

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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1. 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
FY2006	9,008		179.63	177.97

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

	Dividend per share		
	Interim (Yen)	Year-end (Yen)	Annual (Yen)
FY2006	16.00	20.00	36.00
FY2007 (Forecast)	20.00	20.00	40.00

3. Business Forecast for the Year Ended March 31, 2008

(Unit:¥million)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share(Yen)
Semi-Annual	53,000	11.6%	6,800	10.9%	7,000	7.0%	4,500	8.4%	88.28
Annual	112,000	10.8%	15,000	18.0%	15,300	12.7%	9,800	8.8%	192.22

Note:

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

4. Notes on preparation of quarterly financial information

- ① Change in significant subsidiaries: No
- ② Adoption of simplified procedure in accounting methods: Yes
- ③ Changes in accounting procedure as from the most recent FY: Yes

※ (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

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 10th 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.

Consolidated Balance Sheet

(Unit: ¥ million)

Items	Previous 1st quarter (as of June 30,2006)		Current 1st quarter (as of June 30,2007)		Increase or Decrease		Previous year (as of March 31,2007)	
	Amount	%	Amount	%	Amount	%	Amount	%
(Assets)								
I Current assets								
Cash	7,221		11,265		4,043		12,793	
Notes and accounts receivable trade	24,365		29,562		5,197		31,910	
Marketable securities	28		29		1		41	
Inventories	16,506		18,801		2,295		16,563	
Others	3,821		5,549		1,728		4,811	
Total current assets	51,942	61.4	65,208	63.5	13,266	25.5	66,120	65.3
II Fixed assets								
Tangible fixed assets	21,798	25.7	24,444	23.8	2,646	12.1	23,780	23.5
Intangible fixed assets	3,248	3.8	5,309	5.2	2,060	63.4	3,726	3.7
Investments	7,661	9.1	7,693	7.5	31	0.4	7,598	7.5
Total fixed assets	32,709	38.6	37,447	36.5	4,737	14.5	35,104	34.7
Total assets	84,651	100.0	102,655	100.0	18,004	21.3	101,225	100.0
(Liabilities)								
I Current liabilities								
Notes and accounts payable trade	8,220		9,690		1,470		10,731	
Short-term loans payable	299		65		-234		79	
Others	10,061		15,306		5,244		14,822	
Total current liabilities	18,582	22.0	25,062	24.4	6,480	34.9	25,634	25.3
II Fixed liabilities								
Long-term loan payable	21		82		61		82	
Reserve for retirement benefits	174		149		-24		143	
Others	2,697		3,033		335		2,969	
Total fixed liabilities	2,893	3.4	3,265	3.2	372	12.9	3,195	3.2
Total liabilities	21,475	25.4	28,327	27.6	6,852	31.9	28,829	28.5
(Equity)								
I Shareholders' equity								
Capital stock	7,954		8,550		596		8,501	
Capital surplus	11,184		13,488		2,303		11,731	
Earned surplus	41,348		48,971		7,622		48,794	
Treasury stock	-152		-168		-15		-163	
Total shareholders' equity	60,335	71.3	70,841	69.0	10,505	17.4	68,864	68.0
II Valuation and translation adjustments								
Unrealized gain or loss of investments in securities	1,049		862		-187		805	
Foreign currency translation adjustment	916		2,447		1,530		1,674	
Total valuation and translation adjustments	1,966	2.3	3,309	3.2	1,342	68.3	2,480	2.5
III Minority interests	875	1.0	177	0.2	-697	-79.7	1,051	1.0
Total equity	63,176	74.6	74,328	72.4	11,151	17.7	72,396	71.5
Total liabilities and net assets	84,651	100.0	102,655	100.0	18,004	21.3	101,225	100.0

(Note) fractions of one million yen are rounded off

Consolidated Statements of Income

(Unit: ¥ million)

Items	Previous 1st quarter		Current 1st quarter		Increase or Decrease		Previous year	
	(as of June 30,2006)		(as of June 30,2007)				(as of March 31,2007)	
	Amount	%	Amount	%	Amount	%	Amount	%
I Net Sales	20,836	100.0	23,649	100.0	2,812	13.5	101,041	100.0
II Cost of sales	8,493	40.8	9,649	40.8	1,156	13.6	43,497	43.0
Gross profit	12,343	59.2	14,000	59.2	1,656	13.4	57,543	57.0
III Selling, general and administrative expenses	10,713	51.4	12,300	52.0	1,587	14.8	44,828	44.4
Operating income	1,630	7.8	1,700	7.2	69	4.3	12,714	12.6
IV Non-operating income	203	1.0	885	3.8	682	334.7	1,185	1.1
(Interest income and dividends earned)	(39)		(61)		(22)		(149)	
(Exchange gain)	(10)		(675)		(664)		(374)	
(Others)	(153)		(149)		(- 4)		(662)	
V Non-operating expenses	83	0.4	63	0.3	- 20	-24.0	322	0.3
(Interest expense)	(5)		(6)		(0)		(27)	
(Others)	(78)		(57)		(- 20)		(294)	
Ordinary income	1,750	8.4	2,522	10.7	771	44.1	13,577	13.4
VI Extraordinary profits	5	0.0	28	0.1	23	452.8	370	0.4
VII Extraordinary losses	8	0.0	10	0.0	2	23.3	180	0.2
Net income before income taxes and minority interest	1,747	8.4	2,540	10.8	793	45.4	13,768	13.6
Income taxes	979	4.7	1,173	5.0	194	19.8	4,715	4.7
Minority interest	10	0.1	21	0.1	11	108.4	44	0.0
Net income	757	3.6	1,345	5.7	587	77.7	9,008	8.9

