

**Summary of Consolidated Financial Results [IFRS]
for the Fiscal Year Ended March 31, 2023**

May 11, 2023

Listed company name	: Sysmex Corporation
Code	: 6869
Listed stock exchanges	: Tokyo Stock Exchange
URL	: www.sysmex.co.jp/en
Company representative	: Kaoru Asano, President
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Scheduled date for shareholders' meeting	: June 23, 2023
Scheduled date for dividend payment	: June 26, 2023
Scheduled date for filing of financial report	: June 23, 2023
Preparation of supplementary material for earnings	: Yes
Holding of earnings announcement	: Yes

(Unit: Millions of Yen)

1. Consolidated Results for the Fiscal Year Ended March 31, 2023

(1) Operating results

(% changes as compared with the previous fiscal year)

	Net Sales		Operating profit		Profit before tax		Profit	
Year ended Mar. 31, 2023	410,502	12.8%	73,679	9.3%	68,713	6.8%	45,725	3.8%
Year ended Mar. 31, 2022	363,780	19.2%	67,416	34.8%	64,346	39.1%	44,071	38.3%

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Year ended Mar. 31, 2023	45,784	3.8%	55,566	(1.6)%	218.83	218.73
Year ended Mar. 31, 2022	44,093	38.2%	56,442	32.7%	210.88	210.49

	Return on equity (%)	Profit before tax to total assets (%)	Operating profit to net sales (%)
Year ended Mar. 31, 2023	12.4	13.5	17.9
Year ended Mar. 31, 2022	13.5	14.2	18.5

Note:

Share of loss on equity method: 2,923 million yen for the year ended March 31, 2023; 3,561 million yen for the year ended March 31, 2022.

(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, 2023	531,074	388,356	387,665	73.0	1,852.68
As of Mar. 31, 2022	483,707	349,053	348,303	72.0	1,664.85

(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, 2023	68,835	(51,751)	(24,234)	69,460
Year ended Mar. 31, 2022	58,739	(35,052)	(20,542)	73,752

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, 2022	—	37.00	—	39.00	76.00	15,893	36.0	4.9
Year ended Mar. 31, 2023	—	40.00	—	42.00	82.00	17,157	37.5	4.7
Year ending Mar. 31, 2024 (Forecast)	—	42.00	—	42.00	84.00		33.8	

Note:

Composition of the year-end dividend for the fiscal year ended March 31, 2023: Ordinary dividend 40.00 yen per share; Commemorative dividend 2.00 yen per share.

3. Financial Forecast for the Year Ending March 31, 2024

(% 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, 2023	220,000	13.4%	40,000	20.7%	38,000	10.0%	26,000	8.4%	124.26
Year ending Mar. 31, 2024	460,000	12.1%	83,000	12.7%	78,000	13.5%	52,000	13.6%	248.51

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):

209,693,992 shares as of Mar. 31, 2023; 209,657,362 shares as of Mar. 31, 2022

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

447,492 shares as of Mar. 31, 2023; 447,255 shares as of Mar. 31, 2022

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

209,227,519 shares for the year ended Mar. 31, 2023

209,091,573 shares for the year ended Mar. 31, 2022

(Reference) Summary of the Non-consolidated Financial Results for the Year Ended March 31, 2023

(1) Non-consolidated operating results

(% changes as compared with the previous fiscal year)

	Net Sales		Operating income		Ordinary income		Net income	
Year ended Mar. 31, 2023	204,746	10.1%	50,095	24.5%	57,764	19.5%	42,877	19.0%
Year ended Mar. 31, 2022	185,959	17.6%	40,232	54.7%	48,343	64.1%	36,031	59.2%

	Net income per share (Yen)	Diluted net income per share (Yen)
Year ended Mar. 31, 2023	204.93	204.84
Year ended Mar. 31, 2022	172.32	172.01

(2) Non-consolidated financial condition

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
As of Mar. 31, 2023	316,997	261,796	82.2	1,244.80
As of Mar. 31, 2022	283,110	234,932	82.5	1,116.08

Equity capital: 260,470 million yen as of March 31, 2023; 233,495 million yen as of March 31, 2022.

Note: Summaries of financial results are not subject to audit 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 4 of the attachment to this document.
2. Supplementary financial materials (in Japanese and English) will be posted on the Sysmex website on Thursday, May 11, 2023.

