



Business Results

Fiscal Year Ended March 31, 2016

Sysmex Corporation

Hisashi Ietsugu,
Chairman and CEO

May 12, 2016

Contents

Chapter 1 Financial Highlights for the
Fiscal Year Ended March 31, 2016

Chapter 2 Consolidated Earnings Forecast for the
Fiscal Year Ending March 31, 2017

Forward-Looking Statements

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.

Chapter 1

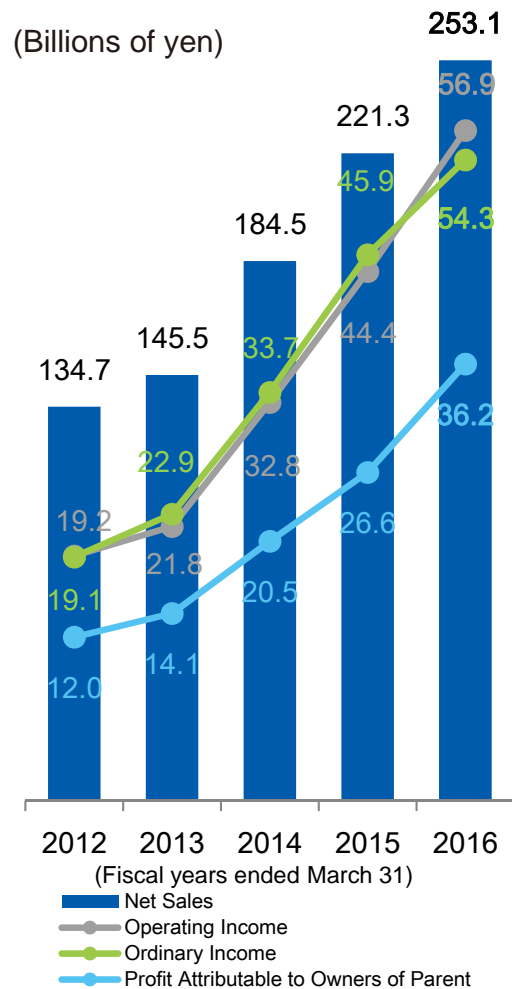
Financial Highlights for the Fiscal Year Ended March 31, 2016

Financial Highlights

Net sales: Up for 16 consecutive fiscal years

Operating income: Up for 15 consecutive fiscal years

Net sales and all income categories reached historic highs



	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015
1USD	¥120.1	¥109.9
1EUR	¥132.6	¥138.8
1CNY	¥18.9	¥17.8

(Billions of yen)

	Fiscal year ended March 31, 2016		Fiscal year ended March 31, 2015		YOY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net Sales	253.1	100%	221.3	100%	114.4%
Cost of Sales	102.0	40.3%	95.3	43.1%	107.0%
SG&A	94.1	37.2%	81.6	36.9%	115.3%
Operating Income	56.9	22.5%	44.4	20.1%	128.3%
Ordinary Income	54.3	21.5%	45.9	20.8%	118.3%
Net Income	36.2	14.3%	26.6	12.0%	136.0%

- **Net sales:** The Company recorded sales growth in all overseas geographic regions, centered on China.
- **Operating income:** Operating income rose substantially thanks to the effects of higher sales and yen depreciation (against the U.S. dollar and the Chinese yuan).
- **Non-operating balance:** The forex loss was ¥2.74 billion (¥0.93 billion gain in the previous fiscal year).
- **Extraordinary income:** Extraordinary income amounted to ¥0.31 billion (¥0.22 billion extraordinary loss in the previous fiscal year).

Notes: Exchange rate fluctuations raised net sales ¥3.22 billion and operating income ¥8.54 billion. At the exchange rates prevailing one year earlier, net sales would have been up 12.9% year on year, and operating income up 9.0%.

- **Capital expenditure (tangible):** ¥13.09 billion
Depreciation and amortization: ¥12.25 billion **R&D expenditure:** ¥17.77 billion

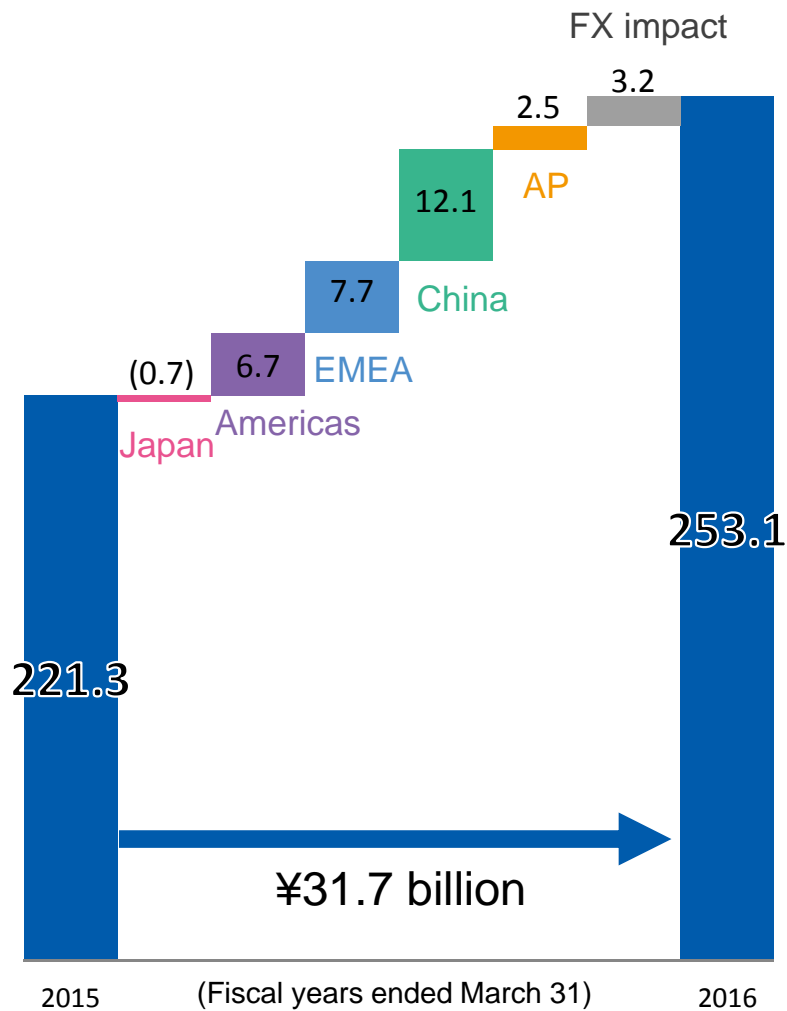
Breakdown of Net Sales and Operating Income



