

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

August 6, 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 : August 9, 2013  
 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, 2013

#### (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, 2013	39,547	24.8%	4,780	17.1%	5,057	38.5%	3,066	32.9%
Three months ended Jun. 30, 2012	31,676	3.0%	4,082	33.8%	3,651	22.6%	2,307	39.1%

	Net income per share (Yen)	Diluted net income per share (Yen)
Three months ended Jun. 30, 2013	29.68	29.56
Three months ended Jun. 30, 2012	22.44	22.38

Note:

Comprehensive income: 5,651 million yen (—%) for the three months ended June 30, 2013;  
 (493) million yen (—%) for June 30, 2012.

#### (2) Financial condition

	Total assets	Net assets	Equity Ratio	Net assets per share (Yen)
As of Jun. 30, 2013	169,014	122,809	72.5%	1,185.72
As of Mar. 31, 2013	173,010	119,153	68.7%	1,151.38

Note:

Equity capital: 122,536 million yen as of June 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	—				
Year ending Mar. 31, 2014 (Forecast)		21.00	—	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)
Six months ending Sep. 30, 2013	82,000	22.1%	14,000	32.2%	14,000	39.3%	8,700	36.2%	84.21
Year ending Mar. 31, 2014	175,000	20.2%	30,000	37.6%	30,000	30.6%	18,500	30.6%	179.04

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 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):  
103,562,616 shares as of Jun. 30, 2013; 103,399,416 shares as of Mar. 31, 2013
  - 2) Number of treasury stock at the end of each fiscal period:  
219,098 shares as of Jun. 30, 2013; 218,696 shares as of Mar. 31, 2013
  - 3) Average number of outstanding stock for each period (cumulative):  
103,289,392 shares three months ended Jun. 30, 2013; 102,845,748 shares three months ended Jun. 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 three 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, although the employment situation continued to gradually improve, the corporate sector remained affected by fiscal austerity. European economic turmoil was prolonged by financial austerity stemming from the region's debt crisis. The sense of decelerating growth in China's economy continued, as both internal demand and exports leveled off. Overall, the overseas economic outlook remains a topic of concern.

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 reduce the number of people without medical insurance have begun in earnest. 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 decided to build 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.

#### Net Sales by Destination

(First Quarters of Fiscal Years to March 31)	2012 1Q		2013 1Q		Y to Y (Previous Period=100%)
	Amount (Millions of Yen)	Percentage of Total (%)	Amount (Millions of Yen)	Percentage of Total (%)	
Japan	7,614	24.0	7,734	19.6	101.6
Americas	6,616	20.9	8,282	20.9	125.2
EMEA	9,039	28.6	12,048	30.5	133.3
China	6,537	20.6	8,557	21.6	130.9
Asia Pacific	1,867	5.9	2,924	7.4	156.6
Overseas subtotal	24,061	76.0	31,812	80.4	132.2
Total	31,676	100.0	39,547	100.0	124.8

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 slightly, reflecting solid sales from major orders in the first quarter of the preceding fiscal year, sales centered on the hemostasis field increased. As a result, first-quarter sales in Japan amounted to ¥7,734 million, up 1.6% year on year.

In overseas markets, we made steady progress in the strengthening of sales and support structures and the provision of solutions. Although instrument sales remained essentially flat, sales of reagents were robust due to a rise in the number of installed instruments. These factors, plus the effect of yen depreciation, caused the Sysmex Group’s overseas sales to surge 32.2% year on year, to ¥31,812 million. The overseas sales ratio accordingly rose 4.4 percentage points, to 80.4%.

As a result, during the first three months of the fiscal year the Group recorded consolidated net sales of ¥39,547 million, up 24.8% year on year. Operating income rose 17.1%, to ¥4,780 million; ordinary income grew 38.5%, to ¥5,057 million; and net income increased 32.9%, to ¥3,066 million.

#### Performance by segment

##### (1) Japan

Performance in Japan improved, mainly in the hemostasis and clinical chemistry fields, as we continued to persevere in promoting solution proposals. However, sales in the “Japan” segment decreased 4.5% year on year, to ¥7,822 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 a 230.4% surge in operating income, to ¥2,549 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, depreciation of the yen in foreign exchange markets boosted sales, and for the Americas as a whole, sales expanded 26.9%, to ¥8,171 million.

Segment operating income decreased 4.5%, to ¥347 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 Belgium. Sales also grew 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 34.6%, to ¥12,063 million.

Operating income jumped 68.6%, to ¥2,173 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 showed signs of recovering. Sales of reagents rose in the hematology, urinalysis and hemostasis fields, pushing up segment sales 30.9%, to ¥8,555 million.

Operating income declined 10.4%, to ¥961 million, owing to 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 won a bid project in Myanmar and benefited from higher sales of reagents in Indonesia thanks to an increase in the installed instrument base. As a result, sales expanded 90.0%, to ¥2,934 million.

