Summary of Consolidated Financial Results [IFRS]
for the First Nine Months of the Fiscal Year Ending March 31, 2018

February 6, 2018

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	:	Hiroshi Nagao, Executive Officer, Corporate Business Administration
Phone	:	078(265)-0500
Scheduled date for filing of quarterly report	:	February 13, 2018
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, 2018

(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, 2017	202,551	12.0%	44,583	13.8%	45,130	21.3%	30,359	(4.7)%
Nine months ended Dec. 31, 2016	180,793	(2.6)%	39,160	(14.9)%	37,194	(16.6)%	31,840	7.2%

	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, 2017	30,555	(4.4)%	38,628	26.9%	146.72	146.37
Nine months ended Dec. 31, 2016	31,967	7.6%	30,448	6.0%	153.66	153.19

(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, 2017	310,612	236,990	236,346	76.1%
As of Mar. 31, 2017	279,817	210,252	209,406	74.8%

2. Dividend

	Dividend per share				
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)
Year ended Mar. 31, 2017	—	28.00	—	30.00	58.00
Year ending Mar. 31, 2018	—	30.00	—		
Year ending Mar. 31, 2018 (Forecast)				30.00	60.00

Note: Revision of dividends forecast for this period: No

3. Financial Forecast for the Year Ending March 31, 2018

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

	Net Sales		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share (Yen)
Year ending Mar. 31, 2018	280,000	12.0%	58,000	12.2%	58,000	18.5%	41,500	2.1%	199.24

Note: Revision of business 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):
208,832,832 shares as of Dec. 31, 2017; 208,631,032 shares as of Mar. 31, 2017
2) Number of treasury stock at the end of each fiscal period:
445,408 shares as of Dec. 31, 2017; 444,556 shares as of Mar. 31, 2017
3) Average number of outstanding stock for each period (cumulative):
208,256,163 shares for the nine months ended Dec. 31, 2017
208,042,767 shares for the nine months ended Dec. 31, 2016

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 8, 2017, 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. Financial Performance” on page 5 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, February 6, 2018.

Content of Supplementary Materials

1. Financial performance

1) Performance analysis

Future-related information contained in the text below is based on the judgement of the Sysmex Group (Sysmex Corporation and its affiliated companies) as of the end of the fiscal period under review.

During the first nine months of the fiscal year ending March 31, 2018, the Japanese economy continued to recover, buoyed by rebounds in personal consumption and capital investment. Overall, the overseas economy also continued its modest recovery, despite mounting geopolitical risk in the Middle East and East Asia.

On the healthcare front, the Japanese government is including the medical and healthcare industry in its growth strategies, which is expected to continue invigorating healthcare-related industries going forward. In the United States, the Affordable Care Act that was introduced to decrease the number of people without medical insurance is being reviewed. In China, the country is also introducing policies to curtail medical expenses, but overseas the foundations of healthcare-related demand remain solid.

Under these conditions, Sysmex acquired the shares of Oxford Gene Technology IP Limited ("OGT") and converted the company to a subsidiary. In the cytogenetics market, we plan to reinforce our technology base for genomic medicine by fusing Sysmex's flow FISH[1] and other automation technologies with OGT's capabilities in the development of high-quality reagents.

To reinforce its R&D related to information analysis technology, centered on bioinformatics[2], Sysmex established a new R&D facility, the Skyfront Research Campus, within the Life Innovation Center, located within the Kawasaki INnovation Gateway at SKYFRONT[3], in the Tonomachi area of Kawasaki, Kanagawa Prefecture. This area is home to a cluster of leading-edge life science companies and research institutions. In establishing an R&D facility there, Sysmex aims to facilitate collaboration with R&D institutions, universities and companies in the Kanto area.

The RIKEN GENESIS Innovation Genome Center of RIKEN GENESIS Co., Ltd., a Sysmex subsidiary, is located in the same center. We will employ next-generation sequencers[4] and cutting-edge gene analyzers for liquid biopsy[5], to provide gene analysis service and to perform clinical sequence testing[6] to quality levels based on international quality standards, thereby contributing to the promotion of genomic medicine.

We completed the expansion of our reagent factory in the United States. This move was aimed at responding to future increases in reagent demand in the Americas, as well as ensuring a stable supply of reagents from a medium- to long-term perspective. As a result, production capacity is now at 1.8 times the previous level. The Sysmex Group manufactures reagents at two locations in Japan and seven locations in six other countries. We will continue to provide a stable supply of products through a production structure that is in line with market environments in various regions.

