

# Business Results

First Six Months of the  
Fiscal Year Ending March 31, 2021

Hisashi Ietsugu

Chairman and CEO

November 6, 2020

# Index

1. Business Results First Six Months of Fiscal Year Ending March 31, 2021
2. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2021

(Appendix)

- Sales by Business and Product Type
- Results by Geographic Region  
(Sales and Operating Profit)

The Sysmex Group adopted International Financial Reporting Standards (IFRS) in the fiscal year ended March 31, 2017. Figures are disclosed in compliance with IFRS.

## **Forward-Looking Statements**

This material contains forward-looking statements about Sysmex Corporation and its Group companies (the Sysmex Group). These forward-looking statements are based on the current judgments and assumptions of the Sysmex Group in light of the information currently available to it. Uncertainties inherent in such judgments and assumptions, the future course of our business operations and changes in operating environments both in Japan and overseas may cause our actual results, performance, achievements, or financial position to be materially different from any future results, performance, achievements or financial position either expressed or implied within these forward-looking statements.

1.

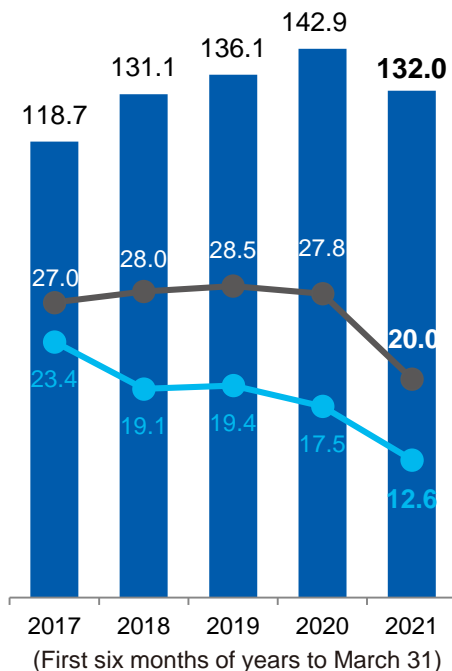
# Business Results

## First Six Months of Fiscal Year Ending March 31, 2021

# Financial Highlights



(Billions of yen)



■ Net sales  
● Operating profit  
● Profit attributable to owners of the parent

**First six months of fiscal year ending March 31, 2021**

First six months of fiscal year ended March 31, 2020

1USD	<b>¥106.9</b>	¥108.6
1EUR	<b>¥121.3</b>	¥121.4
1CNY	<b>¥15.3</b>	¥15.7

(Billions of yen)

**First six months of fiscal year ending March 31, 2021**

**First six months of fiscal year ended March 31, 2020**

**YoY (Previous period = 100%)**

	Results	Ratio	Results	Ratio	
Net sales	<b>132.0</b>	<b>100%</b>	142.9	100%	<b>92.4%</b>
Cost of sales	<b>64.7</b>	<b>49.1%</b>	65.4	45.8%	<b>99.0%</b>
SG&A expenses	<b>38.0</b>	<b>28.8%</b>	40.0	28.0%	<b>95.1%</b>
R&D expenses	<b>9.7</b>	<b>7.4%</b>	10.4	7.3%	<b>93.2%</b>
Other income (expenses)	<b>0.5</b>	<b>0.4%</b>	0.7	0.5%	<b>71.2%</b>
Operating profit	<b>20.0</b>	<b>15.1%</b>	27.8	19.4%	<b>72.0%</b>
Profit attributable to owners of the parent	<b>12.6</b>	<b>9.6%</b>	17.5	12.3%	<b>71.9%</b>

- Net sales:** Net sales fell due to lower sales of reagents in all regions, owing to the impact of COVID-19.
  - Operating profit:** Operating profit was down as lower sales forced down gross profit and the cost of sales ratio deteriorated due to falling reagent sales volume. Operating profit was also affected by exchange rates. Exchange rate fluctuations reduced net sales ¥2.11 billion and lowered operating profit ¥1.17 billion. At the exchange rates prevailing one year earlier, net sales would have been down 6.1%, and operating profit down 23.8%.
  - Profit attributable to owners of the parent:** Although the exchange rate loss decreased, profit was down due to lower operating profit.
- Exchange loss (gains):** Loss of ¥0.70 billion (loss of ¥1.67 billion in previous term)

# Quarterly Operating Performance (Q1→Q2)



Compared with Q1, profitability rose due to improvements in net sales and the cost of sales ratio.

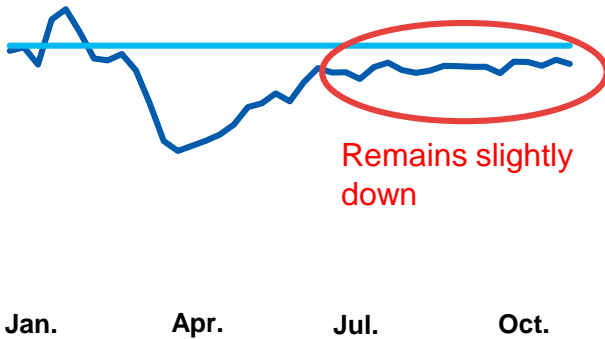
(Billions of yen)

	Q1 (April–June)			Q2 (July–September)		
	Fiscal year ending March 31, 2021	Ratio	YoY	Fiscal year ending March 31, 2021	Ratio	YoY
Net sales	<b>60.5</b>	100.0%	-11.7%	<b>71.5</b>	100.0%	<b>-3.9%</b>
Cost of sales	<b>29.8</b>	49.4%	-5.6%	<b>34.9</b>	48.8%	<b>+3.3%</b>
SG&A expenses	<b>18.9</b>	31.3%	-8.6%	<b>19.1</b>	26.8%	<b>-0.9%</b>
R&D expenses	<b>4.9</b>	8.1%	-1.6%	<b>4.8</b>	6.8%	<b>-11.6%</b>
Other income (expenses)	<b>0.1</b>	0.3%	+56.9%	<b>0.3</b>	0.5%	<b>-43.7%</b>
Operating profit	<b>6.9</b>	11.5%	-38.3%	<b>13.0</b>	18.2%	<b>-21.0%</b>
Profit attributable to owners of the parent	<b>4.4</b>	7.4%	-33.0%	<b>8.1</b>	11.4%	<b>-25.1%</b>

# Estimated Number of Hematology Tests

Amid a growing sense of recovery, the number of tests remains down slightly in the Americas and AP. Moving into the second half, there are concerns about a resurgence in infections.

