

Business Results

First Nine Months of the Fiscal Year Ending March 31, 2020

February 5, 2020
Sysmex Corporation

Change in the Information Disclosed in Presentation Materials

- We have disclosed information by geographic region through the third quarter of the fiscal year ended March 31, 2019. From this fiscal year, we have changed to the disclosure of information by destination.
- Sales and operating profit by geographic region are provided for reference.

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

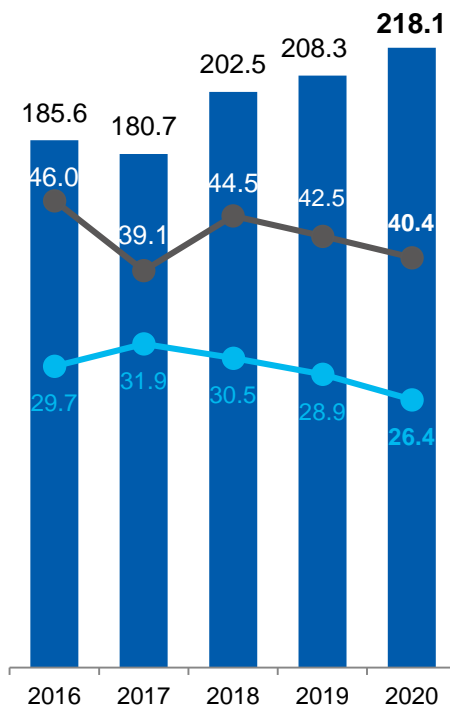
Forward-Looking Statements

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.

Financial Highlights



(Billions of yen)



(First nine months of years to March 31)

■ Net sales
 ● Operating profit
 ● Profit attributable to owners of the parent

First nine months of fiscal year ending March 31, 2020 First nine months of fiscal year ended March 31, 2019

1USD	¥108.7	¥111.1
1EUR	¥121.1	¥129.5
1CNY	¥15.6	¥16.6

(Billions of yen)

First nine months of fiscal year ending March 31, 2020

First nine months of fiscal year ended March 31, 2019

YOY (Previous period = 100%)

	Results	Ratio	Results	Ratio	
Net sales	218.1	100%	208.3	100%	104.7%
Cost of sales	100.4	46.0%	92.5	44.4%	108.5%
SG&A expenses	61.7	28.3%	60.3	28.9%	102.4%
R&D expenses	16.1	7.4%	13.3	6.4%	121.4%
Other income (expenses)	0.6	0.3%	0.4	0.2%	161.3%
Operating profit	40.4	18.5%	42.5	20.4%	95.0%
Profit attributable to owners of the parent	26.4	12.1%	28.9	13.9%	91.7%

- **Net sales:** Net sales rose, due to increased performance in Japan and each overseas region, despite the impact of yen appreciation.
- **Operating profit:** Operating profit was down although gross profit rose as a result of the sales increase, due to the impact of yen appreciation and higher R&D expenses stemming from the establishment of a new bio-diagnostic reagent base.

Exchange rate fluctuations reduced net sales ¥9.43 billion and operating profit ¥3.27 billion. At the exchange rates prevailing one year earlier, net sales would have been up 9.2% year on year, and operating profit up 2.6%

- **Profit attributable to owners of the parent:** Profit was down due to the impact of an exchange rate loss and a higher tax rate.

Exchange loss (gains): Loss of ¥1.44 billion

Breakdown of Net Sales (by Destination)

