



Business Results

First Six Months of Fiscal Year Ending March 31, 2017

The Sysmex Group has adopted International Financial Reporting Standards (IFRS), and disclosure complies with IFRS. Figures for the previous fiscal year are also disclosed in compliance with IFRS.

Sysmex Corporation

Hisashi Ietsugu,
Chairman and CEO
November 10, 2016

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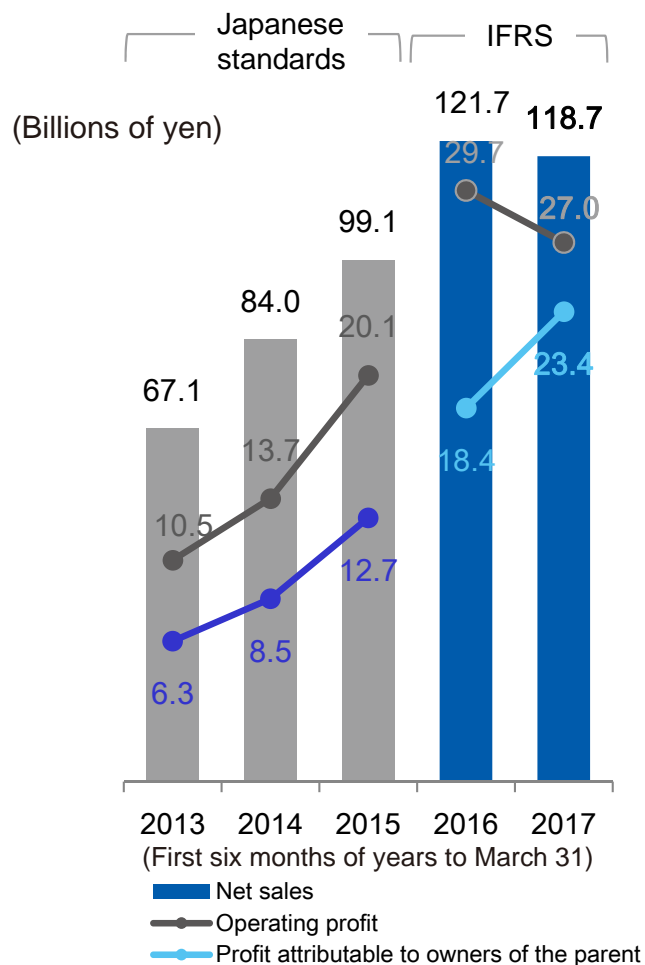
Forward-Looking Statements

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, 2017

Financial Highlights for the First Six Months of the Fiscal Year Ending March 31, 2017



First six months of fiscal year ending March 31, 2017 (Japanese standards) vs. First six months of fiscal year ended March 31, 2016 (IFRS)

1USD	¥105.3	¥121.8
1EUR	¥118.2	¥135.1
1CNY	¥15.9	¥19.4

	First six months of fiscal year ending March 31, 2017		First six months of fiscal year ended March 31, 2016		YOY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net sales	118.7	100%	121.7	100%	97.6%
Cost of sales	48.8	41.2%	49.1	40.3%	99.5%
SG&A expenses	36.4	30.7%	36.3	29.8%	100.3%
R&D expenses	7.2	6.1%	6.9	5.7%	104.9%
Other income (expenses)	0.8	0.7%	0.3	0.2%	275.8%
Operating profit	27.0	22.8%	29.7	24.4%	91.0%
Profit attributable to owners of the parent	23.4	19.8%	184.6	15.2%	127.2%

- **Net sales:** The Company recorded growth in all geographic regions on a local currency basis, but sales were down on a yen basis due to the impact of yen appreciation.
- **Operating profit:** Profit was down, due to the impact of yen appreciation and worsening cost of sales ratio.
- **Exchange loss (gains):** ¥1.96 billion (¥1.23 billion in the first six months of the previous fiscal year)
 Exchange rate fluctuations lowered net sales ¥16.95 billion and operating profit ¥3.81 billion. At the exchange rates prevailing one year earlier, net sales would have been up 11.5% and operating profit* up 3.8%.
 * Excluding the impact of exchange rate fluctuations and one-off factors (such as donations), operating profit would have been up 8.2%.
- **Profit attributable to owners of the parent:** Profit was affected by a revised tax treaty with Germany (+¥5.12 billion).

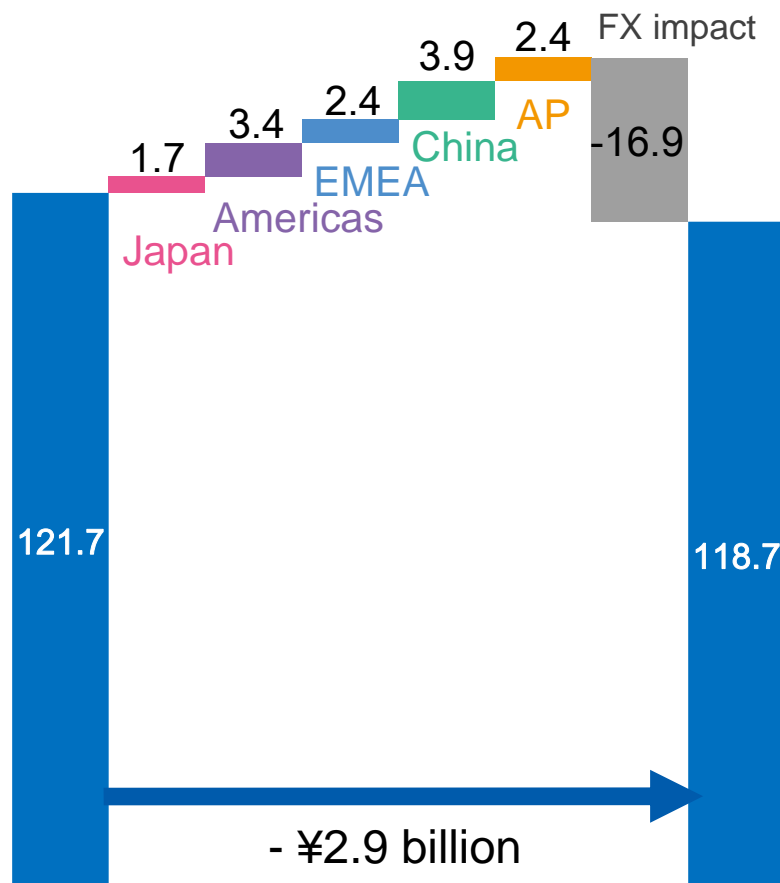
Breakdown of Net Sales and Operating Profit



