



Business Results

First Six Months of Fiscal Year Ending March 31, 2015

Sysmex Corporation

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Chairman and CEO

November 6, 2014

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of the Fiscal Year Ending March 31, 2015

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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.

Chapter 1

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

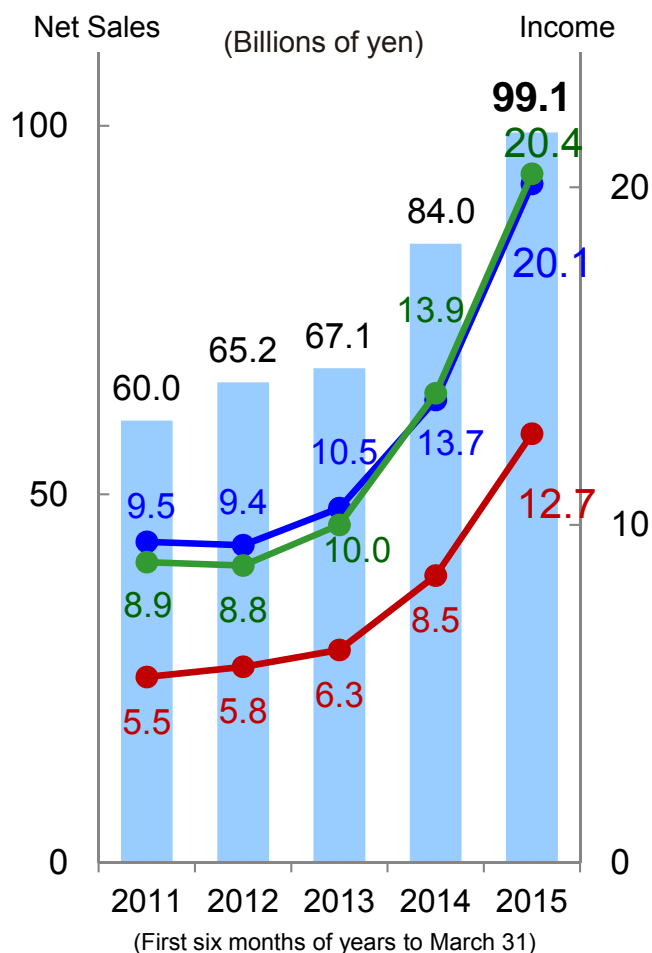
Financial Highlights



- 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. Note: See page 23 ("Reference Information").

* Forecast figures are as announced in May 2014.



	First six months of fiscal year ending March 31, 2015		First six months of fiscal year ending March 31, 2015		First six months of fiscal year ended March 31, 2014		YOY (Previous period = 100%)
	Forecast*	Ratio	Results	Ratio	Results	Ratio	
Net Sales	100.0	100%	99.1	100%	84.0	100%	117.9%
Cost of Sales	-	-	40.4	40.8%	31.2	37.2%	129.3%
SG&A	-	-	38.5	38.9%	39.0	46.5%	98.7%
Operating Income	16.0	16.0%	20.1	20.3%	13.7	16.3%	146.6%
Ordinary Income	16.0	16.0%	20.4	20.6%	13.9	16.6%	146.2%
Net Income	10.0	10.0%	12.7	12.8%	8.5	10.2%	148.2%

- 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 gain was ¥0.23 billion (¥0.07 billion gain in the same period of the previous fiscal year).
- Exchange rate fluctuations raised net sales ¥3.67 billion and operating income ¥3.29 billion. Note: At the exchange rates prevailing one year earlier, net sales would have been up 13.5% year on year, and operating income up 22.6%.
- Capital expenditure (tangible): ¥6.29 billion Depreciation and amortization: ¥5.27 billion R&D expenditure: ¥7.01 billion

	First six months of fiscal year ending March 31, 2015	First six months of fiscal year ended March 31, 2014
1USD	¥103.0	¥98.9
1EUR	¥138.9	¥130.0

Breakdown of Net Sales and Operating Income

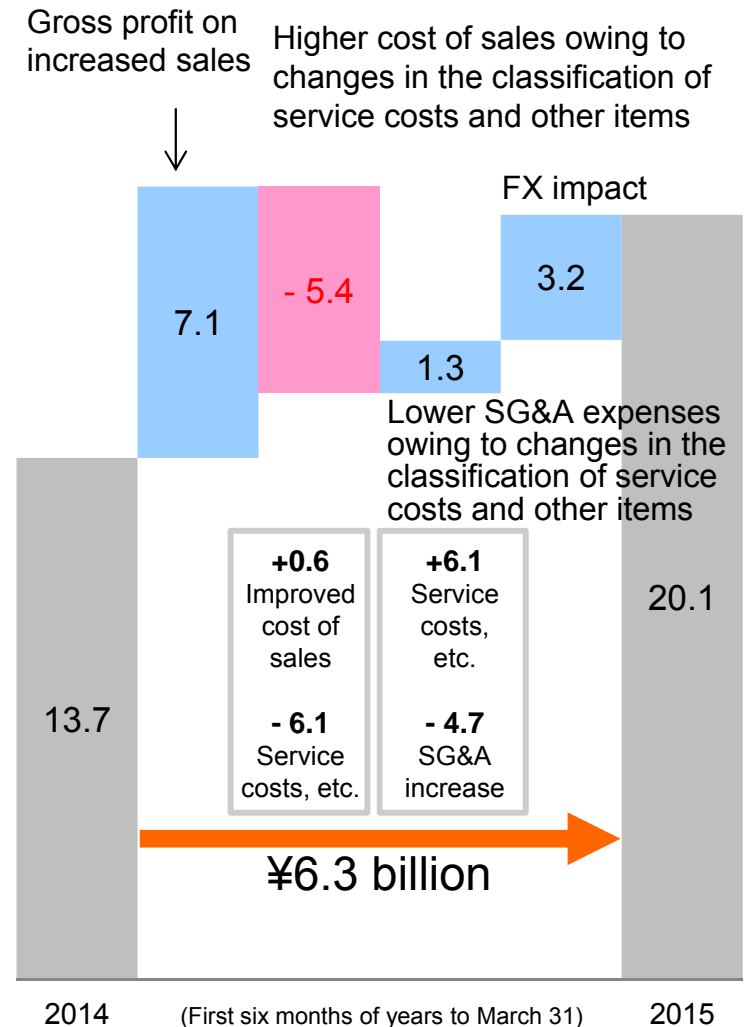
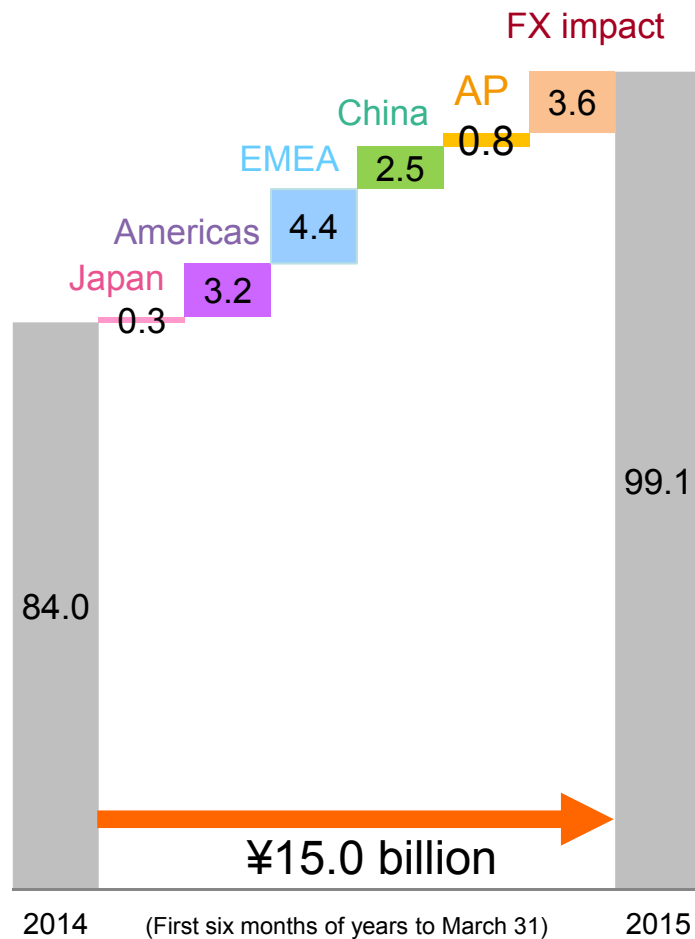


