

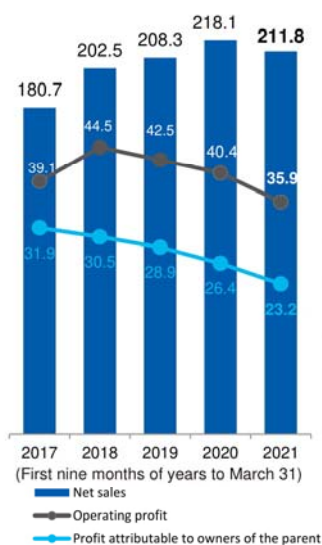
Presentation

Nakajima: I'm Nakajima from SYSMEX CORPORATION. I would like to explain the financial results for Q3 of the fiscal year ending March 31, 2021.

Financial Highlights



(Billions of yen)



First nine months of fiscal year ending March 31, 2021

First nine months of fiscal year ended March 31, 2020

1USD	¥106.1	¥108.7
1EUR	¥122.4	¥121.1
1CNY	¥15.4	¥15.6

First nine months of fiscal year ending March 31, 2021

First nine months of fiscal year ended March 31, 2020

(Billions of yen)

YoY (Previous period = 100%)

	Results	Ratio	Results	Ratio	YoY (Previous period = 100%)
Net sales	211.8	100%	218.1	100%	97.1%
Cost of sales	103.2	48.7%	1,00.4	46.0%	102.8%
SG&A expenses	58.2	27.5%	61.7	28.3%	94.3%
R&D expenses	15.2	7.2%	16.1	7.4%	94.4%
Other income (expenses)	0.7	0.4%	0.6	0.3%	120.3%
Operating profit	35.9	16.9%	40.4	18.5%	88.8%
Profit attributable to owners of the parent	23.2	11.0%	26.4	12.1%	87.9%

● **Net sales:**

Despite higher instrument sales, net sales fell due to lower reagent sales in the hematology, urinalysis, and immunochemistry fields, owing to the impact of COVID-19.

● **Operating profit:**

Operating profit decreased. Although SG&A expenses fell due to restrictions on movement stemming from COVID-19, 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 ¥2.40 billion and lowered operating profit ¥0.68 billion. At the exchange rates prevailing one year earlier, net sales would have been down 1.8%, and operating profit down 9.5%.

● **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 ¥0.64 billion (loss of ¥1.44 billion in previous term)

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Please see page two. First, a summary of the financial results. Net sales were JPY211.84 billion, down 2.9%. Operating profit was JPY35.9 billion, down 11.2%. Profit for the quarter was JPY23.28 billion, down 12.1%.

Net sales fell due to lower reagent sales in the hematology, urinalysis and immunochemistry fields, owing to the impact of COVID-19, despite higher instrument sales in EMEA and China.

Operating profit decreased due to deterioration in the cost of sales ratio and the impact of foreign exchange rates, although SG&A expenses fell YoY, partly due to restrictions on activities in various countries.

In terms of foreign exchange, the yen appreciated by JPY2.6 against the dollar, depreciated by JPY1.3 against the euro, and appreciated by JPY0.2 against the yuan, YoY. The foreign exchange rates had a negative impact of JPY2.4 billion on net sales and a negative impact of JPY680 million on operating profit.

Quarterly profit decreased due to a decrease in operating income, despite a decrease in foreign exchange losses. The tax rate was 30.39%, an increase of 1.23 percentage points from the previous year.

Quarterly Operating Performance



Profitability improved in Q3, thanks to higher sales and decreases in the cost of sales and SG&A expense ratios.

(Billions of yen)

	Q1 (Apr.–Jun.)			Q2 (Jul.–Sep.)			Q3 (Oct.–Dec.)		
	Results	Ratio	YoY increase	Results	Ratio	YoY increase	Results	Ratio	YoY increase
Net sales	60.5	100.0%	-11.7%	71.5	100.0%	-3.9%	79.7	100.0%	6.1%
Cost of sales	29.8	49.4%	-5.6%	34.9	48.8%	3.3%	38.4	48.2%	9.9%
SG&A expenses	18.9	31.3%	-8.6%	19.1	26.8%	-0.9%	20.1	25.2%	-7.3%
R&D expenses	4.9	8.1%	-1.6%	4.8	6.8%	-11.6%	5.5	6.9%	-3.5%
Other operating income and expenses	0.1	0.3%	56.9%	0.3	0.5%	-43.7%	0.2	0.3%	—
Operating profit	6.9	11.5%	-38.3%	13.0	18.2%	-21.0%	15.9	19.9%	26.0%
Profit attributable to owners of the parent	4.4	7.4%	-33.0%	8.1	11.4%	-25.1%	10.6	13.3%	19.5%

