Summary of Consolidated Financial Results [IFRS]
for the First Three Months of the Fiscal Year Ending March 31, 2020

August 2, 2019

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
Contact	:	Tomoo Aramaki, Executive Vice President Corporate Business Administration
Phone	:	078(265)-0500
Scheduled date for filing of quarterly report	:	August 7, 2019
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, 2020

(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, 2019	68,540	3.9%	11,279	(18.4)%	9,661	(24.3)%	6,620	(29.4)%
Three months ended Jun. 30, 2018	65,961	6.9%	13,831	11.3%	12,766	6.9%	9,375	15.4%

	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, 2019	6,697	(28.9)%	2,686	(66.1)%	32.09	32.05
Three months ended Jun. 30, 2018	9,424	14.6%	7,917	(30.9)%	45.19	45.10

(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, 2019	353,654	260,431	259,774	73.5%
As of Mar. 31, 2019	346,775	265,182	264,448	76.3%

2. Dividend

	Dividend per share				
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)
Year ended Mar. 31, 2019	—	34.00	—	36.00	70.00
Year ending Mar. 31, 2020	—				
Year ending Mar. 31, 2020 (Forecast)		36.00	—	36.00	72.00

Note: Revision of dividends forecast for this period: No

3. Financial Forecast for the Year Ending March 31, 2020

(% 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, 2019	147,000	7.9%	30,000	5.3%	28,500	7.9%	20,000	2.7%	95.82
Year ending Mar. 31, 2020	320,000	9.0%	64,000	4.4%	60,000	3.5%	42,000	1.9%	201.22

Note: Revision of business 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: Yes
- 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):
  209,179,232 shares as of Jun. 30, 2019; 209,154,432 shares as of Mar. 31, 2019
- 2) Number of treasury stock at the end of each fiscal period:
  446,356 shares as of Jun. 30, 2019; 446,168 shares as of Mar. 31, 2019
- 3) Average number of outstanding stock for each period (cumulative):
  208,723,462 shares for the three months ended Jun. 30, 2019
  208,556,624 shares for the three months ended Jun. 30, 2018

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 8, 2019, in accordance with changes in the number of shares of outstanding stock and treasury stock. No other figures in the financial forecast have been revised.
  2. The forecasts and future projections contained herein have been prepared on the basis of rational decisions given the information available as of the date of announcement of this document. These forecasts do not represent a commitment by the Company, and actual performance may differ substantially from forecasts for a variety of reasons. Please refer to “3) Consolidated financial forecast” within “1. Qualitative information on quarterly financial results” on page 4 of the attachment to this document for cautionary statements concerning the conditions and performance forecasts that serve as the basis for these forecasts.
  3. Supplementary financial materials (in Japanese and English) will be posted on the Sysmex website on Friday, August 2, 2019.

Content of Supplementary Materials

1. Qualitative information on quarterly financial results

1) Operating performance analysis

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

During the first three months of the fiscal year ending March 31, 2020, the Japanese economy was affected in the manufacturing sector by worsening earnings due to trade friction and sluggish IT-related demand, as well as a downturn in business confidence. However, the employment and income environments continued their modest recovery, and corporate investment remained firm as companies upgraded obsolete equipment and made streamlining and labor-saving investments against the backdrop of a labor shortage. Overseas, the economic outlook was characterized by a growing sense of caution, due to prolonged US–China trade friction, the United Kindom's exit from the European Union, US sanctions against Iran and other examples of rising geopolitical tension.

On the healthcare front, in Japan the medical and healthcare field faces growing demand due to an aging society and increasingly diverse health and medical needs. 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, the populations of developed countries are aging, while economic growth in emerging markets is causing healthcare demand to increase and prompting higher levels of healthcare quality and service enhancements. These trends are promoting efficient healthcare, with structural changes brought about by artificial intelligence, information and communications technology, and other breaking technologies.

Against this backdrop, with the aim of introducing clinical cancer sequence testing into clinical settings at an early stage, in January 2019 Sysmex launched the OncoGuide™ NCC Oncopanel System. In June 2019, this system became the first of its kind to receive health insurance coverage. Anticipating an increase of these tests in Japan following insurance coverage, our subsidiary, RIKEN GENESIS Co., Ltd., established a testing system to guarantee their quality. We have realized a testing flow that can be performed entirely in Japan, including detailed support, contributing to the clinical implementation of cancer genomic medicine in Japan.

