



FY2010 2nd Quarter Business Results

(FY2010 ending March 31, 2010)

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(FY2010 ending March 31, 2010)

Forward-looking Statements

This material contains forward-looking statements about Sysmex Corporation and its group companies (the Sysmex Group). These forward-looking statements are based on the current judgments and assumptions of the Sysmex Group in light of the information currently available to it. Uncertainties inherent in such judgments and assumptions, the future course of our business operations, and changes in operating environment both in Japan and overseas may cause our actual results, performance, achievements, or financial position to be materially different from any future results, performance, achievements, or financial position either expressed or implied within these forward-looking statements.



Chapter 1

FY2010 2Q Financial Highlights

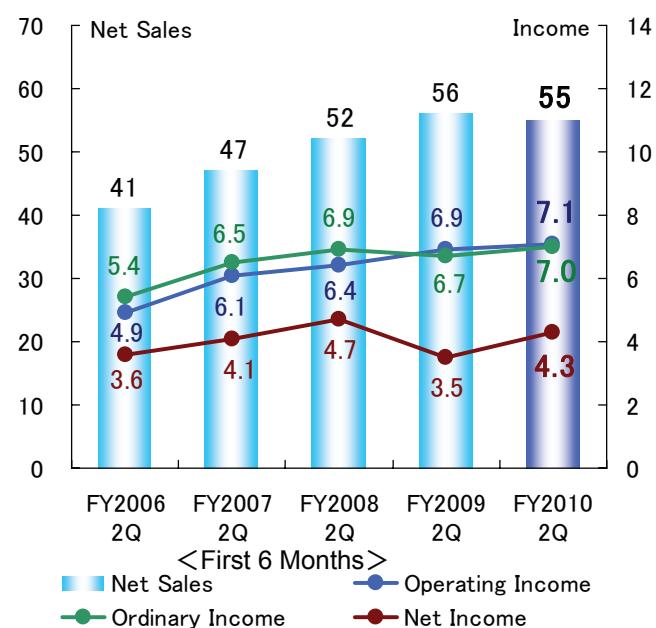
Results for the First 6 Months of FY2010



(In billions of JPY)

	First 6 Months of FY2010		Earlier Forecast (as of May)		First 6 Months of FY2009		% over a Year Earlier
		Ratio		Ratio		Ratio	
Net Sales	55.7	100%	55	100%	56.4	100%	98.7%
Operating Income	7.1	12.8%	5.5	10.0%	6.9	12.3%	103.0%
Ordinary Income	7.0	12.6%	5.5	10.0%	6.7	12.0%	103.4%
Net Income	4.3	7.7%	3.3	6.0%	3.5	6.2%	122.4%

(In billions of JPY)



- Income increasing 30 percent over earlier forecasts

- Depreciation of the yen, Favorable sales mix change and curtailment of SG&A improving gross profit margin

- Operating/ordinary income achieving our largest year-on-year growth ever, despite forex impact

- High-yen impact: ¥6.65 billion on net sales, ¥2.46 billion on operating income
- Sales and income increased on local currency basis in all overseas, however decreased in Japan due to Forex impact.

	First 6 Months of FY2010	Earlier Forecast (as of May)	First 6 Months of FY2009
1US\$	¥95.5	¥95	¥106.1
1EUR	¥133.2	¥125	¥162.7

*Capital expenditure; ¥1.56billion Depreciation and amortization; ¥3.31billion
R&D expenditure; ¥5.31billion

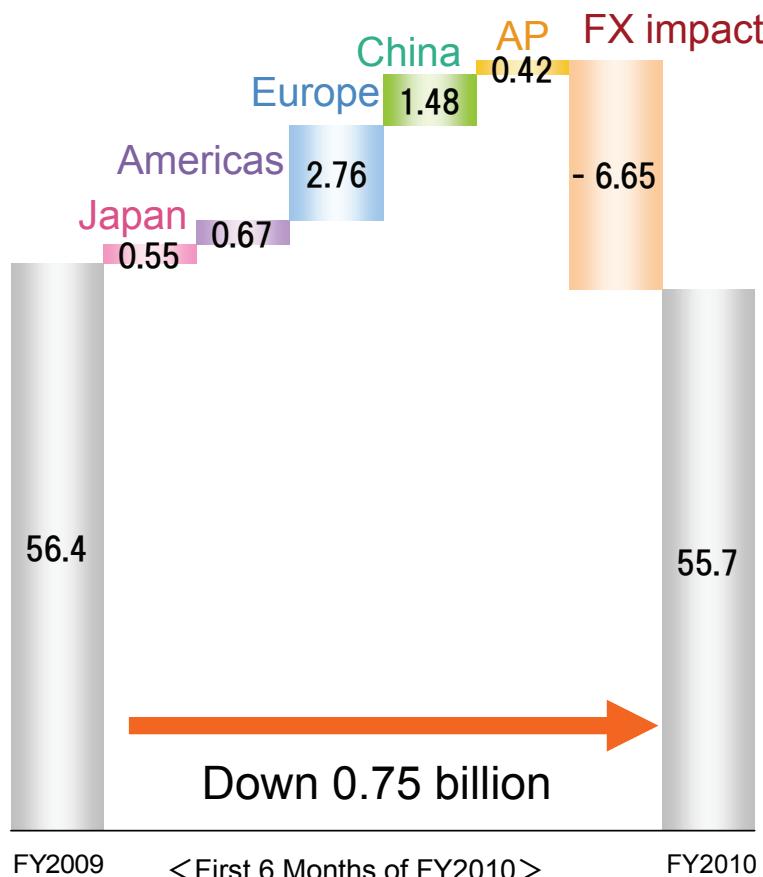
Breakdown of Net Sales and Operating Income



(In billions of JPY)

