Mid-Term Management Plan and Initiatives

In May 2023, we unveiled the Long-Term Corporate Strategy 2033. To realize this strategy, we have formulated and are proceeding in accordance with a mid-term management plan that concludes in fiscal 2025.

Management Plans to Date

Starting with the mid-term management plan launched in fiscal 2017, Sysmex set out to return to a growth trajectory by focusing on the introduction of new products, strengthening its foundation in emerging markets, launching new businesses centered on the robotic-assisted surgery system, and promoting DX. We continued and accelerated these initiatives under subsequent mid-term management plans.

Under the previous mid-term management plan, which began in fiscal 2021, we strengthened our efforts in sustainability management in addition to launching new products such as Alzheimer's disease tests and reinforcing our foundation in emerging markets. We set targets of ¥420.0 billion in net sales and ¥80.0 billion in operating profit for fiscal 2023. Through our efforts, we met the sales target, driven by growth in overseas regions. While operating profit fell short of the planned figure due in part to the impact of inflation, we still achieved record-high levels of net sales and profit.

To date, Sysmex has adopted a "rolling system," reviewing its three-year mid-term management plan every two years. However, in fiscal 2025, we shifted to a "three-year fixed system." This change aims to clarify progress toward targets, enhance the effectiveness of our strategies, and facilitate smoother dialogue with stakeholders.

2017 — 2018 — 2019 — 2020 — 2021 — 2022 — 2023 (Fiscal year)

Mid-Term Management Plan (2017—2019)

Theme
- Returning to a growth trajectory

Results
- Launched new products (hemostasis, life science: gene panel testing, etc.)
- Expanded our direct sales area (Egypt, India)
- Established a bio-reagent center

Issues
- Optimization of product life cycles
- Developing of professional human resources from a medium- to long-term perspective
- Reforming our business processes through DX

Mid-Term Management Plan (2019—2021)

Theme
- Enhancing our competitive advantage and expanding our business portfolio
- Reforming the Group's human resource management

Results
- Launched new products (hematology: high-end, low-end, and tests related to COVID-19)
- Sold robotic-assisted surgery system
- Introduced job-based HR management

Issues
- Business structure reform (increase sales ratios of non-hematology fields)
- Further growth in emerging markets
- Identification and practice of materiality

Mid-Term Management Plan (2021—2023)

Theme
- Sustaining the expansion of our corporate scale and developing new businesses
- Improving sustainability management and further promoting DX

Results
- Launched new products (immunochemistry: expanded reagent parameters such as for testing for Alzheimer's disease, etc.)
- Reinforced our business in emerging markets, such as Brazil and Saudi Arabia
- Declared our intention to achieve carbon neutrality
- Transitioned to global core systems

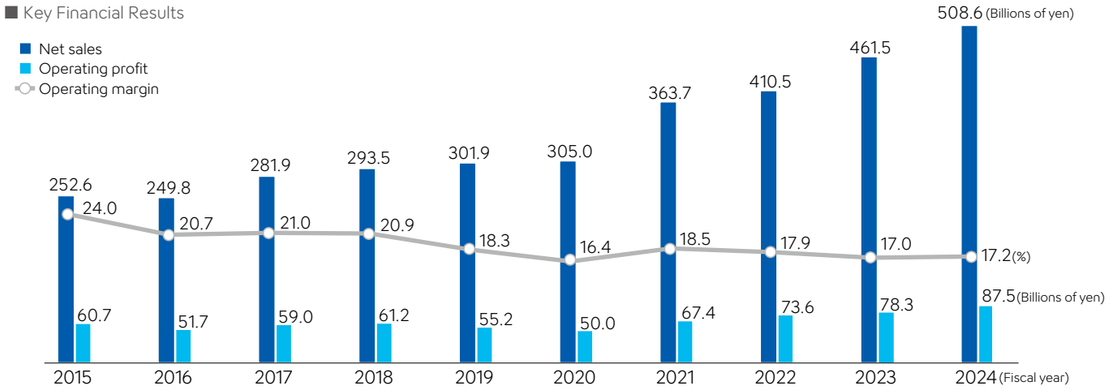
Issues
- Increased competitiveness and market expansion in the diagnostics business
- Acceleration of business growth in new domains
- Promotion of sustainability management and human capital management

Current mid-term management plan (2023—2025)

Overview provided in the following pages

Discontinued the rolling format

■ Key Financial Results



Overview of the Mid-Term Management Plan

Background to Formulation of the Mid-Term Management Plan

Long-Term Corporate Strategy 2033 (VA33)

- Achieving a better healthcare journey
- Practicing sustainability management (coexistence with the environment and society)

Recognition of the Environment

- Increasingly sophisticated medicine (expansion of personalized medicine through genetic testing, etc.)
- Decentralization of medical functions
- Accelerating digitalization
- Manifestation of geopolitical risks
- Shift toward a recycling-oriented society

Issues under the Previous Mid-Term Management Plan

- Expansion of product portfolio to enhance competitiveness
- Promotion of strategies focused on emerging markets
- Early commercialization of new business domains
- Development of a more viable management structure
- Further promotion of environmental preservation

Mid-Term Management Plan (Fiscal 2023–2025)

Implementation of a transformation scenario to achieve growth through innovation and strengthen the corporate foundation to realize the long-term vision

Three Growth Strategies

1 Reinforcement of existing businesses (P51)
2 Business expansion in emerging markets (P54)
3 Expansion of new businesses (P56)

Reinforce the management base (management resources)

- Strengthen R&D capabilities (P57)
- Step up intellectual property activities (P59)
- Use DX to achieve further growth (P60)
- Expansion of procurement, production and distribution structures (P61)
- Strengthening sales, service and support, and regulatory affairs system (P62)
- Realize a circular value chain (P63)
- Enhance human capital (P65)

Group Key Actions (GKA) 1 — 7

Positioning of the Mid-Term Management Plan

In April 2023, Sysmex began following a mid-term management plan (fiscal 2023–fiscal 2025). This is our first three-year plan targeting the realization of Long-Term Corporate Strategy 2033 (VA33) and is positioned as an important turning point in Sysmex's evolution. In formulating the plan, we examined changes in the social environment and issues that existed under the previous mid-term management plan, in order to realize a better healthcare journey and practice sustainability management as stated in our long-term vision. On this basis, we have established six Group Key Actions (GKA) based on our core strategy. Furthermore, to ensure the complete achievement of our goals, we reviewed our management plan and, aiming to capture new opportunities, added GKA7, "Drive corporate and social transformation through DX," in fiscal 2025. By implementing these key actions, we will promote our three growth strategies and strengthen our corporate foundation to support sustainable growth.

In fiscal 2024, which marked the second year of both the long-term corporate strategy and the mid-term management plan, we made steady progress, with a focus on the three growth strategies. While net sales, operating profit, and profit attributable to owners of the parent fell short of our planned amounts due to the impact of inflation and goodwill impairment, we still achieved record highs for each of these indicators.

Long-Term Corporate Strategy Core Strategy

- Businesses and Technologies
- Eco-social
- Human Capital
- Corporate Management

Group Key Actions (GKA) under the Mid-Term Management Plan

1 Enhance competitiveness and expand markets through innovation in diagnostics business domain

Achieve sustainable growth in the diagnostics business, which is a pillar of profitability and growth under this plan

- Hematology: Accelerate global development and launch of new products
- Hemostasis: Establish and commence systems for direct sales, service and support in Europe and the United States
- Immunochemistry: Expand the reagent portfolio and roll out Alzheimer's disease testing in the United States and Europe
- In emerging markets, provide products and services that contribute to improvements in accessibility to healthcare

2 Accelerate commercialization centered on genetic testing in the domain of personalized medicine

Establish business for next-generation medical care by expanding and utilizing gene panel testing, liquid biopsy technology, etc.

- Develop new parameters using liquid biopsy technology (cells, proteins, genes)
- Create new diagnostic value by combining testing technologies through alliances
- Accelerate the introduction into the Chinese market of products using the OSNA method

3 Create a new business model in the domains of prevention and self-medication

Make contributions in new areas in light of the decentralization of medical functions and increasing awareness toward disease prevention among individuals

- Promote the global development of rapid drug susceptibility testing
- Develop primary care testing systems for home and clinical use
- Create new solutions using test data

4 Accelerate business growth in the therapeutic domain, centered on the medical robotics business

Accelerate the introduction of the robotic-assisted surgery system in the domestic market and promote its global development Create regenerative medicine products; automate and digitalize cell production and quality testing

5 Realize a circular resource value chain and transform with a view to solving social issues

Promote environmentally friendly design to realize a circular value chain

- Step up efforts to reduce product waste, including through promotion of recycling
- Strengthen efforts to reduce GHG emissions and elicit cooperation from suppliers

6 Enhance corporate value by strengthening human capital and management base

Expand the Group's human resources portfolio based on the long-term corporate strategy

- Attract, cultivate, and deploy highly skilled professionals and other human resources
- Develop next-generation leaders for key global positions
- Strengthen DE&I initiatives through flexible work styles

7 Drive corporate and social transformation through DX

(added in April 2025)

Improve internal business processes and productivity through DX, and conduct proprietary AI development for disease management and laboratory support aimed at realizing medical DX

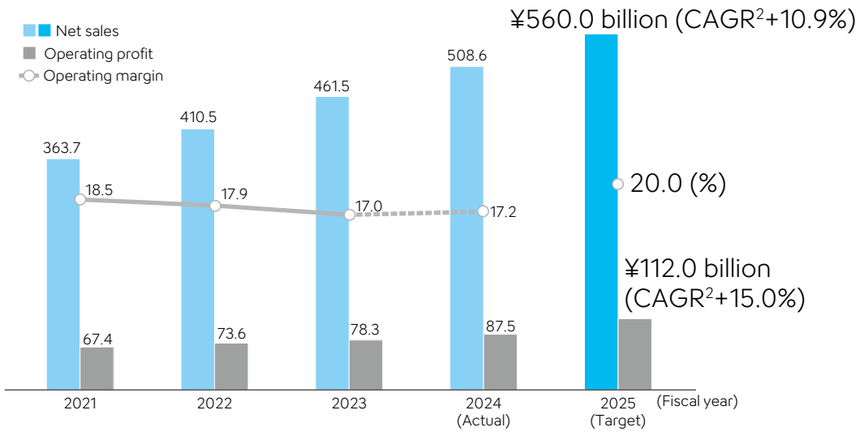
Mid-Term Management Plan Targets

Main Financial and Non-Financial Targets

Fiscal 2025 (target) figures are as of our May 2023 announcement. (For the most recent forecasts, see P78 and our website.)

	Fiscal 2023 (Actual)	Fiscal 2024 (Actual)	Fiscal 2025 (Target)	Fiscal 2033 (Target)
Net sales	¥461.5 billion	¥508.6 billion	¥560.0 billion	¥1 trillion or more
Operating profit	¥78.3 billion	¥87.5 billion	¥112.0 billion	
Operating margin	17.0%	17.2%	20.0%	20% or more
ROE	12.1%	12.0%	16.0%	
Free cash flow	¥8.9 billion	¥35.7 billion	¥46.0 billion	
Product losses (percentage of unused product waste)[1]	—	—	0.18%	0.1% or less
Switch to recycled or environmentally conscious materials (rate of use in containers and packaging materials)	—	—	60%	100%

1 Cost of unused Sysmex products discarded as waste/net sales



Sales Targets by Business and Field

(Billions of yen)

	Fiscal 2023 (Actual)	Fiscal 2024 (Actual)	Fiscal 2025 (Target)	CAGR² (%)
Hematology	274.9	303.2	297.0	7.2
Urinalysis	39.0	40.8	43.0	8.1
Hemostasis	72.9	82.3	93.0	11.6
Immunochemistry	23.6	25.8	40.0	19.3
Clinical chemistry	3.3	3.6	5.0	13.4
FCM	3.3	3.6	7.0	45.7
Life science	20.5	21.3	31.0	15.9
Others	20.0	22.4	17.0	—
Diagnostics business	457.7	503.2	533.0	9.3
Medical robotics business	3.7	5.3	27.0	126.2
Total	461.5	508.6	560.0	10.9

Sales Target by Destination

(Billions of yen)

	Fiscal 2023 (Actual)	Fiscal 2024 (Actual)	Fiscal 2025 (Target)	CAGR² (%)
Japan	62.1	67.7	90.0	14.6
Americas	118.7	131.1	140.0	9.7
EMEA[3]	125.3	140.3	140.0	7.9
China	109.9	117.9	130.0	10.3
Asia Pacific[3]	45.2	51.3	60.0	18.0

Actual exchange rates in fiscal 2024: USD1 = JPY152.6, EUR1 = JPY163.8, CNY1 = JPY21.1
Forecast exchange rates for fiscal 2025: USD1 = JPY142.0, EUR1 = JPY160.0, CNY1 = JPY19.5
Forecast exchange rates for the mid-term management plan: USD1 = JPY133.0, EUR1 = JPY143.0, CNY1 = JPY19.2

2 CAGR from fiscal 2022 to 2025
3 Sales in Russia have been moved from EMEA to Asia Pacific.

Capital Policies (Three-Year Total)

	Past three years (Fiscal 2020–2022)	Three years of the mid-term management plan[1] (Fiscal 2023–2025)
Cash flow generation (Operating cash flow)	¥184.4 billion	¥280.0 billion or more
Investment in facilities and businesses (Investing cash flow)	¥115.9 billion	¥170.0 billion or more • Developments/facilities in emerging markets (such as India) • Promotion of digitalization • Expeditious M&A
Shareholder returns	¥46.8 billion	• Payout ratio of 30% or more • Steady dividend increases backed by rising performance
R&D expenses	¥80.3 billion	¥125.0 billion • Development of next-generation instruments and reagents • Development of technologies for new domains
Capital efficiency[2] (ROE)	12.4%	16.0%

