



Business Results

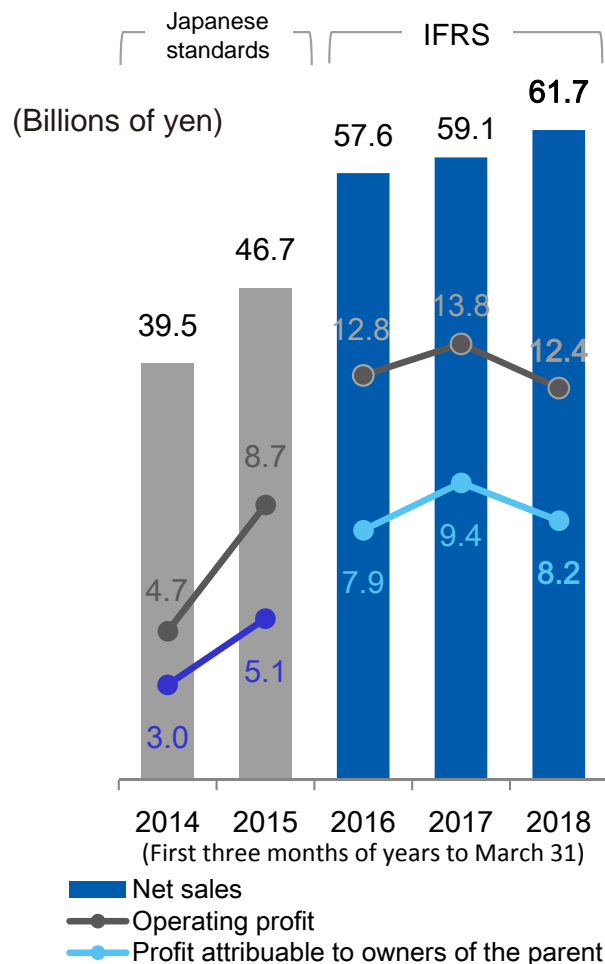
First Three Months of Fiscal Year Ending March 31, 2018

The Sysmex Group has adopted International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2017. Figures are disclosed in compliance with IFRS.

Sysmex Corporation

August 4, 2017

Financial Highlights



	First three months of fiscal year ending March 31, 2018	First three months of fiscal year ended March 31, 2017
1USD	¥111.1	¥108.1
1EUR	¥122.2	¥122.0
1CNY	¥16.2	¥16.5

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	First three months of fiscal year ending March 31, 2018		First three months of fiscal year ended March 31, 2017		(Billions of yen) YOY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net sales	61.7	100%	59.1	100%	104.3%
Cost of sales	26.8	43.5%	24.7	41.8%	108.5%
SG&A expenses	18.8	30.6%	17.2	29.1%	109.6%
R&D expenses	3.6	5.9%	3.8	6.5%	95.5%
Other income (expenses)	0.1	0.2%	0.5	0.9%	21.7%
Operating profit	12.4	20.1%	13.8	23.5%	89.6%
Profit attributable to owners of the parent	8.2	13.3%	9.4	16.0%	87.0%

- Net sales:** Sales increased due to favorable sales in the hematology field in the United States, as well as to higher sales in China, stemming from the launch of new urinalysis products.
- Operating profit:** Profit was down, owing to higher SG&A expenses in line with business expansion, a worsening cost of sales ratio and the impact of valuation losses stemming from the conversion of RIKEN GENESIS to a subsidiary in the previous fiscal year.
- Exchange loss (gains):** Loss of ¥0.40 billion (loss of ¥1.59 billion in the first quarter of the previous fiscal year)
 Exchange rate fluctuations raised net sales ¥0.18 billion and lowered operating profit ¥0.31 billion. At the exchange rates prevailing one year earlier, net sales would have been up 4.0% year on year, and operating profit down 8.1%.
- Capital expenditure (tangible):** ¥1.97 billion
Depreciation and amortization: ¥3.48 billion

