



Business Results

First Three Months of Fiscal Year Ending March 31, 2015

August 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.

Principal Changes from the Preceding Fiscal Year



Note: See page 12 (“Reference Information”).

- (1) Change from recording product transport costs under selling, general and administrative (SG&A) expenses to cost of sales

Note: Retroactively applied to the fiscal year ended March 31, 2014

- First three months of fiscal year ended March 31, 2014: SG&A→cost of sales: ¥0.25 billion
- First three months of fiscal year ending March 31, 2015: SG&A→cost of sales: ¥0.30 billion

- (2) Change from recording instrument service costs under SG&A expenses to cost of sales

- First three months of fiscal year ending March 31, 2015: SG&A→cost of sales: ¥3.0 billion

- (3) Owing to a reversal of deferred service revenue and income in the Americas, temporary increases in sales and income

- In first three months of fiscal year ending March 31, 2015, only, sales + ¥0.42 billion, operating income + ¥0.36 billion

- (4) Sales and income for the following included in results for the first three months of the fiscal year ending March 31, 2015

Partec, Inostics, Sysmex Turkey, Medicaroid, RIKEN GENESIS

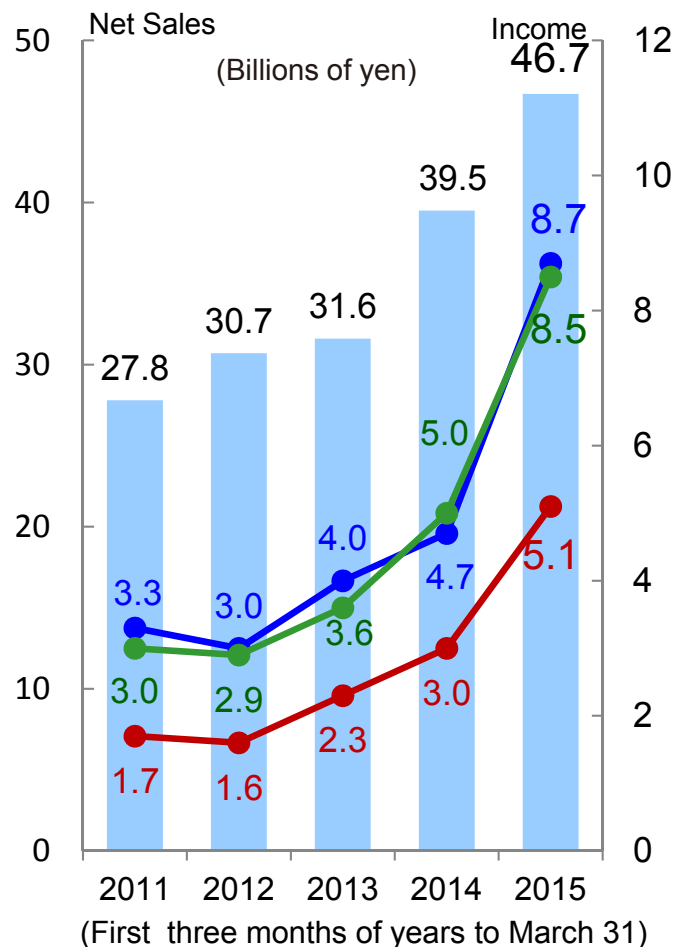
- (5) Revision in intragroup transaction prices

-Americas, EMEA*, China, Japan * Revised for the first time in the current fiscal year

Financial Highlights for the First Three Months of the Fiscal Year Ending March 31, 2015



- Net sales and all income categories reached historic highs.



Note: Figures include changes from the first three months of the fiscal year ending March 31, 2015, in the classification of service costs and other items. See page 12 ("Reference Information").

	First three months of fiscal year ending March 31, 2015		First three months of fiscal year ended March 31, 2014		YOY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net Sales	46.7	100%	39.5	100%	118.2%
Cost of Sales	18.8	40.4%	15.1	38.4%	124.3%
SG&A	19.0	40.9%	19.5	49.5%	97.5%
Operating Income	8.7	18.8%	4.7	12.1%	183.3%
Ordinary Income	8.5	18.2%	5.0	12.8%	168.2%
Net Income	5.1	11.1%	3.0	7.8%	169.2%

- 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: Operating income rose substantially thanks to the effects of higher sales and yen depreciation.
- Non-operating balance: The forex loss was ¥0.33 billion (¥0.23 billion gain in the same period of the previous fiscal year)
 - Exchange rate fluctuations raised net sales ¥1.77 billion and operating income ¥0.61 billion. Note: At the exchange rates prevailing one year earlier, net sales would have been up 13.7% year on year, and operating income up 70.5%.
- Capital expenditure (tangible): ¥4.04 billion Depreciation and amortization: ¥2.70 billion R&D expenditure: ¥3.43 billion
- Impact of Partec and Inostics: + ¥0.93 billion on net sales, - ¥0.33 billion on operating income

