



July 31, 2023

Consolidated Financial Results for the First Three Months of the Year Ending March 31, 2024 (Fiscal 2023) <under IFRS>

Listed company name: Daiichi Sankyo Company, Limited
 Listed exchange: the Tokyo Stock Exchange
 Stock code number: 4568
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 Holding quarterly information meeting: Yes (for institutional investors, analysts and the press)

(All amounts have been rounded down to the nearest million JPY)

1. Consolidated Financial Results for the First Three Months of the Year Ending March 31, 2024 (from April 1, 2023 to June 30, 2023)

(1) Consolidated Financial Results

(Percentages indicate changes from the same period in the previous fiscal year)

	Revenue		Core Operating profit		Operating profit		Profit before tax	
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%
Three months ended June 30, 2023	350,835	25.2	44,463	29.4	44,032	28.1	52,133	77.2
Three months ended June 30, 2022	280,317	6.2	34,368	(21.3)	34,382	(24.9)	29,415	(37.5)

	Profit for the period		Profit attributable to owners of the Company		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	JPY	JPY
Three months ended June 30, 2023	57,013	202.4	57,013	202.4	113,144	50.6	29.74	29.72
Three months ended June 30, 2022	18,851	(46.5)	18,851	(46.5)	75,113	121.5	9.84	9.83

Note: Daiichi Sankyo discloses core operating profit, which excludes non-recurring gains and losses from operating profit, as an indicator of underlying profitability. For the definition of core operating profit, please refer to “1. Qualitative Information about Consolidated Results for the First Three Months (1) Information about Operating Results” on page 2 of the attached material.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity per share attributable to owners of the Company
	Millions of JPY	Millions of JPY	Millions of JPY	%	JPY
As of June 30, 2023	2,616,069	1,529,868	1,529,868	58.5	797.91
As of March 31, 2023	2,508,889	1,445,854	1,445,854	57.6	754.09

2. Dividend

	Annual dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	JPY	JPY	JPY	JPY	JPY
Year ended March 31, 2023	–	15.00	–	15.00	30.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		17.00	–	17.00	34.00

Note: Revision of the forecast from most recently announced figures: No

3. Forecast of Consolidated Financial Results for Year Ending March 31, 2024

(Percentages indicate changes from the previous fiscal year)

	Revenue		Core operating profit		Operating profit		Profit before tax		Profit for the year	
	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%	Millions of JPY	%
Full year	1,450,000	13.4	140,000	14.2	135,000	12.0	135,000	6.4	115,000	5.3

	Profit attributable to owners of the Company		Basic earnings per share
	Millions of JPY	%	JPY
Full year	115,000	5.3	59.98

Note: Revision of the forecast from most recently announced figures: No

*Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in scope of consolidation): No
- (2) Changes in accounting policies and changes in accounting estimates
- 1) Changes in accounting policies required by IFRS: No
 - 2) Changes in accounting policies due to other reasons: No
 - 3) Changes in accounting estimates: No

(3) Number of ordinary shares issued

1) Number of shares issued at the end of the period (including treasury shares)

As of June 30, 2023	1,947,034,029 shares
As of March 31, 2023	1,947,034,029 shares

2) Number of treasury shares at the end of the period

As of June 30, 2023	29,680,844 shares
As of March 31, 2023	29,690,154 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	1,917,345,695 shares
Three months ended June 30, 2022	1,916,818,964 shares

* This quarterly financial results summary is not subject to quarterly review procedures by Certified Public Accountants or an audit firm.

*Disclaimer regarding forward-looking information including appropriate use of forecast financial results

The forecast information included in these materials is based on information currently available and certain assumptions that Daiichi Sankyo regards as reasonable. Actual performance and results may differ from those forecast due to various factors.

Please see “1. Qualitative Information about Consolidated Results for the First Three Months (3) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements” on page 7 for matters related to the above forecasts.

