

Business Results

Fiscal Year Ended March 31, 2019

Financial Highlights and Mid-Term Management Plan

Hisashi Ietsugu, Chairman and CEO
May 9, 2019

Change in the Information Disclosed in Presentation Materials

- We have disclosed information by geographic region through the third quarter of the fiscal year ended March 31, 2019. From the end of that fiscal year, we have changed to the disclosure of information by destination.
- Sales and operating profit by geographic region are provided for reference.

The Sysmex Group adopted International Financial Reporting Standards (IFRS) in the fiscal year ended March 31, 2017. Figures are disclosed in compliance with IFRS.

This material contains forward-looking statements about Sysmex Corporation and its Group companies (the Sysmex Group). These forward-looking statements are based on the current judgments and assumptions of the Sysmex Group in light of the information currently available to it. Uncertainties inherent in such judgments and assumptions, the future course of our business operations and changes in operating environments both in Japan and overseas may cause our actual results, performance, achievements, or financial position to be materially different from any future results, performance, achievements or financial position either expressed or implied within these forward-looking statements.

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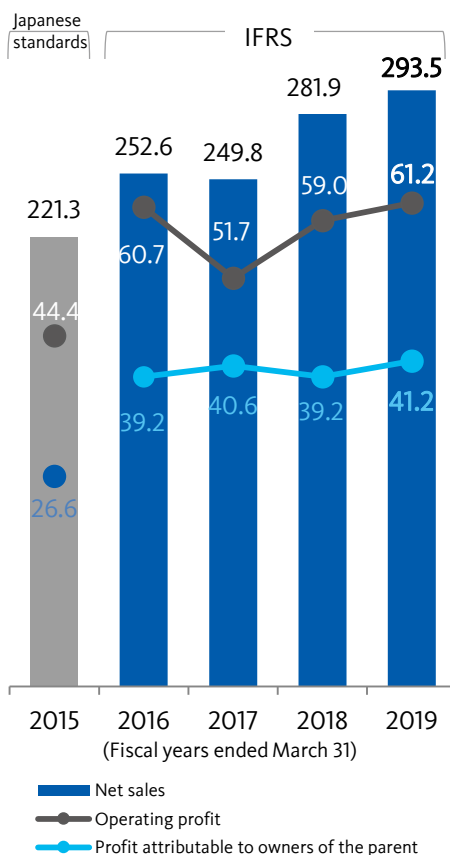
1.

Financial Highlights for the Fiscal Year Ended March 31, 2019

Financial Highlights



(Billions of yen)



(Billions of yen)

	Fiscal year ended March 31, 2019		Fiscal year ended March 31, 2018		YOY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net sales	293.5	100%	281.9	100%	104.1%
Cost of sales	131.8	44.9%	122.9	43.6%	107.2%
SG&A expenses	81.2	27.7%	82.5	29.3%	98.4%
R&D expenses	19.5	6.7%	16.7	5.9%	116.9%
Other income (expenses)	0.4	0.1%	(0.5)	(0.2)%	—
Operating profit	61.2	20.9%	59.0	21.0%	103.7%
Profit attributable to owners of the parent	41.2	14.0%	39.2	13.9%	105.1%

- **Net sales:** Net sales rose due to ongoing increases in reagent sales in each field.
- **Operating profit:** Despite higher R&D expenses, operating profit rose due to higher gross profit and efforts to constrain SG&A expenses.

Exchange rate fluctuations reduced net sales ¥4.07 billion and boosted operating profit ¥0.18 billion. At the exchange rates prevailing one year earlier, net sales would have been up 5.5% year on year, and operating profit up 3.4%.

- **Profit attributable to owners of the parent:** Profit was up due to a lower tax rate, despite the impact of an exchange loss.

- **Exchange loss (gains):** Loss of ¥1.58 billion (loss of ¥0.31 billion in the previous year)
- **Capital expenditure (tangible):** ¥20.00 billion
- **Depreciation and amortization:** ¥15.84 billion

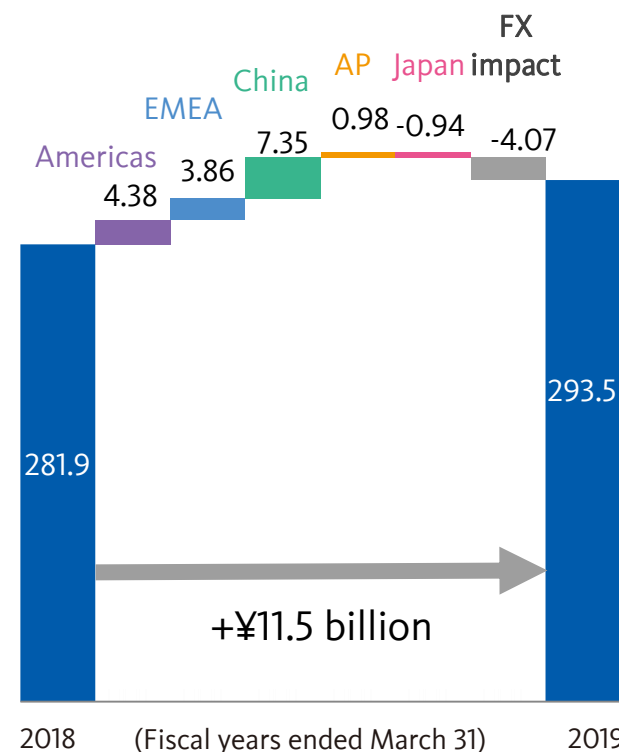
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018
1USD	¥110.9	¥110.9
1EUR	¥128.4	¥129.7
1CNY	¥16.5	¥16.8

Breakdown of Net Sales (by Geographic Region)

(Billions of yen)

	Fiscal year ended March 31, 2019		Fiscal year ended March 31, 2018	
	Results	Ratio	Yen	Local currency
Net sales	293.5	100.0%	104.1%	-
Americas	70.5	24.0%	106.3%	106.1%
EMEA	75.6	25.8%	102.4%	103.6%
China	78.2	26.7%	108.5%	110.1%
AP	25.0	8.5%	102.0%	-
Japan	44.0	15.0%	97.9%	-

Net Sales by Destination



● Percentage of Sales in Emerging Markets

Fiscal year ended
March 31, 2018

39.2%

Fiscal year ended
March 31, 2019

39.5%

Sales by Business and Product Type



		Fiscal year ended March 31, 2019		Fiscal year ended March 31, 2018		YOY (Previous period = 100%)	(Billions of yen) Reference: YOY at previous year's rate
		Results	Ratio	Results	Ratio		
By business	Hematology	181.6	61.9%	174.8	62.0%	103.9%	105.3%
	Urinalysis	21.0	7.2%	20.6	7.3%	102.2%	104.0%
	HU Business	202.7	69.1%	195.4	69.3%	103.7%	105.2%
	Immunochemistry	13.9	4.7%	11.1	4.0%	124.4%	126.0%
	Clinical chemistry	3.1	1.1%	3.2	1.2%	97.6%	99.0%
	Hemostasis	47.9	16.3%	45.0	16.0%	106.5%	108.0%
	ICH Business	65.0	22.2%	59.4	21.1%	109.4%	110.9%
	Core Businesses	267.8	91.3%	254.9	90.4%	105.1%	106.5%
	FCM Business	1.5	0.5%	1.6	0.6%	95.5%	97.3%
	LS Business	10.2	3.5%	8.9	3.2%	114.5%	116.1%
Others	0.05	0.0%	0.01	0.0%	371.4%	371.4%	
Next core businesses	11.8	4.0%	10.5	3.8%	111.9%	113.0%	
Other businesses ¹	13.8	4.7%	16.4	5.8%	84.2%	85.7%	
Total Sales	293.5	100.0%	281.9	100.0%	104.1%	105.5%	
By product type	Instruments	82.6	28.2%	83.8	29.7%	98.6%	99.8%
	Reagents	167.8	57.2%	158.0	56.1%	106.2%	107.8%
	Services²	34.5	11.8%	31.1	11.1%	111.0%	112.1%
	Others	8.4	2.9%	8.8	3.1%	95.0%	96.7%

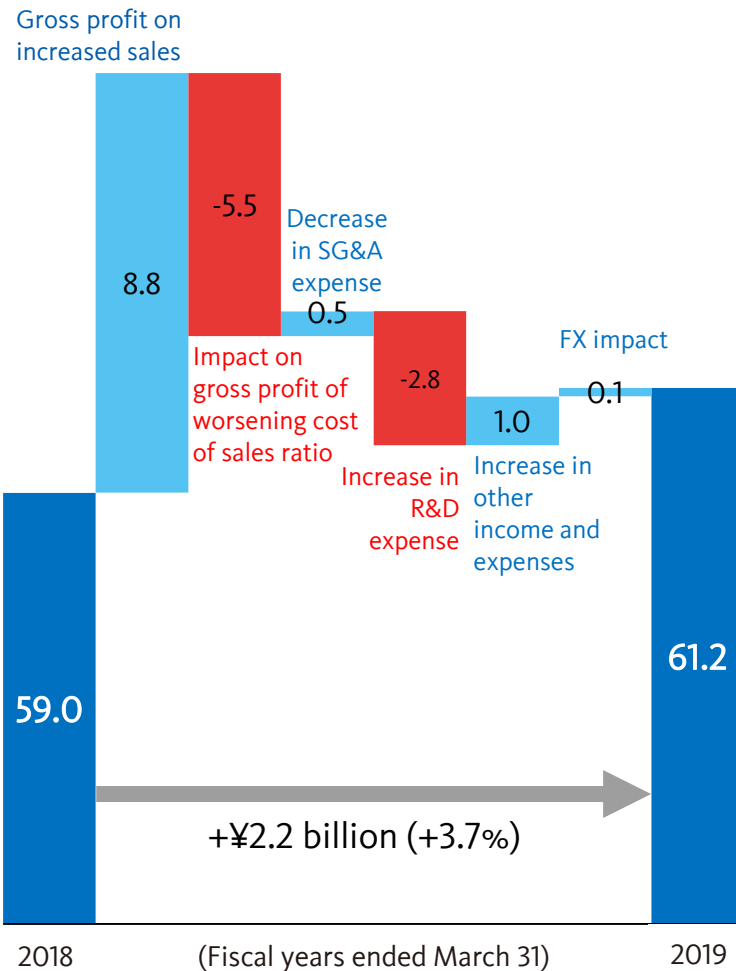
1 Other businesses: Clinical laboratory information systems, sales of third-party products, etc.

2 In China, some sales included in "reagents" and "others" through the second quarter of the fiscal year ended March 31, 2019 were reclassified to "services" from the third quarter.

