



Business Results

First Nine Months of Fiscal Year Ending March 31, 2014

February 5, 2014

Sysmex Corporation

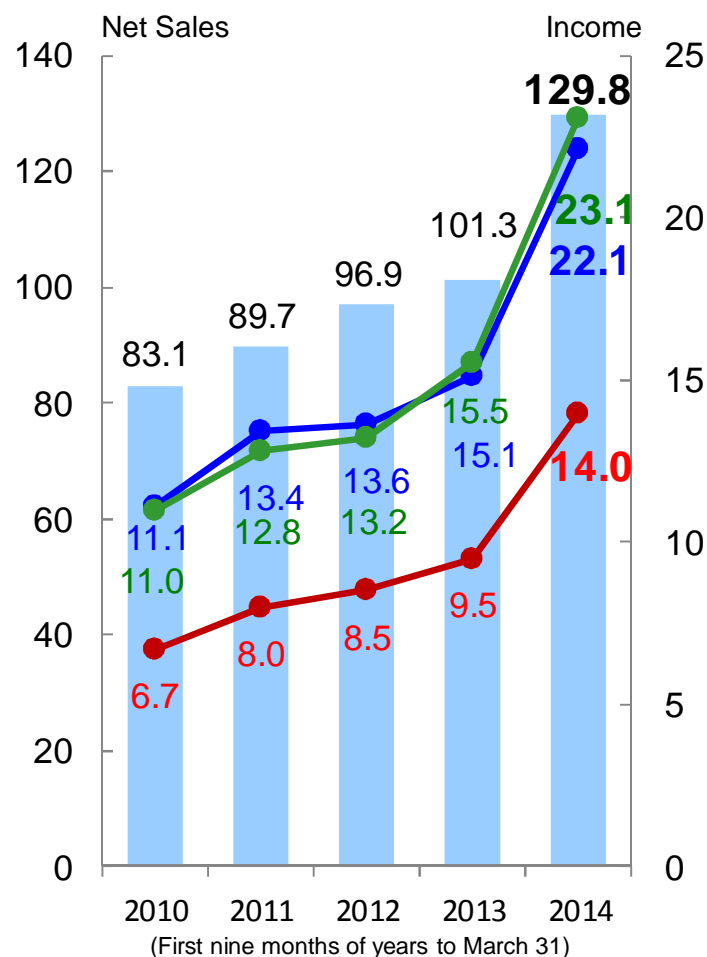
Forward-Looking Statements

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.

Financial Highlights



(Billions of yen)



Net Sales Operating Income
Ordinary Income Net Income

	First nine months of fiscal year ending March 31, 2014	First nine months of fiscal year ended March 31, 2013
1USD	¥99.4	¥80.0
1EUR	¥132.2	¥102.2

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	First nine months of fiscal year ending March 31, 2014		First nine months of fiscal year ended March 31, 2013		YOY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net Sales	129.8	100%	101.3	100%	128.1%
Cost of Sales	47.1	36.3%	37.5	37.0%	125.6%
SG&A	60.5	46.7%	48.6	48.0%	124.5%
Operating Income	22.1	17.0%	15.1	15.0%	145.6%
Ordinary Income	23.1	17.8%	15.5	15.4%	148.8%
Net Income	14.0	10.8%	9.5	9.4%	147.1%

Net sales and all income categories reached historic highs.

- Net Sales: The Company recorded double-digit growth in sales, centered on overseas regions, due in part to the impact of yen depreciation.
- Operating income: Sysmex recorded an increase in operating income, due to the effect of higher sales and an improved cost of sales ratio.
- Non-operating balance: The forex gain was ¥0.75 billion (¥0.09 billion in the same period of the previous fiscal year).
 - Exchange rate fluctuations raised net sales ¥20.26 billion and operating income ¥6.78 billion

Note: At the exchange rates prevailing one year earlier, net sales would have been up 8.1% year on year, and operating income up 1.0%.