### Americas



### EMEA

Note: Status centered on Europe



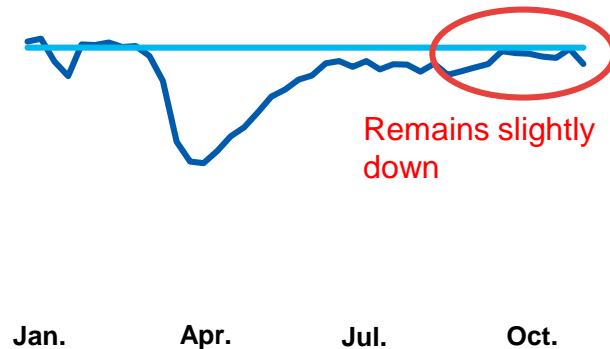
### China

Note: Status centered on Tier 3 hospitals



### AP

Note: Status centered on Oceania



### Japan

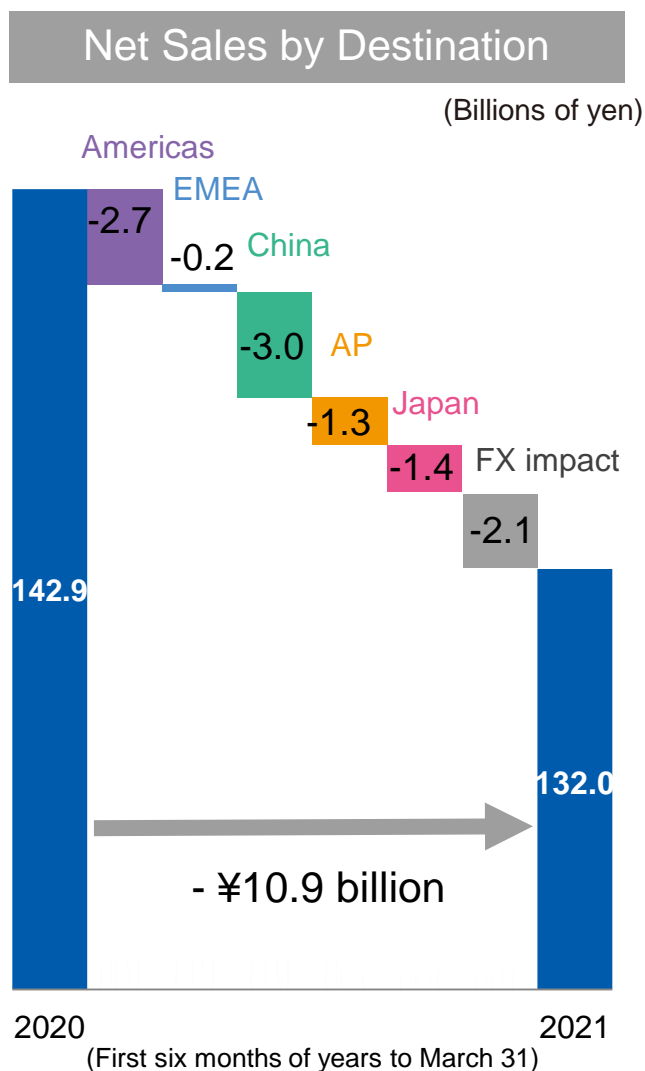


— Average for previous fiscal year

Note: Figures are estimated number of testing trends at large hospitals and commercial labs, particularly in developed countries.

# Breakdown of Net Sales (by Destination)

Net sales were down due to lower reagent sales in all regions.



(Billions of yen)

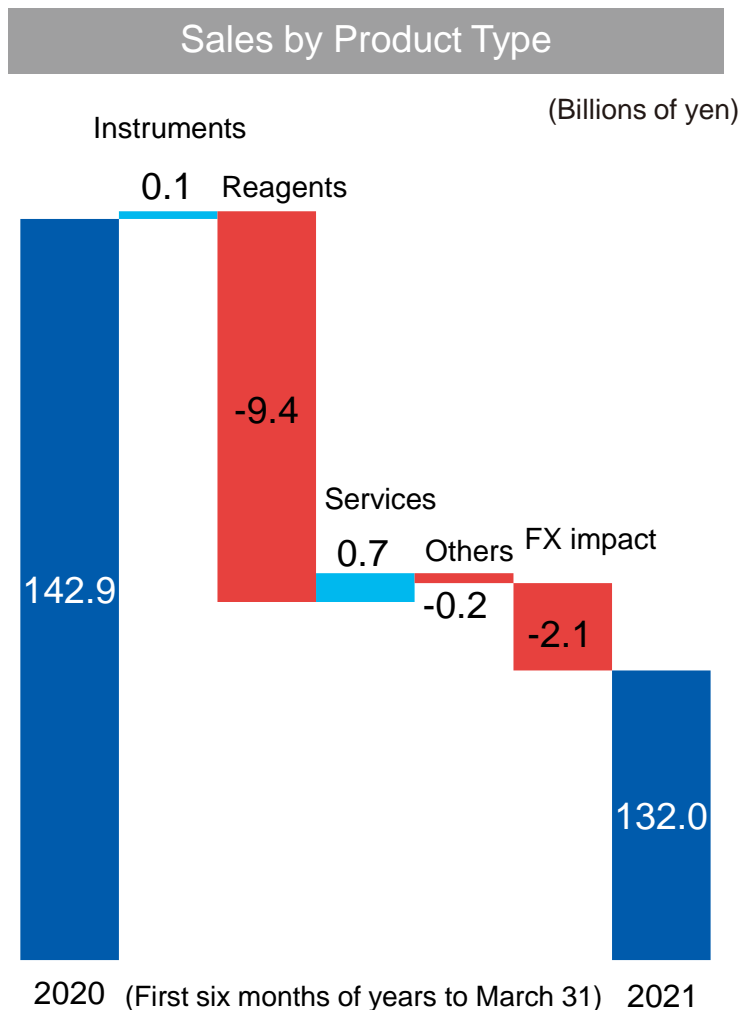
	First six months of fiscal year ending March 31, 2021		YoY (Previous period = 100%)	
	Results	Ratio	Yen basis	Local currency basis
Net sales	<b>132.0</b>	100.0%	<b>92.4%</b>	<b>93.9%*</b>
Americas	<b>29.3</b>	22.2%	<b>89.6%</b>	<b>91.0%</b>
EMEA	<b>36.8</b>	27.9%	<b>98.2%</b>	<b>98.3%</b>
China	<b>33.6</b>	25.5%	<b>89.9%</b>	<b>92.1%</b>
AP	<b>10.9</b>	8.3%	<b>87.2%</b>	<b>89.1%*</b>
Japan	<b>21.2</b>	16.1%	<b>93.8%</b>	-

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

# Breakdown of Net Sales (by Product Type)



Reagent sales were down, but instrument sales were up slightly due to increases in China and EMEA.



(Billions of yen)

	First six months of fiscal year ending March 31, 2021		First six months of fiscal year ended March 31, 2020		YoY (previous period = 100%)	YoY at previous year's rate
	Results	Ratio	Results	Ratio		
Net sales	<b>132.0</b>	<b>100.0%</b>	142.9	100.0%	<b>92.4%</b>	<b>93.9%</b>
Instruments	<b>35.5</b>	<b>26.9%</b>	36.0	25.2%	<b>98.6%</b>	<b>100.6%</b>
Reagents	<b>73.7</b>	<b>55.8%</b>	84.2	58.9%	<b>87.5%</b>	<b>88.8%</b>
Services	<b>18.1</b>	<b>13.8%</b>	17.7	12.4%	<b>102.7%</b>	<b>104.0%</b>
Others	<b>4.6</b>	<b>3.5%</b>	4.9	3.5%	<b>93.5%</b>	<b>95.1%</b>



