

Presentation

Tachibana: I am Tachibana. I would like to provide an overview of our financial results for Q3 of the fiscal year ending March 31, 2024.

Executive Summary



Q3 Performance

Net sales reached a record high. (¥326.5 billion, 109.3% year on year)

- Sales hit record highs in the Americas, China, and AP.
- Sales in EMEA were flat year on year, covering such negative impacts as falling demand for COVID-19 tests and the situation in Russia.
- In Japan, as well, sales remained on a par with the previous year as we covered the decline in demand for COVID-19 tests.
Note: In China, the impact of local anti-corruption campaigns was slight, and sales rose by double digits.

Operating profit was flat. (¥54.2 billion, 99.7% year on year)

- Gross profit increased, owing to the rise in net sales and an improved cost of sales ratio.
- SG&A expenses rose owing to higher labor costs to reinforce human capital, the start of depreciation on expenses related to digitalization, and yen depreciation.
- Operating profit was flat, due in part to the impact of other operating income (expenses)*. * Fire indemnification payment (¥1.9 billion) received in the previous year

Net sales, the cost of sales ratio, and operating profit were generally in line with expectations.

- Business was steady in all regions.
- In the Americas, we experienced shipment delays. This caused a shift in the sales period to Q4 for some products. With the exception of this factor, performance was generally in line with plan.

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See page four.

This is an executive summary of the cumulative Q3 results.

Sales totaled JPY326.5 billion, a record high, with almost double-digit growth of 109.3% YoY. In particular, the three regions of the Americas, China, and AP all performed well, achieving record highs in local currency. The EMEA region is affected by the withdrawal of COVID-19 test and Russia. Japan was affected by a decrease in COVID-19 test, but these two regions secured sales comparable to the previous year.

As for China, as I will explain later, the impact of the external environment has largely run its course, and we have made progress in responding to it, so it has entered a new normal stage and is steadily growing.

Operating income was JPY54.2 billion, 99.7% of the previous year's level. Gross profit increased due to sales growth and an improved cost of sales ratio but remained flat due to higher SG&A expenses and other factors affecting operating income/loss. The increase in SG&A expenses is due to our investment in R&D, human capital, digitalization, etc. While we are naturally working to improve efficiency in the face of inflation, it is also essential to make aggressive investments for the future. The impact of other operating income/loss is a special factor that had a positive operating income impact of JPY1.9 billion in Fire indemnification in the previous year. As a result, operating income remained flat.

The Russian impact has been occurring since Q4 of last year, and the negative impact is through this Q3. Since the impact of the decline in demand for COVID-19 inspections will lessen in Q4, we expect

that the recovery effect from the negative impact will be more pronounced in Q4, resulting in a YoY increase in profit for the full year.

At the time of the Q2 earnings announcement, we revised our full-year forecasts for foreign exchange assumptions, cost ratio, SG&A and R&D. Compared to our internal assumptions for Q3 at that time, sales, cost ratio and operating income are progressing close to our expectations. Some sales in the Americas, which were scheduled for Q3, were postponed to Q4 or later, but other than this, sales were generally in line with the plan.

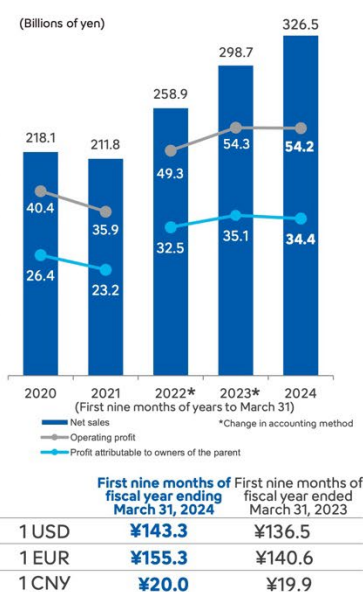
All subsequent slides will be explained in terms of YoY comparisons, but we would like to devote more time to explaining the important points on each slide, so we will minimize the reading of the information on each slide.

Financial Highlights (Year on Year)



(Billions of yen)	First nine months of fiscal year ending March 31, 2024		First nine months of fiscal year ended March 31, 2023		YoY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net sales	326.5	100%	298.7	100%	109.3%
Cost of sales	154.7	47.4%	143.8	48.2%	107.6%
SG&A expenses	95.8	29.4%	81.5	27.3%	117.5%
R&D expenses	23.2	7.1%	22.0	7.4%	105.2%
Other income (expenses)	1.5	0.5%	3.1	1.0%	48.3%
Operating profit	54.2	16.6%	54.3	18.2%	99.7%
Profit attributable to owners of the parent	34.4	10.6%	35.1	11.8%	98.0%

