

Chapter 4

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Consolidated Statement of Financial Position

(Unit: million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	60,933	47,044
Trade receivables	69,280	73,802
Inventories	51,732	52,651
Other financial assets	2,321	4,775
Other current assets	13,314	9,575
Total current assets	197,583	187,849
Non-current assets		
Property, plant and equipment	47,593	49,708
Goodwill	199,707	208,719
Intangible assets	91,123	91,388
Investments accounted for using equity method	3,697	2,188
Other financial assets	16,107	13,987
Deferred tax assets	4,425	7,058
Other non-current assets	1,328	3,426
Total non-current assets	363,984	376,477
Total assets	561,567	564,327
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	65,639	69,881
Borrowings	30,212	36,922
Income taxes payable	2,393	2,311
Provisions	4,715	6,587
Other financial liabilities	5,554	6,251
Other current liabilities	21,325	25,445
Total current liabilities	129,842	147,400
Non-current liabilities		
Trade and other payables	1,230	847
Borrowings	262,403	248,123
Retirement benefit liability	7,875	5,709
Provisions	3,180	3,431
Other financial liabilities	9,225	9,200
Deferred tax liabilities	7,312	9,109
Other non-current liabilities	1,670	1,340
Total non-current liabilities	292,898	277,763
Total liabilities	422,740	425,163
Equity		
Share capital	47,946	48,423
Capital surplus	43,641	41,797
Retained earnings	17,081	(2,773)
Treasury shares	(568)	(568)
Other components of equity	29,906	52,635
Equity attributable to owners of the parent	138,008	139,515
Non-controlling interests	819	(351)
Total equity	138,827	139,163
Total liabilities and equity	561,567	564,327

Consolidated Statement of Profit or Loss

(Unit: million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Revenue	356,434	353,900
Cost of sales	187,302	195,925
Gross profit	169,132	157,975
Selling, general and administrative expenses	140,657	149,663
Other income	1,656	6,254
Other expenses	9,616	12,828
Share of profit (loss) of investments accounted for using equity method	(514)	(170)
Operating profit	20,000	1,566
Finance income	411	648
Finance costs	20,231	15,464
Profit (loss) before taxes	179	(13,249)
Income tax expense	3,228	△391
Profit (loss)	(3,048)	(12,857)
Profit (loss) attributable to		
Owners of the parent	(3,222)	(12,893)
Non-controlling interests	173	35
Earnings (loss) per share		
Basic earnings per share attributable to owners of the parent (Unit: JPY)	(25.84)	(102.48)
Diluted earnings per share attributable to owners of the parent (Unit: JPY)	(25.84)	(102.48)

Consolidated Statement of Comprehensive Income

(Unit: million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit (loss)	(3,048)	(12,857)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurements of defined benefit plans	614	1,853
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	179	(1,471)
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	39	49
Exchange differences on translation of foreign operations	13,056	24,664
Share of other comprehensive income of investments accounted for using equity method	333	(297)
Other comprehensive income, net of taxes	14,223	24,798
Comprehensive income	11,174	11,940
Comprehensive income attributable to		
Owners of the parent	10,933	11,878
Non-controlling interests	241	61
Comprehensive income	11,174	11,940

Consolidated Statement of Changes in Equity

(Unit: million yen)

	Equity attributable to owners of the parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Re-measurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Effective portion of cash flow hedges
As of April 1, 2022	47,065	44,118	28,353	(568)	—	412	(92)
Comprehensive income							
Profit (loss)	—	—	(3,222)	—	—	—	—
Other comprehensive income	—	—	—	—	614	179	39
Total comprehensive income	—	—	Δ3,222	—	614	179	39
Issuance of new shares	881	(431)	—	—	—	—	—
Dividends to owners of the parent	—	—	(9,201)	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	—
Forfeiture of share acquisition rights and Restricted Stock Unit	—	(500)	496	—	—	—	—
Share-based payment transactions	—	455	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	655	—	(614)	(41)	—
Other	—	—	—	—	—	—	—
Transactions with the owners	881	(476)	(8,049)	—	(614)	(41)	—
As of March 31, 2023	47,946	43,641	17,081	(568)	—	550	(52)
Comprehensive income							
Profit (loss)	—	—	(12,893)	—	—	—	—
Other comprehensive income	—	—	—	—	1,853	(1,471)	49
Total comprehensive income	—	—	(12,893)	—	1,853	(1,471)	49
Issuance of new shares	476	(249)	—	—	—	—	—
Dividends to owners of the parent	—	—	(9,043)	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	—
Forfeiture of share acquisition rights and Restricted Stock Unit	—	(34)	34	—	—	—	—
Share-based payment transactions	—	7	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	(1,566)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	2,043	—	(1,853)	(190)	—
Other	—	—	3	—	—	—	—
Transactions with the owners	476	(1,843)	(6,961)	—	(1,853)	(190)	—
As of March 31, 2024	48,423	41,797	(2,773)	Δ568	—	(1,110)	(3)