(Billions of yen)

Net Sales

Operating Income

Note: FX impact excluded from regional sales below



Breakdown of Assets and Liabilities/Net Assets

(Billions of yen)

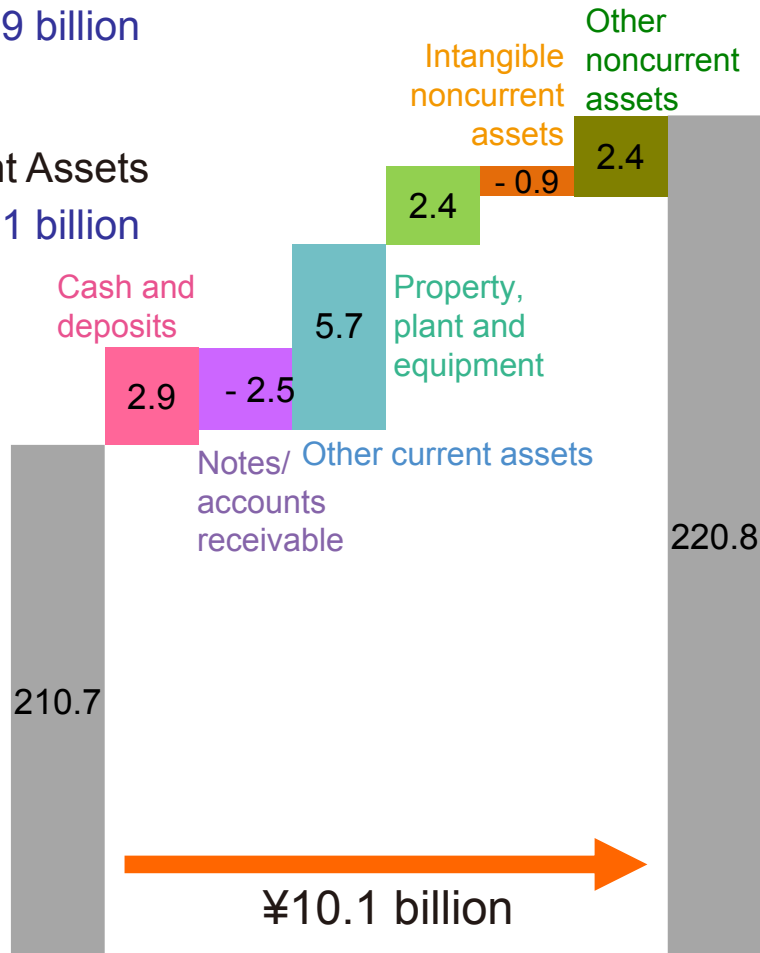
Assets

Noncurrent Assets

Up ¥3.9 billion

Current Assets

Up ¥6.1 billion



March 31, 2014

September 30, 2014

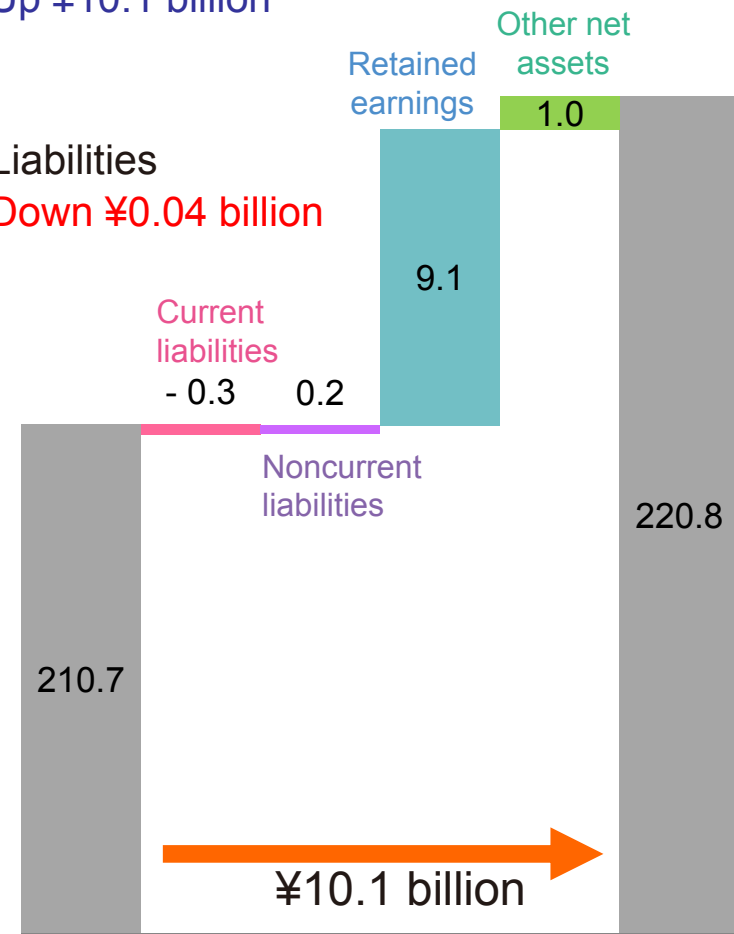
Liabilities/Net Assets

Net Assets

Up ¥10.1 billion

Liabilities

Down ¥0.04 billion



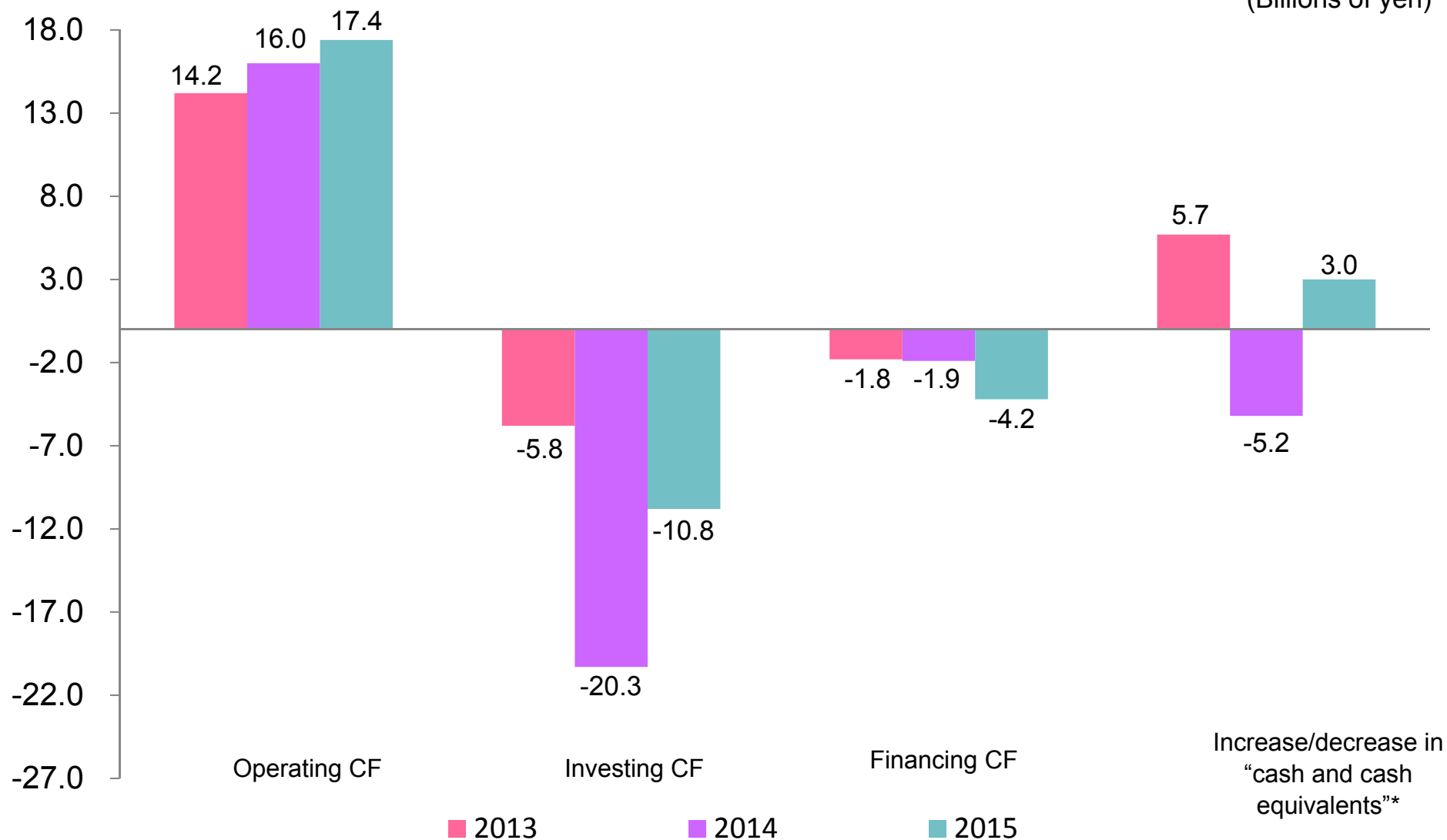
March 31, 2014

September 30, 2014

Consolidated Cash Flows



(Billions of yen)



(First six months of years to March 31)

* The increase/decrease in cash and cash equivalents includes translation differences on cash and cash deposits.

M&A, Alliances

- Sysmex Inostics GmbH collaborating with Merck KGaA to develop and commercialize a blood-based RAS biomarker test for patients with metastatic colorectal cancer (May)
- Investment in RIKEN GENESIS Co., Ltd., promoting R&D and the business of genetic analysis testing (May)

Operational Sites

- Reinforced direct sales and support network in India to expand business in non-hematology fields (April)
- Sysmex's core instrument factory, i-Square, opened in the city of Kakogawa, Hyogo Prefecture, and Sysmex RA and Sysmex Medica expand factories, tripling production capacity (June)
- Reagent production factory in Singapore expanded in response to growing demand (September)



i-Square



Building housing reagent production factory in Singapore Sysmex Corporation