Net Sales

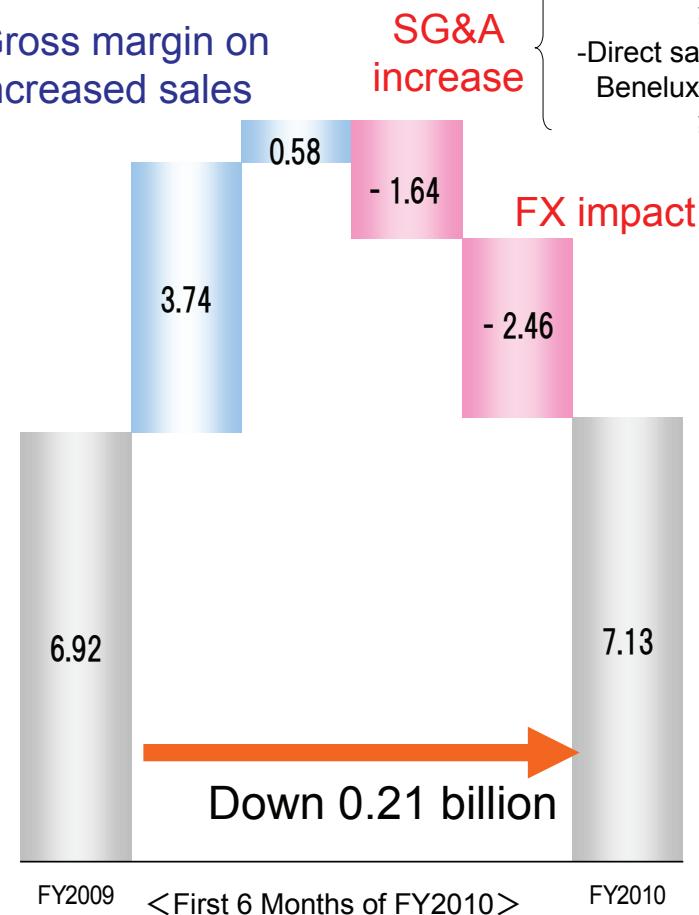
* FX impact excluded from each regional sales below



Operating Income

Gross margin increased as a result of an improvement in cost ratio

Gross margin on increased sales



Gross margin increased as a result of an improvement in cost ratio

SG&A increase

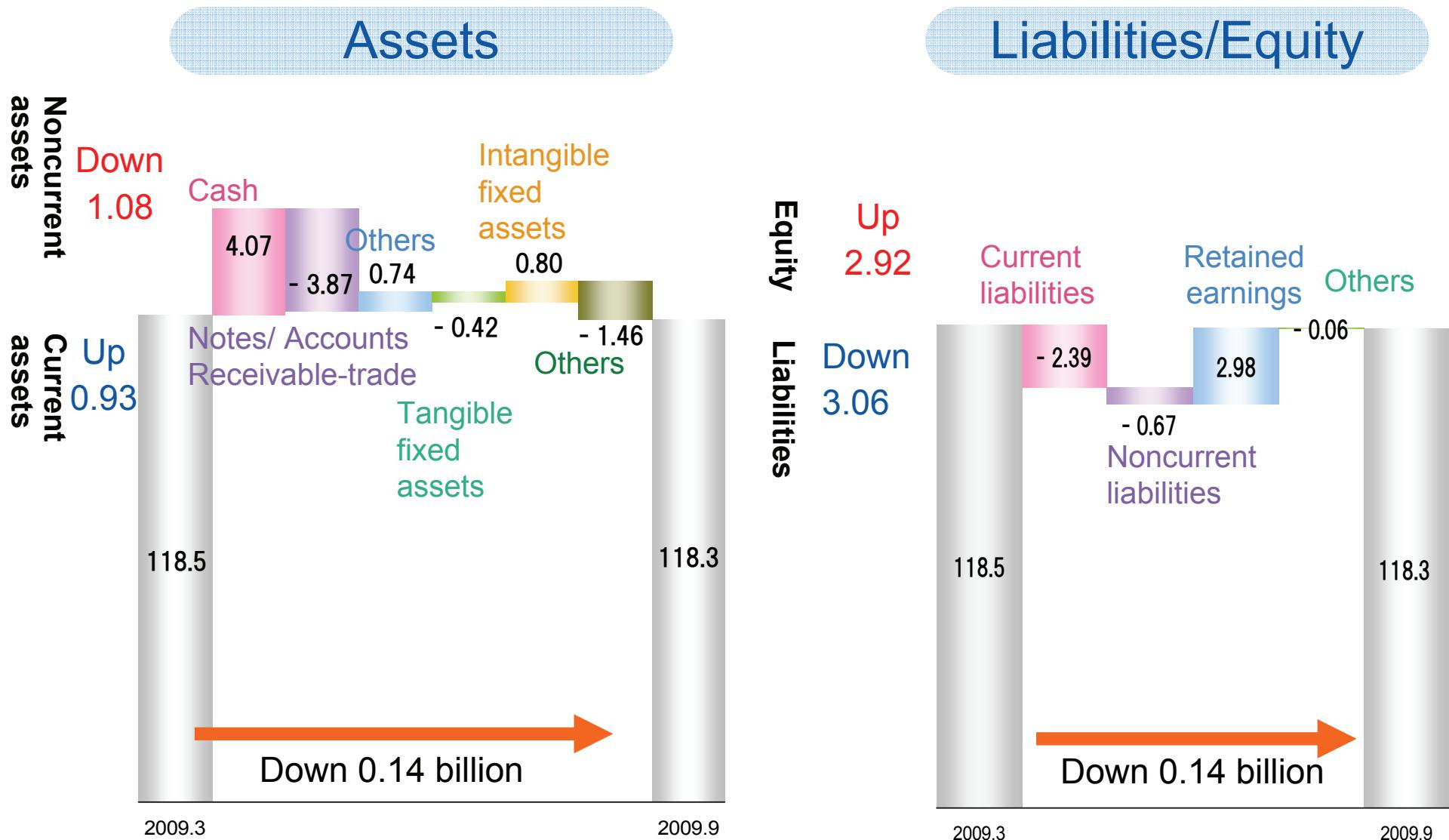
- Depreciation of Technopark ¥0.23 billion
- Direct sales and support in Benelux ¥0.72 billion