1 As of May 2023 announcement 2 Final fiscal year

Main Sustainability Targets

Materiality	Main sustainability targets	Fiscal 2024 (Actual)	Fiscal 2025 (Target)	Related pages
● Creating new value for a healthy society	• Number of hematology tests	3,322 million	— [1]	>>Reinforcement of Existing Businesses P51
	• Number of cases with surgical robot systems	5,209	— [1]	>>Expansion of New Businesses P56
	• Sales in emerging markets and developing countries	¥179.5 billion	— [1]	>>Business Expansion in Emerging Markets P54
● Providing responsible products, services, and solutions	• Number of recalls[2]	6	— [1]	>>Reinforce the Management Base Production P61
	• CSR survey response rate (primary suppliers in Japan and overseas)	95%	90%	
● Creating an attractive workplace	• Engagement score	76%	75%	>>Reinforce the Management Base Human Capital P65
	• Turnover ratio	8.0%	10% or less	
	• Female managers ratio	18.7%	20% or more	
	• Value-added productivity (Group)	¥21.44 million	¥22.50 million	
● Reducing environmental burden	• Zero product loss	0.40%	0.18%	>>Reinforce the Management Base Eco-social P63
	• Recycling of containers and packing and utilization of environment compliance materials	62%	60%	
	• Reduction of greenhouse gas emissions (Scope 3)	1% reduction	10% reduction	
	• Reduction of greenhouse gas emissions (Scope 1, 2)[3]	33% reduction	40% reduction	
● Strengthening Governance	• Number of internal reports	17	— [1]	>>Corporate Governance P79
	• Number of unethical incidents	19	— [1]	>>Risk Management P89

1 Set as a monitoring index; no target value has been set. 2 Target: Sysmex Group in Japan 3 Base year: fiscal 2022 >>Status of Sustainability Targets P103

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 >>P45
		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	• Increase number of testing parameters • Acquire and commercialize new technologies • Expand new businesses	• Market share in each field • Number of hematology tests • Number of cases with surgical robot systems	• Number of unique testing parameters developed • Number of cancer genomes analyzed	• Number of patents/number of new patents • Number of conference presentations and papers published	1 2 3 4 7
	Improvement in accessibility to healthcare					• Expand geographic coverage • Increase number of primary care products	• 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	• Number of primary care products deployed • Sales of rapid antimicrobial susceptibility testing systems and regions where introduced		1 3 7
Providing responsible products, services, and solutions	Pursuit of quality and trust					• Improve customer satisfaction • Maintain world-class quality	• Number of recalls	• NPS® (Net Promoter Score)[2] • VOC (Voice of Customer) items collected • Queries to the customer service center		1 2 3 4 7
	Strengthening supply chain management					• Ensure stable supplies • Pursue quality throughout the supply chain	• Deficiency ratio • Lead times		• CSR survey response rate	1 2 3 4
Reducing environmental impacts	Resource circulation in the product life cycle				Eco-social	• 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		• Zero product losses • Recycling of containers and packing and utilization of environment compliance materials • Reduced use of animal-derived raw materials	• Reduction of packaging and labeling materials • Recycling rate • Reduction of total waste	5
	Reduction in environmental burden through business activities					• Reduce GHG emissions, expand the use of renewable energy • Decrease water consumption		• Ratio of renewable energy • Reduction of GHG emissions (Scopes 1, 2, 3) • Reduction of water consumption (major reagent factories)	• Reduction of using energy per employee	5
Creating an attractive workplace	Increasing engagement				Human capital	• Share vision and strategy • Enhance dialogue	• Engagement score • Ratio of favorable responses to the “Sysmex Way”	• Turnover ratio		6
	Promotion of DE&I					• Foster corporate culture		• Female managers ratio	• Percentage of women at each level • Percentage reporting a favorable impression of “well-being”	6
	Development of human resources					• Increase investment in human capital • Strengthen human resource portfolio management	• Personnel plan and number of employees • Personnel expenses	• Training time per employee • Human resource development investment • Value-added productivity • Succession plan effectiveness and coverage rate		6 7
	Promotion of health and occupational safety					• Improve the work environment		• Total annual working hours	• Lost-term injuries frequency rate/ lost work days rate	6
Strengthening Governance	Corporate governance				Corporate management	• Enhance effectiveness of the Managing Board • Increase capital efficiency • Engage in dialogue with capital markets • Augment brand recognition	• ROE • ROIC	• Effectiveness of the Managing Board • ESG rating • Voting approval rate		5
	Compliance Risk management Respect for human rights					• Reinforce the management structure • Accelerate DX	• Number of information security trainees	• Percentage of women and non-Japanese nationals in management • Number of internal reports		5 7

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.

Three Growth Strategies

In our mid-term management plan, we are focusing on three growth strategies. First, we will reinforce our existing businesses by accelerating growth in the hemostasis and immunochemistry fields, in addition to the hematology and urinalysis fields, where we have expanded globally. We will also aim to further monetize the life science field. Second, under business expansion in emerging markets, we will actively seek to capture healthcare demand in rapidly growing regions such as India, Central and South America, and the Middle East and Africa. Third, for expansion of new businesses we are actively pursuing opportunities in new medical fields, primarily in developed countries.

■ Rollout of Growth Strategies for Each Region
(During the Period of the Mid-Term Management Plan)

	Americas	EMEA	China	AP	Japan
1 Reinforcement of Existing Businesses	● Start of direct sales in the hemostasis and immunochemistry fields	●	●	●	●
2 Business Expansion in Emerging Markets	● Growth in Brazil, the Middle East and Africa, India, and other locations	●	—	●	—
3 Expansion of New Businesses	—	● Expansion of the medical robotics business	—	●	●

● Existing growth drivers ● New Growth Drivers

1 Reinforcement of Existing Businesses

Maintain an overwhelming presence in the hematology field and further cultivate the market Group Key Action 1

- **Developed markets: Strengthening our competitive advantage by expanding our product portfolio to enable automation of testing**
- **Emerging markets: Contributing to the development of healthcare infrastructure and increasing market share in high-end markets by expanding direct sales coverage**

Sysmex achieved the No. 1 global share in the hematology field in 2006 and currently holds a share of approximately 55%, with aspirations to expand further. In fiscal 2024, approximately 3.3 billion samples were measured globally, supporting people's health around the world at the entry point to testing.

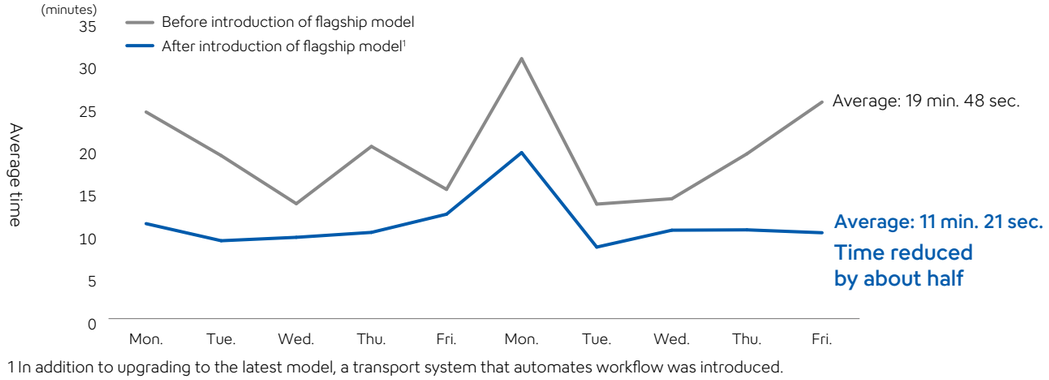
In developed countries, controlling healthcare costs and addressing workforce shortages have become social issues, driving demand for system products that automate testing processes and improve laboratory productivity. >>Touch-free concept P58

Sysmex is rolling out flagship models globally that deliver on these needs, and will begin sales in the Americas in fiscal 2025, and then complete their market introduction in all regions. These latest models improve processing capacity and, with peripheral devices that enable further automation, help reduce sample processing time in medical settings. >>Flagship models P108

Meanwhile, in emerging markets, Sysmex has entered these markets in the early stages of healthcare infrastructure development by offering compact instruments. By promoting testing automation, the Company addresses issues such as quality assurance and staff shortages, while providing operator training and academic support. These efforts contribute to medical advancement and help solidify Sysmex's brand strength. Furthermore, by steadily expanding direct sales areas, we are accelerating our market share growth in higher-end markets.

Additionally, Sysmex is strengthening its efforts in the clinical FCM field, leveraging technologies and expertise cultivated in hematology. Along with new product launches and an expanded regional rollout, we aim to expand into the diagnostics field through unique solutions that integrate with the hematology domain.

■ Average Time Required from Sample Arrival to Completion of Testing (Example Showing Upgrade from Previous Model)



1 In addition to upgrading to the latest model, a transport system that automates workflow was introduced.
Source: *THE MEDICAL & TEST JOURNAL*, No. 1609

Expansion of direct sales, services and support in hemostasis in Europe and North America Group Key Action 1

- **Expanding market share in Europe and North America by leveraging our strengths in the hematology field**
- **In addition to instruments, improving profitability through the addition of reagent sales**

Since 1995, Sysmex has maintained a strategic alliance with Siemens Healthineers, and together we have achieved the No. 1 global share in the hemostasis field. To date, our companies have divided up sales territories, but following the renewal of the alliance in 2023, we revised our territorial allocations were revised. Each company now supplies instruments and reagents to the other, and we are both expanding globally under our own brand names.

As a result, from April 2024, Sysmex's sales territory expanded to include markets such as Europe and the United States, effectively doubling the target market size.

Furthermore, with the ability to sell high-margin reagents in addition to instruments, profitability is expected to improve. Going forward, we plan to develop and launch our own liquid reagents, which are in high demand among users.

Customers in the hemostasis field overlap with those in hematology, where Sysmex holds the top global share. Synergies are expected through the shared use of sales personnel, sales channels to medical institutions, and service networks. By leveraging the strong brand established in hematology, Sysmex will promote the adoption of hemostasis and globally roll out integrated systems across both fields.

In fiscal 2024, the first year of direct sales, deployment progressed mainly in Germany within the EMEA region, and we won a large tender in Denmark, demonstrating smooth expansion. In the United States, FDA approval for the latest instruments and core reagents is scheduled for June 2025, and early market entry is underway. Looking ahead to fiscal 2033, Sysmex is working toward sales of ¥200 billion and a 35% global market share on a non-consolidated basis.

■ Integrated System for Hemostasis and Hematology

- **A single laboratory technologist can operate products in multiple fields with greater ease and manage test results more efficiently, improving laboratory workflow**
- **Comprehensive support for issues such as malfunctions, maintenance, and scientific support**

Daria Dzharageti
Director
Haemostasis Business Line
Sysmex Europe SE

Employee insights Wide Open Doors: Promising Expansion in Hemostasis Business

Sysmex's entry into the hemostasis field was major positive news for our existing customers. Overseeing this business in the EMEA region, I strongly feel that the trust we've built through our robust solutions and outstanding customer service in the hematology field is providing a solid foundation for our expansion into this new area. In fact, many customers have expressed their strong willingness to choose Sysmex as a partner in the hemostasis field, as well. Of course, switching to new hemostasis systems involves complex validation processes. However, our dedicated expert teams provide careful, hands-on support on-site, ensuring a smooth transition. Moving forward, we will continue working to deliver optimal products and services so that more patients can access the highest quality medical care.

Expansion of test parameters in the immunochemistry field and the start of a full-scale global rollout Group Key Action 1

- **Developing unique test parameters and expanding our product lineup to cover a wider range of diseases.**
- **Using Alzheimer's disease testing as a door opener to enter the European and U.S. immunochemistry markets.**

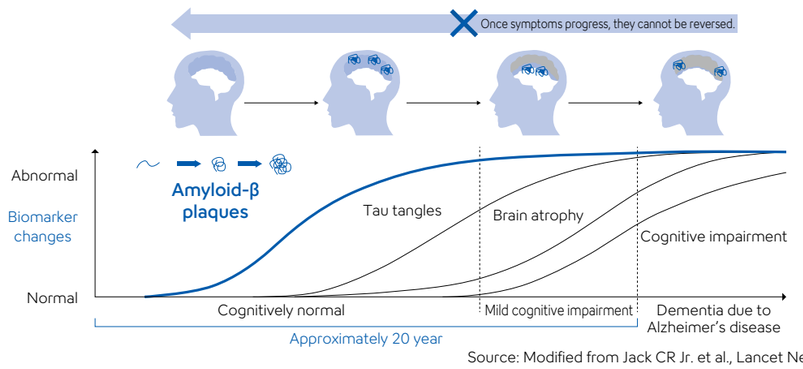
Immunochemistry is the largest segment of the IVD market. Sysmex has been working to develop unique test parameters using a platform as its proprietary instruments that enable highly sensitive, rapid testing. For example, in addition to parameters for testing liver fibrosis and atopic dermatitis, we succeeded in developing a reagent that measures the accumulation of amyloid-β in the brain—believed to be a causative factor of Alzheimer's disease—from a small blood sample. Because this test can be performed more easily than conventional methods such as PET scans, it helps reduce the burden on patients and is also expected to be used in evaluating the efficacy of pharmaceuticals.

There are multiple biomarkers associated with Alzheimer's disease, but of these amyloid-β is said to be the earliest detectable indicator in the disease's progression. Currently, clinical research is underway on the efficacy of early-stage treatment drugs, and the importance of this test for early detection is expected to continue growing. This reagent for detecting amyloid-β accumulation was launched in Japan in June 2023 and has already entered markets such as the United States (as an LDT), Europe, and China (Hong Kong). It is receiving high praise as a reagent with excellent sensitivity and specificity. Moving forward, we aim to obtain FDA approval in the United States and will use the product as a door opener for expansion into the European and U.S.

>>Progress on the development of related reagents P58

We are also focusing on expanding immunochemistry test parameters to meet regional needs. In China in particular, through development at our Wuxi Factory and joint development with local companies, we have more than tripled the number of parameters over the past five years. During the current medium-term management plan, we aim to increase the total number of parameters to 70.

■ Progression of Alzheimer's Disease and Accumulation of Proteins in the Brain



Source: Modified from Jack CR Jr. et al., Lancet Neurol., 9, 119-128 (2010)

Expansion and strengthening of profitability in the life science domain Group Key Actions 2 3

- **Improving profitability through the global rollout of a lymph node metastasis diagnostic system and PCR testing products**
- **Expanding the genetic testing business leveraging global alliances**

With the aim of securing its next growth driver, Sysmex entered the life sciences domain in 2000, focusing primarily on cancer gene testing. Since then, we have acquired a broad range of technologies. To enhance precision in personalized medicine, we have developed products such as a system for diagnosing cancer lymph node metastasis using the OSNA™ method and PCR testing products, and we are now accelerating their global rollout.