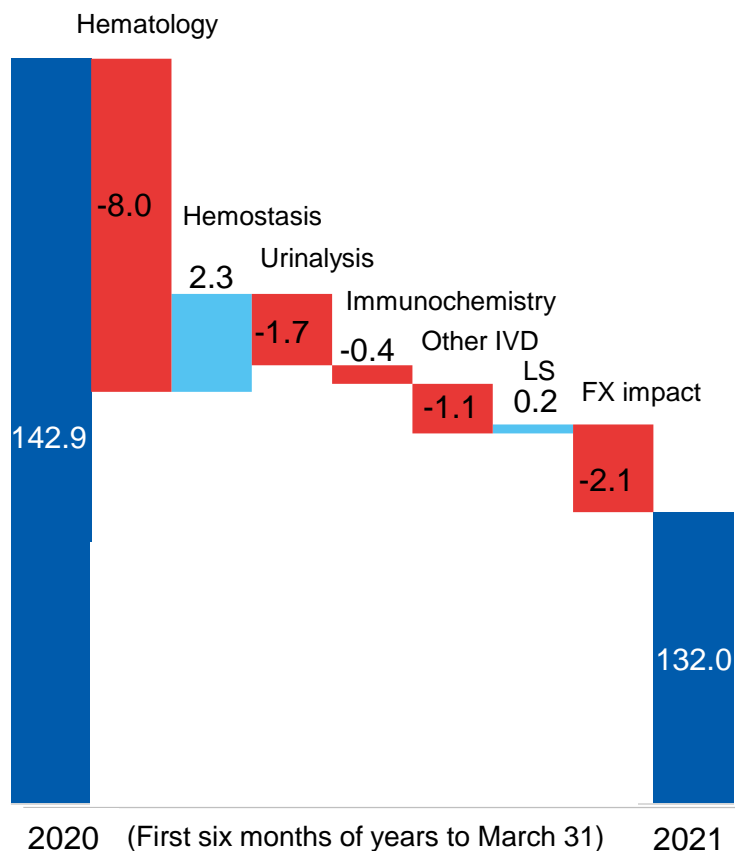
# Breakdown of Net Sales (by Business)



Hematology, urinalysis and immunochemistry sales were down. In the hemostasis field, however, sales were up due to the use of these tests as an indicator for monitoring increasing severity of COVID-19.

Sales by Business

(Billions of yen)



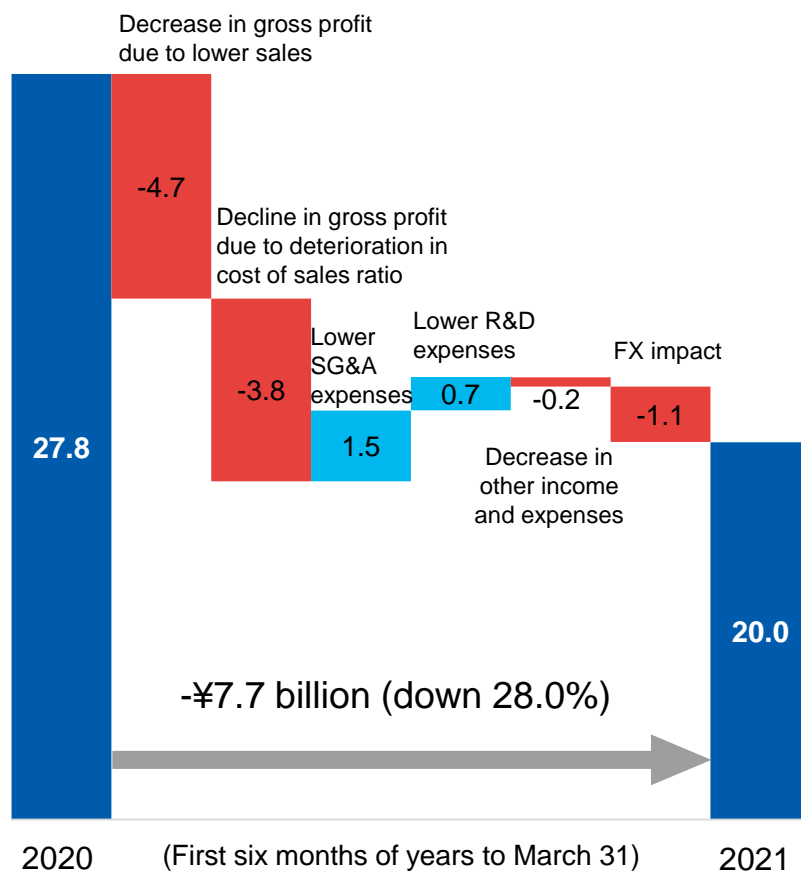
(Billions of yen)

	First six months of fiscal year ending March 31, 2021		First six months of fiscal year ended March 31, 2020		YoY (previous period = 100%)	YoY at previous year's rate
	Results	Ratio	Results	Ratio		
Net sales	<b>132.0</b>	<b>100.0%</b>	142.9	100.0%	<b>92.4%</b>	<b>93.9%</b>
Hematology	<b>80.1</b>	<b>60.7%</b>	89.4	62.6%	<b>89.5%</b>	<b>91.1%</b>
Hemostasis	<b>24.7</b>	<b>18.7%</b>	22.8	16.0%	<b>108.2%</b>	<b>110.3%</b>
Urinalysis	<b>8.1</b>	<b>6.2%</b>	10.0	7.0%	<b>81.4%</b>	<b>82.9%</b>
Immuno-chemistry	<b>6.3</b>	<b>4.8%</b>	6.8	4.8%	<b>92.3%</b>	<b>93.4%</b>
Other IVD	<b>7.5</b>	<b>5.7%</b>	8.8	6.1%	<b>85.8%</b>	-
LS	<b>5.1</b>	<b>3.9%</b>	4.9	3.5%	<b>104.0%</b>	<b>104.6%</b>

# Breakdown of Operating Profit

## Operating Profit

(Billions of yen)



Note: the figures below exclude the impact of exchange rates.

- Decrease in gross profit due to lower sales: Down ¥4.76 billion
- Cost of sales ratio: 2.9pt deterioration
  - Changes in the product mix (lower percentage of reagents) 1.9pt deterioration
  - Deterioration in the cost of sales ratio for instruments and reagents, due to higher sales ratios outside the hematology field 1.5pt deterioration
  - Lower service costs in China and Americas 0.4pt improvement
- SG&A expenses: Down ¥1.50 billion
  - Activity levels were down year on year due to COVID-19, although sales promotion activities resumed in individual regions as we entered Q2.
- R&D expenses: Down ¥0.71 billion
  - The first six months of the previous fiscal year included initial costs from the bio-diagnostic reagent base. Also, we began commercializing some life science products, and licensing fees were incorporated into cost of sales. As a result, R&D expenses were down year on year.
- FX impact: ¥1.17 billion negative

# Breakdown of Assets and Liabilities/Equity

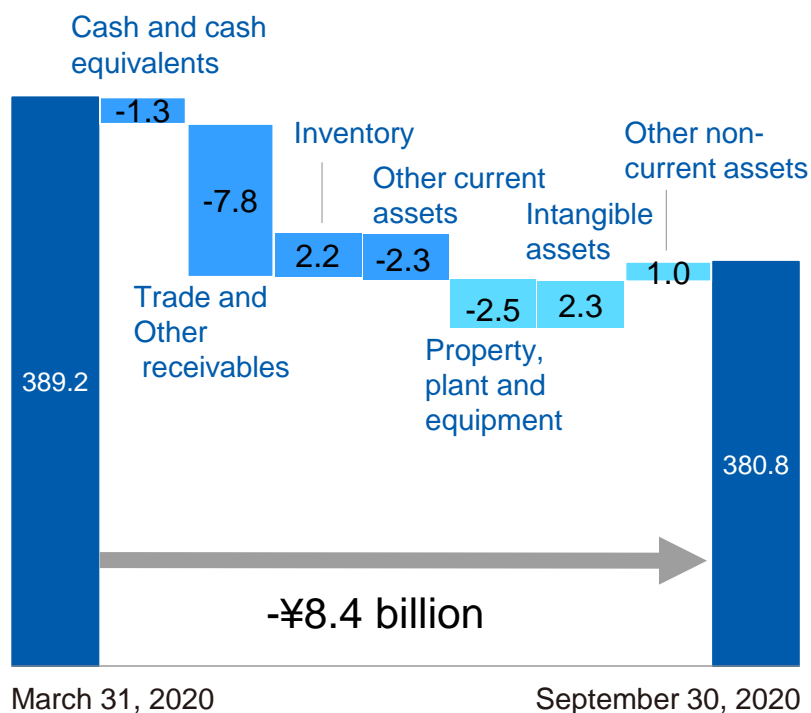


(Billions of yen)

