



Business Results

First Six Months of Fiscal Year Ending March 31, 2019

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

Hisashi Ietsugu, Chairman and CEO

November 8, 2018

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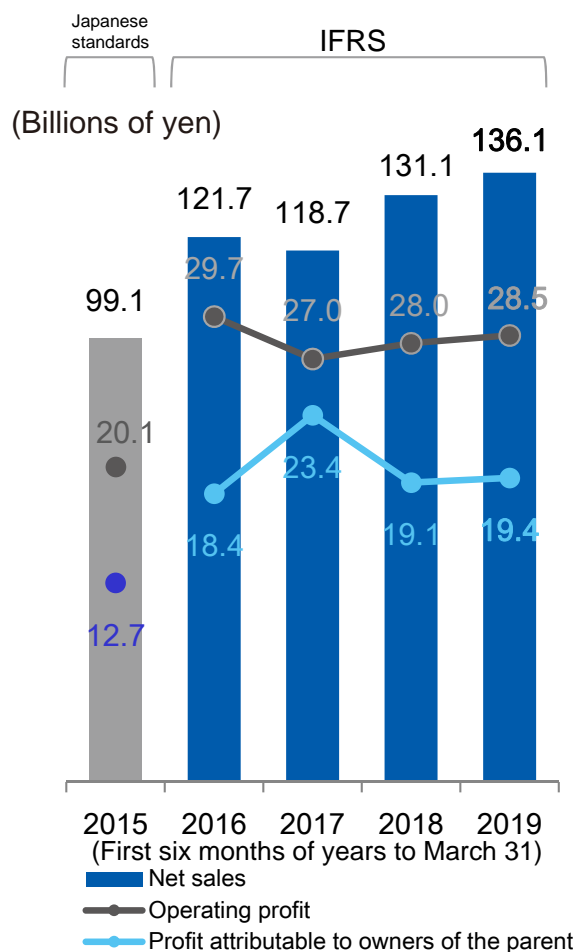
Chapter 1 Financial Highlights for the First Six Months of the Fiscal Year Ending March 31, 2019

Chapter 2 Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2019

Chapter 1

Financial Highlights for the First Six Months of the Fiscal Year Ending March 31, 2019

Financial Highlights



	First six months of fiscal year ending March 31, 2019	First six months of fiscal year ended March 31, 2018
1USD	¥110.3	¥111.1
1EUR	¥129.9	¥126.3
1CNY	¥16.8	¥16.4

	First six months of fiscal year ending March 31, 2019		First six months of fiscal year ended March 31, 2018		(Billions of yen) YOY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net sales	136.1	100%	131.1	100%	103.9%
Cost of sales	59.6	43.8%	56.5	43.2%	105.4%
SG&A expenses	39.7	29.2%	38.9	29.7%	102.1%
R&D expenses	8.7	6.4%	7.6	5.9%	114.1%
Other income (expenses)	0.5	0.4%	0.1	0.1%	335.7%
Operating profit	28.5	20.9%	28.0	21.4%	101.8%
Profit attributable to owners of the parent	19.4	14.3%	19.1	14.6%	101.5%

- **Net sales:** Net sales increased due to higher sales of reagents, centered on the hematology, hemostasis and life science fields.
- **Operating profit:** Despite higher R&D expenses, operating profit rose slightly as higher sales pushed up gross profit.
Exchange rate fluctuations raised net sales ¥0.44 billion and operating profit ¥0.09 billion. At the exchange rates prevailing one year earlier, net sales would have been up 3.5% year on year, and operating profit up 1.4%.
- **Profit attributable to owners of the parent:** Profit was up slightly due to a lower tax rate, despite the impact of an exchange loss stemming from intragroup transactions (USD/CNY and others).
- **Exchange loss (gains):** Loss of ¥1.31 billion (loss of ¥0.19 billion in the first six months of the previous fiscal year)
- **Capital expenditure (tangible):** ¥9.37 billion
- **Depreciation and amortization:** ¥7.62 billion

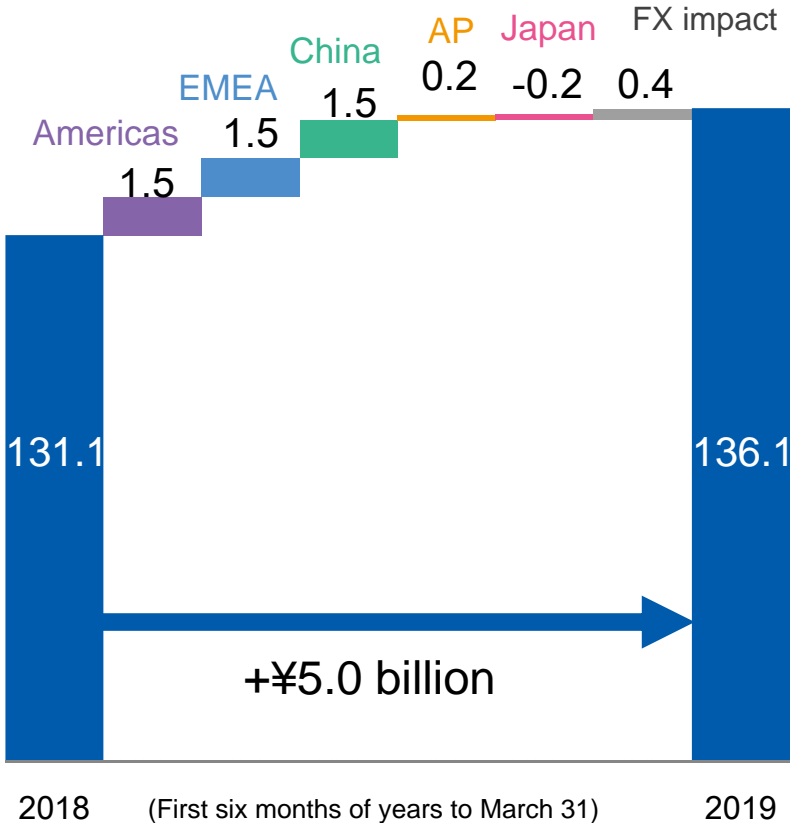
Breakdown of Net Sales and Operating Profit



