

Together for a better healthcare journey

Sysmex is deeply committed to its supporting role as provider of each individual lifetime “healthcare journey,” utilizing its proprietary technology and solutions in better and better ways.

Sysmex will also continue to innovate in testing and diagnosis as important functions within the healthcare journey, collaboratively creating unique values in the areas of personalized medicine and novel treatments.

We will continue to grow as a sustainable company creating social and economic value, providing a greater sense of security among people and the society in which they live.



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Editorial Policy

The Sysmex Report, an integrated report that summarizes financial and non-financial information, is intended to help stakeholders understand Sysmex’s medium- to long-term value creation. For fiscal 2024, we have expanded on our growth trajectory in diagnostics, which is the foundation of our business, as well as the details of the three growth strategies in our mid-term management plan and the initiatives at each management base, in order to provide a better understanding of our future growth. For more detailed information, please visit our website or see our Sustainability Data Book. In editing this publication, we referred to the International Integrated Reporting Council’s International Integrated Reporting Framework, as well as the Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry.

Information Disclosure System

Financial Information	Non-financial Information
Sysmex Report (an integrated report, published annually)	
Investor Relations Site https://www.sysmex.co.jp/en/ir/index.html This site discloses details of financial, stock and shareholder information. <ul style="list-style-type: none">• Financial statements• Financial data, etc.	Sustainability Site https://www.sysmex.co.jp/en/csr/index.html <ul style="list-style-type: none">• Sustainability Data Book (PDF, published annually) https://www.sysmex.co.jp/en/csr/report/index.html Corporate Governance Report https://www.sysmex.co.jp/en/corporate/governance.html

Organizations Covered

In principle, this report covers the Sysmex Group (including Group companies in Japan and overseas). In this report, “Sysmex” refers to the Sysmex Group as a whole. “Sysmex Corporation” refers to the Company on a stand-alone basis.

Forward-Looking Statements

Statements in this report pertaining to Sysmex’s future strategies, plans, business performance and other items are based on currently available information and involve certain risks and uncertainties. Actual results may differ materially from those anticipated in these statements.

Period Covered

The target period is fiscal 2023 (April 1, 2023 to March 31, 2024), but the report also covers some activities conducted after April 2024.

Accounting Standards and Accounting Policies

In fiscal 2016, we voluntarily adopted the International Financial Reporting Standards (IFRS). In this report, figures presented up to fiscal 2014 are in accordance with the Japanese GAAP. From fiscal 2015, figures are presented in accordance with the IFRS.

In the fiscal year ended March 31, 2022, the Sysmex Group changed its method of recognizing the costs of configuration or customization services in cloud computing contracts as an expense when these services are received. Figures for the fiscal year ended March 31, 2021 have been retroactively adjusted.

Independent Practitioner’s Assurance

In order to improve the reliability of the data disclosed, we have obtained an Independent Practitioner’s Assurance for our environmental and social data. >>Website >Sustainability Data Book 2024 >Independent Practitioner’s Assurance

Cover Story



We aim to provide new value by creating innovations in the domain of *in vitro* diagnostics (IVD) as well as by exploring the domains of pre-symptomatic and preventive medicine and treatment. As part of this effort, in the field of surgery we are working with partner companies to promote minimally invasive surgery that reduces the burden on patients by providing sales, service and support for robotic-assisted surgery systems in the surgical field. We aim to help realize personalized healthcare, which is optimized to the individual, through our unique technologies and solutions, empathizing with the desire of people to live a long and healthy life, and improving their healthcare journey. >>Website: Brand Concept Movie



Sustainability Data Book

Corporate Philosophy of the Sysmex Group

“Instilling confidence in stakeholders”
——A Sysmex Ideal Unchanged Since Our Founding ——

Our founder, Taro Nakatani, defined the basis of our management as the “Three Aspects of Confidence (*anshin*),” instilling confidence among customers, business partners, and employees. Based on this understanding, we have continued to manage the Company and act with our stakeholders always in mind.

In 2007, Sysmex established the Group corporate philosophy called the “Sysmex Way,” which carries forward and expands upon the Company’s founding principles. The “Sysmex Way” outlines our mindset, direction, and values for contributing to society and continuing to grow. In addition, through our Shared Values*, we declare our commitment to instilling “confidence” not only in our customers, business partners, and employees as demonstrated by the “Three Aspects of Confidence,” but in our shareholders and society as stakeholders.

The Founder’s Purpose

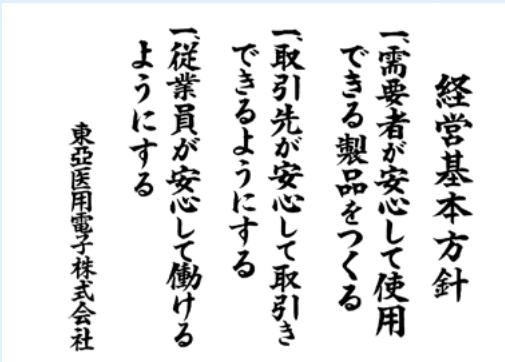


Founder: Taro Nakatani

Our founder, Taro Nakatani, defined our corporate objective thus: “By providing the products we create, we will help resolve the issues society faces and make our own lives more fulfilling.” This objective forms the basis for our founding philosophy, the “Three Aspects of Confidence.”