Products, Technologies

- Launched the HISCL[®] TARC assay kit for atopic dermatitis (April)
- Launched the HISCL[®]-800 automated immunoassay system, a compact analyzer for immunochemistry testing (September)
- Established new measurement technology that achieves even higher sensitivity for HISCL[®]-Series immunochemistry testing analyzers (October)
- Launched new automated blood coagulation analyzer models, the CS-2400/2500 (October)



Others

- First Japanese-made automated hematology analyzer certified under the 3rd Heritage Program of Legacy Analytical Instruments/Scientific Instruments
- Sysmex selected for inclusion in the Asia Pacific Index of the Dow Jones Sustainability Indexes for third consecutive year
- Sysmex selected by the Securities Analysts Association of Japan for excellence in disclosure to individual investors for the third consecutive year



Net Sales by Geographic Region



- Net Sales by Geographic Region (Sales to Customers)

(Billions of yen)

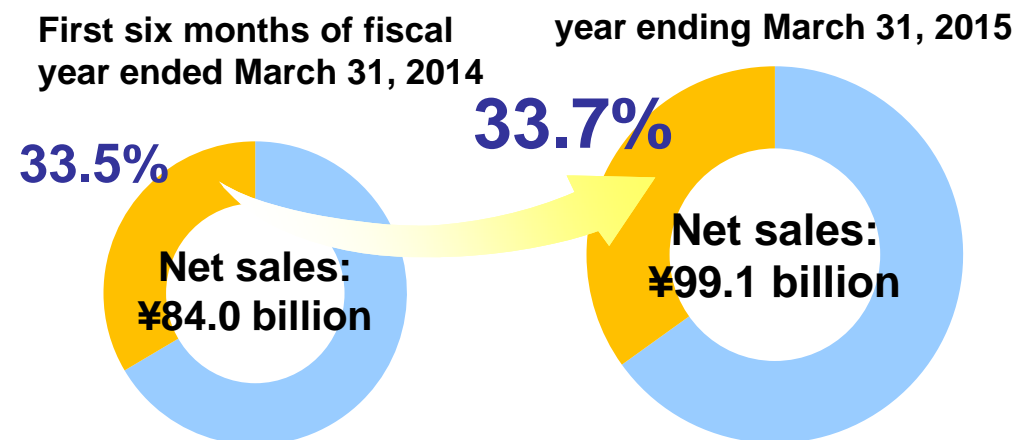
		First six months of fiscal year ending March 31, 2015		First six months of fiscal year ended March 31, 2014		YOY (Previous period = 100%)	
			Ratio		Ratio	(Yen)	(Local currency)
Net Sales		99.1	100%	84.0	100%	117.9%	-
Region	Americas	20.8	21.0%	17.2	20.5%	120.9%	116.0%
	EMEA	29.8	30.1%	23.6	28.2%	126.0%	117.9%
	China	20.6	20.8%	17.2	20.5%	119.8%	114.7%
	AP	7.5	7.6%	6.4	7.7%	116.5%	-
	Japan*	20.2	20.5%	19.4	23.1%	104.2%	-

