Summary of Consolidated Financial Results for the nine months Ended December 31, 2010

February 2, 2011

Listed company name	:	Sysmex Corporation
Code	:	6869
Listed stock exchanges	:	Tokyo Stock Exchange Osaka Securities Exchange
URL	:	http://www.sysmex.co.jp
Company representative	:	Hisashi Ietsugu, President and CEO
Contact	:	Yukitoshi Kamao, Executive Vice President, Corporate Business Administration
Phone	:	078(265)-0500
Scheduled date for filing of quarterly report	:	February 10, 2011
Scheduled date for dividend payment		—
Preparation of supplementary material for quarterly earnings	:	Yes
Holding of quarterly earnings announcement	:	Yes

(Unit: Millions of Yen)

1. Results for the nine months ended December 31, 2010

(1) Operating results

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

	Net Sales		Operating income		Ordinary income		Net income	
Nine months ended Dec. 31, 2010	89,712	7.9%	13,449	20.8%	12,894	16.4%	8,031	19.1%
Nine months ended Dec. 31, 2009	83,162	3.1%	11,132	10.3%	11,081	40.5%	6,741	46.2%

	Net income per share (Yen)	Diluted net income per share (Yen)
Nine months ended Dec. 31, 2010	156.51	156.19
Nine months ended Dec. 31, 2009	131.75	131.57

(2) Financial condition

	Total assets	Net assets	Equity Ratio	Net assets per share (Yen)
As of Dec. 31, 2010	121,437	89,085	72.7%	1,720.84
As of Mar. 31, 2010	120,702	87,136	71.5%	1,684.90

Note:

Equity capital: 88,345 million yen as of December 31, 2010; 86,357 million yen as of March 31, 2010

2. Dividends (The year ended March 31, 2010 and the year ending March 31, 2011)

	Dividend per share				
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)
Year ended Mar. 31, 2010	—	25.00	—	31.00	56.00
Year ending Mar. 31, 2011	—	28.00	—		
Year ending Mar. 31, 2011 (Forecast)				28.00	56.00

Note:

Revision of dividends forecast for this period: No

3. Business forecast for the year ending March 31, 2011

(% 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, 2011	123,000	5.9%	17,500	11.4%	16,800	6.5%	10,800	10.6%	210.43

Note:

Revision of business forecast for this period: No

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):
51,446,108 shares as of Dec. 31, 2010; 51,353,708 shares as of Mar. 31, 2010

2) Number of treasury stock at the end of each fiscal period:
107,568 shares as of Dec. 31, 2010; 99,726 shares as of Mar. 31, 2010

3) Average number of outstanding stock for each period (cumulative):
51,317,248 shares nine months ended Dec. 31, 2010; 51,172,229 shares nine months ended Dec. 31, 2009

*It is under the review procedure based on the Financial Instruments and Exchange Act at the time of disclosure of this report.

*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 nine months of the fiscal year ending March 31, 2011 (April 1 to December 31, 2010), the Japanese economy was characterized by an increase in exports, supported by economic expansion in emerging markets, centered on China. And the economy was in a recovery phase, triggered by government economic stimulus measures. However, the period was marked by a growing sense of uncertainty, prompted by such factors as rapid appreciation of the yen against other currencies, the ongoing scarcity of job opportunities and progressive deflation. These factors, coupled with the European debt crisis and decelerating economic activity in the United States, make it difficult to remain positive about the global economic outlook.

On the healthcare front, earnings and profits at medical institutions in Japan are beginning to improve, prompted by the restructuring of public hospitals and revisions in medical remuneration. In advanced countries in Europe and North America, efforts are underway to reduce healthcare costs and reform medical systems. In the United States, implementation has begun on a medical reform bill that aims to reduce the number of people without medical insurance. In China, medical system reform that is underway aims to build infrastructures that provide uniform medical services in cities and farming villages throughout the country.

Amid these conditions, in a bid to further expand its share of the urinalysis market the Sysmex Group commenced sales of the world's first fully automated integrated urine analyzer, jointly developed with ARKRAY, Inc. The Sysmex Group also extended its product lineup for China and other parts of Asia by signing agreements with JEOL Ltd. and Furuno Electric Co., Ltd., involving automated clinical chemistry analyzers in these regions. In addition, the Group commenced work on expanding a reagent production facility in Jinan, China, to meet rapid demand growth in the country.