(Unit: million yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total
	Other components of equity			Total		
	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using equity method	Total			
As of April 1, 2022	15,753	333	16,406	135,374	690	136,065
Comprehensive income						
Profit (loss)	—	—	—	(3,222)	173	(3,048)
Other comprehensive income	12,989	333	14,156	14,156	67	14,223
Total comprehensive income	12,989	333	14,156	10,933	241	11,174
Issuance of new shares	—	—	—	450	—	450
Dividends to owners of the parent	—	—	—	(9,201)	—	(9,201)
Dividends to non-controlling interests	—	—	—	—	(112)	(112)
Forfeiture of share acquisition rights and Restricted Stock Unit	—	—	—	(4)	—	(4)
Share-based payment transactions	—	—	—	455	—	455
Changes in ownership interest in subsidiaries	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(655)	—	—	—
Other	—	—	—	—	—	—
Transactions with the owners	—	—	(655)	(8,300)	(112)	(8,412)
As of March 31, 2023	28,742	666	29,906	138,008	819	138,827
Comprehensive income						
Profit (loss)	—	—	—	(12,893)	35	(12,857)
Other comprehensive income	24,638	(297)	24,772	24,772	25	24,798
Total comprehensive income	24,638	(297)	24,772	11,878	61	11,940
Issuance of new shares	—	—	—	227	—	227
Dividends to owners of the parent	—	—	—	(9,043)	—	(9,043)
Dividends to non-controlling interests	—	—	—	—	(187)	(187)
Forfeiture of share acquisition rights and Restricted Stock Unit	—	—	—	(0)	—	(0)
Share-based payment transactions	—	—	—	7	—	7
Changes in ownership interest in subsidiaries	—	—	—	(1,566)	(1,044)	(2,611)
Transfer from other components of equity to retained earnings	—	—	(2,043)	—	—	—
Other	—	—	—	3	—	3
Transactions with the owners	—	—	(2,043)	(10,372)	(1,232)	(11,604)
As of March 31, 2024	53,380	369	52,635	139,515	(351)	139,163

Consolidated Statement of Cash Flows

(Unit: million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before taxes	179	(13,249)
Depreciation	29,015	27,933
Impairment losses	9,568	16,657
(Gain) or loss from financial assets measured at fair value through profit or loss	9,088	(247)
Interest expenses	6,814	8,771
Decrease (increase) in trade receivables	(969)	3,062
Decrease (increase) in inventories	(4,493)	4,369
Increase (decrease) in trade payables	(7,424)	(1,476)
Other	(1,544)	894
Subtotal	40,235	46,715
Interest and dividends received	761	682
Interest paid	(5,177)	(5,939)
Income taxes paid	(15,403)	(6,849)
Income taxes refund	960	6,694
Net cash provided by operating activities	21,376	41,304
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(11,516)	(14,630)
Proceeds from sales of property, plant and equipment, and intangible assets	297	351
Payments for acquisition of subsidiaries resulting in change in scope of consolidation	(1,797)	(11,500)
Purchase of investments accounted for using equity method	(441)	(351)
Proceeds from sale of investments accounted for using equity method	—	3,821
Purchase of investments	(3,064)	—
Other	(998)	1,236
Net cash used in investing activities	(17,520)	(21,072)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(265)	5,000
Proceeds from long-term borrowings	—	62,215
Repayments of long-term borrowings	(25,931)	(88,241)
Repayments of lease liabilities	(5,749)	(6,180)
Proceeds from issuance of shares	450	231
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(2,611)
Dividends paid to owners of the parent	(9,196)	(9,040)
Other	(139)	(511)
Net cash used in financing activities	(40,832)	(39,139)
Effect of exchange rate changes on cash and cash equivalents	2,676	5,017
Net increase (decrease) in cash and cash equivalents	(34,298)	(13,889)
Beginning balance of cash and cash equivalents	95,232	60,933
Ending balance of cash and cash equivalents	60,933	47,044

List of Main Companies (as of June 30, 2024)