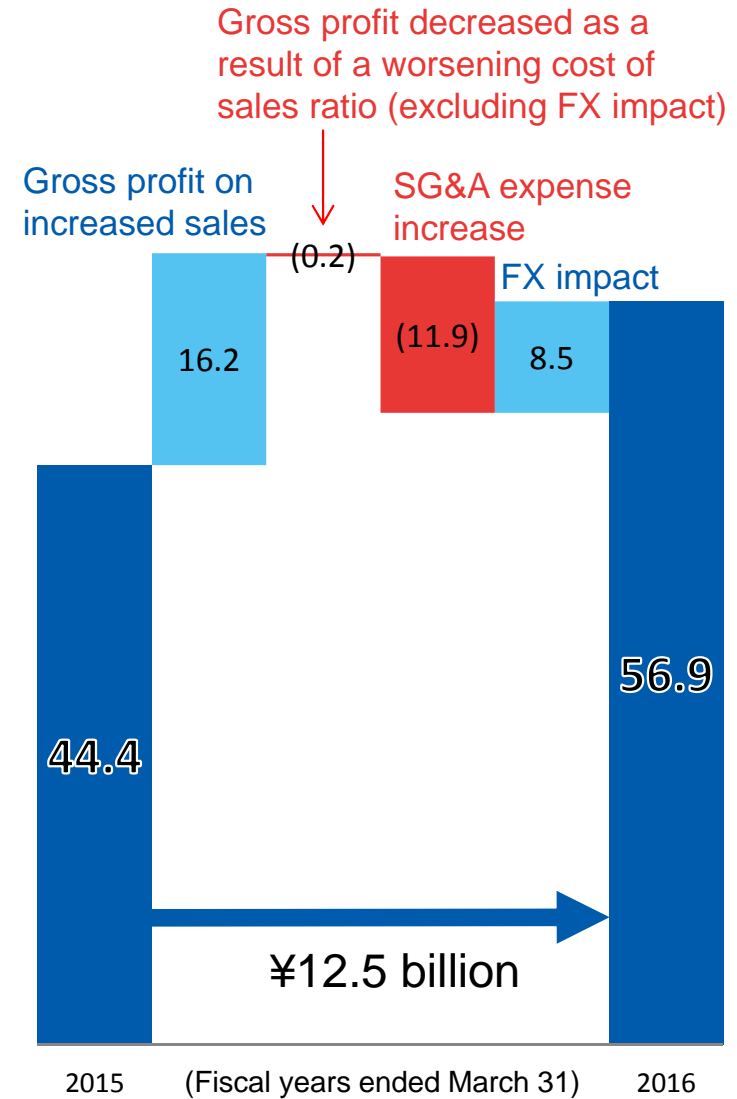
(Billions of yen)

Net Sales

Note: FX impact excluded from regional sales below



Operating Income



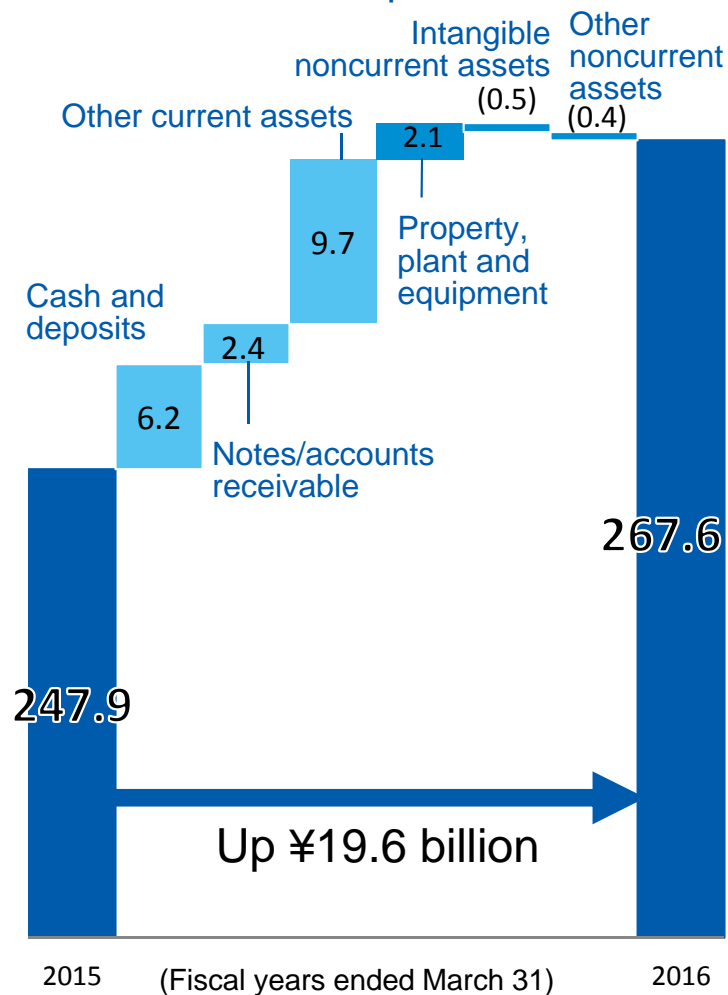
Breakdown of Assets and Liabilities/Net Assets



(Billions of yen)

