



Lighting the way with diagnostics

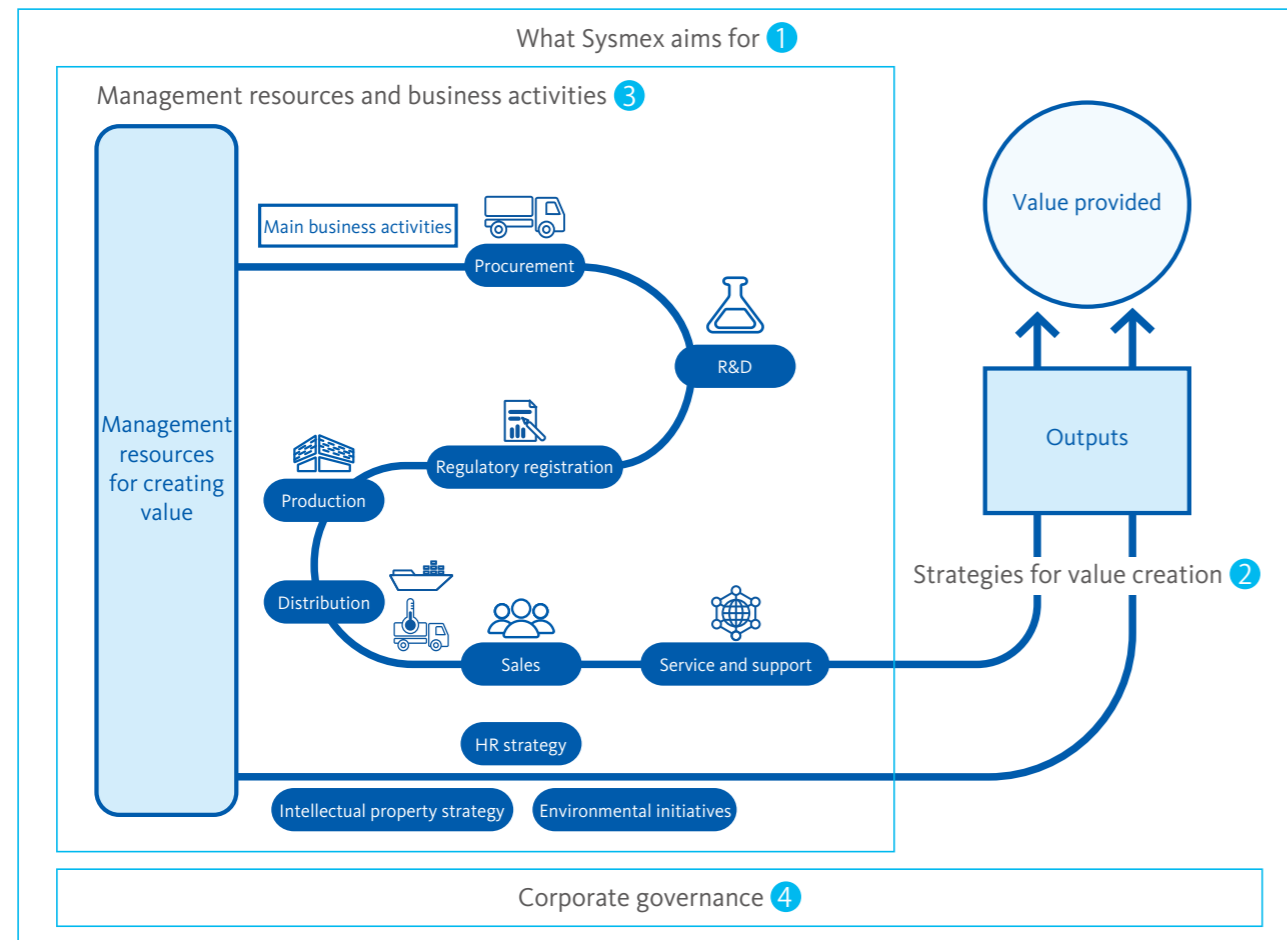
Sysmex enhances diagnostic value with innovative testing, to bring greater trust and confidence to healthcare.

Sysmex operates in the field of healthcare testing, which involves examining blood, urine, and other samples. We provide customers with a variety of products and services in more than 190 countries and regions.

We will undertake new challenges in the field of diagnostics as the future of healthcare unfolds.

Contents

Structure of Sysmex Report 2022



Editorial Policy

The Sysmex Report, an integrated report that summarizes financial and non-financial information, is intended to help stakeholders understand Sysmex's medium- to long-term value creation. For more detailed information, please visit our website or see our Sustainability Data Book.

In editing this publication, we referred to the IIRC's International Integrated Reporting Framework, as well as the Guidance for Collaborative Value Creation by the Ministry of Economy, Trade and Industry.

In fiscal 2021, Sysmex changed its accounting policy for configuration or customization costs in cloud computing contracts to recognize costs as expenses when services are received. Accordingly, we have by retroactively adjusted the figures for the fiscal 2020.

Independent Practitioner's Assurance

In addition to environmental and social data, we have obtained independent practitioner's assurance of compliance with the AA1000 AccountAbility Principles.

