



What Sysmex Aims for

Based on the “Sysmex Way,” the corporate philosophy of the Sysmex Group, Sysmex seeks to provide high-value-added products and services and to foster innovation. By doing so, we aim to realize a healthier and more fulfilling society through the enhancement of diagnostic value and the resolution of medical issues.

Column India’s Healthcare Environment

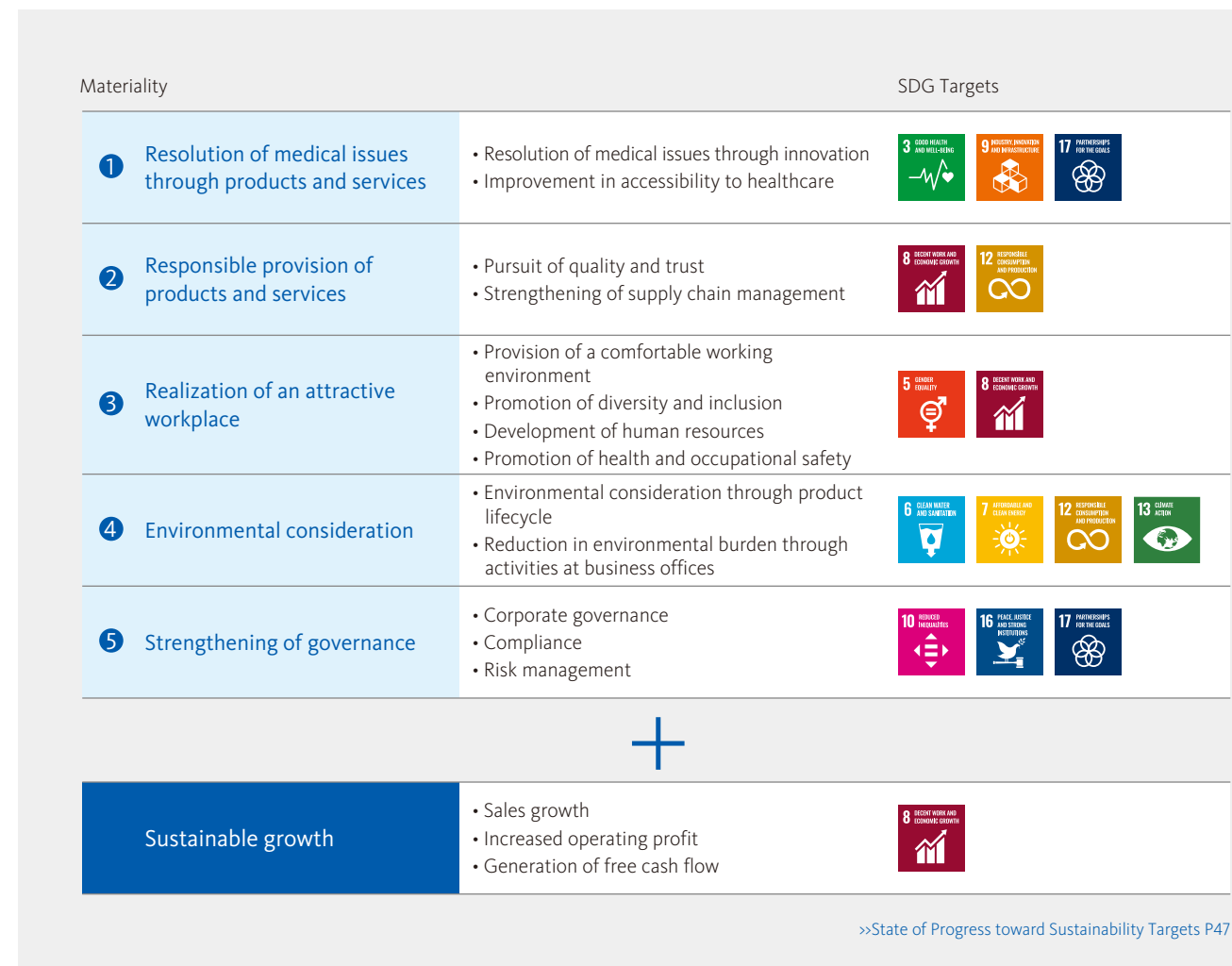
The spread of COVID-19 highlighted the issue of healthcare infrastructure development, particularly in rural areas. The Indian government responded by allocating approximately 860 billion rupees to its healthcare budget for fiscal 2022–2023 to promote an increase in primary healthcare facilities to improve standards in rural areas. Large private hospitals are also working with the government and their respective state governments to develop and enhance local healthcare systems. Demand for medical testing has been increasing significantly, and in addition to faster and more automated processing of multiple specimens, there is a growing need to standardize test quality.

