Sysmex Report 2025

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Fiscal 2024 (April 1, 2024 to March 1, 2025)

Sysmex Corporation

Together for a better
healthcare journey

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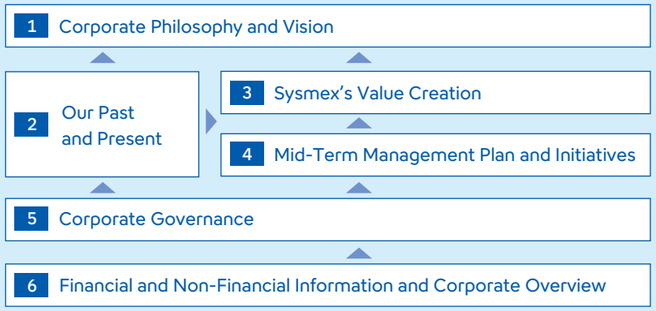

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Editorial Policy

The *Sysmex Report*, an integrated report that summarizes financial and non-financial information, is intended to help stakeholders understand Sysmex's medium- to long-term value creation. For this fiscal year, we have clearly articulated the value we aim to deliver to society in the sections titled "What Sysmex Aims For" and "Providing Value in the Healthcare Domain." In the section "Our Past and Present," we revisited the factors that have driven our growth in the field of *in-vitro* diagnostics, and we further expanded on our three growth strategies. For more detailed information, please refer to our website and the *Sustainability Data Book*. In compiling this report, we referred to frameworks such as the *International Integrated Reporting Framework* issued by the IFRS Foundation and the Ministry of Economy, Trade and Industry's *Guidance for Collaborative Value Creation 2.0*.

Environment Social Governance
Guidance for Collaborative Value Creation

Sustainability Data Book

Organizations Covered

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

Period Covered

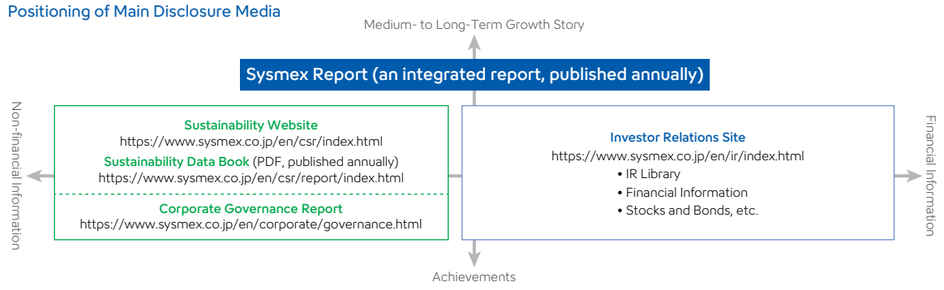
The target period is fiscal 2024 (April 1, 2024 to March 31, 2025), but the report also covers some activities conducted after April 2025.

Accounting Standards and Accounting Policies

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

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

Positioning of Main Disclosure Media



Forward-Looking Statements

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

Independent Practitioner's Assurance

In order to improve the reliability of the data disclosed, we have obtained an Independent Practitioner's Assurance for our environmental and social data.
>>Website >Sustainability Data Book 2025 >Independent Practitioner's Assurance

Corporate Philosophy of the Sysmex Group

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

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

In 2007, Sysmex established the Group corporate philosophy called the “Sysmex Way,” which carries forward and expands upon the Sysmex ideal unchanged since our founding. The “Sysmex Way” outlines our mindset, direction, and values for contributing to society and continuing to grow. In addition, through our Shared Values[1], we declare our commitment to instilling “confidence” not only in our customers, business partners, and employees as demonstrated by the “Three Aspects of Confidence,” but in our shareholders and society as stakeholders.

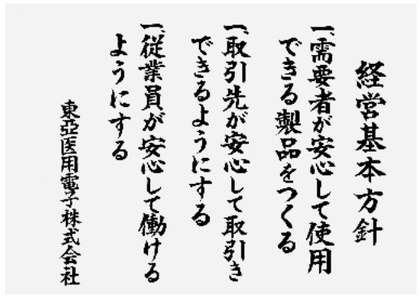
The Founder’s Purpose

Founder: Taro Nakatani

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

The “Three Aspects of Confidence:”

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



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

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

Sysmex Way

Mission

Shaping the advancement of healthcare.

Value

We will continue to create unique and innovative values, and ensure *anshin* for individuals in society.

Mind

With passion and flexibility, we demonstrate our individual competence and unsurpassed teamwork.

Shared Values

To our Customers

Ensure *anshin* with unmatched quality, advanced technology, mindful support, and actions that reflect the needs of our customers.
We constantly seek to better understand what our customers require so that we may generate new and more satisfactory solutions.

To our Employees

Ensure *anshin* by honoring a diversity of employees, respecting their personality, and providing a workplace where they can fulfill their potential.
We value independence and a challenging spirit, provide employees with opportunities for self-fulfillment, growth, and reward for their accomplishments.

To our Business Partners

Ensure *anshin* based on fairness and impartiality in a broad range of partnerships.
We strive to grow as a company in step with our business partners through respect and mutual trust.

To our Shareholders

Ensure *anshin* by promoting the proper disclosure of information and keeping closer communication with shareholders with sound and transparent management.
We are committed to an innovative yet consistent style of management for sustainable growth and increased shareholder value.

To Society

Ensure *anshin* as a responsible member of society by conducting our business adhering to the highest ethical standards in addition to laws and regulations.
We play an active role in addressing environmental and other issues facing our society.

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

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

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

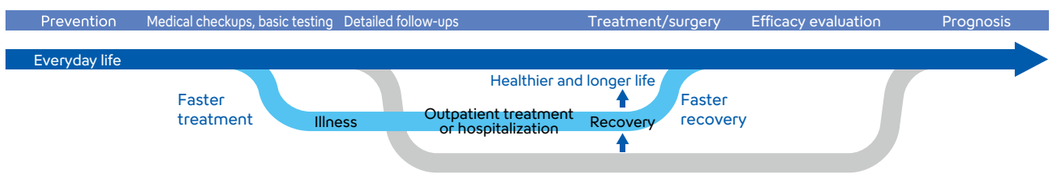
Together for a better healthcare journey

Sysmex is working to realize a more fulfilling and healthier society by enhancing each individual's healthcare journey[1]—from prevention and diagnosis to treatment and prognosis.

Sysmex's long-term vision is "Together for a better healthcare journey." The words "healthcare journey" refer to the full continuum of healthcare experiences a person may encounter throughout life. By making this journey better, Sysmex aims to contribute to a society where each individual can maintain health over a longer lifespan. For example, in times of health, we envision a society where early signs of illness are not overlooked, allowing for timely intervention that prevents the onset of disease. And if someone does fall ill, we aim to help enable earlier detection at a milder stage, and guide them toward faster, better recovery through personalized, optimal care.

Until now, Sysmex has primarily delivered value in the field of *in vitro* diagnostics (IVD)—namely, basic testing (such as routine medical checkups), detailed follow-ups, and evaluations of treatment efficacy. Looking ahead, we believe it is essential to contribute not only at times of illness or treatment, but throughout each person's life—supporting their health and instilling confidence from a broader perspective. To that end, we are expanding the scope of our value creation beyond IVD into preventive care and treatment domains. In doing so, we will continue to co-create the future of healthcare in collaboration with a wide range of stakeholders around the world.

>>Value Provided in the Healthcare Domain P41



1 Sysmex defines the healthcare journey as a concept in keeping with its long-term vision and foundation for value creation based on the Sysmex Way, the corporate philosophy of the Sysmex Group.

Employees Contributing to a Better Healthcare Journey

From the development of analyzers that support sustainable healthcare, to the provision of technical services that ensure testing systems never stop working, and even to research into blood-based testing that may enable the early diagnosis of dementia—our employees share their sense of mission, their personal convictions, and their commitment to the future in their respective roles.

https://www.youtube.com/watch?v=YHC-odAkmDA

Reduction of Disparities in Healthcare

Health is a universal human aspiration. Yet the reality is that more than half of the world's population lacks access to adequate healthcare services. Only a limited number of countries have fully developed medical infrastructure, healthcare professionals, and educational institutions. In many regions, even the most basic healthcare is still not widely available. The World Health Organization has set a goal to ensure that everyone has access to essential health promotion, prevention, treatment, and rehabilitation services—at an affordable cost.

Against this backdrop, Sysmex is committed to making high-quality healthcare accessible by expanding the reach of testing, which serves as the gateway to healthcare and forms the basis for effective treatment. We envision a world where reliable testing is available anytime, anywhere—and where those results directly lead to appropriate care. Achieving this goal requires not only the deployment of testing instruments, but also support for knowledge-sharing and skills development related to testing. As a company with a sales and service network covering more than 190 countries and regions—and with a strong track record in helping establish healthcare systems in many emerging markets—Sysmex embraces this responsibility.

To ensure that healthcare services are never interrupted, we go beyond simply supplying products. We develop and deploy solutions tailored to local needs and healthcare challenges, while also supporting quality management and human resource development. Through these efforts, we aim to enhance healthcare access and help reduce disparities in healthcare around the world.

Universal health coverage index (WHO, 2021)[1]

68

People lacking access to essential health services (2021)[1]

Approximately 4.5 billion / 8.0 billion people

1 Source: Friends of WHO Japan Universal Health Coverage (UHC)

Improving Medical and Laboratory Productivity

Driven by global population growth, aging societies, and increasingly advanced healthcare, demand for medical services continues to grow in both scale and complexity. However, there is a global shortage of professionals to meet this need—including in the field of testing, which serves as the gateway to care. In the United States, for example, demand for testing is on the rise. Yet the average age of lab technologists is increasing, and many laboratories face chronic staff shortages. University hospitals may process thousands of tests per day, and while instrument automation has progressed, many surrounding tasks—such as preparation and responding to physician inquiries—still rely heavily on manual, labor-intensive work.

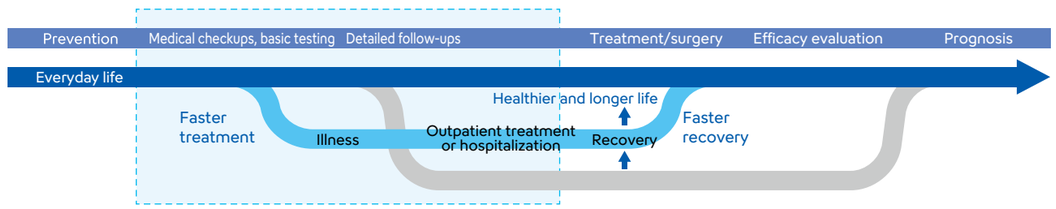
Since its founding, Sysmex has prioritized quality and productivity in testing. Now, the Company is asking: Can we build a fully automated laboratory for an increasingly sophisticated healthcare system? By deploying AI-powered test result analysis systems and automating the entire testing process, we aim to support more accurate diagnoses while enabling medical professionals to focus on high-value tasks, such as in-depth data interpretation and close collaboration with physicians.

Sysmex holds the No. 1 global market share in the hematology field. Drawing on our extensive customer touchpoints, industry-leading diagnostic data, and quality control expertise, we are committed to helping improve lab productivity and address the growing challenge of shortages of laboratory technologists.

Vacancy rate for clinical laboratory technologists in hematology/hemostasis (United States, 2022)[2]

Approximately 16.6%

2 Source: American Society for Clinical Pathology 2022 Vacancy Survey of medical laboratories in the United States | American Journal of Clinical Pathology | *Oxford Academic*



Advancing Testing That Eases the Burden on Patients

Among the many diseases with low treatment satisfaction, one of the most prominent is dementia. With the global aging population, the number of dementia patients is projected to reach 130 million by 2050,[1] accompanied by enormous economic costs. Research has advanced in recent years, particularly on Alzheimer's disease, which accounts for more than half of all dementia cases. It is now understood to be caused by the accumulation of a misfolded protein called amyloid-β in the brain—starting more than 20 years before symptoms appear. If these changes can be detected at an earlier, pre-symptomatic stage, there may be opportunities for preventive care and early treatment.

Current testing methods, such as PET scans and cerebrospinal fluid analysis, place a heavy physical, mental, and financial burden on patients. In response, Sysmex has developed a reagent that leverages its proprietary high-sensitivity, high-precision technology to measure brain amyloid-β accumulation from a small blood sample. This innovation could enable more people to access testing with less burden. It also holds promise for selecting the most appropriate patients for drug therapy, monitoring treatment effectiveness, and ultimately improving quality of life. In the future, such testing may be used during routine health checkups to support earlier detection, prevention, or delay of onset, creating value not only for patients and their families, but for society as a whole.

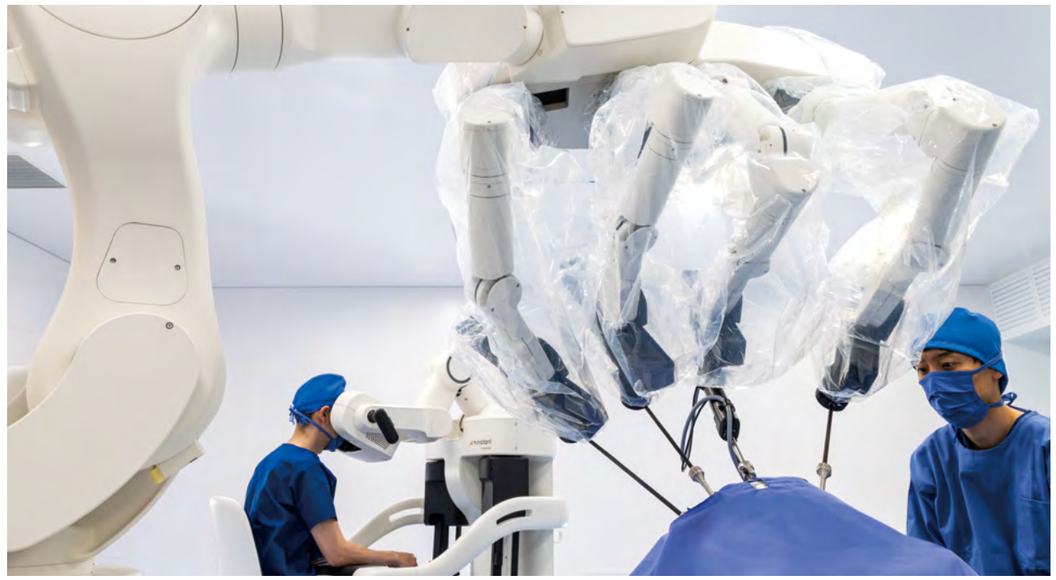
Number of dementia patients worldwide (2021)[1]

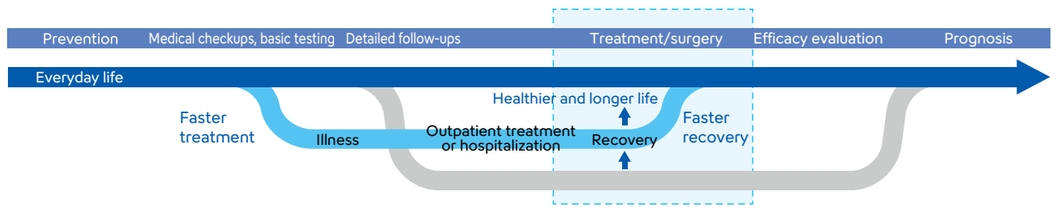
55 million

Worldwide economic losses due to dementia (2021)[1]

USD **1.3** trillion

1 Source: Global status report on the public health response to dementia. Geneva: World Health Organization; 2021.





Promoting Advanced Medical Technologies That Enable Faster Recovery

Recent advances in healthcare include genomic analysis, regenerative and cellular medicine, and robotic-assisted surgical technologies. Sysmex believes that combining these cutting-edge developments with its own technologies and know-how can help bring them into broader use and improve both treatment outcomes and patients' quality of life.

One example is robotic-assisted surgery. Compared with open surgery—which requires longer recovery and significantly impacts post-discharge life—robotic-assisted procedures minimize incision size, reduce patient burden, and enhance surgical precision and safety, enhancing quality of life. These systems also help lessen the physical toll on surgeons performing long procedures.

As the global master distributor of surgical robots developed by Medicaroid Corporation (a joint venture between Sysmex and Kawasaki Heavy Industries), Sysmex is steadily expanding access to these technologies. By the end of fiscal 2024, around 10,000 cumulative surgeries had been supported across Japan and Asia. Looking ahead, we aim to drive further innovation in the operating room—enabling remote surgeries and training, visualizing and systematizing advanced surgical techniques, and providing educational tools to raise surgical standards. Through such initiatives, we hope to help patients recover more quickly and return to their lives with confidence.

Reduction in hospital stay from robotic-assisted surgery for prostate cancer (vs. open surgery) in Japan[2]

3.2 days

2 Source: Calculated based on research by Global Health Consulting Japan Co., Ltd., comparing robotic-assisted surgery and open surgery for prostate cancer.

Message from the Group CEO

We are evolving amid an expanding and transforming healthcare landscape—shaping the future of healthcare and instilling confidence (*anshin*).

Hisashi Ietsugu
Chairperson and Group CEO

Sysmex's Value Proposition

Life and health are fundamental human aspirations, and healthcare is an essential part of societal infrastructure. Sysmex's business centers on *in vitro* diagnostics (IVD), which serves as the gateway to healthcare. As countries develop economically and healthcare standards improve, IVD testing becomes more prevalent—and as these systems take root, market growth accelerates in tandem with population trends. This is invariably followed by a rise in demand for more sophisticated diagnostics, treatment, and preventive care—trends that will only continue into the future.

As global population growth is expected to accelerate, particularly in emerging markets and developing countries, demand in the healthcare and IVD fields is also projected to expand and evolve over the medium to long term. Against this backdrop, Sysmex embraces its mission of "Shaping the advancement of healthcare." By doing so, we are both benefitting from growing demand and actively working to accelerate market development while shaping the future of healthcare in ways that enhance people's well-being. In the hematology field—an essential pillar of basic testing—Sysmex holds an overwhelming global market share and consistently earns top-tier customer satisfaction ratings worldwide. With this position comes responsibility. In emerging markets, we support the development of healthcare and testing infrastructure in collaboration with local governments. In advanced markets, where medical needs are increasingly diverse, we apply our advanced technology and deep expertise to enable more personalized diagnosis and treatment while also supporting the development of sustainable medical systems. In doing so, we instill confidence (*anshin*) among healthcare providers and patients alike and contribute to medical advancement and healthier living for people everywhere.

A Legacy of Evolution and Challenge

To realize this vision, our Long-Term Vision—"Together for a better healthcare journey."—and Long-Term Corporate Strategy aim to create value in areas such as reducing healthcare disparities, enhancing the productivity of medical and laboratory settings, advancing testing, promoting advanced medical technologies, and enabling better prevention and post-treatment care. All of this is geared toward extending healthy lifespans. Sysmex's own evolution is essential to this endeavor. As part of our financial targets for fiscal 2033, we aim to achieve ¥1 trillion in net sales and an operating margin of 20%.

In fiscal 2024, we made steady progress on each of our strategies, and we recorded growth across all regions. We achieved record highs in both sales and profits, while continuing to make progress on key challenges such as improving profitability. As management, we believe our role is to continually provide opportunities for employees to take on challenges—and this commitment has directly contributed to our results for the year. For example, we have appointed local talent to managements at overseas affiliates and delegated significant authority to them, empowering them to formulate their own growth strategies in response to changing local conditions. These affiliates also play a key role in sharing both achievements and lessons learned globally. Sysmex offers a wide range of opportunities to embrace challenge, and we are committed to fostering an environment where every employee can fully demonstrate their abilities and continue to grow.

Strengthening Governance

We are also continuously enhancing our governance framework. To achieve a transparent, flexible, and responsive management structure, it is vital that Managing Board members with diverse perspectives, expertise, and backgrounds engage in open, meaningful dialogue. Today, our outside members of the Managing Board include individuals with experience in corporate management, finance, global business, and manufacturing technology—contributing to an increasingly diverse Board. As chairperson of the Managing Board, I am committed to encouraging active participation by our outside members and fostering more long-term, in-depth discussions.

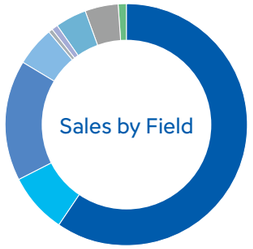
In addition, we are placing even greater emphasis on shareholder value. In fiscal 2025, we introduced a performance-linked stock compensation plan for executives. We also raised our target consolidated dividend payout ratio from 30% to 40%, and reaffirmed our commitment to a progressive dividend policy. We remain firmly dedicated to managing our business in alignment with the interests of our shareholders. We appreciate your continued support as we move forward.

As-Is: Our Past and Present

Sysmex entered the *in vitro* diagnostics (IVD) hematology field in 1963 through its successful launch of the first made-in-Japan automated hematology analyzer. Since then, to meet growing and diversifying healthcare needs, we have continued to drive innovation in the diagnostics business and now operate in more than 190 countries and regions.

