# Summary of Consolidated Financial Results
# for the First Six Months of the Fiscal Year Ending March 31, 2014

November 5, 2013

| | | |
|---|---|---|
| Listed company name | : | Sysmex Corporation |
| Code | : | 6869 |
| Listed stock exchanges | : | Tokyo Stock Exchange |
| URL | : | http://www.sysmex.co.jp |
| Company representative | : | Hisashi Ietsugu, Chairman and CEO |
| Contact | : | Yukitoshi Kamao, Executive Officer, Corporate Business Administration |
| Phone | : | 078(265)-0500 |
| Scheduled date for filing of quarterly report | : | November 13, 2013 |
| Scheduled date for dividend payment | | December 2, 2013 |
| Preparation of supplementary material for quarterly earnings | : | Yes |
| Holding of quarterly earnings announcement | : | Yes |

(Unit: Millions of Yen)

## 1. Results for the six months ended September 30, 2013

### (1) Operating results

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

| | Net Sales | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| Six months ended Sep. 30, 2013 | 84,079 | 25.2% | 13,712 | 29.5% | 13,954 | 38.8% | 8,592 | 34.5% |
| Six months ended Sep. 30, 2012 | 67,181 | 2.9% | 10,591 | 12.2% | 10,052 | 13.3% | 6,388 | 9.0% |

| | Net income per share (Yen) | Diluted net income per share (Yen) |
|---|---|---|
| Six months ended Sep. 30, 2013 | 83.15 | 82.85 |
| Six months ended Sep. 30, 2012 | 62.10 | 61.92 |

Note:

Comprehensive income: 12,291 million yen (250.6%) for the six months ended September 30, 2013; 3,505 million yen (31.3%) for September 30, 2012.

### (2) Financial condition

| | Total assets | Net assets | Equity Ratio | Net assets per share (Yen) |
|---|---|---|---|---|
| As of Sep. 30, 2013 | 180,032 | 129,578 | 71.8% | 1,250.65 |
| As of Mar. 31, 2013 | 173,010 | 119,153 | 68.7% | 1,151.38 |

Note:

Equity capital: 129,304 million yen as of September 30, 2013; 118,800 million yen as of March 31, 2013

## 2. Dividends (The year ended March 31, 2013 and the year ending March 31, 2014)

| | Dividend per share | | | | |
|---|---|---|---|---|---|
| | First quarter (Yen) | Second quarter (Yen) | Third quarter (Yen) | Year-end (Yen) | Annual (Yen) |
| Year ended Mar. 31, 2013 | – | 17.00 | – | 23.00 | 40.00 |
| Year ending Mar. 31, 2014 | – | 21.00 | | | |
| Year ending Mar. 31, 2014 (Forecast) | | | – | 21.00 | 42.00 |

Note:

Revision of dividends forecast for this period: No

### 3. Business forecast for the year ending March 31, 2014

(% 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, 2014 | 180,000 | 23.6% | 30,000 | 37.6% | 30,000 | 30.6% | 18,500 | 30.6% | 178.99 |

Note:

Revision of business forecast for this period: Yes

### 4. Other information

(1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation): No

(2) Application of special accounting policy for quarterly financial reporting: No

(3) Changes in accounting procedures

1) Changes due to the amendment of accounting methods: No
2) Changes of accounting methods other than 1): No
3) Changes in accounting estimates: No
4) Restatement of revisions: No

(4) Number of shares outstanding (Ordinary shares)

1) Number of shares outstanding at the end of each fiscal period (including treasury stock): 103,608,816 shares as of Sep. 30, 2013; 103,399,416 shares as of Mar. 31, 2013
2) Number of treasury stock at the end of each fiscal period: 219,384 shares as of Sep. 30, 2013; 218,696 shares as of Mar. 31, 2013
3) Average number of outstanding stock for each period (cumulative): 103,330,001 shares six months ended Sep. 30, 2013; 102,876,721 shares six months ended Sep. 30, 2012

*It is under the review procedure based on the Financial Instruments and Exchange Act at the time of disclosure of this report.

