



FY2008 Business Results

Financial Highlights and the Mid-term Management Plan

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Sysmex Corporation

Contents

- ◆ FY2008 Financial Highlights
- ◆ Mid-term Management Plan (FY2009 - FY2011)
- ◆ FY2009 Consolidated Earnings Forecast
- ◆ Supplementary Data
 - Mid-term Management Plan (Financial Targets)

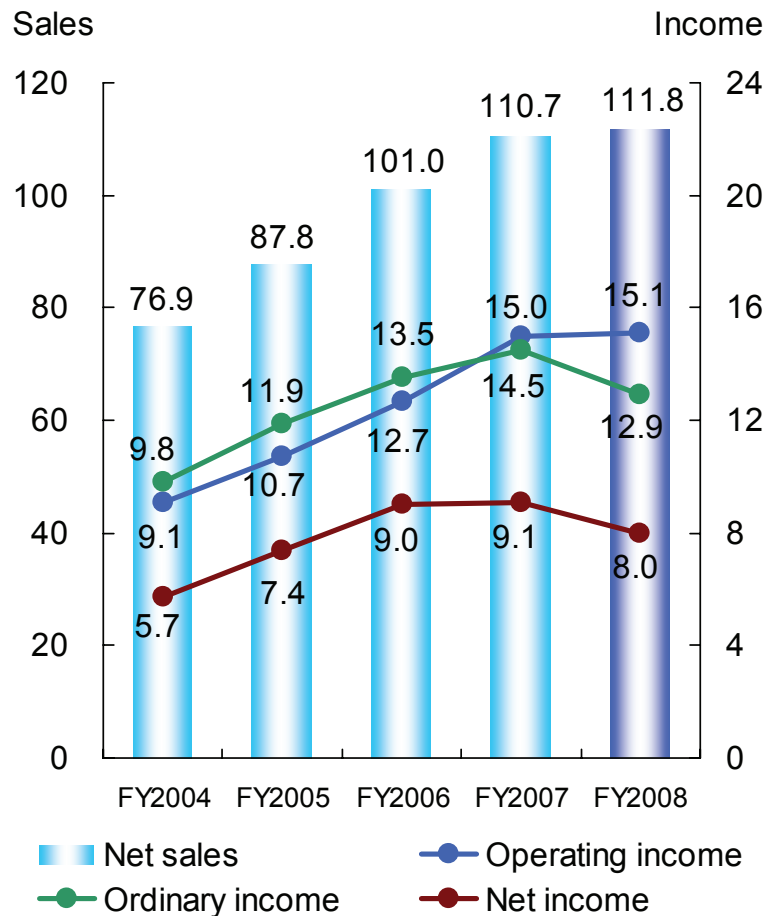
Forward-looking Statements

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 environment 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.

FY2008 Financial Highlights

Financial Highlights

(In billions of JPY)



(In billions of JPY)

	FY2008	Revised Forecast (as of Feb.3)	FY2007	% compared to a Year Earlier
Net sales	111.8	114.0	110.7	101.0 %
Operating income	15.1	14.0	15.0	100.7 %
Ordinary income	12.9	11.5	14.5	89.3 %
Net income	8.0	6.7	9.1	87.8 %

Profit targets achieved, despite impact of the high yen

- ▶ Limited impact of recession on the diagnostics market
- ▶ Overseas business drove Group growth (Overseas sales ratio: 68%)
- ▶ Forex impact
 - Net sales: - ¥9.6 billion
 - Operating income: - ¥2.7 billion

*Forex loss (non-operating balance): ¥2.2 billion

*Currency adjusted to the same time last year

Net sales: 109.7%, Operating income: 118.7%

Exchange rate in the preceding 4Q report : 1US\$=¥105.3, 1EUR=¥157.7

Exchange rate in this 4Q report: 1US\$= ¥93.6, 1EUR=¥121.9

Exchange rate in the preceding full year : 1US\$=¥114.3, 1EUR=¥161.5

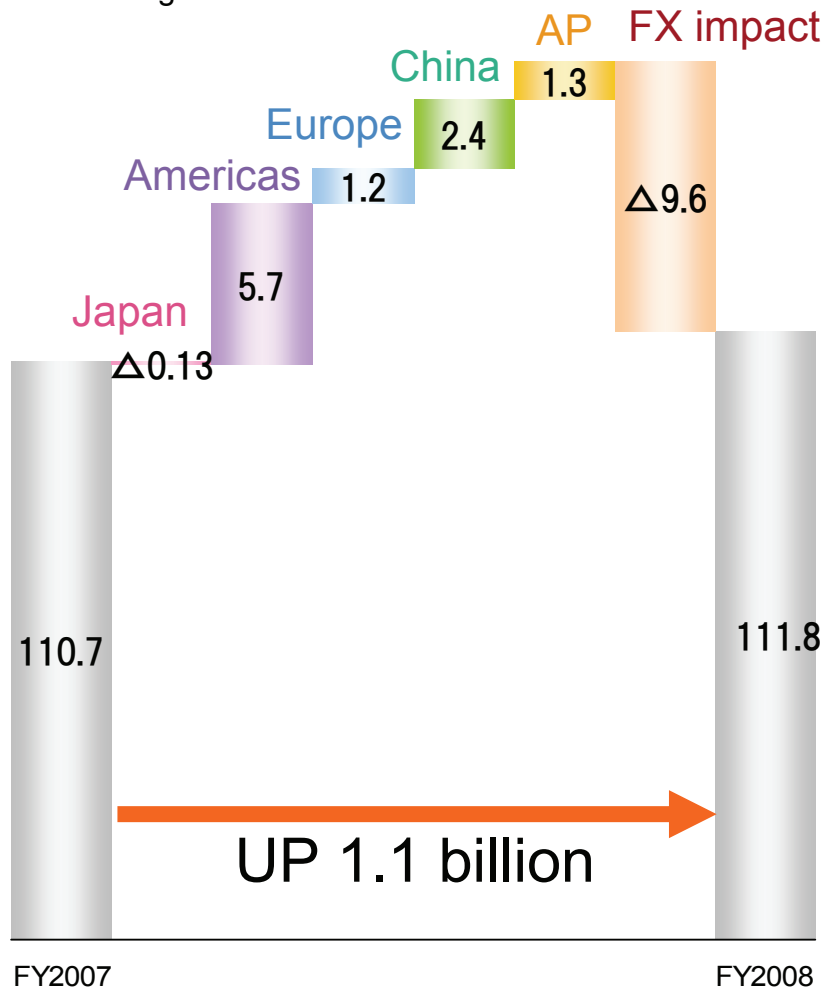
Exchange rate in this full year : 1US\$=¥100.5, 1EUR=¥143.5

Breakdown of Net Sales and Operating Income

(in billions of JPY)

