



# Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2011

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## Forward-Looking Statements

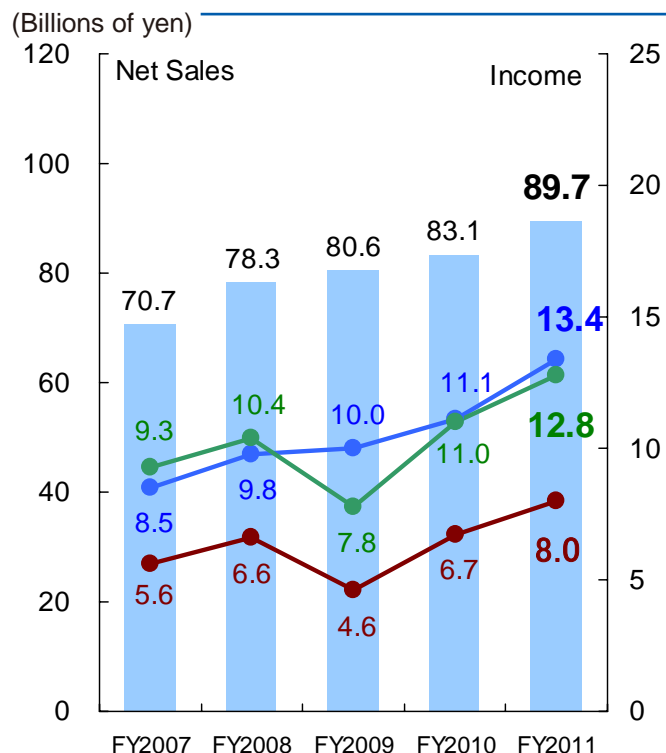
This material contains forward-looking statements about Sysmex Corporation and its Group companies (the Sysmex Group). These forward-looking statements are based on the current judgments and assumptions of the Sysmex Group in light of the information currently available to it. Uncertainties inherent in such judgments and assumptions, the future course of our business operations, and changes in the 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.

**February 2, 2011**

Sysmex Corporation

# Financial Highlights

Net sales and income reached historic highs, despite the impact of significant yen appreciation.



(First nine months ended December 31)

■ Net Sales      —●— Operating Income  
—●— Ordinary Income      —●— Net Income

Capital Expenditure: ¥4.0 billion

Depreciation and Amortization: ¥5.0 billion

R&D Expenditure: ¥9.6 billion

(Yen)

	First Nine Months of FY2011	First Nine Months of FY2010
1USD	86.8	93.6
1EUR	113.3	133.0

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(Billions of yen)

	First Nine Months of		First Nine Months of		YoY (Previous period = 100%)
	FY2011	Ratio	FY2010	Ratio	
Net Sales	<b>89.7</b>	<b>100%</b>	83.1	100%	107.9%
Cost of Sales	<b>31.9</b>	<b>35.6%</b>	29.5	35.5%	108.3%
SG&A	<b>44.2</b>	<b>49.4%</b>	42.5	51.1%	104.2%
Operating Income	<b>13.4</b>	<b>15.0%</b>	11.1	13.4%	120.8%
Ordinary Income	<b>12.8</b>	<b>14.4%</b>	11.0	13.3%	116.4%
Net Income	<b>8.0</b>	<b>9.0%</b>	6.7	8.1%	119.1%

- Sales:**  
 Sales increased in all geographic regions except Europe, where the impact of yen appreciation was particularly significant. All overseas regions posted double-digit growth on a local currency basis.
- Operating income:**  
 Operating income rose, as sales growth in the Americas, China and Japan pushed up gross profit.
- Non-operating balance:** Negative ¥0.55 billion  
 Of which, forex losses amounted to ¥1.03 billion (¥0.26 billion in the corresponding period of the preceding fiscal year)
- Yen appreciation** reduced net sales ¥6.02 billion and operating income ¥2.52 billion.

Note: At the exchange rates prevailing one year earlier, net sales would have been up 15.1% year on year, and operating income up 43.4%.