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System of Disclosure

Financial information	Non-financial information
System Report (an integrated report, published annually)	
Investor Relations Site https://www.sysmex.co.jp/en/ir/index.html This site discloses details of financial, stock and shareholder information. <ul style="list-style-type: none"> Financial statements Financial data, etc. 	Sustainability Site https://www.sysmex.co.jp/en/csr/index.html <ul style="list-style-type: none"> Sustainability Data Book (PDF, published annually) https://www.sysmex.co.jp/en/csr/report/index.html Corporate Governance Report https://www.sysmex.co.jp/en/corporate/governance.html

Organizations Covered

In principle, this report covers the Sysmex Group (including Group companies in Japan and overseas). In this report, "Sysmex" refers to the Sysmex Group as a whole. "Sysmex Corporation" refers to the Company on a stand-alone basis.

Period Covered

The target period is fiscal 2021 (April 1, 2021 to March 31, 2022), but the report also covers some activities conducted after April 2022.

Accounting Standards

In fiscal 2016, we voluntarily adopted the International Financial Reporting Standards (IFRS). In this report, figures presented up to fiscal 2014 are in accordance with Japanese GAAP. Figures from fiscal 2015, are presented in accordance with IFRS.

Forward-Looking Statements

Statements in this report pertaining to Sysmex's future plans, strategies, business performance and other items are based on currently available information and involve certain risks and uncertainties. Actual results may differ materially from those anticipated in these statements.



Sustainability Data Book

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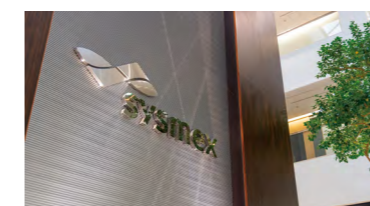
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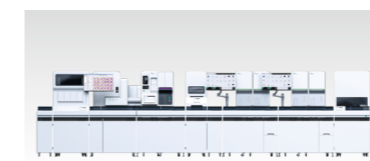
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Corporate Philosophy for the Sysmex Group

In 2007, we formulated the “Sysmex Way,” the corporate philosophy for the Sysmex Group, carrying forward and expanding the perspective of our founding philosophy. Our current corporate philosophy consists of three parts: Mission, which defines our social *raison d'être* and states how we hope to contribute to society: Value, which describes the values and management style that we must abide by, and Mind, which expresses the mindset and code of conduct that every employee within the Sysmex Group must observe. Our Core Behaviors encompass the customers, business partners and employees expressed in our original company philosophy, the “Three Aspects of Confidence.” In addition, they declare our objective of instilling confidence in other stakeholders: our shareholders and society.

Sysmex Way

Mission

Shaping the advancement of healthcare.

Value

We continue to create unique and innovative values, while building trust and confidence.

Mind

With passion and flexibility, we demonstrate our individual competence and unsurpassed teamwork.

Our Core Behaviors

To our Customers

We deliver reassurance to our customers, through unmatched quality, advanced technologies, superior support, and actions that consistently reflect the viewpoint of our customers. We constantly look out for our customers' true needs, and seek to generate new solutions to satisfy those needs.

To our Employees

We honor diversity, respect the individuality of each employee, and provide them with a workplace where they can realize their full potential. We value the spirit of independence and challenge, provide employees with opportunities for self-fulfillment and growth, and reward them for their accomplishments.

To our Business Partners

We deliver commitment to our client companies through broad-ranging partnerships. We strive to be a company that can grow in step with our trade partners, through respect and mutual trust.

To our Shareholders

Our shareholders can rest assured that we will continue to improve the soundness and transparency of our management policies, while promoting information disclosure and close communications. We commit ourselves to a consistent yet innovative style of management, in order to achieve sustainable growth and increased shareholder value.

To Society

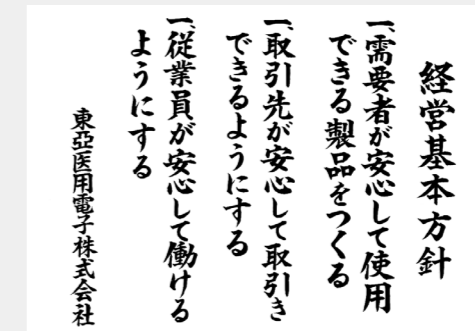
We carry out our business in strict compliance with laws and regulations, as well as in adherence to high ethical standards. As a responsible member of society, we play an active role in resolving environmental issues and other problems that impact our society today.

An Ideal Unchanged Since Our Founding

Our founder, Taro Nakatani, defined our corporate objective thus: “By providing the products we create, we will help resolve the issues society faces and make our own lives more fulfilling.” This objective forms the basis for our founding philosophy, the “Three Aspects of Confidence.” These thoughts are carried forward in the “Sysmex Way,” the Sysmex Group's current corporate philosophy.



Founder: Taro Nakatani



Founding philosophy, the “Three Aspects of Confidence:”

- Total customer confidence in all of our products.
- Total confidence in our associates in all our business transactions.
- Total confidence of our employees in themselves and all their work.

Our founding philosophy, the “Three Aspects of Confidence:” instills confidence among customers, business partners and employees and defines the basis of our management.

