Summary of Consolidated Financial Results [IFRS]
for the Fiscal Year Ended March 31, 2019

May 8, 2019

Listed company name	:	Sysmex Corporation
Code	:	6869
Listed stock exchanges	:	Tokyo Stock Exchange
URL	:	www.sysmex.co.jp
Company representative	:	Hisashi Ietsugu, Chairman and CEO
Contact	:	Tomoo Aramaki, Executive Vice President Corporate Business Administration
Phone	:	078(265)-0500
Scheduled date for shareholders' meeting	:	June 21, 2019
Scheduled date for dividend payment	:	June 24, 2019
Scheduled date for filing of financial report	:	June 21, 2019
Preparation of supplementary material for earnings	:	Yes
Holding of earnings announcement	:	Yes

(Unit: Millions of yen)

1. Consolidated Results for the Year Ended March 31, 2019

(1) Operating results

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

	Net Sales		Operating profit		Profit before tax		Profit	
Year ended Mar. 31, 2019	293,506	4.1%	61,282	3.7%	57,955	(0.3)%	41,166	5.3%
Year ended Mar. 31, 2018	281,935	12.8%	59,078	14.3%	58,117	18.7%	39,076	(3.4)%

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Year ended Mar. 31, 2019	41,224	5.1%	37,901	(11.2)%	197.60	197.29
Year ended Mar. 31, 2018	39,222	(3.5)%	42,672	14.9%	188.29	187.84

	Return on equity (%)	Profit before tax to total assets (%)	Operating profit to net sales (%)
Year ended Mar. 31, 2019	16.3	17.3	20.9
Year ended Mar. 31, 2018	17.4	19.3	21.0

Note:
Share of loss on equity method: 1,793 million yen for the year ended March 31, 2019; 1,059 million yen for the year ended March 31, 2018.

(2) Financial condition

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent to total assets (%)	Equity attributable to owners of the parent per share (Yen)
As of Mar. 31, 2019	346,775	265,182	264,448	76.3	1,267.07
As of Mar. 31, 2018	321,979	241,443	240,749	74.8	1,154.57

(3) 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 term
Year ended Mar. 31, 2019	44,743	(40,128)	(14,090)	51,062
Year ended Mar. 31, 2018	52,240	(37,828)	(11,545)	61,444

2. Dividend

	Dividend per share					Total dividend payment (Millions of yen)	Dividend payout ratio (Consolidated) (%)	Dividend to equity attributable to owners of the parent (Consolidated) (%)
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)			
Year ended Mar. 31, 2018	—	30.00	—	36.00	66.00	13,754	35.1	6.1
Year ended Mar. 31, 2019	—	34.00	—	36.00	70.00	14,606	35.4	5.8
Year ending Mar. 31, 2020 (Forecast)	—	36.00	—	36.00	72.00		35.8	

3. Financial Forecast for the Year Ending March 31, 2020

(% 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)
Six months ending Sep. 30, 2019	147,000	7.9%	30,000	5.3%	28,500	7.9%	20,000	2.7%	95.83
Year ending Mar. 31, 2020	320,000	9.0%	64,000	4.4%	60,000	3.5%	42,000	1.9%	201.24

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: Yes
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):
209,154,432 shares as of Mar. 31, 2019; 208,964,432 shares as of Mar. 31, 2018
2) Number of treasury stock at the end of each fiscal period:
446,168 shares as of Mar. 31, 2019; 445,468 shares as of Mar. 31, 2018
3) Average number of outstanding stock for each period:
208,624,746 shares for the year ended Mar. 31, 2019; 208,306,751 shares for the year ended Mar. 31, 2018

(Reference) Summary of the Non-consolidated Financial Results for the Year Ended March 31, 2019

(1) Non-consolidated operating results

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

	Net Sales		Operating income		Ordinary income		Net income	
Year ended Mar. 31, 2019	152,260	5.8%	35,320	8.9%	49,570	41.5%	36,062	46.2%
Year ended Mar. 31, 2018	143,880	3.5%	32,437	4.8%	35,037	10.3%	24,662	8.3%

