

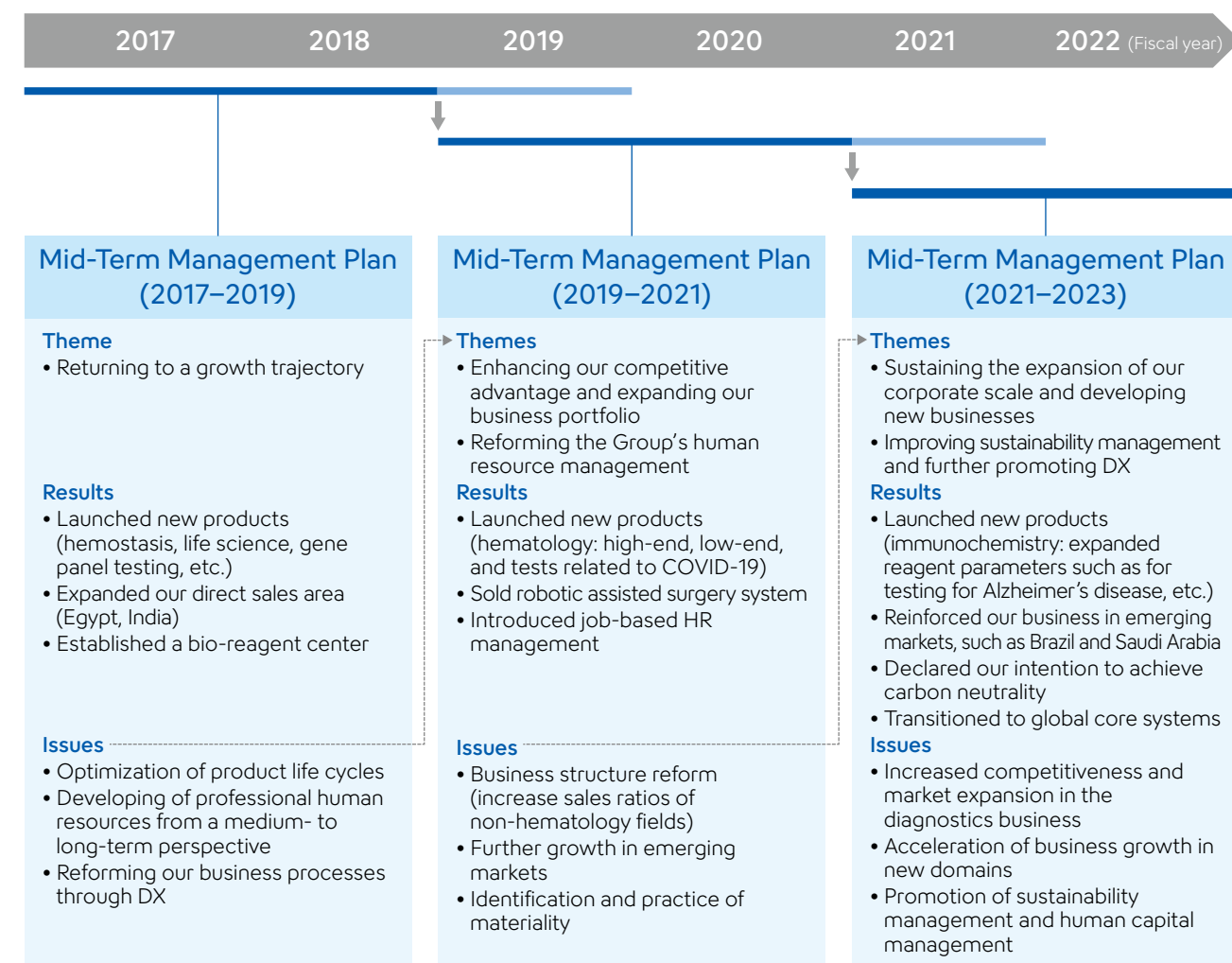
Mid-Term Management Plan and Initiatives

In response to the newly formulated Long-Term Corporate Strategy, we have created a new Group mid-term management plan for the three years from fiscal 2023 (Announced in May 2023)

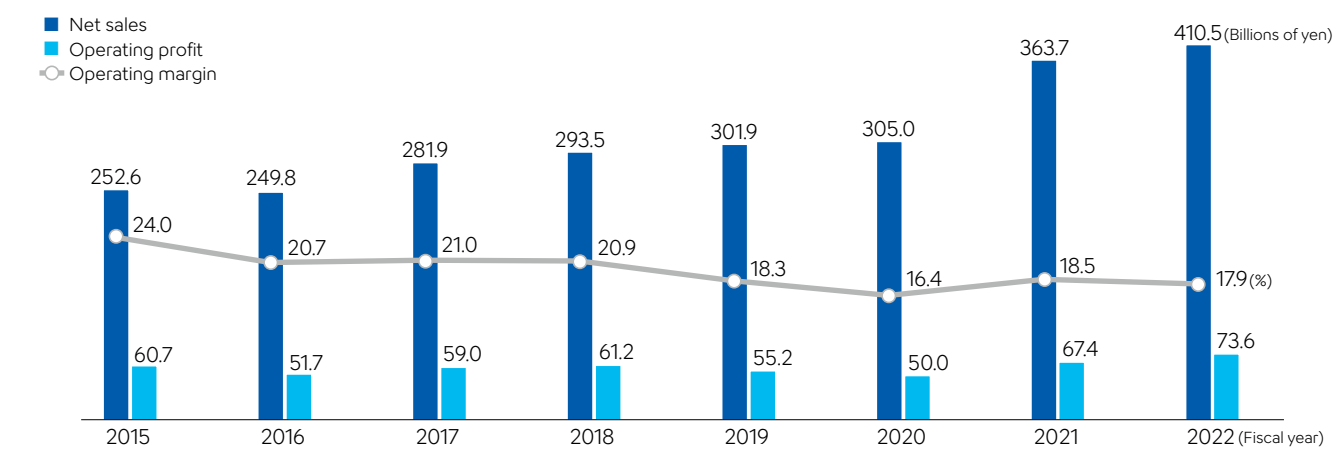


Management Plans to Date

Sysmex has continued to expand under its previous long-term corporate strategy. In fiscal 2016, revenue increased in all regions, but the impact of yen appreciation meant that we were unable to fully achieve the levels of revenue increases we had sustained up to that point. Accordingly, the mid-term management plan that commenced in fiscal 2017 strongly emphasized the theme of returning to a growth trajectory. After that point, we worked to launch new products aimed at ensuring future competitiveness, strengthened our foundation in emerging markets, and launched a new business centered on robotic-assisted surgery systems. In preparation for a new stage, Sysmex has also recognized the importance of SDGs and other sustainability targets, and has focused on promoting sustainability management and DX. We have adopted the practice of a rolling three-year mid-term management plan, which we review every two years. We do this to ensure that the plan is precise and achieves its goals in light of changes in the external environment and our own circumstances.



■ Key Financial Results



Message from the President



Kaoru Asano

Kaoru Asano
President

Under our long-term vision, “Together for a better healthcare journey,” we will achieve further growth by evolving our business model and expanding our business domains.

Formulating Long-Term Corporate Strategy 2033 (VA33) Based on Our Outlook of the Operating Environment a Decade from Now

I was appointed to the post of president in a milestone year, just as we are announcing a new Long-Term Corporate Strategy.

Sysmex has established a solid position by contributing to the global resolution of medical issues through its diagnostics business. Contributing to healthcare worldwide is not just Sysmex’s purpose—it is also our social responsibility. To uphold this purpose, we need to achieve sustainable growth. I believe it is my mission to dedicate myself fully to steering our creation of value and continuing to instill confidence among stakeholders.

Fiscal 2023 marks the launch of our Long-Term Corporate Strategy 2033 (VA33), which charts our path to value creation over the next decade. VA33 is based on our mission of “Shaping the advancement of healthcare” as described in the Sysmex Way, the corporate philosophy for the Sysmex Group. To develop this strategy, we took a point 10 years hence as our starting point. We have focused specifically on the further advancement of personalized medicine, driven by technological innovations such as genomic analysis, in order to extend healthy lifespans and optimize medical costs. Drug selection is becoming more sophisticated, and there is a growing demand for comprehensive follow-up and treatment from the very earliest stages. It is important to pay attention to each individual’s needs and to take a holistic view of the entire healthcare process. In this era, we believe that expanding the scope and targets of value provision is essential in order to contribute to the health of people worldwide.

Sysmex advocates the concept of a “healthcare journey.” Going beyond the patient journey, which focuses on the flow of diagnosis and treatment, the healthcare journey encompasses the various healthcare events throughout a person’s life. Sysmex aims to improve each individual’s healthcare journey, but we cannot achieve this goal alone; it requires collaboration with various companies and organizations involved in healthcare, including medical institutions. This idea formed the impetus for our long-term vision, “Together for a better healthcare journey.”

Organizing the Evolutionary Path of Our Value Creation Embracing B-to-B-to-C in the Scope of Our Business Model

To enhance value creation at each phase of the healthcare journey, Sysmex must undergo its own transformation and evolution. Whereas our traditional testing business was a B-to-B model, now we need to embrace the scope of B-to-B-to-C business, which also focuses on the end-consumers at the center of the healthcare journey.

For business domains, we have adopted the idea of innovation streams and arranged our evolutionary path along two axes: organizational ability and markets. >>Long-Term Corporate Strategy P23 First, we will focus on strengthening our existing diagnostics business. We will direct around 70% of our investment into this business, which is also our primary source of capital (Domain A). We enjoy a high share of the market in the diagnostics business, but ample potential for growth remains. In the hematology and urinalysis fields, we see substantial room for growth in India and other emerging markets, where we aim to expand our business. In the hemostasis field, where needs are becoming more diverse, we will offer advanced solutions and conduct global rollouts. Expanding reagents and sales regions is a priority issue for us in the immunochemistry field, where the market is large and expected to grow.

Through advances in our organizational ability and the market, we will foster the life science field, which focuses on genomic testing technology, and broaden its diagnostic value in the areas of personalized prevention and prognosis monitoring (Domains B and C). In new businesses, we commenced full-scale development of medical robotics in fiscal 2021. In addition, we will develop and nurture business centering on treatment domains such as regenerative and cellular medicine, based on open innovation and collaboration with other companies (Domain D).

Integrating Our Growth and Sustainability Strategies On the Financial Front, Targeting Net Sales of More than ¥1 Trillion and Operating Profit Above 20%

VA33 is characterized by a design approach that started with the formulation of a vision, and then used backcasting to create our materiality, core strategy, and KPIs. This allowed for a consistent story and a simple structure, making it easier to align with our targets and key actions in our mid-term management plans. We expect VA33 to enhance understanding among external stakeholders, as well as employees, and to foster more active dialogues.

In core strategies, we have incorporated the concepts of eco-social and human capital, integrating our growth strategy and sustainability strategy. For example, in addressing environmental concerns, we will focus not just on climate change and water resource management, which are important social demands, but also strive to realize a “circular resource society,” which the entire healthcare industry should prioritize. This approach means transforming Sysmex’s entire value chain. In terms of human capital, recognizing that people are our greatest asset, we will build an optimal human resources portfolio to drive value creation, by accelerating our diversity, equity, and inclusion (DE&I) efforts. We will prioritize the promotion of female employees and emphasize the importance of personnel with diverse values and backgrounds, allowing each individual to demonstrate their abilities in a collaborative environment.

On this basis, VA33 establishes quantitative targets on both financial and non-financial fronts. Our growth-oriented financial target for fiscal 2033 is net sales of more than ¥1 trillion yen, and our profitability target is an operating margin of more than 20%. Thus we aim to sustain the Company’s growth momentum by continuing to adhere to Sysmex’s record of achieving double-digit growth and a 20% operating margin. On the non-financial front, to achieve zero product losses we are targeting 0.1% or less as our percentage of waste that is unused in products. We will switch to recycled and environmentally conscious materials, aiming to achieve a 100% rate of use in containers and packaging materials. As well as capital efficiency indicators, we will continue to monitor indicators related to human capital and corporate management, such as employee engagement and customer satisfaction. We plan to organize the framework for these indicators during fiscal 2023.

New Mid-Term Management Plan Covering a Critical Period of Change Steadily Implementing Six Key Actions

Our first three-year action plan on the path to realizing VA22 is the mid-term management plan for fiscal 2023 to fiscal 2025. This marks an important phase in Sysmex’s evolution—a period we will look back on in 10 years as our “point of transition to a new stage.”

Under the mid-term management plan, we have established four key actions that align with our directions of evolution (Domains A to D), as I explained earlier, as well as key actions for eco-social, human capital, and corporate management.

During the period of this mid-term management plan, our main source of earnings will continue to be our diagnostics business. We expect to achieve strong sales growth through initiatives such as the global rollout of new products in the hematology field, expansion of our reagent portfolio in the immunochemistry field, and the extension of business leveraging our global OEM agreement with Siemens in the hemostasis field. Additionally, we plan to strengthen our sales system in emerging markets, such

as India, to further support robust growth. Furthermore, Sysmex will continue to leverage genome analysis and liquid biopsy technologies and accelerate the launch of personalized prevention and prognosis monitoring services. In the medical robotics business, we will focus on obtaining regulatory approvals and entering markets overseas.

To expand these business domains, we need to respond flexibly to change and be flexible in making course corrections. We will strive to enhance our risk management and investment management capabilities. In M&A, investments, and partnerships, we will increase the precision of our goal setting and revenue-recovery plans, and monitor these plans rigorously.

For fiscal 2025, the final year of our mid-term management plan, we are targeting net sales of ¥560.0 billion, up 36% from the fiscal 2022 level; an operating profit of ¥112.0 billion, up 52%, ROE of 16%, and free cash flow of ¥46.0 billion. In terms of profitability, we will leverage the investments we have made in digitalization to improve productivity by revamping business processes and utilizing data. A new system will become operational in fiscal 2023, enhancing productivity. We will further boost profitability through global growth in each field in our diagnostics business by expanding testing parameters, particularly in the immunochemistry field.

Furthermore, we have set 14 sustainability targets to align with the materiality items we have recently re-established. We will follow a PDCA cycle while verifying progress toward these targets.

Working to Become a Company Whose Employees Realize the Significance of Its Business and the Value It Provides, and One That Can Grow Autonomously, Thereby Enhancing Corporate Value

I believe the growth of a company and the growth of its people are correlated and synonymous. To produce a large number of self-driven employees, we prioritize investment in training and talent development. At the same time, we actively collaborate with external partners to create opportunities and environments that foster interaction among people of different values and capabilities.

A crucial factor in achieving such growth is the engagement between a company and its employees, as well as their sense of purpose and fulfillment in their work. Speaking from my own experience in research and development and my involvement in new fields and businesses, one moment that stands out is the first surgery conducted using the robot-assisted surgery system in 2020. We were observing from a monitoring room next to the operating room. As we watched the surgery unfold on the screen, I was moved to tears when the surgery ended successfully and the doctors shook hands. That sight will be etched in my memory forever. Going beyond surgical procedures, Sysmex’s work is directly related to the health and lives of people, so we have many opportunities to feel a sense of fulfillment. I hope that each and every employee will contribute to us becoming a company that focuses on providing value to society and consumers. Such a company will naturally evolve and improve its corporate value and performance.

In its quest to create further value, Sysmex will continue to proudly embrace new challenges.