Breakdown of Operating Profit

Operating Profit

(Billions of yen)



Operating profit rose ¥2.2 billion as higher net sales pushed up gross profit and due to efforts to constrain SG&A expenses.

- Gross profit rose ¥8.8 billion (excluding the FX impact), due to higher net sales.
- SG&A expenses fell ¥0.5 billion (excluding the FX impact), due to successful efforts to restrain these expenses and to the impact of extraordinary factors in the previous fiscal year.
- The cost of sales ratio worsened by 1.3% because of the reconfiguration of service outsourcing expenses in China and distribution costs stemming from higher crude oil prices.
- R&D expenses grew ¥2.8 billion, centering on investment in life science business. As a percentage of sales, these expenses were up to 6.7%.
- Extraordinary factors in the previous fiscal year
 - ✓ An impairment loss at a Group affiliate (Partec) had a ¥1.0 billion negative impact on other income and expenses.
 - ✓ The dissolution of an employee pension fund resulted in lower cost of sales, SG&A expenses and R&D expenses, having a ¥1.6 billion positive impact on operating profit.

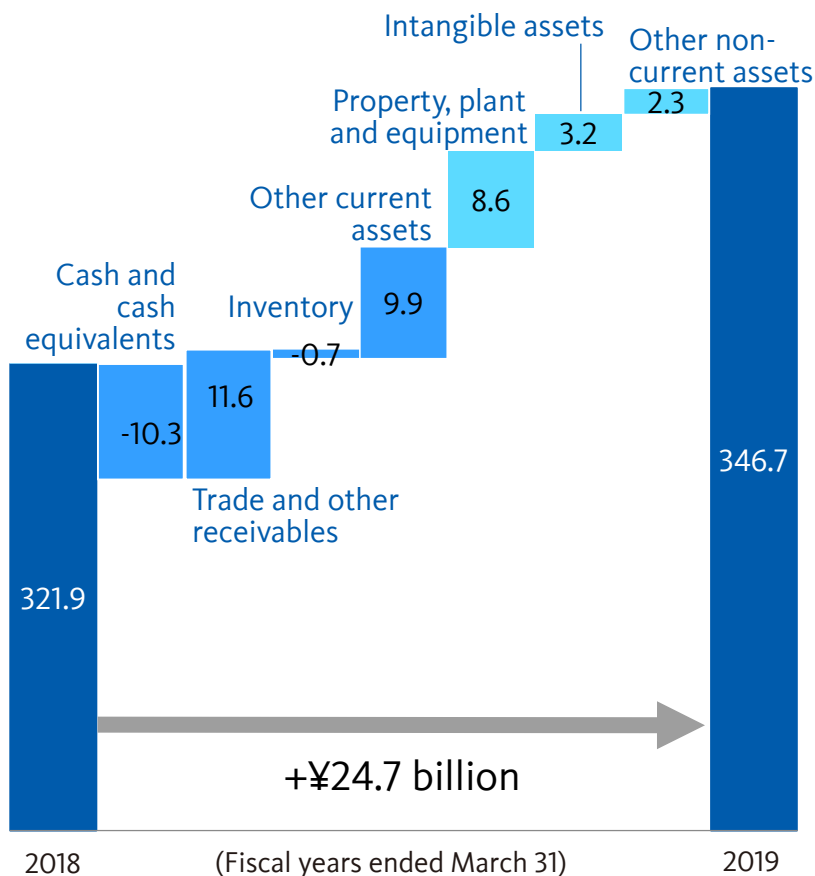
Breakdown of Assets and Liabilities/Equity



(Billions of yen)

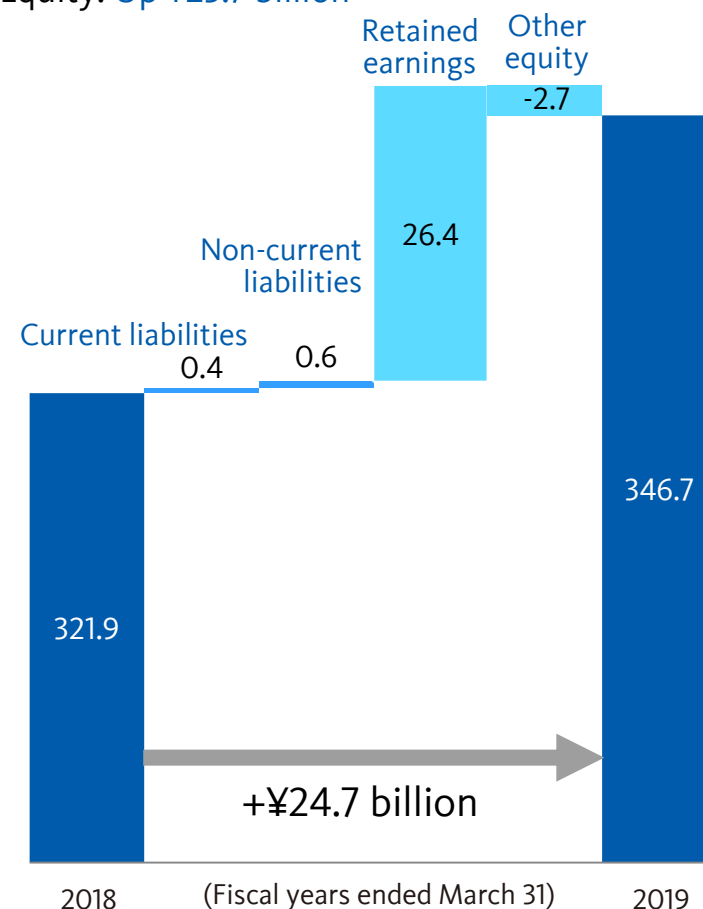
Assets

Current assets: Up ¥10.4 billion
 Non-current assets: Up ¥14.3 billion



Liabilities/Equity

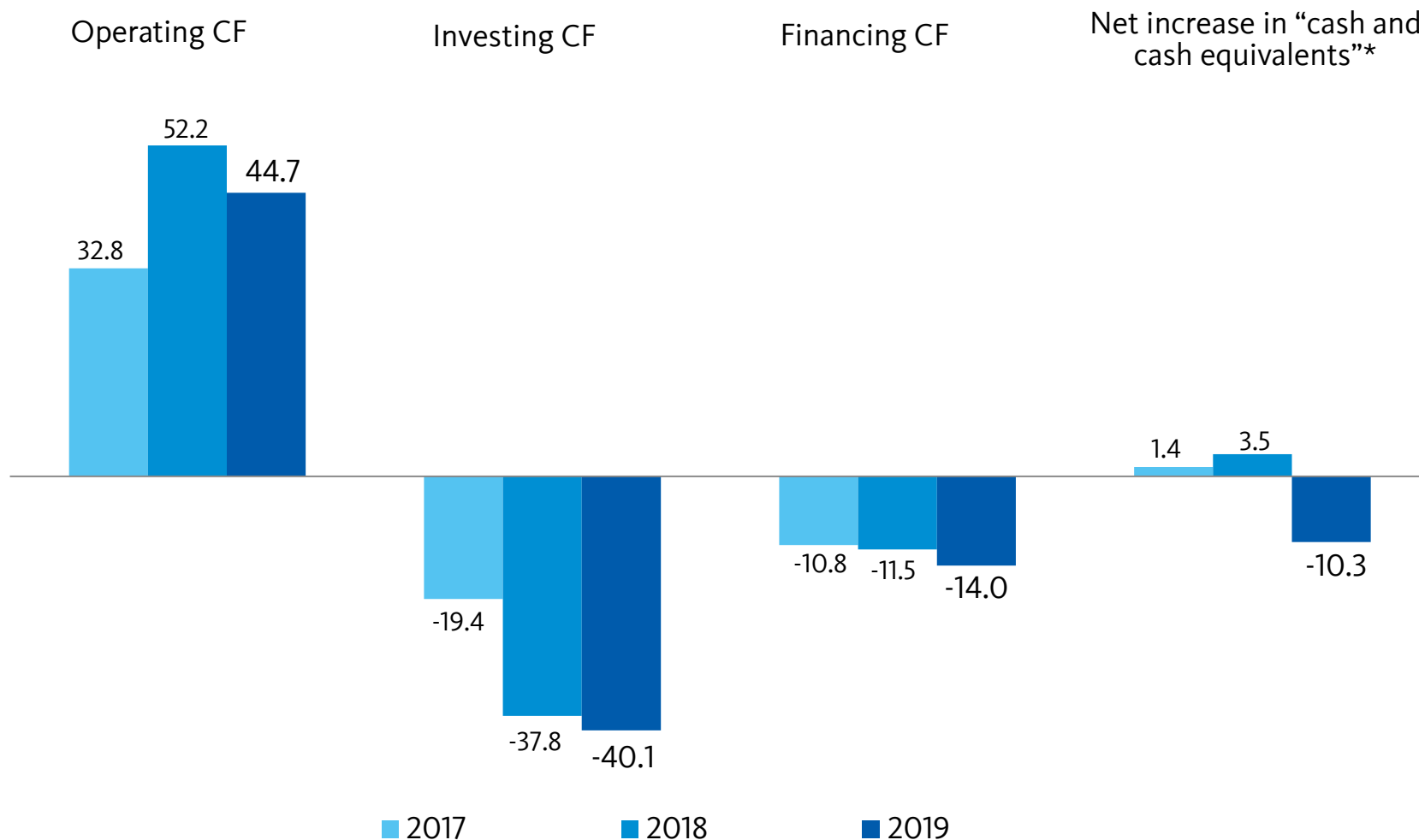
Liabilities: Up ¥1.0 billion
 Equity: Up ¥23.7 billion



Consolidated Cash Flows



(Billions of yen)



(Fiscal years ended March 31)

*Includes translation differences on cash and cash equivalents.