1 Flow FISH:
Whereas FISH testing requires evaluation of slides under a microscope, flow FISH testing uses an imaging flow cytometer to capture images, enabling automated analysis. FISH testing uses fluorescent material binding only specific genes to detect target genes within a chromosome.

2 Bioinformatics:
Information technology that analyzes genetic and protein information to explain Biological function and phenotype; in particular, signifying the technology for analyzing relationships between genetic information and disease.

3 Kawasaki INnovation Gateway at SKYFRONT:
An open innovation hub located within the Life Innovation in Keihin Coastal Areas International Strategy Comprehensive Special Zone, where companies involved in the life sciences gather. Based on national government growth strategy, the hub is eligible for support, including the easing of regulations, with a view to establishing innovative business models.

4 Next-generation sequencer (NGS):
An analyzer for reading the huge volumes of genetic information contained in DNA bases and sequences.

5 Liquid biopsy:

Detection of cancer or other diseases by testing bodily fluids such as blood. This type of testing is less invasive than conventional physical biopsies.

6 Clinical sequence testing:

The type of testing which analyzes genetic information of patients with a high degree of precision by using the next-generation sequencer with the purpose of diagnosis and treatment methods selection.

Net sales by destination

		Nine months ended December 31, 2016		Nine months ended December 31, 2017		YoY (Previous period = 100)
		Amount (Millions of yen)	Percentage of total (%)	Amount (Millions of yen)	Percentage of total (%)	
Japan		30,870	17.1	32,251	15.9	104.5
	Americas	42,803	23.7	46,612	23.0	108.9
	EMEA	46,863	25.9	53,360	26.4	113.9
	China	45,444	25.1	52,321	25.8	115.1
	Asia Pacific	14,811	8.2	18,005	8.9	121.6
Overseas subtotal		149,923	82.9	170,300	84.1	113.6
Total		180,793	100.0	202,551	100.0	112.0

In Japan, reagent sales increased, centered on the hematology and hemostasis fields. As a result, sales in Japan rose 4.5% year on year, to ¥32,251 million.

In overseas markets, sales of instruments were down, affected principally by lower instrument sales in China in the hemostasis field. However, reagent sales grew, centered on the hematology and hemostasis fields. Consequently, overseas sales increased 13.6% year on year, to ¥170,300 million. The overseas sales ratio rose 1.2 percentage points, to 84.1%.

As a result, during the first nine months of the year the Group recorded consolidated net sales of ¥202,551 million, up 12.0% year on year. Operating profit rose 13.8%, to ¥44,583 million; profit before tax grew 21.3%, to ¥45,130 million; and profit attributable to owners of the parent declined 4.4%, to ¥30,555 million.

Performance by segment

(1) Japan

Sales of reagents increased in Japan, mainly in the hematology and hemostasis fields, pushing up sales in this segment 2.8% year on year, to ¥33,643 million.

On the profit front, higher sales, including intragroup exports, had a positive impact, and efforts to curtail SG&A expenses outpaced the rise in cost of sales. These and other factors led to a 9.5% rise in segment profit (operating profit), to ¥29,825 million.

(2) Americas

Sales rose in the United States, pushed up by higher sales of reagents due to growth in the installed instrument base, although sales of instruments fell in the hemostasis field. In Central and South America, sales fell on a local currency basis, reflecting the acquisition of government projects in Mexico in the corresponding period of the previous fiscal year. Overall, sales in the Americas grew 8.7% year on year, to ¥44,199 million.

Segment profit (operating profit) grew 53.1%, to ¥3,805 million, thanks to higher sales and such factors as lower payments of Group trademark royalties.

(3) EMEA

Sales of instruments declined, mainly in the hemostasis field, but reagent sales rose due to expansion of the installed instrument base, causing sales to grow 15.5% year on year, to ¥54,528 million.

Although SG&A expenses increased, as we worked to reinforce our sales structure, the impact of higher sales and an improved cost of sales ratio prompted an 17.8% year-on-year rise in segment profit (operating profit), to ¥4,351 million.

(4) China

Despite lower instrument sales in the hemostasis field, reagent sales grew in the hematology, hemostasis and immunochemistry fields, pushing up sales 15.1% year on year, to ¥52,272 million.

