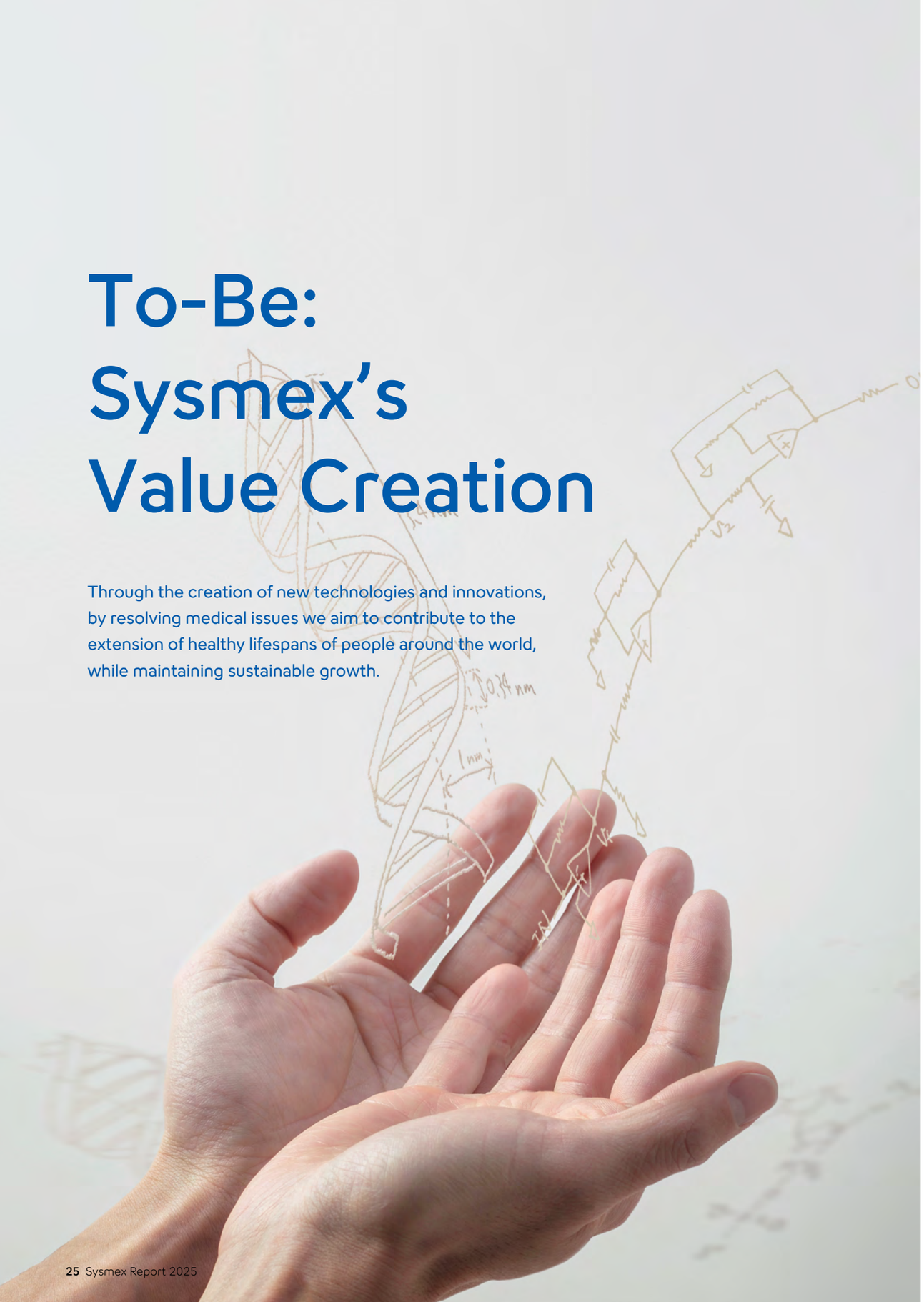
To-Be: Sysmex's Value Creation

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.



Message from the President

We are making steady progress in executing our three growth strategies and delivering strong business performance—but we remain far from complacent. By continuing to take on bold challenges and embracing the evolution of our business model, we are committed to realizing our Long-Term Vision: "Together for a better healthcare journey."

Continuing to Evolve under Our Long-Term Vision

Our Long-Term Vision, "Together for a better healthcare journey.", expresses our aspiration to continue evolving and growing in the face of major transformations in healthcare. Going forward, we expect further advances in what are called the "four Ps" of healthcare: predictive, preventive, personalized, and participatory.[1] In other words, rather than a one-size-fits-all approach to treatment, healthcare will increasingly center on each patient, providing diagnostics and predictive insights tailored to individuals in order to facilitate prevention and treatment. I believe that Sysmex must become a company that helps shape and support this new kind of healthcare—together with patients, healthcare providers, and all our stakeholders.