Net Sales by Destination

First Nine Months Ended December 31,2010	2009		2010		Percentage of Previous Year's Figure (%)
	Amount (Millions of Yen)	Percentage of Total (%)	Amount (Millions of Yen)	Percentage of Total (%)	
Japan	25,392	30.5	26,666	29.7	105.0
Americas	16,694	20.1	19,231	21.4	115.2
Europe	26,961	32.4	25,767	28.7	95.6
China	8,719	10.5	11,363	12.7	130.3
Asia Pacific	5,395	6.5	6,683	7.5	123.9
Overseas subtotal	57,769	69.5	63,046	70.3	109.1
Total	83,162	100.0	89,712	100.0	107.9

In Japan, our ongoing efforts to promote solutions led to solid sales in hematology and other fields, as well as the acquisition of a major order. This offset a decrease in sales of our influenza detection kit, POCTEM, following the spread of the new influenza virus in the preceding term. As a result, we posted third-quarter net sales of ¥26,666 million, up 5.0%, compared with the third quarter of the previous fiscal year.

In overseas markets, we made steady progress in the strengthening of sales and support structures and the provision of solutions. As a result, sales moved steadily upward on a local currency basis due to increased sales of instruments and diagnostic reagents. Consequently, despite major yen appreciation the Group's overseas sales were ¥63,046 million, up 9.1% year on year. The overseas sales ratio was 70.3%, up 0.8 percentage points from the same period of the previous fiscal year.

As a result, during the third quarter the Group recorded consolidated net sales of ¥89,712 million, up 7.9%. Operating income grew 20.8%, to ¥13,449 million; ordinary income rose 16.4%, to ¥12,894 million; and net income expanded 19.1%, to ¥8,031 million.

Performance by segment

(1) Japan

Performance remained robust in the hematology field, our main business domain, and our perseverance in presenting solutions to customers paid off in the form of large orders. These factors contributed to a 9.5% rise in net sales compared with the corresponding period of the preceding fiscal year, to ¥29,188 million, despite a decline in sales of influenza testing kits, POCTEM, which contributed to performance in the previous year.

Despite the negative effects on income of yen appreciation, we posted operating income of ¥5,316 million, up 138.5% from the third quarter of the previous year. This rise was the result of higher gross profit, stemming from an improved cost ratio, progress in reducing costs and an increase in export sales to Group companies, including the impact of a revision in intragroup transaction prices. Also contributing to the increase was a change in the method of recording the royalty income, including it in net sales rather than in non-operating income.

(2) Americas

In the United States, sales grew as a result of our focus on developing direct sales and support networks, as well as our success in promoting solutions that meet customer needs, which earned us orders from integrated health networks (IHNs), the U.S. Veterans Integrated Service Network (VISN) and prominent commercial labs. As a result, despite the negative effects of yen appreciation, sales in the Americas grew 10.7%, to ¥18,364 million.

Compensating for the higher cost of sales resulting from a revision in intragroup transaction prices and an increase in selling, general and administrative expenses, the rise in sales prompted a 17.2% increase in operating income, to ¥2,198 million.

(3) Europe

In addition to expanding our direct sales and support structure, sales began to recover in the Italy and Spain, despite the lingering impact of financial crises. Although sales were robust on a local-currency basis, centered on the hematology field, net sales in this region dropped 4.5% year on year, to ¥25,704 million, affected by substantial appreciation of the yen against the euro.

Although up on a local currency basis, significant yen appreciation caused operating income to fall 8.0% in yen terms, to ¥3,564 million.

(4) China

In China, sales surged 30.3%, to ¥11,363 million. Behind these solid results were substantially higher sales in the hematology, hemostasis and urinalysis fields.

Owing to higher sales, which compensated for the higher cost of sales resulting from a revision in intragroup transaction prices, operating income rose 0.6%, to ¥2,176 million.

(5) Asia Pacific

Favorable sales growth continued in India and Indonesia, and a major new order bolstered sales of system products in Malaysia. Consequently, sales increased substantially, centered on the hematology field. Sales in the region amounted to ¥5,092 million, up 19.1%.

Owing to the higher cost of sales resulting from a revision in intragroup transaction prices and an increase in selling, general and administrative expenses, operating income fell 19.4%, to ¥602 million.

2. Financial conditions analysis

(1) Assets, liabilities and net assets

As of December 31, 2010, total assets amounted to ¥121,437 million, up ¥734 million from March 31, 2010. Major reasons for this rise included an ¥684 million increase in cash and deposits, ¥652 million higher work in process, a ¥252 million rise in raw materials and supplies, and among other current assets, lease investment assets increased ¥250 million. Property, plant and equipment fell ¥842 million, and investments and other assets declined ¥470 million.

At the same time, total liabilities fell ¥1,214 million from the end of the preceding fiscal year, to ¥32,351 million. This was due mainly to a ¥1,067 million decline in the provision for bonuses.

