Summary of Consolidated Financial Results
for the First Six Months of the Fiscal Year Ending March 31, 2016

November 5, 2015

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, 2015
Scheduled date for dividend payment	:	December 2, 2015
Preparation of supplementary material for quarterly earnings	:	Yes
Holding of earnings announcement	:	Yes

(Unit: Millions of yen)

1. Results for the Six Months Ended September 30, 2015

(1) Operating results

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

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended Sep. 30, 2015	121,772	22.9%	26,660	32.6%	25,675	25.9%	16,807	32.0%
Six months ended Sep. 30, 2014	99,120	17.9%	20,103	46.6%	20,401	46.2%	12,733	48.2%

Note:

Comprehensive income: ¥14,604 million (10.4%) for the six months ended Sep. 30, 2015; ¥13,231 million (7.7%) for six months ended Sep. 30, 2014

	Profit per share (Yen)	Diluted profit per share (Yen)
Six months ended Sep. 30, 2015	80.95	80.58
Six months ended Sep. 30, 2014	61.44	61.30

(2) Financial condition

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
As of Sep. 30, 2015	251,686	179,414	70.8%	857.72
As of Mar. 31, 2015	247,983	169,550	68.0%	812.37

Note:

Equity capital: ¥178,174 million as of September 30, 2015; ¥168,526 million as of March 31, 2015

2. Dividend

	Dividend per share				
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)
Year ended Mar. 31, 2015	—	16.00	—	22.00	38.00
Year ending Mar. 31, 2016	—	24.00			
Year ending Mar. 31, 2016 (Forecast)			—	20.00	44.00

Note:

Revision of dividends forecast for this period: Yes

Breakdown of September 30, 2015, dividend:

Ordinary dividend: ¥20.00 Commemorative dividend: ¥4.00

3. Business Forecast for the Year Ending March 31, 2016

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share (Yen)
Year ending Mar. 31, 2016	252,000	13.8%	52,000	17.1%	51,400	11.8%	33,000	23.9%	158.90

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 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

Note:

For details, please refer to “3) Changes in accounting policies, accounting estimates or restatement of corrections” within “2. Items related to summary information (other information)” on page 5 of the attached materials.

(4) Number of shares outstanding (Ordinary shares)

1) Number of shares outstanding at the end of each fiscal period (including treasury stock): 208,173,832 shares as of Sep. 30, 2015; 207,894,432 shares as of Mar. 31, 2015

2) Number of treasury stock at the end of each fiscal period: 443,848 shares as of Sep. 30, 2015; 443,380 shares as of Mar. 31, 2015

3) Average number of outstanding stock for each period (cumulative): 207,634,045 shares as of Sep. 30, 2015; 207,249,004 shares as of Sep. 30, 2014

* Disclosure in relation to the status of the quarterly review process

This report of quarterly financial results is not subject to the quarterly review procedures of the Financial Instruments and Exchange Act. As of the time of disclosure of this report of quarterly financial results, the process of reviewing the quarterly financial statements in accordance with the Financial Instruments and Exchange Act had not been completed.

* Explanation regarding the appropriate use of forecasts of business results and other information

1. The forecasts and future projections contained herein have been prepared on the basis of rational decisions given the information available as of the date of announcement of this document. These forecasts do not represent a commitment by the Company, and actual performance may differ substantially from forecasts for a variety of reasons. Please refer to “3) Consolidated financial forecast” within “1. Financial Performance” on page 4 of the attachment to this document for cautionary statements concerning the conditions and performance forecasts that serve as the basis for these forecasts.
2. Supplementary financial materials (in Japanese and English) will be posted on the Sysmex website on Thursday, November 5, 2015.

Content of Supplementary Materials

1. Financial Performance

1) Performance analysis

During the first six months of the fiscal year ending March 31, 2016, the Japanese economy remained on a recovery path and began to show signs of a rebound in personal consumption and capital investment. In the United States, employment conditions continued to improve, and the corporate sector was in a modest expansionary phase. The European economy also sustained a recovery. In China, however, the economy decelerated, despite the introduction of monetary easing measures. The Asia Pacific region was also characterized by economic deceleration, centered on the ASEAN countries. Overall, however, overseas economies experienced a modest recovery.