To promote globally a business process restructuring in the aim of reinforcing its corporate foundations and creating new value, Sysmex is putting in place a next-generation core system and renovating its digital basis. Through these initiatives, Sysmex will reinforce its information security and other aspects of the corporate infrastructure and aims to understand the status of management across the Group in real time, boost business efficiency by linking product information consistently across the value chain, shorten the product supply lead time, reduce raw materials expenses and days in inventory turnover, and otherwise enhance productivity through the optimization of operations.

Net sales by destination

	Three months ended June 30, 2018		Three months ended June 30, 2019		YoY (Previous period = 100)
	Amount (Millions of yen)	Percentage of total (%)	Amount (Millions of yen)	Percentage of total (%)	
Japan	9,562	14.5	10,140	14.8	106.0
Americas	14,946	22.7	15,808	23.1	105.8
EMEA	18,196	27.6	19,200	28.0	105.5
China	17,885	27.1	17,679	25.8	98.8
Asia Pacific	5,370	8.1	5,710	8.3	106.3
Overseas subtotal	56,398	85.5	58,399	85.2	103.5
Total	65,961	100.0	68,540	100.0	103.9

In Japan, instrument sales increased, mainly in the hematology and life science fields. As a result, sales in Japan rose 6.0% year on year, to ¥10,140 million.

In overseas markets, reagent sales were down, chiefly in the hemostasis field, but reagent sales rose, centered on the hematology, urinalysis and immunochemistry fields. Consequently, overseas sales for the Sysmex Group rose 3.5% year on year, to ¥58,399 million. The overseas sales ratio fell 0.3 percentage point, to 85.2%.

As a result, during the first three months of the fiscal year ending March 31, 2020, the Group recorded consolidated net sales of ¥68,540 million, up 3.9% year on year. Operating profit fell 18.4%, to ¥11,279 million; profit before tax decreased 24.3%, to ¥9,661 million; and profit attributable to owners of the parent fell 28.9%, to ¥6,697 million.

Performance by segment

(1) Japan

In Japan, sales increased 8.3% year on year, to ¥10,964 million, benefiting from higher instrument sales, principally in the hematology and life science fields.

On the profit front, higher sales pushed up gross profit, but segment profit (operating profit) fell 14.9%, to ¥6,892 million, owing to higher SG&A and R&D expenses.

(2) Americas

Instrument sales were down, mainly in the hemostasis field, but sales of reagents and maintenance services grew in the hematology field, pushing up sales 5.1% year on year, to ¥14,656 million.

On the profit front, increased sales and an improved cost of sales ratio boosted gross profit. Nevertheless, segment profit (operating profit) declined 34.0% year on year, to ¥449 million, as a result of rising SG&A expenses.

(3) EMEA

Sales in the EMEA region expanded 4.7% year on year, to ¥19,591 million, helped by higher instrument and reagent sales, mainly in the hematology and hemostasis fields.

On the profit front, higher sales led to higher gross profit and pushed segment profit (operating profit) up 18.7% year on year, to ¥1,570 million.

(4) China

In China, instrument sales increased, mainly in the hemostasis field, but in the hemostasis field reagent sales fell, and instrument sales declined in the hematology field. As a result, sales dropped 1.1% year on year, to ¥17,658 million.

On the profit front, SG&A expenses decreased, but a worsening cost of sales ratio caused gross profit to decline, and other operating income fell. Consequently, segment profit (operating profit) dropped 47.1%, to ¥1,839 million.

(5) Asia Pacific

Instrument sales were down, mainly in the hematology field, but reagent sales in the hematology field increased, leading to a 6.4% year on year rise in sales in the Asia Pacific region, to ¥5,668 million.

On the profit front, SG&A expenses increased, but higher sales and an improved cost of sales ratio led to higher gross profit and pushed segment profit (operating profit) up 21.7% year on year, to ¥606 million.

2) Financial conditions analysis

(1) Financial conditions

As of June 30, 2019, total assets amounted to ¥353,654 million, up ¥6,878 million from March 31, 2019. As principal factors, trade and other receivables (current assets) decreased ¥6,552 million, and other short-term financial assets fell ¥6,975 million, but property, plant and equipment increased ¥21,330 million.

Meanwhile, total liabilities as of June 30, 2019, were ¥93,222 million, up ¥11,629 from their level on March 31, 2019. Principal factors included a ¥2,578 million decrease in trade and other payables, ¥3,448 million lower income taxes payable and a ¥3,941 decline in accrued bonuses, but lease liabilities (current) rose ¥5,311 million, and lease liabilities (non-current) increased ¥18,099 million.

