

What Sysmex Aims for

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

Column India's Healthcare Environment

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

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



teriality		SDG Targets	Correspondii Materiality		keholders	Main Dialogue with Stakeholders
Resolution of medical issues through products and services	Resolution of medical issues through innovation Improvement in accessibility to healthcare	3 COMMAND 9 MICHAELEN 17 MARCHAELEN WASHINGTON 17 MARCHAELEN WASHINGTON WASHIN WASHINGTON WASHINGTON WASHIN WASHI	• • • • • • • • • • • • • • • • • • •	Customers	Medical institutions and commercial labs in more than 190 countries and regions	 Communication through sales and service and support activities Collection of the voice of the customer (VOC) Holding of scientific seminars (online)
Responsible provision of products and services	Pursuit of quality and trust Strengthening of supply chain management	8 EMERICAN 12 EMPRES CONTROL C	3			Corporate culture surveys and dialogues based
3 Realization of an attractive workplace	Provision of a comfortable working environment Promotion of diversity and inclusion Provision of the process are servered.	5 many 8 minute database (Section Control Cont	5	Employees	Sysmex Group employees (more than 9,000)	on their results Creation of a global internal reporting system Creation of a labor-management council
	Development of human resources Promotion of health and occupational safety		2		• Joint research and development partners (more than 200 themes)	Communication through open innovation and
4 Environmental consideration	Environmental consideration through product lifecycle Reduction in environmental burden through activities at business offices	6 substitute 7 substitute 7 substitute 12 substitute 13 clean consumment cons	4 5	Business Partners	 Suppliers (approximately 250 Tier 1 suppliers) Distributors (more than 600 companies) 	alliances • Communication based on procurement policies • Holding of meetings with distributors
5 Strengthening of governance	Corporate governance Compliance Risk management	10 Monator leaders lea	1 4 5	Shareholders	Shareholders and investors (approximately 14,000)	Proactive disclosure and dialogueHolding of various briefings
	+					
Sustainable growth	Sales growth Increased operating profit Generation of free cash flow	8 HOORY WARE AND COLUMN CONTROL CONTROL	• • • • • • • • • • • • • • • • • • •	Society	Governments and administrations Regions and societies (including NPOs)	 Collaboration and dialogues with government agencies and international organizations Participation in local communities

Sysmex's Materiality

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

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

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

To make progress toward our targets more visual and

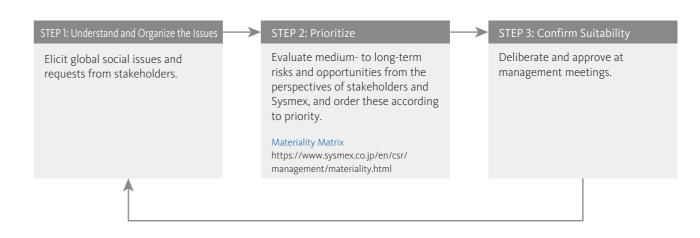
effective, in the fiscal 2021 revision we set "sustainability targets" as specific KPIs in line with the mid-term management plan. We also developed action plans and activities for responsible divisions. Members of the Managing Board confirm progress toward sustainability targets, which is reported regularly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

