

**Summary of Consolidated Financial Results [ IFRS ]  
for the First Three Months of the Fiscal Year Ending March 31, 2024**

August 8, 2023

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 10, 2023  
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, 2024**

(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, 2023	95,351	10.8%	13,277	20.1%	13,160	2.4%	8,561	7.1%
Three months ended Jun. 30, 2022	86,029	8.4%	11,053	(25.3)%	12,847	(10.1)%	7,993	(18.1)%

	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, 2023	8,621	7.4%	22,790	4.4%	41.20	41.17
Three months ended Jun. 30, 2022	8,030	(18.2)%	21,835	93.0%	38.38	38.37

(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, 2023	535,500	402,708	402,077	75.1%
As of Mar. 31, 2023	531,074	388,356	387,665	73.0%

**2. Dividend**

	Dividend per share				
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)
Year ended Mar. 31, 2023	—	40.00	—	42.00	82.00
Year ending Mar. 31, 2024	—				
Year ending Mar. 31, 2024 (Forecast)		42.00	—	42.00	84.00

Note: Revision of dividends forecast for this period: No

### 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%	124.24
Year ending Mar. 31, 2024	460,000	12.1%	83,000	12.7%	78,000	13.5%	52,000	13.6%	248.46

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):  
209,741,942 shares as of Jun. 30, 2023; 209,693,992 shares as of Mar. 31, 2023
  - 2) Number of treasury stock at the end of each fiscal period:  
447,556 shares as of Jun. 30, 2023; 447,492 shares as of Mar. 31, 2023
  - 3) Average number of outstanding stock for each period (cumulative):  
209,266,869 shares for the three months ended Jun. 30, 2023  
209,214,577 shares for the three months ended Jun. 30, 2022

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 11, 2023, 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 5 of the attachment to this document for cautionary statements concerning the conditions and performance forecasts that serve as the basis for these forecasts.
3. Supplementary financial materials (in Japanese and English) will be posted on the Sysmex website on Tuesday, August 8, 2023.

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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 first quarter of the fiscal year ending March 31, 2024, the Japanese economy was characterized by a tone of gradual ongoing recovery, as economic activity normalized. However, the outlook remains uncertain due to continued high resource and energy prices, rapid exchange rate fluctuations, and other factors. Overseas, US and European economies have begun to decelerate, owing to the impacts of high commodities prices and tighter financial policies. The Chinese economy is rebounding, owing the lifting of the government's zero-COVID policy, but sluggish internal demand and lackluster exports continue to cloud the outlook.

On the healthcare front, in Japan demand is 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.

Under these circumstances, Sysmex launched the Clinical Flow Cytometry\*<sup>1</sup> System, which comprises the Flow Cytometer XF-1600 and the Sample Preparation System PS-10, as well as antibody reagents, and other related products in Japan, following its launch in overseas markets. The system makes it possible for laboratories to automate the entire testing process, from sample preparation to the reporting of measurement results in clinical FCM testing. This achieves higher efficiency and standardization of testing and reduces the burden placed on clinical technologists, allowing them to focus on the more technically demanding analysis of testing results. Going forward, Sysmex will continue to further expand markets to provide its Clinical Flow Cytometry System, aiming to maximize a synergy with the hematology field.

In the immunochemistry field, in Japan Sysmex began selling an assay kit to identify amyloid beta (A $\beta$ ) accumulation in the brain, a cause of Alzheimer's disease, using a small amount of blood. The products assist in identifying the level of accumulation of A $\beta$  in the brain by measuring the ratio of A $\beta$  peptides (the 1-42 and 1-40 peptides) in the blood using Sysmex's HISCL™-Series, which employs chemiluminescence enzyme immunoassay (CLEIA) as its measurement principle. To expand the opportunities for patients to receive this testing, we plan to promote cooperation with related academies and key opinion leaders (KOLs) toward listing in diagnostic guidelines and its coverage by Japanese national health insurance.