In fiscal 2024, we began revisiting our business structure and organizing our research themes to improve profitability. As part of these efforts, we began restructuring our lab assay business—which handles testing services using samples from medical institutions—and decided to close the U.S. office of our Group company, Sysmex Inostics, thereby eliminating deficits and improving profitability.

Going forward, we will strive to expand the life science domain and enhance profitability by accelerating our product rollout through global alliances and by rebuilding our product portfolio.

2 Business Expansion in Emerging Markets

Efforts to expand business in emerging markets Group Key Action 1

- **Promoting the development of compact instruments tailored to emerging markets and strengthening local production capabilities.**
- **Enhancing sales, service and support systems, including the establishment of product training centers.**

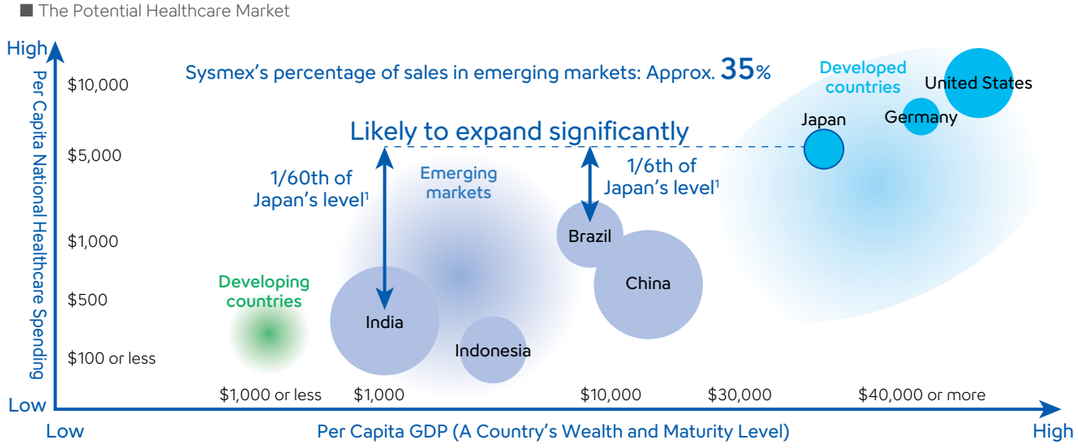
In some emerging markets, healthcare systems and medical infrastructures remain underdeveloped, and improving healthcare access remains a challenge. For example, compared to Japan's level, per capita healthcare expenditure is about one-sixth in Brazil and about one-sixtieth in India. Meanwhile, these countries have large and still-growing populations. Once a certain level of healthcare infrastructure is in place, the number of laboratory tests tends to increase in proportion to population size, suggesting enormous market growth potential.

Sysmex has entered these markets from the early stages of healthcare system development through fundamental testing in the hematology field. Beyond supplying products, we collaborate with public institutions to provide healthcare worker training and scientific information, contributing to medical infrastructure and quality. In China, where healthcare infrastructure has expanded rapidly, Sysmex established local offices in the 1990s and has provided broad support, including the development of emerging market-specific models and donating national standard instruments[1] in hematology. We have also reinforced our sales and service networks, expanded R&D and production bases, and responded to policies favoring local products, thereby building a strong brand presence. As markets have expanded, we have captured upgrade demand and expanded into other areas such as hemostasis and immunochemistry, boosting sales.

In fiscal 2024, our sales in emerging markets and developing countries totaled about ¥180 billion, accounting for roughly 35% of net sales. The current mid-term management plan positions India as a key market, and to strengthen our business foundation in Africa, we have established a local subsidiary in Kenya and are advancing preparations for operations in developing countries.

1 Instruments used to determine national standard values in hematology (e.g., red and white blood cell counts)

■ The Potential Healthcare Market



1 Ratio of national health care expenditures per capita Note: Sizes of circles indicate population levels.

Bongi Mageushe
Managing Director
Sysmex Southern & East Africa

Employee insights Expanding Diagnostic Solutions Rooted in East Africa

The Kenyan market continues to grow, against a backdrop of rising healthcare demand, but still faces challenges such as underdeveloped infrastructure and unequal access to healthcare services. In response to these realities, Sysmex is working in close collaboration with healthcare institutions across East Africa, combining deep insight into local healthcare conditions with advanced technology to deliver tailored solutions—such as improved turnaround times—that meet the specific needs of medical institutions.

The establishment of a local entity in Kenya reflects Sysmex's strong commitment to delivering better healthcare to both local communities and our customers. As managing director, I am determined to go beyond simply providing diagnostic instruments. Our mission is to contribute to the enhancement of diagnostic capabilities at every level of care throughout East Africa—by supporting equitable and sustainable healthcare services and delivering technical and educational customer support grounded in deep expertise.

<<CLOSE UP>>

Business Development in the Vast Indian Market

India, with a world-leading population of 1.4 billion, is expected to see continued market growth, driven by the expansion of private capital in the healthcare domain and government-led initiatives such as "Modicare." Sysmex entered the Indian market early, signing a distributorship agreement with a local company in 1993 and launching local reagent production in 2007. Since then, we have steadily enhanced our brand presence, particularly in the hematology domain.

Previously, we mainly conducted indirect sales via distributors and targeted the mid- and low-end markets, but to increase our share in the upper-end market—which includes university hospitals and private hospital groups where Sysmex excels—we transitioned to a direct sales structure for all business fields in 2019.

In the mid-range and low-end markets, although we have sufficient coverage in major metropolitan areas, there is still room to improve our market share in regional areas. To address this, we are strengthening recruitment and training of sales and service personnel. In addition, we are expanding our opportunities in public procurement projects by producing compact models locally in response to the government's "Make in India" policy[1].

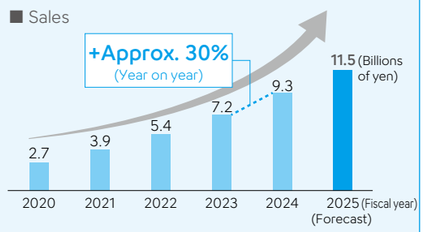
Sales in India grew by nearly 30% year on year in fiscal 2024, and in fiscal 2025, we plan to achieve further growth and achieve sales of more than ¥10 billion. We will continue to make proactive investments, including by developing products and services tailored specifically for the Indian market.

1 "Make in India" policy: An economic policy introduced by the Indian government in 2014 to promote in-country manufacturing. It includes measures such as increased tariffs on certain imported products to encourage domestic production.

■ Business Development in India

1993	Signed distributorship agreement Expanded sales and service network
1998	Established joint venture in Mumbai (now Sysmex India Pvt. Ltd.)
2007	Established reagent production plant in Baddi
2008	Converted Sysmex India Pvt. Ltd. to a wholly owned subsidiary
2012	Commenced direct sales in the urinalysis field
2014	Began direct sales in the hemostasis and clinical chemistry fields
2019	Launched direct sales in hematology
2019	Established training center in Mumbai
2025	Began operations at new production facility

■ Sales

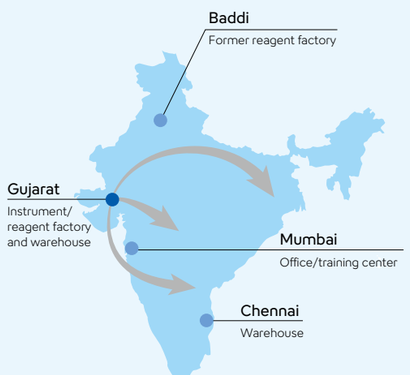


Launch of Make in India Products at New Production Base

In anticipation of growing demand for testing and to proactively respond to the "Make in India" policy, in April 2025 we established the Group's largest overseas production base. The facility integrates instrument and reagent production with warehousing functions, optimizing the supply chain.

In instrument production, we established a local supply chain to procure certain components for compact models. To ensure high quality, we selected local suppliers that meet our quality standards and conducted training for Indian employees in Japan.

Reagent production capacity has been grown to approximately four times that of the existing factory, and the number of supported items has also increased significantly. We also introduced a "zero liquid discharge system" that prevents wastewater from leaving the plant, demonstrating environmental consideration in our production. The new production site can scale to accommodate future expansion in the instrument and reagent lineup and support sustained growth in India.



3 Expansion of New Businesses

Expansion and profitability improvement of the medical robotics business

Group Key Action 4

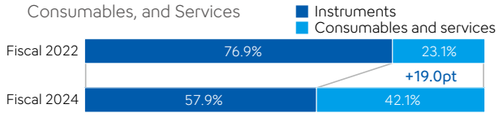
- **Accelerating the introduction of our robotic-assisted surgery system in Japan and preparing for its full-scale deployment overseas.**
- **Stably increasing profitability as the number of cases rises.**

In 2020, Sysmex began the market introduction of a robotic-assisted surgery system in Japan as the exclusive global distributor for Medicaroid Corporation. As of the end of fiscal 2024, we had installed 89 systems in Japan and overseas, generating sales of ¥5 billion.

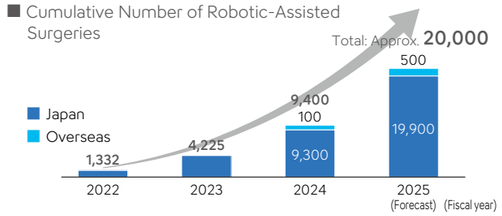
In Japan, installations have expanded beyond core hospitals to include affiliated institutions, and this business has grown to account for more than 10% of domestic sales. Overseas, usage has begun in countries such as Singapore and Malaysia, and we have applied for regulatory approval in the EMEA region, demonstrating progress in global business development. In remote robotic surgery, following successful trials between Singapore and Japan, we also succeeded in a demonstration between France and Japan in 2025. We believe social implementation will soon follow, helping to improve global access to medical care.

The business is reaching a turning point in terms of profitability. With the milestone of 100 installations in Japan approaching, more physicians are obtaining certifications to operate the robots, and the number of procedures is increasing rapidly. As a result, sales from consumables and services—which accounted for about 20% of the medical robotics business several years ago—has now risen to approximately 40%. This has led to a significant improvement in profitability, and in fiscal 2025, Medicaroid Corporation, which handles manufacturing and sales, is expected to become profitable. The business is now entering a phase of stable profit generation.

■ Breakdown of Sales from Instruments, Consumables, and Services



■ Cumulative Number of Robotic-Assisted Surgeries



Regenerative and cellular medicine initiatives

Group Key Action 4

- **Achieving quality control testing and automating manufacturing processes in regenerative and cellular medicine.**
- **Promoting the development of regenerative medicine products through open innovation.**

Regenerative medicine products offer potential solutions for diseases that are difficult to treat with conventional chemically synthesized small-molecule drugs or biopharmaceuticals. Globally, the market is expected to reach a scale of ¥7 trillion by 2040. However, as a new medical technology, regenerative medicine also faces challenges such as safety, cost, and securing specialized personnel. Leveraging our high-sensitivity quality analysis and automation technologies cultivated in the clinical testing field, Sysmex is working to solve these issues by standardizing quality control tests and automating manufacturing processes for regenerative cell-based therapies.

For example, in fiscal 2024, we launched a research-use reagent for protein measurement to enable automation and efficiency improvements in manufacturing process quality control. We are also actively expanding the business through open innovation. In collaboration with Japan Tissue Engineering Co., Ltd., the pioneer that first achieved the development and launch of regenerative medicine products in Japan, and Gaudi Clinical Co., Ltd., which provides comprehensive regenerative medicine support services to healthcare institutions while connecting academia, regional medical institutions, and patients, we are working to create safe and secure treatment opportunities for patients.

■ Progress in Regenerative and Cellular Medicine

Quality control and manufacturing process automation:
- Launched research-use reagents for measuring secreted proteins in cell culture media used in regenerative medicine (June 2024)
- Signed basic agreement with Japan Tissue Engineering for advancing manufacturing capabilities (December 2024)
- Entered into business partnership with Gaudi Clinical on quality control of cell manufacturing (May 2025)

Regenerative medicine products:
- Ongoing physician-led clinical trial for induced regulatory T cell therapy

Strengthening R&D Capabilities

Initiatives to Achieve Growth Strategies

- Promoting further automation based on the touch-free concept
- Accelerating development by strengthening the functions of overseas R&D centers and through open innovation
- Applying know-how to new businesses such as regenerative and cellular medicine

Future Upside
Enhancing added value and profitability by realizing further automation and developing of new testing and diagnostic technologies

Creating High-Value-Added Products and Services through Synergies between Instruments, Reagents, and IT

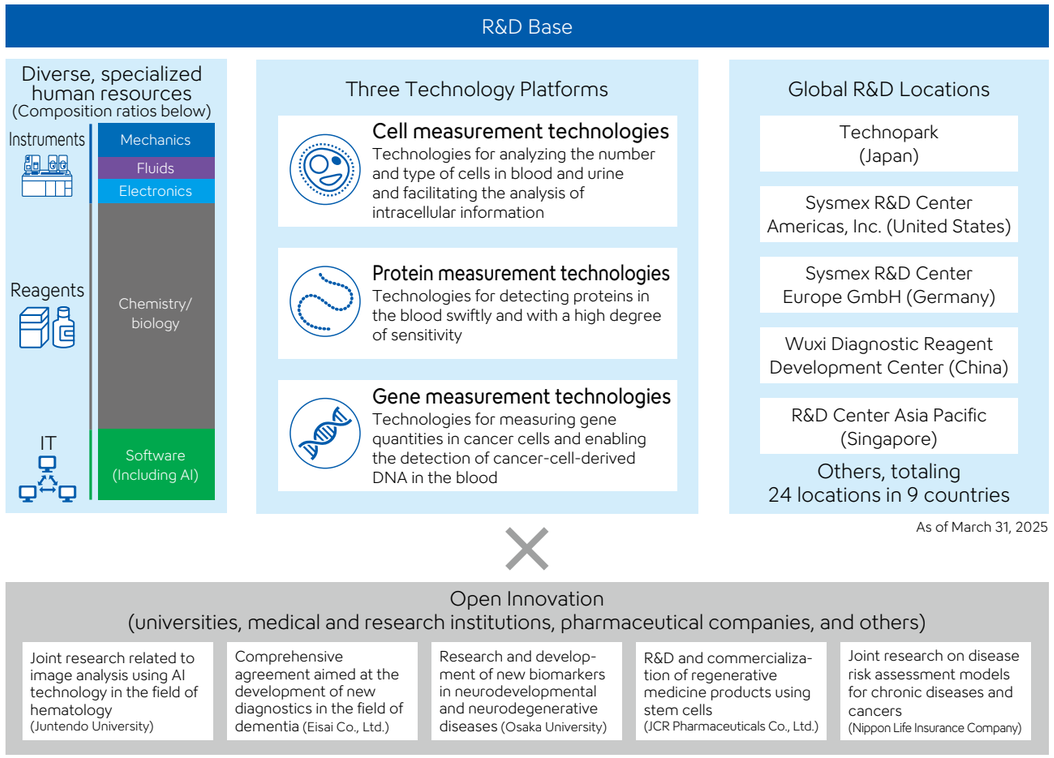
Sysmex develops instruments, reagents, and IT solutions based on its technology platforms for measuring cells, proteins, and genes. The synergy of these technologies enables not only the provision of accurate test data but also stable operation. In addition to creating new testing and diagnostic technologies, we also offer high-value-added products and services that consider factors such as improved usability and reduced environmental impact.

