



40th Anniversary

FY2007 Business Results

Financial Highlights and Future Opportunities

Hisashi Ietsugu
President and CEO
SYSMEX CORPORATION

- **FY2007 Financial Highlights**

- **FY2008 Opportunities
Consolidated Earnings Forecast**

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 current judgments and assumptions of the Sysmex Group in light of information currently available to it, and involve both known and unknown risks, uncertainties and other factors, including, but not limited to: future business operations and changes in external environments at home or abroad. Such risks, uncertainties, and other factors may cause the actual results, performance, achievements, or financial position to be materially different from any future results, performance, achievements, or financial position expressed or implied within these forward-looking statements.

FY2007 Financial Highlights

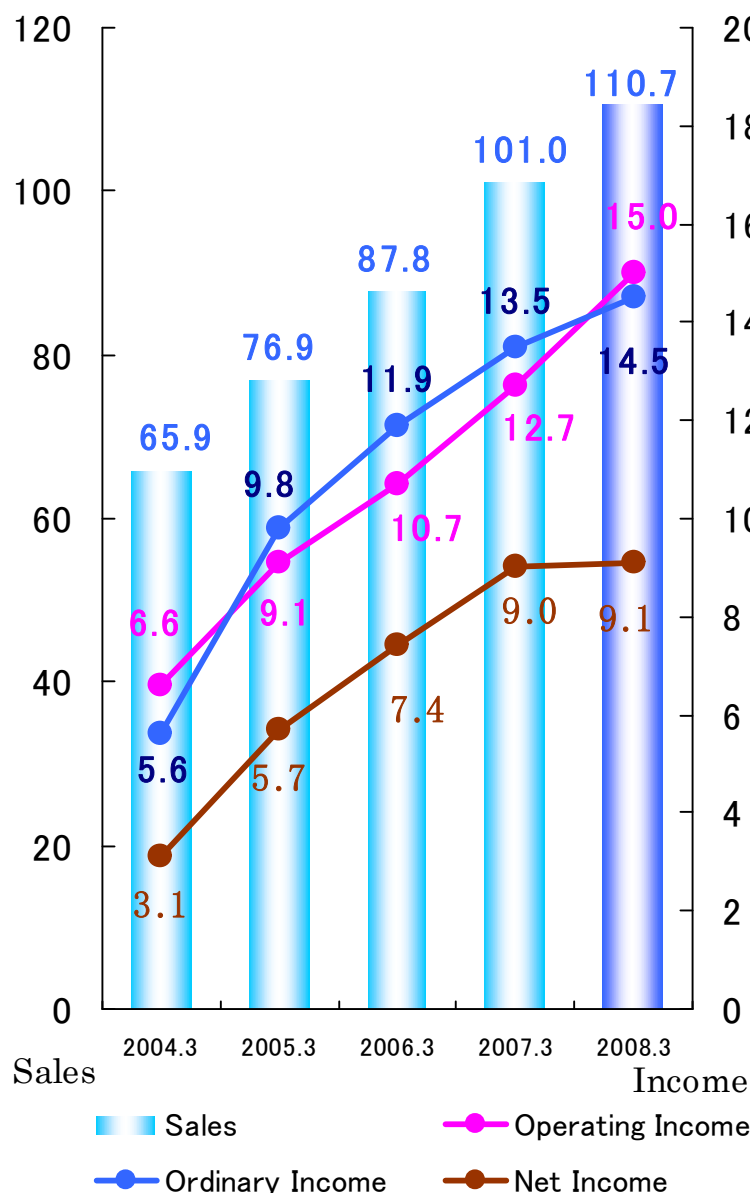
- Financial Highlights
- Topics
- Breakdown of Net Sales and Ordinary Income
- Breakdown of Balance Sheet
- Consolidated Cash Flow
- Projected Dividend

Financial Highlights

(in billions of JPY)

(in billions of JPY)

(in billions of JPY)



	2008.3	As percentage of the public consensus figures	As percentage of the 2007.3
Sales	110.7	98.9%	109.6%
Operating Income	15.0	100.2%	118.2%
Ordinary Income	14.5	95.1%	107.1%
Income	9.1	93.2%	101.4%

- Growth achieved in sales and operating income for the 8th and 6th consecutive year, respectively
- Overseas sales expanded (62.5% > 67.5%)
- Japan
 - ✓ Financial targets not achieved due to new launches being delayed
- US
 - ✓ Top line growth and improved profitability in hematology
- Europe
 - ✓ Geographic expansion of direct sales (Switzerland, Central Europe)
 - ✓ Business expansion in newly-established markets in the ME and Africa

New Products

- Automated hematology analyzer
XE-5000



- Fully automated immunoassay analyzer
HISCL-2000i
(Reagent lines widening)



Affiliates and Offices

- Sales and support network expanded in
Central Europe
(Austria, Hungary, Czech, Slovakia)
- Direct sales and support begun in Canada
(Sysmex Canada Inc. established)

Alliances

- Renewed sales and support agreement
with Roche (review of areas, marketing of
urinalysis analyzers)
- bioMérieux
 - ✓ Sales and support agreement for
our urinalysis analyzers concluded
 - ✓ Equity stake in bioMérieux Japan
- Alliance formed with IDEXX in the
animal diagnostic testing field

