



July 31, 2017

Consolidated Financial Results for the First Three Months of the Year Ending March 31, 2018 (Fiscal 2017) <under IFRS>

Listed company name: Daiichi Sankyo Company, Limited
 Listed exchange: First Section of the Tokyo Stock Exchange
 Stock code number: 4568
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 Preparing supplementary material (Reference Data) on quarterly financial results: Yes
 Holding quarterly information meeting: Yes (for institutional investors, analysts and the press)

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

1. Consolidated Financial Results for the First Three Months of the Year Ending March 31, 2018 (from April 1, 2017 to June 30, 2017)

(1) Consolidated Financial Results

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

	Revenue		Operating profit		Profit before tax		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	239,103	-0.8	40,272	-14.8	42,236	-6.6	28,808	-4.2
Three months ended June 30, 2016	240,972	1.1	47,255	-3.8	45,202	0.0	30,085	-11.7

	Profit attributable to owners of the Company		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended June 30, 2017	29,152	-4.7	37,886	-	43.96	43.85
Three months ended June 30, 2016	30,601	-12.4	-18,156	-	44.78	44.69

(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 yen	Millions of yen	Millions of yen	%	Yen
As of June 30, 2017	1,940,335	1,186,088	1,190,910	61.4	1,795.63
As of March 31, 2017	1,914,979	1,171,428	1,175,897	61.4	1,772.99

2. Dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	35.00	–	35.00	70.00
Year ending March 31, 2018	–				
Year ending March 31, 2018 (Forecast)		35.00	–	35.00	70.00

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

3. Forecasts of Consolidated Financial Results for Year Ending March 31, 2018

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

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	930,000	-2.6	100,000	12.4	100,000	13.9	66,000	23.4	99.51

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): None

(2) Changes in accounting policies and changes in accounting estimates

- 1) Changes in accounting policies required by IFRS: Yes
- 2) Changes in accounting policies due to other reasons: No
- 3) Changes in accounting estimates: No

Note: Please see “2. Condensed Interim Consolidated Financial Statements, (5) Notes to Condensed Interim Consolidated Financial Statements, Changes in Accounting Policies” on page 18

(3) Number of ordinary shares issued

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

As of June 30, 2017	709,011,343 shares
As of March 31, 2017	709,011,343 shares

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

As of June 30, 2017	45,782,750 shares
As of March 31, 2017	45,783,623 shares

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

Three months ended June 30, 2017	663,227,861 shares
Three months ended June 30, 2016	683,300,008 shares

* This quarterly financial results summary is not subject to quarterly review procedures

*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 the Company 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 Three Months (3) Information about Forecasts of Consolidated financial Results and Other Forward-Looking Statements” on page 10 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]

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

	Three months ended June30, 2016	Three months ended June 30, 2017	YoY change
Revenue	240,972	239,103	-1,868 -0.8%
Operating profit	47,255	40,272	-6,982 -14.8%
Profit before tax	45,202	42,236	-2,965 -6.6%
Profit attributable to owners of the Company	30,601	29,152	-1,449 -4.7%
Total comprehensive income	-18,156	37,886	56,043 -

<Revenue of global mainstay products>

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

Product name	Three months ended June30, 2016	Three months ended June 30, 2017	YoY change
<i>Olmesartan</i> antihypertensive agent	65,689	42,841	-22,848 -34.8%
<i>Edoxaban</i> anticoagulant	7,328	15,306	7,977 108.9%
<i>Prasugrel</i> antiplatelet agent	10,892	11,548	656 6.0%

<Selling, general and administrative expenses>

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

	Three months ended June30, 2016	Three months ended June 30, 2017	YoY change
Selling, general and administrative expenses	69,494	70,779	1,284 1.8%
Ratio of selling, general and administrative expenses to revenue	28.8%	29.6%	0.8%

<Research and development expenses>

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

	Three months ended June30, 2016	Three months ended June 30, 2017	YoY change
Research and development expenses	46,601	47,975	1,374 2.9%
Ratio of research and development expenses to revenue	19.3%	20.1%	0.7%

