

Executive Summary



First-Half Results

Net sales and operating profit both rose, reaching historic highs.

Net sales: +9.6% YoY; operating profit: +2.0%* YoY; profit: -7.5% YoY

*Excluding the impact of the fire indemnification payment (¥1.9 billion) received in the first half of the previous fiscal year, operating profit would have risen 8.2% year on year.

- In China, distributor's demand was down in Q1. However, in Q2 demand for instruments and reagents rebounded substantially, pushing up sales.
- Sales rose in all overseas regions, owing to strong sales centered on the hematology and urinalysis fields and the impact of yen depreciation.
(On a local currency basis, sales rose significantly in the Americas, China, and AP.)
- SG&A expenses rose 18.0% year on year. Labor costs increased as we hired more people in line with the expansion of direct sales regions, as well as to reinforce our human capital. Other factors included inflation and the start of depreciation on expenses related to digitalization and amortization. Although we sought to curtail costs, we were affected by yen depreciation.
- Net sales were ¥7.3 below target, and even though we worked to hold down SG&A expenses, operating profit fell ¥6.1 billion short of our target.

Full-Year Forecast

We plan to reach our initially planned targets for net sales and operating profit.

- We have revised our assumed exchange rates, taking first-half results and exchange rate trends into account.
- In addition to yen depreciation, we expect sales to rise due to the launch of the XR™-Series and other new products. We expect to improve the cost of sales ratio in the second half and see some effects from the review of unprofitable businesses that began in the first half. As a result, we expect to reach our initially targeted figures.

3

Asano: My name is Asano. Thank you very much for participating in our financial results briefing today. I would like to provide an overview of our business performance for Q2 of fiscal year ending March 31, 2024.

Please proceed to slide three. This is an executive summary of H1 results.

Net sales were JPY212.6 billion, up 9% from the previous year, and operating income was JPY33.8 billion, up 2% from the previous year. Both sales and operating income reached record highs.

Although the growth in operating income appears low, this is due to the JPY1.9 billion in fire compensation income in Q2 of last fiscal year. Excluding this income, operating income would have been up 8.2% of the previous year's level.

In China, demand from distributors was weak in Q1, but demand for both instrument and reagents recovered significantly and grew in Q2.

Sales in all overseas regions increased due to strong sales, especially in hematology and urinalysis, and the effect of the yen's depreciation. On a local currency basis, sales also increased in the Americas, China, and AP.

SG&A and other expenses were 118.1% of the previous year's level, despite efforts to control costs, due to an increase in the number of employees in conjunction with the expansion of direct sales areas, an increase in personnel expenses for inflation and human capital enhancement, and the start of amortization of digitization-related expenses, in addition to the fact that SG&A expenses in overseas regions increased when calculated on a yen basis due to the weak yen.

Against the plan, net sales fell short by JPY7.3 billion and operating income fell short by JPY6.1 billion, despite efforts to control and streamline SG&A and other expenses as much as possible, as the impact of severe inflation overseas also affected service costs.

As for the full-year forecast, we expect to achieve the initial plan for both net sales and operating income. The assumed exchange rate will be changed based on H1 results and exchange rate trends. We hope to achieve this by introducing new products such as the XR series in overseas regions, in addition to the effect of the yen's depreciation, and further improving our cost ratio. In addition, we expect to achieve the plan due in part to the effects of the review of unprofitable businesses that has been under way since H1 of the fiscal year.

Financial Highlights (Year on Year)

(Billions of yen)	First six months of fiscal year ending March 31, 2024		First six months of fiscal year ended March 31, 2023		YoY (Previous period = 100%)	FX impact	
	Results	Ratio	Results	Ratio		Impact	YoY (excluding FX impact)
Net sales	212.6	100%	194.0	100%	109.6%	+ 6.5	106.3%
Cost of sales	101.6	47.8%	95.4	49.2%	106.5%	-	-
SG&A expenses	62.5	29.4%	52.9	27.3%	118.1%	+ 2.3	113.8%
R&D expenses	15.0	7.1%	14.5	7.5%	103.3%	-	-
Other income (expenses)	0.4	0.2%	2.1	1.1%	19.5%	-	-
Operating profit	33.8	15.9%	33.1	17.1%	102.0%*	+ 4.3	88.8%
Profit attributable to owners of the parent	22.1	10.4%	23.9	12.4%	92.5%	-	-

● Net sales and operating profit reached historic highs.

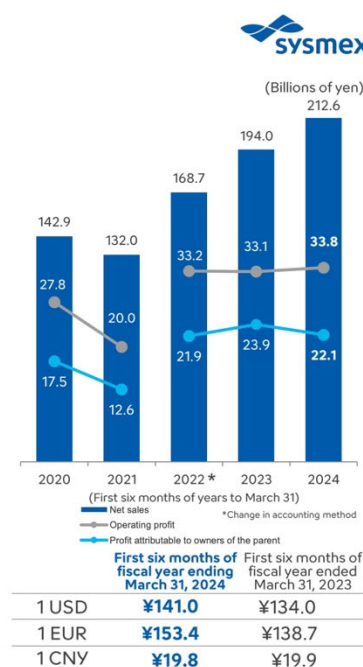
Net sales: Sales were up in all overseas regions, with performance in China recovering in Q2. The impact of yen depreciation resulted in near-double-digit growth.

✓ **Operating profit:** Although SG&A expenses increased, gross profit rose thanks to improved cost of sales and yen depreciation, causing profit to increase.

*Excluding fire compensation in previous year: Operating profit would have been up 8.2% year on year.

✓ **Profit attributable to owners of the parent:** Profit was down 8.2% due to the impact of a foreign exchange gain (loss).

Note: Foreign exchange gain (loss): Gain of ¥1.35 billion (decreased ¥1.83 billion year on year)



The details are explained in the following pages.

Here is the summary of the financial results for Q2 of fiscal year ending March 31, 2024. Slide five, please.