Attached Material

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1. Qualitative Information about Consolidated Results for the First Three Months

(1) Information about Operating Results

1) Overview

[Consolidated Financial Results (Core Base)]

(Millions of JPY; all amounts have been rounded down to the nearest million JPY.)

	Three months ended June 30, 2022	Three months ended June 30, 2023	YoY change
Revenue	280,317	350,835	70,518 25.2%
Cost of sales*	74,692	93,609	18,917 25.3%
Selling, general and administrative expenses*	96,325	135,609	39,284 40.8%
Research and development expenses*	74,930	77,152	2,221 3.0%
Core operating profit*	34,368	44,463	10,095 29.4%
Temporary income*	13	514	500 –
Temporary expenses*	–	945	945 –
Operating profit	34,382	44,032	9,650 28.1%
Profit before tax	29,415	52,133	22,717 77.2%
Profit attributable to owners of the Company	18,851	57,013	38,161 202.4%
Total comprehensive income	75,113	113,144	38,030 50.6%

* Daiichi Sankyo Group (hereinafter, “the Group”) discloses core operating profit, which excludes temporary income and expenses from operating profit, as an indicator of ordinary profitability. Temporary income and expenses include gains/losses on sale of non-current assets, gains/losses associated with business restructuring (excluding gains/losses on sales of developed products and products on the market), impairment losses on property, plant and equipment, intangible assets, and goodwill, compensation for damages or settlement, and non-recurring and large gains/losses.

This table shows the actual results of cost of sales, selling, general and administrative expenses, and research and development expenses, exclusive of temporary income and expenses. The adjustment table from operating profit to core operating profit is stated in the reference data.

<JPY exchange rates for major currencies (average rate for year)>

	Three months ended June 30, 2022	Three months ended June 30, 2023
USD/JPY	129.57	137.37
EUR/JPY	138.10	149.46

a. Revenue

- Revenue in the first three months of the year ending March 31, 2024 increased by JPY70.5 billion, or 25.2% year on year, to JPY350.8 billion.
- Revenue increased year on year due to the achieved growth with global mainstay products such as Enhertu (generic name: trastuzumab deruxtecan, T-DXd/DS-8201) and Lixiana (generic name: edoxaban), the positive effect from foreign exchange by the depreciation of JPY and others.
- The positive effect on revenue from foreign exchange was JPY11.5 billion in total.

b. Core operating profit

- Core operating profit increased by JPY10.1 billion, or 29.4% year on year, to JPY44.5 billion.
- Cost of sales increased by JPY18.9 billion, or 25.3%, to JPY93.6 billion due to an increase in revenue.
- Selling, general and administrative expenses increased by JPY39.3 billion, or 40.8%, to JPY135.6 billion due to the cost increase by an increase in profit sharing with AstraZeneca related to Enhertu.
- Research and development expenses were JPY77.2 billion, approximately the same level as the previous fiscal year.
- The positive effect on core operating profit from foreign exchange was JPY0.1 billion in total.

c. Operating profit

- Operating profit increased by JPY9.7 billion, or 28.1% year on year, to JPY44.0 billion.

d. Profit before tax

- Profit before tax increased by JPY22.7 billion, or 77.2% year on year, to JPY52.1 billion.
- The amount of increase compared to that of operating profit was higher mainly due to JPY13.0 billion improvement in financial balance by an improvement in loss (gain) on exchange differences.

e. Profit attributable to owners of the Company

- Profit attributable to owners of the Company increased by JPY38.2 billion, or 202.4% year on year, to JPY57.0 billion.
- The amount of increase compared to that of profit before tax was higher due to JPY -4.9 billion of income taxes in this first three months mainly by the impact to the tax effect accounting according to the decision regarding the stock transfer of Daiichi Sankyo Espha Co., Ltd.

f. Total comprehensive income

- Total comprehensive income increased by JPY38.0 billion, or 50.6% year on year, to JPY113.1 billion.

