

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

August 6, 2021

Listed company name : Sysmex Corporation
Code : 6869
Listed stock exchanges : Tokyo Stock Exchange
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Scheduled date for filing of quarterly report : August 11, 2021
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 Three Months of the Fiscal Year Ending March 31, 2022

(1) Operating results

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

	Net Sales		Operating profit		Profit before tax		Profit	
Three months ended Jun. 30, 2021	79,363	31.2%	15,052	116.3%	14,553	124.5%	9,934	123.6%
Three months ended Jun. 30, 2020	60,511	(11.7)%	6,957	(38.3)%	6,481	(32.9)%	4,442	(32.9)%

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Three months ended Jun. 30, 2021	9,993	122.7%	11,491	131.7%	47.81	47.72
Three months ended Jun. 30, 2020	4,487	(33.0)%	4,959	84.6%	21.49	21.46

(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 Jun. 30, 2021	424,207	312,909	312,196	73.6%
As of Mar. 31, 2021	427,475	308,669	307,898	72.0%

2. Dividend

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

Note: Revision of dividends forecast for this period: No

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

(% changes as compared with the 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, 2021	161,000	21.9%	28,000	40.0%	27,000	49.2%	19,000	50.2%	90.91
Year ending Mar. 31, 2022	350,000	14.7%	60,000	15.8%	57,000	18.7%	40,000	20.7%	191.38

Note: Revision of financial forecast for this period: No

4. Other Information

- (1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation):
No
- (2) Changes in accounting policies and accounting estimates
 - 1) Changes in accounting policies required by IFRS: No
 - 2) Other changes in accounting policies: No
 - 3) Changes in accounting estimates: No
- (3) Number of outstanding stock (common stock)
 - 1) Number of outstanding stock at the end of each fiscal period (including treasury stock):
209,458,432 shares as of Jun. 30, 2021; 209,443,232 shares as of Mar. 31, 2021
 - 2) Number of treasury stock at the end of each fiscal period:
446,952 shares as of Jun. 30, 2021; 446,876 shares as of Mar. 31, 2021
 - 3) Average number of outstanding stock for each period (cumulative):
209,003,218 shares for the three months ended Jun. 30, 2021
208,839,381 shares for the three months ended Jun. 30, 2020

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

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

1. Basic earnings per share have been revised from the figures indicated in the consolidated financial forecast announced on May 12, 2021, in accordance with changes in the number of shares of outstanding stock and treasury stock. No other figures in the financial forecast have been revised.
2. The forecasts and future projections contained herein have been prepared on the basis of rational decisions given the information available as of the date of announcement of this document. These forecasts do not represent a commitment by the Company, and actual performance may differ substantially from forecasts for a variety of reasons. Please refer to “3) Consolidated financial forecast” within “1. Qualitative information on quarterly financial results” on page 4 of the attachment to this document for cautionary statements concerning the conditions and performance forecasts that serve as the basis for these forecasts.
3. Supplementary financial materials (in Japanese and English) will be posted on the Sysmex website on Friday, August 6, 2021.

Content of Supplementary Materials

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1. Qualitative information on quarterly financial results

1) Operating performance analysis

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

During the first three months of the fiscal year ending March 31, 2022, the Japanese economy was affected by recurrent waves of the COVID-19 pandemic. Personal consumption, exports and the employment situation remained sluggish, due to a state of emergency declaration and priority measures enacted in some regions to prevent the pandemic's spread. However, exports rebounded, centered on items bound for China and other Asian markets, and imports picked up due to a resurgence in domestic production. Overseas, on the whole economic conditions rebounded, although gaps widened due to disparities in the status of vaccine rollouts. In addition, variant forms of the virus emerged, prompting a return of lockdowns and stay-at-home orders, hampering economic activity in some regions. Amid these circumstances, various countries kept monetary and fiscal policies in place. Nevertheless, the economic outlook remains opaque, due to uncertainty about when the pandemic will subside.