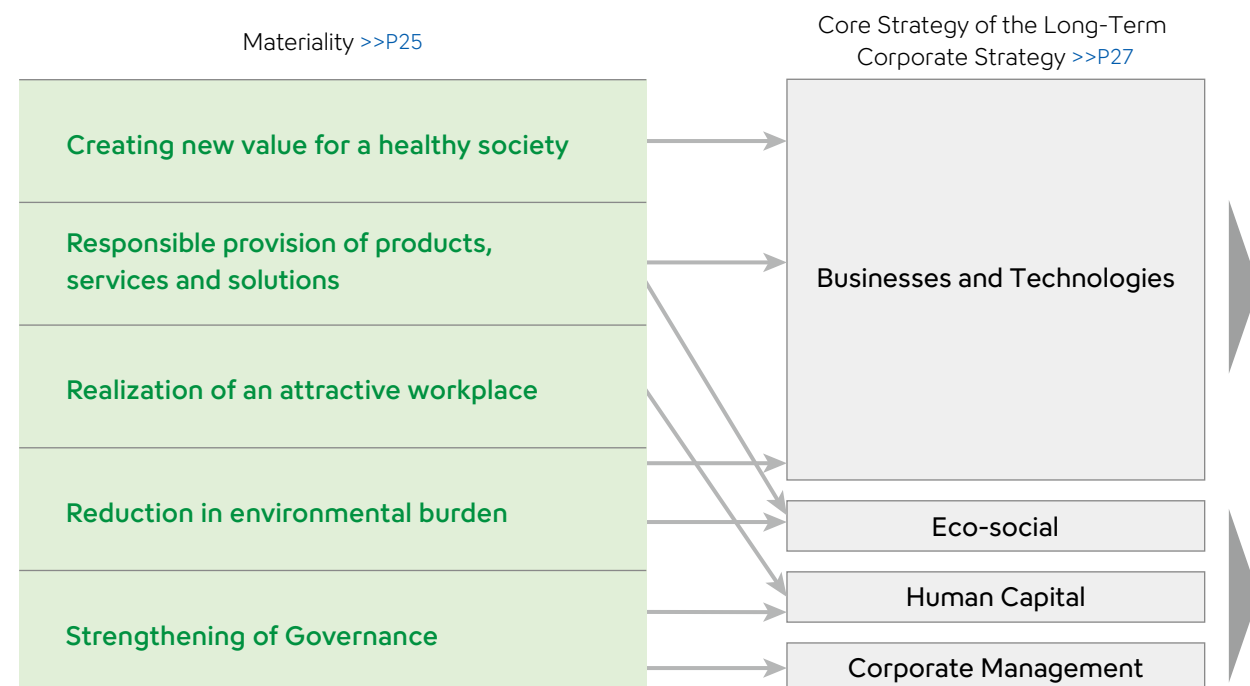


Overview of the Mid-Term Management Plan

Background to Formulation of the Mid-Term Management Plan



Positioning of Materiality, Core Strategy, and Group Key Actions



This mid-term management plan covers the first three years toward the realization of our Long-Term Corporate Strategy 2033 (VA33). We are positioning this period as an important turning point toward a new stage of Sysmex's evolution. In formulating the plan, we examined changes in the social environment and issues that existed under the previous mid-term management plan, in order to realize a better healthcare journey and practice sustainability management as stated in our long-term vision. On this basis, we have established six Group Key Actions (GKA) based on our core strategy.

The GKA defines four actions from the perspective of business and technology, with GKA 1 forming the pillar for profitability and growth. In our existing diagnostics business, the market is growing at around 4% annually, suggesting significant room for further growth. By expanding our reagent portfolio, particularly in the mainstay hematology field, as well as in immunochemistry, and enlarging our direct sales and service area in the hemostasis field, we aim to grow faster than the market. Focusing on emerging markets such as India will further support growth and contribute to improving access to healthcare.

GKA 2 calls for us to grow and develop our existing businesses, while also seeking to expand into new areas. Notably, Sysmex has been involved in the life science field since fiscal 2000. Recently, the field has seen significant advances in personalized medicine, such as genetic testing being covered by health insurance. Sysmex will seize the opportunities presented by such changes in the operating environment to establish businesses that will drive the next generation of healthcare. These include the expansion and utilization of gene panel testing, liquid biopsy technology, and other advances.

In light of the technological innovations that are getting underway in the medical field, GKA 3 calls for Sysmex to contribute in new areas, taking into account the decentralization of medical functions and the increasing awareness of personal disease-prevention measures.

Through synergies from initiatives under GKA 2 and GKA 3, as well as by leveraging Sysmex's strength in IVD, we aim to contribute toward the resolution of medical issues, such as the optimization of medical expenses, non-invasive and minimally invasive testing, and shorter testing times. We also strive to create new businesses to realize our long-term vision.

GKA 4 outlines initiatives through which Sysmex will take on challenges in new medical domains. In 2020, we launched the first made-in-Japan robotic assisted surgery system. During the period of our current mid-term management plan, we will work to enter markets in the Asia Pacific region, as well as Europe and the Americas.

We have established two GKAs describing human capital, corporate management, and an all-encompassing eco-social perspective.

Through GKA 5, we aim to create a circular resource value chain and resolve social issues by implementing centralized management of that chain utilizing IT. We will also strive to achieve zero product losses.

Under GKA 6, we aim to become a sustainable company by optimizing our talent portfolio and redoubling our efforts in diversity, equity, and inclusion (DE&I) through flexible work practices. By respecting diversity and leveraging talent with different backgrounds, we will promote innovation.

Group Key Actions (GKA) under the Mid-Term Management Plan

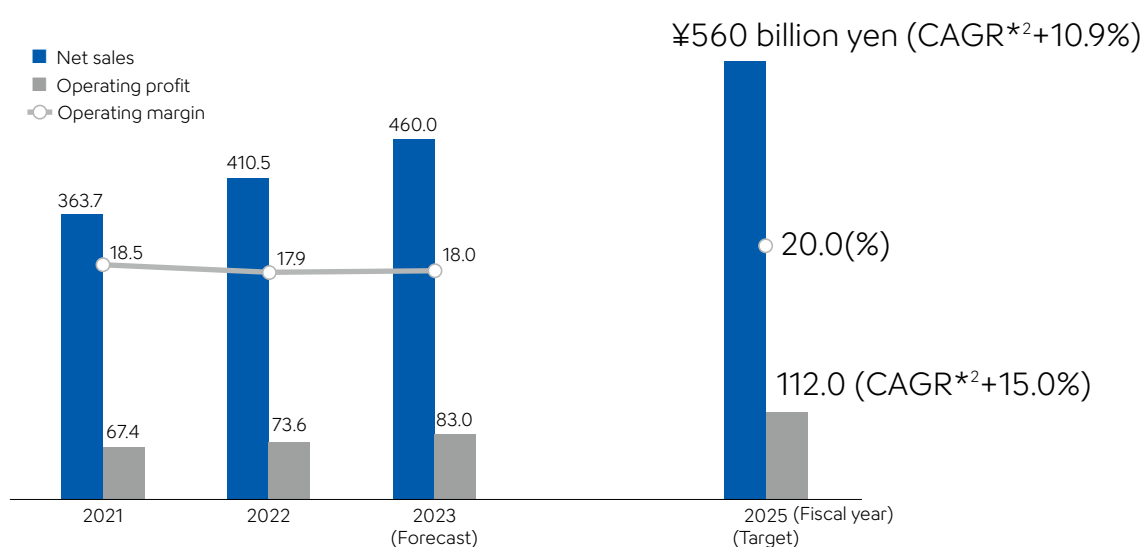
- 1 Enhance competitiveness and expand markets through innovation in diagnostics business domain** P43
- 2 Accelerate commercialization centered on genetic testing in the domain of personalized medicine** P44
- 3 Create a new business model in the domains of prevention and self-medication** P44
- 4 Accelerate business growth in the therapeutic domain, centered on the medical robotics business** P48
- 5 Realize a circular resource value chain and transform with a view to solving social issues** P51
- 6 Enhance corporate value by strengthening human capital and management base** P53

Mid-Term Management Plan Targets

Main Financial and Non-Financial Targets

	Fiscal 2022 (Actual)	Fiscal 2025 (Target)	Fiscal 2033 (Target)
Net sales	¥410.5 billion	¥560.0 billion	¥1 trillion or more
Operating profit	¥73.6 billion	¥112.0 billion	
Operating margin	17.9%	20.0%	20% or more
ROE	12.4%	16.0%	
Cash flow	¥17.0 billion	¥46.0 billion	
Product losses (percentage of unused product waste*)	—	0.18%	0.1% or less
Switch to environmentally conscious materials (rate of use in containers and packaging materials)	—	60%	100%

*1 Cost of unused Sysmex products discarded as waste/net sales



Sales Targets by Business and Field

	Fiscal 2022 (Actual)	Fiscal 2025 (Target)	CAGR*2 (%)
Hematology	241.3	297.0	7.2
FCM	2.2	7.0	45.7
Urinalysis	34.0	43.0	8.1
Hemostasis	66.9	93.0	11.6
Immunochemistry	23.5	40.0	19.3
Clinical chemistry	3.4	5.0	13.4
Life science	19.9	31.0	15.9
Others	16.6	17.0	—
Diagnosics business	408.1	533.0	9.3
Medical robotics business	2.3	27.0	126.2
Total	410.5	560.0	10.9

Sales Target by Destination

	Fiscal 2022 (Actual)	Fiscal 2025 (Target)	CAGR*2 (%)
Japan	59.8	90.0	14.6
Americas	105.9	140.0	9.7
EMEA	111.3	140.0	7.9
China	96.9	130.0	10.3
Asia Pacific	36.4	60.0	18.0

Actual exchange rates in fiscal 2022: USD1 = JPY135.5, EUR1 = JPY141.0, CNY1 = JPY19.8
Forecast exchange rates for fiscal 2023 and the new mid-term management plan: USD1 = JPY133.0, EUR1 = JPY143.0, CNY1 = JPY19.2

*2 CAGR from fiscal 2022 to 2025

Capital Policies (Three-Year Total)

	Past three years (Fiscal 2020–2022)	Three years of the new mid-term management plan (Fiscal 2023–2025)
Cash flow generation (Operating cash flow)	¥184.4 billion	¥280.0 billion or more
Investment in facilities and businesses (Investing cash flow)	¥115.9 billion	¥170.0 billion <ul style="list-style-type: none"> • Developments/facilities in emerging markets (such as India) • Promotion of digitalization • Expeditious M&A
Shareholder returns	¥46.8 billion	<ul style="list-style-type: none"> • Payout ratio of 30% or more • Steady dividend increases backed by rising performance
R&D expenses	¥80.3 billion	¥125.0 billion <ul style="list-style-type: none"> • Development of next-generation instruments and reagents • Development of technologies for new domains
Capital efficiency* (ROE)	12.4%	16.0%

* Final fiscal year

Main Sustainability Targets

Materiality	Major sustainability targets	Fiscal 2022 (Actual)	Fiscal 2025 (Target)
● Creating new value for a healthy society	• Resolution of medical issues through innovation	Number of hematology tests	2,977 million *1
	• Improvement in accessibility to healthcare	Number of cases with surgical robots	1,323 *1
		Sales in emerging markets and developing countries	¥156.7 billion *1
● Providing responsible products, services and solutions	• Pursuit of quality and trust	Number of recalls	2 *1
		• Strengthening supply chain management	CSR survey response rate (primary suppliers in Japan and overseas)
	• Increased engagement	Engagement score	71% 75%
● Realization of an attractive workplace	• Promotion of diversity, equity and inclusion	Turnover ratio	8.4% 10% or less
		Female managers ratio	19.5%*2 20% or more
	Management diversity (percentage of women and non-Japanese nationals)	Women: 8.3% Non-Japanese nationals: 16.7%	*1
	• Development of human resources	Training time per employee	30.0 hours 40.0 hours
		Value-added productivity (Group)	¥18.74 million ¥22.50 million
● Reduction in environmental burden	• Promotion of health and occupational safety	Total annual working hours*3	2,022 hours 1,980 hours
		• Resource circulation throughout the product life cycle	Zero product loss
	Recycling of containers and packing and utilization of environment compliance materials		— 60%
● Strengthening of Governance	• Reduction in environmental burden through activities at business offices	Reduction of greenhouse gas emissions (Scope 1, 2)*4	— 40% reduction
		• Corporate governance	Number of meetings with investors and analysts
	• Compliance		Number of internal reports
• Risk management	Number of information security trainees*3	4,900 *1	

*1 Set as a monitoring index; no target value has been set. *2 Excluding Russia *3 Target: Sysmex Group in Japan *4 Base year: fiscal 2022

*5 Sysmex Corporation on a non-consolidated basis

>>Status of Sustainability Targets P63

Key Actions under the Mid-Term Management Plan

1 Through Innovation in the Diagnostics Business Domain, Enhance Competitiveness and Expand Markets

Initiatives achieved to date

- Hematology: Developed and launched two new high- and low-end models
- Hemostasis: Expanded market share by accelerating global development of new products
- Immunochemistry: Developed and received approval for a reagent to test for Alzheimer's disease, expanded reagent parameters in China to 57, and developed reagents related to COVID-19
- Strengthened our sales structure in Brazil, Saudi Arabia and other emerging markets

In our mainstay field of hematology, we launched new high-end models in fiscal 2021, followed by our line of transport system products, primarily in the Japanese market. Our transport systems can automatically measure quality control substances, a world-first feature that contributes to the overall workflow efficiency of laboratories. Moving forward, we aim to improve our growth and profitability by expanding sales of these new products in other regions.

In the hemostasis field, Sysmex will expand its sales territory through a new contract signed with Siemens Healthineers in fiscal 2022. While our focus to date has mainly been on Asia, including Japan and China, under the new agreement for the mutual supply of equipment and reagents, we will now promote sales, service, and support in Europe and North America, and expand global sales under our own brand.

In the immunochemistry field, we will expand sales in Asia, including China, by adopting a new reagent portfolio for existing users. Furthermore, in Japan we began selling reagents to test for Alzheimer's disease markers in blood in June 2023, and in August started supplying these reagents to LDT, a commercial lab in the United States. In addition to the early commercialization of

Initiatives under the New Mid-Term Management Plan

- Hematology: Accelerate global development and launch of new products
- Hemostasis: Establish and begin operating sales, service and support systems in Europe and the United States under new global OEM agreements
- Immunochemistry: Expand testing parameters and quickly commercialize Alzheimer's disease testing parameters
- Provide products and services that contribute to an improvement in accessibility to healthcare and enhancement of healthcare infrastructures in emerging markets

Alzheimer's disease testing, we will focus on leveraging this as a foothold for entering the European and American markets.

In emerging markets characterized by rapid population and economic growth, we will help address the issues customers face and improve access to healthcare by developing and introducing products that meet market needs. We have positioned India, in particular, as a key market. There, we will accelerate product launches by establishing a new production base and through initiatives across the entire value chain.

In China, we will work to expand our market share by responding to local needs, such as by increasing the knockdown production of instruments and accelerating local development of our immunochemistry reagent portfolio.

Related Targets and Indicators

- Sales by field (hematology, urinalysis, hemostasis, immunochemistry)
 - Consolidated sales in emerging and developing markets*
 - Market share, by field
 - Number of hematology tests*
- * Same as the sustainability targets



Characteristics of New High-End Products in the Hematology Field

- Automated quality control, backup, and re-inspection functions contribute to improve productivity in testing operations
- Modular concept inherited from previous models, enabling flexible customization to meet customer needs
- Space-saving and reduced power consumption

2 In the Domain of Personalized Medicine, Accelerate Commercialization Centered on Genetic Testing

Initiatives to date

- Overseas, launched products using the OSNA™ method and expanded types of cancers targeted
- Strengthened the measurement infrastructure for liquid biopsy technology
- Insurance coverage and sales of multi-gene PCR panels commenced

In genetic testing, we are making progress with the international expansion of our cancer lymph node metastasis testing system, which utilizes our proprietary OSNA method. Now that the post-covid medical environment has normalized, we plan to accelerate the adoption of this system in the Chinese market, where we obtained regulatory approval in 2019. In Japan, we will promote the adoption of the multigene PCR panel as a companion diagnostic for therapeutic drugs for lung cancer. Through the introduction of these products, we aim to advance personalized medicine and improve profitability in the life science field.

