

Sysmex at a Glance

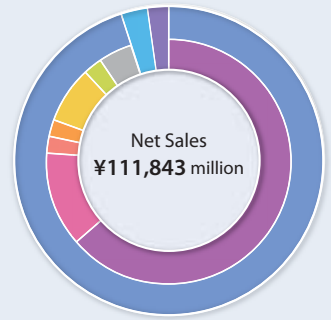
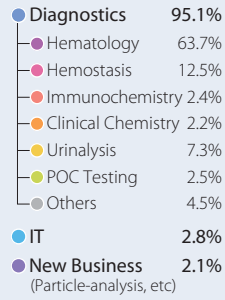
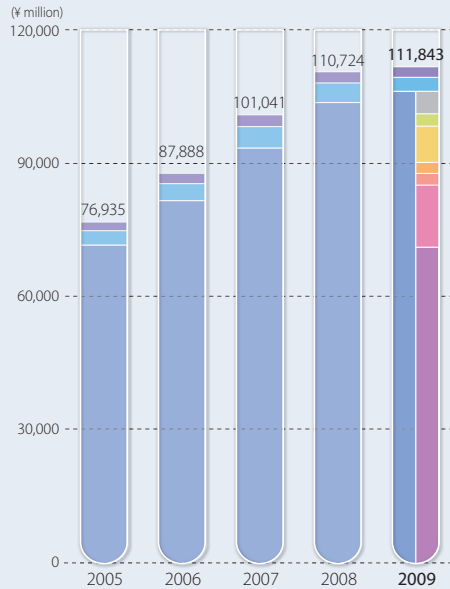
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Business Segments



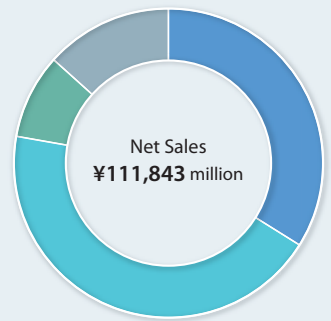
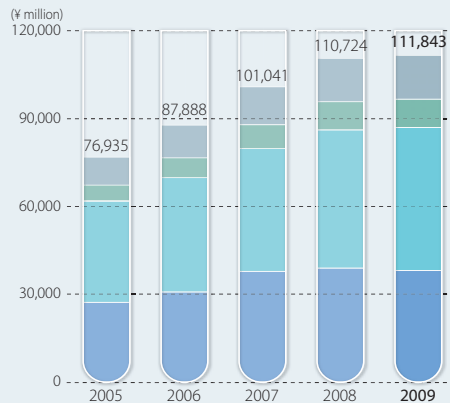
Sales Composition by Business



Product Segments



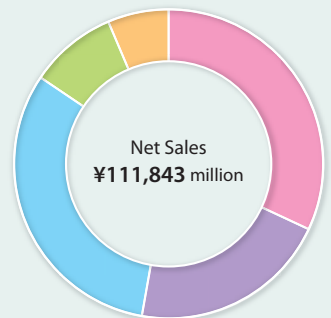
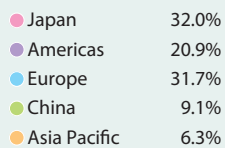
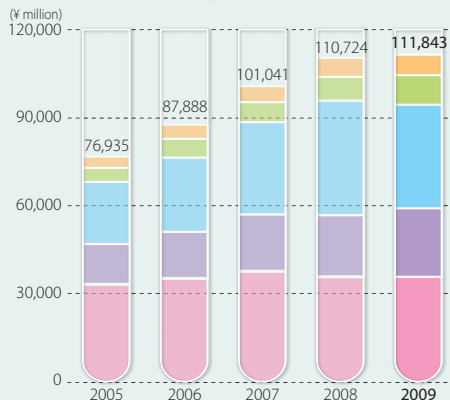
Sales Composition by Product



