## Presentation

**Ietsugu**: Good morning. I am Ietsugu from Sysmex Corporation. Now, I would like to start today's financial results briefing.


This is an index of today’s briefing including the financial highlights and the medium-term management plan. I will go over the previous mid-term management plan and the new mid-term management plan starting this April and finally, the financial forecast.

## Executive Summary

### Net sales Up (year on year)

- Reagent sales were down due to COVID-19, but **instrument sales increased**, notably in EMEA, China and Japan.

### Operating profit down (year on year)

- Sales of hematology reagents declined, **lowering gross profit**.
- Sales and marketing activities were limited by restrictions on movement due to COVID-19. Despite **lowering SG&A expenses**, we proactively conducted activities online, maintaining quality and quantity.
- We maintained R&D expenditure levels and continued to invest.

### Despite COVID-19, progress according to plan on important priorities

- We launched new products in the fields of hematology, hemostasis and medical robotics.
- By renewing alliances, we expanded our direct sales and service region, accelerating initiatives that will contribute to future growth.

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Next, please. This is an executive summary, which is a summary of the financial results.

In the previous fiscal year, we were greatly affected by COVID 19, and in the first quarter of the year, there were lockdowns and other similar measures implemented, which prevented people with chronic diseases from going to hospitals and clinics. As a result, the number of medical checks conducted has decreased by half worldwide. In the previous fiscal year, the impact of this situation has lingered a little.

As a result, operating income was down due to a decrease in sales, especially of hematology reagents, or the lack of testing. In this area, profits declined due to a drop in sales of reagents, which is our particularly profitable product segment.

Under these circumstances, even though service staff are engaged in service activities as usual, the SG&A expenses have decreased because sales and marketing activities were restricted.

In this context, we have carried out development activities as usual, steadily advancing development of hematology, medical robotics, and so on.

## Financial Highlights (Year on Year)

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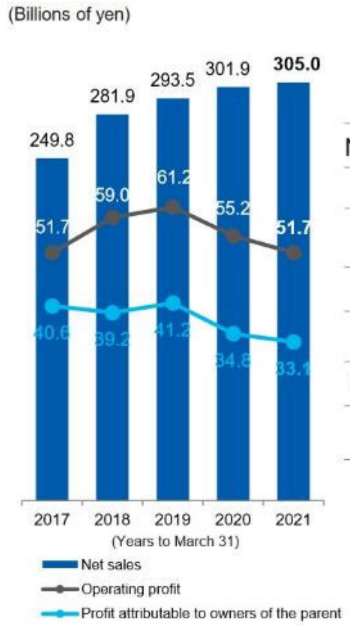


| | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2020 |
|---|---|---|
| 1USD | **¥106.1** | ¥108.7 |
| 1EUR | **¥123.7** | ¥120.8 |
| 1CNY | **¥15.7** | ¥15.6 |

(Billions of yen)

| | Fiscal year ended March 31, 2021 | | Fiscal year ended March 31, 2020 | | YoY (Previous period = 100%) |
|---|---|---|---|---|---|
| | Results | Ratio | Results | Ratio | |
| Net sales | **305.0** | **100%** | 301.9 | 100% | **101.0%** |
| Cost of sales | **150.7** | **49.4%** | 142.1 | 47.1% | **106.0%** |
| SG&A expenses | **80.8** | **26.5%** | 83.5 | 27.7% | **96.8%** |
| R&D expenses | **22.5** | **7.4%** | 21.7 | 7.2% | **103.5%** |
| Other income (expenses) | **0.8** | **0.3%** | 0.7 | 0.3% | **108.0%** |
| Operating profit | **51.7** | **17.0%** | 55.2 | 18.3% | **93.7%** |
| Profit attributable to owners of the parent | **33.1** | **10.9%** | 34.8 | 11.6% | **95.0%** |

- **Net sales:** Reagent sales were down due to COVID-19, but instrument sales rose in EMEA, China and Japan, leading to increase net sales year on year.
- **Operating profit:** Although SG&A expenses were down year on year, gross profit fell due to lower reagent sales, reducing operating profit.

Exchange rate fluctuations reduced net sales ¥0.76 billion and raised operating profit ¥0.04 billion. At the exchange rates prevailing one year earlier, net sales would have been up 1.3% year on year, and operating profit down 6.4%.

- **Profit attributable to owners of the parent:** Despite the lower exchange loss, profit attributable to owners of the parent declined due to lower operating profit.

**Exchange loss (gains):** Loss of ¥0.23 billion (loss of ¥3.01 billion in previous year)

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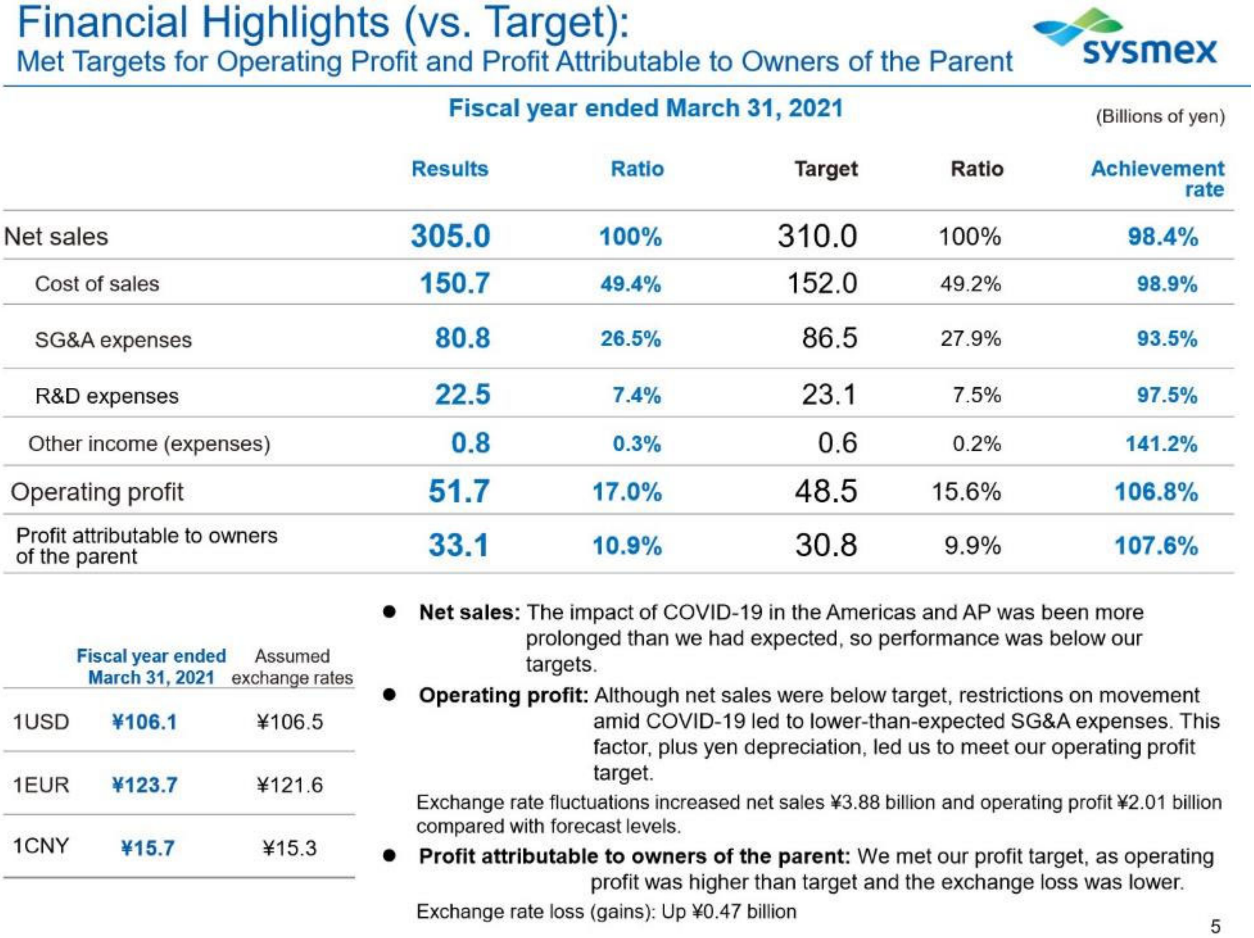
Next, please. This is a summary of the financial results. As you can see here, the net sales is JPY305.07 billion, which is a 1% increase from the previous year.

The first half of the year was quite difficult. That gradually recovered, and we were able to achieve good enough results in the fourth quarter. Under such circumstances, we were able to achieve an increase in sales.

However, operating income decreased by some 7%, and as I mentioned earlier, this was basically due to the major decline in the number of routine screenings as if they sudden evaporated due to the pandemic, just like when we are hit by a natural disaster.

This is the first time we have experienced something like this. We are used to see a situation in which screenings are carried out in a very stable manner and the volume does not decrease that much. However, this time, we are in a different situation, and the bottom line is about 5% down.

As for the exchange rate, the yen is slightly stronger than in the previous fiscal year against US dollar. As a result, we have seen an increase in sales and a decrease in profits.




| | Results | Ratio | Target | Ratio | Achievement rate |
|---|---|---|---|---|---|
| Net sales | 305.0 | 100% | 310.0 | 100% | 98.4% |
| Cost of sales | 150.7 | 49.4% | 152.0 | 49.2% | 98.9% |
| SG&A expenses | 80.8 | 26.5% | 86.5 | 27.9% | 93.5% |
| R&D expenses | 22.5 | 7.4% | 23.1 | 7.5% | 97.5% |
| Other income (expenses) | 0.8 | 0.3% | 0.6 | 0.2% | 141.2% |
| Operating profit | 51.7 | 17.0% | 48.5 | 15.6% | 106.8% |
| Profit attributable to owners of the parent | 33.1 | 10.9% | 30.8 | 9.9% | 107.6% |

| | Fiscal year ended March 31, 2021 | Assumed exchange rates |
|---|---|---|
| 1USD | ¥106.1 | ¥106.5 |
| 1EUR | ¥123.7 | ¥121.6 |
| 1CNY | ¥15.7 | ¥15.3 |

- **Net sales:** The impact of COVID-19 in the Americas and AP was been more prolonged than we had expected, so performance was below our targets.
- **Operating profit:** Although net sales were below target, restrictions on movement amid COVID-19 led to lower-than-expected SG&A expenses. This factor, plus yen depreciation, led us to meet our operating profit target.

  Exchange rate fluctuations increased net sales ¥3.88 billion and operating profit ¥2.01 billion compared with forecast levels.
- **Profit attributable to owners of the parent:** We met our profit target, as operating profit was higher than target and the exchange loss was lower.