* Includes sales to IDEXX and other customers

- Exchange Rates

	First six months of fiscal year ending March 31, 2015	First six months of fiscal year ended March 31, 2014
1USD	¥103.0	¥98.9
1EUR	¥138.9	¥130.0
1CNY	¥16.7	¥16.0

Percentage of Sales in Emerging Markets



Sales by Business



(Billions of yen)

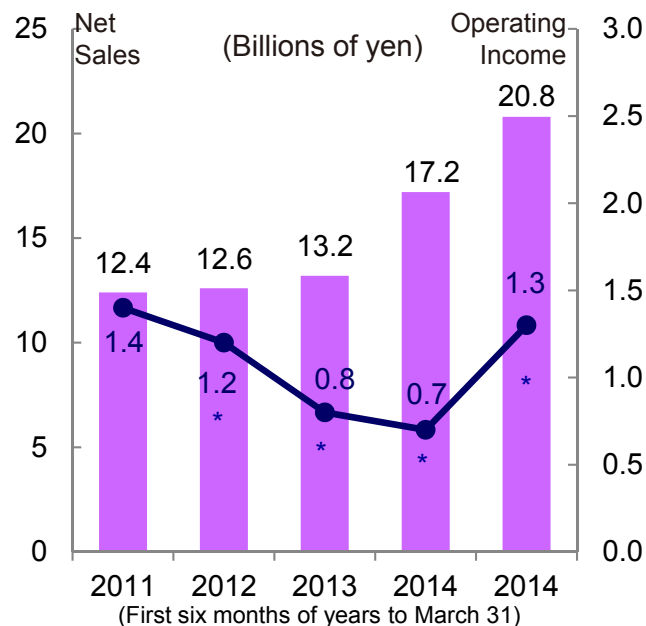
	First six months of fiscal year ending March 31, 2015		First six months of fiscal year ended March 31, 2014		YOY (Previous = 100%)
	Results	Ratio	Results	Ratio	
Hematology	63.8	64.5%	55.4	65.9%	115.3%
Urinalysis	7.3	7.4%	6.8	8.1%	107.3%
Others ^{*1}	3.2	3.3%	1.6	2.0%	200.5%
HU-BU	74.5	75.2%	63.8	76.0%	116.6%
Immunochemistry	1.2	1.3%	1.0	1.2%	124.5%
Clinical Chemistry	1.8	1.8%	1.6	2.0%	109.7%
Hemostasis	15.1	15.3%	12.3	14.7%	122.2%
ICH-BU	18.2	18.4%	15.0	17.9%	121.0%
Other IVD ^{*2}	3.7	3.8%	3.1	3.8%	117.9%
IVD total	96.4	97.3%	82.1	97.7%	117.5%
LS-BU ^{*3}	1.3	1.3%	0.7	0.8%	189.6%
Others	1.3	1.3%	1.2	1.5%	104.0%
Total net sales	99.1	100.0%	84.0	100.0%	117.9%

*1 Partec, Laboratory Information Systems, others

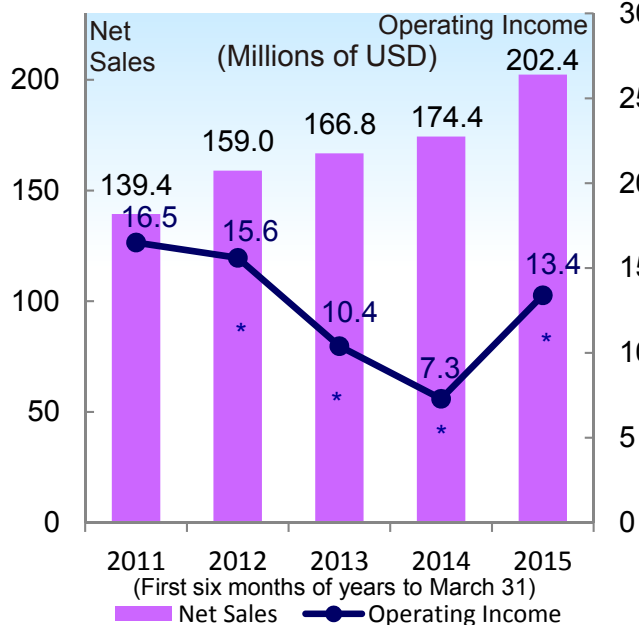
*2 Sales of third-party products, others

*3 Including Inostics

Geographical Segment Information: Americas



	First six months of fiscal year ending March 31, 2015	First six months of fiscal year ended March 31, 2014	YOY (Previous period = 100%)
Net Sales	20.8	17.2	120.9%
Operating Income*	1.3	0.7	189.8%



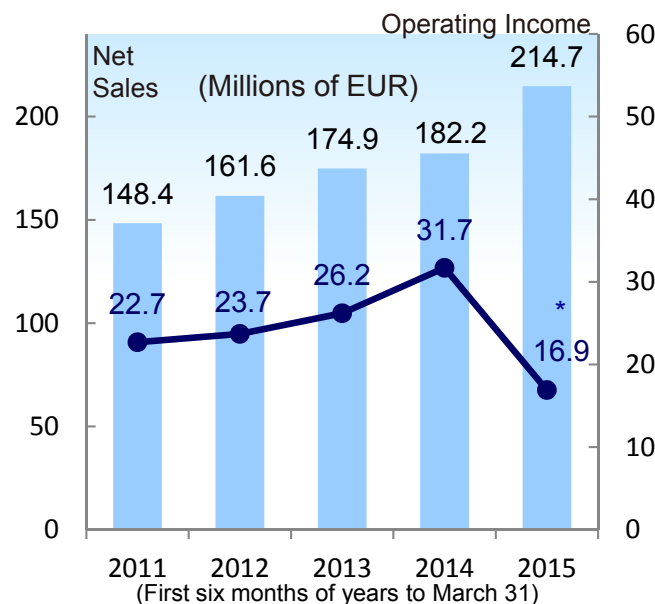
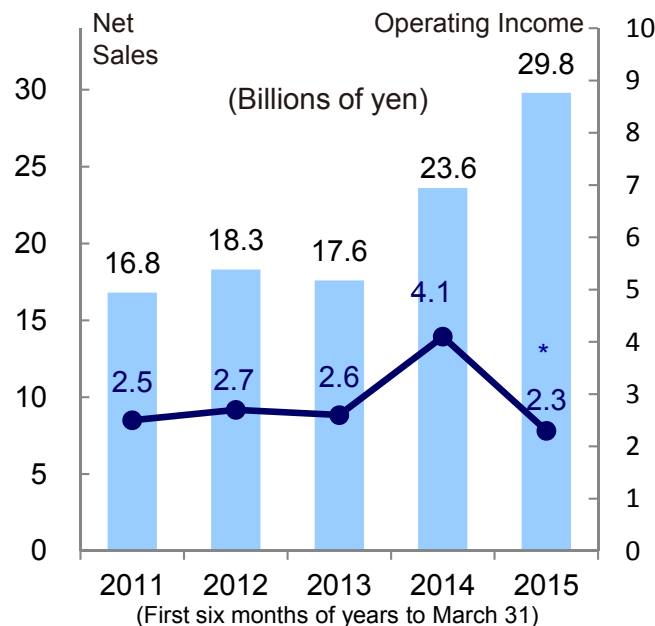
- Sales were up significantly, boosted by higher sales of instruments and reagents thanks to recovery in U.S. capital investment and robust sales of the XN-Series.
- Operating income rose substantially, due to the increase in sales, despite the impact of the revision in intragroup transaction prices.
 - In the preceding fiscal year, the medical device excise tax resulted in a ¥0.18 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 17.3% for net sales and 40.3% for operating income.