We have contributed to the spread and advancement of testing, helping to equalize access to healthcare and improve quality. Now we are shifting our focus more directly on personal health, personalized medicine and prevention. A key enabler will be data. By placing greater emphasis on the use of data and AI, we aim to create new value and evolve our business model accordingly.

As symbolic financial milestones to support this vision, we have set targets of ¥1 trillion in net sales and a 20% operating margin by fiscal 2033. These figures reflect our intent to deliver double-digit sales growth and build a profit structure that enables continuous reinvestment.

1 Proposed by Dr. Leroy Hood, a pioneer in systems biology

Strong Performance in Fiscal 2024, but No Room for Complacency

In line with our vision, we are executing our long-term corporate strategy and the Mid-Term Management Plan (fiscal 2023–fiscal 2025). Fiscal 2024 marked the second year of the plan. We achieved record-high sales and profit. Internally, we saw a stronger emphasis on investment efficiency and made swift decisions to pivot away from businesses lacking sufficient returns. Employee engagement scores continued to rise, and we saw steady improvements in our organizational culture.

Despite these positive signs, we are not complacent. While global healthcare needs are rising with population growth, aging societies, and rising health awareness, we also face increasing cost-containment pressures, geopolitical risks, and intensifying competition. To achieve strong growth amid this volatile environment, in addition to product sales and the expansion of services we recognize the importance of strengthening corporate functions and enhancing management capabilities. With DX investments largely completed, we are leveraging our digital infrastructure to make timely and rational business decisions, and are now pursuing improved profitability and capital efficiency.

Accelerating Efforts to Capitalize on Room for Growth under Our Growth Strategies

We are making solid progress on all three of our growth strategies.

Under the first strategy, the "reinforcement of existing businesses," our flagship model in the hematology field continues to perform well globally. This model is equipped with modules that enable greater automation of testing workflows and a strong competitive edge. With upcoming launches in North America, we anticipate further growth. In the hemostasis field, we began direct sales and service in Europe and the Americas in fiscal 2024, leading to steady conversion from competitors and increased sales of high-margin reagents. From fiscal 2025, we will begin introducing our newest models in North America as a new growth driver. In immunochemistry, we have seen price pressures due to volume-based procurement (VBP) policies in China that began in fiscal 2024, but we are actively pursuing cost reductions and modifying our sales scheme to protect profitability. This field remains large and highly competitive, so differentiation through unique test parameters is critical—one example being our test reagent for measuring amyloid-β accumulation, a known factor in Alzheimer's disease. We are also working on panelizing related parameters and expanding market reach. Across all regions and fields, our existing businesses still have significant room for growth and remain a powerful engine for Sysmex's continued advancement.

Our second growth strategy is "business expansion in emerging markets." We are achieving above-plan growth in all targeted regions—India, Brazil, the Middle East, and Africa—through proactive resource deployment. In addition to expanding our direct sales and service locations, in fiscal 2024, we opened our largest-ever Group factory in India, and in Brazil, we have finalized plans to expand and relocate our factory by fiscal 2027. These regions are experiencing rapid market expansion and have significant untapped share potential. Notably, our new factory in India is already manufacturing instruments under the "Make in India" initiative, with a strong local procurement ratio. Looking ahead, we plan to use this base to expand supply to Africa and other parts of the Global South, while also considering deployment in markets such as China using the expertise we have gained.

Let us look next at our third growth strategy, the "expansion of new businesses." In the medical robotics business, we are seeing strong momentum. Our approach to product development—swiftly incorporating customer feedback and maintaining high quality—has been well received. The number of systems installed is approaching 100 units, with nearly 10,000 surgeries performed. In fiscal 2024, we launched in Singapore and Malaysia, and we plan to obtain regulatory approval in Europe in fiscal 2025. With successful remote surgery demonstrations between Singapore and Japan—and in June 2025, between France and Japan—we are now building innovation in the operating room using data and AI. Our regenerative and cellular medicine business builds on Sysmex's expertise in cell analysis and workflow automation. We are targeting three key areas: quality control, automated manufacturing, and formulation development. For example, we are beginning to automate cell quality testing—previously done manually—using our instruments. We will continue to collaborate with various organizations to make regenerative and cellular medicine more accessible in society.

Three growth strategies

■ Examples of initiatives >>P51

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

Clarifying Milestones for Medium- to Long-Term Growth and Focusing on the Promotion of Sustainability Management

To date, Sysmex has used a two-year rolling format for its three-year Mid-Term Management Plan. In fiscal 2024, we transitioned to a full three-year plan. The goal is to clarify each phase leading up to our Long-Term Corporate Strategy's target year of fiscal 2033, while analyzing past achievements and challenges in greater detail.