<Yen exchange rates for major currencies (average rate during the period)>

(Yen)

	Three months ended June30, 2016	Three months ended June 30, 2017
USD/Yen	108.25	111.10
EUR/Yen	122.17	122.19

a. Revenue

- Revenue in the first three months of the year ending March 31, 2018 decreased by ¥1.9 billion, or 0.8% year on year, to ¥239.1 billion.
- The negative effect by decrease in sales of *Olmесartan* due to the loss of exclusivity in the U.S. and EU mainly led to a decline in revenue, despite growth in sales of mainstay products such as *Edoxaban*.
- The positive effects on revenue stemming from ongoing yen depreciation were ¥1.8 billion in total.

b. Operating profit

- Operating profit decreased by ¥7.0 billion, or 14.8% year on year, to ¥40.3 billion.
- Gross profit decreased by ¥4.3 billion, or 2.6% year on year, to ¥159.0 billion due to an increase in cost of sales mainly as a result of change in the product mix, in addition to a decrease in revenue.
- Selling, general and administrative expenses were ¥70.8 billion and research and development expenses were ¥48.0 billion, approximately the same level as the same period of the previous fiscal year (both increased year on year by 1.8% and 2.9%, respectively).
- The positive effects on operating profit stemming from yen depreciation were ¥0.1 billion in total.

c. Profit before tax

- Profit before tax decreased by ¥3.0 billion, or 6.6% year on year, to ¥42.2 billion.
- The decrease in profit before tax was not as substantial as the decrease in operating profit mainly due to an improvement of loss (gain) on exchange differences relating to assets denominated in foreign currencies.

d. Profit attributable to owners of the Company

- Profit attributable to owners of the Company decreased by ¥1.4 billion, or 4.7% year on year, to ¥29.2 billion.

e. Total comprehensive income

- Total comprehensive income increased by ¥56.0 billion to ¥37.9 billion (negative ¥18.2 billion in the same period of the previous fiscal year).
- Total comprehensive income increased significantly in comparison with the same period of the previous fiscal year mainly due to an improvement in foreign currency exchange differences related to overseas subsidiaries' net assets.

[Revenue by Geographic Area]

Primary revenue by geographic area is as follows.

a. Japan

- Revenue in Japan increased by 6.3% year on year to ¥146.9 billion.

[Prescription drugs business]

- Revenue from prescription drug business increased by 5.4% year on year to ¥130.0 billion. The increase is attributable to growth in sales of mainstay products such as *LIXIANA*, *NEXIUM*, and *TENELIA*, despite a decline in sales of *Olmotec* and negative effects on sales of long-listed products as a result of the growing numbers of prescriptions of generic drugs. This revenue also includes revenue generated by the generic pharmaceutical business of Daiichi Sankyo Espha Co., Ltd., and revenue generated by the vaccine business of companies that include Kitasato Daiichi Sankyo Vaccine Co., Ltd., Japan Vaccine Co., Ltd., etc.
- In June 2017, Daiichi Sankyo has launched *Narurapid* tablets (immediate release formulation) and *Narusus* tablets (extended release formulation) for cancer pain treatment, whose principal ingredients are hydromorphone hydrochloride.
- In June 2017, Daiichi Sankyo Espha Co., Ltd. has launched three authorized generic drugs (Original brand name: *Micardis* tablets, *Micamlo* Combination tablets and *Micombi* Combination tablets).

[Healthcare (OTC) products business]

- Revenue from the healthcare (OTC) products business increased by 13.8% year on year to ¥16.8 billion. The increase is attributable to growth in sales including those of the *MINON* series and *Loxonin S* series handled by Daiichi Sankyo Healthcare Co., Ltd..

<Primary revenue composition in Japan>

(Billions of yen; all amounts have been rounded to the nearest single decimal place.)

	Three months ended June30, 2016	Three months ended June 30, 2017	YoY change
Prescription drug business*	123.4	130.0	6.6 5.4%
Healthcare (OTC) products business	14.8	16.8	2.0 13.8%

* Includes generic pharmaceutical business and vaccine business.