On the healthcare front, we expect to see major changes in healthcare systems and the healthcare environment itself due to an aging society and increasingly diverse health and medical needs, as well as the global COVID-19 pandemic. Under these conditions, the Japanese government is positioning the healthcare sector as part of its growth strategy, prompting expectations of new medical services. Looking overseas, aging populations in developed countries are driving demand for the moderation of medical costs. Economic growth in emerging markets is causing healthcare demand to increase and prompting higher levels of healthcare quality and service enhancements. At the same time, advances in the application of artificial intelligence, information and communications technology, and other leading-edge technologies to the healthcare sector are expected to provide further opportunities for growth.

Against this backdrop, Sysmex continued to develop its product portfolio in the hematology field. We launched automated hematology analyzers in Japan, the XR Series (a next-generation flagship model) and the XQ series (a compact three-part WBC differential model). We will continue with a global sales rollout after receiving regulatory approval in individual countries. We aim to help optimize operations at testing laboratories based on regional characteristics and facilities' needs.

In the life science field, we acquired IVDR*¹ certification for LYNOAMP™ CK19 E, a gene amplification detection reagent based on the Sysmex-developed OSNA*² method, as a Class C *in vitro* diagnostic medical device. This was the first Sysmex product to receive IVDR certification. Going forward, we will continue to promote activities aimed at increasing the clinical value of cancer lymph node metastasis testing. We will also work to acquire IVDR certification for the IVD products that we provide in Europe across various fields.

As the global general distributor, Sysmex continued to market hinotori™ to medical institutions in Japan. (The hinotori™ Surgical Robot System is the first made-in-Japan robotic-assisted surgery system.) We are working with Mediaroid Corporation, a joint venture between Sysmex and Kawasaki Heavy Industry, Ltd., to obtain regulatory approval overseas, and we will begin introducing the system in overseas markets, as well.

The HISCL™ TARC Assay Kit, a Th2 chemokine (TARC) kit Sysmex developed with Shionogi & Co., Ltd., received approval as an additional indication as an auxiliary for assessment of aggravation risk in patients who have tested positive for SARS-CoV-2. Assessment of aggravation risk in the initial stage of onset of COVID-19 can lead to optimal measures in an individual manner, such as inpatient treatment for those at high risk and hotel quarantine or at-home treatment for low-risk patients. Sysmex will contribute to research on COVID-19 and the establishment of its diagnosis and treatment through a variety of tests, including PCR, antigen, antibody and cytokine tests, as well as existing hematology and hemostasis tests.

*1 *In Vitro* Diagnostic Medical Devices Regulation (IVDR):

Also referred to as Regulation (EU) 2017/746, the IVDR is a new legal regulation that applies to the marketing, sales, and distribution of *in vitro* diagnostic medical devices in the European market. The IVDR entered into force on May 26, 2017, repealing the current European Directive on *in vitro* diagnostic medical devices (98/79/EC). The transition period runs through May 26,

2022. It is divided into four classes, with class A as the lowest risk and class D the highest risk.

*2 OSNA method:

Abbreviation of the One-Step Nucleic Acid Amplification method, developed by Sysmex, which enables detection of lymph node metastasis.

Net sales by destination

	Three months ended June 30, 2020		Three months ended June 30, 2021		YoY (Previous period = 100)
	Amount (Millions of yen)	Percentage of total (%)	Amount (Millions of yen)	Percentage of total (%)	
Japan	9,380	15.5	12,226	15.4	130.3
Americas	13,975	23.1	18,160	22.9	129.9
EMEA	18,214	30.1	25,244	31.8	138.6
China	13,843	22.9	17,363	21.9	125.4
Asia Pacific	5,096	8.4	6,368	8.0	124.9
Overseas subtotal	51,130	84.5	67,136	84.6	131.3
Total	60,511	100.0	79,363	100.0	131.2

In Japan, sales of hematology and urinalysis instruments rose, as did sales of coagulation and immunochemistry reagents as well as instrument and reagents sales in the life science field related to COVID-19 testing. As a result, sales in Japan rose 30.3% year on year, to ¥12,226 million.