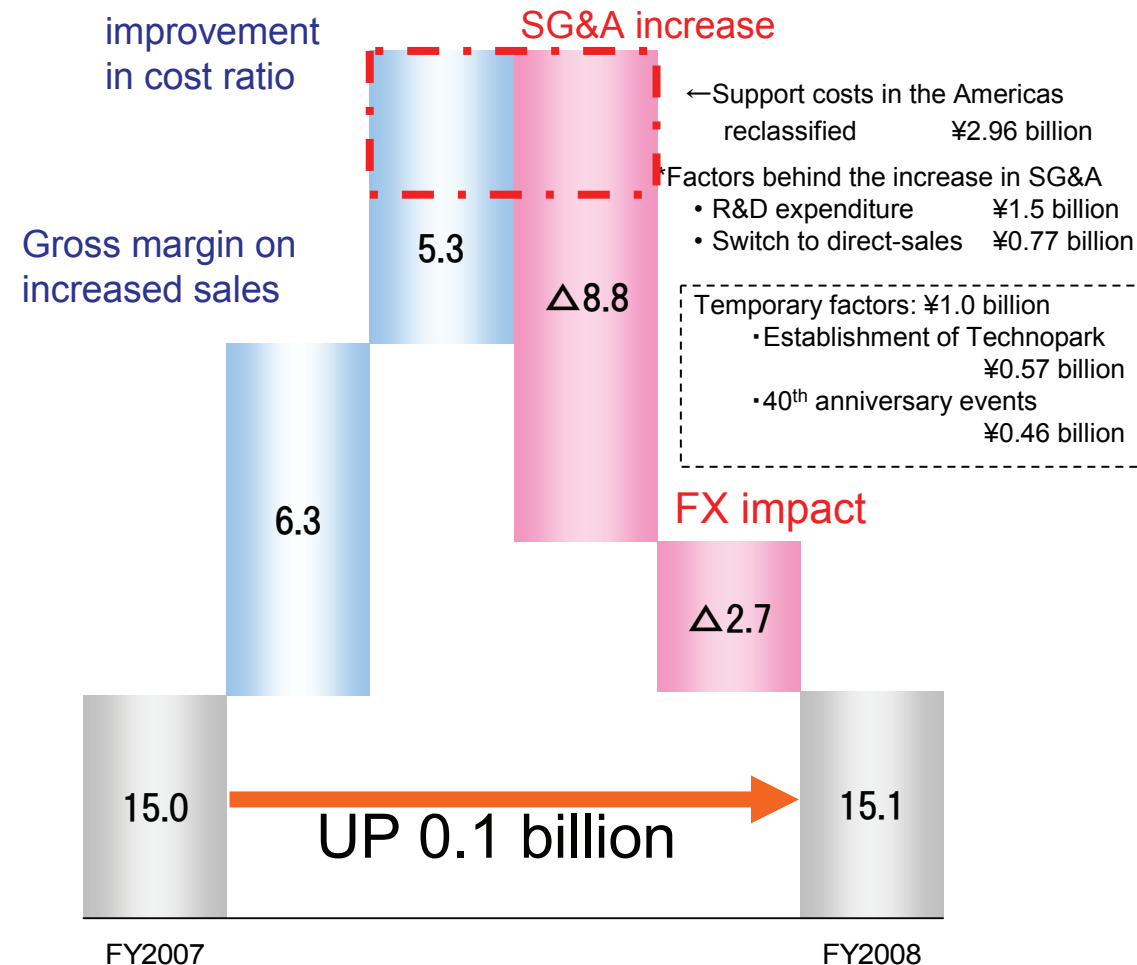
Net Sales

*FX impact excluded from regional sales below



Operating Income

Gross margin increased as a result of an improvement in cost ratio

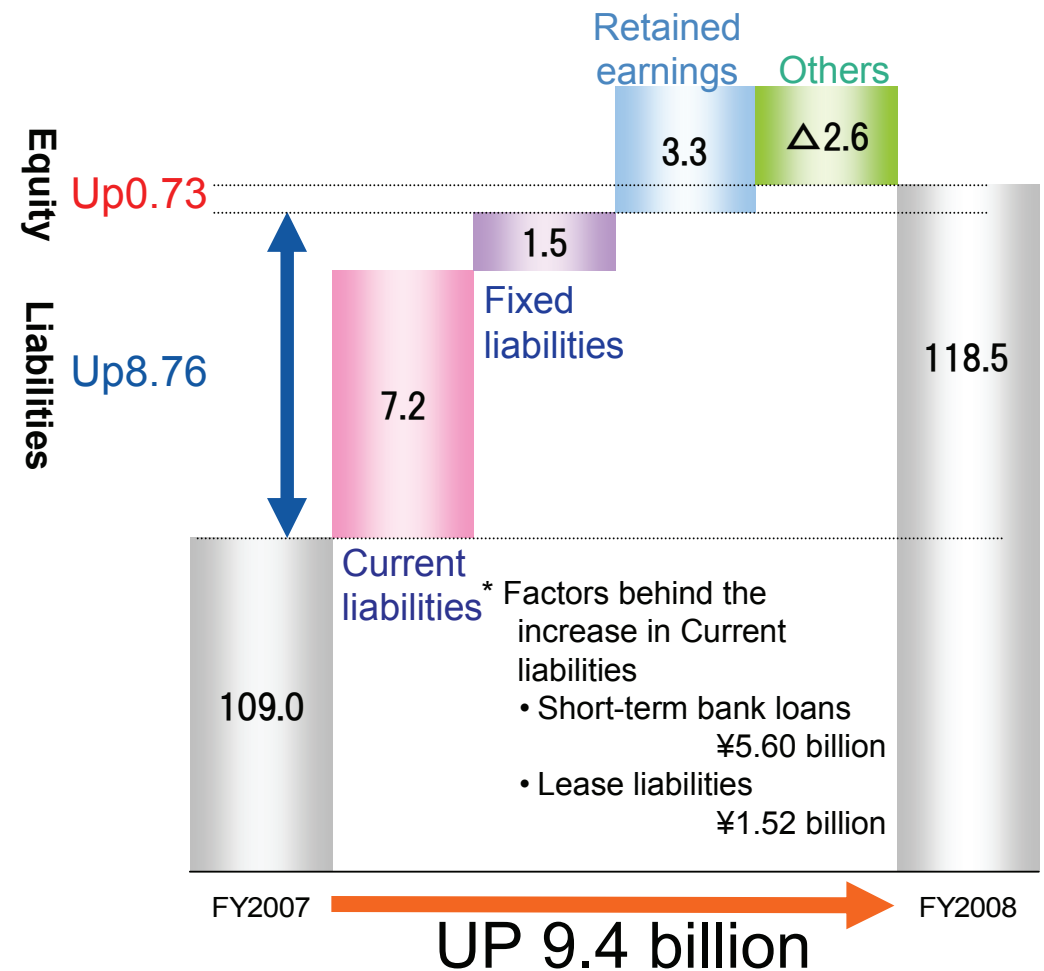
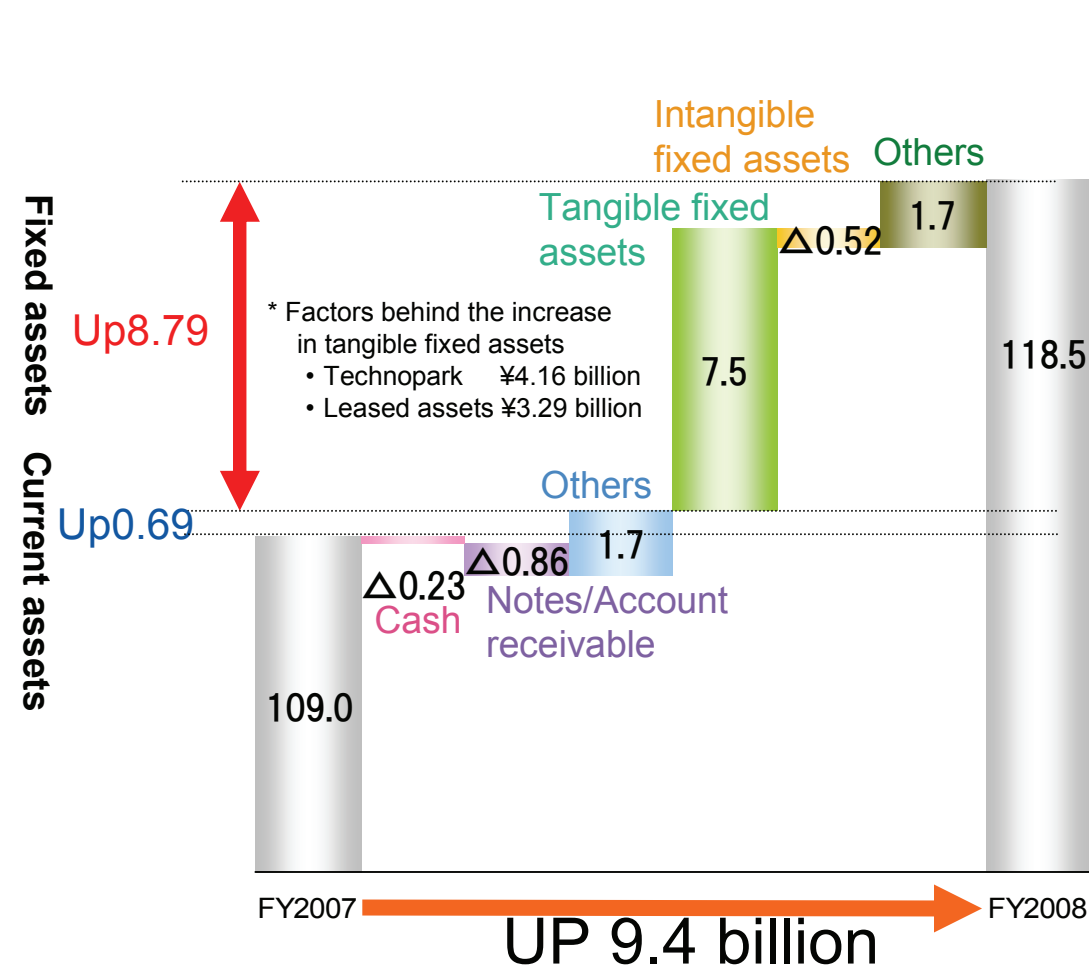