	First three months of fiscal year ending March 31, 2015	First three months of fiscal year ended March 31, 2014
1USD	¥102.2	¥98.8
1EUR	¥140.1	¥129.0

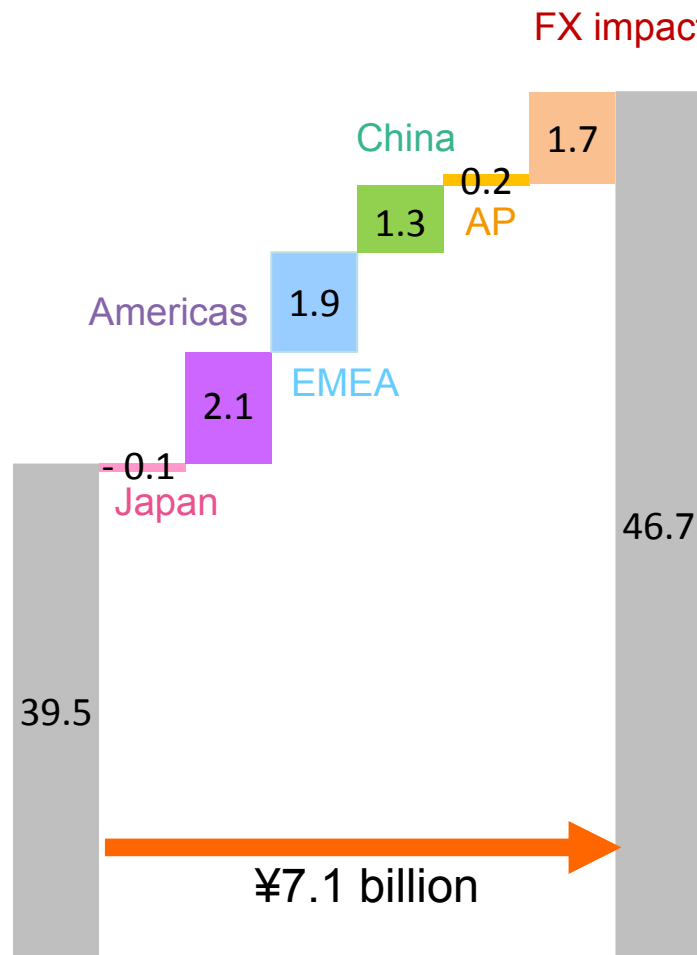
Breakdown of Net Sales and Operating Income



(Billions of yen)