*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.

## 1. Financial Performance

### 1) Performance analysis

During the first six months of the fiscal year ending March 31, 2014, the Japanese economy was characterized by gradual recovery, as the government's economic policies and monetary easing by Japan's central bank caused manufacturing activity in the corporate sector to recover, and the employment and income environment showed signs of improving. In the United States, meanwhile, the employment situation continued to gradually improve and activity in the corporate sector showed signs of recovery. In Europe, the debt crisis and the resulting austerity measures continued, but the region showed signs of recovery, albeit slight. The sense of decelerating growth in China's economy continued, as both internal demand and exports leveled off. Overall, however, the overseas economic outlook was in a gradual recovery.

On the healthcare front, the Japanese government is positioning the healthcare industry as a pillar of its strategies for national growth, reorganizing Medical Excellence JAPAN and announcing plans to establish Japanese National Institutes of Health. Such measures are expected to invigorate healthcare-related industries going forward. In advanced countries in Europe and the Americas, efforts are underway to reduce healthcare costs and reform medical systems, and fiscal austerity measures in countries such as Spain and Italy are causing healthcare spending in those countries to continue to decline. In the United States, efforts to reform the health insurance system to reduce the number of people without medical insurance continue. In China, medical system reform that is underway, including to the medical insurance system, aims to build infrastructures that provide uniform medical services in cities and farming villages throughout the country. Therefore, although some causes for uncertainty remain, the foundations of healthcare-related demand remain solid.

Under these circumstances, the Sysmex Group has begun building a new factory that will increase the Group's instrument manufacturing capacity to meet growing demand for in-vitro diagnostic (IVD) instruments in the Japanese and overseas markets. The new factory will be located in the city of Kakogawa, Hyogo Prefecture, adjoining the Kakogawa Factory, which currently serves as Sysmex's IVD instrument production facility. At the same time, we will expand existing factories at two domestic affiliated companies, Sysmex Medica Co., Ltd., and Sysmex RA Co., Ltd., boosting the Sysmex Group's overall IVD instrument production capacity.

We have also converted our distributor in South Korea to a subsidiary, strengthening our sales and support structures. We are also augmenting our scientific support—a Sysmex strength—and offering support proposals, efforts that should lead to enhanced customer satisfaction.

At the same time, we have established the R&D Center Americas to promote the globalization of R&D activities, locating the center at Sysmex America, Inc., our regional headquarters for the Americas. The center will pursue such strategic activities as joint research with U.S. healthcare institutions and the evaluation of technologies possessed by local companies in an effort to rapidly acquire useful leading-edge technologies.

As part of efforts to make a full-fledged entry into the area of personalized medicine, which is expected to grow, we reached the decision to acquire and convert to consolidated subsidiaries Partec GmbH and its affiliates, which possess flow cytometry technology*. We have also decided to acquire Inostics GmbH and its affiliated companies, which have gene amplification technologies that can be used to detect cancer genes circulating in the blood. By combining these companies' technologies with our own, we aim to make inroads in the hematology field and build the foundations for personalized medicine.

Sysmex has also established a marketing company in Kobe in cooperation with Kobe-based Kawasaki Heavy Industries, Ltd. This new company, Medicaroid Corporation, will promote the development of medical robots. Through this company, we aim to draft product plans centered on medical robots, for which global demand is expected to increase. Going forward, these efforts will concentrate on development, manufacturing and establishment of sales structures.