First nine months of
fiscal year ending
March 31, 2020

First nine months of
fiscal year ended
March 31, 2019

Results

Ratio

Yen basis

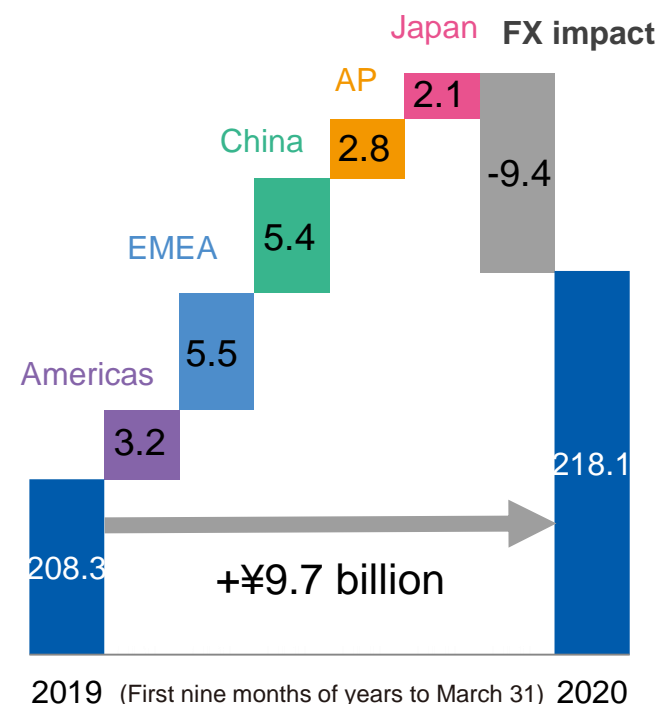
Local currency
basis

	Results	Ratio	Yen basis	Local currency basis
Net sales	218.1	100.0%	104.7%	109.2%*
Americas	50.6	23.2%	103.9%	106.4%
EMEA	57.0	26.1%	103.2%	110.4%
China	56.5	26.0%	103.3%	110.0%
AP	19.8	9.1%	112.1%	115.9%*
Japan	33.9	15.6%	106.8%	-

* Year-on-year increase on a yen basis, excluding the impact of exchange rate fluctuations

Net Sales by Destination

(Billions of yen)



Sales by Business and Product Type



(Billions of yen)

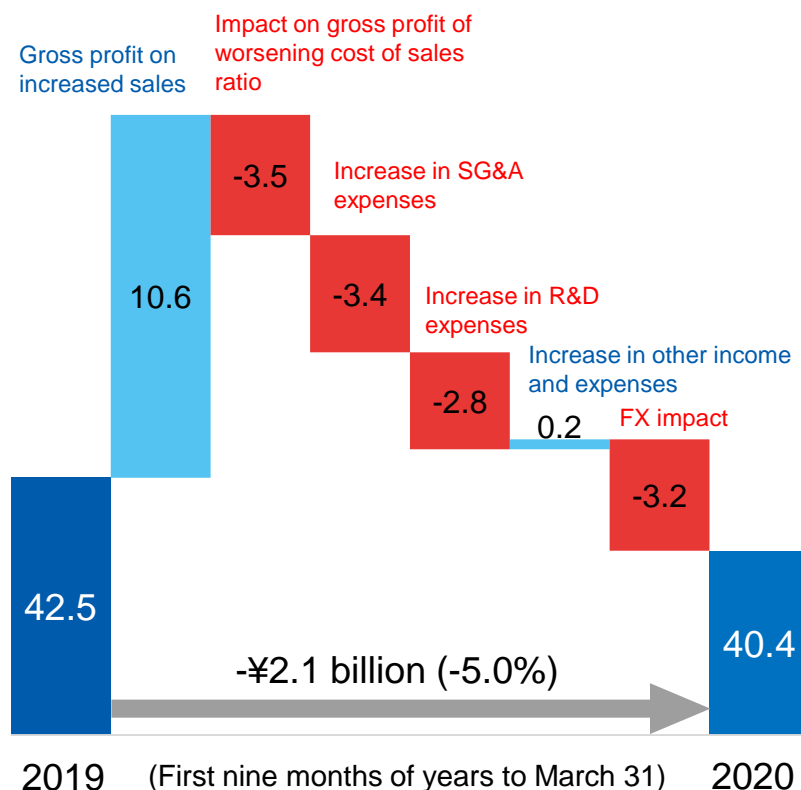
		First nine months of fiscal year ending March 31, 2020		First nine months of fiscal year ended March 31, 2019		YoY (Previous period = 100%)	YoY at previous year's rate
		Results	Ratio	Results	Ratio		
By business	Hematology	136.0	62.3%	128.5	61.7%	105.8%	110.3%
	Hemostasis	34.4	15.8%	34.2	16.5%	100.6%	105.5%
	Urinalysis	15.2	7.0%	14.9	7.2%	102.3%	107.4%
	Immunochemistry	11.0	5.1%	9.9	4.8%	110.5%	114.8%
	Clinical chemistry	2.1	1.0%	2.3	1.1%	93.1%	94.5%
	FCM business	1.1	0.5%	1.1	0.5%	100.6%	105.6%
	IVD and others	10.1	4.6%	9.7	4.7%	104.0%	107.9%
	IVD business	210.2	96.4%	200.8	96.4%	104.7%	109.2%
	LS business	7.9	3.6%	7.4	3.6%	105.9%	111.1%
Total sales		218.1	100.0%	208.3	100.0%	104.7%	109.2%
By product type	Instruments	55.7	25.5%	54.3	26.1%	102.5%	107.0%
	Reagents (Excluding the impact of reclassifying products in China)*	128.1	58.8%	123.2	59.1%	104.0% (105.4%)	108.6% (110.0%)
	Services (Excluding the impact of reclassifying products in China)*	26.8	12.3%	24.8	11.9%	107.9% (102.0%)	111.8% (105.3%)
	Others	7.3	3.4%	5.8	2.8%	125.5%	131.6%
	Total sales	218.1	100.0%	208.3	100.0%	104.7%	109.2%