(Billions of yen)

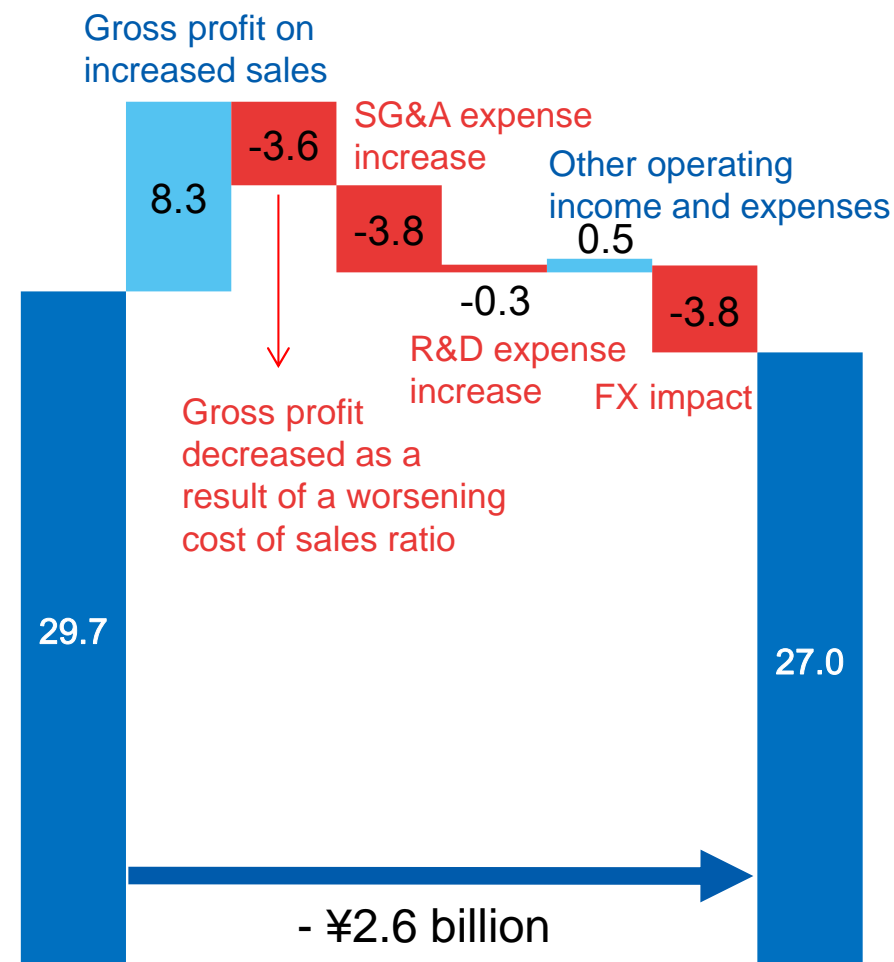
Net Sales

Note: FX impact excluded from sales by geographic region



2016 (First six months of years to March 31) 2017

Operating Profit



2016 (First six months of years to March 31) 2017

Breakdown of Consolidated Statement of Financial Position

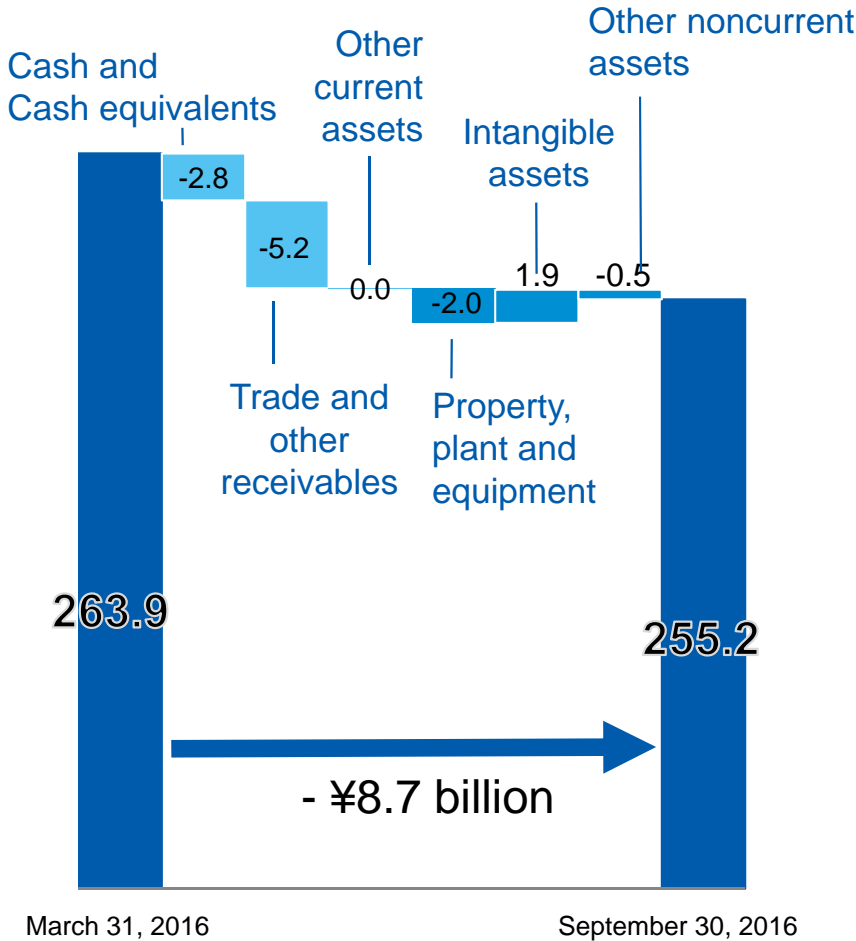


(Billions of yen)

