

**Summary of Consolidated Financial Results [IFRS]
for the First Nine Months of the Fiscal Year Ending March 31, 2022**

February 10, 2022

Listed company name : Sysmex Corporation
Code : 6869
Listed stock exchanges : Tokyo Stock Exchange
URL : www.sysmex.co.jp/en
Company representative : Hisashi Ietsugu, Chairman and CEO
Contact : Tomoo Aramaki, Executive Vice President
Corporate Business Administration
Phone : 078(265)-0500
Scheduled date for filing of quarterly report : February 14, 2022
Scheduled date for dividend payment : —
Preparation of supplementary material for quarterly earnings : Yes
Holding of earnings announcement : Yes

(Unit: Millions of Yen)

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

(1) Operating results

(% changes as compared with the corresponding period of the previous fiscal year)

	Net Sales		Operating profit		Profit before tax		Profit	
Nine months ended Dec. 31, 2021	258,901	22.2%	49,870	38.9%	48,065	44.4%	32,784	41.5%
Nine months ended Dec. 31, 2020	211,848	(2.9)%	35,907	(11.2)%	33,286	(10.6)%	23,171	(12.1)%

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Nine months ended Dec. 31, 2021	32,901	41.3%	36,513	35.4%	157.38	157.05
Nine months ended Dec. 31, 2020	23,288	(12.1)%	26,966	12.9%	111.49	111.34

(2) Financial condition

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent to total assets
As of Dec. 31, 2021	459,775	331,584	330,930	72.0%
As of Mar. 31, 2021	427,475	308,669	307,898	72.0%

2. Dividend

	Dividend per share				
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)
Year ended Mar. 31, 2021	—	36.00	—	36.00	72.00
Year ending Mar. 31, 2022	—	37.00	—		
Year ending Mar. 31, 2022 (Forecast)				37.00	74.00

Note: Revision of dividends forecast for this period: No

3. Financial Forecast for the Year Ending March 31, 2022

(% changes as compared with the previous fiscal year)

	Net Sales		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share (Yen)
	Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount
Year ending Mar. 31, 2022	360,000	18.0%	66,000	27.4%	63,000	31.2%	44,000	32.8%	210.44

Note: Revision of financial forecast for this period: No

4. Other Information

- (1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation):
No
- (2) Changes in accounting policies and accounting estimates
 - 1) Changes in accounting policies required by IFRS: No
 - 2) Other changes in accounting policies: No
 - 3) Changes in accounting estimates: No
- (3) Number of outstanding stock (common stock)
 - 1) Number of outstanding stock at the end of each fiscal period (including treasury stock):
209,640,632 shares as of Dec. 31, 2021; 209,443,232 shares as of Mar. 31, 2021
 - 2) Number of treasury stock at the end of each fiscal period:
447,083 shares as of Dec. 31, 2021; 446,876 shares as of Mar. 31, 2021
 - 3) Average number of outstanding stock for each period (cumulative):
209,056,923 shares for the nine months ended Dec. 31, 2021
208,881,059 shares for the nine months ended Dec. 31, 2020

Note: Quarterly summaries of financial results are excluded from quarterly reviews.

* Explanation regarding the appropriate use of financial forecast and other information

1. Basic earnings per share have been revised from the figures indicated in the consolidated financial forecast announced on November 10, 2021, in accordance with changes in the number of shares of outstanding stock and treasury stock. No other figures in the financial forecast have been revised.
2. The forecasts and future projections contained herein have been prepared on the basis of rational decisions given the information available as of the date of announcement of this document. These forecasts do not represent a commitment by the Company, and actual performance may differ substantially from forecasts for a variety of reasons. Please refer to “3) Consolidated financial forecast” within “1. Qualitative information on quarterly financial results” on page 4 of the attachment to this document for cautionary statements concerning the conditions and performance forecasts that serve as the basis for these forecasts.
3. Supplementary financial materials (in Japanese and English) will be posted on the Sysmex website on Thursday, February 10, 2022.

Content of Supplementary Materials

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1. Qualitative information on quarterly financial results

1) Operating performance analysis

Future-related information contained in the text below is based on the judgement as of the end of the fiscal period under review.