## Assets

Current assets: -¥9.36 billion

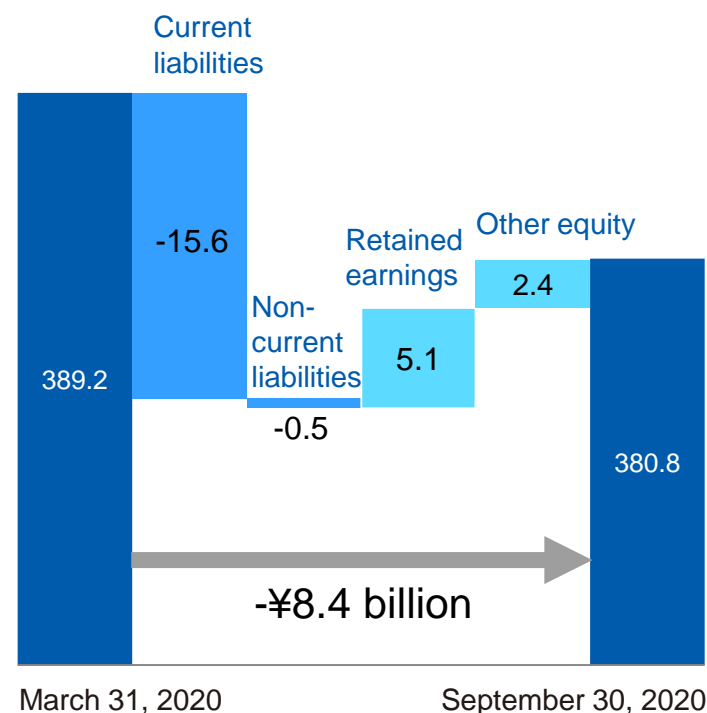
Non-current assets: +¥0.89 billion



## Liabilities/Equity

Liabilities: -¥16.10 billion

Equity: +¥7.63 billion

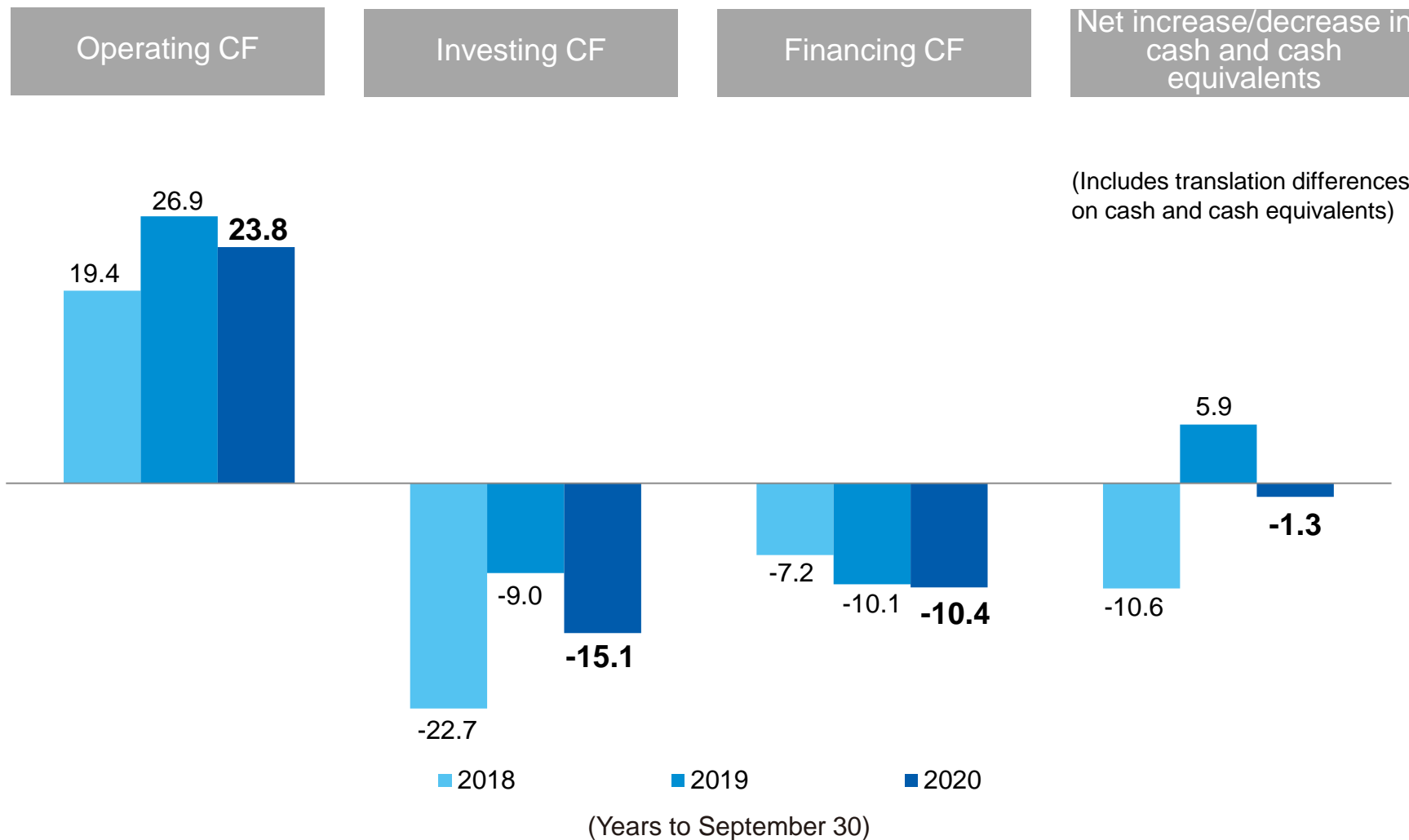


Note: The application of IFRS16 affected property, plant and equipment; current liabilities; and non-current liabilities.

# Consolidated Cash Flows



(Billions of yen)



Note: The application of IFRS16 affected operating CF and financing CF for the year ended March 31, 2020.



## IVD business

- Signed long-term contract in the hematology field with the largest commercial lab group in the EMEA region
- Launched new products in the hemostasis field: CN-6500/CN-3500 automated blood coagulation analyzers (Japan)
- Launched the XF-1600 flow cytometer (for research) (North America)

## Life science business

- Insurance coverage received for liquid biopsy RAS gene mutation testing for colorectal cancer using high-sensitivity digital PCR (Japan)
- Launched system using the OSNA™ method to test for breast cancer lymph node metastasis (China)

## COVID-19-related business (Japan)

- Applied for manufacturing and marketing approval for a SARS-CoV-2 antigen detection reagent
- Launched SARS-CoV-2 antibody lab assay service and antibody measurement reagents (for research)
- City of Kobe, Sysmex and SRL configured and began operating a PCR testing system for COVID-19 within the Kobe Biomedical Innovation Cluster

## Others

- Received manufacturing and marketing approval, as well as insurance coverage, for the “hinotori™ Surgical Robot System,” a robotic assisted surgery system (Japan)
- Introduced a new globally consistent job-based HR management system
- Expanded the scope and scale of investment in digitization projects to strengthen our corporate structure and create new value

## Resolution of medical issues through products and services (contributing to enhanced COVID-19 testing system)



### Configure assays using our HISCL automated immunoassay system

#### ■ Develop antigen test

- Applied for manufacturing and marketing approval at end-September (Japan)
- Measures nasopharyngeal (expansion of application to nasal swabs and saliva under development)