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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, 2023, the Japanese economy showed signs of recovery, owing to progress in suppressing COVID-19 and in socioeconomic activity. However, the outlook remains uncertain due to continued high resource and energy prices, rapid exchange rate fluctuations, and other factors. Overseas, the impact of COVID-19 is subsiding and economic activity is normalizing. However, during the year the outlook remained clouded by such factors as intermittent lockdowns in China, the prolonged war in Ukraine, and sharply higher resource and energy prices.

On the healthcare front, in Japan demand are rising in the medical and healthcare fields against the backdrop of an aging population and diversifying health and medical needs. The Japanese Government has positioned 'next-generation healthcare' as one of its growth strategies, and these fields are expected to remain active. Looking overseas, aging populations in developed countries and economic growth in emerging markets are 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.

Against this backdrop, in the hemostasis field we signed a global OEM agreement with Siemens Healthcare Diagnostics Inc. Under this agreement, our two companies will supply each other with hemostasis instruments and reagents, which we will sell globally under our individual brands. Going forward, the companies will each individually offer effective solutions to customers worldwide that build on their respective strengths based on one of the world's most extensive hemostasis product portfolios realized through the collaboration to meet diversifying customer needs.

Sysmex received manufacturing and marketing approval in Japan for an assay kit to identify amyloid beta (A β) accumulation in the brain, a cause of Alzheimer's disease, using a small amount of blood. This assay kit makes it possible to assist in identifying A β accumulation in the brain, which is a characteristic of Alzheimer's disease. Unlike conventional testing methods, the product allows testing with blood, thus reducing the physical, emotional, and financial burden on patients. Furthermore, the product is expected to contribute to early diagnosis and determination of optimal treatment plans for patients. Sysmex will move forward with preparations for the early introduction of the product to the market, while working toward its coverage by Japanese national health insurance.

In addition, in February 2023 Sysmex received approval for a partial change to its OncoGuide™ NCC Oncopanel System, using futibatinib*1 (a molecular-targeted drug under development by Taiho Pharmaceutical Co., Ltd.) as a companion diagnostic for patients with biliary tract cancer*2. In 2018, Sysmex became the first manufacture in Japan to receive manufacturing and marketing approval for a system for use in cancer gene profiling*3. The Company has since contributed to the promotion of cancer genomic medicine in Japan with a testing flow that can be conducted entirely in Japan, while promptly providing the testing to various medical institutions. This approval will also allow use of the system as a companion diagnostic for futibatinib for biliary tract cancer. If this test is available with insurance coverage in the future, it is expected to provide another treatment option for patients with locally advanced or metastatic biliary tract cancer.

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.) In October 2022, the Ministry of Health, Labour and Welfare also approved the system for use in gastroenterological surgery and gynecology, and the system was covered by Japanese health insurance in December 2022. Sysmex looks forward to introducing the system for use in other fields, as well. We are continuing with efforts to put together regulatory affairs and sales systems in preparation to enter overseas markets.

*1 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. In September 2022, the US Food and Drug Administration (FDA) granted the drug accelerated approval for indications for previously treated unresectable locally advanced or metastatic intrahepatic cholangiocarcinoma harboring *FGFR2* gene fusions or other rearrangements.

*2 Biliary tract cancer:

A generic term for cancers that develop in the biliary tract, which are classified into bile duct cancer (including intrahepatic cholangiocarcinoma, which occurs in the bile ducts within the liver), gallbladder cancer, or papillary carcinoma, depending on their primary sites.

*3 Cancer genome profiling:

A test designed to obtain a comprehensive cancer genome profile in tumor tissues of patients with solid tumors, including advanced biliary tract cancer. Analyzing abnormalities in cancer-specific genes provides useful information for determining treatment methods, including diagnosis and selection of potentially effective anti-cancer drugs.

Net sales by destination

	Year ended March 31, 2022		Year ended March 31, 2023		YoY (Previous period = 100)
	Amount (Millions of yen)	Percentage of total (%)	Amount (Millions of yen)	Percentage of total (%)	
Japan	55,618	15.3	59,832	14.6	107.6
Americas	83,655	23.0	105,905	25.8	126.6
EMEA	101,528	27.9	111,376	27.1	109.7
China	93,373	25.7	96,902	23.6	103.8
Asia Pacific	29,604	8.1	36,485	8.9	123.2
Overseas subtotal	308,161	84.7	350,669	85.4	113.8
Total	363,780	100.0	410,502	100.0	112.8

In Japan, sales rose for immunochemistry reagents, mainly in relation to COVID-19 testing. Sales of hematology and medical robotics instruments also increased. As a result, sales in Japan rose 7.6% year on year, to ¥59,832 million.