IVD Business

- Sysmex Launches Automated Blood Coagulation Analyzers: CN-6000 and CN-3000
- Sysmex Launches New XS-Series Product for the China Market Employing the Knockdown Production Method
- Sysmex Launches Caresphere, a New Network Solution
- Sysmex Obtains CE Certification for XN-31, Which Contributes to the Early Detection and Diagnosis of Malaria
- Sysmex Partec's CyFlow Counter System Receives WHO Prequalification



Automated Hematology Analyzer XN-31

Life Science Business

- Sysmex Launches New Products in Its System for the Testing of Cancer Lymph Node Metastasis Using the OSNA Method: Gene Amplification Detector RD-200 and LYNOAMP CK19
- RIKEN GENESIS Performs Sequencing Analysis for Todai OncoPanel
- Sysmex Receives Manufacturing and Marketing Approval to Use the OncoGuide NCC Oncopanel System in Cancer Genome Profiling
- Sysmex Launches New Products (for Research) and Begins Offering New Assay Services
 - Sysmex, Toppan Printing and RIKEN GENESIS Commence Launch of the LW-100 Gene Management Analyzer
 - Sysmex Launches HM-1000 Single Molecule Fluorescence Microscope
 - Sysmex Launches a Research Assay Service for HDL Function Measurement
 - Sysmex Launches the MI-1000 (for Research Applications) to Automate FISH Testing



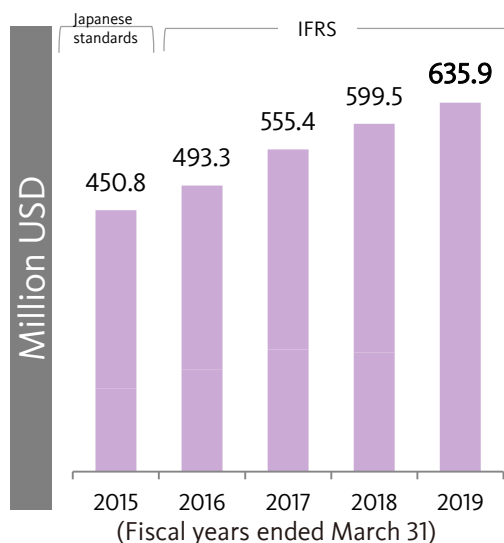
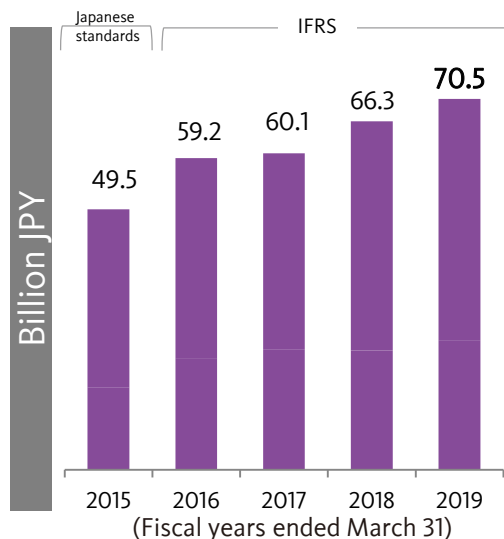
Sysmex Egypt

Others

- Strengthening its Global R&D Structure to Foster Early-Stage Innovation
- Sysmex Establishes Subsidiary in Egypt and Begins Conducting Direct Sales and Services
- Sysmex Selected for Inclusion in the Dow Jones Sustainability World Index for the Third Consecutive Year

Information by Destination (Americas)

Sales



(Billions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	70.5	66.3	106.3%	106.1%
Instruments	24.5	22.7	107.9%	107.6%
Reagents	29.2	27.4	106.4%	106.2%
Services, others	16.7	16.1	103.8%	103.6%

Although sales were down in Central and South America and Canada, sales for the region rose due to higher sales in the United States in the hematology and hemostasis fields.

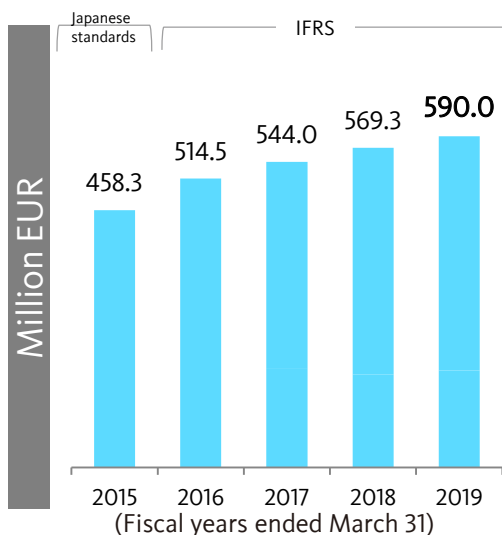
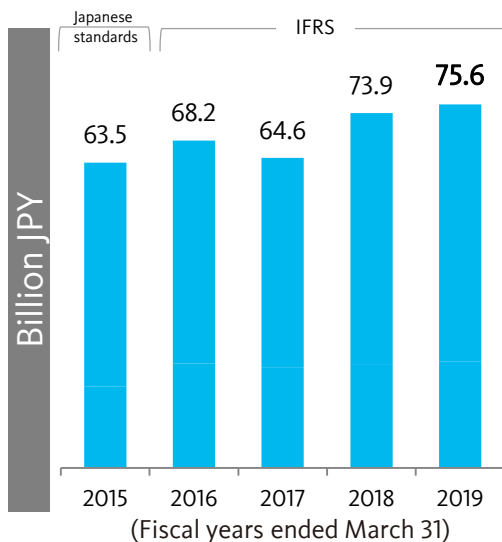
- Despite lower sales to distributors in Central and South America, as well as reduced sales in Canada due to a major tender in the previous fiscal year, instrument sales in this region rose due to higher hematology and hemostasis sales in the United States.
- Reagent sales grew, mainly due to expansion of the installed hematology instrument base in the United States.

Topics

- Sales to the CLIA Waived market recommenced in the fourth quarter with the XW-100 (United States).
- Direct sales in the urinalysis field in Central and South America led to firm increases in performance in Brazil, Colombia and Chile.

Information by Destination (EMEA)

Sales



(Billions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	75.6	73.9	102.4%	103.6%
Instruments	22.1	21.4	103.1%	104.4%
Reagents	41.8	40.9	102.1%	103.3%
Services, others	11.6	11.4	102.0%	103.1%

Despite depreciation in the value of emerging-market currencies, sales in the region grew as the result of solid sales in the hematology and life science fields.

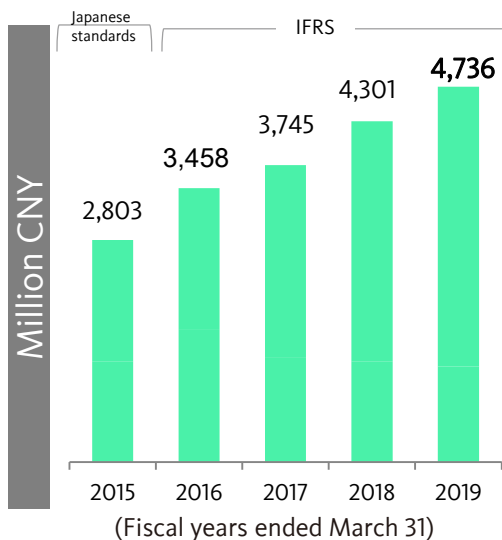
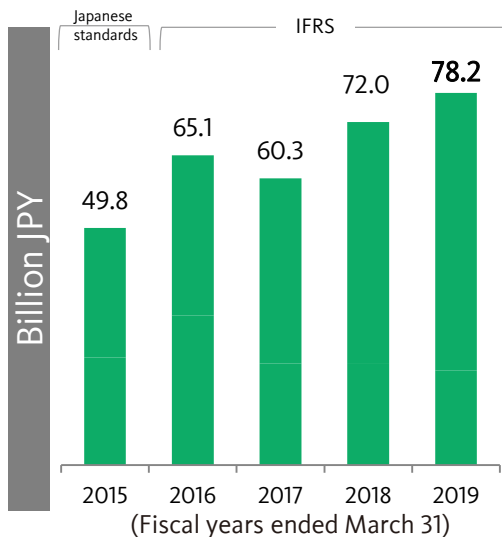
- Instrument sales increased due to higher sales of hematology instruments in France, the United Kingdom and Italy, as well as the favorable launch of a new OSNA product in Spain (RD-210).
- Reagent sales grew in tandem with the installed base of hematology instruments.

Topics

- We began direct sales in the urinalysis field in the United Kingdom and France.
- Sales rose substantially in Russia and Turkey, if the impact of currency depreciation is ignored.
- Sales of hemostasis instruments to alliance partners remained sluggish.

Information by Destination (China)

Sales



(Billions of yen)

Fiscal year ended
March 31, 2019

Fiscal year ended
March 31, 2018

YOY
(Previous period = 100%)
(Yen basis) (Local currency basis)

Sales	78.2	72.0	108.5%	110.1%
Instruments	19.9	21.2	94.1%	95.0%
Reagents	53.1*	48.2	110.1%	112.0%
Services, others	5.0*	2.5	197.4%	201.8%

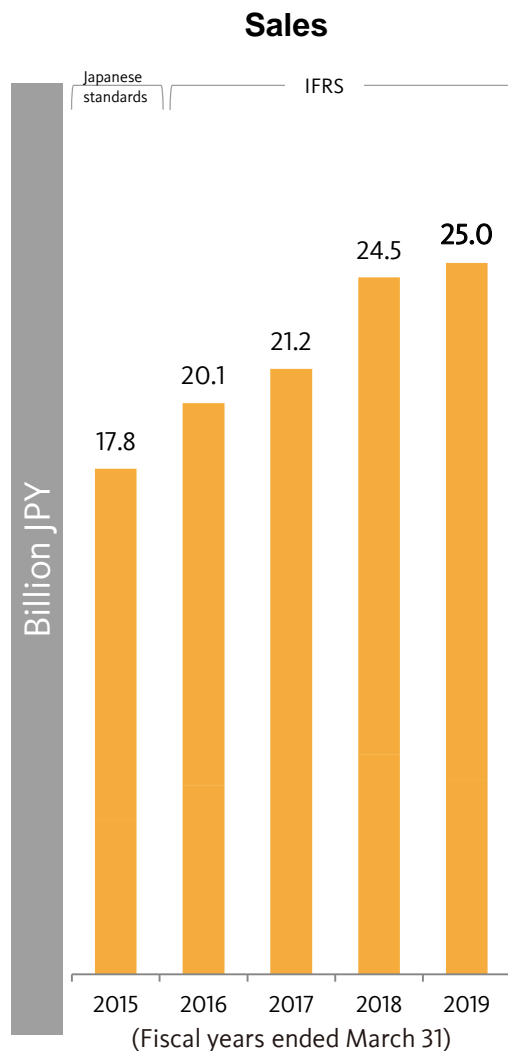
*Some sales previously included in "reagents" and "others" were reclassified to "services" from the third quarter of the fiscal year ended March 31, 2019.

Sales in the region rose, as higher reagent sales in each field compensated for reduced instrument sales.

- Instrument sales were down overall. Although favorable in the immunochemistry field, instrument sales were down in the hematology and hemostasis fields.
- Reagent sales increased, thanks to higher sales of immunochemistry reagents (centering on reagents for infectious disease), and an ongoing rise in sales of hemostasis reagents.