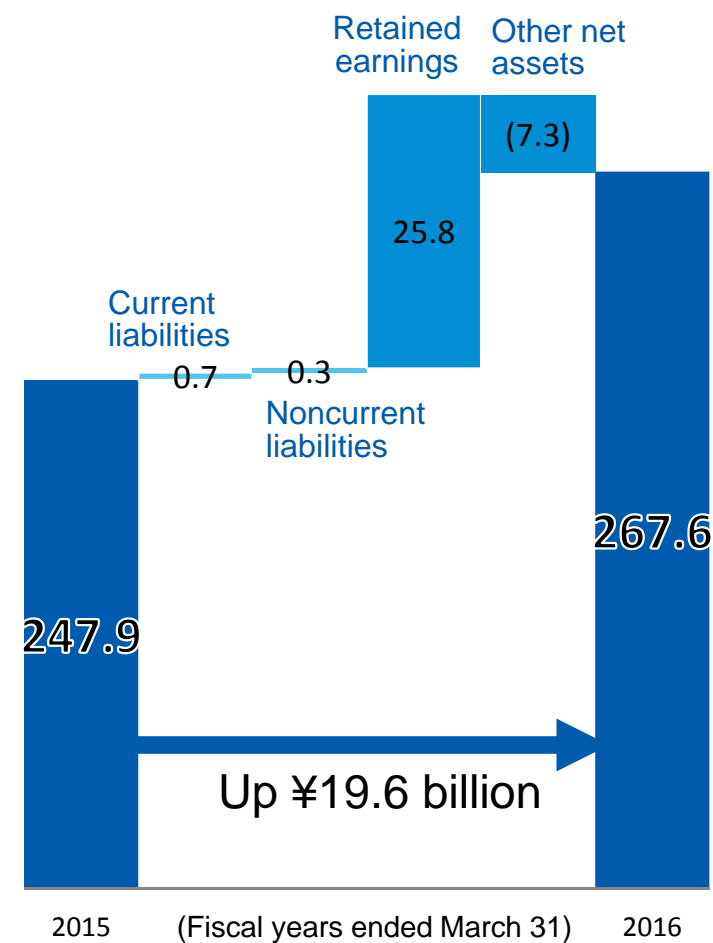
Assets

Noncurrent assets Up ¥1.13 billion
 Current assets Up ¥18.51 billion



Liabilities/Net Assets

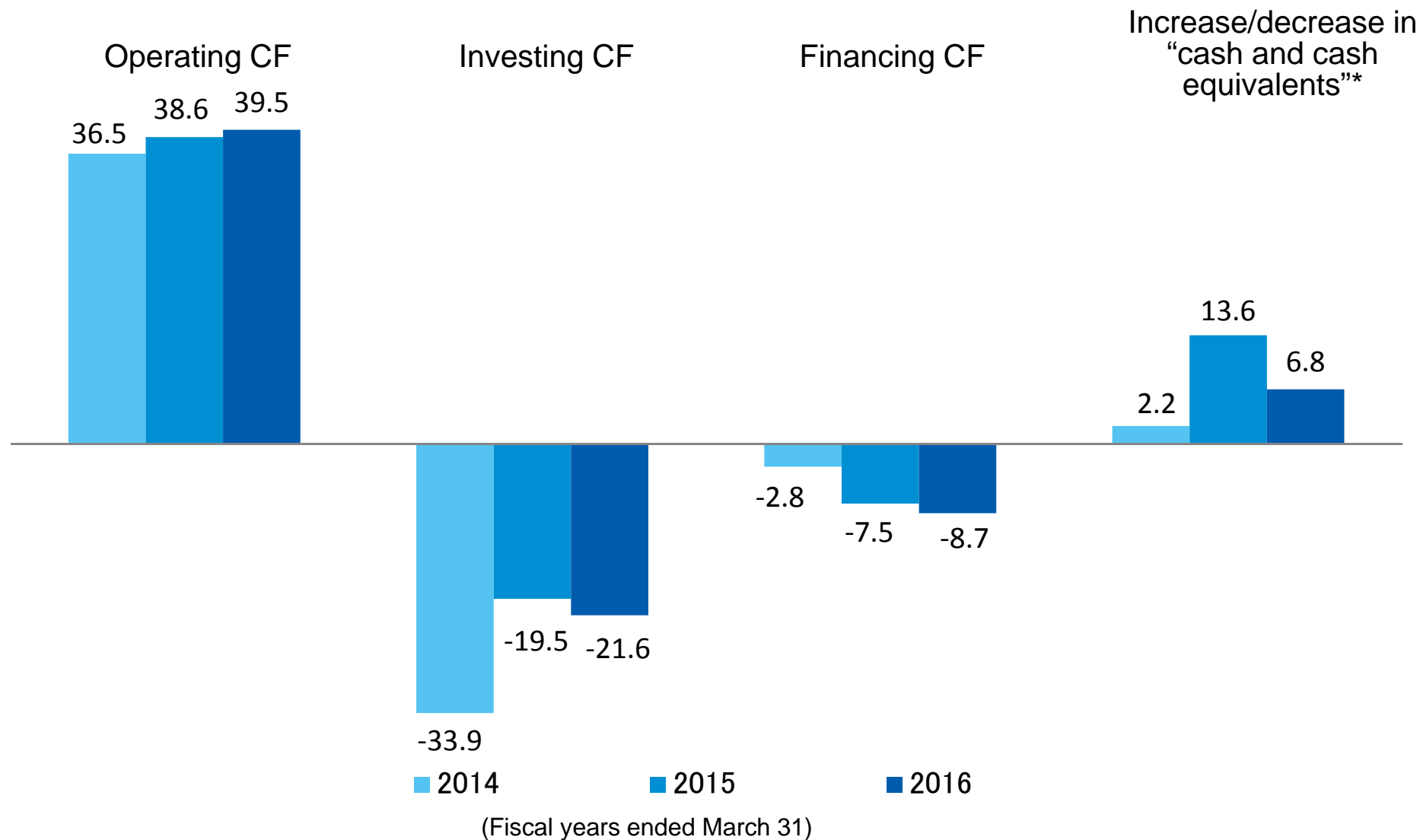
Net assets Up ¥18.54 billion
 Liabilities Up ¥1.11 billion



Consolidated Cash Flows



(Billions of yen)



*Includes translation differences on cash and cash equivalents.

M&A, Alliances

- Sysmex enters business alliance agreement with EIKEN CHEMICAL CO., LTD., involving the urine chemistry testing business in overseas markets (January 2016)
- Sysmex and Siemens extend long-standing global partnership in hemostasis testing (April 2016)
- Sysmex enters strategic collaboration with leading U.S. commercial lab, LabCorp, for blood-based molecular testing services and products to support the development of precision medicine in oncology (June 2015)

Operational Sites

- Sysmex completes expansion of reagent factory in Germany, increasing reagent production capacity by 50% (July 2015)
- Sysmex expanding U.S. reagent factory to meet growing demand in the Americas (Scheduled for completion in June 2017)
- Sysmex establishes new subsidiary in Ghana, reinforcing the Company's business foundation in the markets of West and Central Africa (October 2015)
- Sysmex opens new R&D Open Innovation Lab within Technopark (October 2015)



Subsidiary in Ghana

Products, Technologies

- Sysmex launches its next-generation models in the sediment urinalysis testing field, the UF-5000/4000/3000 fully automated analyzers of formed elements in urine (September 2015)
- Sysmex launches the UC-3500 fully automated urine chemistry analyzer, its first product in the field of urine qualitative analysis in overseas markets (January 2016)
- Sysmex launches a new product in the sediment urinalysis testing field, the UD-10 fully automated imaging unit for formed elements in urine (January 2016)
- New liquid biopsy RAS testing for metastatic colorectal cancer patients has been granted CE Mark approval (April 2016)

Others

- Sysmex selected as one of the 2016 Global 100's Most Sustainable Companies in the World (January 2016)
- Sysmex selected by the Securities Analysts Association of Japan for "Excellence in Corporate Disclosure" and "Excellence in Disclosure to Individual Investors," and wins the "IR Grand Prix Award" from Japan Investor Relations Association (October and November 2015)

Urinalysis
transport
system



Net Sales by Geographic Region



(Billions of yen)

Net Sales by Geographic Region (Sales to Customers)