Assets

Current assets: Down ¥8.0 billion

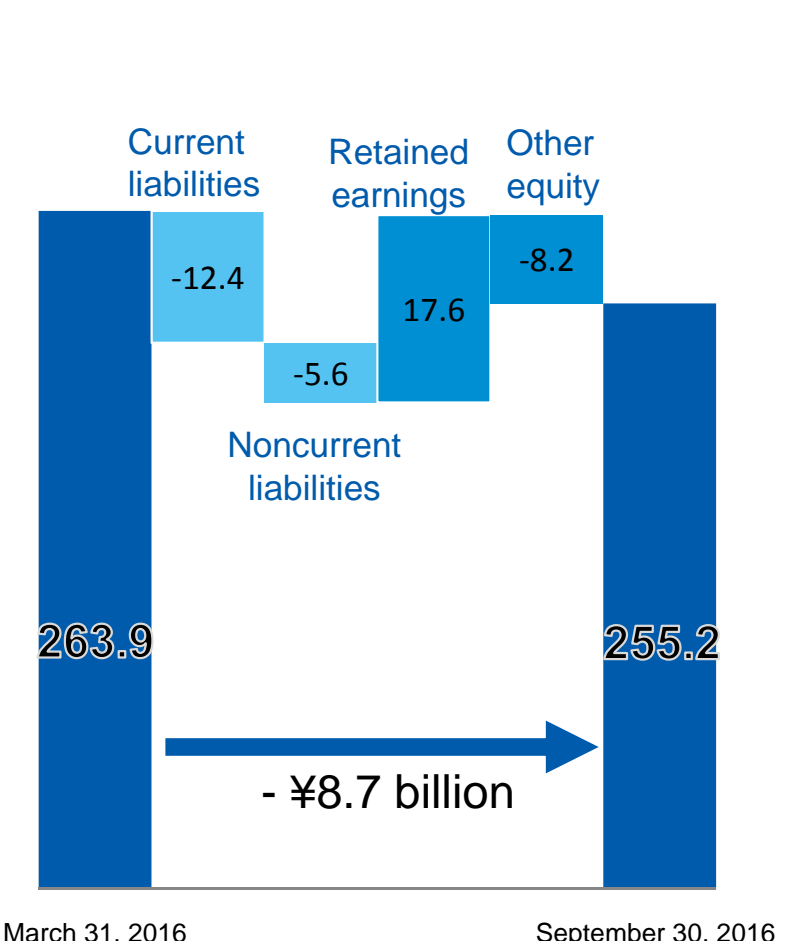
Noncurrent assets: Down ¥0.6 billion



Liabilities/Equity

Liabilities: Down ¥18.0 billion

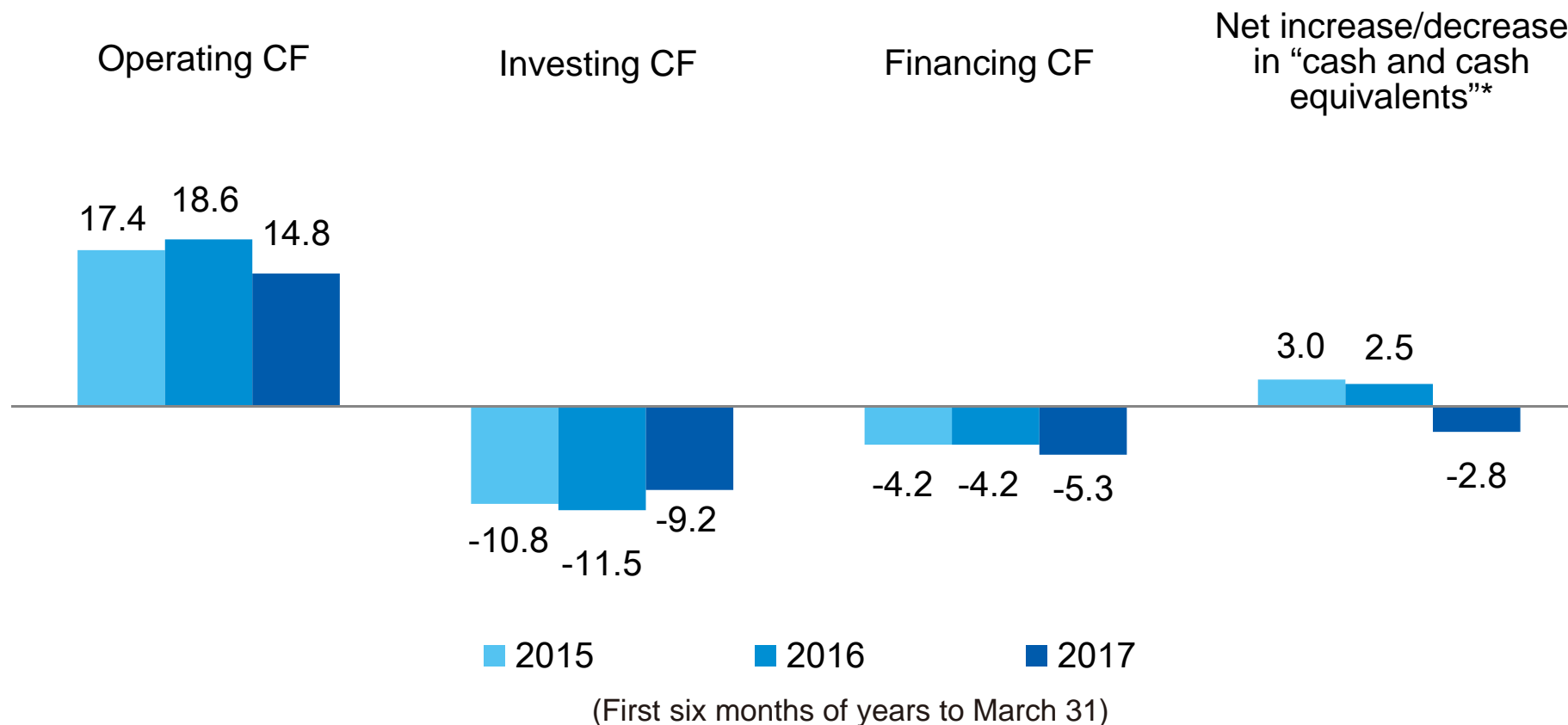
Equity: Up ¥9.3 billion



Consolidated Cash Flows



(Billions of yen)



*Includes translation differences on cash and cash equivalents.

Note: Figures for the first six months of the year ended March 31, 2015, are according to Japanese standards.

Months indicate the dates of press releases issued by Sysmex.