(Note) fractions of one million yen are rounded off

Consolidated Statement of Changes in Equity

1st quarter FY2006(from April 1 to June 30,2006)

(Unit: ¥million)

	Shareholder's equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholder's equity
Balance at the end of previous period	7,954	11,184	41,550	-150	60,538
Changes of items during the period					
Dividends from appropriation of surplus			-798		-798
Bonuses to Directors from appropriation of surplus			-159		-159
Net income			757		757
Repurchase of treasury stock				-2	-2
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	-201	-2	-203
Balance at the end of the current period	7,954	11,184	41,348	-152	60,335

(Unit: ¥million)

	Valuation and translation adjustments			Minority interests	Total equity
	Unrealized gain or loss of investments in securities	Foreign currency translation adjustment	Total valuation and translation adjustments		
Balance at the end of previous period	1,234	872	2,107	860	63,507
Changes of items during the period					
Dividends from appropriation of surplus					-798
Bonuses to Directors from appropriation of surplus					-159
Net income					757
Repurchase of treasury stock					-2
Net changes of items other than shareholders' equity	-185	43	-141	14	-127
Total changes of items during the period	-185	43	-141	14	-330
Balance at the end of the current period	1,049	916	1,966	875	63,176

(Note) fractions of one million yen are rounded off

1st quarter FY2007(from April 1 to June 30,2007)

(Unit: ¥million)

	Shareholder's equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholder's equity
Balance at the end of previous period	8,501	11,731	48,794	-163	68,864
Changes of items during the period					
Issuance of new shares by exercise of warrants	49	49			99
Issuance of new shares for share exchange		1,706			1,706
Dividends from retained earnings			-1,011		-1,011
Net income			1,345		1,345
Repurchase of treasury stock				-5	-5
Disposal of treasury stock		0		0	0
Decrease in retained earnings due to fiscal year-end change for subsidiary			-157		-157
Net changes of items other than shareholders' equity					
Total changes of items during the period	49	1,756	176	-5	1,977
Balance at the end of the current period	8,550	13,488	48,971	-168	70,841

(Unit: ¥million)

	Valuation and translation adjustments			Minority interests	Total equity
	Unrealized gain or loss of investments in securities	Foreign currency translation adjustment	Total valuation and translation adjustments		
Balance at the end of previous period	805	1,674	2,480	1,051	72,396
Changes of items during the period					
Issuance of new shares by exercise of warrants					99
Issuance of new shares for share exchange					1,706
Dividends from retained earnings					-1,011
Net income					1,345
Repurchase of treasury stock					-5
Disposal of treasury stock					0
Decrease in retained earnings due to fiscal year-end change for subsidiary					-157
Net changes of items other than shareholders' equity	56	772	828	-874	-45
Total changes of items during the period	56	772	828	-874	1,931
Balance at the end of the current period	862	2,447	3,309	174	74,328

(Note) fractions of one million yen are rounded off

FY2006(from April 1 to March 31,2007)

(Unit: ¥million)

	Shareholders' equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the end of previous period	7,954	11,184	41,550	-150	60,538
Changes of items during the period					
Issuance of stock	546	546			1,093
Dividends from appropriation of surplus			-798		-798
Dividends from retained earnings			-804		-804
Bonuses to Directors from appropriation of surplus			-159		-159
Net income			9,008		9,008
Repurchase of treasury stock				-12	-12
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	546	546	7,244	-12	8,325
Balance at the end of the current period	8,501	11,731	48,794	-163	68,864

(Unit: ¥million)

	Valuation and translation adjustments			Minority interests	Total equity
	Unrealized gain or loss of investments in securities	Foreign currency translation adjustment	Total valuation and translation adjustments		
Balance at the end of previous period	1,234	872	2,107	860	63,507
Changes of items during the period					
Issuance of stock					1,093
Dividends from appropriation of surplus					-798
Dividends from retained earnings					-804
Bonuses to Directors from appropriation of surplus					-159
Net income					9,008
Repurchase of treasury stock					-12
Disposal of treasury stock					0
Net changes of items other than shareholders' equity	-429	802	372	190	563
Total changes of items during the period	-429	802	372	190	8,888
Balance at the end of the current period	805	1,674	2,480	1,051	72,396

(Note) fractions of one million yen are rounded off

Consolidated Statements of Cash Flow

(Unit: ¥million)