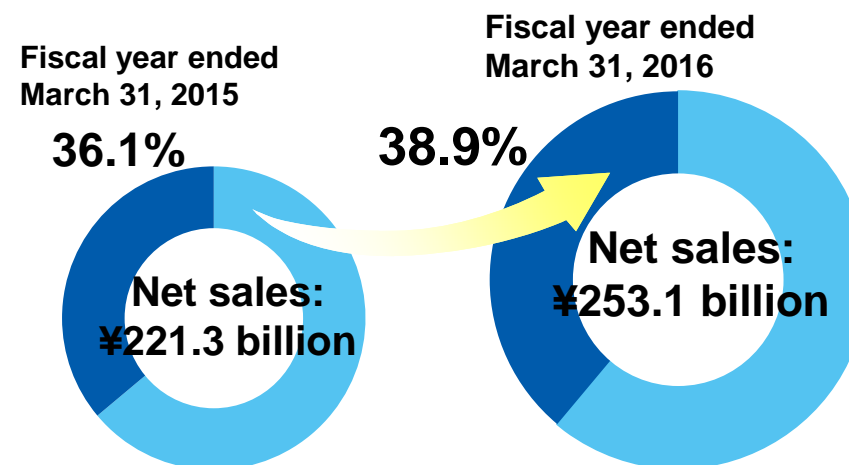
	Fiscal year ended March 31, 2016		Fiscal year ended March 31, 2015		YOY (Previous period = 100%)	
	Results	Ratio	Results	Ratio	(Yen)	(Local currency)
Net Sales	253.1	100%	221.3	100%	114.4%	-
Americas	56.4	22.3%	47.0	21.2%	120.1%	109.9%
EMEA	68.4	27.0%	63.2	28.6%	108.2%	113.3%
Region China	65.1	25.7%	49.8	22.5%	130.7%	123.3%
AP	20.0	7.9%	17.8	8.1%	112.3%	-
Japan*	43.0	17.0%	43.3	19.6%	99.1%	-

* Includes sales to IDEXX and other customers

Exchange Rates

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015
1USD	¥120.1	¥109.9
1EUR	¥132.6	¥138.8
1CNY	¥18.9	¥17.8

● Percentage of Sales in Emerging Markets



Sales by Business

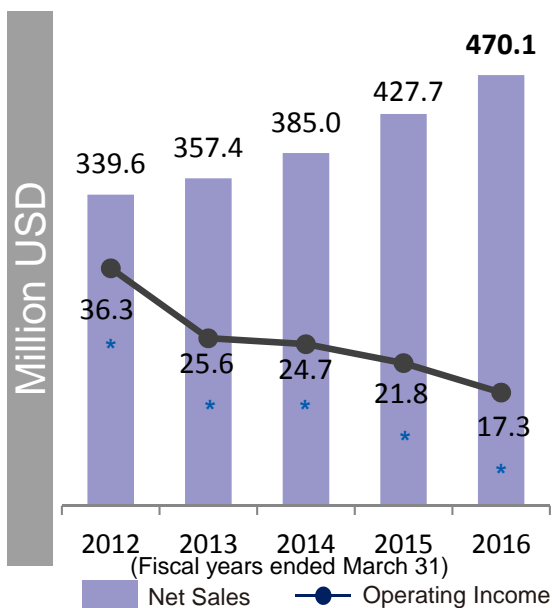
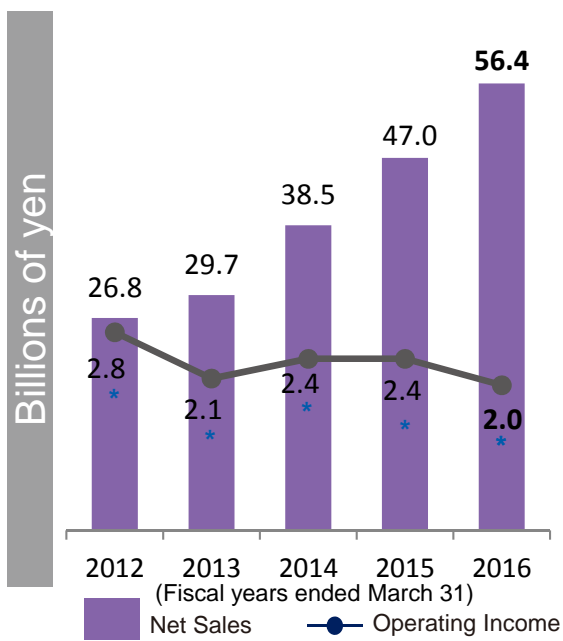


	Year ended March 31, 2016		Year ended March 31, 2015		(Billions of yen) YOY (Previous = 100%)
	Results	Ratio	Results	Ratio	
Hematology	159.7	63.1%	140.9	63.7%	113.3%
Urinalysis	17.5	6.9%	16.4	7.4%	106.7%
HU-BU	177.2	70.0%	157.3	71.1%	112.6%
Immunochemistry	7.7	3.1%	4.7	2.1%	164.1%
Clinical Chemistry	3.5	1.4%	3.7	1.7%	96.6%
Hemostasis	44.1	17.4%	33.6	15.2%	131.2%
ICH-BU	55.5	21.9%	42.1	19.0%	131.9%
LS-BU	3.3	1.3%	3.1	1.4%	107.8%
Others*	17.0	6.7%	18.7	8.5%	90.8%
Total Net Sales	253.1	100.0%	221.3	100.0%	114.4%

* Clinical laboratory information systems, sales of third-party products, FCM products for research and industry, simple FCM products for emerging markets, etc.

Simple FCM products for emerging markets, formerly included in "Others" in HU-BU, have been reclassified as "Others."

Geographic Segment Information: Americas



*Revision in intragroup transaction prices

Copyright by Sysmex Corporation

(Billions of yen)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015	YOY (Previous period = 100%) (Yen basis)	YOY (Local currency basis)
Net Sales	56.4	47.0	120.1%	109.9%
Operating Income*	2.0	2.4	86.7%	79.4%

Notes: Excluding the impact of the reversal in deferred service revenue and income in the first three months of the fiscal year ended March 31, 2015, net sales would have been up 21.2% and operating income up 2.0%.

(The reversal in deferred service revenue and income in the first three months of the fiscal year ended March 31, 2015, had a ¥0.42 billion positive impact on net sales and a ¥0.36 billion positive impact on operating income.)

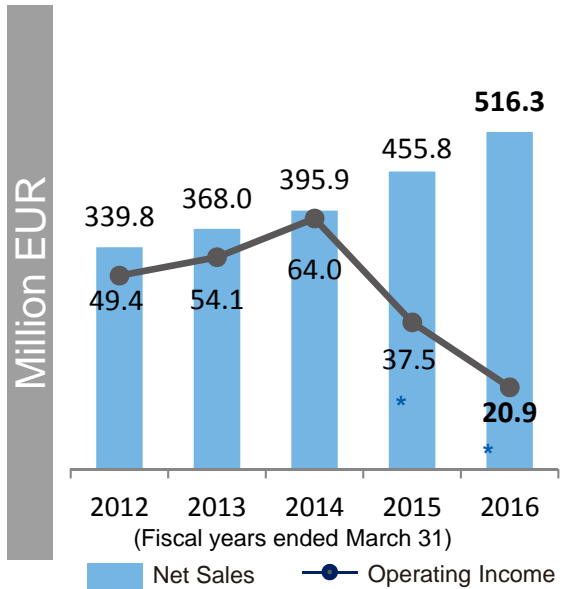
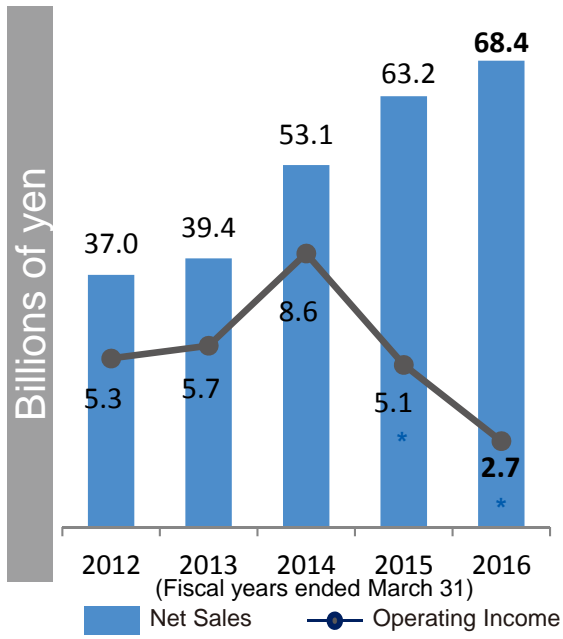
The abolition of an excise tax in the fourth quarter of the fiscal year ended March 31, 2016, had a ¥0.14 billion positive impact on operating income.