Our R&D framework extends globally, with Japan as the hub. In fiscal 2024, we focused on strengthening the functions of our overseas R&D bases. We reviewed the roles of each location and enhanced product development capabilities to accelerate global development. At the same time, we conducted initiatives to raise clinical awareness in preparation for market launches.

A cadre of personnel well-versed in the diverse technologies and fields supporting these R&D activities is one of Sysmex's strengths, and we are applying this expertise to new businesses such as regenerative and cellular medicine.

Furthermore, in today's rapidly changing healthcare environment, we will swiftly develop high-value-added products by leveraging not only proprietary technologies but also open innovation, M&A, and alliances.

>>Reinforcement of human capital enhancement under the mid-term management plan P65



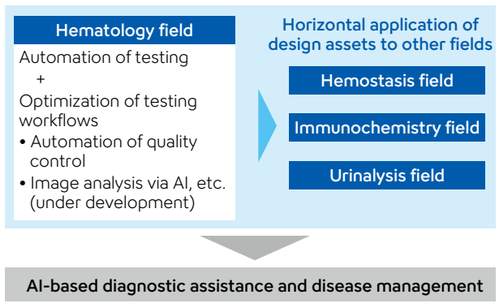
As of March 31, 2025

[Instruments and IT] Realizing the Touch-Free Concept

In instrument development, we advocate the "touch-free concept." Rather than just automating the analyzers themselves, we aim to optimize the entire testing process—moving from "easy-to-operate equipment" to "equipment that requires no operation." For example, our latest model in the hematology field features automation not only of test analysis but also of daily quality control and system startup, improving the efficiency of routine tasks. Realizing this concept contributes not only to improving productivity in labs in advanced countries, where streamlining and labor saving are required, but also to enhancing test quality in emerging markets and remote areas where laboratory technologists are scarce.

Going forward, we will apply this concept to other fields and continue enhancing testing efficiency, such as by automating visual inspection through AI. We also aim to support diagnostic assistance using AI, enable disease management, and integrate and analyze measurement data across fields. In the future, to realize a better healthcare journey, we will work to create products that contribute to prevention and prognosis monitoring by combining global big data with the individual patient's lifestyle and personal data.

■ Expansion of the Touch-Free Concept



[Reagents] Developing Unique Testing Parameters

In reagent development, we are focused on expanding the range of biological reagents used in fields such as hemostasis and immunochemistry, in addition to the chemical reagents used in hematology.

For example, in the field of dementia, where needs are growing due to aging populations, we were the first in the world to develop a reagent to test the blood and measure amyloid-beta accumulation. In the future, as therapeutic drugs become available, it will be necessary to develop biomarkers for identifying disease stages and distinguishing between Alzheimer's, Lewy body, and frontotemporal dementia. Based on this, Sysmex is promoting the development of a multi-biomarker panel including p-Tau, Tau, and NfL.

In addition to developing unique parameters, we aim to improve quality stability and profitability by increasing the proportion of biological reagent materials produced in-house.

■ Biomarkers Developed In-House

Category	Blood biomarker
A: Amyloid accumulation	Aβ42, Aβ40, ApoE gene
T1: Early Tau accumulation	p-Tau217, p-Tau181
T2: Advanced Tau accumulation	MTBR-Tau243, p-Tau205, Tau fragments
N: Neurodegeneration	NfL
I: Inflammation	GFAP
S: Synaptic dysfunction	α-Synuclein

Note: Black text indicates commercialized / Blue text means under development

Chu Anchi
Data Science Center
Technology Innovation Division

Employee insights The Challenge of Next-Generation Healthcare—Creating New AI Solutions

Lifestyle diseases and comorbidities worsen due to improper daily habits. We aim to use AI to identify such health issues early and enable patients to engage more proactively with their care. By combining advanced technologies such as large language models (LLMs) with Sysmex's expertise in testing and diagnostics, we are converting complex medical data into tools for future risk prediction. Through personalized healthcare and lifestyle recommendations, we support healthier and more fulfilling lives. I am responsible for the design and development of disease prediction models using medical data. Together with passionate and talented colleagues, I am working to create clinically useful solutions. I look forward to innovations that expand the potential of healthcare and improve people's lives.

Stepping up Intellectual Property Activities

Initiatives to Achieve Growth Strategies

- Filing strategic patent and maintaining rights
- Promoting patent acquisition in emerging markets to strengthen global foundation

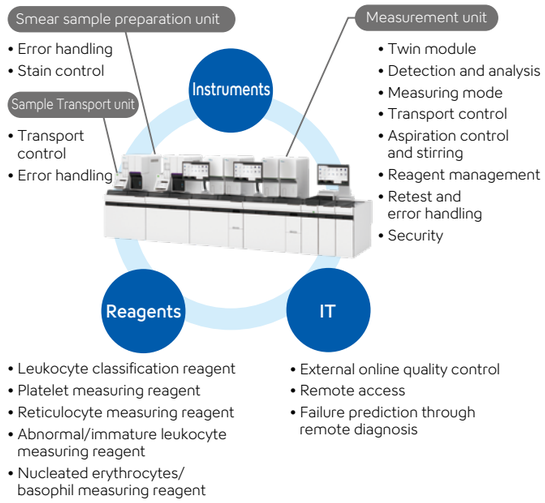
Future Upside
Enhancing competitive advantage by creating and protecting added value for the future

Intellectual Property Activities to Protect Added Value

Sysmex continues to provide high-value-added products and services by leveraging synergies between instruments, reagents, and IT. We strategically promote intellectual property activities to maintain and strengthen these competitive advantages.

For example, our flagship model in the hematology field combines various technologies, including accumulated analysis techniques, automation technology, and user-friendly operability, to provide significant value. Sysmex holds over 900 patents globally to protect its unique value propositions, such as improved productivity.

■ Main Patents Held on Multiparameter Automated Hematology Analyzers



We are also strategically filing patents for future products related to AI technologies for diagnostic support and disease prediction, and for inventions in the dementia field.

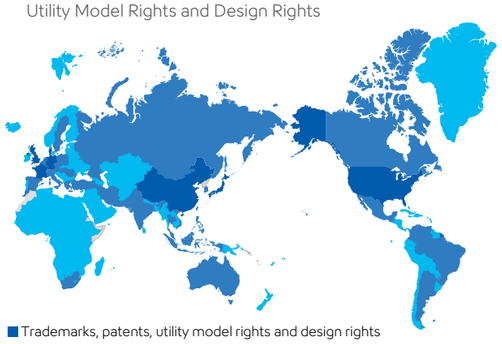
Intellectual Property Activities That Support the Global Business Expansion

Sysmex is actively expanding its global market share and enhancing its presence in emerging markets in the IVD field, with a focus on hematology. In addition to obtaining patents, we are actively promoting the acquisition of trademark rights and design rights to further expand our portfolio.

To protect competitive technologies, we hold patents mainly in Japan, the United States, Europe, and China, based on market size and the state of intellectual property legislation. We are also working to acquire patents in emerging markets to ensure competitive advantage. For instance, patent filings in India have increased by about 30% over the past five years.

We work to secure trademark rights globally, including in emerging and developing markets, to legally protect the Sysmex brand and to prevent damage to health stemming from the distribution of counterfeit products. Specifically, we have applied for trademarks for our corporate brand over 190 countries and regions.

■ Regions Where We Have Filed for Trademarks, Patents, Utility Model Rights and Design Rights



Using DX to Achieve Further Growth

Initiatives to Achieve Growth Strategies

- Standardizing processes and unifying IT solutions globally
- Expanding test support and realizing AI-based diagnostic support

Future Upsides
- Improving productivity and quality through overall optimization
- Strengthening competitive advantage through high-value-added AI solutions

Promotion of Internal DX to Enhance Global Competitiveness

Since the 1990s, Sysmex has been at the forefront of digital transformation, implementing core systems and launching customer-facing network services. In particular, region-specific IT efforts led by regional headquarters have underpinned our global success.

Since 2018, we have worked to share these regional efforts globally and launched reforms of business processes via digitalization to enhance competitiveness. To promote customer-facing DX, we first needed to build a foundation to accumulate and utilize internal data. This led us to prioritize internal DX development, promoting overall optimization through the construction of a globally unified platform. Though it took longer than initially planned due to extensive discussions that included regional leaders outside Japan, we achieved global unification in 2025. With an environment in which even non-IT specialists can develop applications, frontline-led efforts to enhance productivity and utilize AI have progressed. The culture of employees identifying challenges themselves, devising solutions, and executing them is the driving force behind sustainable growth.

Number of participants in internal AI development programs:
Approx. 780
Number of employee-developed applications:
Approx. 180
(As of March 2025)

Customer-Facing DX that Contributes to Solving Medical Challenges

In customer-facing DX, we are promoting improved test quality and operational support, centering on our service platform, Caresphere™. This platform is deeply embedded in lab technicians' workflows and, when combined with high-quality products and global service and support, contributes to a high customer retention rate. Going forward, we will expand into diagnostic support, developing AI algorithms that predict disease based on test data. This will help reduce unnecessary testing and medical costs and lighten the burden on patients.

Thus, DX promotion through a globally unified platform is not only improving internal productivity and customer satisfaction but also creating a culture and new value that will shape Sysmex's future.

Internal application development underway (hackathon)

■ Main Caresphere Services

	Service	Region of Deployment	Features
Improving the efficiency and quality in testing operations	External quality control service	Japan, EMEA, China, AP	Output daily quality control data from analyzers via network, enabling real-time comparison with peer facilities using the same instruments and reagents
	Analyzer management support	Japan, EMEA	View instrument status anytime, anywhere via internet-connected devices (PCs, iPads, etc.)
	Customer e-learning system	All regions	E-learning system to facilitate learning of product features, usage, and daily maintenance anytime, anywhere

Expanding Procurement, Production and Distribution Structures

Initiatives to Achieve Growth Strategies

- Mass producing bio-diagnostic reagents and internalize sourcing of raw materials
- Strengthening overseas production systems, including in India
- Promoting on-site improvement activities

Future Upsides

Increasing sales and profitability through further production reforms and reduced raw material costs

Improvement Activities to Enhance Profitability

Sysmex has established in-house production systems for both instruments and reagents to ensure the stable delivery of high-quality products to customers worldwide. We are also strengthening our production systems in line with our growth strategy, including mass production of bio-diagnostic reagents, in-house sourcing of raw materials, and local production of instruments in certain regions.

In reagent production, on-site KAIZEN activities have contributed to profitability through enhanced supply stability and improved production efficiency. These activities have grown year by year, with approximately 1.3 times more activities recorded globally in fiscal 2024 compared to the previous year, resulting in cost savings equivalent to about ¥1.3 billion. We will continue promoting these activities to drive further cost reductions. Accumulating, sharing, and expanding these initiatives and expertise across production sites fosters a culture of proactive problem-solving and supports sustainable growth.

Training at a reagent production site

Strengthening the Global Production System

For instrument production, a new factory at Sysmex RA began operations in June 2025 to support our main production site, i-Square. By introducing new production technologies such as autonomous mobile robots (AMRs) and vertical automated warehouses, as well as expanding production areas, we have doubled our production capacity. This enhanced production capacity supports products designed under the touch-free concept—critical for optimizing testing workflows—and helps address medical challenges such as rising healthcare costs and labor shortages. >>Flagship model P108

In addition, we have launched operations at our largest overseas production site (for both instruments and reagents) in India. The local sourcing expertise cultivated here will be deployed globally to help address public procurement requirements in China and other countries.

Column: Examples of KAIZEN Activities at Reagent Production Sites in Japan and Overseas

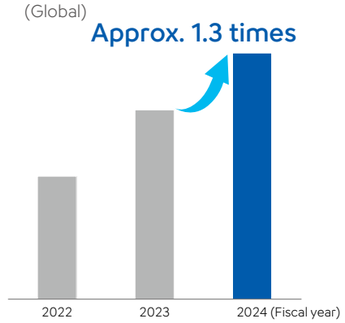
Domestic Reagent Production Sites

- Redesigning transport pallets helped improve the efficiency of international shipment processes, leading to lower logistics costs, reduced lead times, and less physically demanding work.
- We are reviewing reagent production processes to eliminate product loss, reducing unnecessary waste, improving profitability, and lowering environmental impact.

Brazilian Reagent Production Site

- In response to growing market demand and the need to increase production of certain reagents, we implemented process improvements and revised workflows, shortening lead times and improving efficiency.

■ Number of KAIZEN Activity Proposals (Global)



Strengthening Sales, Service and Support, and Regulatory Affairs System

Initiatives to Achieve Growth Strategies

- Promoting direct sales and enhancing sales, service and support functions in each region and domain
- Expanding ICT solution functions using DX
- Strengthening global regulatory affairs structure to enable faster product launches

Future Upsides

- Improving customer satisfaction, increasing sales and profitability

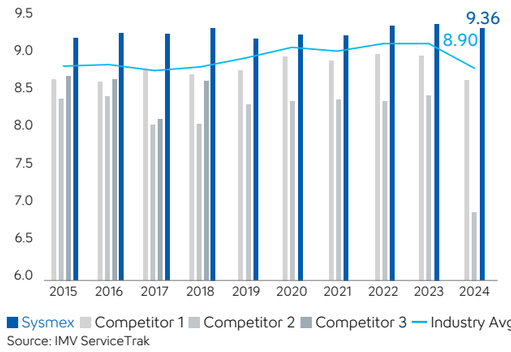
Achieving High Customer Satisfaction and Strengthening Brand Power

Sysmex has a sales, service and support network that covers over 190 countries and regions.