Regional Segments by Destination



Sales Composition by Destination



	(¥ million)				
	2005	2006	2007	2008	2009
● Diagnostics	71,761	81,750	93,581	103,801	106,316
● Hematology	44,176	52,118	60,216	68,414	71,216
● Hemostasis	11,195	12,150	14,145	13,834	13,970
● Immunochemistry	4,613	4,061	3,400	2,866	2,639
● Clinical Chemistry	3,179	3,008	2,760	2,667	2,479
● Urinalysis	4,748	5,142	6,295	7,509	8,154
● POC Testing	2,578	3,444	3,823	3,995	2,793
● Others	1,272	1,825	2,938	4,513	5,062
● IT	3,222	3,812	4,807	4,399	3,145
● New Business	1,952	2,325	2,652	2,522	2,381

Systemex derives approximately 95% of its revenues from the diagnostics field in the business of testing samples of human body fluids, such as blood and urine, with hospital and commercial laboratories as its principal customers. More specifically, our main field of business is hematology, which involves measuring the number and type of red, white and other blood cells. This business accounts for around 65% of net sales. Hematology uses specific reagents, and the sale of hematology instruments leads to an automatic and sustainable source of revenue through the sales of reagents.

Systemex also operates in the IT field, providing testing information systems to meet demand for network systems to manage medical data. There are synergies between this business and the field of diagnostics. The Company also provides such products as influenza testing kits for point-of-care (POC) use by general practitioners and clinics.

Applying the specialized particle analysis technologies it has cultivated in the diagnostics field, Systemex is also expanding into other business categories such as industrial and sports applications.

	(¥ million)				
	2005	2006	2007	2008	2009
● Instruments	27,244	30,790	37,847	38,958	38,202
● Reagents	34,635	39,141	42,038	47,297	48,966
● Maintenance services	5,486	6,773	8,127	9,668	9,684
● Others	9,569	11,182	13,027	14,800	14,989

Systemex enjoys a unique revenue structure. On one hand, we conduct a stock type of business in which we sell the instruments needed for *in vitro* diagnostics, offer the specific reagents needed for long-term testing and provide support and maintenance services. Reagents deliver higher gross profit margins than instruments, while instrument sales drive increased reagent usage. Therefore, this segment should generate stable earnings growth.

Sales of reagents and the provision of maintenance and other services currently account for approximately 65% of net sales. Industrywide, sales are trending upward, with instrument sales focused on the second and fourth quarters of the fiscal year.

	(¥ million)				
	2005	2006	2007	2008	2009
● Japan	33,407	35,418	37,873	35,961	35,828
● Americas	13,633	15,762	19,227	20,908	23,414
● Europe	21,235	25,438	31,658	39,235	35,454
● China	4,824	6,411	6,848	8,128	10,111
● Asia Pacific	3,836	4,857	5,432	6,492	7,036

Systemex supplies products and services to customers in more than 150 countries. Net sales* are well balanced among three key regions—Japan, Europe and Americas. We are also accelerating business development in China and the Asia Pacific region, and these rapidly growing markets constitute a steadily increasing percentage of consolidated net sales.

* Net sales by destination is defined as the sales amount recorded by Group companies to customers in a particular region. However, net sales by geographical region refers to the sales amount made by a Group company in a particular location.

Testing Essential to the Realization of a Healthy Society

Clinical testing, used in medical diagnosis and treatment or in monitoring the effects of drug administration, is essential to the realization of a healthy society. Clinical testing can be broadly divided into two categories: *in vitro* diagnostics (IVD) that involve the examination of blood, urine or cell samples taken from the body and *in vitro* tests that involve direct examination using X-rays, electrocardiograms (ECGs) or brain waves. The global *in vitro* diagnostics market is worth some

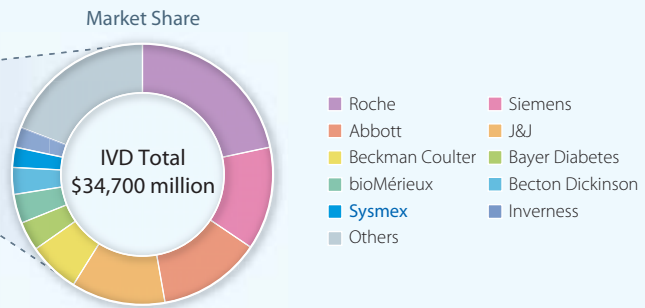
\$34,700 million. Sysmex provides a wide variety of products and support services, ranging from individual instruments and reagents for *in vitro* diagnostics to full laboratory information systems.