Breakdown of Balance Sheet

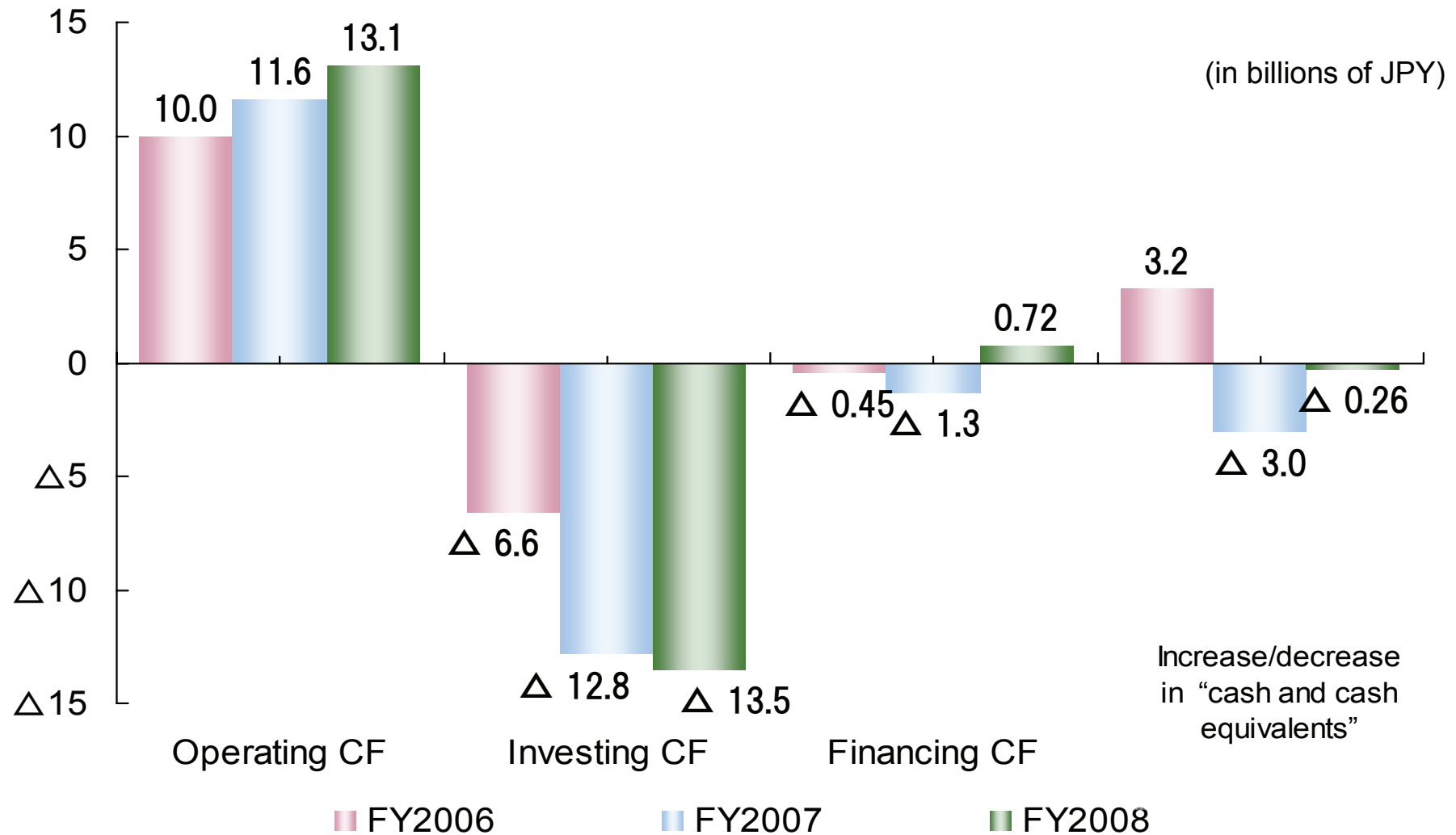
(in billions of JPY)

Assets

Liabilities/Equity



Consolidated Cash Flow



※ 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)
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FY2008 (Forecast)	¥ 24	¥ 26	¥ 50	31.9 %
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*2 yen dividend increase announced (May 11)

Increase for 7 consecutive years

FY2007	¥ 20	¥ 28	¥ 48	26.8 %
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*Including 8 yen 40th anniversary memorial dividend

Changes in Accounting Standards

Accounting Standards for Lease

- Direct leasing contracts
 - ▶ Sales in Europe: - ¥1.3 billion
 - Leased assets / liabilities on-balance
 - ▶ Tangible fixed assets: + ¥3.2 billion
- ※Small impact on Operating income, Ordinary income and Net income

Valuation of Inventory

- Inventory now valued using the weighted average cost method (essentially lower of cost or market method)
 - ▶ COGS: + ¥0.31 billion
 - ▶ Extraordinary loss: ¥0.34 billion

Reclassification of Service Costs in the Americas

- Service costs reclassified from COGS to SG&A expenses
 - ▶ SG&A expenses: + ¥2.9 billion

Tax system revision concerning dividends from overseas subsidiaries

- Income tax expenses declined due to a reversal of deferred tax liabilities: ¥0.41 billion

Topics

New Products

- Breast cancer lymph node metastasis rapid detection system: First insurance coverage in Japan
- Japan's first rapid influenza diagnostic kit for chickens
- Hematology analyzer XT-4000*i* for medium-sized hospitals
- Hemostasis reagents prepared from materials produced using gene recombinant technology
- Reagents for Immunochemistry analyzer HISCL-2000*i* approved