<Domestic revenue from mainstay prescription drugs>

(Billions of yen; all amounts have been rounded to the nearest single decimal place.)

Product name	Three months ended June30, 2016	Three months ended June 30, 2017	YoY change
<i>NEXIUM</i> ulcer treatment	21.0	22.6	1.5 7.4%
<i>Memary</i> Alzheimer's disease treatment	12.1	12.5	0.4 3.3%
<i>Olmotec</i> antihypertensive agent	18.3	16.8	-1.4 -7.9%
<i>LIXIANA</i> anticoagulant	5.5	9.4	3.9 69.9%
<i>Loxonin</i> anti-inflammatory analgesic	10.3	9.6	-0.7 -7.2%
<i>TENELIA</i> type 2 diabetes mellitus treatment	6.7	7.6	0.9 14.3%
<i>PRALIA</i> treatment for osteoporosis	4.1	5.5	1.4 33.6%
<i>Rezaltas</i> antihypertensive agent	4.7	4.5	-0.2 -3.7%
<i>RANMARK</i> treatment for bone complications caused by bone metastases from tumors	3.4	3.8	0.4 12.0%
<i>Efient</i> antiplatelet agent	2.5	3.3	0.8 33.8%
<i>Inavir</i> anti-influenza treatment	0.6	0.7	0.2 28.7%
<i>Cravit</i> synthetic antibacterial agent	3.8	3.3	-0.4 -11.9%
<i>Urief</i> treatment for dysuria	3.0	2.9	-0.1 -3.7%
<i>Omnipaque</i> contrast medium	3.7	3.6	-0.0 -0.6%
<i>Mevalotin</i> antihyperlipidemic agent	2.9	2.4	-0.5 -16.5%

b. North America

- Revenue in North America decreased by 16.2% year on year to ¥52.6 billion. Revenue in local currency terms decreased by 18.3% to US\$473 million. This revenue includes revenue generated by Daiichi Sankyo, Inc., and Luitpold Pharmaceuticals, Inc..
- At Daiichi Sankyo, Inc., sales of *Olmесartan* and its combination drugs declined.
- In May 2017, Daiichi Sankyo, Inc. has determined that it will lead the U.S. commercialization of *RoxyBond*, FDA-approved oxycodone hydrochloride immediate-release tablets which is an abuse-deterrent opioid analgesic owned by Inspirion Delivery Sciences, LLC (Inspirion). Daiichi Sankyo, Inc. will lead the commercialization of the co-promotion with Inspirion.
- At Luitpold Pharmaceuticals, Inc., sales of *Injectafer* increased.

<Revenue of Daiichi Sankyo, Inc. mainstay products>

(Millions of US\$; all amounts have been rounded to the nearest million US\$.)

Product name	Three months ended June30, 2016	Three months ended June 30, 2017	YoY change
<i>Olmесartan</i> * antihypertensive agent	214	61	-153 -71.5%
<i>Welchol</i> hypercholesterolemia treatment/ type 2 diabetes mellitus inhibitor	92	91	-1 -1.1%
<i>Effient</i> antiplatelet agent	55	55	-0 -0.6%
<i>SAVAYSA</i> anticoagulant	3	4	2 57.4%
<i>MOVANTIK</i> opioid-induced constipation treatment	8	12	4 42.7%

* *Benicar/Benicar HCT, AZOR, TRIBENZOR* and authorized generics for *Olmесartan*

<Revenue of Luitpold Pharmaceuticals, Inc. mainstay products>

(Millions of US\$; all amounts have been rounded to the nearest million US\$.)

Product name	Three months ended June30, 2016	Three months ended June 30, 2017	YoY change
<i>Venofer</i> treatment for iron deficiency anemia	68	67	-2 -2.4%
<i>Injectafer</i> treatment for iron deficiency anemia	55	72	18 32.4%

c. Europe

- Revenue in Europe decreased by 9.4% year on year to ¥18.5 billion. Revenue in local currency terms decreased by 9.4% to EUR152 million.
- Sales of *LIXIANA* increased, though sales of *Olmесartan* and its combination drugs declined.

