

Consolidated Financial Results for the Year Ended March 31, 2008

May 8, 2008

Listed company name : Sysmex Corporation
 Code : 6869
 Listed stock exchanges : Tokyo Stock Exchange
 Osaka Securities Exchange
 Head office : 1-5-1 Wakinohama-kaigandori, Chuo-ku, Kobe
 Company representative : Hisashi Ietsugu, President and CEO
 Contact : Michiaki Ishida, Executive Officer, Administration
 Phone : 078(265)-0500
 Date of shareholders' meeting : June 20, 2008
 Starting date of dividend payment : June 23, 2008
 Filing date of financial statement report : June 20, 2008

1. Results for the Year Ended March 31, 2008

(1) Operating results

(unit: million yen)

| | Net Sales | | Operating income | | Ordinary income | | Net income | |
|--------|-----------|-------|------------------|-------|-----------------|-------|------------|-------|
| FY2007 | 110,724 | 9.6% | 15,033 | 18.2% | 14,545 | 7.1% | 9,131 | 1.4% |
| FY2006 | 101,041 | 15.0% | 12,714 | 18.6% | 13,577 | 13.3% | 9,008 | 21.4% |

| | Net income per share(Yen) | Diluted net income per share(Yen) | Return on Equity | Ordinary income to total assets | Operating income to net sales |
|--------|---------------------------|-----------------------------------|------------------|---------------------------------|-------------------------------|
| FY2007 | 178.94 | 178.33 | 12.2% | 13.8% | 13.6% |
| FY2006 | 179.63 | 177.97 | 13.4% | 14.4% | 12.6% |

Note:

1. *Investment profit on equity method: 29 millions of yen for FY2007 and 29 millions of yen for FY2006*
2. *Percentage figures in the above tables indicate increase/decrease over the previous year.*

(2) Financial condition

(unit: million yen)

| | Total assets | Total Equity | Equity Ratio | Equity per share (Yen) |
|--------|--------------|--------------|--------------|------------------------|
| FY2007 | 109,027 | 79,117 | 72.2% | 1,540.95 |
| FY2006 | 101,225 | 72,396 | 70.5% | 1,410.99 |

Note:

Equity capital: 78,753 million yen for FY2007 and 71,344 million yen for FY2006.

(3) Cash flows

(unit: million yen)

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Total cash and cash equivalents at the end of term |
|--------|--------------------------------------|--------------------------------------|--------------------------------------|----------------------------------------------------|
| FY2007 | 11,634 | -12,883 | -1,316 | 9,679 |
| FY2006 | 10,085 | -6,630 | -457 | 12,714 |

2. Dividend

| | Dividend per share | | | Total dividend payment (million yen) | Dividend payout ratio (consolidated) | Dividend to equity (consolidated) |
|----------------------|--------------------|-------------------|-----------------|-----------------------------------------|-----------------------------------------|--------------------------------------|
| | Interim (Yen) | Year-end (Yen) | Annual (Yen) | | | |
| FY2006 | 16.00 | 20.00 | 36.00 | 1,816 | 20.0% | 2.7% |
| FY2007 | 20.00 | 28.00 | 48.00 | 2,451 | 26.8% | 3.3% |
| FY2008 (Forecast) | 24.00 | 24.00 | 48.00 | — | 25.6% | — |

Note:

FY2007 Year-end dividend contains commemorative dividend 8.00 yen per share.

3. Business Forecast for the Year Ended March 31, 2009

(unit: million yen)

| | Net Sales | | Operating income | | Ordinary income | | Net income | | Net income per share(Yen) |
|------------------------------------------------|-----------|------|------------------|------|-----------------|------|------------|--------|---------------------------|
| | | | | | | | | | |
| Fiscal 2 nd quarter (cumulative) | 56,000 | 5.7% | 7,000 | 8.4% | 7,000 | 1.1% | 4,200 | -11.7% | 82.18 |
| Annual | 118,000 | 6.6% | 16,000 | 6.4% | 15,800 | 8.6% | 9,600 | 5.1% | 187.84 |

Note:

Percentage figures in the above tables indicate increase/decrease over the corresponding period of the previous year.

4. Other Information

(1) Changes in scope of consolidation: No

(2) Changes in accounting procedures

1) Changes due to the amendment of accounting methods: Yes

2) Other changes: Yes

(3) Numbers of shares outstanding (Ordinary shares)

Number of shares outstanding at end of year (including treasury stock): 51,203,108 shares for FY2007 and 50,654,596 shares for FY2006.

Number of treasury stock at end of year: 95,891 shares for FY2007 and 91,217 shares for FY2006.

※ (Note)

The above estimates are based on information available to the company on the date of the report's announcement. Due to unforeseen circumstances, however, actual results may differ from such estimates.

1. Financial performance

(1) Performance analysis

① Summary of financial performance during FY2007

<Consolidated result>

(unit: million yen)

| | FY2007 | FY2006 | Increase / decrease | Increase-decrease ratio |
|------------------|---------|---------|---------------------|-------------------------|
| Sales | 110,724 | 101,041 | 9,683 | 9.6% |
| Operating income | 15,033 | 12,714 | 2,318 | 18.2% |
| Ordinary income | 14,545 | 13,577 | 967 | 7.1% |
| Net income | 9,131 | 9,008 | 123 | 1.4% |

During fiscal year 2007, Japanese economy marked a moderate growth in first half year corresponding with fair export and investment; however, economy has started indicating a bear sign in second half year such in a stock market or in yen evaluation. US economy indicated recession, such in housing market and consumer spending. European economy maintained fair condition mainly led from investment and consumer spending. Asian economy maintained high growth, such region in China or India. On the healthcare segment, Japanese market is still on restructuring stage with optimization for healthcare public expenditure. Besides, dynamism of healthcare capitalization is shifting, from disease treatment to preventive medicine such in a new government policy for lifestyle related disease, may provide new demand for healthcare investment. Developed countries such as Europe and North America are tightening healthcare expenditure; emerging regions such as China or Asian Pacific are on development of healthcare infrastructure.

