

Sysmex's Value Creation

Through the creation of new technologies and innovations, by resolving medical issues we aim to contribute to the extension of healthy lifespans of people around the world, while maintaining sustainable growth.

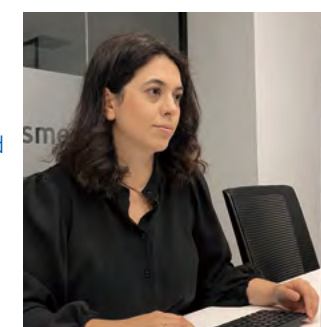
My Contribution to the Healthcare Journey

Based on the "Sysmex Way," the corporate philosophy of the Sysmex Group, we have formulated a long-term corporate strategy ending in fiscal 2033. Through this, we have revised our materiality (priority issues), drafted a new vision and designed strategies that are consistent with our materiality. Based on these strategies and plans, Sysmex aims to achieve sustainable growth and increase its corporate value.



◀ I am working on the global rollout of reagents to test for Alzheimer's disease and helping to provide testing.

Zhenyu Xu
Immunology & Clinical Chemistry
Business Development
Sysmex Corporation



◀ I am working to build a sustainable supply chain that is resilient to disasters.

Aysegul Dursun
Sysmex Turkey Diagnostik



▶ I aim to increase financial efficiency and improve customer satisfaction through the use of digital tools.

Sandra Krock
Sysmex America, Inc.



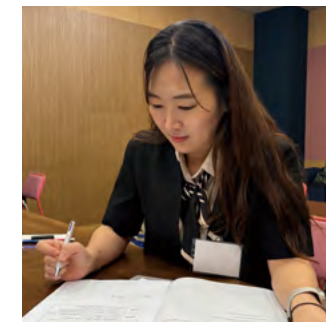
▶ I aim to utilize data from robotic-assisted surgery systems to support surgeries, improve efficiency, and create new value.

Masanao Ohashi
Global Management Division
Sysmex Corporation



◀ I will continue working to improve our production processes and pursue the creation of high-quality products with our partners.

Kazunari Kanei
Reagent Production Division
Sysmex Corporation



◀ I am pursuing the creation of clinical value and launch of unique biomarkers that can contribute to the healthcare.

Kim SuJung
Sysmex Korea Co.,Ltd.



Sysmex has revised the criteria for its Group award system, adding eco-social and other perspectives to further strengthen sustainability management. The people described above are some of our award winners in fiscal 2023.

Message from the Group CEO



Hisashi Ietsugu
Chairperson and Group CEO

The healthcare sector will remain dynamic, and Sysmex is in a position to contribute to the advancement of healthcare on a global scale. By continuing to evolve and grow, we will fulfill our mission of “Shaping the advancement of healthcare” well into the future.

Creating Value in Healthcare

Healthcare is constantly changing and evolving. In recent times, we have seen the significant impact of the COVID-19 pandemic on society, leading to changes in consumer behavior and work habits, among various other practices. Additionally, we have experienced the rapid development and widespread adoption of diagnostic tests and vaccines, which have become integrated into our daily lives. While we have overcome the pandemic and made advancements, it is important for us as a society to continue addressing these ongoing challenges.

The desire for well-being and health is fundamental to humanity, and the healthcare market continues to expand as the global population ages and grows. Furthermore, advancements in medicine, physiology, and digital technology are ongoing, and there is great anticipation for the societal implementation of these innovations.

What value should Sysmex create in the healthcare sector? Our core business, *in vitro* diagnostics testing, serves as the gateway to the healthcare journey, including diagnosis, treatment, and prognosis. It is crucial for Sysmex to continue developing new technologies and testing parameters to address the increasing number of diseases and expand its product portfolio. Additionally, we must provide accurate diagnostic value that meets diverse medical needs in different regions around the world. Sysmex operates in over 190 countries and regions, and we have a dominant share of the market in hematology, which represents the fundamental testing and entry point for diagnostics. We have also earned top-level customer satisfaction ratings worldwide. This positions Sysmex to fully understand the realities of healthcare globally. By listening to customers input, conducting product development that meets their needs, and providing highly satisfactory products and services, Sysmex must continue to grow and evolve as it fulfills the corporate mission of “Shaping the advancement of healthcare.”

Our Own Growth and Evolution

In the future, digitalization will continue to accelerate, not only in genetic analysis and personalized medicine, but also in digital healthcare. It will become more important than ever to focus on the health of each individual. In the Long-Term Corporate Strategy 2033 we formulated in fiscal 2023, we have expanded our target areas to encompass the entire healthcare journey, including prevention, prognosis, and treatment, in addition to *in vitro* diagnostics. We will actively invest in talent and technology, and accelerate collaboration with other companies and organizations to contribute to improvements in accessibility to healthcare, healthcare optimization, the configuration of sustainable healthcare infrastructure, and the extension of healthy lifespans.

To achieve these goals, Sysmex’s management must continue to evolve. Fiscal 2023 was an important year, as it marked the first year of President Asano’s tenure and the initial year of our Long-Term Corporate Strategy 2033. The strategy progressed well overall, enabling us to achieve record-high sales and profits. While challenges remain, such as improving profitability and verifying investment effectiveness, we can see a path to their resolution. In terms of governance, in fiscal 2023 outside members of the Managing Board became chairs of both the Nominating Committee and the Compensation Committee. We also welcomed new outside members to the Managing Board, increasing its independence. Furthermore, the Sysmex Academy, which aims to cultivate the next generation of leaders, held its 14th session, and participants are now actively supporting the current management. We have also made advances in succession planning, including the introduction of succession management for key positions within the Group.

We take great pride in being a key player in the thriving healthcare industry, where our every endeavor is directly linked to global health. We will continue to evolve and grow as we move forward.

Message from the President



Kaoru Asano

Kaoru Asano
President

Based on our long-term vision,
“Together for a better healthcare journey,”
we aim to increase corporate and shareholder value by continuing
to evolve our business model resolutely and without fear of failure,
based on three growth strategies.

Reflecting Back on My First Year as President Feeling Energy from My Interactions with Employees around the World

Fiscal 2023 marked the beginning of a new long-term corporate strategy and also my first year as president. Looking back, we faced various challenges, but we were able to overcome them by working together as a group.

At the start of our new long-term corporate strategy, the activity that I focused on the most was engaging in dialogue with employees. I believe it is crucial for each individual employee to resonate with our vision and strategy and to act autonomously. Personally, I felt a strong desire to connect with and learn from our 10,000 employees worldwide, so I visited various locations across the globe. In addition to meeting with local subsidiaries in each region, I visited locations in Brazil and Italy to directly explain our vision and strategy and to hear explanations about local initiatives and challenges. I was deeply impressed by the passion and dedication

of our employees and their heartfelt commitment to working at Sysmex. I was repeatedly amazed by their meticulous attention to detail in addressing the needs of our local customers. Above all, I am delighted to see that concrete actions are being implemented in each region and division based on a shared understanding and resonance with our long-term vision, “Together for a better healthcare journey.” Moving forward, we will further strengthen and accelerate these initiatives.

Three Growth Strategies

Sysmex has outlined three growth strategies in its mid-term management plan, which concludes in fiscal 2025, based on the Long-Term Corporate Strategy 2033. These strategies are “reinforcement of existing businesses,” “business expansion in emerging markets,” and “expansion of new businesses.” In fiscal 2023, the Company made steady progress in implementing initiatives based on these strategies.