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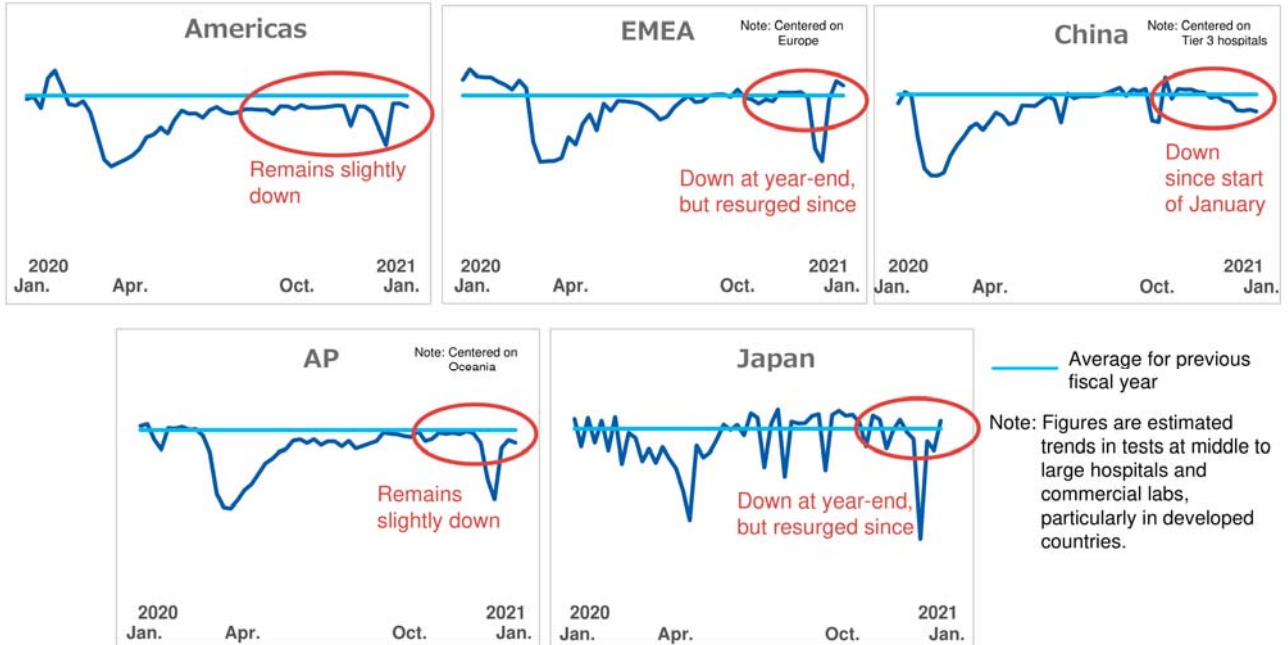
See the next page. Quarterly operating performance.

In Q3 alone, net sales increased by 6.1%, and operating profit increased by 26%. In addition to the growth in sales compared to Q1 and Q2, profitability improved significantly due to an improvement in the cost of sales ratio and a decrease in the ratio of SG&A expenses.

Estimated Number of Hematology Tests



The number of tests declined around year-end in the Americas, EMEA, AP and Japan, but has recovered since. In China, the number of tests has fallen since the beginning of January. We are monitoring the impact from a resurgence in infections.



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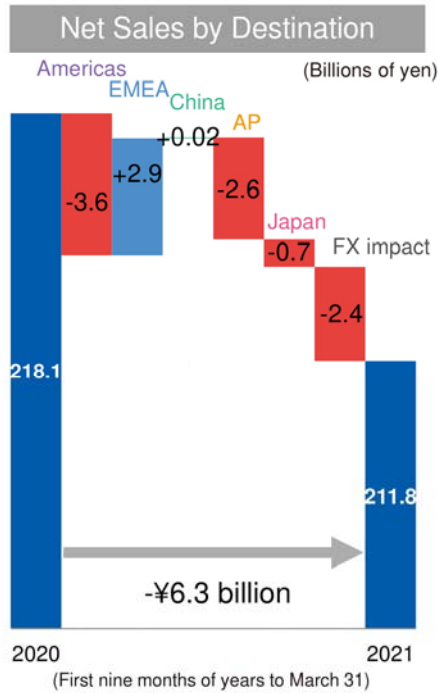
See the next page. This figure shows the number of hematology tests performed at mainly middle to large hospitals and commercial labs in each region.

The figures for emerging and developing countries are not fully reflected, but are included for reference. Please note that this number of tests data is not directly linked to our sales.

Breakdown of Net Sales (by Destination)



Although sales in EMEA increased and sales in China returned to the previous year's level, sales decreased due to the impact of COVID-19 in the Americas, AP and Japan.