FX impact

Breakdown of Balance Sheet



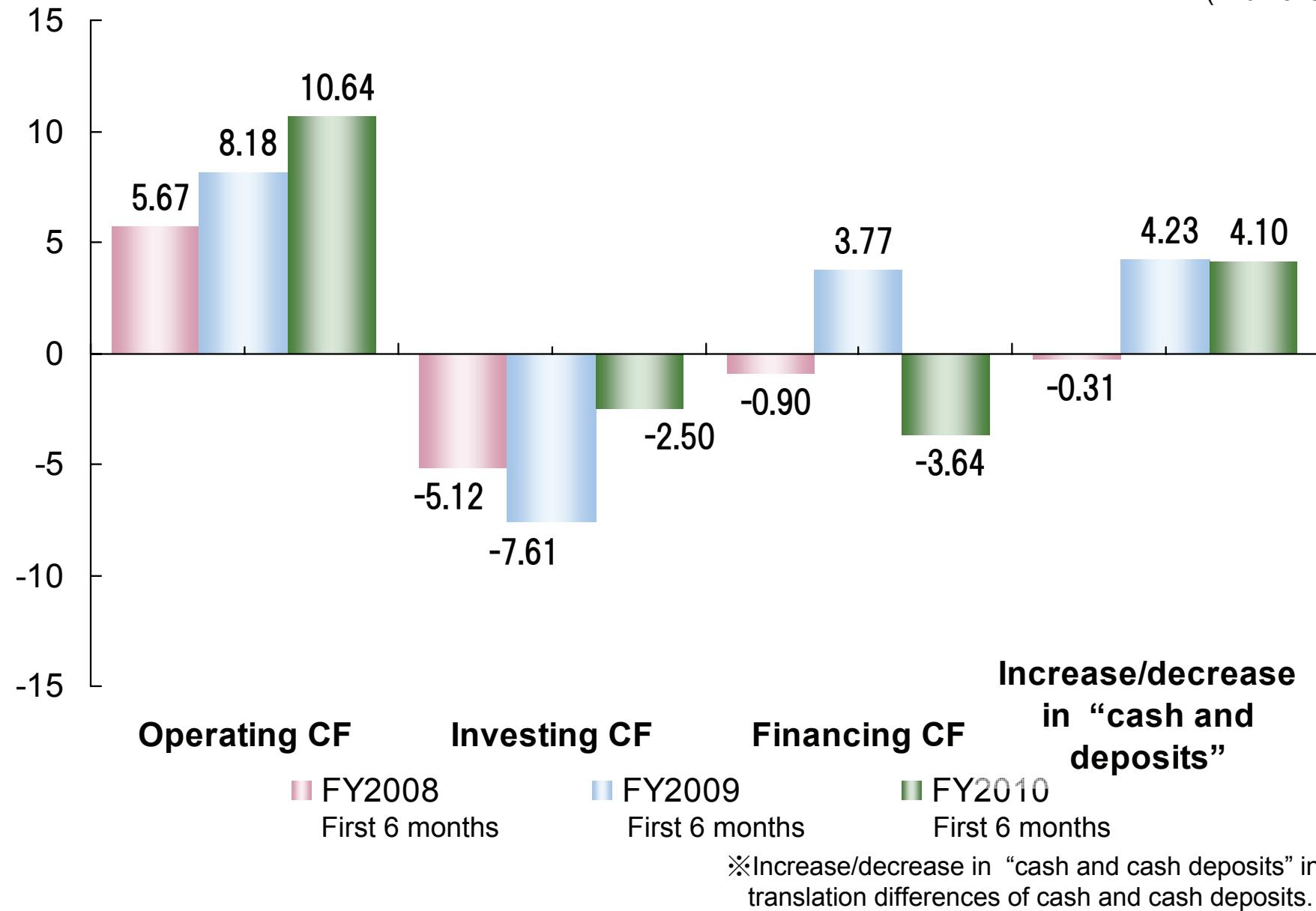
(In billions of JPY)



Consolidated Cash Flow



(In billions of JPY)



Topics

New Products

- Line-up of reagents for HISCL-2000i in the immunochemistry segment enriched
 - ▶ Reagents for hepatitis B and cancer tumor launched (total of 15 items)
- Hematology analyzer XT-4000i launched in Japan, Europe, and AP
 - ▶ To be launched in the Americas and China from 3Q onward

Affiliates and Offices

- Direct sales and support in Benelux started (in April)
 - ▶ By new subsidiaries in Belgium and the Netherlands

Others

- Kids Park, a company nursery, opened
- Production of simplified influenza test kits increased in response to greater demands in the wake of the new influenza pandemic
- Progress made in the introduction of rapid breast cancer lymph-node metastasis detection systems in Japan and Europe
 - ▶ Preparations underway for market launch in the US and other regions