In the urinalysis field, we launched a testing system in Europe for rapid detection of antimicrobial susceptibility. The system detects the presence or absence of bacteria and assesses the effectiveness of antimicrobials using urine samples from patients suspected of having urinary tract infections (UTIs) \*<sup>2</sup>. Using a unique and proprietary microfluidic technology\*<sup>3</sup>, the system delivers antimicrobial susceptibility testing (AST) \*<sup>4</sup> results in as little as 30 minutes from the start of measurement, a significant reduction compared to the several days required for conventional AST. The system not only promotes proper use of antimicrobial drugs in primary care settings, which are often the first point of contact for patients, but also contributes to the fight against antimicrobial resistance (AMR) \*<sup>5</sup>, a global challenge that requires concerted action.

In the life science field, we obtained manufacturing and marketing approval in Japan for our PrismGuide™ IRD Panel System, which obtains information about the causative genes of inherited retinal dystrophy (IRD) \*<sup>6</sup>. Its approval marks Japan's first gene panel testing\*<sup>7</sup> system for IRD. The system is intended for use in obtaining comprehensive genome profiles\*<sup>8</sup> from the blood of the patients diagnosed or suspected of having IRD to identify 82 types of genes causing IRD. Then, based on the analysis results obtained via the system, combined with subjective symptoms, clinical symptoms, and other relevant test results, each IRD patient's causative gene is comprehensively determined by an expert panel\*<sup>9</sup> at a medical institution that meets the requirements stipulated by relevant academic associations. If a treatment plan is determined based on an identified causative gene, a support plan for low vision care\*<sup>10</sup> is mapped out, and genetic counseling\*<sup>11</sup> is provided; the quality of life of patients and their families will be enhanced significantly, as they may be able to not only start to receive appropriate treatment as soon as possible, but also prepare themselves for life events such as entering school or employment,

In the medical robotics business, as the global general distributor Sysmex continued to market hinotori™ Surgical Robot System, a made-in-Japan robotic-assisted surgery system, to medical

institutions in Japan. Based on the market launch in Japan, we are moving forward in putting together regulatory affairs and sales systems in preparation to enter overseas markets. On April 28, 2023, Medcaroid Corporation, a joint venture between Sysmex and Kawasaki Heavy Industry, Ltd. applied for regulatory approval with Singapore's Health Sciences Authority. Going forward, we will continue to promote Medcaroid's ongoing regulatory filing activities overseas, with the aim of gradually introducing products in overseas markets.

\*1 Flow cytometry (FCM):

Method involving the flow dispersion of minute particles and the use of lasers to optically analyze minute flows. Used primarily to observe individual cells.

\*2 Urinary tract infections (UTIs):

UTIs are caused by bacteria that proliferate in the urinary tract, spanning from the kidneys to the urinary outlet, resulting in inflammation. These infections can lead to cystitis in the bladder and pyelonephritis in the kidneys. They are among the most commonly encountered bacterial infections in daily clinical practice, with approximately 60% of women experiencing this at least once in their lifetime.

\*3 Microfluidic technology:

Sysmex Astrego's unique and proprietary technology involves creating microchannels at the micrometer or nanometer level, which allows individual bacteria from a fluid sample to be captured and cultured unidirectionally within these microchannels, enabling rapid detection of antimicrobial susceptibility.

\*4 Antimicrobial Susceptibility Testing (AST):

This test examines the effectiveness of various antimicrobials against bacteria detected in samples.

\*5 Antimicrobial Resistance (AMR):

This phenomenon occurs when living organisms develop a resistance to a drug, whose efficacy is decreased or neutralized as a result. Bacteria that have developed microbial resistance are known as antimicrobial-resistant bacteria.