This is a summary of H1 results. Sales grew steadily, especially in the hematology and urinalysis fields, and as mentioned earlier, sales were up 9.6% or JPY212.6 billion compared to the previous year. Operating income also increased, rising 2% to JPY33.8 billion.

Excluding the JPY1.9 billion fire compensation payment included in last year's other operating income or loss, operating income would have been 108.2% of the previous year's level.

Although operating income increased, quarterly income decreased from the previous year due to a decrease in foreign exchange gains resulting from the significant depreciation of currencies such as the Turkish lira and the Brazilian real, as well as an increase in income taxes.

Quarterly Operating Performance (Q1→Q2)



Net sales increased substantially. By appropriately controlling SG&A expenses, the operating margin improved substantially in Q2, though the cost of sales ratio deteriorated.

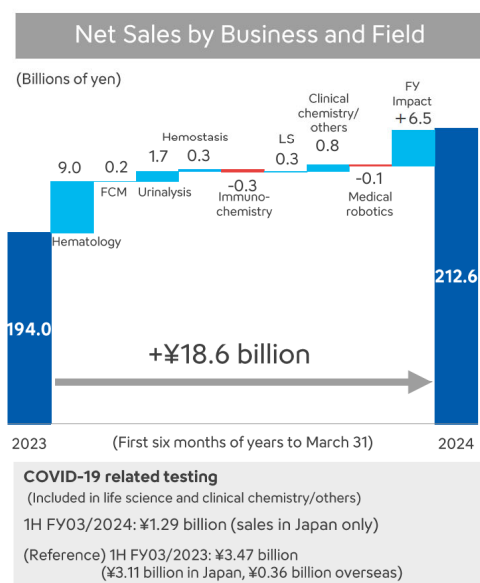
	Q1 (Apr.–Jun.)		Q2 (Jul. – Sep.)		(Billions of yen)
	Fiscal year ending March 31, 2024	Ratio	Fiscal year ending March 31, 2024	Ratio	
Net sales	95.3	100.0%	117.3	100.0%	+23.1% (Growth rate)
Cost of sales	44.9	47.1%	56.7	48.4%	+1.3pt
SG&A expenses	30.1	31.6%	32.4	27.6%	(4.0)pt
R&D expenses	7.1	7.5%	7.8	6.7%	(0.8)pt
Other income (expenses)	0.1	0.2%	0.2	0.2%	—
Operating profit	13.2	13.9%	20.5	17.5%	+3.6pt
Profit attributable to owners of the parent	8.6	9.0%	13.5	11.6%	+2.6pt

6

Slide six, please. This slide shows changes for a single quarter.

In Q2, sales grew 23.1% compared to Q1, reflecting a recovery in China and strong growth in all regions. Appropriate control of SG&A and R&D expenses was also implemented, resulting in a significant improvement in operating income.

Breakdown of Net Sales (By Business and Field)



In the hematology field, we benefited from sales of the XR-Series, demand for instrument upgrades, and increased sales in emerging markets. Sales rose in the urinalysis field, centering on the Americas and China. In the immunochemistry field, sales were down slightly, owing to a decline in demand for COVID-19 related tests. Sales were up slightly in the hemostasis field, and we made steady progress on preparations for global OEM supply.

(Billions of yen)	First six months of fiscal year ending March 31, 2024		YoY (Previous year = 100%)	
	Results	Ratio	Yen basis	Excluding FX impact
Net sales	212.6	100.0%	109.6%	106.3%
Hematology	128.1	60.3%	112.0%	107.9%
FCM	1.4	0.7%	133.2%	126.1%
Urinalysis	18.0	8.5%	115.2%	111.3%
Hemostasis	32.4	15.2%	101.8%	101.0%
Immunochemistry	10.4	4.9%	96.5%	96.7%
Clinical chemistry	1.5	0.7%	95.5%	94.2%
Life science	10.2	4.8%	110.4%	104.1%
Others	9.2	4.3%	116.6%	111.5%
Diagnostics business	211.5	99.5%	109.8%	106.4%
Medical robotics business	1.1	0.5%	88.8%	88.8%

7

Please proceed to slide seven. Factors behind the increase or decrease in net sales by business segment and field.

In the hematology segment, sales grew significantly due to the introduction of the new flagship XR series, demand for instrument replacements, and increased demand in emerging countries. The urinalysis field achieved high growth mainly in the Americas and China.

In the immunochemistry segment, sales declined slightly due to lower demand for COVID-19 testing. Although sales in the hemostasis field increased only slightly, preparations for mutual OEM supply starting in the next fiscal year made steady progress.

Breakdown of Net Sales (By Destination and Product Type)

Substantial increases in the Americas, China, and AP regions drove Group growth.

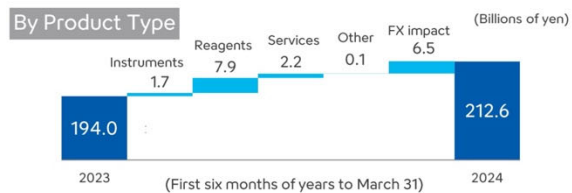
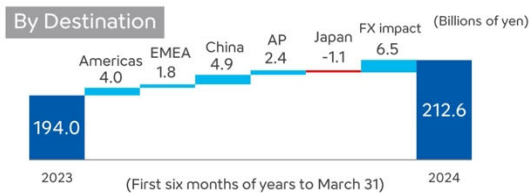
(Billions of yen)	First six months of fiscal year ending March 31, 2024		YoY (Previous year = 100%)	
	Results	Ratio	Yen basis	Local currency basis
Net sales	212.6	100.0%	109.6%	106.3%*
Americas	57.2	26.9%	113.8%	108.2%
EMEA	60.4	28.4%	109.6%	99.1%
China	47.5	22.4%	110.8%	111.8%
AP	19.8	9.3%	117.2%	114.4%
Japan	27.6	13.0%	96.1%	-
Instruments	47.1	22.2%	108.4%	104.0%*
Reagents	128.6	60.5%	109.7%	106.8%*
Services	29.2	13.8%	113.4%	108.7%*
Other	7.6	3.6%	103.0%	101.9%*

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

Major Reasons for Changes, by Destination

Note: Comments below refer to sales on a local currency basis.