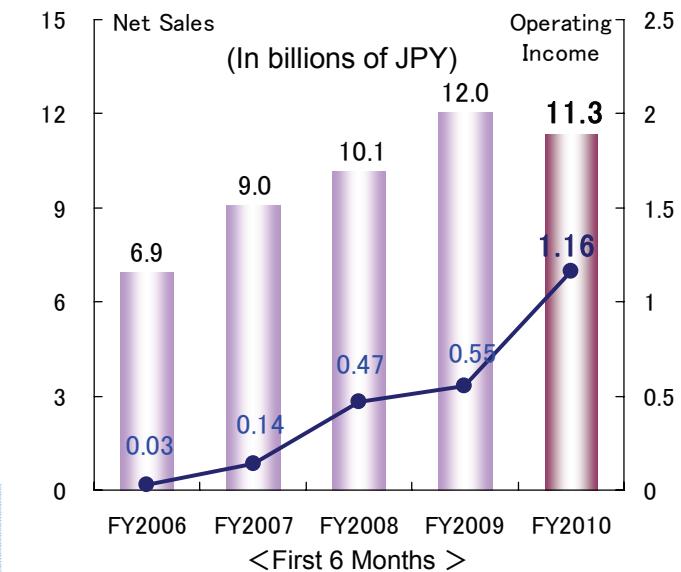
Geographic Segment Information: Americas



	First 6 Months of FY2010	First 6 Months of FY2009	(In billions of JPY) % over a Year Earlier
Net Sales	11.3	12.0	94.3%
Operating Income	1.1	0.55	211.2%

* On a local currency basis: Net sales, 104.7%; Operating income, 234.7%

- **Hematology business continued to show good performance, posting sales increase on a local currency basis.**
 - ▶ Hematology analyzer sales increased in the US. Reagent/service sales increased substantially. (hematology, hemostasis and urinalysis)
 - ▶ Instrument sales decreased in Mexico and other countries in Central and South America.
 - ▶ Sales in Canada made a turnaround on a local currency basis, after being negatively affected by the pandemic flu in 1Q.
- **Operating income increased substantially, as profitability improved due to greater sales in the North American market (direct sales).**



Geographic Segment Information: Europe

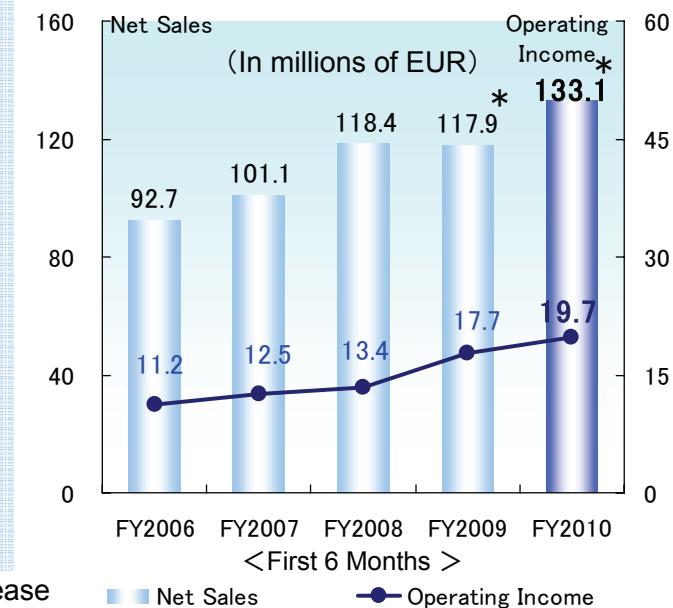
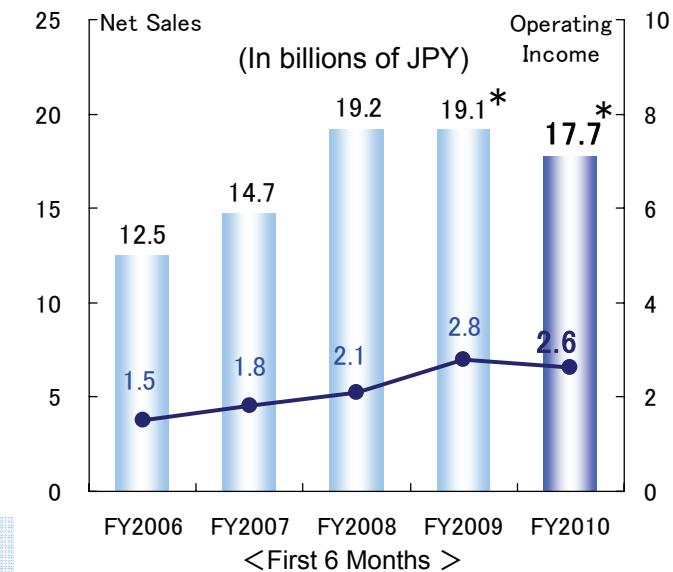


	First 6 Months of FY2010	First 6 Months of FY2009	(In billions of JPY) % over a Year Earlier
Net Sales	17.7	19.1	92.4%
Operating Income	2.6	2.8	91.2%

* On a local currency basis: Net sales, 112.9%; Operating income, 111.5%

- **Sales increased on a local currency basis, as direct sales regions steadily expanded.**
 - ▶ High-end hematology analyzer sales increased because of the direct sales in France and strengthened support from distributors in the Middle East.
 - ▶ Benelux, where direct sales started in April, contributed to the increase of sales.
 - ▶ UK sales, particularly hematology sales, increased on a local currency basis.