Fiscal 2024 Highlights

Net Sales	Operating Margin	ROE
¥508.6 billion	17.2%	12.0%
+10.2%	+0.2 points	- 0.1 point
year on year	year on year	year on year



Hematology	59.6%
Urinalysis	8.0%
Hemostasis	16.2%
Immunochemistry	5.1%
Clinical chemistry	0.7%
FCM	0.7%
Life science	4.2%
Others	4.4%
Medical robotics	1.1%

Americas	25.8%
EMEA	27.6%
China	23.2%
AP	10.1%
Japan	13.3%

■ Key Topics

Management

- Achieved record-high net sales, operating profit, and profit attributable to owners of the parent
- Strengthened efforts to enhance capital efficiency
- Announced discontinuation of rolling format for Mid-Term Management Plan (November) >>P44

Existing Businesses (Diagnostics)

- Growth led by hematology, hemostasis, and immunochemistry fields; sales increased across all regions
- Launched direct sales and service operations for hemostasis field in the United States and EU countries (April) >>P52
- Rapid antimicrobial susceptibility testing system won the UK's largest science prize, the "Longitude Prize on AMR" (June) >>P110
- Largest manufacturing base in the Sysmex Group completed in India (August) >>P55

New Businesses

- Launched quality control assay kits for regenerative and cellular medicine (June) >>P56
- Deployed and used clinically our robotic-assisted surgery system in Singapore, the first installation overseas (November) >>P56

Sustainability

- Received approval from the Science Based Targets initiative (July) >>P63
- Began sales of reagents using the industry's first plastic containers designed for horizontal recycling (January) >>P64


Automated blood coagulation analyzer and reagents


Production base in India

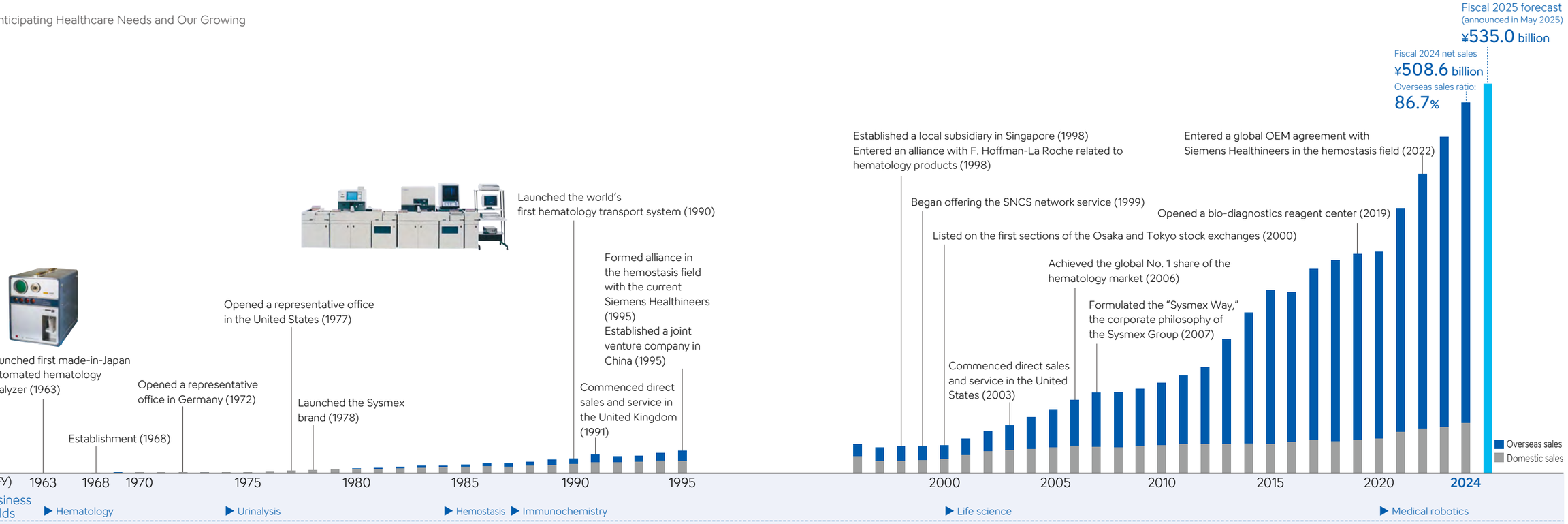

Robotic-assisted surgery system


Plastic container for horizontal recycling

Driver of Growth to Date ❶ Anticipating Healthcare Needs

By anticipating changes in the healthcare environment, expanding into new fields, and accelerating our global rollout, we have continued to grow—achieving a roughly sixfold increase in net sales over the past 20 years, and approximately double over the past 10 years.

■ Anticipating Healthcare Needs and Our Growing



	1963—1980'	1980'—1990'	1990'—2010'	2010'—
Changes in the Operating Environment	Enrollment in National Health Insurance (Japan) Growth in Healthcare Demand	Increasingly Diverse Healthcare Needs Efforts to Optimize Medical Expenses	Promotion of Globalization Advent of the IT Revolution	Medical Application of Innovative Technologies Increasingly Diverse Healthcare and More Diverse Needs
Value Provided by Sysmex	**Automation of Blood Cell Testing (Hematology)** • Launched first made-in-Japan automated hematology analyzer • Developed reagents as well as instruments, realizing increases in testing quality and performance	**Increasing Value Provided to Laboratories in Addition to Testing** • Developed the world's first hematology transport system, making the testing process more efficient and safer • Expanded into the fields of urinalysis, hemostasis and immunochemistry	**Expanding the Sales and Service Area Beginning to Provide Services Utilizing IT** • Expanded our direct sales and service structure, and expanded offerings to more than 190 countries and regions • Began using IT to provide proprietary services and support	**Taking on Challenges in Personalized Medicine and Other Areas to Further Expand Our Business Domain** • Developed and commercialized a gene testing system in the cancer domain • Expanded into testing for Alzheimer's disease and others • Launched a medical robotics business
Changes in Sales by Field	FY1980 Hematology (including some sales from other fields) 100%	FY1990 Hematology 90.8% Non-hematology (urinalysis, hemostasis, immunochemistry, and others) 9.2%	FY2010 Hematology 62.8% Urinalysis/fecal occult blood 7.1% Hemostasis 12.6% Immunochemistry 3.4% Clinical chemistry 2.9% Life science 0.8% Others 10.4%	FY2024 Hematology 59.6% Urinalysis 8.0% Hemostasis 16.2% Immunochemistry 5.1% Clinical chemistry 0.7% FCM 0.7% Life science 4.2% Others 4.4% Medical robotics 1.1%

Management Resources Cultivated Since Our Founding

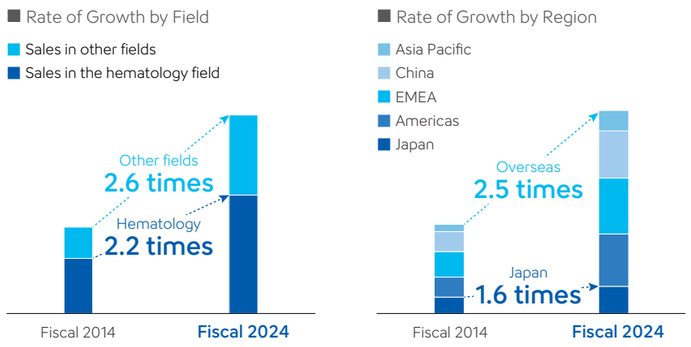
- R&D Capabilities Intellectual Property
- Production Structure
- Global Sales and Service Structure
- Environmental Resources
- Diverse Human Resources
- Stable Financial Foundation
- Brand Strength

Driver of Growth to Date ❷

Establishing a Cycle of Evolution

By reinforcing a cycle of evolution across R&D, production, sales, and service, we are building a robust foundation for growth—delivering reliability and peace of mind to our customers.

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



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

First, we have established a sales, service and support structure that aligns with local business customs, in addition to conducting direct sales and service/support on a global scale. This enables us to understand medical challenges and the needs of our customers, primarily laboratories, in various regions. To leverage this understanding for future value creation, we are working on the R&D of our products and services through the integration of our proprietary instruments, reagents, and IT technologies, as well as the utilization of open innovation. In terms of production, we manufacture our instruments in Japan, nearby our core research and development facilities, in order to produce a wide range of high-quality products (with some also produced overseas in response to local needs). Our reagents, meanwhile, are produced in 10 countries worldwide to ensure a robust and stable supply system that enables us to deliver reagents to customers promptly and ensure that essential medical testing continues uninterrupted.

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

R&D Capabilities, Intellectual Property

Value Creation through Synergies among Instruments, Reagents and IT

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

Production Structure

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

To deliver small quantities of a wide variety of high-quality instruments to our customers, we have established an efficient production system, centered in Japan, utilizing IT. For reagents, which support daily testing, we have set up global production bases to ensure a stable supply while reducing transportation costs. In recent years, we have strengthened our production capacity for bio-diagnostic reagents.

Global Sales and Service Structure

Sales, Service and Support Structure Tailored to Local Needs

In addition to selling through distributors familiar with local business customs, we have expanded direct sales, service and support in various regions, which has greatly contributed to our growth. We have established a strong brand presence through service and support systems tailored to the needs of each region, and now operate in more than 190 countries and regions.

Innovations Driving the Industry

1963	Launched first made-in-Japan automated hematology analyzer
1988	World's first reticulocyte analyzer[1]
1990	World's first hematology transport system[1]
1999	Began offering network services
2011	Industry's first concentrated reagent (hematology field)[1]
2022	Blood-based test for Alzheimer's disease[1]
2023	Rapid antimicrobial susceptibility testing system[1]

1 Year launched
Blue: Enhancements in laboratory productivity
Green: New testing and diagnostic technologies

Instrument Manufacturing Sites

9 locations
Centered in Japan
Local production: China, India

Reagent Production Sites

Chemical: 8 locations Biological: 6 locations

2002	International Reagents Co., Ltd. becomes subsidiary (Japan)
2009	Establishment of the Wuxi Diagnostic Reagent Development Center (China)
2010	HYPHEN BioMed, SAS becomes subsidiary (France)
2019	Establishment of bio-diagnostic reagent center (Japan)
2024	Establishment of instrument and reagent production base (India)

Evolution of Sales, Service & Support Capabilities

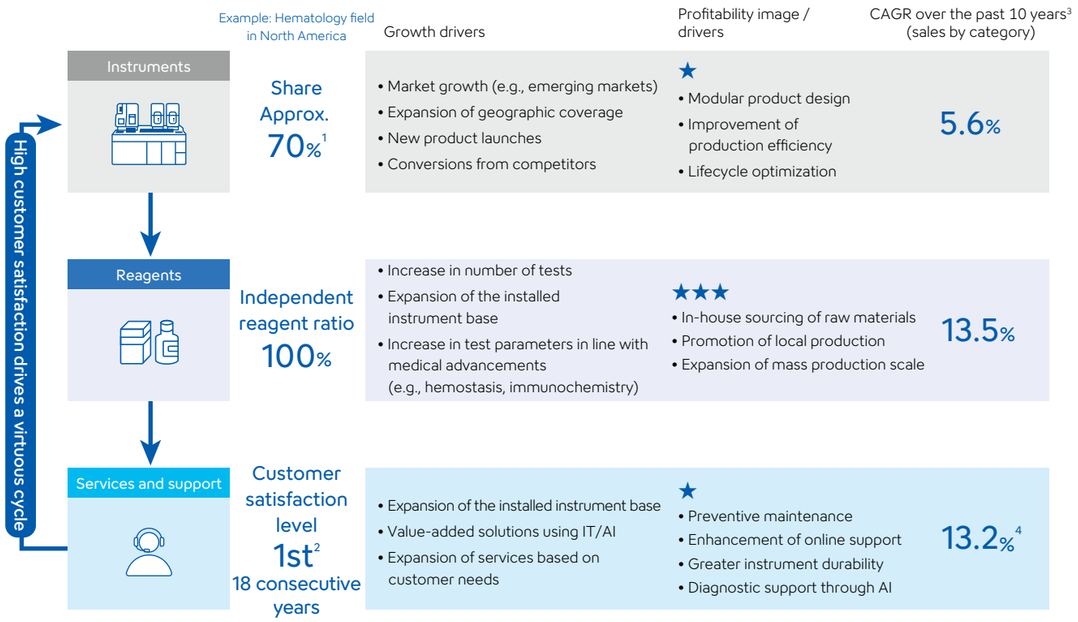
1991	Commenced direct sales in the United Kingdom and promoted direct sales in Europe
1995/98	Entered into tie-ups with major global players, accelerated sales
1999	Established a local subsidiary to oversee business in China
2003	Started direct sales in North America, the largest market
2010s	Transitioned to direct sales in Asia
2019	Moved to direct sales in India
2022	Shifted to direct sales in Saudi Arabia

Blue: Expansion of direct sales
Green: Strengthening of indirect sales

A Stable Profit Model

We are building a stable, highly profitable business model by continuing to provide reagents, services and support following instrument installation.

■ Sources of Revenue in the Diagnostics Business (Figure 1)



1 Market share in North America includes instruments, reagents, and services and support
2 As of March 2025, based on IMV ServiceTrak™ research in the United States.
3 CAGR from fiscal 2015 to 2024
4 Service and support CAGR calculated over nine years, from fiscal 2016 to 2024

Sysmex's Profit Model

Sysmex's profit model has been a key driver of its sustained growth. A defining feature of this model is its ability to generate stable, recurring income from reagents and services following the installation of instruments—allowing the Company to continuously reinvest thanks to its high profitability. Notably, Sysmex is one of the few global companies that handles R&D, production, and sales of instruments, reagents, and support services entirely in-house—this integrated model directly contributes to its profit model. The synergy between instruments and reagents enables high-value, reliable testing, while the Company's highly rated service and support offerings further encourage the adoption of new products—creating a virtuous cycle that underpins Sysmex's profitability and stability.

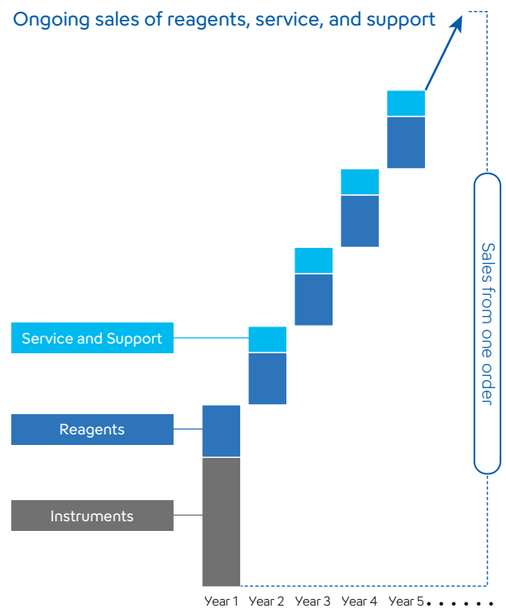
Each of the three pillars—instruments, reagents, and services and support—has also evolved to serve as an independent revenue stream in response to changes in the market (see Figure 1). Instrument sales have grown due to market expansion, geographic rollout, new product launches, and competitive conversions. Profitability is being enhanced by modular product design and improved operational efficiency through digital transformation (DX).

Used every time a test is run, reagent sales grow in line with the number of installed instruments and test volumes—making them a key growth engine. Reagents are more profitable than instruments, and test parameter expansion in areas like hemostasis and immunochemistry increases reagent usage. Localized production and in-house sourcing of raw materials are further boosting quality and profitability.

Services and support generate recurring revenues that scale with the number of instruments installed. Beyond routine maintenance, Sysmex offers value-added services including 24/7/365 support[5] (separate contract required), training programs, and academic support—accelerating growth. While this domain requires significant labor, the Company is reducing fixed costs through online support and AI adoption.

5 Separate contract required

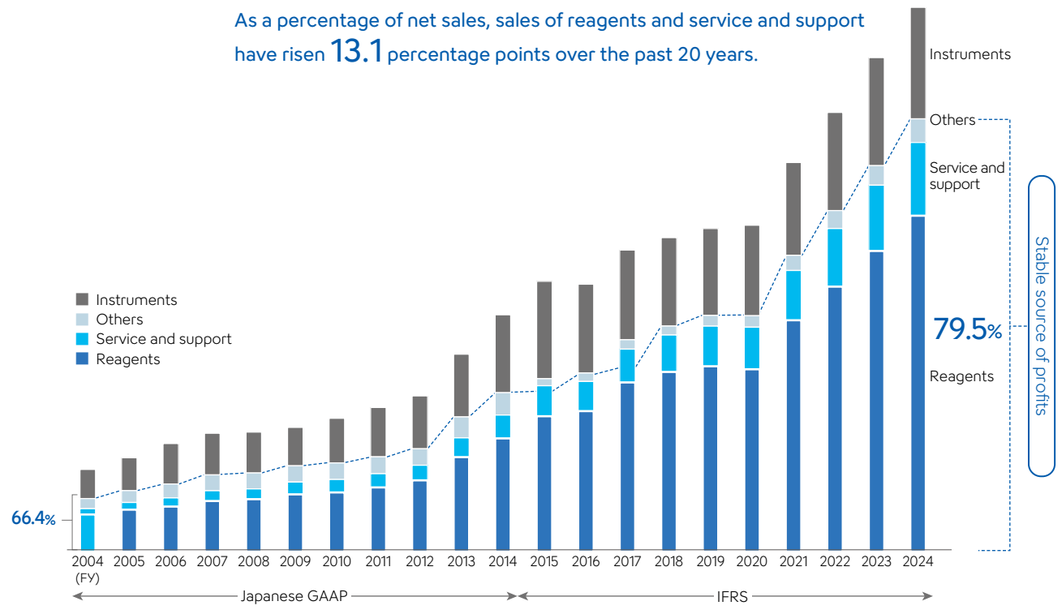
■ Sales Structure (Figure 2)



Growth Trends from the Perspective of Composition of Sales

Sysmex's net sales are composed not only of instruments, but also of the cumulative sales of reagents and services and support, which are essential for testing (Figure 2). In recent years, the Company has increased the proportion of reagent sales by expanding its share among large-scale facilities with high reagent usage and by expanding its lineup of test parameters with strong clinical relevance. The proportion of services and support sales has also risen accordingly. As a result, reagents and services and support have shown high sales growth rates (Figure 1), and their share as stable sources of sales (Figure 3) has continued to rise year by year. In fiscal 2024, the percentage of sales from stable sources reached 79.5%, marking a 13.1-point increase over the past 20 years.

■ Sales Trends by Source (Figure 3)

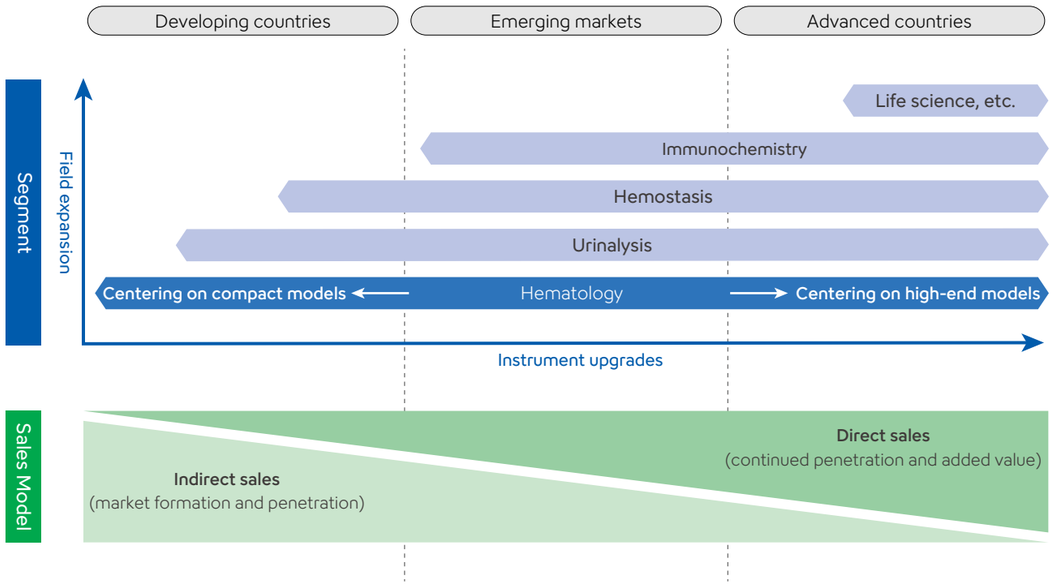


Note: In the past, charges to customers based on the number of tests were included in "Others." From fiscal 2015, amounts have been divided and presented as "Instruments," "Reagents," and "Service and Support."
"Others" includes consumables.

Market Growth and Segment Expansion

Starting from the hematology field—an essential and foundational test area —Sysmex has steadily expanded into new segments and continued to outperform market growth.

■ Illustration of Our Main Fields and Sales Models by Market Type



Leveraging Our Brand Strength in Hematology to Expand into Other Segments

Sysmex's core business, the hematology field, is a foundational area of testing essential for both diagnosis and treatment. Because of this, it is typically one of the first to be adopted in regions where healthcare infrastructure is still developing—such as developing countries and emerging markets. In addition to providing instruments, Sysmex contributes to raising medical standards through training in accurate testing practices and the sharing of the latest medical information. These efforts have helped earn market trust, strengthen the brand, and increase market share. As markets grow, there is a rising demand for upgrades to high-end models, as well as for more specialized tests like hemostasis and immunochemistry. Sysmex is steadily expanding into these fields by leveraging the brand recognition and sales networks it has built in hematology.

In advanced countries, Sysmex already holds an overwhelmingly high market share in hematology. Yet, amid rising social expectations for optimized healthcare spending, demand is growing for solutions that can enhance laboratory productivity—an area where Sysmex excels. Moreover, the Company continues to improve its market presence by offering added value through automation and the development of unique test parameters in fields such as hemostasis and immunochemistry.

In regions where the market is still in its formation stage, Sysmex primarily adopts an indirect sales model using local distributor networks to enter the market efficiently. Once the business environment becomes more predictable and growth potential becomes evident, the Company shifts to a direct sales model—ahead of competitors—to better understand customer needs and provide higher-quality products and services.

Sysmex's Position in the IVD Market

The IVD market is relatively resilient to global economic and political trends, and its size—estimated at around $80 billion—continues to grow alongside the advancement of healthcare. While global majors based in the United States and Europe dominate the market, Sysmex is the only Asia-based company ranked among the top 10 globally. In the hematology segment, Sysmex commands over 50% of the global market share, securing the No. 1 position (see top-right diagram).

Sysmex is also actively expanding into other fields beyond hematology to create new growth pillars. In the hemostasis field, the Company began direct sales in Europe and the United States in April 2024, and is already seeing positive results—with significant growth expected. In the immunochemistry segment, which represents the largest market size within IVD, Sysmex has so far focused on the Asian region. However, the Company is now preparing for full-scale global expansion to achieve further growth.

