



### 3. Business forecast for the year ending March 31, 2009

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

	Net Sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
Year ending Mar.31, 2009	114,000	3.0%	14,000	-6.9%	12,800	-12.0%	7,200	-21.2%	140.83

Note:

Revision of business forecast for this period: Yes

### 4. Other information

(1) Changes in significant subsidiaries: No

(2) Application of simplified accounting method and special accounting policy for quarterly financial reporting: Yes

(3) Changes in accounting procedures

1) Changes based on revisions of accounting standard: Yes

2) Other changes: Yes

(4) Number of shares outstanding (Ordinary shares)

1) Number of shares outstanding at the end of each fiscal period (including treasury stock):

51,223,908 shares as of Sep. 30, 2008; 51,203,108 shares as of Mar. 31, 2008

2) Number of treasury stock at the end of each fiscal period:

97,650 shares as of Sep. 30, 2008; 95,891 shares as of Mar. 31, 2008

3) Average number of outstanding stock for each period (cumulative):

51,122,559 shares six months ended Sep. 30, 2008; 50,981,959 shares six months ended Sep. 30, 2007

※ 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.

## Financial performance

### 1. Performance analysis

During the first six months of the fiscal year ending March 31, 2009 (April 1 to September 30, 2008), the Japanese economy began to show signs of deceleration as growth in business investment and consumer spending was arrested amid continuously high prices of crude oil and other raw materials, coupled with a slowdown in export shipments against the background of recessions abroad. Western economies showed further evidence of slowdown as the US-triggered subprime mortgage crisis spread like wildfire to cause financial distress toward the end of this fiscal quarter. The Asian economy as a whole, on the other hand, continued to experience growth under the lead of China and India; however, now that its key export markets – Europe and the US – have slipped into recession, its future foreign shipments are uncertain, and thus its sustainability remains questionable.

On the healthcare front, there has been a growing demand in Japan for the expansion of preventive medicine, which has resulted in the commencement of specific health examinations and specific health guidance, and clinical testing is expected to play an increasingly important role in this regard. Overseas, while developed countries in Europe and North America continue to curb their healthcare expenditures through healthcare system reform, some Asian countries including China are promoting the development of their healthcare infrastructures along with the growth of their economies, thus experiencing a constant increase in the demand for clinical testing.

Under such circumstances, the Sysmex Group has continued to focus on providing solutions in the Japanese market in light of these difficult market conditions. As a result, our net sales were 17,101 million yen (up 3.8% from the same period of the previous fiscal year). This April, we formed a commercial joint venture with bioMérieux of France, a world leader in the field of microbiology testing, and began performing sales and customer service activities for their Japanese subsidiary.

In the Americas, we are maintaining high growth thanks to the expansion of our direct sales territories and support networks. In the Latin American market, our business is being enlarged with our systems sales faring well. In Europe, we accelerated the switchover to the direct sales and support system in France, and we also worked to increase our penetration into Eastern Europe and Russia. In China and the Asia Pacific region, we promoted development of the direct sales and support system and proceeded with systems sales. As a result, our overseas sales increased to 39,396 million yen (up 7.9% from the same period of the previous fiscal year), with the result that the overseas sales ratio reached 69.7% (up 0.8percentage points from the same period of the previous fiscal year).

Our consolidated performance for the first six months of the fiscal year ending March 31, 2009 was: net sales of 56,497 million yen (up 6.7% from the same period of the previous fiscal year), operating income of 6,927 million yen (up 7.3%), ordinary income of 6,794 million yen (down 1.8%), and net income of 3,526 million yen (down 25.8%).

Year-on-year comparisons of our consolidated performance are shown above for reference purposes.

#### Performance by geographical segment

##### (1) Japan

As our continued focus on the provision of solutions which cater to specific demands from central hospitals and other customers drove growth in the hematology and coagulation fields, we recoded net sales of 17,959 million yen (up 4.3% from the same period of the previous fiscal year).

Operating income was 3,870 million yen (up 10.2% from the same period of the previous fiscal year), as the increase in selling, general, and administrative expenses primarily attributable to a rise in research expenses was offset positively by growing sales of profitable reagents.