(Billions of yen)

	First nine months of fiscal year ending March 31, 2021	Ratio	YoY (Previous period = 100%)	
			Yen basis	Local currency basis
Net sales	211.8	100.0%	97.1%	98.2%*
Americas	45.6	21.6%	90.1%	92.3%
EMEA	59.5	28.1%	104.5%	103.3%
China	56.3	26.6%	99.6%	100.2%
AP	16.9	8.0%	85.1%	86.9%*
Japan	33.2	15.7%	97.9%	-

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

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See the next page. Net sales by region.

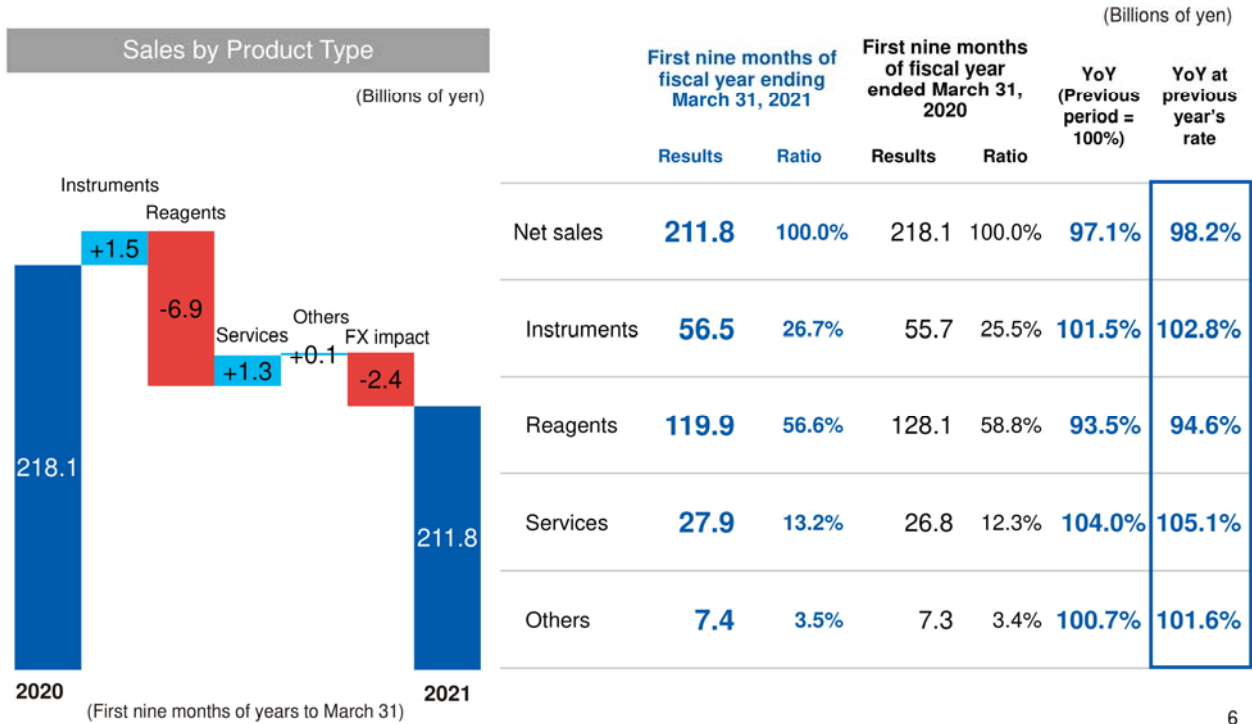
Sales in EMEA increased, and sales in China returned to the previous year's level, but sales in the US, AP, and Japan decreased on both a yen and local currency basis due to the impact of COVID-19.

The negative impact of the exchange rate on sales was JPY2.4 billion overall. By regions: a negative impact of JPY1.41 billion for the US, a negative impact of JPY410 million for EMEA, a negative impact of JPY230 million for China, and a negative impact of JPY340 million for AP.

Breakdown of Net Sales (by Product Type)



Sales of instruments and services rose, but reagent sales declined.



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See the next page. Net sales by product.

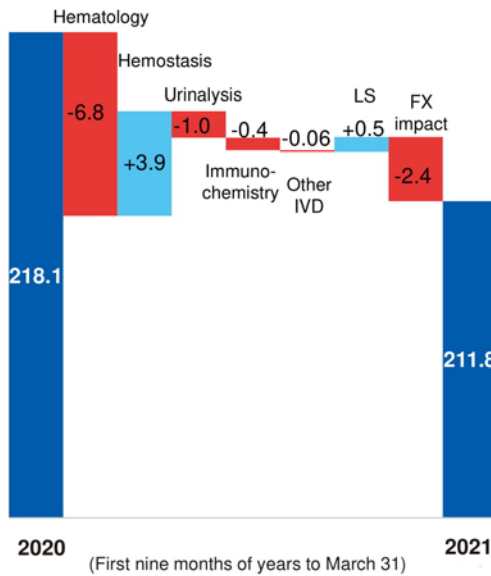
Sales of instruments increased due to steady orders from large commercial labs in each region and from emerging countries. Sales of reagents declined, unable to absorb the impact of COVID-19 through H1 of the fiscal year, despite increases in all regions except the AP region in Q3 alone.