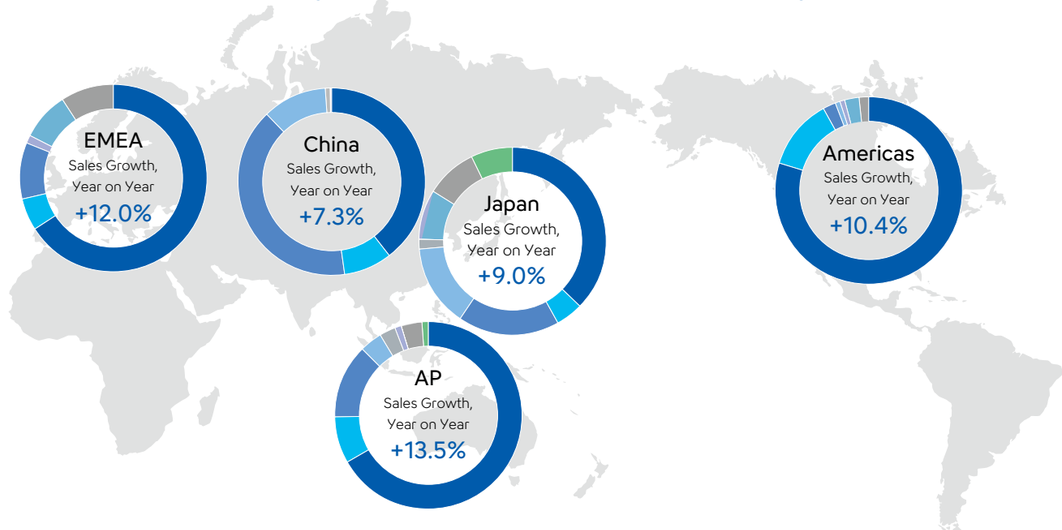
■ IVD Market Scale and Company Positioning

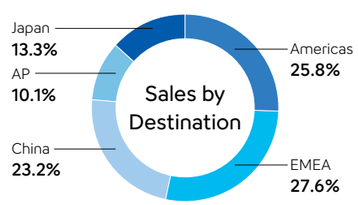
	Market Scale[1] ($ million)	Growth Rate (2025-2028)	Main participating manufacturers[1]	Sysmex's Sales Composition (Fiscal 2024)	Market Share	Main Alliances
Hematology	4,300	3%[2]	Mindray, Danaher, Siemens Healthineers, Abbott	59.6%	**No. 1** 54.6%	Roche, Cellavision
Urinalysis Of which, sediment urinalysis	1,200 (500)	3%[2]	Danaher, Roche, Siemens Healthineers,	8.0%	**No. 1**[3]	EIKEN CHEMICAL, Siemens Healthineers
Hemostasis	3,200	3%[2]	Werfen,Stago	16.2%	**No. 1**[3]	Siemens Healthineers
Immunochemistry	27,000	3%[2]	Roche, Abbott, Siemens Healthineers, Danaher	5.1%	—	Fujirebio Holdings
Clinical chemistry	9,000	4%[2]	Roche, Danaher, Abbott, Siemens Healthineers	0.7%	—	—
IVD market	96,000	3%[2]	1 Roche 2 Danaher 3 Abbott 8 **Sysmex**	—	—	—

1 Our ranking (As of March 31, 2025) and market size and growth rate (as of 2024) for IVD market and each field of testing are our own estimates based on disclosed information. Calculations are based on the exchange rates during the year of the survey, so simple year-on-year comparisons of market size are not possible.
2 Excluding China: Government-led policies to curb medical costs are progressing, and their impact is currently under review.
3 Includes sales through alliances.

■ Sales by Destination and Business (Fiscal 2024)

Operating Across More Than 190 Countries and Regions





(Billions of yen)

	Americas	EMEA	China	AP	Japan
Hematology	104.6	92.4	46.8	34.0	25.2
Urinalysis	16.0	7.8	9.6	4.1	3.1
Hemostasis	3.0	13.6	47.1	6.5	11.9
Immunochemistry	1.0	0.06	13.0	2.0	9.6
Clinical chemistry	-	0	1.0	1.4	1.0
FCM	1.0	1.6	0.1	0.6	0.1
Life science	3.4	11.9	0.05	0.06	5.7
Others	1.8	12.6	0.03	1.8	6.0
Medical robotics business	-	-	-	0.5	4.8
Total	131.1	140.3	117.9	51.3	67.7

Snapshot (Sysmex's Management Resources)

Note: Unless otherwise specified, the figures are as of the end of fiscal 2024.

R&D Capabilities and Intellectual Property

Global R&D bases, technologies and knowhow

R&D bases
24 locations

Three-year total R&D investment
¥93.9 billion
(Fiscal 2022–2024)

Average number of development projects per year
Around **65**
(Average over the past five years)

Number of patents
3,337
(Total number of patents, utility model rights and design rights)

Issues
- Acquire and strengthen technologies through open innovation and others

Production and Distribution Structure

Commitment to quality and stable supply

Instrument production bases
9 locations

Number of items produced (reagents)
1,109 items

Reagent production bases
14 locations

Suppliers (Tier 1)
Approximately **250** companies

Issues
- In-house and mass production of materials for bio-diagnostic reagents
- Shift manufacturing overseas (in some regions)

Global Sales and Service Structure

Access to healthcare needs that varies by region and facility

Sales and service bases
63 locations

Customer needs addressed
Approximately **15,000**
(non-consolidated basis)

Countries and regions where business is conducted
More than **190**

Queries to the customer service center
Approximately **80,700**

Issues
- Strengthening the sales and service structure in direct-sales regions and fields
- Expand services through more sophisticated IT

Stable Financial Foundation

Sustainable growth and high profitability

Net sales
¥508.6 billion

Operating margin
17.2%

Market capitalization
¥1.7 trillion

ROE
12.0%

Percentage of recurring sales
79.5%
(Sales of reagents, services and support, others)

Issues
- Further improve profitability and capital efficiency

Diverse Human Resources

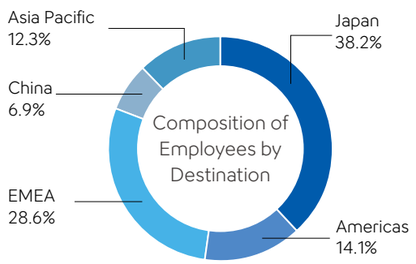
Realizing growth and respecting individuals, and building a human resource portfolio

Engagement score
76%

Number of employees
11,457

Female managers ratio
18.7%

Training time per employee
24.7 hours



Issues
- Increasing engagement
- Acquisition and development of global specialized talent (e.g., in biotechnology and IT)

Environmental Resources

Efficient use of environmental resources

Complete switch to recycled or environmentally conscious materials
62%

Reduction of GHG emissions (Scope 1, 2)
Cut **33%**

Decreased electricity consumption by new products in the hematology field
Approximately **40%**
(Compared with Sysmex's older products)

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

Brand Strength

Trust from stakeholders

Customer assessment in the United States
Top rating for the past 18 years
(Source: IMV ServiceTrak™ 2024, Hematology)

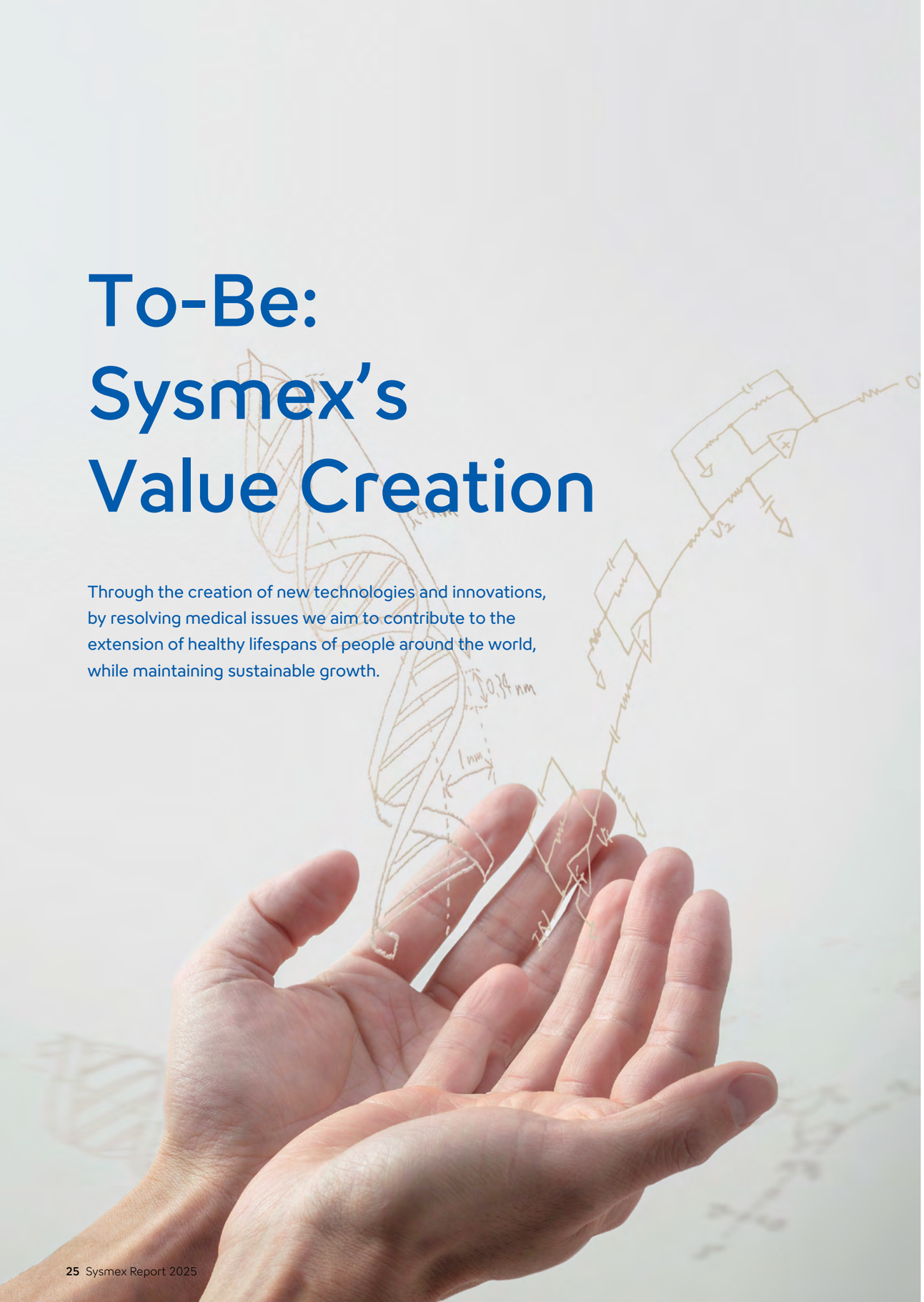
Rollout of the Sysmex Way translated into
9 languages

Corporate culture survey
Ratio of favorable responses to the Sysmex Way
70%

Issues
- Further enhance brand value

To-Be: Sysmex's Value Creation

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



Message from the President

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

Continuing to Evolve under Our Long-Term Vision

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

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

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

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

Strong Performance in Fiscal 2024, but No Room for Complacency

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

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

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

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

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

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

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

Three growth strategies

■ Examples of initiatives >>P51

1 Reinforcement of existing businesses

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

2 Business expansion in emerging markets

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

3 Expansion of New Businesses

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

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

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

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

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

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

The "Green Apple" designed by Tadao Ando

Remaining a "Green Apple"

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

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

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

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

Story of Value Creation

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

Long-term vision: Together for a better healthcare journey

Inputs

Management Resources >>P23

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

Business Domains

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

Disease Prevention and Prognosis

Expansion in IVD Domains

Portfolio Expansion

IVD (Diagnostics Business)

Regional Expansion (Emerging markets)

Entry into Expanding Domains

Therapy and Surgery

>>Business Domains P34

Value Creation Strategies

Materiality >>P37

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

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

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

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

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

Core Strategies >>P39

Businesses and Technologies

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

Eco-social

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

Human Capital

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

Corporate Management

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

Outputs

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

Outcomes

Enhancing Social Value

[Healthcare and Society]

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

>>Providing Value in the Healthcare Domain P41

[Environment]

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

Increasing Corporate Value

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

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

Capital Enhancement

Long-Term Corporate Strategy

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

Long-term vision "Together for a better healthcare journey"

Key Points of Our Strategy

1 Expand our target domain from diagnostics to the healthcare journey
2 Accelerate business growth by leveraging our strengths
3 Strengthen our human capital and take on the challenge of reducing environmental impact

Value

- Each and every employee is always sincerely committed to improving social value and corporate value.
- We foster innovation in testing and diagnosis, creating unique value in personalized medicine and new therapeutic areas.

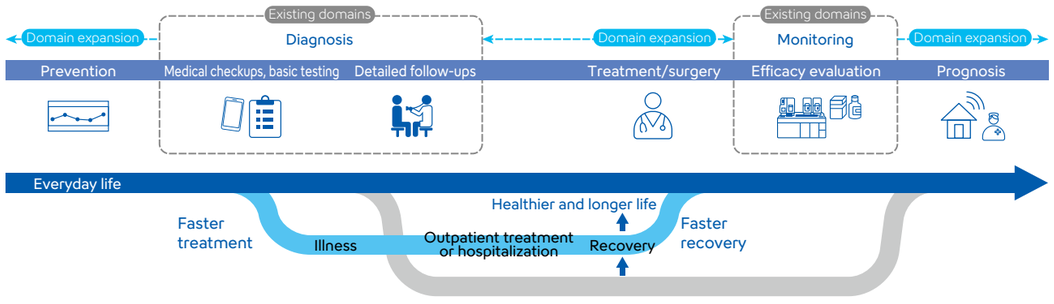
Advance

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

Prospects for the Healthcare Environment

Medical Environment, Systems, and Regulations	Treatment and Technology
• Rises in average life expectancy • Optimization of social security expenditures and medical expenses, and more personalized and decentralized medical care • Increased importance of prevention and self-medication • Ongoing healthcare disparities and the issue of accessibility to healthcare • Development of healthcare infrastructure to cope with pandemics (e.g., emerging markets)	• Technological innovations in genetic analysis, ultra-highly sensitive measurement, miniaturization of medical devices, and their implementation in medicine • Development of treatment methods and tests that reduce patients' physical and financial burdens • Increasing need for personalized medicine • Practical application of new therapeutic methods such as regenerative and cellular medicine and gene therapy • Implementation and expanded use of AI, digital, and robotics technologies • Expansion of testing needs for decisions about drug administration, driven by the high cost of drugs

■ Healthcare Journey



>>What Sysmex Aims For P5

Quantitative Targets

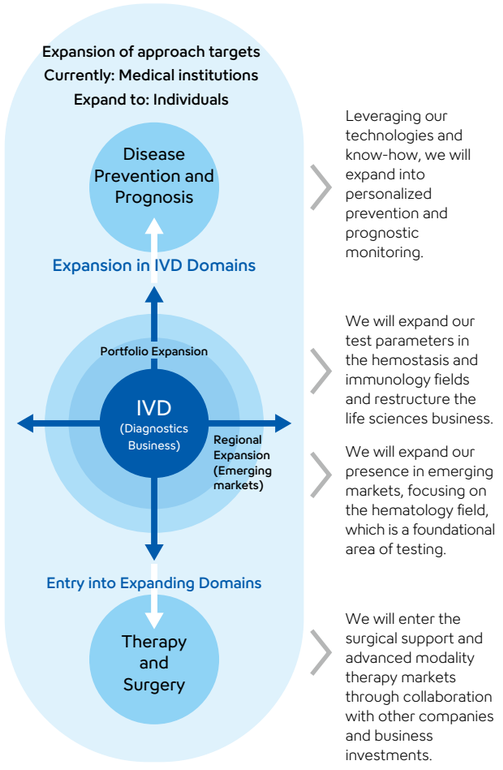
Growth	Profitability	Achieve zero product losses	Switch to environmentally conscious materials
Net sales ¥1 trillion or more	Operating margin 20% or more	Percentage of unused product waste 0.1% or less	Rate of use in containers and packaging materials 100%

Overview of Long-Term Corporate Strategy 2033

Sysmex creates long-term corporate strategies based on its vision for the future. We use a 10-year time-frame and revise our strategy as needed in response to changes in the operating environment. The previous Long-Term Corporate Strategy, formulated in 2018, laid the groundwork for strengthening our business foundation in the fields of hematology, urinalysis, hemostasis, and immunochemistry, while also paving the way for business development in areas such as personalized medicine and primary care, as well as new ventures like the medical robotics business.

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

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



◉ Strategy Design and Goals

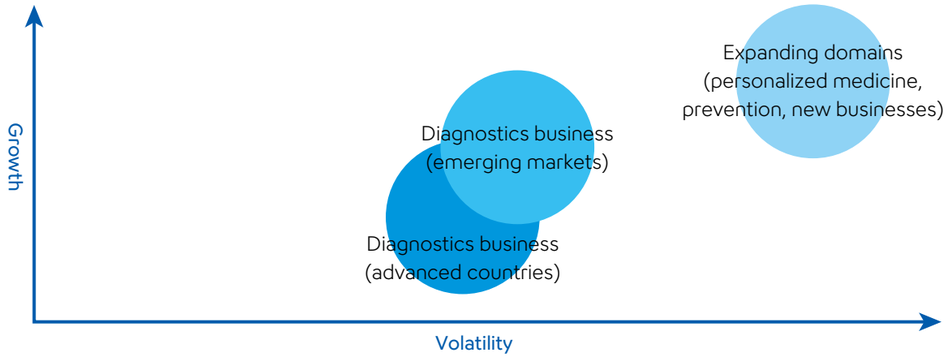
With a focus on sustainability, we have identified priority SDGs and defined material issues. These serve as the foundation for our basic strategy, which consists of four pillars: business and technology, eco-social initiatives, human capital, and corporate management. As for our targets, we have established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

◉ Business Domains

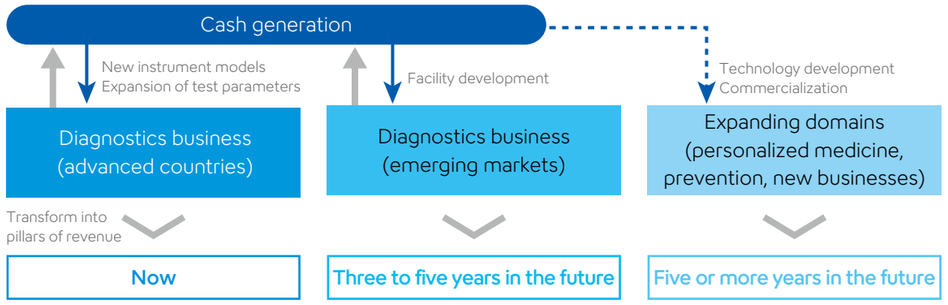
We are expanding beyond the traditional IVD (diagnostics) business domain to address a broader spectrum of the healthcare journey. In our existing domain, we will expand into emerging markets where we have strengths and broaden our testing fields and test parameters. To extend our reach within the IVD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

Investment and Growth Directions

■ Market Forecast



■ Cash Investment Destinations



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

Resource Allocation and Investment

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

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

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

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

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

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

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

Path Toward Enhancing Corporate Value

Profit Growth

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

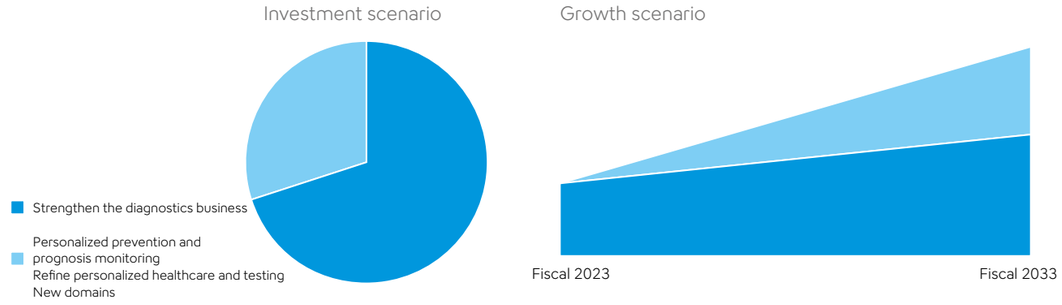
Improved Capital Efficiency

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

Optimized Cost of Capital

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

Growth Scenario (Image)



Materiality (priority issues)

Sysmex's Materiality

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

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

Opportunities and Threats >>P89

1 Added materiality items in fiscal 2023

>>Status of Sustainability Targets P103

2 Items that have been reorganized, integrated and rewritten in fiscal 2023 from the previous materiality items

The Process of Positioning and Identifying Our Materiality

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

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

In fiscal 2023, in order to formulate a new long-term vision and strategy, we have determined that it is important to design a cohesive strategy that aligns with our long-term corporate strategy, mid-term management plan, and materiality, taking into account factors such as the expansion of business domains and the diversification and increasing complexity of the social environment. We believe this will help enhance our execution capabilities and foster active dialogues, while promoting sustainability-oriented management. Furthermore, we anticipate that this will facilitate understanding both internally and externally.

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

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

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

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

The Flow of Identifying Materiality

2017 Identify

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

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

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

2021 Review

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

(GRI, SASB, SDGs, sustainability index assessments)

2023 Redesign

Analyze the external environment

Analyze the current status

Identify priority SDGs to address

Identify 14 materiality items in five fields

Long-term vision

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

Priority SDGs to Address

Impact on society

Impact on corporate value

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

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

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

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

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

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

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

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

Core Strategy

Core Strategies

Businesses and Technologies

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

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

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

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

Eco-social

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

Human Capital

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

Corporate Management

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

Major Initiatives

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

Access to healthcare
- Expand geographic coverage
- Increase number of primary care products

Quality
- Improve customer satisfaction
- Maintain world-class quality

Supply chain
- Ensure stable supplies
- Pursue quality throughout the supply chain

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

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

Engagement, diversity, equity, and inclusion (DE&I)
- Share vision and strategy, enhance dialogue, foster corporate culture

Cultivation of human resources
- Increase investment in human capital
- Strengthen human resource portfolio management

Occupational health and safety
- Improve the work environment

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

Quantitative targets

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

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

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

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

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

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

Increase in Corporate Value

Profit Growth

Reduction in Cost of Capital

Higher Capital Efficiency

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

Providing Value in the Healthcare Domain

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

★: Strength of need in next five years

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

(Results for fiscal 2024)

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

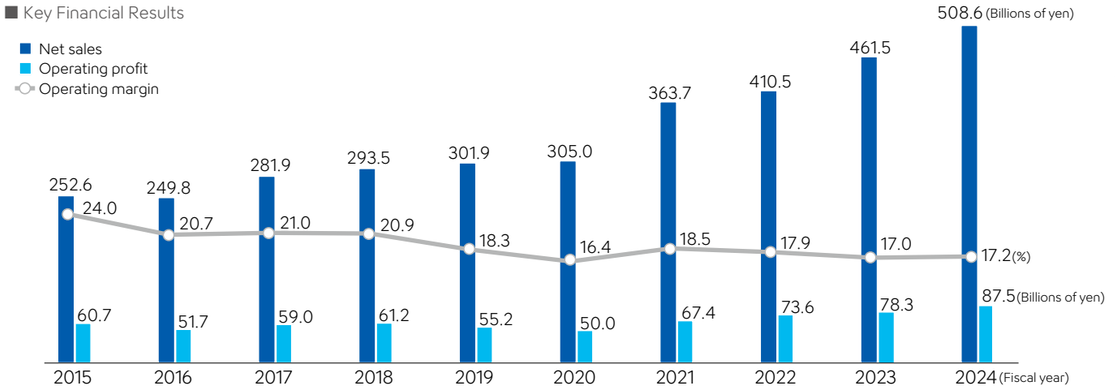
Issues
- Increased competitiveness and market expansion in the diagnostics business
- Acceleration of business growth in new domains
- Promotion of sustainability management and human capital management

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

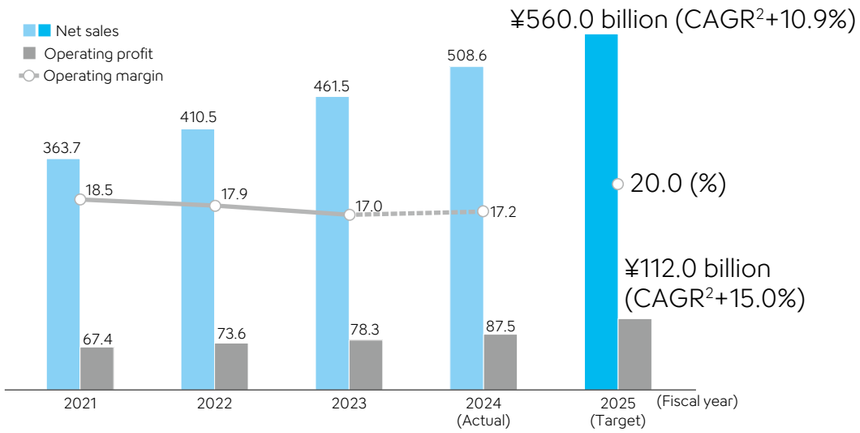
Mid-Term Management Plan Targets

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.

