Summary of Consolidated Financial Results
for the First Three Months of the Fiscal Year Ending March 31, 2013

August 2, 2012

Listed company name	:	Sysmex Corporation
Code	:	6869
Listed stock exchanges	:	Tokyo Stock Exchange Osaka Securities Exchange
URL	:	http://www.sysmex.co.jp
Company representative	:	Hisashi Ietsugu, President and CEO
Contact	:	Yukitoshi Kamao, Executive Vice President, Corporate Business Administration
Phone	:	078(265)-0500
Scheduled date for filing of quarterly report	:	August 13, 2012
Scheduled date for dividend payment		—
Preparation of supplementary material for quarterly earnings	:	Yes
Holding of quarterly earnings announcement	:	Yes

(Unit: Millions of Yen)

1. Results for the three months ended June 30, 2012

(1) Operating results

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

	Net Sales		Operating income		Ordinary income		Net income	
Three months ended Jun. 30, 2012	31,676	3.0%	4,082	33.8%	3,651	22.6%	2,307	39.1%
Three months ended Jun. 30, 2011	30,758	10.3%	3,051	(9.6%)	2,977	(0.9%)	1,658	(6.3%)

	Net income per share (Yen)	Diluted net income per share (Yen)
Three months ended Jun. 30, 2012	22.44	22.38
Three months ended Jun. 30, 2011	16.15	16.11

Note:

Comprehensive income: (493) million yen(−%) for the three months ended June 30, 2012; 1,284 million yen(−%) for June 30, 2011.

(2) Financial condition

	Total assets	Net assets	Equity Ratio	Net assets per share (Yen)
As of Jun. 30, 2012	132,691	100,185	75.0%	967.86
As of Mar. 31, 2012	142,285	102,502	71.6%	990.51

Note:

Equity capital: 99,559 million yen as of June 30, 2012; 101,833 million yen as of March 31, 2012

2. Dividends (The year ended March 31, 2012 and the year ending March 31, 2013)

	Dividend per share				
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)
Year ended Mar. 31, 2012	—	15.00	—	19.00	34.00
Year ending Mar. 31, 2013	—				
Year ending Mar. 31, 2013 (Forecast)		17.00	—	17.00	34.00

Note:

Revision of dividends forecast for this period: No

3. Business forecast for the year ending March 31, 2013

(% 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)
Six months ending Sep. 30, 2012	70,000	7.3%	9,800	3.8%	9,800	10.5%	6,200	5.8%	60.28
Year ending Mar. 31, 2013	148,000	9.8%	21,000	9.3%	21,000	9.8%	13,000	8.3%	126.38

Note:
Revision of business forecast for this period: No

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 policies, accounting estimates and restatement of corrections
1) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: Yes
2) Other changes in accounting policies: No
3) Changes in accounting estimates: No
4) Restatement of corrections: No
(4) Number of shares outstanding (Ordinary shares)
1) Number of shares outstanding at the end of each fiscal period (including treasury stock):
103,084,016 shares as of Jun. 30, 2012; 103,027,016 shares as of Mar. 31, 2012
2) Number of treasury stock at the end of each fiscal period:
217,806 shares as of Jun. 30, 2012; 217,764 shares as of Mar. 31, 2012
3) Average number of outstanding stock for each period (cumulative):
102,845,748 shares three months ended Jun. 30, 2012; 102,717,053 shares three months ended Jun. 30, 2011

*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 three months of the fiscal year ending March 31, 2013, the Japanese economy was characterized by a gradual recovery in production activity and the employment and income environment, centered on demand for reconstruction following the Great East Japan Earthquake. The overseas economic outlook was less positive, however, owing to the protracted European debt crisis, attendant instability in foreign exchange markets, and a slowdown of growth in China, which has sustained firm economic expansion.

On the healthcare front, the Japanese government introduced its fiscal 2012 revisions to medical compensation under the national healthcare system, indicating its basic policy on future structural reforms related to healthcare and nursing care. In advanced countries in Europe and the United States, efforts are underway to reduce healthcare costs and reform medical systems, and fiscal austerity measures in Spain are causing healthcare spending to decline in that country. In the United States, the Supreme Court has confirmed the constitutionality of a medical reform bill that should push forward efforts to reduce the number of people without medical insurance. 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.

