



## Business Results

# First Three Months of Fiscal Year Ending March 31, 2019

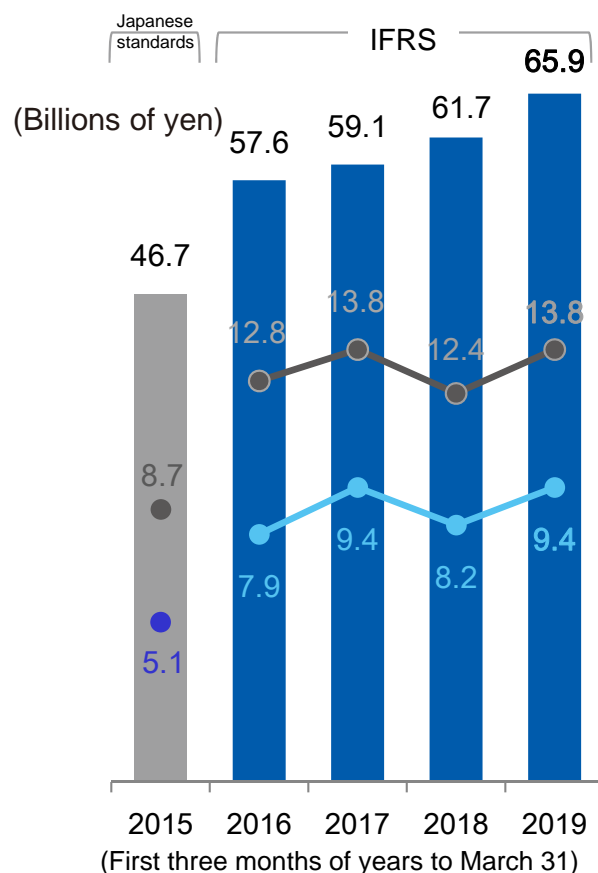
---

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

# Sysmex Corporation

August 3, 2018

# Financial Highlights



■ Net sales  
—●— Operating profit  
—●— Profit attributable to owners of the parent

	First three months of fiscal year ending March 31, 2019	First three months of fiscal year ended March 31, 2018
1USD	¥109.1	¥111.1
1EUR	¥130.1	¥122.2
1CNY	¥17.1	¥16.2

Copyright© Sysmex Corporation

(Billions of yen)

	First three months of fiscal year ending March 31, 2019		First three months of fiscal year ended March 31, 2018		YOY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net sales	65.9	100%	61.7	100%	106.9%
Cost of sales	28.3	42.9%	26.8	43.5%	105.5%
SG&A expenses	20.1	30.5%	18.8	30.6%	106.5%
R&D expenses	4.2	6.4%	3.6	5.9%	115.0%
Other income (expenses)	0.5	0.8%	0.1	0.2%	460.7%
Operating profit	13.8	21.0%	12.4	20.1%	111.3%
Profit attributable to owners of the parent	9.4	14.3%	8.2	13.3%	114.6%

- Net sales:** Sales increased due to the consolidation of OGT and higher reagent sales, centered on hematology and hemostasis fields.
- Operating profit:** Operating profit rose due to an improvement in COS ratio and an increase in other income  
 Exchange rate fluctuations raised net sales ¥1.31 billion and lowered operating profit ¥0.04 billion. At the exchange rates prevailing one year earlier, net sales would have been up 4.7% year on year, and operating profit up 11.6%.
- Profit attributable to owners of the parent:** Profit was up, reflecting the rise in operating profit and a lower tax rate.
- Exchange loss (gains):** Loss of ¥0.58 billion (¥0.40 billion in the first three months of the previous fiscal year)
- Capital expenditure (tangible):** ¥2.56 billion
- Depreciation and amortization:** ¥3.80 billion