* In China, some sales included in “reagents” through the second quarter of the fiscal year ended March 31, 2019 were reclassified to “services” from the third quarter.

Breakdown of Operating Profit

Operating Profit

(Billions of yen)



Note: Total bio-reagent base-related expenses: ¥1.47 billion
(Cost of sales: ¥0.27 billion; SG&A expenses: ¥0.29 billion;
R&D expenses: ¥0.91 billion)

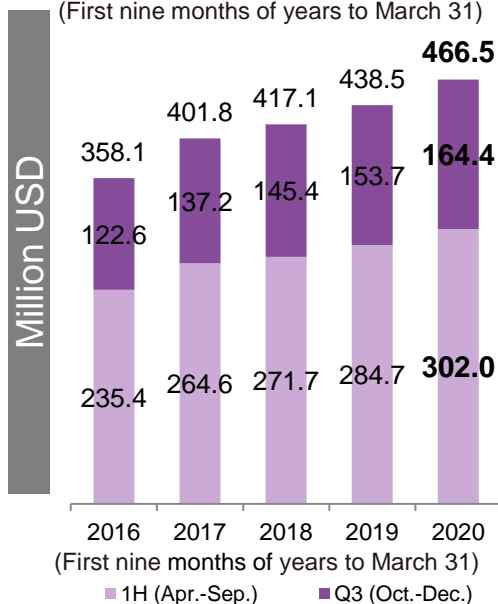
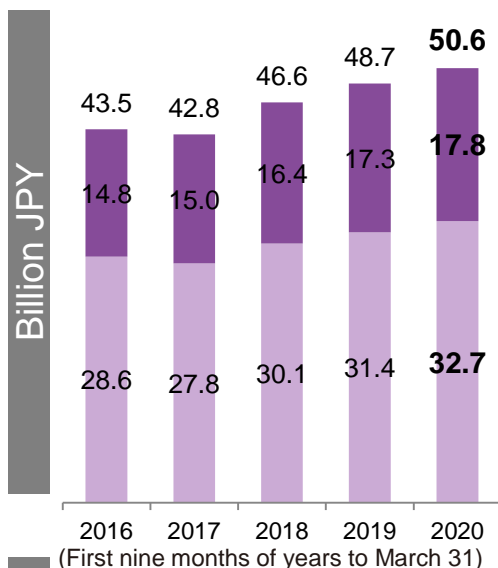
Actual profit up, excluding impact of exchange rates

Note: The figures below exclude the impact of exchange rates.

- Gross profit on increased sales: +¥10.6 billion
- Worsening cost of sales ratio: +1.6pt (-¥3.55 billion)
 - Reclassification of SG&A expenses to cost of sales in China: +0.7pt
 - Impact of an increase in purchases of third-party instruments and others: +0.5pt
 - Higher service costs in United States and China: +0.5pt
 - Changes in the product mix (higher percentage of reagents): -0.4pt
- Increase in SG&A expenses: +¥3.45 billion
 - Impact of higher labor costs in Japan: +¥1.86 billion
 - Reinforcement of selling structures in United States and Latin America: +1.54 billion
 - Reinforcement of selling structure due to direct urinalysis sales in EMEA: +¥0.54 billion
- Increase in R&D expenses: +¥2.85 billion
 - Investments in new hematology products and the LS business: +¥1.94 billion
 - Higher expenses due to bio-diagnostic reagent base: +¥0.91 billion
- FX impact: -¥3.27 billion

Information by Destination (Americas)

Sales



(Billions of yen)