Americas	<ul style="list-style-type: none"> • Sales rose by nearly double digits. In the hematology field, sales grew in the United States, Central and South America and Canada. Also, sales were favorable in the urinalysis field.
EMEA	<ul style="list-style-type: none"> • Sales rose in Saudi Arabia and Spain, due to a shift to direct sales. • Sales for the region were flat due to extraordinary factors (Russia, COVID-19).
China	<ul style="list-style-type: none"> • Sales rose by double digits. The number of tests rebounded, and a shift to local production resulted in double-digit sales in the hematology field.
AP	<ul style="list-style-type: none"> • Sales rose by double digits. An increase in the installed instrument base led to favorable performance in each country, leading to double-digit sales growth for instruments and reagents.
Japan	<ul style="list-style-type: none"> • Sales decreased. Sales were up in the hematology, urinalysis and hemostasis fields. However, sales of COVID-19 related tests decreased, and sales fell in the medical robotics business.



8

Please proceed to slide eight. Factors behind the increase or decrease in sales by region and product category.

The Americas, China, and AP grew significantly in local currency terms, with 108.2%, 111.8%, and 114.4%, respectively, driving the Group's growth. Due to some special factors, EMEA was flat in local currency terms, but due in part to the weaker yen, growth in yen terms was close to double-digit growth. Japan unfortunately experienced a decline in revenues.

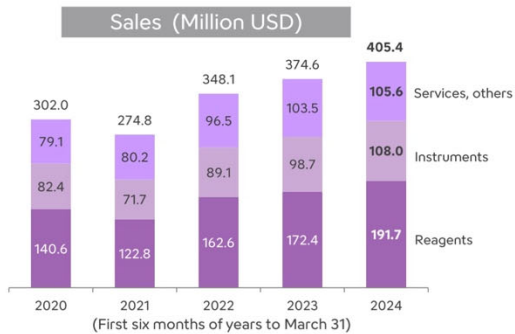
In general, sales have been favorable. The contents of each region will be explained on subsequent slides.

Information by Destination (Americas)



(Million USD)	First six months of fiscal year ending March 31, 2024	First six months of fiscal year ended March 31, 2023	YoY (Previous period = 100%) Local currency basis	Yen basis
Net sales	405.4	374.6	108.2%	113.8%
Instruments	108.0	98.7	109.5%	115.0%
Reagents	191.7	172.4	111.2%	117.1%
Services, others	105.6	103.5	102.1%	107.3%

Sales of instruments and reagents increased. We reinforced our sales structure in Brazil, which drove up sales in the hematology and urinalysis fields in Central and South America. Sales also grew firmly in the hematology and urinalysis fields in North America, as we met demand for instrument replacements.



● Instruments

- ✓ In the hematology field, sales expanded in Canada and Central and South America. Also, sales of the XW-100, a CLIA-waived product, were robust in the United States.
- ✓ Urinalysis sales increased in Brazil and the United States.

● Reagents

- ✓ Sales rose, owing to expansion of the installed instrument base in the hematology and urinalysis fields in North, Central and South America.

9

Please proceed to slide nine.

First, in the Americas, sales of both instruments and reagents increased substantially. Growth in hematology and urinalysis field in Central and South America due to strengthening of sales structure in Brazil. In North America, the hematology and urinalysis fields showed steady growth due to demand for instrument upgrades and other factors.

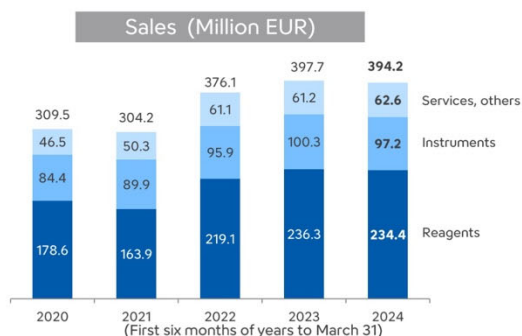
Information by Destination (EMEA)



(Million EUR)	First six months of fiscal year ending March 31, 2024	First six months of fiscal year ended March 31, 2023	YoY (Previous period = 100%) Local currency basis	Yen basis
Net sales	394.2	397.7	99.1%	109.6%
Instruments	97.2	100.3	96.9%	107.4%
Reagents	234.4	236.3	99.2%	109.6%
Services, others	62.6	61.2	102.4%	113.2%

Notably, sales increased in countries where we have transitioned to direct sales, such as Saudi Arabia and Spain. However, overall sales were flat as a result of extraordinary factors (Russia, COVID-19).

Note: Excluding these extraordinary factors, sales would have risen 5.9% year on year on a local currency basis.



● Instruments

- ✓ Sales rose in Saudi Arabia, owing to the transition to direct sales.
- ✓ Sales were affected by a large-scale tender in Italy in the same period of the previous year, as well as lower sales in Russia.

● Reagents

- ✓ Sales increased, helped by the transition to direct sales in Saudi Arabia and Spain, as well as expansion of the installed instrument base in Italy.

10

Please proceed to slide 10. Next is EMEA.

Although sales grew mainly in Saudi Arabia, Spain, and other countries that have shifted to direct sales, special factors such as Russia and lower sales of COVID-19 tests resulted in results comparable to the previous year on a local currency basis. Incidentally, excluding this special factor, business remained solid, growing 5.9% in local currency terms.