Topics

- We commenced sales of a hematology transport system (compatible with CRP measurement) for the second-tier hospital market.
- Sales were firm for the XS-500ix, which is manufactured using knockdown production.



(Billions of yen)

Fiscal year ended
March 31, 2019

Fiscal year ended
March 31, 2018

YOY
(Previous period = 100%)

(Yen basis)

Sales	25.0	24.5	102.0%
Instruments	6.8	7.7	88.3%
Reagents	15.8	14.6	108.2%
Services, others	2.3	2.1	108.6%

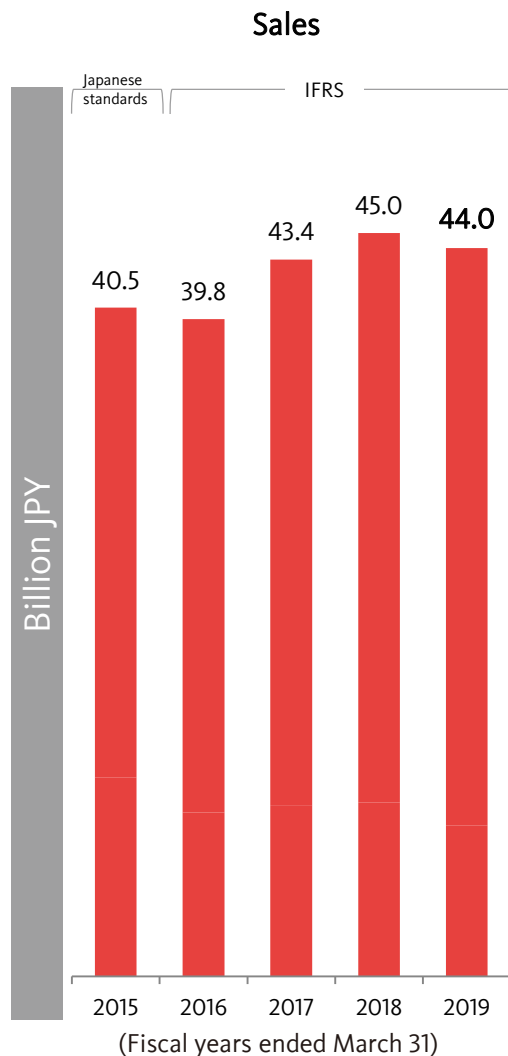
Despite the impact of lower sales in South Asia, sales in the region were up due to higher sales in Thailand and other parts of Southeast Asia.

- Instrument sales decreased due to major tenders in South Asia in the preceding fiscal year and changes in the hematology selling structure in India.
- Reagent sales increased due to higher sales of hematology reagents, and expansion of the installed instrument base pushed up sales in the immunochemistry field.

Topics

- We revised the hematology selling structure in India, commencing operations under the new structure in April.
- In Indonesia, fiscal deficits in the national health insurance plan led to ongoing market stagnation.
- Ongoing installation in various countries in the immunochemistry field led to higher sales.

Information by Destination (Japan)



(Billions of yen)

Fiscal year ended
March 31, 2019

Fiscal year ended
March 31, 2018

YOY
(Previous period = 100%)
(Yen basis)

Sales	44.0	45.0	97.9%
Instruments	9.1	10.5	86.0%
Reagents	27.7	26.6	103.9%
Services, others	7.2	7.7	93.4%

Real sales (excluding the impact of the dissolution of a joint venture in the previous fiscal year) were up.

- Instrument sales decreased. In addition to the dissolution of a joint venture in the previous fiscal year, in the fiscal year under review sales were affected by a decrease in tenders involving hematology transport systems.
- Reagent sales were up, benefiting from higher sales of reagents in the immunochemistry field, as well as higher sales of reagents and assay services in the life science field.

Topics

- In December, we received manufacturing and marketing approval for the NCC Oncopanel.
- In the hemostasis field, we launched new products in the CN Series.

Status of Earnings at Consolidated Subsidiaries



Sysmex has converted four companies to subsidiaries since the fiscal year ended March 31, 2014. Although three of these companies are generating operating losses, performance is improving.

- Inostics: The company is stepping up assay services for clinical applications and anticipates improved earnings (aiming for health insurance coverage on OncoBEAM).
- Partec: With development of a clinical FCM product complete, the company plans to introduce the product into the market and move into the black in the fiscal year ending March 31, 2020.
- Riken Genesis: Due to an increase in the number of assay measured with the NCC Oncopanel, the company plans to move into the black in the fiscal year ending March 31, 2020.
- OGT: Due to solid performance, centered on FISH reagents, the company expects to remain in the black on an operating basis.

(Billions of yen)

		Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	YOY change
Inostics	Net sales	1.5	1.8	(0.3)
	Operating profit	(0.9)	(1.4)	+0.5
Partec	Net sales	2.0	1.5	+0.4
	Operating profit	(0.1)	(0.6)	+0.5
Riken Genesis	Net sales	2.2	1.8	+0.3
	Operating profit	(0.1)	(0.3)	+0.2
OGT*	Net sales	3.7	2.5	+1.1
	Operating profit	0.6	0.2	+0.3

*Oxford Gene Technology became a subsidiary in July 2017.

Dividend Forecast

Proposal corresponds to the 17th consecutive year of increases.

- Expected dividend up ¥4 compared with the fiscal year ended March 31, 2018
- Proposal represents a dividend increase of ¥2 from the initial forecast

	Interim Dividend	Year-End Dividend	Total	Dividend Ratio
Fiscal year ended March 31, 2018	¥30	¥36 ¹	¥66	35.1%
Fiscal year ended March 31, 2019 (proposed)	¥34	¥36 ²	¥70	35.4%

1 Includes ¥6 dividend to commemorate 50th anniversary of establishment

2 To be proposed at the 52nd Ordinary General Meeting of Shareholders

(Reference) Net Sales and Operating Profit by Geographic Region



		Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	YOY (Previous period = 100%)	
				Yen	Local currency
Americas	Net Sales	65.9	62.5	105.4%	105.3%
	Operating Profit	3.5	5.5	64.7%	64.4%
EMEA	Net Sales	77.6	75.5	102.7%	104.0%
	Operating Profit	7.0	4.9	142.6%	144.0%
China	Net Sales	78.1	72.0	108.5%	110.1%
	Operating Profit	9.1	8.3	109.6%	110.6%
AP	Net Sales	24.7	24.4	101.4%	-
	Operating Profit	3.1	3.1	98.3%	-
Japan*	Net Sales	47.0	47.4	99.3%	-
	Operating Profit	38.9	37.8	103.0%	-

*Sales to customers include sales to IDEXX and others.

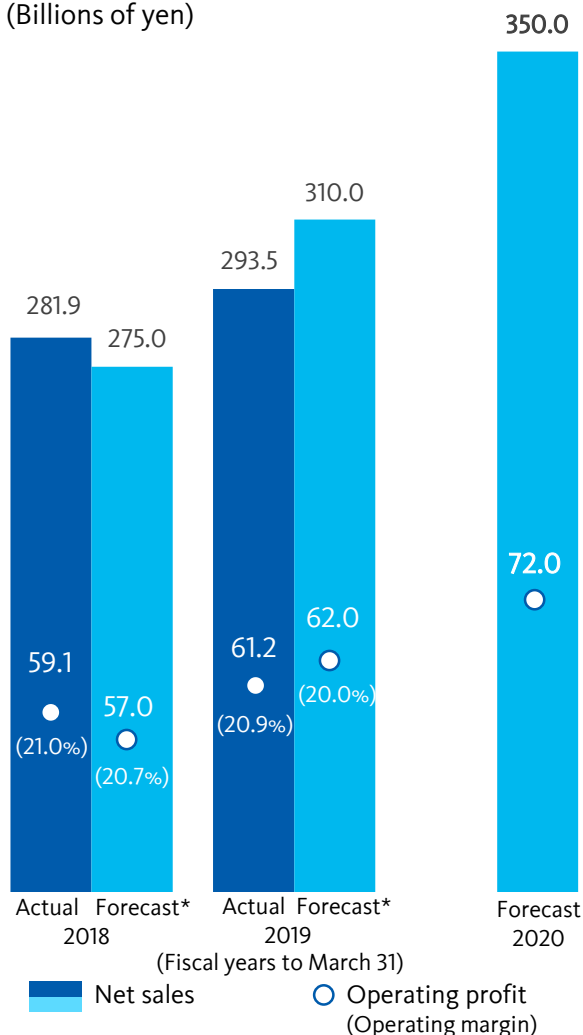
2.

Review of Previous Mid-Term Management Plan (Announced in May 2017)

Review of Previous Mid-Term Management Plan (1)

Profitability remained high in the fiscal year ended March 31, 2019, although performance fell below our forecasts.

(Billions of yen)



Although results for the fiscal year ended March 31, 2019 were below our initial forecasts, net sales continued to rise.

- Reasons for falling short of forecasts
 - Shipments of some products were delayed due to quality non-conformance issues.
 - Sales to alliance partners were sluggish.
 - We experienced delays in obtaining regulatory approvals on new products (such as a new urinalysis product in the United States).
 - The instrument replacement cycle in the hematology field is growing longer.
 - The market introduction of clinical FCM products was delayed.
 - The Chinese market changed (increased preferential treatment for locally manufactured products, regulations on lease transactions, etc.)
 - We were affected by exchange rates (such as depreciation in the value of emerging-market currencies).

Profitability remained high at the operating level.