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

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

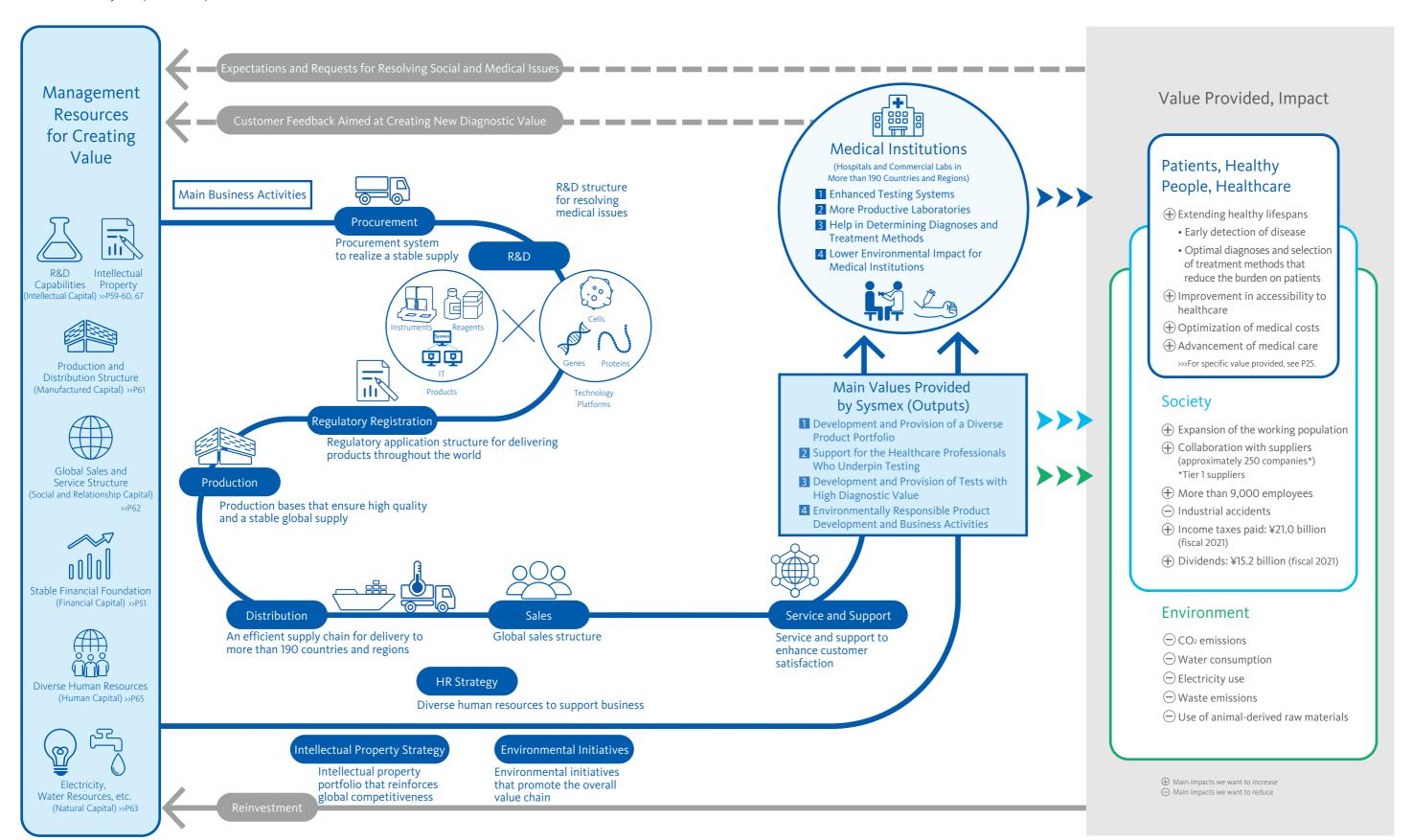
The Process of Identifying our Materiality