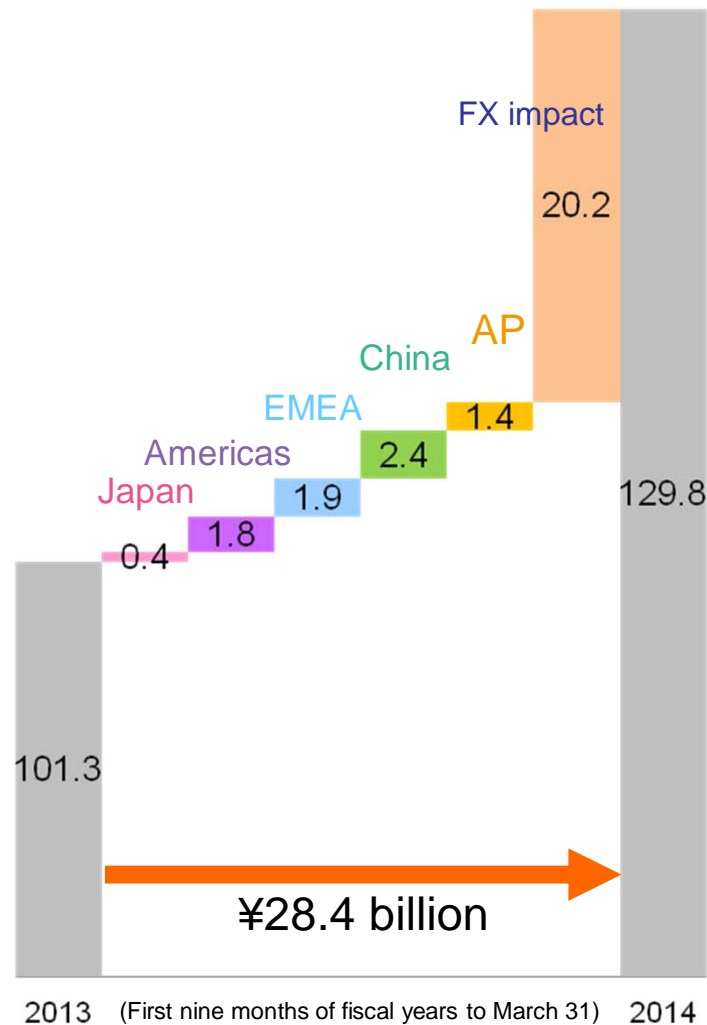
- Capital expenditure: ¥8.32 billion Depreciation and amortization: ¥7.17 billion
R&D expenditure: ¥9.72 billion

Breakdown of Net Sales and Operating Income

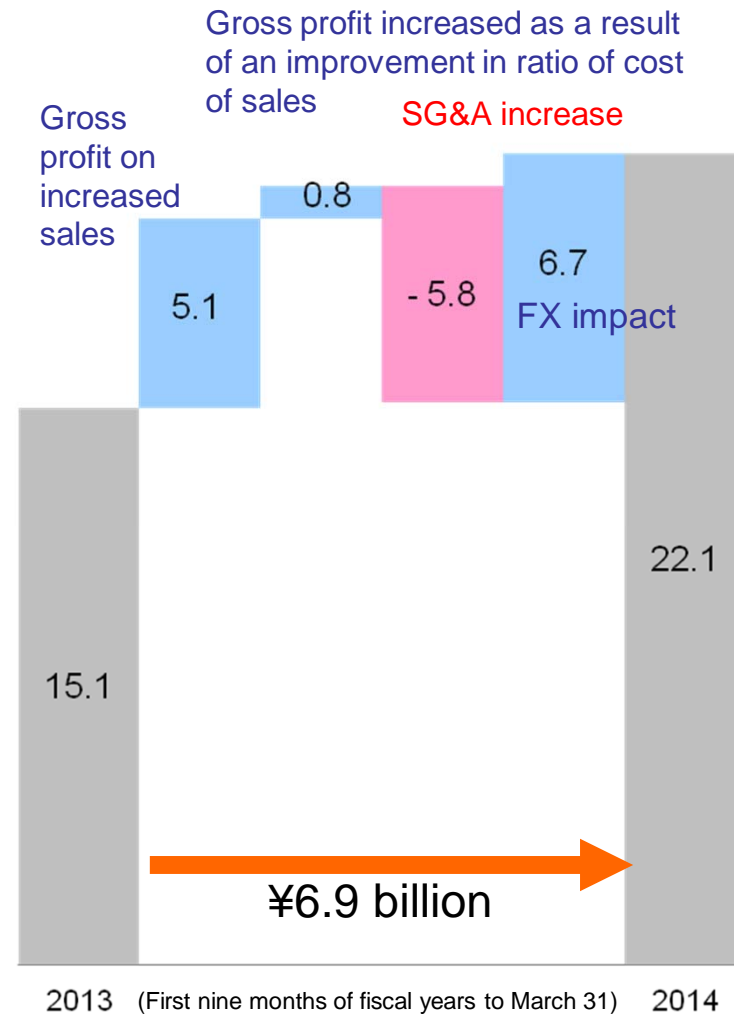
(Billions of yen)

Net Sales

Note: FX impact excluded from regional sales below



Operating Income



M&A, Operational Sites

- Acquisition of Inostics GmbH and conversion to subsidiary
Note: Acquisition of Partec GmbH completed in September 2013
- Establishment of subsidiary in Turkey, with direct sales and support to commence in April 2014

Products, Technologies

- Sysmex Inostics enters agreement with Bayer HealthCare to collaborate on development of companion diagnostic tests for targeted tumor therapies
- Sysmex receives manufacturing and marketing approval for reagent employed in test using a glycosylation marker to determine degree of hepatic fibrosis
- Launch of new ASTRIM FIT product for noninvasive measurement of estimated hemoglobin levels

Others

- XN-2000 and XN reagents receive German Design Award



ASTRIM FIT
health monitoring analyzer



XN-2000



XN reagents
Sysmex Corporation

Sales by Field of Business



(Billions of yen)