#### ■ Develop antibody test

- Launched an antibody lab assay service (for research) and antibody measurement reagents (for research)
- Provided epidemiological studies and other information for research

#### ■ Develop tests to predict severity and monitor treatment

- Launched a lab assay service (for research) of six parameters closely related to COVID-19

Note: Our automated immunoassay system is capable of **performing measurements that are highly sensitive in 17 minutes per sample (up to 200 samples/hour).**



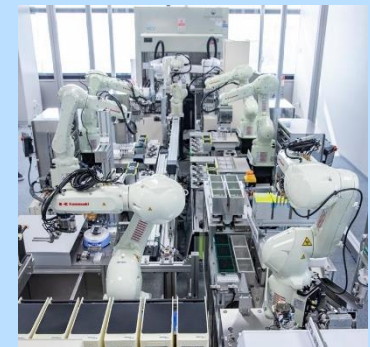
Fully Automated Immunoassay System  
HISCL-5000

### ■ Configure PCR testing system (Sysmex BMA Laboratory)

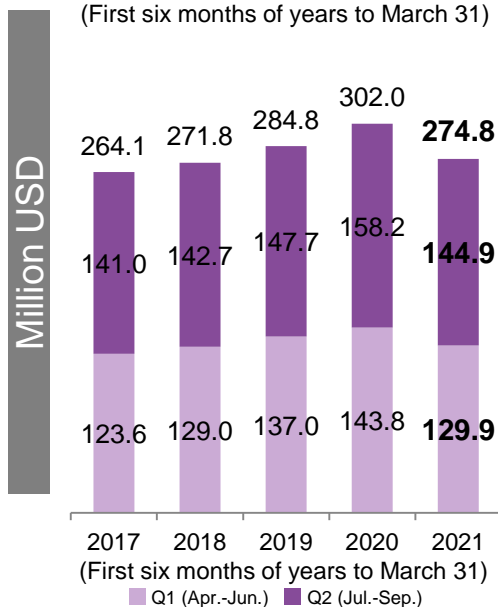
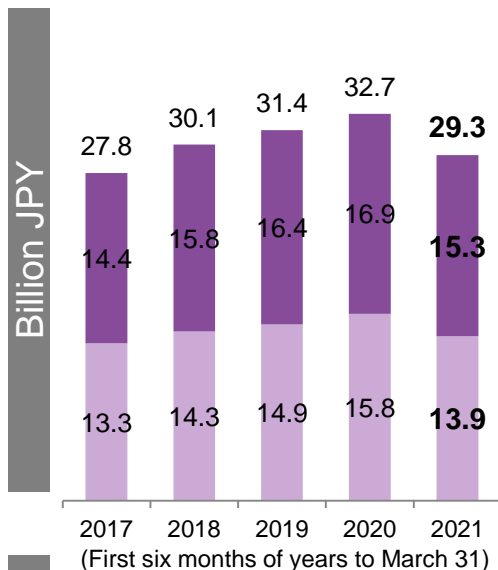
- Configured system in collaboration with the City of Kobe and SRL
- Receiving samples from the City of Kobe (expanding the scope of application to personnel at care facilities)

### ■ Joint development of an automated PCR testing robot system

- Developing system in collaboration with Kawasaki Heavy Industries and Mediaroid with the aim of rollout in airports and other locations
- Aimed at reducing manual operations to prevent secondary infections and establish a rapid testing system



## Sales



(Billions of yen)

	First six months of fiscal year ending March 31, 2021	First six months of fiscal year ended March 31, 2020	YoY (Previous period = 100%) (Yen basis)	YoY (Previous period = 100%) (Local currency basis)
Sales	29.3	32.7	89.6%	91.0%
Instruments	7.6	8.9	85.8%	87.1%
Reagents	13.1	15.2	86.0%	87.4%
Services, others	8.5	8.5	99.8%	101.4%

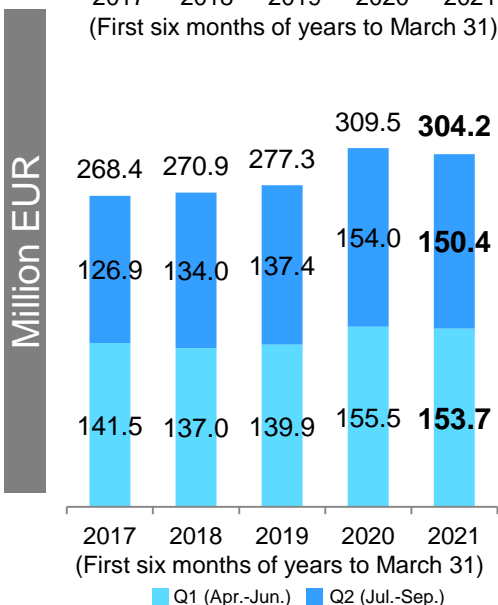
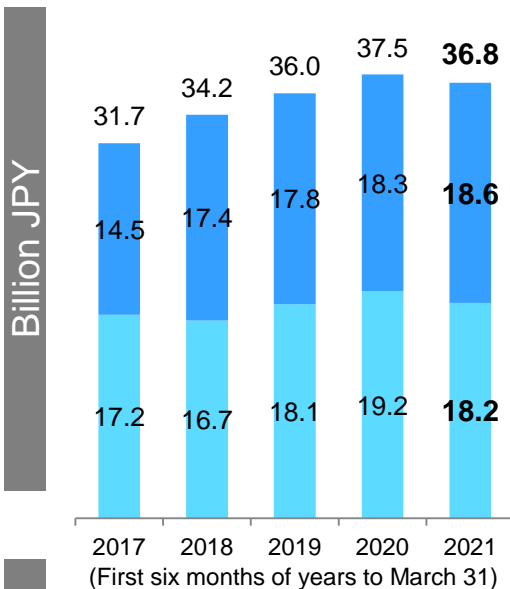
**Sales for this region were down due to the impact of COVID-19 on reagent sales, particularly in the hematology field, although sales in the hemostasis field were favorable in North America.**

- Instruments: Sales decreased as the result of delayed installation of hematology instruments, despite robust performance in the hemostasis field in North America.
- Reagents: Sales were down in the hematology field due to the impact of COVID-19, both in North America and in Central and South America.

## Topics

- We will be monitoring trends in the healthcare market following the US presidential elections.
- In North America, we entered an exclusive sales agreement in the urinalysis field with Siemens Healthineers, with sales commencing at the end of Q2.

