Summary of Consolidated Financial Results
for the First Three Months of the Fiscal Year Ending March 31, 2015

August 5, 2014

Listed company name	:	Sysmex Corporation
Code	:	6869
Listed stock exchanges	:	Tokyo Stock Exchange
URL	:	http://www.sysmex.co.jp
Company representative	:	Hisashi Ietsugu, Chairman and CEO
Contact	:	Yukitoshi Kamao, Executive Officer, Corporate Business Administration
Phone	:	078(265)-0500
Scheduled date for filing of quarterly report	:	August 13, 2014
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 three months ended June 30, 2014

(1) Operating results

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

	Net Sales		Operating income		Ordinary income		Net income	
Three months ended Jun. 30, 2014	46,737	18.2%	8,763	83.3%	8,507	68.2%	5,187	69.2%
Three months ended Jun. 30, 2013	39,547	24.8%	4,780	17.1%	5,057	38.5%	3,066	32.9%

Note:

Comprehensive income: 3,991 million yen ((29.4)%) for the three months ended Jun. 30, 2014; 5,651 million yen (—%) for three months ended Jun. 30, 2013

	Net income per share (Yen)	Diluted net income per share (Yen)
Three months ended Jun. 30, 2014	25.04	24.99
Three months ended Jun. 30, 2013	14.84	14.78

Note:

On April 1, 2014, Sysmex conducted a two-for-one split on shares of common stock. Consequently, "net income per share" and "diluted net income per share" have been computed as if the stock split had been conducted at the beginning of the fiscal year ended March 31, 2014.

(2) Financial condition

	Total assets	Net assets	Equity Ratio	Net assets per share (Yen)
As of Jun. 30, 2014	203,938	146,932	71.8%	706.02
As of Mar. 31, 2014	210,758	146,250	69.2%	703.76

Note:

Equity capital: 146,321 million yen as of June 30,2014; 145,757 million yen as of March 31, 2014
On April 1, 2014, Sysmex conducted a two-for-one split on shares of common stock. Consequently, "net assets per share" have been computed as if the stock split had been conducted at the beginning of the fiscal year ended March 31, 2014.

2. Dividend

	Dividend per share				
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)
Year ended Mar. 31, 2014	—	21.00	—	33.00	54.00
Year ended Mar. 31, 2015	—				
Year ending Mar. 31, 2015 (Forecast)		14.00	—	14.00	28.00

Note:

Revision of dividends forecast for this period: No

On April 1, 2014, Sysmex conducted a two-for-one split on shares of common stock. Year-end dividends for fiscal year ended March 31, 2014, are indicated at the amounts prior to the stock split.

3. Business Forecast for the Year Ending March 31, 2015

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

	Net Sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
Six months ending Sep. 30, 2014	100,000	18.9%	16,000	16.7%	16,000	14.7%	10,000	16.4%	48.26
Year ending Mar. 31, 2015	210,000	13.8%	36,000	9.5%	36,000	6.6%	22,000	6.9%	106.16

Note:

Revision of business forecast for this period: No

On April 1, 2014, Sysmex conducted a two-for-one split on shares of common stock.

4. Other Information

(1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation): No

(2) Application of special accounting policy for quarterly financial reporting: No

(3) Changes in accounting policies, accounting estimates and restatement of corrections

1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: Yes
2) Other changes in accounting policies: Yes
3) Changes in accounting estimates: No
4) Restatement of corrections: No

Note:

For details, please refer to “3) Changes in accounting policies, accounting estimates or restatement of corrections” within “2. Items related to summary information (other information)” on page 4 of the attached materials.

(4) Number of shares outstanding (Ordinary shares)

1) Number of shares outstanding at the end of each fiscal period (including treasury stock):
207,690,032 shares as of Jun. 30, 2014; 207,553,632 shares as of Mar. 31, 2014
2) Number of treasury stock at the end of each fiscal period:
442,492 shares as of Jun. 30, 2014; 440,556 shares as of Mar. 31, 2014
3) Average number of outstanding stock for each period (cumulative):
207,202,407 shares as of Jun. 30, 2014; 206,578,784 shares as of Mar. 31, 2014

Note:

On April 1, 2014, Sysmex conducted a two-for-one split on shares of common stock. Consequently, “number of shares outstanding at the end of the fiscal period,” “shares of treasury stock at the end of the fiscal period” and “average number of outstanding shares for the period” have been computed as if the stock split had been conducted at the beginning of the fiscal year ended March 31, 2014.