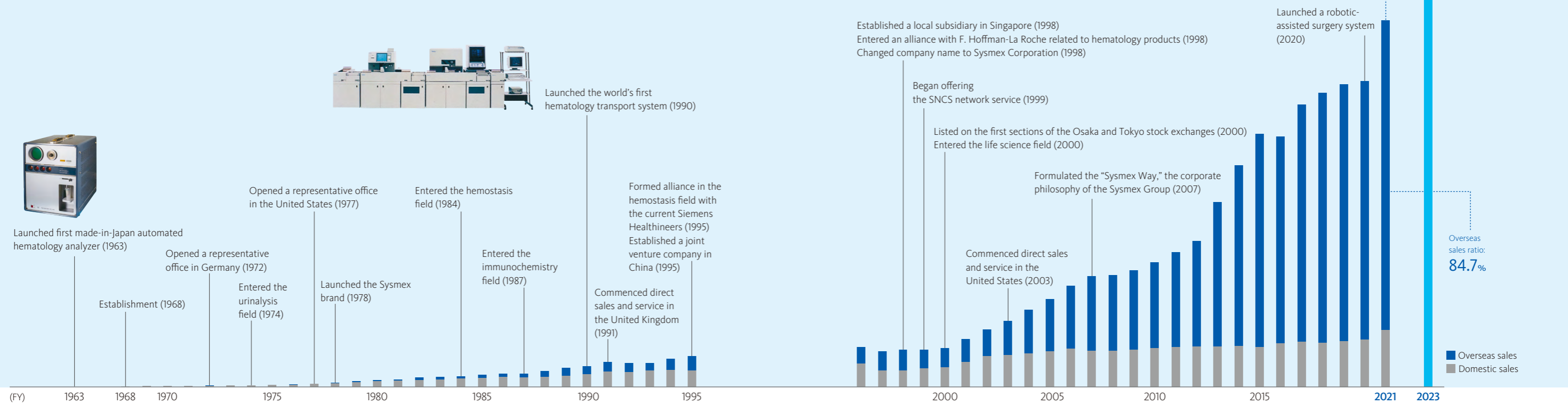
Mr. Nakatani noted that “There is no such thing as eternity in this world, and every flow must have its ebb. Companies are no exception to this rule.” He went on to share his thoughts on corporate management and confidence: “We will always strive to instill confidence. It is important to keep in mind that without this effort, the company cannot survive and proceed with its work.”



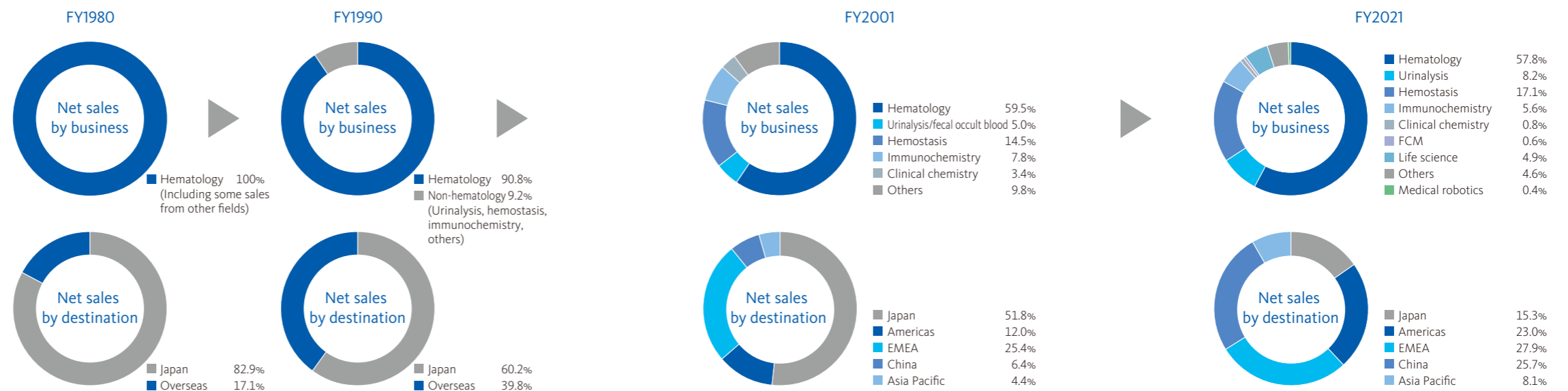
To ensure corporate sustainability in a constantly changing society, Mr. Nakatani believed it is essential that we ourselves continue to take on challenges. In that spirit, Mr. Nakatani visited the United States in 1960 in search of new business ideas. His attention was drawn to the field of medical electronic devices. When he returned to Japan, Mr. Nakatani began working with young researchers, conducting studies and engaging in development. In 1963, they succeeded in the commercialization of Japan's first blood cell counter, the CC-1001 automated hematology analyzer.

Sysmex's History

Since the time of its founding, Sysmex has grown by expanding its business portfolio in the domain of *in vitro* diagnostics and developing its business globally. Going forward, we will work to accelerate sustainable growth by quickly ascertaining changes in the business environment and developing our business.