  Exchange rate loss (gains): Up ¥0.47 billion

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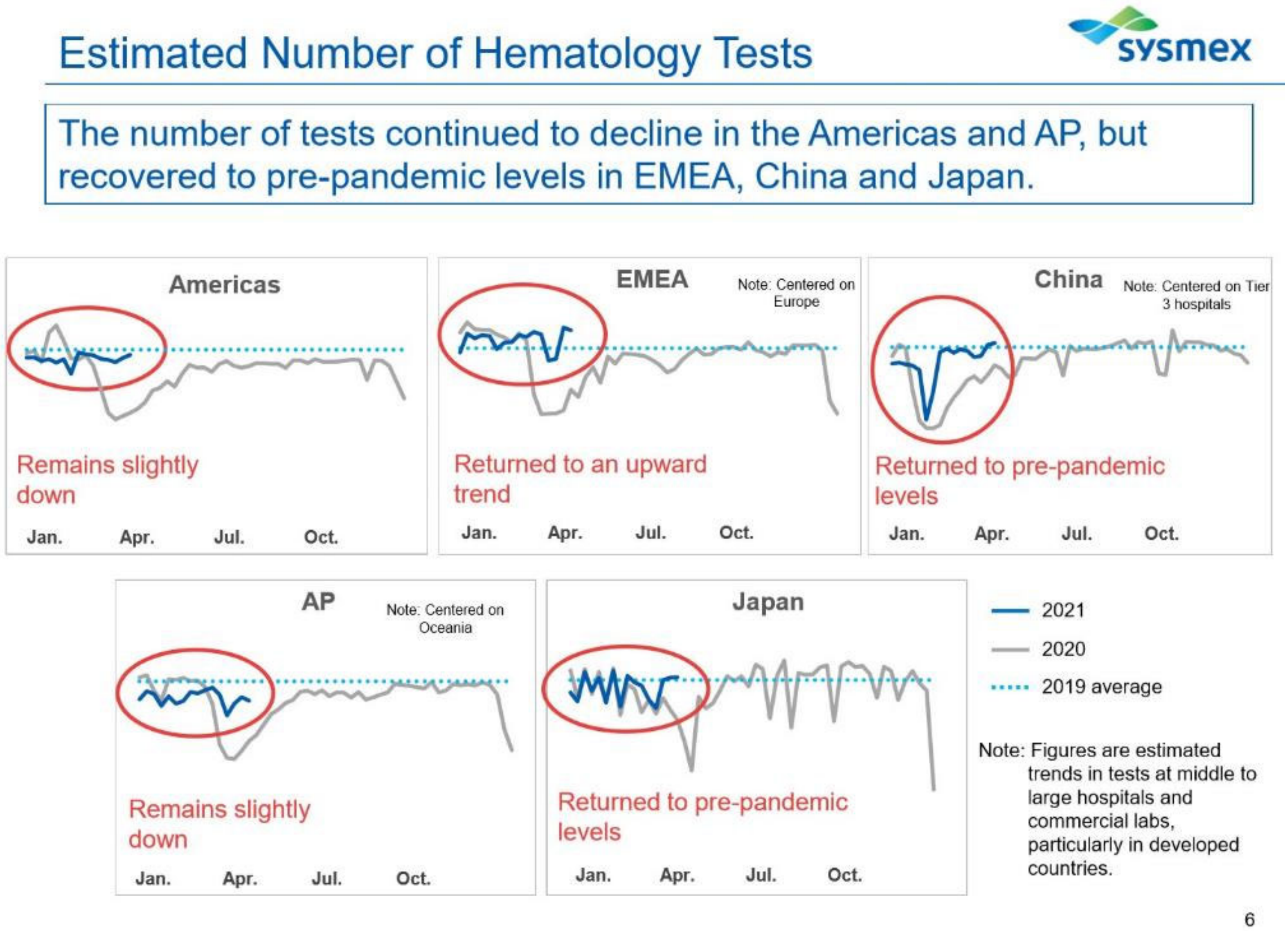
Next, please. This slide shows that we revised our plan in the middle of the year and have since pursued the goal of JPY310 billion in net sales.

As I mentioned earlier, the number of reagents sold has decreased a little, so we have been working to make up for the decline with instrument sales. As a result, although profitability has somewhat declined, we managed to meet our operating income target of JPY48.5 billion. In any case, although we did not achieve our sales target, we were able to achieve our profit target.




Next, please. This slide shows the estimated number of hematology tests.

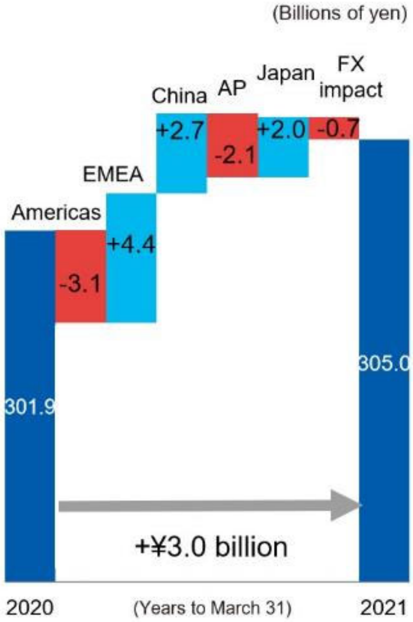
Many of our instruments are connected to the Internet, so we know the number of tests performed by them. By using this function, as you can see here, the dotted line shows the average for 2019, which means that this is the usual number of hematology tests performed annually.

The year 2020 is a gray line. The figures show that the gray line sharply declined in all regions, especially in April and May in the first quarter. The US, China, and the Asia-Pacific regions continue to see a bit of decline, but as a whole, the recovery has already begun.

## Breakdown of Net Sales (by Destination)

Despite lower sales in the Americas and AP, due to the prolonged impact of COVID-19, net sales increased due to higher sales in EMEA, China and Japan.

**Net Sales by Destination**




(Billions of yen)

| | Fiscal year ended March 31, 2021 | | Fiscal year ended March 31, 2020 | |
|---|---|---|---|---|
| | Results | Ratio | Yen basis | Local currency basis |
| Net sales | 305.0 | 100.0% | 101.0% | 101.3%* |
| Americas | 65.8 | 21.6% | 92.8% | 95.1% |
| EMEA | 82.1 | 26.9% | 106.3% | 103.7% |
| China | 83.8 | 27.5% | 104.7% | 103.6% |
| AP | 24.4 | 8.0% | 90.8% | 91.9%* |
| Japan | 48.7 | 16.0% | 104.3% | - |

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

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Next, please. This shows the breakdown of net sales by destination.

In EMEA and China, sales of instruments were also strong as I explained earlier, and on a local currency basis, sales jumped by 3.7% and 3.6%, respectively.

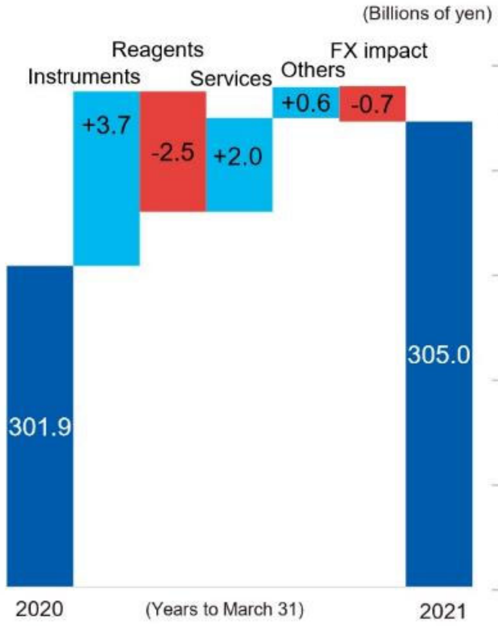
Unfortunately, sales in the Americas are down a bit. This was due to the fact that the installation of the instruments was suspended for some time across the region, which was brought about by the fact that hospitals and clinics were in a situation similar to lockdown. We believe that we will be able to make up for the decline in this fiscal year.

In the Asia-Pacific region, the situation is still a little difficult, especially in India and other countries currently struggling with the COVID-19. In Japan, we were able to increase sales by 4% thanks to a considerable increase in revenue, mainly from instruments.

# Breakdown of Net Sales (by Product Type)

Sales of instruments and services rose, but reagent sales declined due to COVID-19.

Sales by Product Type




(Billions of yen)

| | Fiscal year ended March 31, 2021 Results | Fiscal year ended March 31, 2021 Ratio | Fiscal year ended March 31, 2020 Results | Fiscal year ended March 31, 2020 Ratio | YoY (Previous period = 100%) | YoY at previous year's rate |
|---|---|---|---|---|---|---|
| Net sales | 305.0 | 100.0% | 301.9 | 100.0% | 101.0% | 101.3% |
| Instruments | 84.6 | 27.8% | 81.2 | 26.9% | 104.3% | 104.6% |
| Reagents | 170.3 | 55.8% | 173.1 | 57.3% | 98.3% | 98.5% |
| Services | 39.3 | 12.9% | 37.5 | 12.4% | 104.8% | 105.4% |
| Others | 10.7 | 3.5% | 10.0 | 3.3% | 107.0% | 106.7% |

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Next, please. This slide shows the breakdown by product type.

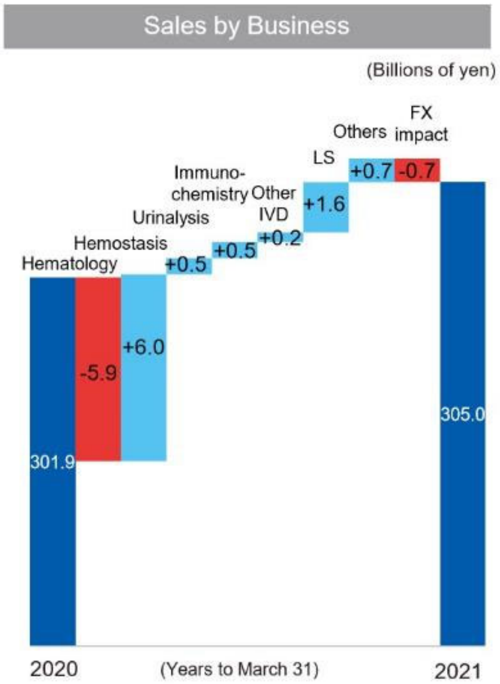
As I mentioned earlier, the total sales of instruments increased by 4.6% from the previous year. On the other hand, sales of reagents are down by about 1.5%. A decline was especially significant in the sales of hematology reagents although, we saw some increase in the sales of hemostasis reagents.

Now, let's look at the sales from service and support. Naturally, we have been carrying out business activities continuously in these segments, which resulted in a sales increase.

## Breakdown of Net Sales (by Business)

Hematology sales were down due to COVID-19, but sales increased in all other fields.

(Billions of yen)




| | Fiscal year ended March 31, 2021 | | Fiscal year ended March 31, 2020 | | YoY (Previous period = 100%) | YoY at previous year's rate |
|---|---|---|---|---|---|---|
| | Results | Ratio | Results | Ratio | | |
| Net sales | 305.0 | 100.0% | 301.9 | 100.0% | 101.0% | 101.3% |
| Hematology | 180.0 | 59.0% | 187.2 | 62.0% | 96.2% | 96.8% |
| Hemostasis | 54.3 | 17.8% | 48.2 | 16.0% | 112.6% | 112.5% |
| Urinalysis | 21.8 | 7.2% | 21.2 | 7.0% | 102.8% | 102.5% |
| Immuno-chemistry | 15.4 | 5.1% | 14.8 | 4.9% | 104.4% | 103.5% |
| Other IVD* | 19.5 | 6.4% | 19.0 | 6.4% | 102.5% | - |
| LS | 13.0 | 4.3% | 11.2 | 3.7% | 115.4% | 114.4% |
| Others | 0.7 | 0.3% | - | - | - | - |

*Clinical chemistry, FCM, laboratory information systems, etc.

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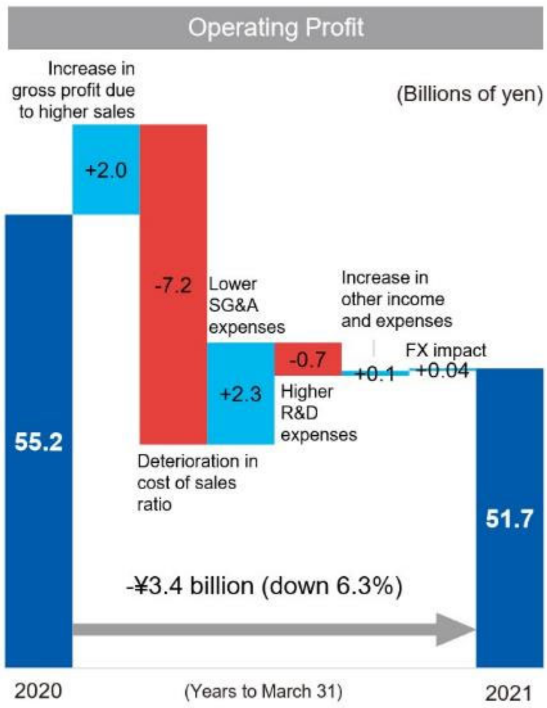
Next, please. As for hematology, like I said earlier, we have seen a decrease in the number of hematology tests, which pushed the sales down to 96.8% of the previous year. As for the others, some of them fared much better than others. The overall result was a 1.3% growth.