In addition to the effect of higher sales, the cost of sales ratio improved due to a revision in intragroup transaction prices. Segment profit (operating profit) expanded 135.0%, to ¥6,062 million.

(5) Asia Pacific

Sales grew in Southeast Asia, centered on the hematology field in the Philippines and Vietnam. Sales in the hematology and hemostasis fields also expanded in South Asia, in India and Bangladesh. In Australia, performance reflected sales to large-scale commercial labs in the corresponding period of the previous fiscal year. However, sales rose in South Korea and Taiwan, pushing sales in the region up 21.4% year on year, to ¥17,907 million.

Although SG&A expenses increased, segment profit (operating profit) grew 38.2% year on year, to ¥2,207 million, due to the effect of higher sales, which pushed up gross profit.

2) Financial conditions analysis

(1) Assets, liabilities and equity

As of December 31, 2017, total assets amounted to ¥310,612 million, up ¥30,795 million from March 31, 2017. As principal factors, despite a ¥2,931 million decrease in cash and cash equivalents, inventories rose ¥9,308 million, intangible assets expanded ¥8,008 million, goodwill increased ¥4,667 million, trade and other receivables (current assets) expanded ¥3,675 million, and property, plant and equipment grew ¥2,884 million.

Meanwhile, total liabilities as of December 31, 2017, were ¥73,622 million, up ¥4,057 million from their level on March 31, 2017. Principal factors included a decrease of ¥2,069 million in provisions (a non-current liability item), while income taxes payable increased ¥4,457 million and accrued expenses grew ¥1,913 million.

Total equity came to ¥236,990 million, up ¥26,737 million from March 31, 2017. Among principal reasons, retained earnings rose ¥18,062 million, and other components of equity increased ¥8,268 million. Equity attributable to owners of the parent to total assets as of December 31, 2017, was 76.1%, up 1.3 percentage point from the 74.8% recorded as of March 31, 2017.

(2) Cash flows

As of December 31, 2017, cash and cash equivalents amounted to ¥55,013 million, down ¥2,931 million from March 31, 2017.

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 ¥34,226 million, up ¥16,325 million from the first nine months of the preceding fiscal year. As principal factors, profit before tax provided ¥45,130 million (¥7,936 million more than in the corresponding period of the preceding year), depreciation and amortization provided ¥10,892 million (up ¥1,866 million), an decrease in trade receivables provided ¥167 million (used ¥1,706 million in the first nine months of the previous year), an increase in inventories used ¥5,991 million (up ¥1,567 million), an increase in trade payables provided ¥2,818 million (used ¥2,221 million in the first nine months of the previous year), a decrease in advance received used ¥2,303 million (down ¥2,461 million), and income taxes paid used ¥9,973 million (down ¥4,842 million).

(Cash flows from investing activities)

Net cash used in investing activities was ¥26,876 million (up ¥12,925 million). Among major factors, purchase of property, plant and equipment used ¥8,587 million (up ¥388 million from the corresponding period of the previous fiscal year), purchase of intangible assets used ¥6,953 million (up ¥1,479 million), purchase of investments in equity instruments used ¥1,815 million (up ¥1,185 million) and acquisitions of subsidiaries or other businesses used ¥10,980 million (up ¥9,527 million).

(Cash flows from financing activities)

Net cash used in financing activities was ¥12,021 million (up ¥957million). This was mainly due to dividends paid of ¥12,493 million (up ¥846 million).

3) Consolidated financial forecast

The Company maintains its consolidated financial forecasts, as announced on November 8, 2017.

These forecasts are based on information available as of the date of this release. Actual results may differ materially from these forecasts 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, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	57,944	55,013
Trade and other receivables	63,084	66,760
Inventories	36,998	46,306
Other short-term financial assets	528	309
Income taxes receivable	457	744
Other current assets	7,303	8,434
Total current assets	166,318	177,568
Non-current assets		
Property, plant and equipment	60,144	63,029
Goodwill	8,308	12,975
Intangible assets	21,228	29,237
Investments accounted for using the equity method	552	1,026
Trade and other receivables	8,813	10,428
Other long-term financial assets	6,107	7,736
Asset for retirement benefits	666	644
Other non-current assets	2,095	2,227
Deferred tax assets	5,581	5,737
Total non-current assets	113,499	133,044
Total assets	279,817	310,612