[Revenue by Business Unit]

Revenue by business unit in the first three months of the year ending March 31, 2024 is as follows. In addition, revenue by product is stated in the reference data.

a. Japan Business Unit

- Revenue from Japan Business Unit includes revenue generated by the innovative pharmaceuticals business, the vaccine business and revenue from products generated by the generic pharmaceutical business of Daiichi Sankyo Espha Co., Ltd.
- Revenue from the Unit increased by JPY10.0 billion, or 9.1% year on year, to JPY119.0 billion due to the growth of Lixiana, Tarlige, Enhertu and others.

The following describes the major progress in the first three months of the year ending March 31, 2024.

- In May 2023, obtained approval for and began promotion for the first line treatment of acute myeloid leukemia (AML) with antitumor agent Vanflyta.
- In May 2023, launched pain treatment Tarlige OD tablets.

b. Daiichi Sankyo Healthcare Unit

- Revenue from Daiichi Sankyo Healthcare Unit increased by JPY1.9 billion, or 12.3% year on year, to JPY17.1 billion as a result of the increase in sales of Lulu, Loxonin and others.

c. Oncology Business Unit

- Revenue from Oncology Business Unit includes revenue generated from cancer treatment products sold by Daiichi Sankyo, Inc. (the U.S.) and Daiichi Sankyo Europe GmbH.
- Revenue from the Unit increased by JPY43.1 billion, or 156.6% year on year, to JPY70.6 billion due to increase of Enhertu in the U.S. and Europe. Revenue in local currency increased by USD302 million, or 142.1%, to USD514 million.

d. American Regent Unit

- Revenue from American Regent Unit increased by JPY3.6 billion, or 7.7% year on year, to JPY50.7 billion due to an increase in sales of Venofer and others. Revenue in local currency increased by USD6 million, or 1.6%, to USD369 million.

e. EU Specialty Business Unit

- Revenue from EU Specialty Business Unit includes revenue from products other than from cancer treatment products generated by Daiichi Sankyo Europe GmbH.
- Revenue from the Unit increased by JPY4.4 billion, or 11.8% year on year, to JPY41.5 billion due to the growth in sales of Lixiana and Nilemdo/Nustendi. Revenue in local currency increased by EUR9 million, or 3.3%, to EUR278 million.

f. ASCA Business Unit

- Revenue from ASCA^{*1} Business Unit includes sales to overseas licensees.
- Revenue from the Unit increased by JPY7.6 billion, or 23.8% year on year, to JPY39.5 billion due to increase of Enhertu in Brazil and others.

^{*1} Asia, South & Central America

The following describes the major progress in the first three months of the year ending March 31, 2024.

- In June 2023, Enhertu was launched in China (Indication: Second line treatment for HER2-positive breast cancer).

2) Status of R&D

The Group focuses on accelerating global clinical development and is working on research and development in accordance with the “5DXd-ADCs^{*1,2} and Next Wave” Strategy, which intensively allocates resources to five DXd-ADCs for maximizing their product values, and aims to deliver medicines that change SOC^{*3} for realization of sustainable growth (Next Wave).

In the medium to long term, the Group aims to develop therapeutic drugs for various diseases in addition to oncology by utilizing its competitive science and technology, and strives to strengthen drug discovering capabilities by technology research of new modalities^{*4}.

*1 5 DXd-ADCs: Trastuzumab deruxtecan, datopotamab deruxtecan: Dato-DXd/DS-1062, patritumab deruxtecan: HER3-DXd/U3-1402, DS-7300 and DS-6000

*2 ADC: Abbreviation for Antibody Drug Conjugate, drug composed of an antibody drug and a payload (a small molecule drug) linked via appropriate linker. By using a monoclonal antibody that binds to a specific target expressed on cancer cells, a cytotoxic payload is delivered to cancer cells effectively with reducing systemic exposure. DXd-ADCs are drugs that combine the Company’s proprietary drugs and antibodies through linkers.

*3 Standard of Care: Universally applied best treatment practice in today’s medical science.