M&A, Alliances

- Sysmex and Siemens Healthcare Laboratory Diagnostics extend long-standing global partnership in hemostasis testing (April)
- Sysmex acquires additional shares in RIKEN GENESIS and converts company to a subsidiary, reinforcing our structure toward the practical realization of genomic medicine (June)

Operational Sites

- Sysmex Asia Pacific establishes branch in Myanmar (May)

Products, Technologies

- Sysmex pursuing joint development with GL-i to provide new immunochemistry diagnostic reagents employing glycosylation markers (July)
- Sysmex, Healios and Sumitomo Dainippon Pharma begin joint R&D related to pre-transplant immune reaction testing method for retinal pigment epithelial cells (RPE cells) derived from allogeneic iPS cells (July)

Others

- Sysmex made a donation to the “International Clinical Cancer Research Center” (provisional name) of Kobe University (August)
- Sysmex selected for inclusion in the Dow Jones Sustainability World Index for the first time (September)

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

Net Sales by Geographic Region



(Billions of yen)

Net Sales by Geographic Region (Sales to External Customers)

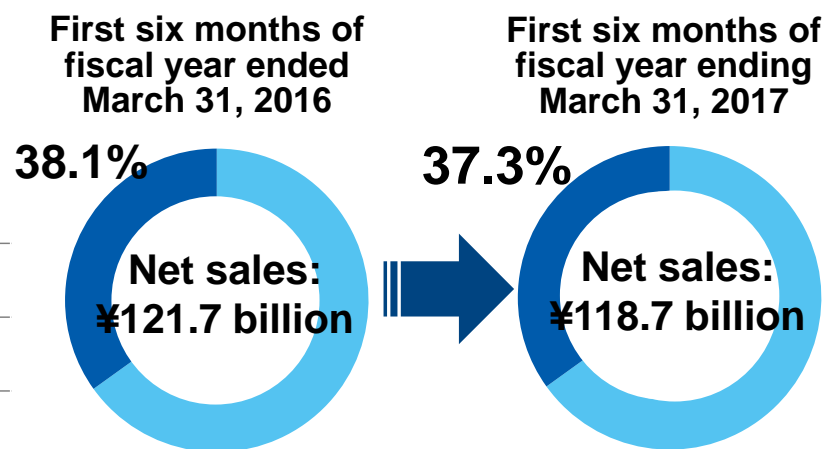
	First six months of fiscal year ending March 31, 2017		First six months of fiscal year ended March 31, 2016		YOY (Previous period = 100%) (Yen)	(Local currency)
	Results	Ratio	Results	Ratio		
Net sales	118.7	100%	121.7	100%	97.6%	-
Americas	26.3	22.2%	26.5	21.8%	99.0%	114.6%
EMEA	32.0	26.9%	34.8	28.6%	91.9%	105.1%
Region China	28.4	23.9%	30.6	25.2%	92.7%	113.1%
AP	9.7	8.2%	8.5	7.0%	114.2%	-
Japan*	22.3	18.8%	21.1	17.4%	105.3%	-

*Includes sales to IDEXX and other external customers

Exchange Rates

	First six months of fiscal year ending March 31, 2017	First six months of fiscal year ended March 31, 2016
1USD	¥105.3	¥121.8
1EUR	¥118.2	¥135.1
1CNY	¥15.9	¥19.4

● Percentage of Sales in Emerging Markets



Sales by Business



(Billions of yen)

	First six months of fiscal year ending March 31, 2017		First six months of fiscal year ended March 31, 2016		YOY (Previous = 100%)	Reference: YOY at Previous Year's Rate
	Results	Ratio	Results	Ratio		
Hematology	74.9	63.1%	77.9	64.0%	96.2%	110.2%
Urinalysis	7.2	6.1%	8.8	7.2%	82.7%	95.6%
HU-BU	82.2	69.2%	86.7	71.2%	94.9%	108.7%
Immunochemistry	3.7	3.2%	2.8	2.4%	131.0%	143.4%
Clinical Chemistry	1.6	1.4%	1.7	1.5%	95.5%	106.0%
Hemostasis	20.5	17.3%	20.6	16.9%	99.8%	116.2%
ICH-BU	26.0	21.9%	25.2	20.8%	103.0%	118.6%
LS-BU	2.0	1.8%	1.9	1.6%	109.6%	122.6%
Others*	8.4	7.1%	7.8	6.5%	106.8%	116.1%
Total net sales	118.7	100.0%	121.7	100.0%	97.6%	111.5%

* Clinical laboratory information systems (formerly included in "Others" in HU-BU), sales of third-party products (formerly included in "Other IVD"), FCM products for research and industry, etc.

Figures for the first six months of the fiscal year ended March 31, 2016, have been adjusted to align with changes in certain categories from the first three months of the fiscal year ending March 31, 2017.

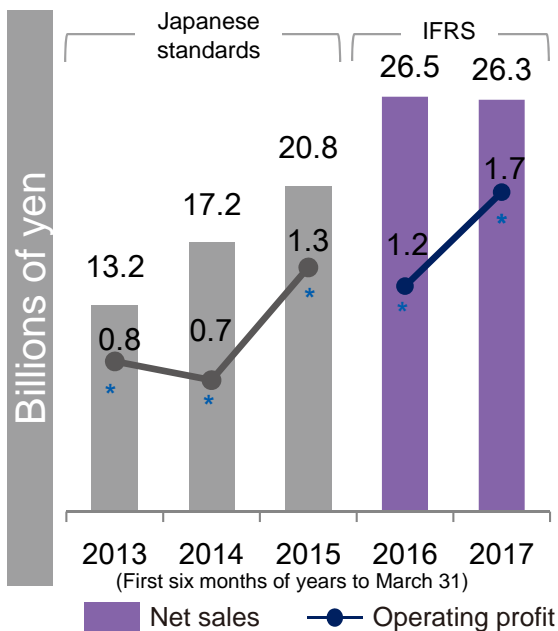
(Amounts formerly included in "Others" in HU-BU have been reclassified to "Others.")

HU-BU: HU Business Unit (hematology and urinalysis fields)

ICH-BU: ICH Business Unit (immunochemistry, clinical chemistry and hemostasis fields)

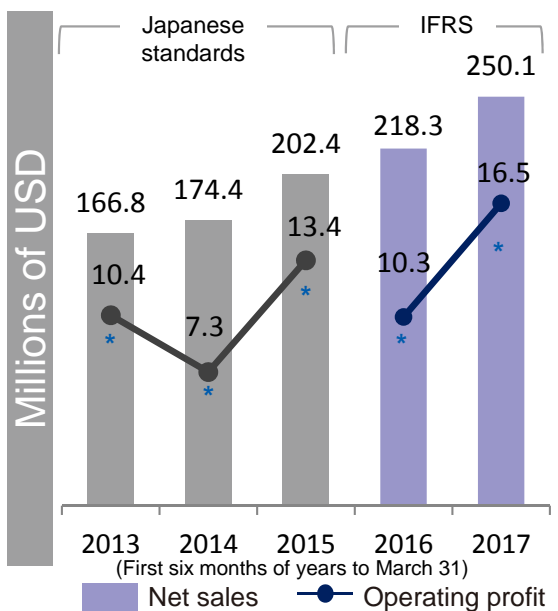
LS-BU: LS Business Unit (life science field)

Geographic Segment Information: Americas



(Billions of yen)	First six months of fiscal year ending		YOY (Previous period = 100%)	
	March 31, 2017	March 31, 2016	(Yen basis)	(Local currency basis)
Net sales	26.3	26.5	99.0%	114.6%
Operating profit*	1.7	1.2	138.3%	160.0%

- Sales rose by double digits on a local currency basis, centered on the hematology field in the United States. Due to the impact of yen appreciation, however, sales were down slightly on a yen basis.
- Operating profit grew, due to the impact of higher sales, a temporary halt in excise taxes (+¥0.26 billion) and a revision in intragroup transaction prices.