Affiliates and Offices

- Technopark opens (Expanding R&D base)
- A subsidiary in the Middle East (Dubai) established
- An Indian joint venture was made a wholly-owned subsidiary
- Local distributors in Benelux were made wholly-owned subsidiaries

Other Developments

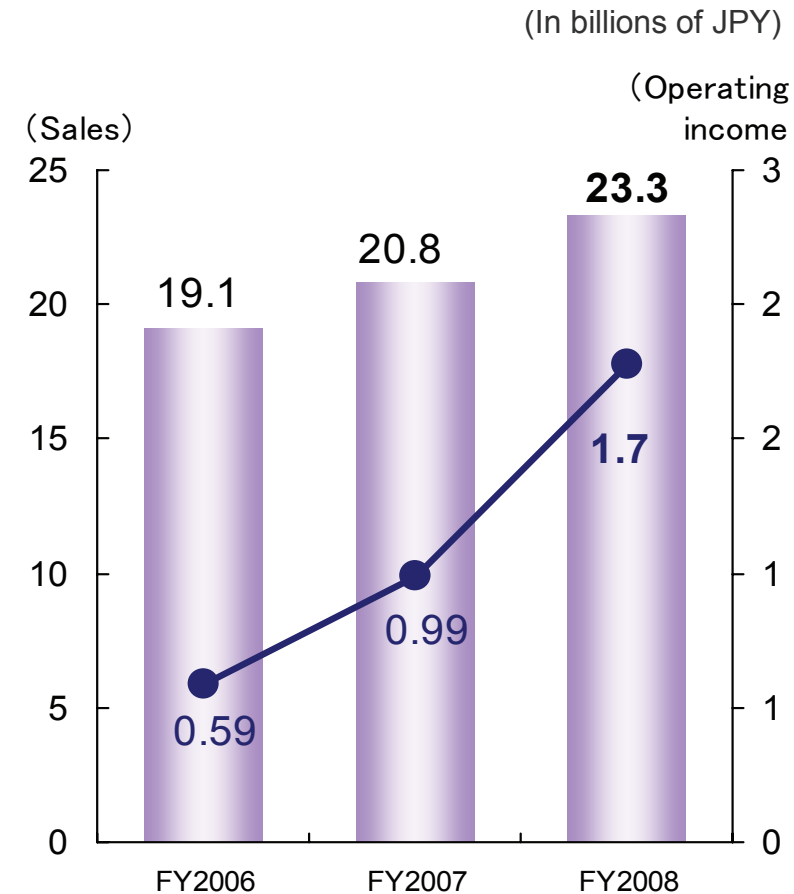
- 40th anniversary Commemorative events
 - ▶ Sysmex corporate logo changed
 - ▶ Promoting Global Corporate Value Enhancement Program

Geographic Segment Information – The Americas

(In billions of JPY)	FY2008	FY2007	% compared to a Year Earlier
Net sales	23.3	20.8	112.1 %
Operating income	1.7	0.99	180.5 %

*On a local currency basis: Net sales; 127.5 %, Operating income; 205.2 %

- Reagent sales grew in tandem with greater hematology instruments sales to IHNs (Integrated Healthcare Networks), including Sutter Health
- Greater penetration into the Canadian hematology market following the switchover to direct sales
- Hematology systems selling briskly in Central and South America
- Margins improved due to higher sales levels and lower fixed costs growth

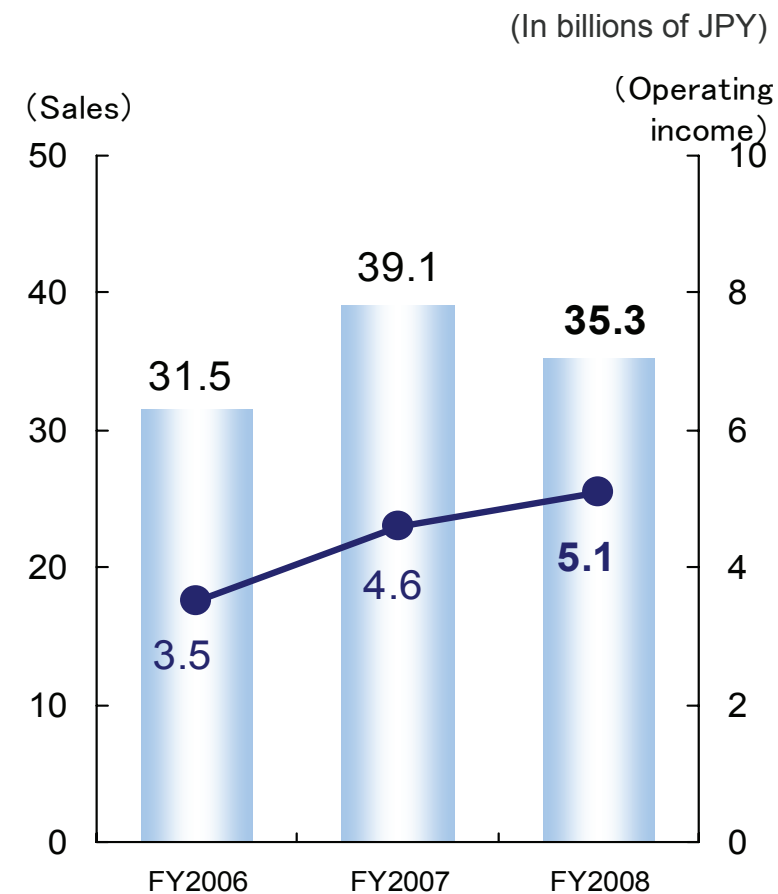


Geographic Segment Information - Europe

(In billions of JPY)	FY2008	FY2007	% compared to a Year Earlier
Net sales	35.3	39.1	90.3 %
Operating income	5.1	4.6	111.1 %

*On a local currency basis: Net sales; 101.7 %, Operating income; 125.1 %

- Changes from the previous fiscal year which have negatively affected our sales
 - ▶ Change in accounting standards for lease transactions: - ¥1.3 billion
 - ▶ Distributed product lines discontinued (blood-collecting tubes): - ¥0.52 billion
 - ▶ MOLIS software transferred: - ¥0.88 billion
 - ▶ Sterling depreciation: - ¥1.2 billion
- Sales grew in France, Spain, as well as Emerging markets (Eastern Europe, Russia, Africa, the Middle East)
- Operating margin improved thanks to reagent sales growth and direct sales in France, etc.



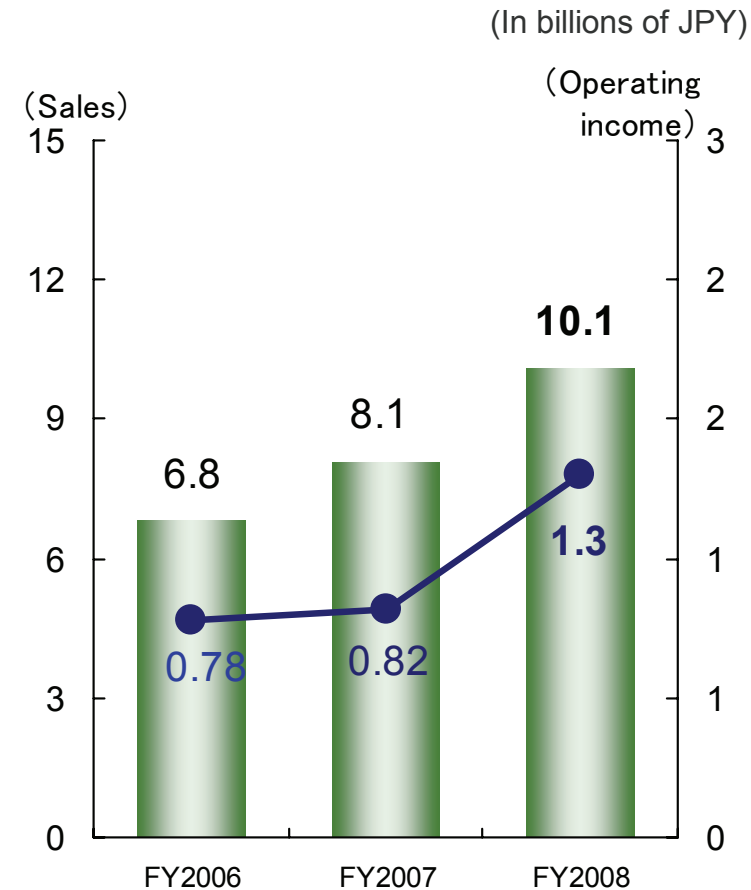
*including Change in accounting standards for lease transactions, etc.