\*6 Inherited Retinal Dystrophy (IRD):

A hereditary progressive disease presumed to be caused by a gene mutation. Several diseases that present similar symptoms are collectively referred to as IRD. Its main symptoms include night blindness (difficulty seeing in dim light), tunnel vision (a narrowing field of vision), and progressive loss of vision, which can lead to a complete loss of vision in severe cases. It is estimated that one out of every 4,000 to 8,000 people develops a Retinitis Pigmentosa (a designated intractable disease in Japan), the most common IRD subtype.

\*7 Gene panel testing:

A testing method for simultaneously detecting mutations of several related genes.

\*8 Comprehensive genome profiles:

Information obtained by simultaneously analyzing mutations of multiple genes of significance to diagnosis.

\*9 Expert panel:

A body at a medical institution that meets the requirements stipulated by relevant academic associations. It is composed of experts in diverse fields, including those involved in IRD (ophthalmologists), genetic medicine (clinical geneticists), and molecular genetics and genome medicine. Panel members discuss and make proposals concerning the significance of the results of gene panel test results, treatment methods, and low vision care policies.

\*10 Low vision care:

A generic term for support to those who experience any difficulties in their daily lives due to vision problems, meaning a wide range of support types, from medical to educational, vocational, social, welfare, and psychological care.

\*11 Genetic counseling:

According to the Japan Medical Association, genetic counseling is a process that helps people adapt to diseases involving genes based on an understanding of their medical, psychological, and familial implications. Such counseling is provided to promote informed choices (knowledge-based decision making) for, and adaptation to, relevant risks and conditions.

## Net sales by destination

	Three months ended June 30, 2022		Three months ended June 30, 2023		YoY (Previous period = 100)
	Amount (Millions of yen)	Percentage of total (%)	Amount (Millions of yen)	Percentage of total (%)	
Japan	12,963	15.1	13,036	13.7	100.6
Americas	23,092	26.8	27,021	28.3	117.0
EMEA	27,254	31.7	29,194	30.6	107.1
China	14,543	16.9	16,722	17.6	115.0
Asia Pacific	8,174	9.5	9,376	9.8	114.7
Overseas subtotal	73,065	84.9	82,315	86.3	112.7
Total	86,029	100.0	95,351	100.0	110.8

In Japan, sales of immunochemistry reagents fell, owing to a decline in testing demand related to COVID-19. However, sales rose for hematology instruments and reagents, as well as for life science reagents. As a result, sales in Japan rose 0.6% year on year, to ¥13,036 million.

Overseas, sales of hematology reagents and maintenance services rose, as did sales of urinalysis reagents. These factors, plus ongoing yen depreciation, caused overseas Group sales to rise 12.7% year on year, to ¥82,315 million. The overseas sales ratio increased 1.4 percentage points, to 86.3%.

Selling, general and administrative (SG&A) expenses expanded 19.8%, to ¥30,148 million, owing mainly to the resumption of sales and service activities that had been constrained in some regions in the same period of the previous year due to the pandemic.

As a result, during the first quarter of the fiscal year ending March 31, 2024, the Group recorded consolidated net sales of ¥95,351 million, up 10.8% year on year. Operating profit was up 20.1%, to ¥13,277 million; profit before tax increased 2.4%, to ¥13,160 million, and profit attributable to owners of the parent rose by 7.4%, to ¥8,621 million.

### Performance by segment

#### (1) Japan

Sales of immunochemistry reagents fell, owing to a decline in testing demand related to COVID-19. However, sales rose for hematology instruments and reagents, as well as for life science reagents. As a result, sales in Japan rose 2.9% year on year, to ¥13,917 million.

On the profit front, the cost of sales ratio improved, but performance was affected by higher SG&A expenses, reducing segment profit (operating profit) 14.3%, to ¥6,987 million.

#### (2) Americas

In North America, sales of instruments, reagents and maintenance services increased in the hematology and urinalysis fields. In Central and South America, sales of instruments and reagents rose in the hematology and urinalysis fields. As a result, overall sales in the Americas grew 15.5% year on year, to ¥25,545 million.