At the same time, we plan to utilize liquid biopsy technology, which helps reduce patient burden, to develop and launch new products. For example, we are

Initiatives under the New Mid-Term Management Plan

- Accelerate the introduction into the Chinese market of products using the OSNA method
- Enhance and commercialize liquid biopsy technology
- Accelerate market introduction of multi-gene PCR panels

working to develop highly sensitive gene mutation tests using PSS technology and pursuing the global development of FISH testing. Furthermore, we aim to promote the launch of a gene panel testing system for inherited retinal dystrophy, which was granted health insurance coverage in Japan in August 2023, to improve the quality of life for patients with rare diseases.

Related Targets and Indicators

- Number of cancer genomes analyzed*
- Number of tests on breast cancer patients using the OSNA method*
- Number of biomarkers
- Number of mentions in conference presentations and research papers

* Same as the sustainability targets

3 In the Domains of Prevention and Self-Medication, Create a New Business Model

Initiatives to date

- Commercialized and commenced sale of antimicrobial susceptibility tests developed in collaboration with Astrego Diagnostics
- Established a joint venture with OPTIM Corporation to commercialize digital medicine

Demand for preventive medicine and self-medication is growing, against the backdrop of growing individual health awareness and advances in digital healthcare. Sysmex aims to expand testing capabilities to homecare settings, clinics and other venues, contributing toward the realization of preventive medicine and primary care.

For example, we have developed a product that shortens antimicrobial susceptibility testing, which used to take more than two days, to just 30 minutes. In June 2023, we launched this product in Europe. The product consists of a compact testing instrument and a reagent cartridge, and it supports the prescription of appropriate antibiotics in clinics. We also aim to create new solutions by leveraging our high market share in existing businesses, the accumulated testing data from our instruments, and IT networks connected to medical institutions to utilize testing data.

Initiatives under the New Mid-Term Management Plan

- Promote the global development of antimicrobial susceptibility tests
- Develop primary care testing systems for home and clinical use
- Create new solutions using test data

Related Targets and Indicators

- Sales of rapid antimicrobial susceptibility testing systems and regions where introduced
- Number of unique testing parameters developed



Antimicrobial susceptibility testing system instrument and reagent cartridge

Key Actions under the Mid-Term Management Plan

1 2 3 Common Initiatives to Strengthen R&D Capabilities

- | | |
|---|---|
| <p>Initiatives completed to date</p> <ul style="list-style-type: none"> ● Established an R&D base in Singapore ● Strengthened the foundation of Wuxi Diagnostic Reagent Development Center (China) ● Established reagent production technology using our bio-reagent center | <p>Initiatives under the New Mid-Term Management Plan</p> <ul style="list-style-type: none"> ● Reinforce our global R&D function ● Strengthen digitalization and AI technologies (including the acquisition and training of human resources) ● Develop technologies that help resolve environmental and social issues |
|---|---|

High-Value-Added Products and Services Leveraging Technologies Related to Instruments, Reagents, and IT

One of Sysmex's distinguishing features is its technologies related to instruments, reagents, and IT. By fusing these technologies, we work to ensure the provision of accurate testing data—a critical consideration in testing. These technologies also allow us to make improvements and to quickly determine the source of errors when they occur. In addition to creating new tests and diagnostic technologies, we provide high-value-added

products and services that offer enhanced usability. To raise laboratory productivity on the instrument front, we are increasing analyzer processing capacity, providing transport systems to enable the automated handling of more samples, and making instruments more compact to offer higher usability. In addition to chemical reagents, we are focusing on the development of test parameters for bio-reagents, which are produced from biologically derived substances. On the IT front, we were quick to promote the use of networks in medical settings. We are developing new applications and services for the Caresphere™ network solution that

- Related Targets and Indicators**
- Number of conference presentations and research paper mentions
 - Joint research projects with academia
 - Number of unique testing parameters developed

will increase testing and laboratory efficiency, as well as boosting quality.

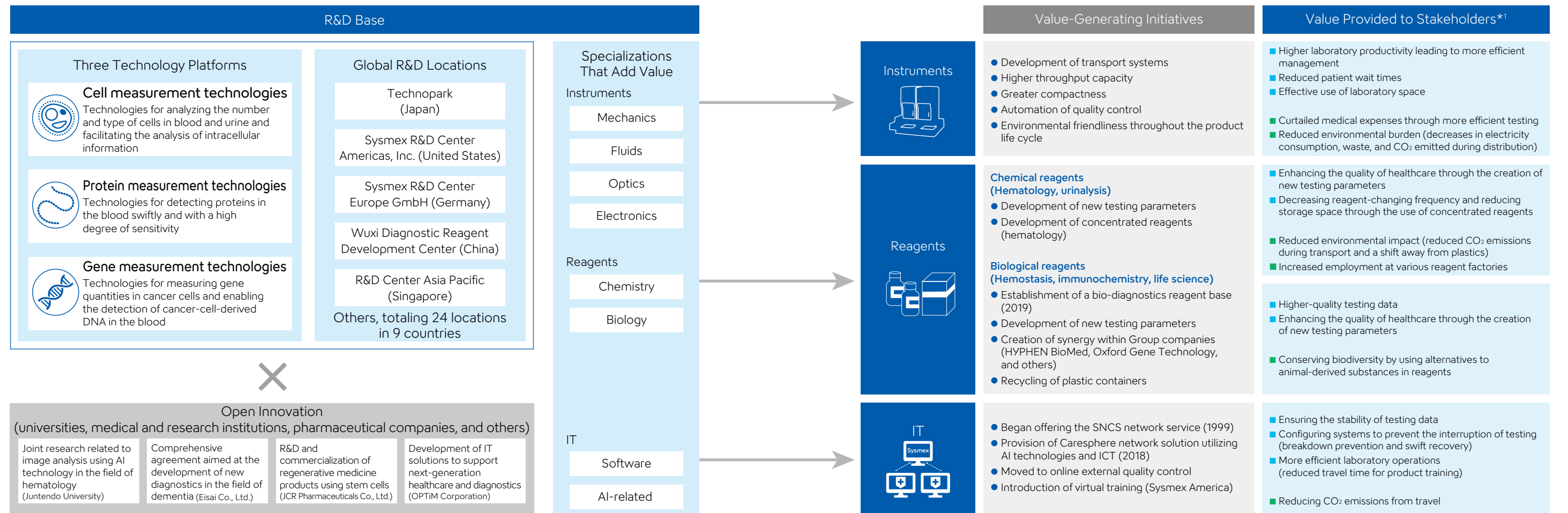
Initiatives under the New Mid-Term Management Plan

In Japan, we will establish a new organization focused on the growing fields of digital healthcare and regenerative and cellular medicine. This new entity will be responsible for strategic planning, promotion, and efforts to accelerate commercialization. We are also undergoing organizational restructuring to enhance

collaboration among more specialized teams and allocate resources more flexibly. For example, in our R&D divisions we have consolidated data scientists, creating a structure to implement initiatives more effectively. We established a research base in Tokyo and focus on building a network with key opinion leaders in the Tokyo metropolitan area, as well as securing data scientists and other talented people. As its global R&D structure, with Technopark serving as the hub, Sysmex will conduct R&D in nine countries, expanding its efforts in each region. In this manner, we aim to strengthen relationships with top-level academia and key opinion leaders in various countries, as well as to enhance R&D tailored to regional needs.

On the technology front, we will enhance our development capabilities by combining AI and simulation technologies in bio-diagnostic reagents, which are used in the hemostasis and immunochemistry fields.

■ Value Provided through R&D



*1 ■ Value provided to customers (such as medical institutions) ■ Value provided to society

Additionally, we will work towards realizing personalized medicine by focusing on the IVD development of liquid biopsy technology (cells, proteins, and genes) and creating new diagnostic value through approaches that combine existing testing techniques.

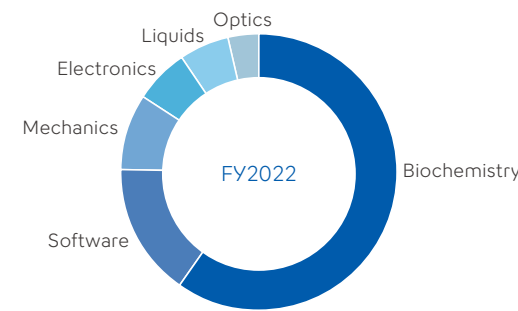
To achieve a circular value chain, we will step up our design of environmentally friendly products. In addition to ongoing efforts to make instruments more power-saving and compact, and to extend expiration periods for reagents, we will expand resource-conscious design principles across all our products. We will also continue to explore the development of alternative materials as a means of preserving biodiversity.



Diverse R&D Personnel

A major Sysmex strength is its ability to develop equipment, reagents, and IT solutions across different measurement technology platforms (cells, proteins, and genes), thanks to our diverse and highly skilled workforce. Under our new mid-term management plan, we will focus on the global hiring of IT talent, including data scientists, in addition to experts in biotechnology.

■ Breakdown of Specializations among R&D Personnel

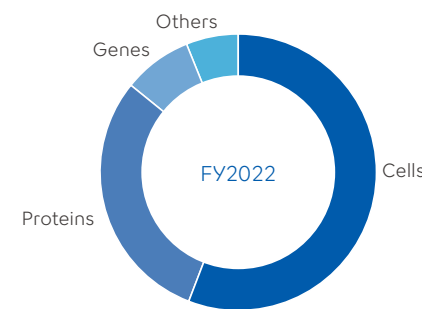


Intellectual Property That Enhances Our Global Competitiveness

Systemex strategically promotes intellectual property activities, evaluating its own intellectual property, as well as that of third parties. In an effort to enhance the governance of intellectual property, activities for the year are reviewed and discussed by the Management Board and at other management meetings.

As part of our business expansion efforts, we are actively promoting the acquisition of intellectual property rights on a global scale. Overall, 85% of our intellectual property rights are held overseas. We are working to secure patent rights, utility model rights, and design rights primarily in Japan, the United States, Europe, and China for technologies derived from our measurement technology platforms for cells, proteins, and genes, which leads to the provision of high-value products and services. We are also securing global trademark rights for important brands, including in emerging and developing markets, with a particular focus on our corporate brand, in 195 countries and regions.

■ Number of Patents, Utility Models and Designs Held, by Technology Platform



Related Targets and Indicators

- Number of patents*
 - Number of new patents*
- * Same as the sustainability targets

Key Actions under the Mid-Term Management Plan

4 In the Therapeutic Domain, Accelerate Business Growth, Centered on the Medical Robotics Business

Initiatives Completed to Date

- Medical robotics business: Health coverage expanded to include gastroenterology and gynecology
- Regenerative and cellular medicine: Established a joint venture, began business development and consideration of commercialization

Initiatives under the New Mid-Term Management Plan

- Medical robotics business: Accelerate deployment of our robotic assisted surgery system in Japan and roll out overseas
- Regenerative and cellular medicine: Develop quality control tests and automation technologies

In the medical robotics business, Sysmex has been the global general distributor for Medcaroid Corporation since 2020, when it commenced the full-scale launch in Japan of Medcaroid's robotic-assisted surgery system. Initially, procedures eligible for insurance reimbursement were limited to urology, but this has been expanded to include gastroenterology and gynecology, which together account for over 70% of robot-assisted surgeries in Japan. Moreover, an increasing number of surgical support robots, which reduce the burden on patients, are eligible for additional insurance coverage under medical reimbursement, further driving the growth of the Japanese market for surgical support robots.

Under the new mid-term management plan, we will leverage Sysmex's strengths in sales, service and support to accelerate the introduction and installation of these systems. Additionally, we will expand the deployment of solutions for the entire operating room through support systems utilizing IT, and work to build a foundation that supports remote surgery.

The global market for surgical support robots is forecast to grow by over 10% annually. Leveraging the sales and service network developed through in its diagnostics business, Sysmex will also establish networks

with key opinion leaders in various regions and prepare for market entry in the Asia-Pacific region, as well as the United States and EMEA.

In regenerative and cellular medicine, AlliedCel Corporation, a joint venture we launched in 2022 with JCR Pharmaceuticals, will be at the center of technological development and efforts toward the early commercialization of regenerative medicine products employing stem cells and other types of cells.

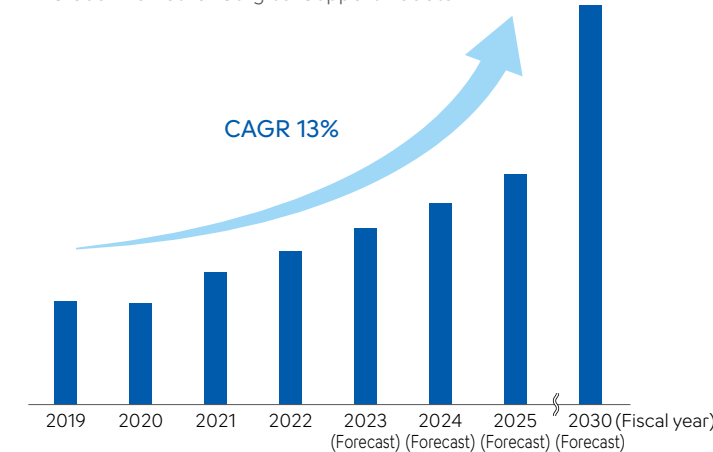
Related Targets and Indicators

- Number of robotic assisted surgery systems installed, number of surgeries
- Establishment of quality control methods in the regenerative and cellular medicine domain

Medcaroid's Expansion, by Region

- Japan
- Fiscal 2020: Acquired regulatory approval, launched for use in urology
 - Fiscal 2022: Health insurance coverage expanded to include gastroenterology and gynecology
- Asia Pacific
- Fiscal 2023: Acquire regulatory approval in Singapore
- United States, EMEA
- Preparing to file for regulatory approval

■ Global Market for Surgical Support Robots USD 20,000 million



Note: Based on customer purchase price
Sources: TechSci Research, 2030 figures are Medcaroid forecasts



Robotic-assisted surgery system

Key Actions under the Mid-Term Management Plan

1 2 3 Common Initiatives Expansion of Procurement, Production and Distribution Structures

Initiatives Completed to Date

- Procurement: Stably procured raw materials and semiconductors during COVID-19 pandemic
- Production: Introduced a new manufacturing support system (MES) in the instrument manufacturing division
- Distribution: Created a sustainable cold chain without using dry ice (for some products)

Initiatives under the New Mid-Term Management Plan

- Procurement: Gather information on the procurement environment by establishing a new department dedicated to strategic procurement
- Production: Introduce MES to reagent production divisions and overseas regions, establish a new plant in India, and expand knockdown production in China
- Distribution: Establish a new specialized department to manage global demand and supply with the aim of further stabilizing supply

As a company that supports healthcare, Sysmex has established a rigorous quality control and global production structure. By promoting innovation, we strive to ensure the continuous delivery of high-quality products to the medical community.

In fiscal 2022, in Japan we introduced a new manufacturing support system (MES) in our instrument manufacturing division, enabling us to achieve more efficient and precise operations through digitalization. As part of our new mid-term management plan, we will expand the implementation of this MES to our domestic reagent production department and overseas factories, facilitating the smooth transfer of manufacturing operations overseas.

We will step up our use of AI technology in current reagent production processes. Individual differences in bio-reagent materials require adjustments during the formulation stage. By leveraging AI technology to minimize waste generated through adjustments, and to improve efficiency, we aim to reduce manufacturing costs, eliminate quality discrepancies, and enhance customer satisfaction.

In addition, we will continue to focus on shortening manufacturing lead times and reinforcing the mutual

supply system between reagent production bases worldwide as part of our BCP measures.