Geographic Segment Information - China

(In billions of JPY)	FY2008	FY2007	% compared to a Year Earlier
Net sales	10.1	8.1	124.4 %
Operating income	1.3	0.82	158.9 %

*On a local currency basis: Net sales; 130.1 %, Operating income; 166.1 %

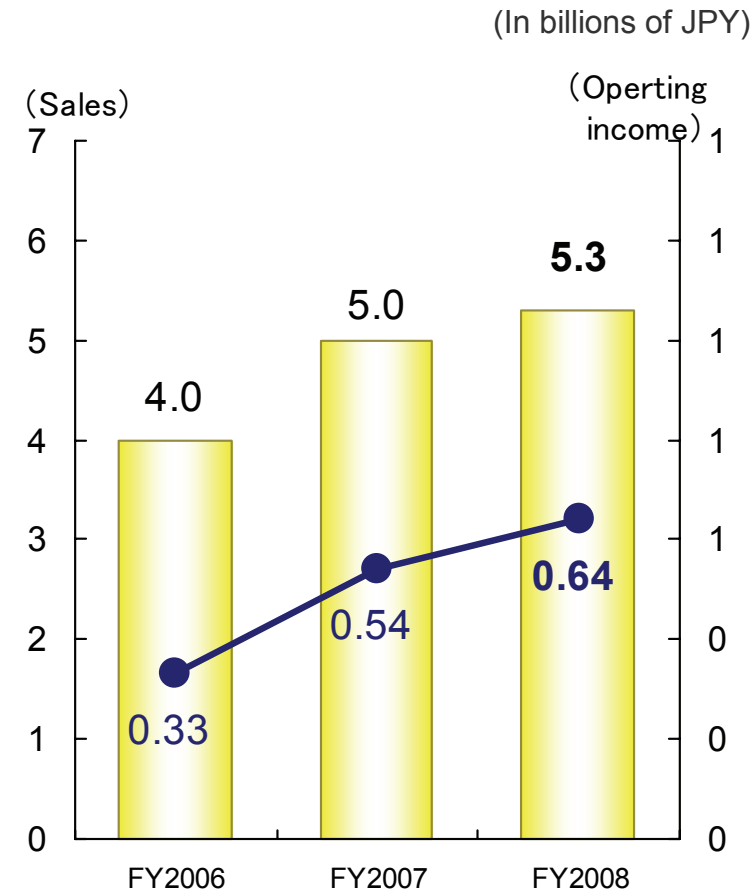
- Sales topped the ¥10 billion mark for the first time ever
- Hematology systems sales increased through direct business with customers
 - ▶ Successful bid ratio decreased in the low-end market, following a new law on the control of purchasing / imports
- Urinalysis and hemostasis sales grew substantially
 - ▶ Installations of urinalysis analyzers increased significantly due to upgrades and in the wake of reports of melamine contaminated food
- Margins improved due to higher sales levels and lower fixed costs growth



Geographic Segment Information - AP

<Excluding Korea, Taiwan, and Mongolia>

(In billions of JPY)	FY2008	FY2007	% compared to a Year Earlier
Net sales	5.3	5.0	107.2 %
Operating income	0.64	0.54	118.2 %



*On a local currency basis: Net sales; 118.5 %, Operating income; 130.6 %

- Hematology systems sales fared well in Australia
- Sales in the hematology low-end market grew substantially in India
- Urinalysis sales increased as the use of automated urine sediment analysis has become widespread
- Operating income margin improved due to greater sales and containment of SG&A expenses

Geographic Segment Information - Japan

<Including Korea, Taiwan, and Mongolia>

(In billions of JPY)	FY2008	FY2007	% compared to a Year Earlier
Net sales	69.0	66.8	103.3 %
Sales to customers	37.5	37.5	100.1 %
Intra-area Transfer	31.5	29.3	107.4 %
Operating income	4.6	7.8	59.4 %

- The Japanese market remained slow
- Solution proposal led to large orders from university hospitals, etc.
- Instruments exports (intra-group sales) increased on the back of strong overseas demands
- Operating income plummeted due to temporary factors (high yen, greater SG&A)

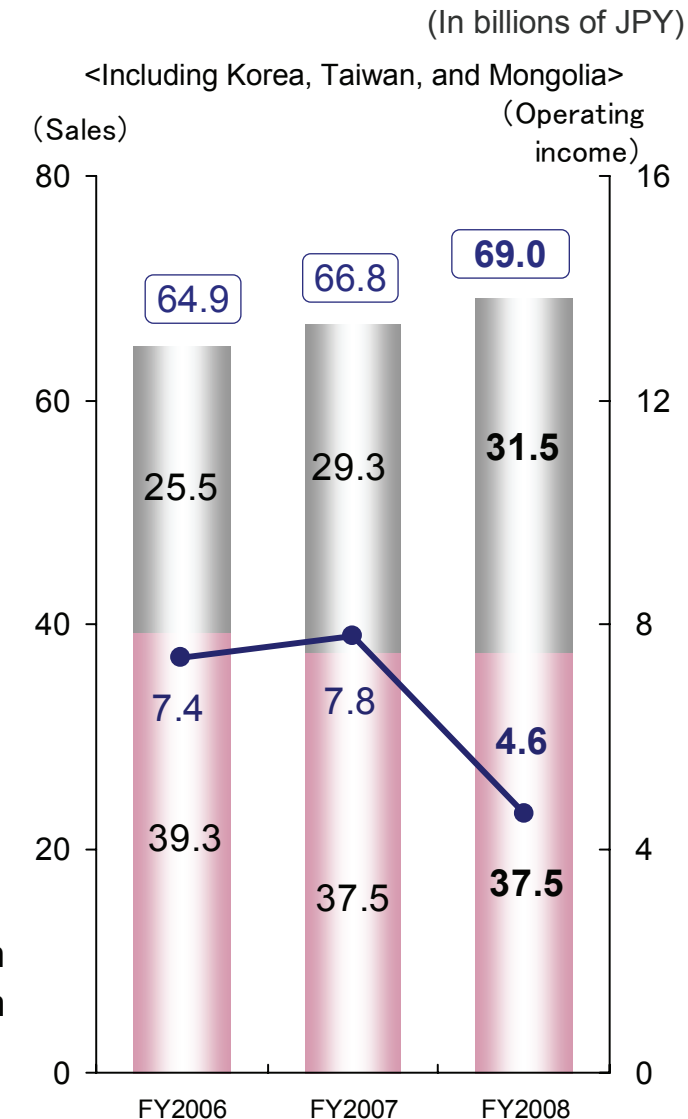
* Temporary factors resulting in greater SG&A:
 ¥1.0 billion