The “Three Aspects of Confidence:”

- | | | |
|--------------------------------------|------------------------------------|-----------------------------------|
| Confidence
among OUR
customers | Confidence
in our
associates | Confidence
of our
employees |
|--------------------------------------|------------------------------------|-----------------------------------|



Our founding philosophy, the “Three Aspects of Confidence:”

- Total customer confidence in all of our products.
- Total confidence in our associates in all our business transactions.
- Total confidence of our employees in themselves and all their work.

* To communicate more clearly that these are the values we provide to each stakeholder, in fiscal 2023 we changed our “Core Behaviors” to “Shared Values.”

Sysmex Way

- Mission**
Shaping the advancement of healthcare.
- Value**
We will continue to create unique and innovative values, and ensure *anshin* for individuals in society.
- Mind**
With passion and flexibility, we demonstrate our individual competence and unsurpassed teamwork.

Shared Values

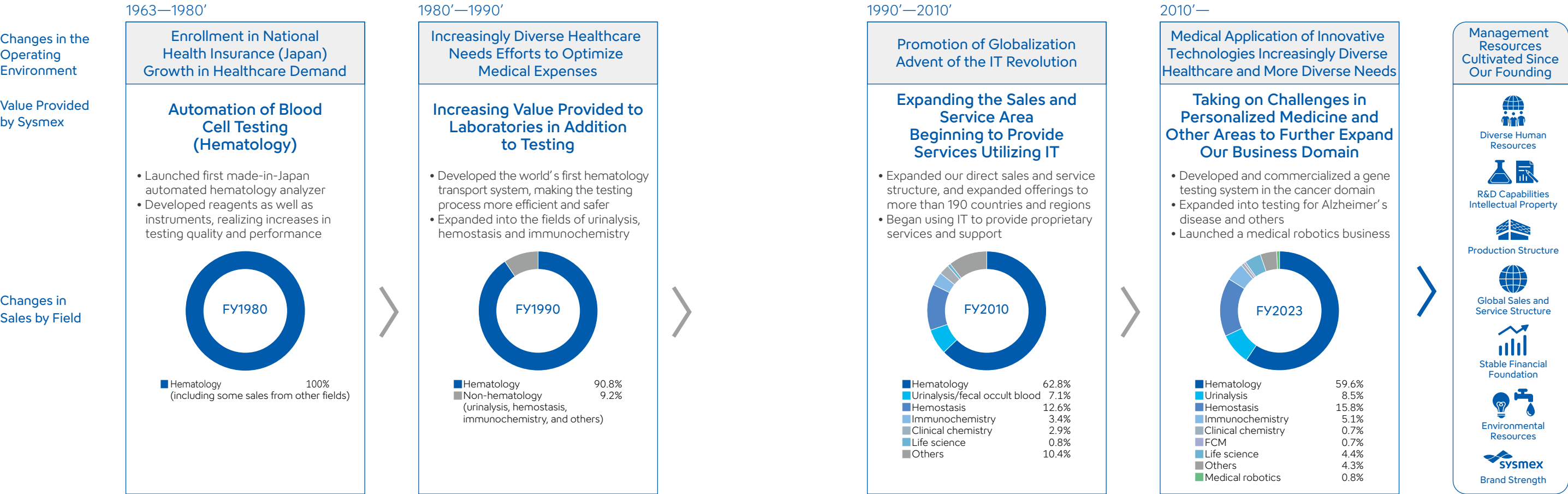
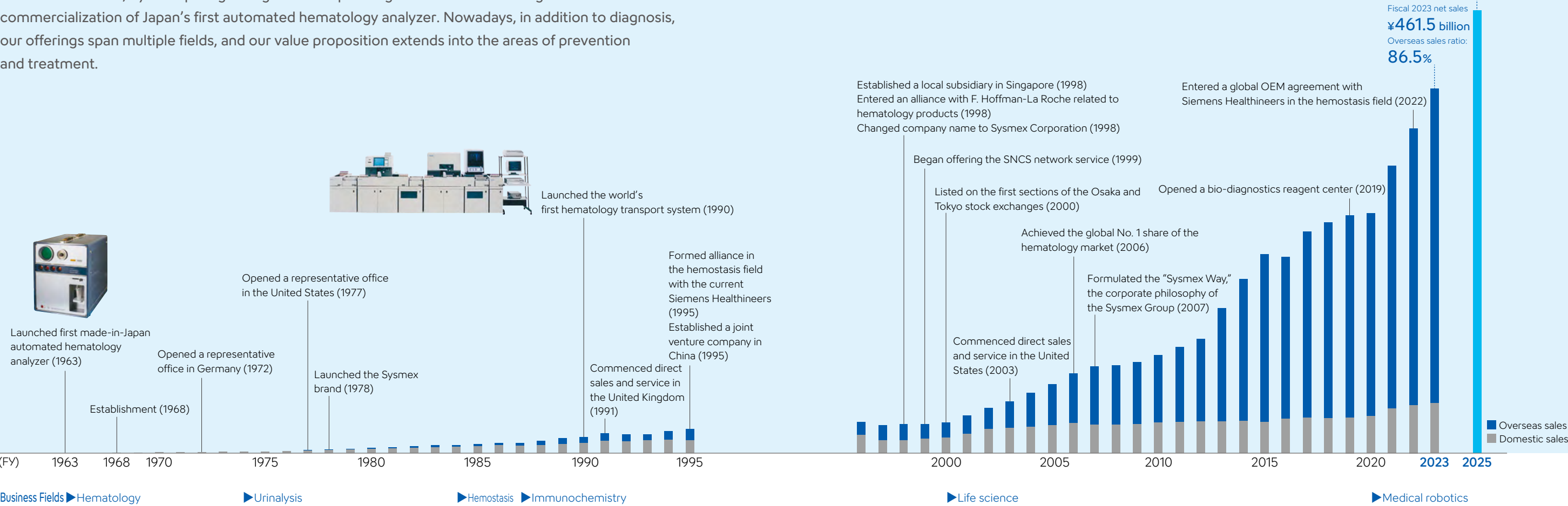
- To our Customers**
Ensure *anshin* with unmatched quality, advanced technology, mindful support, and actions that reflect the needs of our customers.
We constantly seek to better understand what our customers require so that we may generate new and more satisfactory solutions.
- To our Employees**
Ensure *anshin* by honoring a diversity of employees, respecting their personality, and providing a workplace where they can fulfill their potential.
We value independence and a challenging spirit, provide employees with opportunities for self-fulfillment, growth, and reward for their accomplishments.
- To our Business Partners**
Ensure *anshin* based on fairness and impartiality in a broad range of partnerships.
We strive to grow as a company in step with our business partners through respect and mutual trust.
- To our Shareholders**
Ensure *anshin* by promoting the proper disclosure of information and keeping closer communication with shareholders with sound and transparent management.
We are committed to an innovative yet consistent style of management for sustainable growth and increased shareholder value.
- To Society**
Ensure *anshin* as a responsible member of society by conducting our business adhering to the highest ethical standards in addition to laws and regulations.
We play an active role in addressing environmental and other issues facing our society.