Sysmex now ranks 9th in the world in the *in vitro* diagnostics field. We also command the leading share of the global hematology segment.

Diagnostics Market and Sysmex's Position

Segment	Market Size (\$ million)
IVD Total	\$ 34,700
Hematology	1,800
Hemostasis	1,000
Immunochemistry	8,200
Clinical chemistry	4,300
Urinalysis	380
(Urine sediment)	130
Diabetes	8,400
Others	10,620

(Sysmex estimates)



The Shift to an Aging Society and Preventive Medicine

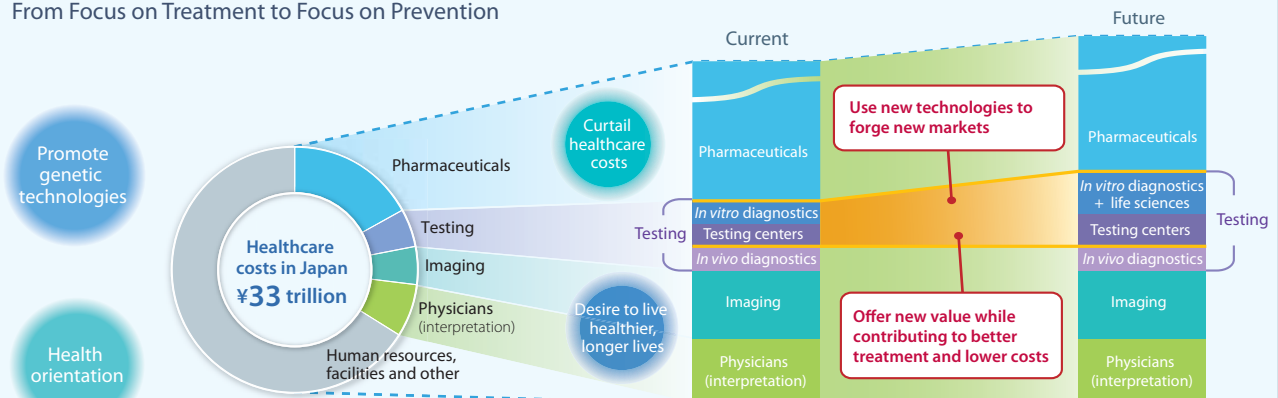
As the societies of Japan and other advanced countries age, countries are implementing healthcare reforms to extend the healthy lifespan of their populations in a bid to rein in rising healthcare costs. This has brought about a worldwide shift toward preventive healthcare.

In April 2008, Japan introduced a new system of specific health checks and specific healthcare education, aimed at insured individuals aged between 40 and 74 years, with the goal of preventing and improving metabolic syndrome (a collection of metabolic risk factors for cardiovascular disease and diabetes). The focus on metabolic syndrome involves gaining a picture of visceral fat accumulation

before any disease onset and is aimed at preventing lifestyle-related diseases—such as diabetes, hypertension and lipid abnormalities—that account for 30% of national healthcare spending. As such, clinical testing is expected to play an increasingly important role in Japan and the rest of the world.

As well as such progress in preventive healthcare, there is an increasing emphasis on improving patient quality of life (QOL). Sysmex is cultivating new testing technologies that combine *in vitro* diagnostics and the life sciences. Through testing products, we aim to contribute to healthcare quality and efficiency.

