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

February 5, 2014

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	:	February 13, 2014
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 nine months ended December 31, 2013

(1) Operating results

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

	Net Sales		Operating income		Ordinary income		Net income	
Nine months ended Dec. 31, 2013	129,849	28.1%	22,123	45.6%	23,159	48.8%	14,002	47.1%
Nine months ended Dec. 31, 2012	101,383	4.6%	15,192	11.3%	15,568	17.7%	9,518	10.9%

	Net income per share (Yen)	Diluted net income per share (Yen)
Nine months ended Dec. 31, 2013	135.46	135.00
Nine months ended Dec. 31, 2012	92.49	92.19

Note:

Comprehensive income: 23,595 million yen (101.4%) for the nine months ended December 31, 2013; 11,713 million yen (139.0%) for December 31, 2012.

(2) Financial condition

	Total assets	Net assets	Equity Ratio	Net assets per share (Yen)
As of Dec. 31, 2013	198,635	139,076	69.8%	1,340.29
As of Mar. 31, 2013	173,010	119,153	68.7%	1,151.38

Note:

Equity capital: 138,695 million yen as of December 31, 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%	178.92

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): 103,702,216 shares as of Dec. 31, 2013; 103,399,416 shares as of Mar. 31, 2013

2) Number of treasury stock at the end of each fiscal period: 219,966 shares as of Dec. 31, 2013; 218,696 shares as of Mar. 31, 2013

3) Average number of outstanding stock for each period (cumulative): 103,371,971 shares nine months ended Dec. 31, 2013; 102,910,309 shares nine months ended Dec. 31, 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 nine 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 maintained its recovery trend. 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 is moving forward with construction of 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. We are expanding 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 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 converted to consolidated subsidiaries Partec GmbH and its affiliates, which possess flow cytometry technology*. We also converted to subsidiaries 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

(First Nine Months of Fiscal Years to March 31)		2012 3Q		2013 3Q		YtoY (Previous period = 100%)
		Amount (Millions of Yen)	Percentage of Total (%)	Amount (Millions of Yen)	Percentage of Total (%)	
Japan		27,442	27.1	27,896	21.5	101.7
	Americas	21,050	20.8	28,166	21.7	133.8
	EMEA	27,743	27.4	37,862	29.1	136.5
	China	17,991	17.7	26,063	20.1	144.9
	Asia Pacific	7,154	7.0	9,859	7.6	137.8
Overseas subtotal		73,940	72.9	101,953	78.5	137.9
Total		101,383	100.0	129,849	100.0	128.1

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 of the fiscal year 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 nine months of the fiscal year amounted to ¥27,896 million, up 1.7% 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 37.9% year on year, to ¥101,953 million. The overseas sales ratio accordingly rose 5.6 percentage points, to 78.5%.

As a result, during the first nine months of the fiscal year the Group recorded consolidated net sales of ¥129,849 million, up 28.1% year on year. Operating income rose 45.6%, to ¥22,123 million; ordinary income grew 48.8%, to ¥23,159 million; and net income increased 47.1%, to ¥14,002 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 2.5% year on year, to ¥28,724 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 73.8% surge in operating income, to ¥13,537 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 expansion of business volume in Chile and Costa Rica boosted sales, and for the Americas as a whole, sales expanded 34.0%, to ¥27,349 million.

Segment operating income rose 18.3%, to ¥1,620 million, as the impact of expanded sales outpaced the impact of higher selling, general and administrative expenses stemming from efforts to reinforce our sales management system.

(3) EMEA

Sales in Germany and France increased, as did 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 37.0%, to ¥37,793 million.

Operating income jumped 55.4%, to ¥6,514 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 44.8%, to ¥26,054 million.

Boosted by higher sales, operating income rose 56.0%, to ¥3,101 million, offsetting an increase in selling, general and administrative expenses stemming from efforts to reinforce our sales structure.

(5) Asia Pacific

The conversion of our South Korean distributor to a subsidiary bolstered sales in this segment. We also boosted sales in Thailand by enhancing our direct sales and support activities and benefited from higher sales of reagents in Indonesia and Malaysia thanks to an increase in the installed instrument base. As a result, sales expanded 66.9%, to ¥9,927 million.

Operating income surged 117.2%, to ¥1,249 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 December 31, 2013, total assets amounted to ¥198,635 million, up ¥25,624 million from March 31, 2013. The primary reasons were increases of ¥4,137 million in merchandise and finished goods; of ¥2,176 million in the “others” category within current assets; of ¥6,156 million in the “others” category within property, plant and equipment; and of ¥13,341 million in goodwill; although cash and deposits fell ¥2,912 million.

Meanwhile, total liabilities were up ¥5,702 million, to ¥59,559 million. Main factors behind this increase were a ¥4,170 million rise in short-term loans payable, ¥800 million higher income taxes payable and a ¥1,923 million rise in the “others” category of current liabilities, although trade notes and account payable dropped ¥2,143 million.