*4 Modality: Medical treatment such as small molecule drugs, antibody drugs, ADC, nucleic acid drugs and gene therapy.

【5DXd-ADCs】

The following describes the Group’s clinical development of 5DXd-ADCs projects in the first three months of the year ending March 31, 2024 (from April 1, 2023 to June 30, 2023). The status of each clinical trial is stated in the reference data.

a. Trastuzumab deruxtecan (T-DXd/DS-8201: HER2-directed ADC, brand name: Enhertu)

Daiichi Sankyo is jointly developing the product with AstraZeneca, a company with a wealth of global experience in oncology and conducts co-promotion, etc. under the brand name Enhertu.

The following describes the major progress in the first three months of the year ending March 31, 2024.

- In June 2023, the first data was presented at the American Society of Clinical Oncology (ASCO) from the Phase II clinical trial for HER2 expressing multiple solid tumors (trial name: DESTINY-PanTumor02).
- In June 2023, the first data was presented at the ASCO from the Phase II clinical trial for the third line treatment for HER2-positive colorectal cancer (trial name: DESTINY-CRC02).

b. Datopotamab deruxtecan (Dato-DXd/DS-1062: TROP2-directed ADC)

Daiichi Sankyo is jointly developing the product with AstraZeneca, a company with a wealth of global experience in oncology.

The following describes the major progress in the first three months of the year ending March 31, 2024.

- In June 2023, the latest data was presented at the ASCO from the Phase Ib clinical trial for combination therapy with immune checkpoint inhibitors for non-small cell lung cancer (NSCLC) (trial name: TROPION-Lung02).

c. Patritumab deruxtecan (HER3-DXd/U3-1402: HER3-directed ADC)

The following describes the major progress in the first three months of the year ending March 31, 2024.

- In April 2023, the outline of trial results was presented from the Phase II clinical trial for third or later line treatment for EGFR-mutated NSCLC (trial name: HERTHENA-Lung01).

d. DS-7300 (B7-H3-directed ADC)

The following describes the major progress in the first three months of the year ending March 31, 2024.

- In April 2023, Orphan Drug Designation^{*5} was obtained from the U.S. Food and Drug Administration (FDA) for the treatment of small cell lung cancer.

^{*5} A system under which designation is granted in order to support and expedite development for medicines intended for the treatment, diagnosis or prevention of rare diseases or disorders that affect fewer than 200,000 people in the U.S.

【Next Wave】

The following describes the major progress in the Group's clinical development of Next Wave for the first three months of the year ending March 31, 2024. The status of each clinical trial is stated in the reference data.

- In April 2023, the outline of trial results was presented from the Phase III clinical trial for first immunization using the original strain vaccine DS-5670 (COVID-19 mRNA vaccine) targeting healthy adults in Japan.
- In May 2023, the Phase III clinical trial was initiated for additional immunization using the Omicron strain vaccine DS-5670 targeting healthy subjects aged 12 or older in Japan.
- In May 2023, the Phase II/III clinical trial was initiated for additional immunization using Omicron strain vaccine DS-5670 targeting subjects from ages five to 11 in Japan.
- In May 2023, approval was gained in Japan for quizartinib (AC220: FLT3 inhibitor, brand name in Japan: Vanflyta) for first line treatment of *FLT3*-ITD-positive acute myeloid leukemia (AML).
- In May 2023, Rare Pediatric Disease^{*6} Designation for DS-2325 (KLK5 inhibitor) was obtained from the U.S.FDA for Netherton syndrome.
- In June 2023, the Phase I clinical trial for DS-1103 (Anti-SIRP α antibodies) was initiated for combination with Enhertu for solid tumors.
- In June 2023, the outline of clinical results was obtained from the Phase II clinical trial for valemestostat (DS-3201: EZH1/2 inhibitor, brand name in Japan: Ezharmia) for peripheral T-cell lymphoma (PTCL) (trial name: VALENTINE-PTCL01).