- ✓ **Net sales:** Sales were up by double digits in overseas regions, pushing up overall net sales to a record high.
 - ✓ **Operating profit:** Gross profit rose due to improved cost of sales, but operating profit was flat due to an increase in SG&A expenses and a decrease in other income.
 - **Forex impact** Net sales: + ¥10.80 billion SG&A expenses: +¥3.59 billion Operating profit: +¥6.66 billion
 - **At forex rates prevailing one year earlier:** Net sales: +5.7% SG&A expenses: +13.1% Operating profit: -12.6%
 - ✓ **Profit attributable to owners of the parent:** Profit was down due to an increase in taxes
- Note: Foreign exchange loss (gain): Gain of ¥0.19 billion (a year-on-year increase of ¥0.96 billion)



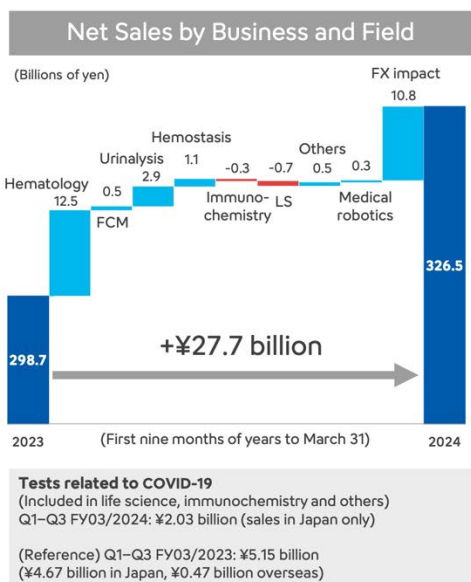
See page six, financial summary.

The yen depreciated against the US dollar, as noted in the lower right-hand corner, and had a positive impact on net sales, and operating income, as noted in the middle part of the commentary.

Details from sales to operating income are provided on the back page.

Quarterly income is down 2% due to an increase in income taxes. The tax rate was 32.5%, up 1.3 percentage points from the same period last year.

Breakdown of Net Sales (By Business and Field)



In the hematology field, sales grew mainly in emerging markets and in China, where we promoted a shift to local production. Sales also increased in the urinalysis and hemostasis fields. In the immunochemistry field, sales were down due to the impact of falling demand for COVID-19 tests, although sales in China increased.

(Billions of yen)	First nine months of fiscal year ending March 31, 2024		YoY (Previous year = 100%)	
	Results	Ratio	Yen basis	Excluding FX impact
Net sales	326.5	100.0%	109.3%	105.7%
Hematology	195.3	59.8%	111.3%	107.2%
FCM	2.4	0.7%	137.7%	132.7%
Urinalysis	27.9	8.6%	116.3%	112.1%
Hemostasis	50.8	15.6%	103.8%	102.3%
Immunochemistry	16.5	5.1%	98.7%	98.2%
Clinical chemistry	2.4	0.8%	94.0%	92.2%
Life science	15.1	4.6%	101.2%	95.3%
Others	13.9	4.3%	111.8%	105.7%
Diagnostics business	324.5	99.4%	109.3%	105.6%
Medical robotics business	2.0	0.6%	117.6%	117.6%

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See page seven, sales by business and sector.

Hematology grew mainly in emerging countries and China. In the urinalysis field, sales grew by double digits, even excluding the effect of foreign exchange rates, due in part to the new UF-1500 product. FCM has also begun to show a bit of presence. In this context, the hemostasis field has a low revenue growth rate, but this is due to the suspension of shipments to Russia from Q4, which existed until Q3 of the previous year, and low performance in the Siemens Territory. In the immunochemistry field, sales declined slightly due to lower demand for COVID-19 testing in Japan, despite growth in China. In life sciences, sales of lung cancer multi-gene panel tests were strong in Japan and sales volume of OSNA increased in EMEA, but sales declined due to lower demand for COVID-19 and PCR tests in Japan.

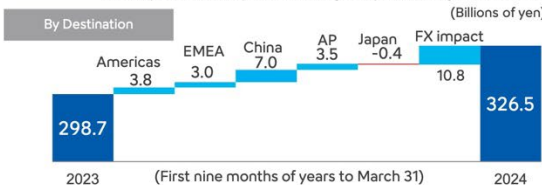
I will discuss progress on the medical robotics business later.

Breakdown of Net Sales (By Destination and Product Type)

Double-digit sales increases in China and AP drove the Group's growth.

(Billions of yen)	First nine months of fiscal year ending March 31, 2024		YoY (Previous year = 100%)	
	Results	Ratio	Yen basis	Local currency basis
Net sales	326.5	100.0%	109.3%	105.7%
Americas	85.3	26.1%	110.5%	105.4%
EMEA	92.8	28.4%	109.7%	99.3%
China	73.4	22.5%	111.2%	110.8%
AP	31.6	9.7%	116.8%	113.1%
Japan	43.3	13.3%	99.0%	-
Instruments	68.6	21.0%	106.6%	102.2%
Reagents	199.7	61.2%	109.6%	106.4%
Services	44.7	13.7%	112.1%	107.4%
Other	13.3	4.1%	110.5%	107.8%

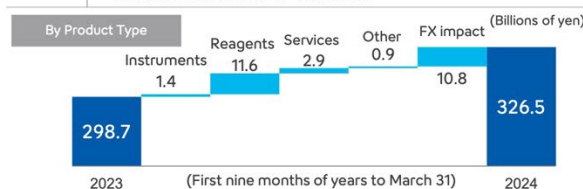
*Year-on-year increase on a yen basis, excluding the impact of exchange rate fluctuations