	Net income per share (Yen)	Diluted net income per share (Yen)
Year ended Mar. 31, 2019	172.86	172.58
Year ended Mar. 31, 2018	118.40	118.11

(2) Non-consolidated financial condition

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
As of Mar. 31, 2019	228,085	188,247	82.4	900.17
As of Mar. 31, 2018	212,558	166,626	78.1	796.48

Equity capital: 187,872 million yen as of March 31, 2019; 166,081 million yen as of March 31, 2018.

Notes:
Summaries of financial results are not subject to review by certified public accountants or auditors.
Explanation regarding the appropriate use of financial forecast and other information

1. 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 "4) Outlook for future" within "1. Overview of operating 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.
2. Supplementary financial materials (in Japanese and English) will be posted on the Sysmex website on Wednesday, May 8, 2019.

Content of Supplementary Materials

1. Overview of operating performance 2
   1) Operating performance during the year 2
   2) Financial conditions at end of the year 4
   3) Cash flows during the year 4
   4) Outlook for future 5
2. Basic perspective on selection of accounting standards 5
3. Consolidated financial statements and notes 6
   1) Consolidated statement of financial position 6
   2) Consolidated statement of income 8
   3) Consolidated statement of comprehensive income 9
   4) Consolidated statement of changes in equity 10
   5) Consolidated statement of cash flows 12
   6) Notes to the consolidated financial statements 13
      1. Notes related to the going concern assumption 13
      2. Changes in accounting policies 13
      3. Segment information 14
      4. Per-share information 17
      5. Significant subsequent event 17

1. Overview of operating performance

1) Operating performance during the year

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 fiscal year ended March 31, 2019, the Japanese economy faced concerns about a world economic slowdown. Nevertheless, the domestic economy benefited from ongoing improvements in the employment and income environment, as well as firm corporate capital investment. Overall, the overseas economy continued its gradual recovery, despite several trends affecting business confidence: prolonged trade friction between the United States and China, the raising of tariffs and other protectionist moves, and growing uncertainty about policy trends in many countries.

On the healthcare front, in Japan the medical and healthcare field faces growing demand due to an aging society and increasingly diverse health and medical needs. 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. Looking overseas, the populations of developed countries are aging, while in emerging markets healthcare demand is increasing in line with economic growth. These trends are prompting higher levels of healthcare quality and service enhancements, increasingly efficient healthcare, and structural changes brought about by artificial intelligence, information and communications technology, and other breaking technologies.

Under these conditions, Sysmex built Technopark East Site, a bio-diagnostic reagent center at Technopark, the Company's R&D hub (Nishi-ku, Kobe), focused mainly on enhancing business in the hemostasis, immunochemistry and life science fields. We built this center to handle the integrated process from research and development, procurement of substances, production to distribution of bio-diagnostic reagents (diagnostic reagents derived from proteins and other living organisms). The center commenced operations in April 2019, reinforcing our structure for rapidly providing a stable supply of high-quality bio-diagnostic reagents.

To make hemostasis testing even more efficient and of higher quality, in December 2018 Sysmex launched the Automated Blood Coagulation Analyzers CN-6000 and CN-3000 in Japan. In 2018, the Company also began offering Caresphere™, a new network solution aimed at increasing the working efficiency of people involved in testing and healthcare, augmenting quality in clinical testing and enhancing patient satisfaction. Linking with related testing instruments and services will enable monitoring and analysis of the status of instruments and of operations across entire clinical laboratories, contributing to more sophisticated operations at those laboratories.