Other Developments

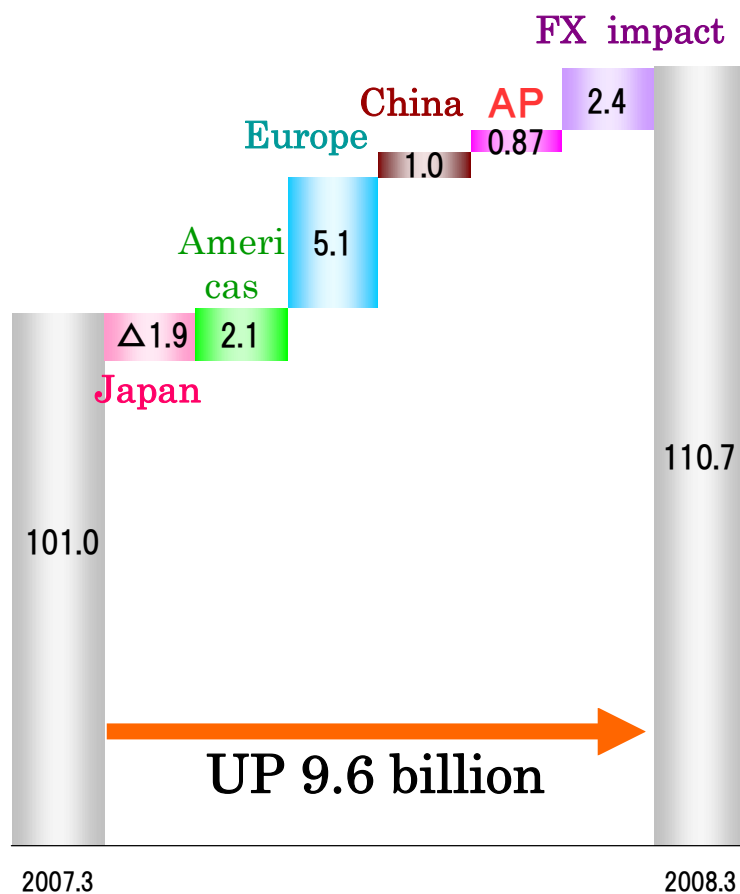
- **Sysmex Way**,
the corporate philosophy of the
Sysmex Group formed

Breakdown of Net Sales and Ordinary Income

※FX impact excluded from regional sales below

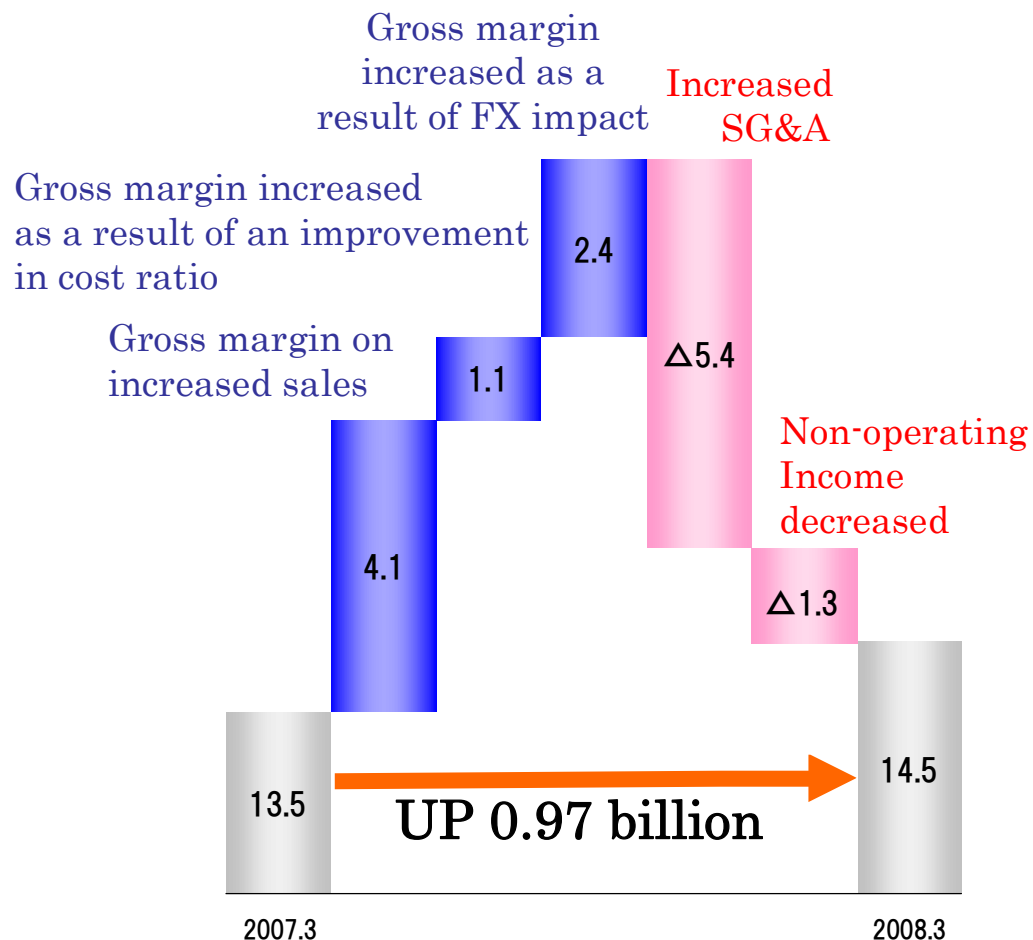
Net Sales

(in billions of JPY)



