



### 3. Business forecast for the year ending March 31, 2009

(% changes as compared with the corresponding period of the previous fiscal year)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
Year ending Mar.31, 2009	114,000	3.0%	14,000	-6.9%	11,500	-20.9%	6,700	-26.6%	131.04

Note:

Revision of business forecast for this period: Yes

### 4. Other information

- (1) Changes in significant subsidiaries: No
- (2) Application of simplified accounting method and special accounting policy for quarterly financial reporting: Yes
- (3) Changes in accounting procedures
  - 1) Changes based on revisions of accounting standard: Yes
  - 2) Other changes: Yes
- (4) Number of shares outstanding (Ordinary shares)
  - 1) Number of shares outstanding at the end of each fiscal period (including treasury stock):  
51,236,308 shares as of Dec. 31, 2008; 51,203,108 shares as of Mar. 31, 2008
  - 2) Number of treasury stock at the end of each fiscal period:  
98,073 shares as of Dec. 31, 2008; 95,891 shares as of Mar. 31, 2008
  - 3) Average number of outstanding stock for each period (cumulative):  
51,127,848 shares nine months ended Dec. 31, 2008; 51,011,117 shares nine months ended Dec. 31, 2007

※ Note

The above estimates are based on information available to the company on the date of the report's announcement. Due to unforeseen circumstances, however, actual results may differ from such estimates.

## Financial performance

### 1. Performance analysis

During the first nine months of the fiscal year ending March 31, 2009 (April 1 to December 31, 2008), the Japanese economy experienced a further deceleration in its activity as the slowdown of economies around the world and rapid appreciation of the yen, both stemming from the global financial crisis, not only distressed exporters here but also undermined the domestic market as a whole. Hit directly by this financial turmoil, Western economies found themselves in a deep recession, with their real economies suffering a serious blow and job security and consumption weakening. Meanwhile, reflecting sluggish exports to Europe and North America, Asian economies also began to decelerate after the beginning of the second half of the current fiscal year.

On the healthcare front, however, the negative effects of declining economic conditions have been kept to a minimum, with demand for clinical testing remaining firm on the back of graying populations and the expansion of preventive medicine.

Under such circumstances, in October 2008 the Sysmex Group opened Technopark, our new research and development base created by roughly doubling the facilities of the Techno Center, the former R&D base. As “clinical testing” is expected to play an increasingly important role in healthcare services, we will accelerate our R&D efforts at Technopark with a view towards realizing advanced, high-value-added testing and diagnosis techniques, as should be expected from a technology-oriented company such as ourselves.

In November, our system for rapid detection of breast cancer lymph node metastasis became the first of its kind in Japan to be covered under the Japanese national health insurance program. During surgery for early breast cancer, a histopathological analysis is made by microscope in order to determine whether or not the cancer has spread to the lymph node. The detection system represents the first Japanese technology of this type to automate metastasis determination.

Overseas, we established Sysmex Middle East FZ-LLC in Dubai of the United Arab Emirates, in the hopes of strengthening our sales and support in the Middle East and Persian Gulf region. The affiliate has since been actively engaged in sales and after-sales support to local distributors, marketing, and academic activities.

In Japan, we have continued to focus on providing solutions in the midst of these difficult market conditions. In April 2008, we formed a commercial joint venture with bioMérieux of France, a world leader in the field of microbiology testing, to begin performing sales and customer service activities for their Japanese subsidiary (subsequently renamed as Sysmex bioMérieux Co., Ltd.). With additional revenues from this partnership, our net sales were 24,222 million yen (up 2.8% from the same period of the previous fiscal year).

In the Americas, we are maintaining high growth thanks to the expansion of our direct sales territories in the US and Canada. In the Latin American market, we made continued efforts to expand our business with a focus on systems sales. In Europe, we promoted the switchover to the direct sales and support system in France, and also worked to develop our business systems in the Middle East. In China and the Asia Pacific region, we promoted development of the direct

sales and support system and proceeded with systems sales. Our overseas sales recorded high growth on a local currency basis, more than making up for the negative effect of the yen's rapid appreciation. As a result, overseas sales of the Sysmex Group increased to 56,413 million yen (up 3.0% from the same period of the previous fiscal year), with the result that the overseas sales ratio reached 70.0% (up 0.1 percentage points from the same period of the previous fiscal year).