With the aim of introducing clinical cancer sequence testing into clinical settings at an early stage, in December 2018 Sysmex received manufacturing and marketing approval in Japan for the OncoGuide™ NCC Oncopanel System (generic name: genetic mutation analysis set for cancer genome profiling), which launched in January 2019. Our subsidiary, RIKEN GENESIS Co., Ltd., has begun providing an assay service that combines the use of this system and a next-generation sequencer*. By offering patients new methods for diagnosing cancer, we are contributing to the development of and advances in healthcare.

*Next-generation sequencer:

An analyzer for reading the huge volumes of genetic information contained in DNA bases and sequences.

Net sales by destination

		Year ended March 31, 2018		Year ended March 31, 2019		YoY (Previous period = 100)
		Amount (Millions of yen)	Percentage of total (%)	Amount (Millions of yen)	Percentage of total (%)	
Japan		45,019	16.0	44,071	15.0	97.9
	Americas	66,359	23.5	70,518	24.0	106.3
	EMEA	73,924	26.2	75,677	25.8	102.4
	China	72,089	25.6	78,213	26.7	108.5
	Asia Pacific	24,540	8.7	25,025	8.5	102.0
Overseas subtotal		236,915	84.0	249,434	85.0	105.3
Total		281,935	100.0	293,506	100.0	104.1

In Japan, reagent sales increased, centered on the hematology, immunochemistry and urinalysis fields, but overall sales fell due to the dissolution of a joint venture, Sysmex bioMérieux Co., Ltd. As a result, sales in Japan decreased 2.1% year on year, to ¥44,071 million.

Overseas, sales of reagents increased, mainly in the hematology, hemostasis, immunochemistry and life science fields. Consequently, overseas sales for the Sysmex Group grew 5.3% year on year, to ¥249,434 million. The overseas sales ratio rose 1.0 percentage point, to 85.0%.

Net sales consequently grew 4.1% year on year, to ¥293,506 million; operating profit rose 3.7%, to ¥61,282 million; profit before tax decreased 0.3%, to ¥57,955 million; and profit attributable to owners of the parent increased 5.1%, to ¥41,224 million.

Performance by segment

(1) Japan

In Japan, sales of reagents increased, mainly in the hematology, immunochemistry and urinalysis fields. However, the dissolution of a joint venture, Sysmex bioMérieux, caused sales to decrease. Accordingly, sales in this segment dipped 0.7% year on year, to ¥47,073 million.

On the profit front, SG&A expenses and R&D expenses increased, but higher sales (including intragroup export sales) prompted a 3.0% year-on-year increase in segment profit (operating profit), to ¥38,996 million.

(2) Americas

In North America, sales increased, mainly thanks to higher sales of instruments and reagents in the hematology field and higher sales of instruments in the hemostasis field. In Central and South America, sales declined, chiefly because of lower sales of instruments in the hematology field. Overall, sales in the Americas grew 5.4%, to ¥65,957 million.

Segment profit (operating profit) fell 35.3% year on year, to ¥3,580 million, due to higher cost of sales stemming from increases in payments of Group trademark royalties and others.

(3) EMEA

Sales in this segment expanded 2.7% year on year, to ¥77,600 million, mainly due to higher sales of instruments in the hematology field and increased reagent sales in the life science field.

Although SG&A expenses increased, higher sales and an improved cost of sales ratio pushed up gross profit, prompting a 42.6% year-on-year rise in segment profit (operating profit), to ¥7,091 million.

(4) China

Despite lower instrument sales in the hematology and hemostasis fields, reagent sales rose in the hematology, hemostasis and immunochemistry fields, leading to an 8.5% year-on-year sales rise, to ¥78,114 million.

The impact of higher sales and other operating income pushed up segment profit (operating profit) 9.6%, to ¥9,125 million.

(5) Asia Pacific

In Southeast Asia, sales in India and Bangladesh fell in comparison with the corresponding period of the previous year, when we benefited from large government-tender projects. However, sales in South Korea grew, centered on the hematology field, leading to a 1.4% year-on-year rise in segment sales, to ¥24,759 million.