Sysmex Corporation

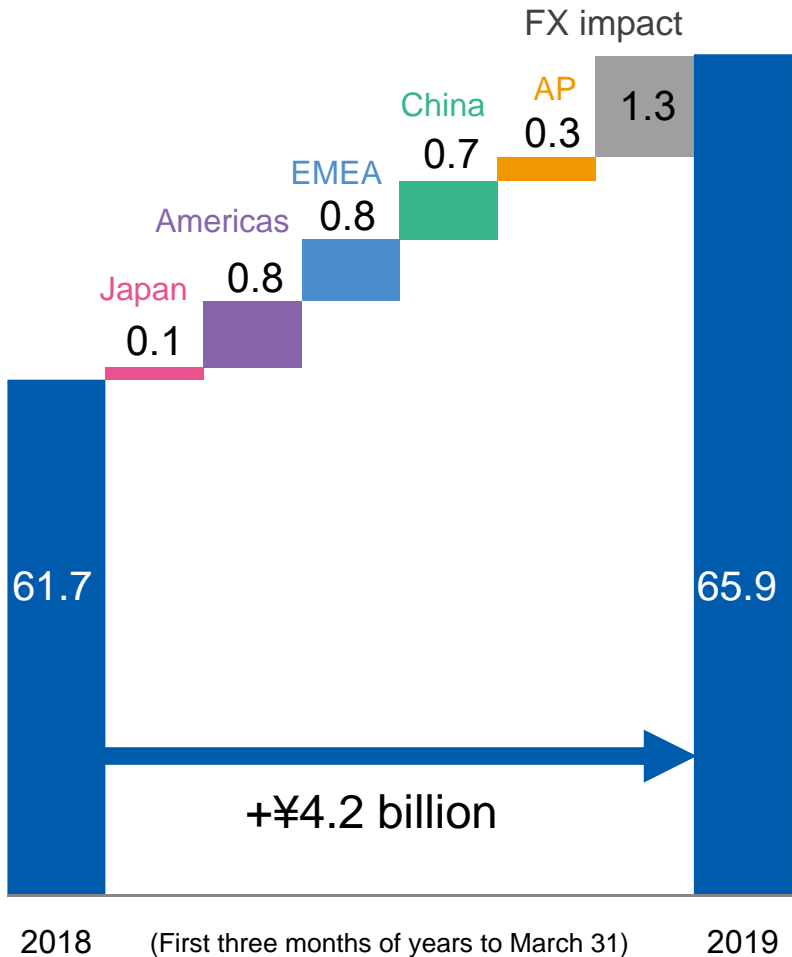
# Breakdown of Net Sales and Operating Profit



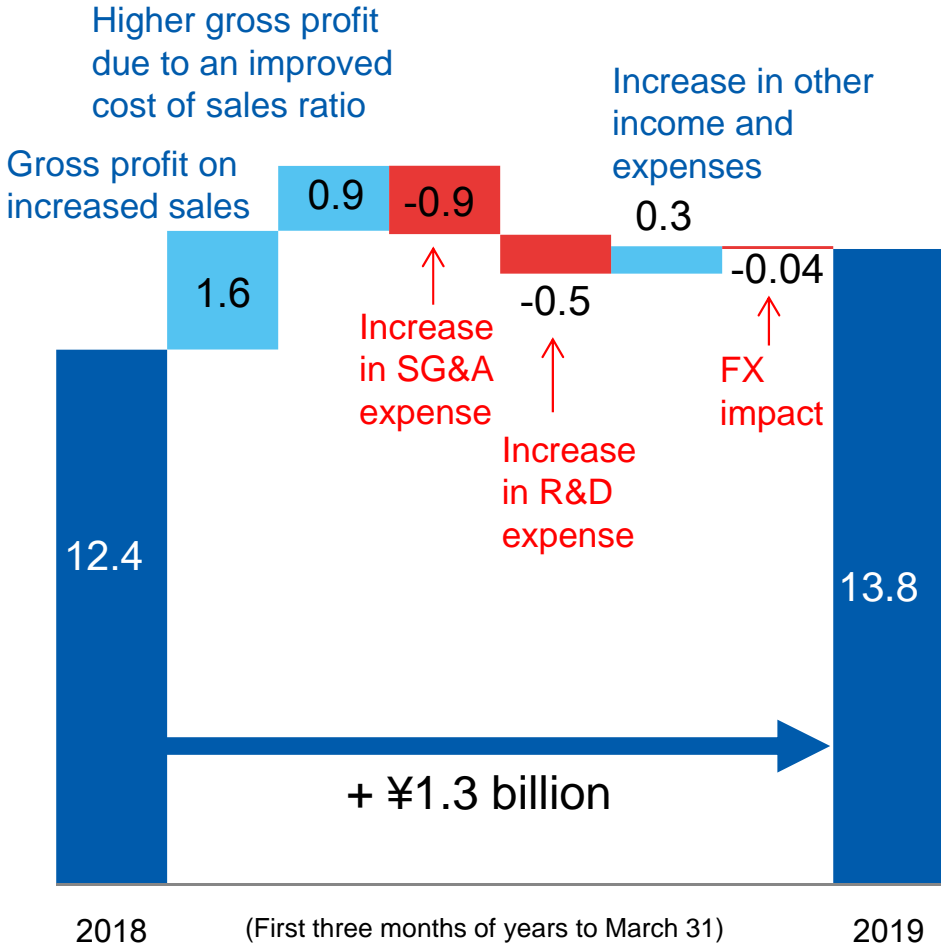
(Billions of yen)