Total equity came to ¥260,431 million, down ¥4,750 million from March 31, 2019. Among principal reasons, retained earnings fell ¥816 million, and other components of equity declined ¥3,933 million. Equity attributable to owners of the parent to total assets fell 2.8 percentage points, from 76.3% on March 31, 2019 to 73.5% on June 30, 2019.

(2) Cash flows

As of June 30, 2019, cash and cash equivalents amounted to ¥48,368 million, down ¥2,693 million from March 31, 2019.

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

(Cash flows from operating activities)

Net cash provided by operating activities was ¥7,736 million, up ¥4,439 million from the first three months of the previous fiscal year. As principal factors, profit before tax provided ¥9,661 million (¥3,104 million less than in the corresponding period of the preceding year), depreciation and amortization provided ¥5,761 million (¥1,958 million more than in the corresponding period of the preceding year), an increase in inventories used ¥3,638 million (up ¥1,786 million), a decrease in trade payables used ¥2,128 million (decrease of ¥1,307 million), and a decrease in consumption taxes receivable provided ¥2,942 million (up ¥1,384 million).

(Cash flows from investing activities)

Net cash used in investing activities was ¥566 million (decrease of ¥5,326 million). Among major factors, purchase of property, plant and equipment used ¥3,257 million (up ¥438 million), purchase of intangible assets used ¥2,374 million (up ¥602 million), purchase of investments in equity instruments used ¥1,506 million (up ¥498 million), and proceeds from withdrawal of time deposits provided ¥7,187 million (up ¥7,186 million).

(Cash flows from financing activities)

Net cash used in financing activities was ¥8,878 million (up ¥1,552 million). This was mainly due to dividends paid of ¥7,513 million (up ¥6 million), and repayment of lease liabilities, which used ¥1,440 million.

3) Consolidated financial forecast

The Company maintains its consolidated financial forecasts, as announced on May 8, 2019.

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, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and cash equivalents	51,062	48,368
Trade and other receivables	84,247	77,695
Inventories	40,231	42,907
Other short-term financial assets	7,644	668
Income taxes receivable	412	1,044
Other current assets	11,824	9,126
Total current assets	195,423	179,810
Non-current assets		
Property, plant and equipment	76,312	97,643
Goodwill	11,917	11,518
Intangible assets	33,037	33,391
Investments accounted for using the equity method	634	1,717
Trade and other receivables	12,202	11,883
Other long-term financial assets	7,050	7,079
Asset for retirement benefits	917	908
Other non-current assets	3,456	3,753
Deferred tax assets	5,823	5,946
Total non-current assets	151,352	173,843
Total assets	346,775	353,654

(Unit: Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	29,778	27,200
Lease liabilities	—	5,311
Other current financial liabilities	806	543
Income taxes payable	6,947	3,498
Provisions	693	696
Contract liabilities	9,303	9,059
Accrued expenses	10,791	10,119
Accrued bonuses	7,670	3,728
Other current liabilities	5,257	6,334
Total current liabilities	71,247	66,492
Non-current liabilities		
Lease liabilities	—	18,099
Other non-current financial liabilities	415	219
Liability for retirement benefits	857	892
Provisions	226	223
Other non-current liabilities	3,203	1,843
Deferred tax liabilities	5,642	5,451
Total non-current liabilities	10,345	26,730
Total liabilities	81,592	93,222
Equity		
Equity attributable to owners of the parent		
Capital stock	12,654	12,704
Capital surplus	17,876	17,904
Retained earnings	241,445	240,628
Treasury stock	(302)	(303)
Other components of equity	(7,225)	(11,158)
Total equity attributable to owners of the parent	264,448	259,774
Non-controlling interests	733	656
Total equity	265,182	260,431
Total liabilities and equity	346,775	353,654

2) Condensed quarterly consolidated statement of income

(Unit: Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	65,961	68,540
Cost of sales	28,322	31,670
Gross profit	37,638	36,869
Selling, general and administrative expenses	20,131	20,706
Research and development expenses	4,207	4,995
Other operating income	614	213
Other operating expenses	83	101
Operating profit	13,831	11,279
Financial income	93	97
Financial expenses	251	234
Share of profit (loss) of associates accounted for using the equity method	(320)	(414)
Foreign exchange gain (loss)	(586)	(1,065)
Profit before tax	12,766	9,661
Income taxes expenses	3,390	3,041
Profit	9,375	6,620
Profit attributable to		
Owners of the parent	9,424	6,697
Non-controlling interests	(49)	(76)
Profit	9,375	6,620