Anshin is a word at the core of the Sysmex corporate philosophy that embodies the essence of what we have been pursuing since our foundation, and has the following meanings:

- A state in which customers have **no concerns about the safety and quality** of our products and services.
- A state in which stakeholders can **trust, be confident and reassured** in our relationship, transactions, interaction, and all other matters.
- A state in which individuals in society can be **in a calm state of mind with little or no anxiety** about their own health, lives, or other matters.

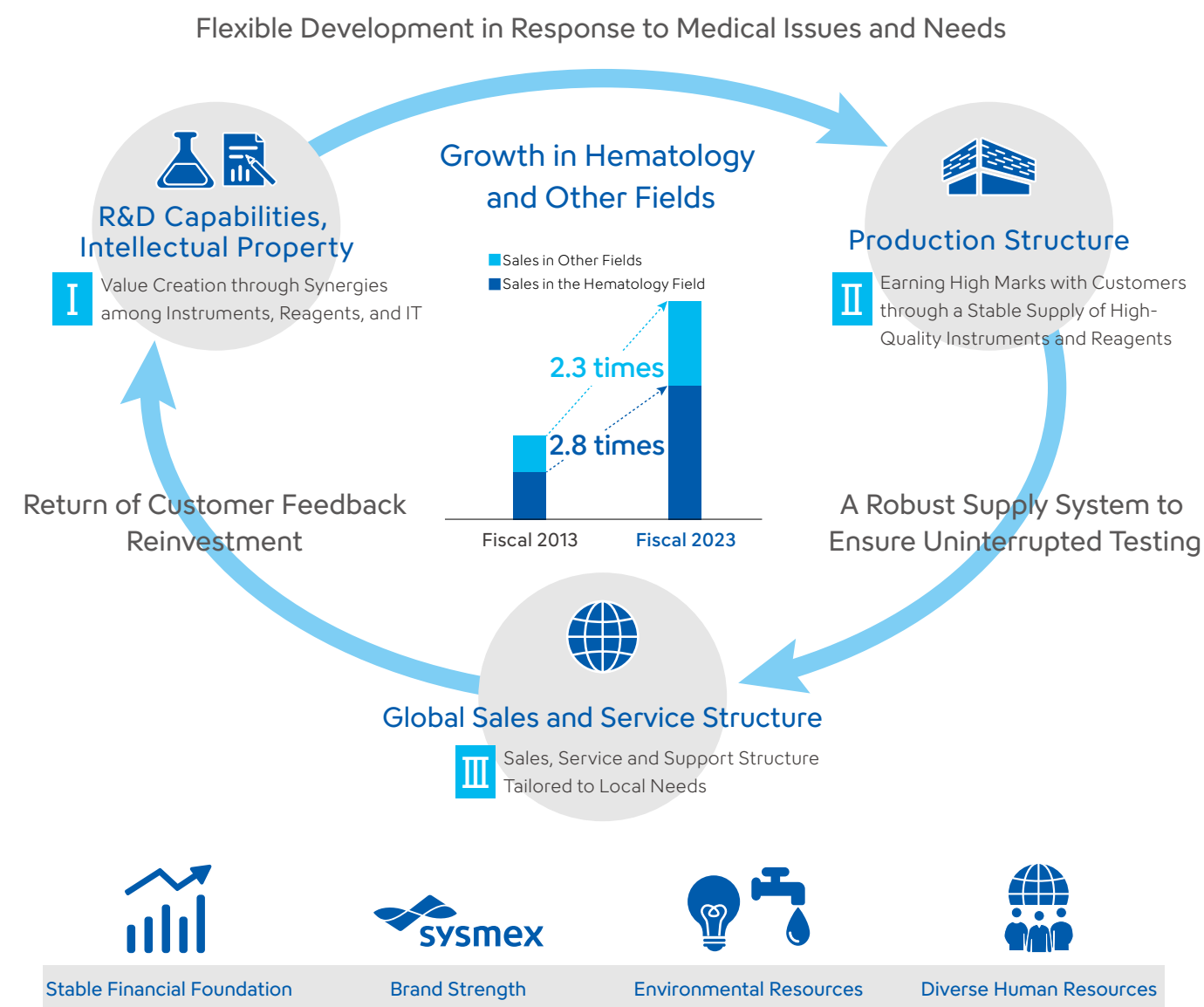
Sysmex's History

Since its founding, Sysmex has always been committed to providing products and services that meet the needs of the times, by anticipating changes in the operating environment. It all began with the commercialization of Japan's first automated hematology analyzer. Nowadays, in addition to diagnosis, our offerings span multiple fields, and our value proposition extends into the areas of prevention and treatment.



Our Growth Trajectory

Our Cycle of Evolution in the Field of *in Vitro* Diagnostics



Sysmex's Cycle of Evolution

Sysmex has continuously grown in the field of *in vitro* diagnostics by acquiring and strengthening various management resources. This growth is driven by a cycle of sharing customer feedback throughout the entire Group and leveraging it to enhance product development and service improvements.