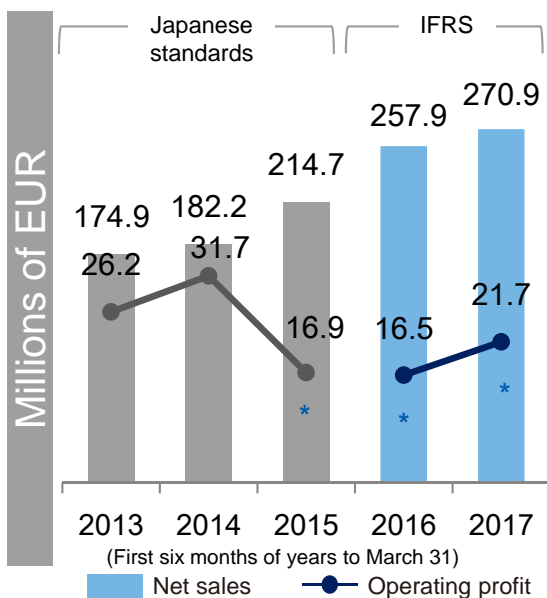
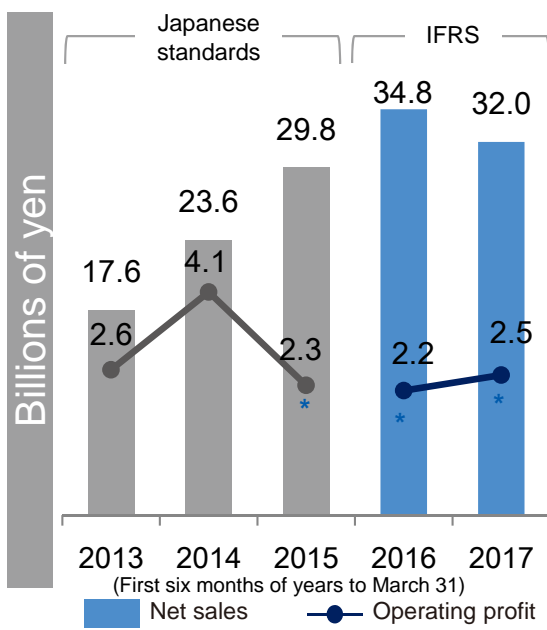


By Area (Local Currency Basis)

- **United States:** Sales increased, due to favorable results in the hematology field stemming from a strategic focus on the West Coast area, with sales of hemostasis instruments contributing.
- **Central and South America:** Sales grew, due to the acquisition of a large-scale government project in Mexico, despite ongoing economic stagnation in Brazil.

*Revision in intragroup transaction prices
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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, 2017	First six months of fiscal year ended March 31, 2016	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Net sales	32.0	34.8	91.9%	105.1%
Operating profit*	2.5	2.2	114.7%	131.2%

- On a local currency basis, sales were robust in Germany, France and other developed countries, and sales were up in the Middle East and other emerging markets. However, sales were down on a yen basis, owing to the impact of yen appreciation.
- Operating profit rose because of a revision in intragroup transaction prices and efforts to constrain SG&A expenses.

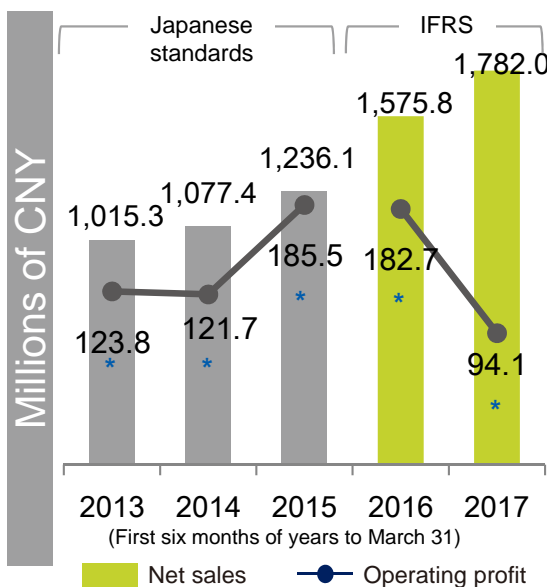
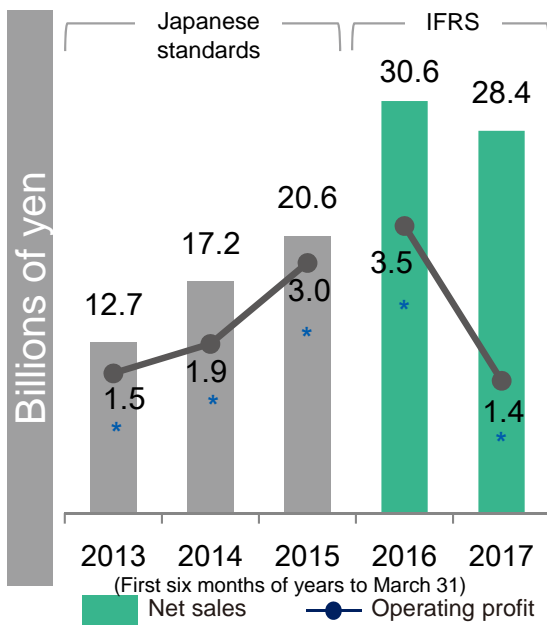
Note: Absent the impact of Partec and Inostics, net sales would have been down 5.9%, and operating profit up 34.9% on a yen basis. On a local currency basis, net sales would have been up 7.6% and operating profit up 54.2%.