Cost of sales rose due to a change in intragroup transaction prices, and SG&A expenses increased, causing segment profit (operating profit) to fall 1.7% year on year, to ¥3,112 million.

2) Financial conditions at end of the year

As of March 31, 2019, total assets amounted to ¥346,775 million, up ¥24,795 million from March 31, 2018. As principal factors, cash and cash equivalents fell ¥10,382 million. However, trade and other receivables (current assets) rose ¥11,679 million, property, plant and equipment grew ¥8,661 million, other short-term financial assets expanded by ¥7,430 million, and intangible assets increased ¥3,271 million.

Meanwhile, total liabilities as of March 31, 2019, were ¥81,592 million, up ¥1,056 million from their level on March 31, 2018. Principal reasons were increases of ¥1,199 million in trade and other payables.

Total equity came to ¥265,182 million, up ¥23,739 million from March 31, 2018. Among principal reasons, retained earnings rose ¥26,492 million, and other components of equity decreased ¥3,377 million. Also, equity attributable to owners of the parent to total assets as of March 31, 2019 was 76.3%, up 1.5 percentage points from the 74.8% recorded as of March 31, 2018.

3) Cash flows during the year

As of March 31, 2019, cash and cash equivalents amounted to ¥51,062 million, down ¥10,382 million from March 31, 2018.

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

(Cash flows from operating activities)

Net cash provided by operating activities was ¥44,743 million, down ¥7,497 million from the preceding fiscal year. As principal factors, profit before tax provided ¥57,955 million (¥162 million less than in the preceding year), depreciation and amortization provided ¥15,842 million (up ¥1,199 million), an increase in trade receivables used ¥11,988 million (up ¥4,646 million), a decrease in inventories provided ¥471 million (increased ¥1,962 million in previous fiscal year), an increase in trade payables provided ¥269 million (down ¥3,261 million), and income taxes paid used ¥17,305 million (up ¥4,808 million).

(Cash flows from investing activities)

Net cash used in investing activities was ¥40,128 million (up ¥2,299 million). Among major factors, purchase of property, plant and equipment used ¥18,726 million (up ¥2,153 million), purchase of intangible assets used ¥10,252 million (up ¥1,130 million) and payments into time deposits used ¥7,737 million (up ¥7,695 million).

(Cash flows from financing activities)

Net cash used in financing activities was ¥14,090 million (up ¥2,544 million). This was mainly due to dividends paid of ¥14,600 million (up ¥2,106 million).

4) Outlook for future

In the fiscal year ending March 31, 2020, we expect the Japanese economy to experience a modest recovery, buoyed by improvements in the employment and income environment, but we are concerned about the impact of overseas economic uncertainties and fluctuations in the financial and capital markets. Looking overseas, in the United States we anticipate solid economic recovery, but the policy outlook remains uncertain. In Europe, we anticipate a gradual recovery in the business environment, but uncertainties surrounding Brexit could lead to protracted low growth. For these reasons, and because of a gradual economic deceleration in China and the impact of geopolitical risk in the Middle East, we find it difficult to be optimistic about global economic trends going forward.

Looking at the healthcare environment, demand in advanced countries to curtail medical expenses and augmenting efficiency and advances in healthcare infrastructure in emerging markets in line with economic expansion lead us to believe that growth will continue. We also anticipate new growth opportunities, owing to headway in and proactive application of artificial intelligence, big data and other information technologies centered on advanced countries, progress in genetic/molecular diagnostic technologies and advances in regenerative medicine.

Against this backdrop, in April 2019 we launched a new mid-term management plan (for the fiscal years ending March 31, 2020 to 2022). As a unique and advanced healthcare testing company, we aim to expand our product lineup in the hematology, urinalysis, hemostasis and immunochemistry fields. We will also undertake various measures to reinforce growth and profitability by expanding the life science business and creating new diagnostic value that will contribute to personalized medicine.