Upon abovementioned circumstances, we SYSMEX have been operating with reinforcement of alliances with our key global partners. We renewed exclusive distributorship agreement with Roche Diagnosis of Switzerland fore sales and service at overseas markets, which renews determination of distribution territories and product portfolio; settled a new distributorship agreement for urinalysis products with bioMérieux of France for microbiology segment, concluded distributorship agreement with IDEXX Laboratory Inc. of United States of America: leading global veterinary diagnostics company. Also we have capitalized our local distributor in Austria, Hungary, Czech Republic and Slovakia as our subsidiaries, and also established new subsidiary in Canada. In Japanese market, we have provided integrated sales for whole laboratory segment; we have had a slight irritant situation for new product launch at coagulation and immunology. Sales amount was 35,961 million yen (5.0% less than previous fiscal year). In Americas, we have provided proactive sales activity with penetration for IHNs (Integrated Healthcare Networks) and other group healthcare networks and Latin American Market; in Europe, we expanded direct sales territory and support networks, and penetration toward emerging market such as Middle East and Africa. In China and Asian Pacific markets, we have improved organization for sales and service. For the result of these efforts, net sales at overseas marked 74,762 million yen (18.4% more than previous fiscal year), 67.5% of consolidated sales (5.0 point more than previous fiscal year). Consolidated net sales marked 110,724 million yen (9.6% more than previous fiscal year). At profit indices, growth of profit was surpassed from cost increase, from revenue increase and cost reduction, consolidated operating income was 15,033 million yen (18.2% more than previous fiscal year), ordinary income 14,545 million yen (7.1% more than previous fiscal year), and net income 9,131 million yen (1.4% more than previous fiscal year) .

② Geographical segments information

<Performance by geographical segment>

(unit: million yen)

| | | FY 2007 | FY 2006 | Increase / decrease | Increase- decrease ratio |
|--------------|------------------|---------|---------|---------------------|--------------------------|
| Japan | Sales | 37,552 | 39,395 | -1,843 | -4.7% |
| | Operating income | 7,870 | 7,431 | 438 | 5.9% |
| Americas | Sales | 20,844 | 19,158 | 1,686 | 8.8% |
| | Operating income | 991 | 593 | 398 | 67.1% |
| Europe | Sales | 39,174 | 31,584 | 7,589 | 24.0% |
| | Operating income | 4,620 | 3,547 | 1,073 | 30.3% |
| China | Sales | 8,127 | 6,848 | 1,279 | 18.7% |
| | Operating income | 823 | 781 | 42 | 5.4% |
| Asia Pacific | Sales | 5,024 | 4,053 | 970 | 23.9% |
| | Operating income | 546 | 332 | 213 | 64.3% |

Note: Sales amount presents external sales.

<Japan>

Restructuring for public healthcare expenditure is tightening market situation, corresponding it, external sales marked 37,552 million yen, 4.7% less than the previous fiscal year.

Operating income marked 7,870 million yen, 5.9% more than previous fiscal year due to revenue increase which includes increase of internal sales toward overseas affiliates was surpassed from cost increase at selling, general and administrative expense.

<Americas>

Sales marked 20,844 million yen, 8.8% more than the previous fiscal year. Success hematology business has become tractor to grow; surpassed negative effect from USD devaluation, operating income marked 991 million yen, 67.1% more than previous fiscal year due to sales increase and cost reduction.

<Europe>

Sales marked 39,174 million yen, 24.0% more than previous fiscal year due to hematology and urinalysis sales increase, currency situation provided positive condition as well. Operating income marked 4,620 million yen, 30.3% more than previous fiscal year due to sales increase and cost reduction.

<China>

Sales marked 8,127 million, 18.7% more than previous fiscal year with market situation post healthcare restructuring.

Operating income marked 823 million yen, 5.4% more than previous fiscal year due to sales increase.

<Asia Pacific>

Sales marked 5,024 million yen, 23.9% more than the previous fiscal year due to hematology sales increase, which is from reinforcement of sales force, prized a large tender in Malaysia.

Operating income marked 546 million yen, 64.3% more than previous fiscal year due to sales increase and cost reduction

③ Research and Development

We SYSMEX Group commit research and development to provide high-value testing for the optimization and standardization of medical services. In accordance with this commitment, we are conducting research and development for new diagnostic technology to continue challenge for the latest technology establishment. We are challenging to provide our products that anticipate customers' requirement. Through these activities, we aim to contribute to enhancing the quality of life, extending life period, and contribute the efficiency of healthcare economics. We are expanding from the domain of conventional screening tests and implementing research and development of new diagnostic technology for disease management.

We are promoting the development of new testing technology and products, mainly in the four areas of hematological and immunological diseases, cancer, chronic diseases, and infectious diseases. During the current fiscal year, we developed technology for detection of immature cells and minimal number of cells that is effective for diagnosis in the area of hematological and immunological diseases by applying cell analysis technology based on flow cytometry. In the cancer area, we implemented clinical research on colon and stomach cancer with a view to expanding the application scope of technology for rapid detection of lymph node metastasis, which we had already commercialized for breast cancer. With the same purpose in view, we also began clinical research on detection of intra-abdominal metastasis of stomach cancer. In regard to our technology based on cell cycle profiling for diagnosing the risk of recurrence in cancer patients, we started a clinical trial focusing on technology for the prognosis of breast cancer recurrence. Moreover, we promoted the development of cervical cancer screening technology by applying flow cytometry, and conducted clinical research. In the area of chronic diseases, we pursued the development of a minimally-invasive blood glucose measurement device that alleviates the burden on patients. We also developed a prototype system for simulation of diabetes and implemented clinical research in Japan and overseas. Furthermore, based on the agreements signed during the previous fiscal year with Affymetrix Inc. (HQ: Santa Clara, California, United States) for joint R&D of DNA-chip technologies, we started R&D efforts to provide those chips for clinical use. In the area of infectious diseases, we unveiled three products in our POCTEM S Series of rapid testing kits for respiratory infections: 1) POCTEM S Influenza, for detection of influenza viruses in about 10 minutes; 2) POCTEM S RSV, for detection of RS viruses in infancy and childhood; and 3) POCTEM S Adeno, for detection of the adenovirus, which causes so-called "pool fever." We also succeeded in the commercialization of chemiluminescent immunoassay technology, thereby launching a fully automated immunoassay analyzer, HISCL-2000i, which has the highest sensitivity, measurement speed, and trace sample analysis capability among all types of equipment used for immunochemistry testing at medium-sized hospitals.

During the current fiscal year, our technology concerning reagents for measuring immature cells in the blood, which is used in reagents especially for instruments such as the XE-2100, our multi-parameter automated hematology analyzer, was awarded the 2007 Minister's Prize for Science and Technology (in the Development Category) of the Commendation for Science and Technology in a ceremony hosted by the Ministry of Education, Culture, Sports, Science and Technology.