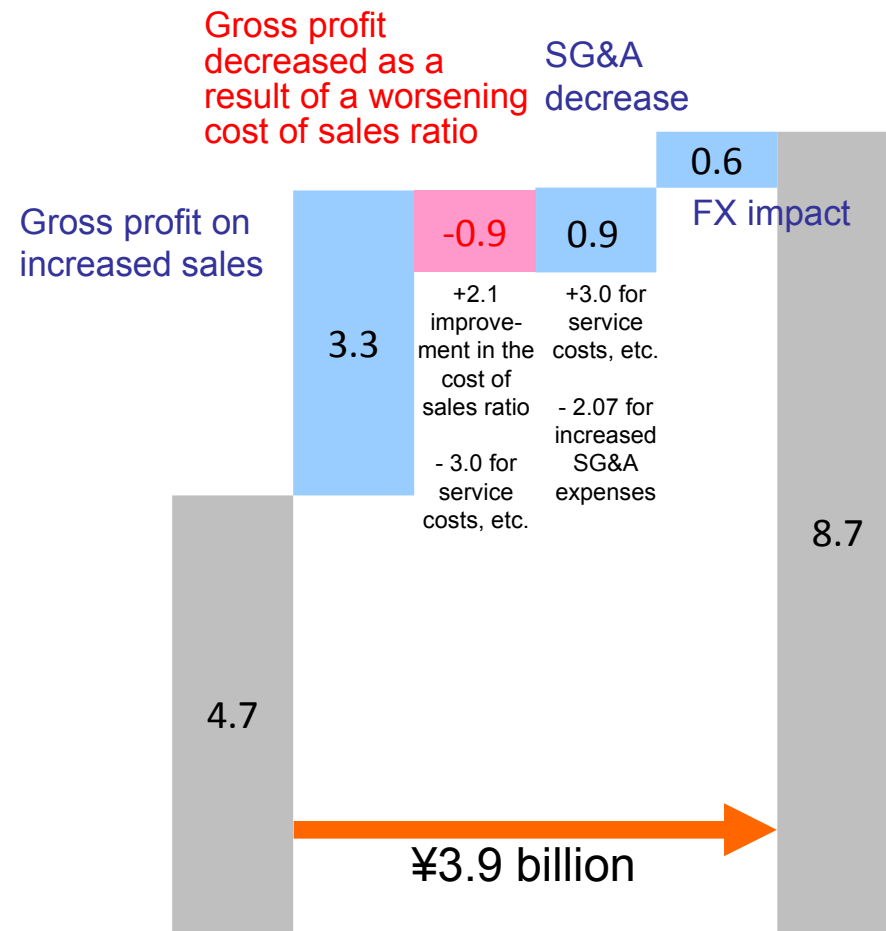
Net Sales

Note: FX impact excluded from regional sales below



2014 (First three months of years to March 31) 2015

Operating Income



2014 (First three months of years to March 31) 2015

Net Sales by Geographic Region



- Net Sales by Geographic Region (Sales to Customers)

(Billions of yen)

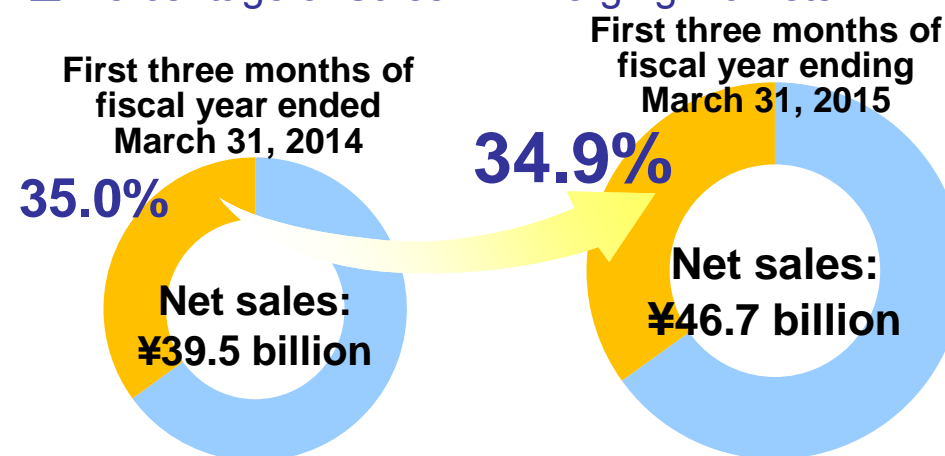
		First three months of fiscal year ending March 31, 2015		First three months of fiscal year ended March 31, 2014		YOY (Previous period = 100%)	
		Results	Ratio	Results	Ratio	(Yen)	(Local currency)
Net Sales		46.7	100%	39.5	100%	118.2%	-
Region	Americas	10.3	22.1%	8.1	20.7%	126.6%	122.4%
	EMEA	14.9	32.1%	12.0	30.5%	124.2%	114.3%
	China	10.2	21.9%	8.5	21.6%	119.4%	115.1%
	AP	3.1	6.9%	2.9	7.4%	109.0%	-
	Japan*	7.9	17.0%	7.8	19.8%	102.2%	-

* Includes sales to IDEXX and other customers

Percentage of Sales in Emerging Markets

- Exchange Rates

	First three months of fiscal year ending March 31, 2015	First three months of fiscal year ended March 31, 2014
1USD	¥102.2	¥98.8
1EUR	¥140.1	¥129.0
1CNY	¥16.5	¥16.0



Net Sales by Business



(Billions of yen)

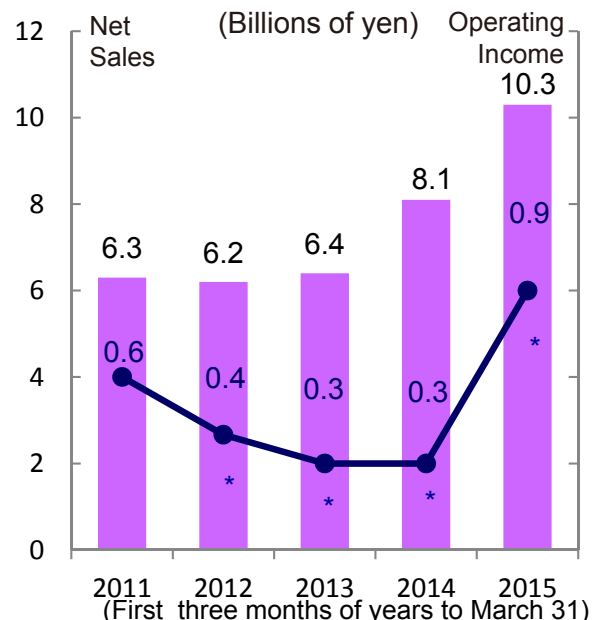
		First three months of fiscal year ending March 31, 2015		First three months of fiscal year ended March 31, 2014		YOY (Previous period = 100%)
		Results	Ratio	Results	Ratio	
	Hematology	30.7	65.8%	25.7	65.2%	119.2%
	Urinalysis	3.7	8.0%	3.2	8.2%	115.2%
	Others ^{*1}	1.4	3.2%	0.6	1.7%	218.7%
HU-BU		35.9	76.9%	29.7	75.1%	121.0%
	Immunochemistry	0.5	1.1%	0.4	1.1%	121.1%
	Clinical chemistry	0.8	1.7%	0.8	2.1%	98.3%
	Hemostasis	6.8	14.6%	6.4	16.2%	106.3%
ICH-BU		8.1	17.4%	7.6	19.4%	106.3%
Other IVD ^{*2}		1.3	3.0%	1.2	3.2%	112.0%
IVD total		45.5	97.4%	38.6	97.7%	117.8%
LS-BU ^{*3}		0.6	1.4%	0.3	0.8%	202.4%
Others		0.5	1.2%	0.5	1.5%	94.9%
Total net sales		46.7	100.0%	39.5	100.0%	118.2%