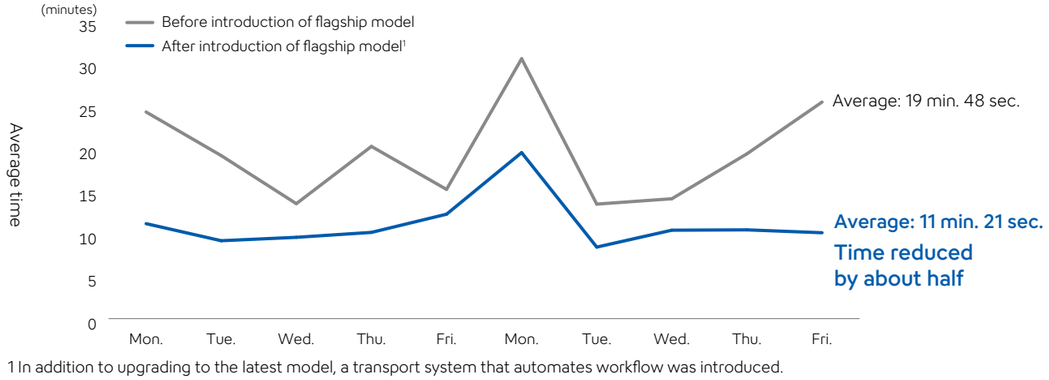
In developed countries, controlling healthcare costs and addressing workforce shortages have become social issues, driving demand for system products that automate testing processes and improve laboratory productivity. >>Touch-free concept P58

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.**

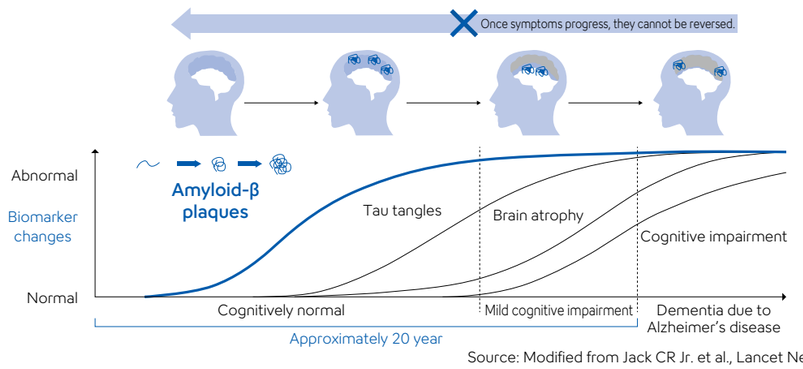
Immunochemistry is the largest segment of the IVD market. Sysmex has been working to develop unique test parameters using a platform as its proprietary instruments that enable highly sensitive, rapid testing. For example, in addition to parameters for testing liver fibrosis and atopic dermatitis, we 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.**

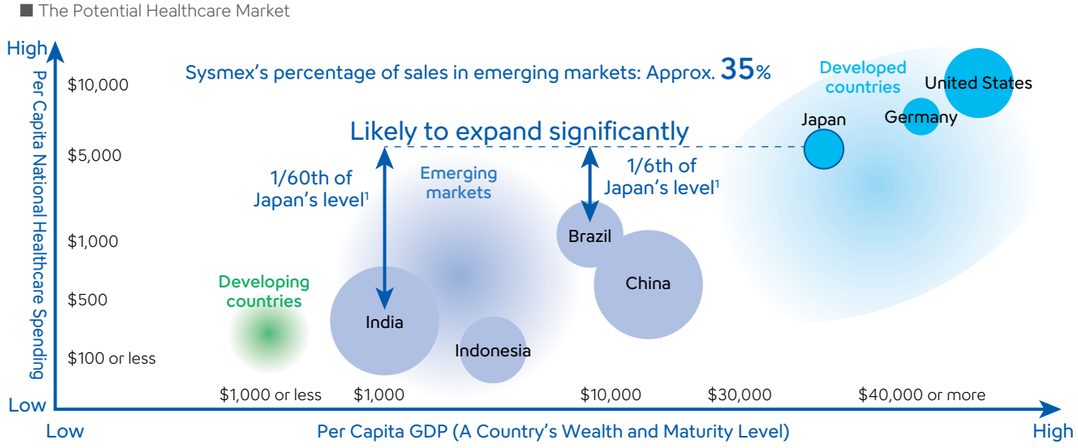
In some emerging markets, healthcare systems and medical infrastructures remain underdeveloped, and improving healthcare access remains a challenge. For example, compared to Japan's level, per capita healthcare expenditure is about one-sixth in Brazil and about one-sixtieth in India. Meanwhile, these 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].

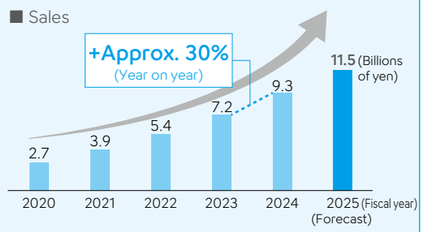
Sales in India grew by nearly 30% year on year in fiscal 2024, and in fiscal 2025, we plan to achieve further growth and achieve sales of more than ¥10 billion. We will continue to make proactive investments, including by developing products and services tailored specifically for the Indian market.

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

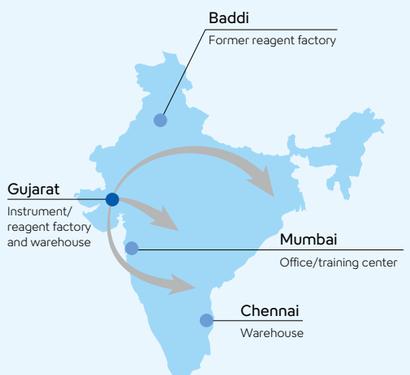


Launch of Make in India Products at New Production Base

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

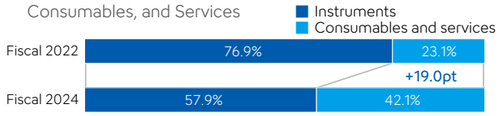
- **Accelerating the introduction of our robotic-assisted surgery system in Japan and preparing for its full-scale deployment overseas.**
- **Stably increasing profitability as the number of cases rises.**

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.

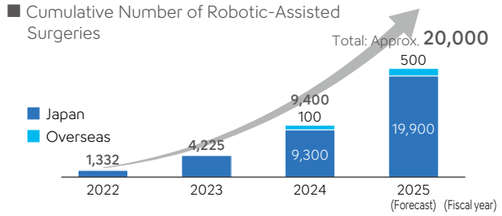
In Japan, installations have expanded beyond core hospitals to include affiliated institutions, and this business has grown to account for more than 10% of domestic sales. Overseas, usage has begun in countries such as Singapore and Malaysia, and we have applied for regulatory approval in the EMEA region, 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

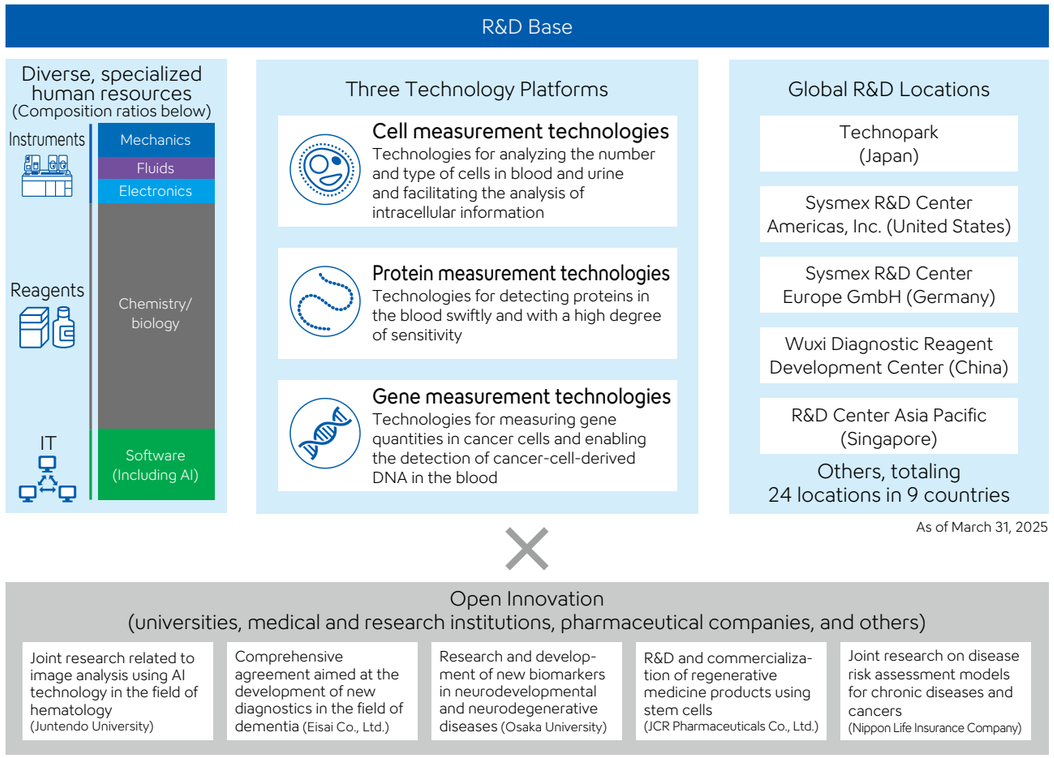
Sysmex develops instruments, reagents, and IT solutions based on its technology platforms for measuring cells, proteins, and genes. The synergy of these technologies enables not only the provision of accurate test data but also stable operation. In addition to creating new testing and diagnostic technologies, 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



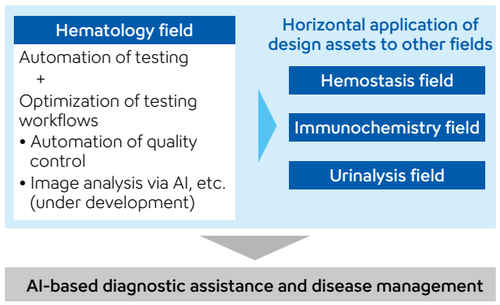
As of March 31, 2025

[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

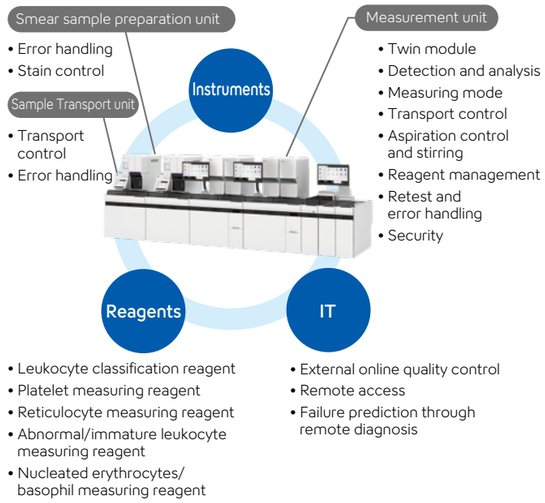
Future Upside
Enhancing competitive advantage by creating and protecting added value for the future

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.

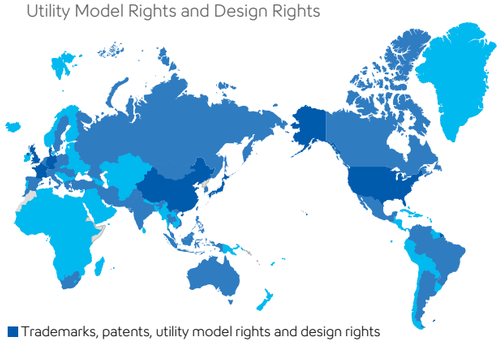
Intellectual Property Activities That Support the Global Business Expansion

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

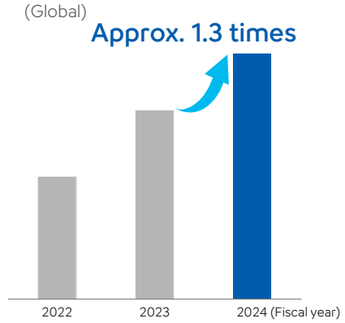
Domestic Reagent Production Sites

- 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

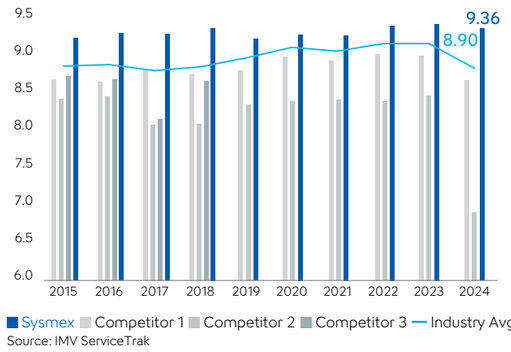
Achieving High Customer Satisfaction and Strengthening Brand Power

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.

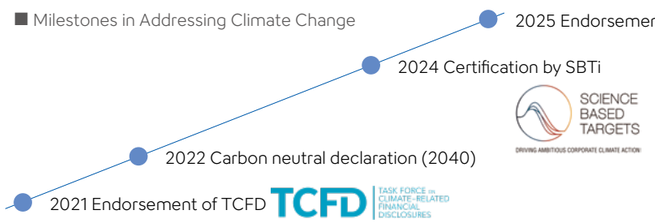
>>Status of Sustainability Targets P103

■ 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.

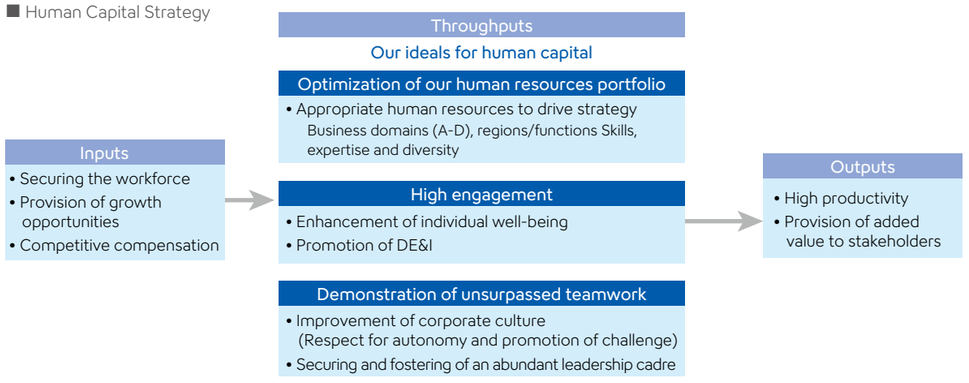
Reinforcing Human Capital

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.

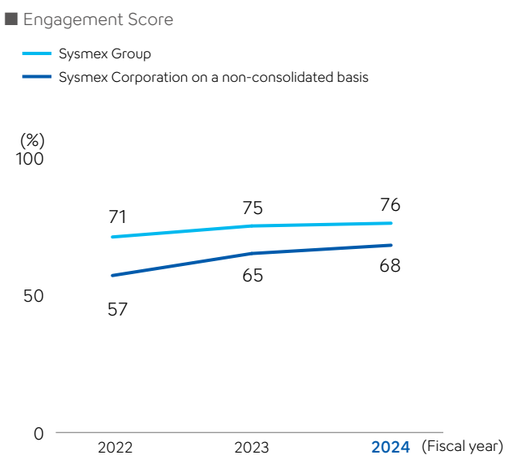
High Engagement

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.

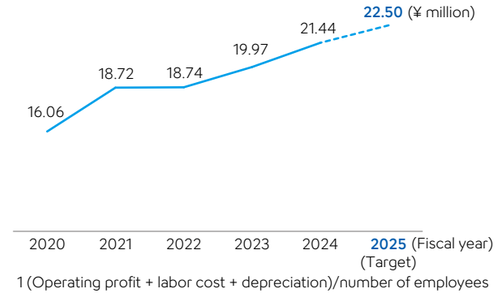
From fiscal 2025, we will launch a new global leadership development program. The inaugural cohort includes 14 participants from 11 countries. The program deepens their understanding of the Sysmex Way, leadership, and business strategy while also helping them form global human networks.

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.

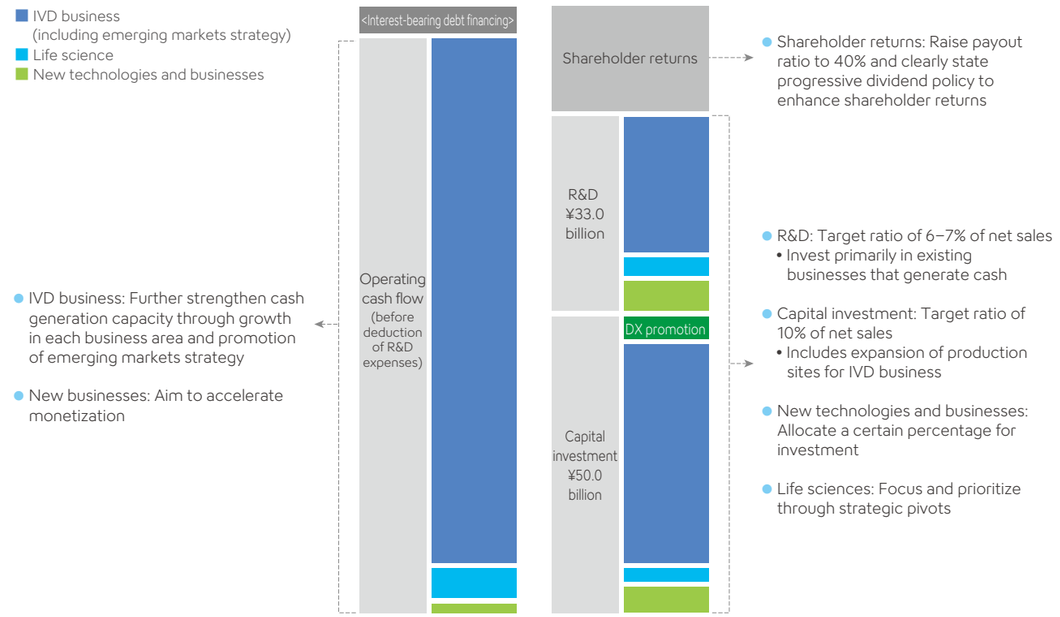
On the profit front, efforts to improve cost efficiency and properly control SG&A expenses led to a 0.2-point increase in our operating margin from the previous year, bringing it to 17.2%. While profitability is on a recovery trend, the impairment of goodwill, rising labor costs, and delays and cost 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

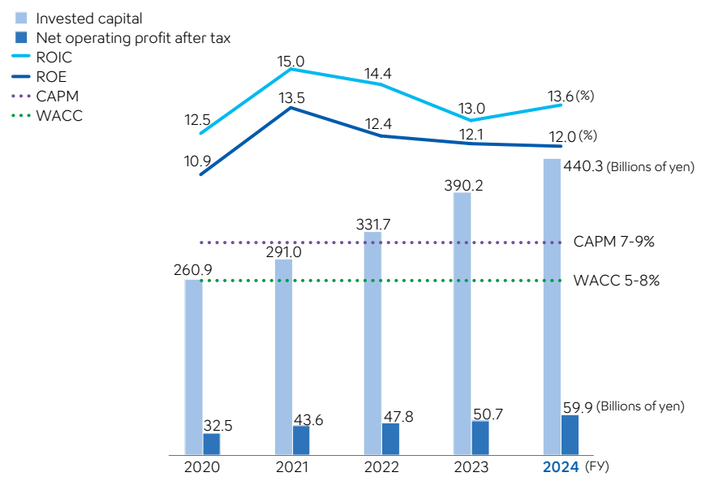
As the executive in charge of finance, I will focus on dialogue with the capital markets. Engaging in dialogue with numerous companies and exchanging opinions with investors who bring objective perspectives has been an invaluable learning experience. Through fair and constructive discussions, we can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



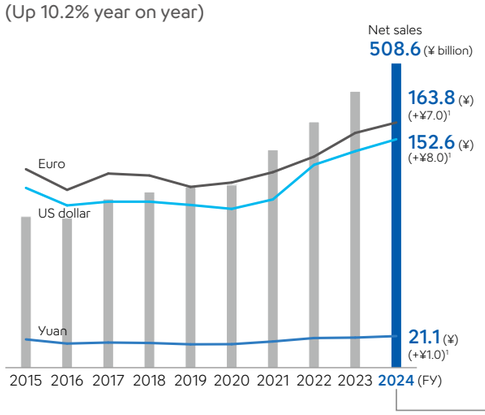
Performance Highlights (As of the end of fiscal 2024)

Financial Performance (IFRS)

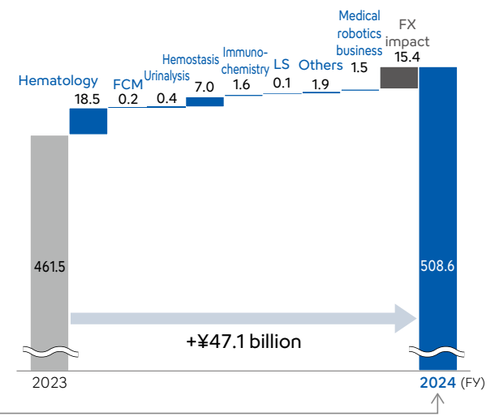
Net Sales

¥508.6 billion

(Up 10.2% year on year)



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



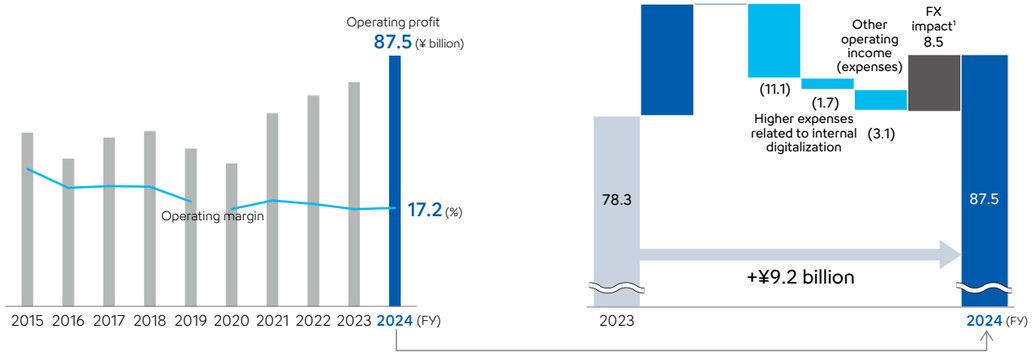
Sysmex's net sales have grown consistently except during fiscal 2020, which was significantly affected by the spread of COVID-19. In fiscal 2024, sales in the hematology field increased due to strong performance of the latest flagship model in regions other than the Americas. We also benefited from gains 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



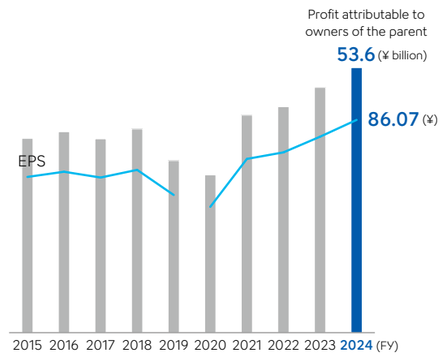
Despite ongoing investments in fields outside our mainstay area hematology and continued spending on digitalization, which has led to flat profit margins in recent years, we anticipate a recovery going forward. In fiscal 2024, selling, general, and administrative (SG&A) expenses increased due to factors 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)

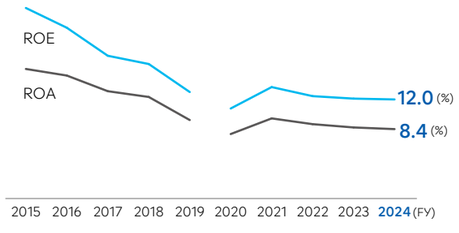


In recent years, profit attributable to owners of the parent has trended upward, in line with rising operating profit. In fiscal 2024, growth in operating profit and foreign exchange gains contributed to higher profit.