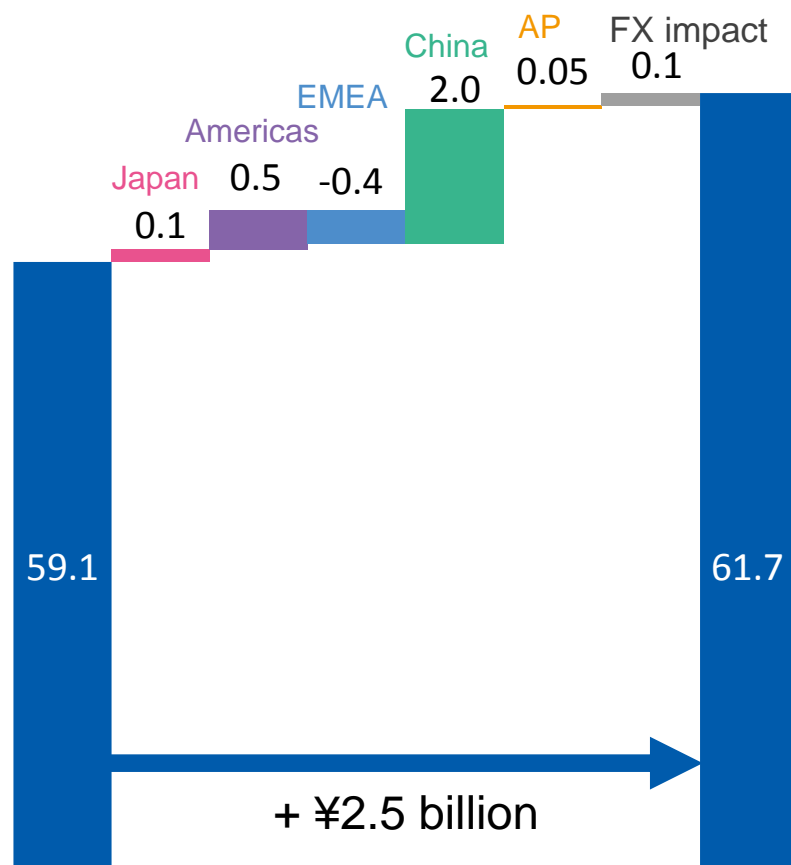
Breakdown of Net Sales and Operating Profit



(Billions of yen)