	First nine months of fiscal year ending March 31, 2020	First nine months of fiscal year ended March 31, 2019	YoY (Previous period = 100%) (Yen basis)	YoY (Local currency basis)
Sales	50.6	48.7	103.9%	106.4%
Instruments	14.8	14.9	99.2%	101.7%
Reagents	22.8	21.2	107.5%	110.0%
Services, others	12.9	12.5	103.3%	105.7%

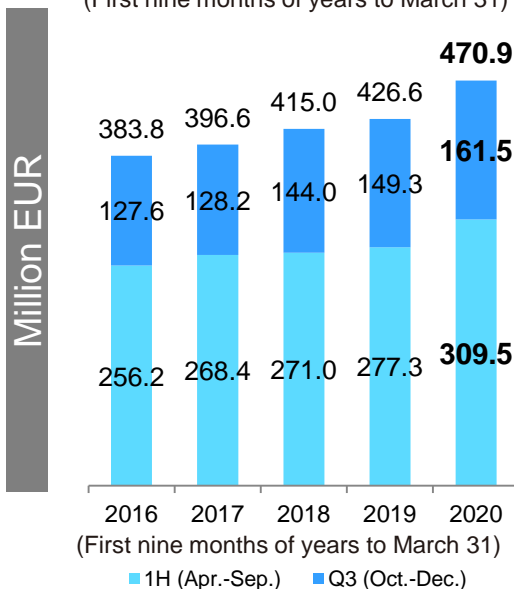
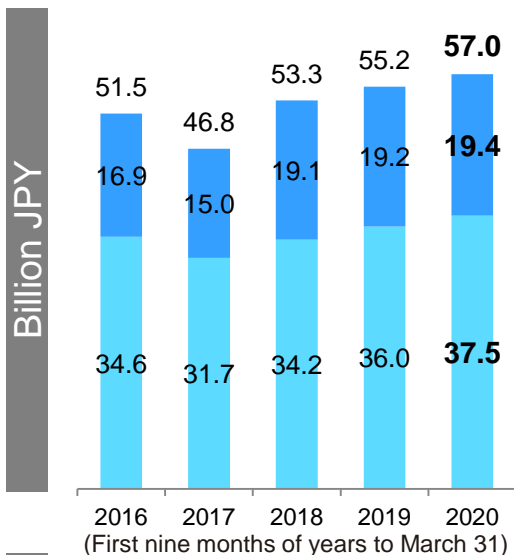
Sales for this region rose thanks to higher sales in North and Latin America in the hematology field, despite lower US sales in the hemostasis and urinalysis fields.

- Instruments: In the United States, sales in the hemostasis field were down, reflecting deals involving major commercial laboratories in the preceding fiscal year. Also, we experienced delays in launching new products in the urinalysis field. As a result, sales were flat.
- Reagents: Sales increased due to robust reagent sales in North and Latin America due to expansion in the installed base of hematology instruments.

Topics

- In Q3, we commenced sales under a new structure for the midrange and low-end hematology markets in Brazil.

Sales



	(Billions of yen)	First nine months of fiscal year ending March 31, 2020	First nine months of fiscal year ended March 31, 2019	YoY (Previous period = 100%)	
				(Yen basis)	(Local currency basis)
Sales		57.0	55.2	103.2%	110.4%
Instruments		15.7	15.4	101.6%	108.6%
Reagents		32.6	31.3	104.1%	111.4%
Services, others		8.6	8.3	102.8%	110.0%

Sales grew, thanks to higher sales in the hematology field (centered on Northern Europe, Eastern Europe and the Middle East) and a rise due to direct sales in the urinalysis field in the United Kingdom and France.