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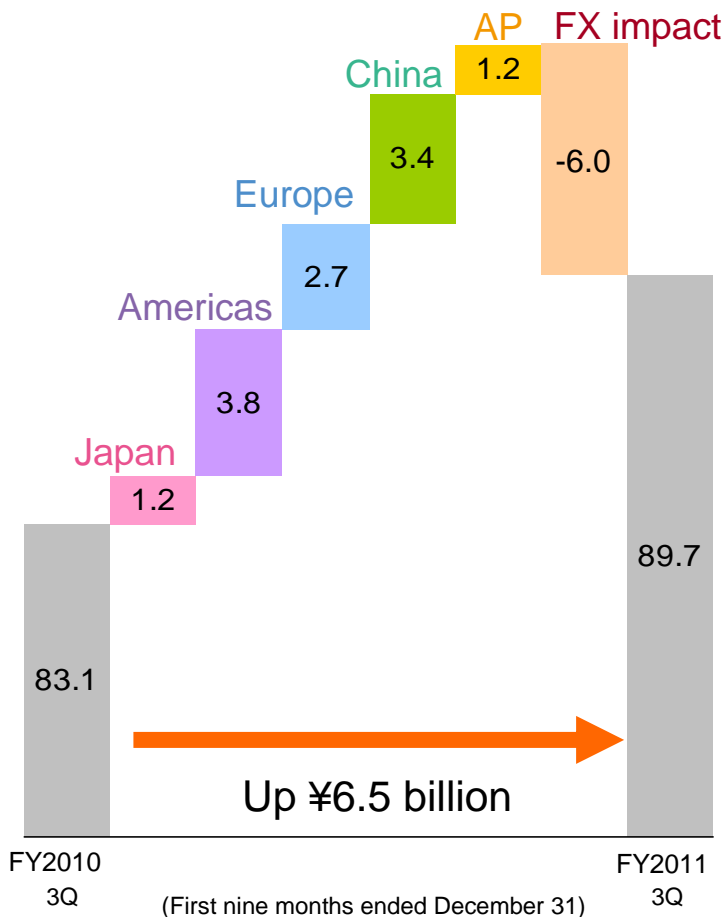
# Breakdown of Net Sales and Operating Income



(Billions of yen)

## Net Sales

Note: FX impact excluded from regional sales below

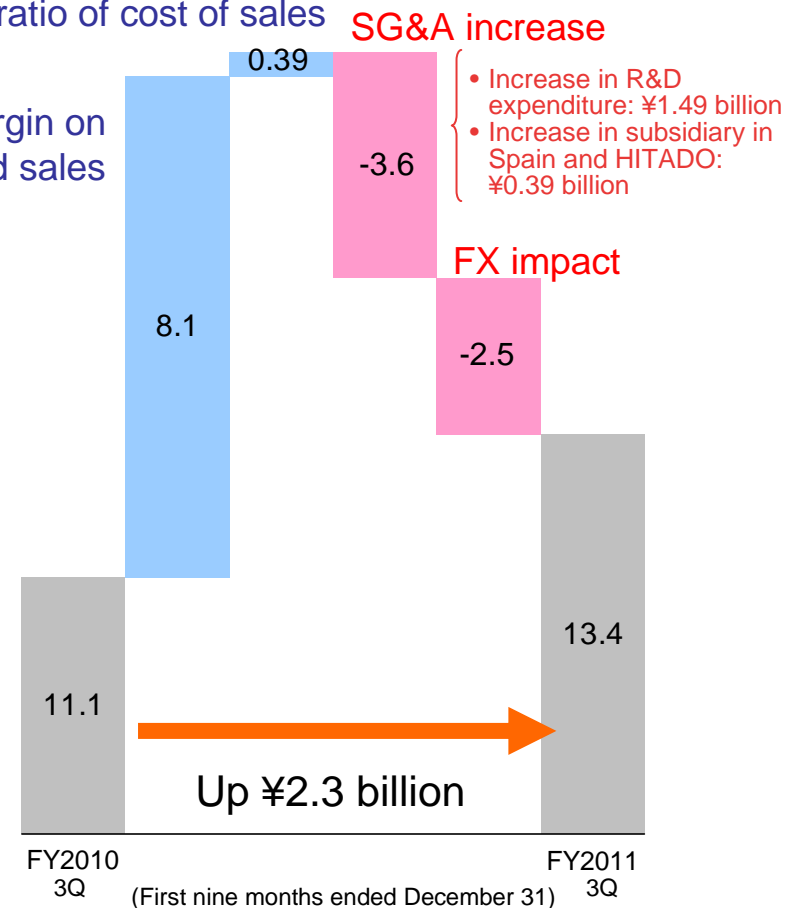


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## Operating Income

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

Gross margin on increased sales



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# Net Sales by Geographic Region



- Net Sales by Geographic Region  
(Sales to Customers)

(Billions of yen)

		First Nine Months of		First Nine Months of		YoY (Previous period = 100%)	
		FY2011	Ratio	FY2010	Ratio	(Yen)	(Local currency)
Net Sales		89.7	100.0%	83.1	100.0%	107.9%	—
Region	Americas	18.3	20.5%	16.5	20.0%	110.7%	119.3%
	Europe	25.7	28.6%	26.9	32.4%	95.5%	112.1%
	China	11.3	12.7%	8.7	10.5%	130.3%	139.0%
	AP	5.0	5.7%	4.2	5.1%	119.1%	120.8%
	Japan*	29.1	32.5%	26.6	32.0%	109.5%	—