Overseas, testing demand recovered from the previous corresponding period, when demand was affected by COVID-19. Reagent sales rose as a result, mainly in the hematology and urinalysis fields. In addition, the impact of yen depreciation. Consequently, overseas sales increased 31.3% year on year, to ¥67,136 million. The overseas sales ratio rose 0.1 percentage point, to 84.6%.

Selling, general and administrative (SG&A) expenses expanded 13.6%, to ¥21,503 million, owing to a partial resumption of sales activities that had been constrained across all regions in the previous corresponding period.

As a result, during the first three months of the fiscal year ending March 31, 2022, the Group recorded consolidated net sales of ¥79,363 million, up 31.2% year on year. Operating profit rose 116.3%, to ¥15,052 million; profit before tax surged 124.5%, to ¥14,553 million, and profit attributable to owners of the parent expanded 122.7%, to ¥9,993 million.

Performance by segment

(1) Japan

In Japan, sales of hematology and urinalysis instruments rose, as did sales of coagulation and immunochemistry reagents as well as instrument and reagents sales in the life science field related to COVID-19 testing. As a result, sales in Japan rose 27.9% year on year, to ¥13,445 million.

On the profit front, performance was affected by higher SG&A and R&D expenses, but gross profit increased due to higher sales and an improvement in the cost of sales ratio. Accordingly, segment profit (operating profit) rose 85.5%, to ¥11,494 million.

(2) Americas

In North America, sales of instruments, reagents and maintenance services increased due to a resurgence in testing demand in the hematology field and sales increase of instruments. Along with the alliance with Siemens Healthcare Diagnostics Inc., sales of instrument and reagents increased in the urinalysis field. As a result, sales in the region grew 30.1%, to ¥16,776 million.

Segment profit (operating profit) amounted to ¥596 million, compared with a segment loss of ¥404 million in the corresponding period of the previous fiscal year. Although SG&A expenses increased, this performance was attributable to higher sales and gross profit, stemming from an improved cost of sales ratio.

(3) EMEA

Sales of hematology instruments and reagents increased, due to a resurgence in testing demand and instrument sales increase in France, Middle East and Eastern Europe. Sales of purchased antibody testing kits related to the COVID-19 pandemic also grew. As a result, sales were ¥25,460 million, up 39.6% year on year.

Segment profit (operating profit) grew 118.8%, to ¥3,639 million, despite higher SG&A expenses, due to increased sales and higher gross profit, stemming from an improved cost of sales ratio.

(4) China

Sales of hematology and urinalysis reagents increased, due to a resurgence in testing demand. As a result, sales were ¥17,347 million, up 25.6% year on year.

Segment profit (operating profit) grew 575.6%, to ¥1,943 million, due to increased sales and higher gross profit, stemming from an improved cost of sales ratio and lower SG&A expenses.

(5) Asia Pacific

Sales of hematology and urinalysis reagents increased, due to a resurgence in testing demand. In South India, instrument sales increased in the hematology field due to the acquisition of bids in India. In India and Southeast Asia, sales of coagulation instrument and reagents increased. As a result, sales were ¥6,333 million, up 25.1% year on year.

Segment profit (operating profit) grew 144.0%, to ¥693 million, despite higher SG&A expenses, due to increased sales and higher gross profit, stemming from an improved cost of sales ratio.

2) Financial conditions analysis

(1) Financial conditions

As of June 30, 2021, total assets amounted to ¥424,207 million, down ¥3,267 million from March 31, 2021. As main factors, cash and cash equivalents were down ¥3,876 million, and trade and other receivables (current assets) fell ¥8,589 million, while inventories rose ¥7,380 million.