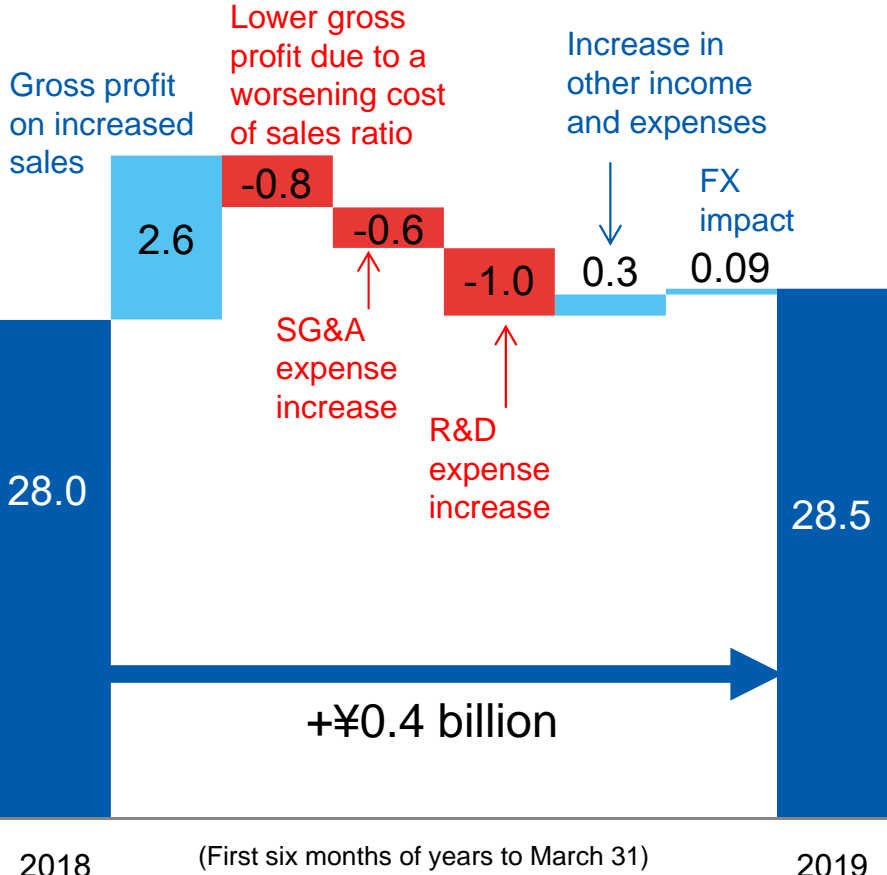
(Billions of yen)

Net Sales

Note: FX impact excluded from sales by geographic region



Operating Profit



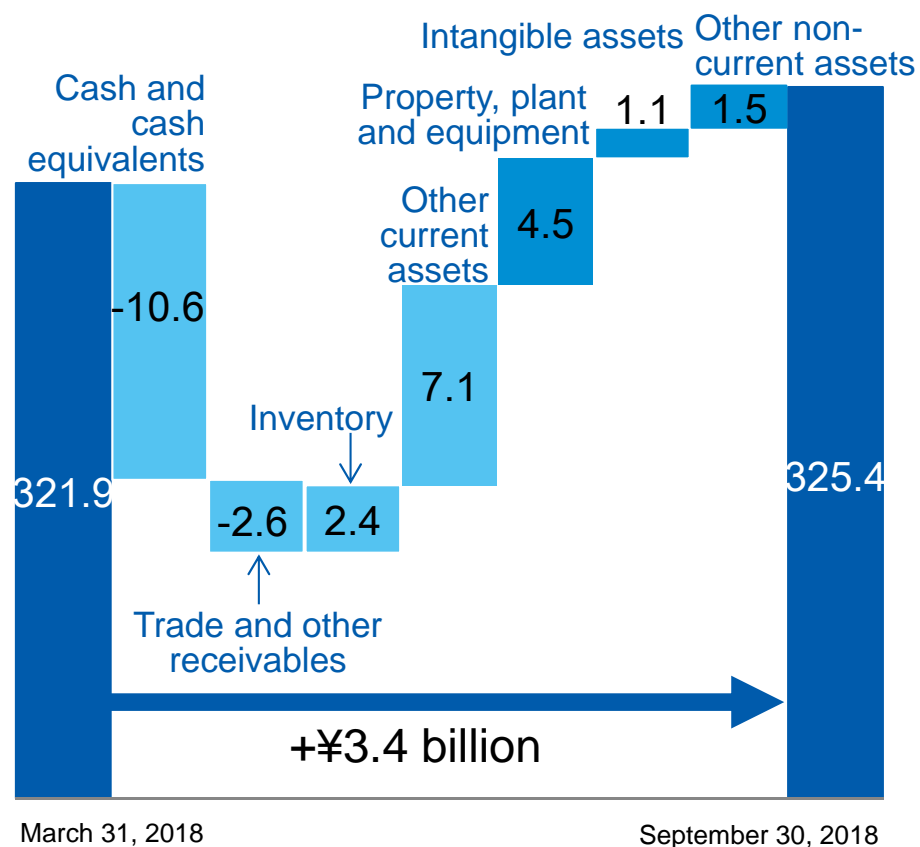
Breakdown of Assets and Liabilities/Equity

(Billions of yen)