Ordinary Income

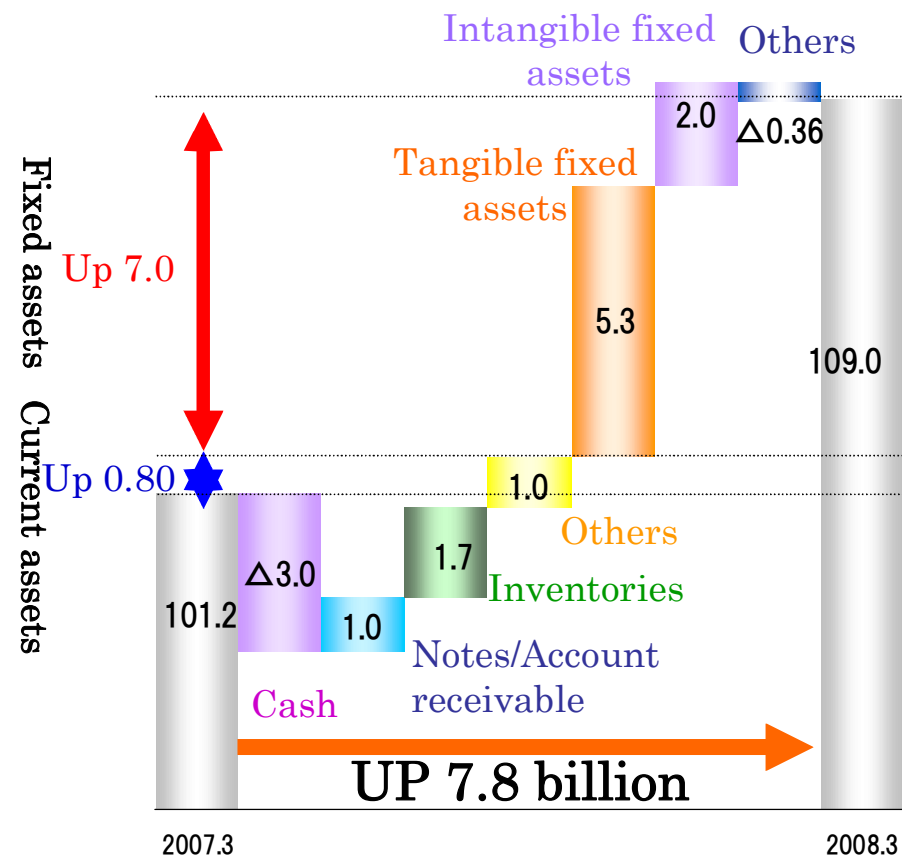
(in billions of JPY)



Breakdown of Balance Sheet

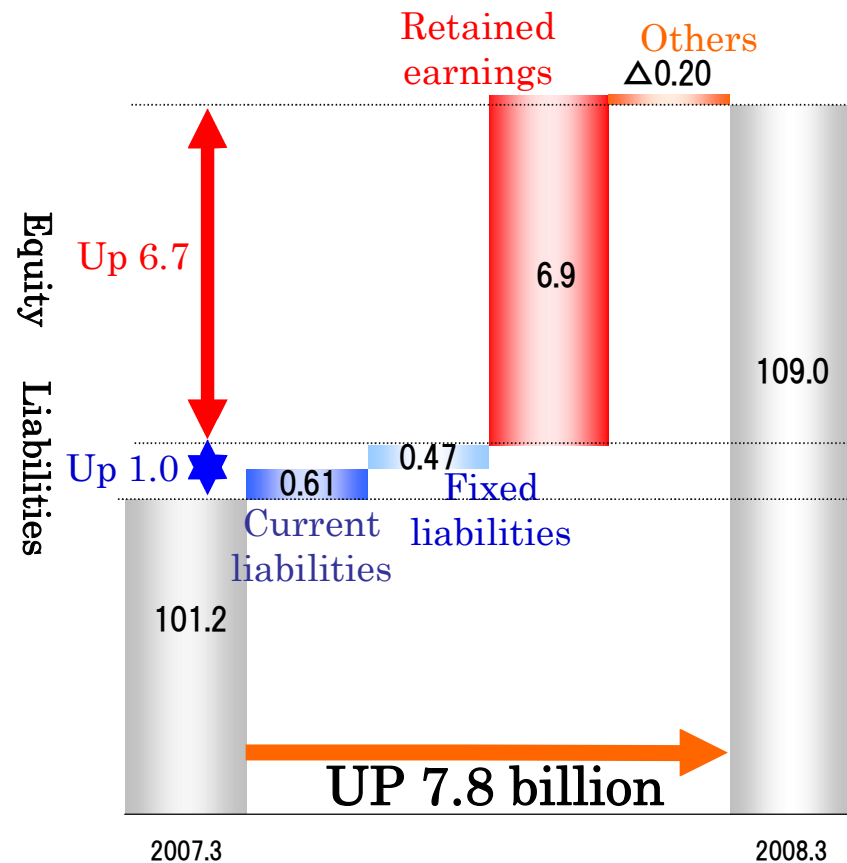
Assets

(in billions of JPY)