ROE/ROA

12.0% **8.4%**

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

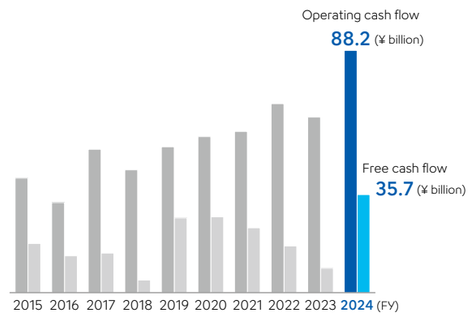


In recent years, ROE and ROA have been flat, affected by the operating margin. In fiscal 2024, profit increased but ROE and ROA remained essentially unchanged as equity attributable to owners of the parent and total assets both rose.

Operating Cash Flow/ Free Cash Flow

¥88.2 billion **¥35.7 billion**

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

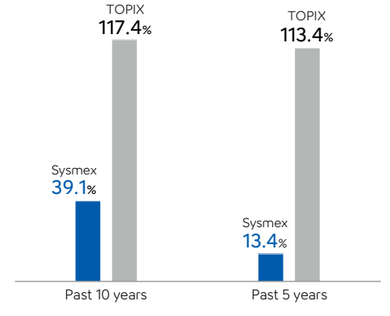


Free cash flow had been declining in recent years due to investments in digitalization. However, in fiscal 2024, we continued actively investing in digitalization and in building infrastructure in emerging markets, as in the previous year. Despite this, operating cash flow increased due to factors such 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)

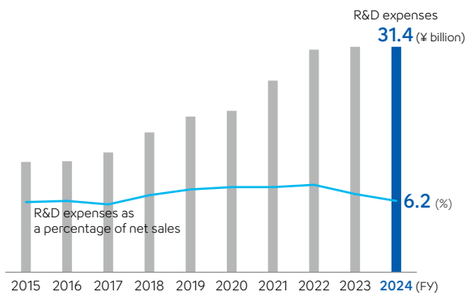


While Sysmex has continued to provide stable dividends, stock price growth has been limited, with yields below the TOPIX benchmark.

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)

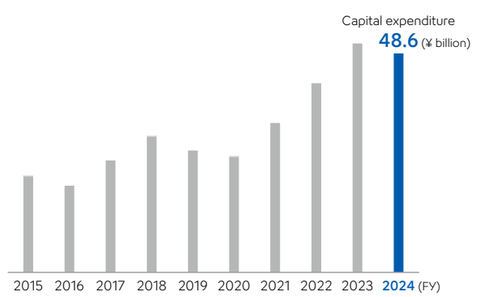


Sysmex targets annual R&D expenses equivalent to approximately 7% of net sales. In fiscal 2024, while total R&D expenses remained on par with the previous year due to selection and focus in R&D themes, we continued to increase investment in growth drivers, including internally generated intangible assets.

Capital Expenditure (including tangible and intangible)

¥48.6 billion

(Down 4.3% year on year)

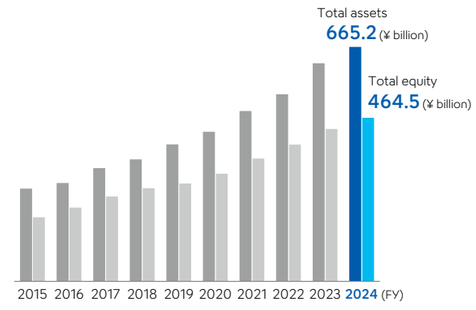


Our investment in digitalization has expanded in recent years. In fiscal 2024, capital expenditures increased, including for digitalization initiatives, infrastructure development in emerging markets, and customer lease assets.

Total Assets/Total Equity

¥665.2 billion (Up 7.5% year on year)

¥464.5 billion (Up 7.3% year on year)

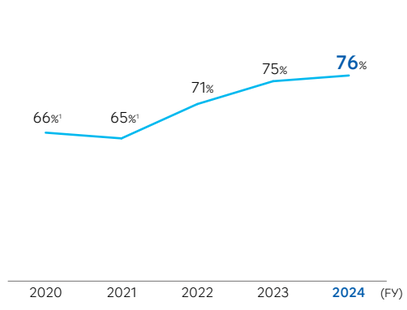


Assets: Although goodwill decreased due to impairment losses, cash and cash equivalents expanded.
Equity: Retained earnings rose due to higher profit attributable to owners of the parent.

Engagement Score

76%

(Up 1 percentage points year on year)



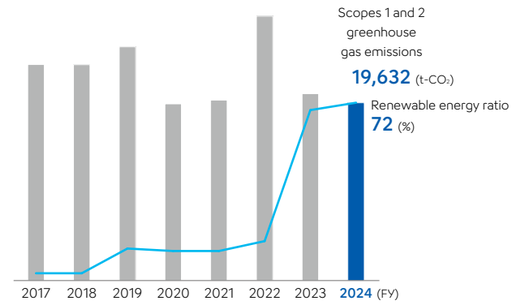
The engagement score has continued to rise, particularly in Japan, thanks to initiatives such as building a safe and comfortable workplace, improving employee well-being, and promoting DE&I.

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)

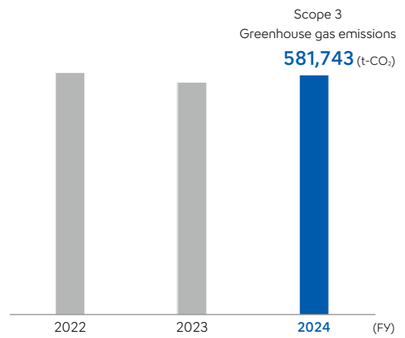


Scope 2 emissions are trending downward, primarily due to the transition to renewable energy overseas and the installation of energy-saving equipment.

Scope 3 Greenhouse Gas Emissions

581,743t-CO_2

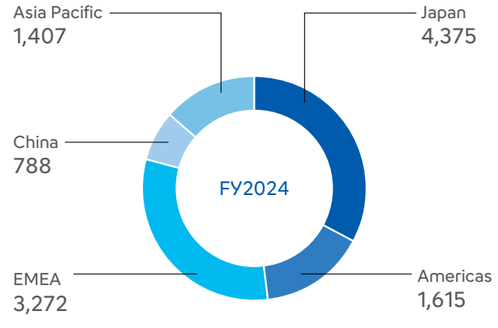
(Up 3.1% year on year)



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

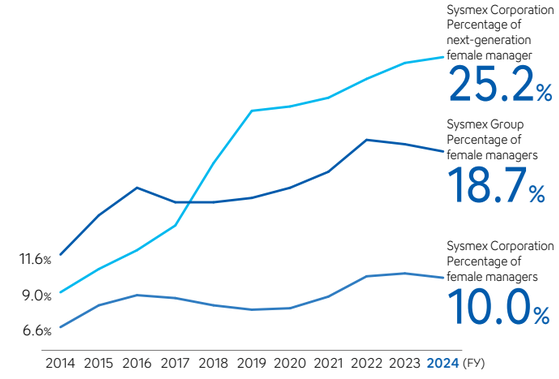
11,457 **61.8%**



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

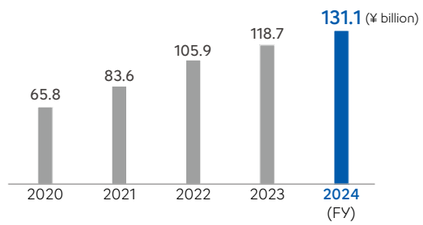
Percentage of female managers/ Percentage of next-generation female managers

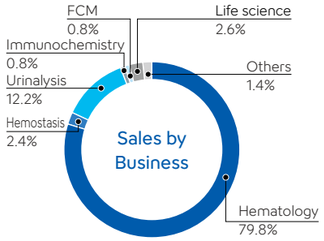


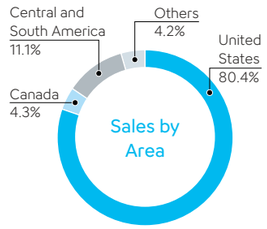
Although there was a decrease in fiscal 2024, the trend toward the early appointment of women to managerial positions in overseas regions remains positive. At Sysmex Corporation, expanding options for diverse careers and work styles is contributing to an improved ratio of next-generation female managers.

Net Sales by Destination

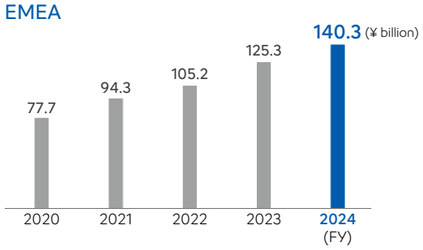
Americas

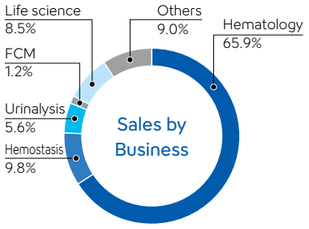


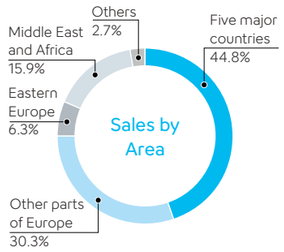




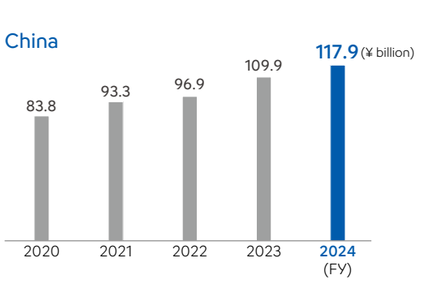
EMEA

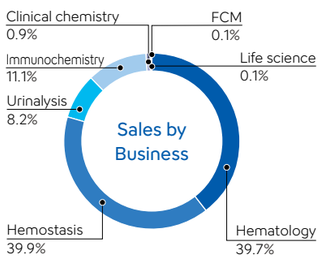




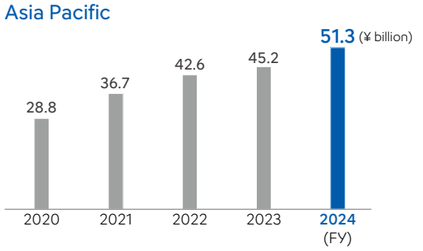


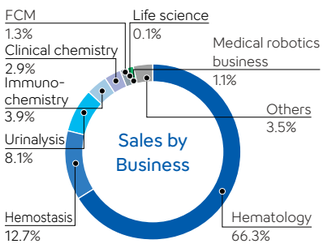
China

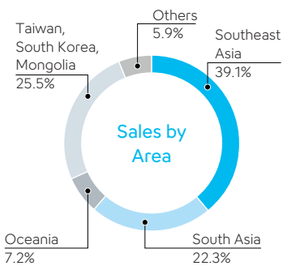




Asia Pacific

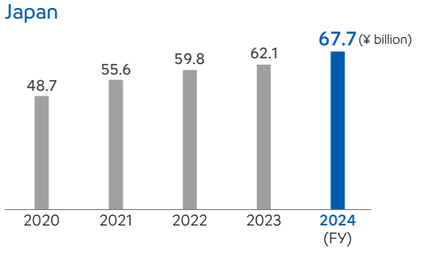


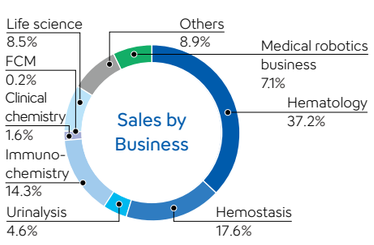




Note: From fiscal 2024, sales in Russia have been reclassified from EMEA to AP.

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.

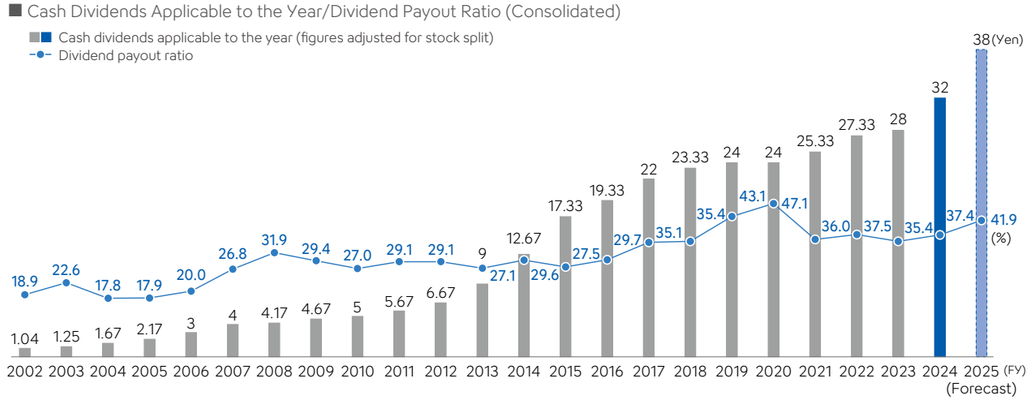
Outlook for Fiscal 2025

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.

Corporate Governance

Sysmex recognizes that reinforcing corporate governance is an important management issue. We are working to maximize the corporate value of the overall Group by increasing management speed and efficiency.

Conversation with Outside Members of the Managing Board

Kazuo Ota, who is a member of the managing board and chairperson of both the Nominating Committee and the Compensation Committee, and second-year Managing Board member Yuka Fujioka discussed the progress of Sysmex's corporate strategy and future challenges toward enhancing corporate value.

Kazuo Ota
Member of the Managing Board (Outside), Independent Director
Chairperson of the Nominating Committee and the Compensation Committee

Yuka Fujioka
Member of the Managing Board (Outside), Independent Director

Sysmex's Identity and Vision

Ota: In December 2024, I had the opportunity to engage directly with investors, and I gained several valuable insights. In today's conversation, I'd like to reflect on those investor perspectives as we discuss Sysmex's future challenges.

To begin, Ms. Fujioka, it has been a year since you assumed your role as an outside member of the Managing Board. How would you describe Sysmex's unique characteristics? Have your impressions changed compared to before your appointment?

Fujioka: Sysmex has many distinguishing features, but what I've come to feel more strongly since joining is how much Sysmex values its own identity. The Company honors its roots in Kobe, Japan—including its contributions to local communities—and maintains a strong commitment to Japanese manufacturing quality and craftsmanship. I believe this stance makes the Company unique and differentiates it in global markets. Naming the medical robotics system "hinotori™," a Japanese word, reflects this mindset.

Ota: I agree entirely about the importance of honoring one's origins and identity. However, some investors have raised concerns that Sysmex might be too centered around Kobe. Personally, I don't believe there's an operational overconcentration, but we may need to further strengthen our efforts from the perspective of talent and diversity. While the medical robotics business emerged from a concentration of technologies in Kobe, we now need to seek out new possibilities across various global regions.

Fujioka: It's essential to promote globalization while keeping identity rooted in the company's purpose and vision.

Looking ahead, I believe Sysmex's role on the global stage could grow even more significant. In an increasingly unpredictable and fragmented international landscape, "health" remains an area with strong potential for global cooperation. Moreover, as countries navigate complex domestic and diplomatic situations, Sysmex is expected to work in partnership with institutions in Japan and around the world to address healthcare disparities and improve medical standards in emerging markets. This mission overlaps with enhancing corporate value, contributing to national development, and solving global social issues—it is directly aligned with Sysmex's long-term vision.

Medium- to Long-Term Strategy and Progress Assessment

Ota: The long-term corporate strategy and vision established in fiscal 2023 articulate Sysmex's value proposition in clear terms. The direction of the strategy and its alignment with the Mid-Term Management Plan are also well defined. I believe the three growth strategies are simple and clear, and they've clarified capital allocation priorities. In my conversations with the executive team, I've sensed that the strategy and vision are taking hold.

That progress is reflected in our recent strong performance. Fiscal 2024, in particular, saw increases in both sales and profits across all regions in existing businesses, accelerating growth in emerging markets—especially India—and contributions to earnings from new businesses. We've been able to clearly demonstrate steady progress on our growth strategies.

Fujioka: I also view fiscal 2024 positively, especially in terms of Sysmex's ability to respond quickly to changing business environments. The risks vary widely across the 190-plus countries and regions where we operate. At each overseas subsidiary, risks are constantly being defined and updated in response to change, then shared with headquarters and other regional hubs. These discussions are taking place frequently and deeply, which is quite encouraging. There's a strong culture of commitment at Sysmex—employees take ownership of goals and roles—and I think the Company's management systems are excellent at drawing out that commitment.

Ota: Most regional offices are led by local talent, who are deeply rooted in their respective communities. These leaders engage directly and passionately with headquarters to ensure that their operations contribute to local healthcare and business development. Smooth progress in areas like knockdown production in China and alignment with the Make in India policy is a result of this structure.

Even though Sysmex's level of localization in production and procurement is among the best in the industry, we shouldn't become complacent. Compared to industries like automotive, we still have room to raise our local sourcing ratio. As a leader in the field of testing, Sysmex should aim to evolve even further.

Enhancing Corporate Value

Ota: The Managing Board plays a critical role in driving corporate value. From the time I joined as an outside member, I've continuously emphasized the importance of managing with capital costs in mind. Sysmex historically maintained very high ROE, so perhaps there wasn't always strong awareness of the need to discuss ROE and ROIC. But I believe that awareness has grown. This is evidenced by our adoption of ROIC-sensitive management, the pivot in our life science business, and other strategic shifts.

We've made these efforts, but our current stock price still leaves room for improvement. We've implemented measures like increasing dividends and introducing a progressive dividend policy, but we must continue exploring ways to enhance shareholder returns.

Investors have also asked us to lay out a clear roadmap toward our fiscal 2033 targets—and I fully agree. Our recent shift from a rolling Mid-Term Management Plan to a fixed three-year plan reflects our intention to clarify key milestones on the path to 2033, and I support that change.

Fujioka: Evaluating investment projects will also become even more important. It's not just about revenue and cost simulations, but also about setting clear return timelines and value targets. I ask detailed questions about every investment proposal, and I want to ensure that we assess non-financial value as well—without falling into short-termism.

Ota: Absolutely. To achieve the fiscal 2033 targets, we'll need to pursue non-linear growth—including M&A. Not just investment decisions, but follow-up management after the fact is critical. For that reason, we've started conducting return-on-investment analyses using strategic and investment balance management frameworks introduced in fiscal 2024. However, we still need to further strengthen our investment monitoring systems. One example is our digital

transformation (DX) IT infrastructure investment, which faced delays and cost overruns compared to initial plans. But now we're entering a phase where we'll start seeing the benefits of those DX investments. Monitoring this properly will also be a priority going forward.

Fujioka: Risk management must also evolve as we aim to raise corporate value. One concern I have is our geographic exposure, especially geopolitical risks. In the past, we've benefited significantly from China's economic growth. But becoming overly dependent on any single country raises potential risks. Given the differences in regulations, political systems, and unpredictability, we must optimize our global portfolio as we expand in emerging markets.

Ota: Efforts to enhance sustainability are also crucial to building long-term corporate value. Ultimately, companies are made of people, so I've been focusing on human capital and diversity. Employee engagement has been rising, and I plan to continue monitoring that. Gender diversity remains an area for improvement—our percentage of women in management positions still needs to grow. It's essential to strengthen systems that support female employee development. As for globalization, we already have four non-Japanese executive officers, which is a relatively strong position. But we must continue to strike the right balance in appointing more foreign nationals to leadership roles as a global company.

Fujioka: Diversity enhancement is something I feel personally responsible for as an outside member of the Managing Board, and I'm committed to supporting that effort. I've seen women playing active roles in key positions across departments—more so than the numbers might suggest. The next step is to help them develop their careers so that more can move up into executive and senior management positions.