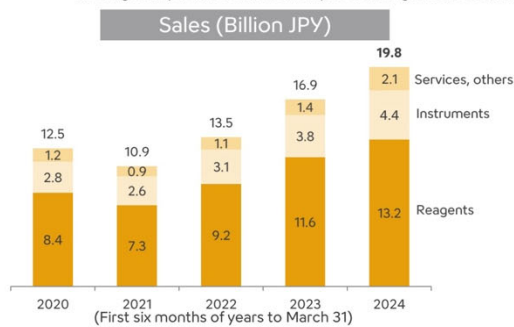
Information by Destination (AP)



(Billions of yen)	First six months of fiscal year ending March 31, 2024	First six months of fiscal year ended March 31, 2023	YoY (Previous period = 100%) Yen basis
Net sales	19.8	16.9	117.2% (114.4%)
Instruments	4.4	3.8	116.6%
Reagents	13.2	11.6	114.0%
Services, others	2.1	1.4	144.2%

Sales of instruments and reagents rose by double digits. In the hematology and urinalysis fields, sales grew substantially in India, South Korea, and Australia. Sales in the immunochemistry field were favorable, centered on Indonesia.

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



● Instruments

- ✓ Sales rose by double digits, pushed up by higher sales in the urinalysis, hemostasis and immunochemistry fields, particularly hematology, owing to sales promotion efforts in individual countries.

● Reagents

- ✓ Owing to expansion of the installed instrument base, sales rose substantially in the hematology field in India, Australia and South Korea. Also, sales were favorable in the urinalysis, hemostasis and immunochemistry fields, centering on Indonesia and other parts of Southeast Asia. As a result, reagent sales rose by double digits.

11

Please proceed to slide 11. Next is Asia Pacific.

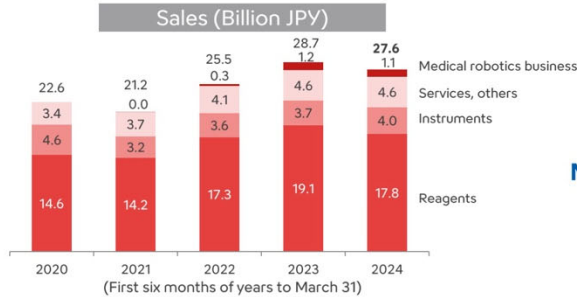
Both instrument and reagent sales increased by double digits. In India, Korea, and Australia, the hematology and urinalysis fields grew substantially, while the immunochemistry field performed well, especially in Indonesia.

Information by Destination (Japan)



(Billions of yen)	First six months of fiscal year ending March 31, 2024	First six months of fiscal year ended March 31, 2023	YoY (Previous period = 100%)
	Yen basis		
Net sales	27.6	28.7	96.1% (102.7%)
Diagnostics business	26.5	27.5	96.4% (103.4%)
Instruments	4.0	3.7	107.6%
Reagents	17.8	19.1	93.1% (103.2%)
Services, others	4.6	4.6	101.0%
Medical robotics business	1.1	1.2	88.8%

Note: Figures in parentheses exclude the impact of COVID-19.



Instrument sales rose, due to favorable sales of the XR-Series and the BT-50. Reagent sales decreased, owing to lower demand for testing related to COVID-19.

Diagnostics business

● Instruments

- ✓ The XR-Series pushed up sales in the hematology field. In the urinalysis field, sales rose due to the introduction of products targeting small and medium-sized hospitals. Sales also increased in the hemostasis field.

● Reagents

- ✓ Our market share in the hemostasis field increased, and expanded adoption of our thrombus parameters. However, reagent sales declined, due to a fall in demand related to testing for COVID-19 (a ¥1.81 billion decrease).

Medical robotics business

- ✓ Since the start of sales, 39 units have been installed, including four during the six months under review*.
- ✓ 2,523 cases (as of September 30, 2023)

*Contract details differ, depending on the sales scheme and the amount and timing to book as sales are different, so the number of units installed does not align with sales results.

Please proceed to slide 12, about Japan.

In instrument, the XR series and BT-50 were well received and achieved increased sales. Sales of reagents decreased due to a decline in demand for COVID-19 related tests.

The medical robot business, hinotori, began selling an upgraded model on July 18. H1 results were four units, and the total number of units installed at the end of H1 was 39 units. Some of them were postponed to October, and as of the end of October, a total of 41 units had been installed. The number of cases also grew steadily, surpassing 2,500 cases as of the end of September and the end of H1 of the fiscal year.

We have also obtained permits and approvals in Singapore. This is the first overseas expansion.

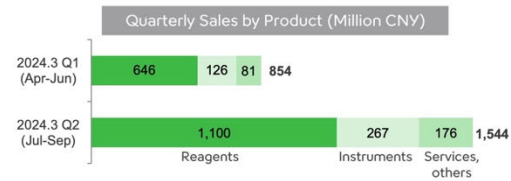
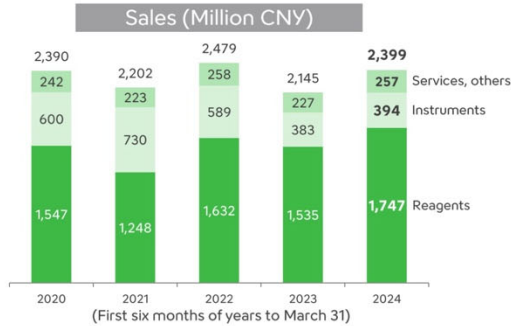
Information by Destination (China)



(Million CNY)	First six months of fiscal year ending March 31, 2024	First six months of fiscal year ended March 31, 2023	YoY (Previous period = 100%)	
			Local currency basis	Yen basis
Net sales	2,399.2	2,145.6	111.8%	110.8%
Instruments	394.4	383.1	103.0%	102.0%
Reagents	1,747.1	1,535.4	113.8%	112.8%
Services, others	257.7	227.1	113.5%	112.4%

Distributor's demand was down in Q1. However, in Q2 demand recovered, resulting in double-digit sales growth in 1H. The impact of local anti-corruption campaigns were slight.

- **Instruments**
 - ✓ Owing to the effects of local production, sales in the hematology field rose by double digits, pushing up overall sales.
- **Reagents**
 - ✓ A recovery in testing demand and an increase in the installed instrument base boosted hematology and urinalysis testing, leading to double-digit growth.
 - ✓ The promotion of new parameters and others also led to double-digit growth in the immunochemistry field.



