

**Summary of Consolidated Financial Results [IFRS]
for the Fiscal Year Ended March 31, 2018**

May 9, 2018

Listed company name : Sysmex Corporation
 Code : 6869
 Listed stock exchanges : Tokyo Stock Exchange
 URL : <http://www.sysmex.co.jp>
 Company representative : Hisashi Ietsugu, Chairman and CEO
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 Scheduled date for shareholders' meeting : June 22, 2018
 Scheduled date for dividend payment : June 25, 2018
 Scheduled date for filing of financial report : June 22, 2018
 Preparation of supplementary material for earnings : Yes
 Holding of earnings announcement : Yes

(Unit: Millions of yen)

1. Results for the Year Ended March 31, 2018

(1) Operating results

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

	Net Sales		Operating profit		Profit before tax		Profit	
Year ended Mar. 31, 2018	281,935	12.8%	59,078	14.3%	58,117	18.7%	39,076	(3.4)%
Year ended Mar. 31, 2017	249,899	(1.1)%	51,701	(14.9)%	48,946	(15.3)%	40,453	3.0%

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Year ended Mar. 31, 2018	39,222	(3.5)%	42,672	14.9%	188.29	187.84
Year ended Mar. 31, 2017	40,636	3.5%	37,144	11.8%	195.31	194.74

	Return on equity	Profit before tax to total assets	Operating profit to net sales
Year ended Mar. 31, 2018	17.4%	19.3%	21.0%
Year ended Mar. 31, 2017	20.7%	18.0%	20.7%

Note:

Share of loss on equity method: 1,059 million yen for the year ended March 31, 2018; 677 million yen for the year ended March 31, 2017.

(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, 2018	321,979	241,443	240,749	74.8%	1,154.57
As of Mar. 31, 2017	279,817	210,252	209,406	74.8%	1,005.86

(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, 2018	52,240	(37,828)	(11,545)	61,444
Year ended Mar. 31, 2017	32,832	(19,400)	(10,866)	57,944

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, 2017	—	28.00	—	30.00	58.00	12,071	29.7	6.2
Year ended Mar. 31, 2018	—	30.00	—	36.00	66.00	13,754	35.1	6.1
Year ending Mar. 31, 2019 (Forecast)	—	34.00	—	34.00	68.00		33.4	

Note:

Note: Breakdown of dividends for the fiscal year ended March 31, 2018: Ordinary dividends of ¥30.00 and commemorative dividends of ¥6.00

3. Financial Forecast for the Year Ending March 31, 2019

(% 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, 2018	142,000	8.3%	29,500	5.3%	28,500	3.5%	20,000	4.2%	95.91
Year ending Mar. 31, 2019	310,000	10.0%	62,000	4.9%	60,000	3.2%	42,500	8.4%	203.82

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):
208,964,432 shares as of Mar. 31, 2018; 208,631,032 shares as of Mar. 31, 2017
 - 2) Number of treasury stock at the end of each fiscal period:
445,468 shares as of Mar. 31, 2018; 444,556 shares as of Mar. 31, 2017
 - 3) Average number of outstanding stock for each period:
208,306,751 shares for the year ended Mar. 31, 2018; 208,058,194 shares for the year ended Mar. 31, 2017

Notes:

Summaries of financial results are not subject to review by certified public accountants or auditors.

Explanation regarding the appropriate use of financial forecast and other information

1. The forecasts and future projections contained herein have been prepared on the basis of rational decisions given the information available as of the date of announcement of this document. These forecasts do not represent a commitment by the Company, and actual performance may differ substantially from forecasts for a variety of reasons. Please refer to “4) Outlook for future” within “1. Overview of operating performance” on page 5 of the attachment to this document for cautionary statements concerning the conditions and performance forecasts that serve as the basis for these forecasts.
2. Supplementary financial materials (in Japanese and English) will be posted on the Sysmex website on Wednesday, May 9, 2018.

Content of Supplementary Materials

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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 of the Sysmex Group (Sysmex Corporation and its affiliated companies) as of the end of the fiscal period under review.

During the fiscal year ended March 31, 2018, the Japanese economy was characterized by continued improvements in the employment and income environment, as well as gradual increases in corporate capital investment. Overall, the overseas economy also continued its modest recovery, despite growing uncertainty about the future due to mounting geopolitical risk in the Middle East and East Asia, as well as protectionist trends in the United States and China.