By Area (Local Currency Basis)

- **Five major countries:** Sales grew on favorable performance stemming from the favorable performance of the XN-Series for high-end markets in Germany and France, despite the depreciation of the pound and slow progress at Partec and Inostics.
- **Eastern Europe, Russia:** Higher sales in Russia in the hematology and hemostasis fields pushed up sales in this area.
- **Middle East, Africa:** Sales increased, bolstered by hematology sales in Saudi Arabia and other countries.

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Geographic Segment Information: China



*Revision in intragroup transaction prices

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(Billions of yen)	First six months of fiscal year ending March 31, 2017	First six months of fiscal year ended March 31, 2016	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Net sales	28.4	30.6	92.7%	113.1%
Operating profit*	1.4	3.5	42.2%	51.5%

- Sales were up on a local currency basis in the hematology, hemostasis and immunochemistry fields, despite some signs of being affected by changes in the external environment. However, sales were down on a yen basis, due to the impact of yen appreciation.
- The impact of yuan depreciation against the US dollar caused the price of (dollar-denominated) purchases from Japan to rise, prompting a worsening cost of sales ratio to worsen and a sharp fall in operating profit.

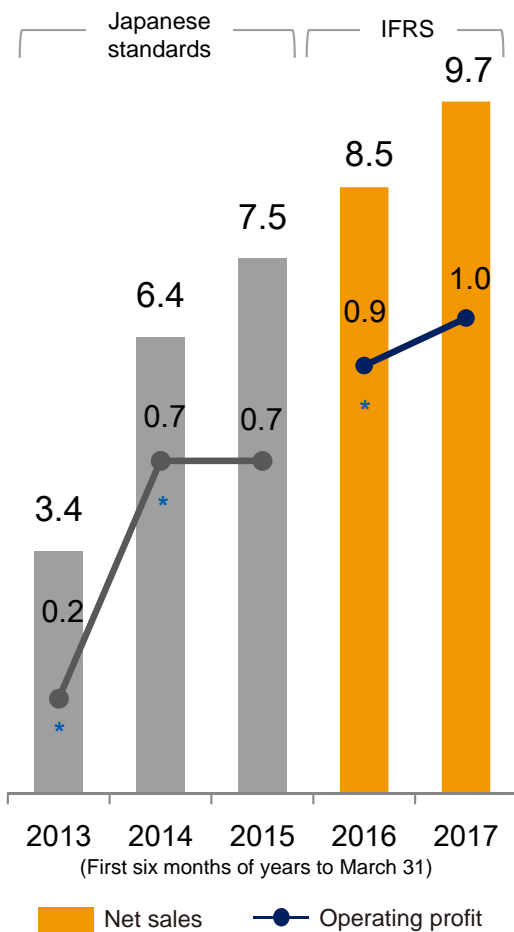
By Field (Local Currency Basis)

- **Hematology:** Sales increased, thanks to higher reagent sales in line with a growing installed instrument base.
- **Hemostasis:** Sales rose, owing to robust sales of the CS-Series and increased sales of fibrin parameter reagents.
- **Urinalysis:** Sales of the UF-Series slipped, affected by a period of transition to new products.
- **Immunochemistry:** Sales grew as a result of higher sales of reagent in line with a rising installed base of HISCL-Series instruments.

Geographic Segment Information: AP



Billions of yen



*Revision in intragroup transaction prices

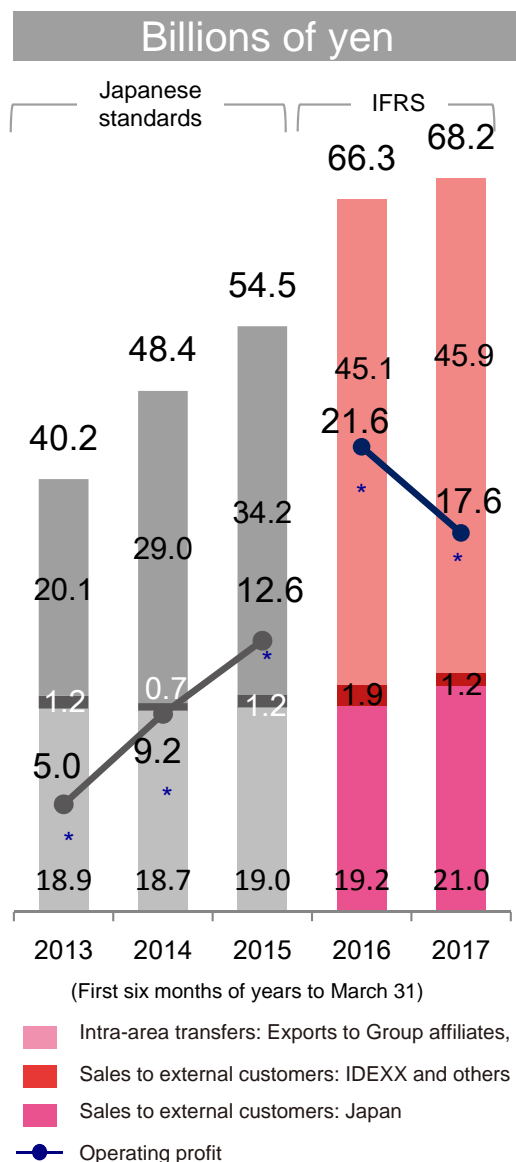
(Billions of yen)	First six months of fiscal year ending March 31, 2017	First six months of fiscal year ended March 31, 2016	YOY (Previous period = 100%) (Yen basis)
Net sales	9.7	8.5	114.2%
Operating profit*	1.0	0.9	111.1%

- **Despite the impact of yen appreciation against currencies in the AP region, sales recorded double-digit growth, thanks mainly to the acquisition of a large-scale project in Australia.**
- **Operating profit drew by double digits, thanks to the impact of higher sales and curtailed SG&A expenses.**

By Area

- **Oceania:** Sales increased substantially, thanks in part to the acquisition of a large-scale project in Australia in the hematology field.
- **Southeast Asia:** Sales rose, thanks to the contribution of projects acquired through tender bids in the hematology field in Indonesia and Vietnam.
- **South Korea, Taiwan:** Sales decreased in South Korea, owing to the impact of yen appreciation (but rose on a local currency basis).