The next Mid-Term Management Plan is currently under development. As it will represent the halfway point of our Long-Term Corporate Strategy, we are positioning the following areas as key priorities. We will deepen and accelerate our existing growth strategies, maintaining their current direction rather than significantly altering course. Improving profitability will be a major focus, beginning with the early achievement of our targeted 20% operating margin and then raising that level further. To that end, we will focus on expanding reagent sales in the hemostasis and immunochemistry fields, where continued growth is expected. Reducing the cost of sales will also be critical, and we will promote initiatives such as in-house production of raw materials to help lower costs. While SG&A expenses are expected to decline as our major DX investments conclude, we will also need to make targeted investments to address inflation and expand our business in direct sales regions. To enhance efficiency and offset cost pressures, we will maximize the effects of DX, optimizing inventory and logistics networks, applying AI at the operational level, and boosting productivity in areas such as R&D. We will also actively leverage digital and AI technologies to realize new products and services born from DX. During the next Mid-Term Management Plan period, we aim to translate these efforts into tangible new sources of added value.

Alongside these priorities, we will continue to focus on the three strategic themes outlined in our Long-Term Corporate Strategy: eco-social initiatives, human capital development, and corporate management. In the eco-social domain, where we have earned strong external recognition, we are going beyond CO_2 reduction by launching the industry's first horizontal recycling program for plastic containers in fiscal 2024. As markets grow increasingly environmentally conscious, we believe this initiative will provide a competitive advantage, and we intend to strengthen our leadership role by collaborating more closely with other companies to help drive the industry forward. In the area of human capital, we will continue to make proactive investments. We are working to strengthen global talent acquisition, further embed our job-based HR system, and expand reskilling opportunities—including in digital technologies. These initiatives aim to advance both individual employee growth and corporate competitiveness, ultimately leading to enhanced value-added productivity.

In corporate management, we are concentrating on strengthening our business foundation and improving capital efficiency. One area of particular importance is the role of our outside members of the Managing Board. Beyond their governance and monitoring functions, their experience and expertise provide valuable insight for management. One example is Dr. Marie Oshima, who joined us as an outside member in June 2025. As a leading expert in bio-microfluidics and a dedicated advocate for researcher development, we look forward to her contributions in the development of talent, including the support and advancement of women researchers.

The "Green Apple" designed by Tadao Ando

Remaining a "Green Apple"

As I engage with employees through global town hall meetings, I've seen growing understanding and alignment around our Long-Term Vision and strategic direction. But true adoption will come when our strategy connects directly to each employee's daily work, and they can truly feel its purpose.

Sysmex must be a company that continues to evolve, where each employee can take initiative and experience the impact of their contributions to society. Now that we've grown into a company with over ¥500 billion in net sales, I believe our biggest risk is losing our spirit of challenge—becoming siloed or risk-averse.

I often share the metaphor of the "Green Apple," inspired by architect Tadao Ando. Though not yet ripe and still sour, the green apple is full of hope. To remain green apples, our people must keep taking on challenges—engaging with others, trying new things, and realizing innovative ideas at Sysmex. I also continue to engage actively with investors and other stakeholders. The Green Apple message I shared in last year's *Sysmex Report* drew considerable interest, and those conversations have since evolved into constructive dialogue.

My vision is for Sysmex to remain a company full of hope, unafraid of failure, and always striving to take on new challenges. Reaching ¥1 trillion in revenue is a major ambition—but our employees are optimistic, grounded, and confident. I have great trust in them. We ask for your continued support and invite you to join us on this journey.

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.

Long-term vision: Together for a better healthcare journey

Inputs

Management Resources >>P23

- R&D Capabilities Intellectual Property >>P57/59
- Production Structure >>P61
- Global Sales and Service Structure >>P62
- Environmental Resources >>P63
- Diverse Human Resources >>P65
- Stable Financial Foundation >>P19
- Brand Strength

Business Domains

Expansion of approach targets
Currently: Medical institutions
Expand to: Individuals

Disease Prevention and Prognosis

Expansion in IVD Domains

Portfolio Expansion

IVD (Diagnostics Business)

Regional Expansion (Emerging markets)

Entry into Expanding Domains

Therapy and Surgery

>>Business Domains P34

Value Creation Strategies

Materiality >>P37

Creating new value for a healthy society
- Resolution of medical issues through innovation
- Improvement in accessibility to healthcare

Providing responsible products, services, and solutions
- Pursuit of quality and trust
- Strengthening supply chain management

Reducing environmental impacts
- Resource circulation in product life cycle
- Reduction in environmental burden through business activities

Creating an attractive workplace
- Increasing engagement
- Promotion of diversity, equity & inclusion
- Development of human resources
- Promotion of health and occupational safety