(Unit: Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	24,376	25,780
Other short-term financial liabilities	956	878
Income taxes payable	2,915	7,373
Provisions	610	674
Advance received	6,418	4,454
Accrued expenses	8,330	10,244
Accrued bonuses	6,636	4,850
Other current liabilities	9,708	10,493
Total current liabilities	59,952	64,749
Non-current liabilities		
Long-term financial liabilities	549	745
Liability for retirement benefits	654	748
Provisions	2,318	248
Other non-current liabilities	3,527	2,765
Deferred tax liabilities	2,562	4,364
Total non-current liabilities	9,612	8,873
Total liabilities	69,564	73,622
Equity		
Equity attributable to owners of the parent		
Capital stock	11,611	12,013
Capital surplus	17,303	17,517
Retained earnings	188,506	206,568
Treasury stock	(289)	(295)
Other components of equity	(7,725)	542
Total equity attributable to owners of the parent	209,406	236,346
Non-controlling interests	845	643
Total equity	210,252	236,990
Total liabilities and equity	279,817	310,612

2) Condensed quarterly consolidated statement of income

(Unit: Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	180,793	202,551
Cost of sales	76,241	87,373
Gross profit	104,552	115,178
Selling, general and administrative expenses	54,859	59,024
Research and development expenses	11,391	11,921
Other operating income	1,109	471
Other operating expenses	250	120
Operating profit	39,160	44,583
Financial income	436	228
Financial expenses	99	139
Share of profit (loss) on equity method	(402)	(447)
Gain on sale of shares of associates	—	1,221
Foreign exchange gain (loss)	(1,900)	(315)
Profit before tax	37,194	45,130
Income tax expenses	5,353	14,770
Profit	31,840	30,359
Profit attributable to		
Owners of the parent	31,967	30,555
Non-controlling interests	(126)	(195)
Profit	31,840	30,359

(Unit: Yen)

Earnings per share		
Basic	153.66	146.72
Diluted	153.19	146.37

3) Condensed quarterly consolidated statement of other comprehensive income

(Unit: Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	31,840	30,359
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	190	626
Total	190	626
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(1,585)	7,641
Share of other comprehensive income of investments accounted for using the equity method	2	0
Total	(1,583)	7,642
Total other comprehensive income	(1,392)	8,268
Comprehensive income	30,448	38,628
Comprehensive income attributable to		
Owners of the parent	30,574	38,823
Non-controlling interests	(126)	(195)
Comprehensive income	30,448	38,628

4) Condensed quarterly consolidated statement of changes in equity

Nine months ended December 31, 2016

(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, 2016	11,016	16,969	159,375	(285)	(4,275)	182,800	0	182,801
Profit			31,967			31,967	(126)	31,840
Other comprehensive income					(1,392)	(1,392)	(0)	(1,392)
Comprehensive income	—	—	31,967	—	(1,392)	30,574	(126)	30,448
Exercise of warrants	454	255				709		709
Cash dividends			(11,646)			(11,646)		(11,646)
Purchase of treasury stock				(1)		(1)		(1)
Transfer to retained earnings			1		(1)	—		—
Changes from business combination						—	1,028	1,028
Equity transactions with non-controlling interests		0				0	(0)	—
Total transactions with the owners	454	255	(11,645)	(1)	(1)	(10,938)	1,028	(9,909)
As of December 31, 2016	11,471	17,224	179,697	(287)	(5,669)	202,437	902	203,339

Nine months ended December 31, 2017

(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 1,2017	11,611	17,303	188,506	(289)	(7,725)	209,406	845	210,252
Profit			30,555			30,555	(195)	30,359
Other comprehensive income					8,268	8,268	0	8,268
Comprehensive income	—	—	30,555	—	8,268	38,823	(195)	38,628
Exercise of warrants	402	225				627		627
Cash dividends			(12,493)			(12,493)		(12,493)
Purchase of treasury stock				(6)		(6)		(6)
Transfer to retained earnings			—		—	—		—
Changes from business combination						—	—	—
Equity transactions with non-controlling interests		(11)				(11)	(6)	(18)
Total transactions with the owners	402	213	(12,493)	(6)	—	(11,883)	(6)	(11,890)
As of December 31, 2017	12,013	17,517	206,568	(295)	542	236,346	643	236,990