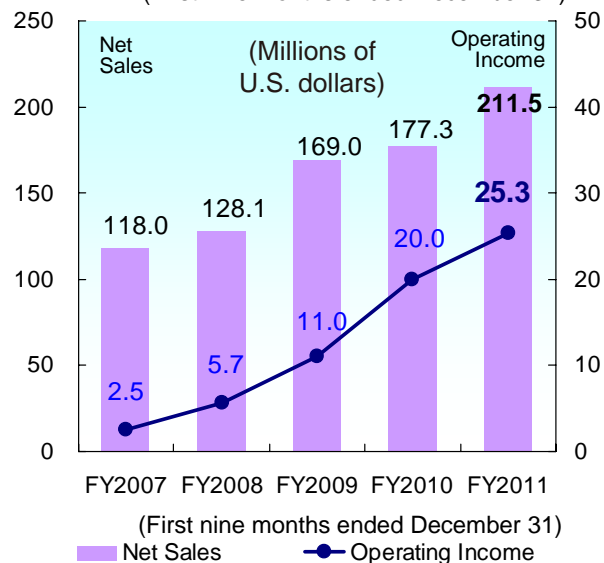
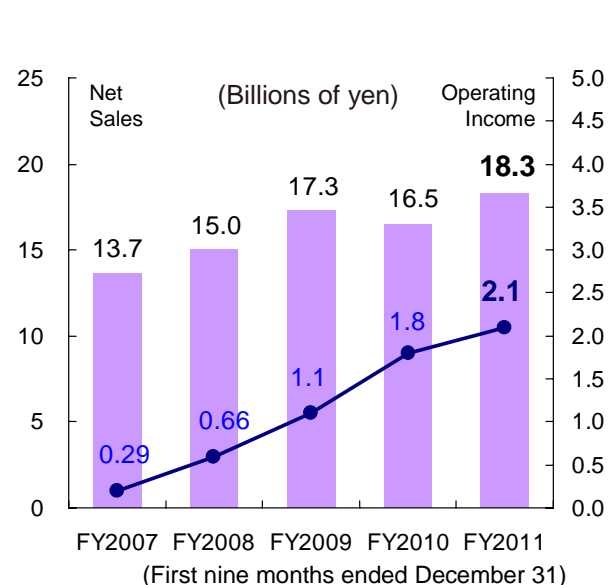
\* Includes South Korea, Taiwan, IDEXX and other countries

- Exchange Rates

(Yen)

	First Nine Months of FY2011	First Nine Months of FY2010
1US\$	86.8	93.6
1EUR	113.3	133.0
1CNY	12.9	13.7
1SG\$	64.3	65.2

# Geographic Segment Information: Americas



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(Billions of yen)

	First Nine Months of FY2011	First Nine Months of FY2010	YoY (Previous period = 100%)
Net Sales	18.3	16.5	110.7%
Operating Income	2.1	1.8	117.2%

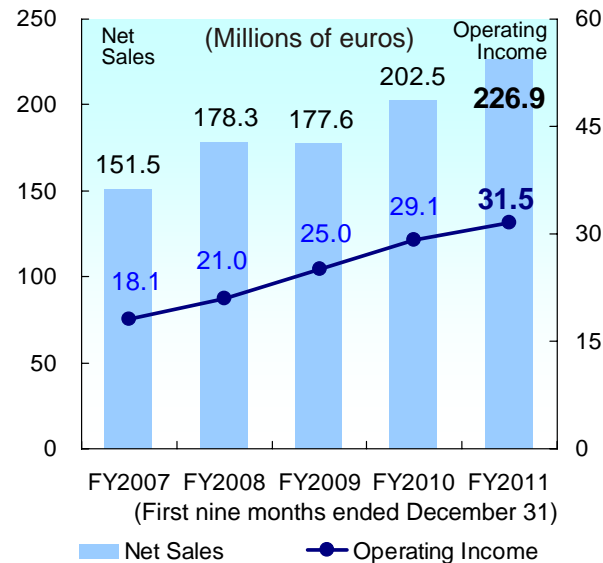
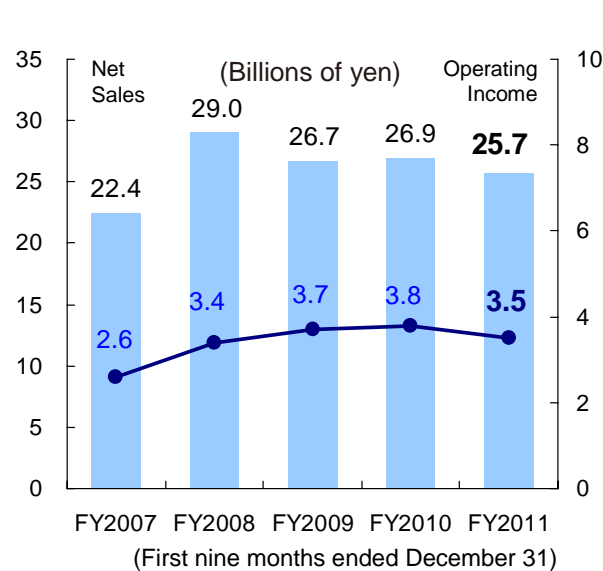
Note: On a local currency basis: net sales, 119.3%; operating income, 126.3%