Total net assets grew ¥1,949 million, to ¥89,085 million, due mainly to an ¥5,005 million increase in retained earnings, while foreign currency translation adjustments dropped ¥3,244 million. The equity ratio as of December 31, 2010, was 72.7%, up 1.2 percentage points from March 31, 2010.

(2) Cash flows

As of December 31, 2010, cash and cash equivalents amounted to ¥14,491 million, up ¥679 million from March 31, 2010.

Cash flows from various activities are described in more detail below.

(Operating cash flow)

Net cash provided by operating activities was ¥10,999 million, down ¥2,561 million from a year earlier. Income before income taxes provided ¥12,640 million, ¥2,013 million more than in the first three quarters of the preceding fiscal year, but the increase in trade notes and receivable used ¥897million, compared with ¥4,203 million provided in the previous term. An increase in trade notes and accounts payable provided ¥701 million, compared with ¥2,033 million used in the previous term, and income taxes paid used ¥4,750 million, ¥1,920 million more than in the preceding term.

(Investing cash flow)

Net cash used in used in investing activities was ¥6,154 million, ¥1,977 million more than in the first three quarters of the preceding fiscal year. The main use of cash was the purchase of property, plant and equipment, which used ¥3,981 million, a ¥1,194 million year-on-year increase.

(Financing cash flow)

Net cash used in financing activities came to ¥3,167 million, down ¥2,255 million. Despite the cash provided by a ¥443 million net increase in short-term loans payable, compared with a ¥1,726 million decrease in the corresponding period of the previous fiscal year, cash dividends paid used ¥3,026 million, ¥417 million more than in the first nine months of the preceding term.

3. Consolidated financial forecast

Third-quarter net sales and profit were higher than in the third quarter of the previous term, and fourth-quarter performance is progressing in line with our expectations. Consequently, we maintain unchanged our consolidated financial forecast for the full year, as announced on November 4, 2010.

The forecasts above are based on information available as of the date of this release. Actual results may differ materially from these forecasts due to unforeseen factors and future events.

Consolidated Balance Sheets

(Unit: Millions of Yen)

Items	As of December. 31, 2010 Amount	As of Mar. 31, 2010 Amount
(Assets)		
Ⅰ Current assets		
Cash and deposits	14,520	13,835
Notes and accounts receivable-trade	29,638	30,507
Short-term investment securities	166	134
Merchandise and finished goods	13,784	13,988
Work in process	1,916	1,264
Raw materials and supplies	3,776	3,524
Others	9,314	7,999
Allowance for doubtful accounts	(360)	(384)
Total current assets	72,756	70,870
Ⅱ Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	15,346	15,827
Others	19,824	20,185
Total Property, plant and equipment	35,170	36,013
Intangible assets		
Goodwill	1,955	1,741
Others	4,425	4,476
Total Intangible assets	6,380	6,218
Total Investments and other assets	7,129	7,599
Total Noncurrent assets	48,680	49,832
Total assets	121,437	120,702
(Liabilities)		
Ⅰ Current liabilities		
Notes and accounts payable-trade	10,758	10,233
Short-term loans payable	438	16
Income taxes payable	2,356	2,447
Provision for bonuses	1,869	2,936
Provision for directors' bonuses	169	190
Provision for product warranties	124	149
Others	12,230	13,613
Total current liabilities	27,947	29,587
Ⅱ Noncurrent liabilities		
Long-term loans payable	9	3
Provision for retirement benefits	862	639
Provision for directors' retirement benefits	160	160
Others	3,371	3,175
Total Noncurrent liabilities	4,404	3,978
Total liabilities	32,351	33,565
(Net assets)		
Ⅰ Shareholders' equity		
Capital stock	8,997	8,824
Capital surplus	13,936	13,763
Retained earnings	71,281	66,276
Treasury stock	(247)	(204)
Total shareholders' equity	93,968	88,660
Ⅱ Valuation and translation adjustments		
Valuation difference on available-for-sale securities	163	270
Deferred gains or losses on derivatives under hedge accounting	17	(13)
Foreign currency translation adjustment	(5,804)	(2,560)
Total valuation and translation adjustments	(5,622)	(2,303)
Ⅲ Subscription rights to shares	615	666
Ⅳ Minority interests	124	112
Total net assets	89,085	87,136
Total liabilities and net assets	121,437	120,702

(Note) fractions of one million yen are rounded off

Consolidated Statements of Income

(Unit: Millions of Yen)