* Disclosure in relation to the status of the quarterly review process

This report of quarterly financial results is not subject to the quarterly review procedures of the Financial Instruments and Exchange Act. As of the time of disclosure of this report of quarterly financial results, the process of reviewing the quarterly financial statements in accordance with the Financial Instruments and Exchange Act had not been completed.

* Explanation regarding the appropriate use of forecasts of business results and other information

1. Due to changes in the number of shares outstanding and shares of treasury stock, net income per share has been revised in the consolidated earnings forecast announced on May 8, 2014. No other

figures in the earnings 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. Explanations regarding consolidated financial forecast and future information” within “1. Financial Performance” 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 Tuesday, August 5, 2014.

Content of Supplementary Materials

1. **Financial Performance**

1) Performance analysis

During the first three months of the fiscal year ending March 31, 2015, the Japanese economy continued its path to gradual recovery, despite the impact of some sluggishness in demand in reaction to the consumption tax hike. In general, overseas economies were characterized by ongoing recovery. In the United States, employment conditions continued to improve, and the corporate sector was in a moderate expansionary phase, leading to ongoing economic improvement. The European economy also sustained a slight ongoing recovery thanks to continued improvements centered on internal demand. In China, the economy trended upward, bolstered in part by government economic stimulus measures.

On the healthcare front, the Japanese government is positioning the healthcare industry as a pillar of its strategies for national growth, which is expected to invigorate healthcare-related industries going forward. In advanced countries in Europe and the United States, efforts are underway to curtail medical expenses and reform health insurance systems. In the United States, efforts to reduce the number of people without medical insurance are moving into high gear. In China, medical system reform that is underway, including to the medical insurance system, aims to build infrastructures that provide uniform medical services in cities and farming villages throughout the country. Therefore, although some causes for uncertainty remain, the foundations of healthcare-related demand remain solid.

Under these circumstances, the Sysmex Group has established i-Square, its new instrument factory in the city of Kakogawa, Hyogo Prefecture, increasing the Group's instrument manufacturing capacity to meet growing demand for *in-vitro* diagnostic (IVD) instruments in the Japanese and overseas markets.

We have completed factory expansions at two domestic affiliated companies, Sysmex Medica Co., Ltd., and Sysmex RA Co., Ltd., boosting the Sysmex Group's overall IVD instrument production capacity. With these factories, plus our existing Kakogawa Factory, we are transitioning to a four-factory structure that will gradually enable us to approximately triple our IVD instrument production capacity.

Sysmex has invested in RIKEN GENESIS Co., Ltd., a subsidiary of Toppan Printing Co., Ltd. Through this capital alliance, we will promote technological development to further improve the quality and efficiency of gene analysis testing. At the same time, we aim to accelerate initiatives targeting personalized medicine.

Net Sales by Destination

(First Quarters of Fiscal Years to March 31)		FY2013 1Q		FY2014 1Q		YoY (Previous period = 100)
		Amount (Millions of Yen)	Percentage of Total (%)	Amount (Millions of Yen)	Percentage of Total (%)	
Japan		7,734	19.6	7,567	16.2	97.8
	Americas	8,282	20.9	10,731	23.0	129.6
	EMEA	12,048	30.5	15,052	32.2	124.9
	China	8,557	21.6	10,216	21.8	119.4
	Asia Pacific	2,924	7.4	3,170	6.8	108.4
Overseas subtotal		31,812	80.4	39,170	83.8	123.1
Total		39,547	100.0	46,737	100.0	118.2

In Japan, capital investments by large-scale healthcare institutions were firm, and we continued with solution-proposal efforts. Although sales in the hematology field were down, sales centered on the hemostasis field were solid. As a result, sales in Japan during the first three months of the fiscal year amounted to ¥7,567 million, down 2.2% year on year.

In overseas markets, we made progress in the strengthening of sales and support structures and the provision of solutions, leading to higher sales of instruments centered on the field of hematology. Sales of reagents also rose solidly, benefiting from an increase in the installed instrument base. These factors caused the Sysmex Group's overseas sales to surge 23.1% year on year, to ¥39,170 million. The overseas sales ratio accordingly rose 3.4 percentage points, to 83.8%.

As a result, during the first three months of the fiscal year the Group recorded consolidated net sales of ¥46,737 million, up 18.2% year on year. Operating income rose 83.3%, to ¥8,763 million; ordinary income grew 68.2%, to ¥8,507 million; and net income increased 69.2%, to ¥5,187 million.