For the upcoming fiscal year, Sysmex forecasts consolidated net sales of ¥320,000 million, up 9.0% year on year; operating profit of ¥64,000 million, up 4.4%; profit before tax of ¥60,000 million, up 3.5%; and profit attributable to owners of the parent of ¥42,000 million, up 1.9%. Our assumptions for annual average exchange rates are US$1=¥110 and €1=¥125.

2. Basic perspective on selection of accounting standards

The Sysmex Group voluntarily adopted IFRS from the fiscal year ended March 31, 2017. Our aim is to increase convenience to shareholders and investors in Japan and overseas by enhancing the international comparability of our financial information in capital markets.

3. Consolidated financial statements and notes

1) Consolidated statement of financial position

(Unit: Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and cash equivalents	61,444	51,062
Trade and other receivables	72,567	84,247
Inventories	40,975	40,231
Other short-term financial assets	214	7,644
Income taxes receivable	619	412
Other current assets	9,131	11,824
Total current assets	184,952	195,423
Non-current assets		
Property, plant and equipment	67,651	76,312
Goodwill	12,251	11,917
Intangible assets	29,765	33,037
Investments accounted for using the equity method	411	634
Trade and other receivables	10,882	12,202
Other long-term financial assets	7,486	7,050
Asset for retirement benefits	802	917
Other non-current assets	2,343	3,456
Deferred tax assets	5,432	5,823
Total non-current assets	137,027	151,352
Total assets	321,979	346,775

(Unit: Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	28,579	29,778
Other short-term financial liabilities	690	806
Income taxes payable	7,717	6,947
Provisions	614	693
Contract liabilities	—	9,303
Advance received	4,588	—
Accrued expenses	10,632	10,791
Accrued bonuses	7,474	7,670
Other current liabilities	10,501	5,257
Total current liabilities	70,796	71,247
Non-current liabilities		
Long-term financial liabilities	712	415
Liability for retirement benefits	731	857
Provisions	202	226
Other non-current liabilities	2,652	3,203
Deferred tax liabilities	5,439	5,642
Total non-current liabilities	9,739	10,345
Total liabilities	80,536	81,592
Equity		
Equity attributable to owners of the parent		
Capital stock	12,276	12,654
Capital surplus	17,664	17,876
Retained earnings	214,952	241,445
Treasury stock	(295)	(302)
Other components of equity	(3,847)	(7,225)
Total equity attributable to owners of the parent	240,749	264,448
Non-controlling interests	693	733
Total equity	241,443	265,182
Total liabilities and equity	321,979	346,775

2) Consolidated statement of income

(Unit: Millions of yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Net sales	281,935	293,506
Cost of sales	122,986	131,899
Gross profit	158,948	161,606
Selling, general and administrative expenses	82,544	81,230
Research and development expenses	16,754	19,578
Impairment loss	1,073	—
Other operating income	857	1,610
Other operating expenses	355	1,126
Operating profit	59,078	61,282
Financial income	356	442
Financial expenses	206	390
Share of profit (loss) on equity method	(1,059)	(1,793)
Gain on sale of shares of associates	1,221	—
Foreign exchange gain (loss)	(1,272)	(1,585)
Profit before tax	58,117	57,955
Income tax expenses	19,040	16,789
Profit	39,076	41,166
Profit attributable to		
Owners of the parent	39,222	41,224
Non-controlling interests	(145)	(58)
Profit	39,076	41,166

(Unit: Yen)

Earnings per share		
Basic	188.29	197.60
Diluted	187.84	197.29

3) Consolidated statement of comprehensive income

(Unit: Millions of yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Profit	39,076	41,166
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	327	(379)
Remeasurements of defined benefit plans	117	113
Total	444	(266)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	3,153	(3,000)
Share of other comprehensive income of investments accounted for using the equity method	(3)	2
Total	3,150	(2,998)
Total other comprehensive income	3,595	(3,264)
Comprehensive income	42,672	37,901
Comprehensive income attributable to		
Owners of the parent	42,817	37,959
Non-controlling interests	(145)	(58)
Comprehensive income	42,672	37,901