Changes in Sales by Business and Destination



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A Snapshot of Sysmex

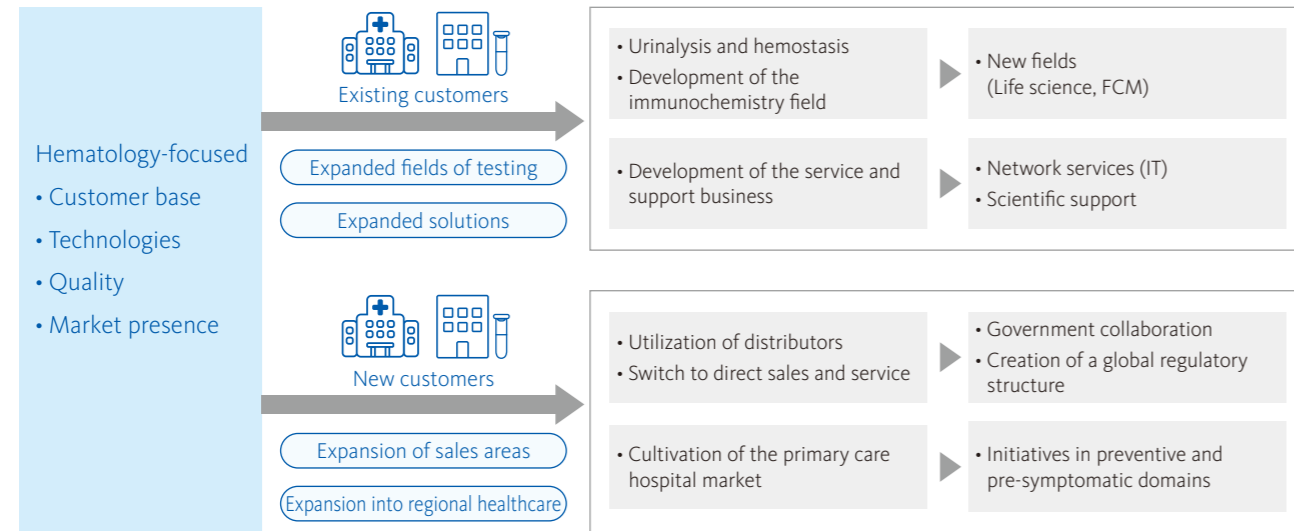
Note: Figures are as of March 31, 2022, unless otherwise indicated.

	Materiality	R&D	Production/Distribution	Sales	Service and Support	Companywide
Resolution of medical issues through products and services Responsible provision of products and services	<p>Three-year total R&D investment</p> <p>¥71.0 billion (Fiscal 2019–2021)</p> <p>Number of patents</p> <p>3,680 (Total number of patents, utility model rights and design rights)</p> <p>Average number of development projects per year</p> <p>Around 70 (Average over the past five years)</p>	<p>Instrument production bases</p> <p>7 locations globally</p> <p>Reagent production bases</p> <p>14 locations globally</p> <p>Production volume (reagents)</p> <p>Approximately 16.7 million units</p> <p>Number of unique items produced (reagents)</p> <p>1,174 items</p>	<p>Countries and regions where business is conducted</p> <p>More than 190</p> <p>Sales and service bases</p> <p>62</p> <p>Alliance partners</p> <p>Roche, Siemens Healthineers, EIKEN CHEMICAL, Cellavision, others</p>	<p>Customer Assessment in the United States</p> <p>No. 1 for 15 consecutive years Source: IMV ServiceTrak 2020 Hematology</p> <p>Customer needs addressed</p> <p>Approximately 14,000 (non-consolidated basis)</p> <p>Queries to the customer service center</p> <p>80,365 (non-consolidated basis)</p>	<p>Position in the <i>in vitro</i> diagnostics market</p> <p>9th globally*</p> <ol style="list-style-type: none"> Roche (Switzerland) Abbott (United States) Danaher (United States) Siemens Healthineers (Germany) Thermo Fisher (United States) Becton Dickinson (United States) Hologic (United States) bioMérieux (France) 9. Sysmex (Japan) <p><small>*Sysmex's estimates based on information disclosed for 2021</small></p>	
Realization of an attractive workplace	<p></p> <p>Approximately 900</p> <ul style="list-style-type: none"> Diverse specializations and technical skills Two acquisitions in the past five years (As of May 2022) 	<p></p> <p>Approximately 1,000</p> <ul style="list-style-type: none"> Greater productivity through the introduction of ICT Establishment of an attractive working environment and a focus on training 	<p></p> <p>Approximately 2,000</p> <ul style="list-style-type: none"> Promotion of more local management Hiring and development of regulatory affairs and clinical development personnel 	<p></p> <p>Approximately 1,700</p> <ul style="list-style-type: none"> Addressing the individual needs of each region and facility Increasing the number of people in charge of Caresphere™ and digital medicine 	<p>Engagement score</p> <p>65% (Excluding EMEA)</p> <p>Female managers ratio</p> <p>17.3%</p> <p>Training time per employee</p> <p>31.4 hours</p>	
Environmental consideration	<p>Results of decreased electricity consumption by new products</p> <p>Down by approximately 40% (Compared with Sysmex's older products)</p> <ul style="list-style-type: none"> For new products in the hematology field (Specimen Transport Product Group), we realized an environmentally friendly design that consumes less electricity than conventional models. 	<p>Percentage reduction in CO₂ emissions in shipping and logistics</p> <p>Cut 1% (Base year: Fiscal 2016)</p> <ul style="list-style-type: none"> Air transport increased, owing to delayed production of instruments stemming from semiconductor shortages. 	<p>Amount spent on product disposal as a percentage of net sales</p> <p>0.6%</p> <ul style="list-style-type: none"> Ongoing efforts to reduce waste through appropriate inventory management and other means 	<p>Percentage reduction in CO₂ emissions when using instruments</p> <p>22% reduction (Base year: Fiscal 2016)</p> <ul style="list-style-type: none"> Increased sales of power-saving products and global trend toward improvement in CO₂ emission factors 	<p>Percentage reduction in CO₂ emissions from business activities</p> <p>44% reduction (Base year: Fiscal 2016)</p> <ul style="list-style-type: none"> Decrease due to installation of equipment to reduce CO₂ emissions from business offices, improved production efficiency at factories, etc. 	
Strengthening of governance Sustainable growth	<p>Percentage of outside members of the Managing Board</p> <p>41.7%</p>	<p>Percentage of executive compensation that is performance-linked or non-monetary (excluding members of the Audit and Supervisory Committee and outside members of the Managing Board)</p> <p>73%</p>	<p>Financial results</p> <p>Net sales</p> <p>¥363.7 billion</p> <p>Free cash flow</p> <p>¥23.6 billion</p> <p>ROE</p> <p>13.5%</p> <p>Operating profit</p> <p>¥67.4 billion</p> <p>Percentage of recurring sales</p> <p>76.1% (Sales of reagents, services and support, others)</p> <p>Market capitalization</p> <p>¥1.9 trillion</p>			