Performance by segment

(1) Japan

We continued to persevere in promoting solution proposals, and although sales were down in the hematology field, overall sales in the segment rose 2.2%, to ¥7,994 million, focusing on increased sales in the hemostasis field and export sales.

On the profit front, such factors as the expansion of export sales to Group companies and higher trademark royalty income led to a 101.6% surge in segment profit (operating income), to ¥5,140 million.

(2) Americas.

In the United States, sales of instruments were up, particularly in the hematology field, and an increase the installed instrument base led to higher sales of reagents and support services, pushing up sales in the country. In Central and South America, sales expanded in Mexico and Colombia, boosting sales in the Americas region 26.6% year on year, to ¥10,345 million.

Segment profit (operating income) soared 187.4%, to ¥999 million, as the effect of higher sales outpaced the increase in operating expenses.

(3) EMEA

Sales rose in the United Kingdom, France and Germany, and in Turkey sales benefited from our commencement of direct sales and support services. Also, sales expanded in Saudi Arabia and the United Arab Emirates. Accordingly, segment sales were robust, notably in the hematology field, growing 24.2%, to ¥14,981 million.

Segment profit (operating income), however, fell 47.5%, to ¥1,142 million, due to higher payments of Group trademark royalties and rising operating expenses accompanying business expansion.

(4) China

In this market, sales remained sluggish in some areas. However, sales of instruments grew, particularly in the hematology field, and sales of reagents were firm as a result of a greater installed instrument base. Segment sales accordingly grew 19.4%, to ¥10,215 million.

Segment profit (operating income) expanded 76.9%, to ¥1,701 million, as higher sales more than compensated for the increased operating expenses accompanying efforts to reinforce the sales structure.

(5) Asia Pacific

Instrument sales increased in Australia and India, where we have enhanced our direct sales and support services. However, ongoing political unrest resulted in sluggish sales in Thailand. In Myanmar, sales were down in comparison with the first quarter of the preceding fiscal year, when we won a project bid from a government-affiliated entity. Due to these factors, sales in this segment were up 9.0%, to ¥3,199 million.

Segment profit (operating income) dropped 46.2%, to ¥183 million, as operating expenses expanded to cover the building of sales and support structures.

2) Financial conditions analysis

(1) Assets, liabilities and net assets

As of June 30, 2014, total assets amounted to ¥203,938 million, down ¥6,820 million from March 31, 2014. The primary reasons were decreases of ¥6,347 million in cash and deposits and ¥4,914 million in trade notes and accounts receivable, while investments and other assets expanded ¥2,610 million.

Meanwhile, total liabilities were down ¥7,502 million, to ¥57,006 million. The main reasons for this fall were decreases of ¥1,091 million in trade notes and accounts payable, ¥4,508 million in income taxes payable and ¥2,082 million in provision for bonuses.

Total net assets came to ¥146,932 million at June 30, 2014, up ¥681 million from their level on March 31, 2014. The principal reasons for the increase were rises of ¥238 million in the valuation difference on available-for-sale securities and ¥1,575 million in retained earnings, while the foreign currency translation adjustment fell ¥1,381 million. The equity ratio as of June 30, 2014, was 71.8%, up 2.6 percentage points from the 69.2% recorded as of March 31, 2014.

(2) Cash flows

As of June 30, 2014, cash and cash equivalents amounted to ¥30,259 million, down ¥6,288 million from March 31, 2014.

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

(Operating cash flows)

Net cash provided by operating activities was ¥3,763 million, ¥1,049 million more than in the same period of the preceding fiscal year. As principal factors, income before income taxes provided ¥8,501 million, ¥3,527 million more than in the first three months of the preceding fiscal year, and the decrease in trade notes and accounts receivable provided ¥4,519 million, ¥1,348 million less. However, the increase in inventories used ¥1,433 million, compared with ¥52 million provided in the same period of the preceding year; the decrease in trade notes and accounts payable used ¥1,079 million, ¥2,831 million less than in the same period of the previous year, and income taxes paid used ¥6,949 million, a ¥2,600 million increase.

(Investing cash flow)

Net cash used in investing activities was ¥5,348 million, ¥2,491 million less than in the same period of the preceding fiscal year. Among major factors were purchases of property, plant and equipment, which used ¥2,235 million, down ¥1,255 million. Also, purchases of investment securities, which was absent in the first three months of the preceding fiscal year, used ¥2,199 million. Furthermore, the purchase of investments in subsidiaries of ¥3,620 million, present in the first quarter of the preceding fiscal year, was absent during the first quarter under review.