## Net Sales

Note: FX impact excluded from sales by geographic region



## Operating Profit



# Net Sales by Geographic Region

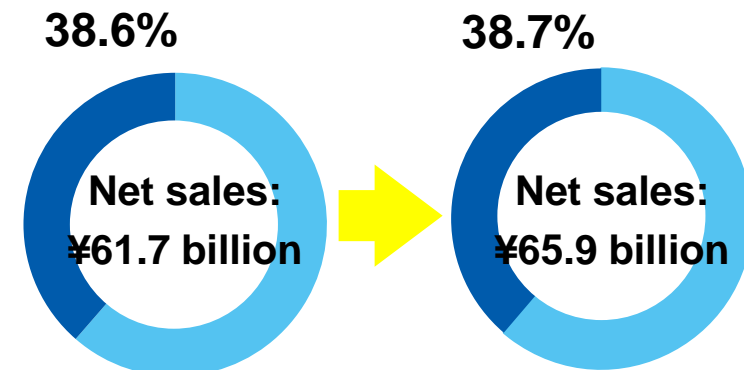
Net Sales by Geographic Region (Sales to External Customers)							
(Billions of yen)	First three months of fiscal year ending March 31, 2019		First three months of fiscal year ended March 31, 2018		YOY (Previous period = 100%)		(Local currency)
	Results	Ratio	Results	Ratio	(Yen)		
Net Sales	<b>65.9</b>	<b>100%</b>	61.7	100%	<b>106.9%</b>	-	
Region	Americas	<b>13.9</b>	<b>21.1%</b>	13.9	22.7%	99.7%	<b>101.5%</b>
	EMEA	<b>18.7</b>	<b>28.4%</b>	16.8	27.2%	111.3%	<b>104.6%</b>
	China	<b>17.8</b>	<b>27.1%</b>	16.1	26.2%	110.4%	<b>104.5%</b>
	AP	<b>5.3</b>	<b>8.1%</b>	5.0	8.2%	<b>105.1%</b>	<b>(105.5%)</b>
	Japan*	<b>10.1</b>	<b>15.3%</b>	9.6	15.7%	<b>104.6%</b>	-

\* Includes sales to IDEXX and other external customers

Exchange Rates		
	First three months of fiscal year ending March 31, 2019	First three months of fiscal year ended March 31, 2018
1USD	<b>¥109.1</b>	¥111.1
1EUR	<b>¥130.1</b>	¥122.2
1CNY	<b>¥17.1</b>	¥16.2

## Percentage of Sales in Emerging Markets

First three months of fiscal year ended March 31, 2018: **38.6%**  
 First three months of fiscal year ending March 31, 2019: **38.7%**



