

## Consolidated Financial Results during the 1st quarter of Fiscal 2007

August 3, 2007

Listed company name : Sysmex Corporation  
 Code : 6869  
 Listed stock exchanges : Tokyo Stock Exchange  
 Osaka Securities Exchange  
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### Business performance during the period April 1,2007 to June 30,2007

#### (1) Operating results

	Net Sales		Operating income		Ordinary income	
	(Unit:¥million)	(%)	(Unit:¥million)	(%)	(Unit:¥million)	(%)
1st quarter FY2007	23,649	13.5	1,700	4.3	2,522	44.1
1st quarter FY2006	20,836	5.5	1,630	-14.4	1,750	-16.0
FY2006	101,041		12,714		13,577	

  

	Net income		Net income per share	Diluted net income per share
	(Unit:¥million)	(%)	(Yen)	(Yen)
1st quarter FY2007	1,345	77.7	26.40	26.28
1st quarter FY2006	757	-41.2	15.17	14.97

*Note:*

*Percentage figures in the above tables indicate increase/decrease over the corresponding period of the previous year.*

#### (2) Financial position

	Total assets	Total equity	Equity ratio	Equity per share
	(Unit:¥million)	(Unit:¥million)	( )	(Yen)
1st quarter FY2007	102,655	74,328	72.2	1,454.16
1st quarter FY2006	84,651	63,176	73.6	1,248.12
FY2006	101,225	72,396	70.5	1,410.99

#### (3) Cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Total Cash and Cash Equivalents at end of term
	(Unit:¥million)	(Unit:¥million)	(Unit:¥million)	(Unit:¥million)
1st quarter FY2007	495	-1,449	-938	11,175
1st quarter FY2006	-19	-1,606	-622	7,143
FY2006	10,085	-6,630	-457	12,714

## 2. Dividend



## Financial performance

### 1. Performance analysis

Japanese economy has made gentle growth during this fiscal year (April 2007 till June 2007) with situation such as increase of investment at industrial economy. US economy may have a risk to stall from such as housing market or mortgage lending; European economy has been continuing a steady growth in region; Asian economy has made a growth as well. At Japanese healthcare industry, government policy for reduction of healthcare expenditure hits recession of its industry; developed countries such as US or EU region is on reduction of healthcare expenditure as well; policies for enrichment of healthcare infrastructure correspondent with high growth of economy has been continued at emerging countries such as Asian countries or China on the other hand.

Upon abovementioned circumstance, we at SYSMEX group have installed new corporate philosophy: Sysmex Way and Core Behavior to reach enough social responsibility and momentum to grow. Also we determined mid-term plan which has its function until March 2010. We clarify path and action plan during next coming three years to achieve 140 billion yen on consolidated sales, 20.5 billion yen on ordinary income in final fiscal year of mid-term management plan: 2010 as a checkpoint to reach 200 billion yen in the near future.

During this first quarterly fiscal year we have penetrated integrated sales promotion which aims to expand our business field toward veterinary and clinic segment in Japanese market. At overseas market we concluded to extend distributorship, sales and service agreement with Roche Diagnostics which contract between them had been effective since 1999 expires in 2008, until 2017. At European region, we purchased in-vitro diagnostics division of independent SYSMEX distributors in Austria, Czech Republic, Hungary and Slovakia in this April; currently we are under the process of establishment of our own entities.

We had made 23,649 million yen sales (13.5% increases from previous first quarterly fiscal year) in consolidated bases, 6,312 million yen, (10.3% decreases from previous first quarterly fiscal year) at Japanese market; 17,337 million yen (25.7% increases from previous first quarterly fiscal year) at overseas market.

As profit indices, operating income was 1,700 million yen (4.3% increases from previous first quarterly fiscal year) Ordinary income was 2,522 million yen (44.1% increases from previous first quarterly fiscal year) Net income in quarterly fiscal year was 1,345 million yen (77.7% increases from previous first quarterly fiscal year).

### 2. Balance sheet and Cash flow

(1) Total asset, total liabilities and equity\* \*note: all amount are in million yen

Amount of Total asset was 102,655; increased 1,430 from end balance of previous fiscal year. Major movement was as follows:

Decrease of Notes and account receivable: 2,347;

Increase of Inventory: 2,238;

Increase of intangible fixed assets: 1,583

Amount of Total liabilities was 28,327; decreased 501 from end balance of previous fiscal year. Major movement was as follows:

Decrease of Notes and account payable: 1,040;

Amount of equity was 74,328 increased 1,931 from end balance of previous fiscal year.

Major movement was as follows:

Increase of retained earning: 1,756

Equity ratio: 72.2%, 1.7 point increase from that of previous fiscal year: 70.5%

(2) Status of Consolidated Cash flow\*\* \*\*note: all amount are in million yen

During this quarterly fiscal year, amount of Cash and equivalents (herein after: Cash) was 11,175, 1,538 decreased from amount of previous fiscal year end; major movement is as follows:

[Cash Flow from Operation]

Cash which is earned by operating activities was 495 (-19 in previous first quarterly fiscal year), mainly due to increase of income before income taxes and minority interests: 2,540 (793 more than previous first quarterly fiscal year); decrease of notes and account receivables trade: 3,178 (1,333 more than previous first quarterly fiscal year); decrease of notes and account payable trade: 1,923 (1,242 more than previous first quarterly fiscal year).

[Cash Flow from Investment]

Cash which is spent for investing activities was 1,449 (157 less than previous first quarterly fiscal year) mainly due to acquisition of tangible fixed assets: 1,094 (143 less than previous first quarterly fiscal year).

[Cash Flow from Finance]

Cash which is spent by financing activities was 938 (316 more than previous first quarterly fiscal year) mainly due to increase of dividend paid: 1,011 (212 more than previous first quarterly fiscal year).

3. Note for consolidated financial forecast

We maintain first half year's financial forecast and fiscal year forecast which was announced on May 10<sup>th</sup> 2007.

Disclaimer:

Forecast contains current data which is built with hypothesis, and may contain future risk and uncertain events. SYSMEX may revise this forecast in the future if necessary.

4. Miscellaneous

(1) Restructuring of significant subsidiaries

No case was applied during this trimester period

(2) Simplified accounting practices on this consolidation

Recognition of income tax, enterprise tax and equivalent are booked with annual forecast rate based on effective tax rate.

(3) Alteration of accounting practice since this fiscal year

SYSMEX Corporation and its Japanese subsidiaries have altered recognition of depreciation from declining balance method to straight-line method since this fiscal year. This alteration is based on correspondence between reflection of life cost allocation of tangible fixes asset during use period, and convergence with common international accounting practice. This alteration made the following impact for financial result:

Decrease of amount of depreciation as 188 million yen;

Increase of amount of operating income as 143 million yen;

Increase of both Ordinary income and income before income taxes and minority interests as 149 million yen.

Impact on segment information is noted in the following summary of financial statements.

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