In services and support, we aim to enhance customer satisfaction and retention through both in-person and remote services. Sysmex was an early leader in remote service using digital technologies, enabling preventive maintenance and helping ensure stable instrument operation. These efforts are highly regarded by customers, and in the United States a customer satisfaction survey conducted by a third-party firm has ranked Sysmex No. 1 in hematology service quality for 18 consecutive years. Going forward, we will enhance service and support capabilities in regions and domains where direct sales have been implemented. We will also expand services that help improve lab productivity and quality, such as the ICT solution Caresphere, which offers online training and quality control support.

To accelerate market introduction of new products across businesses and domains, we are building a global regulatory affairs structure. By responding quickly to increasingly stringent and region-specific regulations, we aim to enter markets and establish local production ahead of competitors—further solidifying Sysmex's brand strength.

■ Customer Assessment in the United States (Overall Service Performance)



Source: IMV ServiceTrak

■ Growth Strategies by Region

Region	Direct sales ratio (fiscal 2024)	Future Growth Strategies
Japan	100.0%	• Secure demand for replacements of older models in all domains • Accelerate market introduction of Alzheimer's diagnostic reagents through insurance coverage, and grow immunochemistry through new reagent launches • Promote adoption of robotic-assisted surgery systems at university-affiliated and general hospitals
Americas	77.0%	• Introduce and promote new flagship models in hematology • Expand the hemostasis business via direct sales and high-end product launches • Accelerate Alzheimer's reagent adoption through panelization and regulatory approval
EMEA	79.0%	• Expand business by reinforcing the business base in individual countries and regions, such as by transitioning to direct sales • Increase growth in hemostasis business, which has transitioned to direct sales • Accelerate Alzheimer's reagent adoption through panelization and regulatory approval
China	1.9% (Hong Kong)	• Steadily respond to local procurement policies to expand and promote local production across all business fields. • Strengthen direct approaches in high-end markets to penetrate competitor accounts • Expand the product portfolio to increase sales
AP	47.0%	• Accelerate growth in the Indian market by promoting local production and business strategies • Secure solid market opportunities by developing healthcare infrastructure in line with economic growth in each country • Step up the market introduction of robotic-assisted surgery systems

Realizing a Circular Value Chain (Reduction in Environmental Burden)

Initiatives to Achieve Growth Strategies

- Promoting environmentally friendly design
- Encouraging the recycling of plastic reagent containers and other packaging
- Strengthening efforts to reduce product waste

Future Upsides
Reducing the Environmental Burden and Establishing a Competitive Advantage

Reducing the Environmental Burden and Establishing a Competitive Advantage

Adapting to and mitigating climate change and protecting water resources and biodiversity are major environmental issues that need to be addressed by the entire world. In the healthcare market, there is growing concern regarding increases in medical costs, and pressure on the medical infrastructure due to an expansion of areas where tropical diseases and infectious diseases are endemic as a result of temperature rise, or increases in respiratory diseases are caused by air pollution. Various countries have strengthened their environmental regulations, including in Europe and North America, increasing the focus on environmental sustainability among healthcare facilities and businesses, such as hospitals and commercial labs.

Based on these factors, we believe our efforts in reducing environmental impact will help us earn the trust of all stakeholders and establish a competitive advantage in the market.

Since endorsing the TCFD in 2021, Sysmex has declared its carbon neutrality, established Eco Vision 2033, and obtained SBTi certification. We have identified "reducing environmental impacts" as a material issue and are actively working to reduce the environmental burden throughout the product lifecycle and operations.

In line with the mid-term management plan's eco-social strategy, we are promoting the realization of a circular resource value chain. We will work on green innovation with our customers and suppliers by decreasing environmental impact throughout the entire product lifecycle. We have achieved product miniaturization and space savings through environmentally conscious design. In fiscal 2024, we launched an environmental training program for developers to explore how to incorporate technologies that reduce environmental impact into our own products and thereby enhance our competitive advantage. In addition, we are also working on reagent development that leverages materials science,[1] and are advancing a shift from biologically derived raw materials to production methods that utilize silkworms and cultured cells. These initiatives are enabling significant reductions in CO_2 emissions, water usage, and raw material costs, while also contributing to greater quality stability, which in turn leads to improved customer satisfaction. Furthermore, to reduce Scope 3 GHG emissions, we have set an engagement target: to have 60% of our suppliers adopt SBTi-aligned targets within five years. To support the achievement of this goal, we hold regular study sessions for suppliers, with approximately 130 companies participating in fiscal 2024.

1 Material science refers to an engineering field that combines knowledge from physics and chemistry to design, develop, and evaluate new materials and devices.

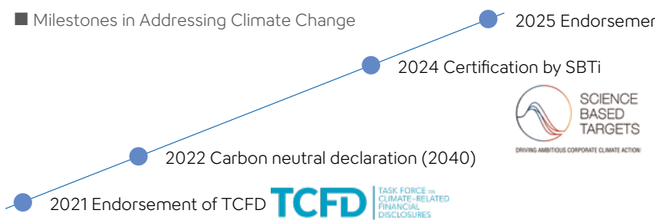
>>Status of Sustainability Targets P103

■ Long-Term Environmental Objectives (Fiscal 2033)

(Base year: Fiscal 2022)

Climate change	Water	Resource circulation	Biodiversity
Use of renewable energy **90% or more** Reduction of GHG emissions (Scopes 1 and 2) **55% reduction** Reduction of GHG emissions (Scope 3) **35% reduction**	Water consumption by main reagent factories **90pt reduction**	Disposal of unused Sysmex products **Zero** Total waste per unit of net sales **15% reduction** Percentage of containers and packaging materials recycled, and environmentally conscious materials used **100%**	Expanded lineup of products made from animal-derived raw materials

■ Milestones in Addressing Climate Change



Note: Scope 1 refers to greenhouse gases emitted directly by Company facilities, factories, and Company vehicles.
Scope 2 is greenhouse gases emitted indirectly by the Company due to energy use.
Scope 3 is greenhouse gases emitted throughout the group of businesses related to the company's products and services (the supply chain) other than Scope 1 and Scope 2 emissions

First in the Industry to Integrate TCFD and TNFD Disclosure

Recognizing climate change and natural capital as crucial business issues, Sysmex has initiated integrated disclosures based on TCFD and TNFD (listed in the TNFD adopter list as of July 2025). By identifying and managing risks and opportunities, and enhancing disclosure, we aim to sustainably increase corporate value. In fiscal 2025, we disclosed information for key domestic sites and will expand to Europe and other regions.

Such environmental initiatives not only help meet procurement standards and bid requirements across global supply chains, but also enhance the likelihood of Sysmex products and services being selected. By responding strategically to environmental risks and opportunities, we build deeper trust and confidence among stakeholders.

■ Examples of Initiatives to Achieve a Competitive Advantage and Realize Environmental Considerations

Initiatives	Environmental and social considerations	Enhanced competitiveness
● Production of raw materials using silkworms and cultured cells	• Reduction of biologically derived substances • Reduction of water consumption and GHG emissions	• Stable supply of raw materials • Stabilization of quality
● Spread of concentrated reagents (hematology and urinalysis fields)	• Curtailment of GHG emissions • Conservation of packaging and petroleum resources	• Improved usability (reduced frequency of reagent changes in the laboratory) • Reduction of inventory storage space
● Shift reagent production overseas	• Reduction of GHG emissions	• Realization of stable supply and reduction of transportation costs
● Extension of reagent expiration dates	• Reduction in waste	• Increased usability • Stabilization of quality • Reduction of costs
● Dry ice-free transportation (e.g., reagents for genetic testing)	• Reduction of GHG emissions	• Reduction of transportation costs • Increased flexibility and convenience in distribution
● Horizontal recycling[1] of plastic containers	• Decreases consumption of virgin plastics • Reduction of GHG emissions	• Response to future regulations and increased material prices

1 A recycling method in which materials from used products are recycled back into the same type of product

Shinichi Ioka
Vice President
Reagent Production, Production 1

Employee insights Industry-First Horizontal Recycling of Plastic Containers

For reasons of hygiene, single-use products tend to dominate in healthcare settings, but in Europe, demand is rising for recycled-content products due to procurement and environmental tax incentives. Sysmex was the first in the IVD industry to operationalize a system for collecting and recycling used plastic containers. We launched products using recycled resin in Japan in January 2025. This approach allows us to maintain quality while reducing resource use and cutting annual CO_2 emissions by about 15 tons.[2] Negotiating with regulators and coordinating with partners to implement this was a proud achievement for the team. We will continue expanding adoption of horizontally recycled containers and promote a circular value chain by collecting containers from healthcare institutions in Japan.

2 This is an estimate by Sysmex, based on the information from the manufacturer, that 500g of CO_2 is generated when 160g of a similar plastic container is incinerated, multiplied by the amount of used containers generated by our company.

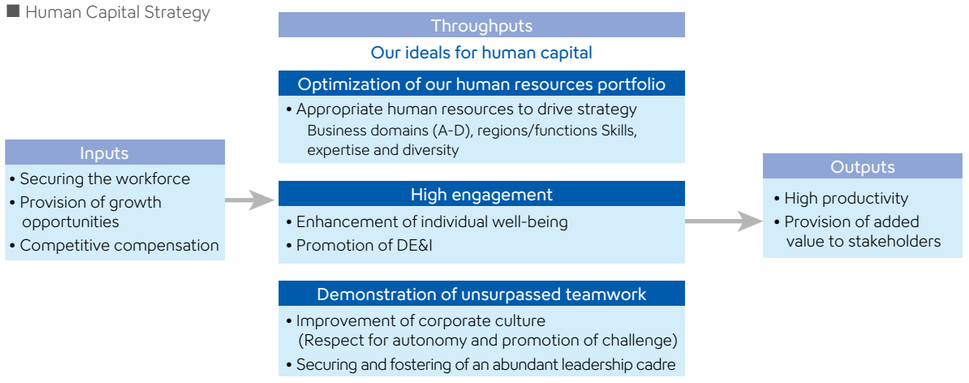
Reinforcing Human Capital

Kensuke Iizuka
Senior Executive Officer
In charge of Corporate Management,
Next Generation Medical Business Development
and DX Strategy Development

Message from the Executive in Charge of Human Resources

Sysmex has steadily achieved business growth over the years, and this success has been driven by a robust business model and a high level of execution underpinned by clearly defined goals and role design. In other words, it is a success model with a high degree of path dependence. In the increasingly uncertain and unpredictable business environment we now face, transforming our business model and generating innovation will be essential if we are to continue contributing to the healthcare journey. In terms of human capital, this means prioritizing organizational and individual autonomy, diversity, and engagement. Our aim is to build an organization where individuals and the company maintain an equal relationship and engage in repeated trial and error under a diversity of values—responding to the changing times with agility and initiative. Through our efforts over the past several years, we have established the infrastructure for talent acquisition and the foundation for workforce data. Moving forward, we will focus on the following three throughput areas of our human capital strategy as key themes. By actively allocating management resources while ensuring productivity, we will build an organization that evolves on its own initiative.

■ Human Capital Strategy



Human Capital Strategy

In its long-term corporate strategy, Sysmex has drawn up a human capital strategy. We aim to realize our long-term vision through initiatives aligned with three ideals for human capital.

First, on the input side, we focus on securing a strong workforce, providing growth opportunities, and offering competitive compensation, thereby building a foundation for attracting and retaining outstanding talent globally.

Next, in terms of throughput, under the banner of our ideals for human capital, we have identified three core pillars. The first is optimization of the human resources portfolio—we will assign the right people to the right positions by advancing our strategies from multiple perspectives, including business domains, skill sets, and areas of expertise. The second is high engagement—we will create an environment where diverse talent can thrive by promoting well-being and advancing DE&I initiatives. The third is demonstration of teamwork at its best—we aim to foster a corporate culture that encourages challenges, while also securing and developing the next generation of leaders to drive our business forward.

As outputs, we are committed to delivering high productivity and provision of added value to stakeholders. By strengthening our human capital, we aim to achieve sustainable growth and enhance both corporate and social value.

Furthermore, we will continue to promote data disclosure based on international standards and strive to achieve our long-term vision through dialogues with our stakeholders.

Initiatives to Achieve Growth Strategies

- Developing next-generation leaders for key global positions
- Recruiting and cultivating specialized human resources (biology, IT)
- Strengthening personnel to expand regions where we conduct direct sales, service and support, and to support the expansion of hemostasis and immunochemistry business in Europe and the United States

Inputs (Securing and Developing Specialized Talent)

One of Sysmex's core strengths is its pool of personnel with expertise across a wide array of technologies and disciplines. However, to sustain long-term growth, the acquisition and development of highly specialized talent is essential. Under our current mid-term management plan, we are globally strengthening our recruitment and training of bio-specialists involved in the development of reagents for hemostasis and immunochemistry, as well as IT professionals such as data scientists who are essential to the advancement of digital healthcare business initiatives. To recruit data scientists, we are actively engaging not only in India but also in countries such as the United Kingdom, Australia, and Hong Kong, leveraging direct relationships with top local universities. As a result, since fiscal 2013, non-Japanese employees have accounted for roughly 10% of new graduate hires at Sysmex Corporation each year.

Our human capital strategy highlights the importance of providing competitive compensation, enhancing engagement, and attracting and nurturing a deep leadership team. In fiscal 2024, we began introducing an ESOP, starting with people in certain key positions at overseas subsidiaries. From fiscal 2025, we plan to expand this program to include people in key positions throughout the Group, in Japan and overseas.

>>Specialized Personnel in R&D Graph on P57

Throughputs

Optimization of the Human Resources Portfolio

The first ideal for human resources is "optimization of our human resources portfolio." This refers to allocating talent appropriately so they can contribute to the implementation of our strategies and the sustainable enhancement of corporate value. To achieve this, we are acquiring and developing a diverse workforce with the necessary skills and expertise for the business areas and functions targeted by our management strategy.

Thanks to DX initiatives, we are now able to centrally manage previously siloed regional HR data on a global basis. By visualizing roles, skillsets, and job coverage across the organization, we've clarified areas for improvement and are now working to further optimize workforce deployment.