Overseas, testing demand recovered compared with 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 13.8% year on year, to ¥350,669 million. The overseas sales ratio rose 0.7 percentage point, to 85.4%.

Selling, general and administrative (SG&A) expenses expanded 19.2%, to ¥112,371 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 16.0% year on year, to ¥31,060 million, owing to active investment in development.

As a result, during the fiscal year ended March 31, 2023, the Group recorded consolidated net sales of ¥410,502 million, up 12.8% year on year. Operating profit was up 9.3%, to ¥73,679 million; profit before tax increased 6.8%, to ¥68,713 million, and profit attributable to owners of the parent rose by 3.8%, to ¥45,784 million.

Performance by segment

(1) Japan

In addition to higher sales of immunochemistry reagents, mainly related to COVID-19 testing, sales of instruments increased in the medical robotics field. As a result, sales in Japan rose 6.0% year on year, to ¥63,300 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) 34.2%, to ¥51,344 million.

(2) Americas

In North America, sales of instruments, reagents and maintenance services increased in the hematology field and sales of urinalysis reagents also rose due to a resurgence in testing demand and higher sales of instruments. In Central and South America, sales of instruments and reagents increased in the hematology and urinalysis fields due to increased instrument sales. As a result, overall sales in the Americas grew 27.7% year on year, to ¥100,807 million.

Segment profit (operating profit) fell 12.1%, to ¥4,064 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 and life science, due to a resurgence in testing demand and higher instrument sales. As a result, sales were ¥113,274 million, up 10.6% year on year.

Segment profit (operating profit) fell 31.8%, to ¥8,392 million, owing to an increase in the SG&A expense, although the cost of sales ratio improved.

(4) China

Large-scale lockdowns in various parts of China, etc. caused a decrease in instrument sales in the hematology and urinalysis fields. However, sales of hematology and hemostasis reagents increased. As a result, sales rose 3.8%, to ¥96,797 million.

The cost of sales ratio deteriorated and SG&A expenses increased, causing segment profit (operating profit) to fall 13.9% year on year, to ¥9,968 million.

(5) Asia Pacific

Sales of hematology instruments and reagents increased, as did sales of urinalysis reagents, due to a resurgence in testing demand and increased instrument sales. As a result, sales were ¥36,322 million, up 23.7% year on year.

Segment profit (operating profit) grew 58.8%, to ¥3,456 million, despite higher SG&A expenses, due to increased sales and an improved cost of sales ratio.

2) Financial conditions at end of the year

As of March 31, 2023, total assets amounted to ¥531,074 million, up ¥47,367 million from March 31, 2022. As main factors, trade and other receivables grew ¥7,622 million, inventories rose ¥11,365 million, and intangible assets were up ¥16,270 million.

Meanwhile, total liabilities as of March 31, 2023 were ¥142,718 million, up ¥8,063 million from March 31, 2022. Principal increases included income taxes payable, which rose ¥1,849 million, other short-term financial liabilities, which rose ¥2,055 million, and contract liabilities, which rose ¥1,616 million.

Total equity came to ¥388,356 million, up ¥39,303 million from March 31, 2022. Among principal reasons, retained earnings rose ¥28,482 million, and other components of equity increased ¥10,615 million. Equity attributable to owners of the parent to total assets amounted to 73.0% on March 31, 2023, up 1.0 percentage point from 72.0% on March 31, 2022.

3) Cash flows during the year

As of March 31, 2023, cash and cash equivalents amounted to ¥69,460 million, down ¥4,291 million from March 31, 2022.

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 ¥68,835 million, up ¥10,095 million from the previous fiscal year. As principal factors, profit before tax provided ¥68,713 million (¥4,366 million more than in the preceding year), depreciation and amortization provided ¥31,807 million (up ¥4,375 million), an increase in trade receivables used ¥2,980 million (down ¥7,316 million), an increase in inventories used ¥10,558 million (down ¥1,936 million), and income taxes paid amounted to 24,281 million (up ¥9,576 million).