Ota: I'd like to add one more point—about the environment. Initially, I didn't pay as much attention to this area, given that healthcare tends to have lower environmental impact compared to other industries. In hindsight, that was an oversight on my part. Social and investor expectations are shifting. Meanwhile, Sysmex has been steadily working on environmental initiatives for years, and that dedication earned us the No. 1 spot in our industry in the 2024 DJSI World Index. Sysmex is now in a position to lead sustainability in the testing field, and I hope we continue to strengthen our efforts, including working with other companies and industries.

Fujioka: We're also expanding the Sysmex Academy to help develop future leaders. As outside members, we've been participating in the final presentations of Academy participants. Sysmex's long-term corporate strategy includes a human capital strategy, and I think this initiative is very effective. It gives me hope for a broader and more diverse future executive team—especially in terms of women and international talent.

Ota: The Managing Board has been a lively forum for discussion, with outside members actively raising questions and comments. Ms. Fujioka, you in particular bring deep expertise in globalization and a fresh perspective in your second year, and your incisive questions have helped us hold productive deliberations. I look forward to continuing these in-depth, spirited discussions.

Fujioka: Thank you very much. In my first year, there was a great deal for me to take in. However, in addition to receiving briefings from various departments, I was also able to participate in meetings on the executive side, such as the Internal Control Committee and business report meetings from regional operations. These opportunities allowed me to deepen my understanding in detail and engage in open, vigorous exchanges of opinions. Going forward, to further invigorate discussions within the Managing Board, I believe it's essential for us outside members to each contribute perspectives grounded in our respective roles and areas of expertise, so we can engage in more fundamental and substantive discussions.

Ota: Yes, I completely agree. As an outside member of the Managing Board, I not only intend to fulfill my role of overseeing management through an external lens, but also to continue supporting the executive side by drawing on my own experience and background. In order to engage in deeper discussions in a variety of settings, let's also actively increase dialogue and exchange among the outside members of the Managing Board.

Thank you again for today, Ms. Fujioka.

Fujioka: Thank you. It's been a pleasure.

Corporate Governance

Basic Policy on Corporate Governance

Based on the "Sysmex Way," the corporate philosophy of the Sysmex Group, we are working to maximize corporate value by enhancing management soundness and transparency and raising management speed and efficiency.

In its efforts to date to shore up corporate governance, Sysmex has established an Audit and Supervisory Committee and sought to enhance the Managing Board's effectiveness. In addition, we have appointed outside members of the Managing Board, thereby strengthening the board's supervisory function. Furthermore, we have introduced an executive officer system to accelerate decision-making on business execution and respond swiftly to changes in the business environment.

Management Organization

The Company currently has 13 members on the Managing Board (of whom six are outside members). Also, three board members are members of the Audit and Supervisory Committee. (Two members of the Audit and Supervisory Committee are outside members of the Managing Board.) The Company also has 16 executive officers (of whom four concurrently serve as members of the Managing Board). We have also established the Nominating Committee and the Compensation Committee as advisory bodies. In fiscal 2022, we aimed to have the majority of both committee members of the Managing Board be outside members, and since fiscal 2023, independent outside members of the Managing Board have served as the chairs of each committee. With the appointment of new outside members of the Managing Board, the proportion of outside members on the Managing Board increased to 46% in fiscal 2025. Sysmex continues its efforts to enhance independence.

To facilitate accurate and timely decision-making, we have established and operate various committees in addition to our Managing Board. These committees include the Global Strategy Committee, which discusses and examines the mid- to long-term management direction, important strategies, and issues within the Group, and the Steering Committee, which conducts discussions, deliberations, and reports on important matters related to the implementation of annual plans.

In addition, to enhance the audit and supervisory function of the Managing Board and improve transparency and objectivity in management, the Audit and Supervisory Committee conducts audits using the internal control system.

>>Status of Each Committee in Fiscal 2024 P85

Sysmex complies with each of the principles of Japan's Corporate Governance Code, introduced by the Tokyo Stock Exchange. Please see our website for details. >>Website >About Sysmex >Corporate Governance

Compliance

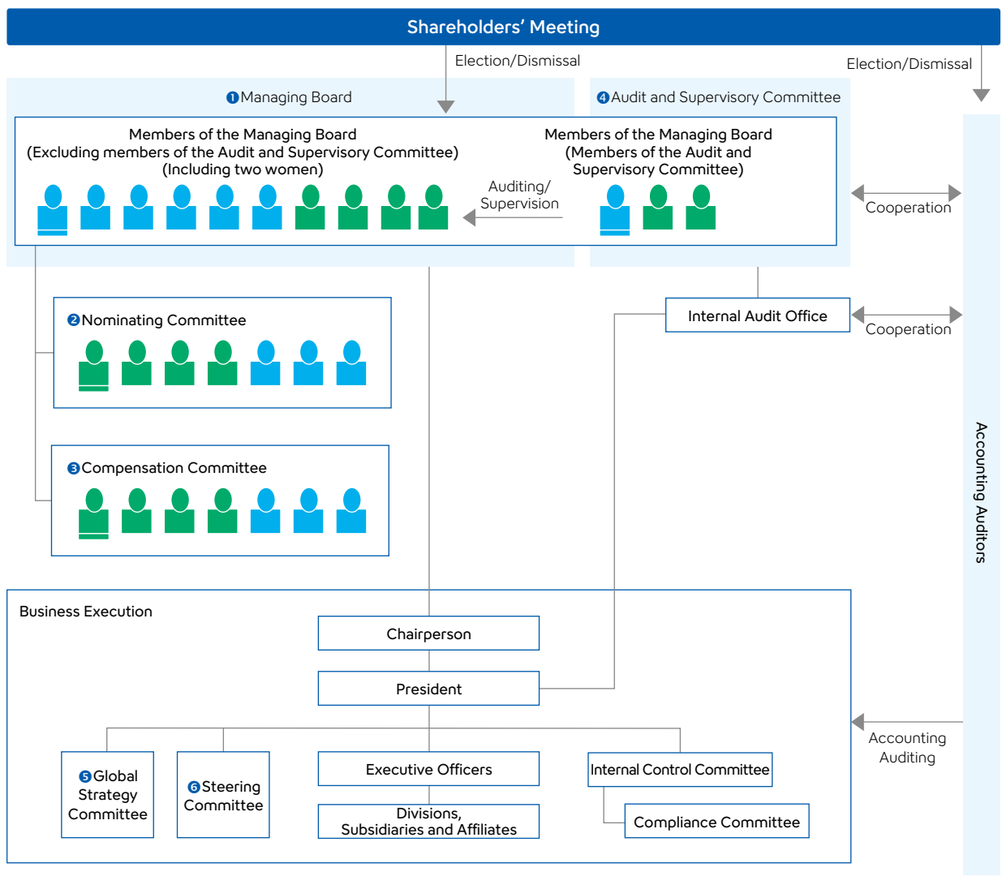
Based on the "Sysmex Way" and our Shared Values, we define our view of compliance as "conducting business activities not only in compliance with applicable laws and regulations, but also based on fairness and high ethical standards." We have established a Global Compliance Code, in which particularly important conformance rules and behavioral guidelines for all Group executives and employees to abide by are set out, and we conduct training and work to instill this code. The code describes our thoughts on ethics in relation to research and development, prevention of bribery, and adherence to international guidelines such as the Universal Declaration on Human Rights, as well as conserving the global natural environment. Sysmex has established and operates an internal reporting system for all Group companies.

To promote fair marketing activities, we have included an ethics code for marketing in the

■ Advances in Corporate Governance

(Fiscal Years)	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	2025. 6〜
Management organization	Company with a Board of Corporate Auditors												From June 2016 Company with an Audit and Supervisory Committee									
	From April 2005 Executive officer system																					
																	From April 2020 Internal Control Committee					
									Chief officer system (CEO)						From April 2018 System enhancement							
Term of office for members of the Managing Board	Two years												One year (Two years for members of the Audit and Supervisory Committee)									
Outside members the Managing Board (Number of Independent Directors)										One (One)			Four (Fiscal 2016–2019: four, Fiscal 2020: three)					Five (Fiscal 2021–2023: four, From June 2024: five)				Six (Six)
Ratio of outside members of the Managing Board										14%	11%		30%	33%				42%				46%
Corporate auditors (Outside)	From June 1995 One (out of three serving corporate officers)		From June 2006 Two (out of four serving corporate auditors)																			
Nominating Committee Chairperson	Internal member of the Managing Board																					Independent outside member of the Managing Board
Ratio of outside members	0%													25%					57%			67%
Compensation Committee Chairperson	Internal member of the Managing Board																					Independent outside member of the Managing Board
Ratio of outside members	0%													25%					57%			67%

■ Corporate Governance Structure



■ Status of Organizations in Fiscal 2024

Organization	Agenda items and reporting Items	Composition	Meetings Held in Fiscal 2024
❶Managing Board	Making important management decisions and supervising the execution of duties <Agenda items and reporting Items> • Appointments and dismissals of members of the Managing Board, compensation-related matters • Reports on the status of business execution by members of the Managing Board • Evaluation of the Managing Board's effectiveness • Audit policy, audit plan, and audit implementation report (members of the Audit and Supervisory Committee) • Matters related to the Group's internal control • Matters related to sustainability • Group operating performance; quarterly, semiannual, and annual results • Matters related to long-term strategy and investment • Plans for addressing risks and the status of activities	Members of the Managing Board	18
❷Nominating Committee	A Managing Board advisory body involved in executive appointments <Agenda items and reporting Items> • HR matters related to succession of the president • Matters concerning the election and dismissal of members of the Managing Board and executive officers • Proposals to be submitted to annual shareholders' meetings concerning the election and dismissal of the members of the Managing Board	Chairperson and Group CEO, President, members of the Managing Board (1), independent outside members of the Managing Board (4)	3
❸Compensation Committee	A Managing Board advisory body involved with decisions on executive compensation <Agenda items and reporting Items> • Details of members of the Managing Board and executive officers' remuneration (policy for determining the amount of remuneration, etc. and the method for calculating it)	Chairperson and Group CEO, President, members of the Managing Board (1), independent outside members of the Managing Board (4)	9
❹Audit and Supervisory Committee	An independent body that primarily audits the members of the Managing Board in the performance of their duties. <Agenda items and reporting Items> • Audit policy and audit plan, contents of audit report, decision on the appropriateness of reappointing the accounting auditor, agreement on remuneration of the accounting auditor, etc. • Status of activities of each Audit and Supervisory Committee member (important meetings, committee reports, approval decisions, etc.), audit plans of important subsidiaries, internal audit reports, and evaluation of the accounting auditor, etc.	Members of the Audit and Supervisory Committee	17
❺Global Strategy Committee	Deliberates on and discusses medium- to long-term Group management directions, important strategies and issues	Chairperson and Group CEO, President, senior executive officers, members of the Audit and Supervisory Committee	12
❻Steering Committee	Discusses and reports on projects that are important from the perspective of making progress on the Group fiscal yearly plan	Chairperson and Group CEO, President, executive officers, the members of the Audit and Supervisory Committee	16

■ Members of Major Boards (As of June 27, 2025)

	Name \ Board	Rate of Attendance at Meetings of the Managing Board	Rate of Attendance at Meetings of the Nominating Committee	Rate of Attendance at Meetings of the Compensation Committee	Rate of Attendance at Meetings of the Audit and Supervisory Committee
Internal	Hisashi Ietsugu	100% ●	100%	100%	—
	Kaoru Asano	100%	100%	100%	—
	Kenji Tachibana	100%	100%	100%	—
	Iwane Matsui	100%	—	—	—
	Tomokazu Yoshida	100%	—	—	—
	Takashi Ono	100%	—	—	—
	Tomoo Aramaki	100%	—	—	100% ●
External	Kazuo Ota	94.4%	100% ●	88.9% ●	—
	Haruo Inoue	100%	100%	—	—
	Yuka Fujioka	92.9%	—	—	—
	Marie Oshima[1]	—	—	—	—
	Kazumasa Hashimoto	100%	100%	100%	100%
	Michihide Iwasa	100%	100%	100%	100%

Note: Rates of attendance are for fiscal 2024. ● Chair (fiscal 2025) 1 Member from June 2025

"Anti-monopoly and Anti-competitive Behavior" Chapter of the Global Compliance Code. We have also established Global Regulations for Compliance with Competition Laws. In June 2024, Sysmex's activities in Japan were subject to an investigation by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act. However, in February 2025, the commission approved the commitment plan submitted by Sysmex and concluded the investigation. While this approval does not constitute a finding that Sysmex violated the Antimonopoly Act, the Company takes the fact that it was under suspicion very seriously. Sysmex is committed to thoroughly executing the approved plan, further reinforcing its compliance framework, and working to prevent recurrence.

>>Website > Sustainability > Governance > Compliance Management

Appointing Members of the Managing Board

Internal members of the Managing Board are appointed based on a balance of knowledge, experience, and ability to make accurate and prompt decisions, manage risks appropriately, monitor business execution, and cover each functional and business unit of the Company, as well as those with sufficient social credibility. People appointed as outside members of the Managing Board (excluding Audit and Supervisory Committee members) must have abundant work experience and broad insight, and be able to provide appropriate advice to the Company's management. Nominations for members of the Managing Board are made on the basis of a comprehensive evaluation of all candidates, regardless of their professional experience, age, nationality, race or ethnicity, or gender.

■ Skill Matrix for Members of the Managing Board (As of June 27, 2025)

	Name	Gender	Year	Initial appointment	Independent	Skills and experience: Corporate management	Management and business planning	Global	Sales and service	Research and development	Production/SCM	IT/DX	Finance/accounting	Human resources/general affairs
Internal	Hisashi Ietsugu	M	1949	1986		●	●		●				●	●
	Kaoru Asano	M	1958	2014		●	●			●		●		
	Kenji Tachibana	M	1957	2014		●	●	●	●		●	●	●	●
	Iwane Matsui	M	1961	2019		●	●	●	●			●		
	Tomokazu Yoshida	M	1964	2021		●	●			●				
	Takashi Ono	M	1965	2023		●	●	●	●		●			
	Tomoo Aramaki	M	1966	2022				●					●	
External	Kazuo Ota	M	1955	2019	○	●	●	●				●	●	●
	Haruo Inoue	M	1957	2024	○	●	●		●			●	●	
	Yuka Fujioka	F	1969	2024	○	●		●						●
	Marie Oshima	F	1962	2025	○			●		●				●
	Kazumasa Hashimoto	M	1953	2020	○	●	●		●				●	●
	Michihide Iwasa	M	1956	2020	○	●					●			

Note: The above represents the main skills and experience of each Member of the Managing Board and does not represent all skills and experience.

■ Definition of skills and experience

Item	Definition
Corporate management	Management experience as a representative, executive director, executive officer, etc. at a company, organization, etc.
Management and business planning	Experience and knowledge of management planning, risk management, business strategy, planning, promotion, etc. as a practicing, managing, or executive officer in charge, etc.
Global	Experience of overseas assignment.
Sales and service	Experience and knowledge of domestic and overseas sales, marketing, technical services, etc. as a practicing, managing, or executive officer in charge, etc.
Research and development	Experience and knowledge of technology strategy, technology and product development, IT development, intellectual property, etc. as a practicing, managing, or executive officer in charge, etc.
Production/SCM	Experience and knowledge of production, procurement, logistics, quality, etc. as a practicing, managing, or executive officer in charge, etc.
IT/DX	Experience and knowledge of IT/DX, etc. as a practicing, managing, or executive officer in charge, etc.
Finance/accounting	Experience and knowledge of accounting, finance, business administration, etc. as a practicing, managing, or executive officer in charge, etc.
Human resources/general affairs	Experience and knowledge of human resources, labor affairs, human resources development, diversity, legal affairs, compliance, etc. as a practicing, managing, or executive officer in charge, etc.

Note: Judgment is made based on whether or not the Member of the Managing Board has a total of about three years of experience in each of the items stated on the left.

Effectiveness of the Managing Board

The Managing Board is composed of members having diverse knowledge, experience, expertise and high level of specialization. We strive to ensure appropriate diversity and scale, taking into account the overall balance of the Managing Board, and respect the opinions of outside members of the Managing Board.

To enhance the functions of the Managing Board, the Company conducts a document-based questionnaire survey of all members of the Managing Board (including members of the Audit and Supervisory Committee). The Board's effectiveness is determined on the basis of deliberation by the Managing Board of the aggregate results. The questionnaire survey conducted in fiscal 2023 confirmed that the Managing Board is functioning effectively and fulfilling its role appropriately. In addition, we have recognized the need for a continued response, undertaking initiatives to further enhance effectiveness.

Evaluation Criteria

Composition of Members on the Managing Board
- The number of members of the Managing Board and outside members of the Managing Board, and the diversity of the members of the Managing Board (balance of knowledge, experience, ability, and expertise).

Provision of materials and information necessary for sufficient discussion of each agenda item
- The timing and content of materials and other information necessary to understand the background of the Managing Board's agenda

Effectiveness of deliberations and discussions at the Managing Board
- Number of agenda items/contents, deliberation time, useful deliberations and discussions, activation of discussions through free expression of opinions, and appropriate decision-making after sufficient deliberations

Business Ethics and Risk Management
- Ensuring that decisions are based on the Corporate Philosophy and Shared Values, and the timely reporting of key risks affecting management and confirmation of appropriate countermeasures

Execution of duties by members of the Managing Board (for stimulating discussion)
- Reviewing materials in advance, providing necessary and sufficient information on the agenda in advance, and providing clear explanations and answers to questions

Training opportunities for members of the Managing Board
- Provision of appropriate training opportunities for members of the Managing Board

Executive Compensation

Remuneration for members of the Managing Board (excluding members of the Audit and Supervisory Committee) is determined by the Compensation Committee, as delegated by the Managing Board. The Managing Board confirms the appropriateness of the compensation decision-making process and amounts through the Audit and Supervisory Committee, which is composed of three members (including two outside members).

Compensation for members of the Managing Board makes a clear link between operating performance and responsibility for achievements. Compensation for members of the Managing Board (excluding members of the Audit and Supervisory Committee and outside members of the Managing Board) is divided into three broad categories: fixed compensation, performance-linked compensation, and non-monetary compensation.

Fixed compensation comprises compensation for members of the Managing Board and compensation for business execution. Position-specific factors (related to the scale of responsibility of members of the Managing Board, as well as the degree of their impact on Group management) are used to determine disbursements.

Performance-linked compensation is linked to consolidated operating performance for the Group, using profit attributable to owners of the parent as an indicator. In addition, calculations are based on the results of evaluation of the degree of achievement of important priorities in the mid-term management plan and the sustainability targets linked to the materiality that we have identified. This indicator refers to net earnings for the consolidated fiscal year (sales net of expenses and profit or loss), which the Company considers an appropriate indicator for performance-linked compensation.

Regarding non-monetary compensation, at the annual shareholders' meeting held in June 2025, a resolution was passed to introduce a performance-linked stock-granting compensation plan that integrates the previously offered shareholding association system and other share-based compensation (stock options). This plan is designed to clarify the link between executive compensation and the company's performance and stock value, allowing members of the Managing Board to share in both the risks and rewards of stock price fluctuations alongside shareholders, thereby fostering stronger motivation to enhance long-term performance and corporate value. Compensation for members of the Audit and Supervisory Committee and outside members of the Managing Board consists only of fixed compensation and does not include stock-based compensation.

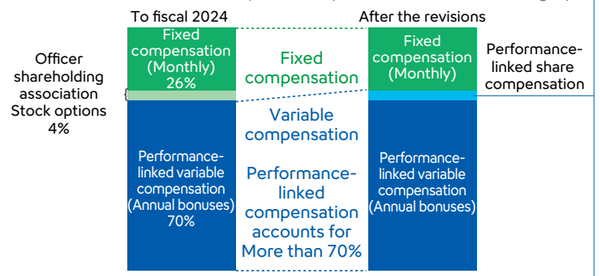
>>Shares Held by Individual Directors P91-94

■ Overview of Revisions to System of Compensation for Members of the Managing Board (Commenced Operation in August 2025)

- Introduced a performance-linked stock-granting compensation plan using a BIP trust structure (shares acquired from the market)
- Performance indicators set for each mid-term management plan
- Discontinued the shareholding association system and stock options as part of non-monetary compensation

Enhanced alignment between executive compensation and Company performance/ stock value to share value with shareholders

■ Breakdown of Executive Compensation (Before and After the Changes)



Note: Percentages are based on fiscal 2024 results

- Maximum stock compensation amount: ¥180 million
- Grant timing: At the end of each mid-term management plan (3 years) and upon resignation
- Evaluation: Based on achievement level of performance indicators for each mid-term management plan

Performance indicators
- Net sales
- Operating margin
- ROE

Indicators of corporate value
- Relative TSR
- Value-added productivity
- Zero product losses
  Complete transition to recyclable/ environmentally conscious materials

■ Status of the Managing Board in Fiscal 2024

	Issues in fiscal 2023 Issues and status of response in fiscal 2024	Survey results and issues in fiscal 2024	Policy for response to fiscal 2025
Structure and System	Issue: Building an organizational framework to enhance effectiveness Response: • Appointment of new outside members of the Managing Board with expertise in cybersecurity and science and technology. Strengthening diversity. • Review of the compensation system centered around the Compensation Committee	Result: The size of the Managing Board, the ratio of outside members of the Managing Board, and their qualifications and experience are generally appropriate. Issue: Establishment of organizational structure to further improve effectiveness going forward	• Consideration of candidates for appointment considering the balance of knowledge, experience, and specializations of the members of the Managing Board and their diversity
Operation	Issue: Earlier provision of materials and information Response: • Enforcing strict deadlines for submission of materials by proposing departments; enhancing advance briefings • Holding meetings exclusively for outside members of the Managing Board	Result: Provision of information necessary for discussion of the Managing Board agenda Issue: While the early provision of materials and enriched information has progressed, further enhancements are needed, including earlier and more detailed background explanations to support new members of the Managing Board	<Consideration of the following measures to stimulate discussion> • Provide training opportunities including for outside members of the Managing Board • Enhance pre-meeting briefings and secure ample time for deliberation, with consideration for newly appointed members • Holding meetings for exchange of opinions among outside members of the Managing Board only
Status of Agenda Items and Deliberations	Issue: Increasing opportunities for discussions on key indicators and challenges Response: • Discussions held on improved monitoring methods for major investment projects	Result: Agenda items and discussion time at the Managing Board are appropriate, and decisions are being made appropriately Issue: Increasing opportunities to discuss key indicators, challenges, and risks	• Continued and enhanced discussions on mechanisms to improve capital efficiency, progress and internal adoption, major investment projects, and key Group risks

■ Examples of Managing Board Agenda Items and Discussions in Fiscal 2024

Theme	Specific Discussions and Deliberations
Initiatives to achieve the long-term corporate strategy and the mid-term management plan	• Progress of internal digital transformation projects (e.g., implementation of core systems in each region, challenges, future development plans, specific return on investment and monitoring) • Management plan for Medicaroid (product strategies, development plans, and regional sales strategies for surgical support robots)
Efforts to improve capital efficiency and other aspects of corporate value	• Review and discussion of past major investment projects • Direction and impact of restructuring the life science business (revisiting focus areas)
Sustainability-related	• Introduction of a performance-linked stock-granting compensation plan in executive compensation • Sustainability targets (progress and initiatives on material topics, future improvement plans) • Reinforcement of compliance (commitment plan with the Japan Fair Trade Commission)

■ Actual Executive Compensation (Fiscal 2024)

(Millions of yen)

Executive category	Total compensation	Amount of compensation by type			Number of executives receiving compensation
		Fixed compensation	Performance-linked compensation	Non-monetary compensation	
Members of the Managing Board (excluding members of the Audit and Supervisory Committee and outside members of the Managing Board)	806	218	558	29	6
Members of the Audit and Supervisory Committee (excluding outside members of the Managing Board)	20	20	—	—	1
Outside members of the Managing Board	36	36	—	—	7

■ Executives Receiving Total Compensation of ¥100 Million or More (Fiscal 2024)

(Millions of yen)

Name	Executive category	Company category	Amount of compensation by type			Total compensation
			Fixed compensation	Performance-linked compensation	Non-monetary compensation	
Hisashi Ietsugu	Member of the Managing Board	Submitting company	52	168	6	227
Kaoru Asano	Member of the Managing Board	Submitting company	52	153	6	212
Kenji Tachibana	Member of the Managing Board	Submitting company	31	65	4	101
Iwane Matsui	Member of the Managing Board	Submitting company	30	74	4	109

Risk Management

Our Perspective on Operating Risks

Sysmex is responsible for the steady provision of products and services to customers in more than 190 countries and regions around the world, ensuring that testing operations (which are essential to healthcare) are not interrupted. For that reason, we have formulated countermeasures from both the short- and long-term perspectives to ensure that operations continue under any circumstances. In addition to risks related to economic trends, we consider natural disasters, climate change, and other environmental and geopolitical risks. We also consider increasingly stringent healthcare regulations in individual countries, the emergence of product quality issues, and information leaks to be significant risks. Risk management also supports our ongoing growth. By responding swiftly in a rapidly changing operating environment, we strive to earn the trust of our stakeholders and to maintain or increase our position in the market.