Items	Previous 1st quarter (as of June 30,2006)	Current 1st quarter (as of June 30,2007)	Previous year (as of March 31,2007)
I Cash flow from operating activities			
Net income before income taxes and minority interest	1,747	2,540	13,768
Depreciation and amortization	924	1,008	4,008
Increase/decrease in notes and accounts receivable	1,844	3,178	-4,392
Increase/decrease in inventories	-1,156	-1,153	-297
Increase/decrease in notes and accounts payable	-681	-1,923	690
Others	-441	-1,073	849
Subtotal	2,237	2,575	14,627
Interest and dividends received	34	60	145
Interest paid	-4	-4	-27
Corporation taxes paid	-2,285	-2,136	-4,660
Cash flow from operating activities	-19	495	10,085
II Cash flow from investing activities			
Payments for purchases of tangible fixed assets	-1,237	-1,094	-4,628
Payments for purchases of intangible fixed assets	-297	-438	-1,487
Others	-71	84	-514
Cash flow from investing activities	-1,606	-1,449	-6,630
III Cash flow from financing activities			
Net increase/decrease of short-term loans	143	-2	-118
Repayment of long-term loans	-5	-19	-64
Dividend paid	-798	-1,011	-1,603
Others	37	94	1,328
Cash flow from financing activities	-622	-938	-457
IV Foreign currency translation adjustment on cash and cash equivalent	-24	344	301
V Increase/decrease in cash and cash equivalent	-2,272	-1,547	3,298
VI Cash and cash equivalent at beginning of term	9,416	12,714	9,416
VII Increase in cash and cash equivalent due to fiscal year-end change for subsidiaries	—	8	—
VIII Cash and cash equivalent at end of term	7,143	11,175	12,714

(Note) fractions of one million yen are rounded off

Segment Information

1. Information about operations by geographic area 1st quarter FY2006(from April 1 to June 30,2006)

(Unit: ¥ million)

	Japan	Americas	Europe	China	Asia Pacific	Total	Eliminations/ Corporate	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	7,346	4,079	7,277	1,251	882	20,836	—	20,836
Interarea transfer	6,258	56	101	2	29	6,447	(6,447)	—
Total net sales	13,605	4,136	7,378	1,253	911	27,284	(6,447)	20,836
Operating expenses	12,583	4,206	6,588	1,153	773	25,305	(6,098)	19,206
Operating income(loss)	1,021	-70	789	100	138	1,979	(349)	1,630

1st quarter FY2007(from April 1 to June 30,2007)

(Unit: ¥ million)

	Japan	Americas	Europe	China	Asia Pacific	Total	Eliminations/ Corporate	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	6,594	4,856	9,411	1,777	1,009	23,649	—	23,649
Interarea transfer	6,665	4	102	1	59	6,833	(6,833)	—
Total net sales	13,260	4,861	9,513	1,779	1,068	30,483	(6,833)	23,649
Operating expenses	12,359	4,685	8,417	1,633	969	28,066	(6,117)	21,949
Operating income	900	175	1,095	146	98	2,416	(716)	1,700

(Note)

SYSMEX Corporation and its Japanese subsidiaries have altered recognition of depreciation from declining balance method to straight-line method since this fiscal year. Operating expenses at Japanese region contains effect from this alteration: 143 million yen decrease; as same as increase of same amount at Operating income.

FY2006(from April 1,2006 to March 31,2007)

(Unit: ¥ million)

	Japan	Americas	Europe	China	Asia Pacific	Total	Eliminations/ Corporate	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	39,395	19,158	31,584	6,848	4,053	101,041	—	101,041
Interarea transfer	25,532	215	428	13	147	26,338	(26,338)	—
Total net sales	64,928	19,373	32,013	6,862	4,201	127,379	(26,338)	101,041
Operating expenses	57,496	18,780	28,466	6,081	3,868	114,693	(26,366)	88,326
Operating income	7,431	593	3,547	781	332	12,686	(-28)	12,714

2. Net Sales to Foreign Customers

1st quarter FY2006(from April 1 to June 30,2006)

(Unit: ¥ million)

	Americas	Europe	China	Asia Pacific	Total
Net Sales to Foreign Customers	4,093	7,277	1,251	1,175	13,796
Consolidated Sales	—	—	—	—	20,836
The rate of net sales to foreign customers to consolidated sales	19.7%	34.9%	6.0%	5.6%	66.2%

1st quarter FY2007(from April 1 to June 30,2007)

(Unit: ¥ million)

	Americas	Europe	China	Asia Pacific	Total
Net Sales to Foreign Customers	4,870	9,414	1,777	1,274	17,337
Consolidated Sales	—	—	—	—	23,649
The rate of net sales to foreign customers to consolidated sales	20.6%	39.8%	7.5%	5.4%	73.3%

FY2006(from April 1,2006 to March 31,2007)

(Unit: ¥ million)

	Americas	Europe	China	Asia Pacific	Total
Net Sales to Foreign Customers	19,227	31,659	6,848	5,432	63,168
Consolidated Sales	—	—	—	—	101,041
The rate of net sales to foreign customers to consolidated sales	19.0%	31.3%	6.8%	5.4%	62.5%