4) Consolidated statement of changes in equity

For the year ended March 31, 2018

(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
Cumulative effects of changes in accounting policies			—			—		—
Restated balance	11,611	17,303	188,506	(289)	(7,725)	209,406	845	210,252
Profit			39,222			39,222	(145)	39,076
Other comprehensive income					3,595	3,595	(0)	3,595
Comprehensive income	—	—	39,222	—	3,595	42,817	(145)	42,672
Exercise of warrants	664	372				1,036		1,036
Cash dividends			(12,493)			(12,493)		(12,493)
Purchase of treasury stock				(6)		(6)		(6)
Transfer to retained earnings			(282)		282	—		—
Establishment of subsidiary with non-controlling interests						—	—	—
Equity transactions with non-controlling interests		(11)				(11)	(6)	(18)
Total transactions with the owners	664	361	(12,776)	(6)	282	(11,475)	(6)	(11,481)
As of March 31, 2018	12,276	17,664	214,952	(295)	(3,847)	240,749	693	241,443

For the year ended March 31, 2019

(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, 2018	12,276	17,664	214,952	(295)	(3,847)	240,749	693	241,443
Cumulative effects of changes in accounting policies			(244)			(244)		(244)
Restated balance	12,276	17,664	214,707	(295)	(3,847)	240,504	693	241,198
Profit			41,224			41,224	(58)	41,166
Other comprehensive income					(3,264)	(3,264)	(0)	(3,264)
Comprehensive income	—	—	41,224	—	(3,264)	37,959	(58)	37,901
Exercise of warrants	378	212				590		590
Cash dividends			(14,600)			(14,600)		(14,600)
Purchase of treasury stock				(6)		(6)		(6)
Transfer to retained earnings			113		(113)	—		—
Establishment of subsidiary with non-controlling interests						—	98	98
Equity transactions with non-controlling interests		—				—	—	—
Total transactions with the owners	378	212	(14,486)	(6)	(113)	(14,015)	98	(13,917)
As of March 31, 2019	12,654	17,876	241,445	(302)	(7,225)	264,448	733	265,182

5) Consolidated statement of cash flows

(Unit: Millions of yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	58,117	57,955
Depreciation and amortization	14,643	15,842
Impairment loss	1,073	—
Interest and dividends income	(323)	(331)
Interest expenses	90	70
Share of loss (profit) on equity method	1,059	1,793
Gain on sale of shares of associates	(1,221)	—
Decrease (increase) in trade receivables	(7,341)	(11,988)
Decrease (increase) in inventories	(1,962)	471
Increase (decrease) in trade payables	3,531	269
Decrease/increase in consumption taxes receivable/payable	(74)	(1,679)
Decrease (increase) in asset for retirement benefits	33	47
Increase (decrease) in advance received	(2,067)	—
Increase (decrease) in contract liabilities	—	(703)
Increase (decrease) in accrued bonuses	817	201
Other—net	(1,813)	(110)
Subtotal	64,563	61,839
Interest and dividend received	255	269
Interest paid	(81)	(60)
Income taxes paid	(12,497)	(17,305)
Net cash provided by (used in) operating activities	52,240	44,743
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,573)	(18,726)
Proceeds from sales of property, plant and equipment	140	491
Purchase of intangible assets	(9,122)	(10,252)
Purchase of investments in equity instruments	(1,875)	(2,315)
Proceeds from the sale of equity instruments	1,500	—
Acquisitions of subsidiaries or other businesses	(11,672)	(20)
Payments into time deposits	(42)	(7,737)
Other—net	(184)	(1,567)
Net cash provided by (used in) investing activities	(37,828)	(40,128)
Cash flows from financing activities		
Exercise of warrants	1,036	590
Dividends paid	(12,493)	(14,600)
Other—net	(89)	(81)
Net cash provided by (used in) financing activities	(11,545)	(14,090)
Foreign currency translation adjustments on cash and cash equivalents	633	(907)
Net increase (decrease) in cash and cash equivalents	3,500	(10,382)
Cash and cash equivalents, beginning of term	57,944	61,444
Cash and cash equivalents, end of term	61,444	51,062