Operating income surged 725.9%, to ¥341 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 June 30, 2013, total assets amounted to ¥169,014 million, down ¥3,996 million from March 31, 2013. The primary reasons were a ¥5,558 million decline in cash and deposits and a ¥3,737 million fall in trade notes and accounts receivable.

Meanwhile, total liabilities were down ¥7,652 million, to ¥46,204 million. The main factors behind this decrease were a ¥3,505 million drop in trade notes and accounts payable, ¥2,625 million lower income taxes payable and a ¥1,596 million fall in provision for bonuses.

Total net assets came to ¥122,809 million as of June 30, 2013, up ¥3,655 million from their level on March 31, 2013. The rise was due principally to a ¥2,563 million increase in the foreign currency translation adjustment and ¥692 million higher retained earnings. The equity ratio as of June 30, 2013, was 72.5%, up 3.8 percentage points from the 68.7% as of March 31, 2013.

### (2) Cash flows

As of June 30, 2013, cash and cash equivalents amounted to ¥28,193 million, down ¥6,113 million from March 31, 2013.

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

#### (Operating cash flow)

Net cash provided by operating activities was ¥2,713 million, ¥780 million less than in the same period of the preceding fiscal year. As principal factors, income before income taxes provided ¥4,974 million, ¥1,528 million more than in the first three months of the preceding fiscal year, and the decrease in trade notes and accounts receivable provided ¥5,867 million, ¥2,406 million more. However, the decrease in trade notes and accounts payable used ¥3,910 million, up ¥2,272 million, and income taxes paid used ¥4,348 million, a ¥1,692 million increase.

#### (Investing cash flow)

Net cash used in investing activities was ¥7,840 million, ¥4,874 more than in the same period of the preceding fiscal year. Among major factors were purchases of property, plant and equipment, which used ¥3,490 million, up ¥601 million. Also, purchases of investments in subsidiaries, which was absent in the first three months of the preceding fiscal year, used ¥3,620 million.

#### (Financing cash flow)

Net cash used in financing activities amounted to ¥2,031 million, ¥106 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 three months of the preceding fiscal year.

### 3. Consolidated financial forecast

During the first three months of the fiscal year ending March 31, 2014, both net sales and income were up year on year. From the second quarter onward, we expect to meet our initial targets. Consequently, we maintain unchanged the consolidated performance forecasts we announced on May 8, 2013, for both the first six months and the full fiscal year.

## Consolidated Balance Sheets

(Unit: Millions of Yen)

Items	As of Mar. 31, 2013	As of Jun. 30, 2013
	Amount	Amount
<b>(Assets)</b>		
<b>I Current assets</b>		
Cash and deposits	33,830	28,271
Notes and accounts receivable-trade	41,254	37,516
Short-term investment securities	627	37
Merchandise and finished goods	20,317	21,424
Work in process	1,472	1,541
Raw materials and supplies	4,150	4,110
Others	13,282	13,498
Allowance for doubtful accounts	(523)	(570)
<b>Total current assets</b>	<b>114,411</b>	<b>105,830</b>
<b>II Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	18,652	18,566
Others	26,825	28,942
<b>Total Property, plant and equipment</b>	<b>45,478</b>	<b>47,509</b>
<b>Intangible assets</b>		
Goodwill	1,790	3,927
Others	5,095	5,234
<b>Total Intangible assets</b>	<b>6,885</b>	<b>9,162</b>
<b>Total Investments and other assets</b>	<b>6,234</b>	<b>6,511</b>
<b>Total Noncurrent assets</b>	<b>58,599</b>	<b>63,183</b>
<b>Total assets</b>	<b>173,010</b>	<b>169,014</b>
<b>(Liabilities)</b>		
<b>I Current liabilities</b>		
Notes and accounts payable-trade	14,832	11,327
Short-term loans payable	3	3
Income taxes payable	3,982	1,357
Provision for bonuses	4,043	2,447
Provision for directors' bonuses	265	60
Provision for product warranties	175	165
Others	22,121	22,037
<b>Total current liabilities</b>	<b>45,424</b>	<b>37,399</b>
<b>II Noncurrent liabilities</b>		
Long-term loans payable	1	0
Provision for retirement benefits	1,747	1,815
Provision for directors' retirement benefits	160	102
Others	6,523	6,887
<b>Total Noncurrent liabilities</b>	<b>8,432</b>	<b>8,805</b>
<b>Total liabilities</b>	<b>53,857</b>	<b>46,204</b>
<b>(Net assets)</b>		
<b>I Shareholders' equity</b>		
Capital stock	9,711	9,941
Capital surplus	14,651	14,882
Retained earnings	93,947	94,640
Treasury stock	(259)	(262)
<b>Total shareholders' equity</b>	<b>118,050</b>	<b>119,201</b>
<b>II Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	708	731
Foreign currency translation adjustment	41	2,604
<b>Total accumulated other comprehensive income</b>	<b>749</b>	<b>3,335</b>
<b>III Subscription rights to shares</b>	<b>353</b>	<b>272</b>
<b>IV Minority interests</b>	<b>0</b>	<b>0</b>
<b>Total net assets</b>	<b>119,153</b>	<b>122,809</b>
<b>Total liabilities and net assets</b>	<b>173,010</b>	<b>169,014</b>