First, about the reinforcement of existing businesses. In Sysmex’s mainstay hematology business, sales of our new flagship model have been strong. Moving forward, we aim to expand our global presence and further solidify our position as the market leader in hematology. Additionally, leveraging the network we have established in the hematology field, we will accelerate the expansion of our business in other areas.

In the hemostasis field, we initiated direct sales and service in Europe and North America from fiscal 2024, based on our revised alliance agreement with Siemens Healthineers. In immunochemistry, we have successfully commercialized Alzheimer’s disease testing using blood samples, and we will continue expanding it to Europe and North America, following our success in Asia. Furthermore, in the life science field we are undergoing a business transformation aimed at improving profitability.

Next, about “business expansion in emerging markets.” India, Brazil, and the Middle East and Africa are expected to experience significant growth in healthcare

demand due to economic expansion and population growth. Sysmex entered these markets early and has been strengthening its sales, service and support systems in preparation for market acquisition. In fiscal 2023, we anticipate substantial revenue growth in emerging markets such as India, Brazil, and the Middle East, allowing us to achieve the targets in mid-term management plans for these regions one year ahead of schedule. Currently, we are accelerating our efforts in anticipation of further healthcare demand, including the establishment of a new factory in India, as we continue to invest in growth.

Last, in terms of “expansion of new businesses,” Sysmex is actively pursuing business beyond its diagnostics business as part of its long-term vision, “Together for a better healthcare journey.” These businesses include medical robotics and regenerative and cellular medicine. In fiscal 2023, the upgraded version of our domestically developed robotic-assisted surgery system earned market recognition, leading to its adoption in many hospitals.

Three growth strategies

>>P45

■ Examples of initiatives

1 Reinforcement of existing businesses



Commencing direct sales in the hemostasis field in Europe and the United States

2 Business expansion in emerging markets



Establishment of a new production base in India in preparation for future growth

3 Expansion of New Businesses



Reinforcement of sales of the robotic-assisted surgery system in Japan and overseas

The number of applicable medical departments has also expanded, resulting in a steady increase in the number of surgeries performed and sales of consumables and services. Additionally, Sysmex is expanding into Asian markets, starting with obtaining regulatory approval in Singapore, and plans to file for regulatory approval in Europe in fiscal 2024. In the field of regenerative and cellular medicine, Megakaryon Corporation, which possesses technology for producing platelets from iPS cells, has joined the Group as a subsidiary. Through these initiatives, Sysmex is capturing market growth and business opportunities through its three growth strategies while also venturing into new business domains.

Advancing Sustainability Management: Long-Term Management Strategy

We aim to encompass the entire healthcare journey within our scope of business, going beyond *in vitro* diagnostics and expanding into a wide range of activities including prevention, treatment, and prognosis. Through this broad-based business development, we will continuously evolve our business model and strive for solid growth and expansion.

In executing our strategy, we have formulated a fundamental strategy consisting of five elements: business, technology, eco-social, human capital, and corporate management. We have established specific indicators based on this strategy. This approach allows us to take assured steps towards achieving our goals, uniting our efforts throughout the Company. We have

also employed backcasting design to our strategy, integrating sustainability and growth efforts. By expanding our business in emerging markets and expanding our range of testing parameters, we aim to accelerate growth, enhance corporate value, improve accessibility to healthcare, and contribute to the realization of optimal medical care.

Under our eco-social strategy, under the theme of a “circular resource society” we aim to reduce environmental impact while enhancing productivity in the laboratory through initiatives such as CO₂ reduction and the development and sale of concentrated reagents.

Our human capital strategy calls for us to increase investments in human capital, optimize our talent portfolio, strengthen engagement, and promote efforts related to diversity, equity, and inclusion (DE&I). Additionally, we have obtained and will utilize ISO 30414, which pertains to the disclosure of international human capital information, to drive transparency and advance our strategies.

Furthermore, we aim to enhance employee motivation and maximize corporate value through the implementation of an Employee Stock Ownership Plan (ESOP). We are also fully committed to promoting digital transformation (DX) and plan to completely renovate our global core systems in fiscal 2024. By completing our internal next-generation digital platform, we will be prepared to generate new value.

Our numerical targets for fiscal 2033 are net sales of ¥1 trillion or more and an operating margin of 20% or higher. We will continue to achieve sales growth that

outpaces global market increases in *in vitro* diagnostics by maintaining double-digit sales growth and a 20% operating margin. In addition, as non-financial indicators we will focus on metrics such as the disposal rate of unused Company products, the substitution rate of environmentally friendly materials, employee engagement, customer satisfaction, and ROE. We will also work on utilizing management methods based on ROIC.

Green Apple

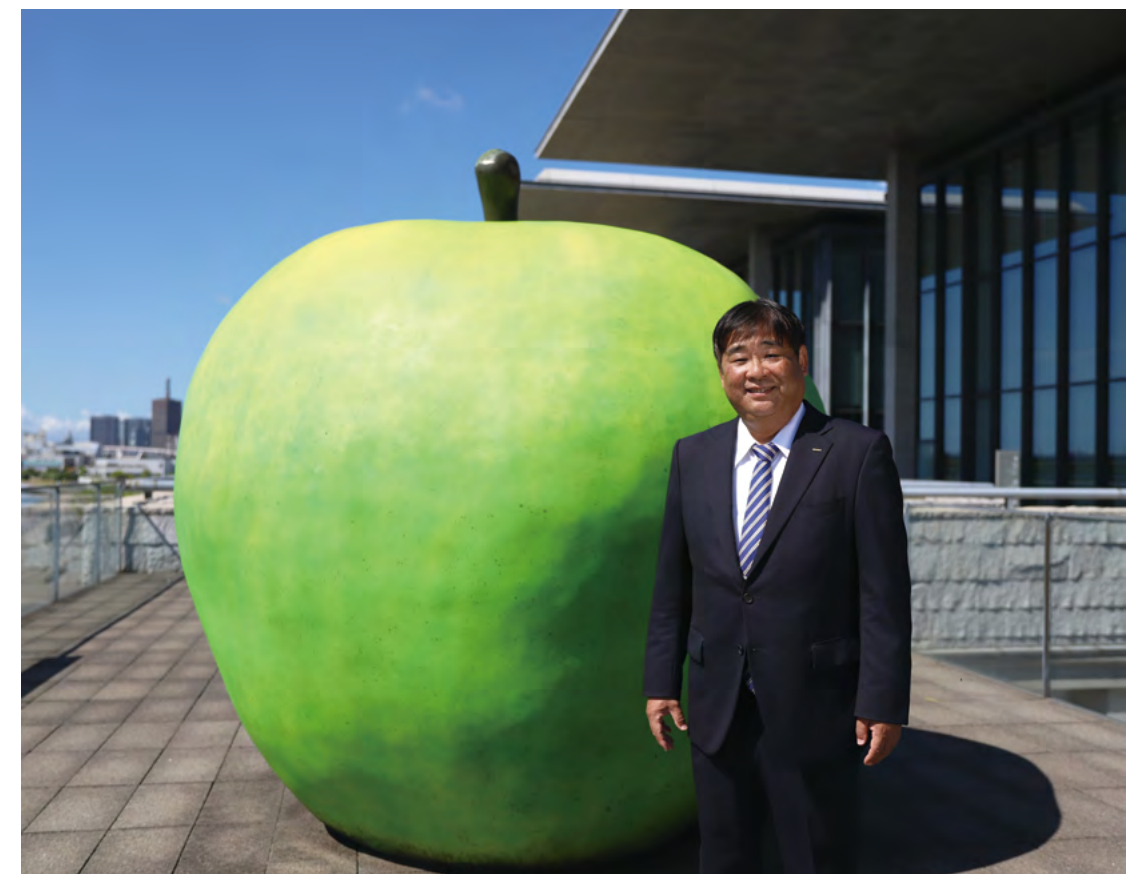
Looking at the business cards I exchanged since assuming the position of president last year, I counted more than 1,000 cards. During the year, I engaged actively in dialogue not only within the Company but also with external stakeholders, based on the conviction that collaboration with external parties is key to enhancing our corporate value going forward. This approach will enable us to seek knowledge and technologies that we do not possess internally. It also presents opportunities for learning and personal growth from the outside.