(Financing cash flow)

Net cash used in financing activities amounted to ¥4,282 million, ¥2,251 million more than in the same period of the previous fiscal year. This was mainly due to a net decrease in short-term loans payable of ¥1,000 million, ¥985 million more than in the first quarter of the preceding year, and cash dividends paid of ¥3,417 million, which used ¥1,044 more in cash than in the first three months of the preceding fiscal year.

3) Consolidated financial forecast

During the first three months of the fiscal year ending March 31, 2015, both net sales and income were up year on year. As we expect performance from the second quarter onward to be in line with our initial forecast, we maintain unchanged the consolidated performance forecasts we announced on May 8, 2014, for both the first six months and the full fiscal year.

2. Items related to summary information (other information)

1) Changes in significant consolidated subsidiaries during the period under review

Nothing to report.

2) Application of special accounting treatment for quarterly financial reporting

Nothing to report.

3) Changes in accounting policies, accounting estimates or restatement of corrections

(Changes in accounting methods)

(Application of Accounting Standard for Retirement Benefits)

From the first quarter of the fiscal year ending March 31, 2015, the Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012), excluding, however, the provisions found in the body text of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. Accordingly, the Company revised its method of accounting for liabilities for retirement benefits and service costs, changing its method of attributing expected retirement benefits to periods from a point basis to a benefit formula basis. Also, the method of determining the discount rate has been changed from one of using as the basis for calculation the yield on bonds for a number of years corresponding closely to the average remaining service period of employees to a method based on a single weighted average discount period reflecting each expected period for payment of retirement benefits and expected amount of benefits paid.

Regarding the application of the Accounting Standard for Retirement Benefits, in accordance with the transitional treatment stipulated in Paragraph 37, from the beginning of the first quarter of the fiscal year under review the amount of change resulting from the method of calculating liabilities for retirement benefits and service costs is added to or deducted from retained earnings.

As a result, liabilities related to retirement benefits increased ¥303 million at the beginning of the first quarter of the fiscal year under review, and retained earnings fell ¥195 million. During the first quarter, the effect on operating income, ordinary income and income before income taxes was slight.

(After-sales service expense)

In the past, expenses related to after-sales service on instruments have been recorded as selling, general and administrative expenses. This has been changed from the first quarter under review to the method of recording these expenses in cost of sales.

This change was made to reflect the fact that increasing customer demand has made after-sales services a more material part of sales. Furthermore, during the first quarter under review the Company introduced a new system for calculating expenses related to after-sales service, thereby clarifying the relationship between sales and cost of sales and allowing gross profit to be described more clearly. Accordingly, we have adopted this approach in order to state gross profit more appropriately.

As the Company adopted this new system for calculating after-sales services consistently across the Group at the start of the first quarter under review, and as gathering sufficient information to apply this method to the first quarter of the fiscal year ended March 31, 2014, is problematic, this methodology has not been applied retroactively. Rather, the approach is applied only to financial statements from the first quarter under review. As no after-sales services were in progress as of March 31, 2014, this change had no effect on the retained earnings category of net assets.

Compared with the previous method, the effects of adopting this method on the consolidated statements of income for the first quarter of the fiscal year under review include ¥3,004 million higher cost of sales and ¥3,004million lower amounts for gross profit and selling, general and administrative expenses. However, operating income, ordinary income and income before income taxes and minority interests were not affected.

(Transport costs for delivering products to customers)

In the past, the Company and some of its consolidated subsidiaries recorded the cost of transporting products that had been sold to customers under selling, general and administrative expenses, while other subsidiaries recorded these costs within cost of sales. From the first quarter under review, we have adopted consistently throughout the Group the practice of recording these costs in cost of sales.

This change is one aspect of the Company's efforts to reform its product supply process to handle the increase in overseas business. This change coincides with the introduction during the first quarter under review of revised terms of trade between the parent company and subsidiaries. After taking into consideration the origin of transport costs and the method of handling them, the decision was made to include transport costs in cost of sales in order to reflect corporate conditions more appropriately in the financial statements.

This change in accounting policy has been applied retroactively, and the consolidated financial statements for the same quarter of the preceding fiscal year reflect this retroactive application.