- **Net sales rose substantially, as service activities generating high levels of customer satisfaction and the competitiveness of the XN-Series led to higher sales of instruments, reagents and services.**
- **Operating income decreased due to a reversal in deferred service revenue and income in the fiscal year ended March 31, 2015, and a rise in SG&A expenses to strengthen sales and after-sales service activities in the United States.**

Local Currency Basis

- **United States:** Sales grew due to higher sales of system products, stemming from the acquisition of large-scale projects in the hematology field.
- **Central and South America:** Sales rose slightly, as the acquisition of a large-scale government project in Mexico overcame the impact of depreciation in the value of the real.

Geographic Segment Information: EMEA*



*Revision in intragroup transaction prices

Copyright by Sysmex Corporation

*Europe, the Middle East and Africa

(Billions of yen)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015	YOY (Previous period = 100%) (Yen basis)	YOY (Local currency basis)
Net Sales	68.4	63.2	108.2%	113.3%
Operating Income*	2.7	5.1	53.2%	55.7%

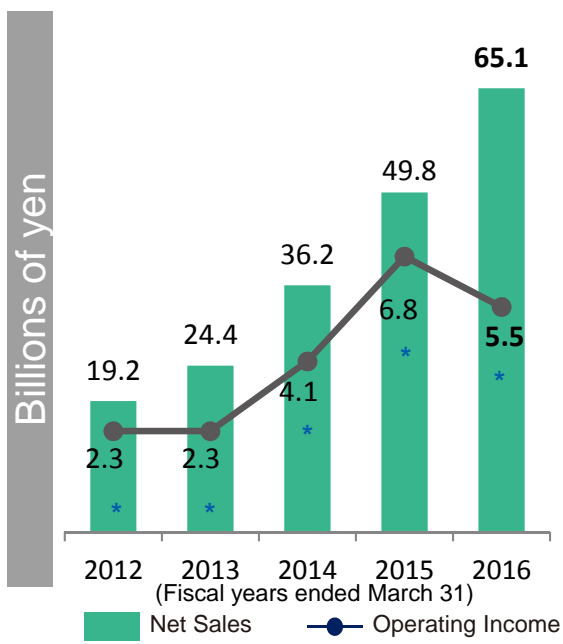
- Net sales increased throughout the region—in the Middle East, Russia and other emerging markets, as well as the five major countries.
- Operating income fell despite the increase in net sales because of the revision in intragroup transaction prices and increased operating expenses at Partec and Inostics.

Note: Absent the impact of Partec and Inostics, net sales would have been up 10.5%, and operating income down 13.7%.

Local Currency Basis

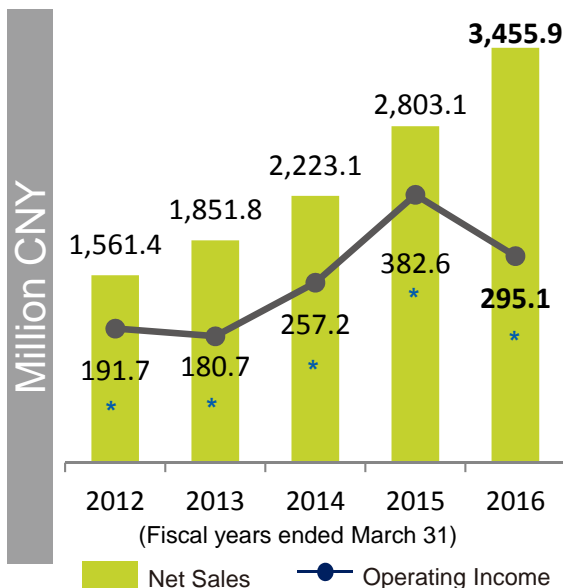
- **Five major countries:** Large-scale projects in Italy and Spain pushed up sales.
- **Other parts of Europe:** Sales increased in Denmark due to the acquisition of major projects, as well as in other countries.
- **Eastern Europe, Russia:** Sales increased thanks to expansion in the hematology field in Poland, and in Russia due to the acquisition of a project for a large-scale commercial lab.
- **Middle East, Africa:** Sales increased thanks to the winning of a tender offer for facilities in Saudi Arabia operated by the country's Ministry of Health.

Geographic Segment Information: China



(Billions of yen)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015	YOY (Previous period = 100%) (Yen basis)	YOY (Local currency basis)
Net Sales	65.1	49.8	130.7%	123.3%
Operating Income*	5.5	6.8	81.8%	77.1%

- Sales in the hematology, hemostasis and immunochemistry fields pushed up net sales substantially.
- Operating income was down year on year due to impact of the revision in intragroup transaction prices and higher SG&A expenses to reinforce activities in the immunochemistry field.



*Revision in intragroup transaction prices

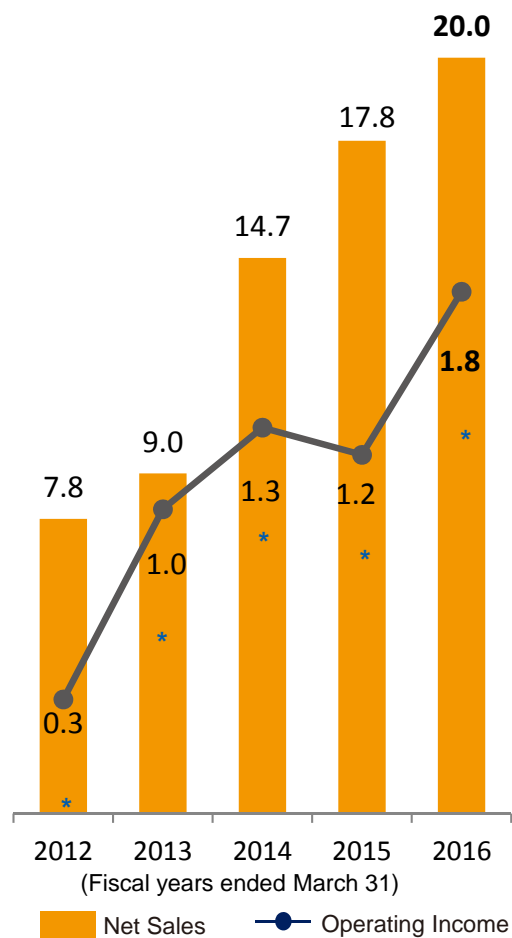
Local Currency Basis

- **Hematology:** Sales were up year on year, reflecting robust sales of instruments in the XN-Series for system proposals.
- **Hemostasis:** Sales of instruments and reagents grew significantly due to strong sales of the high-end CS-Series and increased demand for fibrin parameter reagents.
- **Urinalysis:** Sales were flat, due in part to the effect of a period of transition to new products.
- **Immunochemistry:** Sales increased due to expanded sales of the HISCL-Series (commencing in the third quarter of the fiscal year ended March 31, 2015).