Strengthening Governance
- Corporate governance
- Compliance
- Risk management
- Respect for human rights

Core Strategies >>P39

Businesses and Technologies

Enhancing the Value of Testing and Expanding Market, Taking on Challenges in Expanding domains
- Strengthen the diagnostics business
- Refine personalized healthcare and testing
- Realize personalized prevention and prognosis monitoring
- Undertake challenges in medical robotics and other new domains

Eco-social

Establishing a Business Model Adapted to a Circular Resource Society
- Establishment of a circular resource value chain
- Achieve carbon neutrality

Human Capital

Acquiring and Cultivating Talent from around the World in Line with Management Strategies
- Optimization of the human resources portfolio
- High engagement
- Demonstration of teamwork at its best

Corporate Management

Building an Autonomous and Agile Organizational Management System
- Reinforce the management base
- Increase capital efficiency

Outputs

- Expanding Our Market Share, Centered on Emerging Markets
- Enhancing the value of instruments, reagents, and IT solutions
- Evolving the value chain in collaboration with medical institutions and suppliers
- Building a Portfolio of Human Resources That Contributes to Advances in Healthcare (Specialized Human Resources, DX Human Resources, etc.)
- Creating a Resilient Global Management Structure

Outcomes

Enhancing Social Value

[Healthcare and Society]

Extending Healthy Lifespans of People Around the World
- Improvement in accessibility to healthcare
- Realization of optimized healthcare
- Increases in quality of life
- Improvement in the sustainability of healthcare (optimization of medical expenses)

>>Providing Value in the Healthcare Domain P41

[Environment]

Realizing a circular-oriented society
- Establishment of a circular resource value chain
- Response to climate change, water resources, and biodiversity

Increasing Corporate Value

Financial Value
- High valuation (PBR, PER)
- Capital spread
- ESG rating

Non-Financial Value
- Corporate brand
- Human resources who contribute to social issues
- Employee happiness
- Stakeholder trust

Capital Enhancement

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.

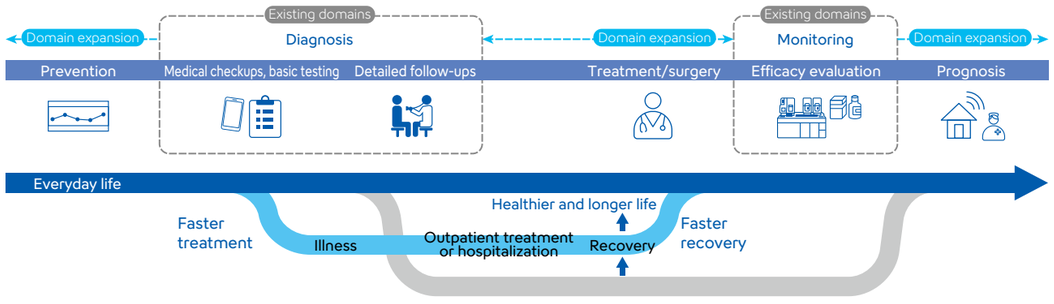
Advance

- We promote advancements in healthcare, which is our mission.
- We prepare for further advances.

Prospects for the Healthcare Environment

Medical Environment, Systems, and Regulations	Treatment and Technology
• 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)	• Technological innovations in genetic analysis, ultra-highly sensitive measurement, miniaturization of medical devices, and their implementation in medicine • Development of treatment methods and tests that reduce patients' physical and financial burdens • Increasing need for personalized medicine • Practical application of new therapeutic methods such as regenerative and cellular medicine and gene therapy • Implementation and expanded use of AI, digital, and robotics technologies • Expansion of testing needs for decisions about drug administration, driven by the high cost of drugs

■ Healthcare Journey



>>What Sysmex Aims For P5

Quantitative Targets

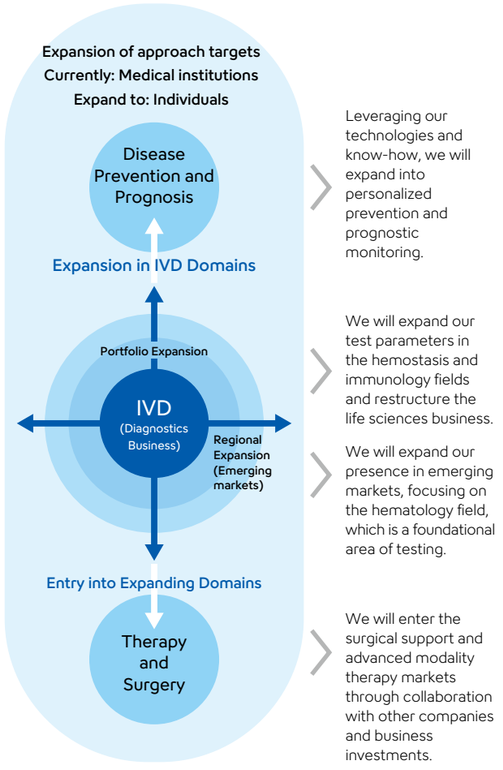
Growth	Profitability	Achieve zero product losses	Switch to environmentally conscious materials
Net sales ¥1 trillion or more	Operating margin 20% or more	Percentage of unused product waste 0.1% or less	Rate of use in containers and packaging materials 100%