Geographic Segment Information: Japan



*Revision in intragroup transaction prices

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(Billions of yen)	First six months of fiscal year ending March 31, 2017	First six months of fiscal year ended March 31, 2016	YOY (Previous period = 100%)
Net sales	68.2	66.3	102.8%
Sales to external customers	22.3	21.1	105.3%
Japan	21.0	19.2	109.0%
IDEXX and others	1.2	1.9	67.5%
Intra-area transfers	45.9	45.1	101.6%
Operating profit*	17.6	21.6	81.4%

- **Segment sales were up, centered on higher sales in the Japanese market, as well as the contribution from converting RIKEN GENESIS to a subsidiary.**
- **Although we worked to reduce costs, operating profit fell due to a revision in intragroup transaction prices, one-off factors (such as donations) and the effect of yen appreciation on exports to Group affiliates (overseas).**

- **Japan:** Sales increased due to favorable performance in the hematology field, the contribution of unique parameters employed in the immunochemistry field and increased sales of fibrin parameter reagents in the hemostasis field.
- **IDEXX and others:** Sales were down, owing to the impact of yen appreciation on sales to IDEXX of instruments for animals.

Chapter 2

Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017

Revised Earnings Forecast *IFRS



● Differences from Previous Forecasts

	Previous forecast (Announced in May 2016)		Current forecast (Revised in November 2016)		Change	(Billions of yen)		
	Ratio		Ratio			Fiscal year ended March 31, 2016	Percentage change	
						Ratio		
Net sales	275.0	100%	255.0	100%	-20.0	252.6	100%	+0.9%
Operating profit	62.0	22.5%	55.0	21.6%	-7.0	60.7	24.0%	-9.4%
Profit attributable to owners of the parent	40.5	14.7%	43.5	17.1%	+3.0	39.2	15.5%	+10.7%

● Assumed Exchange Rates

	Fiscal year ending March 31, 2017 (Announced in May 2016)	Fiscal year ending March 31, 2017 (Revised in November 2016)	Second half of fiscal year ending March 31, 2017 (Revised in November 2016)	Fiscal year ended March 31, 2016
1USD	¥110.0	¥104.1	¥103.0	¥120.1
1EUR	¥125.0	¥115.6	¥113.0	¥132.6
1CNY	¥17.0	¥15.6	¥15.3	¥18.9

● Reasons for Revisions

- As the yen is appreciating beyond our assumed foreign exchange rates, we have revised our net sales and operating profit forecasts downward from our previously forecast levels. However, our current forecast for profit attributable to owners of the parent is higher than our previous forecast, due to the revision of a tax treaty between Japan and Germany.

Consolidated Earnings Forecast

Figures in red have been revised subsequent to May 2016 announcement.

The figures between brackets are as announced in May 2016.



Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017 IFRS

Net sales: **¥255.0 billion**
(¥275.0 billion)

Operating profit: **¥55.0 billion**
(¥62.0 billion)

Operating margin: **21.6%**
(22.5%)

Profit attributable to owners of the parent: **¥43.5 billion** (¥40.5 billion)

Profit attributable to owners of the parent to net sales: **17.1%** (14.7%)

Planned Investment (IFRS)

Capital expenditure: **¥9.5 billion** (¥10.0 billion)

Depreciation and amortization: **¥12.5 billion** (¥14.2 billion)

R&D expenditure: **¥15.5 billion** (¥16.2 billion)

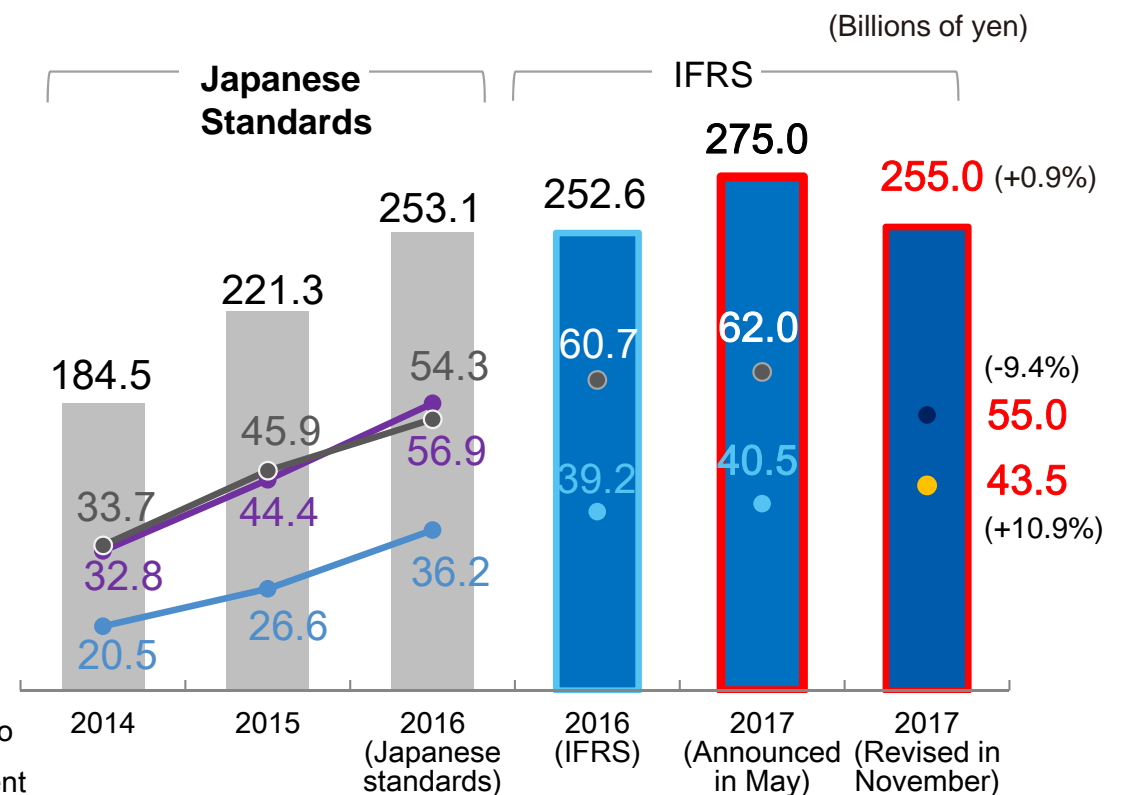
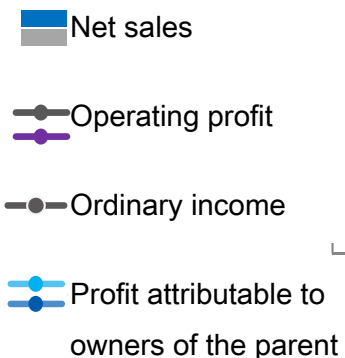
Assumed Exchange Rates