# Sales by Business



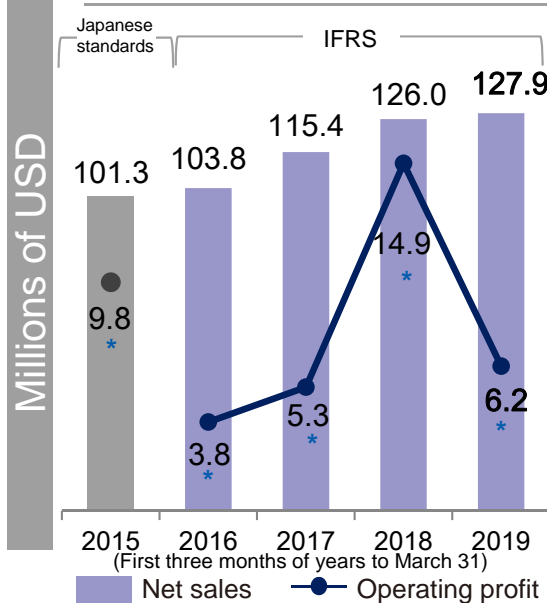
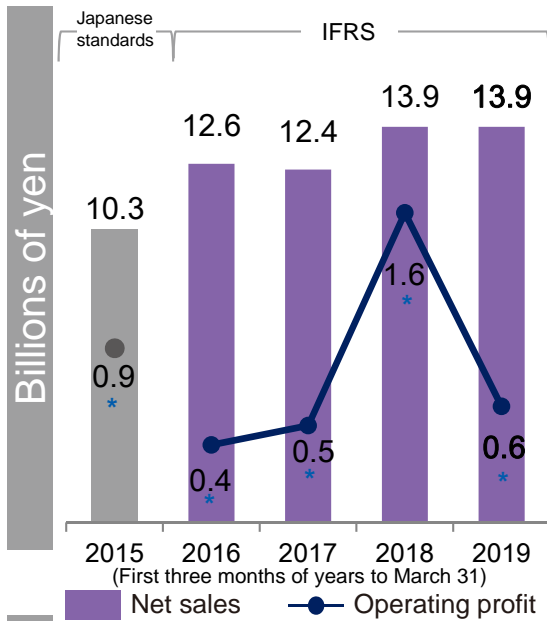
		First three months of fiscal year ending March 31, 2019		First three months of fiscal year ended March 31, 2018		YOY (Previous period = 100%)	(Billions of yen)
		Results	Ratio	Results	Ratio		Reference: YOY at previous year's rate
HU Business	Hematology	41.3	62.7%	39.1	63.5%	105.6%	103.9%
	Urinalysis	4.8	7.3%	5.2	8.4%	92.2%	89.6%
	<b>46.1</b>	<b>70.0%</b>	<b>44.4</b>	<b>72.0%</b>	<b>104.0%</b>	<b>102.3%</b>	
ICH Business	Immunochemistry	3.0	4.6%	2.2	3.7%	135.3%	131.3%
	Clinical Chemistry	0.7	1.1%	0.6	1.1%	105.9%	104.8%
	Hemostasis	10.6	16.1%	9.3	15.2%	113.0%	109.4%
	<b>14.3</b>	<b>21.8%</b>	<b>12.3</b>	<b>20.0%</b>	<b>116.6%</b>	<b>113.2%</b>	
<b>Core Businesses</b>		<b>60.5</b>	<b>91.8%</b>	<b>56.7</b>	<b>91.9%</b>	<b>106.7%</b>	<b>104.6%</b>
FCM Business		0.2	0.4%	0.4	0.7%	68.6%	66.7%
LS Business		2.3	3.5%	1.0	1.8%	210.4%	204.9%
Others		0.0	0.0%	-	-	-	-
<b>Next Core Businesses</b>		<b>2.6</b>	<b>4.0%</b>	<b>1.5</b>	<b>2.5%</b>	<b>171.6%</b>	<b>166.6%</b>
Others*		2.7	4.2%	3.4	5.6%	80.6%	79.5%
<b>Total Net Sales</b>		<b>65.9</b>	<b>100.0%</b>	<b>61.7</b>	<b>100.0%</b>	<b>106.9%</b>	<b>104.7%</b>

\*Others: Clinical laboratory information systems, sales of third-party products, etc.

HU Business: Hematology and urinalysis fields  
 ICH Business: Immunochemistry, clinical chemistry and hemostasis fields  
 FCM Business: Flow cytometry field  
 LS Business: Life science field