On the healthcare front, the Japanese government is including the medical and healthcare industry in its growth strategies, which is expected to continue invigorating healthcare-related industries going forward. Looking overseas, in the United States the Affordable Care Act that was introduced to decrease the number of people without medical insurance is being reviewed. In China, the country is also introducing policies to curtail medical expenses, but the foundations of healthcare-related demand remain solid. We also expect new domains to open up as genetic analysis technologies are used on the healthcare front.

Under these conditions, Sysmex acquired the shares of Oxford Gene Technology IP Limited (“OGT”) and converted the company to a subsidiary. In the cytogenetics market, we plan to reinforce our technology base for genomic medicine by fusing Sysmex’s flow FISH¹ and other automation technologies with OGT’s capabilities in the development of high-quality reagents.

To reinforce its R&D related to information analysis technology, centered on bioinformatics², Sysmex established a new R&D facility, the Skyfront Research Campus, within the Life Innovation Center, located within the Kawasaki INnovation Gateway at SKYFRONT³, in the Tonomachi area of Kawasaki, Kanagawa Prefecture. This area is home to a cluster of leading-edge life science companies and research institutions. In establishing an R&D facility there, Sysmex aims to facilitate collaboration with R&D institutions, universities and companies in the Kanto area.

The RIKEN GENESIS Innovation Genome Center of RIKEN GENESIS Co., Ltd., a Sysmex subsidiary, is located in the same center. We will employ next-generation sequencers⁴ and cutting-edge gene analyzers for liquid biopsy⁵, to provide gene analysis service and to perform clinical sequence testing⁶ to quality levels based on international quality standards, thereby contributing to the promotion of genomic medicine.

We completed the expansion of our reagent factory in the United States. This move was aimed at responding to future increases in reagent demand in the Americas, as well as ensuring a stable supply of reagents from a medium- to long-term perspective. As a result, production capacity is now at 1.8 times the previous level. We will continue to provide a stable supply of products through a production structure that is in line with market environments in various regions.

1 Flow FISH:

Whereas FISH testing requires evaluation of slides under a microscope, flow FISH testing uses an imaging flow cytometer to capture images, enabling automated analysis. FISH testing uses fluorescent material binding only specific genes to detect target genes within a chromosome.

2 Bioinformatics:

Information technology that analyzes genetic and protein information to explain Biological function and phenotype; in particular, signifying the technology for analyzing relationships between genetic information and disease.

3 Kawasaki INnovation Gateway at SKYFRONT:

An open innovation hub located within the Life Innovation in Keihin Coastal Areas International Strategy Comprehensive Special Zone, where companies involved in the life sciences gather. Based on national government growth strategy, the hub is eligible for support, including the easing of regulations, with a view to establishing innovative business models.

4 Next-generation sequencer:

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

sequences.

5 Liquid biopsy:

Detection of cancer or other diseases by testing bodily fluids such as blood. This type of testing is less invasive than conventional physical biopsies.

6 Clinical sequence testing:

The type of testing which analyzes genetic information of patients with a high degree of precision by using the next-generation sequencer with the purpose of diagnosis and treatment methods selection.

Net sales by destination

	Year ended March 31, 2017		Year ended March 31, 2018		YoY (Previous period = 100)
	Amount (Millions of yen)	Percentage of total (%)	Amount (Millions of yen)	Percentage of total (%)	
Japan	43,467	17.4	45,019	16.0	103.6
Americas	60,193	24.1	66,359	23.5	110.2
EMEA	64,624	25.9	73,924	26.2	114.4
China	60,334	24.1	72,089	25.6	119.5
Asia Pacific	21,279	8.5	24,540	8.7	115.3
Overseas subtotal	206,431	82.6	236,915	84.0	114.8
Total	249,899	100.0	281,935	100.0	112.8

In Japan, sales of instruments and reagents increased in the hematology field, and sales of reagents grew, centered on the life science and immunochemistry fields. As a result, sales in Japan rose 3.6% year on year, to ¥45,019 million.

In overseas markets, instrument sales were essentially flat, due to expansion in the urinalysis field but declines in the hematology and hemostasis fields. Reagent sales rose, however, centered on the hematology, hemostasis and immunochemistry fields. Consequently, overseas sales for the Sysmex Group rose 14.8% year on year, to ¥236,915 million. The overseas sales ratio rose 1.4 percentage points, to 84.0%.