	Full Year (Announced in May 2016)	Full Year (Revised in Nov. 2016)	Second Half (Revised in Nov. 2016)	Previous Year
1USD	¥110.0	¥104.1	¥103.0	¥120.1
1EUR	¥125.0	¥115.6	¥113.0	¥132.6
1CNY	¥17.0	¥15.6	¥15.3	¥18.9

Estimate of Exchange Rate Sensitivity

(Revised in May 2016)

	Of net sales (Second Half)	Of operating profit (Second Half)
USD	¥0.29 billion	¥0.35 billion
EUR	¥0.22 billion	¥0.06 billion
CNY	¥2.33 billion	¥0.21 billion



Revised Earnings Forecast for the Fiscal Year Ending March 31, 2017 (by Geographic Region) *IFRS



(Billions of yen)

	Previous forecast (Announced in May 2016)	Current forecast (Revised in November 2016)	Change (Against previous forecast)	Percentage change (Against previous forecast)	Fiscal year ended March 31, 2016
Net sales	275.0	255.0	-20.0	-7.3%	252.6
Region					
Americas	59.0	56.3	-2.7	-4.5%	55.9
EMEA	73.3	65.1	-8.2	-11.1%	68.4
China	74.1	64.7	-9.4	-12.6%	65.1
AP	22.6	21.2	-1.4	-6.1%	20.0
Japan	46.0	47.7	+1.7	+3.6%	43.0

	Fiscal year ending March 31, 2017 (Announced in May 2016)	Fiscal year ending March 31, 2017 (Revised in November 2016)	Second half of fiscal year ending March 31, 2017 (Revised in November 2016)	Fiscal year ended March 31, 2016
1USD	¥110.0	¥104.1	¥103.0	¥120.1
1EUR	¥125.0	¥115.6	¥113.0	¥132.6
1CNY	¥17.0	¥15.6	¥15.3	¥18.9

Dividend Forecast

Proposal corresponds to 15th consecutive year of increases



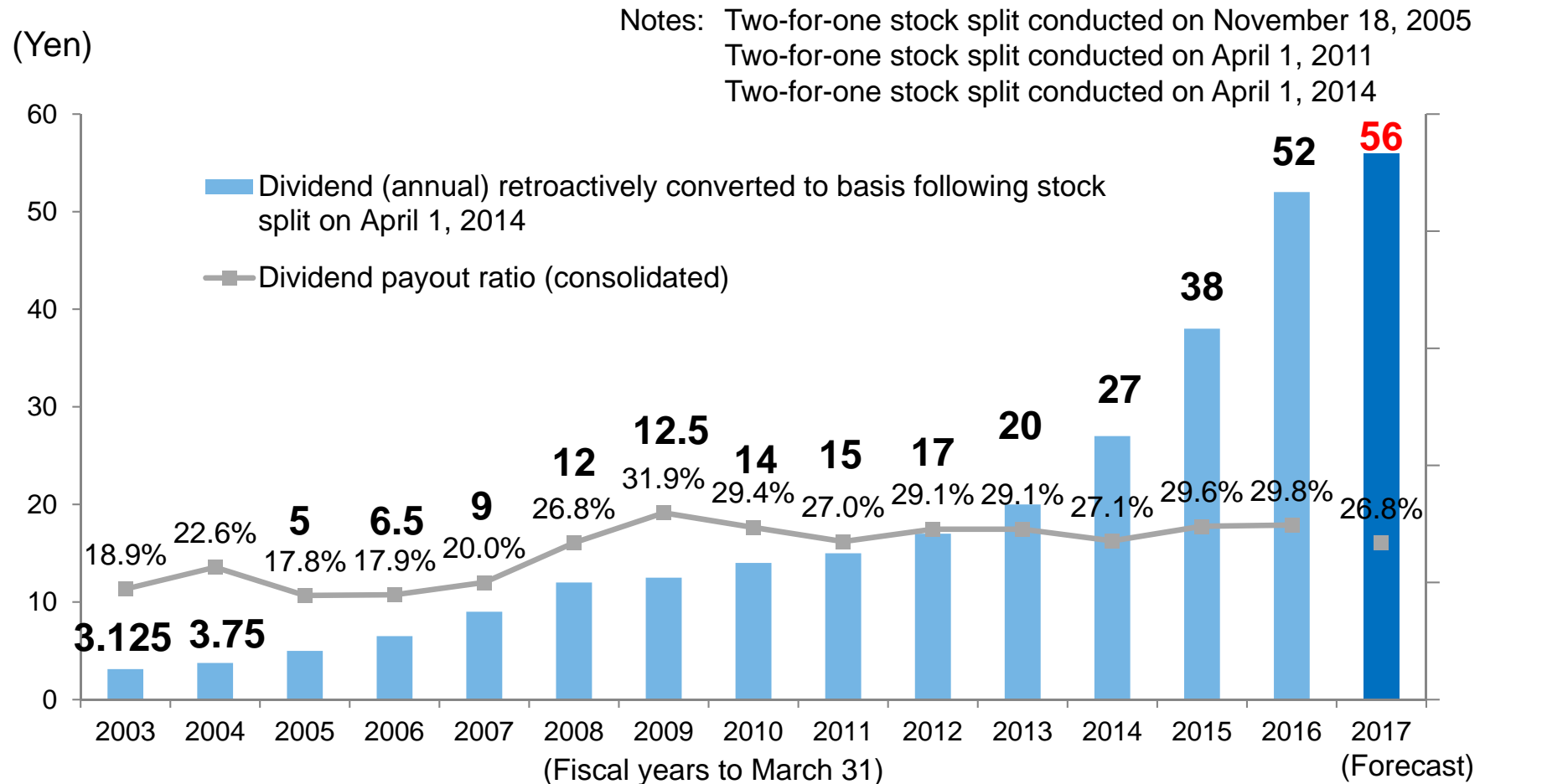
¥2 dividend in addition to initially expected dividends (interim and year-end dividends of ¥27 each)

	Interim dividend	Year-end dividend	Total	Dividend ratio
Initial forecast for fiscal year ending March 31, 2017	¥27	¥27	¥54	27.7%
Current forecast for fiscal year ending March 31, 2017	¥28	¥28	¥56	26.8%

Dividend Increases for the 15th Consecutive Year (Forecast for the Fiscal Year Ending March 31, 2017)



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 30% under our basic policy of sharing the successes of our operations in line with business performance.



We Believe the Possibilities.

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.

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