Segment profit (operating profit) soared 871.4%, to ¥2,058 million, as higher sales and the cost of sales ratio improved, despite higher SG&A expenses.

#### (3) EMEA

Sales of reagents and maintenance services increased in the hematology field, as did sales of life science reagents. As a result, sales were ¥29,859 million, up 7.6% year on year.

Segment profit (operating profit) fell 60.9%, to ¥1,352 million, owing to deterioration in the cost of sales ratio and higher SG&A expenses.

#### (4) China

Sales of hematology instruments and reagents increased, as did sales of urinalysis and hemostasis reagents. As a result, sales rose 14.9%, to ¥16,689 million.

The cost of sales ratio deteriorated and SG&A expenses increased, causing segment profit (operating profit) to fall 40.8% year on year, to ¥690 million.

#### (5) Asia Pacific

Sales of hematology and immunochemistry reagents increased. As a result, sales were ¥9,339 million, up 15.1% year on year.

Segment profit (operating profit) grew 58.2%, to ¥1,580 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 June 30, 2023, total assets amounted to ¥535,500 million, up ¥4,425 million from March 31, 2023. As main factors, cash and cash equivalents decreased ¥6,548 million, and trade and other receivables down ¥7,741 million, while inventories rose ¥8,447 million, property, plant and equipment expanded ¥5,050 million, and intangible assets were up ¥2,621 million.

Meanwhile, total liabilities as of June 30, 2023 were ¥132,791 million, down ¥9,926 million from March 31, 2023. Principal decreases included trade and other payables, which down ¥4,871 million, income taxes payable, which fell ¥7,717 million, and accrued bonuses, which decreased ¥5,770 million.

Total equity came to ¥402,708 million, up ¥14,351 million from March 31, 2023. Among principal reasons, other components of equity rose ¥14,229 million. Equity attributable to owners of the parent to total assets amounted to 75.1% on June 30, 2023, up 2.1 percentage points from 73.0% on March 31, 2023.

### (2) Cash flows

As of June 30, 2023, cash and cash equivalents amounted to ¥62,911 million, down ¥6,548 million from March 31, 2023.

Cash flows from various activities during the first quarter are described in more detail below.

#### (Cash flows from operating activities)

Net cash provided by operating activities was ¥11,343 million, up ¥7,510 million from the first three months of the previous fiscal year. As principal factors, profit before tax provided ¥13,160 million (¥312 million more than in the preceding year), a decrease in trade receivables provided ¥12,462 million (up ¥7,789 million), while income taxes paid amounted to ¥12,435 million (up ¥1,707 million).

#### (Cash flows from investing activities)

Net cash used in investing activities was ¥10,293 million (down ¥6,393 million). Among major factors, purchases of intangible assets used ¥5,350 million (down ¥265 million), and the purchase of investments in equity instruments used ¥69 million (down ¥4,976 million), while purchases of property, plant and equipment used ¥4,724 million (up ¥1,450 million).

#### (Cash flows from financing activities)

Net cash used in financing activities was ¥10,579 million (up ¥539 million). This was mainly due to the dividends paid of ¥8,788 million (up ¥629 million).

## 3) Consolidated financial forecast

The Company maintains its consolidated financial forecasts, as announced on May 11, 2023.

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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	69,460	62,911
Trade and other receivables	126,319	118,577
Inventories	73,310	81,757
Other short-term financial assets	875	982
Income taxes receivable	600	835
Other current assets	24,924	23,585
Total current assets	295,491	288,651
Non-current assets		
Property, plant and equipment	102,106	107,157
Goodwill	16,842	17,866
Intangible assets	73,530	76,152
Investments accounted for using the equity method	92	85
Trade and other receivables	17,895	19,293
Other long-term financial assets	9,777	10,452
Asset for retirement benefits	614	639
Other non-current assets	3,842	3,935
Deferred tax assets	10,880	11,266
Total non-current assets	235,583	246,848
Total assets	531,074	535,500