## Breakdown of Operating Profit




- Increase in gross profit due to higher sales: ¥2.04 billion
- Cost of sales: Up ¥7.25 billion (2.3pt deterioration in COS ratio)
  - Changes in the product mix (lower percentage of reagents) — Up ¥4.6 billion (1.5pt deterioration)
  - Increase in the mix of products having a high cost of sales ratio — Up ¥3.9 billion (1.3pt deterioration)
  - Lower service costs in China — Down ¥1.5 billion (0.6pt improvement)
- SG&A expenses: Down ¥2.31 billion
  - These expenses decreased due limitations on sales on marketing activities, as COVID-19 led to restrictions on movement.
- R&D expenses: Up ¥0.75 billion
  - The rise was because we continued to invest in new IVD products and tests related to COVID-19.
- FX impact: ¥0.04 billion positive

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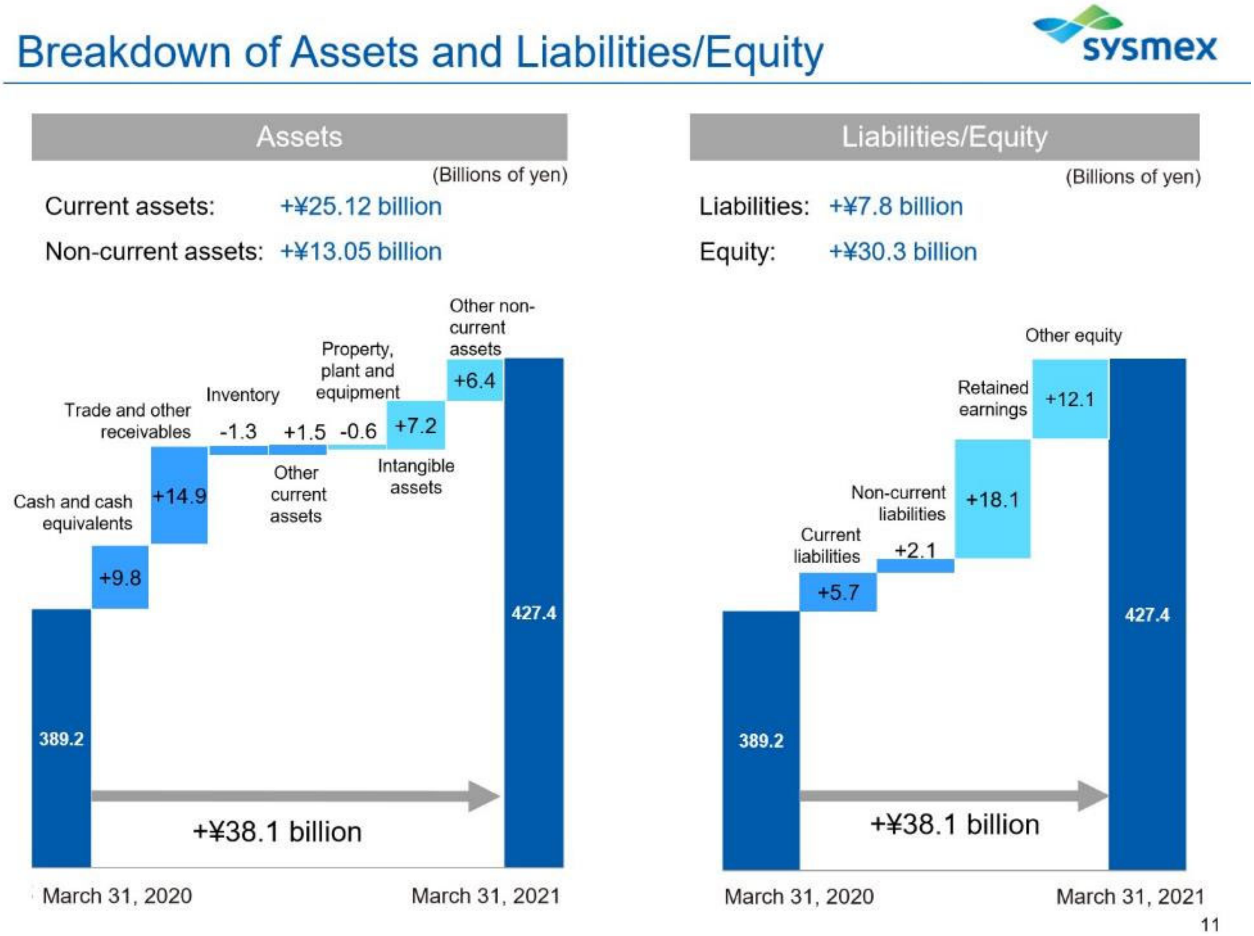
Next, please. Breakdown of operating profit.

This slide shows that the gross profit increased due to the increase in sales, and the cost of sales went up significantly. What this increase in cost of sales means is that reagents have decreased while instruments have increased a bit.

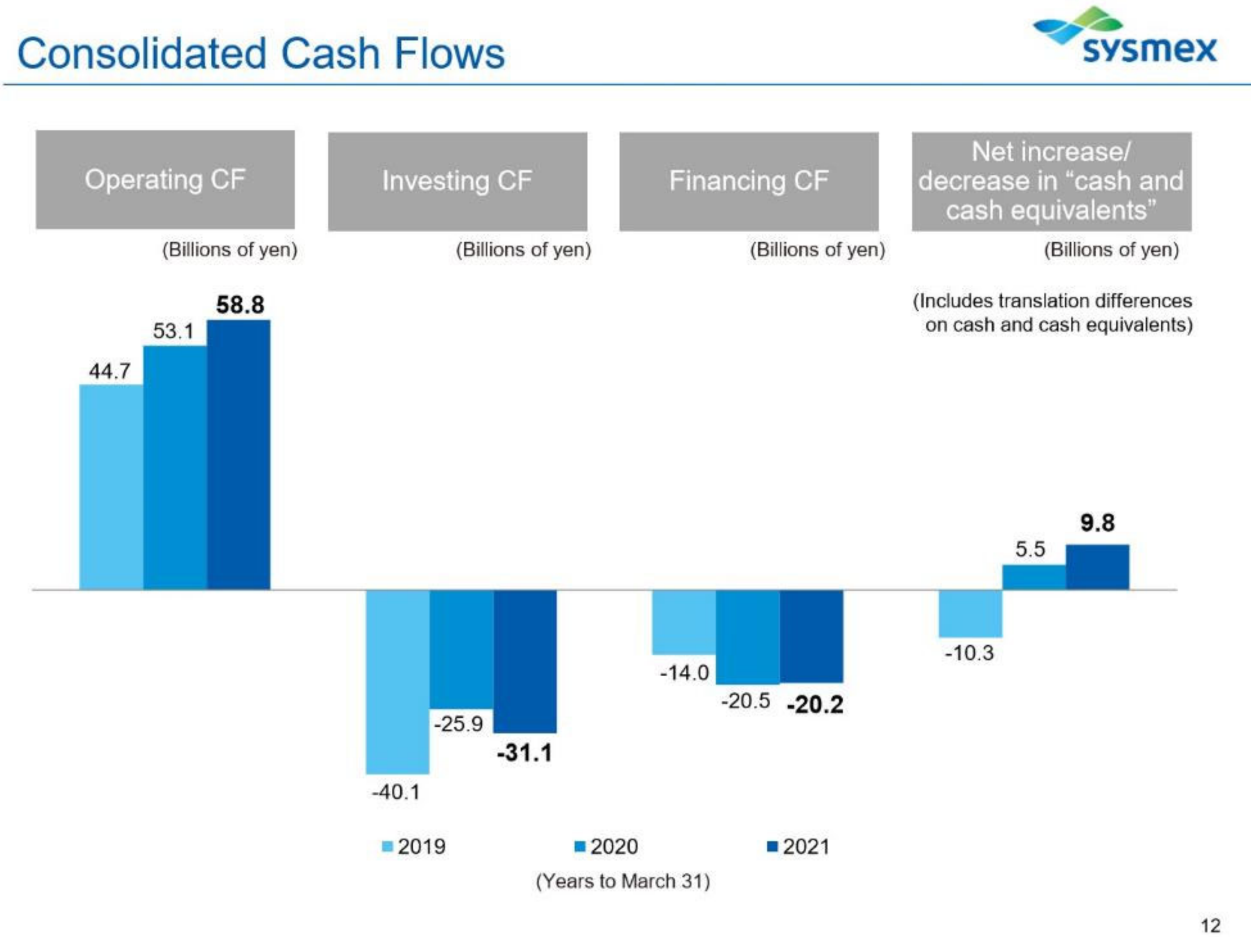
Overall, the ratio of reagents in the product mix fell while reagents have higher profitability. Therefore, the cost ratio has increased.

The SG&A expenses decreased partly because we were not able to conduct many activities. However, despite this decline in expenses, overall operating profit decreased.

Research and development expenses are being used for many purposes as planned.




Next, please. These figures show our financial status. I don't think there is any major problem with the figures.




Next, please. Consolidated cash flow.

Operating cash flow increased from the previous year to JPY58.81 billion. In total, cash and deposits increased by JPY9.87 billion.

I don't think there is any problem we should note with these figures either.

## Topics (April 2020 to April 2021)

**IVD business**

- Launched new automated hematology analyzers (Japan): the XR series and the XQ series
- In the hemostasis field, launched CN-6500/CN-3500 automated blood coagulation analyzers (Japan)
- Launched the XF-1600 flow cytometer (for research) (North America)
- Renewed agreement for global alliance in the hematology field with Roche
- Renewed agreement for global alliance with Siemens Healthineers in the hemostasis field

**Life science business**

- Received insurance coverage for liquid biopsy for colorectal cancer *RAS* gene mutation testing using high-sensitivity digital PCR (Japan)
- Launched a system that uses the OSNA™ method to detect breast cancer metastasis to the lymph nodes (China)

**Medical robotics**

- Launched a surgical robot unit, the hinotori™ Surgical Robot System (Japan) and opened training centers in Kobe and Nagoya


**Others**

- Sysmex announces its endorsement of the recommendations of the Task Force on Climate-Related Financial Disclosures
- Sysmex selected as one of the Global 100's Most Sustainable Companies in the Word for the fourth time
- Selected for inclusion in the Dow Jones Sustainability World Index for the fifth consecutive year