>> [Manufacturing System Supporting Global Product Supply P104](#)

Related Targets and Indicators

- CSR survey response rate (Tier 1 suppliers in Japan and overseas)*
 - Number of training sessions for suppliers (Japan)*
- * Same as the sustainability targets



Ensuring Product Supply So Testing Does Not Stop: What We Learned from COVID-19

Despite facing challenges in securing raw materials and semiconductors due to the spread of COVID-19 and the situation in Ukraine, Sysmex has maintained a stable supply of products in the healthcare field. This is due in part to our internal oversight of both our supply and engineering chains. Through effective information sharing throughout the supply chain and the ability to adapt to sourcing changes and design modifications from raw material manufacturers, Sysmex has been able to make supply adjustments flexibly. Furthermore, based on these experiences, we have established specialized departments, such as the Procurement Information Center (responsible for the strategic sourcing of semiconductors) and the Supply Planning Department (overseeing supply chain information), to coordinate information about sales forecasts, inventory status and production plans across different regions. By formalizing these specialized departments, Sysmex aims to further enhance the stability of product supply to its customers.

1 2 3 4 Common Initiatives Expanding Our Sales, Service and Support Structure

Initiatives Completed to Date

- Promoted direct sales in overseas regions and strengthened our sales and service structure by leveraging alliances
- Established a sales structure for the medical robotics business
- Developed efficient service and support through network solutions, such as Caresphere

Initiatives under the New Mid-Term Management Plan

- Enter the immunochemistry market in Europe and the United States through Alzheimer's disease testing
- Establish a direct sales structure for the hematology field in Europe and the United States
- Strengthen our business foundation to support access to and quality of healthcare in emerging markets
- Establish a new service model utilizing Caresphere

Sysmex currently covers over 190 countries and regions. We tailor our business to local characteristics through direct sales and service structures as well as through alliances with major global companies.

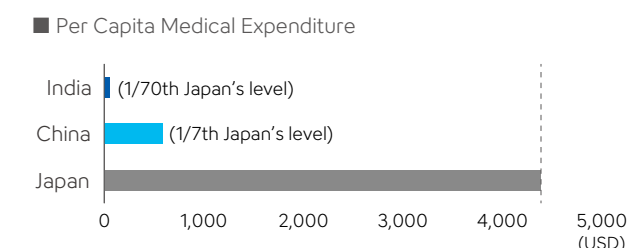
Under the new mid-term management plan, we will expand our hemostasis and immunochemistry businesses beyond Japan and Asia into the European and American markets. In the hemostasis field, we will expand our direct sales area based on a global OEM contract with Siemens Healthineers. In immunochemistry, we will enter the market through blood-based Alzheimer's disease testing. To achieve these goals, we will work on obtaining regulatory approvals in each country and reinforcing sales and service structures.

As economic development continues, more countries are likely to require improved access to healthcare and higher medical quality. Sysmex is strengthening initiatives positioned to address future healthcare needs in key locations such as India, where we anticipate strong market growth.

In the service and support area, we will build service models that utilize digital information such as data accumulated through Caresphere and service data, in our quest to provide new value to the world.

Related Targets and Indicators

- Hematology market share*
 - Sales in emerging and developing markets*
- * Same as the sustainability targets



Source: WHO website
<https://apps.who.int/gho/data/view.main.GHEDCHEpcUSSHA2011v?lang=en>
OECD Health Statistics 2021 (2019 data)

Overview of Sales, Service and Support Activities

	Direct sales ratio (fiscal 2022)	Overview of activities under the new mid-term management plan
Japan	100%	<ul style="list-style-type: none"> ● Accelerate market development, particularly for new products in our mainstay hematology field ● Establish a new diagnostic flow for Alzheimer's disease testing and promote the widespread use of testing ● Promote the introduction of robotic-assisted surgery systems and the diffusion of new values such as remote surgery
Americas	76.6%	<ul style="list-style-type: none"> ● Strengthen sales structures in Central and South America and develop sales activities tailored to the needs of each country ● Reinforce regulatory affairs and our sales and service structure in conjunction with the expansion of direct sales areas in the hemostasis and immunochemistry fields
EMEA	75.2%	<ul style="list-style-type: none"> ● Expand markets in countries/regions that have shifted to a direct sales structure, such as Iberia and Saudi Arabia ● Reinforce regulatory affairs and our sales and service structure in conjunction with the expansion of direct sales areas in the hemostasis and immunochemistry fields ● Accelerate market introduction and penetration of new value through our rapid antimicrobial susceptibility testing system
China	1.5%	<ul style="list-style-type: none"> ● Expand local knockdown production in response to government procurement policy (in the fields of hematology and immunochemistry) ● Increase market share in immunochemistry by developing testing parameters for immunochemistry
Asia Pacific	52.4%	<ul style="list-style-type: none"> ● Strengthen our sales and service structure to increase market share in India ● Promote our medical robotics business

Key Actions under the Mid-Term Management Plan

5 Realize a Circular Resource Value Chain and Transform with a View to Solving Social Issues

Initiatives Completed to Date

- Created power-saving and compact new products in the hematology field (using approximately 40% less power)
- Created a system for dry ice-free ultralow-temperature transportation
- Reduced disposal of product parts by using RFID

Initiatives under the New Mid-Term Management Plan

- Promote environmentally friendly design to realize a circular resource value chain
- Encourage the recycling of plastic reagent containers and other packaging
- Strengthen efforts to reduce product waste

Adapting to and mitigating climate change and protecting water resources and biodiversity are major environmental issues that need to be addressed by the entire world. In healthcare, there is growing concern regarding increases in medical costs, and pressure on the medical infrastructure due to an expansion of areas where tropical diseases and infectious diseases are endemic as a result of temperature rise, or increases in respiratory diseases are caused by air pollution.

Along with our long-term corporate strategy, we formulated the new "Sysmex Eco-Vision 2033," identified a new materiality item ("reduction in environmental burden"), and spelled out initiatives for resource circulation throughout the product life cycle and the reduction of environmental burdens through our business activities.

In line with the mid-term management plan's core strategy, we will work with our customers and suppliers to achieve a circular resource value chain and strive to reduce environmental impact throughout the entire product lifecycle. We will also foster green innovation through our 4Rs*1 to decrease environmental impact.

Specifically, we will step up our efforts to design environmentally friendly products and apply materials science to develop non-animal derived materials. We will also work to reduce product waste by extending the expiration dates of reagents and using RFID technology to curtail waste in product parts. Additionally, we are initiating discussions around the recycling of container packaging, such as recycling the plastic containers used for many reagents.

In recent years, more medical institutions have been introducing initiatives targeting carbon neutrality. We believe that such efforts to reduce environmental impact are not only a social responsibility for companies; they also help establish a competitive advantage in the market.

We conduct our business activities based on the materiality identified in accordance with our long-term corporate strategy, in an effort to address social issues other than climate change.

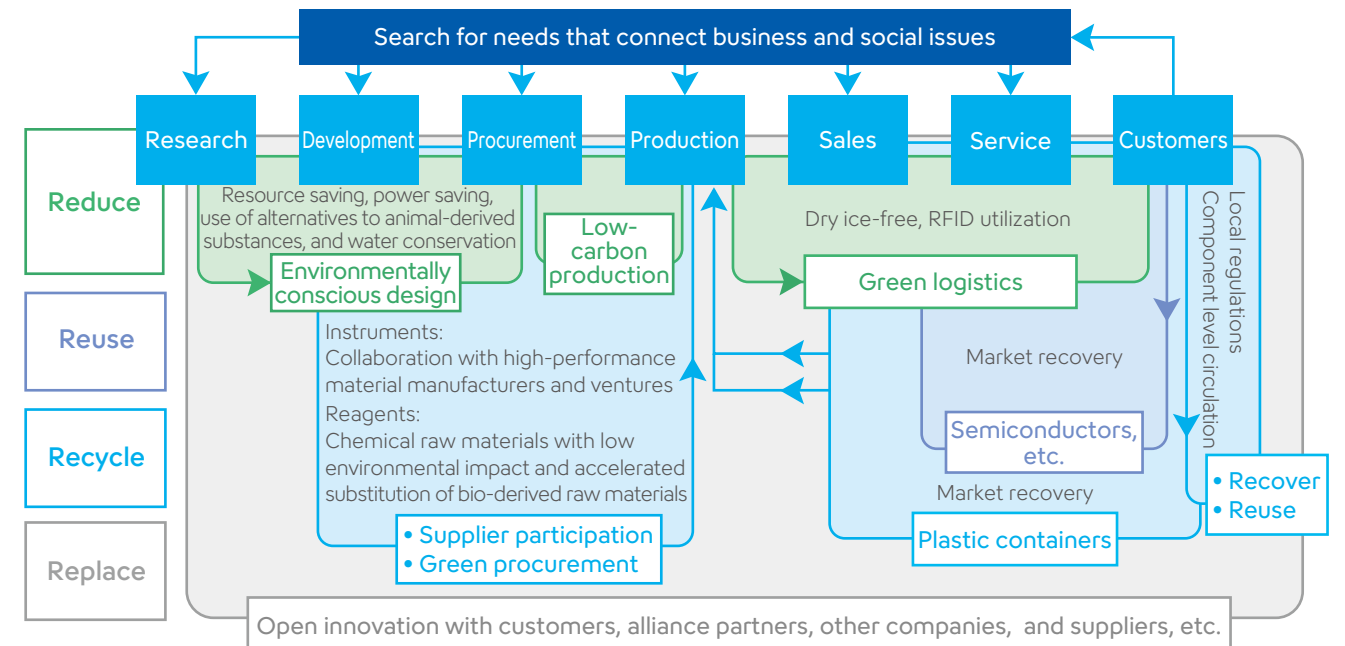
>> [Status of Sustainability Targets P63](#)

*1 4Rs: Sysmex's "4Rs" are reduce, reuse, recycle, and replace.

Related Targets and Indicators

- Achieve zero product losses*
 - Complete switch to recycled or environmentally conscious materials*
 - Renewable energy ratio*
 - Reduction of GHG emissions (Scopes 1, 2, 3)*
 - Rate of reduction in water consumption (major reagent factories)*
 - Reduced use of animal-derived raw materials
- * Same as the sustainability targets

■ Circular Resource Value Chain



■ Examples of Initiatives to Achieve a Competitive Advantage and Realize Environmental Considerations

Initiatives	Environmental and social considerations	Enhanced competitiveness
● Production of raw materials using silkworms and cultured cells	<ul style="list-style-type: none"> ● Reduction of biologically derived substances ● Reduction of water consumption and GHG emissions 	<ul style="list-style-type: none"> ● Stable supply of raw materials ● Stabilization of quality
● Spread of concentrated reagents (hematology and urinalysis fields)	<ul style="list-style-type: none"> ● Curtailment of GHG emissions ● Conservation of packaging and petroleum resources 	<ul style="list-style-type: none"> ● Improved usability (reduced frequency of reagent changes in the laboratory) ● Reduction of inventory storage space
● Shift reagent production overseas	<ul style="list-style-type: none"> ● Reduction of GHG emissions 	<ul style="list-style-type: none"> ● Realization of stable supply and reduction of transportation costs
● Extension of reagent expiration dates	<ul style="list-style-type: none"> ● Reduction in waste 	<ul style="list-style-type: none"> ● Increased usability ● Stabilization of quality
● Dry ice-free transportation (e.g., reagents for genetic testing)	<ul style="list-style-type: none"> ● Reduction of GHG emissions 	<ul style="list-style-type: none"> ● Reduction of transportation costs ● Increased flexibility and convenience in distribution

■ Long-Term Environmental Objectives (Fiscal 2033)

(Base year: Fiscal 2022)

Climate change*2 Use of renewable energy 90% or more Reduction of GHG emissions (Scopes 1 and 2) 55% reduction Reduction of GHG emissions (Scope 3) 35% reduction	Water Water consumption by main reagent factories 90pt reduction	Resource circulation Disposal of unused Sysmex products Zero Total waste per unit of net sales 15% reduction Percentage of containers and packaging materials recycled, and environmentally conscious materials used 100%	Biodiversity Expanded lineup of products made from animal-derived raw materials
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*2 Targets are based on the Science-Based Targets (SBTs)

■ Endorsing the TCFD Recommendations



In January 2021, Sysmex expressed its support for the TCFD recommendations and disclosed information based on this framework.

>> [Sysmex Sustainability Data Book 2023, P63](#)

■ Declaring Our Goal to Become Carbon Neutral

In 2022, we set a goal of reducing greenhouse gas emissions to zero in real terms by 2040. (Scopes 1 and 2)

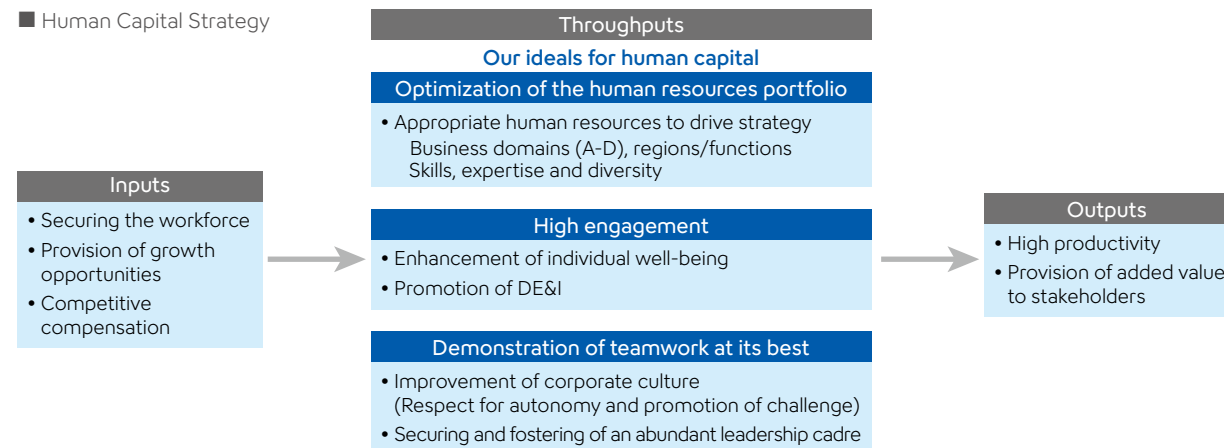


Note: Scope 1 refers to greenhouse gases emitted directly by Company facilities, factories, and Company vehicles. Scope 2 are greenhouse gases emitted indirectly by the Company due to energy use.

Key Actions under the Mid-Term Management Plan

6 Enhance Corporate Value by Strengthening Human Capital and Our Management Base

Perspective on Human Capital



In its long-term corporate strategy, Sysmex has drawn up a human capital strategy. We aim to realize our long-term vision through initiatives aligned with three ideals for human capital.

The first ideal is "optimization of our human resources portfolio." This refers to allocating talent appropriately so they can contribute to the implementation of our strategies and the sustainable enhancement of corporate value. To this end, we will work on organizational development from a multidimensional perspective, considering business domains, functions, skills, expertise, and diversity that align with our management strategy. The second ideal, "a high level of engagement," means that each employee is fulfilled both mentally and physically, and they are attaining their own sense of fulfillment. To achieve this goal, we will strive to create a working environment that facilitates the well-being of each individual and provides opportunities for employee growth. Additionally, we will promote fair and equitable

opportunities, drive DE&I initiatives, and create systems that enable diverse human resources to thrive, regardless of time, location or employment status. The third ideal is "demonstration of teamwork at its best." To maximize teamwork, it is crucial to respect autonomy and foster a corporate culture that embraces challenge, as well as ensuring an abundant pool of leaders and nurturing their development. Sysmex will continue to recruit and develop leaders who can drive both existing and new businesses by enhancing visibility and providing enough training opportunities for succession to key global positions. Regarding organizational culture, we will publish the results of our annual corporate culture survey to employees and engage in dialogue with them.