■ On a local currency basis, net sales 116.0%, operating income 182.1%*

- United States: In addition to instruments, sales of reagents and services were up.
- Canada: Sales were up slightly, despite ongoing declines in healthcare budgets
- Central and South America: Sales were up due to such factors as increased sales of hematology products in Mexico and Colombia.

* Revision in intragroup transaction prices

Geographic Segment Information: EMEA*



* Revision in intragroup transaction prices

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* Europe, the Middle East and Africa

(Billions of yen)

	First six months of fiscal year ending March 31, 2015	First six months of fiscal year ended March 31, 2014	YOY (Previous period = 100%)
Net Sales	29.8	23.6	126.0%
Operating Income*	2.3	4.1	56.9%

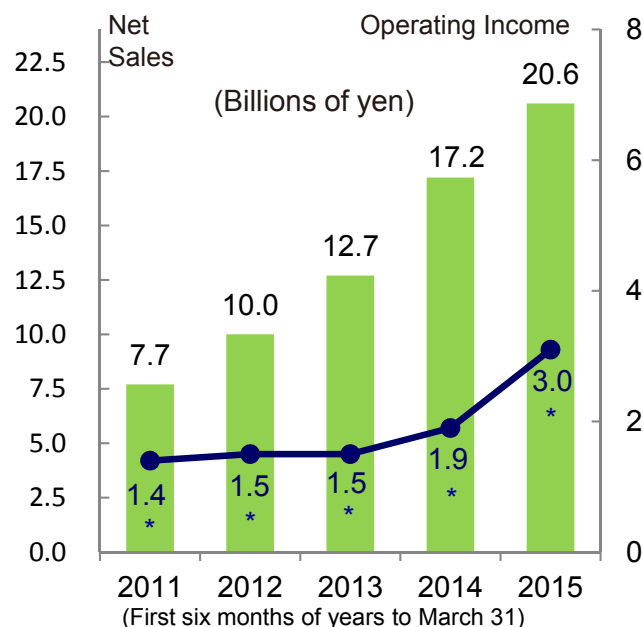
- Sales increased, due to sales growth in the hematology and hemostasis fields and the impact of including Partec and Inostics in the scope of consolidation.
- Despite double-digit sales expansion, income decreased due to the revision in intragroup transaction prices, which was the first time for this revision in the EMEA segment.

*Excluding Partec and Inostics, the rate of growth would have been 19.0% for net sales and negative 28.7% for operating income.

■ On a local currency basis: net sales 117.9%, operating income 53.3%*

- Five major countries: Sales were up in all five countries.
 - United Kingdom: The increase in sales centered on hematology, with XN sales delivering strong performance.
 - Germany: Sales increased, owing to the increase in hematology reagents and the contribution of sales from Partec and Inostics.
 - France: Lab consolidations spurred demand for increased testing efficiency, and XN sales were robust.
- Other parts of Europe: Sales were up, due to such factors as the transition to direct sales in Turkey.
- Eastern Europe, Russia: Sales were up, 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.

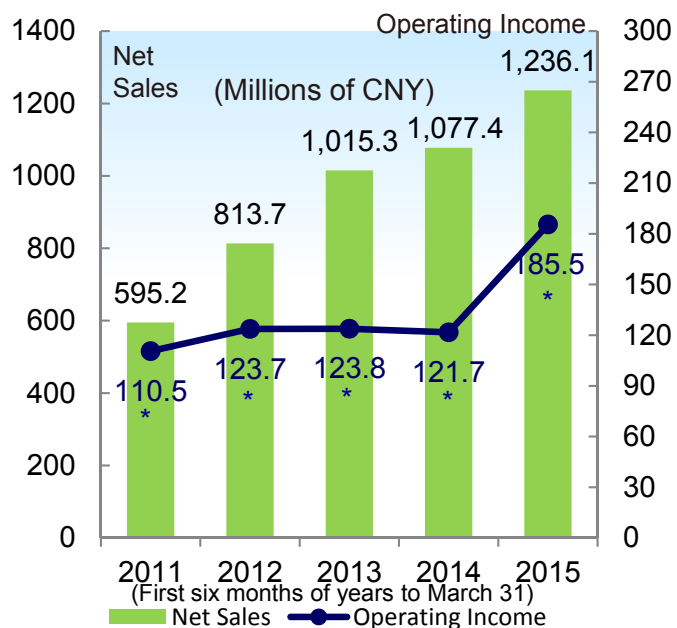
Geographic Segment Information: China



(Billions of yen)

	First six months of fiscal year ending March 31, 2015	First six months of fiscal year ended March 31, 2014	YOY (Previous period = 100%)
Net Sales	20.6	17.2	119.8%
Operating Income*	3.0	1.9	159.2%

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



■ On a local currency basis: net sales 114.7%; operating income 152.5%*

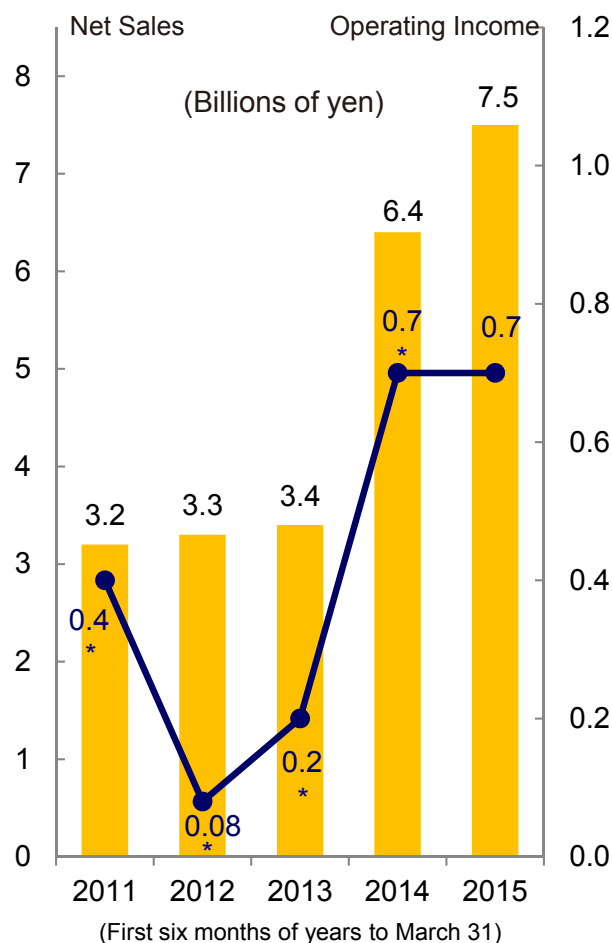
- Hematology: Sales grew, spurred by XS campaigns and system proposals, higher sales of the XN-Series and the acquisition of large-scale projects.
- Hemostasis: Sales expanded, due to increased demand for fibrin reagent parameters and growing sales of high-end instruments.
- Urinalysis: A larger installed instrument based pushed up sales of reagents, leading to higher sales.