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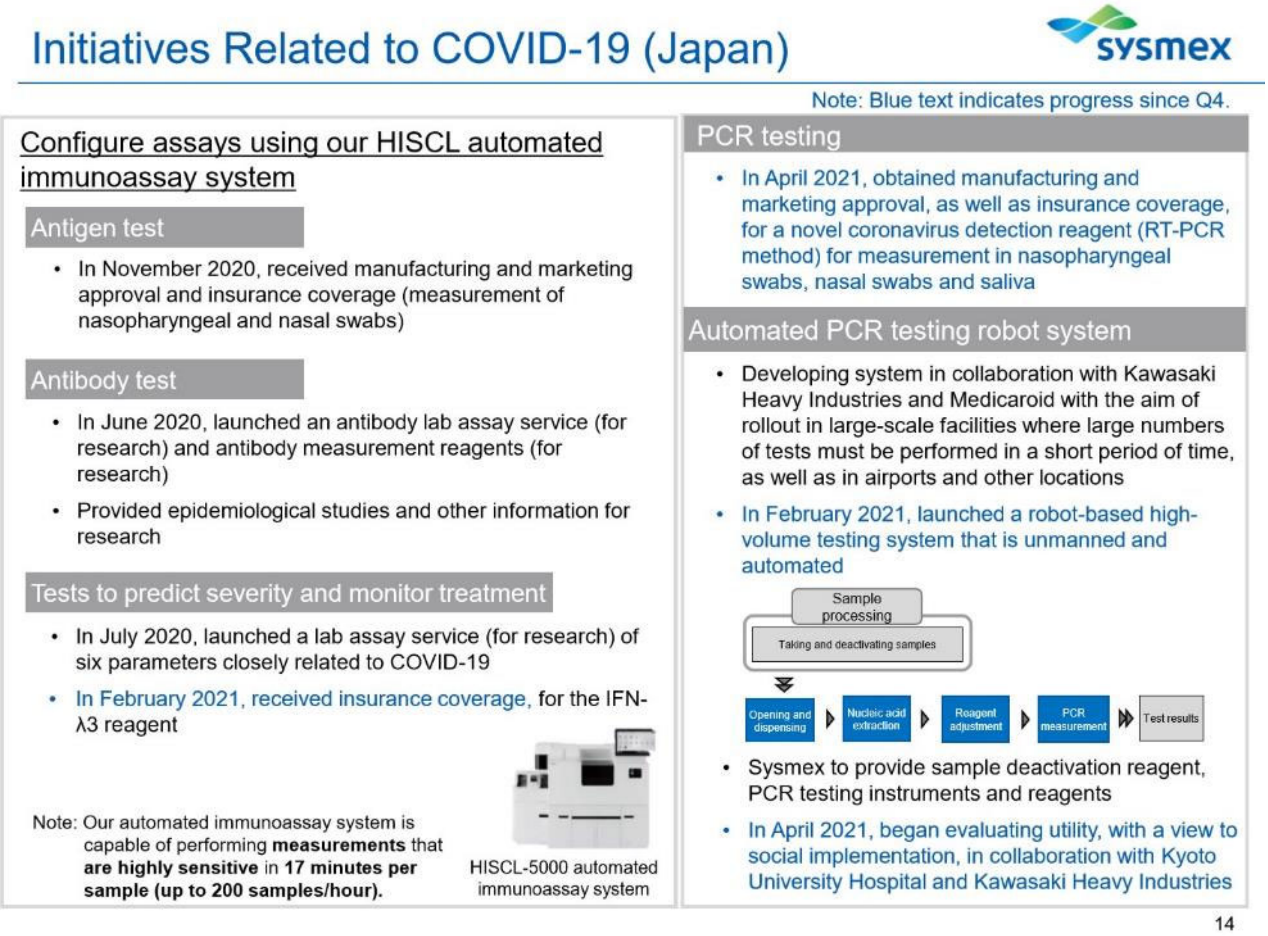
Next, please. I'll go over our major development during the fiscal year.

As I mentioned earlier, we have been making steady progress in R&D, and we were able to launch a new hematology product, XR, at the end of the term. However, we are currently selling this product only in Japan and need to go through an approval process with the FDA. It is the same for China, where the launch may be delayed by a little more than a year compared to Japan.

We also launched a new hemostasis product. This is also only in Japan, but it is currently under evaluation. In addition, we have renewed alliances with Roche and Siemens respectively, which have expanded our direct sales territories somewhat.

In the area of life sciences, we started out the last fiscal year by obtaining approval for OSNA method in China and, with this approval in hand, I think we can look forward to some great developments.

Also, we have launched hinotori, a surgical support robot. We have also opened training centers in Kobe and Nagoya, which have been well received by our customers. We will begin full-scale sales activities for the robot from this year, and we hope to start selling it overseas in 2 to 3 years.




Next, please. I'll go over our initiatives, our COVID-19 initiatives.

Since we are a company engaged in medical testing, we started developing antigen and antibody tests for which we have received insurance coverage.

It's just that our immunology-related business is mainly for Japanese market and we started our projects late compared with global competitors, so we are still far behind them.

On the other hand, we are now developing a unique way of predicting the severity of illness. As for PCR testing, we have teamed up with Kawasaki Heavy Industries to develop a system to automate, or rather robotize, the culturing process, and since it is an infectious disease, we made the system unmanned and automated. This system is being operated in some places in Nagoya. I believe that, when cross-border travel and business bounced back to pre-COVID levels, this will be a very powerful tool.

## Information by Destination (Americas)

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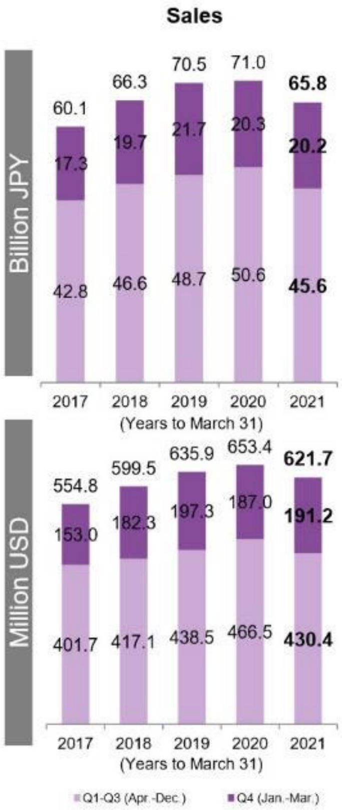


| (Billions of yen) | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2020 | YoY (Previous period = 100%) | |
|---|---|---|---|---|
| | | | (Yen basis) | (Local currency basis) |
| Sales | 65.8 | 71.0 | 92.8% | 95.1% |
| Instruments | 18.5 | 22.1 | 83.5% | 85.6% |
| Reagents | 29.5 | 31.5 | 93.7% | 96.1% |
| Services, others | 17.8 | 17.3 | 102.9% | 105.6% |

**Particularly in North America, COVID-19 led to lower sales of hematology instruments. As a result, sales for the region were down.**

- Instruments: Sales decreased due to the impact of COVID-19 on the hematology field, although a new product launch led to higher sales in the urinalysis field in North America.
- Reagents: Testing demand is recovering, but sales in the hematology field were down, both in North America and in Central and South America, leading to lower reagent sales.

**Topics**

- In North America, we have recommenced sales promotion activities by sales staff who have completed vaccination regimens.

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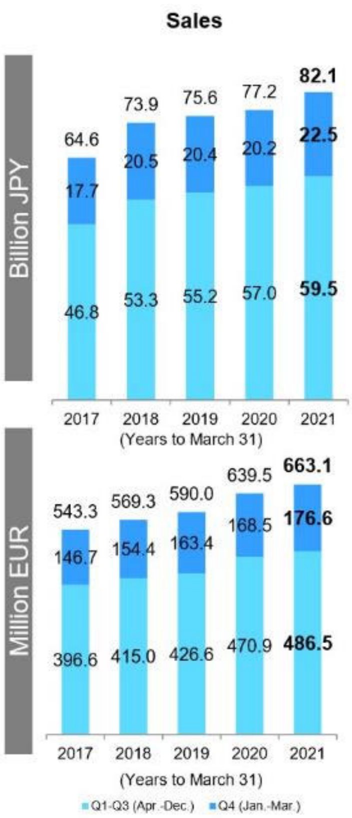
Next, please. By region. The Americas.

In the Americas, vaccine drive is being strongly promoted and is still being administered in North America, and many developments have started to unfold.

In the previous fiscal year, we suffered a quite large impact of COVID-19, especially in the first half of the year. In a situation where the installation of instruments has also slowed down a bit, the sales of reagents are down, and of instruments stagnated, we had the figures seen on this slide. This is about a 5% decrease from the previous year.

In Latin America, COVID-19 is still expanding. Despite that, there is no doubt that we are on a recovery track. As you can see at the bottom of this slide, we are now conducting sales promotion activities in a tangible way.

## Information by Destination (EMEA)




| (Billions of yen) | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2020 | YoY (Previous period = 100%) | |
|---|---|---|---|---|
| | | | (Yen basis) | (Local currency basis) |
| Sales | **82.1** | 77.2 | **106.3%** | 103.7% |
| Instruments | **22.8** | 21.0 | **108.4%** | 106.1% |
| Reagents | **45.9** | 44.1 | **104.1%** | 101.4% |
| Services, others | **13.4** | 12.1 | **110.7%** | 107.9% |

**Sales in this region rose despite the impact of COVID-19, owing mainly to higher instrument sales in the hematology and hemostasis fields.**

- Instruments: Sales were up, thanks to an order from a large commercial lab and the acquisition of an urgent COVID-19 tender in Russia.
- Reagents: Sales were up, due to recovery following the COVID-19 impact and higher sales in the hemostasis field.

**Topics**

- We established Sysmex Portugal and commenced direct sales in the Iberian region (February).
- We were selected as one of the top 100 companies (as Great Place to Work) in Germany.

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Next, please. EMEA.

Sales in the EMEA region grew by 3.7% in local currency terms in the previous year. The COVID-19 pandemic inevitably caused a sharp drop in reagent consumption for a while, but we were able to recover from that.

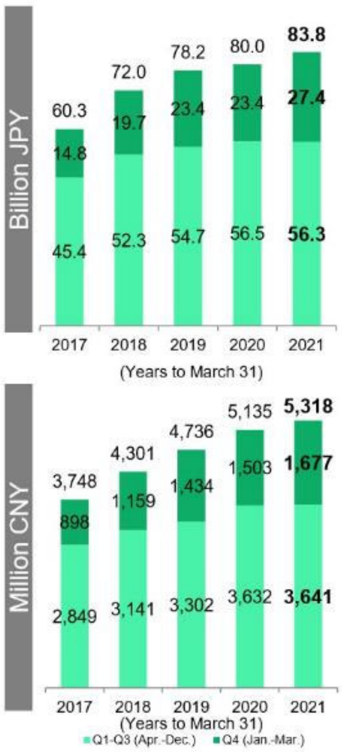
With regard to instruments, we had some good developments, such as being able to sign a contract with major commercial laboratories and to obtain a COVID-related tender in Russia. Supported by these developments, we are steadily promoting our instruments across the world.

Also, there is another notable development. It's the establishment of Sysmex Portugal. We commenced direct sales by acquiring distributors. In Spain, Roche used to sell our hematology products on our behalf, but we renewed the contract so that we can sell our products directly in the region. We will start the sales activities in full swing from this fiscal year.

Looking at these developments, we believe that our company is performing quite well in the EMEA region.

## Information by Destination (China)

**Sales**




| (Billions of yen) | **Fiscal year ended March 31, 2021** | Fiscal year ended March 31, 2020 | **YoY (Previous period = 100%)** | |
|---|---|---|---|---|
| | | | **(Yen basis)** | (Local currency basis) |
| Sales | **83.8** | 80.0 | **104.7%** | 103.6% |
| Instruments | **26.4** | 21.4 | **123.3%** | 122.1% |
| Reagents | **49.3** | 50.3 | **97.9%** | 96.8% |
| Services, others | **8.0** | 8.2 | **97.8%** | 96.8% |

**Reagent sales decreased due to COVID-19, but instrument sales rose in all fields. As a result, sales for the region increased.**

- Instruments: Sales rose substantially, due to favorable sales of new products in the hemostasis field and increased demand for CRP (inflammation marker) testing in the hematology field.
- Reagents: Sales recovered from the COVID-19 impact in the second-half but were down overall due to lower first-half demand.

**Topics**

- In Q4, we began local production of a concentrated reagent in the hematology field.

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Next, please. China.

China is said to be no longer affected by COVID-19 pandemic, but we struggled quite badly in the first half of the year. Although the sales of reagents were down YoY, the instruments were performing quite well.

This is a very favorable development for our future performance. According to our business model, we sell instruments first and then sell reagents to be used in the instruments. So, I believe that the favorable sales of instruments will bring about wonderful developments we can look forward to.