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. We received a record number of orders, and performance was favorable in the hematology and immunochemistry fields.
EMEA	<ul style="list-style-type: none"> Sales for the region were flat, as a shift to direct sales boosted sales in Saudi Arabia and Spain, overcoming extraordinary factors (Russia, COVID-19). Excluding extraordinary factors, sales would have risen by 5.4%.
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 substantial growth in the hematology field. Also, sales of urinalysis and immunochemistry reagents expanded.
AP	<ul style="list-style-type: none"> Sales rose by double digits. Performance in each country was favorable, and sales of instruments and reagents rose in all fields.
Japan	<ul style="list-style-type: none"> Sales were flat. Favorable instrument sales pushed up sales in the hematology, urinalysis, and hemostasis fields. However, demand for tests related to COVID-19 decreased.



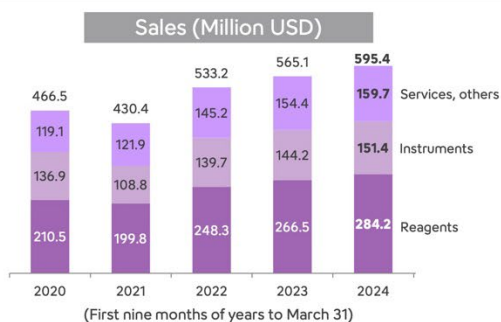
See page eight.

This is the change in sales by region and by product.

In yen terms, sales in Japan, which were almost the same as in the previous year, were due to a decrease in demand for COVID-19 testing, while sales in all other regions increased and sales by product category also all increased. Looking at sales in local currency terms, the three regions of the Americas, China, and AP all achieved record-high Q3 cumulative sales with increased revenues. China and AP in particular achieved double-digit growth. Only in EMEA growth was almost flat, but excluding the special factors of Russia and COVID-19 tests, revenue increased by 5.4%.

Information by Destination (Americas)

(Million USD)	First nine months of fiscal year ending March 31, 2024		YoY (Previous period = 100%)	
	Results	Ratio	Local currency basis	Yen basis
Net sales	595.4	100.0%	105.4%	110.5%
Instruments	151.4	100.0%	105.0%	109.9%
Reagents	284.2	100.0%	106.7%	111.8%
Services, others	159.7	100.0%	103.5%	108.6%



We experienced some shipment delays in Q4, but sales in the Americas increased due to growth in the hematology and urinalysis fields. Absent this shift in the sales period (USD11 million), sales in the Americas would have been up 7.5% year on year.

● Instruments

- ✓ Sales in the urinalysis field rose in Brazil and the United States. Sales also rose in the hematology field in Brazil, pushing up instrument sales for the region.

● Reagents

- ✓ Sales rose, owing to expansion of the installed instrument base in the hematology and urinalysis fields in North, Central and South America.
- ✓ Reagent sales of a lab-developed test for amyloid β in the blood for a large commercial lab (Labcorp) also increased.

See page nine, the situation in the Americas.

As mentioned at the beginning of this report, sales in the Americas have been delayed by approximately USD11 million due to delays in some shipments and acceptance inspections. We are working hard to recover during Q4. Business was very steady as described, and sales of reagents for amyloid-β testing conducted by Labcorp was also strong, resulting in Q3 cumulative sales of JPY140 million.

Information by Destination (EMEA)



(Million EUR)	First nine months of fiscal year ending March 31, 2024	First nine months of fiscal year ended March 31, 2023	YoY (Previous period = 100%)	
			Local currency basis	Yen basis
Net sales	597.5	601.9	99.3%	109.7%
Instruments	142.5	156.5	91.1%	100.6%
Reagents	359.4	349.5	102.9%	113.7%
Services, others	95.4	95.9	99.5%	109.9%

Sales for the region remained on a par with the previous year, as a shift to direct sales boosted sales in Saudi Arabia and Spain, and other countries contributed, overcoming a sharp downturn in sales in Russia.

Note: Excluding extraordinary factors (Russia, COVID-19), sales would have been up by 5.4% on a local currency basis. The impact from Russia continued to Q3 and will not affect performance in Q4.



● Instruments

- ✓ A shift to direct sales pushed up sales in Saudi Arabia, Spain and other countries. Even so, instrument sales were down due to comparison with a large tender won in Italy in the previous year.

● Reagents

- ✓ Sales increased in the hematology field, helped by the transition to direct sales in Saudi Arabia and Spain, leading to an increase in reagent sales.

See page10, EMEA situation.

Despite the impact of Russia and COVID-19 tests, sales in Saudi Arabia and Spain, where transitioned to direct sales, were on a par with the same period of the previous year on a local currency basis. Excluding special factors, sales increased by 5.4%. In Russia, we had been doing business as usual until Q3 of the previous fiscal year, but from Q4, the export ban on items to Russia was strengthened and sales dropped to about one-fifth of the previous level, which is still continuing, so this means from Q4 of the current fiscal year onward, there will be no negative impact of each single quarter on a YoY basis..