Furthermore, we will continue to promote data disclosure based on international standards and strive to achieve our long-term vision through dialogues with our stakeholders.

Initiatives Completed to Date

- Implemented a global HR policy and a consistent personnel management system for the Group
- Promoted smart work throughout the Group
- Utilized DX in human resource management

Initiatives under Our New Mid-Term Management Plan

- Expand the Group's HR portfolio based on the long-term corporate strategy
 - Acquire, cultivate and deploy human resources
 - Develop next-generation leaders for key global positions
- Strengthen DE&I initiatives through flexible work styles

Cultivate and Acquire Human Resources to Drive Sustainable Growth

Sysmex will promote the expansion of the Group's human resources portfolio and strengthen its DE&I efforts through flexible workstyles as part of its new mid-term management plan, in order to execute its human capital strategy.

To expand the human resources portfolio, we recognize the need to secure, develop and appropriately allocate talent in line with the expansion of our business domains and functions. Therefore, in addition to nurturing existing talent, we will also hire highly skilled professionals from outside the Group in new business domains.

To drive our development in new areas such as regenerative and cellular medicine, as well as to develop unique testing parameters such as Alzheimer's disease testing, we will augment our workforce with people who have bioscience knowledge and expertise that can be applied to such fields as immunochemistry, hemostasis, and life science. From universities and other institutions around the world, we will also recruit people with the latest digital technology skills, which are essential to our future growth.

We will continue to recruit and develop skilled personnel to develop and manufacture instruments and

reagents locally that are suited to local needs, especially in emerging markets in Asia and Africa, and particularly in India. We also plan to recruit personnel with specialized scientific expertise in the hemostasis field to expand our business in Europe and the United States.

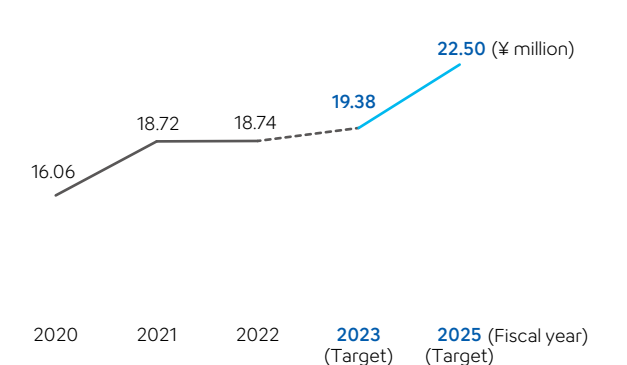
To enhance sustainable corporate value, we will certify and promote succession planning for global key positions across the Group, in the aim of strengthening our pipeline of next-generation talent.

We will continue to build a work environment characterized by respect for employees' individuality by enhancing awareness of unconscious bias and by promoting initiatives for flexible work practices as part of our DE&I efforts.

Monitoring Human Capital

Sysmex uses value-added productivity as a key indicator for monitoring human capital. We collect data on the number of employees, personnel costs, and other factors on a monthly basis throughout the entire Group to help us understand trends at the regional and country level. Additionally, we hold regular meetings with the HR leaders of each consolidated local subsidiary to discuss key topics related to human capital and drive global improvements in value-added productivity.

■ Value-Added Productivity per Employee* (Group)



* (Operating profit + labor cost + depreciation)/number of employees



	Indicator	Fiscal 2022 (Actual)	Fiscal 2025 (Target)
Inputs			
Items related to investment in human capital	Staffing plan, number of personnel	11,126	—
	Average education time*1	30.0 hours	40. hours
	Personnel expenses	¥110.6 billion	—
Throughputs			
Items related to employee experience and corporate culture	Engagement score*1	71%	75%
	Female managers ratio*1	19.5%*2	20% or more
	Percentage reporting a favorable impression of the "Sysmex Way"*3	81%	—
	Percentage reporting a favorable impression of "well-being"*3	72%	—
Outputs			
Items related to results of utilizing human capital	Value-added productivity per person	¥18.74 million	¥22.50 million

*1 Same as the sustainability targets *2 Excluding Russia *3 Corporate Culture Survey

Message from the Executive in Charge of Finance



Kenji Tachibana
Member of the Managing Board and Senior Executive Officer
Senior Managing Director
Corporate Management, Regulatory Affairs & Quality Assurance and DX Strategy Development

In order to continue investing aggressively for the future, we will advance our financial and capital strategies by pursuing capital and investment efficiency more than ever before.

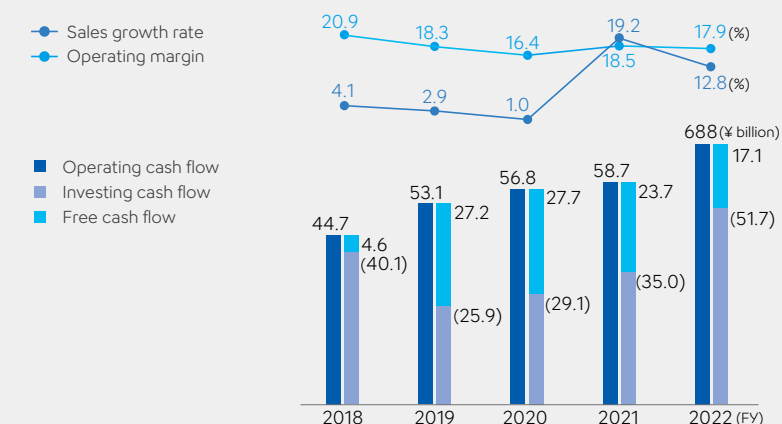
Financial Policy under Long-Term Corporate Strategy 2033 (VA33)

Long-Term Corporate Strategy 2033 (VA33), which commenced in fiscal 2023, sets net sales, the operating margin, free cash flow and ROE as priority financial indicators. As quantitative targets under VA33, we have set the goals of net sales of ¥1 trillion or more and an operating margin of 20% or more by fiscal 2033.

These targets are based on Sysmex's approach to value creation and growth. Our overarching mission is "Shaping the advancement of healthcare." Within this mission, we have numerous growth themes, such as adding new value to existing businesses, expanding our regions, developing unique testing parameters to contribute to areas like Alzheimer's disease testing and personalized medicine, and rolling out new businesses such as robotic assisted surgery systems. These aims call for us to make up-front investments in technology and continuously expand our sources of investment. Our fundamental policy remains the same, namely to generate profits through high net sales growth and profitability, and reinvest the cash. If we can sustain double-digit growth, in addition to inorganic growth, we can achieve net sales of more than ¥1 trillion by fiscal 2033, a decade from now.

Major KPIs

Net Sales	Double-digit growth (fiscal 2033 target under VA33: ¥1 trillion or more) • Achieve high growth in the expanding healthcare market
Operating Margin	20% or more • High profitability to allow investment for the future and stable shareholder returns
Free Cash Flow	• Healthy financial position due to increased operating cash flow and reinvestment in growth
ROE	• Capital efficiency that meets stakeholder expectations and is comparable to global companies in the same industry



VA33 also calls for us to expand into new areas, so we will need to pursue capital and investment efficiencies even more than before. Sysmex's ROE has been around 10% to 15% in recent years, which exceeds our cost of capital. Compared to other global companies, however, we still have room for improvement. In VA33, we anticipate that the cost of capital will increase as we pursue riskier investments, and we will place greater emphasis on ROE levels. In terms of investment efficiency, we will consider adopting ROIC to properly manage return on invested capital and payback periods.

Looking at the revenue structure, even while expanding our business domain and cultivating new business models, Sysmex will maintain and expand its distinctive recurring profit model. Our diagnostics business, which is our core source of revenue, involves first selling instruments. After installation, we then generate continuous sales from reagents, services and support. Reagents, services and support are more profitable than instruments, so the profit model is stable. For many years, we have been focusing on the expansion of testing parameters and the enhancement of high-value-added service and support. These contribute to our competitive advantage and heighten our stability and growth potential. These recurring sales accounted for 77.6% of net sales in fiscal 2022.

In domains such as life science, personalized prevention, and prognosis monitoring, we will continue to pursue a business model of generating revenue through reagents, services, support and solutions, they created by healthcare support utilizing new diagnostic methods and data. We will also strive to improve profitability through the full-fledged expansion of the medical robotics business, including overseas.

* Sales of reagents, services and support, others

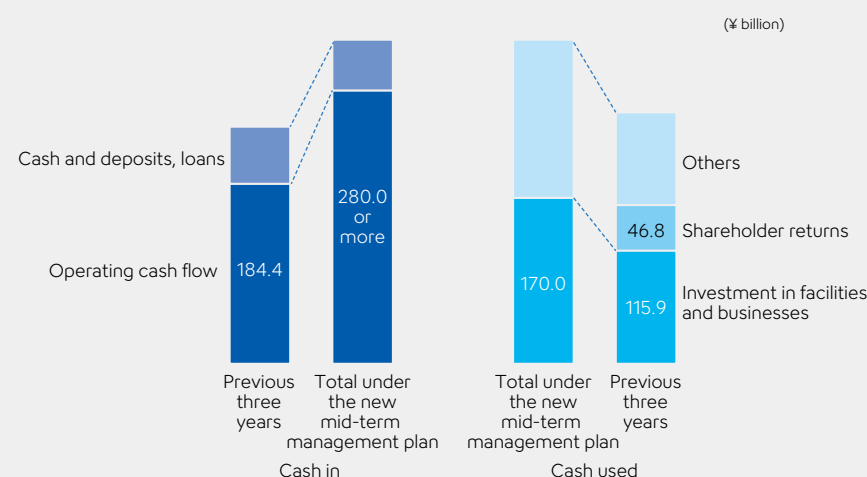
Financial Strategy under the Mid-Term Management Plan

Based on the VA33 financial policy, under the mid-term management plan (fiscal 2023 to fiscal 2025), by fiscal 2025 we are targeting net sales of ¥560.0 billion, operating profit of ¥112.0 billion, ROE 16% and free cash flow of ¥46.0 billion. We aim for a compound annual growth rate (CAGR) for net sales of 10% or more from fiscal 2022 to fiscal 2025 and anticipate an operating margin of 20% in fiscal 2025.

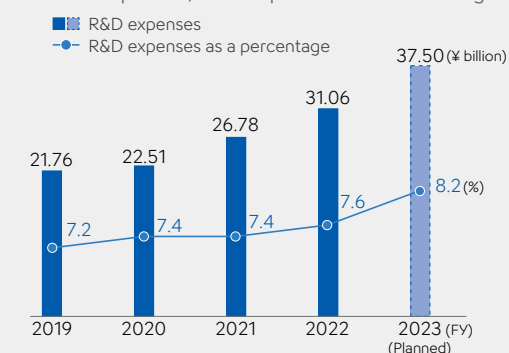
Our existing diagnostics business will be the main driver of sales and profits. To grow net sales, we will strive to increase market share by leveraging the competitive advantage of our products and services. We also recognize the importance of capturing each

■ Financial Guidance under the New Mid-Term Management Plan

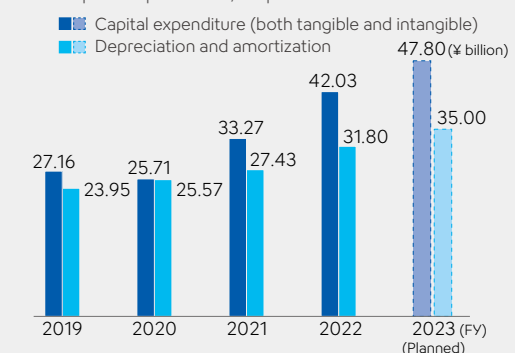
Net sales	¥560.0 billion	(Fiscal 2025 targets)
Operating profit	¥112.0 billion	
ROE	16.0%	
Free cash flow	¥46.0 billion	
R&D expenses	¥125.0 billion	(Total for fiscal 2023–2025)
Shareholder returns	<ul style="list-style-type: none"> • Dividend payout ratio of 30% • Stable dividend increases backed by earnings growth 	



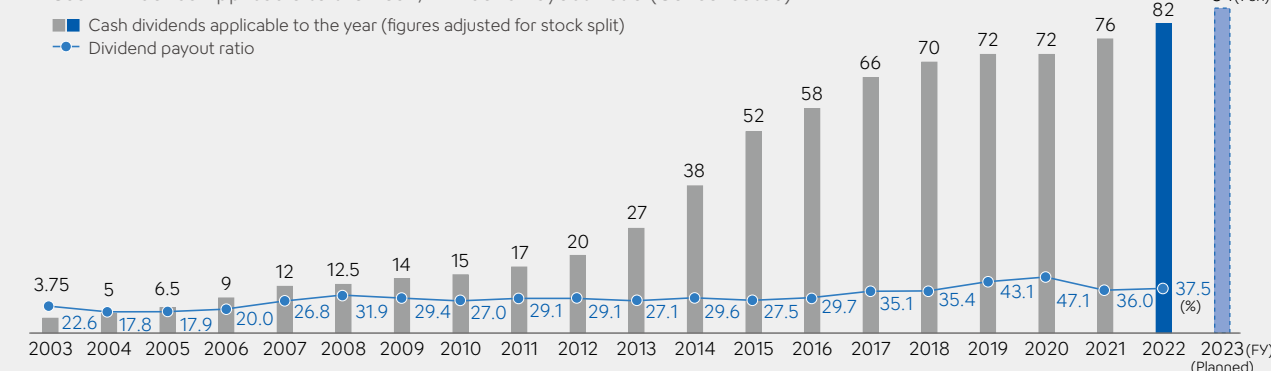
■ R&D Expenses/R&D Expenses as a Percentage of Net Sales



■ Capital Expenditure/Depreciation and Amortization



■ Cash Dividends Applicable to the Year / Dividend Payout Ratio (Consolidated)



Note: Two-for-one stock splits conducted on November 18, 2005, April 1, 2011 and April 1, 2014.

market's potential in individual fields and proactively enlarging the market ourselves. From a regional perspective, healthcare expenses per capita in China are about 1/7th that of Japan. In India, this spending is at 1/70th Japan's level, pointing to significant room for market growth as healthcare needs increase. In our new mid-term management plan, we will continue to sustain growth momentum by cultivating emerging markets in the hematology and urinalysis fields, increasing testing parameters in the hemostasis and immunology fields, and pursuing global expansion.

On the profitability front, over the past few years we have incurred significant expenses related to internal DX investments initiated in 2018, as well for new product development and expenses in the medical robotics business. However, we are now entering the phase of recouping these investments. On DX in particular, we are transitioning from individually optimized IT systems to globally optimized systems, and a series of new IT systems will be operational by fiscal 2023. Although depreciation of intangible assets will rise, by fiscal 2025 we anticipate that productivity improvements will outpace these higher costs. We expect to enjoy a range of benefits from these DX effects: business process improvements across all divisions, faster R&D, enhanced service and support through the centralization of data,

and optimized global staffing. Earlier, I referred to the revenue structure. Profitability can vary substantially based on how many testing parameters a single instrument can handle. We are accelerating the expansion of testing parameters in the hemostasis and immunochemistry fields. In particular, immunochemistry field will have a much greater impact due to the higher unit price.

Allocation of Capital under the Mid-Term Management Plan

Our main areas of growth investment under the new mid-term management plan will be fore R&D and personnel, which are recorded as business expenses. Our allocation of capital will focus on investment in facilities and businesses, including DX.

In terms of business expenses, we expect R&D spending to account for around 7–8% of net sales. These expenditures will mainly go toward the development of next-generation instruments and reagents, the development of new technologies, and expenses related to regulatory approvals. Under the new mid-term management plan, we have earmarked a total of ¥125.0 billion for R&D expenses. This is 55.7% higher than during the previous three years. Our investment in human capital will focus on enhancing employee engagement,

putting in place an environment that enables each employee to work to their potential, broadening and implementing education and training, and accelerating DE&I.