## (2) The Americas

Now that our direct sales territories and support networks have expanded, we achieved strong sales growth in hematology and other fields in the US. We also experienced sales expansion in Canada, where we completed the switchover to the direct sales and support system. In Latin America, revenues from systems projects increased. As a result, we recorded net sales of 12,055 million yen (up 18.4% from the same period of the previous fiscal year).

Operating income was 552 million yen (up 15.3% from the same period of the previous fiscal year), as the increase in selling, general, and administrative expenses owing to the expansion of service networks was more than offset by sales growth.

## (3) Europe

In France, the switchover to the direct sales and support system has been progressing as scheduled. In Eastern Europe and Russia, the demand for high-end models is on the rise in tandem with their economic growth. However, owing to reduced sales in the Middle East and other regions, we recorded net sales of 19,183 million yen (down 0.2% from the same period of the previous year).

Operating income was 2,871 million yen (up 32.3% from the period of the previous fiscal year), with a cost reduction offsetting the increase in selling, general, and administrative expenses.

## (4) China

Due to brisk performance of the hematology, coagulation, and urinalysis businesses, we recorded net sales of 4,441 million yen (up 13.7% from the same period of the previous fiscal year).

Operating income was 484 million yen (up 14.3% from the same period of the previous fiscal year), with sales growth positively offsetting the increase in selling, general, and administrative expenses.

## (5) Asia Pacific

With the hematology, coagulation, and urinalysis businesses all faring well, we recorded net sales of 2,857 million yen (up 17.1% from the same period of the previous fiscal year), which includes contributions from a new order for large-scale systems in Australia.

Operating income was 327 million yen (up 1.3% from the same period of the previous fiscal year), with sales growth and a cost increase balancing each other.

## 2. Balance sheet and cash flow

### (1) Total assets, total liabilities, and equity

Total assets increased by 12,839 million yen to 121,866 million yen compared to the previous fiscal year end, mainly due to a 9,506 million yen increase in tangible fixed assets, including the new R&D facility Sysmex Technopark and recording of the leased asset following the unification of accounting principles at overseas subsidiaries.

Liabilities increased by 6,265 million yen to 12,976 million yen, due mainly to a 42,886 million yen increase in short-term loans.

Total equity decreased by 136 million yen to 78,980 million yen. This is mainly due to a 1,972 million yen reduction of earned surplus from the beginning balance upon recording of the existing leased asset and liabilities on the consolidated balance sheet when accounting principles at overseas subsidiaries were unified, as well as a 466 million yen decrease in foreign currency translation adjustments.

The equity ratio was 72.2%, a decrease of 7.8 percentage points from 64.4% at the previous fiscal year end.

## (2) Cash flows

The balance of cash and cash equivalents (hereinafter, “Cash”) at the end of this fiscal quarter increased by 4,234 million yen to 13,913 million yen compared to that at the previous fiscal year end.

The following are major cash flow movements by business activities and their factors.

### <Operating cash flow>

Cash flow from operating activities was 8,182 million yen, an increase of 2,508 million yen from the same period of the previous fiscal year, due to depreciation and amortization of 3,751 million yen (1,816 million yen more than the same period of the previous fiscal year), decrease of notes and accounts receivable for 2,925 million yen (1,130 million yen more than the same period of the previous fiscal year), and an increase of inventories of 914 million yen (633 million yen less than that of the same period of the previous fiscal year).

### <Investing cash flow>

Cash outflow as a result of investing activities was 7,615 million yen, an increase of 2,492 million yen from the same period of the previous fiscal year. This is mainly due to an increase by 4,021 million yen to 6,549 million yen in payment for purchases of tangible fixed assets for the construction of the Sysmex Technopark.

### <Financing cash flow>

Cash inflow as a result of financing activities was 3,773 million yen (905 million yen spent at the end of the same period of the previous fiscal year), due to an increase by 6,485 million yen in short-term loans (10 million yen reversal at the end of the same period of the previous fiscal year) and dividends paid for 1,431 million yen (419 million yen more than the same period of the previous fiscal year).