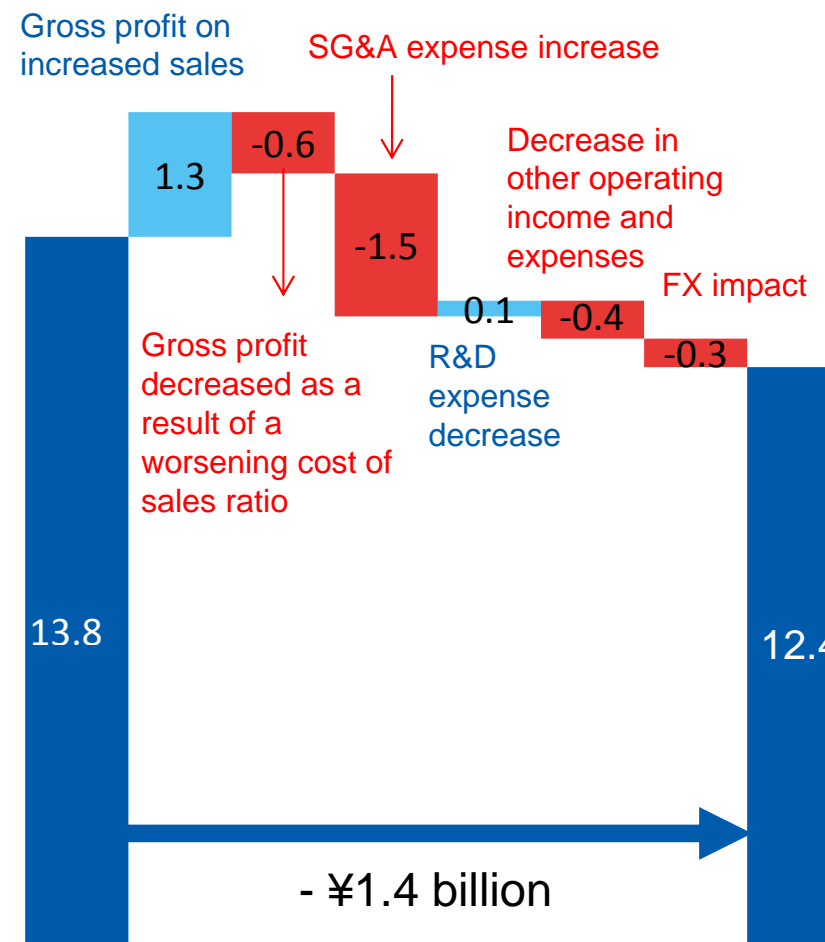
Net Sales

Note: FX impact excluded from sales by geographic region



2017 (First three months of years to March 31) 2018

Operating Profit



2017 (First three months of years to March 31) 2018

Net Sales by Geographic Region



(Billions of yen)

Net Sales by Geographic Region (Sales to External Customers)							
	First three months of fiscal year ending March 31, 2018		First three months of fiscal year ended March 31, 2017		YOY (Previous period = 100%)		
	Results	Ratio	Results	Ratio	(Yen)	(Local currency)	
Net Sales	61.7	100%	59.1	100%	104.3%	-	
Region	Americas	13.9	22.7%	12.4	21.1%	112.2%	109.2%
	EMEA	16.8	27.2%	17.4	29.5%	96.4%	96.2%
	China	16.1	26.2%	14.4	24.4%	111.8%	114.0%
	AP	5.0	8.2%	4.8	8.2%	104.6%	(101.5%)
	Japan*	9.6	15.7%	9.9	16.8%	97.3%	-

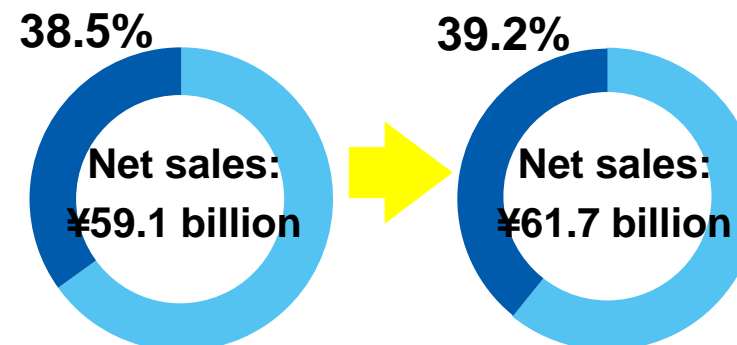
* Includes sales to IDEXX and other external customers

Exchange Rates		
	First three months of fiscal year ending March 31, 2018	First three months of fiscal year ended March 31, 2017
1USD	¥111.1	¥108.1
1EUR	¥122.2	¥122.0
1CNY	¥16.2	¥16.5

Percentage of Sales in Emerging Markets

First three months of fiscal year ended March 31, 2017

First three months of fiscal year ending March 31, 2018



Sales by Business

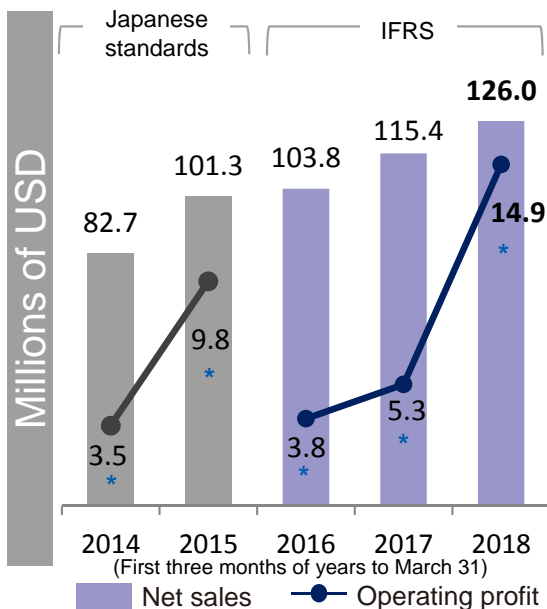
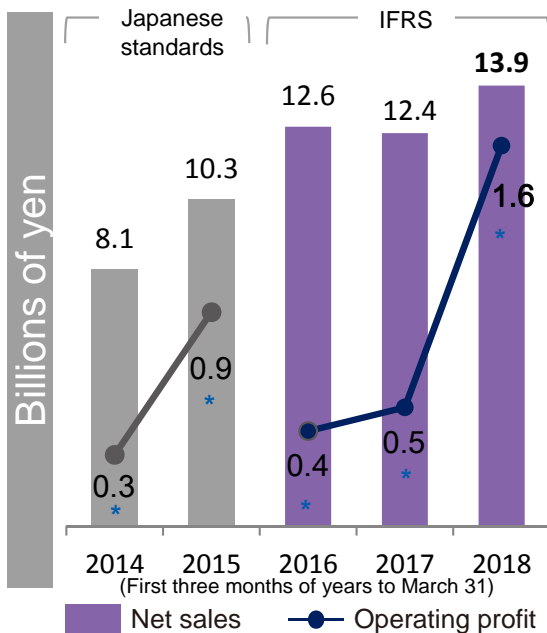