Our consolidated performance for the first nine months of the fiscal year ending March 31, 2009 amounted to: net sales of 80,636 million yen (up 2.9% from the same period of the previous fiscal year), operating income of 10,088 million yen (up 2.9%), ordinary income of 7,886 million yen (down 24.6%), and net income of 4,611 million yen (down 30.2%).

Year-on-year comparisons of our consolidated performance are shown above for reference purposes.

## Performance by geographical segments

### (1) Japan

Continuing our drive to provide solutions catering to the specific demands of customers with a focus on central hospitals, we recorded growth in the hematology and coagulation fields. With additional revenues from the services for Sysmex bioMérieux Co., Ltd., we recorded net sales of 25,587 million yen (up 3.4% from the same period of the previous fiscal year).

Operating income was 4,043 million yen (down 24.6% from the same period of the previous fiscal year), as the increase in selling, general, and administrative expenses, which is attributable primarily to the rise in research and development expenses associated with the construction of Technopark, negatively offset sales growth.

### (2) The Americas

Now that our direct sales territories and support networks have expanded, we have achieved strong sales growth in hematology and other fields in the US. We also experienced sales expansion in Canada, where we completed the switchover to the direct sales and support system, and systems sales increased in Latin America. As a result, we recorded net sales of 17,381 million yen (up 15.7% from the same period of the previous fiscal year).

Operating income was 1,127 million yen (up 68.8% from the same period of the previous fiscal year), as the increase in selling, general, and administrative expenses owing to the expansion of service networks was more than offset by sales growth.

### (3) Europe

In France, the switchover to the direct sales and support system has been progressing as scheduled. In Eastern Europe, growing reagent sales pushed up sales on a local currency basis. However, owing to the rapid appreciation of the yen, we posted net sales of 26,758 million yen (down 7.8% from the same period of the previous fiscal year).

Operating income was 3,767 million yen (up 10.2% from the same period of the previous fiscal year), thanks to cost reductions.

#### (4) China

Primarily owing to new product launches, instrument sales advanced significantly in the hematology, coagulation, and urinalysis businesses, and reagent sales performed well as our efforts over the course of several years to increase installations of high-end instrument models paid off. As a result, we recorded net sales of 6,828 million yen (up 13.7% from the same period of the previous fiscal year).

Operating income was 835 million yen (up 33.5% from the same period of the previous fiscal year), with sales growth positively offsetting the increase in selling, general, and administrative expenses.

#### (5) Asia Pacific

With the hematology, coagulation, and urinalysis businesses all faring well, we recorded net sales of 4,081 million yen (up 15.6% from the same period of the previous fiscal year), which includes contributions from system products and other large-scale orders in Australia and growing sales in India.

Operating income was 511 million yen (up 12.6% from the same period of the previous fiscal year) as a result of an increase in sales.

## 2. Balance sheet and cash flow

### (1) Total assets, total liabilities, and equity

Total assets increased by 8,451 million yen to 117,478 million yen compared to the previous fiscal year end, due mainly to a 7,616 million yen increase in tangible fixed assets, including the new R&D base Sysmex Technopark and recording of the leased asset following the unification of accounting principles at overseas subsidiaries.

Liabilities increased by 10,213 million yen to 11,854 million yen, due mainly to a 41,764 million yen increase in short-term loans.

Total equity decreased by 3,402 million yen to 75,714 million yen. This is due mainly to a 1,972 million yen reduction of earned surplus from the beginning balance upon recording of the existing leased asset and liabilities on the consolidated balance sheet when accounting principles at overseas subsidiaries were unified, as well as a 3,302 million yen decrease in foreign currency translation adjustments.