(Cash flows from investing activities)

Net cash used in investing activities was ¥51,751 million (up ¥16,699 million). Among major factors, purchases of property, plant and equipment used ¥17,485 million (up ¥4,717 million), purchases of intangible assets used ¥25,020 million (up ¥5,753 million), and the purchase of investments in equity instruments used ¥5,189 million (up ¥4,869 million).

(Cash flows from financing activities)

Net cash used in financing activities was ¥24,234 million (up ¥3,692 million). This was mainly due to dividends paid of ¥16,528 million (up ¥1,270 million) and ¥7,959 million in repayments of lease liabilities (up ¥1,381 million).

4) Outlook for future

Looking ahead, as the impact of COVID-19 eases and social and economic activity continues to normalize, we anticipate improved profits. However, some areas of weakness remain, such as sluggish exports, even though cost pressures are easing as resource prices stabilize and the yen weakens. The outlook remains clouded by concerns about the impact of worldwide financial tightening, the surge in crude oil prices, the prolonged situation in Ukraine, and inflation.

Looking at the healthcare environment, demand for higher healthcare quality and services is growing. Furthermore, artificial intelligence (AI), information communication technology (ICT) and other leading-edge technologies are rapidly being applied to the healthcare field. Rising healthcare demand in emerging markets, spurred by economic growth, is expected to sustain future 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, owing to increasingly diverse medical functions, improved access to healthcare, and the creation of new value in the area of self-medication.

Under these conditions, in April 2023 Sysmex launched a new mid-term management plan (fiscal years ending March 31, 2024 to 2026). By promoting priority actions during this period, we will strive to achieve sustainable growth and reinforce the management base to support it.

Our consolidated operating forecast for the fiscal year ending March 31, 2024 calls for increased sales and profits as we expand our product lineup and reinforce our sales and service structure. We forecast net sales of ¥460,000 million, operating profit of ¥83,000 million, profit before tax of ¥78,000 million and profit attributable to owners of the parent of ¥52,000 million.

Note: Our assumptions for annual average exchange rates are US\$1=¥133 and €1=¥143.

The forecast outlined above is based on currently available information. Actual performance may differ from this forecast for a variety of reasons.

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, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	73,752	69,460
Trade and other receivables	118,697	126,319
Inventories	61,944	73,310
Other short-term financial assets	1,498	875
Income taxes receivable	470	600
Other current assets	18,728	24,924
Total current assets	275,092	295,491
Non-current assets		
Property, plant and equipment	98,525	102,106
Goodwill	13,010	16,842
Intangible assets	57,260	73,530
Investments accounted for using the equity method	986	92
Trade and other receivables	16,403	17,895
Other long-term financial assets	9,157	9,777
Asset for retirement benefits	841	614
Other non-current assets	3,910	3,842
Deferred tax assets	8,520	10,880
Total non-current assets	208,614	235,583
Total assets	483,707	531,074

(Unit: Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	32,111	31,678
Lease liabilities	6,439	7,149
Other current financial liabilities	1,482	3,537
Income taxes payable	12,813	14,662
Provisions	1,234	1,123
Contract liabilities	12,852	14,469
Accrued expenses	17,498	18,772
Accrued bonuses	10,985	11,360
Other current liabilities	6,663	8,348
Total current liabilities	102,082	111,102
Non-current liabilities		
Lease liabilities	15,840	15,442
Other non-current financial liabilities	30	305
Liability for retirement benefits	1,183	1,959
Provisions	366	398
Other non-current liabilities	8,537	7,059
Deferred tax liabilities	6,613	6,450
Total non-current liabilities	32,571	31,615
Total liabilities	134,654	142,718
Equity		
Equity attributable to owners of the parent		
Capital stock	14,112	14,282
Capital surplus	20,483	20,580
Retained earnings	305,710	334,192
Treasury stock	(312)	(314)
Other components of equity	8,309	18,925
Total equity attributable to owners of the parent	348,303	387,665
Non-controlling interests	750	690
Total equity	349,053	388,356
Total liabilities and equity	483,707	531,074