Geographic Segment Information: AP



Billions of yen



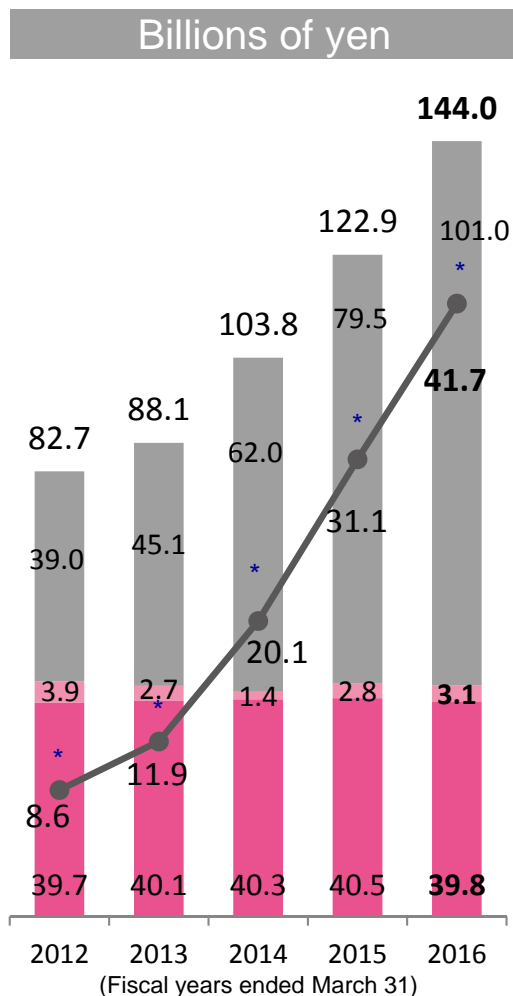
*Revision in intragroup transaction prices

(Billions of yen)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015	YOY (Previous period = 100%) (Yen basis)
Net Sales	20.0	17.8	112.3%
Operating Income*	1.8	1.2	147.3%

- **Net sales for the region increased, with higher sales centered on the hematology field in India, Indonesia and South Korea.**
- **Operating income increased, reflecting higher sales.**

- **Southeast Asia:** Sales increased, centered on higher sales in the hematology field in Indonesia, Vietnam and the Philippines.
- **South Asia:** In addition to sales growth in the hematology and clinical chemistry fields in India, successful efforts against other companies boosted sales in the hematology field in Bangladesh.
- **Oceania:** Sales were up slightly, reflecting the acquisition of large-scale projects in Australia, as in the previous year.
- **South Korea, Taiwan:** Sales were up due to increased sales in South Korea, centering on hematology instruments and reagents.

Geographic Segment Information: Japan



Intra-Area Transfers: Exports to Group Affiliates, Others
 Sales to Customers: IDEXX and Others
 Sales to Customers: Japan
 Operating Income

*Revision in intragroup transaction prices

(Billions of yen)	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015	YOY (Previous period = 100%)
Net Sales	144.0	122.9	117.2%
Sales to Customers	43.0	43.3	99.1%
Japan	39.8	40.5	98.2%
IDEXX and Others	3.1	2.8	111.3%
Intra-Area Transfers	101.0	79.5	127.0%
Operating Income*	41.7	31.1	134.1%

- **Net sales and operating income were up, despite a slight decline in the Japanese market, as intra-area transfers to Group affiliates (overseas) pushed up internal sales, and the region benefited from the impact of a revision in intragroup transaction prices.**

- **Japan:** Lower instrument sales led to a slight decrease in sales in the region, despite increased reagent sales centered on the immunochemistry field.
- **IDEXX and others:** Sales were up, thanks to robust sales of instruments for IDEXX.



- Expected dividend ¥12 higher than initial year-end dividend forecast of ¥40 (a ¥4 higher interim dividend and ¥8 higher year-end dividend)

	Interim Dividend	Year-End Dividend	Total	Payout Ratio
Fiscal Year Ended March 31, 2015	¥16	¥22	¥38	29.6%
Fiscal Year Ended March 31, 2016 (Proposal)	¥24 <small>Note: Includes dividend commemorating the Company's 20th anniversary of listing (¥4)</small>	¥28 <small>Note: To be proposed at the 49th Ordinary General Meeting of Shareholders</small>	¥52	29.8%

Chapter 2

Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017

Consolidated Earnings Forecast



Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017, IFRS Standards
(Figures in parentheses are based on Japanese accounting standards.)

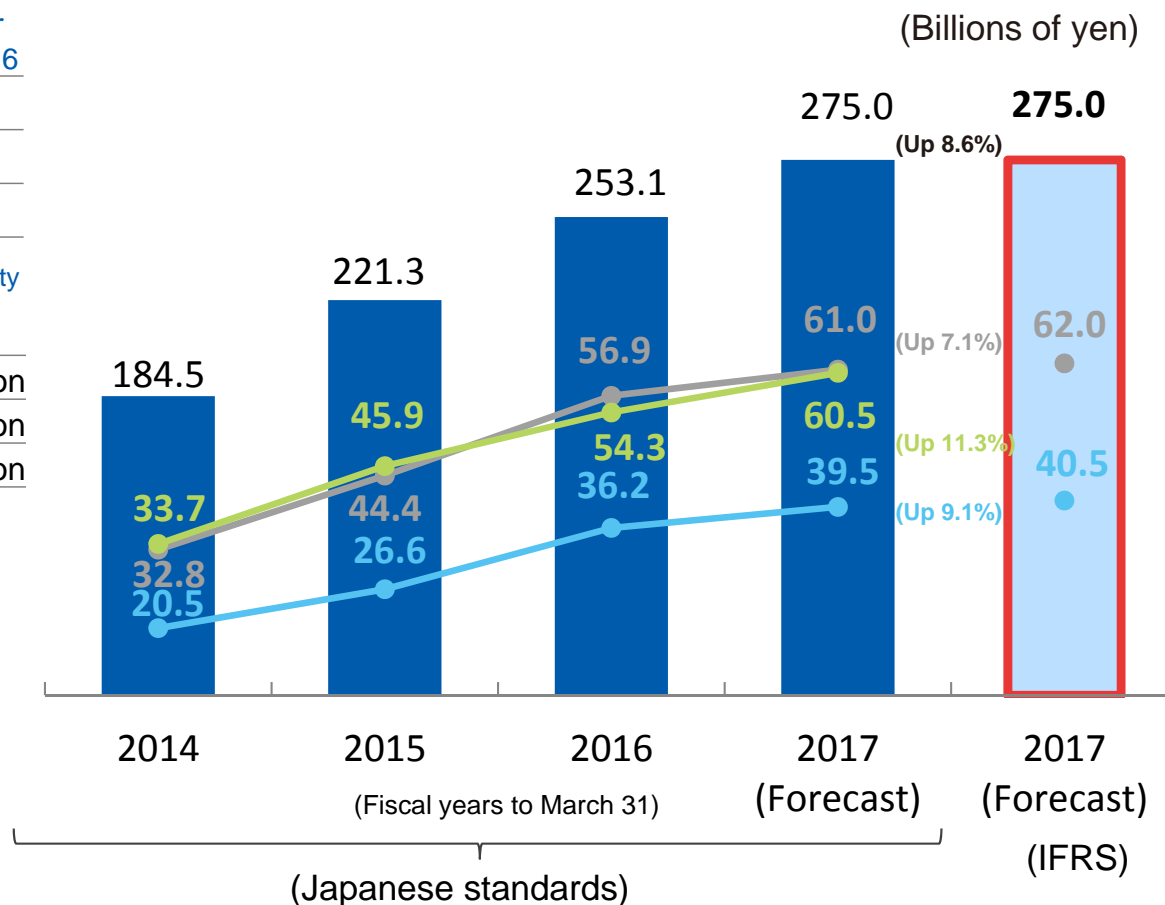
Net Sales: ¥275.0 billion Operating Income: ¥62.0 billion Profit Attributable to Owners of Parent: ¥40.5 billion
 (¥61.0 billion) (¥39.5 billion)
 Operating Margin: 22.5% Profit Attributable to Owners of Parent to Net Sales: 14.7%
 (22.2%) (14.4%)