Breakdown of Net Sales (by Business)



Although hematology, urinalysis and immunochemistry sales were down, sales increased in the hemostasis and life science fields due to higher demand for testing related to COVID-19.

Sales by Business (Billions of yen)



(Billions of yen)

	First nine months of fiscal year ending March 31, 2021		First nine months of fiscal year ended March 31, 2020		YoY (Previous period = 100%)	YoY at previous year's rate
	Results	Ratio	Results	Ratio		
Net sales	211.8	100.0%	218.1	100.0%	97.1%	98.2%
Hematology	127.3	60.1%	136.0	62.3%	93.6%	95.0%
Hemostasis	37.9	17.9%	34.4	15.8%	110.0%	111.3%
Urinalysis	14.1	6.7%	15.2	7.0%	92.7%	93.5%
Immuno-chemistry	10.5	5.0%	11.0	5.1%	95.5%	95.7%
Other IVD*	13.3	6.3%	13.4	6.2%	99.5%	-
LS	8.4	4.0%	7.9	3.6%	107.0%	106.9%

*Includes clinical chemistry, FCM, clinical laboratory information systems and others.

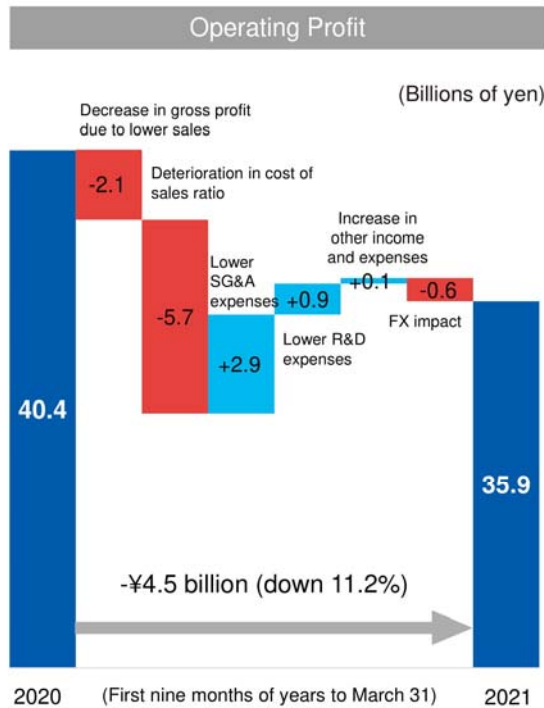
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See the next page. Net sales by business.

Although sales in the hematology, urinalysis, and immunochemistry fields increased in Q3 alone, sales in the hematology, urinalysis, and immunochemistry fields decreased due to a decrease in reagent sales as a result of the impact of COVID-19 through H1 of the fiscal year.

In the hemostasis field, sales of instruments and reagents increased on a global basis as they are being used as monitoring indicators for severe cases of COVID-19. In the life science field, sales increased due to increased sales of NCC Oncopanel and steady sales of PCR reagents.

Breakdown of Operating Profit



- Decrease in gross profit due to lower sales: Down ¥2.11 billion
- Cost of sales: Up ¥5.74 billion (COS ratio 2.7pt deterioration)
 - Changes in the product mix (lower percentage of reagents) Up ¥3.5 billion (1.6pt deterioration)
 - Increase in the mix of products having a high cost of sales ratio Up ¥3.5 billion (1.6pt deterioration)
 - Lower service costs in China Down ¥1.5 billion (0.6pt improvement)
- SG&A expenses: Down ¥2.93 billion
 - These expenses decreased due to a shift toward mainly online marketing activities, as COVID-19 led to restrictions on movement.
- R&D expenses: Down ¥0.91 billion
 - We continued to invest in new IVD products and COVID-19 tests. However, the previous fiscal year included initial costs from the bio-diagnostic reagent base. Also, licensing fees on some life science products were incorporated into cost of sales. As a result, R&D expenses were down year on year.
- FX impact: ¥0.68 billion negative

See the next page. This is the breakdown of operating profit.

Although SG&A expenses and R&D expenses decreased compared to the previous fiscal year, the decrease in gross profit due to foreign exchange and lower sales, as well as the deterioration in the cost ratio, resulted in a decrease in profit.

The deterioration in the cost ratio is due to a lower percentage of reagents with a high profit margin in the product mix, and a higher percentage of products with a high cost ratio. SG&A expenses decreased due to restrictions on business activities imposed by regulations on the conduct of business in various countries.

R&D expenses decreased due to the recording of initial costs from the bio-diagnostics reagent base in the previous fiscal year, although investment in new products continues.