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Systemx's Business Model

Business Expansion That Leverages Systemx's Strengths



Status by Field

Hematology	Urinalysis	Hemostasis	Immunochemistry
Systemx has No. 1 share of sales	Systemx has No. 1 share of sales	Systemx has No. 1 share of sales	
Market growth rate (2021-2023) 4%	Market growth rate (2021-2023) 4%	Market growth rate (2021-2023) 4%	Market growth rate (2021-2023) 4%
Market scale \$4,000 million	Market scale \$1,200 million	Market scale \$3,000 million	Market scale \$23,000 million
Systemx's sales (FY2021) ¥210.3 billion	Systemx's sales (FY2021) ¥29.9 billion (Sedimentation, chemistry)	Systemx's sales (FY2021) ¥62.0 billion	Systemx's sales (FY2021) ¥20.4 billion

Notes: Systemx has compiled data on market scale and growth rates based on publicly disclosed information as of 2021. Exchange rates are used for the year in which research was conducted, so simple comparisons with market scales presented in previous years are not possible. Our share of sales in the hemostasis field includes sales through an alliance with Siemens Healthineers.

Main Alliance Partners

Hematology	Roche, Cellavision
Urinalysis	EIKEN CHEMICAL, Siemens Healthineers
Hemostasis	Siemens Healthineers

Major Competitors

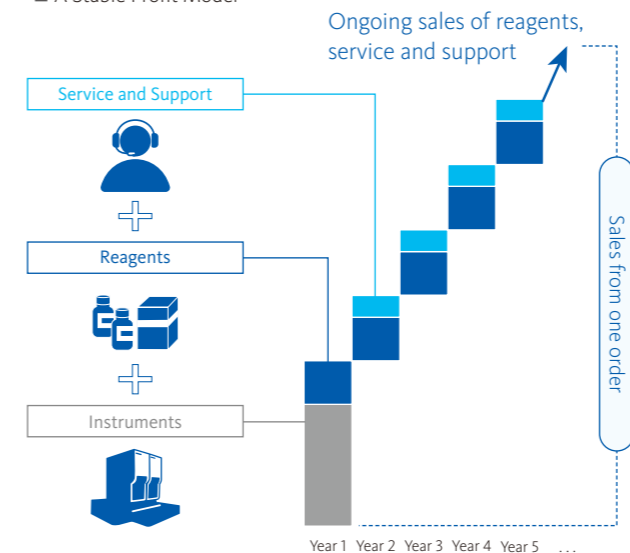
Hematology	Danaher, Siemens Healthineers, Abbott, Mindray
Hemostasis	Welfen (former Instrumentation Laboratory), Stago
Urinalysis	Danaher
Immunochemistry	Roche, Abbott, Siemens Healthineers
Clinical FCM	Becton Dickinson, Danaher

In the IVD market, demand tends to be relatively unaffected by global conditions and economic trends, and the market continues to grow along with advances in medicine. Systemx maintains a strong position in this market, particularly in the field of hematology, where we have a market share of more than 50% (No. 1). In the urinalysis and hemostasis fields, we are expanding our sales regions and product portfolios by collaborating with alliance partners. As a result, we have a No. 1 share of the global market in these fields, as well.