 Sysmex will contribute to improving the quality of medical care in India by providing a stable supply of products and appropriate service and support to ensure stable operation of the testing systems at medical facilities.



Materiality

Materiality Items Supporting Sustainable Growth



Dialogue Targeting Stakeholder Engagement

Corresponding Materiality	Stakeholders	Main Dialogue with Stakeholders
1, 2, 4	Customers Medical institutions and commercial labs in more than 190 countries and regions	<ul style="list-style-type: none"> Communication through sales and service and support activities Collection of the voice of the customer (VOC) Holding of scientific seminars (online)
3, 5	Employees Sysmex Group employees (more than 9,000)	<ul style="list-style-type: none"> Corporate culture surveys and dialogues based on their results Creation of a global internal reporting system Creation of a labor-management council
2, 4, 5	Business Partners <ul style="list-style-type: none"> Joint research and development partners (more than 200 themes) Suppliers (approximately 250 Tier 1 suppliers) Distributors (more than 600 companies) 	<ul style="list-style-type: none"> Communication through open innovation and alliances Communication based on procurement policies Holding of meetings with distributors
1, 4, 5	Shareholders Shareholders and investors (approximately 14,000)	<ul style="list-style-type: none"> Proactive disclosure and dialogue Holding of various briefings
1, 2, 4	Society Governments and administrations Regions and societies (including NPOs)	<ul style="list-style-type: none"> Collaboration and dialogues with government agencies and international organizations Participation in local communities

(See P101 for details related to stakeholder dialogues.)

Systemex's Materiality

Systemex has identified priority issues (materiality) with a view to realizing a sustainable society and achieving sustainable growth for Systemex.

Systemex's materiality items are priorities we have identified by taking into account the needs and expectations elicited through stakeholder engagement and Systemex's internal and external operating environments. We identified these priorities by making an overall assessment along two axes, the "degree of importance for Systemex's stakeholders" from a medium- to long-term perspective, and from the perspective of risks and opportunities, the "degree of importance for Systemex."

In addition, we review and verify these items when formulating mid-term management plans. These were previously verified in fiscal 2020. Some of the content was updated to reflect changes in the operating environment, such as growing demands from outside the Group.