## Large-scale orders in the hematology field in North America helped boost sales.

- ▶ **North America:** In the hematology field, sales to integrated health networks (IHNs), prominent commercial labs and the U.S. Veterans Integrated Service Network (VISN) were robust.
- ▶ **Central and South America:** Demand recovery continued, as the impact of the economic recession abated. Received order from prominent commercial lab in Brazil.

## Operating income grew, as higher sales of instruments and reagents—accompanying expanding market share—offset an increase in SG&A expenses.

# Geographic Segment Information: Europe



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(Billions of yen)

	First Nine Months of FY2011	First Nine Months of FY2010	YoY (Previous period = 100%)
Net Sales	25.7	26.9	95.5%
Operating Income	3.5	3.8	92.0%

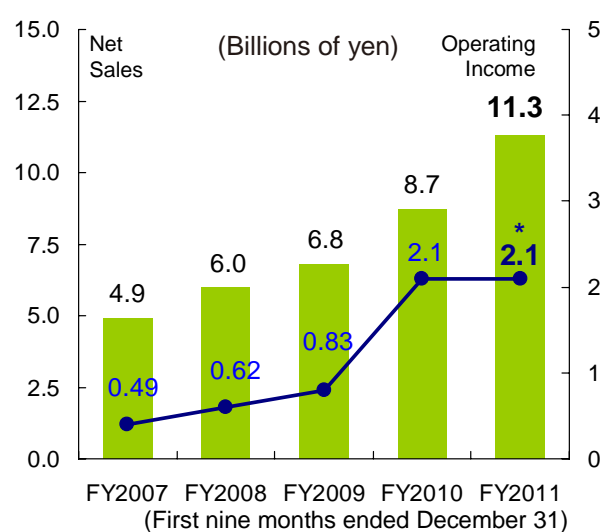
Note: On a local currency basis: net sales, 112.1%; operating income, 108.0%

● Europe posted double-digit sales increases on a local currency basis despite the lingering effects of the financial crisis, centering on five major countries. (Recoveries also occurred in Italy and Spain.)

- ▶ Italy: Promoted instrument upgrades.
- ▶ Spain: Demand for systematization increased.
- ▶ Eastern Europe, Russia: Sales expanded, centered on hematology analyzers capable of measuring three types of white blood cells.
- ▶ Middle East: Benefited from instrument upgrades and higher reagent sales.
- ▶ Life sciences: Deployed instruments in principal markets, centered on Spain.

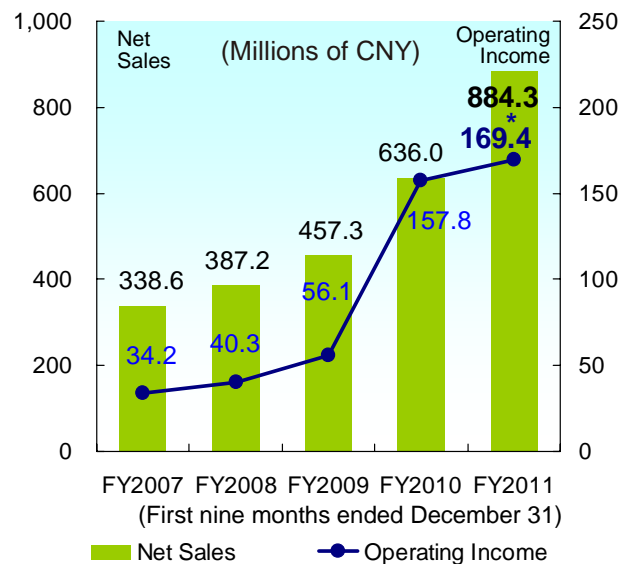
● Operating income rose on local currency basis, bolstered by the expansion of direct sales and higher sales of reagents.