During the first nine months of the fiscal year ending March 31, 2022, the Japanese economy was characterized by signs of an upturn in social activity and personal consumption, as COVID-19 vaccinations increased, and a nationwide emergency declaration was lifted as the number of new infections dropped. However, in the second half of this period, consumer confidence again ebbed due to the emergence of a new mutant strain (the Omicron variant). Overseas, the overall trend is toward recovery, although the situation varies by country and region. Even so, the outlook remains uncertain due to such factors as a shift toward tighter monetary policy in the United States and concerns of an economic slowdown fueled by debt problems in China and energy-related issues.

On the healthcare front, we are seeing major changes in the healthcare environment due to the COVID-19 pandemic, as well as an aging society and increasingly diverse health and medical needs. In Japan, expectations are mounting for new medical services to address the “new normal,” such as resolving the pressure on medical systems when the number of infections rises, stable supplies of necessary supplies and a response to digitalization in the medical field. Looking overseas, aging populations in developed countries are driving demand for the moderation of medical systems. In emerging markets, healthcare demand is increasing, and demand is rising for higher levels of healthcare quality, service enhancements and preventive medicine. As a result, we are seeing rapid advances in the application of artificial intelligence, big data analysis and other leading-edge technologies, which are expected to provide further opportunities for growth.

Against this backdrop, Sysmex continued to expand its product portfolio in the hematology field. We launched a next-generation flagship model, XR-Series Automated Hematology Analyzer, and a compact three-part differential model, the XQ-Series Automated Hematology Analyzer in Japan. We are moving forward with a gradual global sales rollout as we receive regulatory approval in individual countries. We aim to contribute optimization of laboratory operations according to regional characteristics and facilities’ needs.

As an initiative toward the realization of personalized medicine, Sysmex submitted an application for manufacturing and marketing approval with the Pharmaceuticals and Medical Devices Agency (PMDA) for an assay kit to measure amyloid beta (A β) in the blood using its automated immunoassay system, HISCL-5000/HISCL-800. Alzheimer's disease is thought to be caused by the accumulation of a protein called A β in the brain, which causes damage to nerve cells. By providing an assay kit that assists in identifying the accumulation of A β in the brain, we aim to reduce the burden on patients and create an environment that allows them to start treatment as soon as possible.

In a new initiative on the logistics front, Sysmex and Yamato Transport Co., Ltd. have started dry ice-free transportation of reagents for gene testing in consolidated cargo at the ultralow temperature range of minus 70 degrees Celsius. This model is revolutionary because it is both eco-friendly and cost effective for long-distance transportation of pharmaceutical and other products that require strict quality and temperature control, without using dry ice. Going forward, we will leverage this model, expanding the list of products for transportation and the delivery service area to realize a sustainable cold chain for pharmaceutical products, thus providing quality and stable product supply to medical professionals.

Net sales by destination

	Nine months ended December 31, 2020		Nine months ended December 31, 2021		YoY (Previous period = 100)
	Amount (Millions of yen)	Percentage of total (%)	Amount (Millions of yen)	Percentage of total (%)	
Japan	33,295	15.7	39,283	15.1	118.0
Americas	45,637	21.6	59,275	22.9	129.9
EMEA	59,589	28.1	76,184	29.4	127.8
China	56,393	26.6	62,792	24.3	111.3
Asia Pacific	16,933	8.0	21,366	8.3	126.2
Overseas subtotal	178,553	84.3	219,618	84.9	123.0
Total	211,848	100.0	258,901	100.0	122.2

In Japan, sales rose for hemostasis and immunochemistry reagents related to COVID-19 testing, as did sales of instruments and reagents in the life science field. Sales of medical robotics instruments also grew. As a result, sales in Japan rose 18.0% year on year, to ¥39,283 million.

Overseas, testing demand recovered from the previous corresponding period, when demand was affected by COVID-19. Reagent sales rose as a result, mainly in the hematology and urinalysis fields. In addition, the impact of yen depreciation. Consequently, overseas sales increased 23.0% year on year, to ¥219,618 million. The overseas sales ratio rose 0.6 percentage point, to 84.9%.