		First nine months of fiscal year ending March 31, 2014		First nine months of fiscal year ended March 31, 2013 ^{*1}		YOY (Previous period = 100%)
		Results	Ratio	Results	Ratio	
	Hematology	85.0	65.5%	65.9	65.1%	128.9%
	Urinalysis	10.3	8.0%	7.9	7.9%	129.9%
	Others ^{*2}	2.4	1.9%	2.2	2.2%	106.9%
HU-BU		97.8	75.3%	76.2	75.2%	128.4%
	Immunochemistry	1.5	1.2%	1.4	1.4%	110.9%
	Clinical chemistry	2.5	1.9%	1.9	1.9%	128.8%
	Hemostasis	19.5	15.1%	14.6	14.4%	133.7%
ICH-BU		23.6	18.2%	18.0	17.8%	131.4%
Other IVD ^{*3}		5.2	4.0%	4.6	4.6%	111.5%
IVD total		126.7	97.6%	98.8	97.6%	128.1%
LS-BU		1.0	0.8%	0.7	0.7%	148.7%
Others		2.0	1.6%	1.7	1.7%	116.9%
Total net sales		129.8	100.0%	101.3	100.0%	128.1%

^{*1} The figures for the fiscal year ended March 31, 2013, have been reorganized according to the segments after the changes.

^{*2} Laboratory Information Systems, others

^{*3} Sales of third-party products, others

Net Sales by Geographic Region



- Net Sales by Geographic Region (Sales to Customers)

(Billions of yen)

		First nine months of fiscal year ending March 31, 2014		First nine months of fiscal year ended March 31, 2013		YOY (Previous period = 100%)	
			Ratio		Ratio	(Yen)	(Local currency)
Net Sales		129.8	100%	101.3	100%	128.1%	-
Region	Americas ^{*1}	27.3	21.1%	20.4	20.1%	134.0%	107.9%
	EMEA	37.7	29.1%	27.5	27.2%	137.0%	105.8%
	China	26.0	20.1%	17.9	17.7%	144.8%	113.8%
	AP	9.9	7.6%	5.9	5.9%	166.9%	-
	Japan ^{*2}	28.7	22.1%	29.4	29.0%	97.5%	-

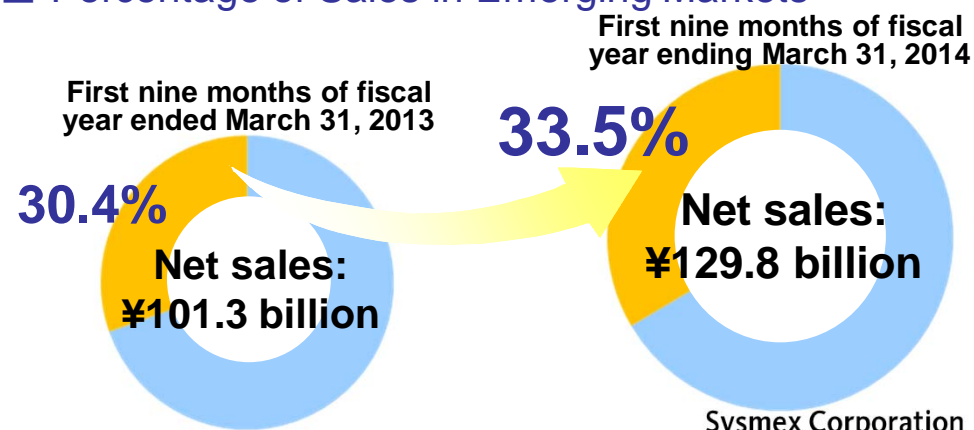
^{*1} During the first half of the fiscal year, the medical device excise tax was deducted from sales. However, in the third quarter results this tax has been treated as cost of sales for the first nine months of the fiscal year. (Revised retroactively in the third quarter for April–December.) Compared with the previous approach, the change had a ¥0.29 billion positive impact on sales (no effect on income).

^{*2} Includes sales to IDEXX and other customers. In the preceding fiscal year, also included sales to South Korea.

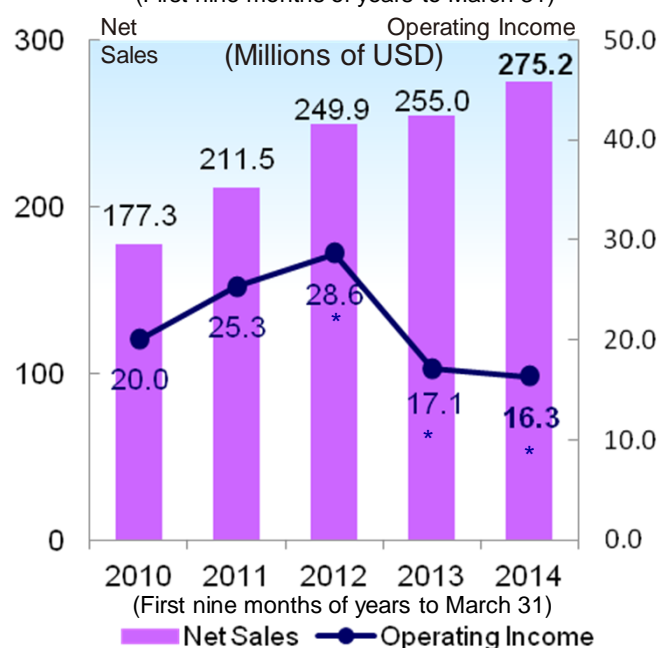
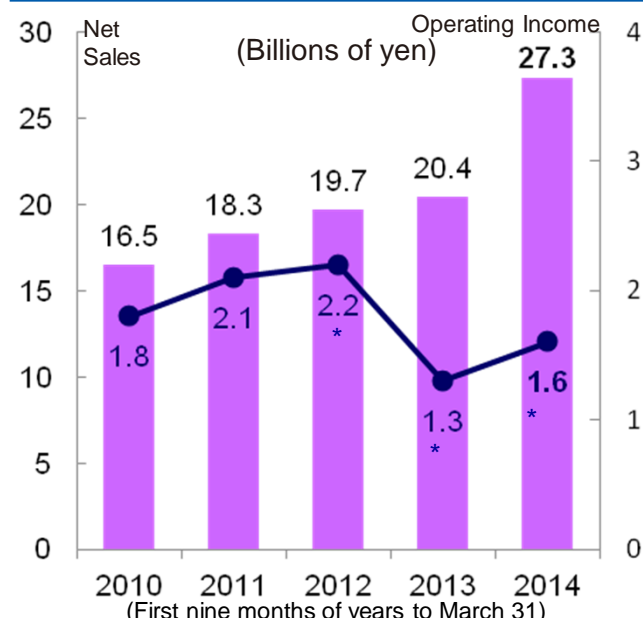
- Exchange Rates