The equity ratio was 64.0%, a decrease of 8.2 percentage points from 74.2% at the previous fiscal year end.

### (2) Cash flows

The balance of cash and cash equivalents (hereinafter, "Cash") at the end of this fiscal quarter increased by 2,663 million yen compared to that at the previous fiscal year end to 12,342 million.

The following are major cash flow movements by business activities and their factors.

(Operating cash flow)

Cash flow from operating activities was 7,461 million yen, an increase of 1,466 million yen from the same period of the previous fiscal year, due mainly to depreciation and amortization of 5,551 million yen (2,619 million yen more than the same period of the previous fiscal year), a decrease of notes and accounts receivable of 1,406 million yen (1,028 million yen less than the same period of the previous fiscal year), and an increase of inventories of 3,958 million yen (488 million yen more than that of the same period of the previous fiscal year).

(Investing cash flow)

Cash outflow as a result of investing activities was 9,634 million yen, an increase of 1,560 million yen from the same period of the previous fiscal year. This is due mainly to an increase by 3,656 million yen to 7,977 million yen in payment for purchases of tangible fixed assets for the construction of the Sysmex Technopark.

(Financing cash flow)

Cash inflow as a result of financing activities was 6,310 million yen (1,329 million yen spent at the same period of the previous fiscal year), due mainly to an increase in short-term loans by 10,725 million yen (10,165 million yen more than the same period of the previous fiscal year) and dividends paid of 2,658 million yen (626 million yen more than the same period of the previous fiscal year).

### 3. Consolidated financial forecast

While our overseas net sales have been in line with our previous forecast on local currencies basis, we revise our consolidated financial forecast for the fiscal year ending March 31, 2009 announced on October 28, 2008, as we had more foreign exchange losses than our expectation in the current period, which was attributed to re-evaluation of foreign currencies receivable due to rapid appreciation of the yen.

Please note that the following forecasts are based on the assumption of ¥95/US\$ and ¥120/Euro for fourth quarter of the fiscal year ending March 31, 2009.

#### Revised Consolidated Financial Forecast for FY2008

(unit: million yen, %)

	Net Sales	Operating income	Ordinary income	Net income	Net income per share(Yen)
Previous forecast (A)	114,000	14,000	12,800	7,200	140.83
Revised forecast (B)	114,000	14,000	11,500	6,700	131.04
Change in figures (B) - (A)	—	—	-1,300	-500	—
Rate of Change	—	—	-10.2%	-6.9%	—
FY2007 Yearly	110,724	15,033	14,545	9,131	178.94

## Consolidated Balance Sheets

(Unit: Millions of Yen)