Since 2021, Sysmex Corporation, which is core to the Sysmex Group, has adopted a job-based personnel system. This allows us to manage positions based on individual skills and areas of expertise, while also promoting career autonomy through an expanded internal job posting system, one-on-one meetings between managers and team members, and relevant training programs.

In terms of workforce composition, we are expanding our production, sales, and service & support

personnel particularly in growth regions such as India and in areas where we've initiated direct sales in Europe and North America. Meanwhile, for administrative and support functions, we are intentionally limiting headcount growth—except in new direct sales regions—by driving efficiency through digital transformation.

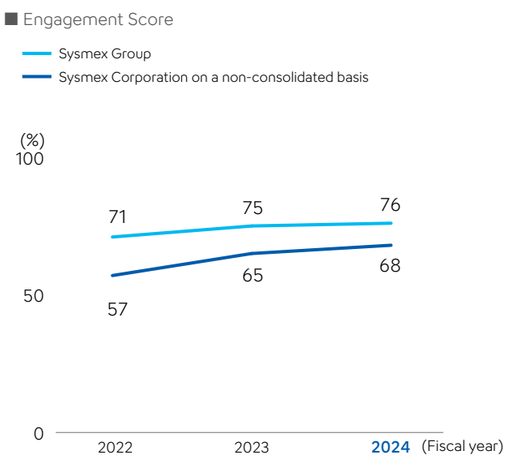
High Engagement

Engagement is directly linked to output quality. We aim to realize "high engagement" by ensuring every employee is fulfilled both physically and mentally and experiences personal meaning in their work. To that end, we are building workplace environments that support individual well-being and providing opportunities for personal and professional development. We also strive to promote fairness, ensure equal opportunity, and advance DE&I initiatives that allow diverse talent to flourish, regardless of time, location, or employment type.

Our Group-wide engagement score currently stands at 76%, with particularly high scores in overseas regions. At Sysmex Corporation, the score improved by 3 points over the previous year to reach 68%. In fiscal 2025, we disclosed engagement results by department company-wide and encouraged interdepartmental dialogue to foster improvement.

We believe diverse perspectives are a vital source of competitive strength in today's uncertain world. To realize DE&I, we embrace differences in nationality, race, gender, age, career background, and disability status. Currently, women make up 18.7% of managers Group-wide, but only 10.0% at Sysmex Corporation. We aim to raise the latter figure to at least 15% by fiscal 2029, pursuing structural and cultural changes that support both career development and flexible working styles. Notably, the proportion of women in the next-generation management pipeline has already improved to 24.8%, indicating steady progress.

■ Engagement Score



Demonstration of Teamwork at Its Best

To realize "teamwork at its best," we believe it is essential to foster a culture that encourages initiative and challenge-taking, while also securing and developing a robust leadership cadre.

In Japan, we see the autonomy of both the organization and the individual as an area for growth. We are working to create a company culture where individuals stand on equal footing with the organization, take initiative, and pursue self-actualization. To support this, we promote career dialogue through one-on-one meetings with supervisors, encourage use of the internal job posting system, and provide opportunities for consultation with career counselors. Moreover, many of our foreign-national hires—brought in for their specialized skills—are also playing a key role in fostering a more autonomous organizational culture. Through initiatives such as regenerative and cellular medicine, we are also working to challenge ingrained mindsets tied to our legacy, path-dependent businesses.

To align our over 10,000 employees toward a shared direction, driving teamwork, we are also working to deepen understanding and resonance with our corporate philosophy. Our executives, including the CEO, visit offices worldwide to engage directly with employees on this topic. We also host an annual Group-wide award program to recognize those who embody our values. Starting in fiscal 2023, we have expanded this to include awards related to environmental and social value creation, as well as excellence in sales, service and support, and quality.

On the leadership front, we are improving the visibility of successors for key global roles and expanding development opportunities to ensure a steady pipeline of leaders for both existing and new business domains.

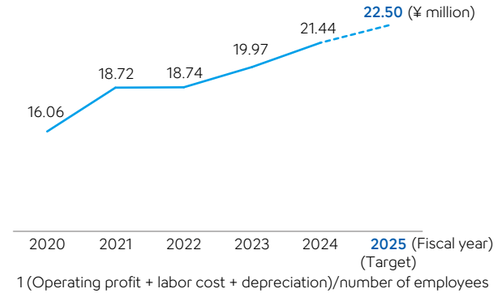
From fiscal 2025, we will launch a new global leadership development program. The inaugural cohort includes 14 participants from 11 countries. The program deepens their understanding of the Sysmex Way, leadership, and business strategy while also helping them form global human networks.

Outputs (Monitoring of Human Capital)

At Sysmex, we do not view personnel expenses as costs, but rather as investments in human capital. One of our key monitoring indicators is value-added productivity. We collect and analyze data on employee numbers and labor costs on a monthly basis by region and country. Through regular meetings with HR heads at our regional headquarters, we identify priorities and work to raise value-added productivity globally. In Japan, value-added productivity is also used in determining bonus payouts, thereby driving behavioral change among employees.

Group-wide, value-added productivity per employee reached ¥21.44 million in fiscal 2024, surpassing our target of ¥21.0 million. This reflects our active investment in human capital, while securing the necessary headcount and steadily generating profits and improving productivity. We will continue working to raise productivity further through initiatives such as DX.

■ Value-Added Productivity per Employee[1] (Group)



1 (Operating profit + labor cost + depreciation)/number of employees

■ Human Capital KPIs

	Indicator	Fiscal 2023 (Actual)	Fiscal 2024 (Actual)	Fiscal 2025 (Target)
Inputs Items related to investment in human capital	Staffing plan, number of personnel	11,595	12,064	—
	Training time per employee	24.4 hours	24.7 hours	40.0 hours
	Personnel expenses	¥127.8 billion	¥142.4 billion	—
Throughputs Items related to employee experience and corporate culture	Engagement score	75%	76%	75%
	Ratio of favorable responses to the "Sysmex Way"[1]	70%	70%	—
	Percentage reporting a favorable impression of "well-being"[1]	57%	59%	—
	Female managers ratio (Group)	19.2%	18.7%	20% or more
	(Sysmex Corporation)	10.3%	10.0%	—
Outputs Items related to results of utilizing human capital	Value-added productivity (Group)	¥19.97 million	¥21.44 million	¥22.50 million

1 Target: Sysmex Corporation

Column: Driving Autonomous DX Through Digital Talent Development

Since fiscal 2023, Sysmex Corporation has offered a digital talent development program to boost digital literacy across its workforce. By combining their accumulated experience with digital knowledge and skills, employees are expanding their impact while improving productivity and enhancing competitiveness. By the end of fiscal 2024, 600 employees (20% of staff) had achieved certification under the program. In addition to nurturing citizen developers, since fiscal 2023 we have also created opportunities for employees to learn practical AI model building and project execution, guided by university professors and data scientists. Our local subsidiaries are also spearheading digital talent development tailored to regional and departmental needs, helping to foster environments in which autonomous DX initiatives can thrive globally. >>DX P60

Message from the Executive in Charge of Finance

Kensuke Iizuka
Senior Executive Officer
In charge of Corporate Management,
Next Generation Medical Business Development
and DX Strategy Development

Amid an uncertain environment, we are committed to building a strong financial foundation and allocating capital appropriately, aiming for sustainable growth and enhanced corporate value. We will also strive to foster more constructive and substantive dialogue with our investors.

On Assuming the Role of Executive in Charge of Finance

Until fiscal 2024, I was responsible for corporate strategy and HR, having gained experience in product development, local subsidiary management overseas, corporate planning, and human resources. As of April 2025, I have assumed overall responsibility for corporate management and concurrently serve as the executive in charge of finance. While my scope of responsibilities is broad, I believe this helps to accelerate innovation at Sysmex. By taking a comprehensive perspective on management and significantly delegating authority, I aim to foster a flexible and agile management system in which each division leader can act proactively and dynamically.

Looking ahead to the future of the healthcare market—including the state of healthcare systems in each country, industrial structures, and technological advancement—we are clearly at a turning point. To remain a company that society needs in the future, Sysmex must continue to be a unique presence. We will focus on capital allocation and building a financial foundation that support our business model and management practices adapted to the times and capable of generating unique value.

Progress in Fiscal 2024 and the Mid-Term Management Plan

Based on its long-term corporate strategy, Sysmex is advancing a mid-term management plan that spans fiscal 2023 to fiscal 2025. In the second year of the plan, fiscal 2024, we achieved record highs in both sales and profit. Our growth strategy has produced clear returns on invested resources. The global rollout of our flagship hematology models, the shift to direct sales in the hemostasis testing field, and accelerated growth in emerging markets (see Figure 1) contributed to revenue growth across all regions, resulting in a more balanced regional composition. In the past, Europe, the United States, and China have alternated as our primary growth drivers, but going forward, emerging markets will take on that role. In fiscal 2024, we also made investments to strengthen sales and service systems and build production sites in India and Brazil. We intend to continue aggressively investing in resources.

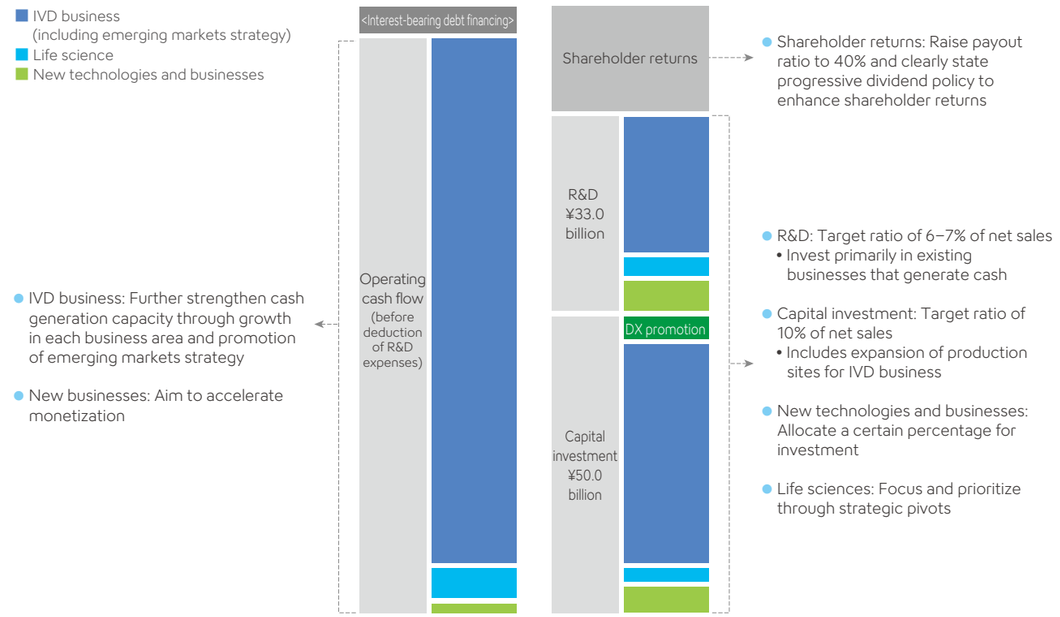
On the profit front, efforts to improve cost efficiency and properly control SG&A expenses led to a 0.2-point increase in our operating margin from the previous year, bringing it to 17.2%. While profitability is on a recovery trend, the impairment of goodwill, rising labor costs, and delays and cost overruns in internal digitalization efforts have delayed the expected benefits. Although we had set a target of achieving a 20% operating margin in fiscal 2025 under our mid-term management plan, we now think that goal will be difficult to reach. That said, we aim to further accelerate improvements in profitability through productivity gains enabled by our DX infrastructure and increased reagent sales, particularly in the hemostasis and immunochemistry fields.

In fiscal 2025, some of our initial targets may not be met due to continued uncertainty in the business environment, including exchange rate trends and additional U.S. tariffs. Nonetheless, we will enhance our ability to respond to changes by reviewing our supply chain and refining our pricing strategies to flexibly implement our business strategies. In terms of capital allocation, we plan to fund initiatives primarily with operating cash flow generated from our existing IVD business. Of this, ¥33.0 billion will go to R&D and ¥50.0 billion to capital investment. The remaining funds will be used to return profits to shareholders (see Figure 2).

■ Profit Growth and Investment Directions under Our Growth Strategies (Figure 1)

	Factors driving profit growth	Investment of resources
Reinforcement of existing businesses (hematology, hemostasis, immunochemistry, and life science fields)	Develop the hemostasis and immunochemistry fields in Europe and the United States, launch new products in the hematology field 1 Driven by developed countries	Develop unique testing parameters, develop new products, gain regulatory approval, strengthen sales service and support structures in the hemostasis and immunochemistry fields
Business expansion in emerging markets (hematology and urinalysis fields)	Expand market scale, enlarge area of operation 1 Maximum growth potential	Strengthen sales, service and support structures, develop product models for emerging markets, reinforce production systems, product lease assets
Expansion of new businesses (medical robotics business, regenerative medicine and cell therapy business)	Become profitable in the medical robotics business during the mid-term management plan period	Launch a regenerative medicine and cellular medicine business, expand the medical robotics business overseas

■ Fiscal 2025 Capital Allocation (Figure 2)



Long-Term Corporate Strategy and Financial/ Capital Policies

In our long-term corporate strategy, we have designated net sales, operating margin, free cash flow, and ROE as key indicators. We aim for net sales of ¥1 trillion or more and an operating margin of 20% or higher by fiscal 2033 (see Figure 3). Our basic approach remains unchanged: generate profits through double-digit sales growth that exceeds market growth, and reinvest cash to fuel further expansion.

Our growth strategy centers on three pillars: reinforcement of existing businesses, business expansion in emerging markets, and expansion of new businesses. The specific content of each pillar will evolve over time. By fiscal 2033, we anticipate that the diagnostic landscape will have undergone significant transformation, and we intend to strengthen our recurring revenue model by rolling out solutions that leverage data and generative AI—both of which are expected to become key sources of added value. Our projected revenue composition for fiscal 2033 is ¥800 billion from existing businesses, ¥100 billion from the medical robotics business, and ¥100 billion from other new businesses.