First, we have established a sales, service and support structure that aligns with local business customs, in addition to conducting direct sales and service/support on a global scale. This enables us to understand medical challenges and the needs of our customers, primarily laboratories, in various regions. To leverage this understanding for future value creation, we are working on the R&D of our products and services through the

integration of our proprietary instruments, reagents, and IT technologies, as well as the utilization of open innovation. In terms of production, we manufacture our instruments in Japan, nearby our core research and development facilities, in order to produce high-quality and a wide range of products. Our reagents, meanwhile, are produced in 10 countries worldwide to ensure a robust and stable supply system that enables us to deliver reagents to customers promptly and ensure that essential medical testing continues uninterrupted.

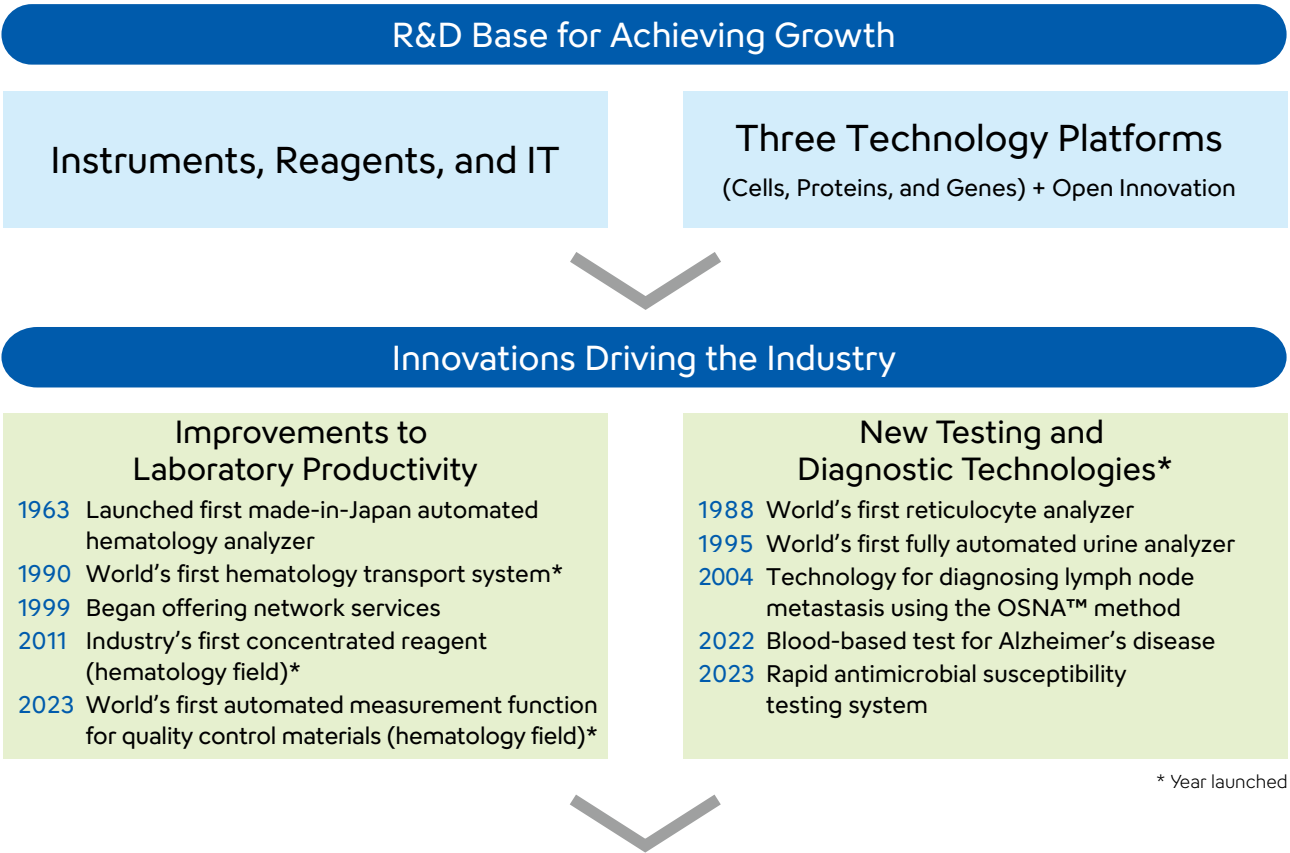
In addition to the hematology field, this cycle has created value in new areas such as hemostasis, immunochemistry, and the life science field, contributing to the expansion of sales and allowing us to achieve sustainable growth.