	First nine months of fiscal year ending March 31, 2014	First nine months of fiscal year ended March 31, 2013
1USD	¥99.4	¥80.0
1EUR	¥132.2	¥102.2
1CNY	¥16.1	¥12.7

- Percentage of Sales in Emerging Markets



Geographic Segment Information: Americas



* Impact of the revision in intragroup transaction prices
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	First nine months of fiscal year ending March 31, 2014	First nine months of fiscal year ended March 31, 2013	(Billions of yen) YOY (Previous period = 100%)
Net Sales	27.3	20.4	134.0%
Operating Income*	1.6	1.3	118.3%

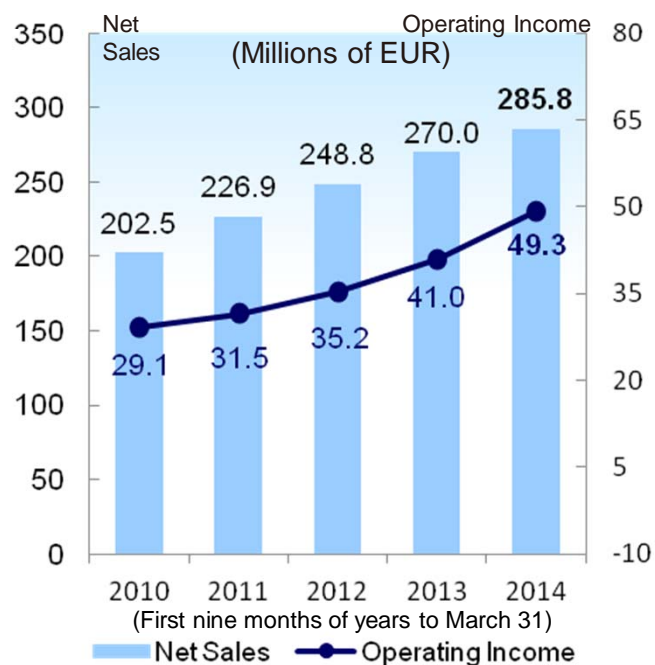
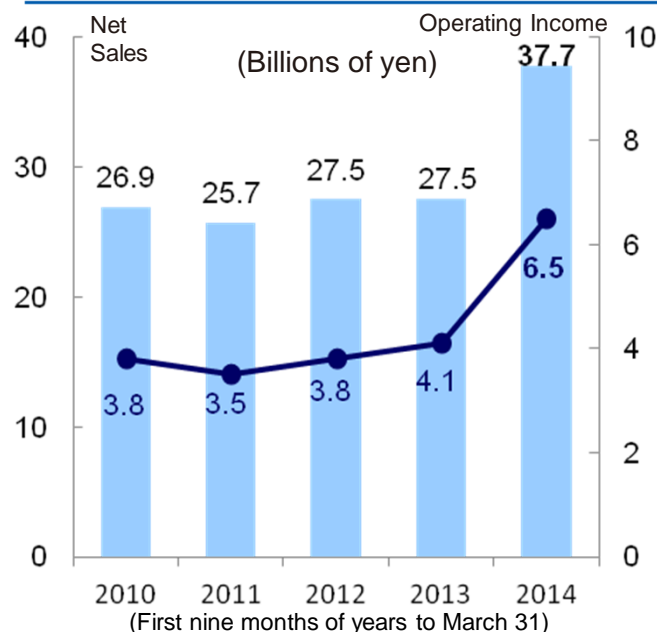
- Although cautious purchasing stemming from U.S. healthcare reform continued, sales of reagents and services increased. These factors, plus the impact of yen depreciation, pushed up sales in the region.
- Operating income rose, as higher sales compensated for the impact of the medical device excise tax, higher SG&A expenses and revisions in intragroup transaction prices.