During the current fiscal year, research and development expense marked 9,721 million yen: 8.3 percent of consolidated sales amount.

④ Forecast for fiscal year 2008

< Consolidated financial statement forecast >

(unit: million yen)

| | FY2008 | FY2007 | Increase / decrease | Increase-decrease ratio |
|------------------|---------|---------|---------------------|-------------------------|
| Sales | 118,000 | 110,724 | 7,275 | 6.6% |
| Operating income | 16,000 | 15,033 | 966 | 6.4% |
| Ordinary income | 15,800 | 14,545 | 1,254 | 8.6% |
| Net income | 9,600 | 9,131 | 468 | 5.1% |

The macro economy is prospected to maintain a fair condition at emerging countries or material exporting countries; besides that, developed countries are in obscure situation for growth due to high material prices, credit crunch or any other negative events. At Healthcare segment, developed countries such in Japan, US and Europe is prospected to expand the demand for in-vitro diagnostics from preventive medicines, despite continuing healthcare expenditure remodeling.

Upon this forecast, we at SYSMEX is scoping to be a leading company at healthcare testing, which is based on three core strategies, 1: No.1 at Global Niche, 2: Focus to Asia and 3: Focus to Life Science. We are going to penetrate local market identified by geographic area: Japan, Americas, Europe, China and Asian Pacific with expansion of product portfolio, sales and service and structure and penetration of local character and demand. We are going to enhance R&D structure with SYSMEX Techno Park (scheduled to found on October 2008) in order to centralize core technology to promote high value diagnostic technology.

Forecast of Fiscal year 2008 is:

Consolidated sales: 118,000 million yen, 6.6% more than previous fiscal year;
 Operating income: 16,000 million yen, more than 6.4% previous fiscal year;
 Ordinary income: 15,800 million yen, 8.6%, more than previous fiscal year;

And net income 9,600 million yen, 5.1%, more than previous fiscal year; simulated with annual average exchange rate as 1 US dollar for 100 yen and 1 Euro for 157 yen.

(2) Financial condition analysis

① Total assets and shareholders equity

(unit: million yen)

| | FY2007 | FY2006 | Increase / decrease | Increase- decrease ratio |
|--------------|---------|---------|------------------------|-----------------------------|
| Total assets | 109,027 | 101,225 | 7,801 | 7.7% |
| Total equity | 79,117 | 72,396 | 6,720 | 9.3% |
| Equity ratio | 72.2% | 70.5% | — | — |

Total assets increased by 7,801 million Yen to 109,027 million Yen compared to previous fiscal year end, mainly due to 5,301 million Yen increase in tangible fixed assets including the new R&D facilities, SYSMEX Techno park, 1,056 million Yen increase in goodwill regarding acquisition to take a full ownership through stock exchange, and acquisitions of central Europe companies, 2,069 million Yen increase in intangible assets including 1.039 million Yen increase of software.

Liabilities were increased by 1,081 million Yen to 29,910 million Yen compared to previous fiscal year, mainly due to 515 million Yen increase in notes and accounts payable trade and 548 million Yen increase in accrued expenses.

Total equity increased by 6,720 million Yen to 79,117 million Yen mainly due to 1,857 million Yen increase in capital surplus, 6,942 million Yen increase in earned surplus and decrease in 1,063 million Yen of foreign currency translation adjustment and decrease in 924 million Yen of minority interest. Equity ratio was increased by 1.7 point to 72.2% compared to 70.5% of previous fiscal year.

② Cash flows

<Summary of Statements of Cash Flows >

(unit: million yen)

| | FY 2007 | FY 2006 | Increase / decrease |
|----------------------------------------------------|---------|---------|---------------------|
| Cash flows from operating activities | 11,634 | 10,085 | 1,549 |
| Cash flows from investing activities | -12,883 | -6,630 | -6,252 |
| Cash flows from financing activities | -1,316 | -457 | -858 |
| Total cash and cash equivalents at the end of term | 9,679 | 12,714 | -3,035 |

The balance of cash and cash equivalents (hereinafter: Cash) decreased by 3,035 million Yen to 9,679 million Yen compared to previous fiscal year. Each activity of cash flows is showing as follows:

**Note: 8 million Yen increase in cash and cash equivalents due to fiscal year-end change for subsidiaries was not included in the following cash flows.

[Cash flows from operating activities]

Cash inflow as a result of operating activities was 11,634 million Yen which is 1,549 million Yen more than previous year due to 13,924 million Yen of net income before income taxes and minority interest which is 156 million Yen more than previous year and 2,462 million Yen increase in notes and accounts receivable which was 1,929 million Yen less than previous year end and 1,917 million Yen increase in inventories which was 1,619 million Yen more than previous year end and 1,468 million Yen increase in notes and accounts payable which is 777 million Yen more than previous year.

[Cash flows from investing activities]

Cash outflow as a result of investing activities was 12,883 million Yen which was 6,252 million Yen more than previous year due to 8,265 million Yen of payments for purchases of tangible fixed assets which was 3,636 million Yen more than previous year and 2,460 million Yen of payments for purchases of intangible fixed assets which is 972 million Yen more than previous year end and 1,315 million Yen of cash flow from equity investment in subsidiaries which was 782 million Yen more than previous year.

[Cash flows from financing activities]

Cash outflow as a result of financing activities was 1,316 million Yen which was 858 million Yen more than previous year due to 491 million Yen of increase of short-term loans which was 118 million Yen less than previous year, 299 million Yen of revenue for proceeds from issuing stocks associated with stock options which was 794 million Yen less than previous year and 2,031 million Yen of dividends paid which was 428 million Yen more than previous year.

<Cash Flow indices>

(unit: million yen)

| | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 |
|-------------------------------------------------|--------|--------|--------|--------|--------|
| Equity ratio (%) | 71.0 | 72.3 | 71.6 | 70.5 | 72.2 |
| Equity ratio at market price (%) | 93.6 | 196.7 | 293.4 | 214.2 | 169.1 |
| Interest-bearing debt to cash flow ratio (year) | 44.9 | 9.8 | 8.4 | 6.6 | 9.3 |
| Interest coverage ratio | 108.1 | 308.6 | 486.8 | 362.2 | 621.4 |

*Equity ratio: Shareholders' Equity / Total assets

(Shareholders' Equity = Net assets - share warrant - minority interests)

*Equity ratio at market price: Share Aggregate Market Value / Total Assets

* Interest-bearing debt to cash flow ratio: Balance of Interest-Bearing Liabilities / Cash flows from operating activities (No description in an interim period)

*Interest Coverage Ratio: Cash Flow from Operating Activities/Interest Payments

(1) Indices are calculated with consolidated financial figures.