- **Operating income increased on a local currency basis, because of direct sales and sales mix change.**



* Reform accounting standards for lease

Geographic Segment Information: China



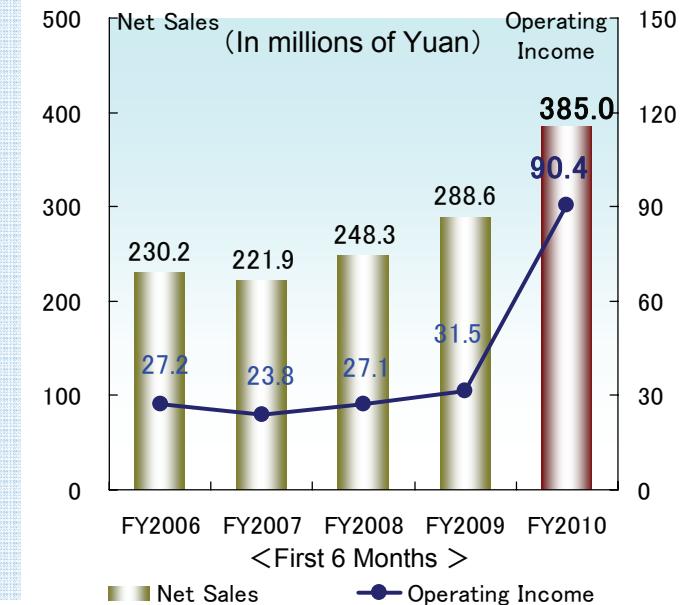
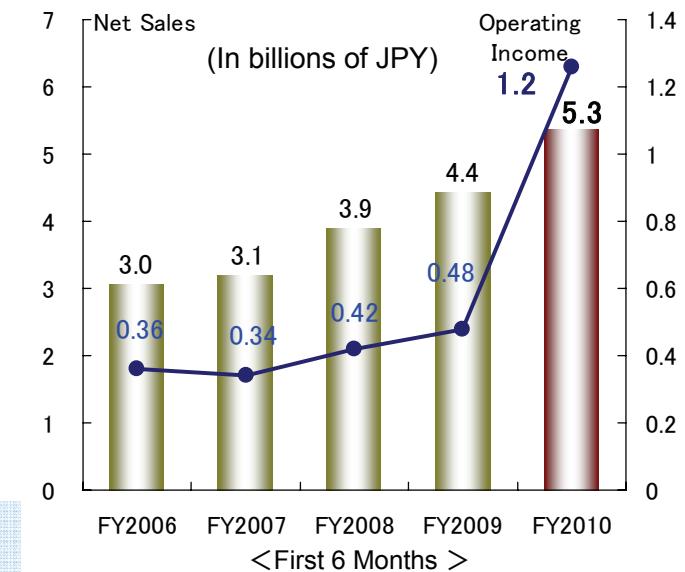
	First 6 Months of FY2010	First 6 Months of FY2009	% over a Year Earlier
Net Sales	5.3	4.4	121.2%
Operating Income	1.2	0.48	260.6%

* On a local currency basis: Net sales, 133.4%; Operating income, 286.8%

- Sales in the hematology and non-hematology segments increased substantially.**

- ▶ Sales of high-end hematology analyzer models increased through direct business with customers and lease/sales via distributors.
- ▶ Hemostasis sales increased in the mid/low-end markets following the change of distributions.
- ▶ Double-digit sales growth both in the urinalysis and clinical chemistry segments.

- Operating income increased substantially due to greater sales levels and improvement in cost ratio.**



Geographic Segment Information: AP

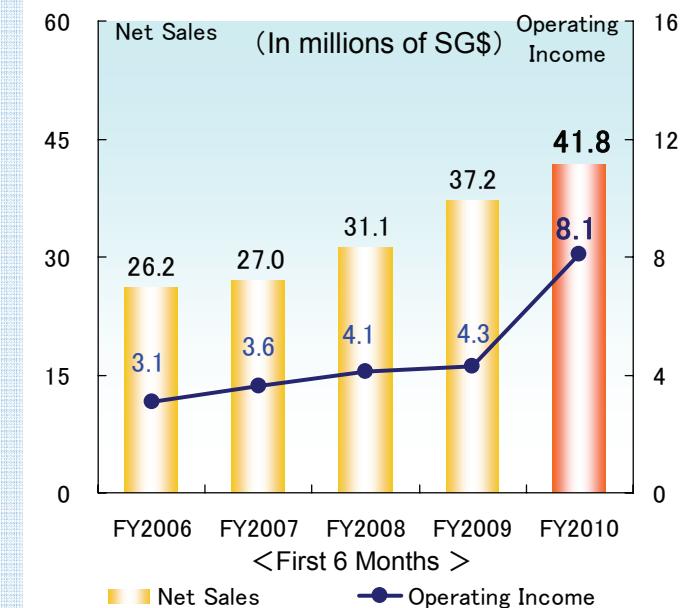
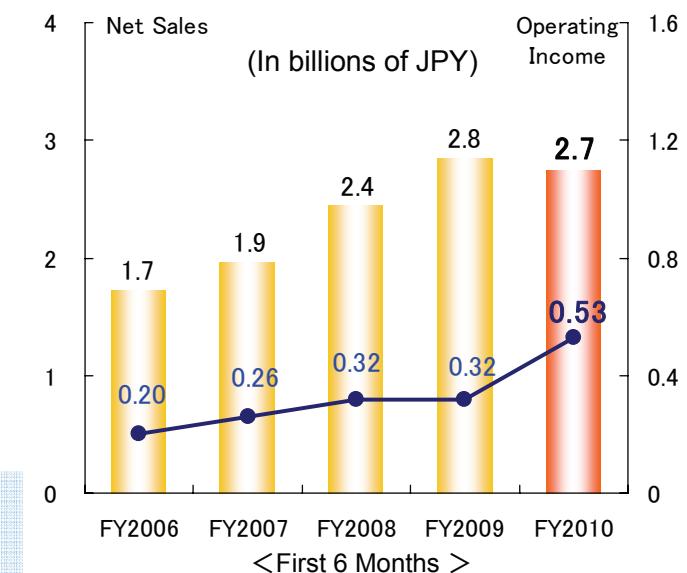


	First 6 Months of FY2010	First 6 Months of FY2009	(In billions of JPY) % over a Year Earlier
Net Sales	2.7	2.8	95.9%
Operating Income	0.53	0.32	162.5%

* On a local currency basis: Net sales, 112.3%; Operating income, 190.3%

- **Sales increased on a local currency basis in hematology and other fields.**
 - ▶ Sales of high-end hematology analyzer models increased in Southeast Asia because of the solutions offered.
 - ▶ Sales decreased in Oceania due to the large number of tenders in previous year.