		First three months of fiscal year ending March 31,		First three months of fiscal year ended March 31, 2017		YOY (Previous period =	(Billions of yen) Reference: YOY at previous year's rate
		Results	Ratio	Results	Ratio	=	
	Hematology	39.1	63.5%	37.3	63.1%	104.9%	104.2%
	Urinalysis	5.2	8.4%	3.8	6.4%	136.8%	136.8%
	HU Business	44.4	72.0%	41.1	69.6%	107.9%	107.2%
	Immunochemistry	2.2	3.7%	1.8	3.1%	125.1%	126.4%
	Clinical Chemistry	0.6	1.1%	0.8	1.5%	78.3%	78.3%
	Hemostasis	9.3	15.2%	10.3	17.5%	90.7%	91.2%
	ICH Business	12.3	20.0%	13.0	22.0%	94.6%	95.2%
	Core Businesses	56.7	91.9%	54.1	91.6%	104.7%	104.3%
	FCM Business	0.4	0.7%	0.5	1.0%	70.2%	69.6%
	LS Business	1.0	1.8%	1.1	1.9%	98.6%	99.0%
	Others	-	-	-	-	-	-
	Next Core Businesses	1.5	2.5%	1.7	2.9%	88.7%	88.7%
	Others*	3.4	5.6%	3.2	5.5%	106.3%	106.4%
	Total Net Sales	61.7	100.0%	59.1	100.0%	104.3%	104.0%

*Others: Clinical laboratory information systems, sales of third-party products, etc.

HU Business: Hematology and urinalysis fields
 ICH Business: Immunochemistry, clinical chemistry and hemostasis fields
 FCM Business: Flow cytometry field
 LS Business: Life science field

Geographic Segment Information: Americas



*Revision in intragroup transaction prices

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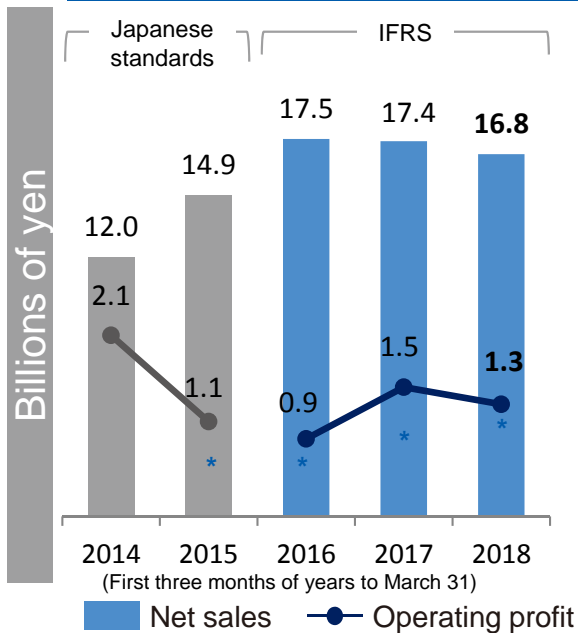
(Billions of yen)	First three months of fiscal year ending March 31, 2018	First three months of fiscal year ended March 31, 2017	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	13.9	12.4	112.2%	109.2%
Operating Profit*	1.6	0.5	288.1%	280.4%

- Despite the impact of acquisitions of large-scale government tender in Mexico in the first three months of the previous fiscal year, sales were up due to continued strong performance in the hematology field in the United States.
- Operating profit grew substantially, thanks to the impact of higher sales, an improved cost of sales ratio due to a rising percentage of sales in areas where we conduct sales directly (North America), and a revision in intragroup transaction prices.