Information by Destination (China)



(Million CNY)	First nine months of fiscal year ending March 31, 2024	First nine months of fiscal year ended March 31, 2023	YoY (Previous period = 100%)	
			Local currency basis	Yen basis
Net sales	3,668.5	3,311.8	110.8%	111.2%
Instruments	496.7	484.3	102.6%	102.5%
Reagents	2,714.2	2,430.8	111.7%	112.2%
Services, others	457.5	396.8	115.2%	116.1%



- Owing to a recovery in the number of tests and the expansion of local production, sales of instruments and reagents both increased, despite the impact of government procurement policies.
- Sales have recovered to pre-pandemic levels.
- We obtained regulatory approval for local production of three models.

• Instruments

- ✓ Owing to an increase in local production, sales in the hematology field rose by double digits, pushing up overall sales.
- ✓ Sales adjusted for the launch of products manufactured locally, causing a slowdown in the urinalysis field, but we anticipate a recovery in Q4.

• Reagents

- ✓ Sales rose due to double-digit sales increases in the hematology, urinalysis, and immunochemistry fields.



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See page 11, the situation in China.

The lower right-hand corner shows sales trends from Q1 to Q3 of the current fiscal year. Our business in China is not direct sales, but sales to distributors, so there are seasonal fluctuations depending on the purchasing characteristics of the distributors. The trend has been low in Q1 and Q3 and high in Q2 and Q4. This has been the trend again this quarter. Cumulative Q3 sales achieved double-digit growth of 110.8% YoY in local currency terms, a record high.

Response to the Chinese Market



External environmental impacts have largely run their course, and the transition to local production of instruments is progressing smoothly. We will expand our business by promoting measures tailored to the "new normal" environment.

(This slide was shown in the financial results for the first six months of the fiscal year ending March 31, 2024)

Note: Progresses in Q3 are in green.

- ✓ Promoting the transition to local production of instruments (applied to six instruments already, **one model has been launched, and two models have received regulatory approval**)

Government procurement policies

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 at 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. **No major impact in Q3.**
- ✓ A healthier market environment is advantageous for our company

Centralized purchasing

- ✓ Shift to direct sales and services
- ✓ Introduced lower-cost reagents into the market
- ✓ Won a tender for immunochemistry reagents in Anhui Province

Rise of competitors

- ✓ Develop products that are competitive and unique

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See page 12.

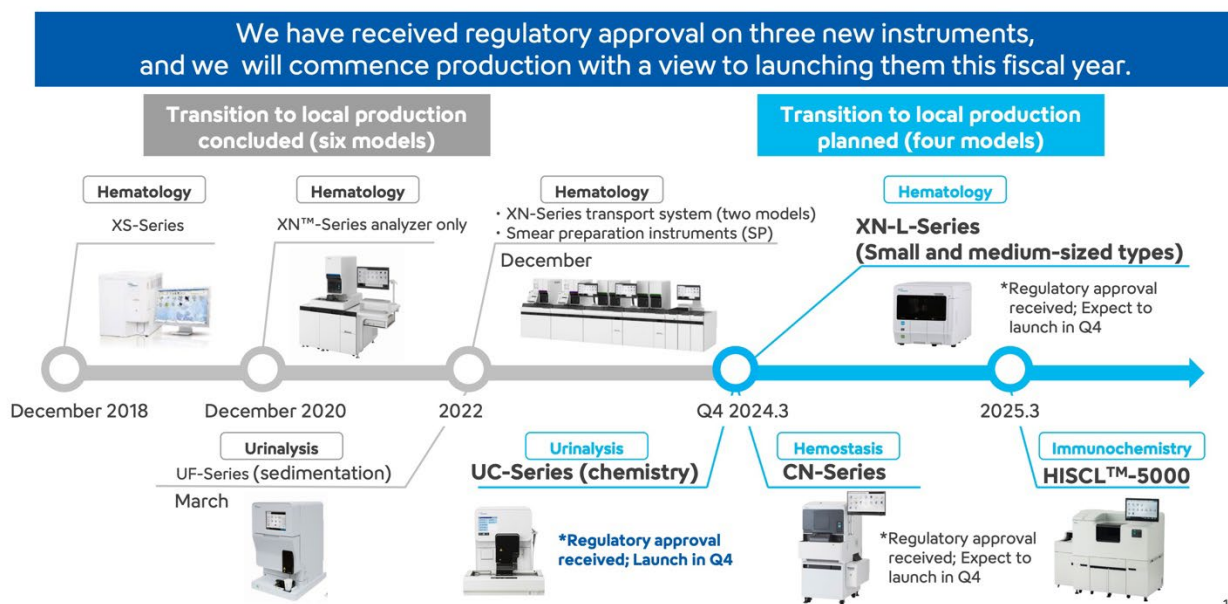
I would like to add a few words about the situation in the Chinese market.