<Revenue of Daiichi Sankyo Europe GmbH mainstay products>

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

Product name	Three months ended June30, 2016	Three months ended June 30, 2017	YoY change
<i>Olmесartan</i> * antihypertensive agent	114	73	-41 -35.8%
<i>Efient</i> antiplatelet agent	19	16	-3 -17.0%
<i>LIXIANA</i> anticoagulant	12	40	28 238.5%

* *Olmetec/Olmetec Plus, Sevikar* and *Sevikar HCT*

d. Asia, South & Central America

- Revenue in Asia, South & Central America increased by 7.0% year on year to ¥19.0 billion.
- Mainstay products such as synthetic antibacterial agent *Cravit* grew in China.
- Mainstay products such as anticoagulant *LIXIANA* grew in South Korea.

2) R&D Activities

- Daiichi Sankyo Group (The Group) has established its 2025 Vision of being a “Global Pharma Innovator with Competitive Advantage in Oncology.”
- The Group established antibody drug conjugates (ADC) and acute myeloid leukemia (AML) as two franchises as for oncology which is the primary focused area, and is working on strategic research and development activities.
In addition, the Group positioned pain, central nervous system diseases, heart and kidney diseases, and rare diseases as new horizon areas, and are working to accelerate the speed of research and increase productivity.
- The Group is trying to generate innovative medicine that transforms standards of care (SOC) utilizing partnering, open innovation and translational research in the research and early-stage of development.
As for the late-stage of development, the Group is developing drugs in pain field in addition to oncology and cardiovascular-metabolics.
The Group is continuously undertaking life cycle management activities particularly in the field of cardiovascular-metabolics.
- In April 2017, Biologics Division was newly established which has integrated functions for biologics’ modality research (drug discovery technology research for all compounds excluding small molecules, such as antibodies, antibody drug conjugates, peptides, and nucleic acid etc.) and production technology research and development.
By building a seamless and coordinated structure for biologics’ discovery, investigational products supply and commercial production preparation, the Group accelerates diversified modalities’ design, production technology infrastructure establishment, and the research and development of biologics, including antibody drug conjugate, *DS-8201*.
- The following section describes the Group’s major development projects and progress made in each project.

[Daiichi Sankyo Major Development Projects]

a. Edoxaban

- *Edoxaban* has been on the Japanese market since 2011 under the brand name *LIXIANA* with indication for the prevention of venous thromboembolism (VTE) after major orthopedic surgery. In 2014, the product also received approval in Japan for additional indications for the prevention of ischemic stroke and systemic embolism in patients with non-valvular atrial fibrillation (AF), and for the treatment and prevention of recurrence of VTE (deep vein thrombosis (DVT) and pulmonary embolism (PE)).
- As for overseas, *Edoxaban* has received marketing approval in over 20 countries including the U.S., Europe and Asia regions, and further initiatives for the marketing area expansion are underway.
- In terms of life cycle management, the Group initiated randomized controlled trials (ENVISAGE-TAVI AF study) in patients with atrial fibrillation undergoing transcatheter aortic valve implantation in Europe and the U.S. in April 2017.

b. Denosumab

- *Denosumab* has been on the Japanese market under the brand name *RANMARK*, since 2012 with indications for the treatment of bone complications stemming from multiple myeloma or bone metastases from solid tumors, and since 2014 with indications for the treatment of giant cell tumors of bone (GCTB). In 2013, manufacturing and marketing approval was received for the treatment for osteoporosis in Japan, where it has been on the market under the brand name *PRALIA*.