On the healthcare front, the Japanese government is including the medical and healthcare industry in its growth strategies, which is expected to continue invigorating healthcare-related industries going forward. In advanced countries in Europe and the United States, efforts are underway to curtail medical expenses and reform health insurance systems. In the United States, efforts to reduce the number of people without medical insurance are continuing. 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, which has manufactured reagents overseas for some time, completed the expansion of its reagent production factory in Germany. This move boosted capacity to approximately 1.5 times the previous level in response to expected demand increases in the EMEA region. We have also decided to expand our reagent factory in the United States to ensure stable reagent supply in the face of expected demand increases in the Americas.

Also, Sysmex's joint venture with Kawasaki Heavy Industries, Ltd. (Kobe), Medicaroid Corporation (Kobe) commenced the full-fledged development of medical robots. To support its product development activities, Medicaroid will leverage the Sysmex Group's testing and diagnostic technologies, as well as a broad-ranging network in the medical field, as it contributes to the development of the medical industry.

Net Sales by Destination

(First six months of fiscal years to March 31)	Six months ended Sep. 30, 2014		Six months ended Sep. 30, 2015		YoY (Previous period = 100)
	Amount (Millions of Yen)	Percentage of Total (%)	Amount (Millions of Yen)	Percentage of Total (%)	
Japan	19,067	19.2	19,265	15.8	101.0
Americas	21,932	22.1	28,679	23.6	130.8
EMEA	30,005	30.3	34,606	28.4	115.3
China	20,660	20.9	30,667	25.2	148.4
Asia Pacific	7,454	7.5	8,554	7.0	114.8
Overseas subtotal	80,052	80.8	102,507	84.2	128.1
Total	99,120	100.0	121,772	100.0	122.9

In Japan, sales of reagents and services were up strongly year on year, thanks to an increase in the installed instrument base. Consequently, sales in Japan grew 1.0% year on year, to ¥19,265 million.

In overseas markets, we made progress in the strengthening of sales and support structures and the provision of solutions, leading to higher sales of instruments in the field of hematology and hemostasis. Sales of reagents also rose, benefiting from an increase in the installed instrument base. These factors caused the Sysmex Group's overseas sales to surge 28.1% year on year, to

¥102,507 million. The overseas sales ratio accordingly rose 3.4 percentage points, to 84.2%.

As a result, during the first six months of the fiscal year the Group recorded consolidated net sales of ¥121,772 million, up 22.9% year on year. Operating income rose 32.6%, to ¥26,660 million; ordinary income grew 25.9%, to ¥25,675 million; and profit attributable to owners of the parent increased 32.0%, to ¥16,807 million.

Performance by segment

(1) Japan

An increase in the installed instrument base pushed up sales of reagents in the hematology, hemostasis and immunochemistry fields as well, as exports grew. Sales in this segment consequently expanded 4.5% year on year, to ¥21,182 million.

On the profit front, such factors as the growth of export sales to Group companies and higher trademark royalty income led to a 56.1% rise in segment profit (operating income), to ¥19,814 million.

(2) Americas

In North America, sales of instruments grew, centering on the hematology field in the United States, and sales of reagents and after-sales services were up, benefiting from an increase in the installed instrument base, pushing up sales. The acquisition of government projects in Mexico boosted sales in the hematology and hemostasis fields in Central and South America. As a result, sales in the Americas grew 27.5% year on year, to ¥26,590 million.

Segment profit (operating income) fell 6.0%, to ¥1,295 million, as the increase in operating expenses outpaced the effect of higher sales.

(3) EMEA

Sales rose in Germany, Italy and France, which led to higher segment sales, centered on the hematology and hemostasis fields. The acquisition of a project for a prominent commercial lab led to higher sales in Russia, reagent sales increased in Poland, and sales were up in the Middle East and Africa. As a result, segment sales grew 16.8%, to ¥34,831 million.

Segment profit (operating income), however, fell 44.8%, to ¥1,293 million, due to higher payments of Group trademark royalties and rising operating expenses accompanying business expansion.

(4) China

Instrument sales increased, centered on the hematology and hemostasis fields, and reagent sales rose in line with expansion in the installed instrument base. Segment sales accordingly grew 48.3%, to ¥30,633 million.

Segment profit (operating income) increased 4.5%, to ¥3,239 million, as the rise in sales compensated for a revision in intragroup transaction prices and increased operating expenses accompanying efforts to reinforce the sales structure.

(5) Asia Pacific

Sales in the hematology field increased, due in part to an increase in instrument sales in Indonesia, Vietnam and South Korea, leading to a 13.7% rise in segment sales, to ¥8,534 million.