# Geographic Segment Information: China



	First Nine Months of FY2011	First Nine Months of FY2010	YoY (Previous period = 100%)
Net Sales	11.3	8.7	130.3%
Operating Income	2.1	2.1	100.6%

Note: On a local currency basis: net sales, 139.0%; operating income, 107.3%



\* Changes in intragroup transaction prices and method of accounting for royalty income

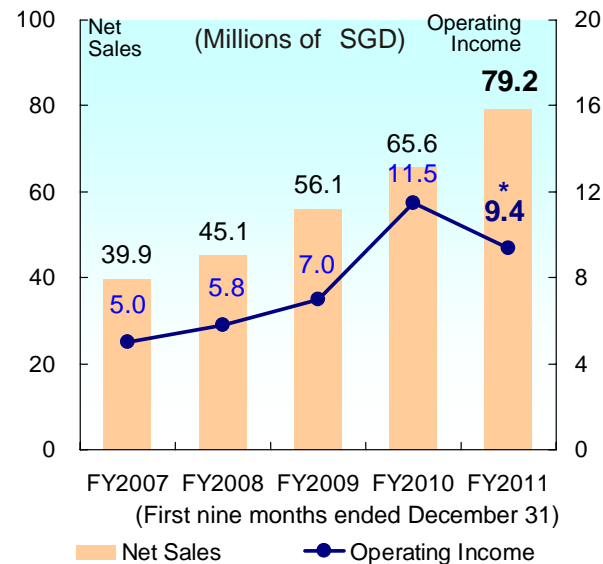
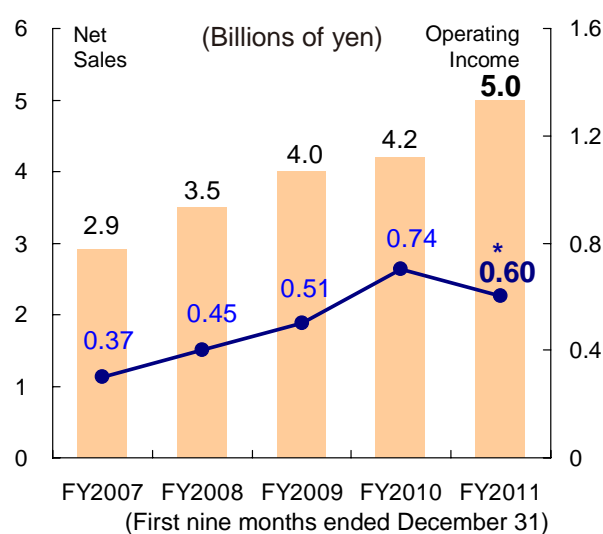
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● **Healthcare demand expanded, and upgrade purchases progressed. As a result, sales continued to grow in the hematology, urinalysis and hemostasis fields.**

- ▶ **Hematology:** Demand continued to increase for upgrades (from instruments capable of measuring three types of white blood cells to ones that measure five), and reagent sales rose owing to increased number of items measured.
- ▶ **Urinalysis:** Sales rose, owing to instrument upgrades and systematization.
- ▶ **Hemostasis:** Instrument sales increased in line with growing demand for coagulation and fibrin-analysis reagents.

● **Operating income increased slightly, owing to changes in intragroup transaction prices and the method of accounting for royalty income.**

# Geographic Segment Information: AP



\* Changes in intragroup transaction prices and method of accounting for royalty income

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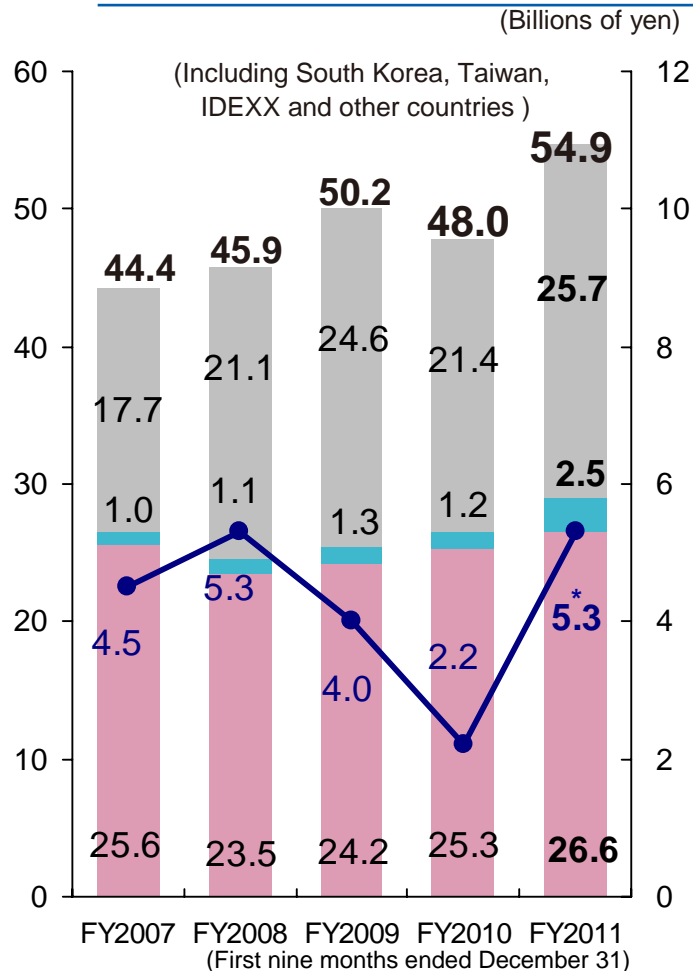
	(Billions of yen)		
	First Nine Months of FY2011	First Nine Months of FY2010	YoY (Previous period = 100%)
Net Sales	5.0	4.2	119.1%
Operating Income	0.60	0.74	80.6%