Meanwhile, total liabilities as of June 30, 2021 were ¥111,298 million, down ¥7,507 million from March 31, 2021. Principal decreases included accrued bonuses, which were down ¥3,944 million; trade and other payables, down ¥2,483 million; and contract liabilities, down ¥1,651 million.

Total equity came to ¥312,909 million, up ¥4,239 million from March 31, 2021. Among principal reasons, retained earnings rose ¥2,469 million, and other components of equity increased ¥1,557 million. Equity attributable to owners of the parent to total assets rose 1.6 percentage points, from 72.0% on March 31, 2021 to 73.6% on June 30, 2021.

(2) Cash flows

As of June 30, 2021, cash and cash equivalents amounted to ¥62,590 million, down ¥3,876 million from March 31, 2021.

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

(Cash flows from operating activities)

Net cash provided by operating activities was ¥15,032 million (up ¥5,127 million). As principal factors, profit before tax provided ¥14,553 million (up ¥8,071 million), depreciation and amortization provided ¥6,820 million (up ¥622 million), a decrease in trade receivables provided ¥9,279 million (down ¥4,636 million), an increase in inventories used ¥7,358 million (up ¥2,896 million), and income taxes paid used ¥5,526 million (up ¥56 million).

(Cash flows from investing activities)

Net cash used in investing activities was ¥10,093 million (up ¥1,474 million). Among major factors, purchases of property, plant and equipment used ¥2,653 million (up ¥738 million), and purchases of intangible assets used ¥5,329 million (up ¥703 million).

(Cash flows from financing activities)

Net cash used in financing activities was ¥9,132 million (up ¥47 million). This was mainly due to dividends paid of ¥7,523 million (up ¥6 million).

3) Consolidated financial forecast

The Company maintains its consolidated financial forecasts, as announced on May 12, 2021.

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

2. Condensed quarterly consolidated financial statements and notes

1) Condensed quarterly consolidated statement of financial position

(Unit: Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and cash equivalents	66,467	62,590
Trade and other receivables	100,641	92,051
Inventories	46,985	54,366
Other short-term financial assets	1,105	1,519
Income taxes receivable	909	560
Other current assets	14,723	12,923
Total current assets	<u>230,833</u>	<u>224,011</u>
Non-current assets		
Property, plant and equipment	96,140	95,450
Goodwill	12,433	12,522
Intangible assets	46,840	54,311
Investments accounted for using the equity method	1,093	1,089
Trade and other receivables	15,202	15,391
Other long-term financial assets	7,945	9,148
Asset for retirement benefits	923	932
Other non-current assets	9,337	3,720
Deferred tax assets	6,724	7,629
Total non-current assets	<u>196,641</u>	<u>200,196</u>
Total assets	<u>427,475</u>	<u>424,207</u>

(Unit: Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	34,159	31,676
Lease liabilities	5,783	5,744
Other current financial liabilities	1,529	718
Income taxes payable	6,563	6,020
Provisions	1,002	1,059
Contract liabilities	12,168	10,517
Accrued expenses	14,227	14,027
Accrued bonuses	8,508	4,563
Other current liabilities	5,964	7,442
Total current liabilities	89,907	81,770
Non-current liabilities		
Lease liabilities	16,178	15,909
Other non-current financial liabilities	108	127
Liability for retirement benefits	1,071	1,100
Provisions	265	265
Other non-current liabilities	4,060	4,682
Deferred tax liabilities	7,212	7,443
Total non-current liabilities	28,898	29,528
Total liabilities	118,806	111,298
Equity		
Equity attributable to owners of the parent		
Capital stock	13,229	13,260
Capital surplus	19,581	19,824
Retained earnings	279,477	281,946
Treasury stock	(307)	(308)
Other components of equity	(4,082)	(2,525)
Total equity attributable to owners of the parent	307,898	312,196
Non-controlling interests	771	712
Total equity	308,669	312,909
Total liabilities and equity	427,475	424,207