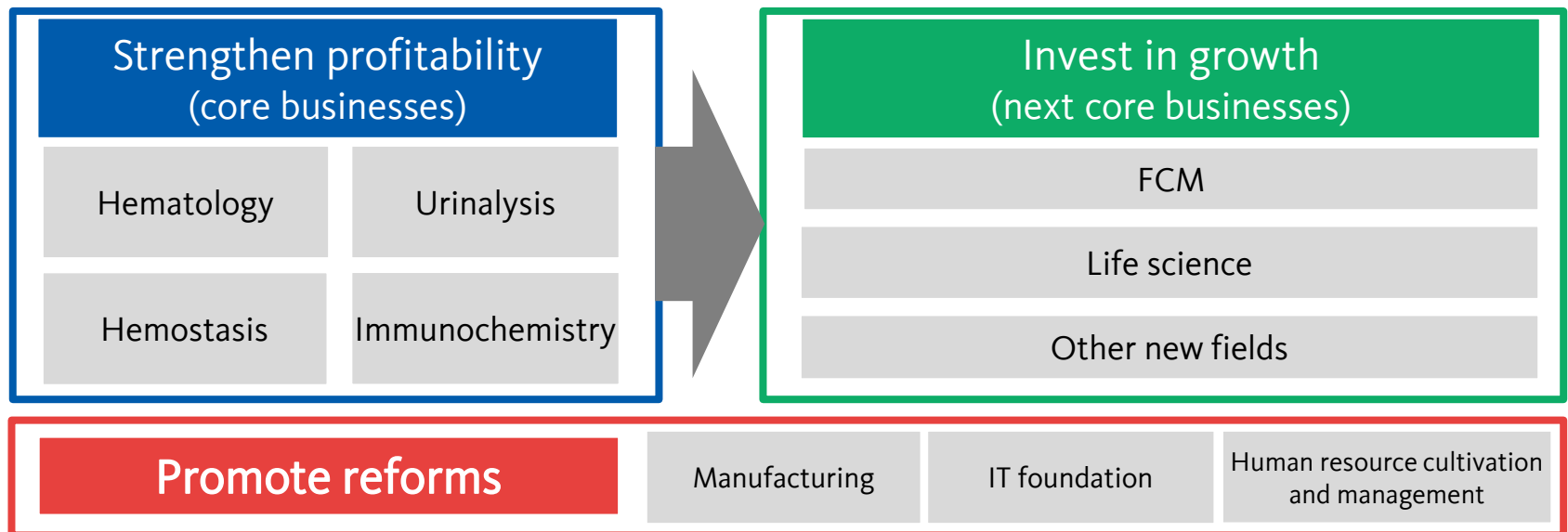
- The operating profit margin remained above 20%, against a backdrop of stable reagent sales.

*The forecasts refers to the initial forecast.

Review of Previous Mid-Term Management Plan (2)

We made progress on investing in growth, reinforcing our foundation for the future.

- Profitability remained high, particularly in the hematology field, and we invested in our next core businesses.
 - ✓ We completed development of a clinical FCM product.
 - ✓ We obtained manufacturing and marketing approval on the NCC Oncopanel System.
 - ✓ We launched products for research use (including the HM-1000 super-resolution fluorescence microscope, the HI-1000 highly sensitive immunoassay system, the MI-1000 imaging flow cytometer and the LW-100, a clinical PCR instrument).
- We established a bio-reagent base and otherwise operated according to plan on investing to promote reforms.



3. Mid-Term Management Plan
(Fiscal Years Ending
March 31, 2020 to 2022)

Robust expansion of the healthcare market

Key changes in the environment

Market expansion

- Increase in the number of patients and progress on a classification system (China)
- Expansion of subsidies for people with low incomes (India)
- Proliferation of national health insurance systems (Indonesia)
- Investments in healthcare infrastructure (Africa, etc.)

Greater efficiency in healthcare

- Consolidation of commercial labs (France)
- Decreases in medical service fees (United States, etc.)

Regulatory changes

- Passing of the In Vitro Diagnostic Medical Device Regulation (EU)
- Start of independent regulation (particularly in emerging markets)

Technological innovation

- Approval of AI-equipped medical devices (United States, Japan, etc.)
- Full-fledged launch of cancer genomic medicine (generally across developed countries)

Increased business opportunities in emerging markets

Rising demand for more efficient healthcare

Increasingly stringent regulatory systems
Increasing barriers to entry

Proliferation of new testing
(mainly in developed countries)

Overview of the Mid-Term Management Plan

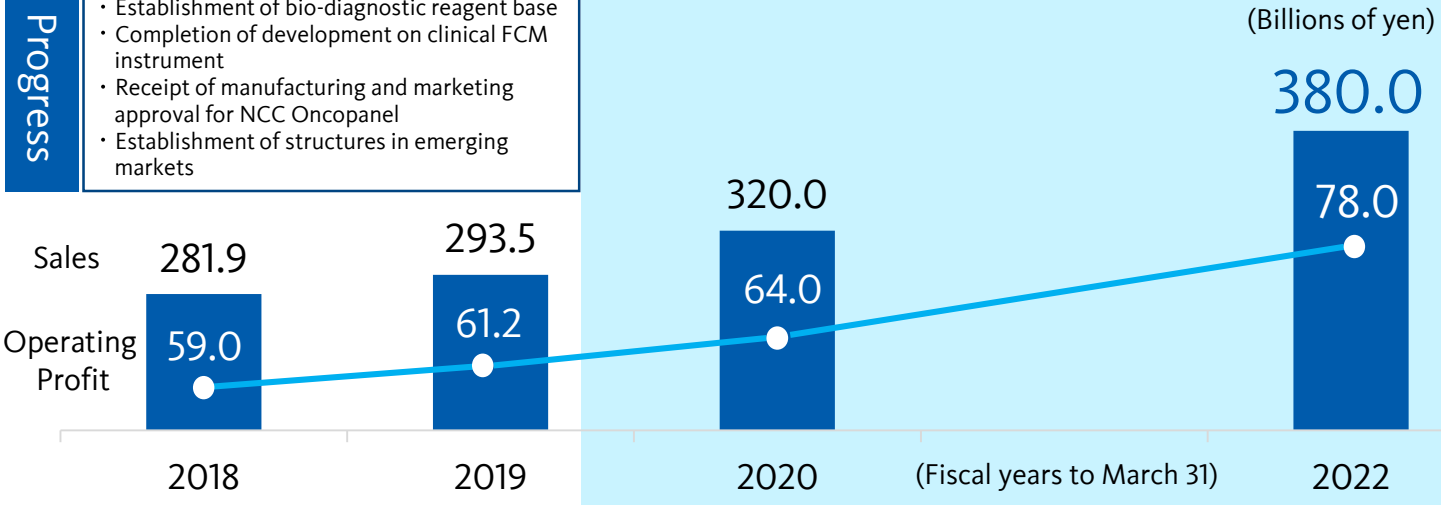
Make steady progress on key initiatives toward achieving the long-term management goals

Long-term management goals (2025)

- Important priorities toward sustainable growth**
1. Reinforce strong growth in the IVD business
 2. Accelerate commercialization of the life science business
 3. Enhance quality and quality assurance systems
 4. Strengthen regulatory affairs function and clinical development capability that underpin our business
 5. Restructure business processes through digitalization
 6. Innovate human resource management

Strengthen the foundations and structure to support medium- to long-term growth

Issues	<ul style="list-style-type: none"> • Temporary sluggishness in IVD instruments • Progress on commercialization in life science • Increasing difficulty in obtaining regulatory approval • Emergence of quality issues
Progress	<ul style="list-style-type: none"> • Establishment of bio-diagnostic reagent base • Completion of development on clinical FCM instrument • Receipt of manufacturing and marketing approval for NCC Oncopanel • Establishment of structures in emerging markets



Financial targets
(Fiscal year ending March 31, 2022)

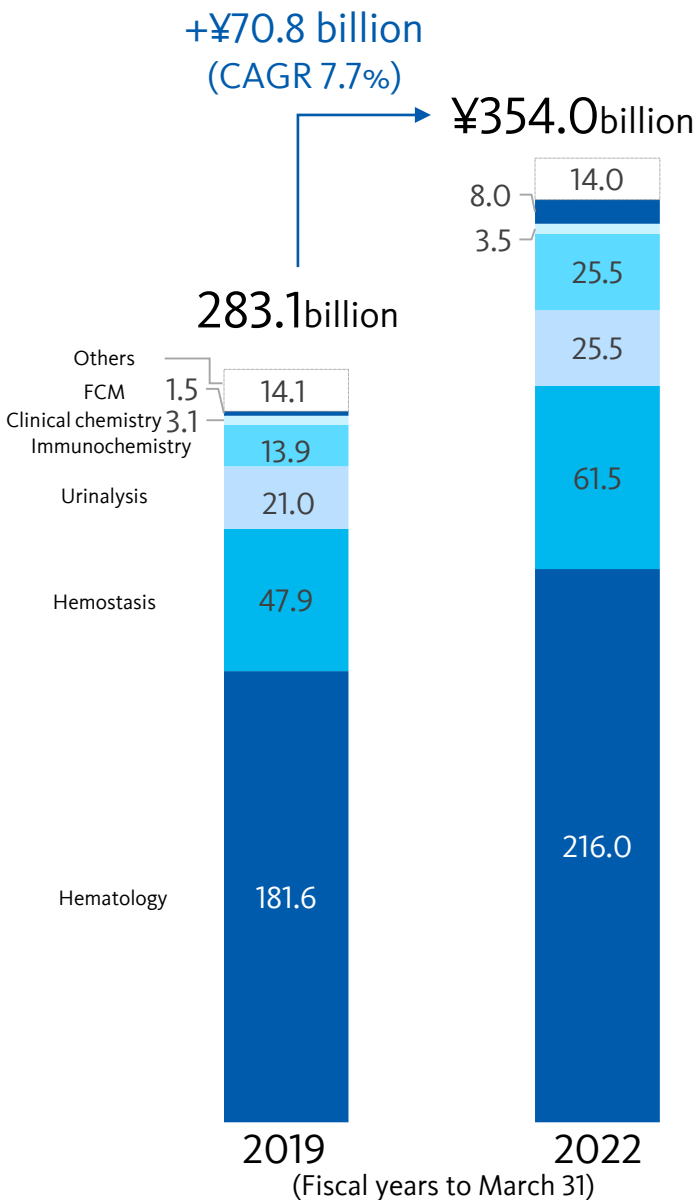
Net sales : ¥380.0 billion

Operating profit: ¥78.0 billion (20.5%)