*Production facilities

Region	Country	English name	Production ratio (including indirect shipping through subsidiaries)	Main business content
Japan	Japan	PHC Corporation	100%	Development, manufacturing, and sales of various healthcare devices and services *Gunma, Chiba, Tokushima, Ehime
	Japan	LSI Medience Corporation	100%	Clinical testing business *Tokyo
	Japan	Wemex Corporation	100%	Healthcare Solutions business
	Japan	Mediford Corporation	100%	Drug discovery support business *Ibaraki, Kumamoto
	Japan	Wemex Healthcare Systems Corporation	100%	Healthcare Solutions business
North America	Canada	Ascensia Diabetes Care Canada Inc.	100%	Sales of diabetes care products and provision of services
	USA	Ascensia Diabetes Care US, Inc.	100%	Sales of diabetes care products and provision of services
	USA	New Erie Scientific LLC	100%	Development, manufacturing, and sales of slide glass for the pathology business *Portsmouth
	USA	Richard-Allan Scientific LLC	100%	Overseas development and manufacturing base for the pathology business's pathology and diagnosis products *Kalamazoo
	USA	PHC Corporation of North America	100%	Sales and maintenance services for PHCbi products in North America

PHC Group Overview and Vision

PHC Group Business Strategy

PHC Group Sustainability

Data Section

*Production facilities

Region	Country	English name	Participating interest (including indirect shipping through subsidiaries)	Main business content
EMEA	Switzerland	Ascensia Diabetes Care Holdings AG	100%	Sales of diabetes care products and provision of services
	Germany	Ascensia Diabetes Care Deutschland GmbH	100%	Sales of diabetes care products and provision of services
	Italy	Ascensia Diabetes Care Italy S.R.L.	100%	Sales of diabetes care products and provision of services
	UK	Shandon Diagnostics Limited	100%	Manufacturing and sales of pathology equipment *Runcorn
	Netherlands	PHC Europe B.V.	100%	Sales and maintenance services for PHCbi products in Europe
APAC	Australia	Ascensia Diabetes Care Australia Pty Limited	100%	Sales of diabetes care products and provision of services
	China	Ascensia Diabetes Care Shanghai Co., Ltd.	100%	Sales of diabetes care products and provision of services
	China	Epredia Laboratory Products Manufacturing (Shanghai) Co., Ltd.	100%	Overseas development and manufacturing base for the pathology business's pathology and diagnosis products *Shanghai
	Indonesia	PT PHC Indonesia	95%	Manufacturing of diabetes care and life science products *Bekasi
	Singapore	SciMed (Asia) Pte Ltd	100%	Sales and maintenance services for life science products, including PHCbi products, in areas such as Southeast Asia, the Middle East, and Central Asia

PHC Group Overview

Company Name	PHC Holdings Corporation
Business Address/ Head Office	1-13-2 Yurakucho, Chiyoda-ku, Tokyo 100-8403, Japan (From April 1, 2024)
Founded	1969 (Founded as Matsushita Kotobuki Electronics Co., Ltd.)
Representative	President, Representative Director and CEO Kyoko Deguchi (From April 1, 2024)
Capital	48,423 million yen
Listed Market	Tokyo Stock Exchange Prime Market (TSE 6523)
Main Business	<ul style="list-style-type: none"> ● Diabetes Management ● Healthcare Solutions ● Diagnostics & Life Sciences

For more information related to this report, see the links below.

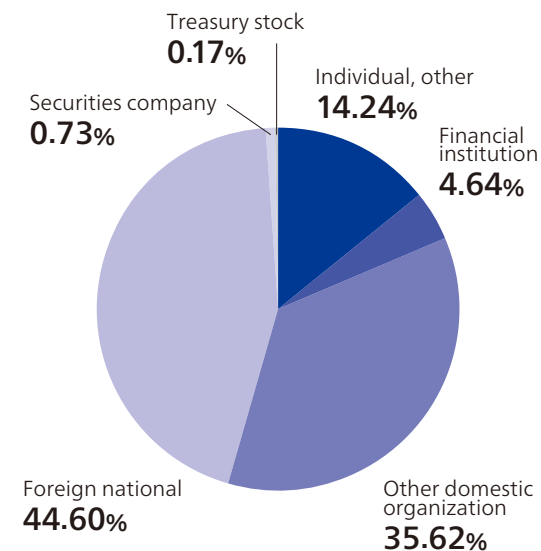
Financial information	▶ https://www.phchd.com/global/ir	
Products/services information	▶ https://www.phchd.com/global/products	
Sustainability	▶ https://www.phchd.com/global/sustainability	

Stock Information

Shares
 Total number of authorized shares 460,000,000 shares
 Total number of shares outstanding 126,244,271 shares
 Top 10 shareholders