*1 Partec, Laboratory Information Systems, others

*2 Sales of third-party products, others

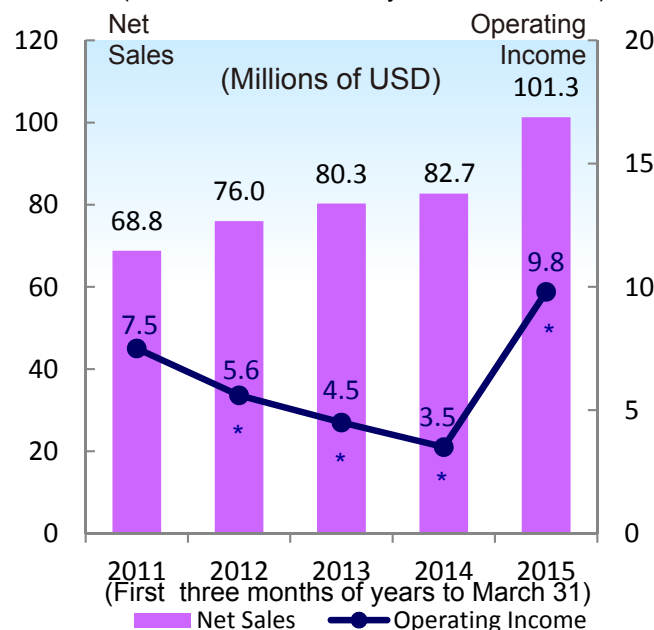
*3 Including Inostics

Geographic Segment Information: Americas



	First three months of fiscal year ending March 31, 2015	First three months of fiscal year ended March 31, 2014	YOY (Previous period = 100%)
Net Sales	10.3	8.1	126.6%
Operating Income*	0.9	0.3	287.4%

- With U.S. healthcare reform being implemented in earnest, the instrument market is recovering. In Central and South America, the launch of the XN-Series in Peru and others contributed to sales.
- Operating income rose substantially, due to the increase in sales, despite the impact of the revision in intragroup transaction prices.



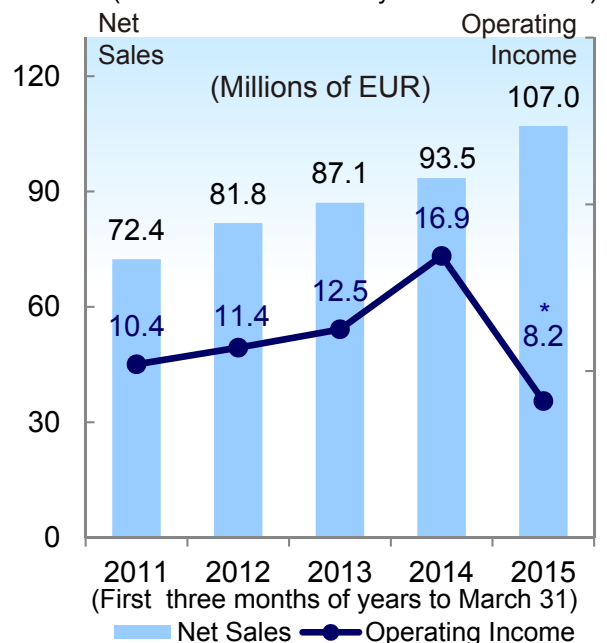
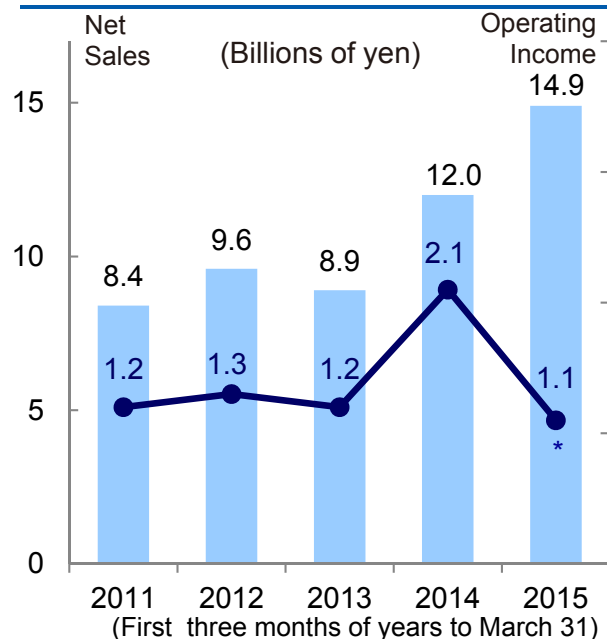
- In the preceding fiscal year, the medical device excise tax resulted in a ¥0.09 billion deduction in sales (but had no impact on income).
- A reversal in deferred service revenue and income caused temporary increases in sales and income (+ ¥0.42 billion for net sales and + ¥0.36 billion for operating income).
- Excluding the two factors mentioned above, the rate of growth would have been 20.1% for net sales and 85.3% for operating income.