Items	As of Dec. 31, 2007		As of Dec. 31, 2008		Increase and Decrease		As of Mar. 31, 2008	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>(Assets)</b>								
<b>Current assets</b>								
Cash and deposits	9,516		12,393		2,877		9,694	
Notes and accounts receivable-trade	29,900		27,767		-2,132		32,965	
Short-term investment securities	42		80		37		71	
Inventories	20,830		19,851		-978		18,341	
Others	6,263		7,712		1,448		5,850	
<b>Total current assets</b>	<b>66,553</b>	<b>62.7</b>	<b>67,806</b>	<b>57.7</b>	<b>1,253</b>	<b>1.9</b>	<b>66,923</b>	<b>61.4</b>
<b>Noncurrent assets</b>								
<b>Total Property, plant and equipment</b>	<b>25,862</b>	<b>24.4</b>	<b>36,698</b>	<b>31.2</b>	<b>10,835</b>	<b>41.9</b>	<b>29,082</b>	<b>26.7</b>
<b>Total Intangible assets</b>	<b>5,462</b>	<b>5.1</b>	<b>5,110</b>	<b>4.4</b>	<b>-352</b>	<b>-6.4</b>	<b>5,795</b>	<b>5.3</b>
<b>Total Investments and other assets</b>	<b>8,239</b>	<b>7.8</b>	<b>7,863</b>	<b>6.7</b>	<b>-375</b>	<b>-4.6</b>	<b>7,226</b>	<b>6.6</b>
<b>Total Noncurrent assets</b>	<b>39,563</b>	<b>37.3</b>	<b>49,672</b>	<b>42.3</b>	<b>10,108</b>	<b>25.5</b>	<b>42,103</b>	<b>38.6</b>
<b>Total assets</b>	<b>106,117</b>	<b>100.0</b>	<b>117,478</b>	<b>100.0</b>	<b>11,361</b>	<b>10.7</b>	<b>109,027</b>	<b>100.0</b>
<b>(Liabilities)</b>								
<b>Current liabilities</b>								
Notes and accounts payable-trade	10,302		10,277		-24		11,247	
Short-term loans payable	650		10,759		10,109		546	
Others	13,373		14,753		1,380		14,447	
<b>Total current liabilities</b>	<b>24,325</b>	<b>22.9</b>	<b>35,791</b>	<b>30.5</b>	<b>11,465</b>	<b>47.1</b>	<b>26,241</b>	<b>24.1</b>
<b>Noncurrent liabilities</b>								
Long-term loans payable	30		0		-30		13	
Provision for retirement benefits	221		415		194		354	
Others	3,520		5,557		2,036		3,300	
<b>Total Noncurrent liabilities</b>	<b>3,772</b>	<b>3.6</b>	<b>5,972</b>	<b>5.1</b>	<b>2,200</b>	<b>58.3</b>	<b>3,668</b>	<b>3.3</b>
<b>Total liabilities</b>	<b>28,097</b>	<b>26.5</b>	<b>41,764</b>	<b>35.6</b>	<b>13,666</b>	<b>48.6</b>	<b>29,910</b>	<b>27.4</b>
<b>(Net assets)</b>								
<b>Shareholders' equity</b>								
Capital stock	8,600		8,678		78		8,651	
Capital surplus	13,538		13,617		79		13,588	
Retained earnings	53,212		55,718		2,505		55,737	
Treasury stock	-181		-196		-14		-185	
<b>Total shareholders' equity</b>	<b>75,169</b>	<b>70.9</b>	<b>77,819</b>	<b>66.2</b>	<b>2,649</b>	<b>3.5</b>	<b>77,791</b>	<b>71.4</b>
<b>Valuation and translation adjustments</b>								
Valuation difference on available-for-sale securities	504		34		-469		351	
Foreign currency translation adjustment	2,058		-2,691		-4,750		610	
<b>Total valuation and translation adjustments</b>	<b>2,563</b>	<b>2.4</b>	<b>-2,656</b>	<b>-2.3</b>	<b>-5,219</b>	<b>-</b>	<b>962</b>	<b>0.9</b>
<b>Subscription rights to shares</b>	<b>148</b>	<b>0.1</b>	<b>491</b>	<b>0.4</b>	<b>343</b>	<b>231.2</b>	<b>236</b>	<b>0.2</b>
<b>Minority interests</b>	<b>137</b>	<b>0.1</b>	<b>59</b>	<b>0.1</b>	<b>-77</b>	<b>-56.7</b>	<b>127</b>	<b>0.1</b>
<b>Total net assets</b>	<b>78,019</b>	<b>73.5</b>	<b>75,714</b>	<b>64.4</b>	<b>-2,305</b>	<b>-3.0</b>	<b>79,117</b>	<b>72.6</b>
<b>Total liabilities and net assets</b>	<b>106,117</b>	<b>100.0</b>	<b>117,478</b>	<b>100.0</b>	<b>11,361</b>	<b>10.7</b>	<b>109,027</b>	<b>100.0</b>

(Note) fractions of one million yen are rounded off

## Consolidated Statements of Income

(Unit: Millions of Yen)

