

**Summary of Consolidated Financial Results [ IFRS ]  
for the First Six Months of the Fiscal Year Ending March 31, 2023**

November 9, 2022

Listed company name : Sysmex Corporation  
Code : 6869  
Listed stock exchanges : Tokyo Stock Exchange  
URL : www.sysmex.co.jp/en  
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Scheduled date for filing of quarterly report : November 11, 2022  
Scheduled date for dividend payment : December 5, 2022  
Preparation of supplementary material for  
quarterly earnings : Yes  
Holding of earnings announcement : Yes

(Unit: Millions of Yen)

**1. Results for the First Six Months of the Fiscal Year Ending March 31, 2023**

(1) Operating results

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

	Net Sales		Operating profit		Profit before tax		Profit	
Six months ended Sep. 30, 2022	194,022	15.0%	33,150	(0.3)%	34,546	9.2%	23,921	9.6%
Six months ended Sep. 30, 2021	168,753	27.8%	33,251	66.2%	31,628	74.8%	21,824	73.5%

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Six months ended Sep. 30, 2022	23,989	9.4%	39,366	73.2%	114.66	114.61
Six months ended Sep. 30, 2021	21,924	73.3%	22,729	58.8%	104.90	104.67

Note: Changes in accounting policy have been retroactively applied to the figures for the first six months of the fiscal year ended March 31, 2022. Figures shown here are after this retroactive application.

(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 Sep. 30, 2022	511,230	380,388	379,707	74.3%
As of Mar. 31, 2022	483,707	349,053	348,303	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, 2022	—	37.00	—	39.00	76.00
Year ending Mar. 31, 2023	—	40.00			
Year ending Mar. 31, 2023 (Forecast)			—	40.00	80.00

Note: Revision of dividends forecast for this period: No

### 3. Financial Forecast for the Year Ending March 31, 2023

(% 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)
	Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount
Year ending Mar. 31, 2023	420,000	15.5%	77,000	14.2%	74,500	15.8%	51,000	15.7%	243.76

Note: Revision of financial forecast for this period: Yes

### 4. Other Information

(1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation):

Yes

Excluded: One company (Sysmex International Reagents Co., Ltd.)

(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):

209,675,082 shares as of Sep. 30, 2022; 209,657,362 shares as of Mar. 31, 2022

2) Number of treasury stock at the end of each fiscal period:

447,308 shares as of Sep. 30, 2022; 447,255 shares as of Mar. 31, 2022

3) Average number of outstanding stock for each period (cumulative):

209,218,108 shares for the six months ended Sep. 30, 2022

209,014,581 shares for the six months ended Sep. 30, 2021

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

\* 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 “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.

2. Supplementary financial materials (in Japanese and English) will be posted on the Sysmex website on Wednesday, November 9, 2022.

## Content of Supplementary Materials

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## 1. Qualitative information on quarterly financial results

### 1) Operating performance analysis

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

In the past, the Group booked configuration and customization costs in cloud computing contracts as other non-current assets. However, in the fiscal year ended March 31, 2022 we began recognizing these costs as expenses when the services are received, in accordance with a decision announced in April 2021 by the IFRS Interpretation Guidelines Committee. These changes in accounting policy have been applied retroactively, and we are comparing and analyzing the figures for the first six months of the previous fiscal year to reflect this retroactive treatment.

In the first six months of the fiscal year ending March 31, 2023, the Japanese economy was characterized by a weakening recovery in personal consumption, owing to the resurgence of COVID-19. The economic outlook remained opaque, clouded by such factors as further yen depreciation, which pushed up the cost of imports, and sharply higher resource prices. Overseas, overall socioeconomic activity continued to normalize. Even so, the situation remains unpredictable due to lockdowns in China, centered on Shanghai, the prolonged Russian invasion of Ukraine, soaring resource and energy prices, and the risk of significant fluctuations in the financial and capital markets.