Net Sales by Destination

(First Quarters of Fiscal Years to March 31)		2012 1Q		2013 1Q		YoY (Previous period = 100%)
		Amount (Millions of Yen)	Percentage of Total (%)	Amount (Millions of Yen)	Percentage of Total (%)	
Japan		7,828	25.5	7,614	24.0	97.3
	Americas	6,434	20.9	6,616	20.9	102.8
	Europe	9,648	31.4	9,039	28.6	93.7
	China	4,989	16.2	6,537	20.6	131.0
	Asia Pacific	1,858	6.0	1,867	5.9	100.5
Overseas subtotal		22,930	74.5	24,061	76.0	104.9
Total		30,758	100.0	31,676	100.0	103.0

Against this backdrop, the Sysmex Group renewed its agreement with Roche Diagnostics Ltd., encouraging further cooperation involving sales and support of Sysmex's hematology analyzers and related products. To meet growing demand in emerging markets, we launched the XP-Series—a compact multiparameter automated hematology analyzer. As the target market for this product is all regions, we have begun gradually commencing sales by country, as approved.

In Japan, management improvements accompanying healthcare reforms resulted in steady capital investment by large-scale medical institutions, and we continued to promote solution proposals. Although these efforts resulted in the favorable receipt of major orders, we posted sales in Japan of ¥7,614 million, down 2.7% from the first three months of the preceding fiscal year.

In overseas markets, we made steady progress in the strengthening of sales and support structures and the provision of solutions. As a result, sales moved steadily upward on a local currency basis due to increased sales of instruments and diagnostic reagents. Consequently, despite major appreciation of the yen against the euro the Group's overseas sales were ¥24,061 million, up 4.9% year on year. The overseas sales ratio was 76.0%, up 1.5 percentage points from the same period of the previous fiscal year.

As a result, during the first three months of the fiscal year the Group recorded consolidated net sales of ¥31,676 million, up 3.0%. Operating income rose 33.8%, to ¥4,082 million; ordinary income grew 22.6%, to ¥3,651 million; and net income increased 39.1%, to ¥2,307 million.

Performance by segment

(1) Japan

Sales remained robust in the hematology testing field, our main business domain, owing to our perseverance in presenting solutions to customers, which paid off in the form of an increase in large orders. However, sales were down 3.2% compared with the corresponding period of the preceding fiscal year, to ¥8,195 million.

Despite the impact of a revision in intragroup transaction prices, operating income was down 26.5% year on year, to ¥771 million. This decrease stemmed from such factors as lower sales, as well as the negative impact of yen appreciation against the euro.

(2) Americas

In the United States, sales of hematology instruments were down due to temporary delays in customer purchases of instruments in response to uncertainty about the direction of the healthcare reform bill, but sales of reagents and support services grew as a result of a higher base of installed instruments, pushing up overall sales in this market. Although sales were down in Central and South America owing to a decrease in the number of project bids in these markets, overall sales in the Americas amounted to ¥6,439 million, up 3.7% from the first three months of the preceding fiscal year.

Cost of sales rose, due to a revision in intragroup transaction prices, and selling, general and administrative expenses increased, stemming from efforts to reinforce our sales and support operations. Consequently, operating income fell 20.7%, to ¥364 million.

(3) Europe

In addition to enhancing our direct sales and support activities, we continued in our efforts to propose solutions. This resulted in robust sales on a local currency basis, centered in the hematology field. Due to the negative impact of substantial yen appreciation, however, sales were down 6.7% year on year, to ¥8,960 million.

The effects of substantial yen appreciation caused operating income to decline 3.4%, to ¥1,289 million.

(4) China

In China, sales surged 31.0%, to ¥6,536 million. Behind these solid results were substantially higher sales of instruments and diagnostic reagents in the hematology, hemostasis and urinalysis fields, Higher sales compensated for such factors as a rise in cost of sales resulting from a revision in intragroup transaction prices, and operating income increased 12.9% year on year, to ¥1,073 million.

(5) Asia Pacific

In India, delays in the renewal of distributor agreements caused sales in that country to decline, but we acquired large projects in Oceania, and sales in Indonesia were up. These factors pushed up sales 4.2% year on year, to ¥1,544 million.

Despite an increase in selling, general and administrative expenses to enhance our sales and support structure, the lower sales in India—which has a relatively high cost of sales ratio—contributed to a 2.6% increase in operating income, to ¥41 million.

2) Financial conditions analysis

(1) Assets, liabilities and net assets

As of June 30, 2012, total assets amounted to ¥132,691 million, down ¥9,593 million from March 31, 2012. Primary reasons for this decrease included a ¥1,966 million decline in cash and deposits and ¥4,748 million lower trade notes and accounts receivable.

Meanwhile, total liabilities were down ¥7,276 million, to ¥32,505 million. The main reasons for this fall were decreases of ¥1,785 million in trade notes and accounts payable, ¥1,925 million in income taxes payable and ¥1,942 million in provision for bonuses.