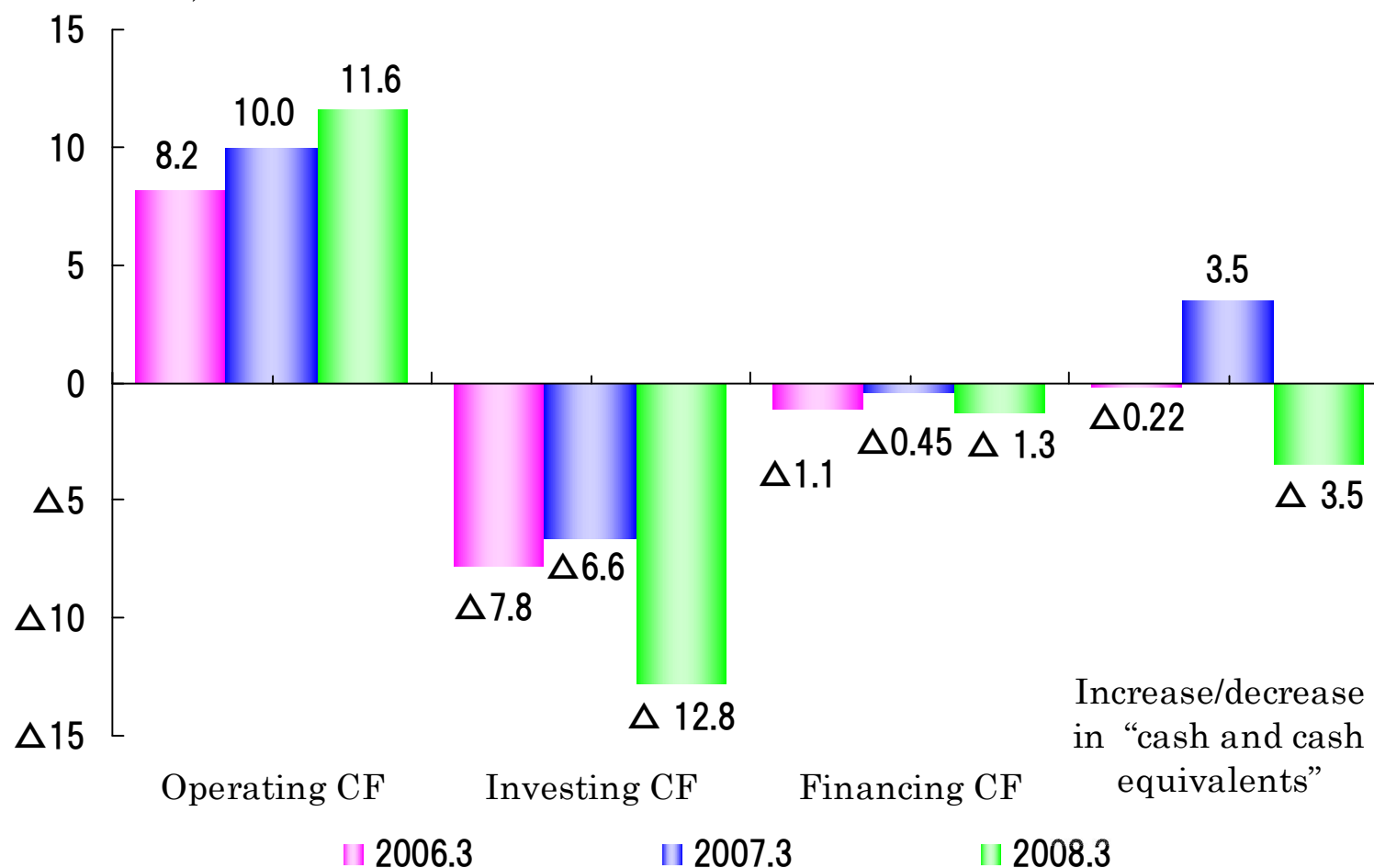
Liabilities/Equity

(in billions of JPY)



Consolidated Cash Flow

(in billions of JPY)



※Increase/decrease in "cash and cash equivalents" include translation differences of cash and cash equivalents.

Projected Dividend

	Interim dividend	Year-end dividend	Total	Dividend ratio (Consolidated)
FY2007	¥ 20	¥ 28	¥ 48 ※	26. 8%
※ Including an 8 yen 40 th anniversary commemorative dividend				
FY2006	¥ 16	¥ 20	¥ 36	20. 0%

Opportunities for FY2008

- External Environment
- Long-Term Vision and Core Strategies
- Approaches in Each Geographical Segment
- Programs for the Life Science Business
- Progress in R&D



Global Economy

Advanced Countries

- ✓ US slowing down
 - Decoupling with US currency
- ✓ Europe remains brisk
- ✓ Japan stagnant

Newly-established Markets

- ✓ Growth sustained
 - “Oil money” increasingly present
 - Rising input costs

Competitive Environment

Diagnostics Market

- ✓ Entry of diagnostic imaging system manufacturers
- ✓ M&As in developed countries by businesses from new economies

Healthcare Industry

- ✓ Getting crowded

Life Science Technology

- ✓ More new technologies in the market

Healthcare Environment

Advanced Countries

- ✓ Aging population expanding demand for preventive medicine

(Japan)

- Healthcare program for the “old-old”
- Specific medical examinations and health guidance
- Medical fees revised

Newly-established Markets

- ✓ Medical infrastructure expanded as economy develops

Growth of the healthcare industry accelerated

From Treatment to Prevention

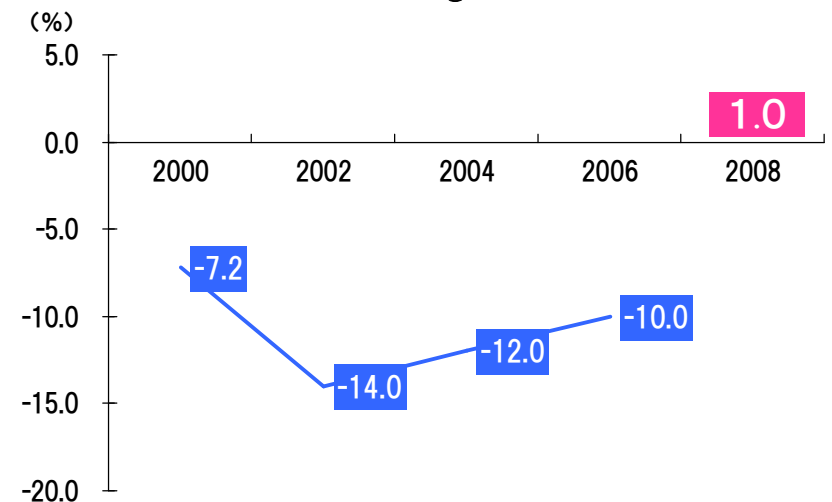
Medical fee revision

- FY06 reduction put medical institutions under tough business conditions
- In FY08, fees for medical procedures (including diagnostics) revised upwardly