* Revision in intragroup transaction prices

Geographic Segment Information: AP



(Billions of yen)

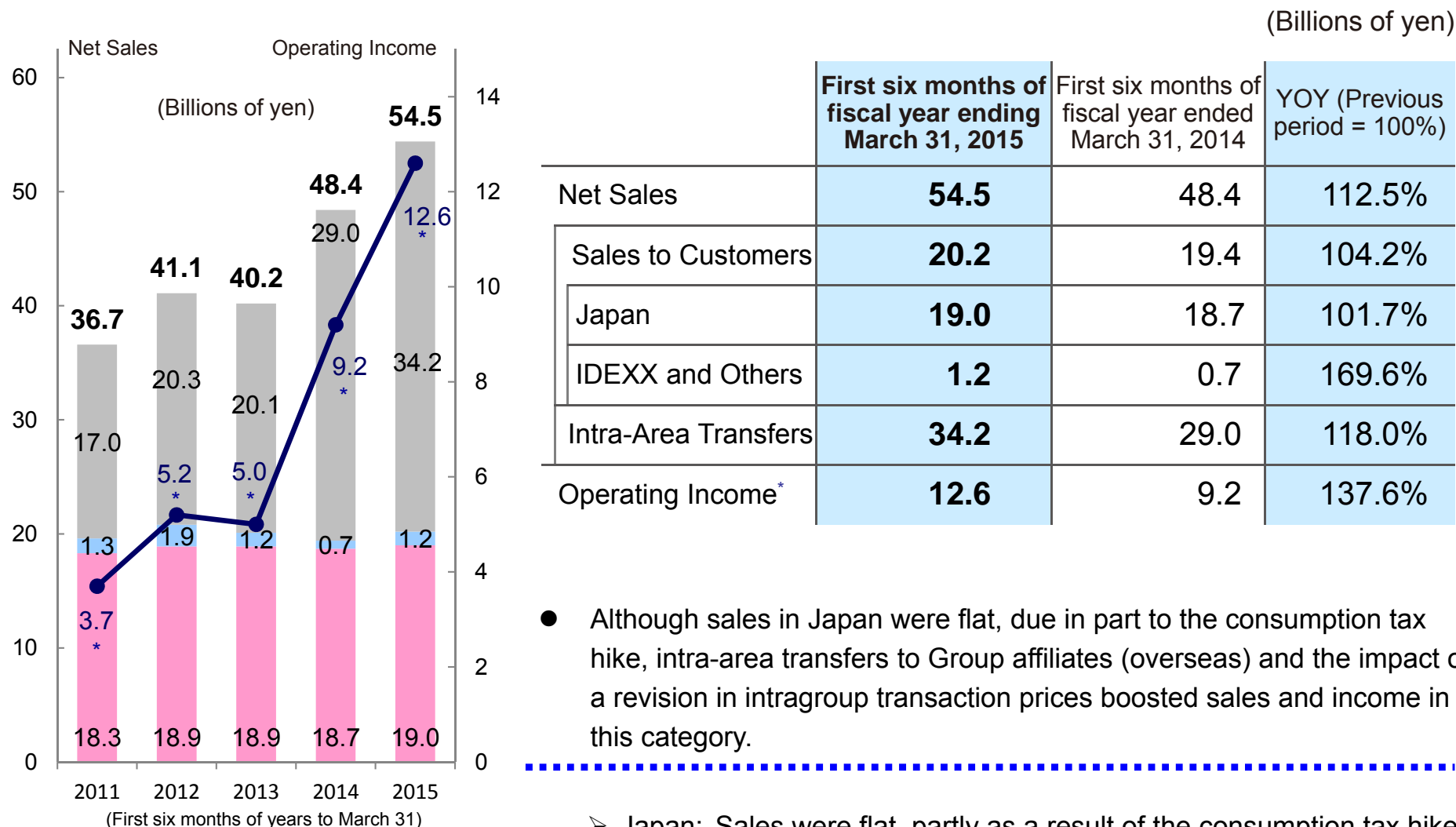


* Revision in intragroup transaction prices

	First six months of fiscal year ending March 31, 2015	First six months of fiscal year ended March 31, 2014	YOY (Previous period = 100%)
Net Sales	7.5	6.4	116.5%
Operating Income*	0.7	0.7	88.8%

- A major sales increase in Australia overcame the impact of lower sales in Indonesia and other countries.
 - Despite higher sales, operating income decreased slightly, 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 in Indonesia and in Thailand, where political unrest remains, and in other countries.
 - South Asia: Sales fell, owing to lower hematology sales. However, in India sales were up in the fields of urinalysis and hemostasis, due to the transition to direct sales in non-hematology fields.
 - Oceania: Sales rose, thanks to the acquisition of a large project for a prominent commercial lab.
 - South Korea, Taiwan: Sales rose in South Korea and Taiwan, centered on the hematology field.

Geographic Segment Information: Japan



- Intra-Area Transfers: Exports to Group Affiliates, Others
- Sales to Customers: IDEXX and Others
- Sales to Customers: Japan
- Operating Income
- * Revision in intragroup transaction prices

- Although sales in Japan were flat, due in part 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 flat, partly as a result of the consumption tax hike, although sales increased in the hematology and immunochemistry fields.

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

Chapter 2

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

Initiatives in the Immunochemistry Business



In the third quarter of the fiscal year ending March 31, 2015, we will begin selling immunochemistry products in China and Asia Pacific regions, as well as Japan.

	Annual Target (Billions of yen)	Fiscal Year Ending March 31, 2015	Fiscal Years Ending March 31, 2016 onward
China	0.6 ⇒ 1.6	HISCL-5000/2000i ★ Infectious diseases (8 parameters) ★	HISCL-800 ★ Tumor markers ★ Coagulation molecular markers ★
AP	0.1 ⇒ 0.1	Applications submitted (instruments, reagents) Note: Approval received for some instruments Philippines, Mongolia: Instruments, reagents approved ★	South Korea ★ Indonesia ★ Note: Gradual area expansion Sales of one instrument in each
Japan	HISCL-5000/2000i (Reagents: Sale for 33 parameters, as of September 30, 2014) ★ 2.8 ⇒ 2.8	HISCL-800 ★ M2BPGi (hepatic fibrosis marker) ★ TARC (atopic dermatitis marker) ★	Health insurance coverage (anticipated) ★ (Note: A double-headed arrow indicates a transition period for M2BPGi and TARC.)