ROE : 18.0%

Free CF : ¥40.0 billion

Operating CF: ¥75.0 billion



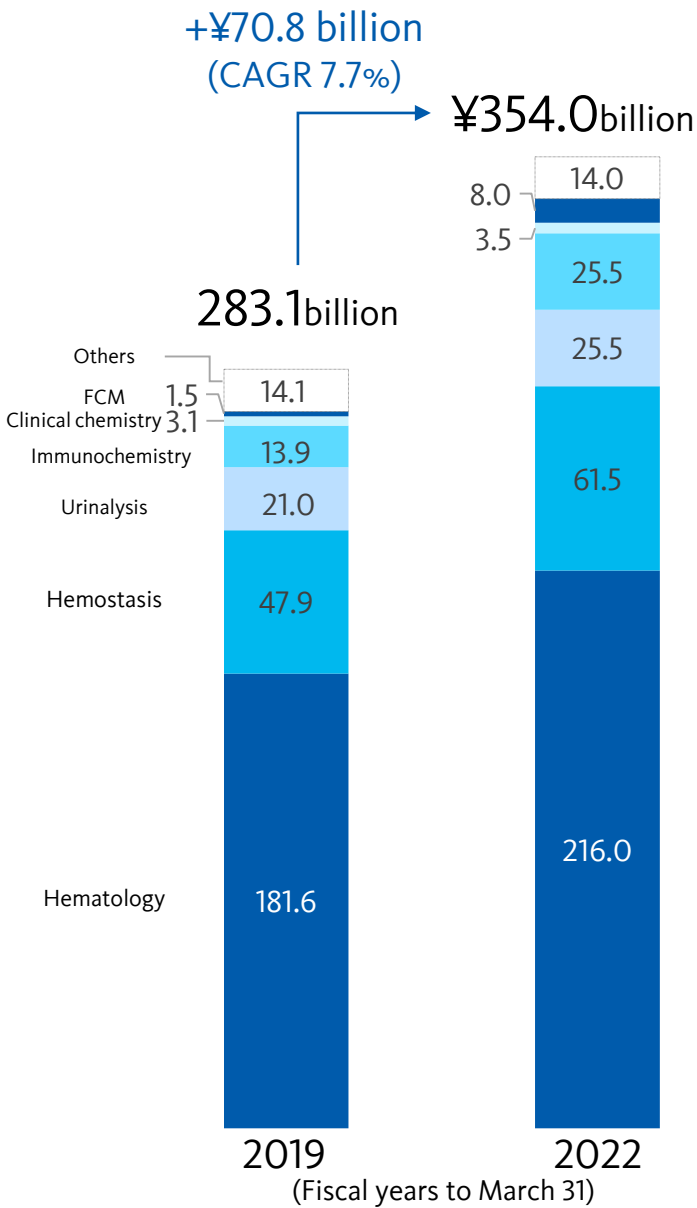
Initiatives to enhance IVD product development capabilities

- Expand technology roadmap in the IVD domain
- Increase speed of new product development through process transformations in development operations
- Strengthen resource allocation in the IVD domain

Hematology field

- Increase market share in developed countries
 - Strengthen instrument sales through accelerated introduction of Caresphere
 - Augment competitiveness through market introduction of next-generation instruments
 - With the XW-100, capture the US primary care market
- Harness growth opportunities in emerging markets
 - Harness market for tier-2 and lower hospitals in China
 - Step up sales promotion in emerging markets (such as India, Brazil, Russia and Turkey)
 - Increase competitiveness by developing new products for low-end markets

Reinforce Strong Growth in the IVD Business (2)



Hemostasis field

- Strengthen No. 1 position by accelerating introduction of new CN-Series products
- Expand alliance activities and portfolio of reagents developed in-house

Urinalysis field

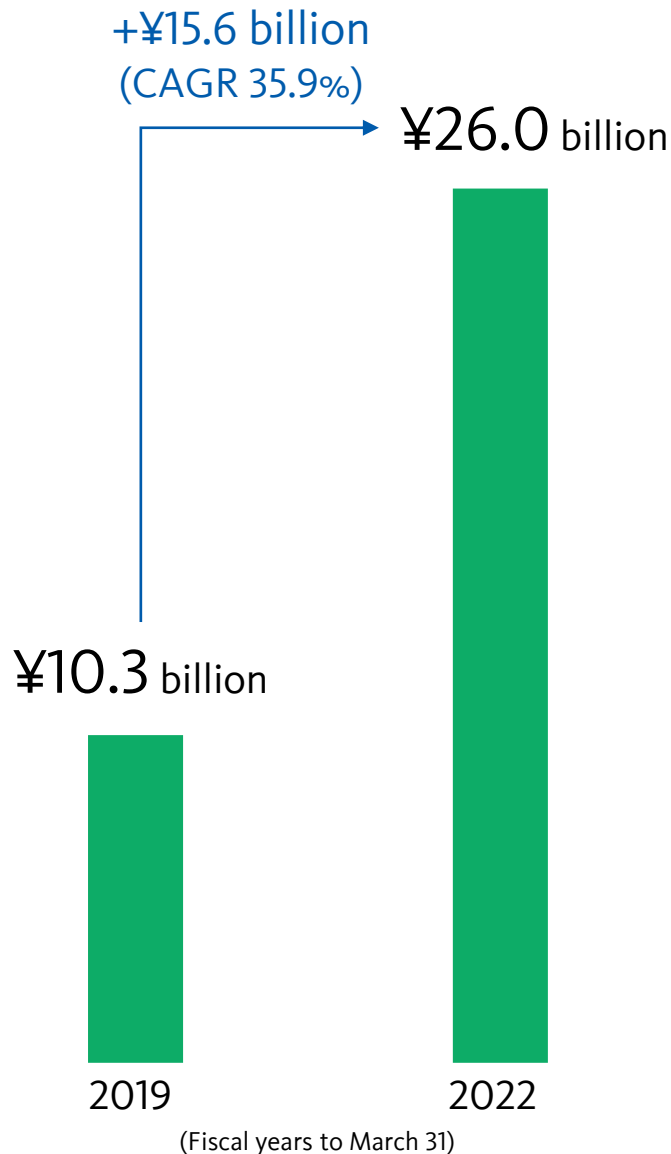
- Increase number of installed units and reagent sales by stepping up promotion of new UN Series products

Immunochemistry field

- Boost sales through number of installed HISCL instruments in China, Japan, and other Asian countries, and more approved reagent parameters
- Step up reagent development in China

FCM field

- Introduce clinical FCM products into the global market
- Establish competitive advantage by leveraging synergies with hematology field



Initiatives in the life science business

- Increase OSNA value and global rollout
 - ✓ Increase types of cancer to which applicable
 - ✓ Strengthen promotion of new product (RD-210) in EMEA
 - ✓ Enter Chinese market
- Increase FISH reagent sales through synergy with OGT
 - ✓ Expand sales area for FISH reagents (Japan, China, etc.)
 - ✓ Enter global market for Flow FISH
- Bolster presence in cancer genomic medicine
 - ✓ Obtain health insurance coverage for NCC Oncopanel to increase number of assay customers
- Enter the market for liquid biopsy testing
 - ✓ Obtain OncoBEAM RAS IVD, launch the PSS as LDT*, etc.
 - ✓ Increase clinical applications for highly sensitive HISCL
 - ✓ Launch of system for measuring circulating tumor cells (CTCs) as LDT

*LDT : Laboratory Developed Test

Reinforce the Reagent Development and Manufacturing Functions, Which Support Business Growth

Operation of bio-diagnostic reagent base, progress on reagents

Bio-diagnostic reagent base

- Operational in April 2019

Ensure stable supply of bio materials

Augment bio-diagnostic reagent quality and function

Accelerate development of new parameters

Shorten production lead times



IVD

business



Hematology

Urinalysis

Hemostasis

Immunochemistry

Clinical chemistry

FCM

LS business

Life science

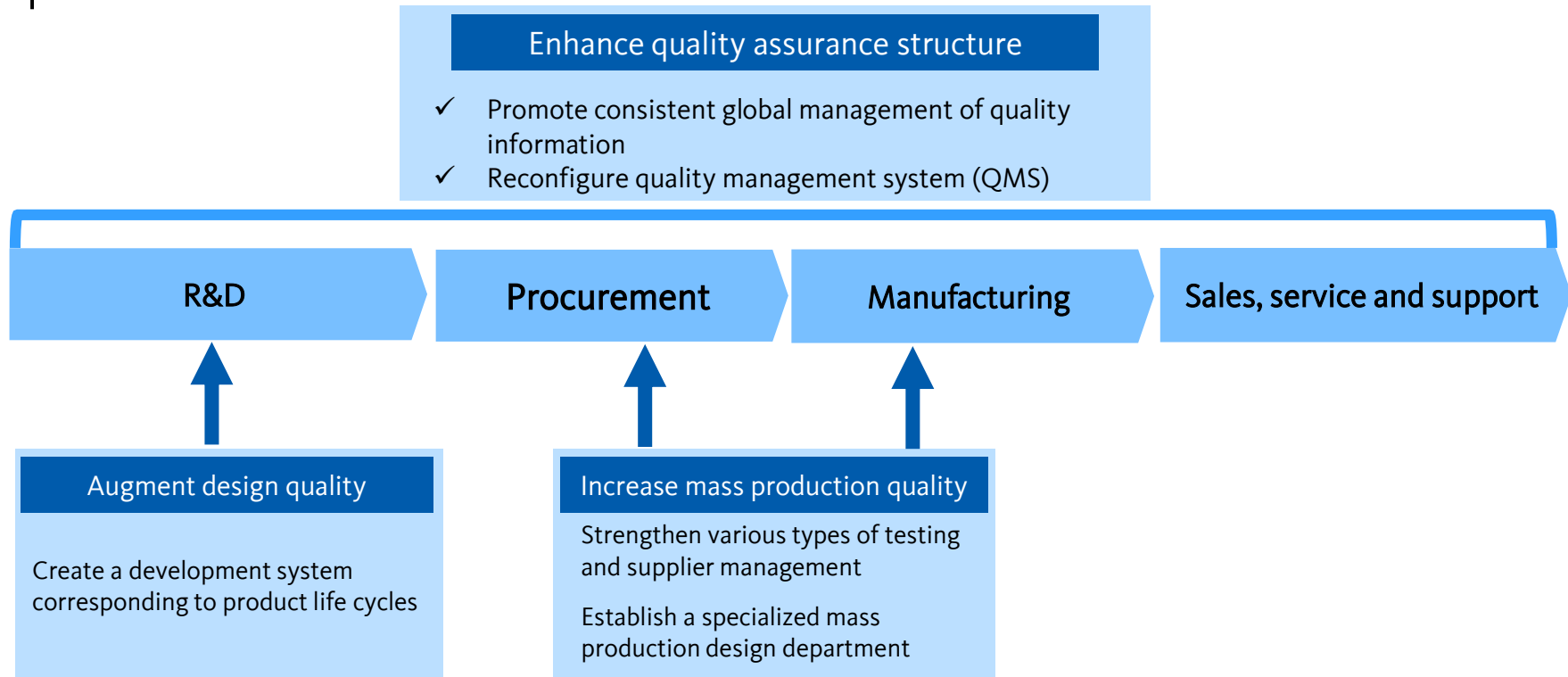


Strengthen reagent development and production functions

Accelerate commercialization

Enhance Structures that Support the Business (Quality Assurance and Regulatory Affairs)

- Strengthen quality assurance function to ensure the “responsible provision of products and services”