- As for *PRALIA*, Phase III clinical trials involving patients with rheumatoid arthritis (RA) has been concluded in Japan, and an application for approval of additional indication was filed in September 2016.
- As for *RANMARK*, global Phase III clinical trials for postoperative adjuvant breast cancer therapy.

c. Quizartinib

- Phase III clinical trials are underway in Europe, the U.S. and Asia to obtain approval for indication as second-line treatment and first-line treatment in patients with FLT3-ITD+ acute myeloid leukemia (AML).

d. Pexidartinib

- *Pexidartinib* was granted Breakthrough Therapy designation by the U.S. Food and Drug Administration (FDA) for the treatment of tenosynovial giant cell tumor (TGCT) in October 2015. A Phase III clinical trial is underway in Europe and the U.S. in TGCT patients.
- Phase I/IIa trials are being conducted to evaluate its efficacy in cancer patients with advanced solid tumors as combination therapies with other drugs, such as anti-PD-1 antibodies.

e. DS-8201

- The FDA has granted Fast Track designation to *DS-8201* for the treatment of HER2-positive metastatic breast cancer in December 2016. The preliminary results of second part (expansion study) of the ongoing Phase I clinical trial, which is underway in Japan and the U.S., to further evaluate the safety and efficacy of *DS-8201* in four different arms of HER2-positive cancers were presented at the American Society of Clinical Oncology (ASCO) in June 2017.

f. Mirogabalin

- The top-line results of two Phase III clinical trials to evaluate the efficacy of *mirogabalin* in patients with pain were announced in June 2017. As for clinical trial in patients with postherpetic neuralgia (PHN) in Japan and Asia, *mirogabalin* met the primary efficacy endpoint. On the other hand, with regards to clinical trial in patients with fibromyalgia (FM) in Europe and the U.S., *mirogabalin* did not meet the primary efficacy endpoint.
- The Phase III clinical trial in patients with diabetic peripheral neuropathic pain (DPNP) is underway in Japan and Asia.

[Major R&D Alliances]

a. DS-5141

- Duchenne muscular dystrophy treatment drug, *DS-5141*, whose Phase I/II clinical trial is jointly underway in Japan with Orphan Disease Treatment Institute Co., Ltd., was designated under the SAKIGAKE Designation System in April 2017.

(2) Information about Financial Position

- Total assets as of June 30, 2017 are ¥1,940.3 billion, an increase of ¥25.4 billion from the previous fiscal year-end, mainly due to an increase in other financial assets (non-current assets).
- Total liabilities as of June 30, 2017 are ¥754.2 billion, an increase of ¥10.7 billion from the previous fiscal year-end, mainly due to an increase in provisions which was partially offset by a decrease in trade and other payables.
- Total equity as of June 30, 2017 is ¥1,186.1 billion, an increase of ¥14.7 billion from the previous fiscal year-end, mainly because of the profit for the period and an increase in the other components of equity which was offset by an increase in dividends paid.
- The ratio of equity attributable to owners of the Company to total assets is 61.4%, approximately the same level as 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 fiscal year ending March 31, 2018 publicly announced on April 28, 2017.

2. Condensed Interim Consolidated Financial Statements with Primary Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
ASSETS		
Current assets		
Cash and cash equivalents	246,050	265,216
Trade and other receivables	231,867	236,583
Other financial assets	552,896	504,867
Inventories	153,138	165,314
Other current assets	10,461	12,213
Subtotal	1,194,414	1,184,196
Assets held for sale	3,374	2,550
Total current assets	1,197,788	1,186,746
Non-current assets		
Property, plant and equipment	217,772	216,742
Goodwill	78,446	78,346
Intangible assets	217,044	217,920
Investments accounted for using the equity method	1,424	1,248
Other financial assets	140,856	181,391
Deferred tax assets	53,502	50,052
Other non-current assets	8,143	7,887
Total non-current assets	717,190	753,588
Total assets	1,914,979	1,940,335

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	219,759	194,666
Other financial liabilities	535	519
Income taxes payable	57,955	60,418
Provisions	41,223	37,627
Other current liabilities	6,285	8,560
Subtotal	325,758	301,792
Liabilities directly associated with assets held for sale	1,058	1,058
Total current liabilities	326,817	302,851
Non-current liabilities		
Bonds and borrowings	280,543	280,548
Other financial liabilities	9,069	12,134
Post-employment benefit liabilities	11,381	11,650
Provisions	16,350	49,571
Deferred tax liabilities	32,294	31,983
Other non-current liabilities	67,093	65,506
Total non-current liabilities	416,733	451,395
Total liabilities	743,550	754,247
Equity		
Equity attributable to owners of the Company		
Share capital	50,000	50,000
Capital surplus	103,750	103,750
Treasury shares	(113,952)	(113,949)
Other components of equity	124,489	133,702
Retained earnings	1,011,610	1,017,407
Total equity attributable to owners of the Company	1,175,897	1,190,910
Non-controlling interests		
Non-controlling interests	(4,469)	(4,822)
Total equity	1,171,428	1,186,088
Total liabilities and equity	1,914,979	1,940,335