Target sales in the immunochemistry business in the fiscal year ending March 31, 2015:
Revised from ¥3.5 billion ⇒ ¥4.5 billion



HISCL®-800



HISCL®-5000

Sysmex Corporation

Consolidated Earnings Forecast

(Revised subsequent to May 2014 announcement)

(Announced in May 2014)



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

- Net Sales: **¥210.0 billion**
- Operating Income: **¥41.0 (36.0) billion**
- Ordinary Income: **¥40.7 (36.0) billion**
- Net Income: **¥24.9 (22.0) billion**
- Operating Margin: **19.5% (17.1%)**
- Ordinary Margin: **19.4% (17.1%)**
- Net Income Margin: **11.9%(10.5%)**

Planned Investment

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

Assumptions at beginning of year:

1USD = ¥100.0

1EUR = ¥135.0

Assumed exchange rates for second half:

1USD = **¥105.0**

1EUR = ¥135.0

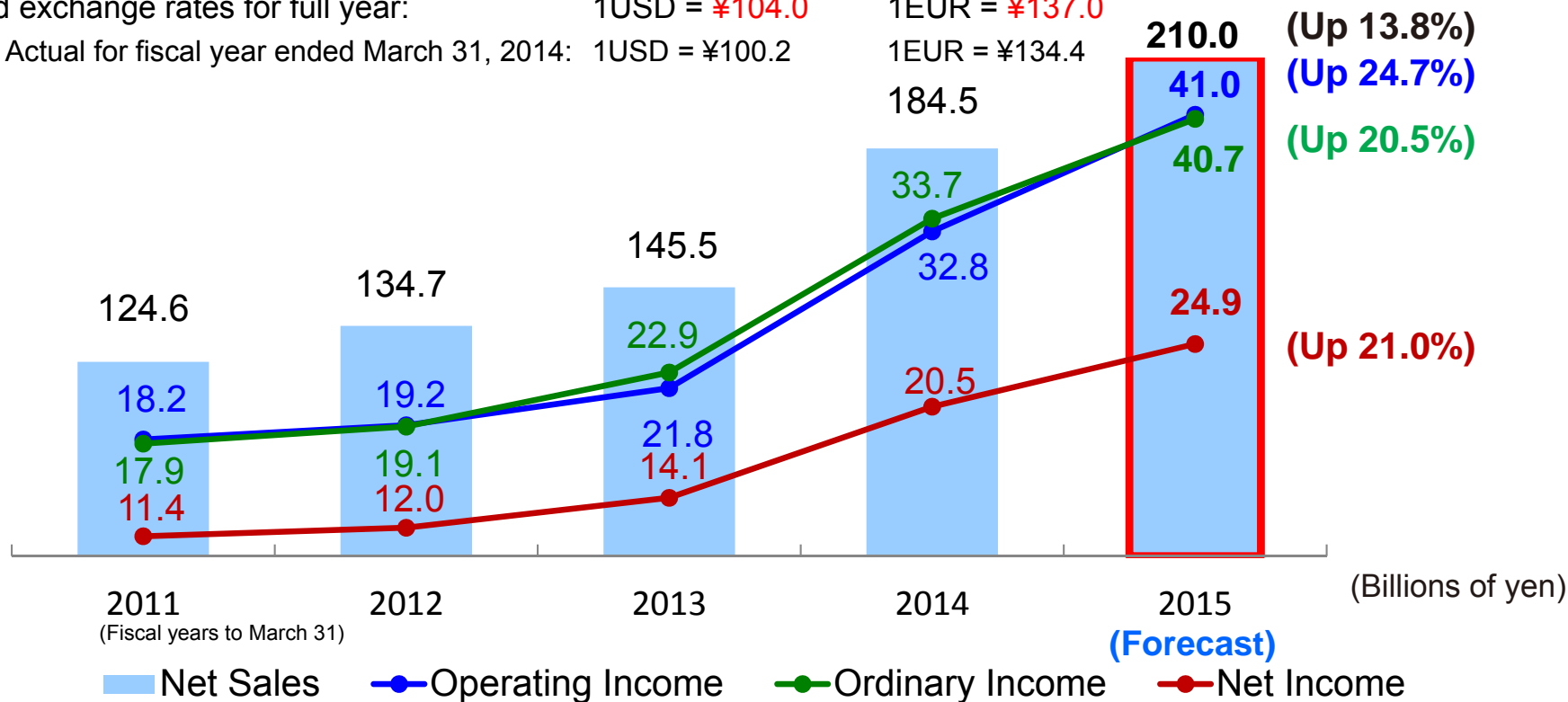
Assumed exchange rates for full year:

1USD = **¥104.0**

1EUR = **¥137.0**

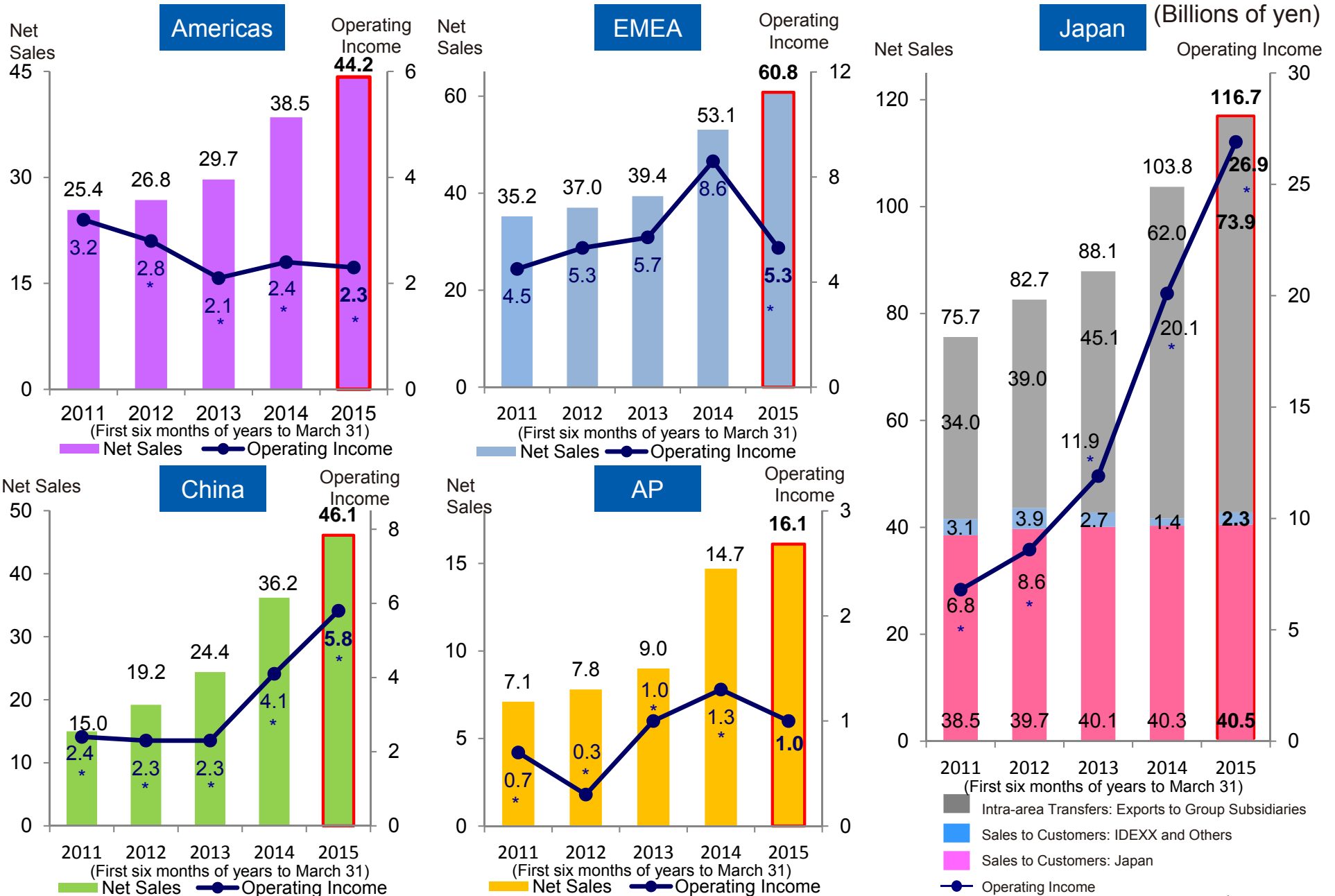
Note: Actual for fiscal year ended March 31, 2014: 1USD = ¥100.2