Assets

Current assets: Down ¥3.63 billion

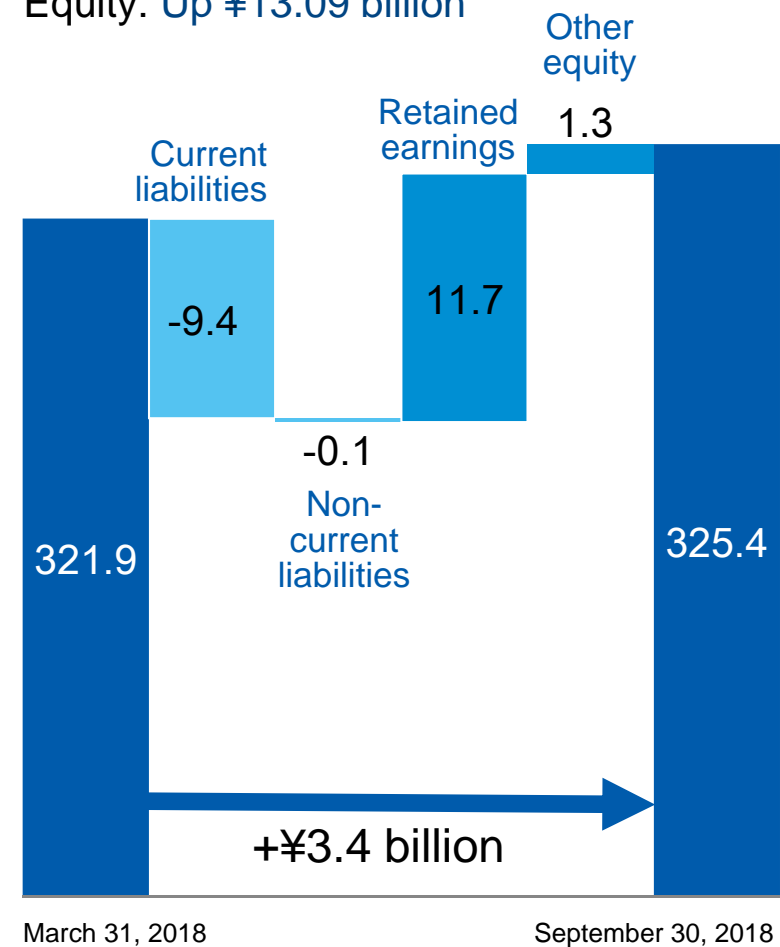
Non-current assets: Up ¥7.13 billion



Liabilities/Equity

Liabilities: Down ¥9.59 billion

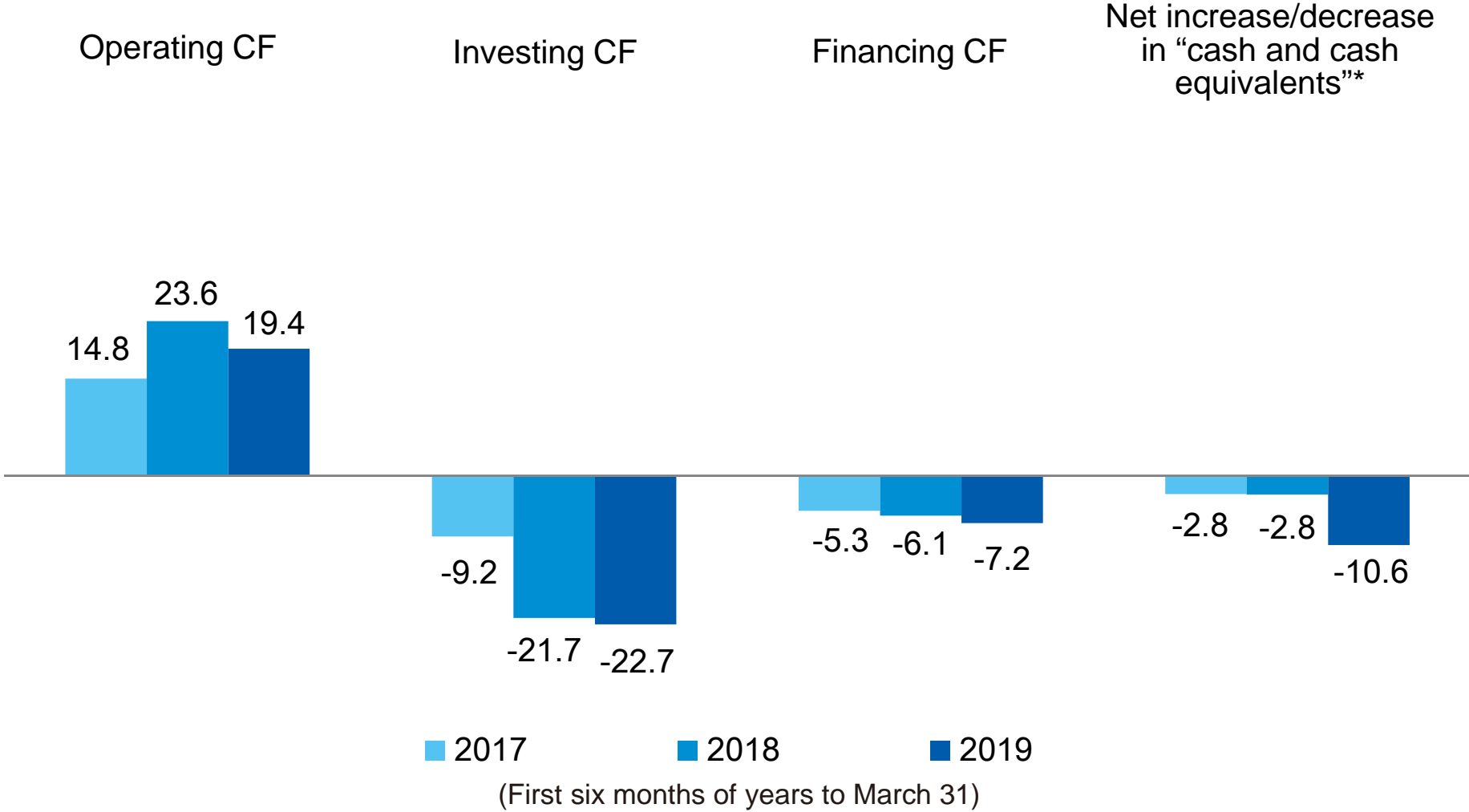
Equity: Up ¥13.09 billion



Consolidated Cash Flows



(Billions of yen)



*Includes translation differences on cash and cash equivalents.

Topics

Months indicate the dates of press releases issued by Sysmex.

Management/Business

- Sysmex Establishes Subsidiary in Egypt and Begins Conducting Direct Sales and Services (July)
- Sysmex and JVCKENWOOD Jointly Establish Creative Nanosystems Corporation (August)
- RIKEN GENESIS Performs Sequencing Analysis for Todai OncoPanel (October)



Sysmex Egypt

Products/Support

- Sysmex Launches New Products Using the OSNA™ Method: Gene Amplification Detector RD-200 and LYNOAMP™ CK19 (May)
- Sysmex Launches HISCL™ Presepsin Assay Kit for Sepsis Testing (August)
- Sysmex America Opens “Center for Learning” Training Facilities for Customers (August)
- Sysmex Partec’s CyFlow™ Counter System Receives WHO Prequalification (August)
- Sysmex, Toppan Printing and Riken Genesis Commence Launch of LW-100 Gene Measurement Analyzer (for Research Use) (August)
- Sysmex Launches New XS-Series Product for the China Market Employing the Knockdown Production Method (September)



Gene Amplification Detector RD-200



Automated Hematology Analyzer XS-Series XS-500ix

ESG

- Sysmex Formulates the “Sysmex Eco-Vision 2025” (May)
- Sysmex Selected for Inclusion in the Dow Jones Sustainability World Index for the Third Consecutive Year (September)

Sales by Business and Product Type

(Billions of yen)		First six months of fiscal year ending March 31, 2019		First six months of fiscal year ended March 31, 2108		YOY (Previous period = 100%)	Reference: YOY at previous year's rate
		Results	Ratio	Results	Ratio		
By business	Hematology	84.5	62.1%	81.6	62.2%	103.6%	103.5%
	Urinalysis	9.4	6.9%	9.9	7.6%	95.2%	94.7%
	HU Business	93.9	69.0%	91.5	69.8%	102.6%	102.5%
	Immunochemistry	6.2	4.6%	4.9	3.7%	128.0%	126.9%
	Clinical Chemistry	1.5	1.1%	1.4	1.1%	103.6%	104.0%
	Hemostasis	23.0	16.9%	21.7	16.6%	105.8%	104.9%
	ICH Business	30.8	22.6%	28.1	21.5%	109.5%	108.7%
	Core Businesses	124.7	91.6%	119.6	91.3%	104.3%	104.0%
	FCM Business	0.7	0.5%	0.8	0.6%	86.8%	86.4%
	LS Business	4.6	3.4%	3.4	2.6%	135.0%	133.5%
	Others	0.0	0.0%	-	-	-	-
	Next Core Businesses	5.3	4.0%	4.2	3.3%	126.1%	124.3%
	Others*	6.0	4.4%	7.1	5.4%	84.2%	84.1%
Total Net Sales	136.1	100.0%	131.1	100.0%	103.9%	103.5%	
By product type	Instruments	35.5	26.1%	38.3	29.2%	92.6%	92.3%
	Reagents	81.6	59.9%	73.5	56.1%	111.0%	110.6%
	Maintenance Services & Parts	15.4	11.3%	14.9	11.4%	103.4%	103.4%
	Other	3.6	2.7%	4.3	3.3%	83.8%	83.1%