As a result, the effects of adopting this method on the consolidated statements of income for the first quarter of the fiscal year ended March 31, 2014, were to increase cost of sales ¥257 million and reduce gross profit and selling, general and administrative expenses by ¥257 million. This change had no effect on operating income, ordinary income or income before income taxes and minority interests for the first quarter of the fiscal year ended March 31, 2014. Furthermore, this change of accounting method had no cumulative effect from periods prior to those shown.

3. Consolidated financial statements

1) Consolidated Balance Sheets

(Unit: Millions of Yen)

Items	As of Mar. 31, 2014	As of Jun. 30, 2014
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	36,698	30,350
Notes and accounts receivable-trade	45,514	40,600
Short-term investment securities	131	158
Merchandise and finished goods	21,242	22,227
Work in process	1,725	2,051
Raw materials and supplies	4,351	4,385
Others	17,048	16,691
Allowance for doubtful accounts	(889)	(853)
Total current assets	125,823	115,613
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,855	22,464
Others	34,918	32,659
Total Property, plant and equipment	53,774	55,123
Intangible assets		
Goodwill	13,115	12,530
Others	10,742	10,757
Total Intangible assets	23,858	23,287
Total Investments and other assets	7,303	9,914
Total Noncurrent assets	84,935	88,325
Total assets	210,758	203,938
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	13,263	12,171
Short-term loans payable	1,050	47
Income taxes payable	7,699	3,190
Provision for bonuses	5,047	2,965
Provision for directors' bonuses	269	68
Provision for product warranties	291	345
Others	26,386	27,686
Total current liabilities	54,010	46,477
Noncurrent liabilities		
Long-term loans payable	105	98
Provision for directors' retirement benefits	102	102
Net defined benefit liabilities	631	874
Others	9,658	9,453
Total Noncurrent liabilities	10,498	10,529
Total liabilities	64,508	57,006

(Unit: Millions of Yen)

Items	As of Mar. 31, 2014 Amount	As of Jun. 30, 2014 Amount
(Net assets)		
Shareholders' equity		
Capital stock	10,243	10,339
Capital surplus	15,183	15,279
Retained earnings	109,976	111,551
Treasury stock	(270)	(276)
Total shareholders' equity	135,133	136,894
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,134	1,372
Deferred gains or losses on hedges	—	2
Foreign currency translation adjustment	8,652	7,271
Remeasurements of defined benefit plans	836	780
Total accumulated other comprehensive income	10,623	9,426
Subscription rights to shares	493	610
Minority interests	0	0
Total net assets	146,250	146,932
Total liabilities and net assets	210,758	203,938

(Note) fractions of one million yen are rounded off

2) Consolidated Statements of Income (Three months ended June. 30, 2014)

(Unit: Millions of Yen)

Items	Three monts ended Jun. 30, 2013	Three monts ended Jun. 30, 2014
	Amount	Amount
Net sales	39,547	46,737
Cost of sales	15,186	18,882
Gross profit	24,360	27,855
Selling, general and administrative expenses	19,580	19,092
Operating income	4,780	8,763
Non-operating income		
Interest income	37	37
Dividends income	22	37
Foreign exchange gains	238	―
Others	28	40
Total non-operating income	326	115
Non-operating expenses		
Interest expenses	7	6
Equity in losses of affiliates	26	0
Foreign exchange losses	―	338
Others	16	25
Total non-operating expenses	49	371
Ordinary income	5,057	8,507
Extraordinary profits		
Gain on sales of noncurrent assets	1	4
Total extraordinary profits	1	4
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	38	10
Loss on valuation of investment securities	46	―
Total extraordinary loss	84	10
Income before income taxes and minority interest	4,974	8,501
Income taxes-current	1,525	2,552
Income taxes-deferred	382	761
Total income taxes	1,908	3,313
Income before minority interests	3,066	5,187
Minority interest	(0)	―
Net income	3,066	5,187

(Note) fractions of one million yen are rounded off

Consolidated Statements of Comprehensive Income (Three months ended June. 30, 2014)

(Unit: Millions of Yen)

Items	Three months ended Jun. 30, 2013	Three months ended Jun. 30, 2014
Income before minority interests	3,066	5,187
Other comprehensive income		
Valuation difference on available-for-sale securities	22	238
Deferred gains or losses on hedges	—	2
Foreign currency translation adjustment	2,563	(1,381)
Remeasurements of defined benefit plans	—	(55)
Total other comprehensive income	2,585	(1,196)
Comprehensive income	5,651	3,991
Comprehensive income attributable to owners of the parent	5,651	3,991
Comprehensive income attributable to minority interests	(0)	(0)