- ▶ 40th anniversary events: ¥0.46 billion
- ▶ Establishment of Technopark (excl. depreciation): ¥0.57 billion

* Combined sales of Korea, Taiwan, and Mongolia: ¥1.76 billion

* Forex impact

- ▶ Net sales: - ¥3.4 billion
- ▶ Operating income: - ¥2.8 billion



■ Intra-group Sales: Exports to group affiliates
 ■ Sales to customers: Including Korea, Taiwan, and Mongolia
 ● Operating Income

Mid-term Management Plan (FY2009 - FY2011)

External Environment

Sharp forex fluctuations

- ▶ The yen grew strong against key currencies

Continued curb on medical expenses

- ▶ Medical institutions seeking higher operational efficiency
- ▶ Greater demand for testing parameters with high medical value

Industry realignment

- ▶ M&As among competitors in the diagnostics sector



Healthcare market remained brisk amid global recession

- ▶ Advanced countries: Graying populations, greater demand for advanced medical care
- ▶ Emerging countries: Increasing populations, development of medical infrastructures
- ▶ Increased investment in medical / healthcare services as part of economic packages

Internal Environment (FY2007 - FY2008)

● **Healthy growth overseas, despite impact of the high yen**

- ▶ Presence established in the North America hematology market
- ▶ Territories for direct sales and support expanded

Europe: Central Europe (2007), France (2008), Benelux (2009), Middle East (2008)*

The Americas: Canada (2008)

Asia: Thailand (2007)*, India (2008)*

* Customer support provided directly by our subsidiaries

● **Slower growth in the Japanese market**

- ▶ Immunochemistry: Delayed launch of reagents for HISCL-2000i analyzer
- ▶ Clinical chemistry: Decline in competitive edge of Sysmex products
- ▶ POC: Tougher competition and change of sales channels for flu test kits

● **Life science: Steady progress made, though business startup is behind schedule**

- ▶ Breast cancer lymph node metastasis rapid detection systems
 - NHI points assigned
 - Greater penetration into Japanese and European medical institutions

● **Group's managerial base strengthened on the occasion of the 40th anniversary of our foundation**

- ▶ New Corporate Philosophy (2007), New corporate logo (2008), TechnoPark (Expanding R&D base) (2008)

Summary of Mid-term Management Plan

Aim at further growth based on the long-term management vision

A Unique & Global Healthcare Testing Company

(formulated at April, 2007)

Core Strategies

Global Niche No.1

Focus on Asia

Focus on Life Science

Group key objectives and action plans

1. Sustaining growth in the hematology field
2. Accelerating growth of non-hematology* fields in in-vitro diagnostics
3. Accelerating commercialization of Life Science business
4. Strengthening R&D
5. Strengthening corporate structure

Targets of Mid-term Plan (FY2011)

- **Net Sales: ¥140 billion**
CAGR: approx. 10% (FY09-FY11)
- **Operating Income: ¥18.5 billion**
CAGR: approx. 20% (FY09-FY11)
- **Operating Income Ratio: 13.2%**
- **ROE: 12.0%**
- **FCF: ¥8.4 billion**

(Exchange rate for the Mid-term Management Plan: 1US\$=¥95、1EUR=¥125)

Mid-term Management Plan

FY2007

FY2008

FY2009

FY2010

FY2011

Non-hematology: in-vitro diagnostics fields excluding hematology but including hemostasis, urinalysis, immunochemistry, clinical chemistry and others.



1. Sustaining growth in the hematology field

● Further expanding market share in NA

- ▶ US: Increasing penetration into large commercial labs and IHNs
- ▶ Canada: Promoting sales by increasing brand recognition and expanding direct sales territories

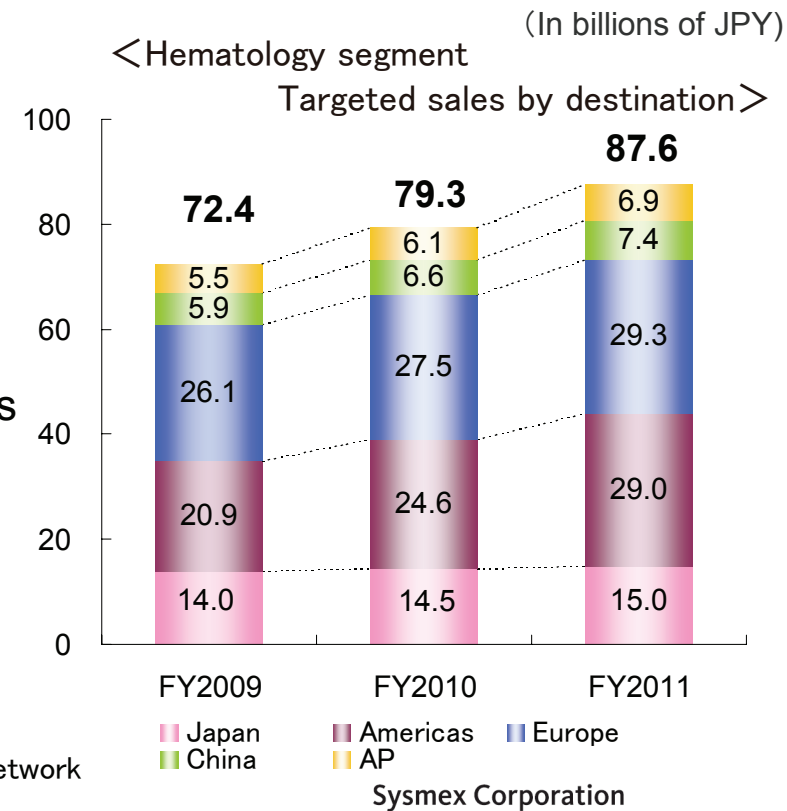
● Sustaining growth in Europe (Advanced countries)

- ▶ Promoting solution-oriented sales by tapping into direct-sales systems

● Expanding sales in Emerging countries

- ▶ Encouraging activities to new equipment purchase facilities
- ▶ Encouraging instrument upgrades and switchover to system products
- ▶ Strengthening customer support by introduction of SNCS*
- ▶ Expanding product portfolio, strengthening marketing

※SNCS: Sysmex Network Communication Systems
Customer support service through on-line network



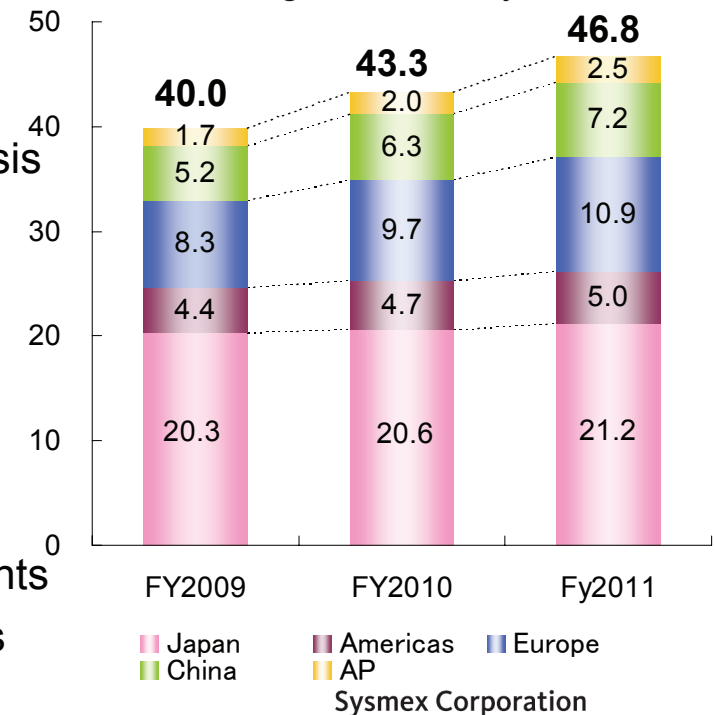
2. Accelerating growth of non-hematology fields in in-vitro diagnostics