Note: During the first half of the fiscal year, the medical device excise tax was deducted from sales. However, in the third quarter results this tax has been treated as cost of sales for the first nine months of the fiscal year. (Revised retroactively in the third quarter for April–December.) Compared with the previous approach, the change had a ¥0.29 billion positive impact on sales (no effect on income).

■ On a local currency basis: net sales 107.9%; operating income 95.2%

- United States: Cautious purchasing persisted, owing to the impact of healthcare reform. Nevertheless, higher sales of reagents and services led to a rise in sales.
- Canada: Sales declined, as some orders were shifted into the fourth quarter.
- Central and South America: Sales increased thanks to expanded sales in Chile and Costa Rica.

Geographic Segment Information: EMEA*



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* Europe, the Middle East and Africa

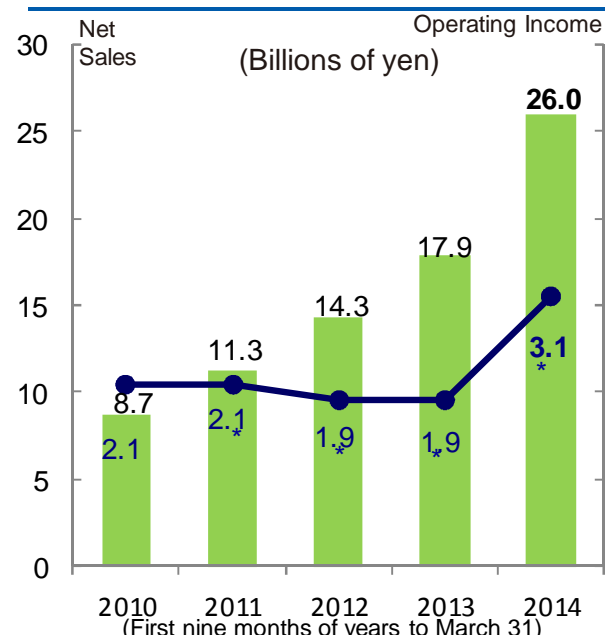
	First nine months of fiscal year ending March 31, 2014	First nine months of fiscal year ended March 31, 2013	YOY (Previous period = 100%)
Net Sales	37.7	27.5	137.0%
Operating Income	6.5	4.1	155.4%

- Overall sales increased mainly due to expansion in the five major countries in the region, stronger sales in Russia due to an enhanced sales network, and the impact of yen depreciation.
- Operating income surged, as higher sales and an improved cost of sales ratio outpaced the rise in SG&A expenses targeting a business expansion.

■ On a local currency basis: net sales 105.8%; operating income 120.1%

- Five major countries: Sales were up in each country, particularly in hematology.
 - Germany: Sales increased, centered on hematology reagents.
 - France: Sales rose due to increased XN sales stemming from lab consolidations.
 - Italy: Sales grew, focused on hematology instruments.
- Other parts of Europe: Sales were up, centered on Switzerland and Finland.
- Eastern Europe, Russia: Sales increased due to an enhanced sales network in Russia and other initiatives.
- Middle East, Africa: Sales increased, particularly in Kuwait, where XN sales were robust.