- **Operating income resumed growth due to Sales increasing and SG&A reduction.**

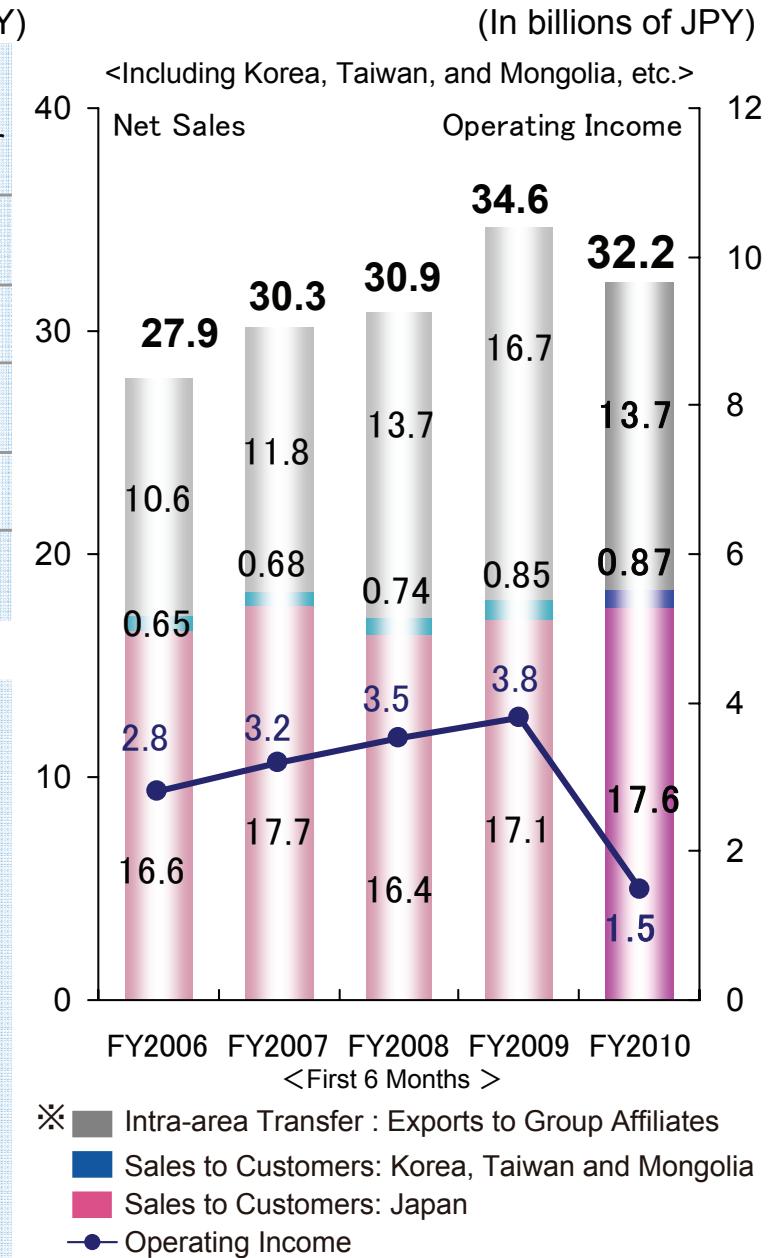


Geographic Segment Information: Japan



		First 6 Months of FY2010	First 6 Months of FY2009	(In billions of JPY) % over a Year Earlier
Net Sales		32.2	34.6	93.0%
Sales to Customers	Japan	17.6	17.1	103.2%
	Korea, Taiwan, and Mongolia, etc.	0.87	0.85	102.0%
Intra-area Transfer		13.7	16.7	82.1%
Operating Income		1.5	3.8	39.9%

- **Japanese market**
 - ▶ Instrument sales decreased in severe market.
 - ▶ Sales of simplified test kits increased substantially because of the spread of pandemic flu.
- **Intra-area transfer: Sales to overseas affiliates decreased due to the forex situation.**
- **Operating income decreased, partly due to the forex situation.**
 - ▶ Still better than the original estimation, partly due to tighter control of SG&A.





Chapter 2

FY2010 Consolidated Earnings Forecast

- **Underway of recovery from the economic crisis (Double-dip recession ?)**

- ▶ Government-led support for economic recovery (Regime change in the US and Japan)
- ▶ Led by China and other emerging economies (Market structure changing due to expansion of the middle-income bracket)

- **Greater investment in public healthcare services**

- ▶ US Healthcare reform bill under deliberation
 - Elimination of more than 45 million uninsured people, etc.
- ▶ China Spending 850 billion yuan by 2011
 - Covering over 90% of the population by 2011
 - Developing regional healthcare infrastructures (Plan to build 2,000+ district hospitals, etc.)
 - Starting at the provincial level (Zhejiang invested 365 billion yuan to medical by 2011)
- ▶ Japan Shift from health care cost containment policy
 - Raising the ratio of total medical expenses to GDP
 - April 2010 revision in medical fees expected to be a positive number