I also think it is important to remain humble and embrace a spirit of challenge. Sysmex has already established a strong position in the world and has grown to a scale

where it is aiming for net sales of ¥500.0 billion. One of our biggest risks is of becoming arrogant or falling into the “large-company trap” and adopting a silo mentality.

Adjacent to the Sysmex headquarters in Hyogo Prefecture is the Hyogo Prefectural Museum of Art, which features a sculpture called the “Green Apple” by world-renowned architect Tadao Ando. The sculpture embodies a message of not fearing failure, maintaining a strong sense of determination, and even if one is still immature and “sour,” still being a green apple filled with hope. I strongly resonate with this message, so I have chosen the “Green Apple” as my message to employees for fiscal 2024. Sysmex employees join the Company with the will and dream of supporting the health of as many people as possible. Looking back on Sysmex’s history, we have grown by holding onto these dreams tenaciously, just like a venture company. Fundamentally, Sysmex still is a venture company, and we should be an organization filled with the energy of growth. For precisely that reason, I intend to fill the Company with employees who are not afraid of failure and will continue to dream.

My mission is to harness this venture spirit and turn Sysmex into a ¥1 trillion company.



President Asano standing by the “Green Apple” designed by Tadao Ando

Healthcare Journey

Sysmex’s long-term vision is “Together for a better healthcare journey.” We aim to expand our scope of value creation beyond our traditional involvement in the IVD field to include areas such as pre-symptomatic disease and disease prevention and prognosis, with the goal of enhancing our social and economic value.

Sysmex’s Proposed Healthcare Journey

Sysmex defines the healthcare journey as a concept in keeping with its long-term vision and foundation for value creation based on the Sysmex Way, the corporate philosophy of the Sysmex Group. The phrase encompasses the value Sysmex hopes to provide and the society it wants to realize. The concept is based on the idea of viewing the patient’s experience as a process, known as the patient journey, from the onset of illness. Sysmex has positioned the various events and processes that individuals experience in their lifetime (life stages) regarding their own healthcare, including interactions with healthcare institutions during medical examinations, prevention based on the results of health checkups, receiving diagnoses and undergoing hospitalization or outpatient treatment while maintaining daily life, as a part of a journey. Anticipating the growing importance and evolution of healthcare, Sysmex recognizes the significance of supporting each individual around the

world, contributing to their lives, health, and peace of mind (*anshin*), not just in terms of illness and treatment. Accordingly, we will continue to provide value to make this journey even better.

Sysmex has traditionally provided value in the field of testing, specifically in the areas of basic testing, medical checkups, detailed follow-ups, and efficacy evaluation. By capturing value from the perspective of the healthcare journey, we need to expand our scope of value creation beyond the testing field and into preventive medicine and the therapeutic domain. Additionally, our targets for value provision expanded from medical institutions to individuals. Starting with health management to stay healthy, if a person experiences health issues, we aim to facilitate the transition to testing and treatment at an earlier and milder stage, ensuring that they receive more appropriate treatment and recover better and more quickly, ultimately allowing them to enjoy good health for longer periods. This is the value that Sysmex hopes to provide and the society it aims to realize.

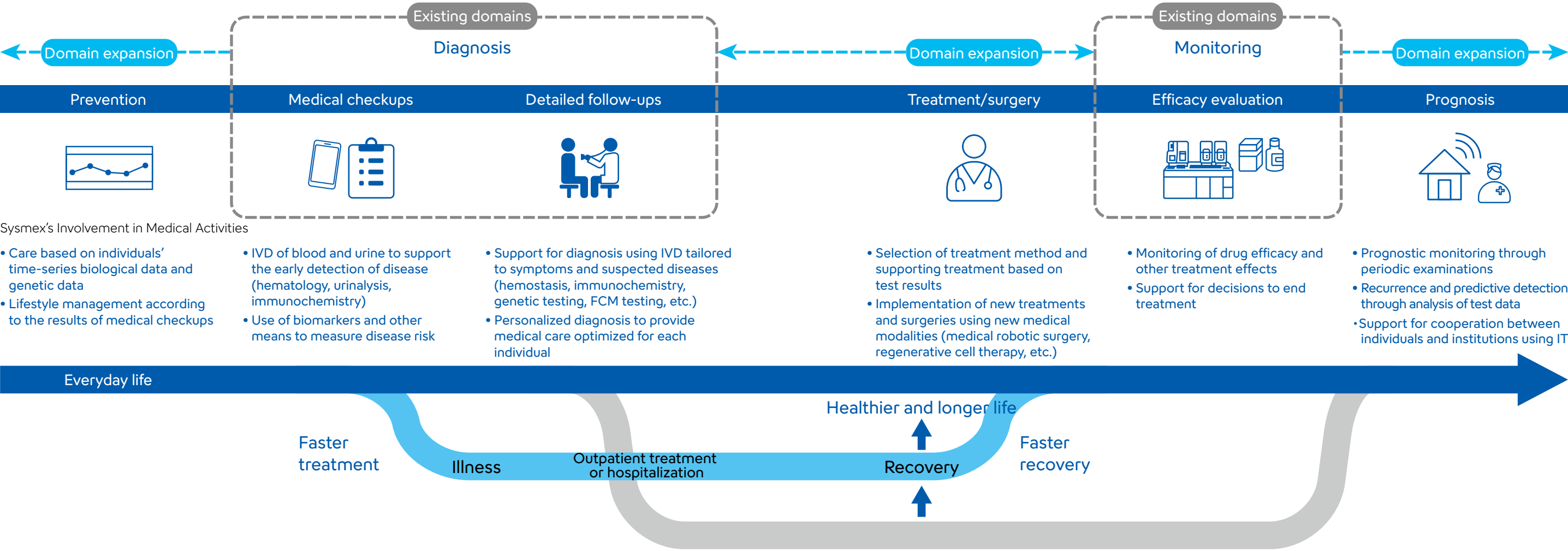
The Healthcare Environment

<<Medical Environment, Systems, and Regulations>>

- Rises in average life expectancy
- Optimization of social security expenditures and medical expenses and more personalized and decentralized medical care
- Increased importance of prevention and self-medication
- Ongoing healthcare disparities and the issue of accessibility to healthcare
- Development of healthcare infrastructure to cope with pandemics (e.g., emerging markets)