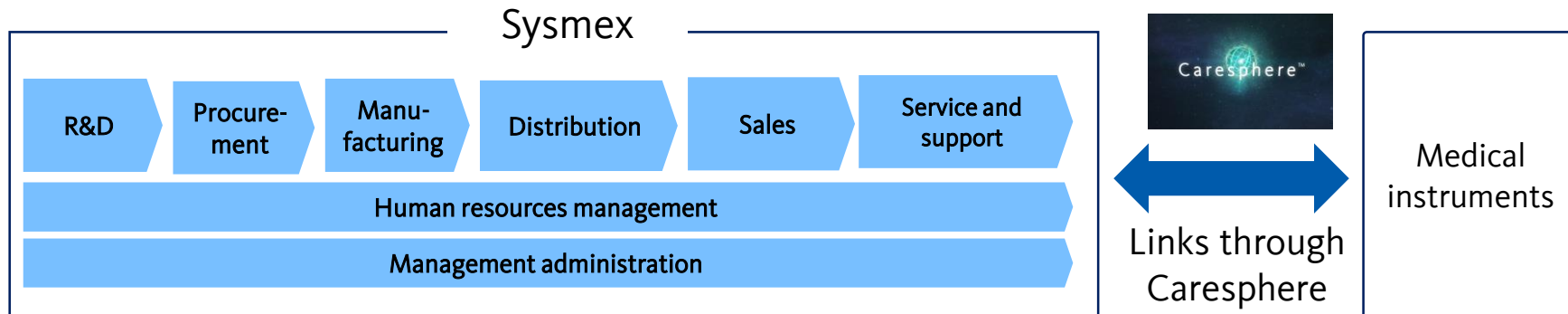
- Strengthen the regulatory affairs function and clinical development capability to take advantage of business opportunities at an early stage
 - Respond to a broader business portfolio (in addition to IVD business, response in the life science business)
 - Cultivate and recruit specialized human resources
 - Use overseas R&D bases to strengthen the global product function evaluation system

Shore up the Management Base (Digitalization and Human Resource Management)

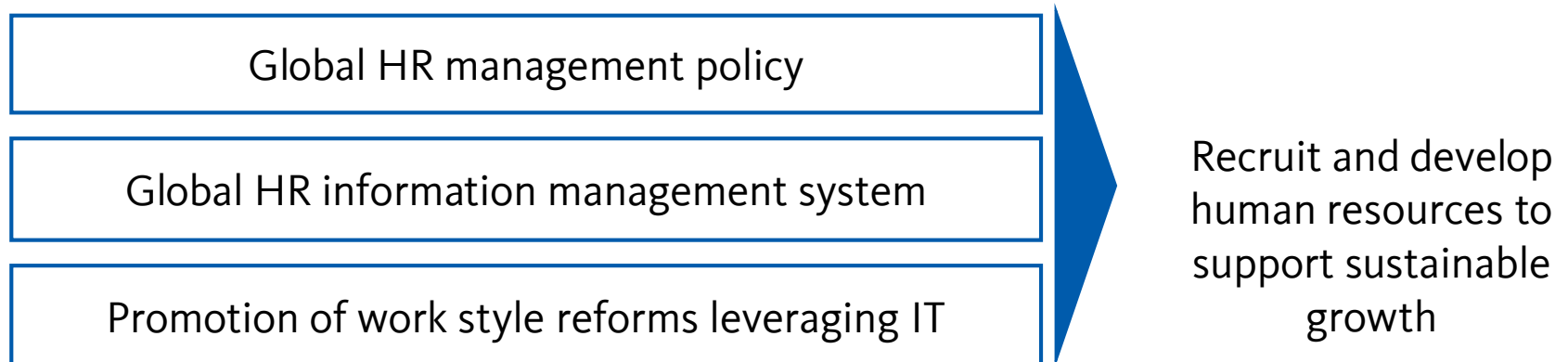
- Restructure business processes through Digitalization

Restructure global business processes through Digitalization

Transform the new product development process, optimize the supply chain, enhance information security, etc.

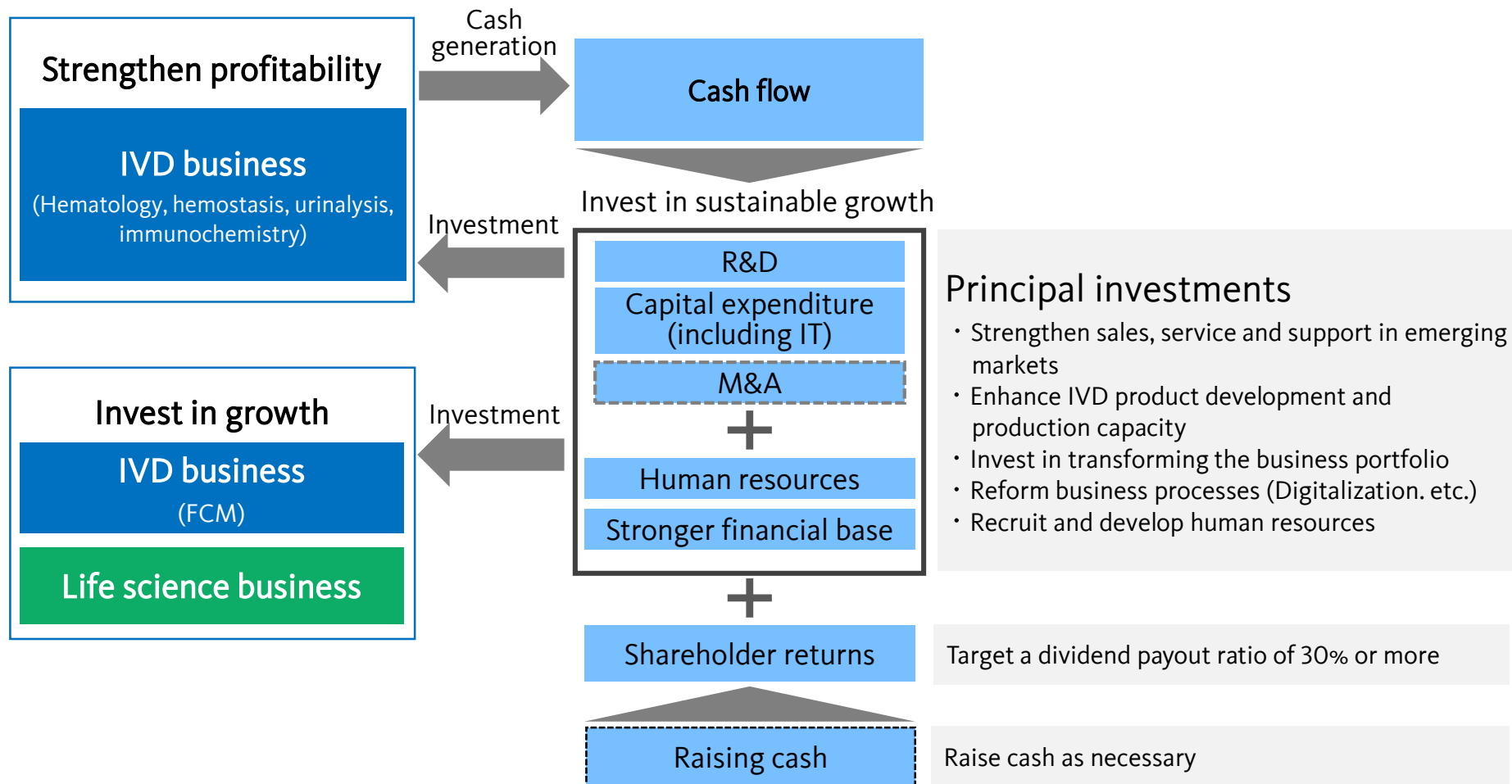


- Strengthen corporate competitiveness by innovating HR management
















Financial Policy (Three Years)

Conduct ongoing investment and augment our ability to generate cash flow and augment capital efficiency to enhance corporate value over the medium to long term and target sustainable shareholder returns.



Initiatives Targeting CSR Issues to Support Sustainable Growth

- Monitoring through KPIs on non-financial information

Sysmex's CSR issues (Materiality)		Main KPIs
Resolution of medical issues through products and services	  	Resolution of medical issues through business activities
		Improvement in accessibility to medical services by means such as familiarizing products
Responsible provision of products and services	 	Assessment and management of the supply chain
Realization of an attractive workplace	 	Provision of a comfortable working environment
		Development of human resources
		Promotion of diversity
		Engagement score
Environmental consideration	   	Environmental consideration through the product lifecycle
		Reduction in environmental burden through activities at business offices
		Percentage reduction in CO ₂ emissions (for instrument use/shipping and distribution)
		Percentage reduction in water consumption (for instrument use)
Governance	 	Number of internal reports
		Number of ethics violations

4.

Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2020

Consolidated Earnings Forecast



Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2020

Net sales: **¥320.0 billion**

Operating profit: **¥64.0 billion**

Operating margin: **20.0%**

Profit attributable to owners of the parent: **¥42.0 billion**

Profit attributable to owners of the parent to net sales: **13.1%**

Planned Investment

Capital expenditure:
¥14.0 billion
(Tangible only)

Depreciation and amortization:
¥24.0 billion
(Including changes in lease accounting standards due to the adoption of IFRS16)

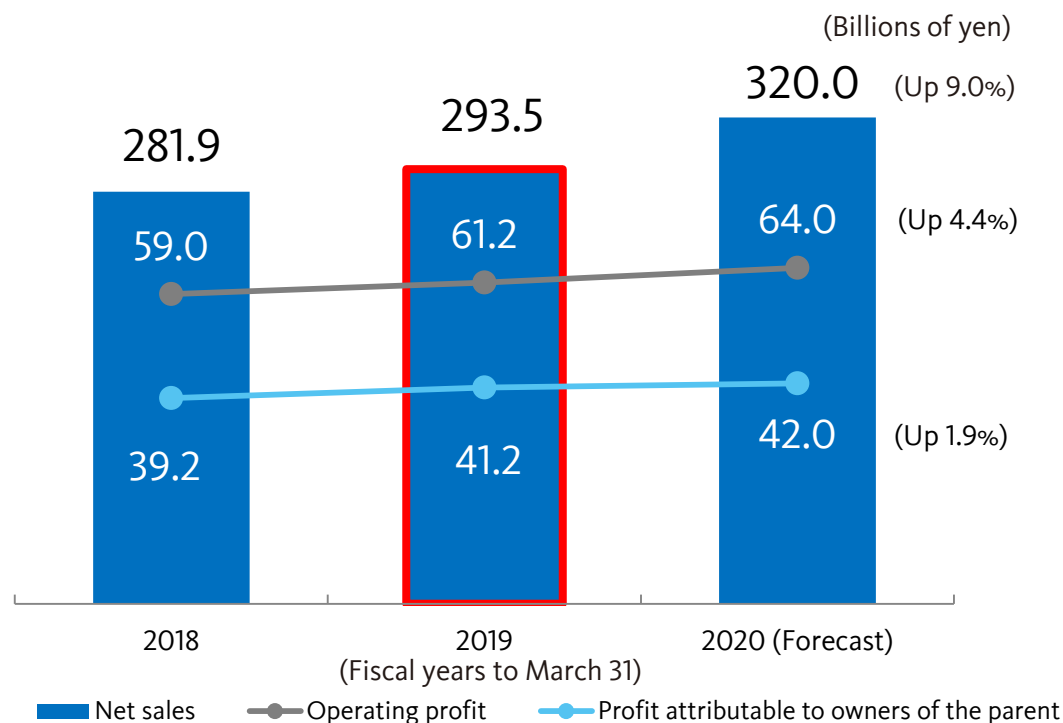
R&D expenditure:
¥22.0 billion

● Assumed Exchange Rates

	Full year	Previous year (Fiscal year ended March 31, 2019)
1 USD	¥110.0	¥110.9
1 EUR	¥125.0	¥128.4
1 CNY	¥16.5	¥16.5