## 3. Note for consolidated financial forecast

As notified in “Announcement Regarding Revisions in Earnings Forecasts for the Year Ending March 2009” dated October 28, 2008, we expect that overseas net sales will be in line with our earlier forecast on a local-currency basis. Owing to the sharp rise of the yen, however, we now expect that our consolidated net sales will undershoot our earlier forecast on a yen basis. We therefore expect operating income, ordinary income, and net income to fall below our earlier forecast. Accordingly, we have revised our earlier consolidated earnings forecasts for the fiscal year ending March 31, 2009. Please note that the above earnings forecasts are based on a forex assumption of ¥95/US\$ and ¥120/Euro for the second half of the fiscal year ending March 31, 2009.

#### 4.(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

Items	As of Sep. 30, 2007		As of Sep. 30, 2008		Increase and Decrease		As of Mar. 31, 2008	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>(Assets)</b>								
<b>I Current assets</b>								
Cash and deposits	12,512		13,952		1,440		9,694	
Notes and accounts receivable-trade	30,300		29,534		-765		32,965	
Short-term investment securities	41		99		58		71	
Inventories	18,786		18,890		104		18,341	
Others	6,084		7,933		1,848		5,850	
<b>Total current assets</b>	<b>67,725</b>	<b>63.5</b>	<b>70,410</b>	<b>57.8</b>	<b>2,685</b>	<b>4.0</b>	<b>66,923</b>	<b>61.4</b>
<b>II Noncurrent assets</b>								
<b>Total Property, plant and equipment</b>	<b>25,305</b>	<b>23.7</b>	<b>38,588</b>	<b>31.7</b>	<b>13,282</b>	<b>52.5</b>	<b>29,082</b>	<b>26.7</b>
<b>Total Intangible assets</b>	<b>5,367</b>	<b>5.0</b>	<b>5,611</b>	<b>4.6</b>	<b>244</b>	<b>4.5</b>	<b>5,795</b>	<b>5.3</b>
<b>Total Investments and other assets</b>	<b>8,326</b>	<b>7.8</b>	<b>7,256</b>	<b>5.9</b>	<b>-1,070</b>	<b>-12.9</b>	<b>7,226</b>	<b>6.6</b>
<b>Total Noncurrent assets</b>	<b>39,000</b>	<b>36.5</b>	<b>51,456</b>	<b>42.2</b>	<b>12,456</b>	<b>31.9</b>	<b>42,103</b>	<b>38.6</b>
<b>Total assets</b>	<b>106,725</b>	<b>100.0</b>	<b>121,866</b>	<b>100.0</b>	<b>15,141</b>	<b>14.2</b>	<b>109,027</b>	<b>100.0</b>
<b>(Liabilities)</b>								
<b>I Current liabilities</b>								
Notes and accounts payable-trade	10,737		10,593		-143		11,247	
Short-term loans payable	66		6,812		6,745		546	
Others	15,321		18,190		2,868		14,447	
<b>Total current liabilities</b>	<b>26,126</b>	<b>24.5</b>	<b>35,596</b>	<b>29.2</b>	<b>9,470</b>	<b>36.2</b>	<b>26,241</b>	<b>24.1</b>
<b>II Noncurrent liabilities</b>								
Long-term loans payable	47		0		-46		13	
Provision for retirement benefits	216		417		201		354	
Others	3,428		6,871		3,443		3,300	
<b>Total Noncurrent liabilities</b>	<b>3,692</b>	<b>3.4</b>	<b>7,290</b>	<b>6.0</b>	<b>3,597</b>	<b>97.4</b>	<b>3,668</b>	<b>3.3</b>
<b>Total liabilities</b>	<b>29,818</b>	<b>27.9</b>	<b>42,886</b>	<b>35.2</b>	<b>13,067</b>	<b>43.8</b>	<b>29,910</b>	<b>27.4</b>
<b>(Net assets)</b>								
<b>I Shareholders' equity</b>								
Capital stock	8,583		8,668		85		8,651	
Capital surplus	13,520		13,606		86		13,588	
Retained earnings	52,381		55,860		3,479		55,737	
Treasury stock	-176		-194		-17		-185	
<b>Total shareholders' equity</b>	<b>74,309</b>	<b>69.6</b>	<b>77,941</b>	<b>64.0</b>	<b>3,632</b>	<b>4.9</b>	<b>77,791</b>	<b>71.4</b>
<b>II Valuation and translation adjustments</b>								
Valuation difference on available-for-sale securities	567		369		-198		351	
Foreign currency translation adjustment	1,834		144		-1,690		610	
<b>Total valuation and translation adjustments</b>	<b>2,402</b>	<b>2.3</b>	<b>513</b>	<b>0.4</b>	<b>-1,888</b>	<b>-78.6</b>	<b>962</b>	<b>0.9</b>
<b>III Subscription rights to shares</b>	<b>59</b>	<b>0.1</b>	<b>413</b>	<b>0.3</b>	<b>354</b>	<b>596.3</b>	<b>236</b>	<b>0.2</b>
<b>IV Minority interests</b>	<b>135</b>	<b>0.1</b>	<b>110</b>	<b>0.1</b>	<b>-24</b>	<b>-18.3</b>	<b>127</b>	<b>0.1</b>
<b>Total net assets</b>	<b>76,906</b>	<b>72.1</b>	<b>78,980</b>	<b>64.8</b>	<b>2,073</b>	<b>2.7</b>	<b>79,117</b>	<b>72.6</b>
<b>Total liabilities and net assets</b>	<b>106,725</b>	<b>100.0</b>	<b>121,866</b>	<b>100.0</b>	<b>15,141</b>	<b>14.2</b>	<b>109,027</b>	<b>100.0</b>