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

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, 2019		First six months of fiscal year ended March 31, 2018		YOY (Previous period = 100%)		(Local currency)
	Results	Ratio	Results	Ratio	(Yen)		
Net Sales	136.1	100%	131.1	100%	103.9%	-	
Region	Americas	29.2	21.5%	28.6	21.8%	102.2%	103.0%
	EMEA	37.0	27.2%	34.7	26.5%	106.6%	103.7%
	China	36.1	26.6%	34.0	26.0%	106.2%	104.2%
	AP	11.4	8.4%	11.4	8.7%	100.6%	(101.7%)
	Japan*	22.2	16.3%	22.3	17.0%	99.9%	-

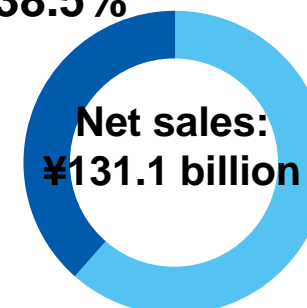
* Includes sales to IDEXX and other external customers

Exchange Rates		
	First six months of fiscal year ending March 31, 2019	First six months of fiscal year ended March 31, 2018
1 USD	¥110.3	¥111.1
1 EUR	¥129.9	¥126.3
1 CNY	¥16.8	¥16.4

● Percentage of Sales in Emerging Markets

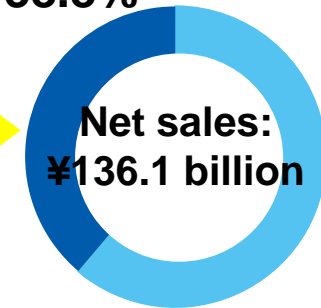
First six months of fiscal year ended March 31, 2018

38.5%

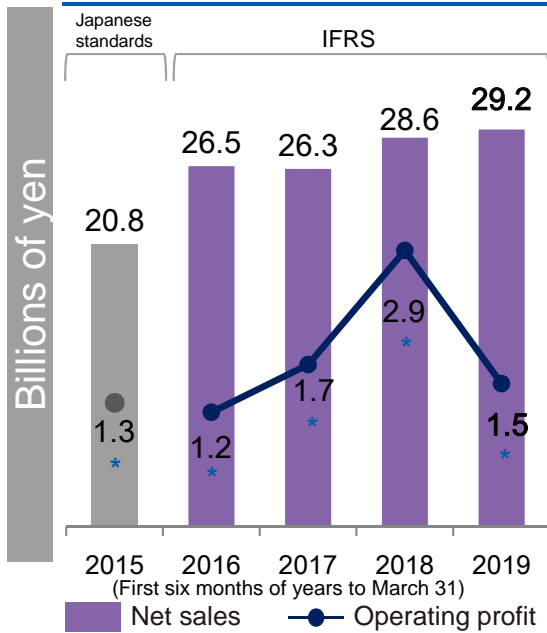


First six months of fiscal year ending March 31, 2019

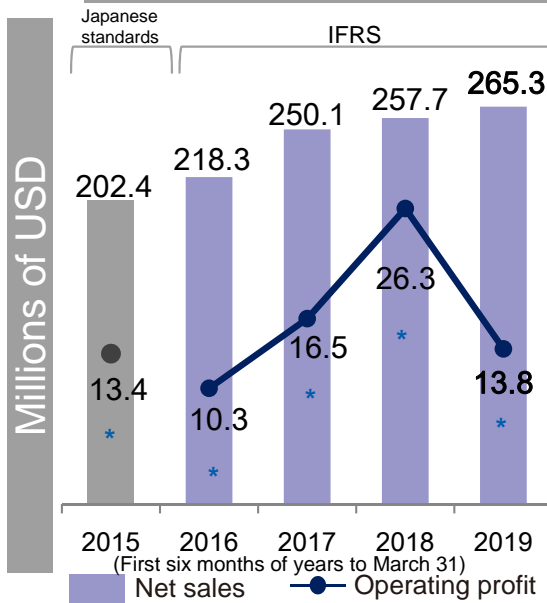
38.8%



Geographic Segment Information: Americas



(Billions of yen)	First six months of fiscal year ending	First six months of fiscal year ended	YOY (Previous period = 100%)	
	March 31, 2019	March 31, 2018	(Yen basis)	(Local currency basis)
Sales	29.2	28.6	102.2%	103.0%
Operating profit*	1.5	2.9	52.2%	52.6%



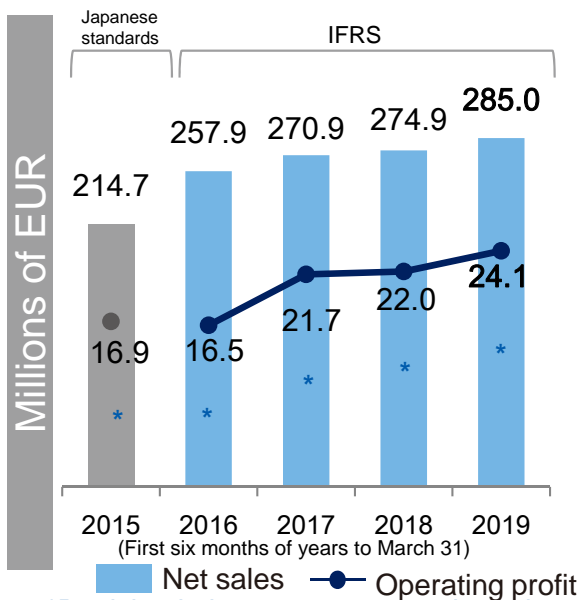
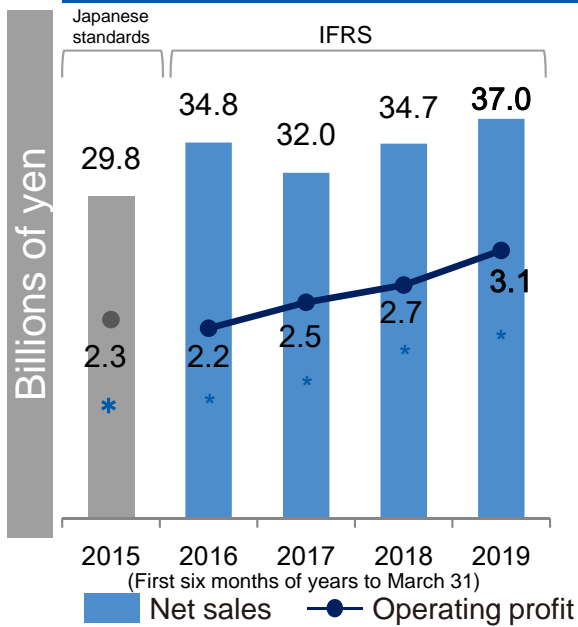
*Revision in intragroup transaction prices
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- Sales were up due to higher sales of hematology reagents and hemostasis instruments in the United States, as well as increased sales of urinalysis new products in Central and South America.
- Operating profit was down, as the impacts of a revision in intragroup transaction prices and higher SG&A expenses and service costs outweighed the rise in sales.