As a result, during the year the Group recorded consolidated net sales of ¥281,935 million, up 12.8% year on year. Operating profit rose 14.3%, to ¥59,078 million; profit before tax increased 18.7%, to ¥58,117 million; and profit attributable to owners of the parent declined 3.5%, to ¥39,222 million.

Performance by segment

(1) Japan

In Japan, sales of instruments and reagents increased in the hematology field, and sales of reagents grew, centered on the life science and immunochemistry fields, pushing up sales in this segment 1.1% year on year, to ¥47,414 million.

On the profit front, higher sales, including intragroup exports, had a positive impact, and efforts to curtail SG&A expenses outpaced the rise in cost of sales. These and other factors led to a 6.1% increase in segment profit (operating profit), to ¥37,855 million.

(2) Americas

In the United States, sales of instruments decreased in the hematology and hemostasis fields, but sales of reagents increased due to growth in the installed instrument base. In Central and South America, sales expanded in the hematology and hemostasis fields. Overall, sales in the Americas grew 10.5% year on year, to ¥62,550 million.

Segment profit (operating profit) surged 72.7% year on year, to ¥5,533 million, thanks to higher sales and such factors as lower payments of Group trademark royalties.

(3) EMEA

Instrument sales fell, mainly in the hematology and hemostasis fields. However, reagent sales grew as a result of a greater installed instrument base in the hematology field, and reagent sales expanded in the life science field. As a result, sales grew 16.4% year on year, to ¥75,543 million.

Despite the impact of higher sales and an improved cost of sales ratio, pushing up gross profit, SG&A expenses increased as we worked to reinforce our sales structure, leading to a 0.4% year-on-year decline in segment profit (operating profit), to ¥4,974 million.

(4) China

Despite lower instrument sales, principally in the hematology and hemostasis fields, reagent sales grew, mainly in the hematology, hemostasis and immunochemistry fields, pushing up sales 19.4% year on year, to ¥72,017 million.

SG&A expenses grew due to efforts to reinforce our sales structure, but higher sales and an improved cost of sales ratio due to a revision in intragroup transaction prices boosted gross profit. As a result, segment profit (operating profit) soared 131.4% year on year, to ¥8,323 million.

(5) Asia Pacific

Sales grew in Southeast Asia, centered on the hematology field in the Thailand and Vietnam. Sales in the hematology and hemostasis fields also expanded in South Asia, in India and Bangladesh. In Australia, performance reflected sales to large-scale commercial labs in the previous fiscal year. However, sales rose in South Korea and Taiwan, pushing sales in the region up 15.3% year on year, to ¥24,408 million.

Although SG&A expenses increased, segment profit (operating profit) grew 71.6% year on year, to ¥3,166 million, due to the effect of higher sales, which pushed up gross profit.

2) Financial conditions at end of the year

As of March 31, 2018, total assets amounted to ¥321,979 million, up ¥42,162 million from March 31, 2017. As principal factors, trade and other receivables (current assets) rose ¥9,482 million, intangible assets increased ¥8,536 million, property, plant and equipment grew ¥7,506 million, inventories expanded by ¥3,976 million, and goodwill increased ¥3,942 million.

Meanwhile, total liabilities as of March 31, 2018, were ¥80,536 million, up ¥10,972 million from their level on March 31, 2017. Principal reasons were increases of ¥4,801 million in income taxes payable, ¥4,203 million in trade and other payables.

Total equity came to ¥241,443 million, up ¥31,190 million from March 31, 2017. Among principal reasons, retained earnings rose ¥26,446 million, and other components of equity increased ¥3,877 million. Also, equity attributable to owners of the parent to total assets as of March 31, 2018 was 74.8%, unchanged year on year.

3) Cash flows during the year

As of March 31, 2018, cash and cash equivalents amounted to ¥61,444 million, up ¥3,500 million from March 31, 2017.