Prioritizing operating cash flow as the main source of our funding, we will allocate capital toward investment in facilities and businesses as well as shareholder returns. Facility investments will include intangible assets such as DX investments, as well as an increase in lease assets for instruments related to the expansion of direct sales and services in emerging countries, and the establishment of infrastructure in countries such as India. In terms of business investment, we will pursue M&A flexibly to accelerate the development and cultivation of new businesses. In fiscal 2022, we invested in and acquired Sysmex Astrego, which possesses advanced antimicrobial susceptibility testing technology. As in this case, Sysmex's M&A activity will be technology-focused. Although it is not easy to predict the precise timing of return on investment and the scale of earnings, under the new mid-term management plan we will monitor these factors more closely than ever before, as we expect invest aggressively in businesses.

Shareholder returns are based on increasing corporate value and returning profits to shareholders based on cash flow growth. To date, we have been striving to continuously increase dividends with a target

payout ratio of 30% or more, and we will continue to promote a dividend policy that focuses on continued stable dividends.

Future KPIs

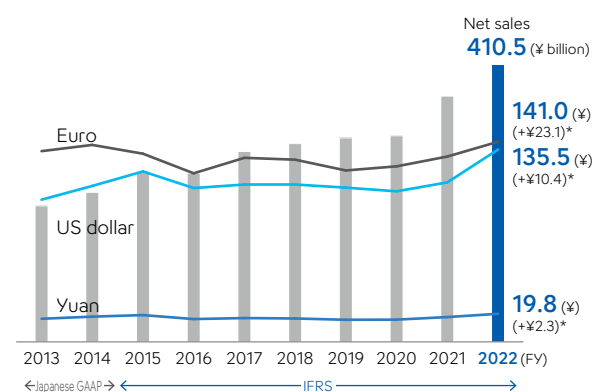
We are organizing and systematizing KPIs in order to monitor and share the progress of our strategies internally and externally. However, we believe one thing that will determine our ability to implement future strategies is the degree to which employees feel comfortable with those strategies. For that reason, we think that using the same mechanisms and formal indicators as other companies will be insufficient. For instance, it is difficult to introduce KPIs for ROIC by field because management is not divided according to field; this requires a great deal of ingenuity and consideration. On the other hand, customer satisfaction indicators such as NPS® (Net Promoter Score) and engagement score are important drivers of value creation, and these non-financial indicators can improve ROIC. We intend to set KPIs that can make Sysmex's value creation and corporate value visible, and to energize dialogue with stakeholders.

Financial Performance

Net Sales

¥410.5 billion

(Up 12.8% year on year)



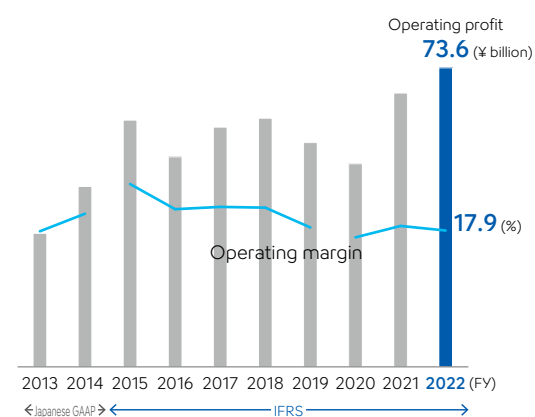
Net sales increased as expansion of the installed instrument base pushed up sales of reagents, particularly in the hematology field.

* Year on year

Operating Profit/Operating Margin

¥73.6 billion 17.9%

(Up 9.3% year on year) (Down 0.6 percentage points year on year)

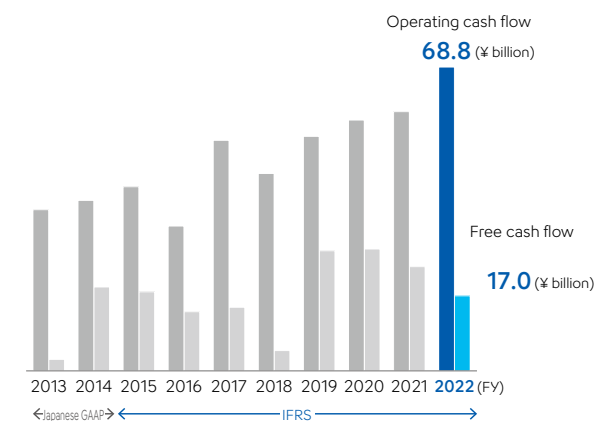


SG&A expenses increased in line with the resumption of sales and service activity in each region. That factor, the impact of sharply higher raw materials costs, and yen depreciation led to higher operating profit.

Operating Cash Flow/Free Cash Flow

¥68.8 billion ¥17.0 billion

(Up 17.2% year on year) (Down 27.9% year on year)

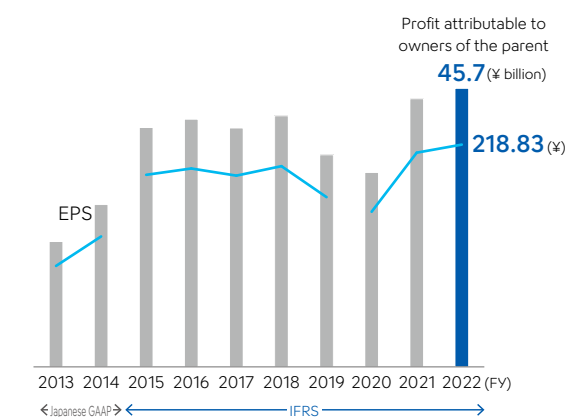


Operating cash flow rose, due mainly to increases in profit before tax and depreciation and amortization. However, investing cash flow also rose, owing to the conversion of Sysmex Astrego to a subsidiary and DX investments. Free cash flow decreased as a result.

Profit Attributable to Owners of the Parent/Basic Earnings per Share (EPS)

¥45.7 billion ¥218.83

(Up 3.8% year on year) (Up 3.8% year on year)



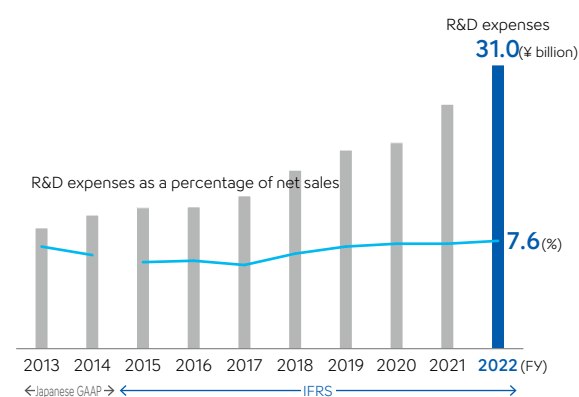
Despite the impact of foreign exchange, operating profit rose, lifting profit.

R&D Expenses/

R&D Expenses as a Percentage of Net Sales

¥31.0 billion 7.6%

(Up 16.0% year on year) (Up 0.2 percentage points year on year)

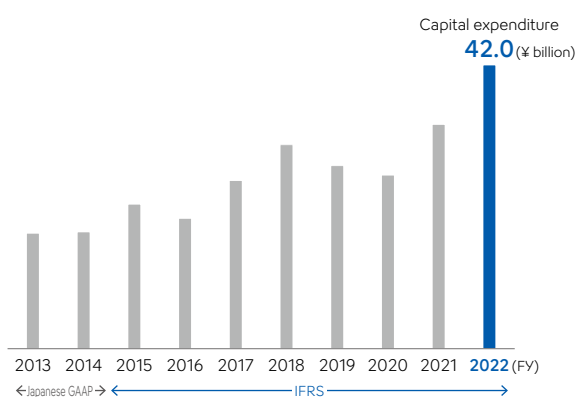


These expenses grew due to ongoing investment in product development and higher costs related to regulatory affairs.

Capital Expenditure (including tangible and intangible)

¥42.0 billion

(Up 26.3% year on year)

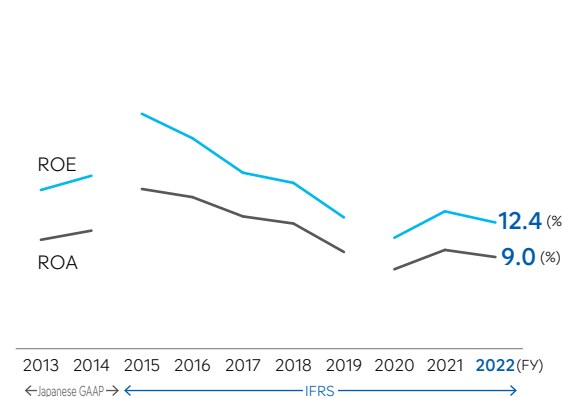


In addition to DX investment, customer lease assets grew as a result of a recovery in instrument demand.

ROE/ROA

12.4% 9.0%

(Down 1.1 percentage points year on year) (Down 0.7 percentage points year on year)



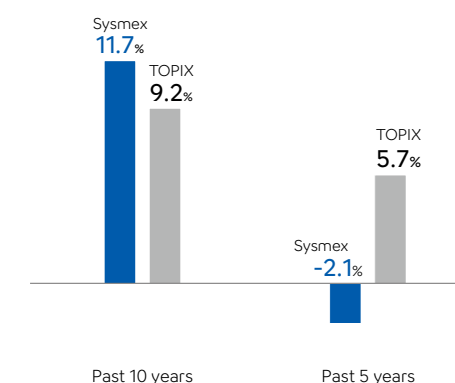
Although profit rose, increases in equity attributable to owners of the parent and assets caused ROE and ROA to decrease.

Total Shareholder Return (TSR)

(Annualized Rate)

11.7% -2.1%

(Past 10 years) (Past 5 years)

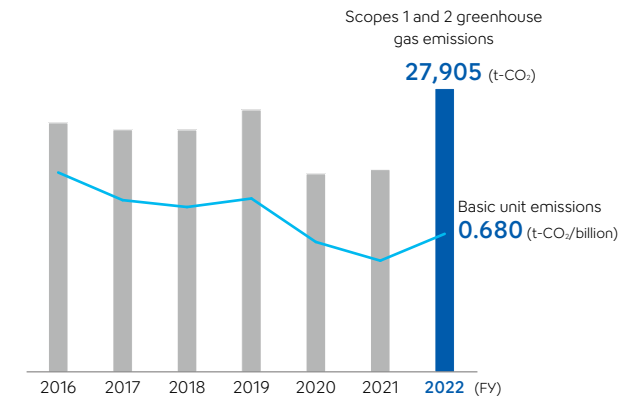


Although TSR was negative for the past five years due to a decline in the stock price, due to stable dividends TSR has outpaced TOPIX over the past 10 years.

Non-Financial Performance

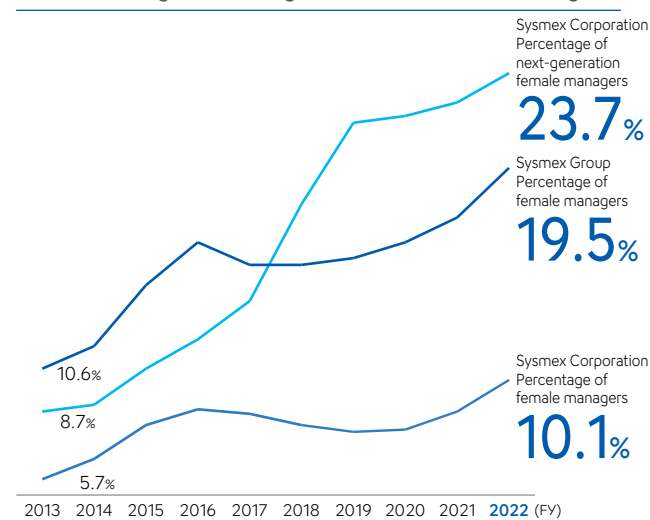
Scopes 1 and 2 Greenhouse Gas Emissions/ Basic Unit Emissions

27,905 t-CO₂ (Up 40% year on year) **0.680** t-CO₂/billion (Up 24% year on year)



CO₂ emissions rose substantially, due to an expanded scope, but we are making steady progress on the switch from resource-based to renewable energy. (In fiscal 2022, the amount of energy consumption accounted for by renewable energy was up 40% year on year.)

Percentage of female managers/ Percentage of next-generation female managers

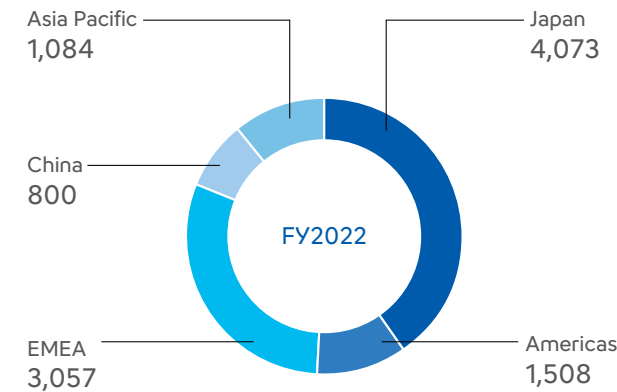


Continuous improvement of the work environment and the establishment of a system to realize diverse work styles have led to an increase in these percentages, especially in the EMEA and Asia Pacific regions.

* Excluding Russia

Number of Employees (Consolidated)*/ Percentage of Overseas Employees

10,522 **61.3%**

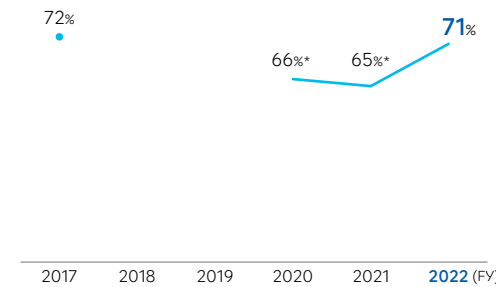


Employee numbers continued to rise in tandem with our scale of business, such as our expanding direct sales and service areas.

* Including part-time employees and others

Engagement Score

71% (up 6.0 percentage points year on year)



Scores increased in all regions due to the promotion of safe and secure work measures during the COVID-19 pandemic.

* Figures exclude EMEA in fiscal 2020 and fiscal 2021.

Topics in Fiscal 2022

Here, we introduce key topics related to Sysmex's business in fiscal 2022.

Sysmex Enters an Agreement with Siemens Healthineers in the Hemostasis Field, Expanding Its Sales Region

Through an alliance that has lasted more than 25 years, Siemens Healthineers and Sysmex have conducted sales and offered services in each other's regions. As a result, our two companies have together acquired the No. 1 global share of the market in the hemostasis field. In February 2023, we signed a new global OEM agreement that enables us to mutually supply instruments and reagents, as well as selling products globally under our own brands. Under this agreement, Sysmex will expand its direct sales, service, and support offerings in Europe, the Americas, and other regions.

Received Manufacturing and Marketing Approval for a Reagent to Test for Alzheimer's Disease

In December 2022, Sysmex received manufacturing and marketing approval in Japan for an assay kit to identify amyloid beta accumulation in the brain, a cause of Alzheimer's disease, using a small amount of blood. As this project allows testing using blood, it reduces the physical, emotional, and financial burden on patients. Furthermore, the product is expected to contribute to early diagnosis and early determination of optimal treatment plans for patients. Sales in Japan commenced in June 2023, and in August we began supplying the product as an LDT test reagent to a large commercial lab in the United States.