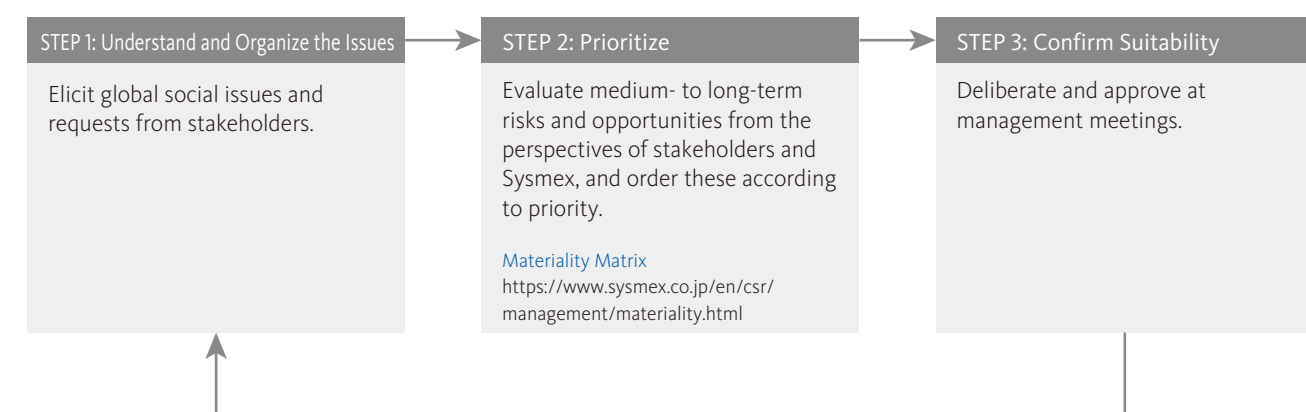
To make progress toward our targets more visual and

effective, in the fiscal 2021 revision we set "sustainability targets" as specific KPIs in line with the mid-term management plan. We also developed action plans and activities for responsible divisions. Members of the Managing Board confirm progress toward sustainability targets, which is reported regularly by each department at meetings of the Managing Board and at quarterly management meetings. In addition, the entire Company works together on initiatives when discussing new measures.

As our business expands, our stakeholders have grown more diverse. Nevertheless, our fundamental management philosophy of instilling confidence among our stakeholders has remained unchanged. As a Group conducting business in the healthcare sector, Systemex works alongside its business partners and employees to provide products and services to medical institutions and other customers in an effort to resolve healthcare issues.

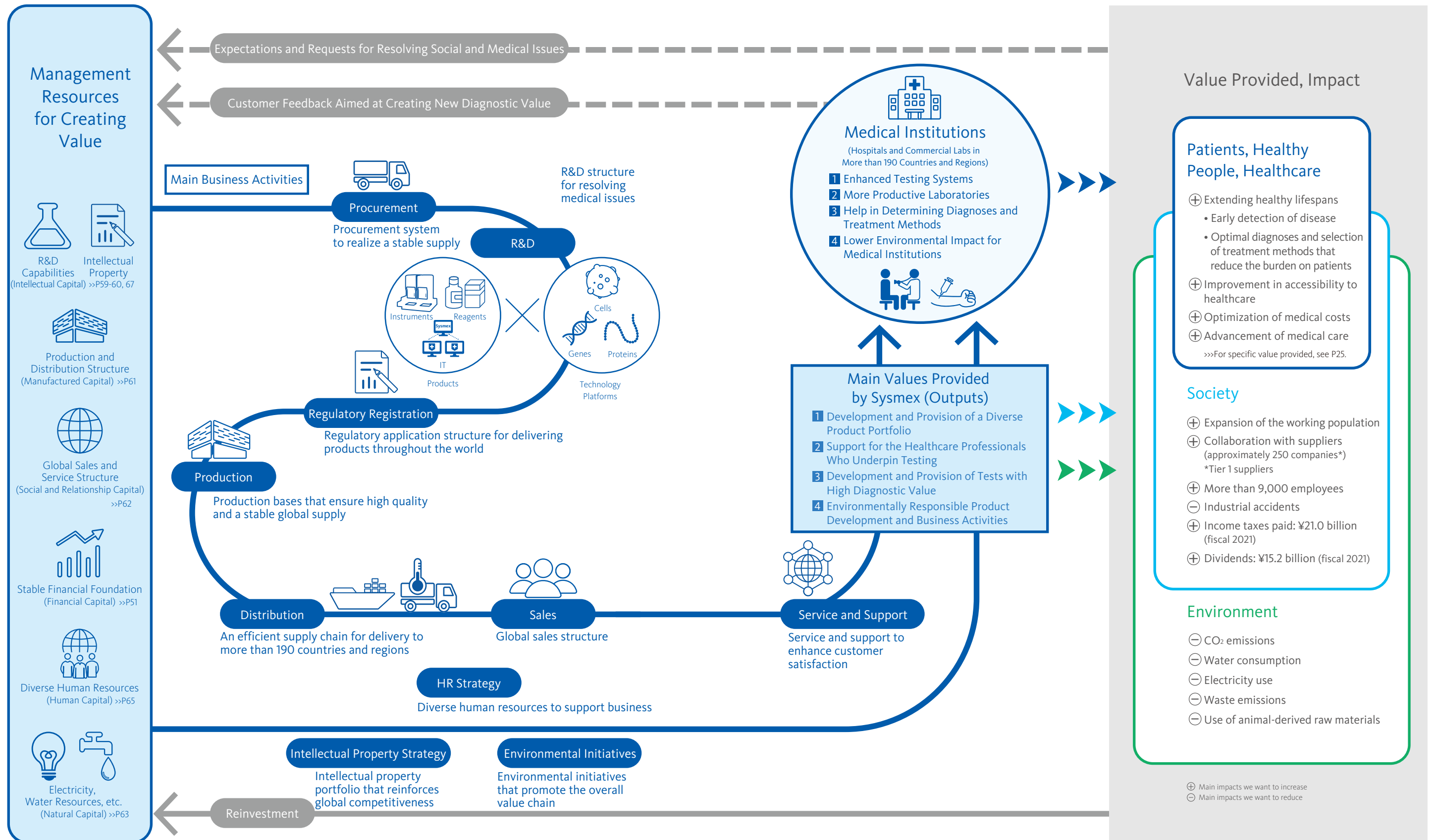
Systemex will continue to engage proactively in dialogues with stakeholders to co-create value in a sustainable manner.