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 ¥52,240 million, up ¥19,408 million from the preceding fiscal year. As principal factors, profit before tax provided ¥58,117 million (¥9,170 million more than in the preceding year), depreciation and amortization provided ¥14,643 million (up ¥2,262 million), an increase in trade receivables used ¥7,341 million (up ¥1,221 million), an increase in inventories used ¥1,962 million (down ¥142 million), an increase in trade payables provided ¥3,531 million (used ¥2,483 million in the previous year), a decrease in advance received used ¥2,067 million (down ¥1,567 million), and income taxes paid used ¥12,497 million (down ¥3,771 million).

(Cash flows from investing activities)

Net cash used in investing activities was ¥37,828 million (up ¥18,428 million). Among major factors, purchase of property, plant and equipment used ¥16,573 million (up ¥4,890 million from the previous fiscal year), purchase of intangible assets used ¥9,122 million (up ¥1,697 million) and acquisitions of subsidiaries or other businesses used ¥11,672 million (up ¥10,219 million).

(Cash flows from financing activities)

Net cash used in financing activities was ¥11,545 million (up ¥679 million). This was mainly due to dividends paid of ¥12,493 million (up ¥846 million).

4) Outlook for future

In the fiscal year ending March 31, 2019, we expect the Japanese economy to experience a modest recovery, buoyed by improvements in the employment and income environment, but we are concerned about the potential impact of overseas economic uncertainties and fluctuations in the financial and capital markets. Looking overseas, in the United States we anticipate solid economic recovery, but the policy outlook remains uncertain. In Europe, we anticipate a gradual recovery in the business environment, but uncertainties surrounding Brexit could lead to protracted low growth. For these reasons, and because of a gradual economic deceleration in China and the impact of geopolitical risk in the Middle East, we find it difficult to be optimistic about global economic trends going forward.

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

Against this backdrop, as a unique and advanced healthcare testing company the Sysmex Group aims to grow and increase profitability in the hematology, hemostasis, urinalysis and immunochemistry fields. We also plan to engage in such measures as investing in growth fields, such as flow cytometry and the gene testing business.

For the upcoming fiscal year, Sysmex forecasts consolidated net sales of ¥310,000 million, up 10.0% year on year; operating profit of ¥62,000 million, up 4.9%; profit before tax of ¥60,000 million, up 3.2%; and profit attributable to owners of the parent of ¥42,500 million, up 8.4%. Our assumptions for annual average exchange rates are US\$1=¥110 and €1=¥130.

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, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and cash equivalents	57,944	61,444
Trade and other receivables	63,084	72,567
Inventories	36,998	40,975
Other short-term financial assets	528	214
Income taxes receivable	457	619
Other current assets	7,303	9,131
Total current assets	<u>166,318</u>	<u>184,952</u>
Non-current assets		
Property, plant and equipment	60,144	67,651
Goodwill	8,308	12,251
Intangible assets	21,228	29,765
Investments accounted for using the equity method	552	411
Trade and other receivables	8,813	10,882
Other long-term financial assets	6,107	7,486
Asset for retirement benefits	666	802
Other non-current assets	2,095	2,343
Deferred tax assets	5,581	5,432
Total non-current assets	<u>113,499</u>	<u>137,027</u>
Total assets	<u>279,817</u>	<u>321,979</u>

(Unit: Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	24,376	28,579
Other short-term financial liabilities	956	690
Income taxes payable	2,915	7,717
Provisions	610	614
Advance received	6,418	4,588
Accrued expenses	8,330	10,632
Accrued bonuses	6,636	7,474
Other current liabilities	9,708	10,501
Total current liabilities	59,952	70,796
Non-current liabilities		
Long-term financial liabilities	549	712
Liability for retirement benefits	654	731
Provisions	2,318	202
Other non-current liabilities	3,527	2,652
Deferred tax liabilities	2,562	5,439
Total non-current liabilities	9,612	9,739
Total liabilities	69,564	80,536
Equity		
Equity attributable to owners of the parent		
Capital stock	11,611	12,276
Capital surplus	17,303	17,664
Retained earnings	188,506	214,952
Treasury stock	(289)	(295)
Other components of equity	(7,725)	(3,847)
Total equity attributable to owners of the parent	209,406	240,749
Non-controlling interests	845	693
Total equity	210,252	241,443
Total liabilities and equity	279,817	321,979