<<Treatment and Technology>>

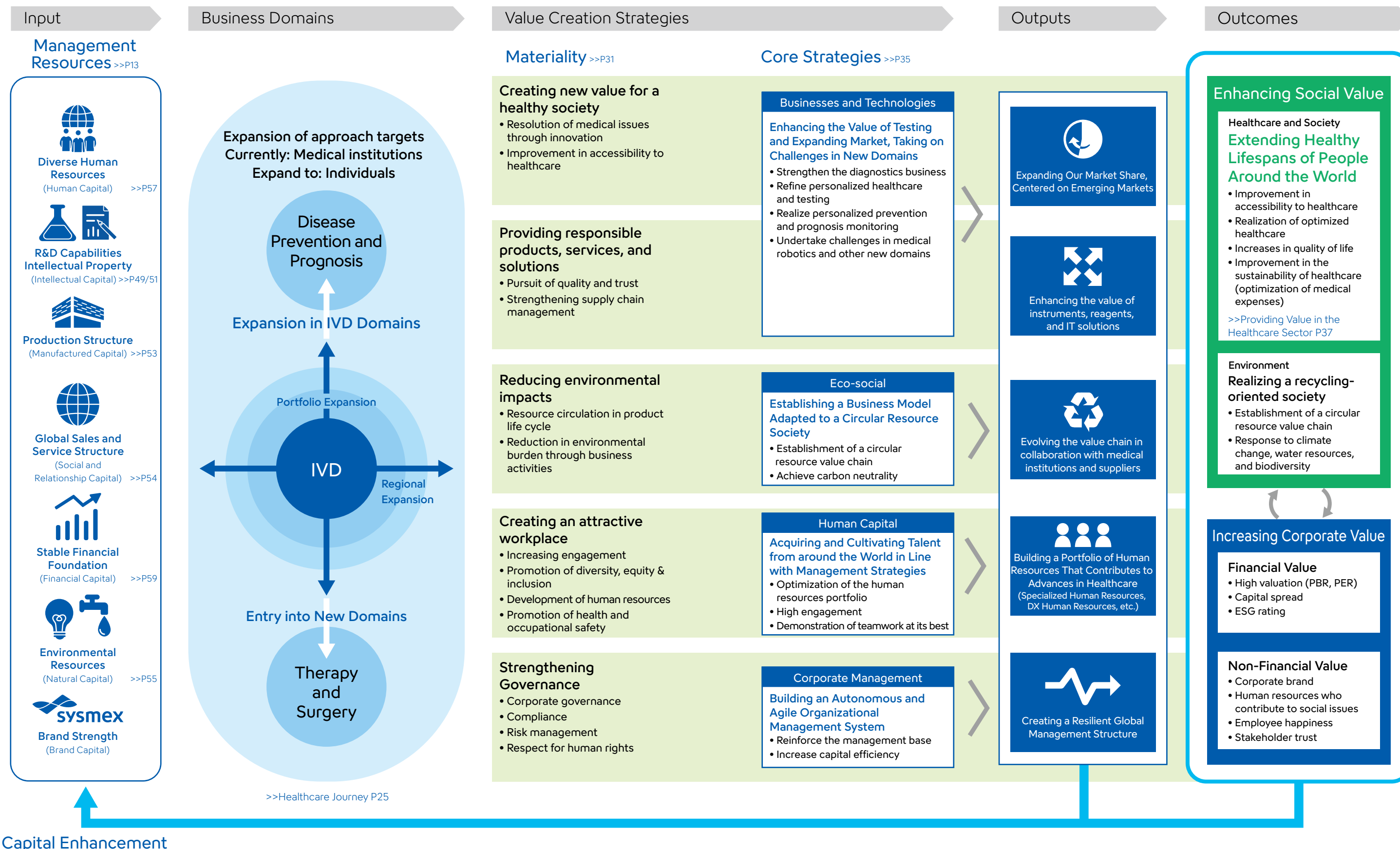
- Technological innovations in genetic analysis, ultra-highly sensitive measurement, miniaturization of medical devices, and their implementation in medicine
- Increasing need for personalized medicine
- Practical application of new therapeutic methods such as regenerative and cellular medicine and gene therapy
- Acceleration of the evolution of digital technology and expansion of the implementation and use of robotics technologies
- Expanding needs for testing against a backdrop of high-cost drugs



Story of Value Creation

Sysmex develops its business based on the “Sysmex Way,” the corporate philosophy for the Sysmex Group, whose stated mission is “Shaping the advancement of healthcare.” In May 2023, Sysmex formulated Long-Term Corporate Strategy 2033, which concludes in fiscal 2033, and in line with our long-term vision, “Together for a better healthcare journey,” we will continue contributing toward the development of healthcare and the healthy lives of people.

Our long-term vision: Together for a better healthcare journey



Long-Term Corporate Strategy

Long-Term Corporate Strategy 2033 (VA33: Value Advance 2033)

Long-term vision

“Together for a better healthcare journey”

Key Points of Our Strategy

1) Expand our target domain from diagnostics to the healthcare journey

2) Accelerate business growth by leveraging our strengths

3) Strengthen our human capital and take on the challenge of reducing environmental impact

Value

• Each and every employee is always sincerely committed to improving social value and corporate value.

• We foster innovation in testing and diagnosis, creating unique value in personalized medicine and new therapeutic areas.

Advance

• We promote advancements in healthcare, which is our mission.

• We prepare for further advances.

Quantitative Targets

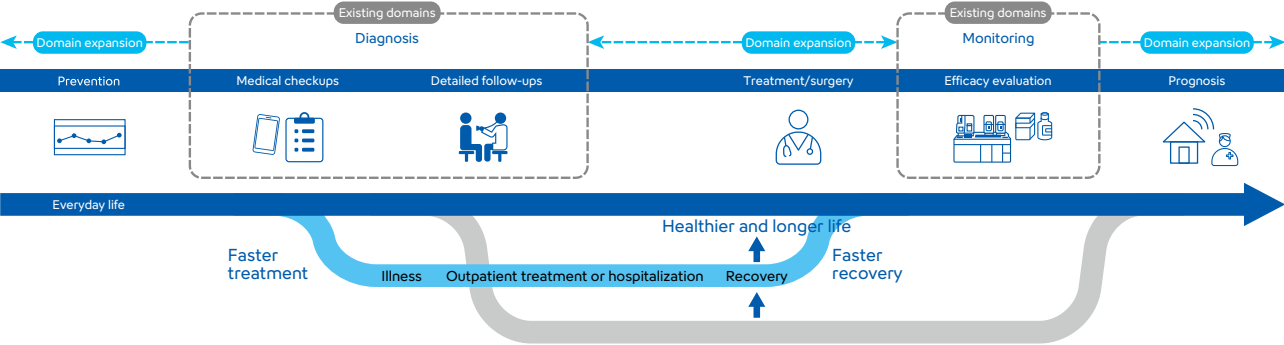
Growth	Profitability	Achieve zero product losses	Switch to environmentally conscious materials
Net sales	Operating margin	Percentage of unused product waste	Rate of use in containers and packaging materials
¥1 trillion or more	20% or more	0.1% or less	100%