On the healthcare front, aging populations in developed countries are driving demand for more efficient healthcare. 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, rapid advances in the application of artificial intelligence, information and communications technology, and other leading-edge technologies to the healthcare sector are expected to continue providing opportunities for growth. The global COVID-19 pandemic has also prompted considerations about healthcare systems and the potential for major changes in the healthcare environment itself. We anticipate further opportunities for growth, such as improving access to healthcare and a focus on self-medication.

Against this backdrop, Sysmex launched the UF-1500 Fully Automated Urine Particle Analyzer (UF-1500), a new product for use in urine sediment testing. The UF-1500 inherits the high levels of functionality and usability of our flagship fully automated urine particle analyzer, while achieving greater compactness. By expanding the product lineup, we will deliver a wider range of solutions tailored to the customer's environment and contribute to the streamlining and standardization of urine testing at small and medium-sized facilities.

In an effort toward the realization of personalized medicine, we applied for a partial change of the manufacturing and marketing approval for the OncoGuide™ NCC Oncopanel System\*<sup>1</sup>, a gene mutation analysis set to include its use as a companion diagnostic for patients with advanced biliary tract cancer harboring *FGFR2*\*<sup>2</sup> gene rearrangements, including gene fusions. If, through these initiatives, the system can be used to determine indications for the use of futibatinib\*<sup>3</sup> in the future, it will provide another treatment option to patients with locally advanced or metastatic biliary tract cancer.

In addition, Sysmex and TOHO HOLDINGS CO., LTD. established a system for the supply of quality control reagents for clinical chemistry tests requiring a high level of refrigerated transportation. The new system reduces transportation frequency, allows the reuse of transportation materials, and makes the overall transportation process dry ice-free. This is the first initiative in the domestic in vitro diagnostic products industry to combine consolidated cargo and pharmaceutical wholesalers' general delivery system (for ordinary products) in dry-ice free long-haul deliveries. We expect this initiative to contribute significantly to environmentally sustainable cold chains.

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.) Based on our launch in the Japanese market, we are putting together regulatory affairs and sales systems in preparation to enter overseas markets.

\*1 OncoGuide™ NCC Oncopanel System:

On December 25, 2018, Sysmex received manufacturing and marketing approval as Japan's first medical device for cancer genome profiling under the Ministry of Health, Labour and Welfare's Sakigake Designation system. This combination medical device was subsequently covered under the NHI as of June 1, 2019.

\*2 *FGFR2* gene:

Four types of fibroblast growth factor receptors (FGFRs), FGFR1-4, have been identified. These

are proteins involved in cell growth and proliferation. When *FGFR* genes with abnormalities including fusion, mutation, and amplification are activated, they are thought to lead to cancer cell proliferation, survival, migration, tumor angiogenesis, drug resistance, etc.

\*3 Futibatinib (development code: TAS-120):

A novel oral anticancer drug currently under development by Taiho Pharmaceutical Co., Ltd. for the treatment of patients with advanced solid tumors with *FGFR1-4* genetic aberrations, including biliary tract cancer, who were previously treated with chemotherapy or other therapies.

Net sales by destination

	Six months ended Sep. 30, 2021		Six months ended Sep. 30, 2022		YoY (Previous period = 100)
	Amount (Millions of yen)	Percentage of total (%)	Amount (Millions of yen)	Percentage of total (%)	
Japan	25,557	15.0	28,792	14.9	112.7
Americas	38,227	22.7	50,262	25.9	131.5
EMEA	49,238	29.2	55,178	28.4	112.1
China	42,145	25.0	42,865	22.1	101.7
Asia Pacific	13,585	8.1	16,923	8.7	124.6
Overseas subtotal	143,196	85.0	165,229	85.1	115.4
Total	168,753	100.0	194,022	100.0	115.0

In Japan, sales rose for immunochemistry reagents, mainly in relation to COVID-19 testing. Sales of hematology and medical robotics instruments also grew. As a result, sales in Japan rose 12.7% year on year, to ¥28,792 million.