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 and increased sales to prominent commercial labs.
- **Central and South America:** Sales fell, owing to the impact of acquisitions of large-scale government tender in Mexico in the first three months of the previous fiscal year, as well as the ongoing effects of economic stagnation in Brazil.

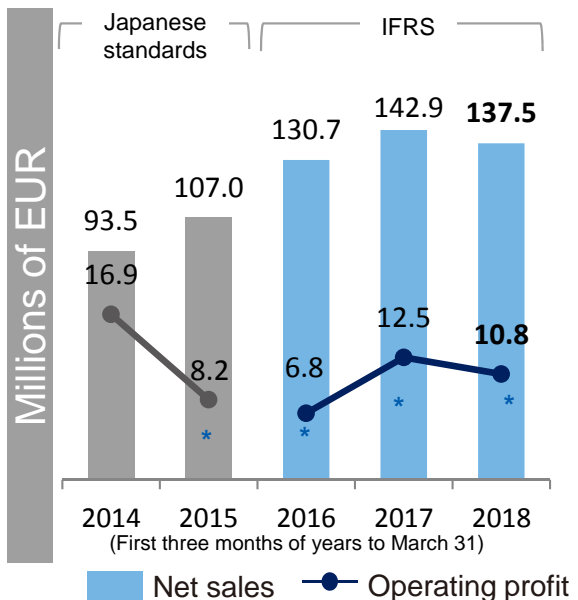
Geographic Segment Information: EMEA*



*Europe, the Middle East and Africa

(Billions of yen)	First three months of fiscal year ending March 31, 2018	First three months of fiscal year ended March 31, 2017	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	16.8	17.4	96.4%	96.2%
Operating Profit*	1.3	1.5	86.3%	86.2%

- Sales were down due to the acquisition of large-scale tender in the Middle East and Africa in the first three months of the previous fiscal year, as well as sales delays in the United Kingdom as a result of Brexit.
- Operating profit fell because of lower sales and an rise in SG&A expenses stemming from an increase in sales and service employees.

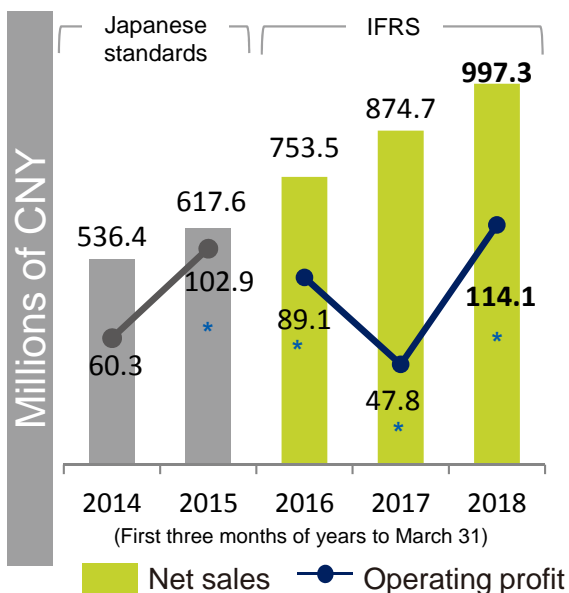
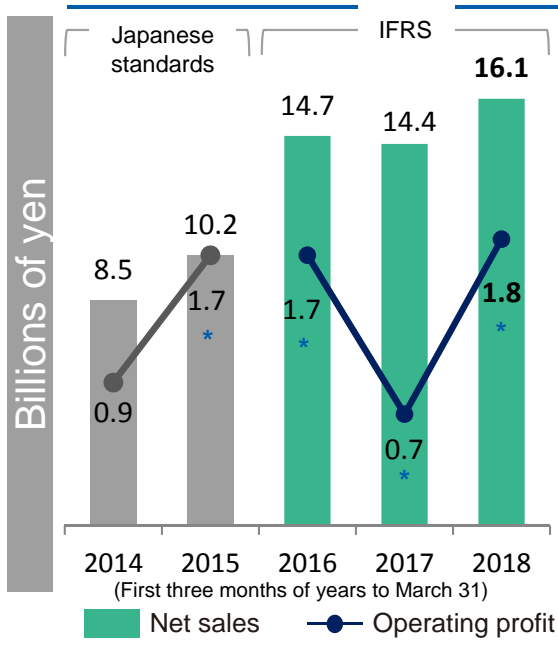