Reagents

Sysmex Makes Astrego a Subsidiary with the Aim of Accelerating Clinical Implementation of Rapid Antimicrobial Susceptibility Testing

Since 2019, Sysmex has been working with Astrego Diagnostics AB to develop products aimed at helping to address antimicrobial resistance (AMR). In May 2022, we welcomed this company into the Sysmex Group. In June 2023, we launched a rapid antimicrobial susceptibility testing system that detects the presence or absence of bacteria and assesses the effectiveness of antimicrobials using urine samples. This system produces results in as little as 30 minutes, a significant reduction compared to the several days required for conventional testing. This assists in the appropriate use of antimicrobials during initial patient visits at clinics and other primary care settings.



Analyzer

Single use sample cartridge

Rapid antimicrobial susceptibility testing system

Establishment of a Joint Venture with JCR Pharmaceuticals with a View to the Social Implementation of Regenerative Medicine and Cell Therapy

In October 2022, Sysmex and JCR Pharmaceuticals Co., Ltd. formed a joint venture, AlliedCel Corporation, to conduct R&D and aim for the early commercialization of regenerative medicine products using stem cells. The venture will combine Sysmex's quality control testing technologies and expertise in enhancing workflow efficiency with JCR's track record and knowhow in the development, manufacture, and sale of regenerative medicine products to develop new products using hematopoietic stem cell proliferation technology and conduct other technological development and commercialization efforts.



Insurance Coverage of Our Robotic-Assisted Surgery System Extended to Gastroenterology and Gynecology

In October 2022, Mediaroid Corporation, which Sysmex established with joint investment from Kawasaki Heavy Industries, Ltd., obtained approval to extend the scope of use of its robotic-assisted surgery system to the gastroenterology and gynecology domains. Insurance coverage for these areas was granted in December. These expanded indications will enable clinical use in a wider range of areas, and Mediaroid plans to further accelerate market introduction.



Robotic-assisted surgery system

Status of Sustainability Targets

Materiality	KPI ¹	Target			Results						Progress and Future Initiatives		
		Fiscal 2023	Fiscal 2025	Fiscal 2033 (Eco-Vision)	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022			
Creating new value for a healthy society	Resolution of medical issues through innovation	Number of hematology tests	Number of CBC tests (based on the number of reagents)	—	—	—	—	—	2,971 million	2,977 million	The market share in fiscal 2022 remained at the same level as the previous fiscal year, due to Chinese government's procurement policy and restrictions to control the COVID-19 pandemic, though reagent sales grew in each region due to an increase in installed instruments, and new high-end models enjoying brisk sales in Japan. The number of cancer genomes analyzed and the number of breast cancer tests using the OSNA method also remained at the same level as the previous fiscal year. The number of patents held and patent applications have been steady, in line with our business performance. Adding the number of hematology tests and the number of surgeries performed using our robotic-assisted surgery system, we will monitor the impact on society of our existing diagnostics business and our new medical robotics business.		
	Hematology market share ²	Percentage of consolidated sales to the market size of instruments, reagents, and services in a single year in the field of hematology	—	—	52.7%	53.8%	54.7%	55.6%	54.6% ⁵	54.0%			
	Number of cases with surgical robots	Number of cases using hinotori	—	—	—	—	—	—	—	1,323			
	Number of patents	Total number of patents, utility model rights and design rights obtained	—	—	2,709	2,987	3,143	3,485	3,680	3,832			
	Number of new patents	Total number of patents, utility model rights and design rights applied for	—	—	301	346	306	287	298	257			
	Number of cancer genomes analyzed ³	Number of cancer genomes analyzed by the NCC OncoPanel	—	—	—	—	—	1.6 thousand	1.6 thousand	1.7 thousand			
	Number of breast cancer tests using the OSNA method	Number of breast cancer tests using the OSNA method	—	—	—	—	—	46 thousand	54 thousand	52 thousand			
Improvement in accessibility to healthcare	Sales in emerging and developing markets	Consolidated sales in emerging and developing markets	—	—	—	—	¥122.0 billion	¥143.0 billion	¥156.7 billion	The sales in emerging and developing markets increased by more than 10 billion yen from the previous fiscal year partially because we bolstered our marketing and service provision structure in Brazil, Saudi Arabia and other emerging countries. We will work to improve healthcare access and quality in emerging and developing countries, continuing cooperation with international organizations, such as the WHO and JICA.			
Providing responsible products, services, and solutions	Pursuit of quality and trust	Number of recalls	Number of voluntary recalls/repairs for products sold (instruments and reagents)	—	—	—	—	—	4	2	2	In fiscal 2022, we had only two recalls, the same number as the previous fiscal year, without receiving any health hazard reports, and received no FDA warning letters, as in the previous fiscal year. We successfully prevent defective products from entering the market by establishing a system that ensures compliance with the regulations of each country, conducting regular quality audits, timely collecting information from the market through our global quality complaint handling system, and thoroughly investigating the causes of defective products. We will continue our efforts to maintain and improve the safety and quality of our products. The CSR survey response rate for fiscal 2022 was 94%, higher than the rate for the previous fiscal year. As part of our follow-up, we urged suppliers to identify low-score items and high-risk items and make necessary improvements based on the results of the previous year's CSR survey. We held five training sessions for suppliers as in the previous fiscal year. In fiscal 2022, we held BCP training sessions and seminars on promotion of sustainability and green procurement, in which a total of 431 business partners participated. We will continue to strengthen our relationship with business partners.	
		Number of FDA warning letters	Number of FDA warning letters issued to Sysmex	—	—	—	—	—	0	0	0		
	Strengthening supply chain management	CSR survey response rate (primary suppliers in Japan and overseas)	Percentage of raw material suppliers that responded to CSR surveys (primary suppliers in Japan and overseas)	90%	90%	81%	84%	85%	89%	90%	94%		
Number of training sessions for suppliers (Japan) ⁴		Number of briefings, training, and other training sessions for domestic suppliers (single year)	6	5	—	—	—	2	5	5			
Third-party certification rate of suppliers (primary, Japan) ⁴		Percentage of primary raw material suppliers (domestic) obtaining third-party certification for manufacturing or product quality	—	—	—	—	—	86%	88%	86%			
Reducing environmental impacts	Resource circulation in product life cycle	Zero product loss	Unused disposal rate of in-house manufactured goods, raw materials and spare parts (cost/sales percentage)	—	0.18%	Less than 0.1%	—	—	—	—	—	The reduction rate of CO ₂ emissions per instrument further improved in fiscal 2022 from the previous fiscal year (by 5 percentage points). This reduction was mainly due to increased sales of power-saving products and global improvement in our CO ₂ emissions coefficient. The reduction rate of CO ₂ emissions generated by shipping in fiscal 2022 improved by 24 percent points from the previous fiscal year. We promoted supply management replacing air transport with sea transport. As new targets to achieve Sysmex Eco-Vision 2033, we have set "zero product losses," "complete switch to recycled or environmentally conscious materials," and "reduction of GHG emissions (Scope 3)." We will find innovative solutions toward a circular-oriented society in cooperation with our stakeholders by pursuing green innovation and leveraging our unique strengths.	
		Recycling of containers and packing and utilization of environment compliance materials	Rate of recycled or environmentally conscious materials used in containers and packaging/labeling materials	—	60.0%	100%	—	—	—	—	—		
		Reduction of greenhouse gas emissions (Scope 3)	Percentage of reduction of greenhouse gas emissions (Scope 3) with FY2022 as the base year	—	Cut 10%	Cut 35%	—	—	—	—	—		
		Reduction of CO ₂ emissions (instruments)	Reduction rate of CO ₂ emissions per instrument unit with FY2016 as the base year	Cut 20%	—	—	Cut 12%	Cut 10%	Cut 2%	Cut 8%	Cut 22%		Cut 27%
		Reduction of water consumption (instruments)	Reduction rate of waster discharge per instrument unit with FY2016 as the base year	Cut 10%	—	—	Cut 8%	Cut 2%	Cut 4%	Cut 6%	Cut 13%		Cut 7%
		Reduction of CO ₂ emissions (shipping)	Reduction rate of CO ₂ emissions generated by shipping per non-consolidated sales unit with FY2016 as the base year	Cut 20%	—	—	Cut 17%	Up 1%	Cut 17%	Cut 25%	Cut 1%		Cut 25%
Reduction of packaging and labeling materials	Percentage reduction of total packaging material weight with FY2019 as the base year	—	—	—	—	—	—	Cut 4%	Up 9%	Cut 7%			

1. The shaded KPIs were added in April 2023. The items whose targets are displayed as "—" are monitoring items for which no targets are set.
2. Source: Clearstate and Sysmex estimates
3. Target: Sysmex Group in Japan
4. Target: Sysmex Corporation on a non-consolidated basis
5. The figure disclosed in the previous fiscal year has been revised due to a change in the calculation method.

Materiality	KPI ¹	Target			Results						Progress and Future Initiatives	
		Fiscal 2023	Fiscal 2025	Fiscal 2033 (Eco-Vision)	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022		
Reducing environmental impacts	Reduction of greenhouse gas emissions (Scopes 1, 2)	Reduction rate of GHG emissions (Scope 1, 2) from fiscal 2022	—	Cut 40%	Cut 55%	—	—	—	—	—	—	<p>The reduction rate of CO₂ emissions generated by business activities (at the business offices covered by Sysmex Eco-Vision 2025) in fiscal 2022 improved by 11 percentage points from the previous fiscal year. This substantial reduction was attributable to the progress of our switch to renewable energy.</p> <p>Sysmex Eco-Vision 2033, starting in fiscal 2023, has set a target reduction rate of CO₂ emissions for more business offices than those covered by the previous vision, as well as has introduced the reduction rate of energy use per employee and the ratio of renewable energy as new targets to raise each employee's environmental awareness, reinforcing our efforts to achieve carbon neutrality.</p> <p>The rate of reduction in water consumption and the rate of reduction in total waste (for the business sites covered by Sysmex Eco-Vision 2025) in fiscal 2022 improved from the previous fiscal year by 18 percentage points and by 12 percentage points, respectively, due to increased sales.</p> <p>As a water consumption reduction target, we have newly introduced the reduction of water consumption at main reagent factories, taking into account factors such as the uneven geographical distribution of water risks and the fact that the water consumption of product use is affected by our product portfolio more than by product improvement.</p> <p>To achieve the targets of Sysmex Eco-Vision 2033, we will work on the reduction of water consumption by reviewing production processes of each business site and introducing new equipment for more efficient water use, as well as by using recycled water.</p>
	Reduction of CO ₂ emissions (business activities)	Percentage reduction of CO ₂ emissions generated from business activities per consolidated sales with FY2016 at the base year	Cut 40%	—	—	Cut 14%	Cut 17%	Cut 35%	Cut 35%	Cut 44%	Cut 55%	
	Ratio of renewable energy	Percentage of using renewable energy	—	75%	90% or higher	—	—	—	—	—	—	
	Reduction of using energy per employee	Percentage of reduction of using energy per employee with FY2022 as the base year	—	Cut 3%	—	—	—	—	—	—	—	
	Reduction of water consumption (main reagent factories)	Percentage of reduction of water consumption per production of reagents with FY2022 as the base year	—	Cut 23pt	Cut 90pt	—	—	—	—	—	—	
	Reduction of water consumption (business activities)	Percentage reduction of water consumption from business activities per consolidated sales with FY2016 at the base year	Cut 5%	—	—	Cut 8%	Cut 7%	Up 6%	Cut 7%	Cut 19%	Cut 37%	
	Recycling rate	Resources recycled per total waste generated	85% or higher	—	—	89%	76%	67%	78%	79%	80%	
	Reduction of total waste	Percentage of reduction waste generated by business activities per consolidated sales ²	Cut 10%	Cut 5%	Cut 15%	—	—	—	Cut 8%	Cut 15%	Cut 27%	
	Ratio of product waste to sales	Ratio of products waste caused by expiry and other reasons to consolidated sales	—	—	—	—	—	0.6%	0.6%	0.5%		
Strengthening governance	Corporate governance	Number of meetings with investors and analysts ³	—	—	—	—	—	—	506	485	597	<p>The waning impact of the COVID-19 pandemic increased in-person meetings, including visits by overseas investors to Japan and overseas briefings. We effectively utilized conferences hosted by securities firms and other opportunities to hold individual and group meetings with a wide array of investors. Consequently, the number of companies we met with increased by more than 100 from the previous fiscal year.</p> <p>In fiscal 2022, we had nine unethical incidents, none of which was a serious violation. A total of 21 internal reports were received in Japan and from overseas. We investigated and appropriately handled each incident. Considering training and awareness-raising activities for employees as the foundation for promoting and ensuring compliance, we will continue to provide periodic training opportunities for employees to ensure that they will act in accordance with the Global Compliance Code.</p> <p>In fiscal 2022, we conducted online cyber security training in multiple languages for all our Group employees as well as temporary employees and independent contractors. We also provided training in handling of spear phishing (BEC and phishing scams) and held seminars on handling of emails to raise employees' awareness of information security. We will continue to conduct regular employee training and strengthen the Group's information security management system.</p> <p>In fiscal 2022, we conducted disaster drills and training. We will continue to enhance our response to risks associated with business continuity by conducting regular drills and training, introducing a system to check employees' safety and creating rules and manuals related to disaster response.</p>
	Compliance	Number of internal reports	Number of internal reports of incidents received	—	—	32	14	11	12	28	21	
		Number of unethical incidents	Total number of incidents in which the violations the law were found, and disciplinary actions were taken for the violation of the Global Compliance Code	—	—	—	9	7	5	14	9	
	Risk management	Number of information security trainees ⁴	Number of participants in information security training (gross)	—	—	—	—	—	2,720	3,601	4,900	
Participation rate in disaster drills ⁴		Percentage of participants in training using safety confirmation tool assuming a disaster, etc. (including employees on long-term leave)	—	—	—	—	—	98.7%	98.7%	99.4%		

1. The shaded KPIs were added in April 2023. The items whose targets are displayed as "—" are monitoring items for which no targets are set.
2. Fiscal year for comparison: Fiscal 2019 for the fiscal 2023 targets and the results of each fiscal year, and fiscal 2022 for the fiscal 2025 and fiscal 2033 targets
3. Target: Sysmex Corporation on a non-consolidated basis
4. Target: Sysmex Group in Japan