^{*6} A system under which designation is granted for medicines intended for the treatment or prevention of rare diseases or disorders that develop prior to patients reaching the age of 18 and that affect fewer than 200,000 patients in the U.S., and under which preferential treatment can be received, such as the granting of priority review vouchers when approval is obtained for the drug.

(2) Analysis of Financial Position as of June 30, 2023

- Total assets as of June 30, 2023 were JPY2,616.1 billion, an increase of JPY107.2 billion from the previous fiscal year-end, mainly due to the increases in cash and cash equivalents and trade and other receivables, which was partially offset by decreases in other financial assets (current assets).
- Total liabilities as of June 30, 2023 were JPY1,086.2 billion, an increase of JPY23.2 billion from the previous fiscal year-end, mainly due to increases in trade and other payables and other current liabilities, which was partially offset by decreases in provisions (current liabilities).
- Total equity as of June 30, 2023 was JPY1,529.9 billion, an increase of JPY84 billion from the previous fiscal year-end, mainly due to profit for the period and the increase in other components of equity, which was partially offset by the dividend payment.
- The ratio of equity attributable to owners of the Company to total assets was 58.5%, an increase of 0.9 points from the previous fiscal year-end.

(3) Information about Forecasts of Consolidated Financial Results and Other Forward-Looking Statements

- There are no changes from the forecasts of consolidated financial results for the year ending March 31, 2024 publicly announced on April 27, 2023.

(4) Information about Return to Shareholders

- In order to secure sustainable growth in corporate value, one of the fundamental business policies of Daiichi Sankyo is to decide profit distributions based on a comprehensive consideration of the investments essential for implementing its growth strategy and returning profits to shareholders.
- For fiscal 2022, the Company paid a year-end dividend of JPY15 per share on June 20, 2023. Accordingly, the annual dividend for the fiscal year, together with the interim dividend of JPY15 per share paid on December 1, 2022, was JPY30 per share in total.
- For fiscal 2023, given a higher probability of achieving the major financial targets for fiscal 2025 mainly due to increased sales of Enhertu, the Company intends to pay JPY34 as annual dividend per share, increased by JPY4 compared to that of fiscal 2022. The Company intends to pay an interim dividend and a year-end dividend each amounting to JPY17 per share.

2. Condensed Interim Consolidated Financial Statements with Primary Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of JPY)

	As of March 31, 2023	As of June 30, 2023
ASSETS		
Current assets		
Cash and cash equivalents	441,921	519,664
Trade and other receivables	349,111	390,517
Other financial assets	383,205	221,169
Inventories	301,608	339,275
Other current assets	19,204	20,038
Subtotal	1,495,051	1,490,666
Assets held for sale	–	17,900
Total current assets	1,495,051	1,508,566
Non-current assets		
Property, plant and equipment	348,912	374,152
Goodwill	98,330	104,849
Intangible assets	159,609	155,681
Investments accounted for using the equity method	1,306	463
Other financial assets	130,393	148,192
Deferred tax assets	180,096	195,386
Other non-current assets	95,188	128,776
Total non-current assets	1,013,837	1,107,502
Total assets	2,508,889	2,616,069

(Millions of JPY)

	As of March 31, 2023	As of June 30, 2023
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	424,036	431,384
Bonds and borrowings	41,396	41,397
Other financial liabilities	11,080	11,945
Income taxes payable	21,470	20,440
Provisions	7,626	3,426
Other current liabilities	24,652	28,733
Subtotal	530,263	537,328
Liabilities directly associated with assets held for sale	–	14,060
Total current liabilities	530,263	551,388
Non-current liabilities		
Bonds and borrowings	101,692	101,597
Other financial liabilities	41,647	43,978
Post-employment benefit liabilities	1,310	1,453
Provisions	16,376	16,420
Deferred tax liabilities	12,647	13,816
Other non-current liabilities	359,096	357,545
Total non-current liabilities	532,770	534,812
Total liabilities	1,063,034	1,086,201
Equity		
Equity attributable to owners of the Company		
Share capital	50,000	50,000
Treasury shares	(36,808)	(36,800)
Other components of equity	200,874	256,353
Retained earnings	1,231,788	1,260,315
Total equity attributable to owners of the Company	1,445,854	1,529,868
Total equity	1,445,854	1,529,868
Total liabilities and equity	2,508,889	2,616,069