■ On a local currency basis, net sales 122.4%, operating income 277.8%*

- United States: In addition to instruments, sales of reagents and services were up.
- Canada: Sales were up, despite ongoing healthcare budget decreases, delayed projects shifted from the preceding fiscal year.
- Central and South America: Sales were up due to such factors as increased sales in Peru, Mexico, Colombia and other countries.

* Impact of the revision in intragroup transaction prices
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Geographic Segment Information: EMEA*



* Impact of the revision in intragroup transaction prices
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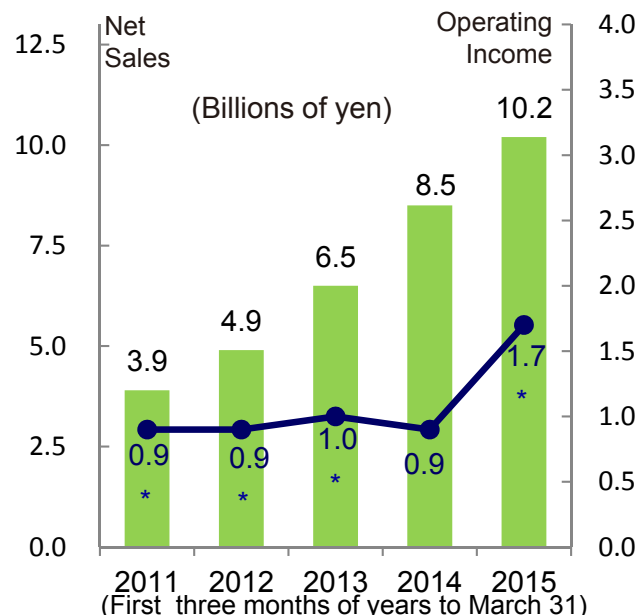
	* Europe, Middle East and Africa (Billions of yen)		
	First three months of fiscal year ending March 31, 2015	First three months of fiscal year ended March 31, 2014	YOY (Previous period = 100%)
Net Sales	14.9	12.0	124.2%
Operating Income*	1.1	2.1	52.5%

- Sales increased, due to sales growth in the hematology and hemostasis fields and the impact of including Partec and Inostics in the scope of consolidation.
 - Despite double-digit sales expansion, income decreased due to the revision in intragroup transaction prices, which was the first time for this revision in the EMEA segment.
- *Excluding Partec and Inostics, the rate of growth would have been 16.9% for net sales and negative 37.5% for operating income.