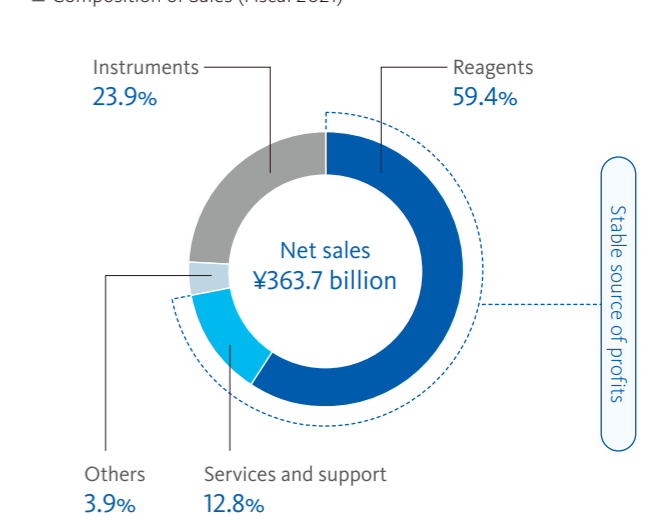
Systemx has continued to grow and established its market position since the time of its establishment, mainly by leveraging its expertise in the field of hematology, expanding its fields of testing and solutions, growing its sales regions, and developing its business in regional healthcare. (See the figure at left.)

Profit Model

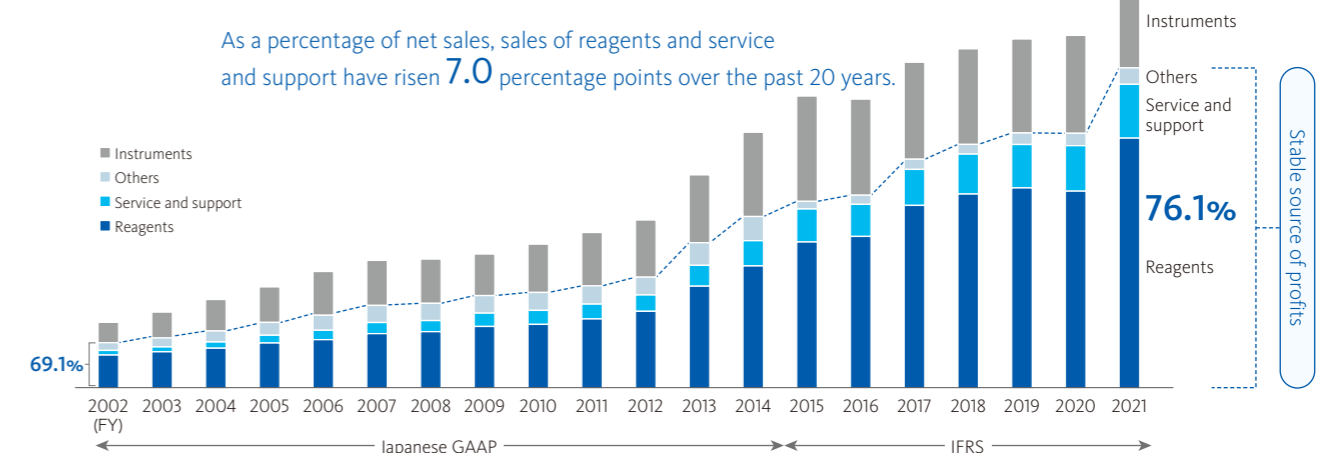
A Stable Profit Model



Composition of Sales (Fiscal 2021)



Sales of Reagents and Service and Support



Note: In the past, charges to customers based on the number of tests were included in "Others." From fiscal 2015, amounts are divided and presented as "Instruments," "Reagents" and "Service and Support." "Others" includes consumables.

Our earnings structure is characterized by stable and ongoing revenue sources and high profitability. In our mainstay fields of hematology and hemostasis, even after customers purchase instruments, we generate ongoing revenue by selling specialized reagents and providing service and support. Notably, Systemx is increasing its proportion of sales from reagents and service and support by expanding its share of business with large-scale facilities (where reagent use is high) and by growing its portfolio of clinically significant reagents. By increasing our proportion of sales from reagents, which are more profitable than instrument sales, we expect to generate stable earnings and maintain or increase profitability. Systemx's products and service and support earn high customer satisfaction, so in addition to new customers, we enjoy a high customer retention rate.

Message from the CEO



Hisashi Ietsugu
Chairman and CEO

By enhancing diagnostic value, we are contributing toward the extension of healthy lifespans, the improvement in accessibility to healthcare, the advancement of medical care and the optimization of medical costs, as well as promoting the overall advancement of healthcare.

Our mission is “Shaping the advancement of healthcare”. In line with this mission, we will enhance the value we provide to society, healthcare and patients.

I would like to extend my sincere sympathies to the people who are suffering from COVID-19. I also offer my heartfelt thanks to all of you who are working to help prevent this pandemic from spreading.

The “Sysmex Way,” the corporate philosophy of the Sysmex Group, defines our mission of “Shaping the advancement of healthcare.”

Sysmex operates in the healthcare domain, which continues to evolve and develop, constantly changing its form as new needs are created by advances in science and society. Looking around the world, although medical issues differ by country and region, emerging markets are following in the footsteps of developed countries, where healthcare levels continue to grow more sophisticated.