2) Condensed quarterly consolidated statement of income

(Unit: Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	60,511	79,363
Cost of sales	29,887	37,476
Gross profit	30,624	41,887
Selling, general and administrative expenses	18,928	21,503
Research and development expenses	4,915	5,494
Other operating income	305	251
Other operating expenses	128	88
Operating profit	6,957	15,052
Financial income	82	102
Financial expenses	221	196
Share of profit (loss) of associates accounted for using the equity method	(427)	(655)
Foreign exchange gain (loss)	90	250
Profit before tax	6,481	14,553
Income taxes expenses	2,038	4,618
Profit	4,442	9,934
Profit attributable to		
Owners of the parent	4,487	9,993
Non-controlling interests	(44)	(58)
Profit	4,442	9,934
		(Unit: Yen)
Earnings per share		
Basic	21.49	47.81
Diluted	21.46	47.72

3) Condensed quarterly consolidated statement of other comprehensive income

(Unit: Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	4,442	9,934
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	12	(74)
Total	12	(74)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	504	1,636
Share of other comprehensive income of investments accounted for using the equity method	1	(5)
Total	505	1,631
Total other comprehensive income	517	1,557
Comprehensive income	4,959	11,491
Comprehensive income attributable to		
Owners of the parent	5,004	11,550
Non-controlling interests	(44)	(58)
Comprehensive income	4,959	11,491

4) Condensed quarterly consolidated statement of changes in equity
Three months ended June 30, 2020

(Unit: Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity			
As of April 1, 2020	12,877	18,487	261,321	(306)	(14,697)	277,683	663	278,347
Profit	—	—	4,487	—	—	4,487	(44)	4,442
Other comprehensive income	—	—	—	—	517	517	0	517
Comprehensive income	—	—	4,487	—	517	5,004	(44)	4,959
Exercise of warrants	87	49	—	—	—	136	—	136
Share-based payment transactions	—	229	—	—	—	229	—	229
Cash dividends	—	—	(7,517)	—	—	(7,517)	—	(7,517)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Establishment of subsidiary with non-controlling interests	—	—	—	—	—	—	49	49
Change in non-controlling interests due to capital increase of subsidiaries	—	—	—	—	—	—	98	98
Total transactions with the owners	87	278	(7,517)	(0)	—	(7,151)	147	(7,004)
As of June 30, 2020	12,965	18,766	258,291	(306)	(14,180)	275,536	765	276,302

Three months ended June 30, 2021

(Unit: Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
As of April 1, 2021	13,229	19,581	279,477	(307)	(4,082)	307,898	771	308,669
Profit	—	—	9,993	—	—	9,993	(58)	9,934
Other comprehensive income	—	—	—	—	1,557	1,557	0	1,557
Comprehensive income	—	—	9,993	—	1,557	11,550	(58)	11,491
Exercise of warrants	30	16	—	—	—	47	—	47
Share-based payment transactions	—	225	—	—	—	225	—	225
Cash dividends	—	—	(7,523)	—	—	(7,523)	—	(7,523)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Establishment of subsidiary with non-controlling interests	—	—	—	—	—	—	—	—
Change in non-controlling interests due to capital increase of subsidiaries	—	—	—	—	—	—	—	—
Total transactions with the owners	30	242	(7,523)	(0)	—	(7,251)	—	(7,251)
As of June 30, 2021	13,260	19,824	281,946	(308)	(2,525)	312,196	712	312,909