Reinforcement of sales and service structure

- Converted a distributor in Portugal to a subsidiary and shifted to direct sales in the hematology field (January)
- Renewed agreement for global alliance in the hematology field with Roche (January)
- Renewed agreement for global alliance with Siemens Healthineers in the hemostasis field (February)

Robotic-assisted surgery system

- Launched a surgical robot unit, the hinotori™ Surgical Robot System (December)
- Performed first surgery (urology) using hinotori™, conducted at the Kobe University Hospital (December)
- Opened training centers at Kobe University Hospital International Clinical Cancer Research Centers (December) and Fujita Health University (January)



Others

- Sysmex selected as one of the Global 100's Most Sustainable Companies in the World for the fourth time (January)
- Sysmex announces its endorsement of the recommendations of the Task Force on Climate-Related Financial Disclosures (January)
- Sysmex and Yamato Logistics commence transport (of reagents for gene testing) at ultralow temperatures of 70°C or below (February)



See the next page: Topics.

We have renewed our alliance agreement with Roche and Siemens in January 2021. For more details, please refer to the next page.

We are also making steady progress with the hinotori robot, which has performed five surgeries and has opened training centers at Kobe University and Fujita Health University in Nagoya.

Renewal of global alliance agreement with Roche

- Extended sales and service agreement in the hematology field (through August 2026)
 - Changed Spain to a direct sales area for Sysmex
- Agreed to extend the mutual provision of products under a total laboratory solution collaboration agreement (through December 2030)
 - Expanded target region to globally (excluding Japan, China, and certain other parts of Asia)
- Signed a new IT Solutions Collaboration Agreement (through December 2030)
 - Leveraging both companies' IT platforms and collaborating to enhance the value provided to customers

Renewal of global alliance agreement with Siemens Healthineers

- Extended for two years a mutual product supply and sales and service agreement in the hemostasis field
 - Sysmex to commence direct sales and service provision in Russia, Turkey and the Middle East (excluding Israel)
- Accelerated global market launch of CN-6000/CN-3000 automated blood coagulation analyzers
 - Siemens began handling the analyzers (in Oceania, Central and South America, the European Union (some areas excluded) and South Africa)
 - Sysmex to take the lead in obtaining regulatory approval in individual countries

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See the next page. This is an overview of the renewed alliances.

With Roche, we have extended the sales and service agreement in the hematology field until 2026, and from January this year, Spain has changed to a direct sales area for Sysmex. In addition, we have expanded the mutual product provision agreement under a total laboratory solution collaboration on a global basis, and extended until 2030.

We have also signed a new basic agreement on IT solutions to improve the value we offer to our customers.

Next, with Siemens. Our sales and service agreement in the hemostasis field has been extended for two years until December 2023. Russia, Turkey, and the Middle East have been switched to direct sales areas for Sysmex. In addition, Siemens began handling the new CN-6000/CN-3000 products, which were not available at Siemens, and we are accelerating their global market launch. In addition, Sysmex will take the lead in obtaining regulatory approval.

Note: Blue text indicates progress during Q3.

Configure assays using our HISCL automated immunoassay system

Antigen test

- In November, received manufacturing and marketing approval and insurance coverage (measurement of nasopharyngeal swabs and nasal swabs) (Japan)
- Expansion of application to saliva under development

Antibody test

- In June, launched an antibody lab assay service (for research) and antibody measurement reagents (for research)
- Provided epidemiological studies and other information for research

Tests to predict severity and monitor treatment

- In December, received manufacturing and marketing approval for the IFN-λ3 reagent; application for insurance coverage currently under processing
- In July, launched a lab assay service (for research) of six cytokines most relevant to COVID-19

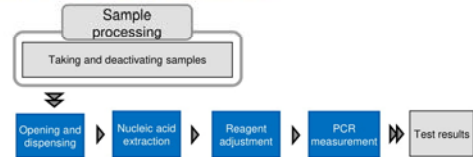
Note: Our automated immunoassay system is capable of performing **measurements that are highly sensitive in 17 minutes per sample (up to 200 samples/hour).**



HISCL-5000 automated immunoassay system

Automated PCR testing robot system

- Established and are preparing for the launch of a robot-based high-volume testing system that will be unmanned and automated



- Developing system in collaboration with Kawasaki Heavy Industries and Medicaroid with the aim of rollout in large-scale facilities where large numbers of tests must be performed in a short period of time, as well as in airports and other locations
- Sysmex to conduct sample deactivation and provide PCR testing instruments and reagents



New blood testing method

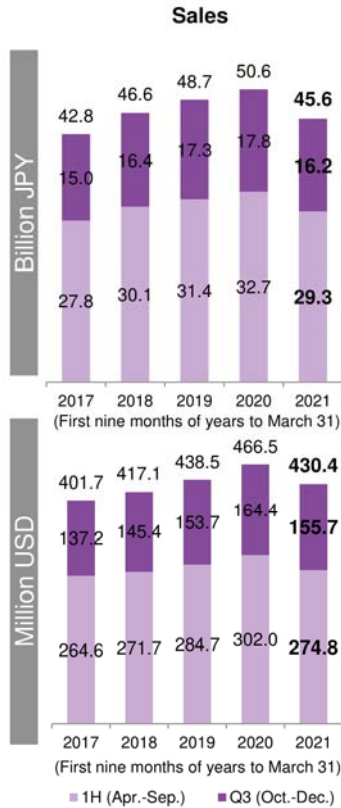
- Engaged in joint research with Kobe University on the ELISPOT method, which makes it possible to detect the immune response of T cells to SARS-CoV-2

See the next page: our initiatives to COVID-19-related testing.