We explained what is happening in the Chinese market and our response and views in this diagram when we explained our financial results for H1. Three months later, we add a note in green to show how things are changing.

First, regarding government procurement policies, while almost all public hospital instrument bidding projects are subject to the requirement that the instrument be made in China, we are moving forward with local production of our instrument.

Please see the page 13, for more details. Please move on to the next page.

Schedule for Moving Production to China



So far, we have produced six models locally, including a high-end system for hematology field, and in the past Q3, we have completed obtaining regulatory approval for three new models. Of these, the UC series for urine testing has already been launched, while the XN-Series for small and medium-sized hematology field and the CN - Series for hemostasis field will be launched during Q4.

We also received regulatory approval in January for a stand-alone model of hematology field's latest XR-Series, which is not a locally manufactured product but made in Japan, and we plan to start sales during this Q4. Thus, the timing of obtaining regulatory approval for instrument products to be sold in China is becoming earlier than initially expected, which is a positive situation for our business expansion.

Response to the Chinese Market



External environmental impacts have largely run their course, and the transition to local production of instruments is progressing smoothly. We will expand our business by promoting measures tailored to the “new normal” environment.

(This slide was shown in the financial results for the first six months of the fiscal year ending March 31, 2024)

Note: Progresses in Q3 are in green.



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Please go back to the previous page, page 12, again.

Next, regarding the anti-corruption campaign, the campaign itself continues, and there have been recent reports of a scalpel being taken to military personnel. However, in our area of business, there has been little impact since the beginning of Q3.

Next, regarding centralized purchasing, last December, a tender was held for immunochemistry reagents for 28 cities and towns, mainly for Anhui Province. The bidder had to reduce the price by approximately 50% from the existing hospital purchase price to win the bid, and we also won the bid for all eligible items. Specific transactions are likely to take place after April.

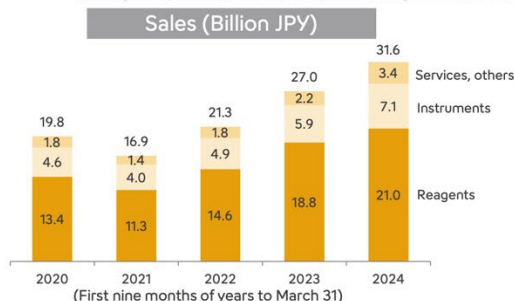
The Company believes that the portion of the price reduction will be largely covered by lowering agency margins, basically. Naturally, activities to lower the cost of reagents will be pursued in parallel. In any case, although the past few years have seen headwinds from the COVID-19 disaster and various policies, external environmental factors affecting our business have generally run their course, and our local production of instrument is progressing smoothly, so we believe that we have entered a new normal stage.

Information by Destination (AP)



(Billions of yen)	First nine months of fiscal year ending March 31, 2024	First nine months of fiscal year ended March 31, 2023	YoY (Previous period = 100%) Yen basis
Net sales	31.6	27.0	116.8% (113.1%)
Instruments	7.1	5.9	121.0%
Reagents	21.0	18.8	111.4%
Services, others	3.4	2.2	150.0%

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



Sales rose by double digits in all fields, buoyed by strong ongoing demand for investment in healthcare infrastructure and an increase in the installed instrument base.

● Instruments

- ✓ Sales rose by double digits, pushed up by higher sales in the hematology field across all regions, as well as by higher sales in the urinalysis and hemostasis fields in Thailand and India, and by substantially higher sales in the immunochemistry field in Indonesia and South Korea.

● Reagents

- ✓ Owing to expansion of the installed instrument base, sales rose favorable, centered on the hematology field in India, Australia and South Korea.
- ✓ Performance was favorable in the immunochemistry field, and increases in all fields led to double-digit sales growth.

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Please skip two pages and see page 14, AP Status.

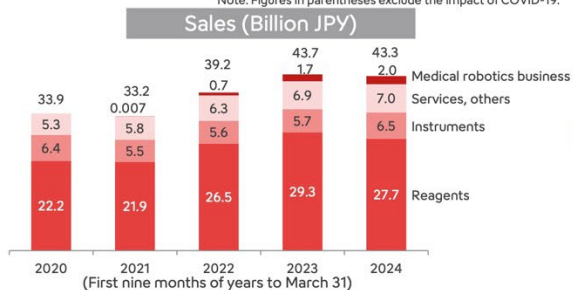
The country and sector performance has been very strong, bottoming out in FY2021, when the coronavirus disaster began, and continuing to grow at a high double-digit rate.

Information by Destination (Japan)



(Billions of yen)	First nine months of fiscal year ending March 31, 2024	First nine months of fiscal year ended March 31, 2023	YoY (Previous period = 100%) Yen basis
Net sales	43.3	43.7	99.0% (105.6%)
Diagnostics business	41.3	42.0	98.2% (105.1%)
Instruments	6.5	5.7	113.6%
Reagents	27.7	29.3	94.5% (104.1%)
Services, others	7.0	6.9	101.4%
Medical robotics business	2.0	1.7	117.6%

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



Favorable sales of the XR™-Series, as well as the CN-Series in the hemostasis field, led to double-digit growth in instrument sales. Nevertheless, sales for the region declined as a result of falling demand for testing related to COVID-19.