From Focus on Treatment to Focus on Prevention



Diagnosics

Hematology

Hematology tests are a type of screening that count red, white or other blood cells to determine whether a more detailed examination is necessary. In addition to instruments, these tests require specific reagents, which constitutes an ongoing demand. Sysmex estimates that the global hematology market accounts for annual sales of ¥1,800 million. Furthermore, the market is dominated by only three major suppliers: Sysmex, Beckman Coulter and Abbott.

Hemostasis

Hemostasis involves testing for coagulation, an important function of the blood. By testing specimens of blood plasma, it is possible to diagnose hemophilia and thrombosis and to examine hepatic (liver) function.

As a rule, hemostasis tests can be performed using general-purpose reagents, rather than specific reagents. However, analysis data varies slightly depending on the reagents used, and the need for precise control has caused sales of specific reagents to represent a high share of the market.

Sysmex estimates that the global hemostasis segment generates annual sales of \$1,000 million. In 1995, we concluded a distribution agreement with Siemens (previously, Dade Behring Inc.), forging a synergistic relationship that reinforced our respective strengths in the hematology segment. As a result, we now enjoy the leading share of the global market for coagulation analyzers.

Immunochemistry

Immunochemistry tests are performed on blood serum, the supernatant fluid isolated after blood separation. Antigen-antibody reactions are used to test for the presence of HIV and hepatitis and to look for cancer markers.

Manufacturers of analyzers apply their own measurement principles, and specific reagents depend on the principles used. Sysmex estimates annual sales in the global immunochemistry market at \$8,200 million, and the market is expected to expand.

In October 2007, we launched the HISCL-2000i, a fully automated immunoassay analyzer that enables highly sensitive, high-speed assays. The model's market popularity has grown, and we have expanded our lineup of related reagents, boosting our share of the immunochemistry testing market.

IT

Laboratory Information Systems

Advances in information technology have generated demand in the healthcare industry for IT-driven medical information networks. Such networks contribute to effective diagnoses by collecting and analyzing test data and consolidating this information into a convenient database. Sysmex plans to accelerate its IT deployment to expand business with hospitals, clinics and remote medical care capabilities.

Clinical Chemistry

Clinical chemistry involves examining the enzymes, sugars and proteins in blood serum and plasma to determine the nutritional status, liver and kidney functions, and testing for contraction of conditions such as hyperlipidemia and arteriosclerosis.

Like hematology, clinical chemistry is commonly performed around the world not only at times of illness, but also during routine health checkups. Accordingly, the total number of examinations is extremely high.

Sysmex estimates that the global clinical chemistry market accounts for sales of \$4,300 million. In Japan, we have a high share of the market for quality control serum used with various general-purpose reagents.

Urinalysis

Urinalysis entails testing for the presence of sugar, protein or blood in urine and can be broadly divided into two types: qualitative urinalysis and quantitative urinalysis. Urinalysis is an important screening tool that typically yields clues for diagnosing a number of diseases.

Sysmex estimates that the global urinalysis market accounts for sales of \$380 million, including \$130 million from urine sediment analysis. We introduced the world's first urine formed sediment analysis system—the UF series—that uses the flow cytometry method. This series enjoys an excellent reputation with customers and has the leading share of the global market for urine sediment analysis.

POC Testing

POC is an abbreviation for point-of-care. POC testing can be carried out on the spot in operating rooms, intensive care units, clinics or at the patient's bedside, rather than in central laboratories, making possible rapid diagnosis and treatment. Currently, Sysmex markets rapid detection kits to assist in influenza diagnoses and easy-to-use devices to measure intravesical urine volume.

New Business

Particle Analysis and Healthcare

The particle-analysis segment is a new business area for Sysmex. We are developing industrial applications for particle-analysis technology that we originally developed for our mainstay hematology business. This technology is used in many industrial processes, including research and quality control of copier toner and ceramic particles.

In the healthcare segment, peripheral artery monitoring devices that can measure hemoglobin levels without blood sampling are used at fitness centers and various other sites. Sysmex also sells support software for health management and childcare services.