(Unit: Yen)

Earnings per share		
Basic	45.19	32.09
Diluted	45.10	32.05

3) Condensed quarterly consolidated statement of other comprehensive income

(Unit: Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	9,375	6,620
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	(179)	(11)
Total	(179)	(11)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(1,280)	(3,920)
Share of other comprehensive income of investments accounted for using the equity method	2	(1)
Total	(1,278)	(3,921)
Total other comprehensive income	(1,458)	(3,933)
Comprehensive income	7,917	2,686
Comprehensive income attributable to		
Owners of the parent	7,966	2,763
Non-controlling interests	(49)	(76)
Comprehensive income	7,917	2,686

4) Condensed quarterly consolidated statement of changes in equity

Three months ended June 30, 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, 2018	12,276	17,664	214,952	(295)	(3,847)	240,749	693	241,443
Cumulative effect of accounting change	—	—	(244)	—	—	(244)	—	(244)
Restated balance	12,276	17,664	214,707	(295)	(3,847)	240,504	693	241,198
Profit	—	—	9,424	—	—	9,424	(49)	9,375
Other comprehensive income	—	—	—	—	(1,458)	(1,458)	0	(1,458)
Comprehensive income	—	—	9,424	—	(1,458)	7,966	(49)	7,917
Exercise of warrants	138	77	—	—	—	215	—	215
Cash dividends	—	—	(7,506)	—	—	(7,506)	—	(7,506)
Purchase of treasury stock	—	—	—	(1)	—	(1)	—	(1)
Total transactions with the owners	138	77	(7,506)	(1)	—	(7,292)	—	(7,292)
As of June 30, 2018	12,414	17,742	216,625	(297)	(5,305)	241,178	644	241,823

Three months ended June 30, 2019

(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, 2019	12,654	17,876	241,445	(302)	(7,225)	264,448	733	265,182
Cumulative effect of accounting change	—	—	—	—	—	—	—	—
Restated balance	12,654	17,876	241,445	(302)	(7,225)	264,448	733	265,182
Profit	—	—	6,697	—	—	6,697	(76)	6,620
Other comprehensive income	—	—	—	—	(3,933)	(3,933)	0	(3,933)
Comprehensive income	—	—	6,697	—	(3,933)	2,763	(76)	2,686
Exercise of warrants	49	27	—	—	—	77	—	77
Cash dividends	—	—	(7,513)	—	—	(7,513)	—	(7,513)
Purchase of treasury stock	—	—	—	(1)	—	(1)	—	(1)
Total transactions with the owners	49	27	(7,513)	(1)	—	(7,437)	—	(7,437)
As of June 30, 2019	12,704	17,904	240,628	(303)	(11,158)	259,774	656	260,431

5) Condensed quarterly consolidated statement of cash flows

(Unit: Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Cash flows from operating activities		
Profit before tax	12,766	9,661
Depreciation and amortization	3,803	5,761
Decrease (increase) in trade receivable	3,476	4,589
Decrease (increase) in inventories	(1,852)	(3,638)
Increase (decrease) in trade payable	(3,435)	(2,128)
Decrease/increase in consumption taxes receivable/payable	1,557	2,942
Increase (decrease) in contract liabilities	(1,094)	36
Increase (decrease) in accrued bonuses	(3,628)	(3,847)
Other－net	(922)	2,011
Subtotal	10,670	15,387
Interest and dividend received	85	75
Interest paid	(9)	(194)
Income taxes paid	(7,449)	(7,532)
Net cash provided by (used in) operating activities	3,296	7,736
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,819)	(3,257)
Purchases of intangible assets	(1,771)	(2,374)
Purchases of investments in equity instruments	(1,007)	(1,506)
Acquisitions of subsidiaries or other businesses	(20)	－
Proceeds from withdrawal of time deposits	0	7,187
Other－net	(273)	(614)
Net cash provided by (used in) investing activities	(5,892)	(566)
Cash flows from financing activities		
Dividends paid	(7,506)	(7,513)
Repayments of lease liabilities	－	(1,440)
Other－net	180	75
Net cash provided by (used in) financing activities	(7,326)	(8,878)
Effects of exchange rate changes on cash and cash equivalents	(378)	(985)
Net increase (decrease) in cash and cash equivalents	(10,300)	(2,693)
Cash and cash equivalents at the beginning of the term	61,444	51,062
Cash and cash equivalents at the end of the term	51,144	48,368

6) Notes to the condensed quarterly consolidated financial statements

1. Notes related to the going concern assumption

   Not applicable

2. Changes in accounting policies

   The Sysmex Group, on a consolidated basis, is applying IFRS 16 (Leases) from the first three months of the fiscal year ending March 31, 2020. Upon the adoption of IFRS 16, rather than making an adjusted restatement of comparative information as recognized under previous measures, we have adopted the method of recognizing the cumulative impact of adopting this standard on the initial balance of retained earnings at the date of adoption (retrospective restatement approach).