R&D Capabilities, Intellectual Property

I Value Creation through Synergies among Instruments, Reagents and IT

Through our proprietary technology platforms and open innovation, we continue to generate industry-leading innovations that provide accurate test data and improve productivity in testing laboratories. We also drive innovation through the development of new testing and diagnostic technologies.



Future Upsides

Further automation and development of new testing and diagnostic technologies to add value and enhance profitability

- Promoting Further Automation to Realize the Touch-Free Concept >>P50
- Developing New Testing Parameters and Diagnostic Technologies through Open Innovation >>P49
- Rolling out Knowhow into Other Businesses, Such as Medical Robotics and Regenerative and Cellular Medicine >>P48



Production Structure

II Earning High Marks with Customers through a Stable Supply of High-Quality Instruments and Reagents

To deliver small quantities of a wide variety of high-quality instruments to our customers, we have established an efficient production system utilizing IT. We have expanded our global production capacity for reagents that support everyday testing, taking into consideration supply arrangements in times of crisis. In recent years, we have strengthened our production capacity for bio-diagnostic reagents.

As of March 31, 2024

Instruments

Concentrated Production

8 Locations
Centered
in Japan



<<Progress on Local Production>> China, India

Reagents

Global Production

Chemistry
8
locations

Biology
6
locations

<<Bio-Diagnostic Reagent Bases>>

- 2002 International Reagents Co., Ltd. becomes subsidiary (Japan)
- 2009 Establishment of the Wuxi Diagnostic Reagent Development Center (China)
- 2010 HYPHEN BioMed, SAS becomes subsidiary (France)
- 2019 Establishment of bio-diagnostic reagent center (Japan)

Future Upsides

Building a More Flexible and Robust Production System with DX

- Realizing a More Seamless Production System using DX
- Establishing an Overseas Production System in India and Other Countries >>P47

Future Upsides

Increase in sales and profitability by moving to in-house production of substances for bio-reagents

- Increasing the Number of Parameters in the Immunochemistry Field >>P46
- Moving to the In-House Production of Substances for the Hemostasis Field >>P53

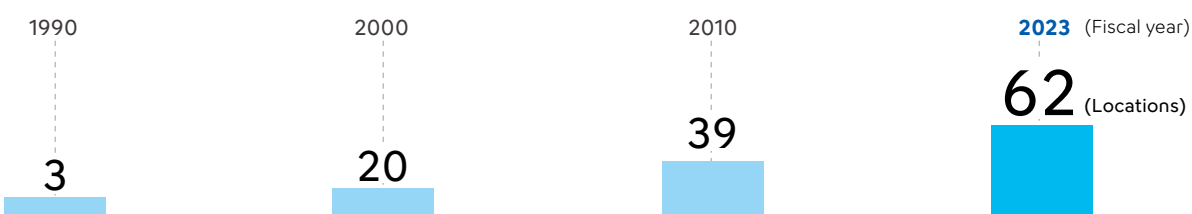


Global Sales and Service Structure

III Sales, Service and Support Structure Tailored to Local Needs

In addition to selling through distributors familiar with local business customs, we have expanded direct sales, service and support in various regions, which has greatly contributed to our growth. We have established a strong brand presence through service and support systems tailored to the needs of each region.