Specific medical examinations and health guidance

- Commenced in April 2008

Revisions in Diagnostics Test Fees



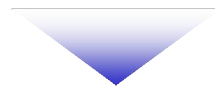
Source: Japan Association of Clinical Reagents Industries
(2008: Sysmex forecast)

Long-term Vision: A Unique & Global Healthcare Testing Company

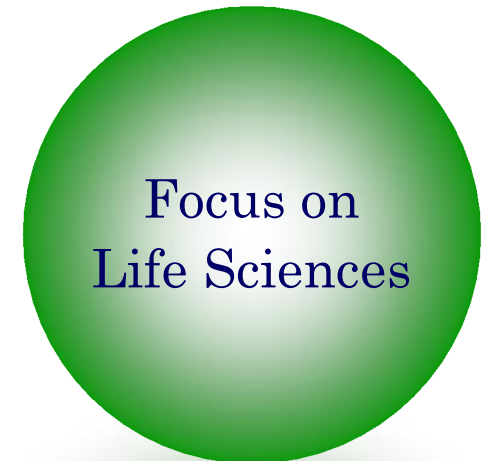
- No. 1 global company in hematology
- Leading company in the diagnostics field in Asia
- Global niche company in the life science field



Consolidated No. 1
global position in coagulation
and urinalysis,
as well as hematology



Leading company
in the diagnostics field
in Asia



Leading company in
the cancer
diagnosis market

40th Anniversary Commemorative Event

- Corporate value enhancement worldwide
- Completion of R&D center (Techno Park)
where “knowledge is created and passed on”
- Service to society
- 40th anniversary commemorative dividend etc.



40th Anniversary

<To be completed in Oct. '08>

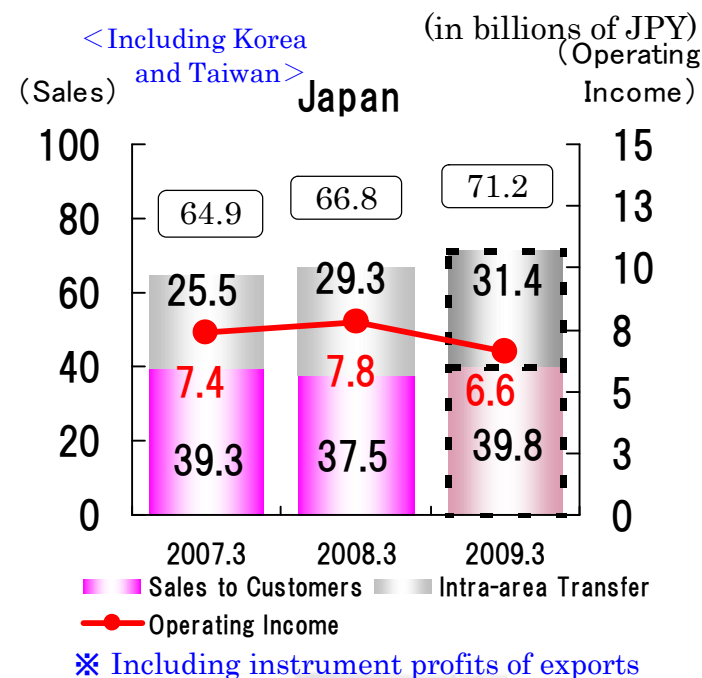


Project concept: Create and pass on “knowledge”

Geographic Segment Information (Japan)

[FY2007]

- Superior solutions won large-scale contracts
- Slow sales of hematology analyzers
- Delayed launches in immunochemistry and coagulation markets
- Slow sales of influenza testing reagents
- Large-scale contract won from the Korean government



[FY2008]

- Continued focus on the solutions business to win contracts with large-scale institutions
- Tap into our strength to expand business in the coagulation and immunochemistry fields
- Sysmex bioMérieux business to begin
- Promote ISO certification support business



Fully-automated immunoassay analyzer
HISCL-2000i

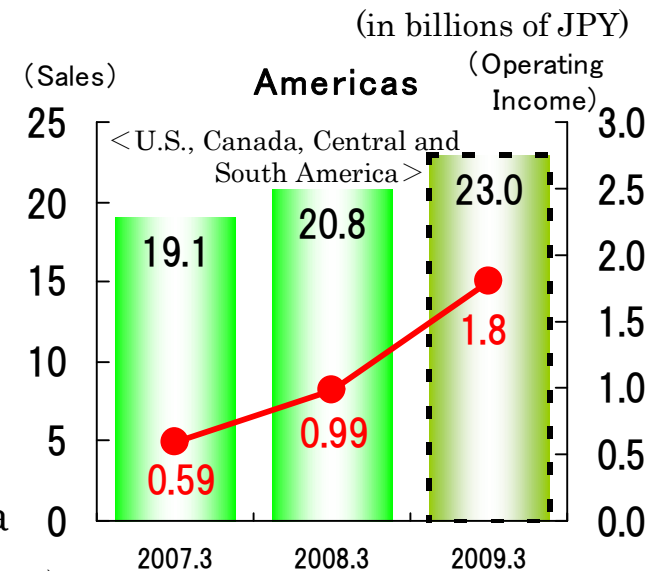
Geographic Segment Information (Americas)

[FY2007]

- Brisk sales to integrated health networks (IHNs) and blood centers (hematology)
- Hematology image analyzers distributed to leading commercial labs
- Solution-oriented, SNCS*-based marketing brisk
- Slow instrument sales in urinalysis and coagulation fields
- Hematology business growing in Central & South America

※ SNCS (Sysmex Network Communication Systems)

Service enabling customers to connect their equipment to the Sysmex Technical Support Center via Internet, providing online support and quality control.