Local Currency Basis

- **United States:** Sales rose, due to expansion of the installed instrument base, which pushed up hematology reagent sales, as well as higher sales of hemostasis instruments.
- **Central and South America:** Despite higher sales of urinalysis new products centered on Brazil, sales fell due to the ongoing impact of lower sales of hematology instruments.

Geographic Segment Information: EMEA*



*Revision in intragroup transaction prices

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*Europe, the Middle East and Africa

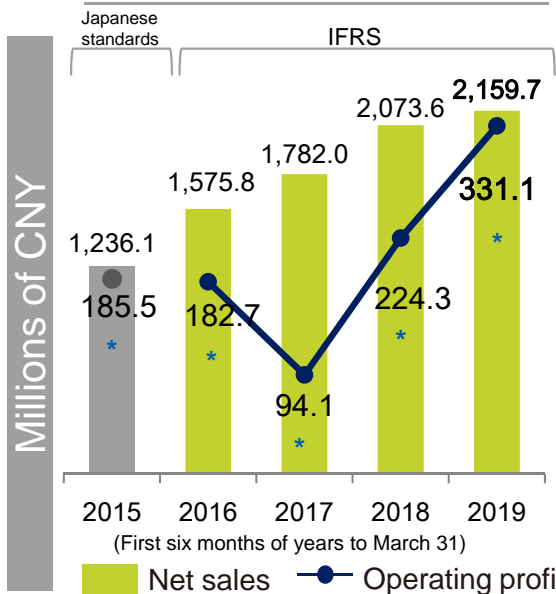
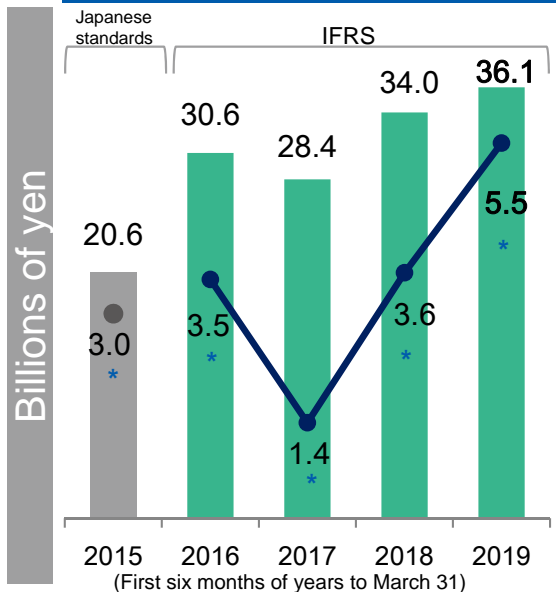
(Billions of yen)	First six months of fiscal year ending March 31, 2019	First six months of fiscal year ended March 31, 2018	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	37.0	34.7	106.6%	103.7%
Operating profit*	3.1	2.7	112.5%	109.4%

- Despite depreciation in the value of emerging-market currencies, sales grew as a result of higher sales in the hematology and life science fields.
- The sales increase pushed up gross profit and a revision in intragroup transaction prices caused the cost of sales ratio to improve, pushing up profit.

Local Currency Basis

- **Five major countries:** Sales rose due to higher sales in France in the hematology field and the contribution of increased new product sales in Spain in the life science field.
- **Eastern Europe, Russia:** Despite depreciation of the Russian ruble, sales grew thanks to higher sales in the hemostasis field.
- **Middle East, Africa:** Sales grew, mainly due to increased hematology reagent sales stemming in Burkina Faso.

Geographic Segment Information: China



*Revision in intragroup transaction prices

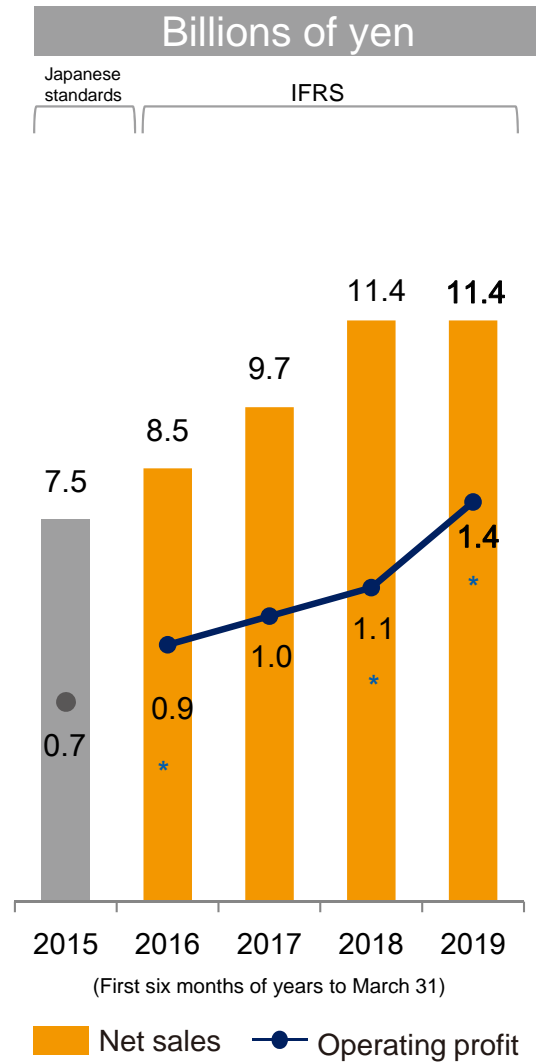
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(Billions of yen)	First six months of fiscal year ending March 31, 2019	First six months of fiscal year ended March 31, 2018	YOY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	36.1	34.0	106.2%	104.2%
Operating profit*	5.5	3.6	150.6%	147.6%

- Despite lower instrument sales, sales in the region grew due to favorable expansion in the immunochemistry field and higher reagent sales in the hematology and hemostasis fields.**
- Although affected by a revision in intragroup transaction prices, operating profit surged due to an improved cost of sales ratio stemming from higher reagent sales.**

 - Hematology:** Although instrument sales decreased, sales in this field rose due to favorable reagent sales.
 - Hemostasis:** Favorable performance in fibrin reagents pushed up sales.
 - Urinalysis:** Sales in this field dropped due to lower instrument sales in comparison with the corresponding period of the previous fiscal year, when the launch of a new product prompted a demand surge.
 - Immunochemistry:** Sales expanded, as reagent sales grew (centered on reagents for infectious disease), stemming from a higher installed instrument base.