We hope to reach our target of a 20% operating margin even before fiscal 2033. In addition to gains from DX-enabled productivity improvements in administrative departments and supply chain optimization, key drivers will include economies of scale and cost ratio improvements resulting from expansion in emerging markets and the hemostasis/immunochemistry fields, as well as a stronger recurring revenue model powered by data. Some investors have expressed concern that a higher proportion of sales from emerging markets might lower overall profitability, but this is not the case. Although initial investments such as local site development are required, we expect appropriate returns due to significant increases in testing volume and improvements in product mix.

While inflation and rising labor costs are likely to exert downward pressure on profitability, we will not slow our efforts to strengthen human capital. We will continue to invest in reskilling and human resource development, and respond proactively to intensifying competition for talent, while also focusing on improving employee productivity and operational efficiency.

Regarding capital allocation, we will distribute operating cash flow across capital investments, business investments, and shareholder returns. Business investment will focus primarily on existing businesses. Of our total R&D expenditures, we plan to allocate 70% to existing businesses and 30% to others (including the MR business, regenerative and cellular medicine, and life science initiatives). We will also pursue M&A more actively, aiming to acquire technologies, strengthen our sales and service networks, and achieve discontinuous growth. Our M&A strategy includes not only the deals themselves but also building frameworks for post-merger integration (PMI) and ongoing management, all while ensuring contributions to shareholder value and improving capital efficiency.

In terms of shareholder returns, we plan to strengthen our approach. To demonstrate our commitment to business growth and enhancing corporate value, we have raised our target consolidated dividend payout ratio from 30% to 40% and reaffirmed our basic policy of progressive dividends.

Management with a Focus on Enhancing Corporate Value and Optimizing Cost of Capital

Enhancing corporate and shareholder value can be broken down into three components: profit growth, increasing capital efficiency, and optimizing cost of capital. The growth strategies explained so far aim to deliver profit growth, while advancing our business model and expanding into new domains make increasing capital efficiency particularly important. As indicated by our inclusion of ROE as one of the key indicators in our Long-Term Corporate Strategy 2033, unless we can respond to stakeholder expectations while maintaining capital efficiency levels comparable to global peers, it will be difficult to continually enhance corporate value. Sysmex has historically maintained ROE and ROIC above its weighted average cost of capital (WACC) and capital asset pricing model (CAPM), securing a certain level of capital spread. However, we believe there is still room for improvement. In terms of ROIC, which measures capital efficiency by business, we aim to achieve and sustain a stable level of 15% or higher (see Figure 4). To cascade this capital cost-conscious management approach throughout our business operations, we are implementing various frameworks and models. Specifically, we have started initiatives to visualize ROIC sensitivity, engage in dialogue with each division and region, and launch initiatives that link field operations with ROIC improvements. We are also making investment effects more visible by incorporating balance sheet elements into our assessments of capital efficiency by business segment. This is helping us reassess unprofitable businesses and scrutinize R&D themes. In fiscal 2024, based on such analysis, we moved forward with the liquidation of certain subsidiaries. Rather than simply applying general frameworks, we tailored mechanisms to align with actual operations, which has led to stronger buy-in at the field level and proactive improvement activities. Going forward, we will continue to test and refine these mechanisms to help enhance capital efficiency and raise the overall standard of management.

As for optimizing cost of capital, one issue is stock price volatility. We believe this can be improved in many ways through better disclosure and dialogue. For example, following the disclosure of our capital allocation strategy in May 2025, some investors commented that they were "reassured to see more allocation to existing businesses than expected." We believe that by also communicating factors such as the balanced regional portfolio and stable profitability of emerging markets businesses, we can foster expectations for sustained growth. We will continue efforts to improve disclosure and dialogue.

Furthermore, starting in fiscal 2025, we introduced a stock compensation system for directors that includes relative total shareholder return (TSR), value-added productivity, and environmental indicators as evaluation metrics, to reinforce their commitment to the stock price and corporate value. We will continue striving to align with our shareholders in sharing and enhancing corporate value.

Future Dialogue Policy

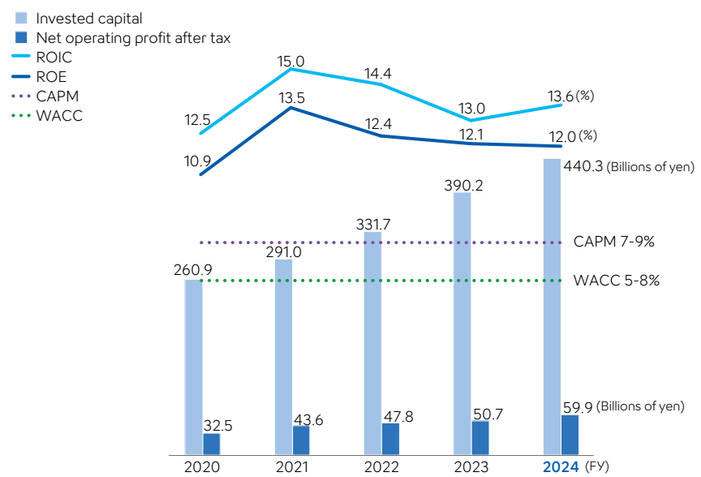
As the executive in charge of finance, I will focus on dialogue with the capital markets. Engaging in dialogue with numerous companies and exchanging opinions with investors who bring objective perspectives has been an invaluable learning experience. Through fair and constructive discussions, we can achieve mutual understanding and evolve our management approach.

To that end, we will not only increase the number and frequency of dialogues, but also prioritize the on-the-ground reality that investors genuinely seek. I will personally visit sites more often than before, develop insights and perspectives rooted in actual conditions, and aim to speak about various matters in a tangible and compelling way. This will allow us to engage in deeper, more essential discussions. To all our shareholders and investors, I thank you for your continued support.

■ Major KPIs for Long-Term Corporate Strategy 2033 (Figure 3)

Net Sales	**Double-digit growth (fiscal 2033 target: ¥1 trillion or more)** • Achieve high growth in the expanding healthcare market
Operating Margin	**20% or more** • High profitability to allow investment for the future and stable shareholder returns
Free Cash Flow	• Healthy financial position due to increased operating cash flow and reinvestment in growth
ROE	• Capital efficiency that meets stakeholder expectations and is comparable to global companies in the same industry

■ ROE, ROIC, and Capital Spread (Figure 4)



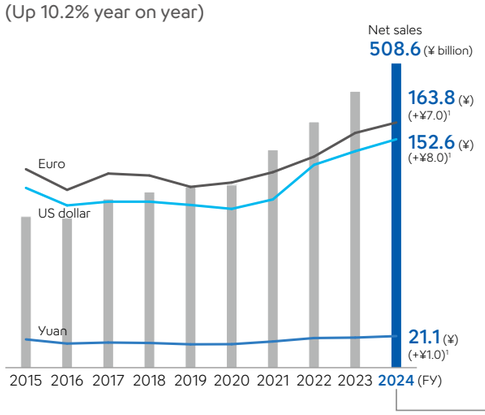
Performance Highlights (As of the end of fiscal 2024)

Financial Performance (IFRS)

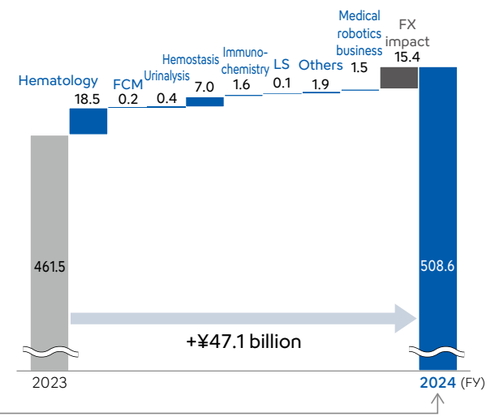
Net Sales

¥508.6 billion

(Up 10.2% year on year)



Reasons for Changes in Net Sales in Fiscal 2024 (by Field)



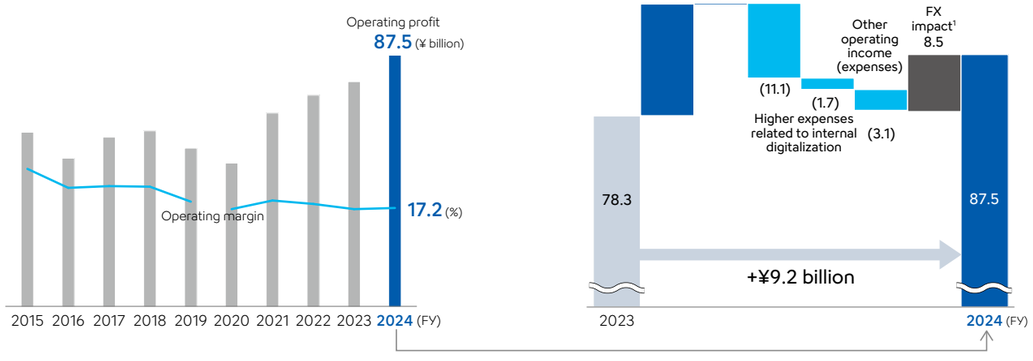
Sysmex's net sales have grown consistently except during fiscal 2020, which was significantly affected by the spread of COVID-19. In fiscal 2024, sales in the hematology field increased due to strong performance of the latest flagship model in regions other than the Americas. We also benefited from gains in India and other emerging markets and an expanded installed instrument base, resulting in growth in sales of both instruments and reagents. In the hemostasis field, direct sales contributed to revenue growth, and in urinalysis and immunochemistry, growth of the installed instrument base led to higher reagent sales, also contributing to sales growth.

Operating Profit/Operating Margin

¥87.5 billion **17.2%**

(Up 11.7% year on year) (Up 0.2 percentage points year on year)

Reasons for Changes in Operating Profit in Fiscal 2024



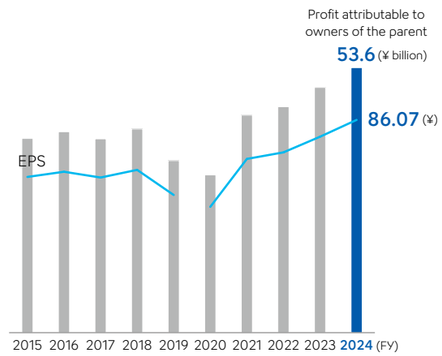
Despite ongoing investments in fields outside our mainstay area hematology and continued spending on digitalization, which has led to flat profit margins in recent years, we anticipate a recovery going forward. In fiscal 2024, selling, general, and administrative (SG&A) expenses increased due to factors such as higher personnel costs associated with business expansion and inflation. In addition, expenses and depreciation associated with digitalization and goodwill impairment had an impact. However, increased gross profit from higher sales and cost reductions led to a rise in operating profit.

1 Excludes a ¥2.0 billion one-time factor related to unrealized profit in Q3

Profit Attributable to Owners of the Parent/ Basic Earnings per Share (EPS)

¥53.6 billion **¥86.07**

(Up 8.1% year on year) (Up 8.6% year on year)

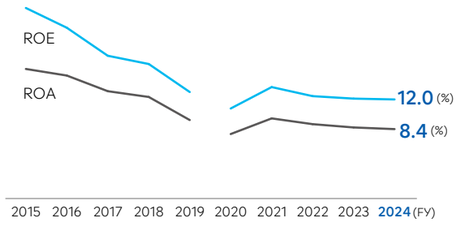


In recent years, profit attributable to owners of the parent has trended upward, in line with rising operating profit. In fiscal 2024, growth in operating profit and foreign exchange gains contributed to higher profit.

ROE/ROA

12.0% **8.4%**

(Down 0.1 percentage points year on year) (Down 0.2 percentage points year on year)

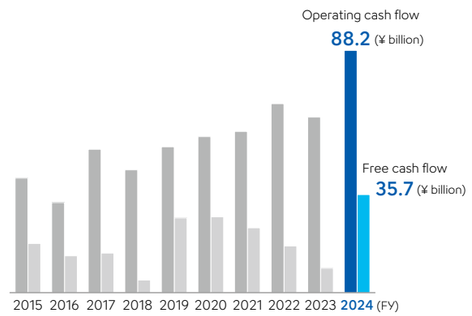


In recent years, ROE and ROA have been flat, affected by the operating margin. In fiscal 2024, profit increased but ROE and ROA remained essentially unchanged as equity attributable to owners of the parent and total assets both rose.

Operating Cash Flow/ Free Cash Flow

¥88.2 billion **¥35.7 billion**

(Up 38.1% year on year) (Up 300.2% year on year)

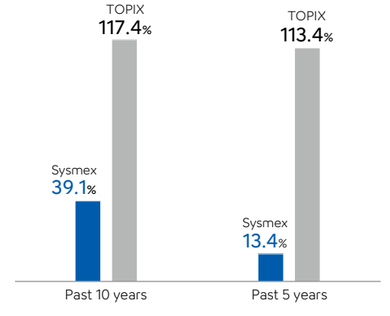


Free cash flow had been declining in recent years due to investments in digitalization. However, in fiscal 2024, we continued actively investing in digitalization and in building infrastructure in emerging markets, as in the previous year. Despite this, operating cash flow increased due to factors such as higher profit before tax and improved accounts receivable collection, leading to an increase in free cash flow.

Total Shareholder Return (TSR) (Annualized Rate)

39.1% **13.4%**

(Past 10 years) (Past 5 years)

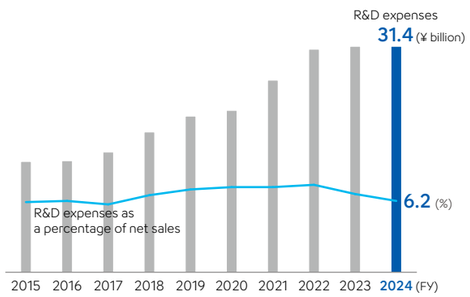


While Sysmex has continued to provide stable dividends, stock price growth has been limited, with yields below the TOPIX benchmark.

R&D Expenses/ R&D Expenses as a Percentage of Net Sales

¥31.4 billion (Up 0.2% year on year)

6.2% (Down 0.6 percentage points year on year)

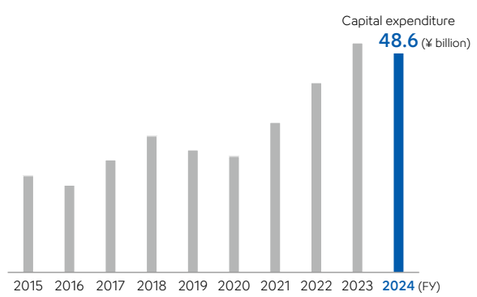


Sysmex targets annual R&D expenses equivalent to approximately 7% of net sales. In fiscal 2024, while total R&D expenses remained on par with the previous year due to selection and focus in R&D themes, we continued to increase investment in growth drivers, including internally generated intangible assets.

