	7	1
Payments for purchase of property, plant and equipment	(53,515)	(52,697)
Proceeds from sale of property, plant and equipment	26	510
Payments for purchase of intangible assets	(20,590)	(19,476)
Payments for purchase of financial instruments	(1,705)	(1,361)
Proceeds from sale of financial instruments	180	5,988
Payments for acquisition of shares of subsidiaries and other businesses	(2,853)	(142)
Proceeds from business transfer and other	—	8,298
Net cash used in investing activities	(78,454)	(59,121)
Cash flow from financing activities		
Repayments of short-term borrowings	—	677
Proceeds from long-term borrowings	—	(677)
Repayments of long-term borrowings	(30,670)	(1,242)
Payments for redemption of corporate bonds	(10,000)	—
Repayments of lease liabilities	(6,750)	(7,331)
Payments for purchase of treasury shares	(3)	(50,085)
Payments for dividends	(23,455)	(27,900)
Net cash provided by financing activities	(70,879)	(86,559)

Effect of exchange rate changes on cash and cash equivalents	12,347	10,215
Net increase/(decrease) in cash and cash equivalents	4,481	(17,929)
Cash and cash equivalents at the beginning of the year	200,770	205,251
Cash and cash equivalents at the end of the year	205,251	187,322

(5) Notes Pertaining to Consolidated Financial Statements

(i) Going concern assumption

Not applicable

(ii) Changes in accounting policy

The Group has adopted the standards and interpretations below from the fiscal year ended March 31, 2023. Adopting the standard has no impact on the Group's consolidated financial statements.

Standard/Interpretation	Outline of the new standards, interpretations and amendments
IFRS 3 Business Combinations	Updating reference to the revised Conceptual Framework for Financial Reporting

(iii) Segment information

(1) General information on reportable segments

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

The Group applies an in-house company system classified by product groups. The headquarter of each in-house company plans their own comprehensive domestic and international strategies and conducts their own business activities.

The three segments are Cardiac and Vascular Company, Medical Care Solutions Company, and Blood and Cell Technologies Company.

Reportable Segments	Sub-segments	Main Products
Cardiac and Vascular Company	Interventional Systems (TIS)	Angiographic guidewires, Angiographic catheters, Introducer sheaths, Vascular closure devices, PTCA balloon catheters, Coronary stents, Self-expanding peripheral stents, IVUS, Imaging catheters and others
	Neurovascular	Coils, Stents and Intrasaccular devices for treating cerebral aneurysm, Embolization system, Aspiration catheters and Clot retrievers for treating ischemic stroke and others
	Cardiovascular	Oxygenators, Cardio-pulmonary bypass systems and others
	Vascular Graft	Artificial vascular grafts, Stent grafts and others
Medical Care Solutions Company	Hospital Care Solutions	Syringes, Infusion pumps, Syringe pumps, Infusion lines, I.V. solutions, Peritoneal dialysis fluid, Pain management products, Nutritious food, Adhesion barriers and others
	Life Care Solutions	Blood glucose monitoring systems, Disposable needles for pen-injector, Insulin patch pumps, Blood pressure monitors, Digital thermometers and others
	Pharmaceutical Solutions	Contract manufacturing of prefilled syringes, Devices to pharmaceutical companies for use in drug kits (Prefillable syringes, Needles for pharmaceutical packaging business) and others
Blood and Cell Technologies Company	—	Blood bags, Component collection systems, Automated blood processing systems, Pathogen reduction systems, Centrifugal apheresis systems, Cell expansion systems and others

(2) Reportable segment information

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

For the fiscal year ended March 31, 2022

(Unit: Millions of yen)

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

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

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

For the fiscal year ended March 31, 2023

(Unit: Millions of yen)

	Reportable Segments			Total	Adjustments (Note 1)	Amount recorded on consolidated financial statements
	Cardiac and Vascular Company	Medical Care Solutions Company	Blood and Cell Technologies Company			
Revenue						
Revenue from sales to external customers	480,610	191,749	147,605	819,965	243	820,209
Segment profit (Adjusted operating profit)	112,155	14,848	11,163	138,167	(142)	138,025
(Adjustment item)						
Amortization of intangible assets acquired through business combinations	(8,951)	—	(10,020)	(18,972)	156	(18,816)
Non-recurring profit or loss (Note 2)						(1,876)
Operating profit						117,332
Finance income						2,649
Finance costs						(4,016)
Share of profit/(loss) of investment accounted for using the equity method						171
Profit before tax						116,137
Other items						
Depreciation and amortization (Note 3)	35,247	15,927	18,891	70,066	171	70,238
Increase in property, plant and equipment and intangible assets	31,936	20,885	21,486	74,308	1,465	75,774

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

- (1) ¥243 million adjustment to Revenue from sales to external customers is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.
 - (2) ¥(142) million adjustment to Segment profit mainly includes ¥349 million for inventories and ¥(3,540) million for preparation expenses to comply with Medical Device Regulation in EU.
- (Note 2) ¥(1,876) million Non-recurring profit or loss mainly includes ¥(1,755) million for impairment loss of technologies, ¥(3,563) million for impairment loss of goodwill, ¥(2,541) million for business reorganization expenses, ¥1,347 million for the change in fair value of contingent consideration and ¥3,855 million for gain on business transfer and other.
- (Note 3) Amortization expenses of acquired intangible assets in business combinations are included in “Depreciation and amortization”.