Geographic Segment Information: AP



*Revision in intragroup transaction prices

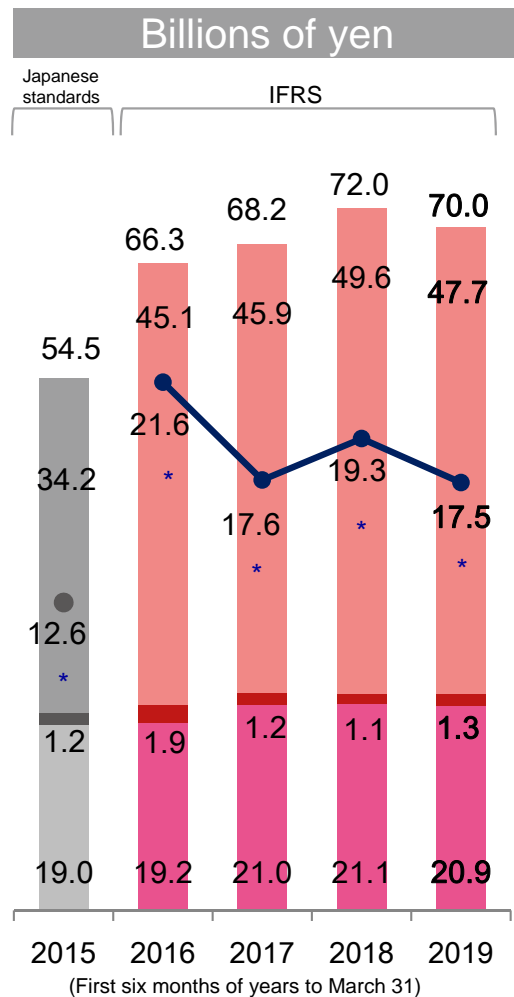
(Billions of yen)	First six months of fiscal year ending March 31, 2019	First six months of fiscal year ended March 31, 2018	YOY (Previous period = 100%) (Yen basis)
Sales	11.4	11.4	100.6%*
Operating profit*	1.4	1.1	127.8%

- Despite the impact of a major tender acquisition in the same period of the previous fiscal year in South Asia, sales were flat due to higher sales in Southeast, Taiwan and South Korea.
- Operating profit rose due to an improved cost of sales ratio, stemming from higher reagent sales, despite the impact of a revision in intragroup transaction prices and increased SG&A expenses.

* Excluding the impact of exchange rates on currencies in the AP region, sales would have been up 1.7%.

- **Southeast Asia:** Sales rose due to increases centered on the hematology field in Thailand.
- **South Asia:** Sales declined in comparison with the same period of the preceding fiscal year, which when we acquired large tenders in India and Bangladesh.
- **South Korea, Taiwan:** Sales increased due to higher sales in the hematology field in Taiwan and South Korea.

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 six months of fiscal year ending March 31, 2019	First six months of fiscal year ended March 31, 2018	YOY (Previous period = 100%)
Sales	70.0	72.0	97.3%
Sales to external customers	22.2	22.3	99.9%
Japan	20.9	21.1	99.0%
IDEXX and others	1.3	1.1	116.1%
Intra-area transfers	47.7	49.6	96.1%
Operating profit*	17.5	19.3	90.7%

- **Sales fell, despite higher reagent sales in Japan and a rise in sales to IDEXX, affected by the dissolution of a joint venture with bioMérieux and lower sales at affiliated companies overseas.**
- **Operating profit decreased due to higher R&D expenses, as well as the impact of lower sales to affiliated companies overseas.**

- **Japan:** Due to the impact of the dissolution of a joint venture with bioMérieux, sales fell despite rises in sales centered on the hematology, immunochemistry and life science fields.
- **IDEXX and others:** Sales of hematology instruments for animals to IDEXX were up.

Chapter 2

Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2019

Consolidated Earnings Forecast



Figures in red have been revised subsequent to May 2018 announcement.

Figures in parentheses are as announced in May 2018.

Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2019

Net sales: **¥300.0 billion**
(¥310.0 billion)

Operating profit: **¥59.0 billion**
(¥62.0 billion)

Operating margin: **19.7%**
(20.0%)

Profit attributable to owners of the parent: **¥39.5 billion** (¥42.5 billion)

Profit attributable to owners of the parent to net sales: **13.2%** (13.7%)

Planned Investment

Capital expenditure:
¥24.0 billion
(Tangible only)

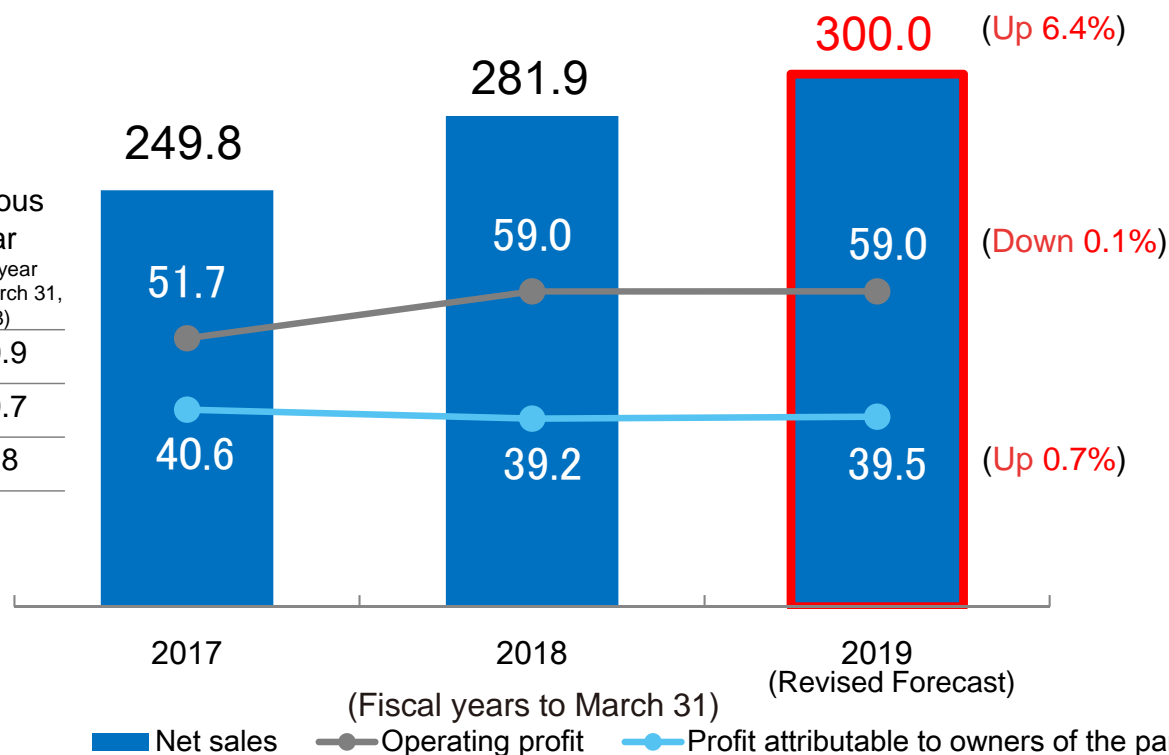
Depreciation and amortization:
¥17.0 billion