The main progress has been in antigen tests using HISCL. The manufacturing and marketing approval and insurance coverage were granted on November, and we have started sales.

Then the λ3 tests using HISCL. A test reagent to predict the severity of the disease has received manufacturing and marketing approval. The presentation states that the application for insurance is currently under processing, but the application for insurance was approved by the Central Social Insurance Medical Council today. The date of application of the insurance will be announced soon.

We are preparing to introduce the automated PCR testing robot system into the market for large-scale facilities where large numbers of tests must be performed in a short period of time, as well as airports.



(Billions of yen)

	First nine months of fiscal year ending March 31, 2021	First nine months of fiscal year ended March 31, 2020	YoY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	45.6	50.6	90.1%	92.3%
Instruments	11.5	14.8	77.6%	79.5%
Reagents	21.1	22.8	92.6%	94.9%
Services, others	12.9	12.9	99.9%	102.3%

Particularly in North America, instrument installations were delayed due to restrictions on movement stemming from COVID-19. Reagent sales also fell. As a result, sales for the region were down.

- Instruments: Sales decreased as the result of delayed product installations in the hematology and urinalysis fields due to COVID-19, although sales were up 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 election of US president Biden
- In North America, in Q3 we commenced sales of new urinalysis products based on an exclusive sales agreement with Siemens Healthineers. Preparations are underway to introduce products at major commercial labs.

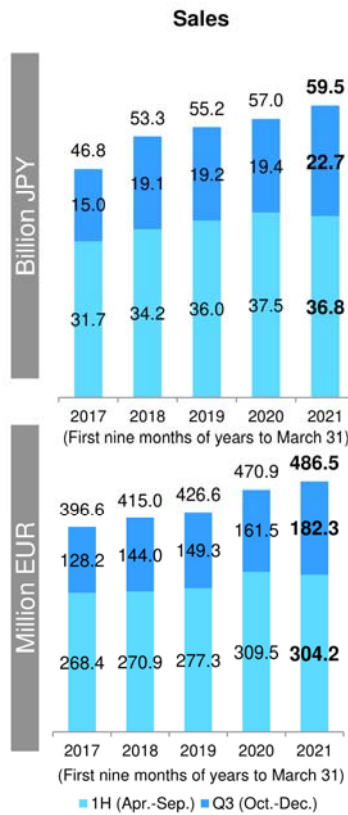
See the next page. Our local efforts are as follows.

In the Americas, net sales were JPY45.63 billion, down 9.9%, and down 7.7% in local currency terms. Sales of both instruments and reagents decreased due to the impact of COVID-19.

Demand for instruments in the hemostasis field increased in North America due to COVID-19, but sales decreased as the result of delayed product installations in the hematology and urinalysis fields due to activity restrictions.

Sales of reagents decreased due to the continued decline in the number of tests.

The growth rate of sales by region in local currency terms was down 6.3% for the US, down 16.3% for Canada, and down 25.7% for Central & South America. In addition, we commenced sales of new urinalysis products based on an exclusive sales agreement with Siemens in the US.



(Billions of yen)

	First nine months of fiscal year ending March 31, 2021	First nine months of fiscal year ended March 31, 2020	YoY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	59.5	57.0	104.5%	103.3%
Instruments	17.4	15.7	111.0%	109.9%
Reagents	32.4	32.6	99.4%	98.1%
Services, others	9.6	8.6	112.3%	110.9%

Sales in this region rose, owing to higher instrument sales in the hematology and hemostasis fields, although reagent sales were down as a result of COVID-19.

- Instruments: Sales were up, with growth in the hematology field thanks to an order from a large commercial lab and the acquisition of a tender in the Middle East in Q3.
- Reagents: Sales were down, due to lower sales in the hematology, urinalysis and LS fields (affected by COVID-19), despite increased sales in the hemostasis field.

Topics

- We commenced direct sales in the hematology field (Spain, Portugal).
- We held the Sysmex Virtual Expo, an online tradeshow (December 2020).

See the next page. EMEA.

Net sales totaled JPY59.58 billion, up 4.5%, or up 3.3% in local currency terms. Sales increased due to the sales growth of instruments, although sales of reagents decreased due to the impact of COVID-19.