The Process of Identifying our Materiality



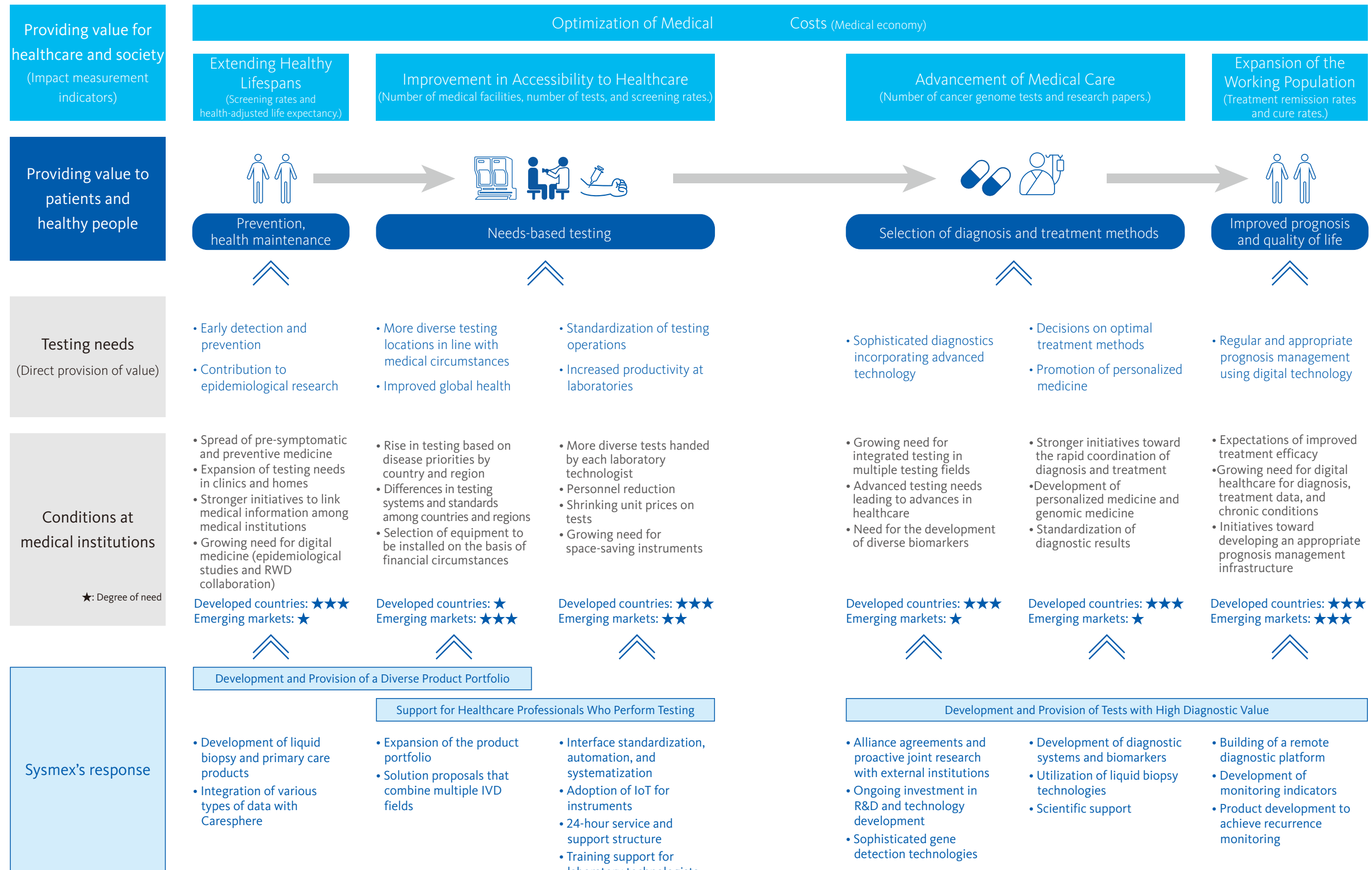
Sysmex's Value Creation: Aiming for Sustainable Growth