Overview of Long-Term Corporate Strategy 2033

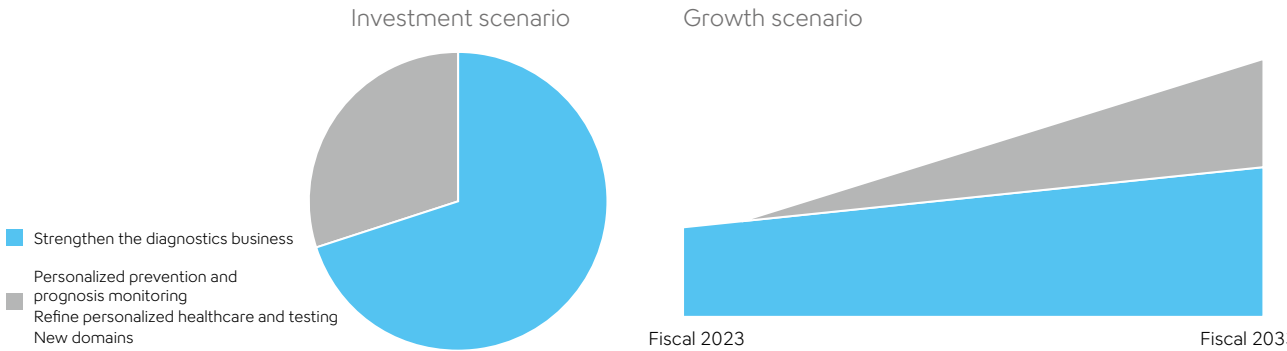
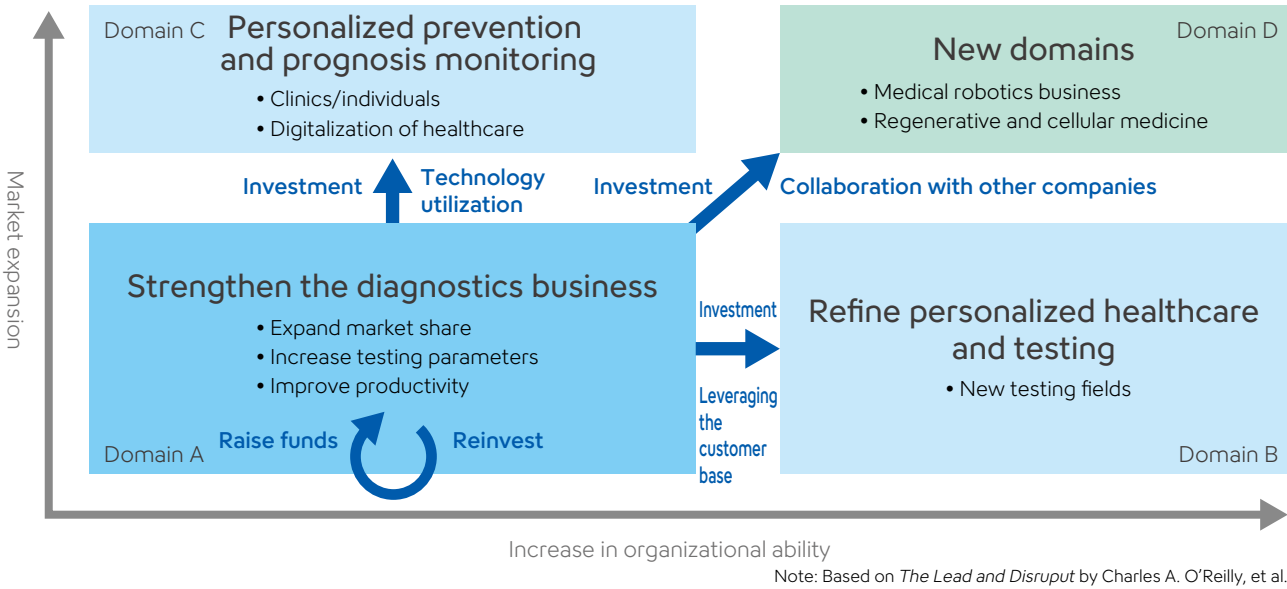
Sysmex creates long-term corporate strategies based on its vision for the future. We use a 10-year timeframe and revise our strategy as needed in response to changes in the operating environment. Our previous long-term corporate strategy, formulated in 2018, set forth a “Unique & Advanced Healthcare Testing Company” as our long-term vision. We have been steadily expanding our business in the fields of hematology, urinalysis, hemostasis, and immunochemistry, while also developing businesses of reagents to test for Alzheimer’s disease

in personalized medicine, primary care, and laying the groundwork for the commercialization of new businesses such as medical robotics.

Based on these advances and our outlook for the operating environment, in 2023 we set forth our long-term vision, “Together for a better healthcare journey,” and formulated Long-Term Corporate Strategy 2033. With the aim of improving each individual’s healthcare journey, enhancing quality of life, optimizing medical expenses, and improving accessibility to healthcare, we will evolve our business model, including expansion into new fields of business. >>Healthcare Journey P25



Business Domains and Strategy Design



With regard to business domains, we are expanding beyond our traditional base in *in vitro* diagnostics (IVD) to include disease prevention, treatment, and prognosis, and we will extend our targets to include individuals as well as medical institutions. Specifically, we have organized our strategy based on two axes—organizational ability and the market—as the figure above shows. First, we will further enhance the diagnostics business (existing business) by expanding market share, increasing the number of testing parameters, and improving productivity, among other initiatives. We will use the cash flow generated here for reinvestment in existing business and as a source of growth investment in new fields and new businesses. Specifically, we aim to refine personalized healthcare and testing, starting with the life science field, and provide our existing business customers with new products and services utilizing innovative technologies. Additionally, by leveraging technology and know-how from our existing business, we will approach clinics and individuals, expanding into new markets such as personalized prevention and prognosis monitoring. Finally, as part of our commitment to taking on challenges in new domains, we will collaborate with other companies and invest in businesses to explore therapeutic domains such as robotic-assisted surgery

systems and regenerative and cellular medicine.

In designing this strategy, we have placed a greater emphasis on sustainability, taking into account the long-term vision and resetting our priorities according to the SDGs and our materiality. From here, we have outlined core strategies, consisting of business and technologies, eco-social, human capital, and corporate management. We have set a total of four quantitative targets. On the financial side, these are growth and profitability targets. We have also set non-financial targets related to product loss and environmentally friendly materials in order to achieve a circular society.

Our financial targets are net sales of ¥1 trillion or more and an operating margin of 20% or higher, with growth centering on our existing diagnostics business. Due to the potential for further growth by expanding business in emerging markets and increasing test parameters, we plan to invest approximately 70% of cash flow in the diagnostics business. Meanwhile, in new fields and businesses that will drive future growth, we plan to allocate funds to R&D investment, technology acquisition, and M&A. We view new fields and businesses as essential areas for future growth, so we will actively pursue business expansion in those areas.