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 time-frame and revise our strategy as needed in response to changes in the operating environment. The previous Long-Term Corporate Strategy, formulated in 2018, laid the groundwork for strengthening our business foundation in the fields of hematology, urinalysis, hemostasis, and immunochemistry, while also paving the way for business development in areas such as personalized medicine and primary care, as well as new ventures like the medical robotics business.

At the same time, the healthcare environment continues to evolve rapidly. As societies around the world age, social security systems are being restructured to control costs, and healthcare functions are becoming more decentralized. This shift is driving increased focus on prevention and self-medication, while issues such as healthcare disparities and access to care are becoming even more serious challenges. On the technology front, progress is being made in areas such as genetic analysis, ultra-sensitive measurement, and miniaturization. Meanwhile, new treatment modalities like regenerative and cellular medicine are expected to become more widespread. In addition, the digital transformation (DX) of the healthcare field is accelerating—led by the spread of AI—and robotics is also seeing broader implementation and expanded applications.

Considering these developments and future outlooks, in 2023 Sysmex formulated its new Long-Term Corporate Strategy 2033, under the long-term vision, "Together for a better healthcare journey." At Sysmex, we view the healthcare events a person experiences throughout their life as a "journey." With this perspective, we aim to enhance each individual's healthcare journey by helping correct healthcare disparities, improve testing efficiency, and facilitate the selection of appropriate treatments—thereby contributing to the extension of healthy life expectancy around the world.



◉ Strategy Design and Goals

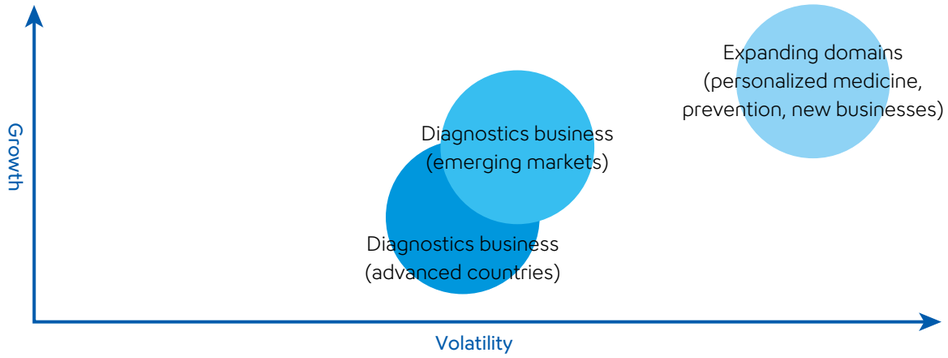
With a focus on sustainability, we have identified priority SDGs and defined material issues. These serve as the foundation for our basic strategy, which consists of four pillars: business and technology, eco-social initiatives, human capital, and corporate management. As for our targets, we have established four quantitative goals: two in financial areas—growth and profitability—and two in non-financial areas aimed at realizing a circular society. Our financial goals are to achieve double-digit growth that outpaces the IVD market and to maintain a profit level that enables continuous reinvestment. Specifically, we have set targets of net sales exceeding ¥1 trillion and an operating margin of 20% or higher.

◉ Business Domains

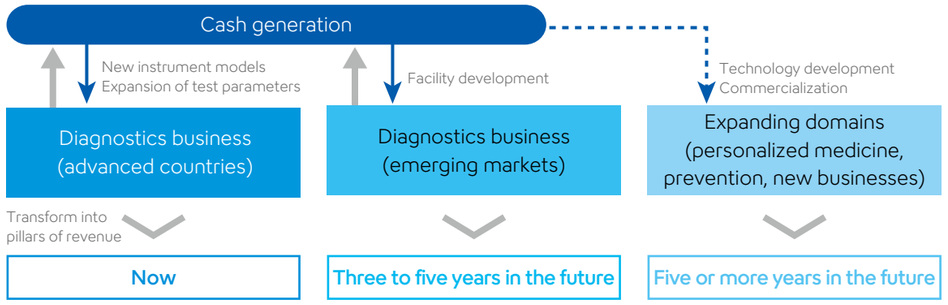
We are expanding beyond the traditional IVD (diagnostics) business domain to address a broader spectrum of the healthcare journey. In our existing domain, we will expand into emerging markets where we have strengths and broaden our testing fields and test parameters. To extend our reach within the IVD domain, we are targeting not only hospitals but also clinics and individuals—expanding into personalized prevention and post-treatment monitoring. In addition, we are venturing into expanding domains such as surgical support robot systems and regenerative and cellular medicine—tapping into therapeutic areas to help realize a more comprehensive approach to healthcare.