Geographic Segment Information: China



* Impact of the revision in intragroup transaction prices
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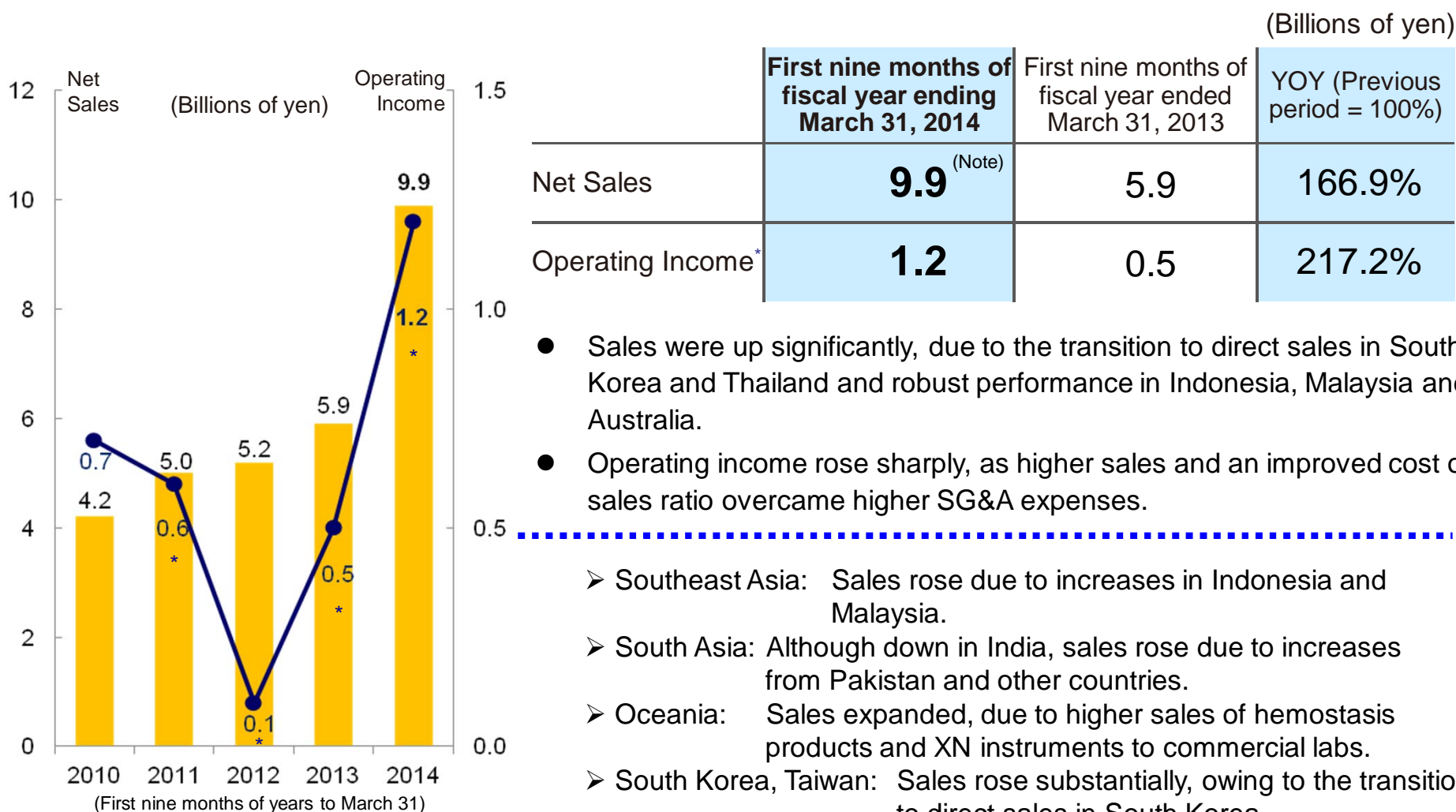
	First nine months of fiscal year ending March 31, 2014	First nine months of fiscal year ended March 31, 2013	YOY (Previous period = 100%)
Net Sales	26.0	17.9	144.8%
Operating Income*	3.1	1.9	156.0%

- Although affected by a state of market sluggishness, sales increased, centered on reagents in the hematology and hemostasis fields and due to the impact of yen depreciation.
- Despite higher SG&A expenses, operating income rose thanks to higher sales and the impact of yen depreciation.

■ On a local currency basis: net sales 113.8%; operating income 122.6%

- Hematology: Although instrument sales were sluggish, overall sales were up due to robust sales of reagents.
- Hemostasis: Sales increased due to increases in instruments and reagents due to favorable CS-5100 sales.
- Urinalysis: Overall sales increased on the back of higher reagent sales.

Geographic Segment Information: AP

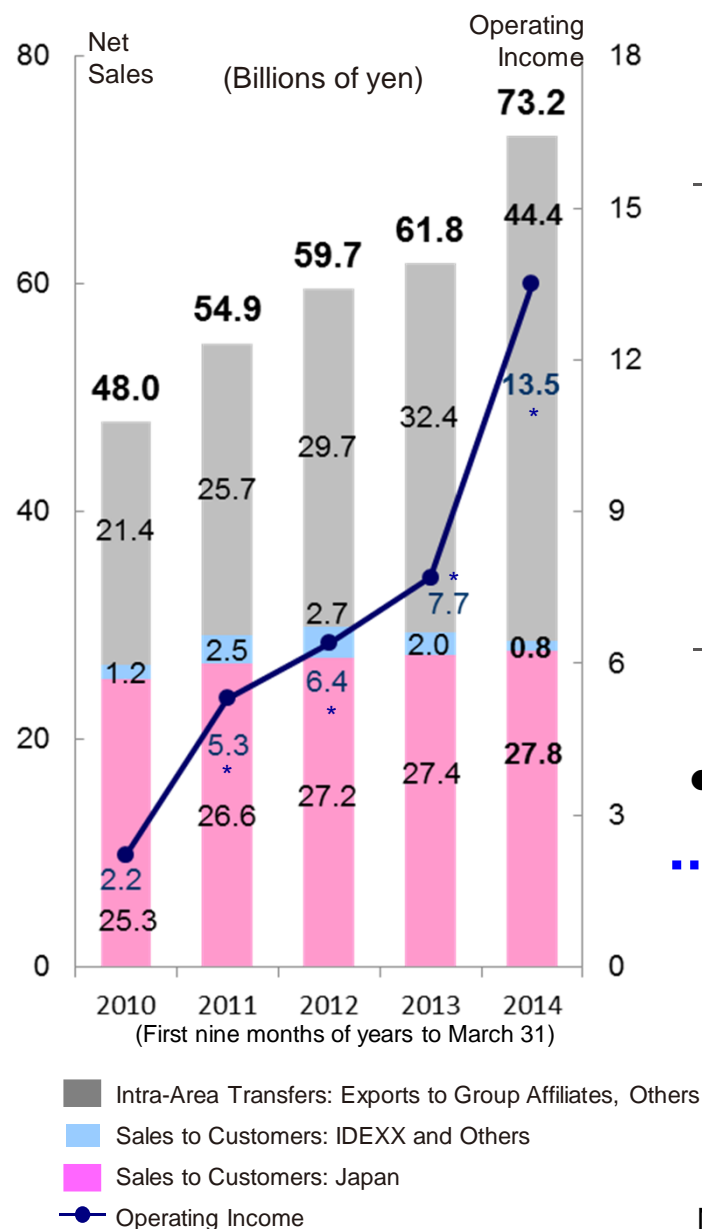


* Impact of the revision in intragroup transaction prices

• Excluding the impact of South Korea, 126.7% of the previous year's figure

(Note) Due to the conversion of our distributor in South Korea to a subsidiary, from the first quarter of the fiscal year ending March 31, 2014, sales formerly recorded in Japan have been moved to the AP region.