Materiality (priority issues)

Sysmex's Materiality

Priority SDGs to Address		Materiality		Targets
		Initiative	Theme	
3	Good Health and Well-Being	 <ul style="list-style-type: none">• Resolution of medical issues through innovation• Improvement in accessibility to healthcare	Creating new value for a healthy society* ²	Sustainability Targets under the Mid-Term Management Plan Opportunities and Threats >>P83
9	Industry, Innovation and Infrastructure		Providing responsible products, services, and solutions* ²	
12	Responsible Consumption and Production			
17	Partnerships for the Goals			
5	Gender Equality	 <ul style="list-style-type: none">• Increasing engagement*¹• Promotion of diversity, equity & inclusion*²	Creating an attractive workplace	>>P44
8	Decent Work and Economic Growth	 <ul style="list-style-type: none">• Development of human resources• Promotion of health and occupational safety	Reducing environmental impacts* ²	
13	Climate Action	 <ul style="list-style-type: none">• Resource circulation in product life cycle*²• Reduction in environmental burden through business activities*²		
(Governance)		<ul style="list-style-type: none">• Corporate governance• Compliance• Risk management• Respect for human rights*¹	Strengthening governance	

*1 Newly added materiality item
*2 Item that have been reorganized, integrated and rewritten from the previous materiality items

The Process of Positioning and Identifying Our Materiality

We identify priority issues (materiality) with the aim of realizing a sustainable society and achieving sustainable growth for Sysmex, and we periodically verify this content.

We identified our previous materiality in 2017, by analyzing priorities along two axes: importance to stakeholders and to Sysmex. To make progress more visible and increase effectiveness, we set specific targets and KPIs as non-financial targets in line with our mid-term management plan. (In fiscal 2021, we renamed “non-financial targets” to “sustainability targets.”) We also developed action plans and activities for responsible divisions. We reviewed this content in 2021 when formulating our mid-term management plan.

In order to formulate a new long-term vision and strategy, we have determined that it is important to design a cohesive strategy that aligns with our long-term corporate strategy, mid-term management plan, and materiality, taking into account factors such as the expansion of business domains and the diversification and increasing complexity of the social environment. We believe this will help enhance our execution capabilities and foster active dialogues, while promoting sustainability-oriented management. Furthermore, we

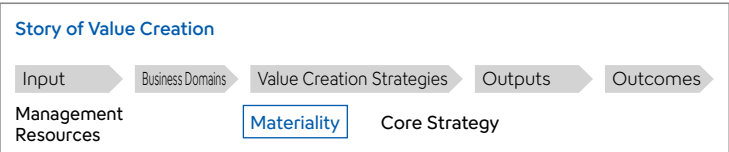
anticipate that this will facilitate understanding both internally and externally.

Our approach to reidentifying materiality was to take our previous materiality as a starting point, and then using a backcasting-type design. In conjunction with our Long-Term Corporate Strategy 2033, we analyzed social and global environmental and industry trends up to 2033, and organized them as issues to be addressed to realize our long-term vision, as well as from the perspective of their impact on social and corporate value. Sysmex identified priority SDGs to address, and based on this, identified 14 materiality items in five areas.

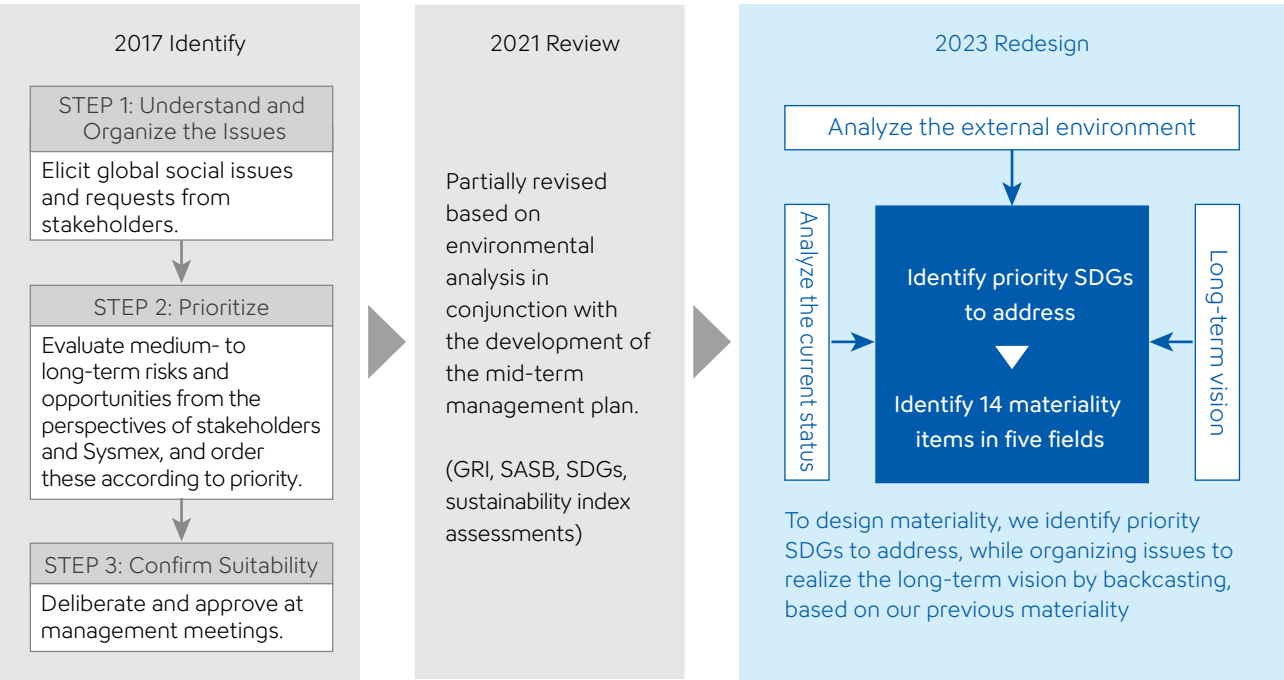
Furthermore, we established the new materiality items as the basis for setting our core strategy and monitoring indicators in our Long-Term Corporate Strategy 2033. Our core strategy was further aligned with the mid-term management plan and sustainability targets to create a framework for Sysmex’s vision for value creation.

The execution status and sustainability targets of each strategy are reported semiannually by each division at Managing Board and management meetings, and the progress is confirmed by the members of the Managing Board.

As our strategy progresses and the environment changes, Sysmex will continue to provide value by regularly verifying and reviewing its materiality.



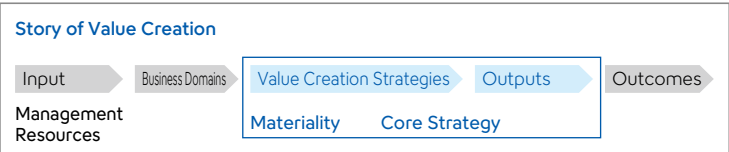
The Flow of Identifying Materiality



Priority SDGs to Address



Materiality and the Organization of Strategies and Indicators



We have organized the timeline and magnitude of impact of initiatives for each materiality issue in relation to its impact on corporate value. We have also identified the key indicators in our mid-term management plan that will contribute to corporate value in the future. Please note that we assume short-term impacts will continue to affect both the medium and long term.

Blue text indicates sustainability targets.