(2) Total Market Value of shares is calculated as term-end price multiplied with total number of shares issued as of the term-end.

(3) Cash Flow from Operating Activities is referred from the cash flow statement summary.

(4) Balance of Interest-Bearing Liabilities is as Liabilities with interest in Consolidated Balance Sheet.

(5) Interest Payments is as amount of interest paid Consolidated Cash Flow Statement.

(3) Basic policy on distribution of profit and dividends for fiscal years 2007 and 2008

We aim to maintain a proper balance between active investment to sustain steady high-level growth and the return of profit 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 are shooting for a consolidated payout ratio of 20% under our basic policy of sharing the fruits of our operations in line with business performance.

True to this policy, we intend to raise the subject at 41st Ordinary General Meeting of Shareholders to produce a year-end dividend for 28 yen, which includes the regular dividend for 20 yen and a 40th anniversary memorial dividend of 8 yen. Accordingly, the total dividend for the full year will be 48 yen per share, an increase of 12 yen from the 36 yen full year dividend for fiscal 2007, and a dividend ratio will be 26.8% on a consolidated basis.

Per abovementioned policy, we define the plan for an annual dividend for 48 yen per share for fiscal 2008 (interim: 24 yen, year-end: 24 yen), in accordance with current forecast.

We will retain our commitment in order to continue our effort to meet our shareholders' expectation.

(4) Business and other risks

The following are major risk factors faced in the development of business by the SYSMEX Group which could possibly exert a significant influence upon our business results and financial position.

① Overseas sales

The SYSMEX Group is engaged primarily in the development, manufacture, and sales of diagnostic instruments and reagents. We market our products outside of Japan through our overseas affiliates and distributors, and our overseas sales ratio is on the rise every year: 59.7% for FY2005, 62.5% for FY2006, and X% for FY2007. Because of this increase, we hedge exchange risks through forward markets, but the possibility remains that fluctuations in the forex market could affect the business results and financial position of the SYSMEX Group.

② Impact of the medical system reform

In Japan, there are many significant changes underway in the environment surrounding medical services, such as the rapidly aging population coupled with a low birthrate, advances in medical technology, and growing demands for quality of care for patients. Against this background, the authorities continue to promote a reform of the medical service system for the purposes of rationalizing medical costs and more efficiently providing high-quality medical services. Our business results and financial position could also be influenced by this reform.

The future will presumably bring continued measures for rationalization of medical costs and demands for higher efficiency in hospital management, improved medical services, and new testing demands. In this climate, while bolstering our investments in definitive diagnosis for cancer and other areas in the life science field, we are striving to provide total solutions which encompass diagnostic instruments and reagents, information technology, and after-sales support, and also to retain the ability for finely-tuned accommodation of diversifying demands.

③ Quality of products

Due to the high requirements for reliability of diagnostic instruments and reagents, which the SYSMEX Group supplies, we have established an infallible quality

management structure to assure the quality of our products.

Should a quality issue arise in our products, however, such could have an impact on our business performance.

To prevent this from happening, we have developed and implemented a system for fulfilling quality requirements of related laws in each of the countries in which we operate and international standards, such as the Pharmaceutical Affairs Law and ISO 13485. In addition, we monitor quality information from markets both at home and abroad and from inside the company on a daily basis so that we can accumulate technical information for improved design quality and make thorough quality checks before full-scale production and market introduction begin.

④ Stable supply of products

The SYSMEX Group markets its diagnostic instruments and reagents in over 150 countries and regions throughout the world. To ensure a stable supply of such products to the market, we have developed in-house infrastructures.

We procure materials for these products from approximately 300 Japanese suppliers and 50 overseas suppliers. The possibility exists that it may become difficult for us to ensure a stable supply of products, owing to difficulties in procuring materials as suppliers suspend business or materials supply, among other factors, and/or tighter environmental regulations concerning our products.

For this reason, we are making constant efforts to strengthen communications with our suppliers, share information with suppliers and affiliated companies, and establish a global supply structure in the reagent business. With regard to environmental regulations, we have created a full-time project to deal with different sets of requirements of each regulation and take necessary action as dictated by priority.

⑤ Measures for risks in the use of information systems

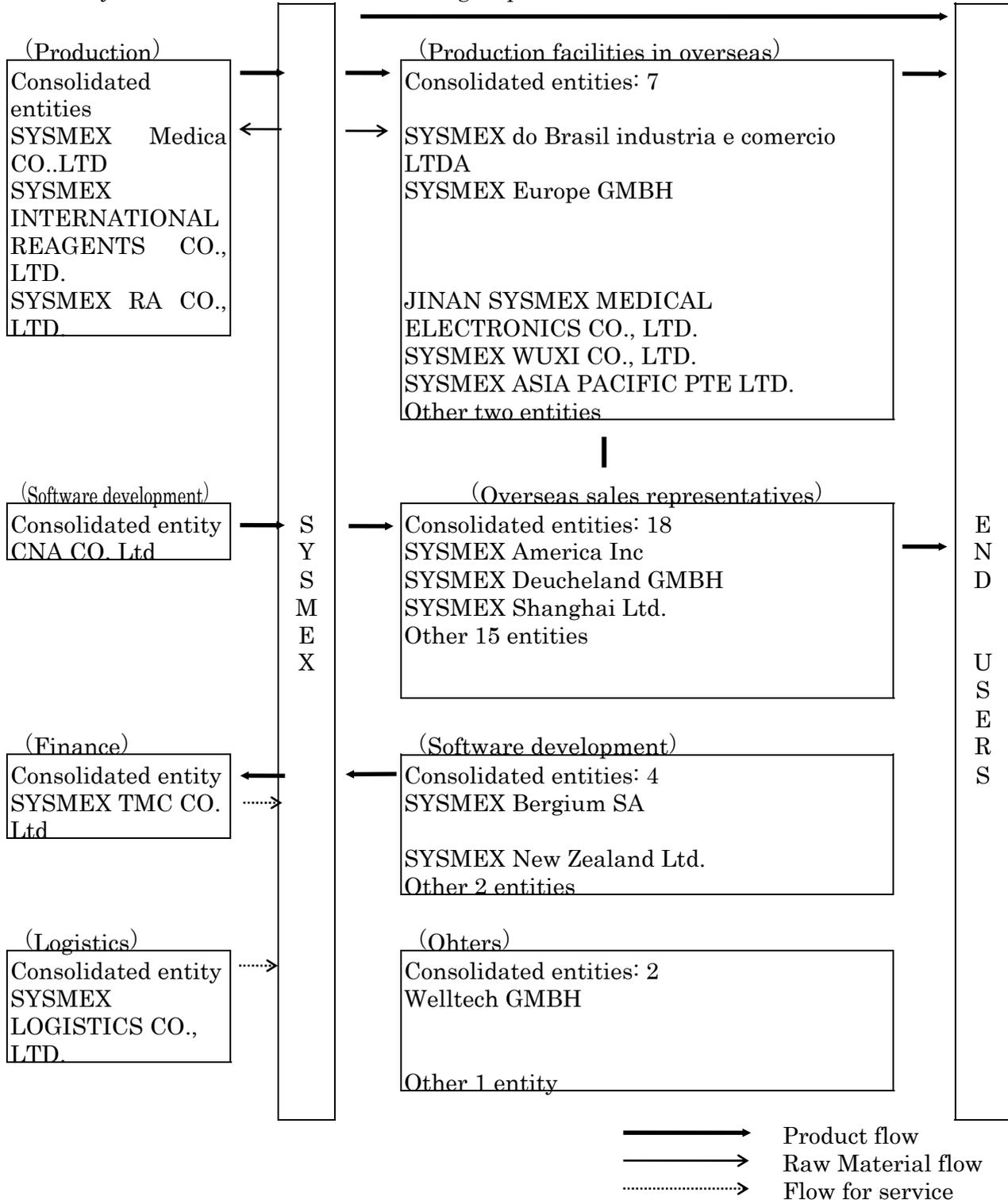
The SYSMEX Group has introduced various information systems for information communications, support of our core business, and approval procedures, such as the collective decision-making system, and a significant portion of the business information is transmitted through networks.