Capital Expenditure (including tangible and intangible)

¥48.6 billion

(Down 4.3% year on year)

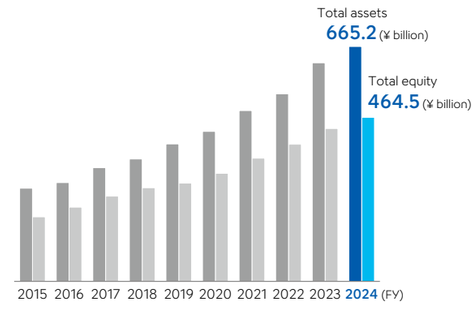


Our investment in digitalization has expanded in recent years. In fiscal 2024, capital expenditures increased, including for digitalization initiatives, infrastructure development in emerging markets, and customer lease assets.

Total Assets/Total Equity

¥665.2 billion (Up 7.5% year on year)

¥464.5 billion (Up 7.3% year on year)

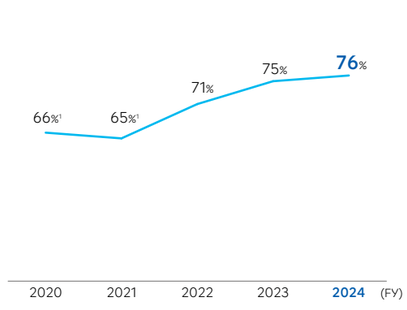


Assets: Although goodwill decreased due to impairment losses, cash and cash equivalents expanded.
Equity: Retained earnings rose due to higher profit attributable to owners of the parent.

Engagement Score

76%

(Up 1 percentage points year on year)



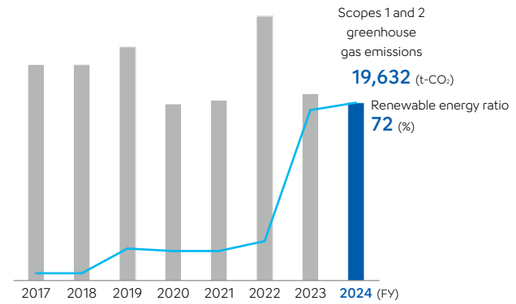
The engagement score has continued to rise, particularly in Japan, thanks to initiatives such as building a safe and comfortable workplace, improving employee well-being, and promoting DE&I.

1 Figures exclude EMEA in fiscal 2020 and fiscal 2021.

Scopes 1 and 2 Greenhouse Gas Emissions/ Renewable Energy Ratio

19,632t-CO_2 (Down 4.8% year on year)

72% (Up 3 percentage points year on year)

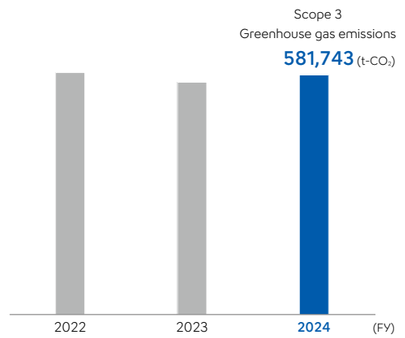


Scope 2 emissions are trending downward, primarily due to the transition to renewable energy overseas and the installation of energy-saving equipment.

Scope 3 Greenhouse Gas Emissions

581,743t-CO_2

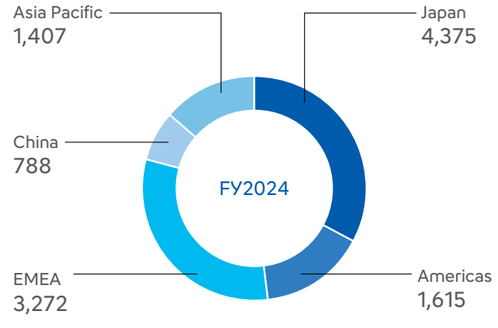
(Up 3.1% year on year)



Despite efforts such as promoting a modal shift in product shipping and sales of energy-efficient products, our overall Scope 3 emissions increased in fiscal 2024 due to business expansion.

Number of Employees (Consolidated)[1]/ Percentage of Overseas Employees

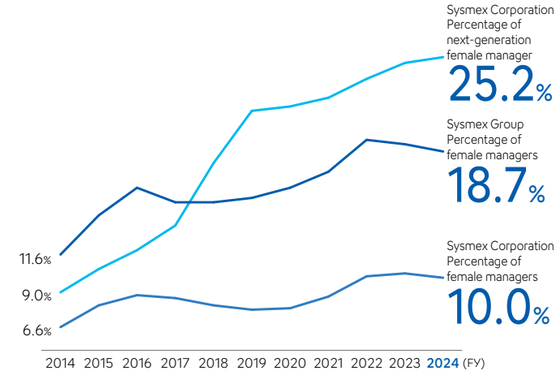
11,457 **61.8%**



The number of employees has continued to grow, driven by business expansion. This includes strengthening our operations in the hemostasis field in Europe and the United States, growth in emerging markets centered on India, and expansion of direct sales and service areas.

1 Including part-time employees and others

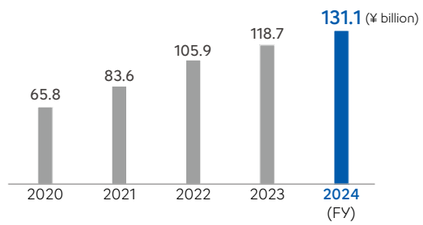
Percentage of female managers/ Percentage of next-generation female managers

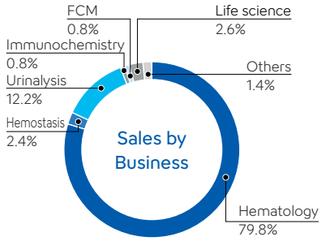


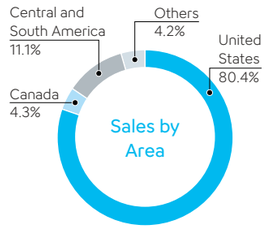
Although there was a decrease in fiscal 2024, the trend toward the early appointment of women to managerial positions in overseas regions remains positive. At Sysmex Corporation, expanding options for diverse careers and work styles is contributing to an improved ratio of next-generation female managers.

Net Sales by Destination

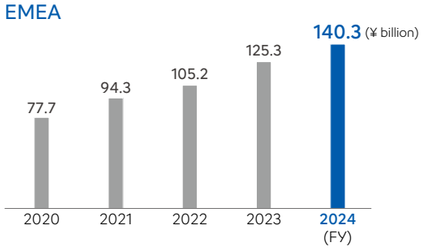
Americas

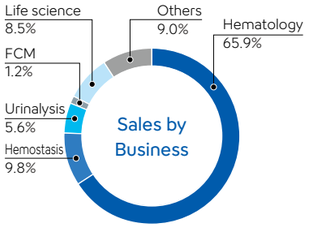


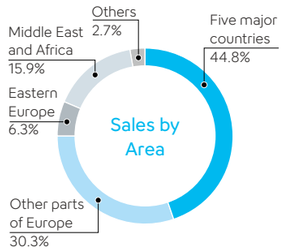




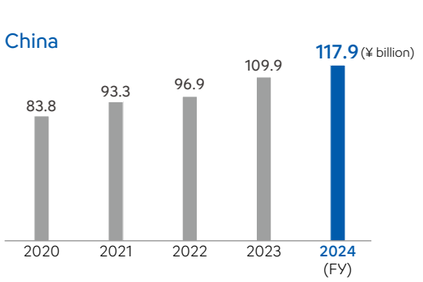
EMEA

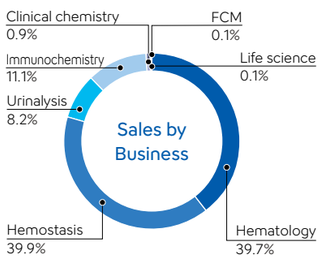




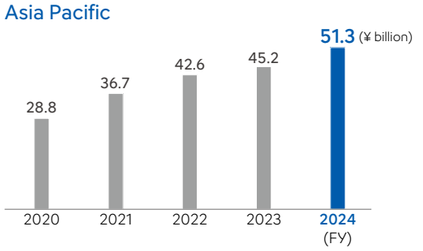


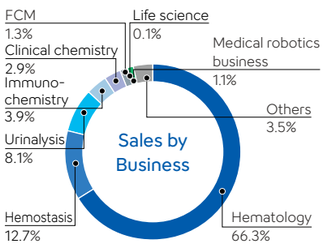
China

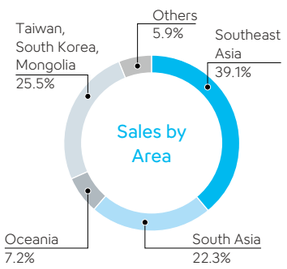




Asia Pacific

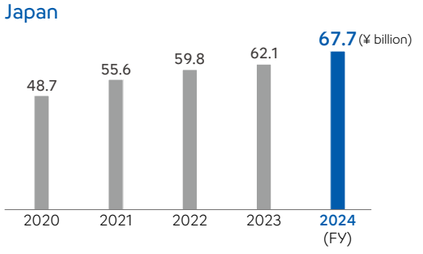


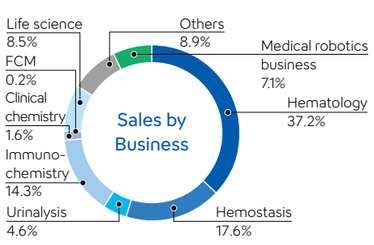




Note: From fiscal 2024, sales in Russia have been reclassified from EMEA to AP.

Japan





Returns to Shareholders

Sysmex aims to maintain an appropriate balance between shareholder returns as profitability increases, internal reserves to invest in research and development, and capital expenditures to maintain high rates of stable growth. In terms of returns to shareholders, we intend to provide a stable dividend on a continuous basis and aim for a consolidated payout ratio of 30% under our basic policy of sharing the successes of our operations in line with business performance. Starting in 2025, in line with improved cash flow, as a fundamental policy we aim for a consolidated dividend payout ratio of approximately 40%. We have also formally stated our intent to maintain a progressive dividend policy.

As a basic policy, Sysmex pays twice-yearly dividends from retained earnings, an interim dividend and a year-end dividend. The year-end dividend is decided upon approval of the annual shareholders' meeting, and the interim dividend upon approval by the members of the Managing Board. In accordance with this policy and considering business performance during fiscal 2024, we announced dividends for the year of ¥32 per share, which includes an interim dividend of ¥15. As a result, the dividend payout ratio came to 37.4%.

Fund Procurement and Liquidity Management

Sysmex raises working capital as necessary through short-term bank loans and other means. Each consolidated subsidiary may borrow from banks as needed to secure working capital. For domestic subsidiaries, Sysmex introduced a cash management system (CMS) in 2003 to handle payroll settlements for Sysmex Corporation and other companies. In January 2024, we also introduced a CMS at some overseas regional headquarters to ensure liquidity within the Group and improve capital efficiency.

Sysmex Corporation currently holds an issuer rating of AA- from Rating & Investment Information, Inc. (R&I), with the rating updated based on an annual review.

In fiscal 2024, the Company mainly funded its capital expenditure and R&D activities out of cash generated through operating activities. We used long-term bank borrowings to meet some long-term capital requirements.

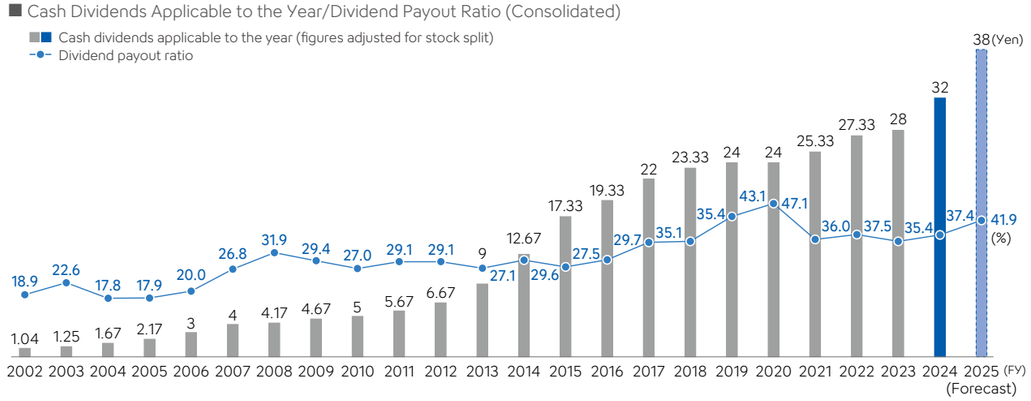
Outlook for Fiscal 2025

Sysmex launched a mid-term management plan in April 2023. By the final year of the plan, fiscal 2025, we set a target to achieve net sales of ¥560.0 billion and operating profit of ¥112.0 billion.

In fiscal 2024, net sales and profit increased. Sysmex achieved net sales of ¥508.6 billion and operating profit of ¥87.5 billion, driven by the launch of new hematology products, direct sales in the hemostasis field, and growth in emerging markets.

In fiscal 2025, although demand for testing is expected to remain strong across all regions—particularly in emerging markets—external factors such as U.S. reciprocal tariffs and government procurement policies in China may pose challenges. However, Sysmex anticipates strong growth in existing businesses, centered on new product sales in hematology and the impact of direct sales in hemostasis. In addition, we anticipate growth in the medical robotics business and further expansion in emerging markets. The Company forecasts fiscal 2025 net sales of ¥535.0 billion, operating profit of ¥91.5 billion, profit before tax of ¥85.5 billion, and profit attributable to owners of the parent of ¥57.0 billion. Our calculations assume full year exchange rates of ¥142 per U.S. dollar, ¥160 per euro and ¥19.5 per yuan. (For the most recent forecasts, please see our website)

■ Cash Dividends Applicable to the Year/Dividend Payout Ratio (Consolidated)



Note: Two-for-one stock splits conducted on November 18, 2005, April 1, 2011 and April 1, 2014.
Three-for-one stock splits conducted on April 1, 2024.