Within the healthcare domain, the value of diagnostics is also increasing. The *in vitro* diagnostics (IVD) market, which is worth an estimated \$80 billion, continues to grow steadily. Accurate diagnosis is essential for treatment, and the evolution of testing to support diagnosis is directly related to the development of medical care. In addition, the concept of personalized medicine, in which the selection of treatment methods is optimized for individual patients, has become a worldwide trend. Recently, calls have been mounting for progress in treatments that are early-stage and comprehensive, and that reduce patient burden. To realize these goals, R&D efforts are underway, including the automation and systematization of diagnostic instruments, the expansion of biomarkers, and the establishment of liquid biopsy. With primary care in the preventive and pre-symptomatic domains growing in importance, and telemedicine expected to become more widespread, increasingly diverse testing will play a major role in value creation.

Against this backdrop, the value Sysmex provides to society includes the extension of healthy lifespans, improvement in accessibility to healthcare, and advancement of medical care. We respond to the universal human desire to live long and healthy lives. At the same time, the optimization of medical costs is a theme of topmost importance. Providing testing that is optimal for each patient in terms of timing, location, and method can help ensure appropriate drug administration and the selection of treatment, reduce the physical and financial burden on patients, and lower medical costs. Sysmex, which aspires toward the advancement of diagnostics and healthcare, it can make a major contribution to these goals in countries around the world.

>>Sysmex's Value Creation P23

>>Providing Value to Patients, Healthy People, Healthcare, and Society P25



**To achieve sustainable growth,
we are aiming for double-digit sales growth and a 20% operating margin.**

Operating within the healthcare business domain, which is a growing market, Sysmex has based its management on double-digit sales growth for nearly 30 years.

Our main business domain, the IVD market, is growing in the mid-single digits. Basically, our goal is for sales growth to outpace the market's expansion, so we are concentrating on augmenting our portfolio and expanding our sales area. In the diagnostics business, our earnings structure is focused on generating ongoing stable revenue by providing reagents and service and support to customers after they purchase instruments, so sales growth is important.

Above all, I would like to emphasize the internal energy generated by our goal of double-digit growth. As we cannot achieve double-digit growth by simply following existing practices, Sysmex is committed to "generating wisdom." Given the changes that are occurring among customers and markets, we cannot reach this objective with short-term measures. Employees draw up new strategies and measures through dialogue, learning, and collaboration with customers and other stakeholders. Employees are motivated by the fact that their own efforts create value and contribute to customers and patients further down the road. We believe it is important to build this climate of constant thinking and growth to nurture the next generation 10 to 20 years in the future.

On the other hand, achieving growth also necessitates aggressive investment, which requires us to generate profits. In order to expand our portfolio globally and continue to create new value, our profitability target should be an operating margin of around 20%. Over the past few years, our operating margin has deteriorated as a result of new product development, regulatory application fees, proactive investment in digital transformation (DX), and deterioration in the cost of sales ratio. However, we believe that it is essential to improve our gross profit ratio and continuously raise profitability by boosting production efficiency (partly through DX) and through reagents accounting for a larger percentage of sales. We now have the environment in place to achieve our goals.

[»Financial and Capital Strategies \(Message from the Executive in Charge of Finance\) P51](#)

Mid-term management plan to realize our positioning under the long-term management goals (2025)

Based on these perspectives for value creation and growth, we established "A Unique & Advanced Healthcare Testing Company" as our long-term vision under the long-term management goals (2025) we formulated in fiscal 2018, and we set five positioning targets. Our mid-term management plan that commenced in fiscal 2021 is a promotion plan that incorporates specific measures for reaching these targets.

Expanding and advancing our business foundation are at the base of this strategy. Sysmex has a market share of more than 50% in the hematology field. We have also established a No. 1 global market position in the urinalysis and hemostasis fields, and we are steadily building our business foundation in the immunochemistry and life science fields. We have developed a sales and service network that spans more than 190 countries and regions, and a well-balanced regional portfolio, with the Americas, EMEA, China, and Japan and the Asia Pacific region each accounting for around one quarter of our business. In addition, we have cell, protein, and gene technology platforms and have built up manufacturing and quality control systems.

Leveraging these foundations, our mid-term management plan calls for us to continue reinforcing the hematology field. At the same time, the plan calls for growth in the key fields of hemostasis, immunochemistry, and life science. Meanwhile, we will advance the development of new businesses, such as medical robotics, and promote DX, both for customers and for ourselves internally. We will also focus on expanding our human resources portfolio and improving management quality, which will serve as the soil to nurture these growth strategies.

[»Long-Term Management Goals P31](#)
[»Mid-Term Management Plan P35](#)

**By augmenting our portfolio and expanding our sales regions,
we achieved record sales and profits in fiscal 2021.**

We made steady progress in fiscal 2021, which was the first year of our mid-term management plan. Net sales and operating profits both reached record levels, rising 19.2% and 34.8% year on year, respectively, and the operating margin recovered to 18.5%.

We faced difficult changes in the operating environment, such as the impact of COVID-19, raw materials shortages, sharply higher prices, disruption on the logistics front, rising geopolitical risks, and lockdowns in China, but we responded flexibly in each business and region. We believe we were successful in taking measures based on information we obtained from our customers around the world regarding their changing business environments and requirements.

In November 2021, a fire broke out at an outsourced storage facility in Japan, resulting in the loss of reagents and other inventory. However, due to an initial response based on our business continuity plan (BCP) and an expeditious revision to our supply plans, we were able to resume the provision of products several days later, and we quickly optimized inventory levels. Harnessing our Groupwide capabilities and realizing a stable supply to our customers provides us with a certain degree of resistance to environmental changes and risks.