(2) Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Profit or Loss

(Millions of JPY)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Revenue	280,317	350,835
Cost of sales	74,798	93,675
Gross profit	205,518	257,159
Selling, general and administrative expenses	96,373	136,580
Research and development expenses	74,931	77,152
Other income	168	606
Other expenses	–	0
Operating profit	34,382	44,032
Financial income	1,562	8,821
Financial expenses	6,507	727
Share of profit (loss) of investments accounted for using the equity method	(21)	6
Profit before tax	29,415	52,133
Income taxes	10,563	(4,879)
Profit for the period	18,851	57,013
Profit attributable to:		
Owners of the Company	18,851	57,013
Earnings per share		
Basic earnings per share (JPY)	9.84	29.74
Diluted earnings per share (JPY)	9.83	29.72

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of JPY)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit for the period	18,851	57,013
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,059	7,917
Remeasurements of defined benefit plans	0	11
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	55,202	48,180
Cash flow hedges	–	21
Other comprehensive income for the period	56,261	56,131
Total comprehensive income for the period	75,113	113,144
Total comprehensive income attributable to:		
Owners of the Company	75,113	113,144

(3) Condensed Interim Consolidated Statement of Changes in Equity

Three months ended June 30, 2022

(Millions of JPY)

	Equity attributable to owners of the Company					
	Share capital	Treasury shares	Other components of equity			Financial assets measured at fair value through other comprehensive income
			Subscription rights to shares	Exchange differences on translation of foreign operations		
Balance as of April 1, 2022	50,000	(37,482)	822	132,103	35,221	
Profit for the period	–	–	–	–	–	
Other comprehensive income for the period	–	–	–	55,202	1,059	
Total comprehensive income for the period	–	–	–	55,202	1,059	
Purchase of treasury shares	–	(6)	–	–	–	
Disposal of treasury shares	–	84	(29)	–	–	
Dividend	–	–	–	–	–	
Transfer from other components of equity to retained earnings	–	–	–	–	(76)	
Others	–	–	–	(1,540)	–	
Total transactions with owners of the Company	–	77	(29)	(1,540)	(76)	
Balance as of June 30, 2022	50,000	(37,404)	792	185,764	36,205	

(Millions of JPY)

	Equity attributable to owners of the Company				
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company	Total equity
	Remeasurements of defined benefit plans	Total other components of equity			
Balance as of April 1, 2022	–	168,147	1,170,208	1,350,872	1,350,872
Profit for the period	–	–	18,851	18,851	18,851
Other comprehensive income for the period	0	56,261	–	56,261	56,261
Total comprehensive income for the period	0	56,261	18,851	75,113	75,113
Purchase of treasury shares	–	–	–	(6)	(6)
Disposal of treasury shares	–	(29)	(54)	0	0
Dividend	–	–	(25,876)	(25,876)	(25,876)
Transfer from other components of equity to retained earnings	(0)	(76)	76	–	–
Others	–	(1,540)	1,689	148	148
Total transactions with owners of the Company	(0)	(1,646)	(24,165)	(25,733)	(25,733)
Balance as of June 30, 2022	–	222,762	1,164,894	1,400,252	1,400,252

Three months ended June 30, 2023

(Millions of JPY)