## Sales



(Billions of yen)

	First six months of fiscal year ending March 31, 2021	First six months of fiscal year ended March 31, 2020	YoY (Previous period = 100%) (Yen basis)	(Local currency basis)
Sales	<b>36.8</b>	37.5	<b>98.2%</b>	98.3%
Instruments	<b>10.8</b>	10.2	<b>106.1%</b>	106.5%
Reagents	<b>19.9</b>	21.6	<b>91.8%</b>	91.8%
Services, others	<b>6.1</b>	5.6	<b>108.3%</b>	108.2%

**Sales were down slightly in the region as the result of lower reagent sales stemming from COVID-19, although instrument sales were favorable in the hematology and hemostasis fields.**

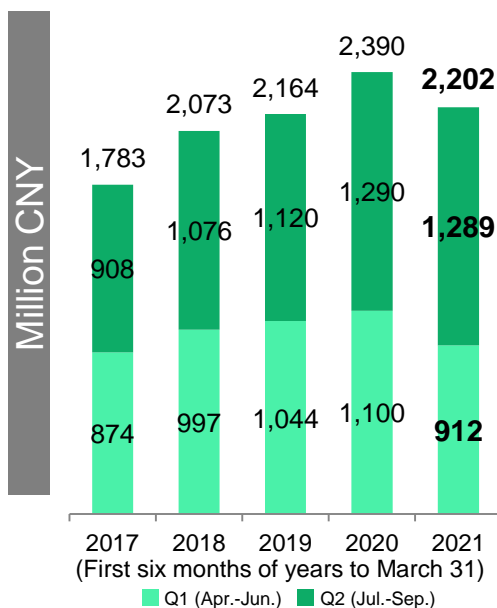
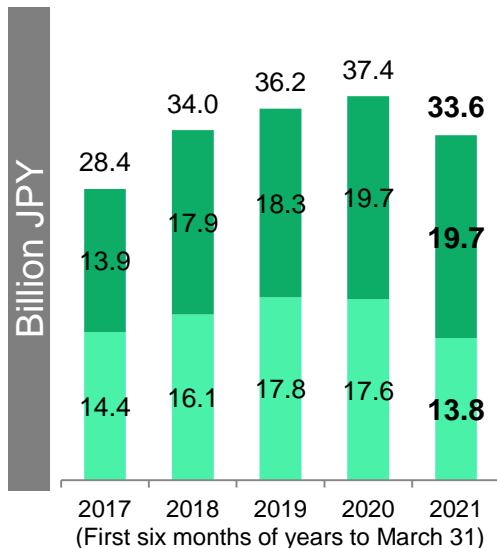
- Instruments: Sales were up, with growth in the hematology field thanks to an order from a large commercial lab, and robust performance in the hemostasis field in Russia and other areas where we conduct sales directly.
- Reagents: Sales were down, due to lower sales in the hematology, urinalysis and LS fields (affected by COVID-19), despite strong performance in the hemostasis field.

## Topics

- Concerns are mounting about a second wave of COVID-19 infections in various regions, with major European countries declaring a state of emergency from mid-October.



## Sales



(Billions of yen)

First six months of fiscal year ending March 31, 2021

First six months of fiscal year ended March 31, 2020

YoY (Previous period = 100%)  
(Yen basis) (Local currency basis)

	33.6	37.4	89.9%	92.1%
Sales				
Instruments	11.1	9.3	118.6%	121.6%
Reagents	19.0	24.2	78.8%	80.7%
Services, others	3.4	3.8	89.8%	92.1%

**Instrument sales increased, but reagent sales fell, centering on the hematology field. As a result, sales for the region were down.**

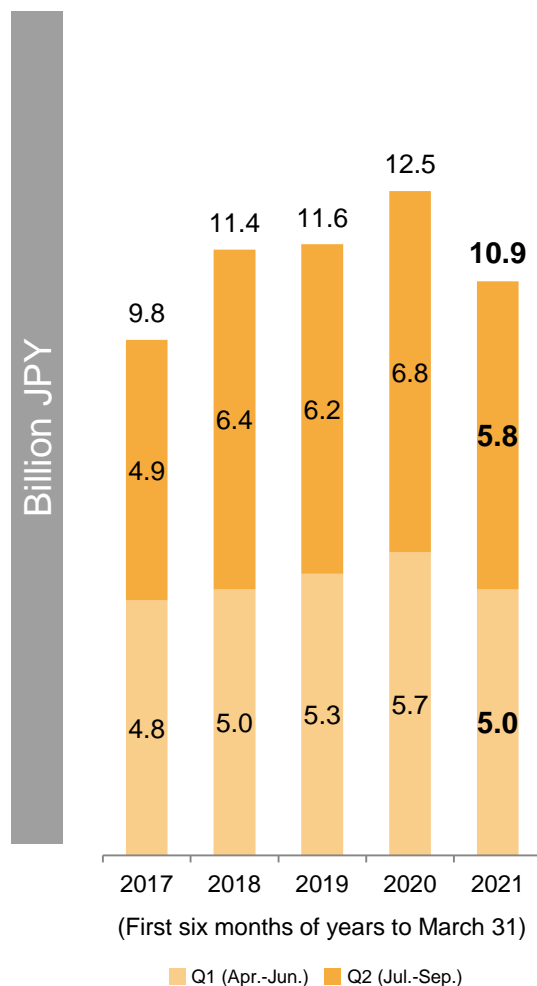
- Instruments: Hematology sales rose due to increased demand for CRP testing as a result of the impact of COVID-19. In addition, sales expanded in the urinalysis and immunochemistry fields, boosting instrument sales.
- Reagents: In addition to higher sales in the hemostasis field, performance improved in the hematology, urinalysis and immunochemistry fields. However, sales for the first six months were down year on year as the result of lower first-quarter sales.

## Topics

- We held a kick-off event for system to test for lymph node metastasis of breast cancer (OSNA method).
- In Q4, we expect to launch the XN-10x, a locally manufactured hematology analyzer.

## Sales

(Billions of yen)



First six months of fiscal year ending March 31, 2021

First six months of fiscal year ended March 31, 2020

YoY  
(Previous period = 100%)  
(Yen basis)

	10.9	12.5	87.2% (89.1%)
Sales			
Instruments	2.6	2.8	93.4%
Reagents	7.3	8.4	86.2%
Services, others	0.9	1.2	79.9%

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

### COVID-19 continued to affect the region, particularly in India and Indonesia, and sales were down due to lower sales of reagents.

- Instruments: In addition to the hemostasis field, performance was favorable in the hematology field in Thailand. However, sales for the region were down year on year due to a large order for a transport system in Australia in the first six months of the preceding fiscal year.
- Reagents: Despite increases in the hemostasis field, sales decreased as a result of lower testing demand and lower performance in the hematology field, which was affected by an outbreak of dengue fever in the first six months of the previous fiscal year.

### Topics

- We will continue to monitor the ongoing increase in COVID-19 infections in countries such as India and Indonesia.

(Billions of yen)

First six months of  
fiscal year ending  
March 31, 2021

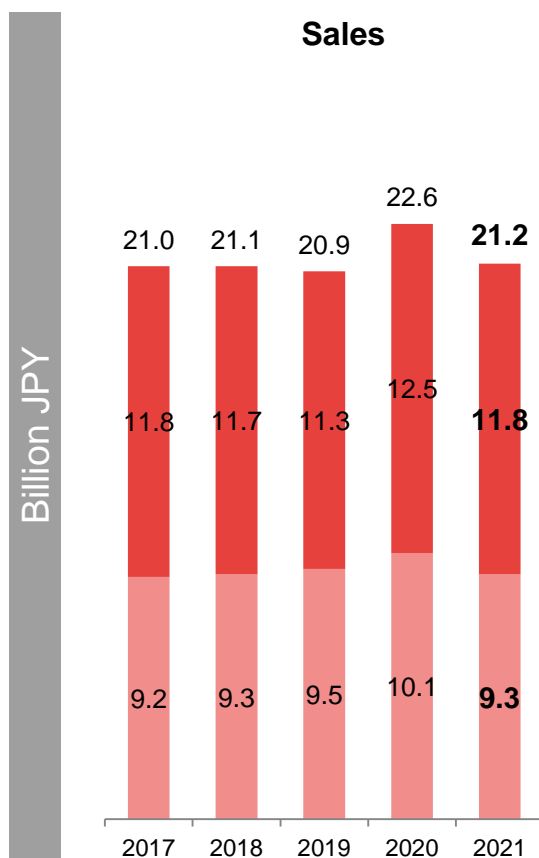
First six months of  
fiscal year ended  
March 31, 2020

YoY  
(Previous period = 100%)  
(Yen basis)

	First six months of fiscal year ending March 31, 2021	First six months of fiscal year ended March 31, 2020	YoY (Previous period = 100%) (Yen basis)
Sales	<b>21.2</b>	22.6	<b>93.8%</b>
Instruments	<b>3.1</b>	4.6	<b>69.2%</b>
Reagents	<b>14.2</b>	14.6	<b>97.7%</b>
Services, others	<b>3.7</b>	3.4	<b>109.9%</b>

**Sales fell on comparison with the same period of the previous year, when we recorded a large order, and the impact of COVID-19. As a result, instrument and reagent sales both decreased.**

- Instruments: Sales were down in comparison with the previous year, when we recorded a large order, as well as to delays in instrument installation, due to the state of emergency declaration.
- Reagents: Sales decreased due to the impact of COVID-19.