Local Currency Basis

- **Five major countries:** Despite higher sales in France, owing to direct sales in the urinalysis and hemostasis fields, sales were down due to sales delays in the United Kingdom.
- **Eastern Europe, Russia:** Sales rose, due to higher sales of hematology reagents due to an increase in the installed instrument base in Russia.
- **Middle East, Africa:** Sales fell as a result of tender projects in Saudi Arabia and the impact of large-scale projects for global funds in Africa in the first three months of the previous fiscal year.

*Revision in intragroup transaction prices

Geographic Segment Information: China



*Revision in intragroup transaction prices

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(Billions of yen)	First three months of fiscal year ending March 31, 2018	First three months of fiscal year ended March 31, 2017	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	16.1	14.4	111.8%	114.0%
Operating Profit*	1.8	0.7	234.1%	238.7%

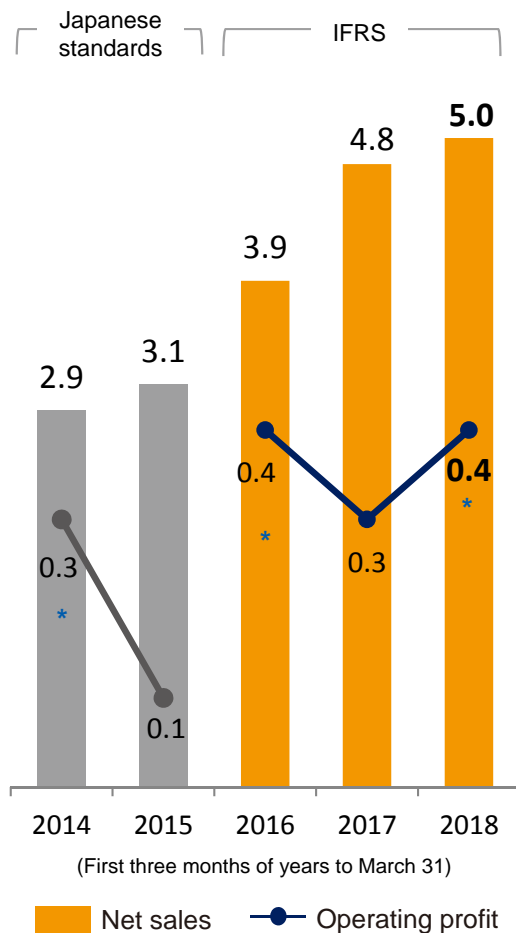
- Although sales of hemostasis instruments declined, sales increased as a result of launch of urinalysis products and price increases on sales of reagents to distributors in line with a transition to direct service.
- Service-related expenses climbed due to the transition to direct services, but operating profit grew substantially, due to a revision in intragroup transaction prices and a rising composition ratio of reagent sales.

- **Hematology:** Although sales of instruments decreased, sales rose due to price increases on reagents.
- **Hemostasis:** Sales were down due to lower instrument sales.
- **Urinalysis:** Sales grew substantially, thanks to sales of the new UN-Series.
- **Immunochemistry:** Sales rose, as a result of a steady increase in reagent sales stemming from an expanding active instrument base.