*Flow cytometry technology

Technology used for the flow dispersion of minute particles and the use of laser light to optically analyze the minute flows

Net Sales by Destination

| (Second Quarters of Fiscal Years to March 31) | | 2012 2Q | | 2013 2Q | | YtoY (Previous Period=100%) |
|---|---|---|---|---|---|---|
| | | Amount (Millions of Yen) | Percentage of Total (%) | Amount (Millions of Yen) | Percentage of Total (%) | |
| Japan | | 18,942 | 28.2 | 18,750 | 22.3 | 99.0 |
| | Americas | 13,623 | 20.3 | 17,923 | 21.3 | 131.6 |
| | EMEA | 17,676 | 26.3 | 23,737 | 28.3 | 134.3 |
| | China | 12,753 | 19.0 | 17,254 | 20.5 | 135.3 |
| | Asia Pacific | 4,185 | 6.2 | 6,413 | 7.6 | 153.2 |
| Overseas subtotal | | 48,239 | 71.8 | 65,328 | 77.7 | 135.4 |
| Total | | 67,181 | 100.0 | 84,079 | 100.0 | 125.2 |

Note: The geographical region that we called “Europe” in the past included countries in Europe, the Middle East and Africa. Therefore, to express this segmentation more accurately, we have changed its name to “EMEA,” effective from the first quarter under review. There has been no change, however, to the countries and regions that belong to this segment.

In Japan, capital investments by large-scale healthcare institutions were robust, and we continued with solution-proposal efforts. Although sales in the hematology field were down, sales centered on the hemostasis and urinalysis field were solid. As a result, sales in Japan during the first six months of the fiscal year amounted to ¥18,750 million, down 1.0% year on year.

In overseas markets, we made steady progress in the strengthening of sales and support structures and the provision of solutions, leading to robust sales of centered on reagents and services in line with an increase in the installed instrument base. These factors, plus the effect of yen depreciation, caused the Sysmex Group’s overseas sales to surge 35.4% year on year, to ¥65,328 million. The overseas sales ratio accordingly rose 5.9 percentage points, to 77.7%.

As a result, during the first six months of the fiscal year the Group recorded consolidated net sales of ¥84,079 million, up 25.2% year on year. Operating income rose 29.5%, to ¥13,713 million; ordinary income grew 38.8%, to ¥13,954 million; and net income increased 34.5%, to ¥8,592 million.

Performance by segment

(1) Japan

Performance in Japan improved, mainly in the hemostasis and urinalysis fields, as we continued to persevere in promoting solution proposals. However, sales in the “Japan” segment decreased 3.4% year on year, to ¥19,460 million, because of the conversion of our South Korean distributor to a subsidiary, as sales to external customers formerly recorded in the “Japan” segment were shifted to the “Asia Pacific” segment during the first three months of the fiscal year.

On the profit front, such factors as the expansion of export sales to Group companies led to an 81.1% surge in operating income, to ¥9,224 million.

(2) Americas

In the United States, an increase in the installed instrument base led to higher sales of reagents and support services, pushing up sales in the country. In Central and South America, the acquisition of project bids in Cost Rica boosted sales, and for the Americas as a whole, sales expanded 30.1%, to ¥17,242 million.

Segment operating income decreased 12.4%, to ¥726 million, as a result of higher selling, general and administrative expenses stemming from efforts to reinforce our sales management system.

(3) EMEA

Efforts to enhance our direct sales and support services led to robust sales in Russia and emerging markets, and we acquired new bid projects in Spain, resulting in favorable sales, centered on the hematology field. Segment sales consequently rose 34.5%, to ¥23,680 million.

Operating income jumped 56.1%, to ¥4,116 million, as the expansion in sales outpaced the rise in selling, general and administrative expenses accompanying our business expansion.

(4) China

In this market, sales were sluggish in some areas. However, sales of reagents rose in the hematology, urinalysis and hemostasis fields, pushing up segment sales 35.3%, to ¥17,248 million.

Boosted by higher sales, operating income rose 25.3%, to ¥1,947 million, offsetting an increase in selling, general and administrative expenses.

(5) Asia Pacific

The conversion of our South Korean distributor to a subsidiary bolstered sales in this segment. We also boosted sales in India and Thailand by enhancing our direct sales and support activities and benefited from higher sales of reagents in Indonesia thanks to an increase in the installed instrument base. As a result, sales expanded 88.0%, to ¥6,446 million.

Operating income surged 166.4%, to ¥798 million, as the substantially higher sales overshadowed higher selling, general and administrative expenses that went toward the building of sales and support structures.