Overseas, testing demand recovered compared with the first six months of the previous fiscal year, when demand was affected by COVID-19. In the hematology field, sales of reagents increased, as did sales of reagents in the urinalysis and hemostasis fields. These factors, plus ongoing yen depreciation, caused overseas Group sales to rise 15.4% year on year, to ¥165,229 million. The overseas sales ratio rose 0.1 percentage point, to 85.1%.

Selling, general and administrative (SG&A) expenses expanded 19.0%, to ¥52,982 million, owing mainly to the resumption of sales and service activities that had been constrained across all regions in the previous period due to the pandemic. In addition, R&D expenses increased 25.1% year on year, to ¥14,528 million, owing to active investment in development.

As a result, during the first six months of the fiscal year ending March 31, 2023, the Group recorded consolidated net sales of ¥194,022 million, up 15.0% year on year. Operating profit fell 0.3%, to ¥33,150 million; profit before tax increased 9.2%, to ¥34,546 million, and profit attributable to owners of the parent rose by 9.4%, to ¥23,989 million.

Performance by segment

(1) Japan

Sales rose for immunochemistry reagents, mainly in relation to COVID-19 testing. Sales of medical robotics instruments also grew. As a result, sales in Japan rose 11.7% year on year, to ¥30,966 million.

On the profit front, performance was affected by higher SG&A and R&D expenses, but higher sales and an improved cost of sales ratio lifted segment profit (operating profit) 29.1%, to ¥23,878 million.

(2) Americas

In North America, sales of instruments, reagents and maintenance services increased in the hematology and urinalysis fields due to a resurgence in testing demand and higher sales of instruments. As a result, sales in the region grew 32.6%, to ¥47,302 million.

Segment profit (operating profit) fell 27.4%, to ¥1,289 million, as the cost of sales ratio deteriorated and SG&A expenses increased.

(3) EMEA

Sales of instruments and reagents increased in the fields of hematology, urinalysis,

hemostasis, and life science, due to a resurgence in testing demand and higher instrument sales. As a result, sales were ¥56,108 million, up 12.8% year on year.

Segment profit (operating profit) fell 20.4%, to ¥6,117 million, owing to a deterioration in the cost of sales ratio and higher SG&A expenses.

#### (4) China

Large-scale lockdowns in various parts of China, etc. caused a decrease in instrument and reagent sales in the hematology and urinalysis fields. However, sales of hemostasis reagents increased. As a result, sales rose 1.7%, to ¥42,819 million.

Although sales rose and the cost of sales ratio improved, SG&A expenses increased, leading to an 8.7% decline in segment profit (operating profit), to ¥4,300 million.

#### (5) Asia Pacific

Sales of hematology and urinalysis instruments and reagents increased, due to a resurgence in testing demand and increased instrument sales. As a result, sales were ¥16,824 million, up 24.6% year on year.

Segment profit (operating profit) grew 46.3%, to ¥2,521 million, despite higher SG&A expenses, due to increased sales and an improved cost of sales ratio.

### 2) Financial conditions analysis

#### (1) Financial conditions

As of September 30, 2022, total assets amounted to ¥511,230 million, up ¥27,523 million from March 31, 2022. As main factors, inventories rose ¥12,665 million, intangible assets grew ¥7,132 million, and goodwill increased ¥6,868 million, while cash and cash equivalents fell ¥4,533 million.

Meanwhile, total liabilities as of September 30, 2022 were ¥130,841 million, down ¥3,812 million from March 31, 2022. The principal increase was other non-current financial liabilities, which rose ¥2,329 million. Major decreases were in trade and other payables, which fell ¥3,440 million, and other non-current liabilities, which were down ¥3,056 million.