13

Please proceed to slide 13. Next, China.

Although distributors demand was weak in Q1, it recovered in Q2, resulting in double-digit revenue growth for H1 year-to-date period. In the instrument business, double-digit growth was seen in hematology due to the launch of locally manufactured products. The impact of the anti-corruption campaign and other activities has not been entirely eliminated but is currently limited to a minor extent.

Our Understanding of the Chinese Market



We maintain our positioning of the healthcare market as a growth market with strong demand for the foreseeable future. We will respond flexibly and promptly to various environmental changes.

- ✓ Promoting the transition to local production of instruments (applied to six instruments already, planning to launch three more this fiscal year)

Government procurement policies

Centralized purchasing

- ✓ Shift to direct sales and services
- ✓ Reduce cost of sales ratio by bringing reagent production in-house

Chinese Market trends

- Growing healthcare demand due to aging population
- Per capita national health care expenditure to reach the level of developed countries (currently, one-seventh that of Japan)
- Increased demand due to upgraded to approximately 2,000 Tier 2 hospitals (1,000-prefecture process)
- Economic stagnation as business activity slows (Negligible impact on the healthcare market)

Anti-corruption movement

- ✓ Although some tenders have been delayed, we expect the impact on our sales to be negligible.
- ✓ A healthier market environment is advantageous for our company

Rise of competitors

- ✓ Develop products that are competitive and unique

14

The following slides summarize various issues in the Chinese market and measures to address them.

Please proceed to slide 14. We have once again summarized our response to the Chinese market.

In the Chinese market, despite concerns about the economic slowdown and other factors, we believe that the healthcare business will remain strong due to the aging of the population, the raising of the level of medical care, and the promotion of the Thousand Country Project, a measure to upgrade second-tier hospitals to third-tier hospitals.

We have been responding to the various challenges in this market, as shown here. First, as for the government procurement policy OR preferential policy for domestic production, we are proceeding with the transfer of instrument production, and six models have already been transferred. Three new models are scheduled to be transferred by the end of this fiscal year, and the ratio of locally manufactured hematology instruments to the total number of instruments has already increased to 70% in H1 of the fiscal year.

Next, in response to centralized purchasing, we will shift some of our purchasing to direct sales and service. We will also promote in-house production of reagents to improve price competitiveness.

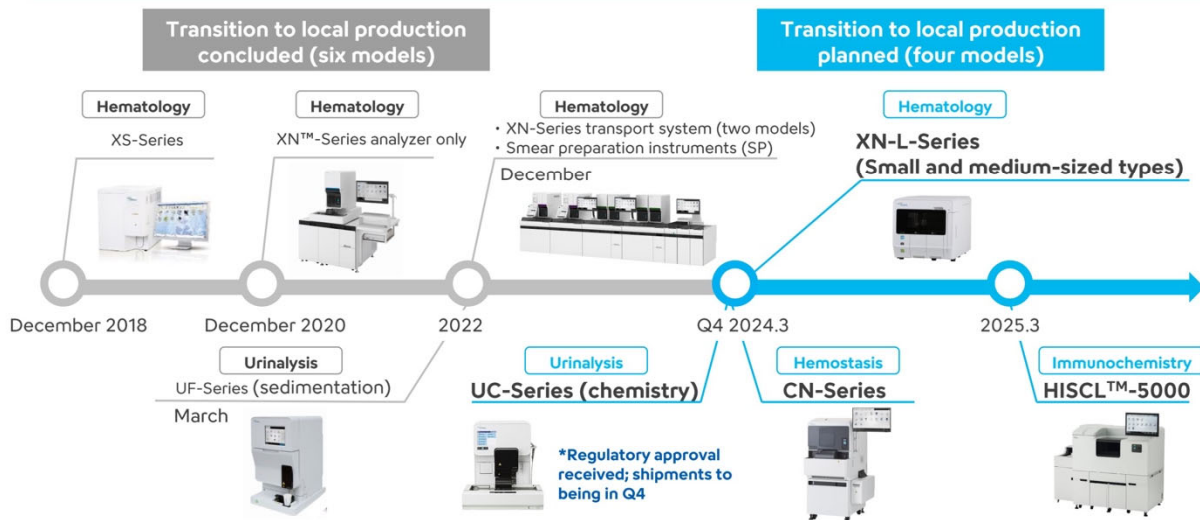
As for the anti-corruption campaign, there were delays in some tenders, but the sales impact on the Company was minimal. We also believe that in the long run, the Company will benefit from the promotion of fair competition in the market.

Lastly, regarding the rise of competition, we are currently developing products with competitive advantages. There may be various changes in the environment in the future, and we will continue to respond to them flexibly and promptly.

Reference: Schedule for Shifting Production to China



We expect to conclude the transition of production of our main instruments to China this fiscal year. In the hematology field, locally manufactured instruments will rise to around 70% of the total.



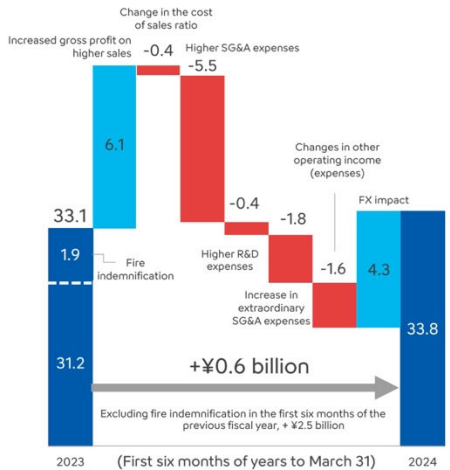
The next slide shows the transfer of knockdown production in China as reference information. Please refer to it when you have time.

Breakdown of Operating Profit



Operating profit (Billions of yen)

Note: Figures and comments below exclude the impact of exchange rates.