Planned Investment IFRS Standards Capital Expenditure: ¥10.0 billion Depreciation and Amortization: ¥14.2 billion R&D Expenditure: ¥16.2 billion

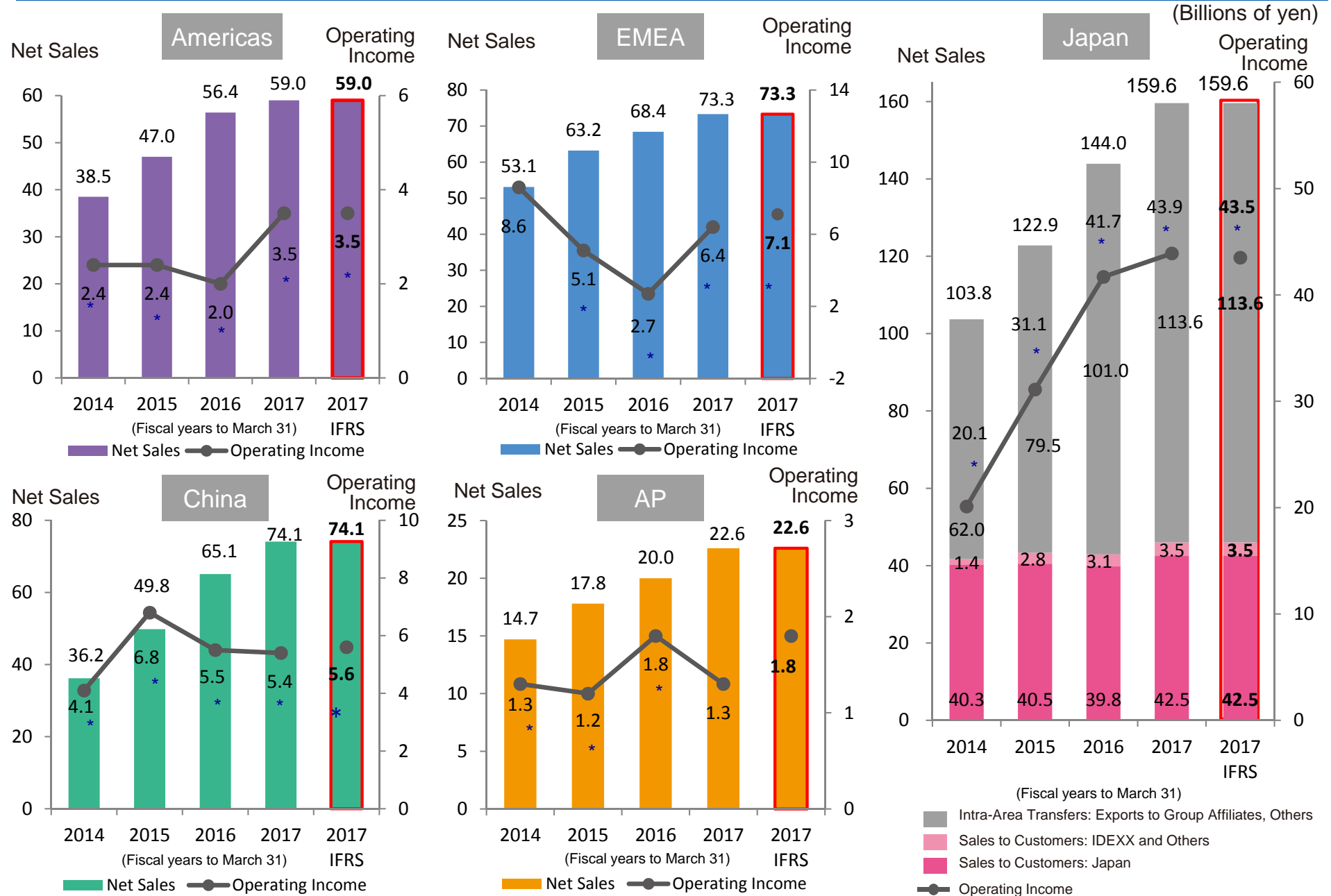
	Assumed exchange rates for full year	Actual for fiscal year ended March 31, 2016
1USD	¥110.0	¥120.1
1EUR	¥125.0	¥132.6
1CNY	¥17.0	¥18.9

	Exchange rate sensitivity of net sales (year)	Exchange rate sensitivity of operating income (year)
USD	¥0.53 billion	¥0.58 billion
EUR	¥0.42 billion	¥0.21 billion
CNY	¥4.36 billion	¥0.32 billion

- Net Sales
- Operating Income
- Ordinary Income
- Profit Attributable to Owners of Parent