Sales, Service and Support Locations



Efforts to Reinforce Sales, Service and Support

- 1991 Commenced direct sales in the United Kingdom and promoted direct sales in Europe
- 1995/98 Entered into tie-ups with major global players, accelerated expansion in Europe and the United States
- 1999 Established a local subsidiary to oversee business in China
- 1999 Began offering network services
- 2003 Started direct sales in North America, the largest market
- 2010s Transitioned to direct sales in Asia
- 2019 Moved to direct sales in India

- Promote the shift to direct sales, service and support
- Strengthen indirect sales
- Service and support

Future Upsides

Increase sales by expanding the region where we conduct direct sales, service and support

- Working to Expand the IVD Market in Emerging Markets
- Expanding Market Share Mainly in Emerging Markets >>P47
- Commencement of Direct Sales, Service and Support in the Hematology Field in Europe, the United States, and Other Markets >>P45
- Strengthening of IT-Based Services

Snapshot (Sysmex's Management Resources)

Note: Unless indicated otherwise, figures are as of the end of fiscal 2023.

R&D Capabilities and Intellectual Property



Global R&D bases, technologies and knowhow

R&D bases	Three-year total R&D investment
25 locations	¥89.2 billion
(Fiscal 2021–2023)	
Average number of development projects per year	Number of patents
Around 65	3,868
(Average over the past five years) (Total number of patents, utility model rights and design rights)	

Issues

- Acquire and strengthen technologies through open innovation and others

Production and Distribution Structure



Commitment to quality and stable supply

Instrument production bases	Number of items produced (reagents)
8 locations	1,212 items

Reagent production bases	Suppliers (Tier 1)
14 locations	Approximately 250 companies

Issues

- Step up the use of IT with a view to global cost competitiveness
- Shift manufacturing overseas (in some regions)

Global Sales and Service Structure



Access to healthcare needs that varies by region and facility

Sales and service bases	Customer needs addressed
62 locations	Approximately 13,500
(non-consolidated basis)	
Countries and regions where business is conducted	Queries to the customer service center
More than 190	79,468

Issues

- Strengthen the sales and service structure in China, India, and other countries
- Expand services through more sophisticated IT

Stable Financial Foundation



Sustainable growth and high profitability

Net sales	Operating margin
¥461.5 billion	17.0%
Market capitalization	ROE
¥1.6 trillion	12.1%
Percentage of recurring sales	
78.1%	
(Sales of reagents, services and support, others)	

Issues

- Further improve profitability and capital efficiency

Brand Strength



Trust from stakeholders

Customer assessment in the United States

Top rating for the past 17 years


(Source: IMV ServiceTrak™ 2023, Hematology)

Rollout of the Sysmex Way translated into	Corporate culture survey Percentage of positive responses to the Sysmex Way
9 languages	70%

Issues

- Further enhance brand value

Diverse Human Resources

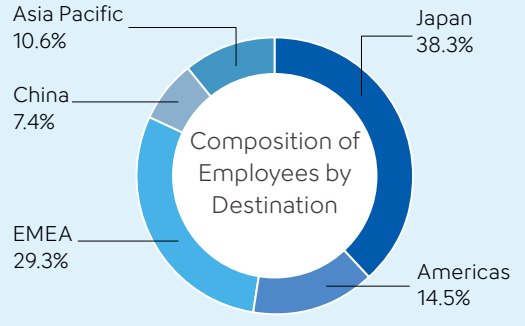


Realizing growth and respecting individuals, and building a human resource portfolio

Engagement score	Number of employees
75%	11,012

Female managers ratio	Training time per employee
19.2%	24.4 hours

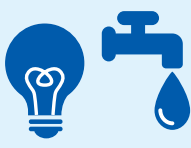
Composition of Employees by Destination



Issues

- Strengthen engagement
- Respond to global competition for talent

Environmental Resources



Efficient use of environmental resources

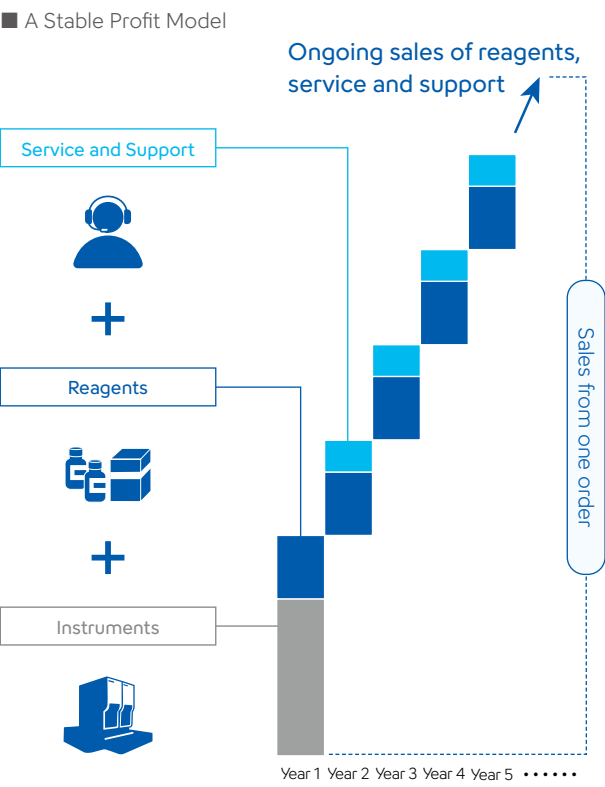
Complete switch to recycled or environmentally conscious materials	Reduction of GHG emissions (Scope 1, 2)
43%	Cut 29%
Decreased electricity consumption by new products in the hematology field	
Approximately 40%	
(Compared with Sysmex's older products)	