(Unit: Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	31,678	26,807
Lease liabilities	7,149	8,269
Other current financial liabilities	3,537	3,838
Income taxes payable	14,662	6,944
Provisions	1,123	1,136
Contract liabilities	14,469	14,400
Accrued expenses	18,772	21,115
Accrued bonuses	11,360	5,590
Other current liabilities	8,348	8,851
Total current liabilities	111,102	96,953
Non-current liabilities		
Lease liabilities	15,442	17,390
Other non-current financial liabilities	305	181
Liability for retirement benefits	1,959	2,078
Provisions	398	708
Other non-current liabilities	7,059	8,373
Deferred tax liabilities	6,450	7,105
Total non-current liabilities	31,615	35,838
Total liabilities	142,718	132,791
Equity		
Equity attributable to owners of the parent		
Capital stock	14,282	14,504
Capital surplus	20,580	20,707
Retained earnings	334,192	334,025
Treasury stock	(314)	(315)
Other components of equity	18,925	33,154
Total equity attributable to owners of the parent	387,665	402,077
Non-controlling interests	690	631
Total equity	388,356	402,708
Total liabilities and equity	531,074	535,500

## 2) Condensed quarterly consolidated statement of income

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	86,029	95,351
Cost of sales	43,067	44,942
Gross profit	42,961	50,408
Selling, general and administrative expenses	25,157	30,148
Research and development expenses	6,916	7,131
Other operating income	417	300
Other operating expenses	251	151
Operating profit	11,053	13,277
Financial income	154	253
Financial expenses	567	404
Share of profit (loss) of associates accounted for using the equity method	(723)	(821)
Foreign exchange gain (loss)	2,931	856
Profit before tax	12,847	13,160
Income taxes expenses	4,854	4,598
Profit	7,993	8,561
Profit attributable to		
Owners of the parent	8,030	8,621
Non-controlling interests	(37)	(59)
Profit	7,993	8,561
		(Unit: Yen)
Earnings per share		
Basic	38.38	41.20
Diluted	38.37	41.17

## 3) Condensed quarterly consolidated statement of comprehensive income

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	7,993	8,561
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	112	272
Total	112	272
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	13,717	13,952
Share of other comprehensive income of investments accounted for using the equity method	12	4
Total	13,729	13,956
Total other comprehensive income	13,842	14,229
Comprehensive income	21,835	22,790
Comprehensive income attributable to		
Owners of the parent	21,872	22,850
Non-controlling interests	(37)	(59)
Comprehensive income	21,835	22,790

4) Condensed quarterly consolidated statement of changes in equity  
Three months ended June 30, 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, 2022	14,112	20,483	305,710	(312)	8,309	348,303	750	349,053
Profit	—	—	8,030	—	—	8,030	(37)	7,993
Other comprehensive income	—	—	—	—	13,842	13,842	0	13,842
Comprehensive income	—	—	8,030	—	13,842	21,872	(37)	21,835
Exercise of warrants	37	21	—	—	—	59	—	59
Cash dividends	—	—	(8,159)	—	—	(8,159)	—	(8,159)
Purchase of treasury stock	—	—	—	—	—	—	—	—
Total transactions with the owners	37	21	(8,159)	—	—	(8,099)	—	(8,099)
As of June 30, 2022	14,149	20,505	305,581	(312)	22,151	362,075	712	362,788

Three months ended June 30, 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, 2023	14,282	20,580	334,192	(314)	18,925	387,665	690	388,356
Profit	—	—	8,621	—	—	8,621	(59)	8,561
Other comprehensive income	—	—	—	—	14,229	14,229	0	14,229
Comprehensive income	—	—	8,621	—	14,229	22,850	(59)	22,790
Exercise of warrants	222	127	—	—	—	349	—	349
Cash dividends	—	—	(8,788)	—	—	(8,788)	—	(8,788)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Total transactions with the owners	222	127	(8,788)	(0)	—	(8,439)	—	(8,439)
As of June 30, 2023	14,504	20,707	334,025	(315)	33,154	402,077	631	402,708