Items	Nine months ended Dec. 31, 2007		Nine months ended Dec. 31, 2008		Increase and Decrease		Year ended Mar. 31, 2008	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Net sales</b>	78,338	100.0	80,636	100.0	2,298	2.9	110,724	100.0
<b>Cost of sales</b>	31,134	39.7	27,783	34.5	-3,351	-10.8	45,396	41.0
Gross profit	47,203	60.3	52,853	65.5	5,649	12.0	65,327	59.0
<b>Selling, general and administrative expenses</b>	37,397	47.8	42,764	53.0	5,367	14.4	50,293	45.4
Operating income	9,806	12.5	10,088	12.5	282	2.9	15,033	13.6
<b>Non-operating income</b>								
Interest and dividends income	170		157		-13		225	
Foreign exchange gains	195		-		-195		0	
Others	518		594		75		655	
<b>Total non-operating income</b>	885	1.2	751	0.9	-133	-15.1	880	0.8
<b>Non-operating expenses</b>								
Interest expenses	36		318		282		33	
Foreign exchange losses	-		2,420		2,420		1,048	
Others	193		214		20		287	
<b>Total non-operating expenses</b>	229	0.3	2,953	3.6	2,723	1,185.4	1,369	1.3
Ordinary income	10,461	13.4	7,886	9.8	-2,575	-24.6	14,545	13.1
<b>Extraordinary profits</b>	13	0.0	156	0.2	143	1,058.4	40	0.1
<b>Extraordinary loss</b>	135	0.2	712	0.9	576	424.2	661	0.6
<b>Income before income taxes and minority interest</b>	10,339	13.2	7,330	9.1	-3,008	-29.1	13,924	12.6
Income taxes-current	4,425	5.6	3,522	4.4	-903		5,245	4.8
Income taxes-deferred	-668	-0.8	-800	-1.0	-131		-428	-0.4
Minority interest	-24	-0.0	-2	0.0	21	-	-24	-0.0
Net income	6,607	8.4	4,611	5.7	-1,995	-30.2	9,131	8.2

(Note) fractions of one million yen are rounded off

## Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Items	Nine months ended Dec. 31, 2007	Nine months ended Dec. 31, 2008	Year ended Mar. 31, 2008
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes	10,339	7,330	13,924
Depreciation and amortization	2,931	5,551	3,958
Decrease (increase) in notes and accounts receivable-trade	2,435	1,406	-2,462
Decrease (increase) in inventories	-3,470	-3,958	-1,917
Increase (decrease) in notes and accounts payable-trade	-959	2,384	1,468
Others	-168	-53	2,878
<b>Subtotal</b>	<b>11,108</b>	<b>12,660</b>	<b>17,849</b>
Interest and dividends received	156	140	218
Interest expenses paid	-15	-294	-18
Income taxes paid	-5,253	-5,045	-6,415
<b>Net cash provided by (used in) operating activities</b>	<b>5,995</b>	<b>7,461</b>	<b>11,634</b>
<b>Net cash provided by (used in) investment activities</b>			
Purchase of property, plant and equipment	-4,321	-7,977	-8,265
Purchase of intangible assets	-1,613	-986	-2,460
Others	-2,139	-670	-2,157
<b>Net cash provided by (used in) investment activities</b>	<b>-8,074</b>	<b>-9,634</b>	<b>-12,883</b>
<b>Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	559	10,725	491
Repayment of long-term loans payable	-51	-44	-66
Cash dividends paid	-2,031	-2,658	-2,031
Others	193	-1,712	290
<b>Net cash provided by (used in) financing activities</b>	<b>-1,329</b>	<b>6,310</b>	<b>-1,316</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>89</b>	<b>-1,473</b>	<b>-479</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-3,318</b>	<b>2,663</b>	<b>-3,044</b>
<b>Cash and cash equivalents at beginning of term</b>	<b>12,714</b>	<b>9,679</b>	<b>12,714</b>
<b>Increase of cash and cash equivalents due to fiscal year-end change for subsidiaries</b>	<b>8</b>	<b>-</b>	<b>8</b>
<b>Cash and cash equivalents at end of term</b>	<b>9,405</b>	<b>12,342</b>	<b>9,679</b>

(Note) fractions of one million yen are rounded off