Geographic Segment Information: AP



Billions of yen



*Revision in intragroup transaction prices

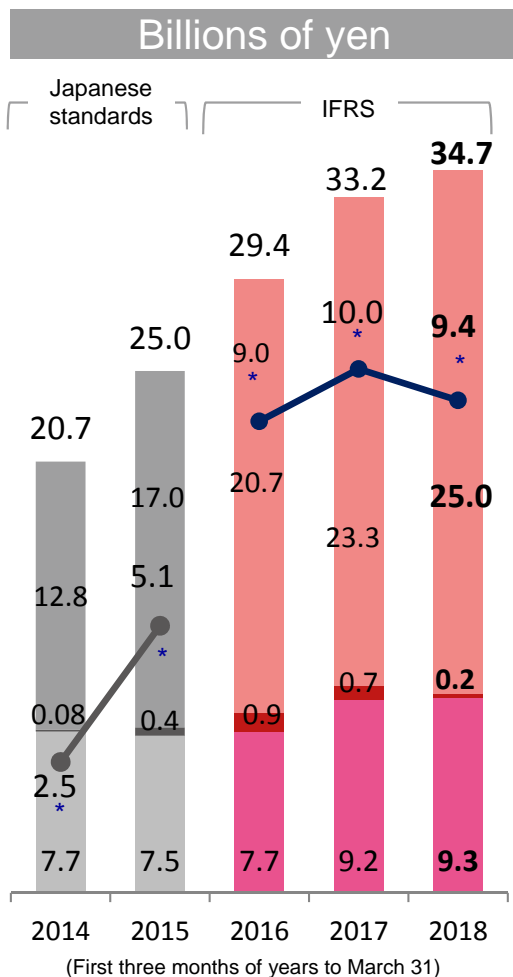
(Billions of yen)	First three months of fiscal year ending March 31, 2018	First three months of fiscal year ended March 31, 2017	YOY (Previous period = 100%) (Yen basis)
Sales	5.0	4.8	104.6%*
Operating Profit*	0.4	0.3	123.3%

- **Despite the impact of large-scale projects in Australia in the first three months of the previous fiscal year, sales increased due to the transition to direct sales in Taiwan and large-scale tender acquisitions in South Asia**
- **Operating profit increased due to the transition to direct sales in Taiwan and a revision in intragroup transaction prices.**

* Excluding the impact of exchange rates on currencies in the AP region, YOY would have been 101.5%.

- **Oceania:** Sales fell, due to the impact of large-scale projects in Australia in the first three months of the previous fiscal year.
- **South Korea, Taiwan:** Sales grew, affected by the shift to direct sales in Taiwan and a rise in reagent sales.
- **South Asia:** Large-scale tender acquisitions in India and Bangladesh led to higher sales.

Geographic Segment Information: Japan



- Intra-Area Transfers: Exports to Group Affiliates, Others
- Sales to External Customers: IDEXX and Others
- Sales to External Customers: Japan
- Operating Profit

*Revision in intragroup transaction prices

(Billions of yen)	First three months of fiscal year ending March 31, 2018	First three months of fiscal year ended March 31, 2017	YOY (Previous period = 100%)
Sales	34.7	33.2	104.5%
Sales to External Customers	9.6	9.9	97.3%
Japan	9.3	9.2	102.1%
IDEXX and Others	0.2	0.7	38.7%
Intra-Area Transfers	25.0	23.3	107.5%
Operating Profit*	9.4	10.0	94.3%

- **Sales grew, due to higher exports to Group affiliates overseas and the conversion of RIKEN GENESIS to a subsidiary (June 2016).**
- **Operating profit fell as a result of a revision in intragroup transaction prices and one-off factors (valuation gain of ¥0.53 billion in the previous fiscal year due to the conversion of RIKEN GENESIS to a subsidiary).**

- **Japan:** Sales rose due to higher reagent sales in the hematology and hemostasis fields.
- **IDEXX and others:** Sales of instruments for veterinary to IDEXX were down.