2) Financial conditions analysis

(1) Assets, liabilities and net assets

As of September 30, 2013, total assets amounted to ¥180,032 million, up ¥7,021 million from March 31, 2013. The primary reasons were increases of ¥1,320 million in merchandise and finished goods; of ¥4,229 million in the “others” category within property, plant and equipment; and of ¥8,301 million in goodwill. Major decreases included a ¥4,540 million decline in cash and deposits and a ¥4,850 million fall in trade notes and accounts receivable.

Meanwhile, total liabilities were down ¥3,402 million, to ¥50,454 million. The main factor behind this decrease was a ¥3,852 million drop in trade notes and accounts payable, while income taxes payable rose ¥737 million.

Total net assets came to ¥129,578 million as of September 30, 2013, up ¥10,424 million from their level on March 31, 2013. The rise was due principally to a ¥3,499 million increase in the foreign currency translation adjustment and ¥6,219 million higher retained earnings. The equity ratio as of September 30, 2013, was 71.8%, up 3.1 percentage points from the 68.7% as of March 31, 2013.

(2) Cash flows

As of September 30, 2013, cash and cash equivalents amounted to ¥29,098 million, down ¥5,208 million from March 31, 2013.

Cash flows from various activities during the first six months of the fiscal year are described in more detail below.

(Operating cash flow)

Net cash provided by operating activities was ¥16,040 million, ¥1,816 million more than in the same period of the preceding fiscal year. As principal factors, income before income taxes provided ¥13,983 million, ¥4,167 million more than in the first six months of the preceding fiscal year; depreciation and amortization provided ¥4,720 million, ¥938 million more; and the decrease in trade notes and accounts receivable provided ¥7,551 million, ¥4,227 million more. However, the decrease in trade notes and accounts payable used ¥4,338 million, up ¥4,243 million, and income taxes paid used ¥5,277 million, a ¥1,529 million increase.

(Investing cash flow)

Net cash used in investing activities was ¥20,314 million, ¥14,481 million more than in the same period of the preceding fiscal year. Among major factors were purchases of property, plant and equipment, which used ¥6,862 million, up ¥1,633 million, and the purchase of intangible assets used ¥1,856 million, up ¥1,155 million. Also, purchases of investments in subsidiaries, which was absent in the first six months of the preceding fiscal year, used ¥11,138 million.

(Financing cash flow)

Net cash used in financing activities amounted to ¥1,948 million, ¥114 million more than in the same period of the previous fiscal year. This was mainly due to cash dividends paid of ¥2,373 million, which used ¥419 more in cash than in the first six months of the preceding fiscal year, as well as—within the "others" category—¥486 million in proceeds from the issuance of shares, up from ¥208 million.

3) Explanations regarding consolidated financial forecast and future information

As the yen is depreciating more than we had anticipated against other currencies, net sales now appears likely to exceed the forecast figures for the fiscal year ending March 31, 2014, that we announced on May 8, 2013. Although this increase in sales will have a positive impact on profit, we do not expect performance to differ from our initial forecasts on the profit front, as expenses have increased in line with the acquisitions, announced on September 24, 2013, of Partec GmbH and Inostics GmbH.

For the third quarter onward, we have revised our initially assumed exchange rates from US$1=¥95 and €1=¥125 to US$1=¥97 and €1=¥130.

The forecasts above are based on information available as of the date of this release. Actual results may differ materially from these forecasts due to unforeseen factors and future events.

Revised consolidated financial forecasts for the fiscal year ending March 31, 2014

(unit: million yen, %)

| | Net sales | Operating income | Ordinary income | Net income | Net income per share (Yen) |
|---|---|---|---|---|---|
| Previous forecast (A) | 175,000 | 30,000 | 30,000 | 18,500 | 179.30 |
| Actual results (B) | 180,000 | 30,000 | 30,000 | 18,500 | 178.99 |
| Difference (B–A) | 5,000 | — | — | — | — |
| Rate of change (%) | 2.9 | — | — | — | — |
| Previous fiscal year | 145,577 | 21,804 | 22,976 | 14,165 | 137.58 |

## 2. Items related to summary information (other information)

1) Changes in significant consolidated subsidiaries during the period under review

Nothing to report.