● Exchange Rate Sensitivity

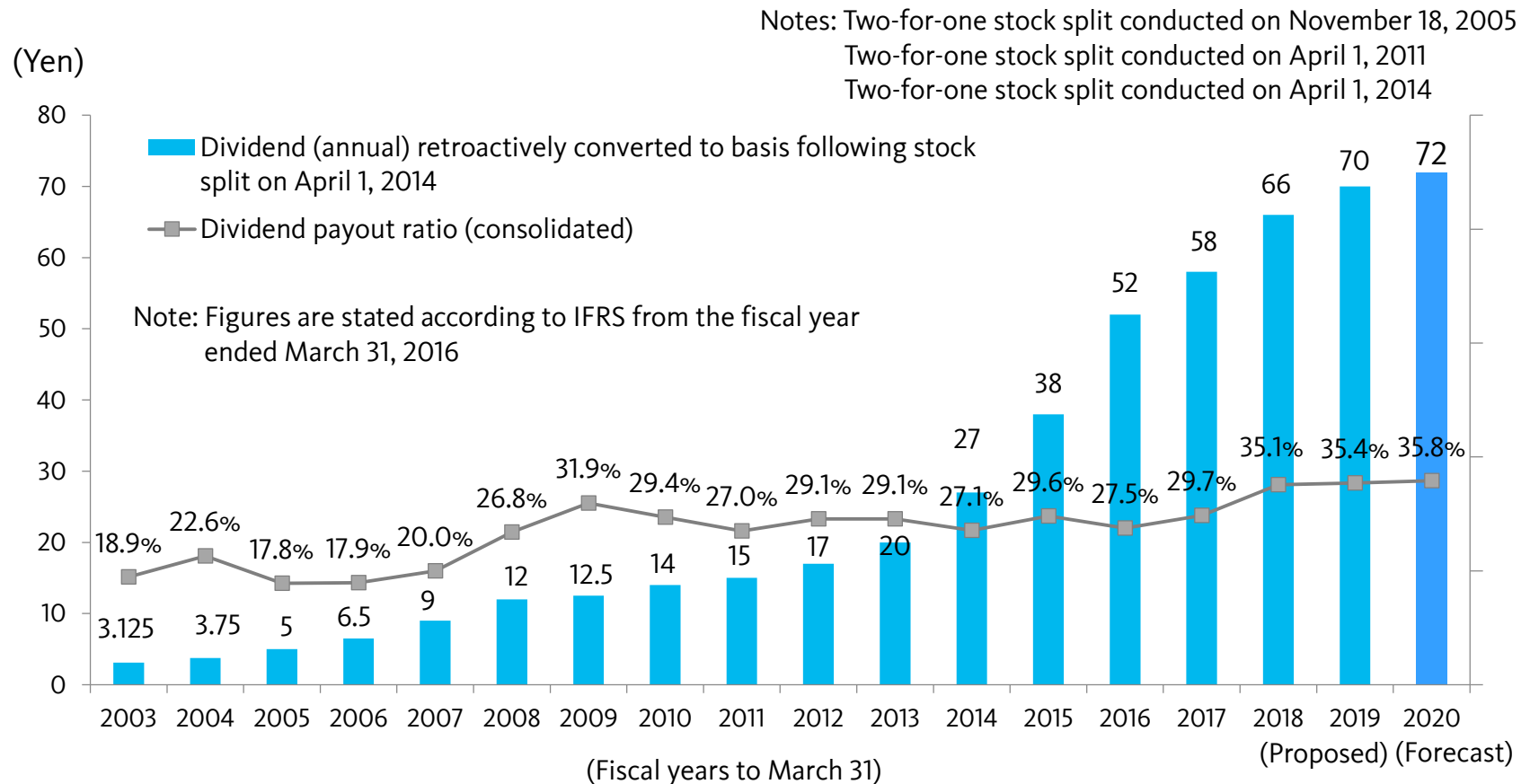
	Net sales (year)	Operating profit (year)
USD	¥0.63 billion	¥0.70 billion
EUR	¥0.45 billion	¥0.11 billion
CNY	¥5.23 billion	¥0.41 billion



Dividend Increases for the 18th Consecutive Year (Forecast for the Fiscal Year Ending March 31, 2020)



Sysmex aims to maintain a proper balance between aggressive investment, which is designed to sustain steady high growth, and returns to our shareholders as our earning power increases. In terms of returns to shareholders, we intend to provide a stable dividend on a continuous basis and aim for a consolidated payout ratio of 30% under our basic policy of sharing the successes of our operations in line with business performance.



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(Appendix)
Financial Highlights for the
Fiscal Year Ended March 31, 2019

(Reference) Year-on-Year Growth, Excluding Extraordinary Factors

Net sales

(Billions of yen)	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	YOY (Previous period = 100%)
Net sales	281.9	293.5	104.1%
FX impact		+4.0	
Impact of dissolution ¹ of joint venture	(1.5)		
Impact of OGT acquisition		(0.8)	
Adoption of IFRS 15		(0.1)	
Increase of reagent ² prices in China		(0.3)	
Net sales after adjusting for extraordinary factors	280.3	296.1	105.6%

Operating profit

(Billions of yen)	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	YOY (Previous period = 100%)
Operating profit	59.0	61.2	103.7%
FX impact		(0.1)	
Impact of dissolution of joint venture ¹	(0.8)		
Impairment loss	+1.0		
Impact of OGT acquisition		(0.06)	
Adoption of IFRS 15		(0.1)	
Dissolution of employees' pension fund	(1.6)		
Operating profit after adjusting for extraordinary factors	57.6	60.8	105.5%

Profit attributable to owners of the parent

(Billions of yen)	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	YOY (Previous period = 100%)
Profit attributable to owners of the parent	39.2	41.2	105.1%
FX impact		(0.1)	
Impact of dissolution of joint venture ¹	(1.4)		
Impairment loss	+1.0		
Impact of OGT acquisition		(0.05)	
Adoption of IFRS 15		(0.1)	
Dissolution of employees' pension fund	(1.1)		
Revision in US tax rates	+0.7		
Withholding tax refund		(0.3)	
Profit attributable to owners of the parent after adjusting for extraordinary factors	38.4	40.5	105.3%

1 Sysmex sold its shares in the joint venture to bioMérieux at the end of October 2017. Profit attributable to owners of the parent includes the impact of ¥0.84 billion in gain on the sale of shares.

2 Reagent price increases were introduced in June 2017.

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(Appendix) Mid-Term Management Targets

Sales by Business



(Billions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ending March 31, 2020	
			YOY
Hematology	181.6	192.6	+ 6.0%
Hemostasis	47.9	51.9	+8.2%
Urinalysis	21.0	22.4	+6.3%
Immunochemistry	13.9	16.7	+20.0%
Clinical chemistry	3.1	3.2	+0.3%
FCM*	1.5	3.0	+95.0%
Others	13.7	13.2	—
IVD business	283.1	303.0	+7.0%
Life science business	10.3	17.0	+64.1%
Total	293.5	320.0	+9.0%

Fiscal year ending March 31, 2022	
	CAGR (3 years)
216.0	+5.9%
61.5	+8.7%
25.5	+6.6%
25.5	+22.4%
3.5	+3.1%
8.0	+73.3%
14.0	—
354.0	+7.7%
26.0	+35.9%
380.0	+9.0%

*Reclassified to the IVD business from the fiscal year ending March 31, 2020
(classified as a next core business in the previous mid-term management plan)

Net Sales by Destination



(Billions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ending March 31, 2020	
			YOY
Americas	70.5	76.7	+8.8%
EMEA	75.6	80.4	+6.2%
China	78.2	87.1	+11.4%
AP	25.0	27.6	+10.3%
Japan	44.0	48.2	+9.4%
Total	293.5	320.0	+9.0%

Fiscal year ending March 31, 2022	
	CAGR (3 years)
89.6	+8.3%
93.5	+7.3%
108.7	+11.6%
35.2	+12.0%
53.0	+6.3%
380.0	+9.0%

	Fiscal year ended March 31, 2019	Fiscal year ending March 31, 2020	
			YOY
Americas (million USD)	635	697	+9.7%
EMEA (million EUR)	590	643	+9.0%
China (million CNY)	4,736	5,278	+11.5%

(Local currency)

Fiscal year ending March 31, 2022	
	CAGR (3 years)
814	+8.6%
748	+8.2%
6,587	+11.6%

(Assumed exchange rates)

USD	EUR	CNY
¥110.0	¥125.0	¥16.5

Sales and Operating Profit by Destination



(Billions of yen)

		Fiscal year ended March 31, 2019	Fiscal year ending March 31, 2020	Fiscal year ending March 31, 2022
Americas	Sales to external customers	65.9	71.6	82.4
	Operating profit	3.5	3.8	4.4
EMEA	Sales to external customers	77.6	82.8	97.7
	Operating profit	7.0	7.1	8.5
China	Sales to external customers	78.1	87.1	108.7
	Operating profit	9.1	8.7	10.3
AP	Sales to external customers	24.7	27.4	35.0
	Operating profit	3.1	3.1	4.0
Japan	Sales to external customers	47.0	51.1	56.2
	Intra-area transfers	107.8	117.1	140.9
	Sales	154.9	168.2	197.1
	Operating profit	38.9	41.5	51.0

Lighting the way **with diagnostics**