(Note) fractions of one million yen are rounded off

## (2) Consolidated Statements of Income

(Unit: Millions of Yen)

Items	Six months ended Sep. 30, 2007		Six months ended Sep. 30, 2008		Increase and Decrease		Year ended Mar. 31, 2008	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>I Net sales</b>	52,969	100.0	56,497	100.0	3,527	6.7	110,724	100.0
<b>II Cost of sales</b>	21,642	40.9	20,617	36.5	-1,025	-4.7	45,396	41.0
Gross profit	31,327	59.1	35,879	63.5	4,552	14.5	65,327	59.0
<b>III Selling, general and administrative expenses</b>	24,867	46.9	28,952	51.2	4,084	16.4	50,293	45.4
Operating income	6,459	12.2	6,927	12.3	468	7.3	15,033	13.6
<b>IV Non-operating income</b>								
Interest and dividends income	115		91		-24		225	
Foreign exchange gains	138		-		-138		-	
Others	342		334		-7		655	
<b>Total non-operating income</b>	595	1.1	425	0.7	-170	-28.6	880	0.8
<b>V Non-operating expenses</b>								
Interest expenses	12		213		201		33	
Foreign exchange losses	-		207		207		1,048	
Others	122		136		14		287	
<b>Total non-operating expenses</b>	134	0.2	558	1.0	423	315.7	1,369	1.3
Ordinary income	6,920	13.1	6,794	12.0	-126	-1.8	14,545	13.1
<b>VI Extraordinary profits</b>	9	0.0	34	0.1	24	248.7	40	0.1
<b>VII Extraordinary loss</b>	86	0.2	1,213	2.2	1,127	1,308.7	661	0.6
<b>Income before income taxes and minority interest</b>	6,844	12.9	5,615	9.9	-1,228	-18.0	13,924	12.6
Income taxes-current	2,983	5.6	3,234	5.7	251	8.4	5,245	4.8
Income taxes-deferred	-880	-1.7	-1,137	-2.0	-257	29.2	-428	-0.4
Minority interest	-13	-0.0	-7	-0.0	6	-	-24	-0.0
Net income	4,755	9.0	3,526	6.2	-1,229	-25.8	9,131	8.2

(Note) fractions of one million yen are rounded off

**(3) Consolidated Statements of Cash Flows**

(Unit: Millions of Yen)