Segment profit (operating income) fell 6.0%, to ¥665 million, as an increase in operating expenses to cover the building of sales and after-sales service structures outpaced the impact of higher sales.

2) Financial conditions analysis

(1) Assets, liabilities and net assets

As of September 30, 2015, total assets amounted to ¥251,686 million, up ¥3,703 million from March 31, 2015. The primary reasons for the rise were increases of ¥1,956 million in cash and deposits, ¥1,431 million in work in process, and ¥2,635 million in buildings and structures, while trade notes and accounts receivable decreased ¥2,806 million.

Meanwhile, total liabilities as of September 30, 2015, were ¥72,272 million, down ¥6,160 million from their level on March 31, 2015. Principal factors included decreases of ¥2,754 million in income taxes payable, ¥767 million in provision for bonuses and ¥1,158 million in payables within other current liabilities.

Total net assets came to ¥179,414 million, up ¥9,863 million from March 31, 2015. The principal reason for this increase was a rise of ¥11,418 million in retained earnings, although the foreign currency translation adjustment fell ¥1,584 million. The equity ratio as of September 30, 2015, was 70.8%, up 2.8 percentage points from the 68.0% recorded as of March 31, 2015.

(2) Cash flows

As of September 30, 2015, cash and cash equivalents amounted to ¥52,156 million, up ¥1,936 million from March 31, 2015.

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 ¥17,372 million, ¥81 million less than in the first six months of the preceding fiscal year. As principal factors, although income before income taxes and minority interest provided ¥26,683 million (¥6,298 million more than in the same period of the preceding fiscal year) and the decrease in trade notes and accounts receivable provided ¥1,874 million (down ¥1,135 million), the increase in inventories used ¥4,020 million (up ¥229 million), and income taxes paid used ¥12,122 million (up ¥3,281 million).

(Investing cash flow)

Net cash used in investing activities was ¥10,249 million, down ¥583 million from the first six months of the previous fiscal year. Principal uses of cash included ¥6,980 million for purchases of property, plant and equipment (up ¥350 million), ¥2,458 million for the purchase of intangible assets (up ¥834 million), and ¥627 million for the purchase of investment securities (down ¥1,621 million).

(Financing cash flow)

Net cash used in financing activities was ¥4,239 million (up ¥9 million). This was mainly due to cash dividends paid of ¥4,563 million (up ¥1,146 million) and a net decrease in short-term loans payable of ¥1,000 million in the first six months of the preceding fiscal year, which was absent in the first six months under review.

3) Consolidated financial forecast

For the Company's consolidated financial forecast for the full fiscal year, please refer to the Announcement Regarding Differences between Actual and Forecast Figures for the Six Months Ended September 30, 2015, and Revision of Full-Year Financial Results Forecasts, announced today (November 5, 2015).

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

The Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013) and the “Accounting Standard for Business Divestures” (ASBJ Statement No. 7, September 13, 2013) from the first quarterly financial period, causing differences resulting from changes in the Company’s ownership of subsidiaries of which ownership continues to be recorded in capital surplus and changing the method of recording acquisition-related expenses in the fiscal year in which such expenses are incurred. Also, for corporate combinations occurring after the beginning of the first quarterly financial period, the allocation of acquisition costs determined under provisional accounting treatment have been revised, reflecting such cost in the consolidated quarterly financial statements for the consolidated quarterly financial period to which the business combination date belongs. Furthermore, the presentation of quarterly net income has been changed, and the presentation of minority interests has been changed to non-controlling interests. The consolidated quarterly financial statements for the first six months of the preceding fiscal year and the consolidated financial statements for the previous fiscal year have been revised to reflect these changes in presentation.

Expenses related to the purchase of investments in subsidiaries are categorized under net cash provided by (used in) operating activities in the consolidated statement of cash flows for the six months ended September 30, 2015.

With regard to application of the Accounting Standard for Business Combinations, etc., as Clause 58-2 (4) of the Accounting Standard for Business Combinations, Clause 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Clause 57-4 (4) of the Accounting Standard for Business Divestures stipulate transitional treatment, these standards will be applied going forward from the beginning of the first quarterly financial period.

These adoptions had little impact on the consolidated quarterly financial statements for the first six months under review.