Total net assets came to ¥100,185 million at June 30, 2012, down ¥2,317 million from their level on March 31, 2012. The principal reason for this decrease was a ¥2,723 million decline in foreign currency translation adjustments. The equity ratio as of June 30, 2012, was 75.0%, up 3.4 percentage points from the 71.6% recorded as of March 31, 2012.

(2) Cash flows

As of June 30, 2012, cash and cash equivalents amounted to ¥19,882 million, down ¥1,955 million from March 31, 2012. During the first three months of the fiscal year ending March 31, 2013, Cash flows from various activities are described in more detail below.

(Operating cash flow)

Net cash provided by operating activities was ¥3,493 million, ¥2,040 million more than in the first three months of the preceding fiscal year. As principal factors, income before income taxes provided ¥3,445 million, ¥479 million more than during the corresponding period of the preceding year, and a decrease in trade notes and accounts receivable provided ¥3,461 million, up ¥1,096 million. Uses of cash included income taxes paid of ¥2,655 million, ¥209 million less than during the first three months of the preceding fiscal year.

(Investing cash flow)

Net cash used in investing activities was ¥2,965 million, ¥1,087 million less than in the corresponding period of the preceding fiscal year. Among major factors were purchases of property, plant and equipment, which used ¥2,889 million, ¥1,258 million more than in the first three months of the preceding fiscal year. Payments for transfer of business, which used ¥1,900 million in the corresponding period of the preceding fiscal year, were absent during the period under review.

(Financing cash flow)

Net cash used in financing activities amounted to ¥1,924 million, ¥694 million more than was used in these activities during the first three months of the preceding fiscal year. The principal reason was cash dividends paid of ¥1,953 million, which used ¥310 million more in cash than during the first three months of the previous fiscal year.

3. Consolidated financial forecast

During the first three months of the fiscal year ending March 31, 2013, both net sales and income were up year on year, even though yen appreciation had a negative impact on exchange rates. Furthermore, robust sales activities overseas led sales on a local currency basis to increase in line with our expectations. From the second quarter, we expect performance to be affected by exchange rate fluctuations and a leveling off of economic activity in Europe, owing to the sovereign debt crisis. Despite these uncertainties, we expect our performance to progress according to initial plans. Consequently, we maintain unchanged the consolidated performance forecasts we announced on May 9, 2012, for both the first six months and the full fiscal year.

Consolidated Balance Sheets

(Unit: Millions of Yen)

Items	As of Mar. 31, 2012 Amount	As of June. 30, 2012 Amount
(Assets)		
Ⅰ Current assets		
Cash and deposits	21,362	19,396
Notes and accounts receivable-trade	36,218	31,470
Short-term investment securities	745	591
Merchandise and finished goods	16,534	15,699
Work in process	1,401	1,624
Raw materials and supplies	3,907	3,866
Others	10,341	9,616
Allowance for doubtful accounts	(350)	(369)
Total current assets	90,160	81,894
Ⅱ Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,736	16,538
Others	23,103	22,639
Total Property, plant and equipment	39,839	39,178
Intangible assets		
Goodwill	2,194	1,974
Others	4,709	4,425
Total Intangible assets	6,903	6,400
Total Investments and other assets	5,381	5,217
Total Noncurrent assets	52,124	50,796
Total assets	142,285	132,691
(Liabilities)		
Ⅰ Current liabilities		
Notes and accounts payable-trade	12,176	10,390
Short-term loans payable	5	5
Income taxes payable	2,776	851
Provision for bonuses	3,622	1,680
Provision for directors' bonuses	248	62
Provision for product warranties	157	114
Others	15,741	14,226
Total current liabilities	34,728	27,331
Ⅱ Noncurrent liabilities		
Long-term loans payable	4	2
Provision for retirement benefits	1,263	1,360
Provision for directors' retirement benefits	160	160
Others	3,624	3,651
Total Noncurrent liabilities	5,053	5,174
Total liabilities	39,782	32,505
(Net assets)		
Ⅰ Shareholders' equity		
Capital stock	9,187	9,267
Capital surplus	14,127	14,207
Retained earnings	83,484	83,838
Treasury stock	(255)	(255)
Total shareholders' equity	106,543	107,058
Ⅱ Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	426	360
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(5,136)	(7,859)
Total accumulated other comprehensive income	(4,709)	(7,498)
Ⅲ Subscription rights to shares	546	515
Ⅳ Minority interests	122	110
Total net assets	102,502	100,185
Total liabilities and net assets	142,285	132,691