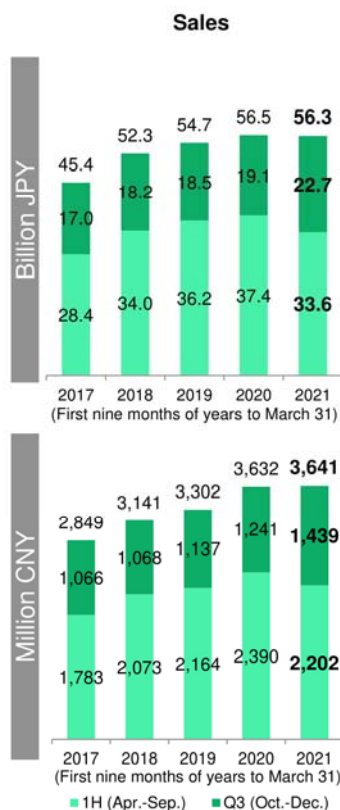
Sales of instruments increased mainly due to an order from a large commercial lab in Germany and the acquisition of hematology instrument projects for the government of Iraq and others.

As for reagents, although the performance in the hemostasis field was solid, mainly in areas where we started direct sales, sales decreased as a result of lower sales in the hematology due to the impact of COVID-19.

Below is the growth rate of sales in local currency terms by region.

The five major countries were up 5.5%, other Europe up 0.5%, Middle East up 10.4%, Eastern Europe and Russia up 3.5%, and Africa down 3.7%.

In Spain and Portugal, we have started direct sales of hematology products from January.



(Billions of yen)	First nine months of fiscal year ending March 31, 2021	First nine months of fiscal year ended March 31, 2020	YoY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	56.3	56.5	99.6%	100.2%
Instruments	17.9	14.0	127.8%	128.7%
Reagents	32.9	37.0	89.0%	89.4%
Services, others	5.4	5.4	99.5%	100.2%

Instrument sales increased, but reagent sales fell due the impact of COVID-19 in 1H. As a result, sales for the region were flat.

- Instruments: Sales rose substantially, due to favorable sales of new products in the hemostasis field launched in Q2 and higher sales in all fields.
- Reagents: Sales were firm in the hematology and urinalysis fields, and Q3 sales were up, but reagent sales for the period were down due to a decrease in the first half.

Topics

- In Q3, we launched the XN-10x, a locally manufactured hematology analyzer.
- In January, we began operations at a new factory handling knockdown instrument production.

See the next page: China.

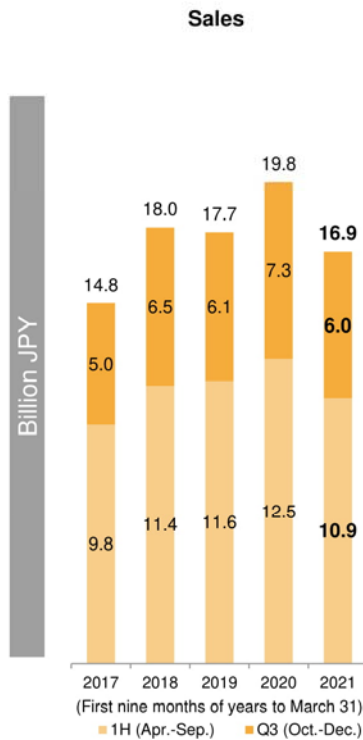
Net sales were JPY56.39 billion, down 0.4%, or up 0.2% in local currency terms. Sales of instruments increased, but sales of reagents decreased due to the impact of COVID-19, resulting in flat sales.

In addition to strong sales in the hemostasis field, where new products were launched, sales of instruments increased in all fields, resulting in higher sales.

Sales of reagents decreased, unable to absorb the impact of COVID-19 through H1 of the fiscal year, although sales in the hematology and urinalysis fields were strong in Q3.

In terms of growth rate of sales by field in local currency, hematology decreased by 9%, urinalysis increased by 0.5%, immunochemistry decreased by 2.6%, and hemostasis increased by 12.4%.

As for knockdown production of instruments, we started production and sales of the hematology analyzer XN-10x in Q3. A new instruments factory was put into operation on January.



(Billions of yen)

	First nine months of fiscal year ending March 31, 2021	First nine months of fiscal year ended March 31, 2020	YoY (Previous period = 100%) (Yen basis)
Sales	16.9	19.8	85.1% (86.9%)
Instruments	4.0	4.6	88.2%
Reagents	11.3	13.4	85.0%
Services, others	1.4	1.8	78.8%

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

Sales were down, as COVID-19 continued to affect the region, particularly Southeast Asia and South Asia, with recoveries in South Korea and Taiwan.

- Instruments: Despite higher sales in the hemostasis field, instrument sales were down, partly due to the impact of a large hematology order in Australia in the first nine months of the previous year.
- Reagents: Although performance in the hemostasis field was solid, sales were down due to COVID-19 and the impact on the hematology and urinalysis fields of an outbreak of dengue fever in the first nine months of the previous fiscal year.