(Note) fractions of one million yen are rounded off

## Consolidated Statements of Income

(Unit: Millions of Yen)

Items	Three months ended Jun. 30, 2012	Three months ended Jun. 30, 2013
	Amount	Amount
<b>I Net sales</b>	31,676	39,547
<b>II Cost of sales</b>	11,636	14,928
Gross profit	20,039	24,618
<b>III Selling, general and administrative expenses</b>	15,957	19,838
Operating income	4,082	4,780
<b>IV Non-operating income</b>		
Interest income	38	37
Dividends income	20	22
Foreign exchange gains	-	238
Others	23	28
<b>Total non-operating income</b>	83	326
<b>V Non-operating expenses</b>		
Interest expenses	19	7
Equity in losses of affiliates	15	26
Foreign exchange losses	465	-
Others	14	16
<b>Total non-operating expenses</b>	514	49
Ordinary income	3,651	5,057
<b>VI Extraordinary profits</b>		
Gain on sales of noncurrent assets	7	1
Gain on reversal of subscription rights to shares	3	-
<b>Total extraordinary profits</b>	11	1
<b>VII Extraordinary loss</b>		
Loss on sales and retirement of noncurrent assets	210	38
Loss on valuation of investment securities	-	46
Others	6	-
<b>Total extraordinary loss</b>	217	84
<b>Income before income taxes and minority interest</b>	3,445	4,974
Income taxes-current	951	1,525
Income taxes-deferred	186	382
<b>Total income taxes</b>	1,138	1,908
<b>Income before minority interests</b>	2,307	3,066
<b>Minority interest</b>	(0)	(0)
<b>Net income</b>	2,307	3,066

(Note) fractions of one million yen are rounded off



## Consolidated Statements of Comprehensive Income

(Unit: Millions of Yen)

Items	Three months ended Jun. 30, 2012	Three months ended Jun. 30, 2013
<b>Income before minority interests</b>	2,307	3,066
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(65)	22
Deferred gains or losses on hedges	0	-
Foreign currency translation adjustment	(2,735)	2,563
Total other comprehensive income	(2,800)	2,585
<b>Comprehensive income</b>	(493)	5,651
Comprehensive income attributable to owners of the parent	(481)	5,651
Comprehensive income attributable to minority interests	(12)	(0)

(Note) fractions of one million yen are rounded off

## Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Items	Three months ended Jun. 30, 2012	Three months ended Jun. 30, 2013
<b>I Net cash provided by (used in) operating activities</b>		
Income before income taxes	3,445	4,974
Depreciation and amortization	1,890	2,334
Decrease (increase) in notes and accounts receivable-trade	3,461	5,867
Decrease (increase) in inventories	(363)	52
Increase (decrease) in notes and accounts payable-trade	(1,637)	(3,910)
Others	(677)	(2,315)
<b>Subtotal</b>	<b>6,117</b>	<b>7,004</b>
Interest and dividends received	48	60
Interest expenses paid	(16)	(2)
Income taxes paid	(2,655)	(4,348)
<b>Net cash provided by (used in) operating activities</b>	<b>3,493</b>	<b>2,713</b>
<b>II Net cash provided by (used in) investment activities</b>		
Purchase of property, plant and equipment	(2,889)	(3,490)
Purchase of intangible assets	(251)	(621)
Cash flow from equity investment in subsidiaries	-	(3,620)
Others	175	(107)
<b>Net cash provided by (used in) investment activities</b>	<b>(2,965)</b>	<b>(7,840)</b>
<b>III Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	-	(14)
Repayment of long-term loans payable	(1)	(1)
Cash dividends paid	(1,953)	(2,373)
Others	29	358
<b>Net cash provided by (used in) financing activities</b>	<b>(1,924)</b>	<b>(2,031)</b>
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	<b>(559)</b>	<b>1,043</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>(1,955)</b>	<b>(6,113)</b>
<b>VI Cash and cash equivalents at beginning of term</b>	<b>21,838</b>	<b>34,306</b>
<b>VII Cash and cash equivalents at end of term</b>	<b>19,882</b>	<b>28,193</b>

(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, 2012

(Unit: Millions of Yen)

	Japan	Americas	EMEA	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.

Three months ended June 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	7,822	8,171	12,063	8,555	2,934	39,547	-	39,547
Inter-area transfer	12,891	2	211	1	41	13,147	(13,147)	-
Total net sales	20,714	8,173	12,274	8,556	2,976	52,695	(13,147)	39,547
Operating income	2,549	347	2,173	961	341	6,374	(1,593)	4,780

Note: Reconciliations principally consist of intersegment transfers.