Materiality		Impact on future corporate value*1			Long-term corporate strategy		Important indicators in the Mid-Term Management Plan (Impact on corporate value by time horizon)			Group Key Actions under the Mid-Term Management Plan >>P42
		Short term 1 to 2 years	Medium term 3 to 6 years	Long term 7 or more years	Core strategy	Major initiatives	Impact in the short term (1 to 2 years)	Impact in the medium term (3 to 6 years)	Impact over the long term (7 or more years)	
Creating new value for a healthy society	Resolution of medical issues through innovation				Businesses and technologies	<ul style="list-style-type: none">• Increase number of testing parameters• Acquire and commercialize new technologies• Expand new businesses	<ul style="list-style-type: none">• Market share in each field• Number of hematology tests• Number of cases with surgical robots	<ul style="list-style-type: none">• Number of unique testing parameters developed• Number of cancer genomes analyzed	<ul style="list-style-type: none">• Number of patents/number of new patents• Number of conference presentations and papers published	1234
	Improvement in accessibility to healthcare					<ul style="list-style-type: none">• Expand geographic coverage• Increase number of primary care products	<ul style="list-style-type: none">• Number of countries where deployed, number of direct sales locations• Sales in emerging and developing markets• Number of fields of testing in countries where deployed	<ul style="list-style-type: none">• Number of primary care products deployed• Sales of rapid antimicrobial susceptibility testing systems and regions where introduced		13
Providing responsible products, services, and solutions	Pursuit of quality and trust					<ul style="list-style-type: none">• Improve customer satisfaction• Maintain world-class quality	<ul style="list-style-type: none">• Number of recalls	<ul style="list-style-type: none">• NPS®(Net Promoter Score)*2• VOC (Voice of Customer) items collected• Queries to the customer service center	—	1234
	Strengthening supply chain management					<ul style="list-style-type: none">• Ensure stable supplies• Pursue quality throughout the supply chain	<ul style="list-style-type: none">• Deficiency ratio• Lead times		<ul style="list-style-type: none">• CSR survey response rate	1234
Reducing environmental impacts	Resource circulation in the product life cycle				Eco-social	<ul style="list-style-type: none">• Achieve zero product losses• Promote the adoption of concentrated reagents, overseas reagent production• Accelerate substitution with eco-materials (silkworms, cultured cells, etc.)• Foster collaboration throughout the supply chain		<ul style="list-style-type: none">• Zero product losses• Recycling of containers and packing and utilization of environment compliance materials• Reduced use of animal-derived raw materials	<ul style="list-style-type: none">• Reduction of packaging and labeling materials• Recycling rate• Reduction of total waste	5
	Reduction in environmental burden through business activities					<ul style="list-style-type: none">• Reduce GHG emissions, expand the use of renewable energy• Decrease water consumption		<ul style="list-style-type: none">• Ratio of renewable energy• Reduction of GHG emissions (Scopes 1, 2, 3)• Reduction of water consumption (major reagent factories)	<ul style="list-style-type: none">• Reduction of using energy per employee	5
Creating an attractive workplace	Increasing engagement				Human capital	<ul style="list-style-type: none">• Share vision and strategy• Enhance dialogue	<ul style="list-style-type: none">• Engagement score• Percentage reporting a favorable impression of the “Sysmex Way”	<ul style="list-style-type: none">• Turnover ratio		6
	Promotion of DE&I					<ul style="list-style-type: none">• Foster corporate culture		<ul style="list-style-type: none">• Female managers ratio	<ul style="list-style-type: none">• Percentage of women at each level• Percentage reporting a favorable impression of “well-being”	6
	Development of human resources					<ul style="list-style-type: none">• Increase investment in human capital• Strengthen human resource portfolio management	<ul style="list-style-type: none">• Personnel plan and number of employees• Personnel expenses	<ul style="list-style-type: none">• Training time per employee• Human resource development investment• Value-added productivity• Succession plan effectiveness and coverage rate		6
	Promotion of health and occupational safety					<ul style="list-style-type: none">• Improve the work environment		<ul style="list-style-type: none">• Total annual working hours	<ul style="list-style-type: none">• Lost-term injuries frequency rate/lost work days rate	6
Strengthening Governance	Corporate governance				Corporate management	<ul style="list-style-type: none">• Enhance effectiveness of the Managing Board• Increase capital efficiency• Engage in dialogue with capital markets• Augment brand recognition	<ul style="list-style-type: none">• ROE • ROIC	<ul style="list-style-type: none">• Effectiveness of the Managing Board• ESG rating• Voting approval rate		5
	Compliance Risk management Respect for human rights					<ul style="list-style-type: none">• Reinforce the management structure• Accelerate DX	<ul style="list-style-type: none">• Number of information security trainees	<ul style="list-style-type: none">• Percentage of women and non-Japanese nationals in management• Number of internal reports		5

*1 The shade of blue represents the intensity of the impact.
*2 NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems.

Core Strategy

Core Strategies

Businesses and Technologies



Strengthening Our Diagnostics Business

Positioning this business as a driver of revenue growth, we will work to improve laboratory productivity and expand testing that leads to new diagnostic indicators. We will concentrate on the hematology field, where we are the overwhelming market leader, as well as the urinalysis, hemostasis, and immunochemistry fields. We will develop products and unique testing parameters that meet the healthcare needs of emerging markets and various countries and regions, and strive to deliver new value that spans testing fields.

Refine Personalized Healthcare and Testing

In addressing societal challenges such as cancer and Alzheimer's disease, we aim to provide new diagnostic value through the integration of new and existing technologies. This includes the practical application of liquid biopsy technology, expanding our genetic testing portfolio, and developing diagnostic solutions that leverage genetic information.

Realize Personalized Prevention and Prognosis Monitoring

In this domain, we will focus on developing primary care products that expand the locations and subjects for testing, in response to the decentralization of healthcare and the increasing demand for self-medication. We will also work on new tests targeting the presymptomatic and preventive domains, as well as developing programs for predictive testing.

Undertake Challenges in New Domains, such as Medical Robotics

We will continue to explore new areas, including the surgical domain, where we aim to provide surgical solutions. We will also pursue opportunities in the areas of regenerative and cellular medicine, where we will make full use of the quality control and robotics technologies cultivated through our IVD business.

Innovation

- Increase number of testing parameters
- Acquire and commercialize new technologies
- Expand new businesses

Access to healthcare

- Expand geographic coverage
- Increase number of primary care products

Quality

- Improve customer satisfaction
- Maintain world-class quality

Supply chain

- Ensure stable supplies
- Pursue quality throughout the supply chain

Major Initiatives

Resource recycling

- Achieve zero product losses
- Accelerate substitution with eco-materials
- Foster collaboration throughout the supply chain

Climate change/energy countermeasures

- Reduce GHG emissions, expand the use of renewable energy
- Decrease water consumption

Engagement, DE&I

- Share vision and strategy, enhance dialogue, foster corporate culture

Cultivation of human resources

- Increase investment in human capital
- Strengthen human resource portfolio management