In our diagnostics business, we worked steadily to take advantage of a recovery in testing demand, which had fallen off in fiscal 2020 due to COVID-19. In North America, we leveraged our alliances to grow in the urinalysis field. Sales increased in direct sales regions, such as Spain and Portugal, and a rise in testing related to COVID-19 also helped drive growth. By destination, sales grew by double digits year on year in each region except China. Meanwhile, in China we steadily undertook growth-oriented initiatives, such as instrument manufacture utilizing the knockdown production method and expansion of our reagent portfolio. Sysmex continues to focus on medium- to long-term growth in the Chinese market. This remains an important region for us, and we will accelerate our business development there going forward. In the medical robotics business, we began the full-fledged deployment of robotic-assisted surgery systems for the use in urology. We have

installed 18 units as of the end of fiscal 2021, and in October 2021 Mediaroid Corporation filed an application to expand regulatory approval to gynecology and gastroenterology.

With an eye to growth initiatives in fiscal 2022 and beyond, we will strive to expand our existing portfolio and sales areas, and we will focus on market development in India and other emerging markets. We have high expectations for Astrego Diagnostics AB (presently Sysmex Astrego AB), which became a wholly owned subsidiary in May 2022. With urinary tract infections, bacterial identification and other diagnoses can take time, making it difficult to prescribe appropriate antimicrobials at the first consultation. This can lead to antimicrobial resistance, which is a major medical issue. Astrego's proprietary microfluidic technology enables rapid antimicrobial susceptibility testing, and we aim to help resolve the antimicrobial resistance problem by commercializing the technology and introducing it to the market as soon as possible. Furthermore, we are stepping up our initiatives targeting Alzheimer's disease. Conventional testing requires cerebrospinal fluid, but we are working to reduce the burden on patients through liquid biopsy, which enables blood-based testing. We will accelerate development with a view to market introduction in the United States and Europe, as well as in Japan. In the medical robotics business as well, we are pursuing business development activities in the United States, Europe, and Asia Pacific.

[»Mid-Term Management Plan: Progress on the Key Actions P39](#)

Promoting sustainability management that aligns the vector of management strategy with the expectations and demands of society

One key action under our mid-term management plan is to "formulate a vision and roll out measures to reinforce and implement sustainability management." Sysmex regularly reviews its materiality based on changes in the external environment, societal expectations and demands, and the progress of its strategies. In fiscal 2021, we revisited our KPIs alongside our new mid-term management plan, and set the reviewed KPIs as our new sustainability targets.

Society's expectations and demands are growing by the day with respect to the materiality items Sysmex has identified, such as the environment, diversity and inclusion (D&I), supply chain management, human rights, and governance. In light of these changes, Sysmex believes that sustainability management is of the utmost importance in order to build a sustainable structure while promoting efforts to address each issue from a long-term perspective and aligning the vector of our management strategy with these social trends.

In product development, it has become essential to create products that increase testing value while also being environmentally friendly. For example, new products in the hematology field that we launched in 2021 shorten the time to diagnosis, improve laboratory work efficiency, and lower environmental impact by reducing power consumption by 40%* compared to conventional products.

With D&I, it is important to have employees with diverse values and backgrounds who can share different ideas, and for each of them to demonstrate their abilities. For the Group as a whole, we will accelerate D&I initiatives. We will also promote human resource development and human resource strategies that leverage diversity from a D&I perspective. Gender is also an issue, especially in Japan, where the economic world has long been male dominated. We are working to create an environment and culture in which female employees can easily demonstrate their abilities, and are striving to increase the ratio of women among our employees and managers.

To continue these sustainability initiatives and integrate them with our growth strategy, we are working toward the May 2023 announcement of a new long-term management strategy. Following this announcement, we hope to receive candid feedback from our stakeholders and promote active dialogues.

*Sample transportation system modules

[»Materiality P21](#)

[»Status of Sustainability Targets P47](#)

Building a corporate culture and promoting strategies based on the Sysmex Way to enhance corporate value

Corporate culture and human resources are of particular importance for enhancing corporate value. Sysmex positions human resources as the source of value creation. Accordingly, we are focused on revamping our HR system, attracting a diverse workforce, and cultivating the next generation of managers. Looking beyond strategy and system design, we also emphasize the accumulation of various types of experience and opportunities and an environment that allows employees to build diverse contacts, including with customers.

Underpinning these efforts is the "Sysmex Way," the corporate philosophy of the Sysmex Group. Our ideal is for employees to think and draw up strategy in terms of the Sysmex Way, and to align our corporate culture with this philosophy. Sysmex's management is unwavering in its corporate stance toward this philosophy; we share the Sysmex Way when recruiting human resources and conduct awareness activities at each Group location. In corporate culture surveys of employees, the rate of penetration for the Sysmex Way has remained at around 70% for the past few years. To improve this further, we will continue to promote dialogue with employees and increase engagement.

We strive toward the realization of a sustainable society and engage in initiatives to enhance corporate value, based on our mission as expressed in the Sysmex Way, of "Shaping the advancement of healthcare." We would like to ask our stakeholders for their continued support and understanding of our endeavors.

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