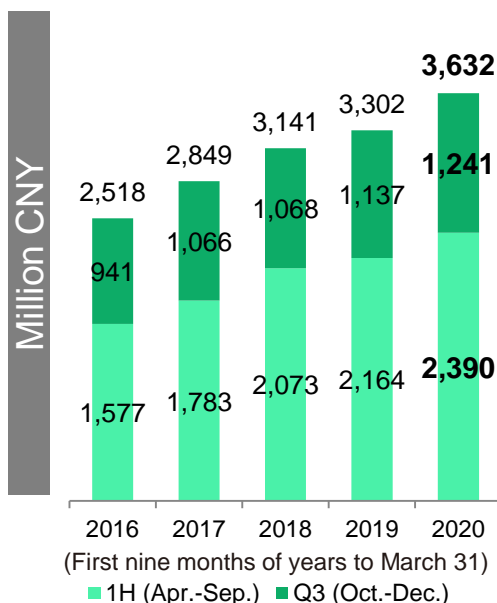
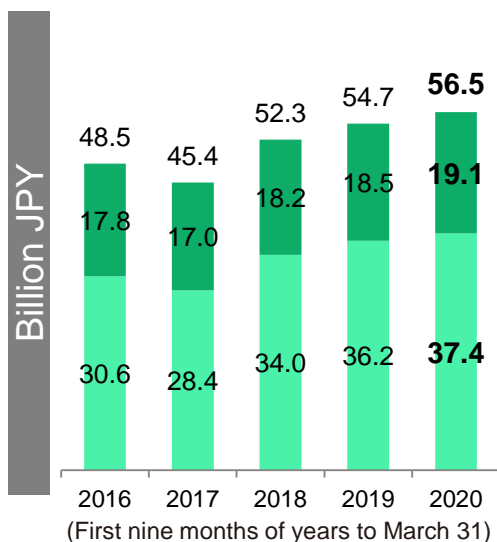
- Instruments: Sales rose mainly in the hematology field, due to sales of system products in Northern Europe, and to orders received from commercial labs in Eastern Europe. Also, sales continued to grow in the United Kingdom and France due to the transition to direct sales in the urinalysis field.
- Reagents: Sales increased, with reagent sales growing steadily in the hematology field in the Middle East, Russia and others, due to favorable sales of new products in the urinalysis field.

Topics

- Sysmex Europe received a silver award (sponsored by the Brandon Hall Group) for “Best Customer Training Program,” earning high marks for its online customer training.

Information by Destination (China)

Sales



(Billions of yen)	First nine months of fiscal year ending March 31, 2020	First nine months of fiscal year ended March 31, 2019	YoY (Previous period = 100%) (Yen basis)	YoY (Local currency basis)
Sales	56.5	54.7	103.3%	110.0%
Instruments	14.0	13.9	100.7%	107.3%
Reagents*	37.0	37.7	98.1% (102.3%)	104.5% (108.9%)
Services, others*	5.4	3.0	180.2% (154.4%)	190.3% (163.9%)

* Some sales previously included in “reagents” were reclassified to “services” from the third quarter of the fiscal year ended March 31, 2019. Figures in parentheses indicate performance excluding the impact of this reclassification.

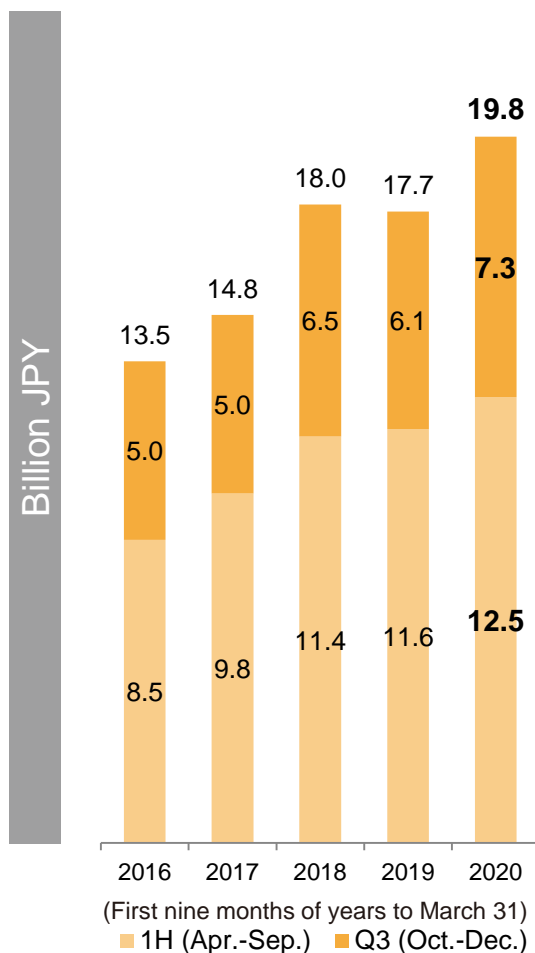
Sales increased, including sales of reagents and services in the hematology, immunochemistry and urinalysis fields. Sales of hemostasis instruments were also up.

- Instruments: In Q1, performance was affected by the concentration of demand in Q4 of the previous year. However, sales recovered from Q2, with sales of Sysmex’s transport systems in the hemostasis field contributing to sales growth.
- Reagents: Solid sales in the hematology, urinalysis and immunochemistry fields drove higher sales, excluding the impact of product reclassifications.