In recent years, risks such as the strengthening of tariffs in various countries and rising geopolitical tensions have become increasingly apparent. Sysmex produces reagents—which account for approximately 60% of its sales—at multiple sites distributed globally across regions. This decentralized production setup not only enhances business continuity planning (BCP) but also minimizes the impact of country-specific tariffs and related trade policies. For instruments as well, Sysmex has established local production systems in China and India in line with local policy developments.

Risk Management Structure

Sysmex has established an Internal Control Committee as the organization overseeing risk management for the entire group. This committee is chaired by the president and consists of members of the Managing Board (excluding outside members), with the Internal Control Office, an organization independent of the business divisions, serving as the secretariat. Outside members of the Managing Board participate as observers. The committee conducts risk assessments annually and identifies and implements countermeasures for risks that have significant impacts on the business.

For example, we have formulated a Business Continuity Plan (BCP) to ensure a stable supply of products and services to medical institutions and the stable operation of Sysmex products at medical institutions, if risks such as disasters and cyber threats materialize. The BCP involves the establishment of regulations and manuals for responding to crises, and identifies important products to be given supply priority.

>>Website >Sustainability >Governance >Risk Management

■ Principal Operating Risks

Materiality	Risks	Major Content		Principal Responses
Healthy society	Technological innovation	<Threat> Decrease in competitive advantage due to delayed response to technological innovation <Opportunity> Enhance added value through innovation		● Continue to invest aggressively in the development of new technologies ● Promote open innovation to integrate Sysmex's technologies with those of universities, research institutes, companies, etc. ● Establish R&D bases around the world. In addition to conventional *in vitro* diagnostics (IVD), expand initiatives in personalized medicine and preventive medicine, etc.
	Healthcare reform	<Threat> Decrease sales opportunities due to inadequate or delayed response to healthcare reforms <Opportunity> Increase competitive advantage through rapid response to regulations and needs		● Obtain and maintain regulatory approvals in a timely and accurate manner by building a global network ● Develop new diagnostic technologies that contribute to personalized medicine by accurately ascertaining the diversifying and increasingly sophisticated needs of customers in each region. ● Develop and market products and services that contribute to the efficiency of medical workflow, work toward the early detection of diseases, and improve access to healthcare
	Intellectual property	<Threat> Impact on business due to infringement or violation of intellectual property rights <Opportunity> Provide unique products and services by acquiring intellectual property rights		● Acquire intellectual property rights globally, coupled with thorough elimination of counterfeit products ● Strengthen competitive advantage and promote innovation through active rights acquisition and licensing of intellectual property rights ● Promote business activities that respect intellectual property rights through employee education. Introduce an employee award system related to intellectual property.
Responsible products	Quality	<Threat> Reduce reliability due to poor quality of products and services <Opportunity> Improve reliability and competitive advantage by improving quality		● Establish a Group quality policy to monitor and improve the quality and safety of products and services. ● Obtain certification under international standards for quality management systems at all production sites ● Establish the QARA Committee, which promotes global quality assurance and regulatory affairs, and ensures the collection, analysis, and incorporation of product reliability and safety data
	Stable supply	<Threat> Impact on product supply due to interruptions or delays in procurement or production <Opportunity> Provide peace of mind and improve reliability through efforts to ensure stable supply of products and services		● Ensure inventories of parts and raw materials and purchase from multiple suppliers ● Enhance prevention and recovery measures against large-scale disasters such as earthquakes, typhoons, and floods at factories and warehouses ● Produce reagents at multiple sites and establish a mutual supply network among major sites
	Geopolitics	<Threat> Impact on operations of rising geopolitical tensions <Opportunity> Enhance reliability through an ongoing supply of products and services		● Reinforce systems that leverage the global network to continuously and proactively monitor the political and regulatory climate in each country and region ● Promote the transfer of local production of reagents
Attractive workplace	Human resources	<Threat> Decline in competitiveness due to intensifying competition for human resources and outflow of human resources <Opportunity> Strengthen management foundation by creating an attractive workplace		● Create a work environment in which diverse human resources can fulfill their potential with confidence ● Adopt a Group-wide job-based personnel system and provision of educational programs as a foundation for supporting the realization of autonomous careers ● Implement attractive compensation systems, including trust-based stock compensation
Environment	Climate change and other environmental factors	<Threat> Impact on business due to inadequate environmental response or natural disasters <Opportunity> Improving reliability and competitive advantage by addressing environmental issues		● Establish the Environmental Management Committee to promote environmental management ● Endorse TCFD and TNFD recommendations, establish 2040 carbon neutrality target and science based targets, and accelerate initiatives ● Establish Sysmex Eco-Vision 2033 and promote initiatives that contribute to both environmental friendliness and business growth
Governance	Economic trends	<Threat> Decline in sales opportunities due to deteriorating economic conditions <Opportunity> Increase investment in healthcare infrastructure due to favorable economic conditions		● Promote standardization and efficiency of testing by providing solutions utilizing robotics, AI, and other technologies that contribute to improving the profitability of medical institutions. ● Expand sales opportunities by promoting the development and introduction of products suited to the diverse needs of emerging markets (India identified as a key market)
	Exchange rate fluctuations	<Threat> Negative impact on consolidated results, including decreases in overseas sales and assets due to yen appreciation <Opportunity> Positive impact on consolidated results, including increases in overseas sales and assets due to yen depreciation		● Hedge risks of foreign currency-denominated receivables and payables mainly through forward exchange contracts. ● Reduce the impact of foreign exchange rate fluctuations by diversifying reagent production bases globally
	Compliance	<Threat> Loss of social trust due to compliance violations <Opportunity> Enhanced trust from stakeholders through compliance		● Strengthen the Group-wide risk management system, centered around the Compliance Committee ● Establish the Global Compliance Code, along with the development of global consultation and whistleblower systems, and awareness-raising initiatives
	Human rights	<Threat> Loss of public trust due to inadequate response to human rights <Opportunity> Improving reliability through appropriate human rights measures		● Human rights policy stipulates the implementation of due diligence. Promote efforts to prevent and mitigate negative impacts on human rights, including those of external partners involved in the supply chain. ● Introduce consultation and reporting channels for internal and external stakeholders ● Provide education to prevent harassment and disseminate correct labor-related knowledge
	Information systems and security	<Threat> Impact on customers and business due to cyber-attacks <Opportunity> Improve reliability of products and services by strengthening security support		● Establish a product security policy and manage vulnerabilities in product design, production, and post-sale to provide reliable peace of mind to our customers ● Implement mechanisms to detect unauthorized communications and quarantine malware to minimize its impact on the Group's business ● Promote efforts to familiarize employees with the rules for using AI technology and to accelerate innovation through proactive use of AI technology
	Investment, including corporate acquisitions	<Threat> Delays in achieving strategic goals due to lack of investment effectiveness <Opportunity> Accelerate business by maximizing investment effectiveness		● Strengthen monitoring of investment considerations, decision-making, and the post-merger integration (PMI) process ● Proactively take risks in necessary investments for business growth

Members of the Managing Board

Hisashi Ietsugu
(born 1949)
Chairperson and Group CEO
Number of Company shares held: 1,852,000

Sep. 1986 Joined the Company, Member of the Managing Board
Mar. 1990 Member of the Managing Board and Senior Executive Officer, Managing Director
Feb. 1996 Member of the Managing Board and Senior Executive Officer, Managing Director (Representative Director)
Apr. 1996 Member of the Managing Board and Senior Executive Officer, Senior Managing Director (Representative Director)
Jun. 1996 President and CEO
Apr. 2013 Chairman and CEO
Apr. 2023 Chairperson and Group CEO (current)
(Important concurrent position)
Member of the Managing Board (Outside) of The Minato Bank, Ltd.

Reasons for Appointing

He has managed all of Sysmex and provided strong leadership for many years. He was appointed because he will be essential for increasing the corporate value with his sense of balance, enabling appropriate supervision and decision-making of the entire management based on his insight and abundant experience and achievements as a corporate manager.

Kaoru Asano
(born 1958)
President
Number of Company shares held: 165,800

Aug. 1987 Joined the Company
Apr. 2009 Executive Officer, Manager of Central Research Laboratories
Apr. 2011 Executive Officer, Executive Vice President of R&D Strategic Planning
Apr. 2013 Senior Executive Officer
Jun. 2014 Member of the Managing Board and Senior Executive Officer
Apr. 2015 Member of the Managing Board and Senior Executive Officer, Managing Director
Apr. 2017 Member of the Managing Board and Senior Executive Officer, Senior Managing Director
Apr. 2018 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO LS Business Unit and CTO
Apr. 2021 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, CTO
Apr. 2023 President (current)

(Important concurrent position)
Vice Chairperson of the Kobe Chamber of Commerce and Industry

Reasons for Appointing

He has managed research, technology development and technological strategy, and has provided strong leadership for many years. He was appointed because leveraging his experience and insight will be essential for increasing corporate value.

Kenji Tachibana
(born 1957)
Member of the Managing Board and Senior Executive Officer
Assistant to the President
In charge of Internal Control and Regulatory Affairs & Quality Assurance
Number of Company shares held: 132,300

Mar. 1980 Joined the Company
Apr. 1998 President of Sysmex Singapore Pte Ltd. (presently Sysmex Asia Pacific Pte Ltd.)
Apr. 2011 Executive Officer, Executive Vice President of IVD Business Development
Apr. 2013 Senior Executive Officer
Jun. 2014 Member of the Managing Board and Senior Executive Officer
Apr. 2015 Member of the Managing Board and Senior Executive Officer, Managing Director
Apr. 2017 Member of the Managing Board and Senior Executive Officer, Senior Managing Director
Apr. 2018 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO IVD Business Unit
Apr. 2021 Member of the Managing Board and Senior Executive Officer, Senior Managing Director (current)

Reasons for Appointing

He has been involved in business strategy development and international businesses and has contributed to strategic and global business development. He was appointed because he will be essential for increasing corporate value through the growth of businesses.

Tomokazu Yoshida
(born 1964)
Member of the Managing Board and Senior Executive Officer
Managing Director, CTO
R&D
Number of Company shares held: 8,300

Jun. 2000 Joined the Company
Apr. 2017 Executive Officer, Executive Vice President of Central Research Laboratories and MR Business Development
Apr. 2020 Senior Executive Officer
Apr. 2021 Senior Executive Officer, Managing Director
Jun. 2021 Member of the Managing Board and Senior Executive Officer, Managing Director
Apr. 2023 Member of the Managing Board and Senior Executive Officer, Managing Director, CTO (current)

Reasons for Appointing

He has been involved in research and technology development for many years and has contributed to business development. He was appointed because his abundant experience and wide-ranging insight will be essential for increasing the corporate value.

Iwane Matsui
(born 1961)
Member of the Managing Board and Senior Executive Officer
Senior Managing Director
Japan and International Business and Medical Robotics (MR) Business
Number of Company shares held: 14,700

Apr. 1985 Joined the Company
Jul. 2001 President of Sysmex Europe GmbH (presently Sysmex Europe SE)
Apr. 2011 Executive Officer, Executive Vice President of Corporate Business Planning
Apr. 2013 Executive Officer, Executive Vice President of International Business Management
Apr. 2017 Senior Executive Officer
Apr. 2019 Senior Executive Officer, Managing Director
Jun. 2019 Member of the Managing Board and Senior Executive Officer, Managing Director
Apr. 2023 Member of the Managing Board and Senior Executive Officer, Senior Managing Director (current)

Reasons for Appointing

He has been involved in promoting businesses such as domestic and international sales and marketing serving as a sales manager for domestic sales and as a representative of several overseas regional headquarters of the Group for many years, and has contributed to global business development. He was appointed because his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.

Takashi Ono
(born 1965)
Member of the Managing Board and Senior Executive Officer
Managing Director
Eco-Social (ES) Strategy and Business Strategy Development
Number of Company shares held: 33,979

Apr. 1987 Joined the Company
Apr. 2009 Executive Vice President of Sysmex America, Inc.
Apr. 2010 President of Sysmex Reagents America, Inc.
Apr. 2019 Executive Officer and SCM Executive Vice President
Apr. 2021 Senior Executive Officer
Apr. 2023 Senior Executive Officer, Managing Director
Jun. 2023 Member of the Managing Board and Senior Executive Officer, Managing Director (current)

Reasons for Appointing

He has been involved in product planning, market development, production and supply chain management (SCM) and has contributed to the global business development. He was appointed because his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.

Kazuo Ota

(born 1955)

Member of the Managing Board (Outside)

Independent Director

Number of Company shares held: N/A

Apr. 1978 Joined Kawasaki Heavy Industries, Ltd.
Apr. 2013 Executive Officer, General Manager of Planning & Control Division, Aerospace Company of Kawasaki Heavy Industries, Ltd.
Apr. 2015 Managing Executive Officer, General Manager of Corporate Planning Division, In Charge of Finance & Human Resources (Corporate) of Kawasaki Heavy Industries, Ltd.
Jun. 2015 Senior Vice President, General Manager of Corporate Planning Division, In Charge of Finance & Human Resources (Corporate) of Kawasaki Heavy Industries, Ltd.
Apr. 2018 Director, Managing Executive Officer, President of Motorcycle & Engine Company of Kawasaki Heavy Industries, Ltd.
Jun. 2019 Advisor of Kawasaki Heavy Industries, Ltd.
Jun. 2019 Joined the Company, Member of the Managing Board (Outside) (current)

Reasons for Appointing

He was appointed to utilize his abundant experience and deep insight in corporate management for management of the Company.

Haruo Inoue

(born 1957)

Member of the Managing Board (Outside)

Independent Director

Number of Company shares held: N/A

Apr. 1981 Joined The Sanwa Bank, Limited (presently MUFG Bank, Ltd.)
Apr. 2008 Executive Officer, General Manager of Corporate Planning of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (presently MUFG Bank, Ltd.)
Jun. 2010 Managing Executive Officer of Mitsubishi UFJ NICOS Co., Ltd.
Jun. 2011 Director and Managing Executive Officer of Mitsubishi UFJ NICOS Co., Ltd.
May 2012 Managing Executive Officer, Deputy General Manager of Retail Department of the Bank of Tokyo-Mitsubishi UFJ, Ltd. (presently MUFG Bank, Ltd.)
May 2014 Managing Executive Officer of the Bank of Tokyo-Mitsubishi UFJ, Ltd.
Jun. 2014 Representative Director and President and Chief Executive Officer of Mitsubishi UFJ NICOS Co., Ltd.
Apr. 2020 Senior Managing Executive Officer of Sojitz Corporation
Apr. 2022 Executive Vice President of Sojitz Corporation
Jun. 2024 Member of the Managing Board (Outside) of UNIRITA Inc. (current)
Jun. 2024 Joined the Company, Member of the Managing Board (Outside) (current)

(Important concurrent position)
Member of the Managing Board (Outside) of UNIRITA Inc.

Reasons for Appointing

He was appointed to utilize his abundant experience and deep insight in the business world, as a corporate manager of a financial institution, for management of the Company.

Yuka Fujioka

(born 1969)

Member of the Managing Board (Outside)

Independent Director

Number of Company shares held: N/A

Apr. 1993 Joined Announcing Department, Development Bureau of Kansai Television Co., Ltd.
Apr. 1999 Newscaster, such as CS Broadcast Asahi Newstar and Lecturer for Simul Academy Conference Interpreter Course
Sep. 2008 Part-time Lecturer at Kwansei Gakuin University Center for International Education and Cooperation (current)
Apr. 2009 Part-time Lecturer for Kobe College, School of Letters, Department of English, Global Studies Course
Apr. 2010 Part-time Lecturer at Kwansei Gakuin University, School of International Studies (current)
Jul. 2016 Representative Director and President of Fujioka-Kinzoku Co., Ltd. (current)
Jun. 2018 Member of the Managing Board (Outside) of Maruichi Steel Tube Ltd. (current)
Jun. 2024 Joined the Company, Member of the Managing Board (Outside) (current)

(Important concurrent position)
Member of the Managing Board (Outside) of Maruichi Steel Tube Ltd.

Reasons for Appointing

She was appointed to utilize her global perspective and deep knowledge, abundant experience in management, and deep insight for management of the Company.

Marie Oshima

(born 1962)

Member of the Managing Board (Outside)

Independent Director

Number of Company shares held: N/A

Apr. 1992 Research Associate of the Institute of Industrial Science, the University of Tokyo
Apr. 1995 Visiting Researcher of the Department of Mechanical Engineering, School of Engineering, Stanford University
Jun. 1998 Lecturer at the Institute of Industrial Science, the University of Tokyo
Apr. 1999 Associate Professor of the Department of Functional Engineering, the University of Tsukuba/Institute of Industrial Science, the University of Tokyo
Apr. 2000 Associate Professor of the Institute of Industrial Science, the University of Tokyo
Jul. 2005 Professor of the Institute of Industrial Science, the University of Tokyo
Apr. 2006 Professor of the Interfaculty Initiative in Information Studies, the University of Tokyo/Professor of the Institute of Industrial Science, the University of Tokyo (current)
Jul. 2018 Director (Outside) of TOYOTA CENTRAL R&D LABS., INC. (current)
Sep. 2022 Director (Outside) of Open Up Group Inc. (current)
Apr. 2024 Deputy Director of Tokyo College, the University of Tokyo (current)
Apr. 2024 Visiting Professor of School of Engineering, Tokyo University of Technology (current)
Jun. 2025 Joined the Company, Member of the Managing Board (Outside) (current)

(Important concurrent position) Director (Outside) of Open Up Group Inc.

Reasons for Appointing

She was appointed to utilize her abundant experience and deep insight in cybersecurity, science and technology for management of the Company.

Tomoo Aramaki

(born 1966)

Member of the Managing Board (Member of the Audit and Supervisory Committee, full-time)

Number of Company shares held: 21,600

Apr. 1989 Joined the Company
Apr. 2019 Executive Vice President of the Business Administration of the Company
Jun. 2022 Member of the Managing Board (Member of the Audit and Supervisory Committee) (current)

Reasons for Appointing

He has long been involved in the business administration department and has also served as the head of the business administration department of the Company's overseas subsidiaries. He was appointed to utilize his abundant experience and insight, which is necessary to increase the audit and supervisory functions.

Michihide Iwasa

(born 1956)

Member of the Managing Board (Outside)

Independent Director

(Member of the Audit and Supervisory Committee), Independent Director

Number of Company shares held: N/A

Apr. 1979 Joined Kobe Steel, Ltd.
Apr. 2009 Senior General Manager of Raw Materials Purchasing Department of Kobe Steel, Ltd.
Apr. 2010 Executive Officer of Iron & Steel Business of Kobe Steel, Ltd.
Apr. 2012 Managing Executive Officer of Iron & Steel Business of Kobe Steel, Ltd.
Jun. 2014 Representative Director and President of Kobelco Logistics, Ltd.
Jun. 2020 Senior Advisor of Kobelco Logistics, Ltd.
Jun. 2020 Joined the Company, Member of the Managing Board (Outside) (Member of the Audit and Supervisory Committee) (current)

Reasons for Appointing

He was appointed to utilize his abundant experience and deep insight into corporate management for audits of the Company.

Kazumasa Hashimoto

(born 1953)

Member of the Managing Board (Outside)

Independent Director

(Member of the Audit and Supervisory Committee), Independent Director

Number of Company shares held: N/A

Apr. 1976 Joined Sumitomo Bank (presently Sumitomo Mitsui Banking Corporation)
Apr. 2004 Executive Officer of Sumitomo Mitsui Banking Corporation
Apr. 2007 Managing Executive Officer of Sumitomo Mitsui Banking Corporation
Jun. 2010 President and Representative Director of Ginsen Co., Ltd.
Jun. 2014 President and Representative Director, and Chief Operating Officer of Kansai Urban Banking Corporation (presently Kansai Mirai Bank, Limited)
Jun. 2016 Chairman of the Board, President and Representative Director of Kansai Urban Banking Corporation
Apr. 2018 Representative Director and President of Kansai Mirai Financial Group, Inc.
Apr. 2019 Chairman of Kansai Mirai Bank, Limited.
Jun. 2019 Outside Corporate Auditor of THE ROYAL HOTEL, LIMITED
Jun. 2020 Joined the Company, Member of the Managing Board (Outside) (Member of the Audit and Supervisory Committee) (current)
Apr. 2023 Special Advisor of Kansai Mirai Bank, Limited. (current)

Reasons for Appointing

He was appointed to utilize his abundant experience and deep insight into corporate management as a corporate manager of a financial institution.