(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 yen)

	Three months ended June30, 2016	Three months ended June 30, 2017
Revenue	240,972	239,103
Cost of sales	77,620	80,074
Gross profit	163,351	159,028
Selling, general and administrative expenses	69,494	70,779
Research and development expenses	46,601	47,975
Operating profit	47,255	40,272
Financial income	1,924	3,530
Financial expenses	3,774	1,431
Share of profit (loss) of investments accounted for using the equity method	(202)	(135)
Profit before tax	45,202	42,236
Income taxes	15,116	13,428
Profit for the period	30,085	28,808
Profit attributable to:		
Owners of the Company	30,601	29,152
Non-controlling interests	(515)	(344)
Profit for the period	30,085	28,808
Earnings per share		
Basic earnings per share (Yen)	44.78	43.96
Diluted earnings per share (Yen)	44.69	43.85

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit for the period	30,085	28,808
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(7,394)	4,302
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(40,847)	4,776
Other comprehensive income (loss) for the period	(48,241)	9,078
Total comprehensive income (loss) for the period	(18,156)	37,886
Total comprehensive income attributable to:		
Owners of the Company	(17,640)	38,231
Non-controlling interests	(515)	(344)
Total comprehensive income (loss) for the period	(18,156)	37,886

(3) Condensed Interim Consolidated Statement of Changes in Equity

Three months ended June 30, 2016

	(Millions of yen)					
	Equity attributable to owners of the Company					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
Subscription rights to shares				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	
Balance as of April 1, 2016	50,000	103,927	(64,155)	1,935	75,195	69,586
Profit for the period	–	–	–	–	–	–
Other comprehensive income (loss) for the period	–	–	–	–	(40,847)	(7,394)
Total comprehensive income (loss) for the period	–	–	–	–	(40,847)	(7,394)
Purchase of treasury shares	–	(10)	(7,330)	–	–	–
Cancellation of treasury shares	–	0	5	(5)	–	–
Dividends	–	–	–	–	–	–
Acquisition of non-controlling interests	–	(107)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	(5)
Others	–	–	–	–	–	–
Total transactions with owners of the Company	–	(117)	(7,325)	(5)	–	(5)
Balance as of June 30, 2016	50,000	103,809	(71,481)	1,930	34,347	62,186

	(Millions of yen)				
	Equity attributable to owners of the Company				
	Other components of equity	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as of April 1, 2016	146,717	994,916	1,231,406	2,115	1,233,521
Profit for the period	–	30,601	30,601	(515)	30,085
Other comprehensive income (loss) for the period	(48,241)	–	(48,241)	–	(48,241)
Total comprehensive income (loss) for the period	(48,241)	30,601	(17,640)	(515)	(18,156)
Purchase of treasury shares	–	–	(7,340)	–	(7,340)
Cancellation of treasury shares	(5)	–	0	–	0
Dividends	–	(20,501)	(20,501)	–	(20,501)
Acquisition of non-controlling interests	–	–	(107)	(600)	(708)
Transfer from other components of equity to retained earnings	(5)	5	–	–	–
Others	–	–	–	(7)	(7)
Total transactions with owners of the Company	(10)	(20,496)	(27,950)	(608)	(28,558)
Balance as of June 30, 2016	98,465	1,005,021	1,185,815	991	1,186,806

Three months ended June 30, 2017

(Millions of yen)