2) Consolidated statement of income

(Unit: Millions of yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Net sales	249,899	281,935
Cost of sales	108,122	122,986
Gross profit	141,777	158,948
Selling, general and administrative expenses	75,401	82,544
Research and development expenses	15,554	16,754
Impairment loss	—	1,073
Other operating income	1,277	857
Other operating expenses	397	355
Operating profit	51,701	59,078
Financial income	514	356
Financial expenses	372	206
Share of profit (loss) on equity method	(677)	(1,059)
Gain on sale of shares of associates	—	1,221
Foreign exchange gain (loss)	(2,218)	(1,272)
Profit before tax	48,946	58,117
Income tax expenses	8,493	19,040
Profit	40,453	39,076
Profit attributable to		
Owners of the parent	40,636	39,222
Non-controlling interests	(182)	(145)
Profit	40,453	39,076
		(Unit: Yen)
Earnings per share		
Basic	195.31	188.29
Diluted	194.74	187.84

3) Consolidated statement of comprehensive income

(Unit: Millions of yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Profit	40,453	39,076
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	158	327
Remeasurements of defined benefit plans	139	117
Total	298	444
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(3,606)	3,153
Share of other comprehensive income of investments accounted for using the equity method	(0)	(3)
Total	(3,607)	3,150
Total other comprehensive income	(3,309)	3,595
Comprehensive income	37,144	42,672
Comprehensive income attributable to		
Owners of the parent	37,327	42,817
Non-controlling interests	(182)	(145)
Comprehensive income	37,144	42,672

4) Consolidated statement of changes in equity
For the year ended March 31, 2017

(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, 2016	11,016	16,969	159,375	(285)	(4,275)	182,800	0	182,801
Profit			40,636			40,636	(182)	40,453
Other comprehensive income					(3,309)	(3,309)	(0)	(3,309)
Comprehensive income	—	—	40,636	—	(3,309)	37,327	(182)	37,144
Exercise of warrants	594	333				928		928
Cash dividends			(11,646)			(11,646)		(11,646)
Purchase of treasury stock				(3)		(3)		(3)
Transfer to retained earnings			141		(141)	—		—
Changes from business combination						—	1,028	1,028
Equity transactions with non-controlling interests		0				0	(0)	—
Total transactions with the owners	594	334	(11,505)	(3)	(141)	(10,721)	1,028	(9,692)
As of March 31, 2017	11,611	17,303	188,506	(289)	(7,725)	209,406	845	210,252

For the year ended March 31, 2018

(Unit: Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
As of April 1, 2017	11,611	17,303	188,506	(289)	(7,725)	209,406	845	210,252
Profit			39,222			39,222	(145)	39,076
Other comprehensive income					3,595	3,595	(0)	3,595
Comprehensive income	—	—	39,222	—	3,595	42,817	(145)	42,672
Exercise of warrants	664	372				1,036		1,036
Cash dividends			(12,493)			(12,493)		(12,493)
Purchase of treasury stock				(6)		(6)		(6)
Transfer to retained earnings			(282)		282	—		—
Changes from business combination						—	—	—
Equity transactions with non-controlling interests		(11)				(11)	(6)	(18)
Total transactions with the owners	664	361	(12,776)	(6)	282	(11,475)	(6)	(11,481)
As of March 31, 2018	12,276	17,664	214,952	(295)	(3,847)	240,749	693	241,443

5) Consolidated statement of cash flows

(Unit: Millions of yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	48,946	58,117
Depreciation and amortization	12,381	14,643
Impairment loss	—	1,073
Interest and dividends income	(425)	(323)
Interest expenses	104	90
Share of loss (profit) on equity method	677	1,059
Gain on sale of shares of associates	—	(1,221)
Decrease (increase) in trade receivables	(6,368)	(7,341)
Decrease (increase) in inventories	(2,104)	(1,962)
Increase (decrease) in trade payables	(2,483)	3,531
Decrease/increase in consumption taxes receivable/payable	817	(74)
Decrease (increase) in asset for retirement benefits	117	33
Increase (decrease) in advance received	(3,635)	(2,067)
Increase (decrease) in accrued bonuses	107	817
Other—net	634	(1,813)
Subtotal	48,770	64,563
Interest and dividend received	415	255
Interest paid	(85)	(81)
Income taxes paid	(16,268)	(12,497)
Net cash provided by (used in) operating activities	32,832	52,240
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,682)	(16,573)
Proceeds from sales of property, plant and equipment	200	140
Purchase of intangible assets	(7,424)	(9,122)
Purchase of investments in equity instruments	(632)	(1,875)
Proceeds from the sale of equity instruments	—	1,500
Acquisitions of subsidiaries or other businesses	(1,453)	(11,672)
Net decrease (increase) in short-term loans receivable	1,930	—
Other—net	(338)	(226)
Net cash provided by (used in) investing activities	(19,400)	(37,828)
Cash flows from financing activities		
Exercise of warrants	928	1,036
Dividends paid	(11,646)	(12,493)
Other—net	(148)	(89)
Net cash provided by (used in) financing activities	(10,866)	(11,545)
Foreign currency translation adjustments on cash and cash equivalents	(1,102)	633
Net increase (decrease) in cash and cash equivalents	1,462	3,500
Cash and cash equivalents, beginning of term	56,481	57,944
Cash and cash equivalents, end of term	57,944	61,444