2) Application of special accounting treatment for quarterly financial reporting

Nothing to report.

3) Changes in accounting policies, accounting estimates or restatement of corrections

Nothing to report.

## Consolidated Balance Sheets

(Unit: Millions of Yen)

| Items | As of Mar. 31, 2013<br>Amount | As of Sep. 30, 2013<br>Amount |
|---|---|---|
| (Assets) | | |
| Ⅰ Current assets | | |
| Cash and deposits | 33,830 | 29,289 |
| Notes and accounts receivable-trade | 41,254 | 36,404 |
| Short-term investment securities | 627 | 147 |
| Merchandise and finished goods | 20,317 | 21,637 |
| Work in process | 1,472 | 1,651 |
| Raw materials and supplies | 4,150 | 4,192 |
| Others | 13,282 | 14,736 |
| Allowance for doubtful accounts | (523) | (702) |
| Total current assets | 114,411 | 107,356 |
| Ⅱ Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 18,652 | 18,692 |
| Others | 26,825 | 31,055 |
| Total Property, plant and equipment | 45,478 | 49,747 |
| Intangible assets | | |
| Goodwill | 1,790 | 10,091 |
| Others | 5,095 | 5,976 |
| Total Intangible assets | 6,885 | 16,067 |
| Total Investments and other assets | 6,234 | 6,860 |
| Total Noncurrent assets | 58,599 | 72,675 |
| Total assets | 173,010 | 180,032 |
| (Liabilities) | | |
| Ⅰ Current liabilities | | |
| Notes and accounts payable-trade | 14,832 | 10,979 |
| Short-term loans payable | 3 | 42 |
| Income taxes payable | 3,982 | 4,720 |
| Provision for bonuses | 4,043 | 4,201 |
| Provision for directors' bonuses | 265 | 121 |
| Provision for product warranties | 175 | 242 |
| Others | 22,121 | 21,239 |
| Total current liabilities | 45,424 | 41,547 |
| Ⅱ Noncurrent liabilities | | |
| Long-term loans payable | 1 | 107 |
| Provision for retirement benefits | 1,747 | 1,817 |
| Provision for directors' retirement benefits | 160 | 102 |
| Others | 6,523 | 6,879 |
| Total Noncurrent liabilities | 8,432 | 8,907 |
| Total liabilities | 53,857 | 50,454 |
| (Net assets) | | |
| Ⅰ Shareholders' equity | | |
| Capital stock | 9,711 | 10,006 |
| Capital surplus | 14,651 | 14,947 |
| Retained earnings | 93,947 | 100,166 |
| Treasury stock | (259) | (264) |
| Total shareholders' equity | 118,050 | 124,855 |
| Ⅱ Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 708 | 907 |
| Foreign currency translation adjustment | 41 | 3,540 |
| Total accumulated other comprehensive income | 749 | 4,448 |
| Ⅲ Subscription rights to shares | 353 | 273 |
| Ⅳ Minority interests | 0 | 0 |
| Total net assets | 119,153 | 129,578 |
| Total liabilities and net assets | 173,010 | 180,032 |

(Note) fractions of one million yen are rounded off

## Consolidated Statements of Income

(Unit: Millions of Yen)