R&D expenditure:
¥19.5 billion

(Billions of yen)

Assumed Exchange Rates

	Full Year (Announced in May 2018)	Full Year (Revised in Nov. 2018)	Second Half (Revised in Nov. 2018)	Previous Year (Fiscal year Ended March 31, 2018)
1 USD	¥110.0	¥110.1	¥110.0	¥110.9
1 EUR	¥130.0	¥129.9	¥130.0	¥129.7
1 CNY	¥16.5	¥16.6	¥16.5	¥16.8



Revised Earnings Forecast

● Differences from Previous Forecast

(Billions of yen)

	Previous forecast (Announced May 2018)		Current forecast (Revised November 2018)		Change	Previous results (Fiscal year ended March 31, 2018)		Growth rate
		Ratio		Ratio			Ratio	
Net sales	310.0	100.0%	300.0	100.0%	-10.0	281.9	100.0%	+6.4%
Operating profit	62.0	20.0%	59.0	19.7%	-3.0	59.0	21.0%	-0.1%
Profit attributable to owners of the parent	42.5	13.7%	39.5	13.2%	-3.0	39.2	13.9%	+0.7%

● Assumed Exchange Rates

	Full year (Announced May 2018)	Full year (Revised in Nov. 2018)	Second half (Revised in Nov. 2018)	Previous year's results (Fiscal year ended March 31, 2018)
1USD	¥110.0	¥110.1	¥110.0	¥110.9
1EUR	¥130.0	¥129.9	¥130.0	¥129.7
1CNY	¥16.5	¥16.6	¥16.5	¥16.8

● Reasons for the Revisions

Sales were lower than initially forecast, mainly in the Japan and EMEA regions. The lower-than-expected sales caused profit to fall below forecast. These factors, plus the recording of an exchange loss, caused net sales, operating profit, profit before tax and profit attributable to owners of the parent to fall below the previous forecast.

Revised Earnings Forecast for the Fiscal Year Ending March 31, 2019 (by Geographic Region)

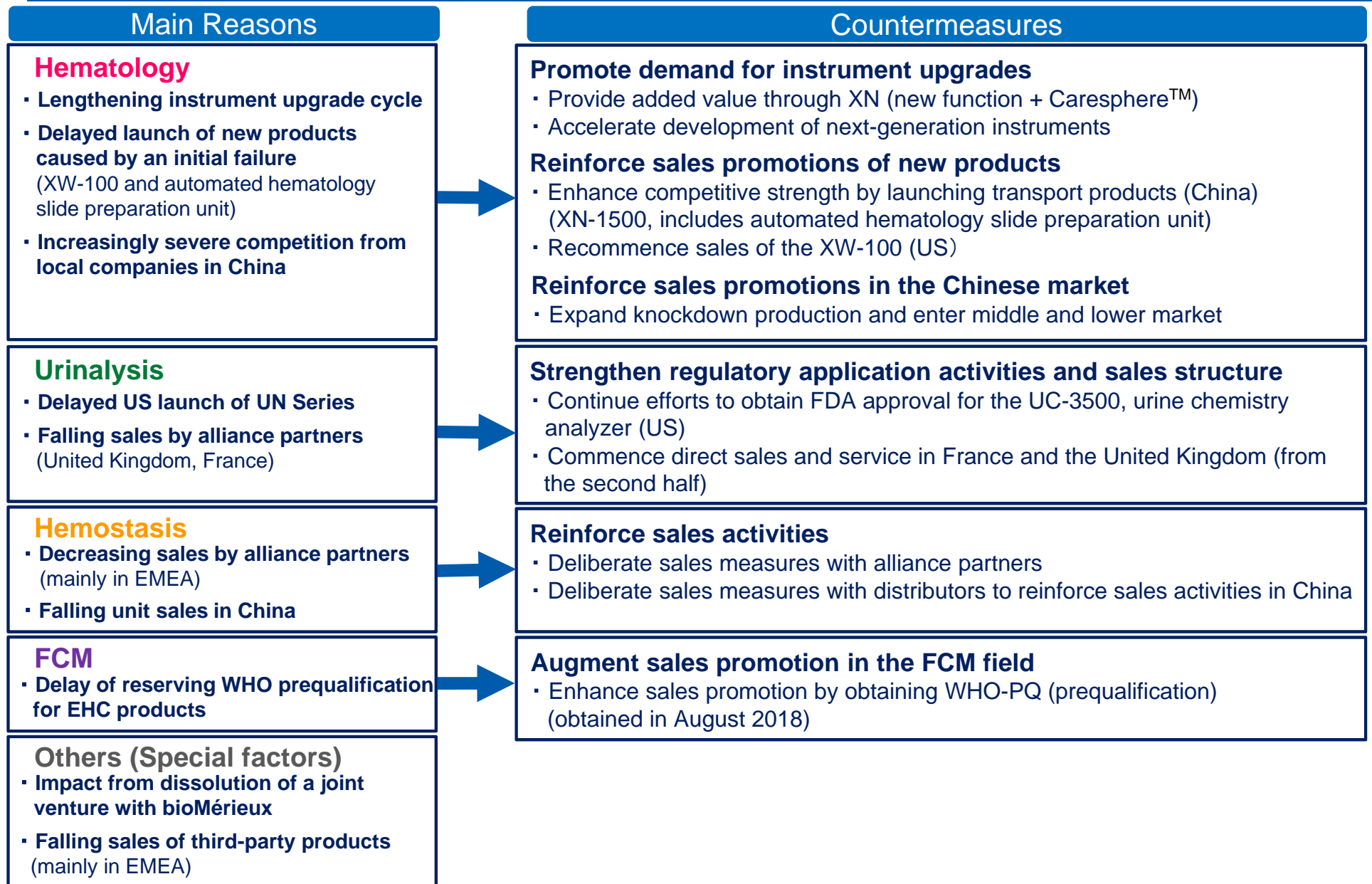


(Billions of yen)