Issues

- Establish a medium- to long-term roadmap that contributes to the realization of a circular resource society

Sysmex's Business Model

Earnings Structure

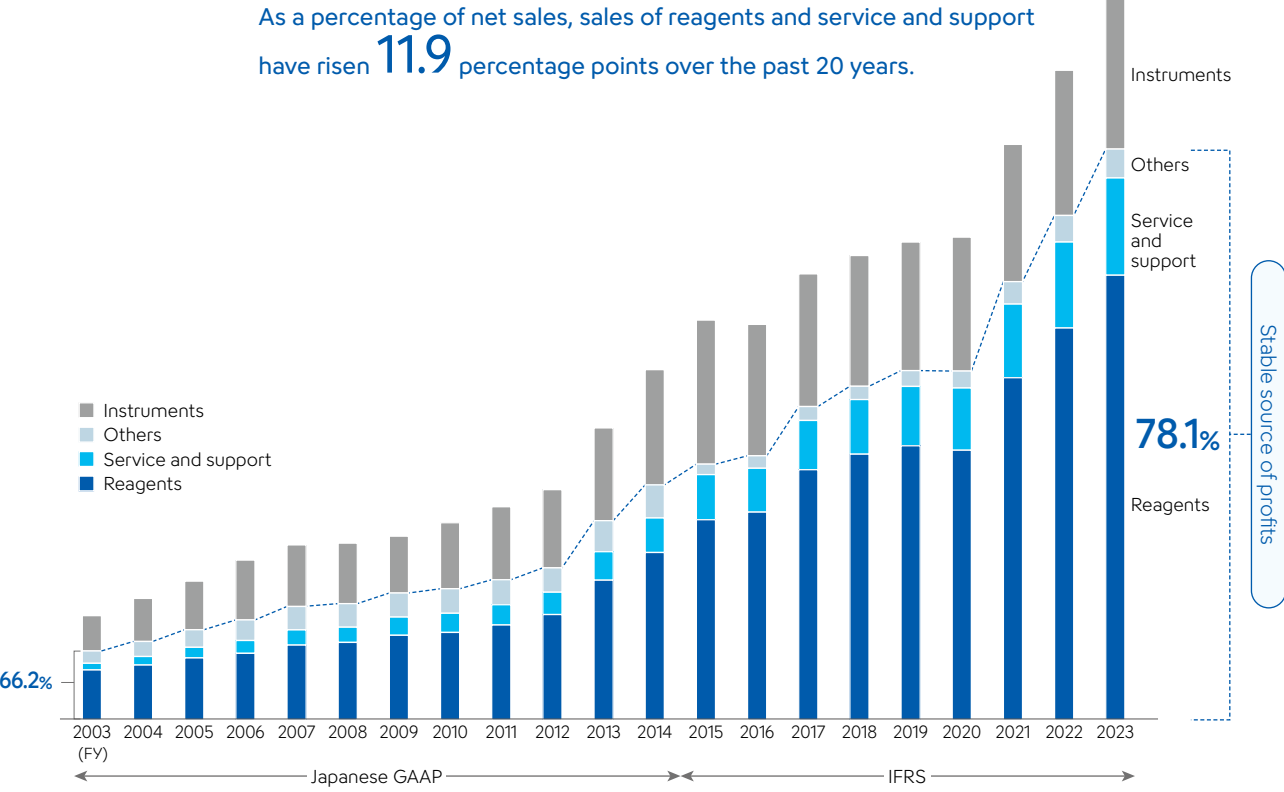


Our earnings structure is characterized by stable and ongoing revenue sources and high profitability. In our mainstay field of hematology, even after customers purchase instruments, we generate ongoing revenue by selling specialized reagents and providing service and support.

As reagents are more profitable than instruments, Sysmex has grown more profitable as reagent sales have risen as a proportion of net sales. To boost this proportion, we are expanding our share of business with large-scale facilities (where reagent use is high) and growing our portfolio of clinically significant reagents. In the hemostasis and immunochemistry fields, new testing parameters can be added to existing instruments, allowing us to add reagents to meet customers' needs.

We enjoy a high level of customer satisfaction for our service and support using IT. In addition to new customers, numerous ongoing customers continue to use Sysmex products, which contributes to our stable earnings.

■ Sales of Reagents and Service and Support



Note: In the past, charges to customers based on the number of tests were included in "Others." From fiscal 2015, amounts have been divided and presented as "Instruments," "Reagents," and "Service and Support." "Others" includes consumables.