2) Consolidated statement of income

(Unit: Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Net sales	363,780	410,502
Cost of sales	173,195	194,419
Gross profit	190,585	216,082
Selling, general and administrative expenses	94,235	112,371
Research and development expenses	26,784	31,060
Impairment loss	—	2,368
Other operating income	1,409	4,103
Other operating expenses	3,557	705
Operating profit	67,416	73,679
Financial income	550	863
Financial expenses	909	1,566
Share of profit (loss) of associates accounted for using the equity method	(3,561)	(2,923)
Foreign exchange gain (loss)	850	(1,339)
Profit before tax	64,346	68,713
Income taxes expenses	20,274	22,988
Profit	44,071	45,725
Profit attributable to		
Owners of the parent	44,093	45,784
Non-controlling interests	(21)	(59)
Profit	44,071	45,725
		(Unit: Yen)
Earnings per share		
Basic	210.88	218.83
Diluted	210.49	218.73

3) Consolidated statement of comprehensive income

(Unit: Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Profit	44,071	45,725
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	(213)	484
Remeasurements of defined benefit plans	(66)	(774)
Total	(280)	(289)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	12,647	10,117
Share of other comprehensive income of investments accounted for using the equity method	3	12
Total	12,650	10,130
Total other comprehensive income	12,370	9,841
Comprehensive income	56,442	55,566
Comprehensive income attributable to		
Owners of the parent	56,463	55,625
Non-controlling interests	(21)	(59)
Comprehensive income	56,442	55,566

4) Consolidated statement of changes in equity
For the year ended March 31, 2022

(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	276,897	(307)	(4,082)	305,318	771	306,089
Profit	—	—	44,093	—	—	44,093	(21)	44,071
Other comprehensive income	—	—	—	—	12,370	12,370	0	12,370
Comprehensive income	—	—	44,093	—	12,370	56,463	(21)	56,442
Exercise of warrants	882	502	—	—	—	1,384	—	1,384
Share-based payment transactions	—	399	—	—	—	399	—	399
Cash dividends	—	—	(15,258)	—	—	(15,258)	—	(15,258)
Purchase of treasury stock	—	—	—	(4)	—	(4)	—	(4)
Transfer to retained earnings	—	—	(21)	—	21	—	—	—
Total transactions with the owners	882	901	(15,280)	(4)	21	(13,478)	—	(13,478)
As of March 31, 2022	14,112	20,483	305,710	(312)	8,309	348,303	750	349,053

For the year ended March 31, 2023

(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, 2022	14,112	20,483	305,710	(312)	8,309	348,303	750	349,053
Profit	—	—	45,784	—	—	45,784	(59)	45,725
Other comprehensive income	—	—	—	—	9,841	9,841	(0)	9,841
Comprehensive income	—	—	45,784	—	9,841	55,625	(59)	55,566
Exercise of warrants	170	97	—	—	—	267	—	267
Share-based payment transactions	—	—	—	—	—	—	—	—
Cash dividends	—	—	(16,528)	—	—	(16,528)	—	(16,528)
Purchase of treasury stock	—	—	—	(1)	—	(1)	—	(1)
Transfer to retained earnings	—	—	(774)	—	774	—	—	—
Total transactions with the owners	170	97	(17,302)	(1)	774	(16,263)	—	(16,263)
As of March 31, 2023	14,282	20,580	334,192	(314)	18,925	387,665	690	388,356

5) Consolidated statement of cash flows

(Unit: Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	64,346	68,713
Depreciation and amortization	27,431	31,807
Impairment loss	—	2,368
Interest and dividends income	(408)	(704)
Interest expenses	740	1,133
Share of loss (profit) of associates accounted for using the equity method	3,561	2,923
Loss on retirement of non-current assets	2,245	265
Decrease (increase) in trade receivable	(10,297)	(2,980)
Decrease (increase) in advance payments	832	(983)
Decrease (increase) in inventories	(12,495)	(10,558)
Increase (decrease) in trade payable	(5,055)	(13)
Increase (decrease) in accounts payable—other	1,108	(713)
Increase (decrease) in accrued expenses	2,044	747
Decrease/increase in consumption taxes receivable/payable	(2,417)	766
Increase (decrease) in contract liabilities	158	1,450
Increase (decrease) in accrued bonuses	1,984	125
Other—net	70	(920)
Subtotal	73,850	93,425
Interest and dividend received	298	676
Interest paid	(704)	(985)
Income taxes paid	(14,705)	(24,281)
Net cash provided by (used in) operating activities	58,739	68,835
Cash flows from investing activities		
Purchases of property, plant and equipment	(12,768)	(17,485)
Proceeds from sales of property, plant and equipment	545	337
Purchases of intangible assets	(19,266)	(25,020)
Payments resulting in an increase in long-term prepaid expenses	(1,896)	(646)
Purchases of investments in equity instruments	(320)	(5,189)
Purchases of investments in debt instruments	(1,199)	—
Acquisitions of subsidiaries or other businesses	—	(2,984)
Payments into time deposits	(640)	(711)
Proceeds from withdrawal of time deposits	755	811
Other—net	(260)	(863)
Net cash provided by (used in) investing activities	(35,052)	(51,751)
Cash flows from financing activities		
Exercise of warrants	1,384	267
Dividends paid	(15,258)	(16,528)
Repayments of lease liabilities	(6,577)	(7,959)
Other—net	(90)	(13)
Net cash provided by (used in) financing activities	(20,542)	(24,234)
Effects of exchange rate changes on cash and cash equivalents	4,139	2,858
Net increase (decrease) in cash and cash equivalents	7,284	(4,291)
Cash and cash equivalents at the beginning of the term	66,467	73,752
Cash and cash equivalents at the end of the term	73,752	69,460