Although the decline in reagents in the first half of the fiscal year lingered and had a negative impact, we were able to increase sales by 3.6% on a local currency basis in total. As for China alone, we always aim for double-digit sales growth, so the results of the fiscal year are less than satisfactory. But in any case, these figures show how we performed in the area.

# Information by Destination (AP)

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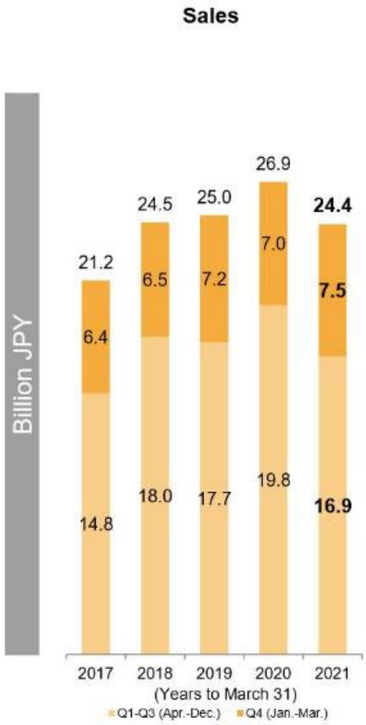


| (Billions of yen) | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2020 | YoY (Previous period = 100%) (Yen basis) |
|---|---|---|---|
| Sales | 24.4 | 26.9 | 90.8% (91.9%) |
| Instruments | 6.4 | 6.2 | 103.6% |
| Reagents | 15.9 | 18.1 | 87.7% |
| Services, others | 2.0 | 2.4 | 82.1% |

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

**Sales were down, as COVID-19 affected reagent sales, while instrument sales were up due to the acquisition of a tender in South Asia.**

- Instruments: Sales were up, due to the acquisition of a tender in the hematology field in India and the launch of new hemostasis products at a large commercial lab in Australia.
- Reagents: Although sales in the hemostasis field was up, reagent sales were down mainly in the hematology and urinalysis fields due to COVID-19 and an outbreak of dengue fever in the previous fiscal year.

**Topics**

- We will continue to monitor trends in India and other countries experiencing a resurgence in the number of COVID-19 cases.

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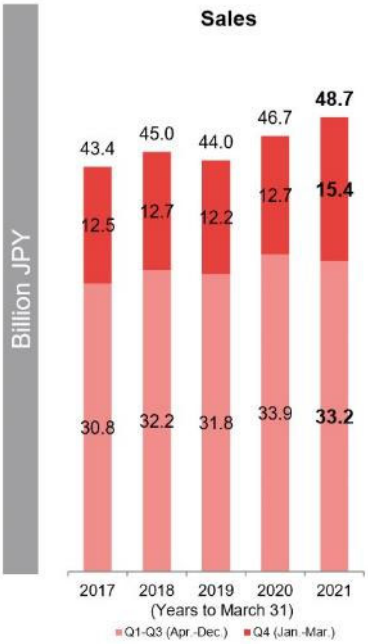
Next, please. Then, there is Asia Pacific region.

This slide shows that we continue to face a tough situation in the region. Despite that, we have some good news, such as being able to obtain bids for projects in South Asia. The figures show that there is an increase in revenue from instruments. However, the impact of COVID-19 is still continuing.

Also, the year before last, dengue fever was very prevalent, which significantly pushed up sales of hematology reagents. Because of these heightened sales, sales of the fiscal year under review were down by about 10%. As for reagents, sales are down by over 12%.

As you know, India is currently in a difficult situation. Despite it, we are steadily making preparations towards the future growth. I believe that this is a very exciting area going forward.

# Information by Destination (Japan)




| (Billions of yen) | Fiscal year ended March 31, 2021 | Fiscal year ended March 31, 2020 | YoY (Previous period = 100%) (Yen basis) |
|---|---|---|---|
| Sales | **48.7** | 46.7 | **104.3%** |
| Instruments | **10.4** | 10.2 | **101.3%** |
| Reagents | **29.5** | 28.9 | **102.0%** |
| Services, others | **8.7** | 7.4 | **117.6%** |

**Sales for the region rose, owing to higher sales of hematology instruments and surgical support robots. Also, reagent sales rose in relation to COVID-19 testing.**

- Instruments: Sales were up slightly, due to sales of hematology instruments to a large commercial lab and the launch of hinotori.
- Reagents: Reagent sales rose, despite lower sales in the urinalysis and immunochemistry fields, due to higher sales in the hemostasis and life science fields in relation to COVID-19 testing.

## Topics

- We launched new hematology products (XR Series, XQ Series).
- We obtained manufacturing and marketing approval, as well as insurance coverage, for a novel coronavirus detection reagent (RT-PCR method).

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Next, please. Japan.

In Japan, we faced a situation where sales of some reagents went down but successfully recovered from the decline.

We launched a new hematology instrument in March, the impact of which has yet to show up in the figures.

On the other hand, the launch of hinotori, a surgical support robot, has attracted a lot of attention, and the response from customers has been very positive. In that sense, I'm looking forward to it.

Overall, sales in the Japanese market grew by 4.3%.

## Dividend Forecast

・Dividend amounts are the same as for the fiscal year ended March 31, 2020. The dividend payout ratio is 45.4%.

| | Interim dividend | Year-end dividend | Total | Dividend ratio |
|---|---|---|---|---|
| Fiscal year ended March 31, 2020 | ¥36 | ¥36 | ¥72 | 43.1% |
| Fiscal year ended March 31, 2021 (proposal) | ¥36 | ¥36* | ¥72 | 45.4% |

*To be proposed at the 54th Ordinary General Meeting of Shareholders

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Next, please. I'll go over the dividend forecast.

As for the dividend for the fiscal year ending March 31, 2021, we would like to leave the previous year's figure unchanged at JPY72. This is partly due to the fact that the bottom line has decreased.

We have increased dividends for 18 consecutive years, but in a sense, we decided to make a stop once at this turning point brought about by the COVID-19 pandemic in order to make a next leap forward. That's why we decided to leave the dividend unchanged.

## Review of the Previous Mid-Term Management Plan (Financial Indicators)

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Although net sales continued to climb, the COVID-19 pandemic led to a sluggish rate of growth and profitability.

(Billions of yen)

| | Results for the fiscal year ended March 31, 2020 | Results for the fiscal year ended March 31, 2021 | Targets for the fiscal year ending March 21, 2022 |
|---|---|---|---|
| Net sales | 301.98 | 305.07 | 380.00 |
| Operating profit<br>(Operating margin) | 55.28<br>(18.3) | 51.79<br>(17.0) | 78.00<br>(20.5) |
| ROE (%) | 12.9 | 11.3 | 18.0 |
| Free CF | 27.27 | 27.68 | 40.0 |
| Operating CF | 53.18 | 58.81 | 75.0 |

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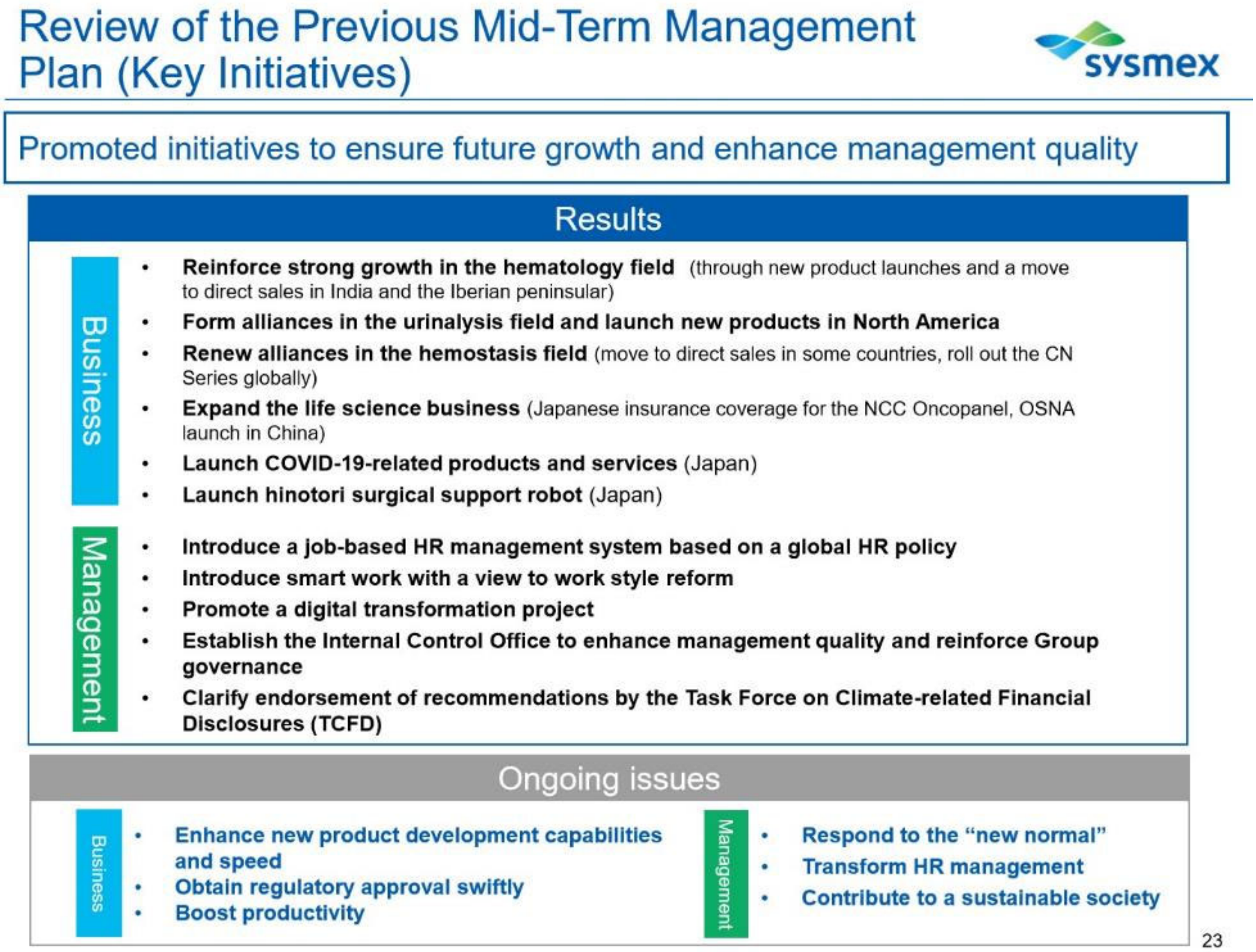
Next, please. Medium-term management plan. I will look back at the previous fiscal year's mid-term management plan, which covers the period from 2019 to the current fiscal year until March 2022.