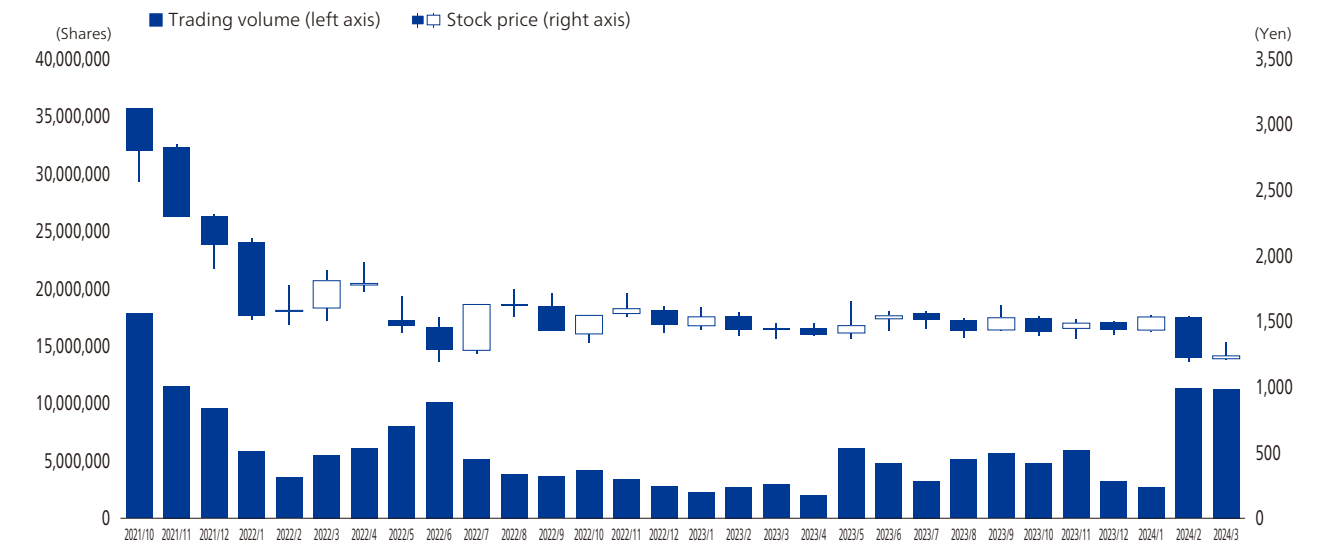
Shareholder names	Shareholding (thousand shares)	Shareholding ratio
KKR PHC Investment L.P.	47,994	38.08%
Mitsui & Co., Ltd.	21,870	17.35%
Life Science Institute, Inc.	12,297	9.76%
Panasonic Holdings Corporation	9,766	7.75%
LCA 3 Moonshot LP	5,714	4.53%
The Master Trust Bank of Japan, Ltd. (Investment account)	5,198	4.12%
PHC Holdings Employee Stock Ownership Plan	756	0.60%
Hidetomo Oka	626	0.50%
GSESL PHC CLIENT ASSET ACCOUNT	507	0.40%
Custody Bank of Japan, Ltd. (Investment account)	451	0.36%

Stock Share Distribution Status by Owner



(Note) The shareholding ratio is calculated after deducting treasury shares (211,941 shares).

Stock Price and Trading Volume Trends



Editorial Note



The main editorial members of Integrated Report 2024

Editorial Note: PHC Group Integrated Report 2024

On behalf of PHC Group, we appreciate your interest in our Integrated Report 2024. We prepared this report for our shareholders, investors, customers, and other stakeholders to introduce PHC Group in its entirety, including the depth and breadth of our interconnected businesses, our current activities and performance, and ongoing sustainability initiatives. This report also describes our medium- to long-term growth strategies and efforts to continue enhancing our corporate value. In this issue, we have expanded our content on sustainability to explore the ESG strategy we launched in 2023, including insights from our newly expanded Sustainability Promotion Office. In Chapter 1, we introduce a global sustainability roundtable discussion between PHC Group executives and employees from across our businesses. In Chapter 3, we explain in detail how our key performance indicators (KPIs) and target values for each of our 11 materiality topics are related to initiatives at each business unit and how PHC Group employees around the world are engaged in sustainability activities. Throughout the report, we have also incorporated illustrations to bring to life the corporate values that drive our Group's products and services. In future reports, we will continue our efforts to communicate the shared impact of PHC Group businesses and the synergies they create together. As a company we are committed to helping realize "Value-Based Healthcare" and contributing to the health of society, and we see this report as an opportunity to open a dialogue on these topics with our stakeholders. We hope this Integrated Report will help you better understand PHC Group and encourage you to connect with us.