Topics

- Our breast cancer lymph node metastasis testing system using the OSNA™ method received regulatory approval in December.

Information by Destination (AP)



	First nine months of fiscal year ending March 31, 2020	First nine months of fiscal year ended March 31, 2019	YoY (Previous period = 100%) (Yen basis)
Sales	19.8	17.7	112.1% (115.9%)
Instruments	4.6	4.4	102.9%
Reagents	13.4	11.5	115.8%
Services, others	1.8	1.6	110.6%

Note: Figures in parentheses exclude the impact of exchange rate fluctuations.

Sales expanded due to an increase in the hematology field stemming from a change in the sales structure in India. Also, hematology reagent sales grew, centered on South and Southeast Asia.

- Instruments: Sales grew, thanks to positive sales resulting from a shift to direct sales in the hematology field in India and Thailand.
- Reagents: Double-digit sales growth was the result of an ongoing outbreak of dengue fever, higher sales in the hematology field in South and Southeast Asia, and contributions from the sale of immunochemistry reagents.

トピックス

- Demand for hematology testing remains high in some regions due to the prolonged impact of dengue fever.

Information by Destination (Japan)

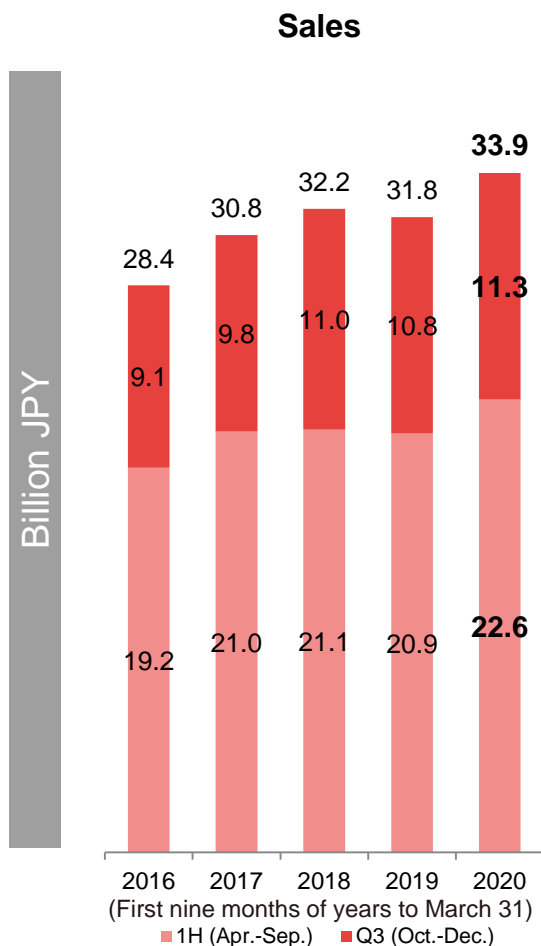
(Billions of yen)

	First nine months of fiscal year ending March 31, 2020	First nine months of fiscal year ended March 31, 2019	YoY (Previous period = 100%) (Yen basis)
--	-----------------------------------------------------------------------	-------------------------------------------------------------	----------------------------------------------------

Sales	33.9	31.8	106.8%
Instruments	6.4	5.4	118.3%
Reagents	22.2	21.2	104.6%
Services, others	5.3	5.1	103.8%

Sales rose thanks to higher sales of instruments in the hematology and hemostasis fields, as well as to higher reagent sales accompanying expansion of the installed instrument base.

- Instruments: Sales grew as the result of large orders received in the hematology field and favorable sales of new products (CN Series) in the hemostasis field.
- Reagents: We experienced higher sales of reagents mainly in Hemostasis and Immunochemistry field.
- Services, others: Sales rose due to the increase of tests handled by the NCC Oncopanel system



Consolidated Earnings Forecast

Notes: No changes subsequent to the November 2019 announcement



Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2020

Net sales: **¥310.0 billion** Operating profit: **¥60.0 billion**

Operating margin: **19.4%**

Profit attributable to owners of the parent: **¥38.5 billion**

Profit attributable to owners of the parent to net sales: **12.4%**

Planned Investment

Capital expenditure:
¥14.0 billion
(Tangible only)