(First six months of years to March 31)

■ Q1 (Apr.-Jun.) ■ Q2 (Jul.-Sep.)

## Topics

- We launched the CN-6500/CN-3500 automated blood coagulation analyzers, which add coagulation molecular marker measurement functionality to the CN-6000/CN-3000.

2.

## Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2021

## Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2021

Net sales: **¥310.0 billion**

Operating profit: **¥48.5 billion**

Operating margin: **15.6%**

Profit attributable to owners of the parent: **¥30.8 billion**

Profit attributable to owners of the parent to net sales: **9.9%**

Planned Investment

Capital expenditure:  
**¥14.7 billion (Tangible only)**

Depreciation and amortization:  
**¥25.7 billion**

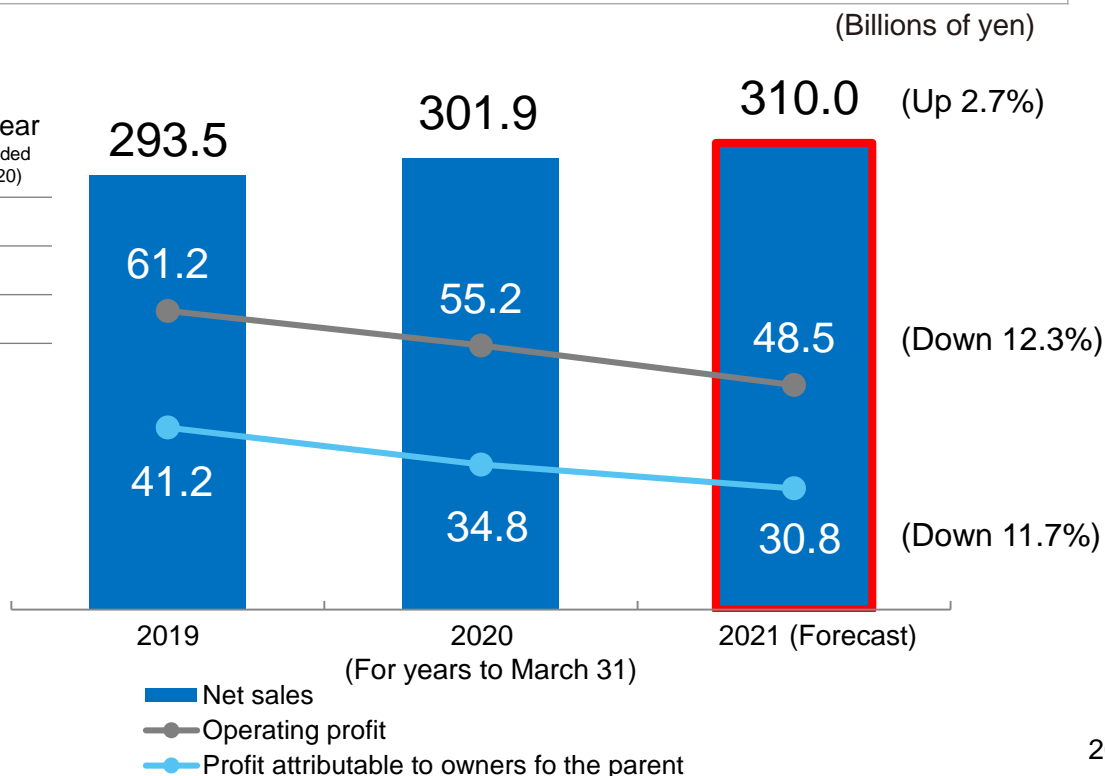
R&D expenditure:  
**¥23.1 billion**

### ● Assumed Exchange Rates

	Assumed exchange rates for full year	Second half	Previous year (Fiscal year ended March 31, 2020)
1 USD	¥106.5	¥106.0	¥108.7
1 EUR	¥121.6	¥122.0	¥120.8
1 CNY	¥15.3	¥15.3	¥15.6

### ● Exchange Rate Sensitivity

	Net sales (year)	Operating profit (year)
USD	¥0.61 billion	¥0.27 billion
EUR	¥0.44 billion	¥0.14 billion
CNY	¥5.38 billion	¥3.65 billion



## Assumptions behind our second-half earnings forecast

- Although we expect reagent sales to continue to be affected in AP and some other regions, we anticipate a recovery in the COVID-19 infection status in many regions.
- In the second half, we assume exchange rates of 1USD=¥106, 1EUR=¥122 and 1CNY=¥15.3.

(Billions of yen)

	First half (Apr.–Sep.)		Second half (Oct.–Mar.)		Full year (Apr.–Mar.)	
	Fiscal year ending March 31, 2021 (results)	Fiscal year ended March 31, 2020 (results)	Fiscal year ending March 31, 2021 (forecast)	Fiscal year ended March 31, 2020 (results)	Fiscal year ending March 31, 2021 (forecast)	Fiscal year ended March 31, 2020 (results)
Net sales	132.0	142.9	<b>177.9</b>	158.9	<b>310.0</b>	301.9
Cost of sales ratio	49.1%	45.8%	<b>49.3%</b>	48.3%	<b>49.2%</b>	47.1%
SG&A expenses	38.0	40.0	<b>48.4</b>	43.5	<b>86.5</b>	83.5
R&D expenses	9.7	10.4	<b>13.3</b>	11.3	<b>23.1</b>	21.7
Operating profit	20.0	27.8	<b>28.5</b>	27.4	<b>48.5</b>	55.2

- Forecast calls for the same level of dividends as in the fiscal year ended March 31, 2020

	Interim dividend	Year-end dividend	Total	Dividend ratio
Fiscal year ended March 31, 2020	¥36	¥36	¥72	43.1%
Fiscal year ending March 31, 2021 (proposal)	¥36	¥36	¥72	48.8%

Systemex aims to maintain a proper balance between aggressive investment, which is designed to sustain steady high growth, and returns to our shareholders as our earning power increases. In terms of returns to shareholders, we intend to provide a stable dividend on a continuous basis and aim for a consolidated payout ratio of 30% under our basic policy of sharing the successes of our operations in line with business performance.

A large, solid blue square is positioned on the left side of the slide.