Total equity came to ¥380,388 million, up ¥31,335 million from March 31, 2022. Among principal reasons, retained earnings grew by ¥15,830 million, and other components of equity rose ¥15,444 million. Equity attributable to owners of the parent to total assets amounted to 74.3% on September 30, 2022, up 2.3 percentage points from 72.0% on March 31, 2022.

#### (2) Cash flows

As of September 30, 2022, cash and cash equivalents amounted to ¥69,219 million, down ¥4,533 million from March 31, 2022.

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

##### (Cash flows from operating activities)

Net cash provided by operating activities was ¥28,269 million, down ¥8,243 million from the first six months of the previous fiscal year. As principal factors, profit before tax provided ¥34,546 million (¥2,917 million more than in the preceding year), depreciation and amortization provided ¥15,440 million (up ¥1,899 million), a decrease in trade receivables provided ¥11,087 million (up ¥5,024 million), an increase in inventories used ¥9,828 million (up ¥301 million), and income taxes paid amounted to ¥13,490 million (up ¥6,504 million).

##### (Cash flows from investing activities)

Net cash used in investing activities was ¥25,831 million (up ¥11,290 million). Among major factors, purchases of property, plant and equipment used ¥7,123 million (up ¥2,990 million), purchases of intangible assets used ¥10,791 million (up ¥2,199 million), and the purchase of investments in equity instruments used ¥5,081 million (up ¥5,081 million).

##### (Cash flows from financing activities)

Net cash used in financing activities was ¥11,946 million (up ¥1,295 million). This was mainly due to the dividends paid of 8,159 million (up ¥635 million).

### 3) Consolidated financial forecast

For the Company's consolidated financial forecast for the full fiscal year, please refer to the Announcement Regarding Differences between Actual and Forecast Figures for the Six Months Ended September 30, 2022, and Revision of Full Year Financial Forecasts, announced today (November 9, 2022).

## 2. Condensed quarterly consolidated financial statements and notes

### 1) Condensed quarterly consolidated statement of financial position

(Unit: Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and cash equivalents	73,752	69,219
Trade and other receivables	118,697	116,230
Inventories	61,944	74,610
Other short-term financial assets	1,498	1,493
Income taxes receivable	470	581
Other current assets	18,728	19,667
Total current assets	<u>275,092</u>	<u>281,801</u>
Non-current assets		
Property, plant and equipment	98,525	102,562
Goodwill	13,010	19,878
Intangible assets	57,260	64,392
Investments accounted for using the equity method	986	—
Trade and other receivables	16,403	17,793
Other long-term financial assets	9,157	9,426
Asset for retirement benefits	841	868
Other non-current assets	3,910	4,072
Deferred tax assets	8,520	10,434
Total non-current assets	<u>208,614</u>	<u>229,429</u>
Total assets	<u>483,707</u>	<u>511,230</u>

(Unit: Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	32,111	28,671
Lease liabilities	6,439	7,159
Other current financial liabilities	1,482	1,722
Income taxes payable	12,813	11,174
Provisions	1,234	1,242
Contract liabilities	12,852	14,062
Accrued expenses	17,498	17,244
Accrued bonuses	10,985	8,419
Other current liabilities	6,663	7,835
Total current liabilities	102,082	97,534
Non-current liabilities		
Lease liabilities	15,840	16,719
Other non-current financial liabilities	30	2,359
Liability for retirement benefits	1,183	1,294
Provisions	366	388
Other non-current liabilities	8,537	5,480
Deferred tax liabilities	6,613	7,065
Total non-current liabilities	32,571	33,307
Total liabilities	134,654	130,841
Equity		
Equity attributable to owners of the parent		
Capital stock	14,112	14,194
Capital surplus	20,483	20,530
Retained earnings	305,710	321,540
Treasury stock	(312)	(313)
Other components of equity	8,309	23,754
Total equity attributable to owners of the parent	348,303	379,707
Non-controlling interests	750	681
Total equity	349,053	380,388
Total liabilities and equity	483,707	511,230