Sysmex Corporation

# Geographic Segment Information: Americas



\*Revision in intragroup transaction prices  
Copyright © Sysmex Corporation

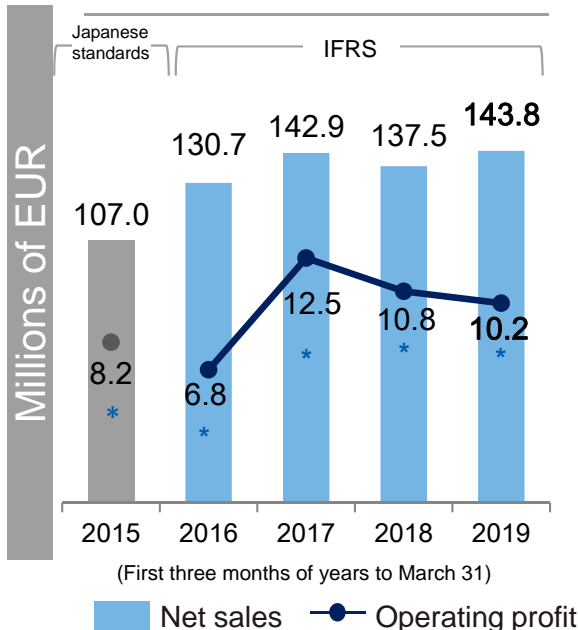
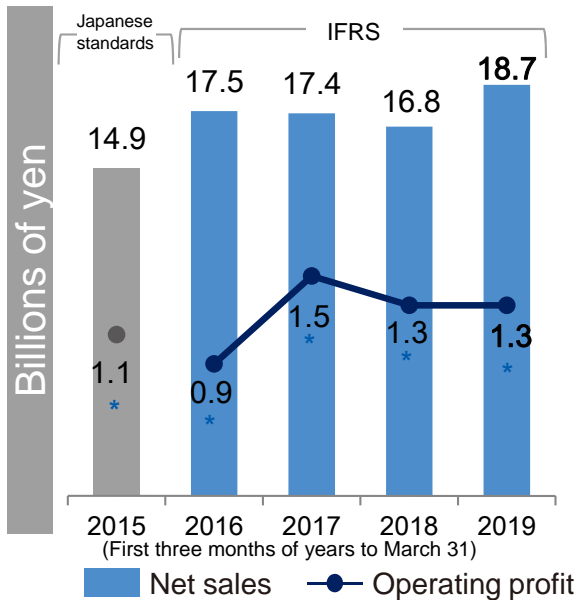
(Billions of yen)	First three months of fiscal year ending March 31, 2019	First three months of fiscal year ended March 31, 2018	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	13.9	13.9	99.7%	101.5%
Operating profit*	0.6	1.6	41.1%	41.8%

- Sales remained flat, despite higher sales of hematology reagents and hemostasis instruments in North America, due to sales decrease in Central and South America.
- Operating profit was down, as a revision in intragroup transaction prices and higher SG&A expenses exceeded the impact of higher sales.

## Local Currency Basis

- **United States:** Sales grew due to higher sales of hemostasis instruments to major commercial laboratories and growth of hematology reagents, driven by an increase in instrument installation.
- **Canada:** Sales grew, owing to higher hematology reagent sales to large commercial labs.
- **Central and South America:** Sales decreased, despite the positive contribution from urinalysis direct sales in Brazil, due to a decline in hematology instrument sales in other countries.

# Geographic Segment Information: EMEA\*



\* Europe, the Middle East and Africa

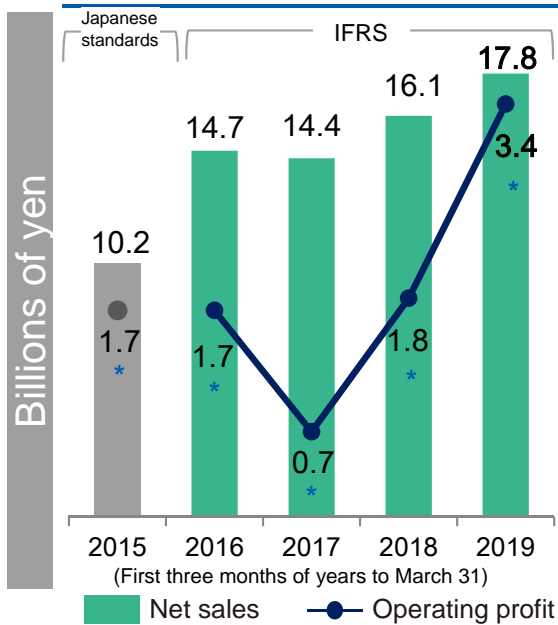
(Billions of yen)	First three months of fiscal year ending March 31, 2019	First three months of fiscal year ended March 31, 2018	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	<b>18.7</b>	16.8	<b>111.3%</b>	104.6%
Operating profit*	<b>1.3</b>	1.3	<b>100.6%</b>	94.5%

- Sales rose due to sales growth in hematology reagents and the consolidation of OGT.
- SG&A expenses rose as we worked to reinforce our sales structure. Even so, operating profit edged up due to the impacts of a revision in intragroup transaction prices, exchange rates and higher sales.