Diagnostics business

● Instruments

- ✓ Instrument sales increased by double digits, owing to the XR-Series in the hematology field, the CN-Series in the hemostasis field, and the introduction of new products for small and medium-sized facilities in the urinalysis field.

● Reagents

- ✓ Despite expanded adoption of our thrombus parameters in the hemostasis field, reagent sales declined, due to a fall in demand related to testing for COVID-19 (-¥2.64billion).

Medical robotics business

- ✓ Five units were installed in Q3, bringing the total so far this fiscal year to nine*.
- ✓ Since the start of sales, 44 units have been installed.
- ✓ 3,314 cases (as of December 31, 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.

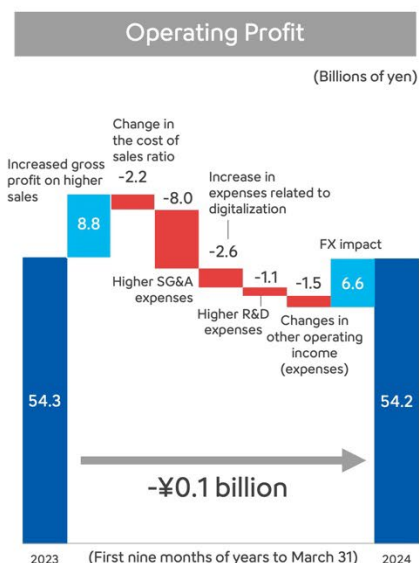
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See page 15, the situation in Japan.

The XR-Series of hematology, the hemostasis field, and the urinalysis field performed well, despite the impact of the decline in COVID-19 testing. The upgraded medical robot model was well received,

and five units were introduced in Q3, increasing the cumulative number of surgeries to 3,314, with net sales of JPY2.01 billion. Inquiries from the market have also increased greatly.

Breakdown of Operating Profit



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

- Increased gross profit on higher sales: ¥8.80 billion positive impact
- Impact of change in the cost of sales ratio: ¥2.20 billion (0.7pt deterioration)
 - ✓ Positive factor: Easing of sharply higher shipping costs: 0.3pt
 - ✓ Negative factors: Service costs: 0.6pt; deterioration in cost of sales of products: 0.4pt deterioration
- Higher SG&A expenses: ¥8.09 billion
 - ✓ Labor costs: Mainly due to an increase in personnel stemming from a shift to direct sales, as well as higher labor costs due to inflation: Approx. ¥6.0 billion
 - ✓ Expenses: Increase stemming from an expansion in scale and the reinforcement of sales promotion activities: Approximately ¥2.0 billion
- Higher digitalization-related expenses: ¥2.6 billion
- Higher R&D expenses: ¥1.15 billion
 - ✓ Ongoing investments in product development and higher costs related to regulatory affairs
- Changes in other operating income (expenses): ¥1.57 billion
 - ✓ Changes due to fire indemnification in the previous year
- FX impact: ¥6.66 billion positive impact

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See page 16.

Factors contributing to increase/decrease in operating income.

Foreign exchange effects had a positive impact of JPY6.66 billion, as shown at the bottom. The comments above it exclude the impact of foreign exchange, and the main reason, both positive and negative, are as noted, but are supplemented in part by the following.

The cost to sales ratio deteriorated 0.7 percentage points versus the same period last year. Breaking it down, transportation costs, which soared in the previous year, eased, improving by 0.3 points. Meanwhile, service costs worsened by 0.6 points, mainly due to soaring labor costs and inflation in Europe and the United States, which remained high. Product mix deteriorated by 0.4 points due to higher prices of some raw materials for products. Of the SG&A expenses, labor cost increase is significant at about JPY6 billion, but about half is due to the increase in headcount, and the other half is due to higher labor costs.

The increase in labor costs is a strengthening of investment in human capital, and we have raised wages by about 5% this fiscal year in Japan, and we estimate that overseas, the increase will be about 10%. In addition to increasing the number of personnel in line with business expansion, expansion of direct sales countries, and functional enhancement, we are investing in human capital from a medium- to long-term perspective, not only to retain personnel, but also to add value and improve productivity.