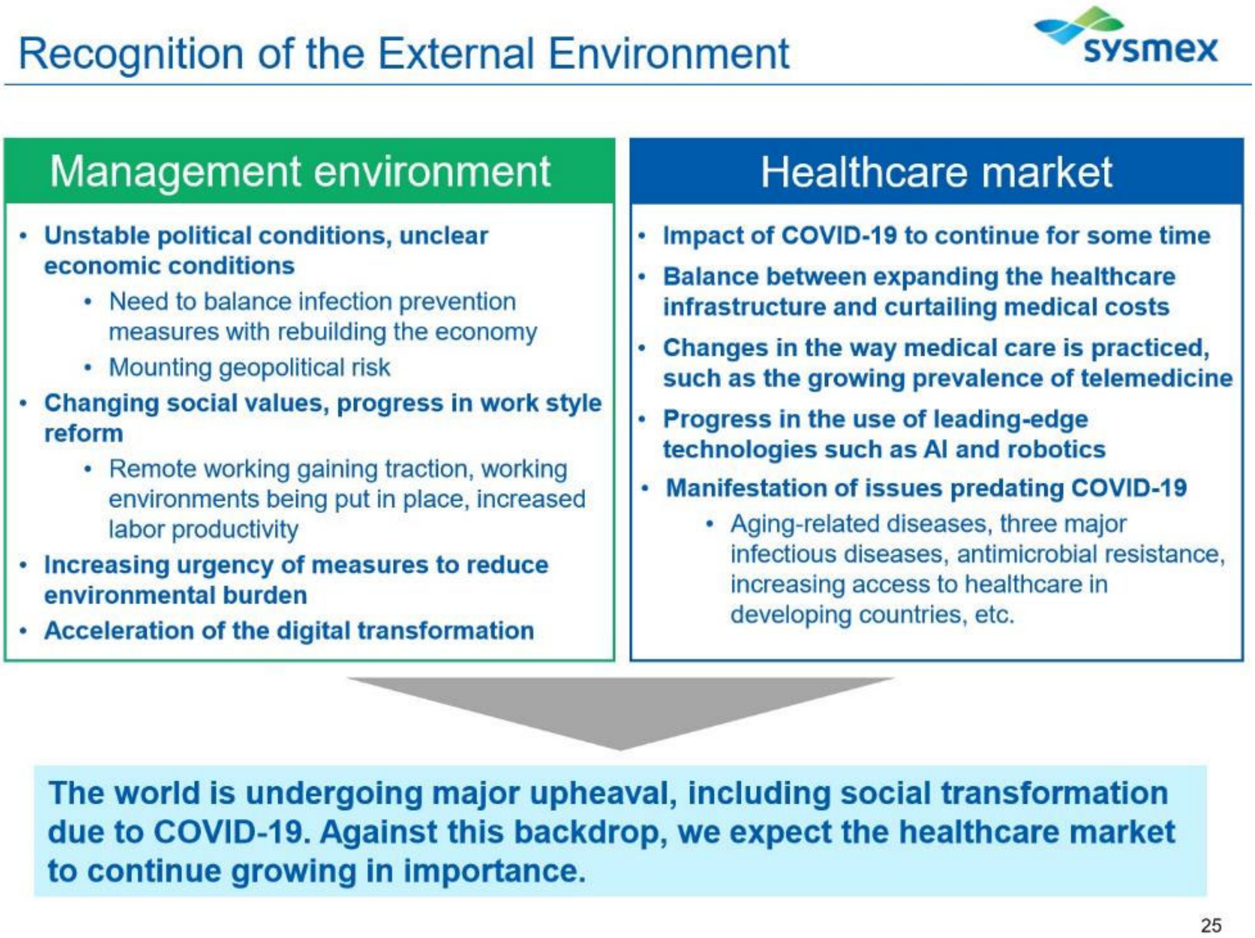
Our medium-term plan is a 3-year plan, and we update it every 2 years. In the fiscal year ending March 31, 2021, we had a significant deviation from our plan due to the COVID-19 pandemic. The goal of the medium-term management plan was set at JPY380 billion.

In that sense, we are facing a very difficult situation. We are now making a fresh start with a new mid-term management plan.




Next, please. Despite some difficulties we have faced, our company has adopted various new initiatives and steadily made progress in them.

New products in the field of hematology are ready. In North America, Sysmex is now in charge of the urinalysis part of Siemens business. In addition, we have made steady progress in alliances in hemostasis, and in life sciences field, including NCC Oncopanel. Also, in the sense that we were able to launch the surgical assist robot, I think we've made a lot of progress in terms of the initiatives, which outcomes will be shown in next Mid-term plan.




I would like to talk about our new medium-term management plan. The plan is for the period from this April to the fiscal year ending March 31, 2024. This slide shows how we perceive our eternal environment.

As I'm sure you are well aware, the political situation is a bit unstable right now due to factors such as strained US-China relations.

Then there are forthcoming impacts of the COVID-19 pandemic. Because of those impacts, our lifestyles may change drastically in various ways, such as wide adoption of the so-called “New Normal” lifestyle.

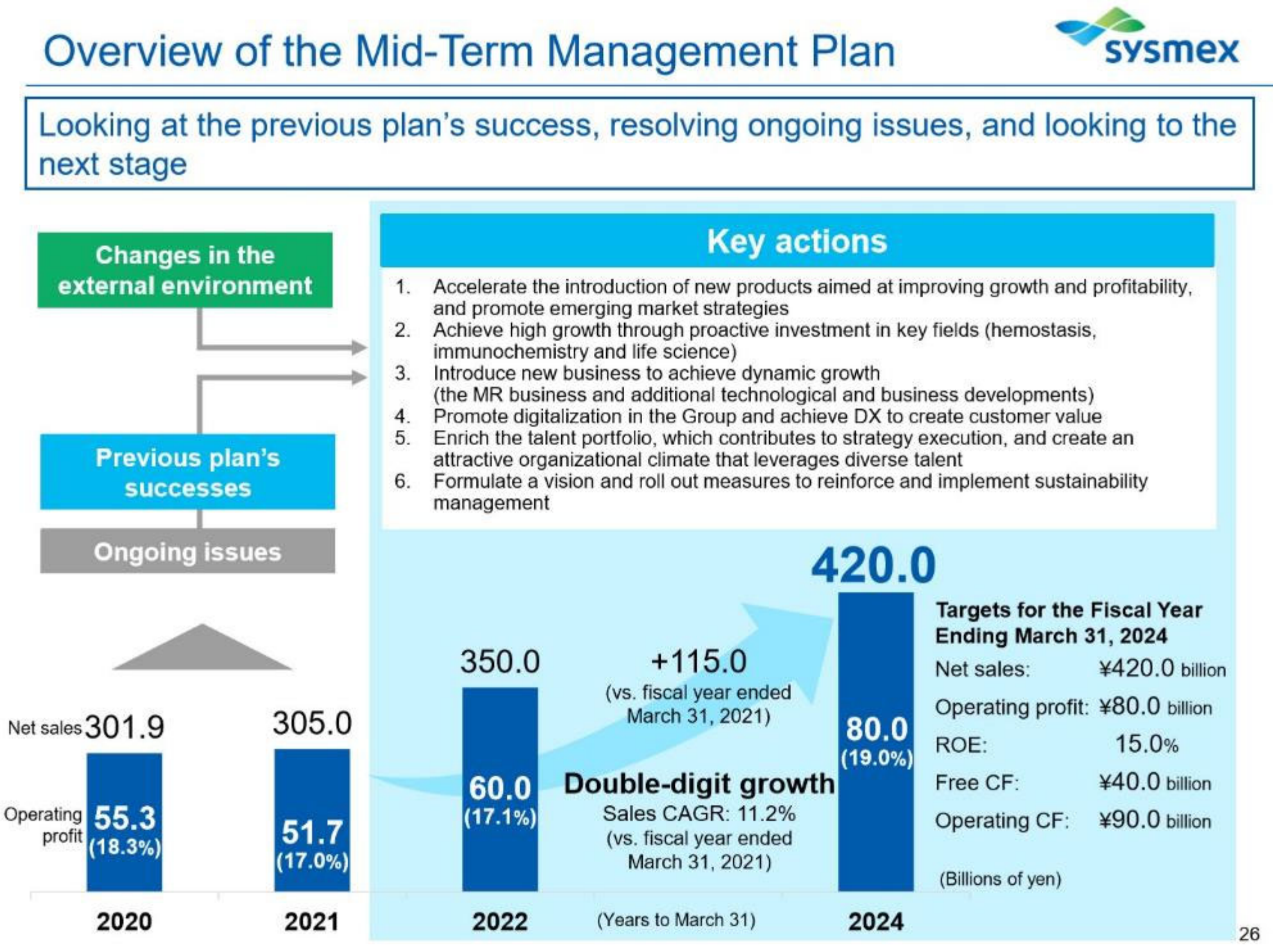
On the other hand, we are in a situation where digital transformation is accelerating, and the focus on environmental issues is also very important for companies. In today’s environment, companies must consider how to solve social issues.

In the healthcare market, COVID-19 will continue to affect the industry. However, in the past, especially in developed countries, the policy of each government has been focused on how to control the soaring cost of medical care.

Japan also has been facing a very difficult situation in achieving this objective, and I believe that COVID-19 has steered the country to consider how to strengthen its medical system. On the other hand, the nature of healthcare itself will change a little, such as online medical treatment.

Therefore, I think that we, as a market, will be able to develop in a very exciting way. We will consider and implement ways to improve the medical system in each region. With this trend, there will be an increase in the medical expenditure. In Canada, for example, there has been an 11% in the medical expenditures. In such a situation, how can we make new developments by wisely utilizing AI and robot technology?

Of course, we will continue to work on issues that were apparent before the COVID-19 pandemic. The question is, how can we take on these challenges? With so many issues waiting to be addressed, we are expected to make contributions, and I believe that it is our responsibility to proceed with our initiatives steadily.

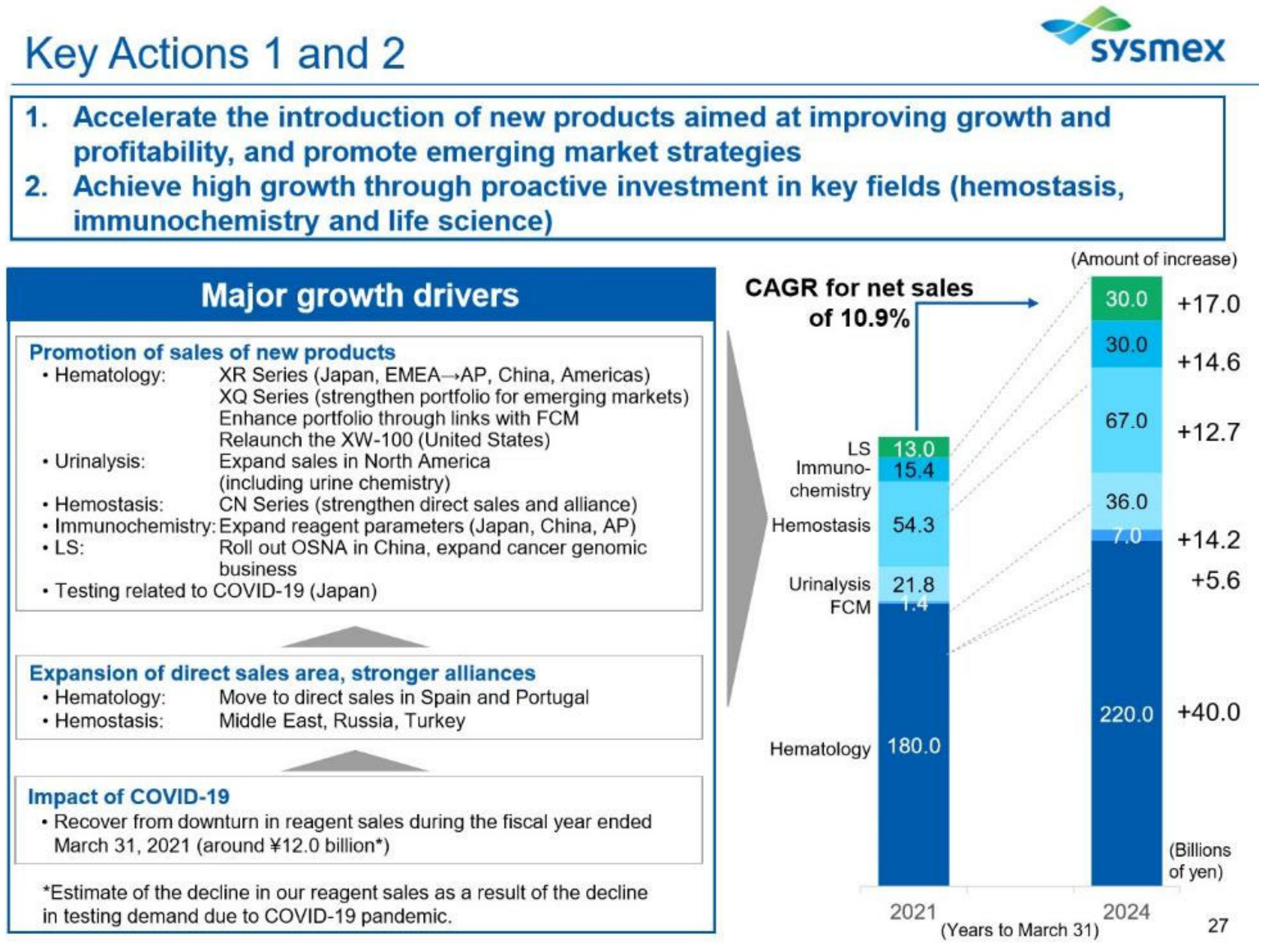



Next, please. This is the mid-term management plan we came up with by considering the factors I have described.