Selling, general and administrative (SG&A) expenses expanded 15.6%, to ¥67,256 million, owing to a partial resumption of sales activities that had been constrained across all regions in the previous corresponding period.

As a result, during the first nine months of the fiscal year ending March 31, 2022, the Group recorded consolidated net sales of ¥258,901 million, up 22.2% year on year. Operating profit rose 38.9%, to ¥49,870 million; profit before tax surged 44.4%, to ¥48,065 million, and profit attributable to owners of the parent expanded 41.3%, to ¥32,901 million.

Performance by segment

(1) Japan

Sales rose for hemostasis and immunochemistry reagents related to COVID-19 testing, as did sales of instruments and reagents in the life science field. Sales of medical robotics instruments also grew. As a result, sales in Japan rose 16.6% year on year, to ¥42,170 million.

On the profit front, performance was affected by higher SG&A and R&D expenses, but gross profit increased due to higher sales and an improvement in the cost of sales ratio. Accordingly, segment profit (operating profit) rose 26.9%, to ¥27,630 million.

(2) Americas

In North America, sales of instruments, reagents and maintenance services increased in the hematology field due to a resurgence in testing demand and sales increase of instruments. Along with the alliance with Siemens Healthcare Diagnostics Inc., sales of instruments, reagents and maintenance services increased in the urinalysis field. As a result, sales in the region grew 31.7%, to ¥55,848 million.

Segment profit (operating profit) grew 208.0%, to ¥2,955 million. Although SG&A expenses increased, this performance was attributable to higher sales and gross profit, stemming from an improved cost of sales ratio.

(3) EMEA

Sales of instruments and reagents increased in the fields of hematology, urinalysis and hemostasis, due to a resurgence in testing demand and the acquisition of bids in Russia, Middle East and Eastern Europe. Sales of purchased antibody testing kits related to the COVID-19 pandemic also grew. As a result, sales were ¥76,936 million, up 27.9% year on year.

Segment profit (operating profit) grew 62.2%, to ¥12,172 million, despite higher SG&A expenses, due to increased sales and higher gross profit, stemming from an improved cost of sales ratio.

(4) China

Sales were ¥62,738 million, up 11.4% year on year. Sales of hematology, urinalysis, hemostasis and immunochemistry reagents increased, due to a resurgence in testing demand and the positive impact of yen depreciation.

Segment profit (operating profit) grew 142.1%, to ¥7,389 million, despite higher SG&A expenses, due to increased sales and higher gross profit, stemming from an improved cost of sales ratio.

(5) Asia Pacific

Sales of hematology and urinalysis reagents increased, due to a resurgence in testing demand. In South Asia, instrument sales increased in the hematology field due to the acquisition of bids in India. In India and Southeast Asia, sales of hemostasis instrument and reagents increased. As a result, sales were ¥21,208 million, up 26.0% year on year.

Segment profit (operating profit) grew 73.6%, to ¥2,993 million, despite higher SG&A expenses, due to increased sales and higher gross profit, stemming from an improved cost of sales ratio.

2) Financial conditions analysis

(1) Financial conditions

As of December 31, 2021, total assets amounted to ¥459,775 million, up ¥32,300 million from March 31, 2021. As main factors, inventories rose ¥16,384 million, intangible assets were up ¥11,024 million, and cash and cash equivalents were up ¥6,977 million, while other non-current assets fell ¥5,866 million.

Meanwhile, total liabilities as of December 31, 2021 were ¥128,191 million, up ¥9,385 million from March 31, 2021. Principal increases included trade and other payables, which rose ¥3,883 million, income taxes payable, which rose ¥3,092 million and other non-current liabilities, which rose ¥2,611 million, while accrued bonuses decreased ¥1,935 million.

Total equity came to ¥331,584 million, up ¥22,915 million from March 31, 2021. Among principal reasons, retained earnings rose ¥17,643 million, and other components of equity increased ¥3,729 million. Equity attributable to owners of the parent to total assets amounted to 72.0% on December 31, 2021, the same level as on March 31, 2021.

(2) Cash flows

As of December 31, 2021, cash and cash equivalents amounted to ¥73,445 million, up ¥6,977 million from March 31, 2021.