   For the fiscal year ended March 31, 2019, the Sysmex Group has applied IAS 17 (Lease) and classifies as finance leases those lease agreements for which substantially all risk and economic benefits transfer to the lessee. Lease assets are initially recognized at the lower of the fair value of the leased property or the aggregate present value of the minimum lease payments. Lease agreements other than finance leases are classified as operating leases and are not presented in the consolidated statement of financial position for the Sysmex Group. Lease payments for operating leases are recognized as expenses using the straight-line method over the lease period.

   For the three months ended June 30, 2019, based on IFRS 16 the Sysmex Group determines at the time of entering an agreement whether the agreement is a lease or is included within a lease. If the right to control the use of an asset specified by an agreement in exchange for consideration over a certain period of time is transferred, that agreement is determined to be a lease or included within a lease. Agreements entered into during or prior to the fiscal year ended March 31, 2019 apply the short-cut method, maintaining the previously determined practice as to whether or not a transaction is a lease.

   If the agreement is determined to be a lease or included within a lease, right-of-use assets and lease liabilities are recognized on the starting date of the lease. Lease liabilities are initially measured at the discounted present value of the lease fees outstanding as of the starting date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred and prepaid lease payments, etc. These assets are amortized regularly from the starting date of the lease over the economic useful life or the lease period, whichever is shorter. The Sysmex Group does not recognize as right-of-use assets and lease liabilities leases that have a lease period of less than 12 months and for which the value of the underlying asset is small. These leases are recognized as expenses, using the straight-line method over the lease period.

   As a result of recognition and measurement in accordance with IFRS 16, right-of-use assets in the condensed quarterly consolidated statement of financial position at the beginning of the first three months of the fiscal year were ¥21,298 million higher, and lease liabilities were ¥22,786 million higher. In the condensed quarterly consolidated statement of financial position, right-of-use assets are included in property, plant and equipment. In the condensed quarterly consolidated statement of income, the impact on operating profit and profit for the first three months of the fiscal year was negligible.

3. 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 noted in the “2. Changes in accounting policies.”

Three months ended June 30, 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	10,128	13,950	18,704	17,851	5,325	65,961	—	65,961
Intersegment sales	22,937	63	350	3	1	23,355	(23,355)	—
Total	33,066	14,013	19,054	17,854	5,326	89,316	(23,355)	65,961
Segment profit	8,097	680	1,322	3,476	498	14,075	(244)	13,831
Financial income	—	—	—	—	—	—	—	93
Financial expenses	—	—	—	—	—	—	—	251
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(320)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	(586)
Profit before tax	—	—	—	—	—	—	—	12,766
Income taxes expenses	—	—	—	—	—	—	—	3,390
Profit	—	—	—	—	—	—	—	9,375

Notes:

1. Segment profit adjustments of negative ¥244 million include negative ¥222 million for the unrealized gains on inventories and negative ¥11 million for the unrealized gains on non-current assets.
2. Segment profit is adjusted to coincide with operating profit in the condensed quarterly consolidated statement of income.

Three months ended June 30, 2019

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	10,964	14,656	19,591	17,658	5,668	68,540	—	68,540
Intersegment sales	22,520	71	379	0	1	22,972	(22,972)	—
Total	33,484	14,727	19,971	17,659	5,669	91,512	(22,972)	68,540
Segment profit	6,892	449	1,570	1,839	606	11,358	(78)	11,279
Financial income	—	—	—	—	—	—	—	97
Financial expenses	—	—	—	—	—	—	—	234
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(414)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	(1,065)
Profit before tax	—	—	—	—	—	—	—	9,661
Income taxes expenses	—	—	—	—	—	—	—	3,041
Profit	—	—	—	—	—	—	—	6,620

Notes:

1. Segment profit adjustments of negative ¥78 million include negative ¥132 million for the unrealized gains on inventories and ¥79 million for the unrealized gains on non-current assets.
2. Segment profit is adjusted to coincide with operating profit in the condensed quarterly consolidated statement of income.