	Equity attributable to owners of the Company					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Subscription rights to shares	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2017	50,000	103,750	(113,952)	2,067	67,568	54,853
Profit for the period	-	-	-	-	-	-
Other comprehensive income (loss) for the period	-	-	-	-	4,776	4,302
Total comprehensive income (loss) for the period	-	-	-	-	4,776	4,302
Purchase of treasury shares	-	-	(5)	-	-	-
Cancellation of treasury shares	-	-	7	(3)	-	-
Dividends	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	138
Others	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	2	(3)	-	138
Balance as of June 30, 2017	50,000	103,750	(113,949)	2,063	72,345	59,293

(Millions of yen)

	Equity attributable to owners of the Company				
	Other components of equity	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Total other components of equity				
Balance as of April 1, 2017	124,489	1,011,610	1,175,897	(4,469)	1,171,428
Profit for the period	-	29,152	29,152	(344)	28,808
Other comprehensive income (loss) for the period	9,078	-	9,078	-	9,078
Total comprehensive income (loss) for the period	9,078	29,152	38,231	(344)	37,886
Purchase of treasury shares	-	-	(5)	-	(5)
Cancellation of treasury shares	(3)	(3)	0	-	0
Dividends	-	(23,212)	(23,212)	-	(23,212)
Transfer from other components of equity to retained earnings	138	(138)	-	-	-
Others	-	-	-	(8)	(8)
Total transactions with owners of the Company	134	(23,355)	(23,218)	(8)	(23,226)
Balance as of June 30, 2017	133,702	1,017,407	1,190,910	(4,822)	1,186,088

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Cash flows from operating activities		
Profit before tax	45,202	42,236
Depreciation and amortization	10,856	10,615
Impairment loss	36	888
Financial income	(1,924)	(3,530)
Financial expenses	3,774	1,431
Share of (profit) loss of investments accounted for using the equity method	202	135
(Gain) loss on sale and disposal of non-current assets	178	(696)
(Increase) decrease in trade and other receivables	(9,640)	(3,271)
(Increase) decrease in inventories	(6,716)	(11,252)
Increase (decrease) in trade and other payables	(638)	(24,525)
Others, net	(3,696)	(3,701)
Subtotal	37,633	8,328
Interest and dividends received	2,197	1,679
Interest paid	(371)	(376)
Income taxes paid	(6,505)	(9,967)
Net cash flows from operating activities	32,953	(335)
Cash flows from investing activities		
Payments into time deposits	(132,675)	(276,962)
Proceeds from maturities of time deposits	142,952	312,171
Acquisition of securities	(53,612)	(21,231)
Proceeds from sale of securities	100,569	34,871
Acquisitions of property, plant and equipment	(4,703)	(6,236)
Proceeds from sale of property, plant and equipment	67	121
Acquisition of intangible assets	(2,259)	(3,297)
Payments for loans receivable	(37)	(266)
Proceeds from collection of loans receivable	616	214
Other, net	(548)	694
Net cash flows from investing activities	50,367	40,080
Cash flows from financing activities		
Purchase of treasury shares	(7,340)	(5)
Proceeds from sale of treasury shares	0	0
Dividends paid	(20,540)	(23,247)
Others, net	(6,836)	(138)
Net cash flows from financing activities	(34,718)	(23,391)
Net increase (decrease) in cash and cash equivalents	48,602	16,353
Cash and cash equivalents at the beginning of the period	222,159	246,050
Effect of exchange rate changes on cash and cash equivalents	(11,875)	2,812
Cash and cash equivalents at the end of the period	258,886	265,216

(5) Notes to Condensed Interim Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Significant Subsidiaries during the Period

Not applicable.

Changes in Accounting Policies

The significant accounting policies adopted in preparing the condensed interim consolidated financial statements of the Group have not changed from the prior year except for the adoption of the following amended accounting standards. In the year ending March 31, 2018, the Group adopted the following accounting standards in accordance with their effective date. These amended accounting standards did not have a material impact on the condensed interim consolidated financial statements.

IFRS		Overview
IAS 7	Statement of Cash Flows	Amendments to disclosure requirements for changes in liabilities arising from financing activities
IAS 12	Income Taxes	Amendment to clarify the recognition of deferred tax assets for unrealized losses