### Local Currency Basis

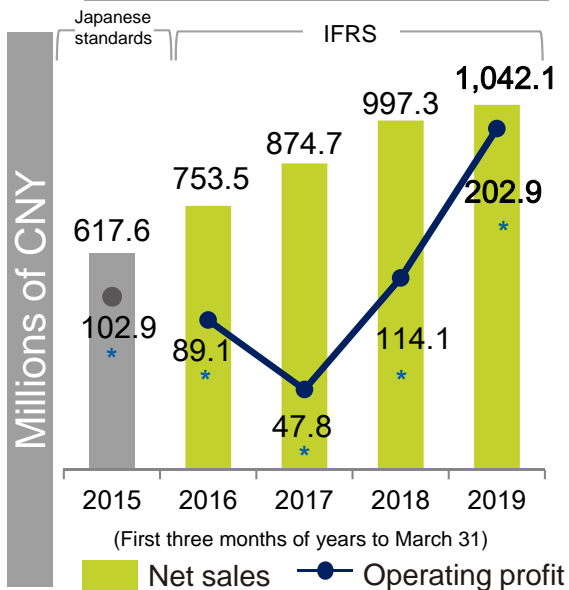
- **Five major countries:** Sales rose despite the ongoing impact of deals reductions and delays in the United Kingdom. This was the result of higher sales in France, benefiting from the transition to direct sales in the hemostasis field, and contributions from Spain, owing to higher sales in the life science field.
- **Eastern Europe, Russia:** Sales edged downward despite the contribution of a sales increase in the hemostasis field in Russia, as sales in Eastern Europe declined.
- **Middle East, Africa:** Sales grew, due to increased hematology reagent sales stemming from the acquisition of a large project in Burkina Faso, in Africa, despite lower sales in the Middle East.

# Geographic Segment Information: China



(Billions of yen)	First three months of fiscal year ending March 31, 2019	First three months of fiscal year ended March 31, 2018	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	<b>17.8</b>	16.1	<b>110.4%</b>	104.5%
Operating profit*	<b>3.4</b>	1.8	<b>188.0%</b>	177.9%

- **Sales grew, as reagent sales increased, centered on the hematology, hemostasis and immunochemistry fields, and reagent prices to distributors rose due to a transition to direct services.**
- **Operating profit increased, stemming from higher reagent sales and the impact of exchange rates, which improved the cost of sales ratio, despite the impact of a revision in intragroup transaction prices.**

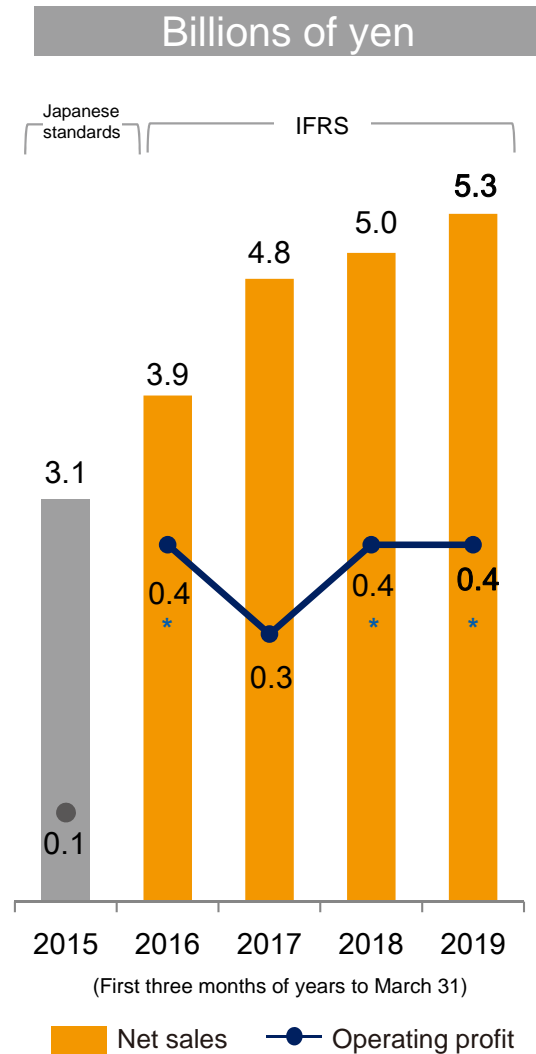


- **Hematology:** Sales rose due to higher reagent sales.
- **Hemostasis:** Favorable performance in fibrin reagents pushed up sales.
- **Urinalysis:** Sales dropped, due to lower instrument sales, although reagent sales increased.
- **Immunochemistry:** Sales grew, owing to the contribution of sales of reagents for infectious diseases and molecular markers.