● Consolidating our status as a comprehensive supplier in Asia, including Japan

- ▶ China: Increasing product portfolio in hemostasis, immunochemistry, and clinical chemistry fields
Expanding local production of reagents (clinical chemistry, etc.)
- ▶ AP: Strengthening marketing in clinical chemistry and immunochemistry fields
Enhancing solution-oriented sales
Promoting ISO certification support business
- ▶ Japan: Expanding testing parameters for immunochemistry reagents
Broadening product lines of Sysmex-branded hemostasis reagents
Broadening product lines in clinical chemistry and microbiology fields

(In billions of JPY)

<Non-Hematology segment
Targeted sales by destination>



● Extending global reach in hemostasis and urinalysis fields

- ▶ Broadening product lines of Sysmex-branded hemostasis reagents
- ▶ Exploring opportunities in the urinalysis market through alliances

3. Accelerating commercialization of Life Science business

- **Facilitating launch of rapid lymph node metastasis detection systems**
 - ▶ Breast cancer
 - Europe, Japan: Introduced to a greater number of institutions
 - US, AP: Commencing market introduction
 - ▶ Expanding applicable cancer types, including colon cancer

- **Driving R&D of cervical cancer screening technology**
 - ▶ Commencing clinical research (US)

- **Accelerating diabetes-related research projects**
 - ▶ Clinical research of minimal-invasive glucose monitoring and simulations of clinical conditions

- **Seeking opportunities created by microarray technology**
 - ▶ Expanding the microarray business through alliances (DNA chips)

4. Strengthening R&D

● Speeding up product development

- ▶ Improving product flow
- ▶ Reinforcing collaborations (expediting practical application of joint development projects)

● Acquiring new technologies

- ▶ Realizing “Disease management” concept
 - Commercializing high value added analysis parameters
 - Promoting R&D in life science (cancer, lifestyle diseases)

Technopark in Kobe



5. Strengthening corporate structure

● **Group-wide campaigns for environmental conservation**

- ▶ Offering eco-friendly products
 - Resource conservation, lighter / smaller products
 - Reducing animal-derived materials
- ▶ Reducing production / logistics costs

● **Strengthening business management for the Group**

- ▶ Rebuilding ERP
 - Improving / speeding up business information management
- ▶ Strengthening risk management

● **Developing HRs for global assignments and reconstructing the personnel system**

FY2009 Consolidated Earnings Forecast

Consolidated Earnings Forecast

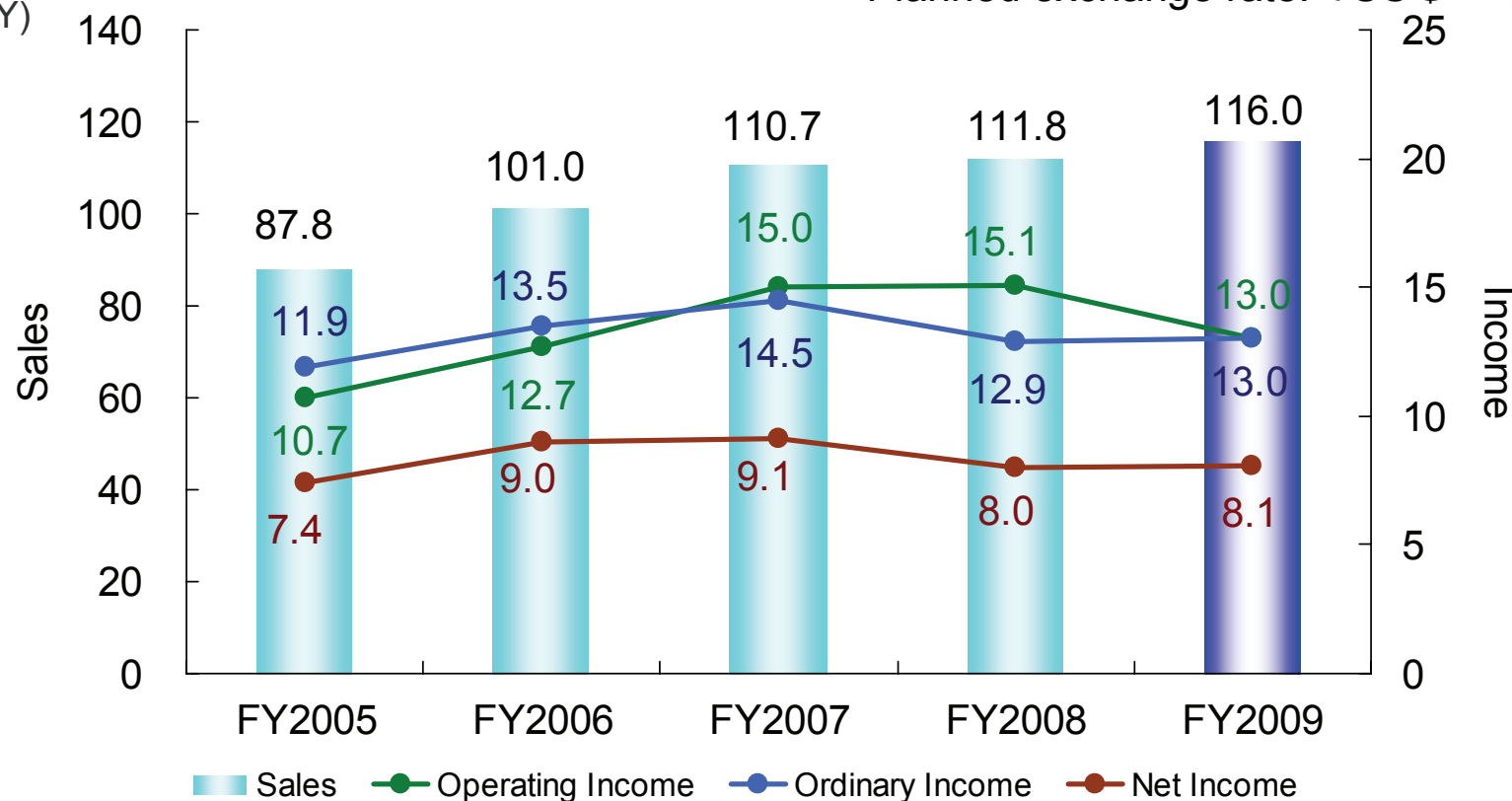
FY2009 Consolidated Earnings Forecast

- Net sales: ¥116 billion
- Operating income: ¥13 billion
- Net income: ¥8.1 billion
- Operating margin: 11.2 %
- Net income margin: 7.0 %

- Investment plan ● Capital Expenditure: ¥6 billion ● Depreciation: ¥7.5 billion ● R&D Expenditure: ¥10.8 billion

(In billions of JPY)

Planned exchange rate: 1 US \$ = ¥ 95 1 EUR = ¥ 125



Projected Dividend

	Interim dividend	Year-end dividend	Total	Dividend ratio (Consolidated)
FY2009 (Forecast)	¥ 25	¥ 25	¥ 50	31.6 %
FY2008	¥ 24	¥ 26	¥ 50	31.9 %