Topics

- We began operating the Sysmex Academy Online, an e-learning platform for customers.
- New product performance in the hemostasis field was robust in East Asia.

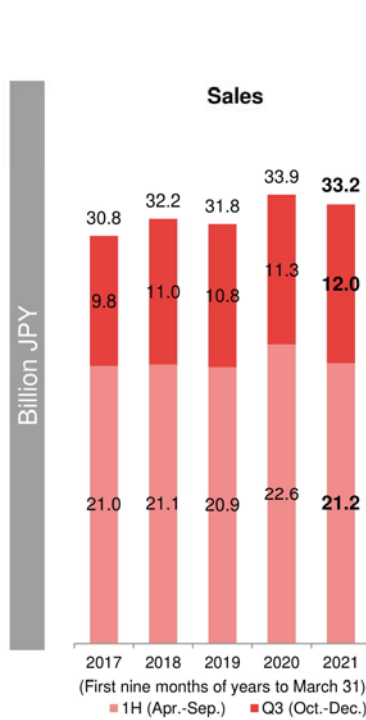
See the next page. AP.

Net sales were JPY16.93 billion, down 14.9%. Although sales in Korea and Taiwan are on a recovery track, sales of both instruments and reagents decreased due to the impact of COVID-19 in Southeast Asia and other regions, resulting in a decline in sales.

Sales of instruments decreased due to the impact of a large hematology order in Australia and other countries in the same period of the previous fiscal year, despite growth in the hemostasis field.

Sales of reagents decreased in the hematology and urinalysis fields due to the impact of COVID-19.

The growth rate of sales by region on a local currency basis was down 14.2% in Southeast Asia, down 31.6% in South Asia, down 34.7% in Oceania, and down 0.7% in East Asia.



(Billions of yen)	First nine months of fiscal year ending March 31, 2021	First nine months of fiscal year ended March 31, 2020	YoY (Previous period = 100%) (Yen basis)
Sales	33.2	33.9	97.9%
Instruments	5.5	6.4	85.8%
Reagents	21.9	22.2	98.8%
Services, others	5.8	5.3	109.2%

Instrument sales fell on comparison with the same period of the previous year, when we recorded a large order, and reagent sales declined due to the impact of COVID-19. As a result, sales for the region were down.

- Instruments: Sales were down for the period due to a decrease during 1H, although Q3 sales were up YoY as the result of a hematology order from a major commercial lab.
- Reagents: Sales decreased in the hematology, urinalysis and immunochemistry fields due to the impact of COVID-19.

Topics

- We launched a reagent for COVID-19 antigen tests.
- The first surgery was performed using a robotic-assisted surgical system, hinotori™ (a prostate cancer removal).

See the next page. Japan.

Net sales were JPY33.29 billion, down 2.1%. Instrument sales fell on comparison with the same period of the previous year, when we recorded a large order, and reagent sales also decreased due to the impact of COVID-19, resulting in a decline in sales.

Sales of instruments increased in Q3 due to an increase in sales in the hematology and immunochemistry fields, but decreased due to delays in the introduction of instruments through H1 of the fiscal year.

Sales of reagents were on a recovery track in Q3, but the impact of COVID-19 through H1 of the year could not be covered, resulting in a decline in sales.

On November, we started to sell reagents for COVID-19 antigen tests.

Consolidated Earnings Forecast



Note: No changes subsequent to November 2020 announcement.

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

(Billions of yen)

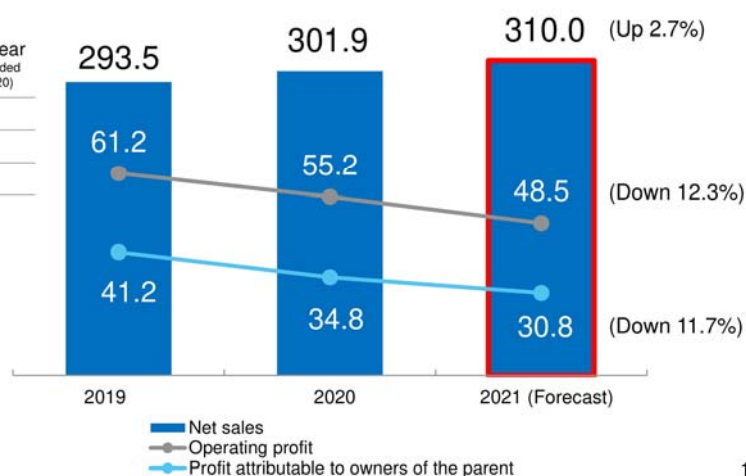
● Assumed Exchange Rates

(Announced November 2020)

	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



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See the next page. There is no change in the full-year earnings forecast from the one announced on November.

This concludes the explanation.

[END]