The plan shows that we are aiming for the next stage by resolving ongoing issues that have passed on from the previous mid-term management plan.

Overall, there are Key Actions 1 through 6, which I will talk about later. In terms of numbers, JPY420 billion is the goal we will pursue.

In addition, we are currently looking at an operating income of JPY80 billion as our goal. Specifically, we are trying to increase our sales by JPY115 billion from the end of the term just ended. For achieving double-digit growth, we are trying to increase our sales by 11.2%.




Next, please. Key Action 1 is to accelerate the introduction of new products aimed at improving growth and profitability and to promote emerging market strategies.

New product development was a bit stagnant during the period of the previous mid-term management plan, but we have finally launched hematology and flagship products. Naturally, it will take 1 to 2 years to obtain approval for the products from the FDA and the Chinese government, and then we will be able to make a full-scale start. I just want you to know where we are now with these products.

Also, I mentioned earlier about urinalysis. In particular, we were able to sign a contract for the qualitative urinalysis, which allows us to succeed Siemens' urinalysis project.

Then, how will we promote the hemostasis CN series globally? And how should we expand reagent parameters? This has been an issue for a long time, but the question is how to increase the parameters steadily. In the life science field, as I mentioned earlier, we should consider how to roll out OSNA in China.

At the same time, it is important to see how we can enhance COVID-related products, mainly in Japan. As for direct sales areas, as I mentioned earlier, for hematology, they include Spain, Portugal, or the so-called Iberian Peninsula. As for hemostasis, there has been an increase in direct sales to the Middle East, Russia, and Turkey.

Needless to say, the impact of COVID-19 was quite severe in the previous fiscal year, and we estimate that about JPY12 billion of reagent sales were lost. Under these circumstances, we will invest aggressively in our priority areas of hemostasis, immunochemistry, and life sciences.

## Key Actions 3 and 4

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### 3. Introduce new business to achieve dynamic growth

**MR**

- Establish a business base in Japan with the hinotori surgical support robot (¥10.0 billion in the fiscal year ending March 31, 2024)
- Steadily complete preparations for global rollout

**Nascent fields**

Note: These are fields where we will engage in technological and business development during the period of the plan.

- Astrego: Working to commercialize drug sensitivity testing for urinary tract infections
- Liquid biopsy: Working to commercialize testing for Alzheimer's disease and others
- Considering the digital health and medical data businesses

### 4. Promote digitalization in the Group and achieve DX to create customer value

**Internal**

- Move business processes and data to the global standard
- Digitalize the value chain to facilitate seamless development, production, supply and support
- Reduce manual operations in order to augment productivity, speed and quality

**Customers**

- Expand the Caresphere portfolio and accelerate global development
- Promote the digitalization of services and training for customers

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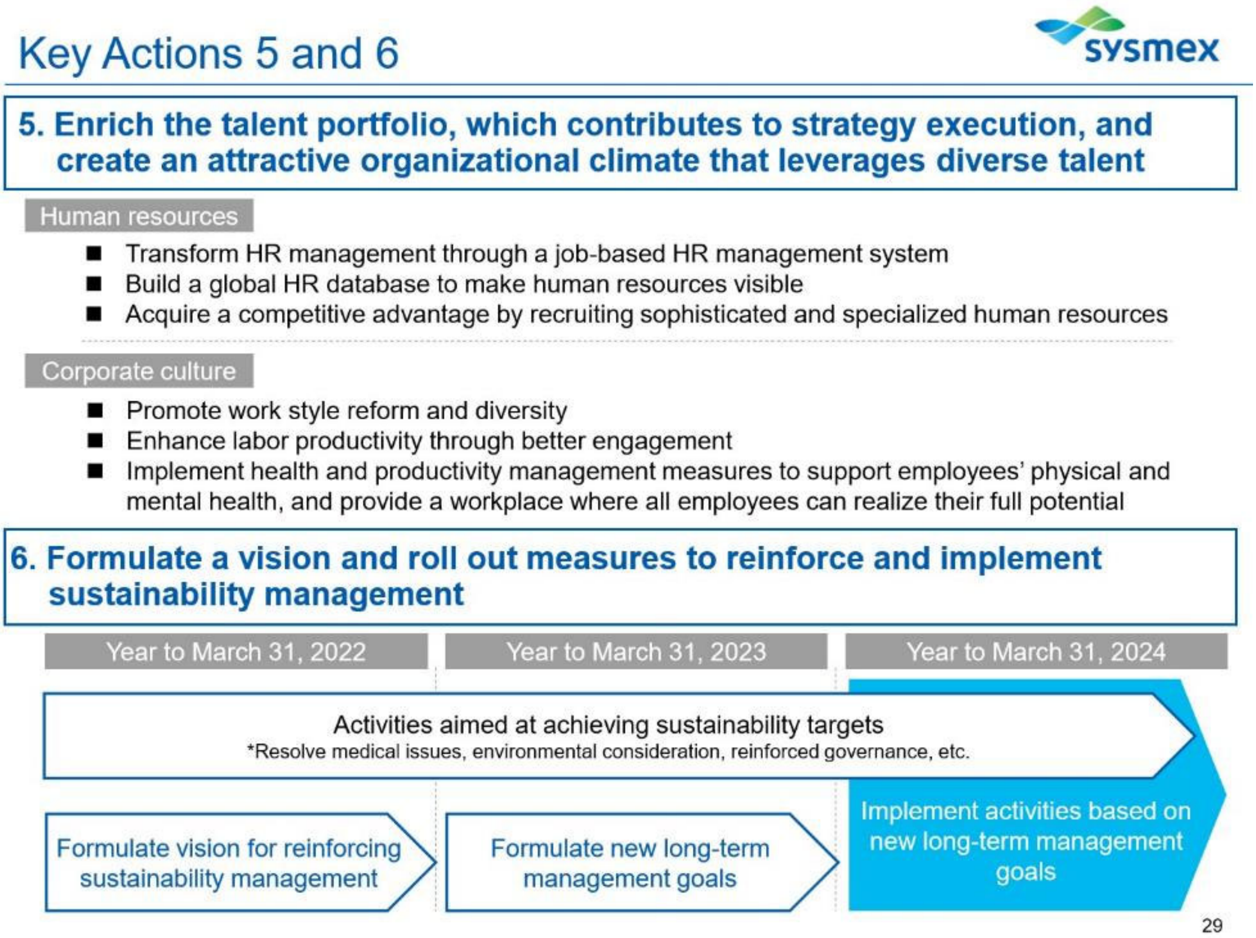
Next, please. This is about the Key Action 3. Introduce new business to achieve dynamic growth.

One of the major ones is a surgical support robot. We will steadily expand this product segment. Fortunately, our product has gained a good reputation among its users, and we will start full-scale sales activities to promote its use. We are already preparing to expand its sales to overseas markets in the next 2 to 3 years.

In addition, we are now developing products for urinary tract infections, liquid biopsy, and Alzheimer's disease, all of which are steadily progressing. In addition, we have just started to consider how to develop the digital health and medical data business.

The Key Action 5 is to promote digitization in the Group, which we have been focusing on for a long time now. In doing this, we are considering how to create new value for our customers. In addition, we will continue to invest in digital transformation in order to achieve it in earnest in this mid-term management plan.

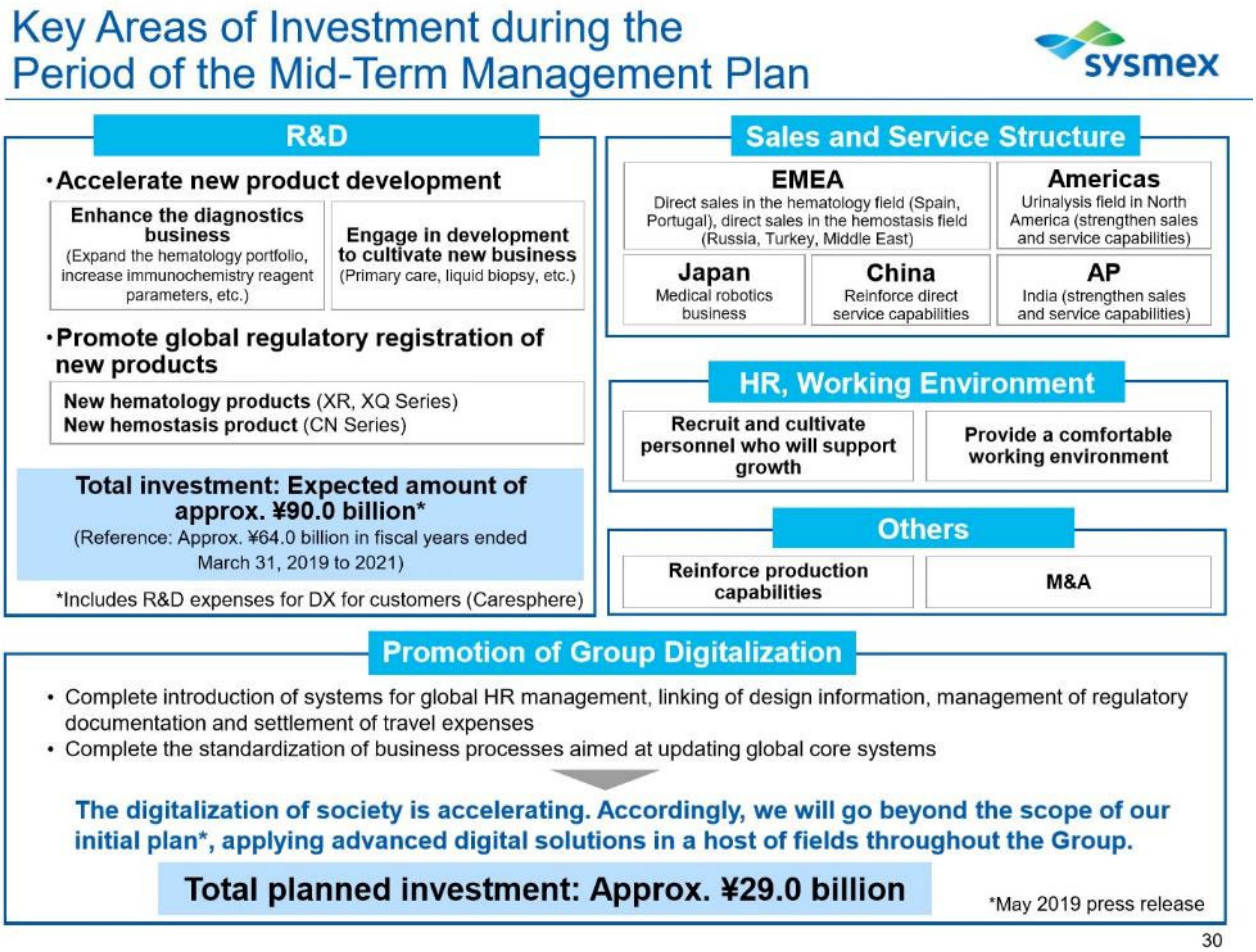



Next, please. The Key Action 5 is about enriching the talent portfolio and leveraging diverse talent.