Total net assets came to ¥139,076 million as of December 31, 2013, up ¥19,922 million from their level on March 31, 2013. The rise was due principally to a ¥8,867 million increase in the foreign currency translation adjustment and ¥9,458 million higher retained earnings. The equity ratio as of December 31, 2013, was 69.8%, up 1.1 percentage points from the 68.7% as of March 31, 2013.

(2) Cash flows

As of December 31, 2013, cash and cash equivalents amounted to ¥30,711 million, down ¥3,595 million from March 31, 2013.

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

(Operating cash flow)

Net cash provided by operating activities was ¥22,270 million, ¥5,606 million more than in the same period of the preceding fiscal year. As principal factors, income before income taxes provided ¥22,936 million, ¥7,637 million more than in the first nine months of the preceding fiscal year; depreciation and amortization provided ¥7,178 million, ¥1,403 million more; and the decrease in trade notes and accounts receivable provided ¥5,386 million, ¥1,768 million more. However, the increase in inventories used ¥1,315 million, down ¥2,669 million; the decrease in trade notes and accounts payable used ¥3,112 million, compared with ¥1,205 million provided in the same period of the previous year, and income taxes paid used ¥8,540 million, a ¥2,564 million increase.

(Investing cash flow)

Net cash used in investing activities was ¥28,768 million, ¥19,323 million more than in the same period of the preceding fiscal year. Among major factors were purchases of property, plant and equipment, which used ¥9,109 million, up ¥943 million, and the purchase of intangible assets used ¥2,652 million, up ¥1,230 million. Also, purchases of investments in subsidiaries, which was absent in the first nine months of the preceding fiscal year, used ¥16,640 million.

(Financing cash flow)

Net cash provided by financing activities amounted to ¥81 million, compared with ¥3,464 million used by these activities in the same period of the previous fiscal year. This figure was mainly due to a ¥3,984 million net increase in short-term loans payable, which was absent in the same period of the previous year, as well as cash dividends paid of ¥4,544 million, which used ¥841 million more in cash than in the first nine months of the preceding fiscal year.

3) Explanations regarding consolidated financial forecast and future information

As performance in the first nine months of the fiscal year ending March 31, 2014, was generally according to plan, we maintain unchanged our consolidated financial forecast for the full fiscal year, as announced on November 5, 2013.

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.

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 Amount	As of Dec. 31, 2013 Amount
(Assets)		
Ⅰ Current assets		
Cash and deposits	33,830	30,917
Notes and accounts receivable-trade	41,254	40,814
Short-term investment securities	627	77
Merchandise and finished goods	20,317	24,454
Work in process	1,472	2,076
Raw materials and supplies	4,150	4,762
Others	13,282	15,459
Allowance for doubtful accounts	(523)	(796)
Total current assets	114,411	117,765
Ⅱ Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,652	18,606
Others	26,825	32,982
Total Property, plant and equipment	45,478	51,589
Intangible assets		
Goodwill	1,790	15,131
Others	5,095	6,380
Total Intangible assets	6,885	21,511
Total Investments and other assets	6,234	7,769
Total Noncurrent assets	58,599	80,869
Total assets	173,010	198,635
(Liabilities)		
Ⅰ Current liabilities		
Notes and accounts payable-trade	14,832	12,688
Short-term loans payable	3	4,173
Income taxes payable	3,982	4,783
Provision for bonuses	4,043	3,440
Provision for directors' bonuses	265	189
Provision for product warranties	175	242
Others	22,121	24,045
Total current liabilities	45,424	49,565
Ⅱ Noncurrent liabilities		
Long-term loans payable	1	101
Provision for retirement benefits	1,747	1,858
Provision for directors' retirement benefits	160	102
Others	6,523	7,932
Total Noncurrent liabilities	8,432	9,994
Total liabilities	53,857	59,559
(Net assets)		
Ⅰ Shareholders' equity		
Capital stock	9,711	10,138
Capital surplus	14,651	15,078
Retained earnings	93,947	103,405
Treasury stock	(259)	(268)
Total shareholders' equity	118,050	128,354
Ⅱ Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	708	1,433
Foreign currency translation adjustment	41	8,908
Total accumulated other comprehensive income	749	10,341
Ⅲ Subscription rights to shares	353	380
Ⅳ Minority interests	0	0
Total net assets	119,153	139,076
Total liabilities and net assets	173,010	198,635

(Note) fractions of one million yen are rounded off

Consolidated Statements of Income

(Unit: Millions of Yen)