\*Revision in intragroup transaction prices  
Copyright© Sysmex Corporation



# Geographic Segment Information: AP



\*Revision in intragroup transaction prices

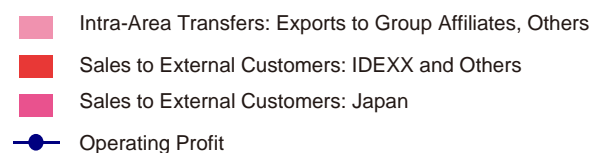
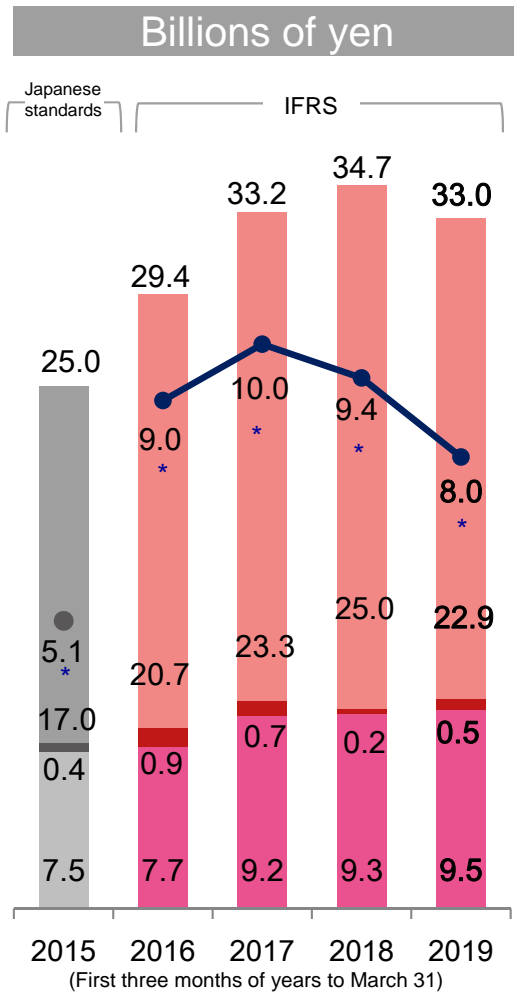
	First three months of fiscal year ending March 31, 2019	First three months of fiscal year ended March 31, 2018	YOY (Previous period = 100%) (Yen basis)
Sales	5.3	5.0	105.1%*
Operating profit*	0.4	0.4	110.2%

- Sales increased due to the acquisition of a major project in Taiwan, despite comparison with the corresponding period of the previous fiscal year, which benefited from large government-tender projects in South Asia.
- Operating profit rose due to higher sales of reagents mainly in the hematology field, despite higher SG&A expenses and the impact of a revision in intragroup transaction prices.

\* Excluding the impact of exchange rates on currencies in the AP region, sales would have been up 5.5%.

- **Southeast Asia:** Sales rose, due to higher sales centered on the hematology field in Thailand.
- **South Asia:** Sales fell, due to comparison with the corresponding period of the previous fiscal year, which benefited from a large project in India
- **South Korea, Taiwan:** Sales increased, due to the transition to direct sales in Taiwan (May 2017) and the acquisition of a major project from a hospital group.

# Geographic Segment Information: Japan



\*Revision in intragroup transaction prices

(Billions of yen)	First three months of fiscal year ending March 31, 2019	First three months of fiscal year ended March 31, 2018	YOY (Previous period = 100%)
Sales	33.0	34.7	95.1%
Sales to external customers	10.1	9.6	104.6%
Japan	9.5	9.3	101.8%
IDEXX and others	0.5	0.2	195.7%
Intra-area transfers	22.9	25.0	91.4%
Operating profit*	8.0	9.4	85.9%

- **Sales fell, despite higher sales in Japan and a rise in sales to IDEXX, affected by the dissolution of a joint venture with bioMérieux and lower sales at affiliated companies overseas.**
- **Operating profit decreased despite the impact of a revision in intragroup transaction prices and higher reagent sales in Japan, affected by a decline in sales to affiliated companies overseas.**

- **Japan:** Despite the impact of the dissolution of a joint venture with bioMérieux, sales rose, centered on immunochemistry, life science and hemostasis fields.
- **IDEXX and others:** Sales of instruments for animals to IDEXX were up significantly.