Consolidated Earnings Forecast

(No changes subsequent to May 2017 announcement)



Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2018

Net sales: **¥275.0 billion**

Operating profit: **¥57.0 billion**

Operating margin: **20.7%**

Profit attributable to owners of the parent: **¥41.0 billion**

Profit attributable to owners of the parent to net sales: **14.9%**

Planned investment

Capital expenditure: **¥18.0 billion**

Depreciation and amortization: **¥14.0 billion**

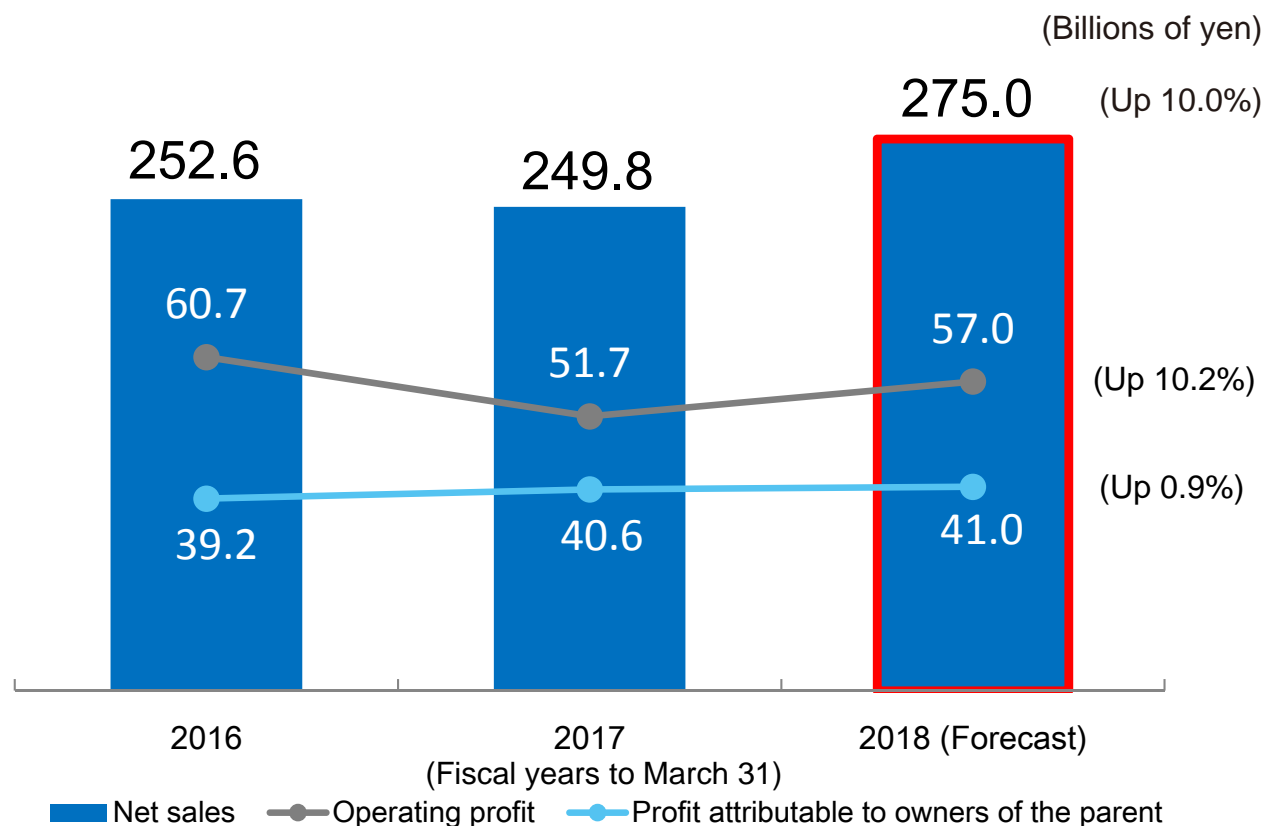
R&D expenditure: **¥17.5 billion**

● Assumed Exchange Rates

	Assumed exchange rates for full year	Actual for fiscal year ended March 31, 2017
1USD	¥110.0	¥108.4
1EUR	¥115.0	¥118.8
1CNY	¥16.0	¥16.1

● Exchange Rate Sensitivity

	Net sales (year)	Operating profit (year)
USD	¥0.57 billion	¥0.57 billion
EUR	¥0.41 billion	¥0.12 billion
CNY	¥4.15 billion	¥0.40 billion



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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