[FY2008]

- Continued focus on sales activities for IHNs
 - ✓ Enhance customer support (including on-line support)
- Full introduction of automated hematology analyzer XE-5000
- Full launch of direct sales and support activities in Canada
- Reinforce marketing in the lower-tier market and physicians' office laboratory (POL) market



Automated hematology analyzer
XE-5000

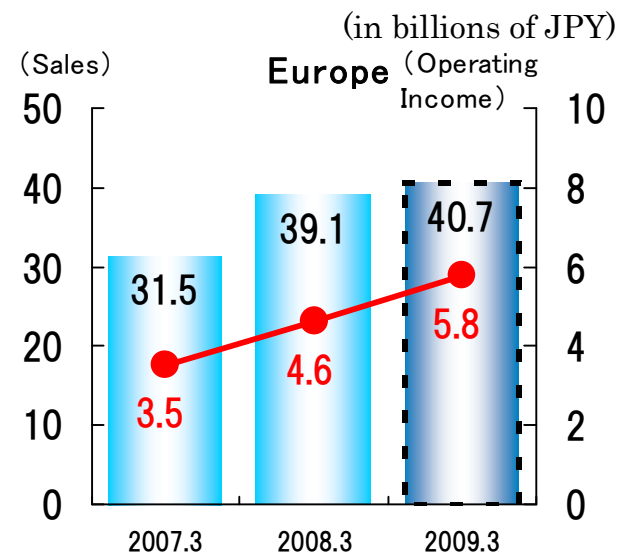


Sysmex Canada, Inc

Geographic Segment Information (Europe)

[FY2007]

- Business growth slowing down due to healthcare system reform in Germany and the UK
- Buoyant sales in Switzerland and Central Europe (direct sales areas)
- Slow sales of coagulation analyzers
- Hematology business advanced greatly in newly-established markets (the ME and Africa)
- High-value-added products gaining greater recognition (body fluid measurement, etc.)



[FY2008]

- Continued focus on ICS (Integrated Concept Solution) marketing
- Direct sales and support activities to begin in France
- Expand sales of urinalysis analyzers via alliance with bioMérieux
- Branch out into newly-established markets such as the ME and Africa



Automated urinalysis analyzer UF-1000i

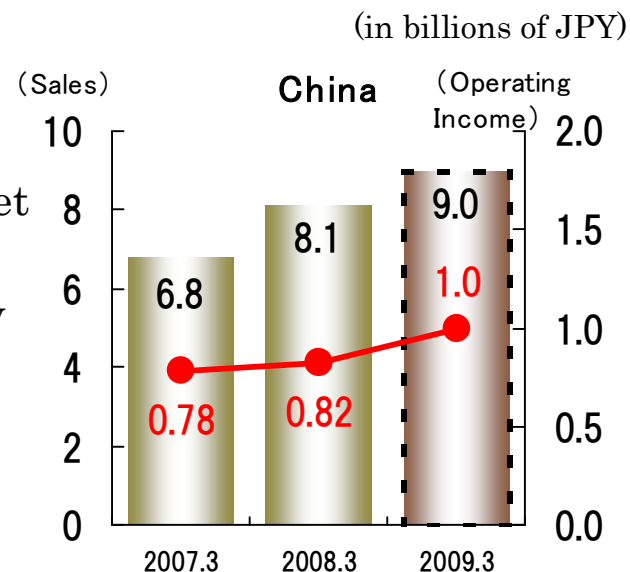


Sysmex France, Inc

Geographic Segment Information (China)

[FY2007]

- Sluggish instrument sales due to the “Clean Campaign” began to improve
- Solution-oriented marketing brisk in the upper-tier market (greater emphasis on quality of testing)
- Successful bidding rate decreased for compact hematology analyzers
- Brisk sales of coagulation analyzers
- Brisk sales of dry chemistry (clinical chemistry)



[FY2008]

- Continued focus on ICS (Integrated Concept Solution) marketing in the upper-tier market
- New introductions in the coagulation field
- Enter into the mid-tier market by expanding product lines in the clinical chemistry field



Coagulation analyzer CS-2000i



Clinical chemistry analyzer CHEMIX-800

Geographical Segment Information (AP)

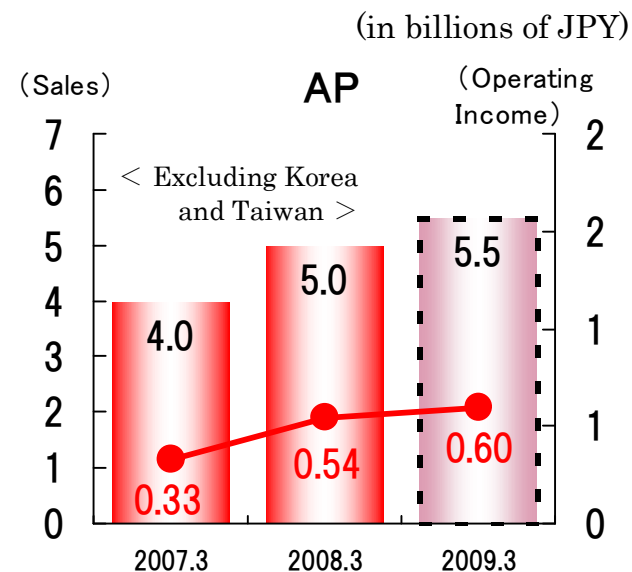
[FY2007]

- Large-scale contract won from the Malaysian government (precautions against thalassemia)
- Hematology business grew in India
- System product sales brisk in Philippines and Oceania
- Thai business growth thanks to reinforcement of the after-sales support system



[FY2008]