(Note) fractions of one million yen are rounded off

Consolidated Statements of Income

(Unit: Millions of Yen)

Items	Three months ended June. 30, 2011 Amount	Three months ended June. 30, 2012 Amount
Ⅰ Net sales	30,758	31,676
Ⅱ Cost of sales	11,692	11,636
Gross profit	19,066	20,039
Ⅲ Selling, general and administrative expenses	16,014	15,957
Operating income	3,051	4,082
Ⅳ Non-operating income		
Interest income	32	38
Dividends income	21	20
Income from investment real estate	95	-
Others	73	23
Total non-operating income	223	83
Ⅴ Non-operating expenses		
Interest expenses	21	19
Equity in losses of affiliates	15	15
Maintenance cost of investment real estate	34	-
Foreign exchange losses	219	465
Others	6	14
Total non-operating expenses	296	514
Ordinary income	2,977	3,651
Ⅵ Extraordinary profits		
Gain on sales of noncurrent assets	10	7
Gain on reversal of subscription rights to shares	-	3
Total extraordinary profits	10	11
Loss on sales and retirement of noncurrent assets	17	210
Others	4	6
Total extraordinary loss	22	217
Income before income taxes and minority interest	2,965	3,445
Income taxes-current	1,176	951
Income taxes-deferred	129	186
Total income taxes	1,306	1,138
Income before minority interests	1,659	2,307
Minority interest	0	(0)
Net income	1,658	2,307

(Note) fractions of one million yen are rounded off

Consolidated Statements of Comprehensive Income

(Unit: Millions of Yen)

Items	Three months ended June. 30, 2011	Three months ended June. 30, 2012
Income before minority interests	1,659	2,307
Other comprehensive income		
Valuation difference on available-for-sale securities	21	(65)
Deferred gains or losses on hedges	11	0
Foreign currency translation adjustment	(408)	(2,735)
Total other comprehensive income	(374)	(2,800)
Comprehensive income	1,284	(493)
Comprehensive income attributable to owners of the parent	1,276	(481)
Comprehensive income attributable to minority interests	7	(12)

(Note) fractions of one million yen are rounded off

Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Items	Three months ended June. 30, 2011	Three months ended June. 30, 2012
Ⅰ Net cash provided by (used in) operating activities		
Income before income taxes	2,965	3,445
Depreciation and amortization	1,827	1,890
Decrease (increase) in notes and accounts receivable-trade	2,364	3,461
Decrease (increase) in inventories	(984)	(363)
Increase (decrease) in notes and accounts payable-trade	(1,162)	(1,637)
Others	(726)	(677)
Subtotal	4,283	6,117
Interest and dividends received	48	48
Interest expenses paid	(14)	(16)
Income taxes paid	(2,865)	(2,655)
Net cash provided by (used in) operating activities	1,453	3,493
Ⅱ Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(1,630)	(2,889)
Purchase of intangible assets	(410)	(251)
Payments for transfer of business	(1,900)	-
Others	(111)	175
Net cash provided by (used in) investment activities	(4,053)	(2,965)
Ⅲ Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	575	-
Repayment of long-term loans payable	(1)	(1)
Cash dividends paid	(1,643)	(1,953)
Others	(160)	29
Net cash provided by (used in) financing activities	(1,229)	(1,924)
Ⅳ Effect of exchange rate change on cash and cash equivalents	(166)	(559)
Ⅴ Net increase (decrease) in cash and cash equivalents	(3,995)	(1,955)
Ⅵ Cash and cash equivalents at beginning of term	18,915	21,838
Ⅶ Cash and cash equivalents at end of term	14,920	19,882

(Note) fractions of one million yen are rounded off

Segment Information

1. Information on sales and income by geographic segment reported

Three months ended June 30, 2011

(Unit: Millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Reconciliations	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	8,470	6,212	9,604	4,989	1,482	30,758	-	30,758
Inter-area transfer	9,005	0	120	0	37	9,165	(9,165)	-
Total net sales	17,475	6,213	9,725	4,990	1,519	39,924	(9,165)	30,758
Operating income	1,050	459	1,334	951	40	3,835	(784)	3,051

Note: Reconciliations principally consist of intersegment transfers.

Three months ended June 30, 2012

(Unit: Millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Reconciliations	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	8,195	6,439	8,960	6,536	1,544	31,676	-	31,676
Inter-area transfer	8,520	0	86	1	32	8,642	(8,642)	-
Total net sales	16,715	6,440	9,046	6,537	1,577	40,318	(8,642)	31,676
Operating income	771	364	1,289	1,073	41	3,540	542	4,082

Note: Reconciliations principally consist of intersegment transfers.