Geographic Segment Information: Japan



* Impact of the revision in intragroup transaction prices

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	First nine months of fiscal year ending March 31, 2014	First nine months of fiscal year ended March 31, 2013	YOY (Previous period = 100%)
Net Sales	73.2	61.8	118.3%
Sales to Customers	28.7	29.4	97.5%
Japan	27.8	27.4	101.7%
IDEXX and Others	0.8	2.0 ^(Note)	41.4%
Intra-Area Transfers	44.4	32.4	137.1%
Operating Income*	13.5	7.7	173.8%

● Sales in Japan increased slightly, but intra-area transfers to Group affiliates (overseas) boosted sales and income in this category.

- Japan: Sales were up slightly overall. Sales decreased in the hematology field but were robust in non-hematology fields.
- IDEXX and others: Although sales for IDEXX were up, sales in this category were down, reflecting the decrease in sales to South Korea due to the conversion of our distributor there to a subsidiary.

(Note) This includes ¥1.2 billion in sales to South Korea in the first nine months of the preceding fiscal year.

Note: Due to the conversion of our distributor in South Korea to a subsidiary, from the first quarter of the fiscal year ending March 31, 2014, sales formerly recorded in Japan have been moved to the AP region.

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Consolidated Earnings Forecast

(No revisions subsequent to November 2013 announcement)



Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2014

● Net Sales: ¥180.0 billion ● Operating Income: ¥30.0 billion ● Ordinary Income: ¥30.0 billion ● Net Income: ¥18.5 billion
 ● Operating Margin: 16.7% ● Ordinary Margin: 16.7% ● Net Income Margin: 10.3%

Planned Investment

● Capital Expenditure: ¥12.0 billion ● Depreciation and Amortization: ¥8.5 billion ● R&D Expenditure: ¥13.5 billion

Assumed exchange rates for full year:

1USD = ¥97.9

1EUR = ¥130.0

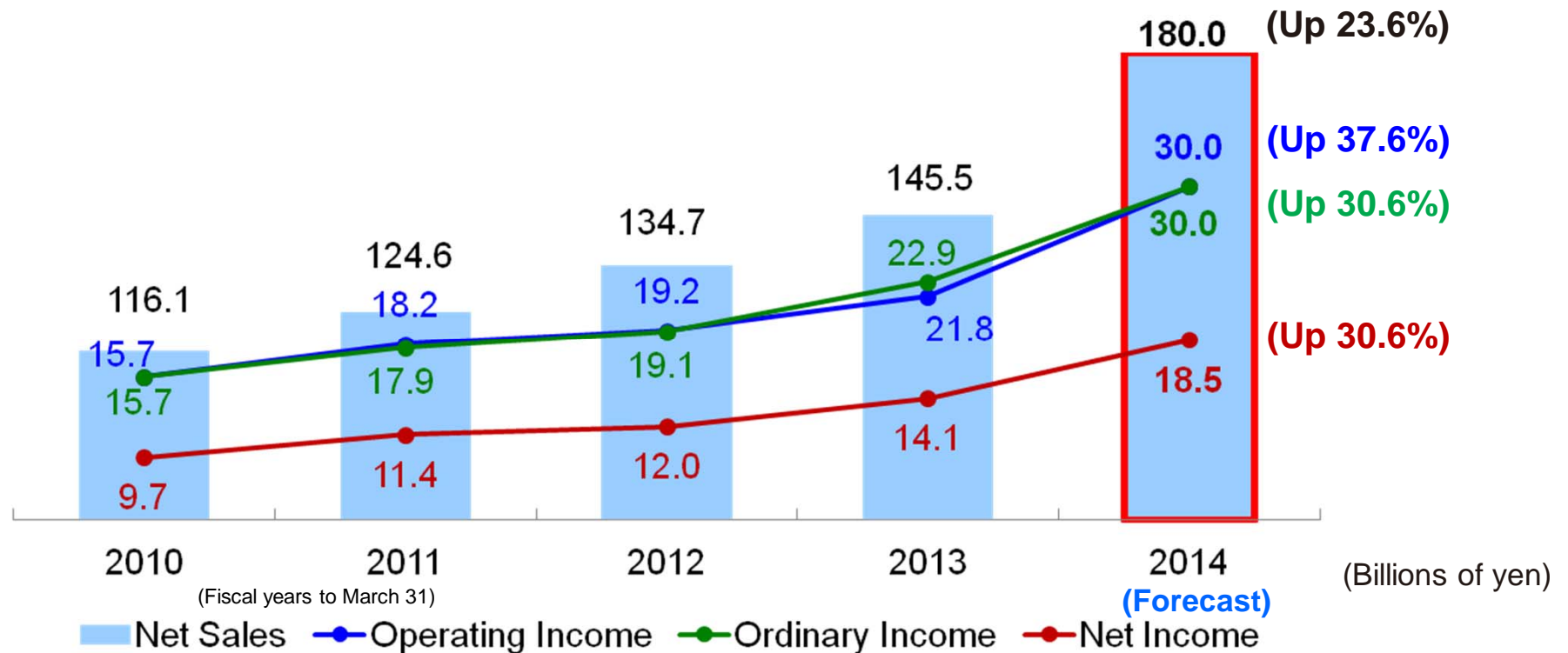
Note: Assumptions at beginning of year:

1USD = ¥95.0

1USD = ¥125.0

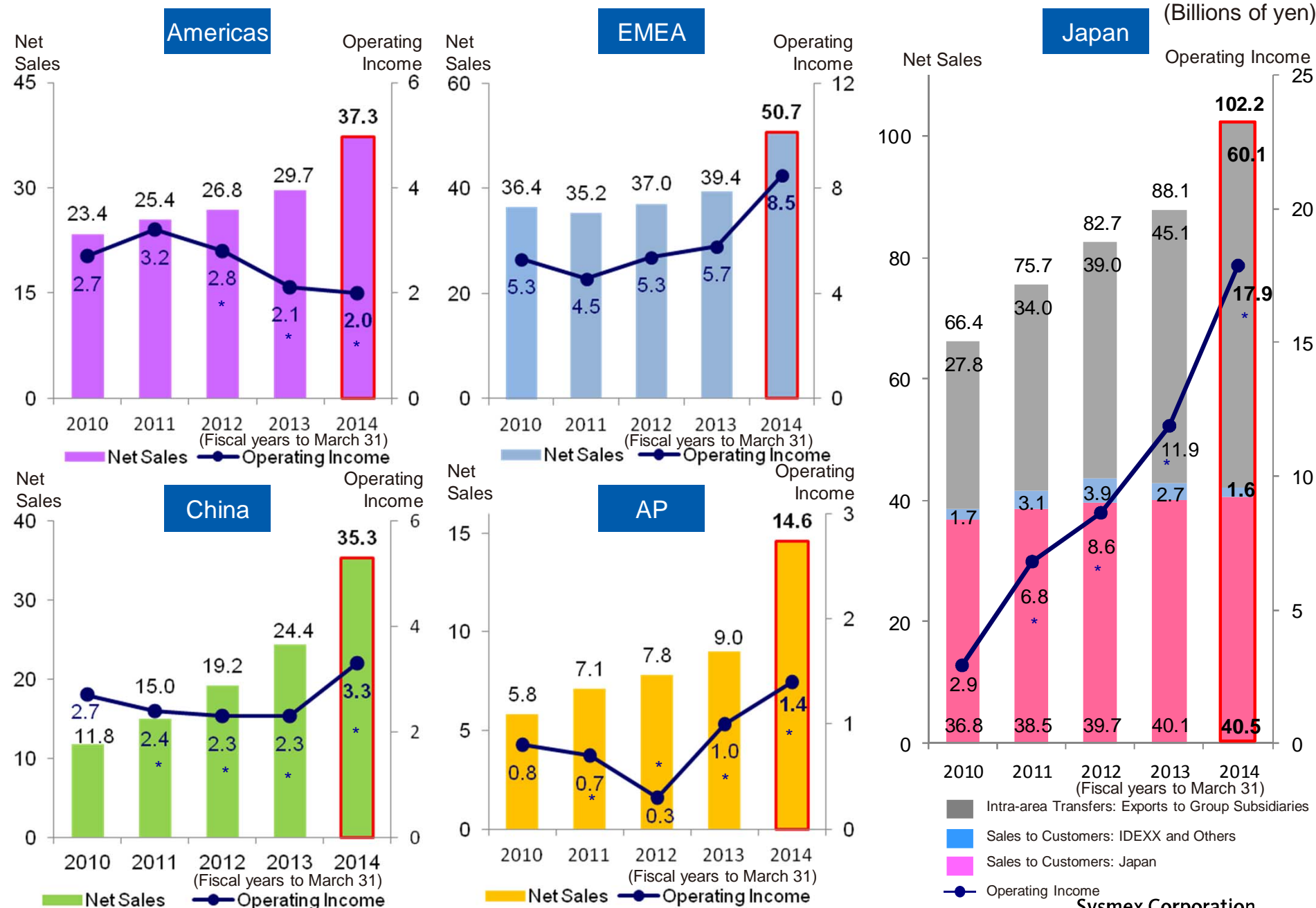
Actual for fiscal year ended March 31, 2013: 1USD = ¥83.1

1EUR = ¥107.2



Financial Targets: Sales and Operating Income by Region

(No revisions subsequent to November 2013 announcement)



We Believe the Possibilities.

Sysmex Corporation

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