■ On a local currency basis: net sales 114.3%, operating income 48.4%*

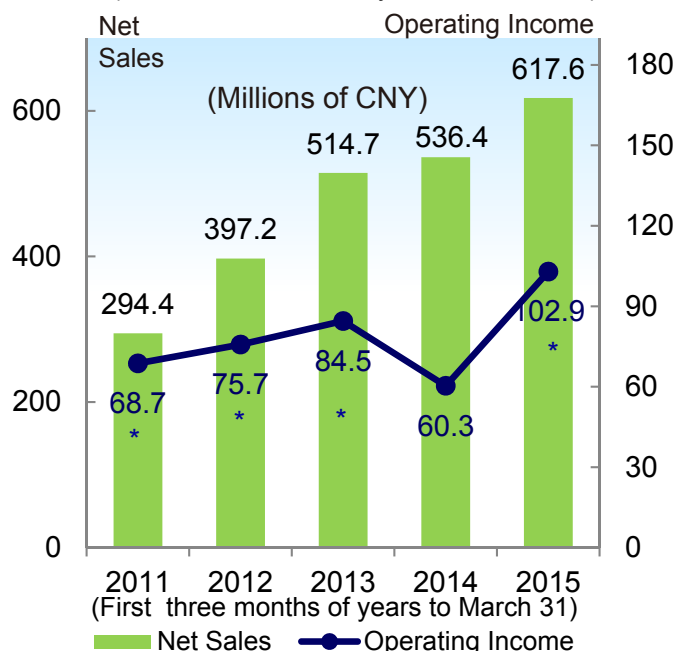
- Five major countries: Sales were up in four countries, but not Spain
 - United Kingdom: The increase in sales centered on hematology, with XN sales delivering strong performance.
 - France: Sales grew, as lab consolidations spurred demand for system products and XN sales were robust.
 - Germany: Sales increased, owing to the increase in hematology reagents and the contribution of sales from Partec and Inostics.
- Other parts of Europe: Sales were down slightly as a result of a decline in instrument project bids.
- Eastern Europe, Russia: Sales were flat, being down slightly in Russia and up in Poland.
- Middle East, Africa: Sales were up, in Saudi Arabia and other countries due to favorable XN sales.

Geographic Segment Information: China



	First three months of fiscal year ending March 31, 2015	First three months of fiscal year ended March 31, 2014	YOY (Previous period = 100%)
Net Sales	10.2	8.5	119.4%
Operating Income*	1.7	0.9	176.9%

- Although the market was sluggish in some areas, sales of instruments and reagents increased, centered on the hematology field.
- Despite the impact of the revision in intragroup transaction prices, operating income rose thanks to higher sales.

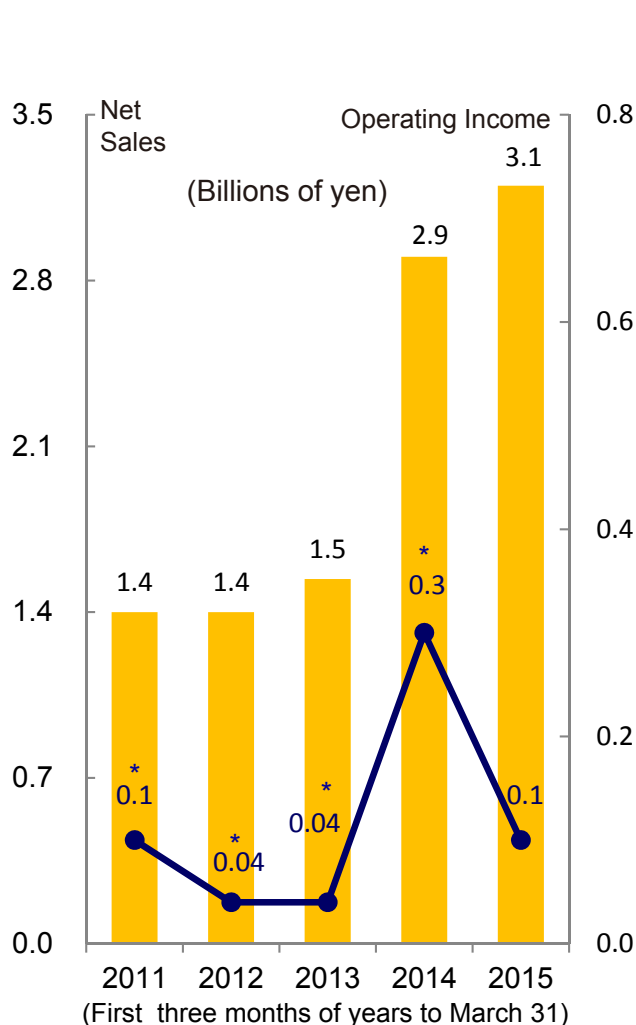


■ On a local currency basis: net sales 115.1%; operating income 170.6%*

- Hematology: Sales grew substantially, spurred by sales campaigns promoting upgrades from the XE and XT series to the XN-Series, as well as XS campaigns.
- Urinalysis: Sales of the UF-Series boosted sales in this field.
- Hemostasis: Sales in this field were down, as sales of lower-end products in the CA-Series grew substantially, but sales of higher-end products declined.