1EUR = ¥134.4



Financial Targets: Sales and Operating Income by Region

(Revised subsequent to May 2014 announcement)



Dividend Forecast

Proposal corresponds to 13th consecutive year of increases



- Expected ¥14 interim and year-end dividends each ¥2 higher than initial forecasts

	Interim Dividend	Year-End Dividend	Total	Dividend Ratio
Initial Forecast for Fiscal Year Ending March 31, 2015	¥14	¥14	¥28	26.4%
Current Forecast for Fiscal Year Ending March 31, 2015	¥16	¥16	¥32	26.6%

Reference Information

(1) Principal Changes from the Preceding Fiscal Year



Note: See page 23 (“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 six months of fiscal year ended March 31, 2014: SG&A→cost of sales: ¥0.54 billion
- First six months of fiscal year ending March 31, 2015: SG&A→cost of sales: ¥0.67 billion

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

- First six months of fiscal year ending March 31, 2015: SG&A→cost of sales: ¥6.12 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) Results for the first six months of the fiscal year ending March 31, 2015, including the following companies: Partec, Inostics, Sysmex Turkey, Mediaroid, RIKEN GENESIS

- (5) Revision in intragroup transaction prices

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

(2) First Six Months of the Fiscal Year Ending March 31, 2015



(Billions of yen)

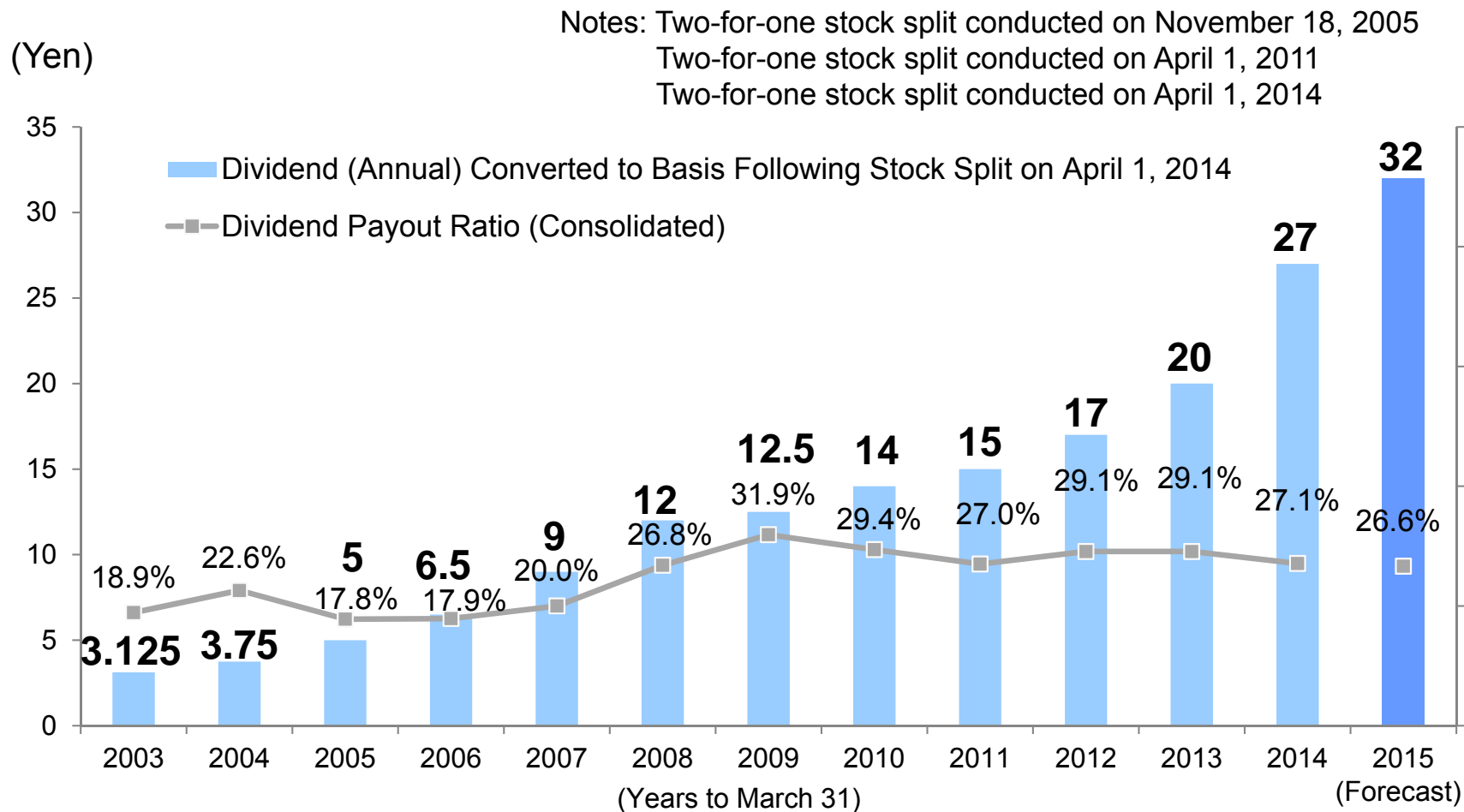
	First six months of fiscal year ended March 31, 2014		First six months of fiscal year ending March 31, 2015 (Before accounting reclassification noted at right as items (1) and (2))			Accounting reclassification		First six months of fiscal year ending March 31, 2015	
	Results	Ratio		Ratio	YOY (Previous period = 100%)	(1) Service costs	(2) Reversal of deferred service revenue and income	Results	Ratio
Net Sales	84.0	100%	98.7	100%	117.4%	-	0.42	99.1	100%
Cost of Sales	31.2*	37.2%	34.2	34.7%	109.5%	6.1	0.06	40.4	40.8%
Gross Profit	52.7*	62.8%	64.4	65.3%	122.0%	(6.1)	0.36	58.6	59.2%
SG&A	39.0*	46.5%	44.6	45.3%	114.4%	(6.1)	-	38.5	38.9%
Operating Income	13.7	16.3%	19.7	20.0%	144.0%	-	0.36	20.1	20.3%

* 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 six months of the fiscal year ended March 31, 2014.

(3) Forecast for the 13th Consecutive Year of Dividend Increases



Sysmex aims to maintain a proper balance between aggressive investment, which is designed to sustain steady high growth, and returns 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 aim for a consolidated payout ratio of 20% under our basic policy of sharing the successes of our operations in line with business performance.



We Believe the Possibilities.

Sysmex Corporation

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