6) Notes to the consolidated financial statements

1. Notes related to the going concern assumption

Not applicable

2. Changes in accounting policies

The Company has applied IFRS 15, "Revenue from Contracts with Customers," from the fiscal year ending March 31, 2019. Of the transitional measures accepted for application of IFRS 15, the Company has adopted the method of recognizing the cumulative effect of application from the date the standard was applied.

In line with the application of IFRS 15, the Company recognizes revenue based on the following five-step approach.

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

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

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

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

The Sysmex Group engages in the sale of IVD instruments and reagents and the provision of related services. Based on the five-step approach outlined above, in accordance with the details of contracts with customers, we enter into contracts and identify multiple performance obligations. Transaction prices are determined on the basis of consideration agreed upon in contracts with customers, less discounts and rebates. Transaction prices determined in this manner are allocated to the performance obligations, and revenue is recognized. Certain of these contracts are transactions comprising multiple elements, including instruments, reagents and maintenance services.

(1) Sales of instruments and reagents

We recognize revenue from the sale of instruments and reagents based on the details of contracts with customers, when the customer obtains control of such products and performance obligations are deemed to have been satisfied. Specifically, revenue is recognized when the rights of ownership and the risks thereof are transferred from the Sysmex Group to the customer, either on the shipping date, at the time of transfer to the customer or at the time of customer inspection and acceptance.

(2) Maintenance service

Maintenance services mainly involve the provision of services on products for a certain period of time. As the control of these maintenance services is transferred over a defined period, revenue is recognized when performance obligations are satisfied over a defined period.

Revenue from maintenance services on products is primarily recognized through a calculation based on the percentage of the total volume of goods or services transferred (output method). If consideration is received from a customer before performance obligations are satisfied, this consideration is recognized as a contract liability.

Consideration related to the provision of these product sales and services is generally received within one year from the point revenue is recognized, so does not include a significant financial element.

Revising the recognition of revenue to be based on the five-step approach described above has resulted mainly in differences in the allocation of transaction prices for individual performance obligations under contract identification and multiple-element transactions. Differences between this revenue and revenue recognized on the basis of previous accounting standards is recognized in contract assets, contract liabilities and refund liabilities and presented, respectively, in other current assets, contract liabilities and other current liabilities.

As a result, compared with the previously applied accounting standards, other current assets increased ¥344 million, contract liabilities increased ¥91 million, other current liabilities rose ¥629 million, deferred tax assets fell by ¥56 million, deferred tax liabilities declined by ¥189 million, causing retained earnings to decrease ¥244 million in the consolidated statement of financial position at the beginning of the fiscal year.

In the consolidated statement of financial position at the end of the fiscal year, other current assets were up ¥725 million, contract liabilities were up ¥286 million, other current liabilities were up ¥629 million, deferred tax assets were down ¥81 million, and deferred tax liabilities were down ¥182 million, causing retained earnings to decrease ¥86 million.

In addition, compared with the previously applied accounting standards, in the consolidated statement of income for the fiscal year ended March 31, 2019, net sales were up ¥191 million, operating profit and profit before tax were both up ¥191 million, and profit was up ¥158 million.

With the application of IFRS 15, from the fiscal year under review deferred revenue previously presented under advances received and other current liabilities is presented as contract liabilities under current liabilities.

As a result, compared with the previously applied accounting standards, advances received were down ¥4,588 million in the consolidated statement of financial position at the beginning of the fiscal year ended March 31, 2019, and down ¥2,661 million at the end of the fiscal year. The corresponding figures for other current liabilities were down ¥5,697 million and ¥6,355 million.

3. 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.