- Reinforce the hematology business by introducing ICS marketing
- Reinforce sales activities in the coagulation market
- Production at the reagent plant in Baddi (India) to go into full operation



Integrated hematology system HST series



Baddi reagent production plant

[FY2007]

Systems for rapid detection of lymph node metastasis

- Assessment of performance at medical institutions with a view to purchase (France, the UK, Italy)
- Application for eligibility under the provisions for highly-advanced medicine in France
- Application filed with the Ministry of Health, Labour and Welfare of Japan
- Clinical trials underway in the US



Gene amplification detector **RD-100i**

Genetic analysis systems and DNA chips

- Market introduction for Clinical Research use



Analysis system

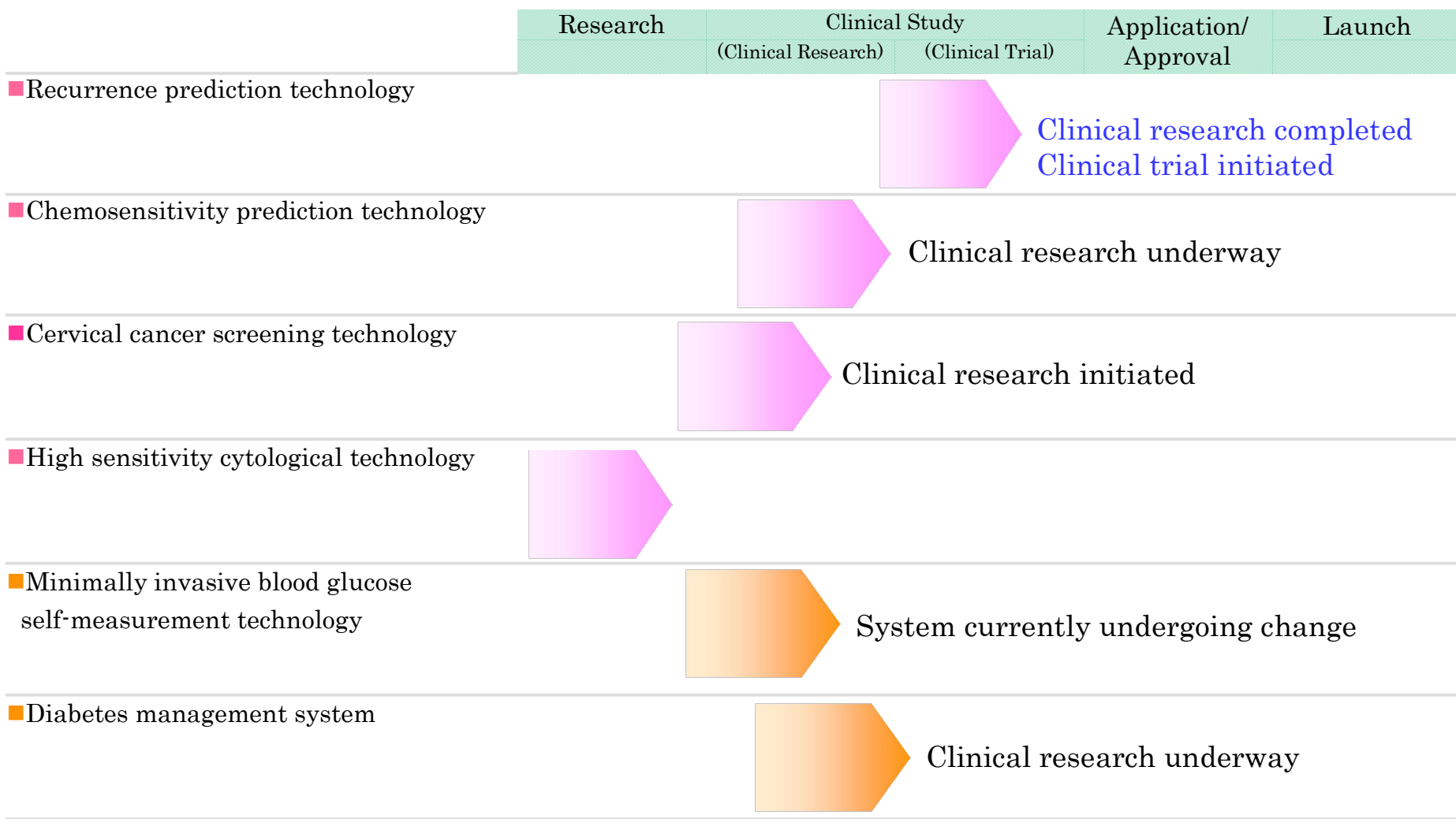


DNA chips

[FY2008]

- Accelerate market introduction of systems for rapid detection of breast cancer lymph node metastasis in Japan and Europe
 - ✓ Clinical trials to be completed in the Americas
 - ✓ Expand applicable cancer types (colon cancer, etc.)
- Accelerate market introduction of genetic analysis systems and DNA chips

Progress in R&D (Life Science)