Characteristics by Field and Region

■ IVD Market Scale and Company Positioning

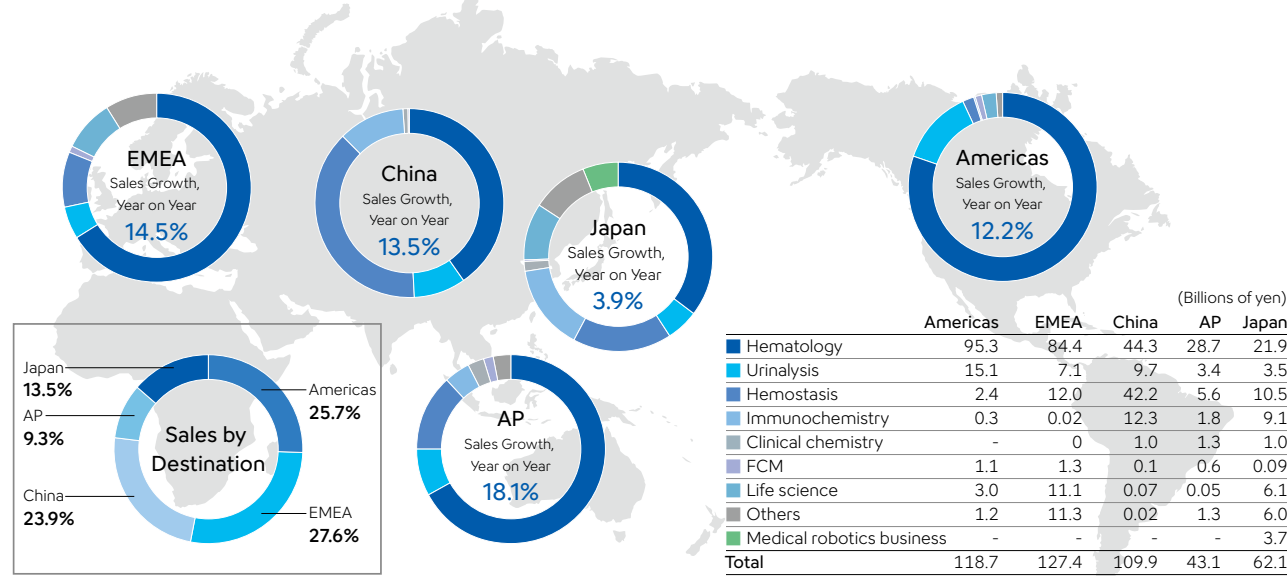
	Market Scale* ¹ (\$ million)	Growth Rate (2023-2025)	Main participating manufacturers* ¹	Sysmex's Sales Composition (Fiscal 2023)	Market Share	Main Alliances
Hematology	4,000	4%	Danaher, Mindray, Siemens Healthineers, Abbott	59.6%	No. 1 53%	Roche, Cellavision
Urinalysis Of which, sediment urinalysis	1,200 (500)	3%	Danaher, Siemens Healthineers, EIKEN CHEMICAL	8.5%	No. 1* ²	EIKEN CHEMICAL, Siemens Healthineers
Hemostasis	3,000	4%	Werfen, Stago	15.8%	No. 1* ²	Siemens Healthineers
Immunochemistry	23,000	4%	Roche, Abbott, Siemens Healthineers, Danaher	5.1%	—	Fujirebio Holdings
IVD market	80,000	4%	1 Roche 2 Abbott 3 Danaher 8 Sysmex	—	—	—

*¹ Our ranking (As of March 31, 2024) and market size and growth rate (as of November 2022) for IVD market and each field of testing are our own estimates based on disclosed information.

Calculations are based on the exchange rates during the year of the survey, so simple year-on-year comparisons of market size are not possible.

*² Includes sales through alliances

■ Sales by Destination and Business (Fiscal 2023)



The *in vitro* diagnostics (IVD) market, which is relatively unaffected by global circumstances and economic trends, continues to grow in tandem with advances in healthcare, and the market is worth an estimated \$80 billion. The market is dominated by major global companies, based primarily in Europe and North America, with Sysmex being the only company from Asia to make it into the top 10. Notably, Sysmex has established a leading position in the hematology field, with a global market share of over 50%. Our position in advanced countries is particularly strong, but we are also focusing on rapid growth in emerging markets. Additionally, Sysmex has achieved the No. 1 position and continues to expand in the fields of urinalysis and hemostasis. Meanwhile, in the largest market segment, immunochemistry, our

presence to date has been limited to Asia, but we plan to push for extensive global expansion in the aim of further growth.

Our sales have been growing steadily in all regions, with significant growth in the Asia Pacific (AP) region, led in recent years by India. Looking at composition of sales, the focus in all regions is the hematology field, which serves as an entry point for testing. However, in Japan, China, and the AP region, we have expanded notably into the hemostasis and immunochemistry fields. In Europe and North America, we commenced direct sales in the hemostasis field in April 2024, and we are making progress in entering the immunochemistry field. We anticipate future growth in these fields, which will become a second pillar of business following the hematology field.