For the year ended March 31, 2018

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	47,414	62,550	75,543	72,017	24,408	281,935	–	281,935
Intersegment sales	98,443	368	2,410	24	5	101,251	(101,251)	–
Total	145,858	62,918	77,953	72,042	24,413	383,186	(101,251)	281,935
Segment profit	37,855	5,533	4,974	8,323	3,166	59,851	(773)	59,078
Financial income	–	–	–	–	–	–	–	356
Financial expenses	–	–	–	–	–	–	–	206
Share of profit (loss) on equity method	–	–	–	–	–	–	–	(1,059)
Gain on sale of shares of associates	–	–	–	–	–	–	–	1,221
Foreign exchange gain (loss)	–	–	–	–	–	–	–	(1,272)
Profit before tax	–	–	–	–	–	–	–	58,117
Income tax expenses	–	–	–	–	–	–	–	19,040
Profit	–	–	–	–	–	–	–	39,076
Other								
Depreciation and amortization (Note 3)	7,751	1,804	3,620	394	1,938	15,511	(867)	14,643
Impairment loss	–	–	1,073	–	–	1,073	–	1,073

Notes:

1. Segment profit adjustments of negative ¥773 million include negative ¥674 million for the unrealized gains on inventories, negative ¥93 million for the unrealized gains on non-current assets.
2. Segment profit is reconciled with operating profit in the consolidated statement of income.
3. The negative ¥867 million reconciliation in depreciation and amortization is an adjustment related to intersegment transactions.

For the year ended March 31, 2019

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	47,073	65,957	77,600	78,114	24,759	293,506	–	293,506
Intersegment sales	107,877	278	3,039	17	6	111,219	(111,219)	–
Total	154,951	66,236	80,640	78,131	24,766	404,726	(111,219)	293,506
Segment profit	38,996	3,580	7,091	9,125	3,112	61,906	(624)	61,282
Financial income	–	–	–	–	–	–	–	442
Financial expenses	–	–	–	–	–	–	–	390
Share of profit (loss) on equity method	–	–	–	–	–	–	–	(1,793)
Gain on sale of shares of associates	–	–	–	–	–	–	–	–
Foreign exchange gain (loss)	–	–	–	–	–	–	–	(1,585)
Profit before tax	–	–	–	–	–	–	–	57,955
Income tax expenses	–	–	–	–	–	–	–	16,789
Profit	–	–	–	–	–	–	–	41,166
Other								
Depreciation and amortization (Note 3)	8,992	1,872	3,281	501	2,095	16,743	(900)	15,842
Impairment loss	–	–	–	–	–	–	–	–

Notes:

1. Segment profit adjustments of negative ¥624 million include negative ¥485 million for the unrealized gains on inventories, and negative ¥142 million for the unrealized gains on non-current assets.
2. Segment profit is reconciled with operating profit in the consolidated statement of income.
3. The negative ¥900 million reconciliation in depreciation and amortization is an adjustment related to intersegment transactions.

4. Per-share information

The basis for calculating basic profit per share and diluted profit per share is as follows.

	Year ended March 31, 2018	Year ended March 31, 2019
Basis for calculating basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	39,222	41,224
Profit not attributable to common stock shareholders of the parent (Millions of yen)	—	—
Profit used in calculating basic earnings per share (Millions of yen)	39,222	41,224
Average number of common stock shares during the period (Thousands of shares)	208,306	208,624
Basis for calculating diluted earnings per share		
Profit used in calculating basic earnings per share (Millions of yen)	39,222	41,224
Profit adjustment (Millions of yen)	—	—
Profit used in calculating diluted earnings per share (Millions of yen)	39,222	41,224
Average number of common stock shares during the period (Thousands of shares)	208,306	208,624
Effect of dilutive shares (Thousands of shares)	497	330
Average number of common stock shares after adjustment for dilution (Thousands of shares)	208,804	208,955

5. Significant subsequent event

Not applicable