In order to minimize the possible impact that a disturbance of information systems and network circuits or computer viruses and unauthorized access to our information systems could have on our networks, we are tightening internal control by way of stricter user management and fingerprint verification units for limited access, as well as back-up of our networks, thorough daily operational management, and security measures including the installation of virus gateways.

2. SYSMEX group structure

SYSMEX group contains headquarters (SYSMEX Corporation), 37 subsidiaries; our core business is healthcare industry which provides products for in-vitro diagnostics.

Headquarters has core function for Development, Production, Sales and service after sales, Japanese subsidiaries has function for part of development, manufacturing and leasing. At overseas 25 subsidiaries have function for reagents production and sales administration by territory, 4 subsidiaries have function for software development. Following chart is summary for business chain in SYSMEX group.



3. Corporate philosophy and strategy

(1) Corporate philosophy

We have established the SYSMEX Way, corporate philosophy on April 1st 2007. SYSMEX way is success from our "Three confidence" which is nominated since our foundation. In addition, in accordance with the SYSMEX Way we have established "Our Core Behaviors" which states our promise to our diversity of stakeholders.

| Systemex Way | |
|---------------------|-------------------------------------------------------------------------------------------------|
| 【Mission】 | Shaping the advancement of healthcare. |
| 【Value】 | We continue to create unique and innovative values, while building trust and confidence. |
| 【Mind】 | With passion and flexibility, we demonstrate our individual competence and unsurpassed teamwork |

We are heading for social confidence in accordance with SYSMEX Way.

(2) Target in mid-term plan

We set a target by the end of fiscal year 2009 to achieve Consolidates sales amount as 140 billion yen, consolidated ordinary income as 20.5 billion yen.

(3) Mid-term strategy and objectives

We at SYSMEX is heading to be unique global enterprise based on No'1 in global niche, Focus on Asia Focus on Life Science as fundamental strategy.

Objectives for above fundamental strategy are as follows:

① Strengthen R&D function

We continue investment for R&D, such as establishment of "Techno-Park" for enhancement of our core-technologies; this investment will make our feature visible to be independent of Life Science business. Also this R&D enhancement enable to acceleration of both new product launch and practice of new technology use.

② Penetration by region

We have been managing world market by five regions: Japan, Americas, Europe, China and Asian Pacific. We are heading to become exclusive supplier in Hematology, Coagulation, also become a leading company in Urinalysis in all five regions.

We are heading to become a leading company in Asia (body of Japan, China and Asian pacific) as our home field.

We are heading to penetrate our business field through enrichment of technology, product lineup and sales force by alliance with partner companies or M&A.

③ ERP integration with standardization of group operation

We have started a project for ERP integration with standardization of group operation in order to penetrate efficiency of operation with implementation of standard of operation, as a resource of our growth.

④ Adaptation for environment requirement and strengthen risk management

We accelerate our activity for adaptation for environmental requirement and strengthen risk management in accordance with our new philosophy "SYSMEX Way" and "Our Core Behaviors".

Consolidated Balance Sheets

(unit: million yen)