Items	Nine months ended Dec. 31, 2012 Amount	Nine months ended Dec. 31, 2013 Amount
Ⅰ Net sales	101,383	129,849
Ⅱ Cost of sales	37,534	47,146
Gross profit	63,848	82,702
Ⅲ Selling, general and administrative expenses	48,656	60,578
Operating income	15,192	22,123
Ⅳ Non-operating income		
Interest income	86	120
Dividends income	48	51
Subsidy income	171	128
Foreign exchange gains	91	755
Others	90	130
Total non-operating income	487	1,187
Ⅴ Non-operating expenses		
Interest expenses	46	23
Sales discounts	19	19
Equity in losses of affiliates	8	19
Others	36	88
Total non-operating expenses	111	151
Ordinary income	15,568	23,159
Ⅵ Extraordinary profits		
Gain on sales of noncurrent assets	11	6
Insurance income	-	242
Gain on reversal of subscription rights to shares	10	-
Others	-	0
Total extraordinary profits	22	249
Ⅶ Extraordinary loss		
Loss on sales and retirement of noncurrent assets	279	78
Impairment loss	-	231
Loss on valuation of investment securities	-	46
Loss on transport accident	-	116
Others	12	-
Total extraordinary loss	291	472
Income before income taxes and minority interest	15,299	22,936
Income taxes-current	5,212	9,195
Income taxes-deferred	550	(261)
Total income taxes	5,763	8,933
Income before minority interests	9,535	14,002
Minority interest	17	(0)
Net income	9,518	14,002

(Note) fractions of one million yen are rounded off

Consolidated Statements of Comprehensive Income

(Unit: Millions of Yen)

Items	Nine months ended Dec. 31, 2012	Nine months ended Dec. 31, 2013
Income before minority interests	9,535	14,002
Other comprehensive income		
Valuation difference on available-for-sale securities	(61)	725
Deferred gains or losses on hedges	(10)	-
Foreign currency translation adjustment	2,249	8,867
Total other comprehensive income	2,178	9,592
Comprehensive income	11,713	23,595
Comprehensive income attributable to owners of the parent	11,689	23,595
Comprehensive income attributable to minority interests	24	(0)

(Note) fractions of one million yen are rounded off

Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Items	Nine months ended Dec. 31, 2012	Nine months ended Dec. 31, 2013
Ⅰ Net cash provided by (used in) operating activities		
Income before income taxes	15,299	22,936
Depreciation and amortization	5,775	7,178
Impairment loss	-	231
Insurance income	-	(242)
Decrease (increase) in notes and accounts receivable-trade	3,617	5,386
Decrease (increase) in inventories	(3,985)	(1,315)
Increase (decrease) in notes and accounts payable-trade	1,205	(3,112)
Others	626	(657)
Subtotal	22,538	30,404
Interest and dividends received	133	173
Interest expenses paid	(32)	(9)
Insurance received	-	242
Income taxes paid	(5,975)	(8,540)
Net cash provided by (used in) operating activities	16,664	22,270
Ⅱ Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(8,165)	(9,109)
Purchase of intangible assets	(1,422)	(2,652)
Cash flow from equity investment in subsidiaries	-	(16,640)
Others	142	(365)
Net cash provided by (used in) investment activities	(9,445)	(28,768)
Ⅲ Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-	3,984
Repayment of long-term loans payable	(4)	(3)
Cash dividends paid	(3,703)	(4,544)
Others	243	645
Net cash provided by (used in) financing activities	(3,464)	81
Ⅳ Effect of exchange rate change on cash and cash equivalents	843	2,820
Ⅴ Net increase (decrease) in cash and cash equivalents	4,597	(3,595)
Ⅵ Cash and cash equivalents at beginning of term	21,838	34,306
Ⅶ Cash and cash equivalents at end of term	26,435	30,711

(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. Nine months ended December 31, 2012

(Unit: Millions of Yen)

	Japan	Americas	EMEA	China	Asia Pacific	Total	Reconciliations	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	29,449	20,405	27,592	17,988	5,947	101,383	-	101,383
Inter-area transfer	32,437	1	341	3	118	32,904	(32,904)	-
Total net sales	61,887	20,407	27,934	17,992	6,066	134,287	(32,904)	101,383
Operating income	7,790	1,370	4,192	1,987	575	15,917	(724)	15,192

Notes:
1. Segment income reconciliations of a negative ¥724 million include ¥195 million for the elimination of intersegment transfers, a negative ¥1,009 million in inventory adjustments and ¥88 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. First nine months of the fiscal year ending March 31, 2014 (April 1, 2013, to December 31, 2013)
1. Information on sales and income by geographic segment reported
Nine months ended December 31, 2013

(Unit: Millions of Yen)

	Japan	Americas	EMEA	China	Asia Pacific	Total	Reconciliations	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	28,724	27,349	37,793	26,054	9,927	129,849	-	129,849
Inter-area transfer	44,485	4	497	4	118	45,110	(45,110)	-
Total net sales	73,209	27,353	38,290	26,059	10,045	174,959	(45,110)	129,849
Operating income	13,537	1,620	6,514	3,101	1,249	26,023	(3,899)	22,123

Notes:
1. Segment income reconciliations of a negative ¥3,899 million include ¥86 million for the elimination of intersegment transfers, a negative ¥3,621 million in inventory adjustments and a negative ¥240 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 nine months of the preceding fiscal year and the first nine 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 second quarter of the fiscal year ending March 31, 2014, including these companies in the scope of consolidation. The corresponding increase in goodwill amounts to ¥6,199 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 addition, during the third quarter of the fiscal year ending March 31, 2014, Sysmex acquired Inostics GmbH and its holdings and subsidiaries, including these companies in the scope of consolidation. The corresponding increase in goodwill amounts to ¥5,195 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.