(Note) fractions of one million yen are rounded off

3) Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Items	Three months ended Jun. 30, 2013	Three months ended Jun. 30, 2014
Net cash provided by (used in) operating activities		
Income before income taxes	4,974	8,501
Depreciation and amortization	2,334	2,709
Decrease (increase) in notes and accounts receivable-trade	5,867	4,519
Decrease (increase) in inventories	52	(1,433)
Increase (decrease) in notes and accounts payable-trade	(3,910)	(1,079)
Others	(2,315)	(2,574)
Subtotal	7,004	10,643
Interest and dividends received	60	70
Interest expenses paid	(2)	(1)
Income taxes paid	(4,348)	(6,949)
Net cash provided by (used in) operating activities	2,713	3,763
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(3,490)	(2,235)
Purchase of intangible assets	(621)	(810)
Purchase of investment securities	—	(2,199)
Cash flow from equity investment in subsidiaries	(3,620)	—
Others	(107)	(103)
Net cash provided by (used in) investment activities	(7,840)	(5,348)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(14)	(1,000)
Repayment of long-term loans payable	(1)	(6)
Cash dividends paid	(2,373)	(3,417)
Others	358	140
Net cash provided by (used in) financing activities	(2,031)	(4,282)
Effect of exchange rate change on cash and cash equivalents	1,043	(419)
Net increase (decrease) in cash and cash equivalents	(6,113)	(6,288)
Cash and cash equivalents at beginning of term	34,306	36,547
Cash and cash equivalents at end of term	28,193	30,259

(Note) fractions of one million yen are rounded off

4) Notes to the consolidated financial statements

(Notes related to the going concern assumption)

Nothing to report

(Notes in the event of significant changes in shareholders' equity)

Nothing to report

(Segment Information)

I. Information on sales and income by geographic segment reported

1. Three months ended June 30, 2013

(Unit: Millions of Yen)

	Japan	Americas	EMEA	China	Asia Pacific	Total	Reconciliations[1]	Consolidated[2]
Sales								
Outside sale	7,822	8,171	12,063	8,555	2,934	39,547	—	39,547
Intersegment sales	12,891	2	211	1	41	13,147	(13,147)	—
Total sales	20,714	8,173	12,274	8,556	2,976	52,695	(13,147)	39,547
Segment income	2,549	347	2,173	961	341	6,374	(1,593)	4,780

Note:

1. Segment income reconciliations of a negative ¥1,593 million include ¥25 million for the elimination of intersegment transfers, a negative ¥1,520 million in inventory adjustments and a negative ¥99 million in adjustments for noncurrent assets.
2. Segment income is adjusted to operating income on the consolidated statements of income.

2. Information related to impairment losses on noncurrent assets or goodwill attributable to reportable segments

(Significant changes in goodwill amounts)

In the Asia Pacific segment, during the first quarter the Company acquired 100% of the shares of its distributor in South Korea, converting this company to a subsidiary. The associated increase in goodwill was ¥2,383 million.

3. Items related to changes in reportable segments

Nothing to report.

II. Information on sales and income by geographic segment reported

1. Three months ended June 30, 2014

(Unit: Millions of Yen)

	Japan	Americas	EMEA	China	Asia Pacific	Total	Reconciliations[1]	Consolidated[2]
Sales								
Outside sale	7,994	10,345	14,981	10,215	3,199	46,737	—	46,737
Intersegment sales	17,018	43	277	1	38	17,379	(17,379)	—
Total sales	25,013	10,389	15,259	10,216	3,238	64,117	(17,379)	46,737
Segment income	5,140	999	1,142	1,701	183	9,167	(404)	8,763

Notes:

1. Segment income reconciliations of a negative ¥404 million include ¥23 million for the elimination of intersegment transfers, a negative ¥469 million in inventory adjustments and a negative ¥42 million in adjustments for noncurrent assets.

2. Segment income is adjusted to operating income on the consolidated statements of income.

2. Information related to impairment losses on noncurrent assets or goodwill attributable to reportable segments

Nothing to report.

3. Items related to changes in reportable segments

As is mentioned in the description of changes in accounting methods, due to the change during the first quarter of the method of calculating liabilities for retirement benefits and service costs. The effect of this change on segment income for the first quarter is slight.