| Items | Previous term (as of March 31, 2007) | | Current term (as of March 31, 2008) | | Increase or Decrease |
|---------------------------------------|-----------------------------------------|-------|----------------------------------------|-------|----------------------------|
| | Amount | % | Amount | % | Amount |
| (Assets) | | | | | |
| I Current assets | | | | | |
| Cash | 12,793 | | 9,694 | | |
| Notes and accounts receivable trade | 31,910 | | 32,965 | | |
| Marketable securities | 41 | | 71 | | |
| Inventories | 16,563 | | 18,341 | | |
| Deferred tax assets | 3,668 | | 4,492 | | |
| Prepaid expenses | 788 | | 796 | | |
| Short-term loans receivable | 2 | | 2 | | |
| Others | 861 | | 1,058 | | |
| Allowance for doubtful debts | -508 | | -500 | | |
| Total current assets | 66,120 | 65.3 | 66,923 | 61.4 | 802 |
| II Fixed assets | | | | | |
| Tangible fixed assets | | | | | |
| Buildings and structures | 17,145 | | 18,670 | | |
| Accumulated depreciation | -8,981 | | -9,414 | | |
| Net buildings and structures | 8,164 | | 9,256 | | |
| Machinery, equipment and vehicles | 6,270 | | 7,645 | | |
| Accumulated depreciation | -3,981 | | -4,551 | | |
| Net machinery, equipment and vehicles | 2,288 | | 3,093 | | |
| Tools, furniture and fixtures | 14,976 | | 15,958 | | |
| Accumulated depreciation | -11,189 | | -11,738 | | |
| Net tools, furniture and fixtures | 3,786 | | 4,219 | | |
| Land | 7,871 | | 7,909 | | |
| Construction in progress | 1,669 | | 4,603 | | |
| Total tangible fixed assets | 23,780 | 23.5 | 29,082 | 26.7 | 5,301 |
| Intangible fixed assets | | | | | |
| Consolidation goodwill | 475 | | 1,532 | | |
| Software | 3,052 | | 4,091 | | |
| Others | 197 | | 171 | | |
| Total Intangible fixed assets | 3,726 | 3.7 | 5,795 | 5.3 | 2,069 |
| Investments | | | | | |
| Investments in securities | 3,004 | | 3,077 | | |
| Long-term loans receivable | 3 | | 4 | | |
| Deferred tax assets | 115 | | 255 | | |
| Long-term prepaid expenses | 179 | | 154 | | |
| Investment real estate | 2,136 | | 2,124 | | |
| Prepaid pension cost | 465 | | - | | |
| Others | 1,697 | | 1,612 | | |
| Allowance for doubtful debts | -3 | | -3 | | |
| Total investments | 7,598 | 7.5 | 7,226 | 6.6 | -371 |
| Total fixed assets | 35,104 | 34.7 | 42,103 | 38.6 | 6,999 |
| Total assets | 101,225 | 100.0 | 109,027 | 100.0 | 7,801 |

(Note) fractions of one million yen are rounded off

(unit: million yen)

| Items | Previous term (as of March 31,2007) | | Current term (as of March 31,2008) | | Increase or Decrease Amount |
|------------------------------------------------------|----------------------------------------|--------------|---------------------------------------|--------------|--------------------------------------|
| | Amount | % | Amount | % | |
| (Liabilities) | | | | | |
| I Current liabilities | | | | | |
| Notes and accounts payable trade | 10,731 | | 11,247 | | |
| Short-term loans payable | 79 | | 546 | | |
| Corporation taxes payable | 3,244 | | 2,061 | | |
| Deferred tax liabilities | 3 | | 2 | | |
| Accrued expenses | 2,794 | | 3,343 | | |
| Reserve for bonuses | 2,403 | | 2,643 | | |
| Reserve for bonuses to directors | 163 | | 182 | | |
| Reserve for product warranties | 541 | | 423 | | |
| Others | 5,672 | | 5,790 | | |
| Total current liabilities | 25,634 | 25.3 | 26,241 | 24.1 | 607 |
| II Fixed liabilities | | | | | |
| Long-term loans payable | 82 | | 13 | | |
| Deferred tax liabilities | 1,387 | | 1,701 | | |
| Reserve for retirement benefits | 143 | | 354 | | |
| Reserve for directors' retirement benefits | 264 | | 247 | | |
| Others | 1,317 | | 1,351 | | |
| Total fixed liabilities | 3,195 | 3.2 | 3,668 | 3.3 | 473 |
| Total liabilities | 28,829 | 28.5 | 29,910 | 27.4 | 1,081 |
| (Equity) | | | | | |
| I Shareholders' equity | | | | | |
| Capital stock | 8,501 | | 8,651 | | 149 |
| Capital surplus | 11,731 | | 13,588 | | 1,857 |
| Earned surplus | 48,794 | | 55,737 | | 6,942 |
| Treasury stock | -163 | | -185 | | -21 |
| Total shareholders' equity | 68,864 | 68.0 | 77,791 | 71.4 | 8,927 |
| II Valuation and translation adjustments | | | | | |
| Unrealized gain or loss of investments in securities | 805 | | 351 | | |
| Foreign currency translation adjustment | 1,674 | | 610 | | |
| Total valuation and translation adjustments | 2,480 | 2.5 | 962 | 0.9 | -1,518 |
| III Share subscription rights | | | | | |
| | — | — | 236 | 0.2 | 236 |
| IV Minority interests | | | | | |
| | 1,051 | 1.0 | 127 | 0.1 | -924 |
| Total equity | 72,396 | 71.5 | 79,117 | 72.6 | 6,720 |
| Total liabilities and equity | 101,225 | 100.0 | 109,027 | 100.0 | 7,801 |

(Note) fractions of one million yen are rounded off

Consolidated Statements of Income

(unit: million yen)

| Items | Previous term (as of March 31, 2007) | | Current term (as of March 31, 2008) | | Increase or Decrease |
|-------------------------------------------------------------|-----------------------------------------|-------|----------------------------------------|-------|----------------------------|
| | Amount | % | Amount | % | Amount |
| I Sales | 101,041 | 100.0 | 110,724 | 100.0 | 9,683 |
| II Cost of sales | 43,497 | 43.0 | 45,396 | 41.0 | 1,899 |
| Gross profit | 57,543 | 57.0 | 65,327 | 59.0 | 7,784 |
| III Selling, general and administrative expenses | 44,828 | 44.4 | 50,293 | 45.4 | 5,465 |
| Operating income | 12,714 | 12.6 | 15,033 | 13.6 | 2,318 |
| IV Non-operating income | | | | | |
| Interest income | 107 | | 179 | | |
| Dividends earned | 41 | | 46 | | |
| Royalties earned | 48 | | 34 | | |
| Income from investment real estate | 393 | | 384 | | |
| Investment profit on equity method | 29 | | 29 | | |
| Foreign exchange gain | 374 | | — | | |
| Others | 190 | | 206 | | |
| Total non-operating income | 1,185 | 1.1 | 880 | 0.8 | -304 |
| V Non-operating expenses | | | | | |
| Interest expense | 27 | | 33 | | |
| Cash discount | 28 | | 28 | | |
| Maintenance cost of investment real estate | 169 | | 155 | | |
| Foreign exchange loss | — | | 1,048 | | |
| Others | 97 | | 103 | | |
| Total non-operating expenses | 322 | 0.3 | 1,369 | 1.3 | 1,047 |
| Ordinary income | 13,577 | 13.4 | 14,545 | 13.1 | 967 |
| VI Extraordinary profits | | | | | |
| Gain on sales of investment securities | 117 | | — | | |
| Gain on sales of fixed assets | 27 | | 6 | | |
| Reversal of allowance for doubtful debts | 42 | | 33 | | |
| Investment income from change of equity | 2 | | — | | |
| Income from settlement | 180 | | — | | |
| Total extraordinary profits | 370 | 0.4 | 40 | 0.1 | -330 |
| VII Extraordinary losses | | | | | |
| Write-down of securities | 38 | | 145 | | |
| Loss on sales of investment securities | — | | 7 | | |
| Loss on disposal of fixed assets | 141 | | 174 | | |
| Voluntary product recall expenses | — | | 334 | | |
| Total extraordinary losses | 180 | 0.2 | 661 | 0.6 | 480 |
| Net income before income taxes and minority interest | 13,768 | 13.6 | 13,924 | 12.6 | 156 |
| Income taxes | 5,139 | | 5,245 | | |
| Deferred income taxes | -424 | | -428 | | |
| Total income taxes | 4,715 | 4.7 | 4,816 | 4.4 | 101 |
| Minority interest | 44 | 0.0 | -24 | 0.0 | -69 |
| Net income | 9,008 | 8.9 | 9,131 | 8.2 | 123 |