5) Condensed quarterly consolidated statement of cash flows

(Unit: Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Cash flows from operating activities		
Profit before tax	37,194	45,130
Depreciation and amortization	9,026	10,892
Gain on sale of shares of associates	—	(1,221)
Decrease (increase) in trade receivables	(1,706)	167
Decrease (increase) in inventories	(4,423)	(5,991)
Increase (decrease) in trade payables	(2,221)	2,818
Decrease/increase in consumption taxes receivable/payable	1,598	745
Increase (decrease) in advance received	(4,765)	(2,303)
Increase (decrease) in accrued bonuses	(2,250)	(1,970)
Other–net	(23)	(4,192)
Subtotal	32,429	44,076
Interest and dividend received	347	181
Interest paid	(60)	(59)
Income taxes paid	(14,816)	(9,973)
Net cash provided by (used in) operating activities	17,900	34,226
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,199)	(8,587)
Purchase of intangible assets	(5,474)	(6,953)
Purchase of investments in equity instruments	(629)	(1,815)
Proceeds from the sale of equity instruments	—	1,500
Acquisitions of subsidiaries or other businesses	(1,453)	(10,980)
Net decrease (increase) in short-term loans receivable	1,930	—
Other–net	(125)	(39)
Net cash provided by (used in) investing activities	(13,951)	(26,876)
Cash flows from financing activities		
Dividends paid	(11,646)	(12,493)
Other–net	583	472
Net cash provided by (used in) financing activities	(11,063)	(12,021)
Foreign currency translation adjustments on cash and cash equivalents	(460)	1,740
Net increase (decrease) in cash and cash equivalents	(7,575)	(2,931)
Cash and cash equivalents, beginning of term	56,481	57,944
Cash and cash equivalents, end of term	48,906	55,013

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 business units of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Managing Board to make decisions about resources to be allocated to the segment and assess its performance.

   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 comprehensive 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, 2016

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	32,732	40,668	47,208	45,432	14,752	180,793	—	180,793
Intersegment sales	70,389	253	2,041	4	3	72,692	(72,692)	—
Total	103,121	40,921	49,250	45,436	14,755	253,486	(72,692)	180,793
Segment profit	27,225	2,485	3,694	2,579	1,596	37,582	1,578	39,160
Financial income	—	—	—	—	—	—	—	436
Financial expenses	—	—	—	—	—	—	—	99
Share of profit (loss) on equity method	—	—	—	—	—	—	—	(402)
Gain on sale of shares of associates	—	—	—	—	—	—	—	—
Foreign exchange gain (loss)	—	—	—	—	—	—	—	(1,900)
Profit before tax	—	—	—	—	—	—	—	37,194
Income tax expenses	—	—	—	—	—	—	—	5,353
Profit	—	—	—	—	—	—	—	31,840

Notes:

1. Segment profit adjustments of ¥1,578 million include negative ¥2 million for the elimination of intersegment transactions, ¥1,569 million for the unrealized gains on inventories, and ¥11 million for the unrealized gains on non-current assets.
2. Segment profit is reconciled with operating profit in the condensed quarterly consolidated statement of income.

Nine months ended December 31, 2017

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	33,643	44,199	54,528	52,272	17,907	202,551	—	202,551
Intersegment sales	72,654	276	1,836	14	3	74,785	(74,785)	—
Total	106,297	44,475	56,365	52,286	17,911	277,336	(74,785)	202,551
Segment profit	29,825	3,805	4,351	6,062	2,207	46,252	(1,668)	44,583
Financial income	—	—	—	—	—	—	—	228
Financial expenses	—	—	—	—	—	—	—	139
Share of profit (loss) on equity method	—	—	—	—	—	—	—	(447)
Gain on sale of shares of associates	—	—	—	—	—	—	—	1,221
Foreign exchange gain (loss)	—	—	—	—	—	—	—	(315)
Profit before tax	—	—	—	—	—	—	—	45,130
Income tax expenses	—	—	—	—	—	—	—	14,770
Profit	—	—	—	—	—	—	—	30,359

Notes:

1. Segment profit adjustments of negative ¥1,668 million include negative ¥5 million for the elimination of intersegment transactions, negative ¥1,671 million for the unrealized gains on inventories, and ¥7 million for the unrealized gains on non-current assets.
2. Segment profit is reconciled with operating profit in the condensed quarterly consolidated statement of income.