Cash flows from various activities during the first nine months of the fiscal year are described in more detail below.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥50,947 million, up ¥11,195 million from the first nine months of the previous fiscal year. As principal factors, profit before tax provided ¥48,065 million (¥14,779 million more than in the corresponding period of the preceding year), depreciation and amortization provided ¥21,197 million (¥2,320 million more than in the corresponding period of the preceding year). An increase in inventories used ¥15,946 million (up ¥14,668 million), an income taxes paid amounted to ¥12,080 million (up ¥419 million).

(Cash flows from investing activities)

Net cash used in investing activities was ¥26,675 million (up ¥3,595 million). Among major factors, purchases of property, plant and equipment used ¥10,179 million (up ¥3,679 million), and purchases of intangible assets used ¥14,465 million (up ¥2,421 million).

(Cash flows from financing activities)

Net cash used in financing activities was ¥18,869 million (down ¥556 million). This was mainly due to dividends paid of ¥15,258 million (up ¥220 million).

3) Consolidated financial forecast

The Company maintains its consolidated financial forecasts, as announced on November 10, 2021.

These forecasts are based on information available as of the date of this release. Actual results may differ materially from these forecast due to unforeseen factors and future events.

2. Condensed quarterly consolidated financial statements and notes

1) Condensed quarterly consolidated statement of financial position

(Unit: Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	66,467	73,445
Trade and other receivables	100,641	100,456
Inventories	46,985	63,370
Other short-term financial assets	1,105	1,044
Income taxes receivable	909	598
Other current assets	14,723	17,570
Total current assets	<u>230,833</u>	<u>256,486</u>
Non-current assets		
Property, plant and equipment	96,140	94,984
Goodwill	12,433	12,569
Intangible assets	46,840	57,865
Investments accounted for using the equity method	1,093	1,014
Trade and other receivables	15,202	15,139
Other long-term financial assets	7,945	9,273
Asset for retirement benefits	923	938
Other non-current assets	9,337	3,471
Deferred tax assets	6,724	8,031
Total non-current assets	<u>196,641</u>	<u>203,289</u>
Total assets	<u>427,475</u>	<u>459,775</u>

(Unit: Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	34,159	38,043
Lease liabilities	5,783	5,730
Other current financial liabilities	1,529	753
Income taxes payable	6,563	9,656
Provisions	1,002	1,106
Contract liabilities	12,168	11,097
Accrued expenses	14,227	15,538
Accrued bonuses	8,508	6,572
Other current liabilities	5,964	8,104
Total current liabilities	89,907	96,604
Non-current liabilities		
Lease liabilities	16,178	15,210
Other non-current financial liabilities	108	72
Liability for retirement benefits	1,071	1,168
Provisions	265	271
Other non-current liabilities	4,060	6,672
Deferred tax liabilities	7,212	8,193
Total non-current liabilities	28,898	31,587
Total liabilities	118,806	128,191
Equity		
Equity attributable to owners of the parent		
Capital stock	13,229	14,034
Capital surplus	19,581	20,439
Retained earnings	279,477	297,120
Treasury stock	(307)	(310)
Other components of equity	(4,082)	(353)
Total equity attributable to owners of the parent	307,898	330,930
Non-controlling interests	771	654
Total equity	308,669	331,584
Total liabilities and equity	427,475	459,775

2) Condensed quarterly consolidated statement of income

(Unit: Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	211,848	258,901
Cost of sales	103,243	121,524
Gross profit	108,605	137,377
Selling, general and administrative expenses	58,204	67,256
Research and development expenses	15,273	18,315
Other operating income	1,198	1,121
Other operating expenses	418	3,056
Operating profit	35,907	49,870
Financial income	241	446
Financial expenses	615	609
Share of profit (loss) of associates accounted for using the equity method	(1,599)	(2,084)
Foreign exchange gain (loss)	(648)	442
Profit before tax	33,286	48,065
Income taxes expenses	10,114	15,281
Profit	23,171	32,784
Profit attributable to		
Owners of the parent	23,288	32,901
Non-controlling interests	(117)	(117)
Profit	23,171	32,784
		(Unit: Yen)
Earnings per share		
Basic	111.49	157.38
Diluted	111.34	157.05