## 2) Condensed quarterly consolidated statement of income

(Unit: Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	168,753	194,022
Cost of sales	78,932	95,483
Gross profit	89,821	98,538
Selling, general and administrative expenses	44,524	52,982
Research and development expenses	11,610	14,528
Other operating income	834	2,588
Other operating expenses	1,268	465
Operating profit	33,251	33,150
Financial income	254	434
Financial expenses	420	934
Share of profit (loss) of associates accounted for using the equity method	(1,437)	(1,289)
Foreign exchange gain (loss)	(19)	3,185
Profit before tax	31,628	34,546
Income taxes expenses	9,804	10,624
Profit	21,824	23,921
Profit attributable to		
Owners of the parent	21,924	23,989
Non-controlling interests	(100)	(68)
Profit	21,824	23,921
		(Unit: Yen)
Earnings per share		
Basic	104.90	114.66
Diluted	104.67	114.61

## 3) Condensed quarterly consolidated statement of other comprehensive income

(Unit: Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	21,824	23,921
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	(109)	107
Total	(109)	107
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	1,014	15,322
Share of other comprehensive income of investments accounted for using the equity method	(0)	15
Total	1,014	15,337
Total other comprehensive income	905	15,444
Comprehensive income	22,729	39,366
Comprehensive income attributable to		
Owners of the parent	22,830	39,434
Non-controlling interests	(100)	(68)
Comprehensive income	22,729	39,366

4) Condensed quarterly consolidated statement of changes in equity  
Six months ended September 30, 2021

(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, 2021	13,229	19,581	279,477	(307)	(4,082)	307,898	771	308,669
Cumulative effects of changes in accounting policies	—	—	(2,579)	—	—	(2,579)	—	(2,579)
Restated balance	13,229	19,581	276,897	(307)	(4,082)	305,318	771	306,089
Profit	—	—	21,924	—	—	21,924	(100)	21,824
Other comprehensive income	—	—	—	—	905	905	0	905
Comprehensive income	—	—	21,924	—	905	22,830	(100)	22,729
Exercise of warrants	84	47	—	—	—	131	—	131
Share-based payment transactions	—	399	—	—	—	399	—	399
Cash dividends	—	—	(7,523)	—	—	(7,523)	—	(7,523)
Purchase of treasury stock	—	—	—	(2)	—	(2)	—	(2)
Total transactions with the owners	84	446	(7,523)	(2)	—	(6,994)	—	(6,994)
As of September 30, 2021	13,314	20,028	291,298	(310)	(3,177)	321,153	670	321,823

Six months ended September 30, 2022

(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, 2022	14,112	20,483	305,710	(312)	8,309	348,303	750	349,053
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	—
Restated balance	14,112	20,483	305,710	(312)	8,309	348,303	750	349,053
Profit	—	—	23,989	—	—	23,989	(68)	23,921
Other comprehensive income	—	—	—	—	15,444	15,444	0	15,444
Comprehensive income	—	—	23,989	—	15,444	39,434	(68)	39,366
Exercise of warrants	82	46	—	—	—	129	—	129
Share-based payment transactions	—	—	—	—	—	—	—	—
Cash dividends	—	—	(8,159)	—	—	(8,159)	—	(8,159)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Total transactions with the owners	82	46	(8,159)	(0)	—	(8,030)	—	(8,030)
As of September 30, 2022	14,194	20,530	321,540	(313)	23,754	379,707	681	380,388