(Appendix)



# Sales by Business and Product Type (Cumulative)



		First six months of fiscal year ending March 31, 2021		First six months of fiscal year ended March 31, 2020		YoY (Previous period = 100%)	(Billions of yen)
		Results	Ratio	Results	Ratio		YoY at previous year's rate
By Business	Hematology	80.1	60.7%	89.4	62.6%	89.5%	91.1%
	Hemostasis	24.7	18.7%	22.8	16.0%	108.2%	110.3%
	Urinalysis	8.1	6.2%	10.0	7.0%	81.4%	82.9%
	Immunochemistry	6.3	4.8%	6.8	4.8%	92.3%	93.4%
	Clinical chemistry	1.3	1.0%	1.4	1.0%	92.5%	93.8%
	FCM business	0.5	0.4%	0.7	0.5%	70.6%	71.8%
	Other IVD	5.7	4.3%	6.6	4.6%	86.2%	86.5%
	<b>IVD business</b>	<b>126.9</b>	<b>96.1%</b>	138.0	96.5%	<b>92.0%</b>	<b>93.5%</b>
	<b>LS business</b>	<b>5.1</b>	<b>3.9%</b>	4.9	3.5%	<b>104.0%</b>	<b>104.6%</b>
	<b>Other</b>	<b>0.0</b>	<b>0.0%</b>	-	-	-	-
<b>Total sales</b>		<b>132.0</b>	<b>100.0%</b>	142.9	100.0%	<b>92.4%</b>	<b>93.9%</b>

By Product Type	<b>Instruments</b>	<b>35.5</b>	<b>26.9%</b>	36.0	25.2%	<b>98.6%</b>	<b>100.6%</b>
	<b>Reagents</b>	<b>73.7</b>	<b>55.8%</b>	84.2	58.9%	<b>87.5%</b>	<b>88.8%</b>
	<b>Services</b>	<b>18.1</b>	<b>13.8%</b>	17.7	12.4%	<b>102.7%</b>	<b>104.0%</b>
	<b>Other</b>	<b>4.6</b>	<b>3.5%</b>	4.9	3.5%	<b>93.5%</b>	<b>95.1%</b>
	<b>Total sales</b>	<b>132.0</b>	<b>100.0%</b>	142.9	100.0%	<b>92.4%</b>	<b>93.9%</b>

# Results by Geographic Region (Sales and Operating Profit)



(Billions of yen)

		First six months of fiscal year ending March 31, 2021	First six months of fiscal year ended March 31, 2020	YoY (Previous period = 100%)	
				Yen	Local currency
Americas	Sales to external customers	27.2	30.2	89.9%	91.3%
	Operating profit (loss)	0.3	0.9	39.4%	40.9%
EMEA	Sales to external customers	37.1	38.1	97.5%	97.6%
	Operating profit (loss)	3.6	3.8	95.1%	94.7%
China	Sales to external customers	33.5	37.3	89.9%	92.1%
	Operating profit (loss)	1.2	4.1	29.2%	29.8%
AP	Sales to external customers	10.8	12.4	87.5%	-
	Operating profit (loss)	0.9	1.6	58.6%	-
Japan*	Sales to external customers	23.2	24.8	93.7%	-
	Operating profit (loss)	12.9	17.9	72.3%	-

\* Includes sales to IDEXX and other external customers.

## Q2 Operating Performance

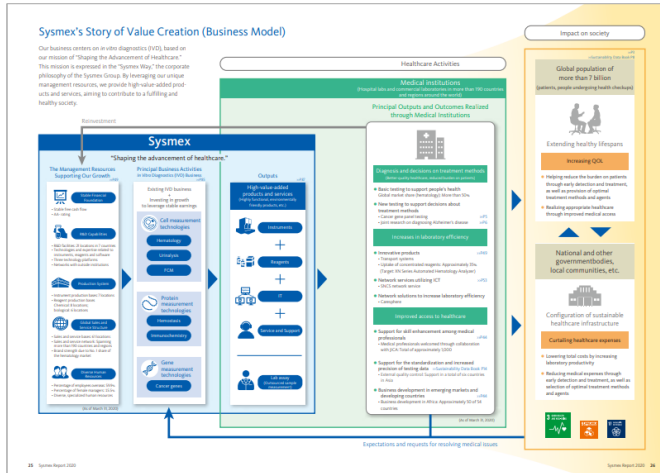
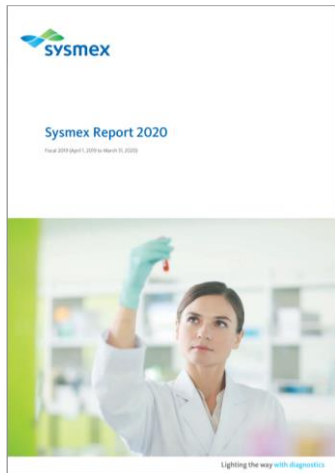


In the second quarter, SG&A and R&D expenses were down year on year, but profit declined because lower reagent sales caused the cost of sales ratio to deteriorate.

(Billions of yen)

	Second quarter of the fiscal year ending March 31, 2021 (Jul.–Sep.)			Second quarter of the fiscal year ended March 31, 2020	
	Result	Ratio	YoY change	Result	Ratio
Net sales	<b>71.5</b>	100.0%	<b>-3.9%</b>	74.4	100.0%
Cost of sales	<b>34.9</b>	48.8%	<b>+3.3%</b>	33.7	45.4%
SG&A expenses	<b>19.1</b>	26.8%	<b>-0.9%</b>	19.3	26.0%
R&D expenses	<b>4.8</b>	6.8%	<b>-11.6%</b>	5.4	7.3%
Other income (expenses)	<b>0.3</b>	0.5%	<b>-43.7%</b>	0.6	0.9%
Operating profit	<b>13.0</b>	18.2%	<b>-21.0%</b>	16.5	22.2%
Profit attributable to owners of the parent	<b>8.1</b>	11.4%	<b>-25.1%</b>	10.8	14.6%

# Sysmex Report 2020 and Sustainability Report



<https://www.sysmex.co.jp/en/ir/library/annual-reports/index.html>

## Topics

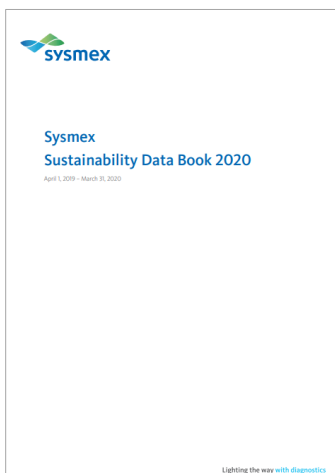
The *Sysmex Report 2019* received awards in two major annual report competitions in the United States.

ARC Awards

Grand Winner  
in Traditional Annual Report Category

VISION Awards

Gold Winner (85th in the world)



CSR Management	Society	Environment	Governance	External Evaluation
<b>CSR Management</b> <b>Materiality and the Status of Non-Financial Targets</b> Sysmex has identified priority non-financial targets with views on realizing sustainable growth and achieving sustainable growth for the Group. The CSR and Non-Financial Management Plan (2019-2023) sets non-financial targets that will contribute to the achievement of our financial targets and the management of risks. Detailed objectives for CSR, environment, and other activities to achieve these non-financial targets, and their progress or management measures, including the following Board meeting, appear in this Report, and are reviewed and approved by the Board of Directors.				
<b>Responsible Provision of Products and Services</b>	<b>Responsible Provision of Products and Services</b>	<b>Responsible Provision of Products and Services</b>	<b>Responsible Provision of Products and Services</b>	<b>Responsible Provision of Products and Services</b>
<b>Realization of an Attractive Workplace</b>	<b>Realization of an Attractive Workplace</b>	<b>Realization of an Attractive Workplace</b>	<b>Realization of an Attractive Workplace</b>	<b>Realization of an Attractive Workplace</b>
<b>Environmental Consideration</b>	<b>Environmental Consideration</b>	<b>Environmental Consideration</b>	<b>Environmental Consideration</b>	<b>Environmental Consideration</b>
<b>Governance</b>	<b>Governance</b>	<b>Governance</b>	<b>Governance</b>	<b>Governance</b>

<https://www.sysmex.co.jp/en/csr/report/index.html>



Lighting the way **with diagnostics**