(Note) fractions of one million yen are rounded off

Consolidated Statements of Changes in Equity

FY2006 (from April 1 to March 31, 2007)

(unit: million yen)

| | Shareholders' equity | | | | |
|------------------------------------------------------|----------------------|-----------------|----------------|----------------|----------------------------|
| | Capital stock | Capital surplus | Earned surplus | Treasury stock | Total shareholders' equity |
| Balance, March 31, 2006 | 7,954 | 11,184 | 41,550 | -150 | 60,538 |
| Changes of items during the period | | | | | |
| Issuance of stock | 546 | 546 | | | 1,093 |
| Dividends from appropriation of surplus | | | -798 | | -798 |
| Dividends from retained earnings | | | -804 | | -804 |
| Bonuses to Directors from appropriation of surplus | | | -159 | | -159 |
| Net income | | | 9,008 | | 9,008 |
| Repurchase of treasury stock | | | | -12 | -12 |
| Disposal of treasury stock | | 0 | | 0 | 0 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during the period | 546 | 546 | 7,244 | -12 | 8,325 |
| Balance, March 31, 2007 | 8,501 | 11,731 | 48,794 | -163 | 68,864 |

| | Valuation and translation adjustments | | | Minority interest | Total Equity |
|------------------------------------------------------|------------------------------------------------------|-----------------------------------------|---------------------------------------------|-------------------|--------------|
| | Unrealized gain or loss of investments in securities | Foreign currency translation adjustment | Total Valuation and translation adjustments | | |
| Balance, March 31, 2006 | 1,234 | 872 | 2,107 | 860 | 63,507 |
| Changes of items during the period | | | | | |
| Issuance of stock | | | | | 1,093 |
| Dividends from appropriation of surplus | | | | | -798 |
| Dividends from retained earnings | | | | | -804 |
| Bonuses to Directors from appropriation of surplus | | | | | -159 |
| Net income | | | | | 9,008 |
| Repurchase of treasury stock | | | | | -12 |
| Disposal of treasury stock | | | | | 0 |
| Net changes of items other than shareholders' equity | -429 | 802 | 372 | 190 | 563 |
| Total changes of items during the period | -429 | 802 | 372 | 190 | 8,888 |
| Balance, March 31, 2007 | 805 | 1,674 | 2,480 | 1,051 | 72,396 |

(Note) fractions of one million yen are rounded off

FY2007 (from April 1 to March 31, 2008)

(unit: million yen)

| | Shareholders' equity | | | | |
|----------------------------------------------------------------------------|----------------------|-----------------|----------------|----------------|----------------------------|
| | Capital stock | Capital surplus | Earned surplus | Treasury stock | Total shareholders' equity |
| Balance, March 31, 2007 | 8,501 | 11,731 | 48,794 | -163 | 68,864 |
| Changes of items during the period | | | | | |
| Issuance of new shares by exercise of warrants | 149 | 149 | | | 299 |
| Issuance of new shares for share exchange | | 1,706 | | | 1,706 |
| Dividends from retained earnings | | | -2,031 | | -2,031 |
| Net income | | | 9,131 | | 9,131 |
| Repurchase of treasury stock | | | | -22 | -22 |
| Disposal of treasury stock | | 0 | | 0 | 0 |
| Decrease in retained earnings due to fiscal year-end change for subsidiary | | | -157 | | -157 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during the period | 149 | 1,857 | 6,942 | -21 | 8,927 |
| Balance, March 31, 2008 | 8,651 | 13,588 | 55,737 | -185 | 77,791 |

| | Valuation and translation adjustments | | | Share subscription rights | Minority interest | Total Equity |
|----------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------|---------------------------------------------|---------------------------|-------------------|--------------|
| | Unrealized gain or loss of investments in securities | Foreign currency translation adjustment | Total Valuation and translation adjustments | | | |
| Balance, March 31, 2007 | 805 | 1,674 | 2,480 | — | 1,051 | 72,396 |
| Changes of items during the period | | | | | | |
| Issuance of new shares by exercise of warrants | | | | | | 299 |
| Issuance of new shares for share exchange | | | | | | 1,706 |
| Dividends from retained earnings | | | | | | -2,031 |
| Net income | | | | | | 9,131 |
| Repurchase of treasury stock | | | | | | -22 |
| Disposal of treasury stock | | | | | | 0 |
| Decrease in retained earnings due to fiscal year-end change for subsidiary | | | | | | -157 |
| Net changes of items other than shareholders' equity | -454 | -1,063 | -1,518 | 236 | -924 | -2,206 |
| Total changes of items during the period | -454 | -1,063 | -1,518 | 236 | -924 | 6,720 |
| Balance, March 31, 2008 | 351 | 610 | 962 | 236 | 127 | 79,117 |