- **Health care companies performing briskly**

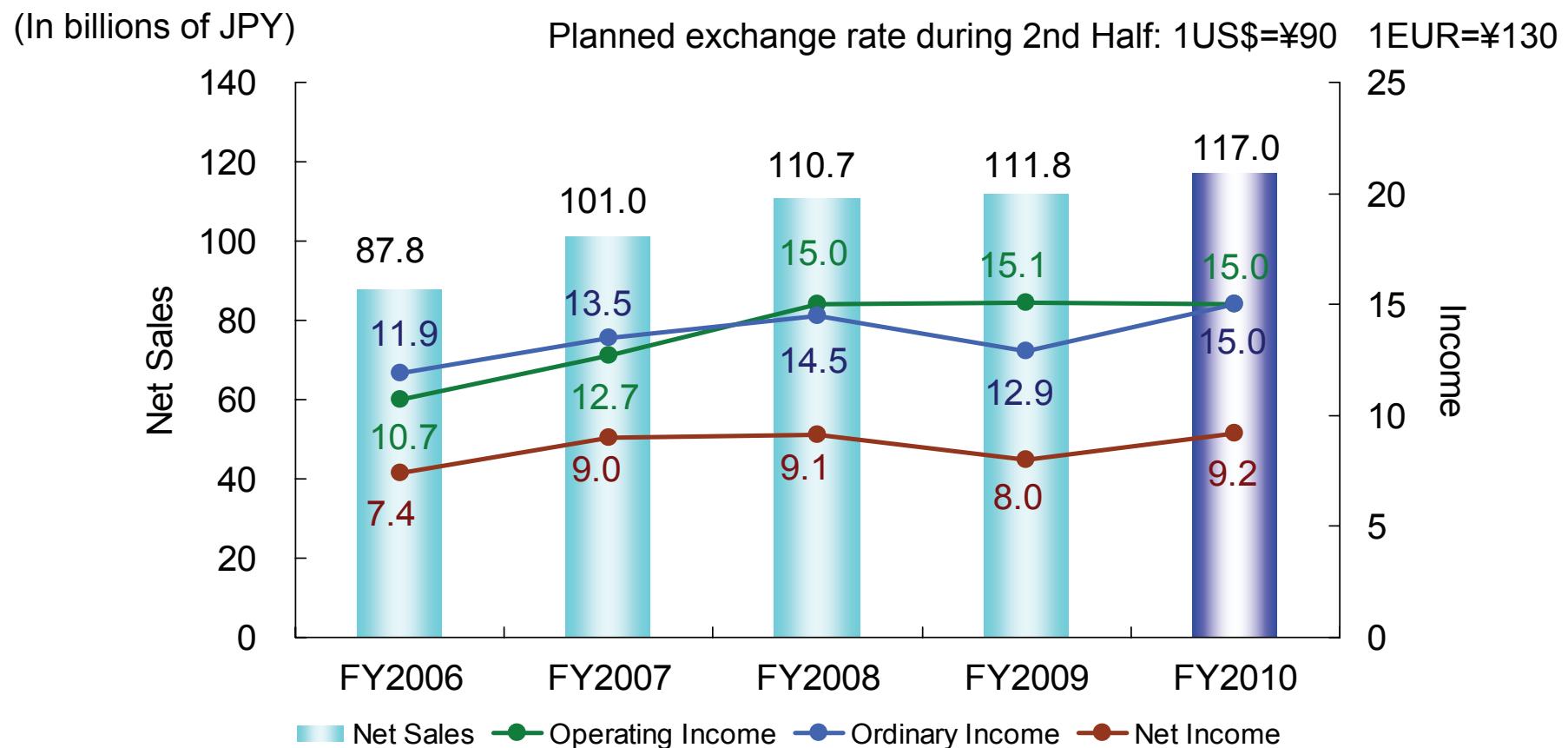
- ▶ Steady performance of diagnostics-related companies
- ▶ More companies strengthening their healthcare business

Consolidated Earnings Forecast (Revised on November 2009)



FY2010 Consolidated Earnings Forecast

- Net Sales: ¥117 billion
- Operating Income: ¥15 billion
- Net Income: ¥9.2 billion
- Operating Margin: 12.8 %
- Net Income Margin: 7.9 %



(For the years ended March 31)

Consolidated Earnings Forecast (Revised on November 2009)

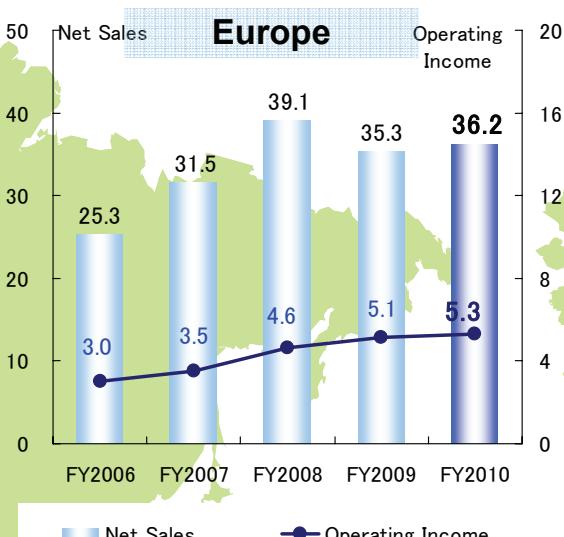
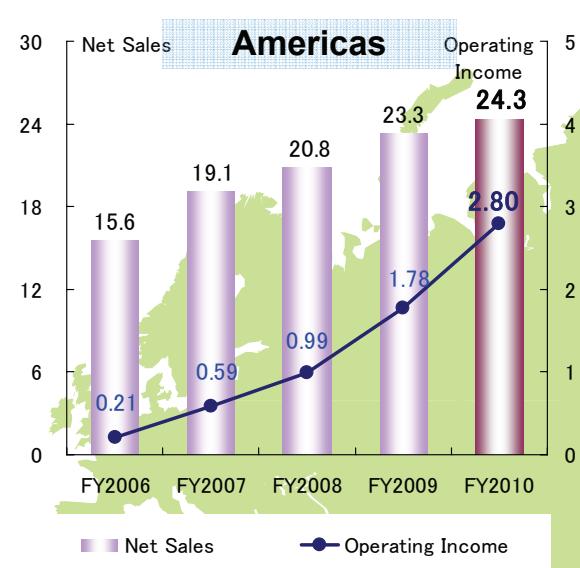