Dialogue Targeting Stakeholder Engagement



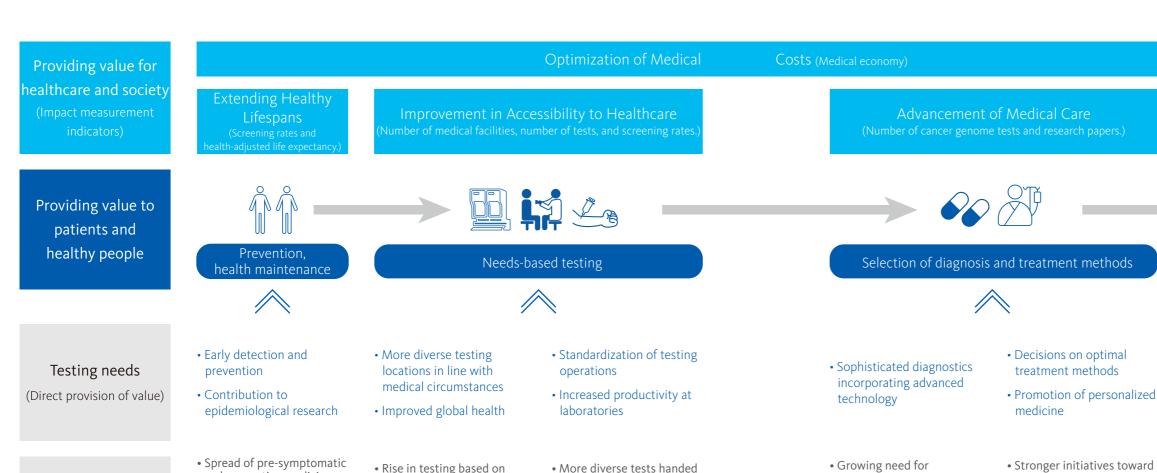
Sysmex's Value Creation: Aiming for Sustainable Growth

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



Providing Value to Patients, Healthy People, Healthcare and Society

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



- Conditions at medical institutions
 - ★: Degree of need

- and preventive medicine
- Stronger initiatives to link medical information among medical institutions
- Growing need for digital medicine (epidemiological studies and RWD collaboration)

- in clinics and homes
- Emerging markets: *
- Expansion of testing needs
- Developed countries: ★★★
- Developed countries: ★



- Development and Provision of a Diverse Product Portfolio

- Sysmex's response
- Development of liquid biopsy and primary care products
- Integration of various types of data with Caresphere
- Expansion of the product portfolio

disease priorities by

country and region

• Differences in testing

systems and standards

among countries and regions

• Selection of equipment to

financial circumstances

be installed on the basis of

- Solution proposals that combine multiple IVD fields
- Interface standardization, automation, and

by each laboratory

Personnel reduction

· Growing need for

• Shrinking unit prices on

space-saving instruments

Developed countries: ★★★

Emerging markets: *

technologist

systematization Adoption of IoT for instruments

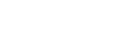
Support for Healthcare Professionals Who Perform Testing

- 24-hour service and support structure
- Training support for laboratory technologists

- integrated testing in multiple testing fields
- Advanced testing needs leading to advances in healthcare
- Need for the development of diverse biomarkers
- Developed countries: ★★★ Emerging markets: *



- the rapid coordination of diagnosis and treatment
- Development of personalized medicine and genomic medicine
- Standardization of diagnostic results
- Emerging markets: *



Developed countries: ★★★



- Developed countries: ★★★ Emerging markets: ★★★

- · Alliance agreements and proactive joint research with external institutions
- Sophisticated gene detection technologies
- Development of diagnostic systems and biomarkers
- Utilization of liquid biopsy technologies
- Scientific support
- Building of a remote diagnostic platform
- Development of monitoring indicators
- Product development to

Working Population

Improved prognosis

and quality of life

Regular and appropriate

prognosis management

using digital technology

• Expectations of improved

•Growing need for digital

healthcare for diagnosis,

developing an appropriate

prognosis management

treatment efficacy

treatment data, and

chronic conditions

Initiatives toward

infrastructure

Development and Provision of Tests with High Diagnostic Value

- Ongoing investment in R&D and technology development

achieve recurrence monitoring

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Worksite Commentary



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

We help increase laboratory productivity and support community healthcare.



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

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

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



India: Person in Charge of North and East India

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



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

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

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



Ghana: Person in Charge of the Entire Region

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



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

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

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



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

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



Tom Tojo

Director

Corporate Accounts

Sysmex America, Inc.

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

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

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



China: People in Charge of Tier 2 and 3 Hospitals

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



Wu Wanqing
Marketing Promotion Department
Sysmex Shanghai Ltd.



Luo Chunmei Sales Department (Region II) Sysmex Shanghai Ltd.



Shi Changwen Immunochemistry and Clinical Chemistry Department Sysmex Shanghai Ltd.



Chen Changhao
Hemostasis Department
Sysmex Shanghai Ltd.

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