Financial Targets: Sales and Operating Income by Region



Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017



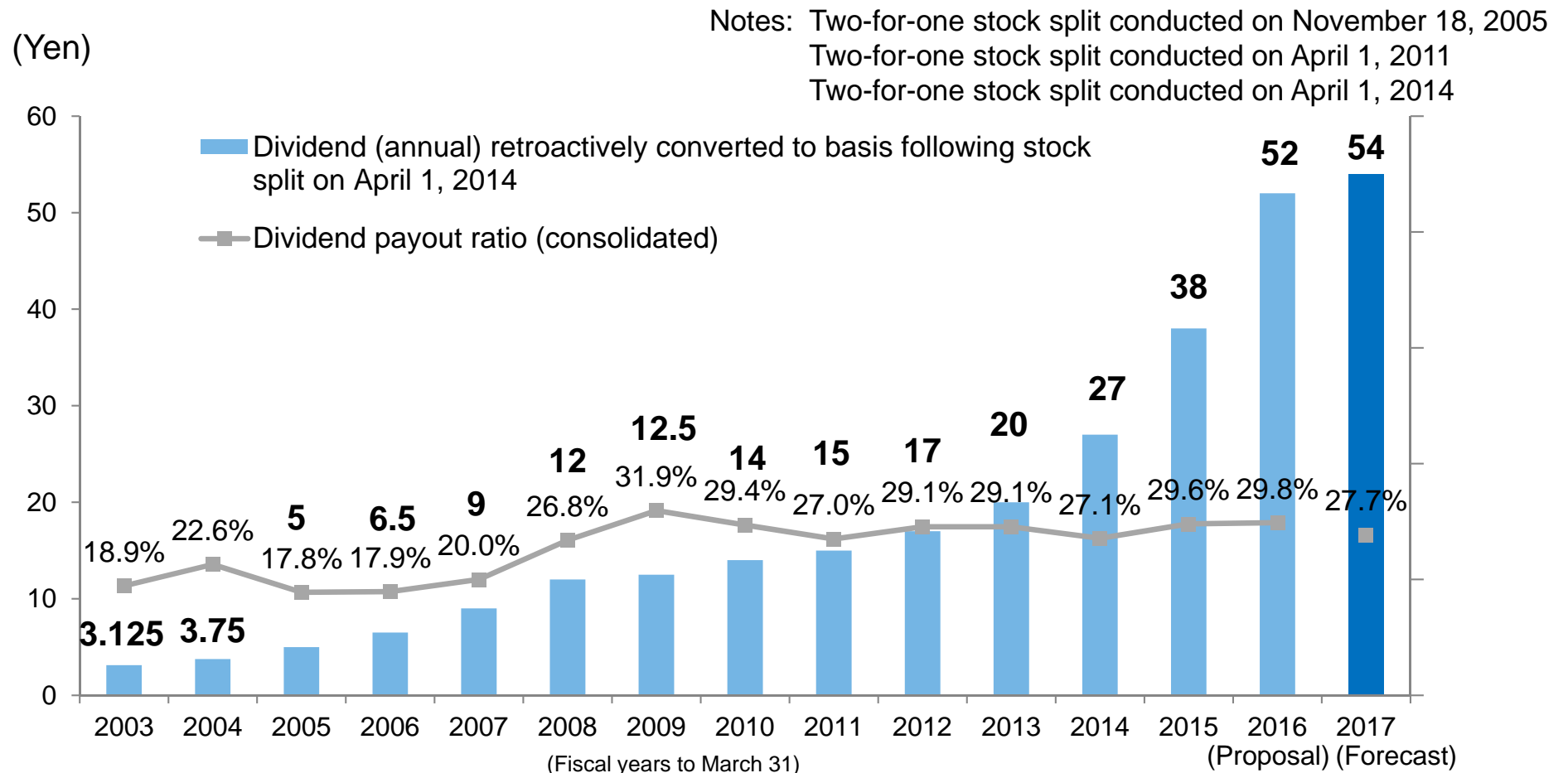
(Billions of yen)

	Japanese Standard	IFRS	Difference	Main Reasons for Differences
Net Sales	275.0	275.0	±0	
Cost of Sales	112.5	114.0	+1.5	Increase in amortization expenses due to capitalization of research expenses: +¥1.7 billion
Gross Profit	162.5	161.0	-1.5	
SG&A Expenses	101.5	99.0	-2.5	Capitalization of research expenses: -¥2.3 billion Non-amortization of goodwill: -¥1.0 billion Actuarial differences on retirement benefits: +¥0.5 billion Other non-operating items, etc.: +¥0.3 billion
Operating Income	61.0	62.0	+1.0	
Income before Income Taxes	60.2	61.5	+1.3	
Profit Attributable to Owners of Parent	39.5	40.5	+1.0	

Dividend Increases for the 15th Consecutive Fiscal Year (Forecast for the Year Ending March 31, 2017)



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.





Reference Information

(Reference) Financial Results for the Fiscal Year Ended March 31, 2016



(Billions of yen)

	Japanese Standard	IFRS* (Reference Value)	Difference	Main Reasons for Differences
Net Sales	253.1	253.1	±0	
Cost of Sales	102.0	102.3	+3	Increase due to capitalization of research expenses: +¥0.44 billion
Gross Profit	151.0	150.8	△3	
SG&A Expenses	94.1	90.0	△41	Capitalization of research expenses: -¥2.35 billion Non-amortization of goodwill: - ¥1.93 billion
Operating Income	56.9	60.8	+38	Includes non-operating items, etc., of +¥0.01 billion
Income before Income Taxes	54.6	57.9	+32	Marginal difference on revision of retirement benefit plan: -¥0.55 billion
Profit Attributable to Owners of Parent	36.2	38.8	+25	

* Results for the fiscal year ended March 31, 2016 (IFRS) are provided as reference values and take into account only major effects.

(Reference) Comparison with IFRS



	Fiscal Year Ended March 31, 2016* (Reference Value)	Fiscal Year Ending March 31, 2017	Difference	(Billions of yen)
Net Sales	253.1	275.0	+21.9	
Cost of Sales	102.3	114.0	+11.7	
Gross Profit	150.8	161.0	+10.2	
SG&A Expenses	90.0	99.0	+9.0	
Operating Income	60.8	62.0	+1.2	
Income before Income Taxes	57.9	61.5	+3.6	
Profit Attributable to Owners of Parent	38.8	40.5	+1.7	

* Results for the fiscal year ended March 31, 2016 (IFRS) are provided as reference values and take into account only major effects.

	Actual exchange rates for the fiscal year ended March 31, 2016	Assumed exchange rates for the fiscal year ending March 31, 2017
1USD	¥120.1	¥110.0
1EUR	¥132.6	¥125.0
1CNY	¥18.9	¥17.0

(Reference) Differences between IFRS and Japanese Standard



(Billions of yen)

	Fiscal Year Ended March 31, 2016 (Reference Value)	Fiscal Year Ending March 31, 2017	Main Reasons for Differences
Net Sales	0	0	
Cost of Sales	+0.3	+1.5	Increase arising from differences in amortization expenses due to the capitalization of research expenses: +¥1.30 billion
Gross Profit	-0.3	-1.5	
SG&A Expenses	-4.1	-2.5	Decrease stemming differences due to non-amortization of goodwill: +¥0.80 billion Marginal profit due to revision of retirement benefit plan: +¥0.47 billion (fiscal year ended March 31, 2016)
Operating Income	+3.8	+1.0	

We Believe the Possibilities.

Sysmex Corporation

Contact:

IR & Corporate Communication Dept.
Corporate Communication Div.

Phone: +81-78-265-0500

Email: info@sysmex.co.jp

www.sysmex.co.jp/en