- Impact of change in the cost of sales ratio: ¥0.40 billion (0.2pt deterioration)
 - ✓ Positive factors: Easing of sharply higher shipping costs, 0.4pt ; impact of the product mix, 0.3pt
 - ✓ Negative factors: Service costs, 0.6pt; deterioration in the cost of products and others, 0.1pt
- Higher SG&A expenses: ¥5.5 billion
 - ✓ HR costs: Increase in headcount due to the shift to direct sales, and higher labor costs: Approx. ¥4.0 billion
 - ✓ Expenses: Inflation and increased sales promotion activities: Approx. ¥1.5 billion
- Higher R&D expenses: ¥0.48 billion
 - ✓ Ongoing investments in product development and costs related to regulatory affairs were higher.
- Increase in expenses related to digitalization: ¥1.8 billion
 - ✓ Investment in digitalization to bolster Group productivity

Please continue to slide 16. This is the reason for the increase or decrease in operating income.

Although gross profit increased due to higher revenues, there was a JPY0.4 billion impact from changes in the cost of sales ratio compared to the previous year. Although there was an easing of rising transportation costs and improvement due to product mix, there were also negative factors such as higher service costs due to inflation and worsening manufacturing costs.

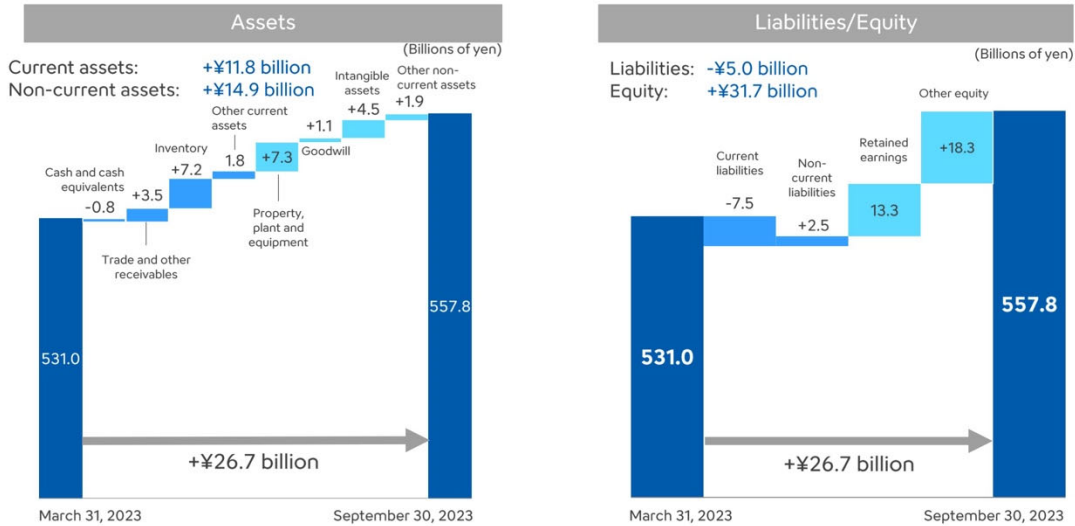
SG&A expenses were negatively impacted by JPY5.51 billion due to the strengthening of the workforce and increase in head count associated with the shift to direct sales, as well as increased expenses due to inflation and sales promotion activities.

Although the increase in R&D expenses was controlled, the increase in digitalization-related expenses and other factors resulted in only a slight increase, even after taking into account the effect of foreign exchange rates. However, as I mentioned earlier, excluding fire compensation for the same period last year, the increase was JPY2.57 billion.

Breakdown of Changes in the Consolidated Statement of Financial Position



The increase in inventory was due to preparations for higher instrument sales in the second half, as well as the forex impact. The rise in property, plant and equipment reflects the opening of a training center in Brazil.



17

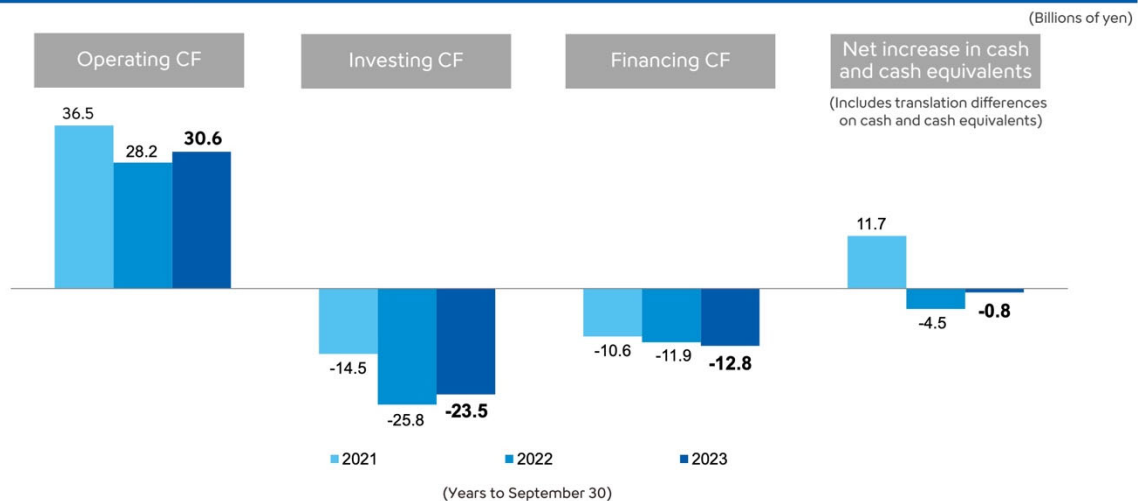
Please proceed to slide 17. This is the reason for the increase or decrease in the consolidated statement of financial position.

Although inventories and property, plant and instruments have increased, we believe that the Company is in a healthy position.

Consolidated Cash Flows



Even though operating cash flows expanded, cash declined because of aggressive investment and increased dividend payments.



18

Please proceed to the next slide 18, cash flow.

Despite the increase in operating cash flow, cash decreased slightly due to aggressive investments in internal digitalization and an increase in dividends.