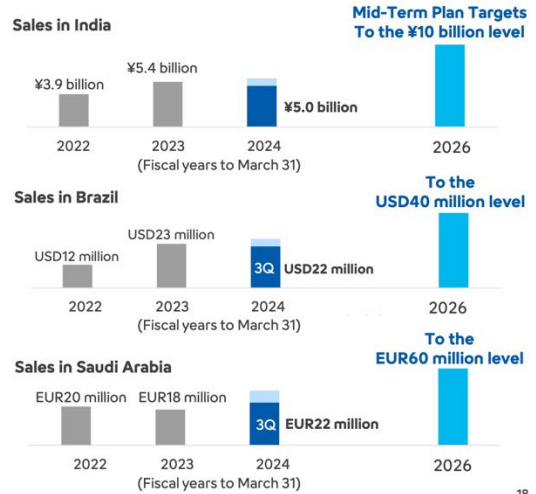
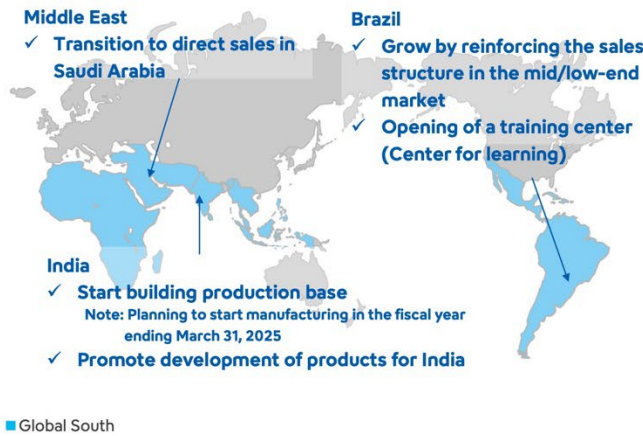
Digital-related expenses are a major project that we have been working on for the past five years to strengthen the IT systems of our entire group, and the major part of the project will be completed between this fiscal year and next. Research and development expenses are also important as an initiative for the future, and we are continuously investing in this area from a medium- to long-term perspective.

Next, we will explain the progress of our initiatives for future growth.

Emerging Market Strategies



Performance is up sharply, particularly in India, Brazil, and Saudi Arabia, and year-to-date performance as of Q3 is already at the previous year-end level. We will actively invest and capture opportunities in regions where significant market growth is expected due to economic expansion and increases in healthcare quality.



See page 18.

This is about the emerging markets strategy.

In India, Brazil, and Saudi Arabia, sales are growing rapidly due to the shift to direct sales and the strengthening of the sales structure, and we expect significant growth over the medium to long term. The construction of a new production plant in India and efforts to develop products for the Indian market are progressing well. In addition, we are promoting the training center in Brazil and other training centers in each country according to the local conditions in each region. Emerging countries have tremendous medium- to long-term growth potential, which we will strategically address.

Reinforcement of Existing Businesses (Immunochemistry, Hemostasis, Life Science)



Immunochemistry **Rapidly accelerate global expansion by leveraging existing assets and forming new alliances**

- ✓ In the United States, we are experiencing favorable sales of reagents to test for amyloid β in the blood (for LDT), and we are promoting collaboration with a large commercial lab (Labcorp)
- ✓ Accelerate the development of new testing parameters and the global rollout based on basic agreement on business collaboration with Fujirebio Holdings, Inc.

Hemostasis **Aiming to be the No. 1 manufacturer with an overwhelming global market share**

- ✓ Begin sales in the United States and Europe under the global OEM agreement with Siemens Healthcare Diagnostics Inc. (fiscal year ending March 31, 2025)

Life Science **Pivot the business**

● Short-term: **Increase profitability**

- ✓ OSNA™
- ✓ FISH (Oxford Gene Technology)
- ✓ PCR (cancer, infectious disease, etc.)

● Mid/long-term: **Become profitable**

- ✓ Liquid biopsy (Sysmex Inostics, Inc.)
- ✓ Sequence

Global expansion of stable revenue source businesses

Selection and focus

- ✓ Move from the lab assay business to the testing kit business
- ✓ Move from BEAMing to Plasma-Safe-SeqS (PSS)

Dramatically reduce testing costs

- ✓ Develop of a new genetic testing system in collaboration with Hitachi High-Tech Corporation and others

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This is about strengthening existing businesses.

In the immunochemistry field, in addition to the amyloid- β test in the US, we began marketing the product in Europe this past January. In addition, we will accelerate global expansion through such measures as an alliance with FUJIREBIO for further expansion of immunological test parameters.

In hemostasis field, based on the OEM agreement with Siemens signed in February 2023, we finally plan to start direct sales in Europe and the United States on April 1 of this year. Preparations are well under way and our company, as well as our members in Europe and the United States, are extremely motivated.

In the explanation of the financial results for H1, we have put forth a policy of business pivoting, and the one we are considering, is in the life science field. Within this sector, there is a mix of what is already a stable source of revenue and what is not.

The former will continue to expand its business globally to further improve profitability in the short term. The latter includes selection and concentration, and cost reduction through alliances and other measures, which we intend to turn into sources of earnings during the period of this med-term management plan. We expect the impact on business performance in the current fiscal year to be in the order of several hundred million yen, but the effect is expected to be larger in the next fiscal year. We will work to make this a major source of revenue in the future.