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 business units of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Managing Board to make decisions about resources to be allocated to the segment and assess its performance.

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

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

2) Segment profit and operating results

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

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

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

For the year ended March 31, 2017

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	46,900	56,584	64,924	60,317	21,172	249,899	—	249,899
Intersegment sales	94,042	350	2,600	11	3	97,008	(97,008)	—
Total	140,942	56,935	67,525	60,328	21,176	346,908	(97,008)	249,899
Segment profit	35,673	3,204	4,994	3,597	1,845	49,315	2,386	51,701
Financial income	—	—	—	—	—	—	—	514
Financial expenses	—	—	—	—	—	—	—	372
Share of profit (loss) on equity method	—	—	—	—	—	—	—	(677)
Gain on sale of shares of associates	—	—	—	—	—	—	—	—
Foreign exchange gain (loss)	—	—	—	—	—	—	—	(2,218)
Profit before tax	—	—	—	—	—	—	—	48,946
Income tax expenses	—	—	—	—	—	—	—	8,493
Profit	—	—	—	—	—	—	—	40,453
Other								
Depreciation and amortization (Note 3)	6,352	2,035	3,344	295	1,326	13,353	(972)	12,381
Impairment loss	—	—	—	—	—	—	—	—

Notes:

1. Segment profit adjustments of ¥2,386 million include negative ¥4 million for the elimination of intersegment transactions, ¥2,227 million for the unrealized gains on inventories, and ¥166 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 ¥972 million reconciliation in depreciation and amortization is an adjustment related to intersegment transactions.

For the year ended March 31, 2018

(Unit: Millions of yen)

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

Notes:

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

3. Impairment loss

During the fiscal year ended March 31, 2018, the Company recognized an impairment loss of ¥1,073 million.

This impairment loss is related to a cash-generating unit including goodwill arising from the business combination of Sysmex Partec, which belongs to the EMEA segment, whose profitability is no longer expected to reach the initially anticipated level. The total amount of the impairment loss has been written down to the book value of the goodwill.

Value in use is determined by the discounted future cash flow method based on financial budgets and growth rates. The estimated period of the financial budget is 5 years and the financial budget is approved by the management. Growth rate is determined by taking into consideration the average long-term growth rate of the market or the country in which the cash-generating unit. The discount rate is determined based on the after-tax weighted-average capital cost for the market or the country in which the cash-generating unit.

A discount rate of 12.2% was used for calculating the value in use related to the cash-generating unit including goodwill arising from the business combination of Sysmex Partec.

4. Per-share information

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

	Year ended March 31, 2017	Year ended March 31, 2018
Basis for calculating basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	40,636	39,222
Profit not attributable to common stock shareholders of the parent (Millions of yen)	—	—
Profit used in calculating basic earnings per share (Millions of yen)	40,636	39,222
Average number of common stock shares during the period (Thousands of shares)	208,058	208,306
Basis for calculating diluted earnings per share		
Profit used in calculating basic earnings per share (Millions of yen)	40,636	39,222
Profit adjustment (Millions of yen)	—	—
Profit used in calculating diluted earnings per share (Millions of yen)	40,636	39,222
Average number of common stock shares during the period (Thousands of shares)	208,058	208,306
Effect of dilutive shares (Thousands of shares)	609	497
Average number of common stock shares after adjustment for dilution (Thousands of shares)	208,667	208,804

5. Significant subsequent event

Not applicable