Sysmex's Growth Strategy



Emerging market strategies (Hematology)	Reinforcement of existing businesses (Immunochemistry, hemostasis, life science)	Expansion of new businesses
<ul style="list-style-type: none"> ● India <ul style="list-style-type: none"> ✓ Start building production base Note: Planning to start manufacturing in the fiscal year ending March 31, 2025 ✓ Start working with state governments ✓ Promote development of instrument models for India ● Central and South America <ul style="list-style-type: none"> ✓ Grow by reinforcing the sales structure in mid/low-end market Note: Sysmex is promoting business in these areas ✓ Opening of a training center in Brazil (Center for learning) ● Middle East <ul style="list-style-type: none"> ✓ Transition to direct sales in Saudi Arabia 	<ul style="list-style-type: none"> ● Immunochemistry field <ul style="list-style-type: none"> ✓ Expand testing parameters through collaboration with Fujirebio Holdings, Inc. ✓ Expand testing parameters in China (58 as of Q2 of the fiscal year ended March 31, 2023) ✓ Start of sales in Japan of reagents to test for Alzheimer's disease*; in the United States, beginning of supply of LDT reagents to a large commercial lab <p><small>*Test to identify amyloid beta accumulation in the brain, a cause of Alzheimer's disease, using a small amount of blood</small></p> ● Hemostasis field <ul style="list-style-type: none"> ✓ Preparing to sell on our own in the European and American markets based on a global OEM agreement with Siemens Healthcare Diagnostics Inc. (start from fiscal year ending March 31, 2025) ✓ Promote efforts to bring resource production in-house 	<ul style="list-style-type: none"> ● Robotic assisted surgery system <ul style="list-style-type: none"> ✓ Launch an upgraded model ✓ Received regulatory approval in Singapore ✓ Number of surgeries exceeded 2,500 ● Regenerative and cellular medicine (AlliedCel Corporation*) <ul style="list-style-type: none"> ✓ License agreement with JUNTEN BIO Co., Ltd. ✓ Plan to apply for regulatory approval in March 2026 <p><small>*A joint venture between JCR Pharmaceuticals CO., Ltd and Sysmex</small></p>

20

Next, I will explain our growth strategy and major topics for H1. Please move on to the next slide.

Under the new management strategy announced in May, we will focus on the following three initiatives in this medium-term management plan. These are strategies for emerging countries, strengthening existing businesses, and expanding new businesses.

In our strategy for emerging countries, we first began construction of a production plant in India. Construction is progressing smoothly, and the plant is scheduled to be operational in 2024. In the Central and South American market, we are strengthening our sales activities together with Roche, mainly in Brazil, and have recently opened a customer training center in Brazil.

In the Middle East, we began full-scale sales in Saudi Arabia, where we started direct sales last fiscal year, with the establishment of a structure.

As described above, we are accelerating activities to address the growth of the Global South, including India. As emerging markets grow, our regional balance will become more diverse.

The second is to strengthen existing businesses. In the immunochemistry field, we have agreed to collaborate with Fujirebio. We plan to proceed to specific activities during this fiscal year. The Alzheimer's test has also been launched in Japan and is now being supplied to Labcorp, a major Commercial Laboratory in the US, for use in LDT.

In the field of hemostasis field, we are preparing well for the launch of the product in the US and Europe in the next fiscal year, which is very promising.

Regarding the third new business, as announced the day before yesterday, AlliedCel, a joint venture with JCR Pharma, has obtained a license from JUNTEN BIO to manufacture and sell regenerative medicine products. This product is a breakthrough drug that aims to wean patients from or reduce the use of immunosuppressive

drugs at the time of transplantation. We have heard that clinical trials are progressing well, and we plan to file an application with the regulatory authorities in fiscal year ending March 31, 2026.. The business of regenerative cell medicine may also proceed ahead of schedule and ahead of expectations.

As described above, we are steadily making strategic moves toward our growth strategy.

Promoting Sustainability Management



Investing to reinforce human capital and promoting various measures to enhance information disclosure

Introducing Trust-Type Employee Stock Ownership Plan (ESOP)

- ✓ Introducing new mechanisms to improve employee engagement and achieve competitive compensation
- ✓ From the fiscal year ending March 31, 2025, we will begin introducing this system for certain key positions in overseas subsidiaries.
- ✓ From the fiscal year ending March 31, 2026, we plan to expand this program to key Group positions in Japan and overseas.

Details of the acquisition of the Company's shares by the trust

- (1) Shares acquired: Sysmex common stock
- (2) Total acquisition cost: ¥12.0 billion (expected)
- (3) Acquisition timing: From November 13, 2023 to January 31, 2024 (expected)
- (4) Share acquisition method: Purchase in the stock market

Obtained ISO 30414 Certification

- ✓ Obtained ISO certification to promote dialogue with stakeholders through transparent information disclosure
- ✓ 11 items and 58 indicators defined and disclosed in line with management strategy
- ✓ First manufacturer in Asia (including Japan) to obtain this certification



- ✓ Detailed information is disclosed in the *Sysmex Sustainability Data Book*.

24

Please proceed to slide 24. We will now explain our efforts to promote sustainability management and strengthen investment in human capital.

First, we will introduce an ESOP, a trust-type stock compensation plan for employees, as announced yesterday. This is a form of compensation in which a portion of the compensation is paid in the form of stock, which motivates employees to increase the value of the Company. From fiscal year ending March 31, 2025, the program will target specific key positions in overseas subsidiaries, and from fiscal year ending March 31, 2026, it will be expanded to group key positions in Japan and abroad. For this purpose, we will procure shares of our company's stock from the market, in accordance with the details presented here.

The second is certification under the Human Capital Disclosure Guidelines and ISO 30414. This is the first certification for a manufacturing company in Japan and other Asian countries. We will enhance dialogue with stakeholders through transparent disclosure of information on human capital.