Investment and Growth Directions

■ Market Forecast



■ Cash Investment Destinations



Note: The market outlook chart represents an image based on our own internal estimates. Growth potential has been projected based on market growth forecasts for each domain and country, as well as the activities and positioning of major global companies. Volatility has been assessed using a range of factors, including the standard deviation of our business's revenue growth over the past 10 years, country risk, market risk, counterparty risk, and technological risk. For the diagnostics business (advanced countries), assumed risks include foreign exchange fluctuations and the rapid advancement of cutting-edge technologies. For the diagnostics business (emerging markets), risks include changes in government policy, the rise of local companies, and the supply of locally sourced products. In the case of new domains, risks are expected to arise from shifts in demand and the emergence of new technologies.
Please note that business scale has not been considered in this assessment.
As a result of the above evaluation, we anticipate that volatility in the diagnostics business (emerging markets) will remain at a similarly low level to that of advanced countries.

Resource Allocation and Investment

Looking toward sustainable growth and optimized portfolio management, we categorize our business domains into three strategic areas.

(1) Diagnostics business (advanced countries): This includes our core existing domains, where we aim to broaden our test parameters and accelerate deployment across Europe and North America. With aging populations and steady medical advancements, these markets are projected to remain stable and resilient to economic cycles.

(2) Diagnostics business (emerging markets): A growth-focused domain driven by geographical expansion. Although volatility is higher due to political, economic, and regulatory risks, the expected market growth rate is also high—backed by increasing populations and developing medical infrastructure.

(3) Expanding domains: A forward-looking category encompassing personalized medicine, prevention, and entirely new businesses. Some of these markets are still nascent, facing regulatory and technological hurdles, but they represent essential innovation areas for the future of healthcare.

For the time being, earnings will be centered on our diagnostics business. Most cash generated will be reinvested in (1) Diagnostics (advanced countries), specifically into the development of new instruments and expansion of test parameters—areas with strong profitability and strategic importance. The next highest investment priority is (2) Diagnostics (emerging markets), where resources will be allocated to building out sales and service teams, acquiring leasing equipment for customers, and developing local infrastructure. Over the next five years, we plan to focus our investments primarily in these two diagnostics areas. Simultaneously, we will allocate capital to (3) Expanding domains with a longer-term view, targeting business development, R&D, technology acquisition, and M&A opportunities. Regarding R&D spending, approximately 70% will be allocated to diagnostics businesses (1) and (2), and 30% to expanding domains.

Through this capital allocation, our aim is to significantly improve profitability in diagnostics (emerging markets) within three to five years and to bring expanding domains to a level of meaningful earnings contribution within approximately five years of business launch.

We aim to enhance corporate value by executing these resource allocations and investments. In pursuing corporate value enhancement, we focus on three key aspects: profit growth, improvement of capital efficiency, and optimization of capital costs. In terms of our approach, we will first strive for sustained profit growth through agile resource management and medium- to long-term investment allocation planning. If we can achieve the financial targets outlined in our Long-Term Corporate Strategy 2033—namely, net sales of over ¥1 trillion (with an average annual growth rate of over 10%) and an operating margin of over 20%—we believe that earnings per share will also grow at an average annual rate of around 10%, and this will garner a favorable evaluation from the capital markets. Regarding capital efficiency, although our current ROIC exceeds our WACC, we aim to achieve ROIC of over 15% to effectively compete with large global corporations, and will continue working to improve capital efficiency. In terms of optimizing capital costs, which constitute the ROIC spread, we will strengthen investment governance and monitoring, particularly in emerging markets and expanding domains, to reduce stock price volatility. At the same time, we will enhance our existing financial disclosures and communication of strategic progress to shareholders and investors, while also actively promoting dialogue around sustainability.

Path Toward Enhancing Corporate Value

Profit Growth

- Drive sustained profit growth by targeting double-digit topline growth and an operating margin of 20%, and work to continue growing profits (ongoing growth in earnings per share).
- Adapt to changing environments with agile resource management and medium- to long-term (5–10 year) investment allocation.