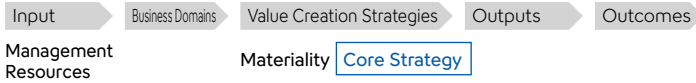
Occupational health and safety

- Improve the work environment

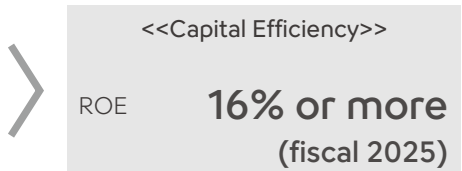
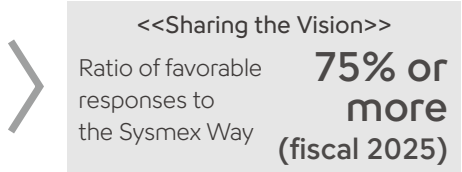
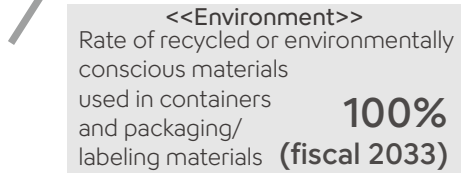
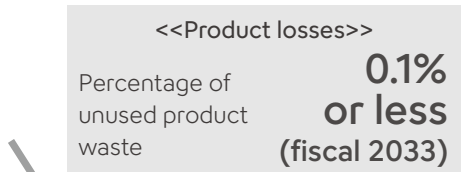
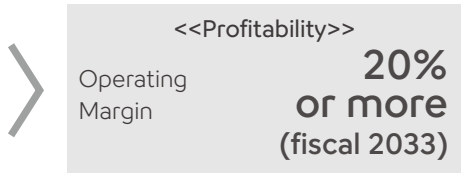
Reinforcement of governance

- Enhance effectiveness of the Managing Board
- Increase capital efficiency
- Engage in dialogue with capital markets
- Augment brand recognition
- Reinforce the management structure
- Accelerate DX

Story of Value Creation



Quantitative targets



Increase in Corporate Value

Profit Growth

Reduction in Cost of Capital

Higher Capital Efficiency

Eco-social



Establishment of a Circular Resource Value Chain/Achieve Carbon Neutrality

We will strive to build a business model that balances the resolution of environmental and social issues with business expansion through reforms to the value chain that are adapted to a circular-oriented society. In addition to efforts to achieve carbon neutrality and conserve water resources in our business operations, we will focus on environmentally conscious design in instruments and reagents. We will also accelerate the adoption of alternatives to animal-derived substances and of environmentally conscious materials.

Human Capital



Optimization of the Human Resources Portfolio/High Engagement/Demonstration of Teamwork at its Best

We will strive to attract and cultivate highly skilled professionals to build an optimal talent portfolio that allows us to make advances in healthcare. We will respect the individuality of diverse personnel and foster a workplace environment that promotes the well-being of each person, while providing growth opportunities. Additionally, we will focus on evolving a corporate culture and developing leaders across the Group.

Corporate Management

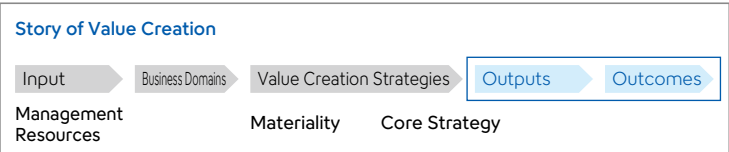


Reinforce the Management Base/Increase Capital Efficiency

To promote innovation and execute our strategies, we will establish a self-directed and agile organizational management structure. We will enhance the utilization of external resources through alliances and open innovation, strengthen our Group governance and risk management systems by using digital technologies, and strive to increase capital efficiency. Additionally, we will expand two-way dialogue with stakeholders and enhance our brand value.

Providing Value in the Healthcare Sector

In the healthcare sector, its main sphere of operations, Sysmex is working to respond to health-care issues faced by patients and medical institutions. By providing new value, we aim to realize a better healthcare journey and contribute to the extension of healthy lifespans for people around the world.



Stages of the Healthcare Journey >>P25	Healthcare issues of importance to Sysmex	Directions of Sysmex's initiatives	Specific Outputs	Outcome Value for medical institutions	Outcome Value to society
Fundamental Testing (Medical Checkups) 	Reduction of disparities in healthcare Developed countries: ★★ Emerging markets: ★★★	<ul style="list-style-type: none">Support testing systems and expand sales networks in regions where basic medical care needs to be improved, such as emerging marketsExpand primary care productsProvide medical information to healthcare professionals Core Fields Hematology, hemostasis, urinalysis	<ul style="list-style-type: none">Develop a diverse product portfolio, including compact modelsAchieve adoption as standard equipmentProvide medical and scientific informationProvide product trainingAnalyze big data from testing*	<ul style="list-style-type: none">Automate and standardize testing for any environmentImprove levels of medical care	Extend Healthy Lifespans of People around the World Improvement in Accessibility to Healthcare • Testing for everyone, expansion of healthcare Realization of Optimized Healthcare • Choose the best medical treatment for each individual (realization of personalized medicine) • Undergo testing with less mental, physical, and financial burden • Access advanced medical technology • Progress in the treatment of diseases with high unmet needs • Improve the treatment completion rate Increases in Quality of Life • Healthy everyday lives • Prognosis forecasting Improvement in the Sustainability of Healthcare • Optimize medical costs
	Improve laboratory efficiency Developed countries: ★★★ Emerging markets: ★★★	<ul style="list-style-type: none">Automate testing systemProvide new value through IT software Core Fields Hematology, hemostasis, urinalysis, immunochemistry	<ul style="list-style-type: none">Provide new automated systemsOffer new systems to reduce the workload of laboratory technologists, such as concentrated reagentsPromote virtual training for productsExpand the Caresphere™ network solution	<ul style="list-style-type: none">Improve management efficiency by increasing laboratory productivityAchieve cross-disciplinary decision-making across fields of testing	
Detailed Follow-Ups 	Creation of new testing and diagnostic techniques to reduce patient burdens Developed countries: ★★★ Emerging markets: ★★	<ul style="list-style-type: none">Create new testing technologies through open innovationRefine gene detection technology Core Fields Hematology, hemostasis, urinalysis, immunochemistry, gene testing	<ul style="list-style-type: none">Develop new testing and diagnostic systems and biomarkersDevelop low-cost and efficient gene testing*	<ul style="list-style-type: none">Realize appropriate diagnosis, treatment, and drug administrationPromote personalized medicine by realizing highly versatile genomic medicine	
Treatment, Surgery 	Achievement of early patient recovery, reduction of burdens, and cost decreases Developed countries: ★★★ Emerging markets: ★	<ul style="list-style-type: none">Realize new treatments and diagnosesAchieve results in regenerative and cellular medicine Core Fields Medical robotics business, regenerative and cellular medicine domain	<ul style="list-style-type: none">Expand services and support cultivated in the field of IVD into the operating room*Establish production and quality control technologies for regenerative and cellular medicine*	<ul style="list-style-type: none">Enhance and improve efficiency of robotic-assisted surgery systemImprove cure rate through the spread of regenerative and cellular medicine	
Prevention Efficacy Evaluation Prognosis 	Diagnosis of recurrence risk, and prevention Response to the decentralization of medical functions Developed countries: ★★★ Emerging markets: ★	<ul style="list-style-type: none">Use AI in prevention and prognosis monitoringEndeavor to enhance healthcare literacy Core Fields Gene testing, new business	<ul style="list-style-type: none">Conduct data-based monitoring (public health, etc.)*Provide mechanism for efficient centralized management of various types of medical data	<ul style="list-style-type: none">Halt the expansion of emerging and re-emerging infectious diseasesStrengthen medical institution and home healthcare networks	

★: Degree of need over the next five years

* Technologies and products under development