Second-Half Initiatives for Achieving Full-Year Targets



■ Benefit from impact of new products

- ✓ Launch the XR-Series and BT-50 in EMEA, AP and China
- ✓ Promote sales of immunochemistry reagent parameters in China
- ✓ Promote sales of UF-1500 to medium-sized hospitals in the urinalysis field

■ Reduce the cost of sales ratio

- ✓ Easing of sharply higher shipping costs
- ✓ Reducing cost of products of hemostasis reagents by bringing production in-house
- ✓ Decreasing cost of sales owing to increased production
- ✓ Considering passing on higher costs through price increases in some regions and items

■ Reorganize businesses and R&D

- ✓ Owing to the review of unprofitable businesses, prioritization of resource allocation to result in higher productivity and efficiency

■ Review exchange rates

26

Next, I would like to provide our financial forecast for the fiscal year ending March 31, 2024. Please proceed to slide 26.

First, we will address the initiatives for H2.

New products include the XR series of hematology analyzers and the BT-50, a peripheral module that can be automated for quality control, etc., to be introduced in the EMEA, AP, and China markets. In addition, 58 immunoassay reagents will be fully introduced in the Chinese market.

Next is cost of sales, which is expected to benefit from an improvement in transportation costs, in-house production of raw materials for reagents, and an increase in production due to sales growth in instruments and reagents. In addition, since inflation is this high, we would like to promote price pass-on.

Furthermore, in terms of reorganization of business and R&D, we have been studying improvement of unprofitable businesses since H1, and we would like to clarify prioritization and improve efficiency as a whole.

And the exchange rate, we can expect follow winds due to the weakening of the yen.

Revised Earning Forecast for the Fiscal Year Ending March 31, 2024



Note: Figures in green have been revised subsequent to our announcement at the start of the fiscal year.

No change in full-year forecast for net sales and operating profit from initial forecast (in May)
Forex rates and SG&A expenses revised based on 1H performance

(Billions of yen)	1H of fiscal year ending March 31, 2024 (April–September)			2H of fiscal year ending March 31, 2024 (October–March)				Fiscal year ending March 31, 2024 (April–March)		
	Results	Ratio	Vs. plan	Initial forecast	Revised forecast	Ratio	Change	Revised forecast	Ratio	YoY (Previous period = 100%)
Net sales	212.6	100.0%	96.7%	240.0	247.3	100.0%	+7.3	460.0	100.0%	112.1%
Cost of sales	101.6	47.8%	-	-	115.8	46.8%	-	217.5 (+2.0)	47.3%	111.9%
SG&A expenses	62.5	29.4%	-	-	62.9	25.4%	-	125.5 (+1.0)	27.3%	111.7%
R&D expenses	15.0	7.1%	-	-	19.4	7.9%	-	34.5 (-3.0)	7.5%	111.1%
Other income (expenses)	0.4	0.2%	-	-	0.1	-	-	0.5	0.1%	48.6%
Operating profit	33.8	15.9%	84.6%	43.0	49.1	19.9%	+6.1	83.0	18.0%	112.7%

Planned investment	Capital expenditure: ¥47.8 billion	Depreciation and amortization: ¥35.0 billion																															
<ul style="list-style-type: none"> Assumed Exchange Rates <table border="1"> <thead> <tr> <th></th> <th>Full year (Announced May 2023)</th> <th>Full year (Revised Nov. 2023)</th> <th>Second half (Revised Nov. 2023)</th> <th>Fiscal year ended March 31, 2023</th> </tr> </thead> <tbody> <tr> <td>1 USD</td> <td>¥133.0</td> <td>¥143.0</td> <td>¥145.0</td> <td>¥135.5</td> </tr> <tr> <td>1 EUR</td> <td>¥143.0</td> <td>¥154.2</td> <td>¥155.0</td> <td>¥141.0</td> </tr> <tr> <td>1 CNY</td> <td>¥19.2</td> <td>¥19.9</td> <td>¥20.0</td> <td>¥19.8</td> </tr> </tbody> </table>		Full year (Announced May 2023)	Full year (Revised Nov. 2023)	Second half (Revised Nov. 2023)	Fiscal year ended March 31, 2023	1 USD	¥133.0	¥143.0	¥145.0	¥135.5	1 EUR	¥143.0	¥154.2	¥155.0	¥141.0	1 CNY	¥19.2	¥19.9	¥20.0	¥19.8	<ul style="list-style-type: none"> Exchange Rate Sensitivity (Year) <table border="1"> <thead> <tr> <th></th> <th>Net sales</th> <th>Operating profit</th> </tr> </thead> <tbody> <tr> <td>USD</td> <td>¥0.79 billion</td> <td>¥0.18 billion</td> </tr> <tr> <td>EUR</td> <td>¥0.58 billion</td> <td>¥0.14 billion</td> </tr> <tr> <td>CNY</td> <td>¥5.46 billion</td> <td>¥4.18 billion</td> </tr> </tbody> </table>		Net sales	Operating profit	USD	¥0.79 billion	¥0.18 billion	EUR	¥0.58 billion	¥0.14 billion	CNY	¥5.46 billion	¥4.18 billion
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27

Please proceed to slide 27.

Through the above efforts, we hope to recover H1 behind. The full-year forecast remains unchanged from that disclosed at the beginning of the fiscal year. The assumed exchange rates for H2 of FY2023 have been revised toward a weaker yen, from JPY133 to JPY145 for the dollar, from JPY143 to JPY155 for the euro, and from JPY19.2 to JPY20 for the Chinese yuan. For the full year, they will be JPY143, JPY154.2, and JPY19.9, respectively.

The balance of cost, SG&A, and R&D expenses was also reviewed based on the results of H1 of the fiscal year.

Dividend Forecast



- The dividend amount remains unchanged from our initial forecast at the start of the year.

	Interim dividend	Year-end dividend	Total	Payout ratio
Fiscal year ended March 31, 2023	¥40	¥42	¥82	37.5%
Fiscal year ending March 31, 2024 (proposal)	¥42	¥42	¥84	33.8%

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.

28

Please proceed to slide 28.

There has been no change in the dividend since the beginning of the fiscal year.

That's all from me. Thank you very much for your attention.

[EOD]