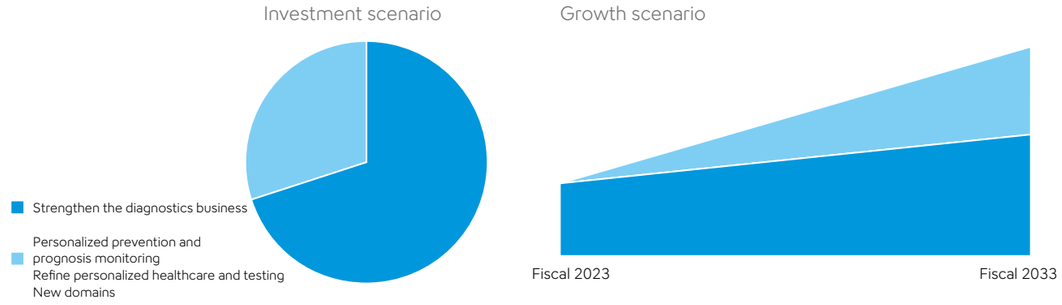
Improved Capital Efficiency

- Prioritize ROE and ROIC as key performance indicators, aiming to improve returns on invested capital.
- Introduce ROIC sensitivity analyses and define key metrics for each business unit to strengthen Company-wide ROIC management.

Optimized Cost of Capital

- Strive in particular to reduce stock price volatility (beta)
- Reinforce investment governance and monitoring to lower volatility in the diagnostics business (emerging markets) and expanding domains.
- Enhance dialogue with the capital markets around sustainability.

Growth Scenario (Image)



Materiality (priority issues)

Sysmex's Materiality

Priority SDGs to Address	Materiality: Initiative	Materiality: Theme
3 Good Health and Well-Being	• Resolution of medical issues through innovation • Improvement in accessibility to healthcare	Creating new value for a healthy society[2]
9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production 17 Partnerships for the Goals	• Pursuit of quality and trust • Strengthening supply chain management	Providing responsible products, services, and solutions[2]
5 Gender Equality 8 Decent Work and Economic Growth	• Increasing engagement[1] • Promotion of diversity, equity & inclusion[2] • Development of human resources • Promotion of health and occupational safety	Creating an attractive workplace
13 Climate Action	• Resource circulation in product life cycle[2] • Reduction in environmental burden through business activities[2]	Reducing environmental impacts[2]
(Governance)	• Corporate governance • Compliance • Risk management • Respect for human rights[1]	Strengthening governance

Targets: Sustainability Targets under the Mid-Term Management Plan >>P48

Opportunities and Threats >>P89

1 Added materiality items in fiscal 2023

>>Status of Sustainability Targets P103

2 Items that have been reorganized, integrated and rewritten in fiscal 2023 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 fiscal 2023, 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 use 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

2017 Identify

STEP 1: Understand and Organize the Issues
Elicit global social issues and requests from stakeholders.

STEP 2: Prioritize
Evaluate medium- to long-term risks and opportunities from the perspectives of stakeholders and Sysmex, and order these according to priority.

STEP 3: Confirm Suitability
Deliberate and approve at management meetings.

2021 Review

Partially revised based on environmental analysis in conjunction with the development of the mid-term management plan.

(GRI, SASB, SDGs, sustainability index assessments)

2023 Redesign

Analyze the external environment

Analyze the current status

Identify priority SDGs to address

Identify 14 materiality items in five fields

Long-term vision

To design materiality, we identify priority SDGs to address, while organizing issues to realize the long-term vision by backcasting, based on our previous materiality

Priority SDGs to Address

Impact on society

Impact on corporate value

Eradicating poverty and hunger, protecting vulnerable groups
- Support for poverty eradication
- Ensuring of sustainable food production systems
- Ensuring access to safe and affordable housing, drinking water, and adequate sewage and sanitation facilities

Providing responsible products, services, and solutions
- Pursuit of quality and trust
- Strengthening supply chain management

Creating new value for a healthy society
- Resolution of medical issues through innovation
- Improvement in accessibility to healthcare (Global health, universal health coverage (UHC))

Improving access to energy, eradicating inequality
- Improvements in energy efficiency
- Elimination of discrimination
- Reduction of disparities

Creating an attractive workplace
- Increasing engagement
- Promotion of diversity, equity & inclusion
- Development of human resources
- Promotion of health and occupational safety

Reducing environmental impacts
- Resource circulation in product life cycle
- Reduction in environmental burden through business activities

Providing equal educations and protecting ecosystems and resources
- Provision of equitable, quality learning opportunities
- Preservation of sustainable nature

Promoting a peaceful and just society
- Compliance with regulations
- Ensuring of sound and transparent political relationships
- Eradication of corruption and bribery

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.

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.