3. Consolidated Financial Statements

1) Consolidated balance sheet

(Unit: Millions of Yen)

	As of Mar. 31, 2015	As of Sep. 30, 2015
(Assets)		
Current assets		
Cash and deposits	50,272	52,228
Notes and accounts receivable-trade	53,038	50,232
Short-term investment securities	240	238
Merchandise and finished goods	22,737	24,073
Work in process	2,869	4,301
Raw materials and supplies	4,281	5,348
Others	21,283	21,627
Allowance for doubtful accounts	(575)	(612)
Total current assets	154,148	157,437
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	22,425	25,060
Others, net	36,636	34,739
Total property, plant and equipment	59,061	59,800
Intangible assets		
Goodwill	12,114	10,278
Others	11,668	12,382
Total intangible assets	23,783	22,660
Investments and other assets	10,990	11,787
Total Noncurrent assets	93,835	94,248
Total assets	247,983	251,686
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	15,965	16,506
Income taxes payable	9,639	6,884
Provision for bonuses	6,119	5,351
Provision for directors' bonuses	411	253
Provision for product warranties	456	469
Others	32,578	29,259
Total current liabilities	65,170	58,725
Noncurrent liabilities		
Provision for directors' retirement benefits	102	102
Net defined benefit liabilities	460	458
Others	12,699	12,985
Total Noncurrent liabilities	13,262	13,547
Total liabilities	78,432	72,272

(Note) Fractions of one million yen are rounded off.

(Unit: Millions of Yen)

	As of Mar. 31, 2015	As of Sep. 30, 2015
(Net assets)		
Shareholders' equity		
Capital stock	10,483	10,701
Capital surplus	15,423	15,641
Retained earnings	129,703	141,122
Treasury stock	(280)	(284)
Total shareholders' equity	155,330	167,180
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,366	1,222
Deferred gains or losses on hedges	0	2
Foreign currency translation adjustment	10,428	8,844
Remeasurements of defined benefit plans	1,400	924
Total accumulated other comprehensive income	13,196	10,993
Subscription rights to shares	1,024	1,239
Non-controlling interests	—	0
Total net assets	169,550	179,414
Total liabilities and net assets	247,983	251,686

(Note) Fractions of one million yen are rounded off.

2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income (Six months ended Sep. 30)

(Unit: Millions of Yen)

	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015
Net sales	99,120	121,772
Cost of sales	40,445	49,153
Gross profit	58,674	72,619
Selling, general and administrative expenses	38,570	45,958
Operating income	20,103	26,660
Non-operating income		
Interest income	84	141
Dividends income	44	51
Subsidy income	6	307
Foreign exchange gains	232	－
Others	91	93
Total non-operating income	460	593
Non-operating expenses		
Interest expenses	18	13
Equity in losses of affiliates	66	251
Foreign exchange losses	－	1,238
Others	76	75
Total non-operating expenses	162	1,578
Ordinary income	20,401	25,675
Extraordinary profits		
Gain on sales of noncurrent assets	20	13
Gain on revision of retirement benefit plan	－	1,037
Gain on reversal of subscription rights to shares	－	18
Others	0	－
Total extraordinary profits	20	1,069
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	37	61
Total extraordinary loss	37	61
Income before income taxes	20,385	26,683
Income taxes-current	7,043	9,040
Income taxes-deferred	608	835
Total income taxes	7,651	9,876
Profit	12,733	16,807
Profit (loss) attributable to non-controlling interests	(0)	0
Profit attributable to owners of parent	12,733	16,807

(Note) Fractions of one million yen are rounded off.

Consolidated statements of comprehensive income (Six months ended Sep. 30)

(Unit: Millions of yen)

	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015
Profit	12,733	16,807
Other comprehensive income		
Valuation difference on available-for-sale securities	91	(144)
Deferred gains or losses on hedges	(35)	1
Foreign currency translation adjustment	553	(1,584)
Remeasurements of defined benefit plans, net of tax	(111)	(475)
Total other comprehensive income	498	(2,203)
Comprehensive income	13,231	14,604
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,231	14,604
Comprehensive income attributable to non-controlling interests	(0)	0

(Note) Fractions of one million yen are rounded off.