Items	Six months ended Sep. 30, 2007	Six months ended Sep. 30, 2008	Year ended Mar. 31, 2008
<b>I Net cash provided by (used in) operating activities</b>			
Income before income taxes	6,844	5,615	13,924
Depreciation and amortization	1,934	3,751	3,958
Decrease (increase) in notes and accounts receivable-trade	1,795	2,925	-2,462
Decrease (increase) in inventories	-1,547	-914	-1,917
Increase (decrease) in notes and accounts payable-trade	-326	-317	1,468
Others	114	9	2,878
<b>Subtotal</b>	<b>8,815</b>	<b>11,070</b>	<b>17,849</b>
Interest and dividends received	114	85	218
Interest expenses paid	-11	-156	-18
Income taxes paid	-3,244	-2,817	-6,415
<b>Net cash provided by (used in) operating activities</b>	<b>5,673</b>	<b>8,182</b>	<b>11,634</b>
<b>II Net cash provided by (used in) investment activities</b>			
Purchase of property, plant and equipment	-2,528	-6,549	-8,265
Purchase of intangible assets	-1,061	-744	-2,460
Others	-1,532	-321	-2,157
<b>Net cash provided by (used in) investment activities</b>	<b>-5,123</b>	<b>-7,615</b>	<b>-12,883</b>
<b>III Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	-10	6,485	491
Repayment of long-term loans payable	-35	-30	-66
Cash dividends paid	-1,011	-1,431	-2,031
Others	151	-1,250	290
<b>Net cash provided by (used in) financing activities</b>	<b>-905</b>	<b>3,773</b>	<b>-1,316</b>
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	<b>43</b>	<b>-105</b>	<b>-479</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>-311</b>	<b>4,234</b>	<b>-3,044</b>
<b>VI Cash and cash equivalents at beginning of term</b>	<b>12,714</b>	<b>9,679</b>	<b>12,714</b>
<b>VII Increase of cash and cash equivalents due to fiscal year-end change for subsidiaries</b>	<b>8</b>	<b>-</b>	<b>8</b>
<b>VIII Cash and cash equivalents at end of term</b>	<b>12,412</b>	<b>13,913</b>	<b>9,679</b>

(Note) fractions of one million yen are rounded off



#### (4)Segment Information

##### 1. Information about operations by geographic area Six months ended September 30,2007

(Unit: Millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Eliminations/ Corporate	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	17,220	10,185	19,218	3,905	2,440	52,969	-	52,969
Inter-area transfer	13,737	10	224	9	141	14,123	(14,123)	-
Total net sales	30,957	10,196	19,442	3,914	2,581	67,092	(14,123)	52,969
Operating expenses	27,445	9,717	17,272	3,490	2,258	60,183	(13,673)	46,510
Operating income	3,512	479	2,169	424	323	6,909	(450)	6,459

Six months ended September 30,2008

(Unit: Millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Eliminations/ Corporate	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	17,959	12,055	19,183	4,441	2,857	56,497	-	56,497
Inter-area transfer	16,739	0	320	2	98	17,162	(17,162)	-
Total net sales	34,699	12,056	19,504	4,444	2,955	73,659	(17,162)	56,497
Operating expenses	30,828	11,503	16,632	3,959	2,627	65,552	(15,982)	49,569
Operating income	3,870	552	2,871	484	327	8,107	(1,179)	6,927

##### 2. Net Sales to Foreign Customers

Six months ended September 30,2007

(Unit: Millions of Yen)

	Americas	Europe	China	Asia Pacific	Total
Net Sales to Foreign Customers	10,214	19,241	3,905	3,136	36,497
Consolidated Sales	-	-	-	-	52,969
The rate of net sales to foreign customers to	19.3%	36.3%	7.4%	5.9%	68.9%

Six months ended September 30,2008

(Unit: Millions of Yen)

	Americas	Europe	China	Asia Pacific	Total
Net Sales to Foreign Customers	12,084	19,217	4,441	3,652	39,396
Consolidated Sales	-	-	-	-	56,497
The rate of net sales to foreign customers to	21.4%	34.0%	7.8%	6.5%	69.7%