3) Condensed quarterly consolidated statement of other comprehensive income

(Unit: Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	23,171	32,784
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net gain (loss) on financial assets measured at fair value through other comprehensive income	254	(217)
Total	254	(217)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	3,569	3,945
Share of other comprehensive income of investments accounted for using the equity method	(29)	0
Total	3,540	3,946
Total other comprehensive income	3,794	3,729
Comprehensive income	26,966	36,513
Comprehensive income attributable to		
Owners of the parent	27,083	36,630
Non-controlling interests	(117)	(117)
Comprehensive income	26,966	36,513

4) Condensed quarterly consolidated statement of changes in equity
 Nine months ended December 31, 2020

(Unit: Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity			
As of April 1, 2020	12,877	18,487	261,321	(306)	(14,697)	277,683	663	278,347
Profit	—	—	23,288	—	—	23,288	(117)	23,171
Other comprehensive income	—	—	—	—	3,794	3,794	0	3,794
Comprehensive income	—	—	23,288	—	3,794	27,083	(117)	26,966
Exercise of warrants	258	144	—	—	—	403	—	403
Share-based payment transactions	—	674	—	—	—	674	—	674
Cash dividends	—	—	(15,037)	—	—	(15,037)	—	(15,037)
Purchase of treasury stock	—	—	—	(1)	—	(1)	—	(1)
Disposal of treasury stock	—	0	—	0	—	0	—	0
Transfer to retained earnings	—	—	(5)	—	5	—	—	—
Establishment of subsidiary with non-controlling interests	—	—	—	—	—	—	49	49
Change in non-controlling interests due to capital increase of subsidiaries	—	—	—	—	—	—	98	98
Total transactions with the owners	258	819	(15,042)	(1)	5	(13,962)	147	(13,815)
As of December 31, 2020	13,135	19,306	269,567	(307)	(10,897)	290,804	693	291,498

Nine months ended December 31, 2021

(Unit: Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
As of April 1, 2021	13,229	19,581	279,477	(307)	(4,082)	307,898	771	308,669
Profit	—	—	32,901	—	—	32,901	(117)	32,784
Other comprehensive income	—	—	—	—	3,729	3,729	(0)	3,729
Comprehensive income	—	—	32,901	—	3,729	36,630	(117)	36,513
Exercise of warrants	804	458	—	—	—	1,262	—	1,262
Share-based payment transactions	—	399	—	—	—	399	—	399
Cash dividends	—	—	(15,258)	—	—	(15,258)	—	(15,258)
Purchase of treasury stock	—	—	—	(2)	—	(2)	—	(2)
Disposal of treasury stock	—	—	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	—	—	—
Establishment of subsidiary with non-controlling interests	—	—	—	—	—	—	—	—
Change in non-controlling interests due to capital increase of subsidiaries	—	—	—	—	—	—	—	—
Total transactions with the owners	804	857	(15,258)	(2)	—	(13,598)	—	(13,598)
As of December 31, 2021	14,034	20,439	297,120	(310)	(353)	330,930	654	331,584

5) Condensed quarterly consolidated statement of cash flows

(Unit: Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Cash flows from operating activities		
Profit before tax	33,286	48,065
Depreciation and amortization	18,877	21,197
Share of loss (profit) on equity method	1,599	2,084
Loss on retirement of non-current assets	161	1,958
Decrease (increase) in trade receivable	3,189	3,021
Decrease (increase) in inventories	(1,277)	(15,946)
Increase (decrease) in trade payable	(4,390)	3,261
Decrease/increase in consumption taxes receivable/payable	1,744	932
Increase (decrease) in contract liabilities	2,058	(1,172)
Increase (decrease) in accrued bonuses	(1,948)	(2,076)
Other – net	(1,474)	2,004
Subtotal	51,824	63,330
Interest and dividend received	170	222
Interest paid	(581)	(525)
Income taxes paid	(11,661)	(12,080)
Net cash provided by (used in) operating activities	39,752	50,947
Cash flows from investing activities		
Purchases of property, plant and equipment	(6,499)	(10,179)
Purchases of intangible assets	(12,044)	(14,465)
Payments resulting in an increase in long-term prepaid expenses	(3,089)	(848)
Purchase of investments in equity instruments	(613)	–
Purchases of investments in debt instruments	–	(1,199)
Payments into time deposits	(1,728)	(553)
Proceeds from withdrawal of time deposits	1,078	678
Other – net	(184)	(108)
Net cash provided by (used in) investing activities	(23,080)	(26,675)
Cash flows from financing activities		
Exercise of warrants	403	1,262
Dividends paid	(15,037)	(15,258)
Repayments of lease liabilities	(4,936)	(4,865)
Other – net	145	(7)
Net cash provided by (used in) financing activities	(19,425)	(18,869)
Effects of exchange rate changes on cash and cash equivalents	898	1,574
Net increase (decrease) in cash and cash equivalents	(1,855)	6,977
Cash and cash equivalents at the beginning of the term	56,592	66,467
Cash and cash equivalents at the end of the term	54,737	73,445