※ 2 yen dividend increase announced (May 11)

Supplementary Data

Mid-term Management Plan (Financial Targets)

Consolidated profit and loss

(In billions of JPY)

		FY2009	FY2010		FY2012	
				Growth		Growth
Net Sales	Japan	37.0	38.0	102.7%	40.0	105.3%
	Overseas	79.0	89.0	112.7%	100.0	112.4%
Net Sales		116.0	127.0	109.5%	140.0	110.2%
Opereing Income		13.0	15.2	116.9%	18.5	121.7%
Ordinary Income		13.0	15.2	116.9%	18.3	120.4%
Net Income		8.1	9.5	117.3%	11.5	121.1%

Sales and operating income by geographical region

(In billions of JPY)

			FY2009	FY2010		FY2012	
					Growth		Growth
Japan	Sales	Sales to customers	38.4	39.8	103.6%	42.4	106.5%
		Intra-group Sales	32.3	35.4	109.6%	39.6	111.9%
	Opereing Income	70.7	75.2	106.4%	82.0	109.0%	
Americas	Sales	25.5	29.7	116.5%	34.5	116.2%	
	Opereing Income	2.6	3.6	138.5%	4.9	136.1%	
Europe	Sales	35.1	38.2	108.8%	41.4	108.4%	
	Opereing Income	4.5	5.1	113.3%	5.6	109.8%	
China	Sales	11.1	12.9	116.2%	14.6	113.2%	
	Opereing Income	1.4	1.7	118.1%	2.0	116.5%	
Asia Pasific	Sales	5.9	6.4	108.5%	7.1	110.9%	
	Opereing Income	0.65	0.75	115.4%	0.90	120.0%	

Capital expenditure

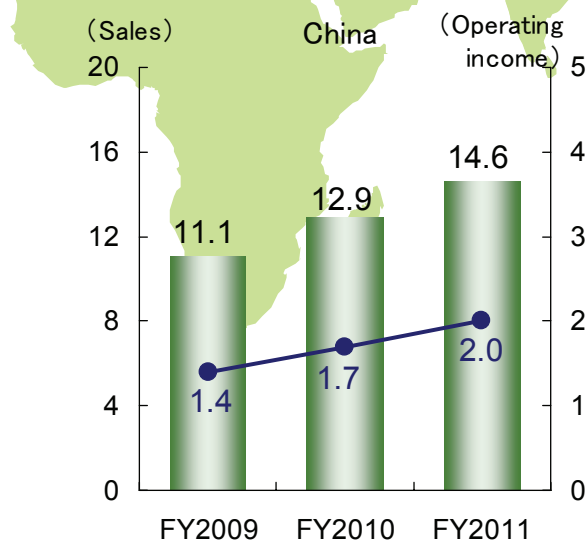
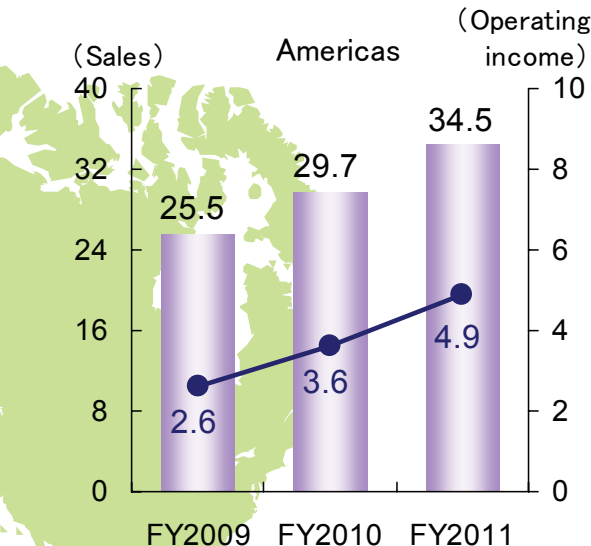
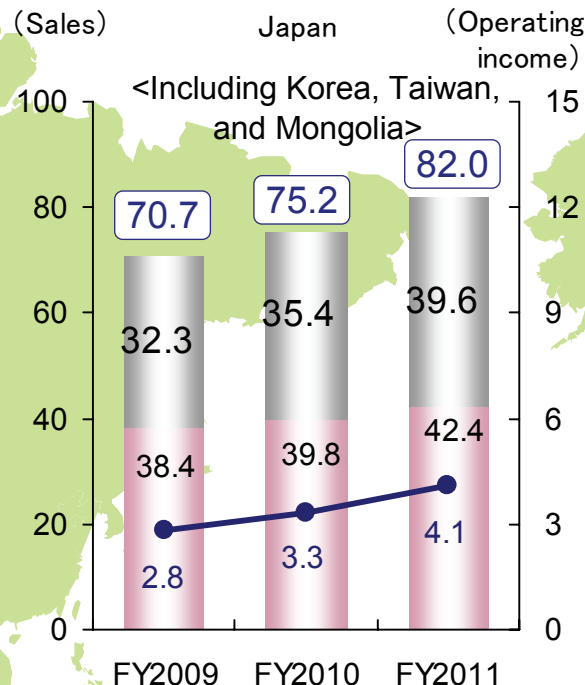
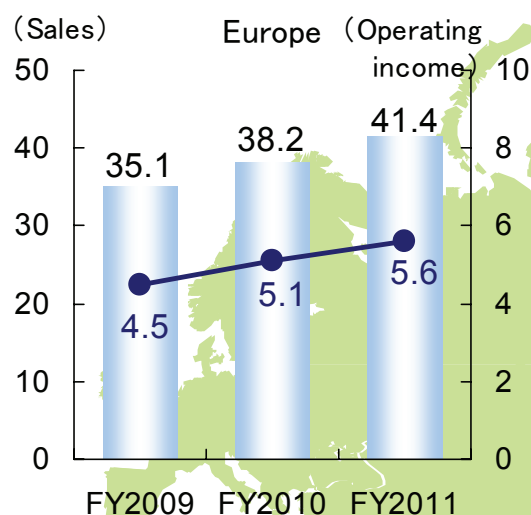
(In billions of JPY)

	FY2009	FY2010	FY2011
Capital expenditure	6.0	6.0	6.5
Depriciation	7.5	7.5	7.5
R&D expenditur	10.8	12.0	13.0

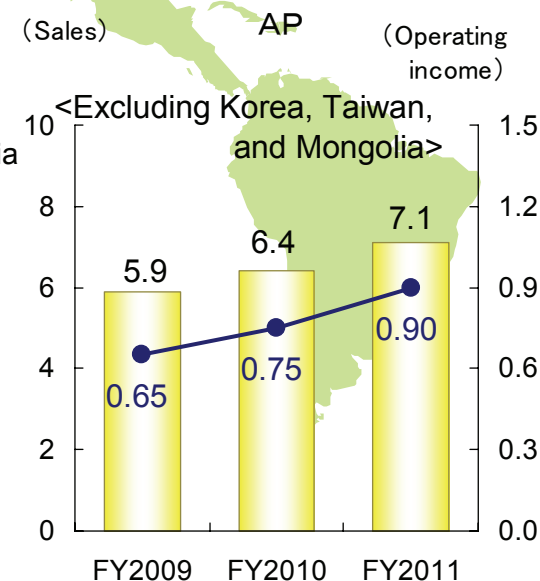
Mid-term Management Plan (Financial Targets)

- Sales and operating income by geographical region -

(In billions of JPY)



Intra-group Sales: Exports to group affiliates
 Sales to customers: Including Korea, Taiwan, and Mongolia
 Operating Income



We Believe the Possibilities.

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