Clinical Trial: Clinical performance trial to obtain approval

FY2008 Consolidated Earnings Forecast

- Consolidated Earnings Forecast
- Projected Dividend

Consolidated Earnings Forecast

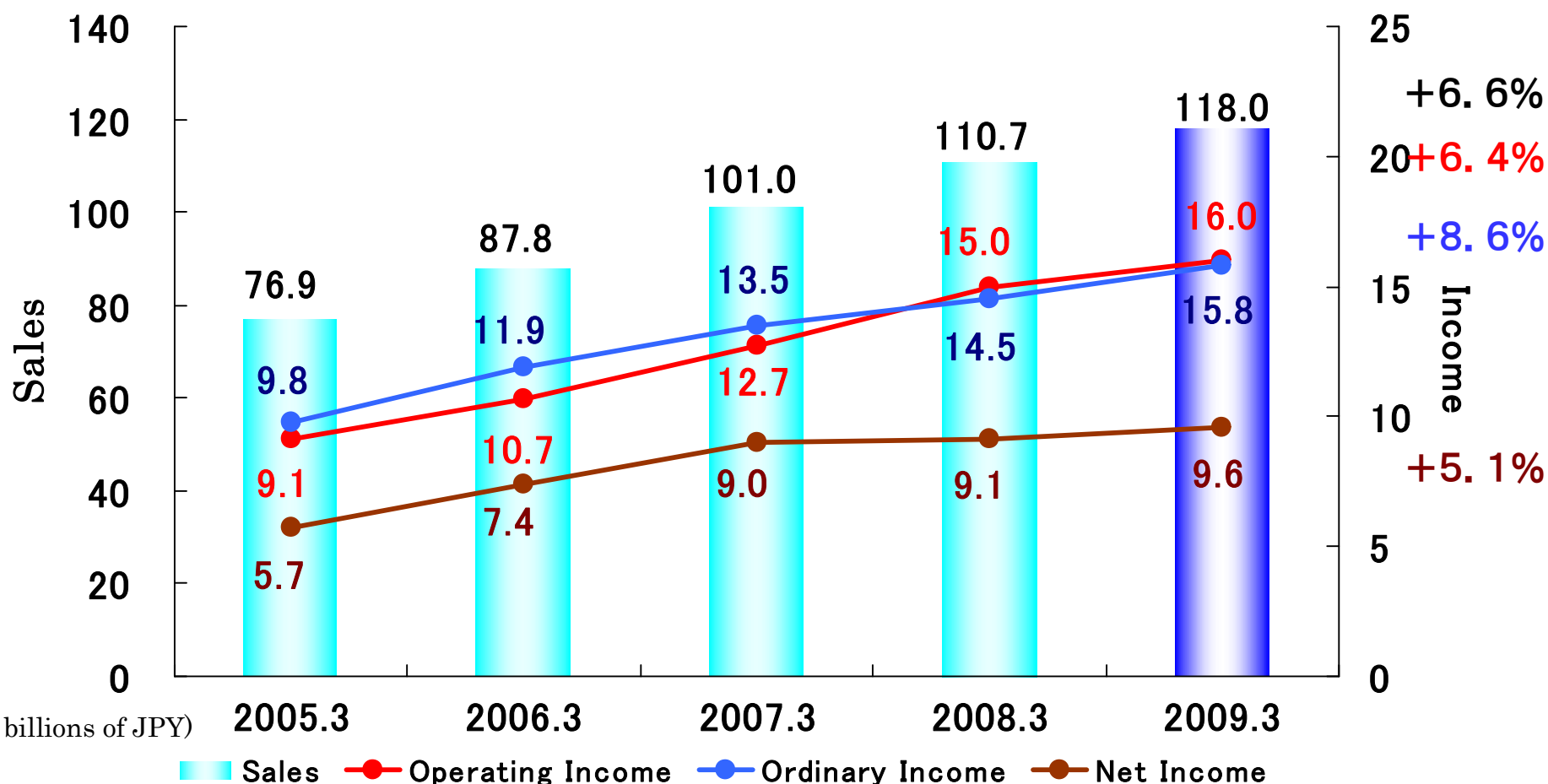
FY2008 Consolidated Earnings Forecast

- Sales: ¥118 billion
- Ordinary Income: ¥15.8 billion
- Net Income: ¥9.6 billion
- Ordinary Income ratio: 13.4%
- Net Income ratio: 8.1%

Investment plan

- Equipment: ¥9.0 billion
- R&D: ¥11.0 billion

(Planned exchange rate : US\$1= ¥100, EUR1= ¥157)



Factors Behind Earnings Forecast

Improvement in Cost Percentage

- Greater ratio of sales from direct sales and support (Americas, Europe)
- Areas of direct sales and support expanding (Canada, France, Central Europe, etc.)
- Sysmex bioMérieux business to begin in Japan
- Changes in cost structure due to unified accounting standards (Americas, Europe)

Others

- Tax increase in China due to change in the preferential tax system for foreign capital
- Further depreciation of dollar and appreciation of yen

Forex rate for FY2007: 1US\$ = ¥114, 1EUR = ¥161

Forex assumption for FY2008: 1US\$ = ¥100, 1EUR = ¥157

Increase in SG&A

- Increase in labor and expenses due to expansion of sales base (Canada, France, Central Europe, etc.)
- Frontloaded investment in the life science business (expenses for clinical trials, reinforcing sales structures)
- Increased SG&A owing to changes in cost structure
- Higher depreciation due to completion of the Techno Park
 - ✖ Slight impact of changes in existing equipment's depreciation period

(Temporary factors)

- Programs for 40th anniversary commemorative events
- Laying down an infrastructure to coincide with Techno Park's completion

Projected Dividend

	Interim dividend	Year-end dividend	Total	Dividend ratio (Consolidated)
FY2008 (Projected)	¥ 24	¥ 24	¥ 48	25. 6%
FY2007	¥ 20	¥ 28	¥ 48	26. 8%

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, and involve both known and unknown risks, uncertainties and other factors, including but not limited to: global economic conditions, competitive situations, and changes in exchange rates. Such risks, uncertainties, and other factors may cause the actual results, performance, achievements, or financial position to be materially different from any future results, performance, achievements, or financial position expressed or implied within these forward-looking statements.

Challenging the Frontiers of Healthcare Testing

SYSMEX CORPORATION

<Contact>

IR & Corporate Communication Div.

Phone: 81-078-265-0500

Email: info@sysmex.co.jp

URL: www.sysmex.co.jp

END