3) Consolidated statement of cash flows

(Unit: Millions of yen)

	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015
Net cash provided by (used in) operating activities		
Income before income taxes	20,385	26,683
Depreciation and amortization	5,270	6,006
Gain on revision of retirement benefit plan	–	(1,037)
Increase (decrease) in provision for bonuses	(23)	(775)
Decrease (increase) in notes and accounts receivable-trade	3,010	1,874
Decrease (increase) in inventories	(3,791)	(4,020)
Increase (decrease) in notes and accounts payable-trade	1,168	582
Others	157	(5)
Subtotal	26,177	29,306
Interest and dividends received	126	194
Interest expenses paid	(9)	(7)
Income taxes paid	(8,840)	(12,122)
Net cash provided by (used in) operating activities	17,453	17,372
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(6,629)	(6,980)
Purchase of intangible assets	(1,623)	(2,458)
Purchase of investment securities	(2,249)	(627)
Cash flow from equity investment in subsidiaries	(68)	–
Others	(261)	(183)
Net cash provided by (used in) investment activities	(10,833)	(10,249)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,000)	–
Cash dividends paid	(3,417)	(4,563)
Others	186	324
Net cash provided by (used in) financing activities	(4,230)	(4,239)
Effect of exchange rate change on cash and cash equivalents	647	(339)
Net increase (decrease) in cash and cash equivalents	3,037	2,542
Cash and cash equivalents at beginning of term	36,547	50,219
Increase (decrease) in cash and cash equivalents due to change in accounting period of subsidiaries	–	(605)
Cash and cash equivalents at end of term	39,584	52,156

(Note) Fractions of one million yen are rounded off.

4) 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

(Changes in items related to accounting period of subsidiaries)

In the past, Sysmex Partec GmbH and four other consolidated subsidiaries have had December 31 as their fiscal year-end. Accordingly, we have used their financial statements as of that date, making any adjustments needed to reflect significant transactions occurring between those companies' fiscal year-end and the consolidated accounting date. However, from the first three months of the fiscal year ending March 31, 2016, the fiscal year-end of these companies has been changed to March 31.

Owing to this change, these companies' results for the period from April 1 through September 30, 2015, have been included in the consolidated operating results for the first six months of the fiscal year ending March 31, 2016. Profits or losses for these companies for the three-month period from January 1 through March 31, 2015, are recorded through adjustments to retained earnings.

(Additional information)

On April 1, 2015, the Company transferred a portion of its defined benefit pension system to a defined contribution pension system, applying "Accounting for Transfers between Retirement Benefit Plans" (ASBJ Guidance No. 1, January 31, 2002), and accounted for the conclusion of a portion of its retirement benefit system.

As a result, the Company recorded extraordinary income of ¥1,037 million for the first six months of the fiscal year under review.

(Segment information)

I. Information on sales and income by geographic segment reported

Six months ended Sep. 30, 2014

(Unit: Millions of Yen)

	Japan	Americas	EMEA	China	Asia Pacific	Total	Reconciliations[1]	Consolidated[2]
Sales								
Outside sale	20,273	20,850	29,832	20,656	7,507	99,120	—	99,120
Intersegment sales	34,263	80	621	2	77	35,045	(35,045)	—
Total sales	54,537	20,931	30,453	20,658	7,584	134,165	(35,045)	99,120
Segment income	12,691	1,378	2,343	3,099	708	20,221	(117)	20,103

Notes:

1. Segment income reconciliations of minus ¥117 million include ¥45 million for the elimination of intersegment transfers, a negative ¥223 million in inventory adjustments and ¥60 million in adjustments for noncurrent assets.
2. Segment income is adjusted to operating income on the consolidated statements of income.

II. Information on sales and income by geographic segment reported

1. Six months ended Sep. 30, 2015

(Unit: Millions of Yen)

	Japan	Americas	EMEA	China	Asia Pacific	Total	Reconciliations[1]	Consolidated[2]
Sales								
Outside sale	21,182	26,590	34,831	30,633	8,534	121,772	—	121,772
Intersegment sales	45,182	485	478	2	14	46,163	(46,163)	—
Total sales	66,364	27,076	35,310	30,635	8,549	167,936	(46,163)	121,772
Segment income	19,814	1,295	1,293	3,239	665	26,308	352	26,660

Notes:

1. Segment income reconciliations of ¥352 million include ¥69 million for the elimination of intersegment transfers, a negative ¥4 million in inventory adjustments and ¥286 million in adjustments for noncurrent assets.
2. Segment income is adjusted to operating income on the consolidated statements of income.

2. Items related to changes in reportable segments

In line with a change in accounting policy, the Company has adopted the “Accounting Standard for Business Combinations” from the first three months of the fiscal year ending March 31, 2016. The impact of this change on segment income during the first six months of the fiscal year ending March 31, 2016, was slight.