Note: On a local currency basis: net sales, 120.8%; operating income, 81.8%

- Sales increased, benefiting from economic expansion, centered on emerging economies, and major growth in demand for high-end hematology analyzers (instruments capable of measuring five types of white blood cells, as well as systems).**
  - Indonesia:** Market share continued to increase, as we expanded the area for direct sales.
  - India:** By reinforcing support of local distributors, boosted sales of five-type hematology analyzers.
  - Malaysia:** Won a large-scale bid, receiving a major order from a prominent commercial lab.
- Operating income fell, owing to changes in intragroup transaction prices and the method of accounting for royalty income.**



# Geographic Segment Information: Japan



Intra-Area Transfers: Exports to Group affiliates, others  
 Sales to Customers: South Korea, Taiwan, IDEXX and other countries  
 Sales to Customers: Japan  
 Operating Income

\* Changes in intragroup transaction prices and method of accounting for royalty income

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(Billions of yen)

	First Nine Months of FY2011	First Nine Months of FY2010	YoY (Previous period = 100%)
Net Sales	<b>54.9</b>	48.0	114.3%
Sales to Customers	<b>29.1</b>	26.6	109.5%
Japan	<b>26.6</b>	25.3	105.0%
South Korea, Taiwan, IDEXX and other countries	<b>2.5</b>	1.2	200.5%
Intra-Area Transfers	<b>25.7</b>	21.4	120.3%
Operating Income	<b>5.3</b>	2.2	238.6%

## Japan

- ▶ Increase in medical fees continued to have a positive impact on the market environment.
- ▶ Promoted solution-based proposals, and acquired a number of large-scale orders by expanding the scope of proposals to customers.  
Note: Sales of influenza testing kits declined.

## South Korea, Taiwan, IDEXX and other countries

- ▶ South Korea, Taiwan: Robust sales of hematology systems and in the urinalysis field continued.
- ▶ IDEXX (OEM): Commenced full-fledged sales of hematology analyzers for animals.

- ▶ Operating income increased, owing to higher sales, an improved cost ratio in Japan, and changes in intragroup transaction prices and the method of recording royalty income.

# Consolidated Earnings Forecast



(No changes subsequent to November 2010 announcement)

## Consolidated Earnings Forecast for the Year Ending March 31, 2011

● Net Sales: ¥123.0 billion ● Operating Income: ¥17.5 billion ● Ordinary Income: ¥16.8 billion ● Net Income: ¥10.8 billion  
 ● Operating Margin: 14.2% ● Ordinary Margin: 13.7% ● Net Income Margin: 8.8%

### Planned Investment

● Capital Expenditure: ¥6.0 billion ● Depreciation and Amortization: ¥7.0 billion ● R&D Expenditure: ¥12.1 billion

**Assumed exchange rates for second half:**  
**Assumed exchange rates for full fiscal year:**

Note: Assumptions at beginning of year:

Exchange rates in fiscal year ended March 31, 2010:

1USD = ¥80

1USD = ¥84.5

1USD = ¥90

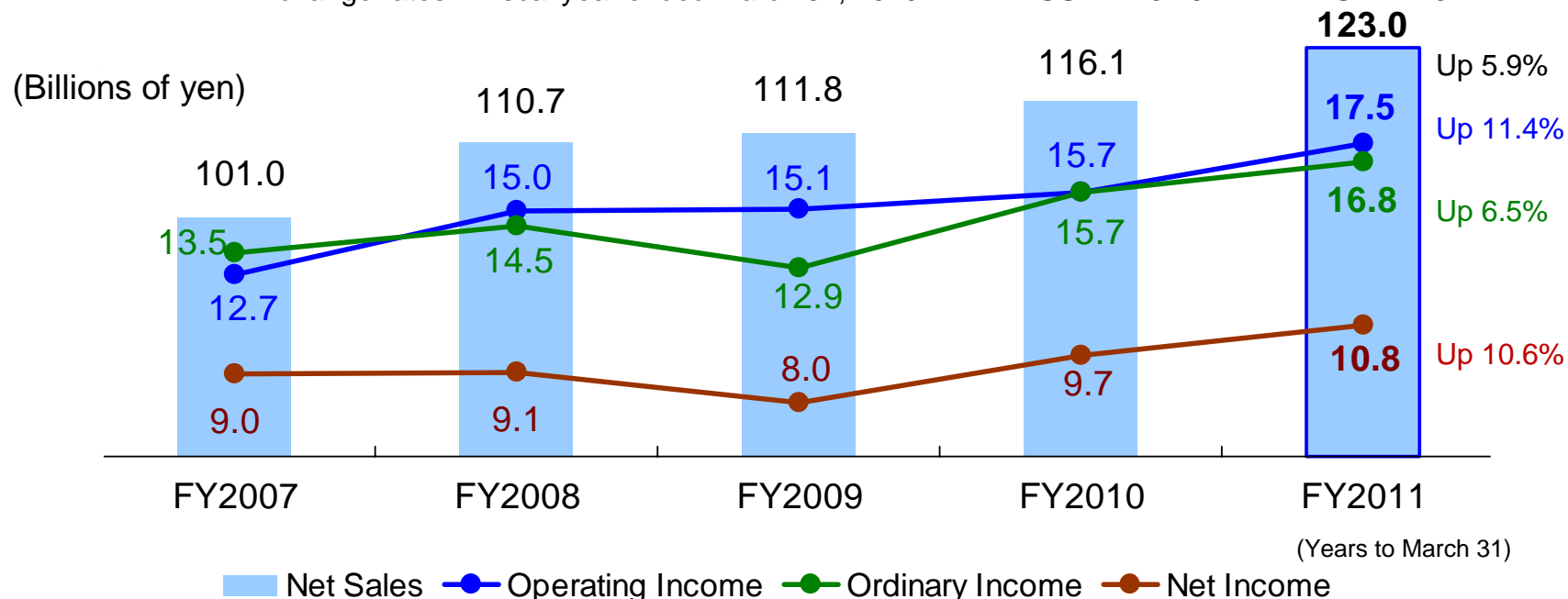
1USD = ¥92.9

1EUR = ¥110

1EUR = ¥111.9

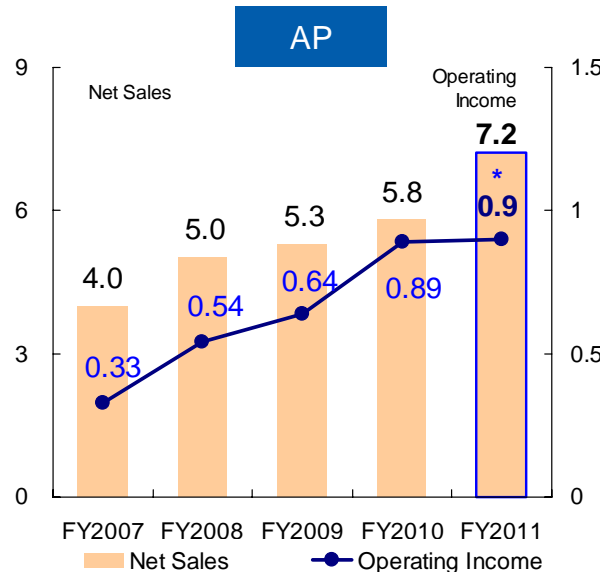
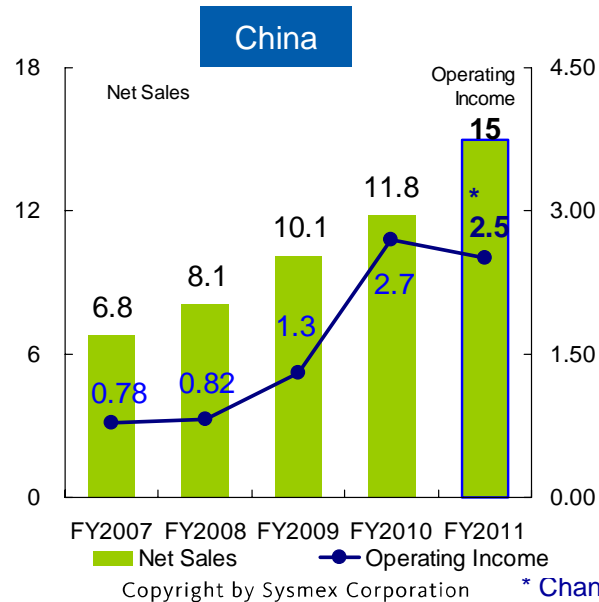
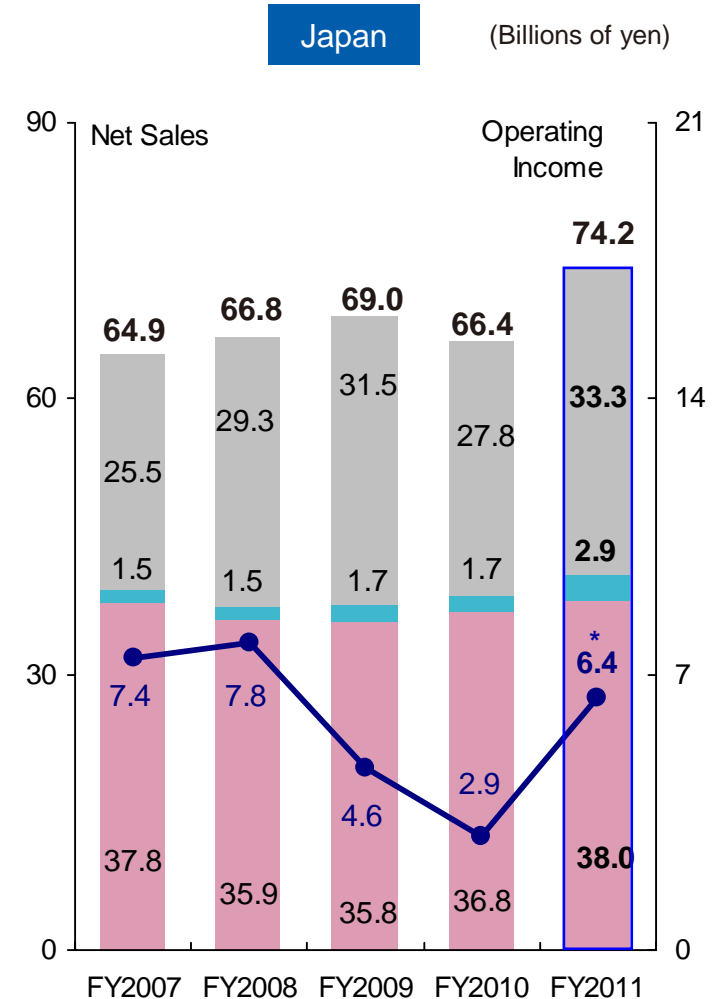
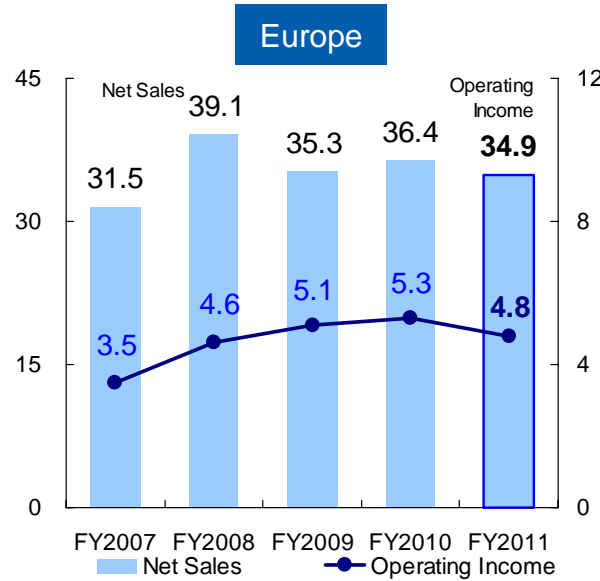
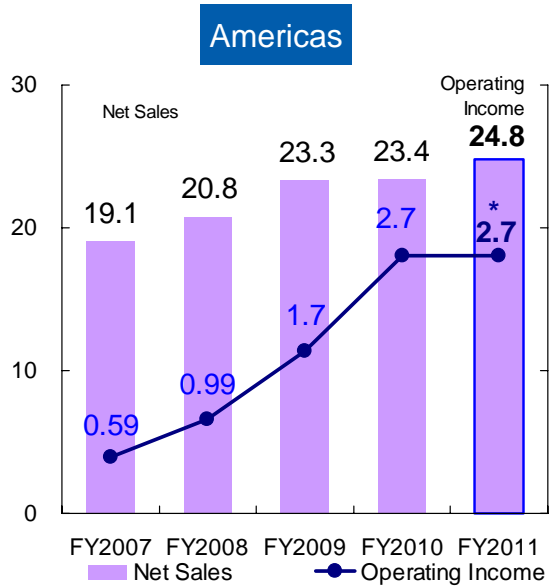
1EUR = ¥125

1EUR = ¥131.2



# Financial Targets: Sales and Operating Income by Region

(No changes subsequent to November 2010 announcement)



- Intra-area Transfers: Exports to Group Affiliates
- Sales to Customers: South Korea, Taiwan, IDEXX, Others
- Sales to Customers: Japan
- Operating Income

\* Changes in intragroup transaction prices and method of accounting for royalty income

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# We Believe the Possibilities.

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