* Impact of the revision in intragroup transaction prices
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Geographic Segment Information: AP



* Impact of the revision in intragroup transaction prices

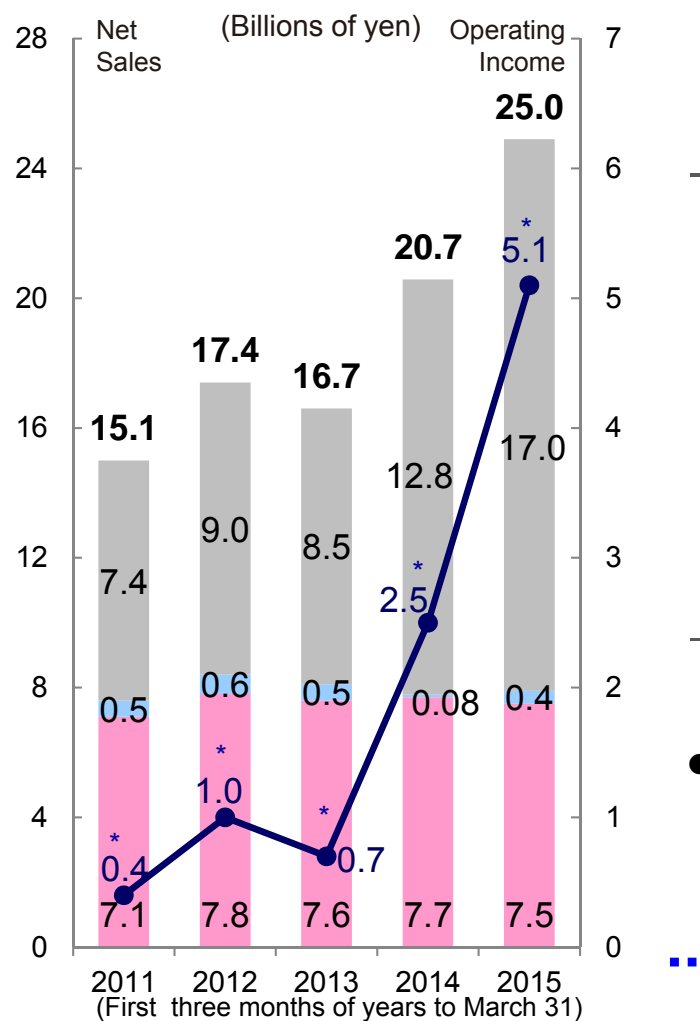
(Billions of yen)

	First three months of fiscal year ending March 31, 2015	First three months of fiscal year ended March 31, 2014	YOY (Previous period = 100%)
Net Sales	3.1	2.9	109.0%
Operating Income	0.1	0.3	53.8%

- Higher sales in India and Australia overcame the impact of lower sales in Thailand, which remains affected by political unrest.
- Despite higher sales, operating income decreased, owing to higher costs for introducing a direct sales system in India (non-hematology) and the expansion of a reagent factory in Singapore.

- Southeast Asia: Sales were down, due to political unrest in Thailand and in comparison with large-scale project wins in Myanmar in same period of the preceding term.
- South Asia: Sales were up, thanks to higher sales in the fields of urinalysis and hemostasis in India, due to the transition to direct sales, and increased sales of three-part white blood cell differentiation instruments in Pakistan.
- Oceania: Sales rose, thanks to the acquisition of a large project from a prominent commercial lab.
- South Korea, Taiwan: Sales fell in Korea, centered on the hematology field, due to hospital budget delays.

Geographic Segment Information: Japan



Intra-Area Transfers: Exports to Group Affiliates, Others
 Sales to Customers: IDEXX and Others
 Sales to Customers: Japan
 Operating Income

* Impact of the revision in intragroup transaction prices

	First three months of fiscal year ending March 31, 2015	First three months of fiscal year ended March 31, 2014	YOY (Previous period = 100%)
Net Sales	25.0	20.7	120.8%
Sales to Customers	7.9	7.8	102.2%
Japan	7.5	7.7	97.8%
IDEXX and Others	0.4	0.08	482.1%
Intra-Area Transfers	17.0	12.8	132.0%
Operating Income*	5.1	2.5	201.6%

- Although sales in Japan were down, due to the consumption tax hike, intra-area transfers to Group affiliates (overseas) and the impact of a revision in intragroup transaction prices boosted sales and income in this category.

➤ Japan: Sales were down overall. Although sales were favorable in the hemostasis and immunochemistry fields, sales were down in the hematology field, partly as a result of the consumption tax hike.

➤ IDEXX and others: Sales were up, thanks to robust sales of instruments.

Consolidated Earnings Forecast

(No revisions subsequent to May 2014 announcement)



Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2015

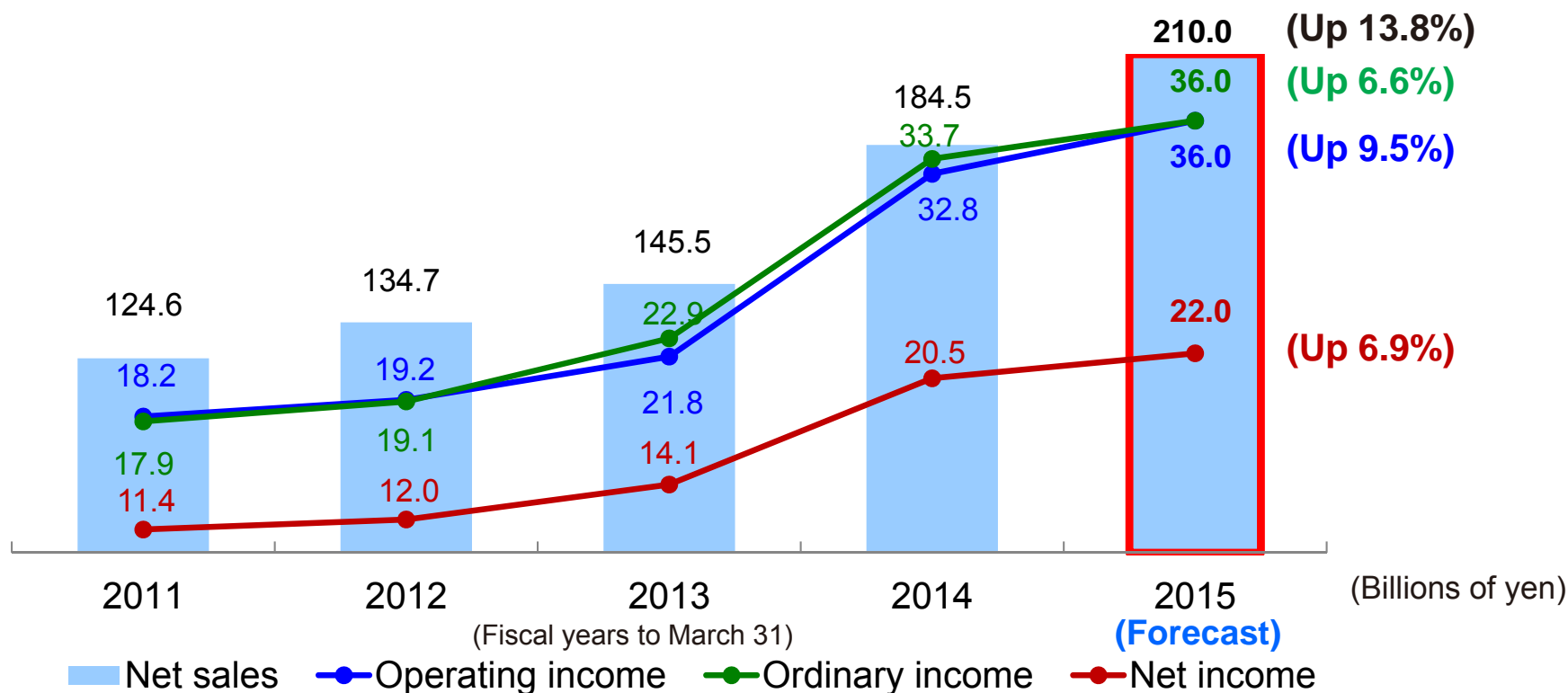
● Net Sales: **¥210.0 billion** ● Operating Income: **¥36.0 billion** ● Ordinary Income: **¥36.0 billion** ● Net Income: **¥22.0 billion**
 ● Operating Margin: **17.1%** ● Ordinary Margin: **17.1%** ● Net Income Margin: **10.5%**

Planned Investment

● Capital Expenditure: **¥14.0 billion** ● Depreciation and Amortization: **¥11.0 billion** ● R&D Expenditure: **¥14.5 billion**

Assumed exchange rates:

(Actual for fiscal year ended March 31, 2014: 1USD = ¥100.0 1EUR = ¥135.0
 1USD = ¥100.2 1EUR = ¥134.4)



Reference Information



(Billions of yen)

	First three months of fiscal year ended March 31, 2014		First three months of fiscal year ending March 31, 2015 (Before accounting reclassification noted at right as items (1) and (2))			Accounting reclassification		First three months of fiscal year ending March 31, 2015	
	Results	Ratio		Ratio	YOY (Previous period = 100%)	(1) Service costs	(2) Reversal of deferred service revenue and income	Results	Ratio
Net Sales	39.5	100%	46.3	100%	117.1%	-	0.42	46.7	100%
Cost of Sales*	15.1	38.4%	15.8	34.2%	104.2%	3.0	0.06	18.8	40.4%
Gross Profit*	24.3	61.6%	30.4	65.8%	125.2%	(3.0)	0.36	27.8	59.6%
SG&A*	19.5	49.5%	22.0	47.7%	112.8%	(3.0)	-	19.0	40.9%
Operating Income	4.7	12.1%	8.4	18.1%	175.7%	-	0.36	8.7	18.8%

* We have made consistent throughout the Group the practice of classifying the costs of transporting products to customers as cost of sales rather than including them as selling, general and administrative expenses. This approach has been retroactively applied to figures from the first quarter of the fiscal year ended March 31, 2014.

We Believe the Possibilities.

Sysmex Corporation

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