# Consolidated Financial Forecast

(No changes subsequent to May 2018 announcement)



## Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2019

Net sales: **¥310.0 billion**

Operating profit: **¥62.0 billion**

Operating margin: **20.0%**

Profit attributable to owners of the parent: **¥42.5 billion**

Profit attributable to owners of the parent to net sales: **13.7%**

### Planned investment

Capital expenditure: **¥24.0 billion**

Depreciation and amortization: **¥17.0 billion**

R&D expenditure: **¥19.5 billion**

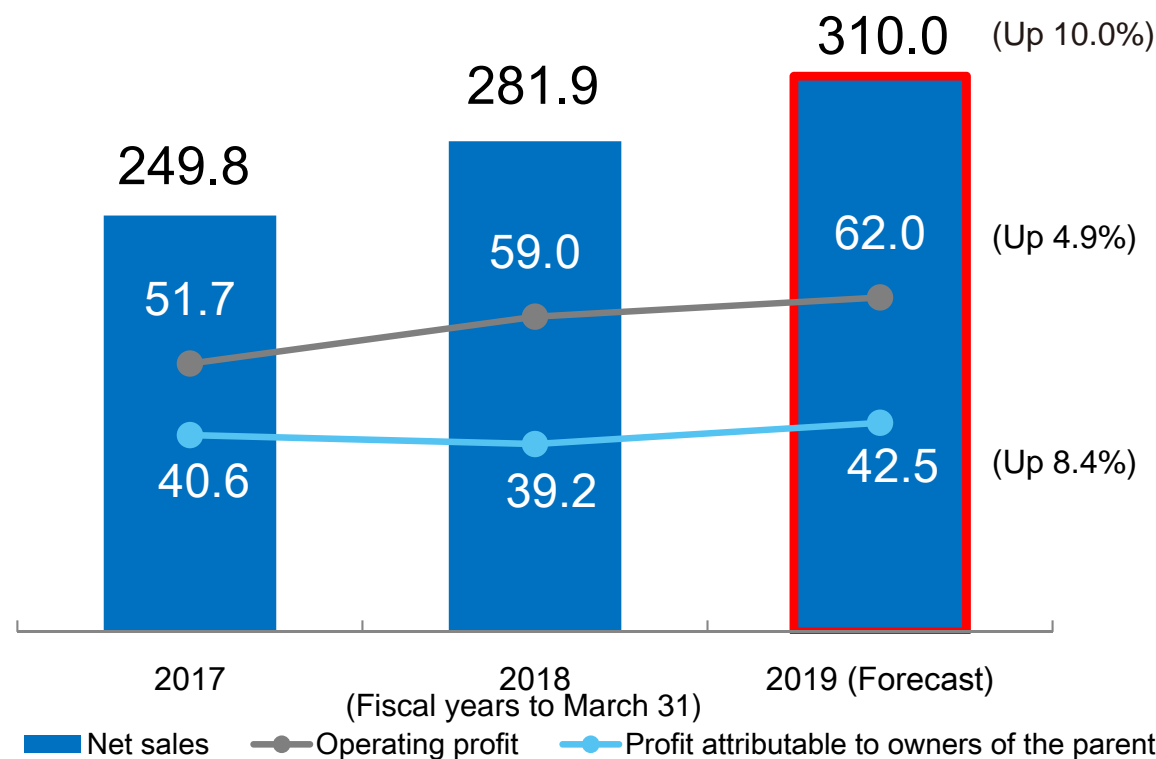
(Tangible only)

### ● Assumed Exchange Rates

	Assumed exchange rates for full year	Actual for fiscal year ended March 31, 2018
1USD	¥110.0	¥110.9
1EUR	¥130.0	¥129.7
1CNY	¥16.5	¥16.8

### ● Exchange Rate Sensitivity

	Net sales (year)	Operating profit (year)
USD	¥0.60 billion	¥0.69 billion
EUR	¥0.45 billion	¥0.14 billion
CNY	¥4.86 billion	¥0.42 billion



# Lighting the way **with diagnostics**

## **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.

## **Sysmex Corporation**

Contact:

IR & Corporate Communication Dept.

Corporate Communication Div.

Phone: +81-78-265-0500

Email: [info@sysmex.co.jp](mailto:info@sysmex.co.jp)

[www.sysmex.co.jp/en](http://www.sysmex.co.jp/en)