## 5) Condensed quarterly consolidated statement of cash flows

(Unit: Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Cash flows from operating activities</b>		
Profit before tax	31,628	34,546
Depreciation and amortization	13,541	15,440
Decrease (increase) in trade receivable	6,062	11,087
Decrease (increase) in advance payments	(125)	(873)
Decrease (increase) in inventories	(9,527)	(9,828)
Increase (decrease) in trade payable	133	(1,146)
Increase (decrease) in accounts payable- other	(635)	(2,869)
Increase (decrease) in contract liabilities	(1,259)	13
Increase (decrease) in accrued expenses	161	(1,367)
Decrease/increase in consumption taxes receivable/payable	1,855	3,695
Increase (decrease) in accrued bonuses	(823)	(3,013)
Other—net	2,683	(3,697)
Subtotal	43,694	41,987
Interest and dividend received	150	267
Interest paid	(345)	(494)
Income taxes paid	(6,986)	(13,490)
Net cash provided by (used in) operating activities	36,513	28,269
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(4,132)	(7,123)
Purchases of intangible assets	(8,592)	(10,791)
Payments resulting in an increase in long-term prepaid expenses	(745)	(253)
Purchases of investments in equity instruments	—	(5,081)
Purchases of investments in debt instruments	(1,199)	—
Acquisitions of subsidiaries or other businesses	—	(2,984)
Payments into time deposits	(549)	(571)
Proceeds from withdrawal of time deposits	635	536
Other—net	43	438
Net cash provided by (used in) investing activities	(14,541)	(25,831)
<b>Cash flows from financing activities</b>		
Dividends paid	(7,523)	(8,159)
Repayments of lease liabilities	(3,256)	(3,904)
Other—net	129	117
Net cash provided by (used in) financing activities	(10,650)	(11,946)
Effects of exchange rate changes on cash and cash equivalents	427	4,975
Net increase (decrease) in cash and cash equivalents	11,748	(4,533)
Cash and cash equivalents at the beginning of the term	66,467	73,752
Cash and cash equivalents at the end of the term	78,216	69,219

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.

The accounting policy for configuration and customization costs related to cloud computing contracts has been changed in the fiscal year ended March 31, 2022. These changes have been retroactively applied, and the results for the first six months of the fiscal year ended March 31, 2022 reflect this retroactive application. As a result, segment profit for Japan during the first six months of the fiscal year ended March 31, 2022 decreased by ¥459 million, and depreciation expenses decreased by ¥257 million.

Six months ended September 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	27,715	35,674	49,753	42,113	13,498	168,753	—	168,753
Intersegment sales	59,432	173	2,060	1	—	61,668	(61,668)	—
Total	87,147	35,848	51,813	42,115	13,498	230,422	(61,668)	168,753
Segment profit (loss)	18,498	1,775	7,680	4,712	1,724	34,390	(1,139)	33,251
Financial income	—	—	—	—	—	—	—	254
Financial expenses	—	—	—	—	—	—	—	420
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(1,437)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	(19)
Profit before tax	—	—	—	—	—	—	—	31,628
Income taxes expenses	—	—	—	—	—	—	—	9,804
Profit	—	—	—	—	—	—	—	21,824

Notes:

1. Segment profit (loss) adjustments of negative ¥1,139 million include negative ¥1,166 million for the unrealized gains on inventories and ¥99 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.
3. In the current fiscal year, the accounting policy for configuration and customization costs related to cloud computing contracts has been changed, and the relevant figures for the first six months of the fiscal year ended March 31, 2022 reflect the retroactive revision due to the change in the accounting policy.

Six months ended September 30, 2022

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	30,966	47,302	56,108	42,819	16,824	194,022	—	194,022
Intersegment sales	67,869	256	2,353	14	12	70,507	(70,507)	—
Total	98,836	47,558	58,462	42,834	16,837	264,529	(70,507)	194,022
Segment profit (loss)	23,878	1,289	6,117	4,300	2,521	38,107	(4,956)	33,150
Financial income	—	—	—	—	—	—	—	434
Financial expenses	—	—	—	—	—	—	—	934
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(1,289)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	3,185
Profit before tax	—	—	—	—	—	—	—	34,546
Income taxes expenses	—	—	—	—	—	—	—	10,624
Profit	—	—	—	—	—	—	—	23,921

Notes:

1. Segment profit (loss) adjustments of negative ¥4,956 million include negative ¥4,911 million for the unrealized gains on inventories and negative ¥24 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.