Depreciation and amortization: **¥24.0 billion**
(Including changes in lease accounting standards due to the adoption of IFRS16)

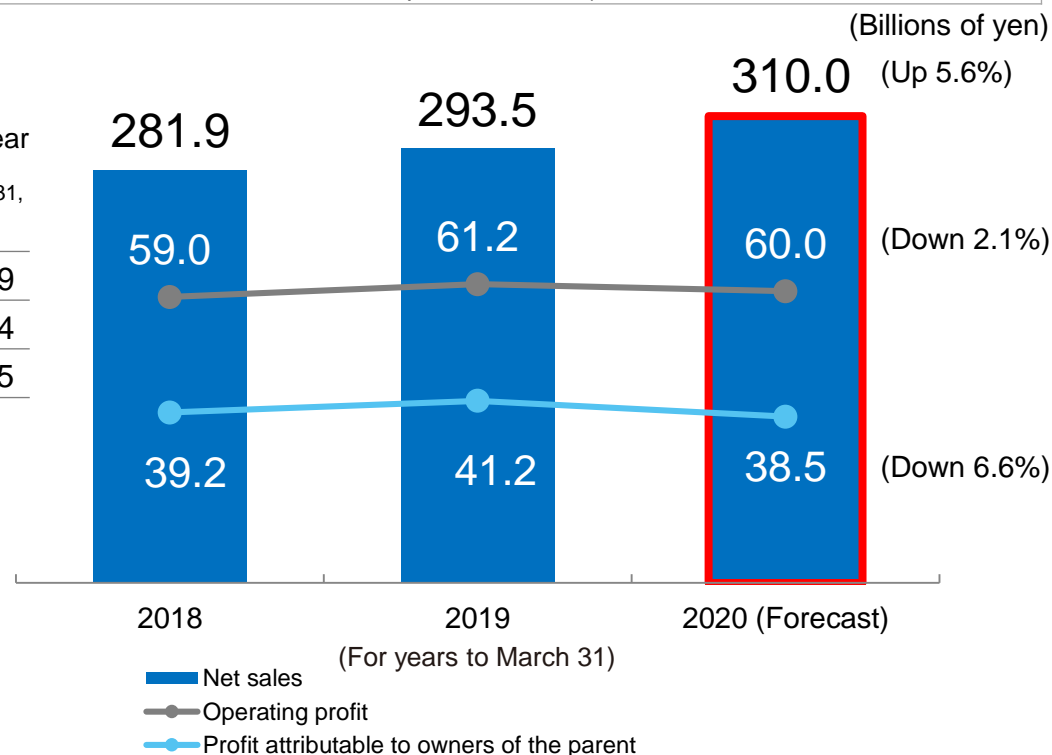
R&D expenditure:
¥22.0 billion

● Assumed Exchange Rates

	Assumed exchange rates for full year (Revised in November 2019)	Second half (Revised in November 2019)	Previous year (Fiscal year ended March 31, 2019)
1 USD	¥108.3	¥108.0	¥110.9
1 EUR	¥120.7	¥120.0	¥128.4
1 CNY	¥15.5	¥15.3	¥16.5

● Exchange Rate Sensitivity

	Net sales (year)	Operating profit (year)
USD	¥0.63 billion	¥0.21 billion
EUR	¥0.45 billion	¥0.11 billion
CNY	¥5.23 billion	¥4.05 billion



A large, solid blue rectangle on the left side of the slide.

(Appendix)
P/L by Geographic Region

Reference: Results by Geographic Region (Sales and Operating Profit)



(Billions of yen)

		First nine months of fiscal year ending March 31, 2020	First nine months of fiscal year ended March 31, 2019	YoY (Previous period = 100%)	
				Yen	Local currency
Americas	Sales to external customers	47.0	45.6	103.0%	105.5%
	Operating profit	1.6	2.5	66.3%	68.0%
EMEA	Sales to external customers	58.1	56.7	102.5%	109.6%
	Operating profit	6.3	4.7	134.7%	144.4%
China	Sales to external customers	56.5	54.7	103.3%	110.0%
	Operating profit	4.2	6.9	61.2%	65.5%
AP	Sales to external customers	19.7	17.5	112.2%	-
	Operating profit	3.0	2.2	134.0%	-
Japan*	Sales to external customers	36.6	33.6	109.0%	-
	Operating profit	26.4	28.0	94.1%	-

*Includes sales to IDEXX and other external customers

Lighting the way **with diagnostics**