	FY2010 Revised on November	% over Earlier	FY2010 as of May
Net Sales	¥117 billion	100.9%	¥116 billion
Operating Income	¥15 billion	115.4%	¥13 billion
Ordinary Income	¥15 billion	115.4%	¥13 billion
Net Income	¥9.2 billion	113.6%	¥8.1 billion

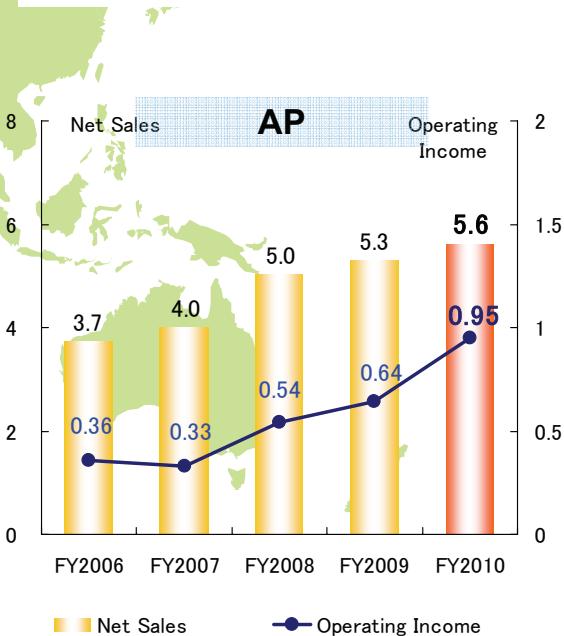
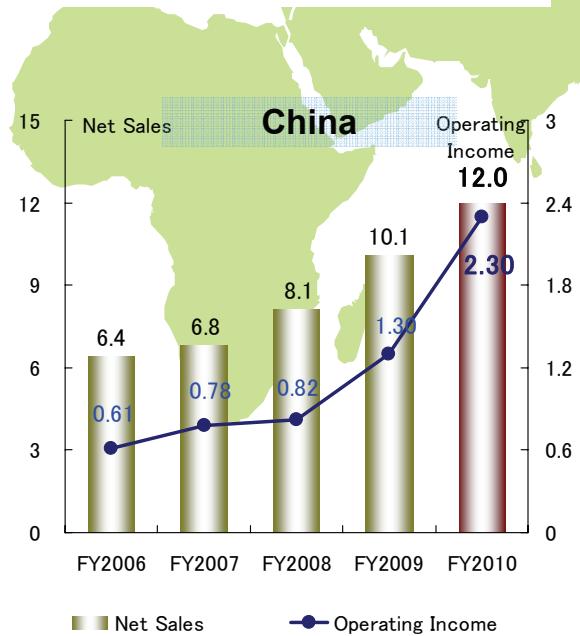
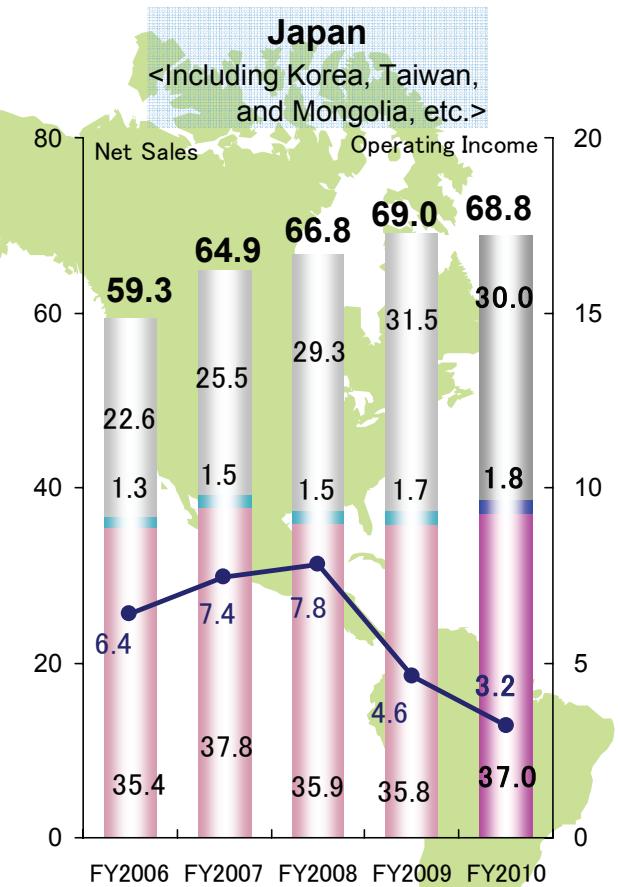
Planned Exchange Rate	1US\$	¥90 (2nd Half)	¥95
	1EUR	¥130 (2nd Half)	¥125

Financial Targets- Sales and Operating Income

by Geographical Region (Revised on November 2009)



(In billions of JPY)



- ※ Intra-area Transfer : Exports to Group Affiliates
 - Sales to Customers: Korea, Taiwan and Mongolia
 - Sales to Customers: Japan
 - Operating Income
- (For the years ended March 31)

Projected Dividend (Not revised since May 2009)



	Interim dividend	Year-end dividend	Total
FY2010 (Forecast)	¥ 25	¥ 25	¥ 50
FY2009	¥ 24	¥ 26	¥ 50



We Believe the Possibilities.

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