## 5) Condensed quarterly consolidated statement of cash flows

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
<b>Cash flows from operating activities</b>		
Profit before tax	12,847	13,160
Depreciation and amortization	7,440	8,368
Share of loss (profit) of associates accounted for using the equity method	723	821
Decrease (increase) in trade receivable	4,672	12,462
Decrease (increase) in advance payments	(1,076)	(363)
Decrease (increase) in inventories	(8,095)	(4,787)
Increase (decrease) in trade payable	4,699	(2,459)
Increase (decrease) in accounts payable— other	(1,341)	(1,824)
Increase (decrease) in contract liabilities	(197)	(1,109)
Increase (decrease) in accrued expenses	(181)	1,481
Decrease/increase in consumption taxes receivable/payable	3,924	4,074
Increase (decrease) in accrued bonuses	(6,198)	(6,067)
Other—net	(2,516)	146
Subtotal	14,701	23,905
Interest and dividend received	93	133
Interest paid	(233)	(259)
Income taxes paid	(10,728)	(12,435)
Net cash provided by (used in) operating activities	3,833	11,343
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(3,274)	(4,724)
Purchases of intangible assets	(5,616)	(5,350)
Payments resulting in an increase in long- term prepaid expenses	(75)	(111)
Purchases of investments in equity instruments	(5,046)	(69)
Acquisitions of subsidiaries or other businesses	(2,984)	—
Payments into time deposits	(526)	(581)
Proceeds from withdrawal of time deposits	440	560
Other—net	396	(15)
Net cash provided by (used in) investing activities	(16,687)	(10,293)
<b>Cash flows from financing activities</b>		
Exercise of warrants	59	349
Dividends paid	(8,159)	(8,788)
Repayments of lease liabilities	(1,939)	(2,140)
Other—net	(1)	(0)
Net cash provided by (used in) financing activities	(10,040)	(10,579)
Effects of exchange rate changes on cash and cash equivalents	3,982	2,980
Net increase (decrease) in cash and cash equivalents	(18,911)	(6,548)
Cash and cash equivalents at the beginning of the term	73,752	69,460
Cash and cash equivalents at the end of the term	54,840	62,911

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, 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	13,524	22,111	27,748	14,529	8,115	86,029	—	86,029
Intersegme nt sales	29,955	29	1,114	—	12	31,112	(31,112)	—
Total	43,479	22,141	28,863	14,529	8,128	117,142	(31,112)	86,029
Segment profit (loss)	8,151	211	3,460	1,165	998	13,987	(2,934)	11,053
Financial income	—	—	—	—	—	—	—	154
Financial expenses	—	—	—	—	—	—	—	567
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(723)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	2,931
Profit before tax	—	—	—	—	—	—	—	12,847
Income taxes expenses	—	—	—	—	—	—	—	4,854
Profit	—	—	—	—	—	—	—	7,993

Notes:

1. Segment profit (loss) adjustments of negative ¥2,934 million include negative ¥2,836 million for the unrealized gains on inventories and negative ¥30 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, 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	13,917	25,545	29,859	16,689	9,339	95,351	—	95,351
Intersegme nt sales	29,386	12	1,124	—	—	30,523	(30,523)	—
Total	43,303	25,558	30,984	16,689	9,339	125,874	(30,523)	95,351
Segment profit (loss)	6,987	2,058	1,352	690	1,580	12,669	607	13,277
Financial income	—	—	—	—	—	—	—	253
Financial expenses	—	—	—	—	—	—	—	404
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(821)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	856
Profit before tax	—	—	—	—	—	—	—	13,160
Income taxes expenses	—	—	—	—	—	—	—	4,598
Profit	—	—	—	—	—	—	—	8,561

Notes:

1. Segment profit (loss) adjustments of ¥607 million include ¥554 million for the unrealized gains on inventories and ¥57 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.