Items	Nine months ended December. 31, 2009 Amount	Nine months ended December. 31, 2010 Amount
Ⅰ Net sales	83,162	89,712
Ⅱ Cost of sales	29,514	31,975
Gross profit	53,648	57,737
Ⅲ Selling, general and administrative expenses	42,515	44,287
Operating income	11,132	13,449
Ⅳ Non-operating income		
Interest income	80	89
Dividends income	46	48
Income from investment real estate	288	295
Income from business collaboration agreement	-	214
Others	229	254
Total non-operating income	645	902
Ⅴ Non-operating expenses		
Interest expenses	186	78
Equity in losses of affiliates	45	45
Maintenance cost of investment real estate	121	112
Foreign exchange losses	266	1,033
Others	75	187
Total non-operating expenses	696	1,457
Ordinary income	11,081	12,894
Ⅵ Extraordinary profits		
Gain on sales of noncurrent assets	48	4
Reversal of allowance for doubtful accounts	9	12
Others	4	3
Total extraordinary profits	61	20
Ⅶ Extraordinary loss		
Loss on valuation of investment securities	436	38
Loss on sales and retirement of noncurrent assets	77	47
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	187
Others	0	0
Total extraordinary loss	514	273
Income before income taxes and minority interest	10,627	12,640
Income taxes-current	3,860	4,643
Income taxes-deferred	12	(48)
Total income taxes	3,873	4,594
Income before minority interests	-	8,046
Minority interest	12	15
Net income	6,741	8,031

(Note) fractions of one million yen are rounded off

Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

Items	Nine months ended December. 31, 2009	Nine months ended December. 31, 2010
Ⅰ Net cash provided by (used in) operating activities		
Income before income taxes	10,627	12,640
Depreciation and amortization	5,149	5,076
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	187
Decrease (increase) in notes and accounts receivable-trade	4,203	(897)
Decrease (increase) in inventories	(1,620)	(1,737)
Increase (decrease) in notes and accounts payable-trade	(2,033)	701
Others	124	(262)
Subtotal	16,450	15,709
Interest and dividends received	110	111
Interest expenses paid	(171)	(70)
Income taxes paid	(2,830)	(4,750)
Net cash provided by (used in) operating activities	13,560	10,999
Ⅱ Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(2,786)	(3,981)
Purchase of intangible assets	(1,622)	(1,141)
Others	231	(1,032)
Net cash provided by (used in) investment activities	(4,177)	(6,154)
Ⅲ Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,726)	443
Repayment of long-term loans payable	(49)	(7)
Cash dividends paid	(2,609)	(3,026)
Others	(1,037)	(577)
Net cash provided by (used in) financing activities	(5,422)	(3,167)
Ⅳ Effect of exchange rate change on cash and cash equivalents	(175)	(997)
Ⅴ Net increase (decrease) in cash and cash equivalents	3,785	679
Ⅵ Cash and cash equivalents at beginning of term	9,410	13,812
Ⅶ Cash and cash equivalents at end of term	13,195	14,491

(Note) fractions of one million yen are rounded off

Segment Information

1. Information about operations by geographic area

Nine months ended December 31, 2009

(Unit: Millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Eliminations/ Corporate	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	26,650	16,590	26,927	8,719	4,274	83,162	-	83,162
Inter-area transfer	21,428	7	373	3	120	21,933	(21,933)	-
Total net sales	48,079	16,597	27,301	8,722	4,395	105,095	(21,933)	83,162
Operating expenses	45,850	14,722	23,427	6,559	3,648	94,206	(22,176)	72,030
Operating income	2,228	1,875	3,873	2,163	747	10,888	243	11,132

2. Net Sales to Foreign Customers

Nine months ended December 31, 2009

(Unit: Millions of Yen)

	Americas	Europe	China	Asia Pacific	Total
Net Sales to Foreign Customers	16,694	26,961	8,719	5,395	57,769
Consolidated Sales	-	-	-	-	83,162
The rate of net sales to foreign customers to consolidated sales	20.1%	32.4%	10.5%	6.5%	69.5%

(Additional information)

From the three months ended June 30, 2010, the Group applies the "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information"(ASBJ Statement No.17 of March 27, 2009) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information"(ASBJ Statement No.20 of March 21, 2009) .

Information on sales and income by geographic segment reported

Nine months ended December 31, 2010

(Unit: Millions of Yen)

	Japan	Americas	Europe	China	Asia Pacific	Total	Adjustment	Consolidated
Sales and Operating income								
Sales								
Net Sales to outside customers	29,188	18,364	25,704	11,363	5,092	89,712	-	89,712
Inter-area transfer	25,787	1	196	4	134	26,124	(26,124)	-
Total net sales	54,975	18,366	25,900	11,368	5,226	115,836	(26,124)	89,712
Operating income	5,316	2,198	3,564	2,176	602	13,858	(408)	13,449