Our business centers on *in vitro* diagnostics (IVD), based on our mission of "Shaping the Advancement of Healthcare." This mission is expressed in the "Sysmex Way," the corporate philosophy of the Sysmex Group. By leveraging our unique management resources, we provide high-value-added products and services, aiming to extend healthy lifespans and optimize medical costs.



Providing Value to Patients, Healthy People, Healthcare and Society

By meeting the needs of medical institutions and providing various sorts of value corresponding to different life stages, we work to optimize medical costs, extend healthy lifespans and advance healthcare.



Worksite Commentary

Japan: Person in Charge of Regional Medical Care (Aomori Prefecture)

We help increase laboratory productivity and support community healthcare.



Yosuke Agatsuma
Morioka Sales Office
Sendai Branch
Sales & Marketing East/Japan

Under the Ministry of Health, Labour and Welfare's vision, the roles of regional medical care in Japan are being divided among different facilities, with laboratory needs varying by facility. In addition, as medical care grows increasingly sophisticated, the work of laboratory technologists is also becoming more diverse. In addition, the number of tests related to COVID-19 is increasing, making laboratory operations more complicated and increasing workloads.

With regional hospitals in these circumstances, Sysmex believes it is important for tests to simultaneously provide clinical value (high and multiple functionality) and to deliver value on the efficiency and cost fronts. With our new products in the hematology field that launched in March 2021, we have sought to reflect this feedback from medical facilities and laboratories by providing high-value-added products and promoting their adoption by new customers. We have worked to automate tasks that were previously performed manually, reducing the workload at laboratories while simultaneously boosting productivity and lowering operating costs. We aim to support regional medical care by proposing and expanding value in these ways.

India: Person in Charge of North and East India

We will identify the diverse needs of different regions and facilities to improve the value of diagnostics.



Vineet Malhotra
Deputy General Manager
Sales (North and East India)
Sysmex India Pvt. Ltd.