| Items | Six months ended Sep. 30, 2012<br>Amount | Six months ended Sep. 30, 2013<br>Amount |
|---|---|---|
| Ⅰ Net sales | 67,181 | 84,079 |
| Ⅱ Cost of sales | 24,794 | 30,746 |
| Gross profit | 42,387 | 53,333 |
| Ⅲ Selling, general and administrative expenses | 31,796 | 39,620 |
| Operating income | 10,591 | 13,712 |
| Ⅳ Non-operating income | | |
| Interest income | 56 | 73 |
| Dividends income | 27 | 29 |
| Subsidy income | 130 | 99 |
| Foreign exchange gains | - | 73 |
| Others | 54 | 50 |
| Total non-operating income | 269 | 327 |
| Ⅴ Non-operating expenses | | |
| Interest expenses | 33 | 12 |
| Sales discounts | 19 | 19 |
| Equity in losses of affiliates | 30 | 11 |
| Foreign exchange losses | 684 | - |
| Others | 40 | 41 |
| Total non-operating expenses | 808 | 85 |
| Ordinary income | 10,052 | 13,954 |
| Ⅵ Extraordinary profits | | |
| Gain on sales of noncurrent assets | 9 | 2 |
| Insurance income | - | 238 |
| Gain on reversal of subscription rights to shares | 3 | - |
| Total extraordinary profits | 12 | 240 |
| Ⅶ Extraordinary loss | | |
| Loss on sales and retirement of noncurrent assets | 241 | 49 |
| Loss on valuation of investment securities | - | 46 |
| Loss on transport accident | - | 116 |
| Others | 8 | - |
| Total extraordinary loss | 249 | 212 |
| Income before income taxes and minority interest | 9,815 | 13,983 |
| Income taxes-current | 3,273 | 6,261 |
| Income taxes-deferred | 146 | (870) |
| Total income taxes | 3,420 | 5,390 |
| Income before minority interests | 6,395 | 8,592 |
| Minority interest | 6 | (0) |
| Net income | 6,388 | 8,592 |

(Note) fractions of one million yen are rounded off

## Consolidated Statements of Comprehensive Income

(Unit: Millions of Yen)

| Items | Six months ended Sep. 30, 2012 | Six months ended Sep. 30, 2013 |
|---|---|---|
| Income before minority interests | 6,395 | 8,592 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (166) | 199 |
| Deferred gains or losses on hedges | 0 | - |
| Foreign currency translation adjustment | (2,723) | 3,499 |
| Total other comprehensive income | (2,890) | 3,699 |
| Comprehensive income | 3,505 | 12,291 |
| Comprehensive income attributable to owners of the parent | 3,510 | 12,291 |
| Comprehensive income attributable to minority interests | (4) | (0) |

(Note) fractions of one million yen are rounded off

## Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

| Items | Six months ended Sep. 30, 2012 | Six months ended Sep. 30, 2013 |
|---|---|---|
| **I Net cash provided by (used in) operating activities** | | |
| Income before income taxes | 9,815 | 13,983 |
| Depreciation and amortization | 3,782 | 4,720 |
| Insurance income | - | (238) |
| Decrease (increase) in notes and accounts receivable-trade | 3,324 | 7,551 |
| Decrease (increase) in inventories | (951) | 109 |
| Increase (decrease) in notes and accounts payable-trade | (95) | (4,338) |
| Others | 2,040 | (807) |
| **Subtotal** | 17,915 | 20,980 |
| Interest and dividends received | 84 | 105 |
| Interest expenses paid | (27) | (5) |
| Insurance received | - | 238 |
| Income taxes paid | (3,748) | (5,277) |
| **Net cash provided by (used in) operating activities** | 14,223 | 16,040 |
| **II Net cash provided by (used in) investment activities** | | |
| Purchase of property, plant and equipment | (5,229) | (6,862) |
| Purchase of intangible assets | (701) | (1,856) |
| Cash flow from equity investment in subsidiaries | - | (11,138) |
| Others | 96 | (457) |
| **Net cash provided by (used in) investment activities** | (5,833) | (20,314) |
| **III Net cash provided by (used in) financing activities** | | |
| Net increase (decrease) in short-term loans payable | - | (15) |
| Repayment of long-term loans payable | (2) | (3) |
| Cash dividends paid | (1,953) | (2,373) |
| Others | 122 | 443 |
| **Net cash provided by (used in) financing activities** | (1,833) | (1,948) |
| **IV Effect of exchange rate change on cash and cash equivalents** | (758) | 1,013 |
| **V Net increase (decrease) in cash and cash equivalents** | 5,798 | (5,208) |
| **VI Cash and cash equivalents at beginning of term** | 21,838 | 34,306 |
| **VII Cash and cash equivalents at end of term** | 27,636 | 29,098 |

(Note) fractions of one million yen are rounded off

## Notes to the consolidated financial statements

(Notes related to the going concern assumption)
Nothing to report.