(iv) Earnings per share

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

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit for the year attributable to owners of the parent (millions of yen)	88,813	89,325
Profit for the year adjustments		
Adjustments relating to convertible bonds with share subscription rights (millions of yen)	0	—
Profit for the year used to calculate diluted earnings per share (millions of yen)	88,813	89,325
Weighted average number of ordinary shares (shares)	756,209,050	750,614,507
Increase in the number of ordinary shares		
Convertible bond with share subscription rights (shares)	100,892	—
Stock option plan (shares)	350,982	321,019
Weighted average number of ordinary shares after dilution (shares)	756,660,924	750,935,526
Basic earnings per share (yen)	117.45	119.00
Diluted earnings per share (yen)	117.38	118.95

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

(v) Impairment of non-financial assets

In the fiscal year ended March 31, 2023, impairment losses of ¥5,338 million recorded are as follows.

(1) Impairment loss of the Autologous Biologics business unit in Blood and Cell Technologies Company

Autologous Biologics business unit was classified as assets held for sale and directly related liabilities in the fiscal year ended March 31, 2023, based on the transfer agreement with Globus Medical, Inc. As the disposal group classified as assets held for sale is measured at fair value less cost to sell, an impairment loss of ¥3,563 million was recorded.

The fair value was determined based on the expected selling price in the transfer agreement with Globus Medical, Inc. and this fair value has been classified as Level 3 in the hierarchy.

The impairment loss recognized on “Goodwill and intangible assets” is included in "Other expenses" in the Consolidated Statement of Profit or Loss. The transfer of the business was completed on October 11, 2022.

(2) Impairment loss of certain technologies in intangible assets in Cardiac and Vascular Company

In the fiscal year ended March 31, 2023, ¥1,775 million for an impairment loss of certain technologies in intangible assets was recorded with the decision for discontinuing a portion of product.

The recoverable amount was measured based on the value in use, and the value was determined to be zero. The impairment loss is included in “Other expenses” in the Consolidated Statement of Profit or Loss.

(vi) Subsequent events

Significant capital investment

The Company resolved at the Board of Directors meeting held on April 12, 2023 to establish a manufacturing line for the Medical Care Solutions Company in a new plant at Kofu Factory (Showa-cho, Nakakoma-gun, Yamanashi Prefecture), which will be utilized for the contract development and manufacturing organization (CDMO) business, as well as products related peritoneal dialysis. The Company's CDMO business develops devices that combine material technologies suitable for drugs and delivers the combination products.

Total amount of capital investment based on this resolution is expected as ¥52.2 billion. Please refer to the May 15, 2023 press release, "Terumo to Construct a New Manufacturing Facility at its Kofu Factory for the Medical Care Solutions Company".

The construction is scheduled to be completed in the fiscal year ending March 31, 2026.

The impact of this capital investment on the consolidated financial results for the fiscal year ended March 31, 2023 is immaterial.

4. Others

Overview of Production, Orders Received and Sales

(i) Production results

Reportable Segments	For the fiscal year ended March 31, 2023 Millions of yen	Year-to-year comparison %
Cardiac and Vascular Company	510,684	31.5
Medical Care Solutions Company	184,908	1.7
Blood and Cell Technologies Company	161,609	41.3
Total	857,202	25.2

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

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

(ii) Orders received

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

(iii) Sales results

Reportable Segments	Sub-segments	For the fiscal year ended March 31, 2023 Millions of yen	Year-to-year comparison %
Cardiac and Vascular Company	Interventional Systems (TIS)	319,396	21.0
	Neurovascular	70,915	21.9
	Cardiovascular	54,489	15.1
	Vascular Graft	35,807	29.4
Medical Care Solutions Company	Hospital Care Solutions	129,794	1.4
	Life Care Solutions	24,726	(7.4)
	Pharmaceutical Solutions	37,228	21.6
Blood and Cell Technologies Company	—	147,605	22.4
Adjustments		243	(2.9)
Total		820,209	16.6

(Note) ¥243 million adjustment is mainly proceeds from outward temporary staffing that is not attributable to reportable segments.