	Previous forecast (Announced in May 2018)	Current forecast (Announced in Nov. 2018)	Change (Against previous forecast)	Percentage change (Against previous forecast)	Fiscal year ended March 31, 2018	
Net sales	310.0	300.0	-10.0	-3.2%	281.9	
Region	Americas	68.5	66.6	-1.9	-2.8%	62.5
	EMEA	83.7	79.7	-4.0	-4.8%	75.5
	China	81.0	80.0	-1.0	-1.2%	72.0
	AP	26.9	25.2	-1.7	-6.3%	24.4
	Japan	49.9	48.5	-1.4	-2.8%	47.4

	Full year (Announced May 2018)	Full year (Revised in Nov. 2018)	Second half (Revised in Nov. 2018)	Previous year's results (Fiscal year ended March 31, 2018)
1 USD	¥110.0	¥110.1	¥110.0	¥110.9
1 EUR	¥130.0	¥129.9	¥130.0	¥129.7
1 CNY	¥16.5	¥16.6	¥16.5	¥16.8

Lower Instrument Sales: Reasons and Countermeasures



Caresphere™

Providing a New Network Solution



Medical care information system
Electronic medical charts and others

Laboratory

- Hematology**
XN (new function), etc.
- Hemostasis**
- Others**

We will gradually make it possible to connect instruments in fields other than hematology.

Test results	Quality control data
Instrument logs	Test operation records

Caresphere

Convert data to valuable information (New Business Model)

Applications

- Lab management
- Quality management
- Operations management
- Clinical support

We plan to gradually add applications. Depending on type, apps can be made fee-based (item billing, etc.)

+

Platforms

Globally standardized platforms using IoT and the cloud

Lower healthcare costs
(Higher lab productivity)

Reduced patient burden
(Shorter waiting time)

Higher diagnostic precision
(Clinical suggestions)

Healthcare collaboration
(Standardization of testing data)

Dividend Forecast

Proposal corresponds to 17th consecutive year of increases

No change from our initial forecast at the beginning of the year

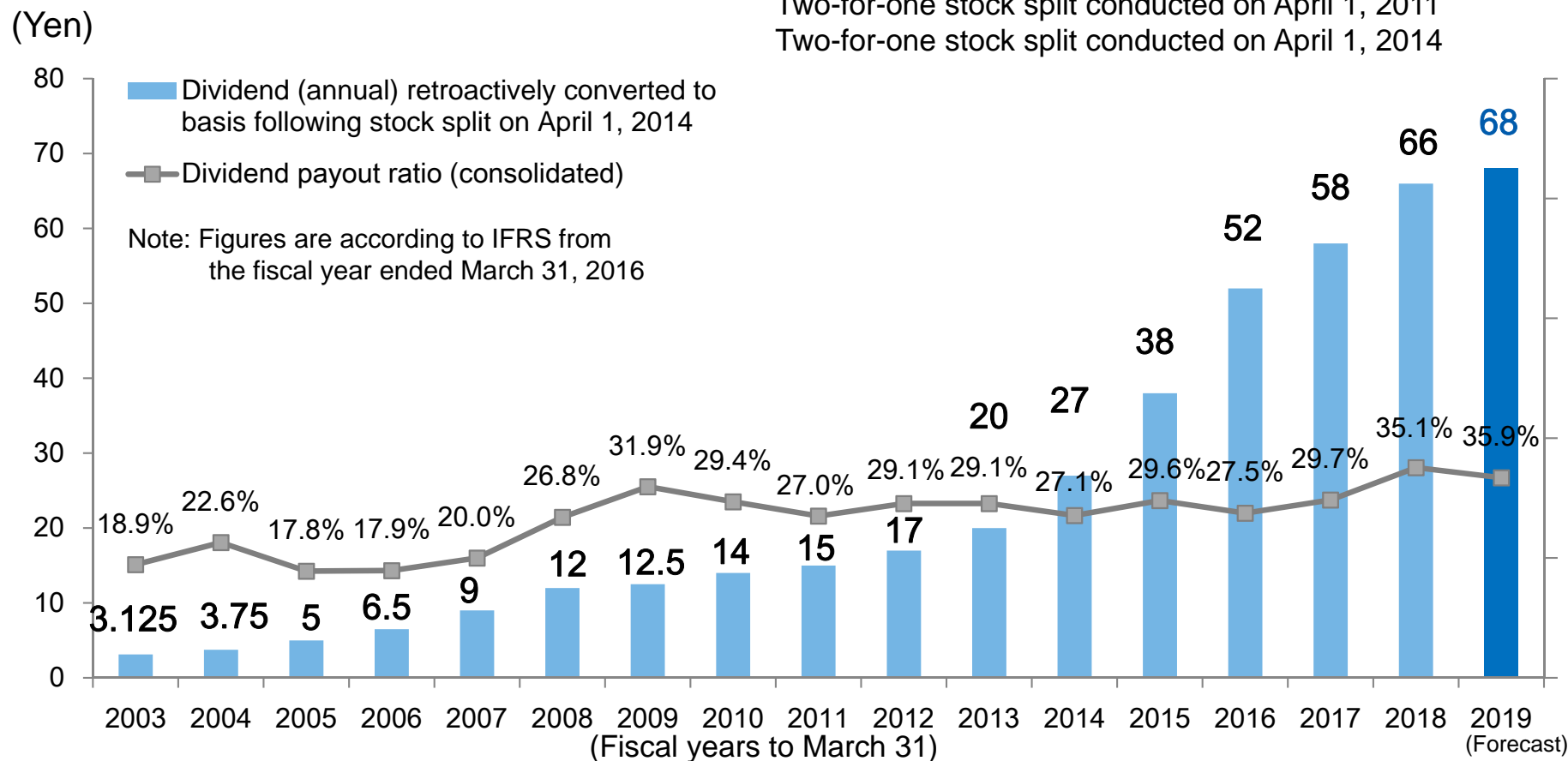
	Interim dividend	Year-end dividend	Total	Dividend ratio
Initial forecast for fiscal year ending March 31, 2019	¥34	¥34	¥68	35.9%

Dividend Increases for the 17th Consecutive Year (Forecast for the Fiscal Year Ending March 31, 2019)



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.

Notes: Two-for-one stock split conducted on November 18, 2005
Two-for-one stock split conducted on April 1, 2011
Two-for-one stock split conducted on April 1, 2014



Lighting the way **with diagnostics**

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.

Sysmex Corporation

Contact:

IR & Corporate Communication Dept.

Corporate Communication Div.

Phone: +81-78-265-0500

Email: info@sysmex.co.jp

www.sysmex.co.jp/en