	Equity attributable to owners of the Company					
	Share capital	Treasury shares	Other components of equity			
			Subscription rights to shares	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2023	50,000	(36,808)	608	168,415	403	31,446
Profit for the period	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	48,180	21	7,917
Total comprehensive income for the period	-	-	-	48,180	21	7,917
Purchase of treasury shares	-	(5)	-	-	-	-
Disposal of treasury shares	-	13	(6)	-	-	-
Dividend	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	(209)
Transfer to non-financial assets and similar items	-	-	-	-	(424)	-
Others	-	-	-	-	-	-
Total transactions with owners of the Company	-	7	(6)	-	(424)	(209)
Balance as of June 30, 2023	50,000	(36,800)	602	216,596	-	39,154

(Millions of JPY)

	Equity attributable to owners of the Company				
	Other components of equity		Retained earnings	Total equity attributable to owners of the Company	Total equity
	Remeasurements of defined benefit plans	Total other components of equity			
Balance as of April 1, 2023	-	200,874	1,231,788	1,445,854	1,445,854
Profit for the period	-	-	57,013	57,013	57,013
Other comprehensive income for the period	11	56,131	-	56,131	56,131
Total comprehensive income for the period	11	56,131	57,013	113,144	113,144
Purchase of treasury shares	-	-	-	(5)	(5)
Disposal of treasury shares	-	(6)	(6)	0	0
Dividend	-	-	(28,760)	(28,760)	(28,760)
Transfer from other components of equity to retained earnings	(11)	(220)	220	-	-
Transfer to non-financial assets and similar items	-	(424)	-	(424)	(424)
Others	-	-	60	60	60
Total transactions with owners of the Company	(11)	(652)	(28,485)	(29,130)	(29,130)
Balance as of June 30, 2023	-	256,353	1,260,315	1,529,868	1,529,868

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of JPY)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities		
Profit before tax	29,415	52,133
Depreciation and amortization	14,870	14,169
Impairment losses (reversal of impairment losses)	11	3
Financial income	(1,562)	(8,821)
Financial expenses	6,507	727
Share of (profit) loss of investments accounted for using the equity method	21	(6)
(Gain) loss on sale and disposal of non-current assets	504	51
(Increase) decrease in trade and other receivables	(7,319)	(18,628)
(Increase) decrease in inventories	(26,048)	(32,598)
Increase (decrease) in trade and other payables	(13,936)	(6,733)
Others, net	(14,924)	(42,696)
Subtotal	(12,459)	(42,399)
Interest and dividend received	1,446	4,158
Interest paid	(134)	(141)
Income taxes paid	(9,617)	(7,856)
Net cash flows from (used in) operating activities	(20,764)	(46,238)
Cash flows from investing activities		
Payments into time deposits	(28,017)	(53,258)
Proceeds from maturities of time deposits	50,128	100,469
Acquisition of securities	(40,874)	(1,938)
Proceeds from sale and redemption of securities	65,147	122,288
Acquisition of property, plant and equipment	(14,986)	(24,542)
Proceeds from sale of property, plant and equipment	17	6
Acquisition of intangible assets	(4,996)	(1,965)
Proceeds from collection of loans receivable	77	70
Others, net	(184)	(738)
Net cash flows from (used in) investing activities	26,311	140,392

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from financing activities		
Repayments of bonds and borrowings	(98)	(99)
Purchase of treasury shares	(6)	(5)
Proceeds from sale of treasury shares	0	–
Dividend paid	(25,911)	(28,795)
Repayments of lease liabilities	(3,641)	(3,628)
Others, net	0	0
Net cash flows from (used in) financing activities	(29,658)	(32,528)
Net increase (decrease) in cash and cash equivalents	(24,110)	61,625
Cash and cash equivalents at the beginning of the period	662,477	441,921
Effect of exchange rate changes on cash and cash equivalents	19,697	22,428
Cash and cash equivalents at the end of the period	658,064	525,975
Cash and cash equivalents reclassified to assets held for sale	–	(6,310)
Cash and cash equivalents at the end of the period (Consolidated statements of financial position)	658,064	519,664

(5) Notes to Condensed Interim Consolidated Financial Statements
Going Concern Assumption

Not applicable.