(Notes in the event of significant changes in shareholders' equity)
Nothing to report.

(Segment information)

Ⅰ Information on sales and income by geographic segment reported

1. Six months ended September 30, 2012

(Unit: Millions of Yen)

| | Japan | Americas | EMEA | China | Asia Pacific | Total | Reconciliations | Consolidated |
|---|---|---|---|---|---|---|---|---|
| Sales and Operating income | | | | | | | | |
| Sales | | | | | | | | |
| Net Sales to outside customers | 20,143 | 13,249 | 17,607 | 12,752 | 3,429 | 67,181 | - | 67,181 |
| Inter-area transfer | 20,124 | 1 | 215 | 2 | 77 | 20,421 | (20,421) | - |
| Total net sales | 40,268 | 13,251 | 17,822 | 12,754 | 3,506 | 87,603 | (20,421) | 67,181 |
| Operating income | 5,092 | 829 | 2,636 | 1,554 | 299 | 10,412 | 178 | 10,591 |

Note:
1. Segment income reconciliations of ¥178 million include ¥165 million for the elimination of intersegment transfers
a negative ¥12 million in inventory adjustments and ¥24 million in adjustments for noncurrent assets.
2. Segment income is adjusted to operating income on the consolidated statements of income.

2. Information related to impairment losses on noncurrent assets or goodwill attributable to reportable segments
Nothing to report.

Ⅱ Information on sales and income by geographic segment reported

1. Six months ended September 30, 2013

(Unit: Millions of Yen)

| | Japan | Americas | EMEA | China | Asia Pacific | Total | Reconciliations | Consolidated |
|---|---|---|---|---|---|---|---|---|
| Sales and Operating income | | | | | | | | |
| Sales | | | | | | | | |
| Net Sales to outside customers | 19,460 | 17,242 | 23,680 | 17,248 | 6,446 | 84,079 | - | 84,079 |
| Inter-area transfer | 29,037 | 2 | 351 | 2 | 80 | 29,473 | (29,473) | - |
| Total net sales | 48,498 | 17,245 | 24,031 | 17,251 | 6,526 | 113,553 | (29,473) | 84,079 |
| Operating income | 9,224 | 726 | 4,116 | 1,947 | 798 | 16,813 | (3,100) | 13,712 |

Note:
1. Segment income reconciliations of minus ¥2,978 million include ¥64 million for the elimination of intersegment transfers,
a negative ¥2,942 million in inventory adjustments and a minus ¥101 million in adjustments for noncurrent assets.
2. Segment income is adjusted to operating income on the consolidated statements of income.
3. The previous segment grouping called "Europe" actually included operations extending from Europe and including the Middle East and Africa. To making the naming more accurate, however, from the first quarter of the fiscal year ending March 31, 2014, the segment's name was changed to "EMEA." This naming change does not indicate any revision in the countries or regions accounted for by the grouping
In accordance with this change, the first six months of the preceding fiscal year and the first six months of the fiscal year under review use the "EMEA" grouping.

2. Information related to impairment losses on noncurrent assets or goodwill attributable to reportable segments
(Significant changes in goodwill amounts)
In the EMEA segment, Sysmex acquired Partec GmbH Görlitz and its holdings in subsidiaries during the first six months of the fiscal year ending March 31, 2014, including these companies in the scope of consolidation. The corresponding increase in goodwill amounts to ¥6,274 million. This amount of goodwill is provisional, as the acquisition cost is at present unconfirmed and the allocation of acquisition costs is not complete.
In the Asia Pacific segment, in the first quarter of the fiscal year ending March 31, 2014, Sysmex acquired a 100% stake in its distributor in South Korea, including this company in the scope of consolidation. The corresponding increase in goodwill amounts to ¥2,383 million.