(Note) fractions of one million yen are rounded off

Consolidated Statements of Cash Flows

(unit: million yen)

| Items | Previous term (as of March 31, 2007) | Current term (as of March 31, 2008) | Increase or Decrease |
|-------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------|----------------------------|
| I Cash flows from operating activities | | | |
| Net income before income taxes and minority interest | 13,768 | 13,924 | |
| Depreciation and amortization | 4,008 | 3,958 | |
| Amortization of consolidation goodwill | 7 | 479 | |
| Increase/decrease in reserve for bonuses | 294 | 291 | |
| Increase/decrease in reserve for bonuses to directors | 163 | 18 | |
| Increase/decrease in reserve for directors' retirement benefits | -19 | -17 | |
| Increase/decrease in reserve for retirement benefits | -24 | 163 | |
| Increase/decrease in Prepaid pension cost | -465 | 465 | |
| Increase/decrease in allowance for doubtful debts | 46 | 21 | |
| Interest income and dividends earned | -149 | -225 | |
| Interest expense | 27 | 33 | |
| Investment profit/loss on equity method | -29 | -29 | |
| Gain/loss on sales of investment securities | -117 | 7 | |
| Write-down of securities | 38 | 145 | |
| Loss on disposal of fixed assets | 141 | 174 | |
| Increase/decrease in notes and accounts receivable | -4,392 | -2,462 | |
| Increase/decrease in inventories | -297 | -1,917 | |
| Increase/decrease in notes and accounts payable | 690 | 1,468 | |
| Increase/decrease in consumption taxes payable/receivable | 160 | -112 | |
| Bonuses to directors | -159 | - | |
| Others | 934 | 1,462 | |
| Subtotal | 14,627 | 17,849 | 3,222 |
| Interest and dividends received | 145 | 218 | |
| Interest paid | -27 | -18 | |
| Corporation taxes paid | -4,660 | -6,415 | |
| Cash flow from operating activities | 10,085 | 11,634 | 1,549 |
| II Cash flows from investing activities | | | |
| Payments for funding of time deposit | -40 | -44 | |
| Proceeds from refund of time deposit | 30 | 108 | |
| Payments for purchases of tangible fixed assets | -4,628 | -8,265 | |
| Proceeds from sale on tangible fixed assets | 73 | 20 | |
| Payments for purchases of intangible fixed assets | -1,487 | -2,460 | |
| Payments for purchases of investment securities | - | -993 | |
| Proceeds on investment securities sold | 304 | 77 | |
| Cash flow from equity investment in subsidiaries | -533 | -1,315 | |
| Others | -349 | -10 | |
| Cash flow from investing activities | -6,630 | -12,883 | -6,252 |
| III Cash flows from financing activities | | | |
| Net increase/decrease of short-term loans | -118 | 491 | |
| Proceeds from long-term loans | 191 | - | |
| Repayment of long-term loans | -64 | -66 | |
| Proceeds from issuing stocks | 1,093 | 299 | |
| Proceeds from minority shareholders on issuing stocks of subsidiaries | 59 | 13 | |
| Payments for repurchases of treasury stocks | -12 | -21 | |
| Dividends paid | -1,603 | -2,031 | |
| Dividend paid to minority shareholders | -3 | - | |
| Cash flow from financing activities | -457 | -1,316 | -858 |
| IV Translation adjustments on cash and cash equivalents | 301 | -479 | -781 |
| V Increase/decrease in cash and cash equivalents | 3,298 | -3,044 | -6,342 |
| VI Cash and cash equivalents at beginning of year | 9,416 | 12,714 | 3,298 |
| VII Increase of cash and cash equivalents due to fiscal year-end change for subsidiaries | - | 8 | 8 |
| VIII Cash and cash equivalents at end of year | 12,714 | 9,679 | -3,035 |

(Note) fractions of one million yen are rounded off

Segment Information

1. Information about operations by geographic area

Previous term (from April 1, 2006 to March 31, 2007)

(unit: million yen)

| | Japan | Americas | Europe | China | Asia Pacific | Total | Eliminations/ Corporate | Consolidated |
|--------------------------------|--------|----------|--------|-------|--------------|---------|----------------------------|--------------|
| Sales and Operating income | | | | | | | | |
| Sales | | | | | | | | |
| Net Sales to outside customers | 39,395 | 19,158 | 31,584 | 6,848 | 4,053 | 101,041 | — | 101,041 |
| Interarea transfer | 25,532 | 215 | 428 | 13 | 147 | 26,338 | (26,338) | — |
| Total net sales | 64,928 | 19,373 | 32,013 | 6,862 | 4,201 | 127,379 | (26,338) | 101,041 |
| Operating expenses | 57,496 | 18,780 | 28,466 | 6,081 | 3,868 | 114,693 | (26,366) | 88,326 |
| Operating income | 7,431 | 593 | 3,547 | 781 | 332 | 12,686 | (-28) | 12,714 |
| Assets | 77,131 | 10,299 | 19,102 | 5,543 | 3,543 | 115,620 | (14,395) | 101,225 |

Current term (from April 1, 2007 to March 31, 2008)

(unit: million yen)

| | Japan | Americas | Europe | China | Asia Pacific | Total | Eliminations/ Corporate | Consolidated |
|--------------------------------|--------|----------|--------|-------|--------------|---------|----------------------------|--------------|
| Sales and Operating income | | | | | | | | |
| Sales | | | | | | | | |
| Net Sales to outside customers | 37,552 | 20,844 | 39,174 | 8,127 | 5,024 | 110,724 | - | 110,724 |
| Interarea transfer | 29,327 | 165 | 411 | 13 | 255 | 30,172 | (30,172) | - |
| Total net sales | 66,880 | 21,010 | 39,586 | 8,140 | 5,279 | 140,897 | (30,172) | 110,724 |
| Operating expenses | 59,009 | 20,019 | 34,965 | 7,317 | 4,732 | 126,044 | (30,353) | 95,690 |
| Operating income | 7,870 | 991 | 4,620 | 823 | 546 | 14,852 | (-180) | 15,033 |
| Assets | 80,425 | 10,453 | 23,598 | 5,819 | 3,800 | 124,096 | (15,069) | 109,027 |

2. Net Sales to Foreign Customers

Previous term (from April 1, 2006 to March 31, 2007)

(unit: million yen)

| | Americas | Europe | China | Asia Pacific | Total |
|------------------------------------------------------------------|----------|--------|-------|--------------|---------|
| Net Sales to Foreign Customers | 19,227 | 31,659 | 6,848 | 5,432 | 63,168 |
| Consolidated Sales | — | — | — | — | 101,041 |
| The rate of net sales to foreign customers to consolidated sales | 19.0% | 31.3% | 6.8% | 5.4% | 62.5% |

Current term (from April 1, 2007 to March 31, 2008)

(unit: million yen)

| | Americas | Europe | China | Asia Pacific | Total |
|------------------------------------------------------------------|----------|--------|-------|--------------|---------|
| Net Sales to Foreign Customers | 20,908 | 39,234 | 8,127 | 6,491 | 74,762 |
| Consolidated Sales | — | — | — | — | 110,724 |
| The rate of net sales to foreign customers to consolidated sales | 18.9% | 35.4% | 7.3% | 5.9% | 67.5% |