6) Notes to the condensed quarterly consolidated financial statements

1. Notes related to the going concern assumption

Not applicable

2. Segment information

1) Overview of reportable segments

The Group's reportable segments are the constituent business units of the Group for which separate financial data are available and that are examined on a regular basis for the purpose of enabling the Managing Board to allocate managerial resources and evaluate results of operations.

The Group is primarily engaged in the manufacture and sale of diagnostic instruments and reagents. These businesses are conducted in Japan by the Company, and in the Americas, EMEA, China and the Asia Pacific by regional headquarters established in those regions. These companies formulate overarching strategies tailored to regional characteristics and conduct business activities accordingly. Regional headquarters and other domestic and overseas subsidiaries are independent management units that handle production and sales for each region.

Accordingly, the Group has five reportable segments comprising geographical segments based on manufacturing and sales systems. These are "Japan," the "Americas," "EMEA," "China," and the "Asia Pacific."

2) Segment profit and operating results

Profit and operating results from continuing operations by reportable segment of the Group are as follows:

Intersegment sales are determined based on market prices or costs of goods manufactured.

Accounting policies of reporting segments are consistent with the Group's accounting policies indicated in the consolidated financial statements for the previous fiscal year.

Nine months ended December 31, 2020

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	36,154	42,403	60,141	56,317	16,832	211,848	—	211,848
Intersegment sales	76,250	325	2,657	0	1	79,234	(79,234)	—
Total	112,404	42,728	62,798	56,317	16,833	291,083	(79,234)	211,848
Segment profit (loss)	21,780	959	7,503	3,051	1,723	35,019	888	35,907
Financial income	—	—	—	—	—	—	—	241
Financial expenses	—	—	—	—	—	—	—	615
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(1,599)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	(648)
Profit before tax	—	—	—	—	—	—	—	33,286
Income taxes expenses	—	—	—	—	—	—	—	10,114
Profit	—	—	—	—	—	—	—	23,171

Notes:

1. Segment profit (loss) adjustments of ¥888 million include ¥732 million for the unrealized gains on inventories and ¥214 million for the unrealized gains on non-current assets.
2. Segment profit (loss) is adjusted to coincide with operating profit in the condensed quarterly consolidated statement of income.

Nine months ended December 31, 2021

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	42,170	55,848	76,936	62,738	21,208	258,901	—	258,901
Intersegment sales	91,686	308	3,084	21	2	95,103	(95,103)	—
Total	133,856	56,157	80,021	62,760	21,210	354,005	(95,103)	258,901
Segment profit (loss)	27,630	2,955	12,172	7,389	2,993	53,141	(3,271)	49,870
Financial income	—	—	—	—	—	—	—	446
Financial expenses	—	—	—	—	—	—	—	609
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(2,084)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	442
Profit before tax	—	—	—	—	—	—	—	48,065
Income taxes expenses	—	—	—	—	—	—	—	15,281
Profit	—	—	—	—	—	—	—	32,784

Notes:

1. Segment profit (loss) adjustments of negative ¥3,271 million include negative ¥3,282 million for the unrealized gains on inventories and ¥68 million for the unrealized gains on non-current assets.
2. Segment profit (loss) is adjusted to coincide with operating profit in the condensed quarterly consolidated statement of income.