Major Initiatives

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

Resource recycling
- Achieve zero product losses
- Switch completely to recycled and environmentally friendly materials
- Foster collaboration throughout the supply chain

Climate change/energy countermeasures
- Reduce GHG emissions, expand the use of renewable energy
- Decrease water consumption

Engagement, diversity, equity, and inclusion (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

Quantitative targets

<<Growth>>
Net Sales: ¥1 trillion or more (fiscal 2033)

<<Profitability>>
Operating Margin: 20% or more (fiscal 2033)

<<Product losses>>
Percentage of unused product waste: 0.1% or less (fiscal 2033)

<<Environment>>
Rate of recycled or environmentally conscious materials used in containers and packaging/labeling materials: 100% (fiscal 2033)

<<Sharing the Vision>>
Ratio of favorable responses to the Sysmex Way: 75% or more (fiscal 2025)

<<Capital Efficiency>>
ROE: 16% or more (fiscal 2025)

Increase in Corporate Value

Profit Growth

Reduction in Cost of Capital

Higher Capital Efficiency

Note: Target figures for fiscal 2025 are as of the May 2023 announcement. (For the most recent forecasts, please refer to P78 and our website.)

Providing Value in the Healthcare Domain

Social Outcomes	Outcomes for medical institutions (medical challenges we want to solve) >>What Sysmex Aims For P5-10	Outcome Measurement Example Indicators[1]	Sysmex's Specific Outputs [Core Fields]	Related Sustainability Goals	Corresponding Stage of the Healthcare Journey
Materiality **Creating New Value for a Healthy Society** • Resolution of medical issues through innovation • Improvement in accessibility to healthcare (Global Health, UHC) **Extending Healthy Lifespans of People Around the World** **Improvement in Accessibility to Healthcare** • Testing for everyone, expansion of self-care **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 • Benefit from 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 **Building Sustainable Infrastructure** • Optimize medical costs	**Reduction of disparities in healthcare**  • Automate and standardize testing for any environment • Improve levels of medical care Developed countries: ★★ Emerging markets: ★★★	People lacking access to essential healthcare services (WHO, 2021) Approximately 4.5 billion	**[Hematology, hemostasis, urinalysis]** • Develop a diverse product portfolio, including compact models • Achieve adoption as standard equipment • Provide foundational medical and academic information • Provide product training • Analyze big data from testing[2]	Number of hematology tests 3.32 billion	Medical checkups, basic testing
	Improve medical and laboratory productivity  • Improve management efficiency by increasing laboratory productivity • Speeding up testing and diagnosis • Realizing medical care that addresses drug-resistant bacteria Developed countries: ★★★ Emerging markets: ★★★	Vacancy rate for clinical laboratory technologists in hematology/hemostasis (United States, 2022) 16.6%	**[Hematology, hemostasis, urinalysis (including testing for drug resistance), immunochemistry]** • Automation of the testing system and its pre- and post-processes • Offer new systems to reduce the workload of laboratory technologists, such as concentrated reagents • Promote online product training • Utilize AI for advanced and efficient testing (disease risk diagnosis, etc.)[2]	—	
	Advancing testing that eases the burden on patients  • Realize appropriate diagnosis, treatment, and drug administration • Promote personalized medicine Developed countries: ★★★ Emerging markets: ★★	Number of dementia patients globally (2021) Approximately 55 million Worldwide economic losses due to dementia (2021) Approximately $1.3 trillion Global number of new cancer cases (2022)[3] Approximately 20 million	**[Hematology, hemostasis, urinalysis, immunochemistry, gene testing]** • Develop new testing and diagnostic systems utilizing open innovation ◎ Alzheimer's disease testing ◎ Cancer gene detection technology, etc.	Number of cancer genomics analyses performed 1,800	Detailed follow-ups
	Promoting advanced medical technologies that enable faster recovery  • Enhance and improve efficiency of robotic-assisted surgery system • Improve treatment and cure rates through the realization of regenerative and cellular medicine Developed countries: ★★★ Emerging markets: ★	Reduction in hospital stay from robotic-assisted surgery for prostate cancer (vs. open surgery) in Japan 3.2 days	**[Medical robotics business, regenerative and cellular medicine domain]** • Expand services and support cultivated in the field of IVD into the operating room[2] • Establish production and quality control technologies for regenerative and cellular medicine[2]	Surgeries performed using surgical support robots 5,209	Treatment/ surgery
	Manage prevention and prognosis  • Strengthen response to public health • Decentralize and optimize medical functions Developed countries: ★★★ Emerging markets: ★★	To be considered based on future business development	**[Gene testing, new businesses]** • AI-driven systems for prevention and prognostic monitoring (e.g., in public health)[2] • Mechanisms to support individual behavioral change[2] • A mechanism for the efficient centralized management of various medical data	—	Prevention/ efficacy evaluation/ prognosis

★: Strength of need in next five years

1 Source: See pages 7–10.
2 Technologies/products under development
3 Source: International Agency for Research on Cancer (IARC) "GLOBOCAN 2022"

(Results for fiscal 2024)