5) Condensed quarterly consolidated statement of cash flows

(Unit: Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Cash flows from operating activities		
Profit before tax	6,481	14,553
Depreciation and amortization	6,198	6,820
Decrease (increase) in trade receivable	13,916	9,279
Decrease (increase) in inventories	(4,461)	(7,358)
Increase (decrease) in trade payable	(4,148)	(495)
Decrease/increase in consumption taxes receivable/payable	3,366	3,147
Increase (decrease) in contract liabilities	(2,062)	(1,641)
Increase (decrease) in accrued bonuses	(2,974)	(3,975)
Other – net	(818)	321
Subtotal	<u>15,496</u>	<u>20,652</u>
Interest and dividend received	72	82
Interest paid	(195)	(176)
Income taxes paid	(5,469)	(5,526)
Net cash provided by (used in) operating activities	<u>9,904</u>	<u>15,032</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,915)	(2,653)
Purchases of intangible assets	(4,625)	(5,329)
Payments resulting in an increase in long-term prepaid expenses	(1,170)	(581)
Purchases of investments in equity instruments	–	(1,160)
Payments into time deposits	(598)	(317)
Proceeds from withdrawal of time deposits	–	156
Other – net	(309)	(208)
Net cash provided by (used in) investing activities	<u>(8,619)</u>	<u>(10,093)</u>
Cash flows from financing activities		
Dividends paid	(7,517)	(7,523)
Repayments of lease liabilities	(1,704)	(1,655)
Other – net	136	46
Net cash provided by (used in) financing activities	<u>(9,085)</u>	<u>(9,132)</u>
Effects of exchange rate changes on cash and cash equivalents	(57)	318
Net increase (decrease) in cash and cash equivalents	<u>(7,857)</u>	<u>(3,876)</u>
Cash and cash equivalents at the beginning of the term	<u>56,592</u>	<u>66,467</u>
Cash and cash equivalents at the end of the term	<u>48,734</u>	<u>62,590</u>

6) Notes to the condensed quarterly consolidated financial statements

1. Notes related to the going concern assumption

Not applicable

2. Segment information

1) Overview of reportable segments

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

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

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

2) Segment profit and operating results

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

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

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

Three months ended June 30, 2020

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	10,513	12,895	18,231	13,809	5,062	60,511	—	60,511
Intersegment sales	23,313	1	738	3	1	24,058	(24,058)	—
Total	33,826	12,896	18,970	13,812	5,063	84,569	(24,058)	60,511
Segment profit (loss)	6,194	(404)	1,663	287	284	8,025	(1,068)	6,957
Financial income	—	—	—	—	—	—	—	82
Financial expenses	—	—	—	—	—	—	—	221
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(427)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	90
Profit before tax	—	—	—	—	—	—	—	6,481
Income taxes expenses	—	—	—	—	—	—	—	2,038
Profit	—	—	—	—	—	—	—	4,442

Notes:

1. Segment profit (loss) adjustments of negative ¥1,068 million include negative ¥1,097 million for the unrealized gains on inventories and ¥110 million for the unrealized gains on non-current assets.
2. Segment profit (loss) is adjusted to coincide with operating profit in the condensed quarterly consolidated statement of income.

Three months ended June 30, 2021

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	13,445	16,776	25,460	17,347	6,333	79,363	—	79,363
Intersegme nt sales	30,165	28	959	0	—	31,152	(31,152)	—
Total	43,611	16,805	26,419	17,347	6,333	110,516	(31,152)	79,363
Segment profit (loss)	11,494	596	3,639	1,943	693	18,367	(3,314)	15,052
Financial income	—	—	—	—	—	—	—	102
Financial expenses	—	—	—	—	—	—	—	196
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(655)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	250
Profit before tax	—	—	—	—	—	—	—	14,553
Income taxes expenses	—	—	—	—	—	—	—	4,618
Profit	—	—	—	—	—	—	—	9,934

Notes:

1. Segment profit (loss) adjustments of negative ¥3,314 million include negative ¥3,316 million for the unrealized gains on inventories and ¥93 million for the unrealized gains on non-current assets.
2. Segment profit (loss) is adjusted to coincide with operating profit in the condensed quarterly consolidated statement of income.