This April, we introduced a job-based HR management system.

Another focus is to transform the corporate culture of Sysmex in a positive way. We are hoping to make the new mid-term management plan, which also includes COVID-19 measures, into the one that can provide a sort of turning point for us.

The Key Action 6 is about sustainability management. In addition to ESG and the SDGs, we also need to seriously think about how to solve external issues in the course of our corporate activities. Since we are a health care company, we have been doing these things for some time now, but we would like to further strengthen our efforts in that direction.




Next, please. This slide shows the areas of investment during the period of the mid-term management plan.

In the area of new product development, including hematology and hemostasis products, we would like to invest about JPY90 billion. On the other hand, in the area of sales and service structure, as I mentioned earlier, we have to figure out how to promote the sales of our products in each region. This is where the robotics business is also very important.

In addition, promoting the group-wide digitalization is very important, and although we are still in the process, we are planning to invest a total of about JPY29 billion in DX.

In this context, we will strengthen our production functions, and on the other hand, of course, we will pursue M&A for new development. We would like to focus on these areas.

## Mid-Term Management Plan (Sustainability Targets)

| Sysmex's materiality and major sustainability targets | | Major KPIs | Targets for the fiscal year ending March 31, 2024 |
|---|---|---|---|
| ● Resolution of medical issues through products and services | • Resolution of medical issues through innovation | Hematology market share | *2 |
| | | Number of cancer genomic analyzed*1 | *2 |
| | • Improvement in accessibility to healthcare | Sales in emerging markets | *2 |
| ● Responsible provision of products and services | • Pursuit of quality and trust | Number of recalls | *2 |
| | • Strengthening of supply chain management | CSR survey response rate | 90% |
| ● Realization of an attractive workplace | • Provision of a comfortable working environment | Engagement score | 75% |
| | | Turnover rate*1 | *2 |
| | • Promotion of diversity and inclusion | Female managers ratio | 17.0% |
| | • Development of human resources | Training time per employee | 40.0 hours |
| | • Promotion of health and occupational safety | Total annual working hours*1 | 1,950 hours |
| | | Lost-time injury frequency rate*1<br>Lost work day rate*1 | Less than 0.58<br>Less than 0.02 |
| ● Environmental consideration (Base year: fiscal year ended March 31, 2017) | • Environmental consideration through product lifecycle | Reduction of $CO_2$ emissions (instruments, shipping) | Cut 20% |
| | | Reduction of water consumption (instruments) | Cut 10% |
| | • Reduction in environmental burden through activities at business offices | Reduction of $CO_2$ emissions (business activities) | Cut 40% |
| | | Reduction of water consumption (business activities) | Cut 5% |
| ● Enhancement of governance | • Compliance | Number of internal reports | *2 |
| | | Number of unethical incidents | *2 |
| | • Risk management | Number of information securety trainees | *2 |

*1 Target: Sysmex Corporation on a non-consolidated basis
*2 Set as a monitoring index; no target value has been set.

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Next, please. These are the sustainability targets in our mid-term management plan.

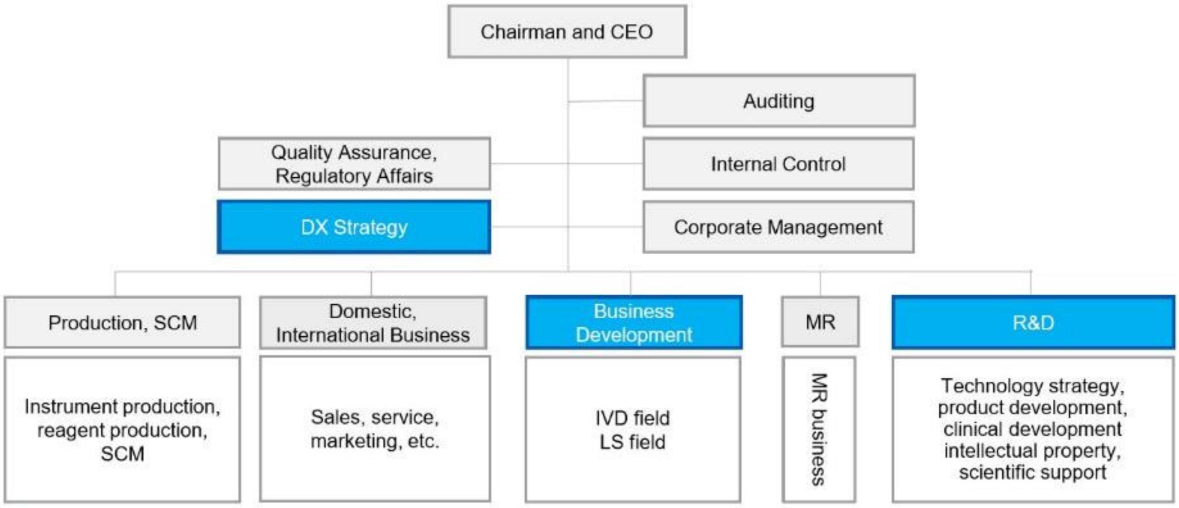
We are going to focus on these 5 goals. It is important to set numerical targets for each of them and consider how to achieve them.

By doing so, we hope to solve social issues and grow our company.

## Changes in the Organizational Structure

**Key changes in the organizational structure**

- Integration of the strategy formulation and promotion functions for the IVD and LS businesses
- Integration of R&D functions with a view to accelerating product development
- Integration of DX strategy promotion functions to accelerate Group digitalization and the creation of customer value




■Changes in new organization

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Next, please. As you can see, we are changing our organizational structure.

In the past, IVD and life sciences were completely separated. The idea was to integrate these divisions into one Sysmex.

For example, in the area of IVD testing products, we think that genetic testing will become very important in the future, the prospect that we are working to confirm. We already have those capabilities, so I think one of the issues we need to consider is how to utilize our IVD capabilities.

In any case, we will make efforts to further advance our research and development activities by exercising all functions and all capabilities that Sysmex have as One Sysmex.

At the same time, we are promoting digitization strategy to create value through the group-wide digitalization. Through integrating R&D and business strategy, we will work as one Sysmex.

The members of the group have changed quite a bit, and with this new group, we are thinking of making new developments in the future.

# Consolidated Earnings Forecast

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

Net sales: **¥350.0 billion** Operating profit: **¥60.0 billion** Operating margin: **17.1%**

Profit attributable to owners of the parent: **¥40.0 billion** Profit attributable to owners of the parent to net sales: **11.4%**

| Planned investment | Capital expenditure: **¥39.0 billion** (includes both tangible and intangible assets) | Depreciation and amortization: **¥29.5 billion** | R&D expenditure: **¥27.5 billion** |
|---|---|---|---|

(Billions of yen)

- **Assumed Exchange Rates**

| | Assumed exchange rates for full year | Previous year (Fiscal year ended March 31, 2021) |
|---|---|---|
| 1 USD | ¥106.0 | ¥106.1 |
| 1 EUR | ¥125.0 | ¥123.7 |
| 1 CNY | ¥16.0 | ¥15.7 |

- **Exchange Rate Sensitivity**

| | Net sales (year) | Operating profit (year) |
|---|---|---|
| USD | ¥0.68 billion | ¥0.18 billion |
| EUR | ¥0.51 billion | ¥0.16 billion |
| CNY | ¥5.88 billion | ¥4.53 billion |


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Next, please. Financial forecast for the full fiscal year.

The Company aims to achieve sales of JPY350 billion and operating profit of JPY60 billion. For these figures, we have also set the exchange rates on the assumption that the yen will weaken against the dollar compared with the previous fiscal year. However, the yen continues to depreciate at the moment and the dollar is now at JPY109. At any rate, this is the assumption we will use when considering currency exchange rates.

One of the main reasons for this growth is the disappearance of the sales, or sudden drop in demand, of about JPY12 billion in reagents, especially for hematology which will recover in the coming fiscal year. At present, most of the recovery has been achieved in the divisions or regions. This will be one of the positive factors for growth.

There are many other promising factors. For example, the launch of a new hematology instrument, expected expansion of reagent parameters, and surgical support robot.

Another very important factor is that, as I mentioned earlier, the direct sales and service area has expanded somewhat. Considering all these factors, we have set out top line to reach JPY350 billion without fail.

However, in terms of costs, we have to take into account various factors, such as investment in DX, the considerable cost of new product registration, and the need to steadily expand our R&D activities.

In this environment, we are trying to develop our business in this way, although our operating income may be slightly conservative.

## Dividends
## (Forecast for the Fiscal Year Ending March 31, 2022)

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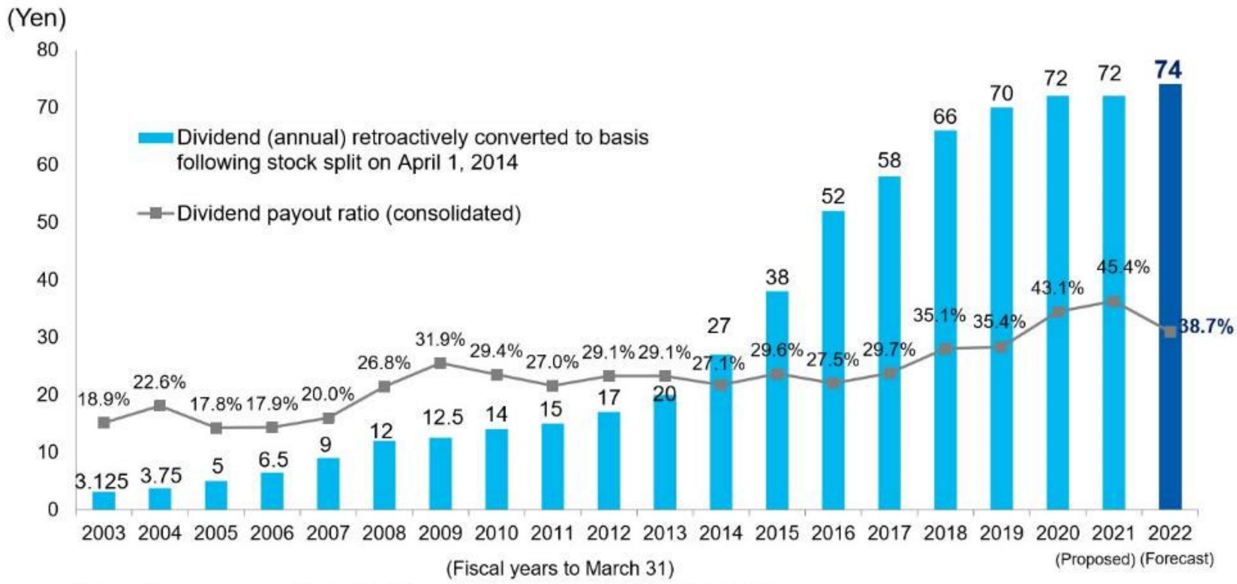
Sysmex aims to maintain a proper balance between aggressive investment, which is designed to sustain steady high growth, and returns to our shareholders as our earning power increases. In terms of returns to shareholders, we intend to provide a stable dividend on a continuous basis and aim for a consolidated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




Notes: Figures are according to IFRS from the fiscal year ended March 31, 2016
Two-for-one stock splits conducted on November 18, 2005, April 1, 2011 and April 1, 2014

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Next, please. Dividends.

The dividend for the previous fiscal year is left unchanged, and as I have said before, we have been increasing dividends for 18 consecutive years, but we are now thinking of stopping for a moment to prepare for the next step.

We have always aimed for a dividend payout ratio of some 30%. This time, the ratio will exceed 40%, but we would like to steadily increase dividends and return profits to our shareholders. In the next pages, you have the appendix that include supplementary materials.

This is all for my briefing. Thank you very much.

[END]