India faces major disparities in testing volume and parameters, depending on whether facilities are urban or rural, on whether they are privately run or government-affiliated, and on the size of the facility. One particular issue that India faces throughout the healthcare system is that of improving healthcare standards in rural and inland areas. Medical facilities in these regions are looking for ways to achieve high productivity and rapid testing, while at the same time reducing the cost of testing.

Sysmex has been working for some time to offer products and solutions that are precisely tailored to individual regions' needs. We have built a robust position by offering unique parameters, high quality, excellent service and scientific support. We will continue working to fully leverage these advantages to expand our product and service offerings and improve diagnostic value. In addition, we will support advances in diagnosis and treatment by sharing technical expertise and cutting-edge case studies at Group meetings and seminars.

Ghana: Person in Charge of the Entire Region

We aim to carefully respond to country risk and enhance medical standards.



Moustapha Abari Dan-Bouzoua
Manager
Country Sales/Marketing Department
Sysmex West and Central Africa Ltd.

In Ghana, medical treatment fees under the national health insurance system are low, and taxes on medical instruments are high. This situation makes it difficult to invest in testing equipment and increase testing fees. Against a backdrop of underdeveloped medical regulation, low product quality is the norm, and country risks (such as payment terms and currency) are also a factor.

Given these regional characteristics, Sysmex focuses on carefully responding to country risks and working to improve the standard of healthcare in Ghana. We are placing a particular emphasis on the need to provide accurate test results, the provision of test flows that support rapid diagnosis, the acquisition of expertise and technologies, and higher productivity in testing. Specifically, we provide a leasing and maintenance menu aimed at optimizing cost-effectiveness. We also help to enhance testing infrastructure through customer training, product workflow analysis, and technical support for testing systems.

United States: Person in Charge of Large and Medium-Sized Hospitals

We propose value-added solutions to meet needs for automation and labor saving.



Tom Tojo
Director
Corporate Accounts
Sysmex America, Inc.

Sysmex has acquired a major share of the US market. However, the ongoing management integration of medical institutions and the formation of groups is driving an increase in cases of bulk purchasing of medical instruments. We are concerned that these moves could affect our market share. That said, Sysmex's current position in the US market is robust, and we have a strong competitive advantage. Market competition is expected to intensify, as total laboratory automation (TLA) vendors roll out solutions that bundle clinical chemistry, immunochemistry, and hemostasis offerings along with hematology.

The United States is learning to live with COVID-19, but the acute care wings of large and medium-sized hospitals have growing needs for further automation and labor savings. Staff placement and personnel planning are essential parts of laboratory operations. Decisions to introduce hematology products are also made with an eye toward the future of the healthcare system and take into account the increasing call to minimize manual processes, except in pediatrics and other areas where physicians' orders are mandatory.

Sysmex will leverage its extensive customer touchpoints to ascertain laboratory needs through regular customer meetings and symposiums and incorporate them into product development and value-added proposals.

China: People in Charge of Tier 2 and 3 Hospitals

Amid growing demand for testing and healthcare cost reforms, we will meet expectations through careful communication.



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Marketing Promotion Department
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As its population ages, China is working to rapidly enhance its healthcare infrastructure, and demand for testing is growing. At the same time, the country is working to curtail medical expenses through reforms to comprehensive medical fee reimbursements. This is likely to result in growing expectations for instrument manufacturers on the quality, quantity, and cost fronts. In this environment, Tier 2 and 3 hospitals (which Sysmex is focusing on) are playing a role in providing more advanced treatment, training future generations, and raising the level of regional medical care. For testing, we are seeing growing needs for high-precision, multi-parameter testing, increased efficiency, full automation, and scientific support. While customers indicate that the product solutions Sysmex currently provides are meeting these needs, technological innovation needs to continue. We will continue to communicate closely with customers, key opinion leaders and distributors. By sharing their requests with the product development team, we will contribute to the early detection of diseases, more efficient medical care, and higher added value at laboratories.