6) Notes to the 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.

For the year ended March 31, 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	59,743	78,964	102,411	93,295	29,364	363,780	—	363,780
Intersegment sales	129,455	662	4,442	56	5	134,623	(134,623)	—
Total	189,199	79,627	106,854	93,351	29,369	498,403	(134,623)	363,780
Segment profit	38,246	4,625	12,310	11,572	2,176	68,932	(1,515)	67,416
Financial income	—	—	—	—	—	—	—	550
Financial expenses	—	—	—	—	—	—	—	909
Share of profit (loss) on equity method	—	—	—	—	—	—	—	(3,561)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	850
Profit before tax	—	—	—	—	—	—	—	64,346
Income tax expenses	—	—	—	—	—	—	—	20,274
Profit	—	—	—	—	—	—	—	44,071
Other								
Depreciation and amortization (Note 3)	14,360	4,062	5,326	969	3,520	28,239	(807)	27,431
Impairment loss	—	—	—	—	—	—	—	—

Notes:

1. Segment profit adjustments of negative ¥1,515 million include negative ¥1,546 million for the unrealized gains on inventories, and ¥30 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 ¥807 million reconciliation in depreciation and amortization is an adjustment related to intersegment transactions.

For the year ended March 31, 2023

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	63,300	100,807	113,274	96,797	36,322	410,502	—	410,502
Intersegment sales	145,093	853	5,058	45	17	151,068	(151,068)	—
Total	208,393	101,661	118,332	96,843	36,340	561,570	(151,068)	410,502
Segment profit	51,344	4,064	8,392	9,968	3,456	77,227	(3,547)	73,679
Financial income	—	—	—	—	—	—	—	863
Financial expenses	—	—	—	—	—	—	—	1,566
Share of profit (loss) on equity method	—	—	—	—	—	—	—	(2,923)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	(1,339)
Profit before tax	—	—	—	—	—	—	—	68,713
Income tax expenses	—	—	—	—	—	—	—	22,988
Profit	—	—	—	—	—	—	—	45,725
Other								
Depreciation and amortization (Note 3)	16,342	5,267	5,871	1,019	4,137	32,637	(830)	31,807
Impairment loss	126	—	2,242	—	—	2,368	—	2,368

Notes:

1. Segment profit adjustments of negative ¥3,547 million include negative ¥3,503 million for the unrealized gains on inventories, and negative ¥42 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 ¥830 million reconciliation in depreciation and amortization is an adjustment related to intersegment transactions.

3. Per-share information

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

	Year ended March 31, 2022	Year ended March 31, 2023
Basis for calculating basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	44,093	45,784
Profit not attributable to common stock shareholders of the parent (Millions of yen)		
Profit used in calculating basic earnings per share (Millions of yen)	44,093	45,784
Average number of common stock shares during the period (Thousands of shares)	209,091	209,227
Basis for calculating diluted earnings per share		
Profit used in calculating basic earnings per share (Millions of yen)	44,093	45,784
Profit adjustment (Millions of yen)		
Profit used in calculating diluted earnings per share (Millions of yen)	44,093	45,784
Average number of common stock shares during the period (Thousands of shares)	209,091	209,227
Effect of dilutive shares (Thousands of shares)	383	93
Average number of common stock shares after adjustment for dilution (Thousands of shares)	209,474	209,320

4. Significant subsequent event

Not applicable