Materiality	KPI ¹	Target				Results						Progress and Future Initiatives
		Fiscal 2023	Fiscal 2025	Fiscal 2033 (Eco-Vision)		Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	
Increased engagement	Engagement score	Percentage of positive responses to engagement in the corporate culture survey	75%	75%		72%	—	—	66% (except EMEA)	65% (except EMEA)	71%	The Group's engagement index of employees for fiscal 2022 rose by 6 percentage points from the previous fiscal year to 71%, matching the average engagement score of Fortune 500 companies. High engagement is a key driver of the Group's growth. Our activities to instill the Sysmex Way in employees, and safety measures and work style arrangements during the COVID-19 pandemic, have boosted employee engagement in each region, achieving a 3 percentage point increase in China. The turnover rate for fiscal 2022 dropped by 2.5 percentage points from the previous fiscal year as a result of our initiatives to enhance human resource development and review compensation systems in each region. We will continue to improve employee engagement by recruiting and training talented people, creating a comfortable working environment and promoting labor-management dialogues.
	Turnover ratio	Turnover rate of regular employees (Ratio for people who have left the organization for any reason, including layoffs, job cuts, job changes, retirement age, etc.)	10% or less	10% or less		—	—	10.1% ⁴	7.5% ⁴	10.9% ⁴	8.4%	
	Self-turnover rate	Annual retirement rate for personal reasons	—	—		—	—	—	—	—	6.8%	
	Return rate from parental leave ²	Return to work after parental leave	—	—		—	—	—	—	—	100%	
Creating an attractive workplace	Percentage of men taking childcare leave ²	Percentage of male employees (including part-time workers) taking childcare leave after their spouse bears a child	60% or higher	65% or higher	—	—	—	—	31% ⁴	53% ⁴	62%	The percentage of men taking childcare leave in fiscal 2022 increased by 9 percentage points from the previous fiscal year. This significant increase was attributable to our various initiatives: setting targets in our action plans under the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on the Promotion of Women's Active Engagement in Professional Life, helping employees balance parenting and work, conducting continuous awareness-raising activities to establish a comfortable working environment (holding round-table discussions for all domestic employees and conducting seminars by internal and external lecturers and creating a guidebook for male employees), encouraging managers to understand various work styles, and changing employees' awareness of working styles by introducing the smart work system. We will continue to take actions to increase male employees taking childcare leave.
	Female managers ratio	Ratio of women at director level or above	20% or higher	20% or higher	—	15.2%	15.2%	15.5%	16.2%	17.3%	19.5% (except Russia)	The female managers ratio in fiscal 2022 increased by 2.2 percentage points from the previous fiscal year. Factors in this increase include the appointment of more women as successors to key positions, including positions on the management team in the Asia Pacific region, the early promotion of women to management positions in EMEA, and an increase of female managers due to diversified career options resulting from the reform of the personnel system in Japan. We will use the percentage of women and non-Japanese nationals in management, and the wage differentials between male and female employees, along with other indicators, as new indicators for monitoring, while creating a working environment that allows employees to work in diverse work styles and providing diversity education.
	Female next generation managers ratio	Percentage of women in the manager position in the Sysmex Group	—	—		—	—	—	—	—	32.1%	
	Female associates, employees ratio	Female employees ratio in the Sysmex Group	—	—		—	—	—	—	—	41.8%	
	Percentage of mid-career recruitment in managerial and professional positions ²	Percentage of mid-career recruitment employees in managerial and professional positions	—	—		—	—	—	—	—	41.7%	
	Male/female percentage among recruits (new graduates and mid-career) ²	Female ratio in new graduates recruitment, mid-career recruitment	—	—		—	—	—	—	—	Newly graduated: 35.9% Mid-career: 27.0%	
	Percentage of women and non-Japanese nationals in management ²	Ratio of women in the managements, ratio of foreigners in the managements	—	—		—	—	—	—	—	Women: 8.3% Non-Japanese: 16.7%	
	Percentage of women in management	Ratio of women in management of group companies including the head office	—	—		—	—	—	—	—	9.4%	
	Salary inequality in managerial and professional positions (total compensation) ²	Gender ratio in average total compensation value (managerial and professional positions)	—	—		—	—	—	—	—	93:100	
	Salary inequality general employees (total compensation) ²	Gender ratio in average total compensation value (general employees)	—	—		—	—	—	—	—	80:100	
Percentage of employees with disabilities ³	Percentage of employees with physical, intellectual, or mental disabilities	2.35% or higher	2.65% or higher		2.04%	2.21%	2.30%	2.30%	2.31%	2.31%	Although the number of employees with disabilities increased (mainly at Sysmex Harmony Co., Ltd., a special subsidiary of Sysmex), the percentage of employees with disabilities remained at the same level due to the increase in total employees resulting from our business expansion. We will continue to create and identify tasks suitable for persons with disabilities and consolidate such tasks to provide more employment opportunities to those with disabilities. We will also remain committed to creating roles and a working environment that enable every employees with disabilities to use their unique traits as strengths.	

1. The shaded KPIs were added in April 2023. The items whose targets are displayed as “—” are monitoring items for which no targets are set.
2. Target: Sysmex Corporation on a non-consolidated basis
3. Target: Sysmex Group in Japan
4. The figure disclosed in the previous fiscal year has been revised due to a change in the calculation method.

Materiality	KPI ¹	Target			Results						Progress and Future Initiatives	
		Fiscal 2023	Fiscal 2025	Fiscal 2033 (Eco-Vision)	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022		
Development of human resources	Training time per employee	Average training time per employee for training provided by HR and each division (including online training)	40.0 hours	40.0 hours		—	—	—	24.5 hours	31.4 hours	30.0 hours	The training time per employee in fiscal 2022 decreased by 1.4 hours from the previous fiscal year (95.5% of the training time per employee in the previous fiscal year). On the other hand, our Group companies in Japan achieved a 100% training participation rate and invested 92,000 yen in training per employee. We will promote the development of human resources, including next-generation global leaders, by adding value-added productivity, investment in human resource training, the rate of participation in training, and other indicators to the monitored items, and by setting the rate of internal transfers to new positions.
	Value-added productivity (non-consolidated) ²	Value added per time	—	—	—	—	—	—	—	—	¥13,230	
	Value-added productivity (Group)	Value added per capita	¥19.38 million	¥22.50 million	—	—	—	—	—	—	¥18.74 million	
	Human resources development investment (non-consolidated) ²	Total investment in human resources development and training	¥234 million	¥252 million	—	—	—	—	—	—	¥266 million	
	Human resources development investment (Group)	Total investment in human resources development and training	—	—	—	—	—	—	—	—	¥356 million	
	Participation rate in training (non-consolidated) ²	Total number of associates who took training each year divided by total number of employees	90% or higher	90% or higher	—	—	—	—	—	—	100%	
	Participation rate in training (Group)	Total number of associates who took training each year divided by total number of employees	—	—	—	—	—	—	—	—	100%	
	Success plan effectiveness rate ²	Rate of transfer to key positions	—	—	—	—	—	—	—	—	100%	
	Succession coverage rate ²	Percentage of key positions that have a successor candidate	—	—	—	—	—	—	—	—	218.9%	
Creating an attractive workplace	Total annual working hours ³	Total annual hours worked per regular employee	2,000 hours	1,980 hours	—	—	—	2,030 hours	2,045 hours	2,022 hours	The annual working hours in fiscal 2022 decreased by 23 hours from the previous fiscal year. The main factors in this decrease include alleviated staff shortages as a result of aggressive recruiting activities, coupled with innovation and business structure transformation efforts, reduced overtime hours resulting from a shift to more efficient work styles through the adoption of value-added productivity indicators, and an increase in the number of paid leave days taken. We will continue to reduce working hours by optimizing assignment through enhanced recruitment efforts and actively conducting training and awareness-raising activities for employees in cooperation with the labor union.	
	Percentage of days of paid leave taken ³	Percentage of days of annual paid leave taken per regular employee	70% or higher	75% or higher	—	—	—	61.3%	62.4%	66.5%	The percentage of days of paid leave taken in fiscal 2022 increased by 4.1 percentage points from the previous fiscal year. To increase use of paid leave, we set recommended dates for paid leave, shared paid leave days actually taken by each employee with their department heads, and actively encouraged employees to take paid leave. For fiscal 2023, we have introduced a target percentage of days of paid leave taken. To increase the percentage, we will improve productivity as well as raise employees' awareness of the benefits of taking paid leave.	
	Lost-term injuries frequency rate ³	Number of employee death or injuries resulting from work-related accidents per million hours actually worked	Less than 0.5	Less than 0.5	—	—	—	0.78	0.91	0.81	The lost-time injury frequency rate and the lost work days rate for fiscal 2022 decreased by 0.1 percentage points and increased by 0.01 percentage points, respectively. There were six work-related accidents, including injuries in factories (seven accidents in the previous fiscal year). As a measure to reduce work-related accidents, employment health advisors gave employees guidance about how to prevent injuries.	
	Lost work days rate ³	Number of days absent from work due to work-related injuries per 1,000 hours actually worked	Less than 0.05	Less than 0.05	—	—	—	0.05	0.04	0.05	We will continue to bolster and enhance our workplace safety and health management system under the leadership of the Central Health and Safety Committee, which supervises our Group companies in Japan. In the event of a work-related accident, the Health and Safety Committee of the business site involved will investigate the causes, take necessary actions, and share the causes and actions within the Group to prevent its recurrence.	

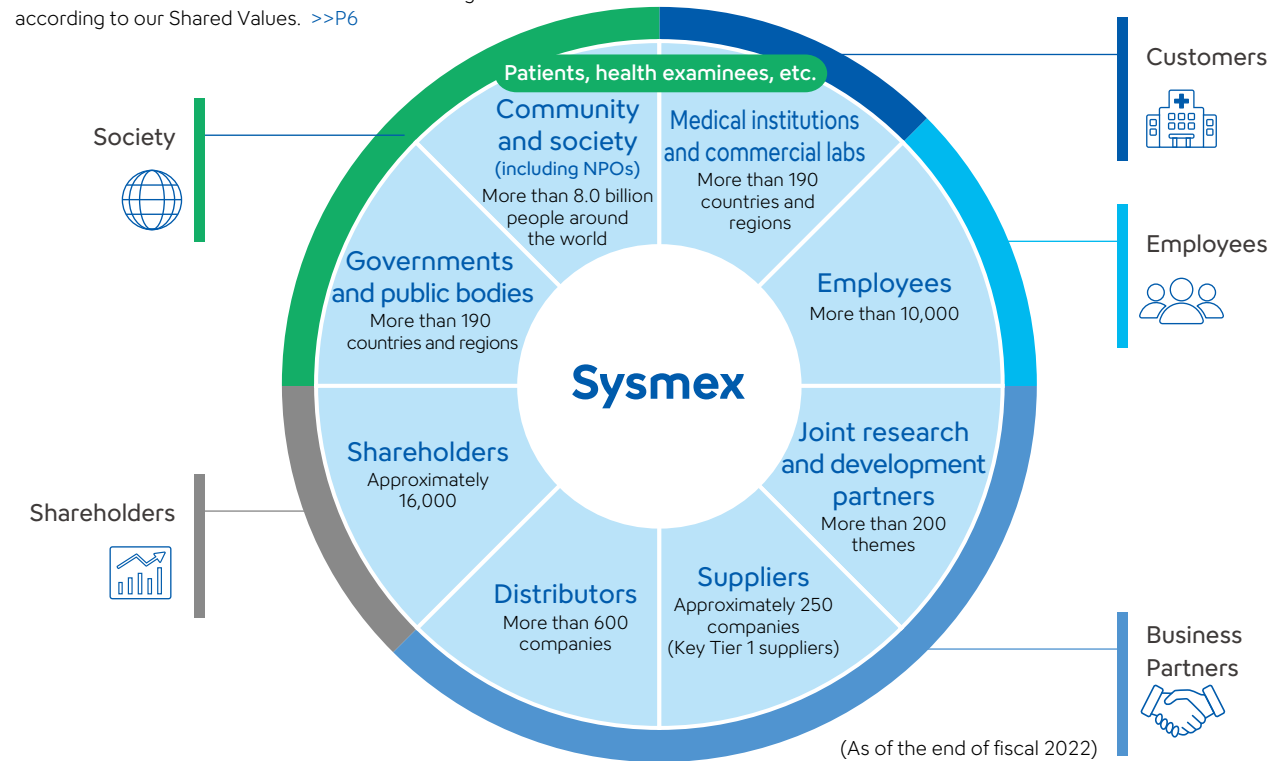
1. The shaded KPIs were added in April 2023. The items whose targets are displayed as “—” are monitoring items for which no targets are set.
2. Target: Sysmex Corporation on a non-consolidated basis
3. Target: Sysmex Group in Japan

Stakeholder Engagement

Sysmex works alongside its business partners and employees to provide products and services to medical institutions and other customers in an effort to resolve medical issues. Going forward, through proactive dialogue with stakeholders, we strive to forge better relations. In addition, by incorporating their expectations and requirements into our business activities, we will enhance the effectiveness of our strategy and strive to realize a sustainable society.

Major Stakeholders

Stakeholders described outside the circle are categorized according to our Shared Values. >>P6



Main Dialogue with Stakeholders (Fiscal 2022)

>>Status of Sustainability Targets P63 >>Sysmex Sustainability Data Book 2023> Stakeholder Engagement P18

Customers

We engage in ongoing communication through sales and service and support activities, with the aim of instilling confidence in our customers and providing added value that exceeds their expectations. As a result, we earn high marks in customer satisfaction surveys.

- Established a 24/7 customer support center (separate contract required)
- Conducted customer satisfaction surveys
- Gathered feedback through VOC (Voice of the Customer), utilized in product development and quality improvements
- Convened user meetings to communicate accurate product knowledge
- Held online scientific seminars (hybrid online/at-venue format)

>>Customer Assessment in the United States P106
>>Sysmex Sustainability Data Book 2023> Responsible Provision of Products, Services and Solutions P29

Employees

In Sysmex's aim to achieve sustainable growth, in addition to recruiting, developing, and deploying human resources tied to the Long-Term Corporate Strategy 2033, it is essential to promote DE&I and create an attractive workplace that is easy and rewarding to work in. We have set the engagement score on our corporate culture survey, as one of our sustainability targets, and we are undertaking initiatives to achieve this target.

- Conducted corporate culture surveys (dialogues according to the results of the engagement score)
- Promoted the corporate philosophy of the Sysmex Group and introduced an internal award system
- Configured a global internal reporting system >>Sysmex Sustainability Data Book 2023>Compliance P79
- Held council meetings between labor and management

>>Human Capital Strategy P53 >>Sysmex Sustainability Data Book 2023> Realization of an Attractive Workplace P38

Business Partners

We maintain ongoing dialogues to foster an understanding among business partners of Sysmex's business direction and policies, as well as to build trust-based relationships. For suppliers, we are strengthening communication to realize a circular society, as well as establishing supply chain management in accordance with our procurement policy.

- Communication through open innovation and alliances with R&D partners
- Communication based on procurement policies
- Conducting CSR surveys of suppliers
- Holding meetings with sales distributors and visiting

>>Sysmex Sustainability Data Book 2023> Strengthening of Supply Chain Management P36

CSR survey response rate (primary suppliers of raw materials)

94%

Shareholders

Sysmex recognizes that IR activities are important to achieving sustainable growth and medium- to long-term increases in corporate value. We strive to disclose information proactively and quickly share internally the evaluations and requests that we receive in the course of dialogues with shareholders and investors, and to reflect this information in our management and IR activities. As in the previous fiscal year, opportunities for dialogues with global investors increased significantly due to the use of online communications.

- Holding of the Ordinary General Meeting of Shareholders
 - Voting rights executed in writing or via the Internet
- Information disclosure
 - Proactively disclosed voluntary information such as operating performance by destination, type of business, and product type
- Dialogues with institutional investors and analysts
 - Held business results briefings and conference calls
 - Held IR meetings: Sysmex management visited the Americas, Europe, and Tokyo to engage in dialogues related to our long-term management goals, mid-term management plan, business model, R&D, shareholder returns, ESG, and other topics.
 - Holding of IR events: Each year we hold a technology presentation, in which people in charge of R&D divisions provide explanations about R&D progress. In addition, to foster a deeper understanding of our management strategy and business activities, we conducted facility tours and tours of offices in Japan and overseas. (postponed in fiscal 2022 due to COVID-19)
 - We provide English-language materials, including scripts, at each event.
- Dialogues with individual shareholders
 - Provided information through our shareholder newsletter and website
 - Held business office tours (suspended in fiscal 2022 due to COVID-19)

Meetings with institutional investors and analysts

Approx. 590 per year

Society

We liaise and engage in dialogue with government agencies and international organizations with a view to the development of healthcare and the realization of a sustainable society. In addition, we communicate with society at large through activities aimed at meeting the needs of communities around the world, based on our Policy on Corporate Citizenship Activities and Philanthropy.

- Collaborated with government agencies and international organizations
- Participated in industry groups
- Engaged in Group corporate citizenship programs, including the Sysmex Gives Back Campaign (such as employee blood donations, environmental activities, helping to eradicate cancer, and support for pediatric patients and orphans, etc.)
- Supported activities in various regions in relation to the spread of COVID-19

>>Sysmex Sustainability Data Book 2023> Corporate Citizenship Activities P55

Employees participating in Group corporate citizenship programs

More than 7,000 per year