New Business Expansion



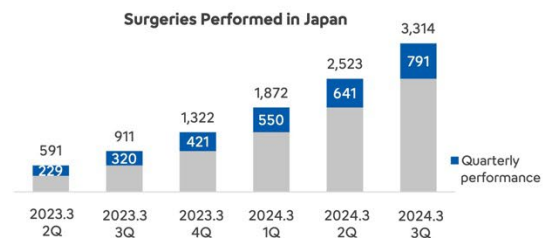
Regenerative and Cellular Medicine

- **In December 2023, made Megakaryon Corporation into a consolidated subsidiary.**
 - ✓ Accelerating efforts toward the early commercialization of human iPS cell-derived platelet preparations
 - ✓ Application as a raw material for the standard substances used in the quality control of our testing instruments
- **We will apply the analysis technology we have cultivated in the field of hematology to the commercialization of human iPS cell-derived platelet preparations, helping to reduce risks at the time of platelet transfusion.**
 - ✓ Reduction in allergic reactions and other side effects
 - ✓ Reduced incidence of platelet transfusion refractoriness*
 - *A condition in which repeated transfusions produce antibodies that the effectiveness of the transfusion is lost.

Realization of safe medical care
Higher patient quality of life

Medical Robotics Business

- ✓ Launched an upgraded model in July 2023
- ✓ Surgeries performed to date exceeded 3,000 as of December 31, 2023, indicating steady progress
- ✓ Units installed to date: 44 (nine more this fiscal period)
- ✓ Number of certified physicians: 570 (up by 283 this fiscal period)
- ✓ **In November 2023, filed application for use in respiratory surgery**
- ✓ In September 2023, **received marketing approval** from Singapore's Health Sciences Authority



See page 20.

The expansion of new business.

In the area of regenerative cell medicine, a new project we announced in December is our efforts to commercialize platelet products derived from iPS cells through the acquisition of Megakaryon as a subsidiary. As for the medical robotics business, the number of surgeries is increasing steadily, and we will continue to expand the procedures eligible for insurance reimbursement and expand the business to Singapore.

On the next and final page, we discuss our full-year forecasts.

Initiatives for Achieving Full-Year Targets



(Updated from the financial results for the first six months of the fiscal year ending March 31, 2024)

- **Increase sales**
 - ✓ The XR-Series in Japan, EMEA, and AP; and the XN-Series and BT-50 in China and the Americas
 - ✓ Transition to local production in China (high/mid/low-end instruments in the hematology field, urine chemistry analyzers, hemostasis analyzers) and expand sales of new testing parameters in the immunochemistry field
 - ✓ Increase instrument sales to Siemens Healthcare Diagnostics Inc. (begin supplying based on global OEM agreement)
- **Reduce the cost of sales ratio**
 - ✓ Expand sales of reagents using in-house raw materials
 - ✓ Pass on prices in some regions and on some items
 - ✓ Lower costs of materials such as semiconductors, which had soared
- **Reorganize businesses and R&D to utilize SG&A expenses more efficiently**
 - ✓ Review priorities
 - ✓ Achieve cost reduction through efficient resource allocation

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We will make a firm commitment to the initiatives for H2 of the fiscal year, which I discussed at H1 results meeting.

Financial Forecast for the Fiscal Year Ending March 31, 2024

No changes to our full-year forecast subsequent to the November 2023 revisions

(Billions of yen)	First nine months of fiscal year ending March 31, 2024 (April–December)		Fiscal year ending March 31, 2024 (April–March)		
	Results	Ratio	Revised forecast	Ratio	YoY (Previous period = 100%)
Net sales	326.5	100.0%	460.0	100.0%	112.1%
Cost of sales	154.7	47.4%	217.5	47.3%	111.9%
SG&A expenses	95.8	29.4%	125.5	27.3%	111.7%
R&D expenses	23.2	7.1%	34.5	7.5%	111.1%
Other income (expenses)	1.5	0.5%	0.5	0.1%	48.6%
Operating profit	54.2	16.6%	83.0	18.0%	112.7%

Planned investment

Capital expenditure: **¥47.8** billion

Depreciation and amortization: **¥35.0** billion

● Assumed Exchange Rates

	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

● Exchange Rate Sensitivity (Year)

	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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We made the correction in November, and there have been no changes since then. Although there are various uncertainties, we aim to achieve full-year results by appropriately controlling SG&A and other expenses.

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.

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There is no change in the expected dividend amount.

About the Share Split



Objective

To create a more investment-friendly environment and enhance corporate value by lowering the amount per investment unit and improving the liquidity of share.

Method of Share Split

We will conduct a three-for-one split of Sysmex's ordinary share, with a record date of March 31, 2024 (Sunday).

Note: As the record date of March 31, 2024 (Sunday) is a holiday, the record date will effectively be March 29, 2024 (Friday).

Schedule for the Split

- Public notice of record date March 15, 2024 (Friday)
- Record date March 31, 2024 (Sunday)
- Effective date April 1, 2024 (Monday)

Year-End Dividends

The year-end dividend for the fiscal year ending March 31, 2024, which has a record date of March 31, 2024, will be based on the number of shares prior to the stock split.

Note: The Company forecasts a year-end dividend of ¥42 per share.
(This is unchanged from our announcement on May 11, 2023.)

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See page 25.

As announced today, we will conduct a stock split on April 1, 2024. In order to lower the amount per investment unit and increase the liquidity of the stock to create a more investment-friendly environment, we will split one share into three shares.

This concludes our explanation.

[END]