Executive Officers (As of June 27, 2025)

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

Frank Buescher
Senior Executive Officer
CEO, Sysmex Asia Pacific Pte Ltd.
Deputy in charge of DX Strategy Development

Mitsuhisa Kanagawa
Senior Executive Officer
In charge of Instrument Production and SCM.

Peng Zuo Hui
Executive Officer
President and CEO,
Sysmex Shanghai Ltd.

Alain Baverel
Executive Officer
CEO, Sysmex Europe SE

Reiko Watanabe
Executive Officer
Executive Vice President of Medical & Scientific Affairs Div.

Kaoru Watanabe
Executive Officer
Supervision of JEA
Deputy in charge of Medical Robotics (MR) Business

Takaaki Nagai
Executive Officer
Deputy in charge of Instrument Production and SCM Executive Vice President of Production Design Center

Kinya Uchihashi
Executive Officer
In charge of Reagent Production
Executive Vice President of Reagent Production Div.

Andy Hay
Executive Officer
President,
Sysmex America, Inc.

Naohiko Matsuo
Executive Officer
Deputy in charge of Business Strategy Development
Executive Vice President of ICH (Immunology, Clinical Chemistry, Hemostasis) Business Div.

Kenji Tsujimoto
Executive Officer
Executive Vice President of Next Generation Medical Business Development Div.

Executive Officers' Main Responsibilities

		Main Responsibilities Related to Key Actions for the Group and Areas in Charge							Main Responsibilities Related to Materiality				
		1 Enhance competitiveness and expand markets through innovation in existing business domains	2 Accelerate commercialization centered on genetic testing in the domain of personalized medicine	3 Create a new business model in the domains of prevention and self-medication	4 Accelerate business growth in the therapeutic domain, centered on the medical robotics business	5 Realize a circular resource value chain and transform with a view to solving social issues	6 Enhance corporate value by strengthening human capital and management base	7 Promote corporate and social transformation through DX	❶ Creating new value for a healthy society	❷ Providing Responsible of products, services and solutions	❸ Creating an Attractive Workplace	❹ Reducing in environmental impacts	❺ Strengthening Governance
	Posts and Responsibilities												
Kenji Tachibana	Member of the Managing Board and Senior Executive Officer Assistant to the President In charge of Internal Control and Regulatory Affairs & Quality Assurance						●		●	●			●
Iwane Matsui	Member of the Managing Board and Senior Executive Officer Senior Managing Director Japan and International Business and Medical Robotics (MR) Business	●			●				●	●			
Tomokazu Yoshida	Member of the Managing Board and Senior Executive Officer Managing Director, CTO R&D	●	●	●				●	●	●		●	
Takashi Ono	Member of the Managing Board and Senior Executive Officer Managing Director Eco-Social (ES) Strategy and Business Strategy Development	●	●	●		●			●	●		●	
Kensuke Iizuka	Senior Executive Officer In charge of Corporate Management, Next Generation Medical Business Development and DX Strategy Development			●	●	●	●	●	●	●	●		●
Frank Buescher	Senior Executive Officer CEO, Sysmex Asia Pacific Pte Ltd. Deputy in charge of DX Strategy Development	●		●	●			●	●	●	●		
Mitsuhisa Kanagawa	Senior Executive Officer In charge of Instrument Production and SCM.	●				●			●	●		●	
Peng Zuo Hui	Executive Officer President and CEO, Sysmex Shanghai Ltd.	●							●	●	●		
Alain Baverel	Executive Officer CEO, Sysmex Europe SE	●			●				●	●	●		
Reiko Watanabe	Executive Officer Executive Vice President of Medical & Scientific Affairs Div.	●		●					●	●			
Kaoru Watanabe	Executive Officer Supervision of JEA Deputy in charge of Medical Robotics (MR) Business	●			●				●	●			
Takaaki Nagai	Executive Officer Deputy in charge of Instrument Production and SCM Executive Vice President of Production Design Center	●				●			●	●		●	
Kinya Uchihashi	Executive Officer In charge of Reagent Production Executive Vice President of Reagent Production Div.	●				●			●	●		●	
Andy Hay	Executive Officer President, Sysmex America, Inc.	●			●				●	●	●		
Naohiko Matsuo	Executive Officer Deputy in charge of Business Strategy Development Executive Vice President of ICH Business Div.	●	●	●					●	●			
Kenji Tsujimoto	Executive Officer Executive Vice President of Next Generation Medical Business Development Div.			●	●			●	●	●			

Consolidated Financial Data (10 Years)

(¥ billion)

(Fiscal years)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
For the year:										
Net sales	252.6	249.8	281.9	293.5	301.9	305.0	363.7	410.5	461.5	**508.6**
Operating profit	60.7	51.7	59.0	61.2	55.2	50.0[5]	67.4	73.6	78.3	**87.5**
Profit attributable to owners of the parent	39.2	40.6	39.2	41.2	34.8	31.9[5]	44.0	45.7	49.6	**53.6**
Capital expenditure[1]	21.4	19.3	24.9	30.2	27.1	25.7	33.2	42.0	50.8	**48.6**
Depreciation and amortization	12.1	12.3	14.6	15.8	23.9	25.5	27.4	31.8	35.8	**39.0**
R&D expenses	15.4	15.5	16.7	19.5	21.7	22.5	26.7	31.0	31.4	**31.4**
Net cash provided by (used in) operating activities	41.7	32.8	52.2	44.7	53.1[4]	56.8[5]	58.7	68.8	63.9	**88.2**
Net cash provided by (used in) investing activities	(23.8)	(19.4)	(37.8)	(40.1)	(25.9)	(29.1)[5]	(35.0)	(51.7)	(54.9)	**(52.4)**
Net cash provided by (used in) financing activities	(8.7)	(10.8)	(11.5)	(14.0)	(20.5)[4]	(20.2)	(20.5)	(24.2)	(9.0)	**(24.3)**
At year-end:										
Total assets	263.9	279.8	321.9	346.7	389.2[4]	424.8[5]	483.7	531.0	618.9	**665.2**
Cash and cash equivalents, end of year	56.4	57.9	61.4	51.0	56.5	66.4	73.7	69.4	75.5	**89.5**
Total equity	182.8	210.2	241.4	265.1	278.3	306.0[5]	349.0	388.3	432.8	**464.5**
Interest-bearing liabilities	1.3	1.1	0.9	0.8	23.1[4]	22.5	22.8	23.5	56.3	**66.0**
Per share data:										
Equity attributable to owners of the parent[2] (yen)	293.11	335.29	384.86	422.36	443.26	486.96[5]	554.95	617.56	692.94	**743.71**
Profit attributable to owners of the parent (basic)[2] (yen)	63.03	65.10	62.76	65.87	55.70	50.91[5]	70.29	72.94	79.27	**86.07**
Profit attributable to owners of the parent (diluted)[2] (yen)	62.77	64.91	62.61	65.76	55.64	50.82[5]	70.16	72.91	79.24	**86.05**
Cash dividends applicable to the year[2] (yen)	17.33	19.33	22.00	23.33	24.00	24.00	25.33	27.33	28.00	**32.00**
Dividend payout ratio (%)	27.5	29.7	35.1	35.4	43.1	47.1[5]	36.0	37.5	35.4	**37.4**
Other data:										
Operating margin (%)	24.0	20.7	21.0	20.9	18.3	16.4[5]	18.5	17.9	17.0	**17.2**
Overseas sales ratio (%)	84.2	82.6	84.0	85.0	84.5	84.0	84.7	85.4	86.5	**86.7**
Equity ratio (%)	69.3	74.8	74.8	76.3	71.3	71.9[5]	72.0	73.0	69.8	**69.7**
Return on equity (ROE) (%)	23.1	20.7	17.4	16.3	12.9	10.9[5]	13.5	12.4	12.1	**12.0**
Return on assets (ROA)[3] (%)	15.7	14.9	13.0	12.3	9.5	7.8[5]	9.7	9.0	8.6	**8.4**
Number of employees (Including part-time and other employees)	7,446	7,930	8,445	8,715	9,231	9,510	9,812	10,522	11,012	**11,457**
Exchange rates:										
US dollars (yen)	120.1	108.4	110.9	110.9	108.7	106.1	112.4	135.5	144.6	**152.6**
Euros (yen)	132.6	118.8	129.7	128.4	120.8	123.7	130.6	141.0	156.8	**163.8**
Chinese Yuan (yen)	18.9	16.1	16.8	16.5	15.6	15.7	17.5	19.8	20.1	**21.1**

1 Including tangible and intangible items
2 Dividend (actual) converted to post-split basis. As of April 1, 2024 (Three-for-one stock split).
3 ROA = Profit attributable to owners of the parent/total assets (yearly average)×100
4 Adopted IFRS 16 (from fiscal 2019)
5 In fiscal 2021, Sysmex changed its accounting policy for configuration or customization costs in cloud computing contracts to recognize costs as expenses when services are received. Accordingly, we have by retroactively adjusted the figures for the fiscal 2020.

Consolidated Statement of Financial Position

Sysmex Corporation and Its Subsidiaries
As of March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Assets			
Current assets			
Cash and cash equivalents	**¥ 89,570**	¥ 75,507	**$ 597,133**
Trade and other receivables	**163,007**	157,067	**1,086,713**
Inventories	**81,811**	79,123	**545,407**
Other short-term financial assets	**654**	1,310	**4,360**
Income taxes receivable	**1,246**	934	**8,307**
Other current assets	**28,531**	29,515	**190,207**
Total current assets	**364,821**	343,459	**2,432,140**
Non-current assets			
Property, plant and equipment	**130,211**	116,693	**868,073**
Goodwill	**14,205**	17,221	**94,700**
Intangible assets	**92,146**	86,786	**614,307**
Investments accounted for using the equity method	**339**	472	**2,260**
Trade and other receivables	**26,978**	21,435	**179,853**
Other long-term financial assets	**12,034**	14,034	**80,227**
Asset for retirement benefits	**0**	458	**0**
Other non-current assets	**6,880**	4,339	**45,867**
Deferred tax assets	**17,651**	14,018	**117,673**
Total non-current assets	**300,447**	275,461	**2,002,980**
Total assets	**¥665,268**	¥618,920	**$4,435,120**
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	**¥ 31,865**	¥ 33,602	**$ 212,433**
Lease liabilities	**9,250**	8,659	**61,667**
Other short-term financial liabilities	**1,403**	1,028	**9,353**
Income taxes payable	**12,784**	12,476	**85,227**
Provisions	**1,164**	1,159	**7,760**
Contract liabilities	**18,098**	16,591	**120,653**
Accrued expenses	**22,355**	21,643	**149,033**
Accrued bonuses	**14,709**	12,611	**98,060**
Other current liabilities	**11,194**	10,311	**74,627**
Total current liabilities	**122,826**	118,084	**818,840**
Non-current liabilities			
Long-term loans payable	**32,359**	28,600	**215,727**
Lease liabilities	**23,126**	18,080	**154,173**
Other long-term financial liabilities	**56**	76	**373**
Liability for retirement benefits	**2,127**	2,239	**14,180**
Provisions	**1,054**	674	**7,027**
Other non-current liabilities	**11,608**	10,350	**77,387**
Deferred tax liabilities	**7,575**	7,917	**50,500**
Total non-current liabilities	**77,908**	67,938	**519,387**
Total liabilities	**200,734**	186,023	**1,338,227**
Equity			
Equity attributable to owners of the parent			
Capital stock	**14,887**	14,729	**99,247**
Capital surplus	**20,960**	20,830	**139,733**
Retained earnings	**402,820**	365,985	**2,685,467**
Treasury stock	**(12,318)**	(12,315)	**(82,120)**
Other components of equity	**37,425**	42,814	**249,500**
Total equity attributable to owners of the parent	**463,776**	432,045	**3,091,840**
Non-controlling interests	**758**	851	**5,053**
Total equity	**464,534**	432,897	**3,096,893**
Total liabilities and equity	**¥665,268**	¥618,920	**$4,435,120**

Note: The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥150 to $1, the approximate rate of exchange at March 31, 2025.

Consolidated Statement of Income

Sysmex Corporation and Its Subsidiaries
For the Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Net sales	**¥508,643**	¥461,510	**$3,390,953**
Cost of sales	**236,665**	219,013	**1,577,767**
Gross profit	**271,977**	242,497	**1,813,180**
Selling, general and administrative expenses	**150,848**	133,798	**1,005,653**
Research and development expenses	**31,455**	31,402	**209,700**
Impairment losses	**3,211**	2,210	**21,407**
Other operating income	**2,070**	4,203	**13,800**
Other operating expenses	**948**	905	**6,320**
Operating profit	**87,583**	78,382	**583,887**
Financial income	**1,078**	937	**7,187**
Financial expenses	**3,518**	2,386	**23,453**
Share of loss on equity method	**(2,071)**	(2,849)	**(13,807)**
Foreign exchange gain (loss)	**(3,850)**	516	**(25,667)**
Profit before tax	**79,221**	74,600	**528,140**
Income tax expenses	**25,645**	24,826	**170,967**
Profit	**¥ 53,576**	¥ 49,774	**$ 357,173**
Profit attributable to			
Owners of the parent	**¥ 53,669**	¥ 49,639	**$ 357,793**
Non-controlling interests	**(93)**	135	**(620)**
Profit	**¥ 53,576**	¥ 49,774	**$ 357,173**

	Yen		U.S. Dollars
	2025	2024	2025
Earnings per share			
Basic	**¥ 86.07**	¥ 79.27	**$ 0.57**
Diluted	**86.05**	79.24	**0.57**

Note: The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥150 to $1, the approximate rate of exchange at March 31, 2025.

Consolidated Statement of Comprehensive Income

Sysmex Corporation and Its Subsidiaries
For the Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Profit	**¥53,576**	¥49,774	**$357,173**
Other comprehensive income (loss)			
Items that will not be reclassified subsequently to profit or loss			
Net gain (loss) on financial assets measured at fair value through other comprehensive income	**(2,194)**	250	**(14,627)**
Remeasurements of defined benefit plans	**(114)**	(181)	**(760)**
Total	**(2,308)**	69	**(15,387)**
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	**(1,830)**	23,526	**(12,200)**
Share of other comprehensive income of investments accounted for using the equity method	**(3)**	27	**(20)**
Total	**(1,833)**	23,553	**(12,220)**
Total other comprehensive income	**(4,141)**	23,623	**(27,607)**
Comprehensive income	**¥49,434**	¥73,397	**$329,560**
Comprehensive income attributable to			
Owners of the parent	**¥49,527**	¥73,262	**$330,180**
Non-controlling interests	**(93)**	135	**(620)**
Comprehensive income	**¥49,434**	¥73,397	**$329,560**

Note: The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥150 to $1, the approximate rate of exchange at March 31, 2025.

Consolidated Statement of Changes in Equity

Sysmex Corporation and Its Subsidiaries
For the Year Ended March 31, 2025

	Millions of Yen							
	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
As of March 31, 2023	¥14,282	¥20,580	¥334,192	¥ (314)	¥18,925	¥387,665	¥690	¥388,356
Profit	—	—	49,639	—	—	49,639	135	49,774
Other comprehensive income (loss)	—	—	—	—	23,623	23,623	0	23,623
Comprehensive income (loss)	—	—	49,639	—	23,623	73,262	135	73,397
Exercise of warrants	447	255	—	—	—	703	—	703
Cash dividends	—	—	(17,579)	—	—	(17,579)	—	(17,579)
Purchase of treasury stock	—	—	—	(12,001)	—	(12,001)	—	(12,001)
Transfer to retained earnings	—	—	(266)	—	266	—	—	—
Changes from business combination	—	—	—	—	—	—	87	87
Changes due to acquisition of control of a subsidiary	—	(5)	—	—	—	(5)	(62)	(67)
Changes due to loss of control of a subsidiary	—	—	—	—	—	—	(0)	(0)
Total transactions with the owners	447	250	(17,845)	(12,001)	266	(28,882)	25	(28,857)
As of March 31, 2024	**¥14,729**	**¥20,830**	**¥365,985**	**¥(12,315)**	**¥42,814**	**¥432,045**	**¥851**	**¥432,897**
Profit	**—**	**—**	**53,669**	**—**	**—**	**53,669**	**(93)**	**53,576**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**(4,141)**	**(4,141)**	**—**	**(4,141)**
Comprehensive income (loss)	**—**	**—**	**53,669**	**—**	**(4,141)**	**49,527**	**(93)**	**49,434**
Exercise of warrants	**158**	**90**	**—**	**—**	**—**	**248**	**—**	**248**
Share-based payment transactions	**—**	**39**	**—**	**—**	**—**	**39**	**—**	**39**
Cash dividends	**—**	**—**	**(18,081)**	**—**	**—**	**(18,081)**	**—**	**(18,081)**
Purchase of treasury stock	**—**	**—**	**—**	**(2)**	**—**	**(2)**	**—**	**(2)**
Disposal of treasury stock	**—**	**0**	**—**	**0**	**—**	**0**	**—**	**0**
Transfer to retained earnings	**—**	**—**	**1,247**	**—**	**(1,247)**	**—**	**—**	**—**
Total transactions with the owners	**158**	**129**	**(16,834)**	**(2)**	**(1,247)**	**(17,796)**	**—**	**(17,796)**
As of March 31, 2025	**¥14,887**	**¥20,960**	**¥402,820**	**¥(12,318)**	**¥37,425**	**¥463,776**	**¥758**	**¥464,534**

	Thousands of U.S. Dollars							
	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
As of March 31, 2024	**$98,193**	**$138,867**	**$2,439,900**	**$(82,100)**	**$285,427**	**$2,880,300**	**$5,673**	**$2,885,980**
Profit	**—**	**—**	**357,793**	**—**	**—**	**357,793**	**(620)**	**357,173**
Other comprehensive income (loss)	**—**	**—**	**—**	**—**	**(27,607)**	**(27,607)**	**—**	**(27,607)**
Comprehensive income (loss)	**—**	**—**	**357,793**	**—**	**(27,607)**	**330,186**	**(620)**	**329,560**
Exercise of warrants	**1,053**	**600**	**—**	**—**	**—**	**1,653**	**—**	**1,653**
Share-based payment transactions	**—**	**260**	**—**	**—**	**—**	**260**	**—**	**260**
Cash dividends	**—**	**—**	**(120,540)**	**—**	**—**	**(120,540)**	**—**	**(120,540)**
Purchase of treasury stock	**—**	**—**	**—**	**(13)**	**—**	**(13)**	**—**	**(13)**
Disposal of treasury stock	**—**	**0**	**—**	**0**	**—**	**0**	**—**	**0**
Transfer to retained earnings	**—**	**—**	**8,313**	**—**	**(8,313)**	**—**	**—**	**—**
Total transactions with the owners	**1,053**	**860**	**(112,227)**	**(13)**	**(8,313)**	**(118,640)**	**—**	**(118,640)**
As of March 31, 2025	**$99,247**	**$139,733**	**$2,685,467**	**$(82,120)**	**$249,500**	**$3,091,840**	**$5,053**	**$3,096,893**

Note: The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥150 to $1, the approximate rate of exchange at March 31, 2025.

Consolidated Statement of Cash Flows

Sysmex Corporation and Its Subsidiaries
For the Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	**2025**
Operating activities			
Profit before tax	**¥ 79,221**	¥ 74,600	**$ 528,140**
Depreciation and amortization	**39,033**	35,888	**260,220**
Impairment loss	**3,211**	2,210	**21,407**
Interest and dividend income	**(899)**	(863)	**(5,993)**
Interest expenses	**1,949**	1,571	**12,993**
Share of loss on equity method	**2,071**	2,849	**13,807**
Loss on disposal of property, plant and equipment	**383**	381	**2,553**
Increase in trade receivables	**(7,150)**	(21,987)	**(47,667)**
Decrease in advance payments	**706**	474	**4,707**
Increase in inventories	**(6,320)**	(1,676)	**(42,133)**
Increase in trade payables	**162**	1,274	**1,080**
Increase (decrease) in accounts payable – other	**(520)**	118	**(3,467)**
Increase in contract liabilities	**1,720**	201	**11,467**
Increase in accrued expenses	**1,113**	1,483	**7,420**
Decrease/increase in consumption taxes receivable/payable	**(1,374)**	1,157	**(9,160)**
Increase in accrued bonuses	**2,118**	749	**14,120**
Other – net	**1,743**	(4,769)	**11,620**
Subtotal	**117,168**	93,665	**781,120**
Interest and dividend received	**654**	598	**4,360**
Interest paid	**(1,853)**	(1,383)	**(12,353)**
Income taxes paid	**(27,723)**	(28,974)	**(184,820)**
Net cash provided by operating activities	**88,246**	63,905	**588,307**
Investing activities			
Purchase of property, plant and equipment	**(29,226)**	(25,610)	**(194,840)**
Proceeds from sales of property, plant and equipment	**702**	527	**4,680**
Purchase of intangible assets	**(20,733)**	(24,581)	**(138,220)**
Increase in long-term prepaid expenses	**(1,001)**	(841)	**(6,673)**
Purchase of investments in equity instruments	**(3,821)**	(4,026)	**(25,473)**
Proceeds from the sale of equity instruments	**1,853**		**12,353**
Acquisitions of subsidiaries or other businesses		(574)	
Payments into time deposits	**(1,544)**	(1,460)	**(10,293)**
Proceeds from withdrawal of time deposits	**1,777**	1,260	**11,847**
Other – net	**(495)**	337	**(3,300)**
Net cash used in investing activities	**(52,488)**	(54,970)	**(349,920)**
Financing activities			
Proceeds from long-term loans payable	**4,700**	29,000	**31,333**
Repayments of long-term loans payable	**(626)**		**(4,173)**
Exercise of warrants	**248**	703	**1,653**
Purchase of treasury shares	**(2)**	(12,001)	**(13)**
Dividends paid	**(18,081)**	(17,579)	**(120,540)**
Repayment of lease liabilities	**(10,561)**	(9,068)	**(70,407)**
Other – net	**2**	(67)	**13**
Net cash used in financing activities	**(24,322)**	(9,013)	**(162,147)**
Foreign currency translation adjustments on cash and cash equivalents	**2,627**	6,125	**17,513**
Net increase in cash and cash equivalents	**14,062**	6,047	**93,747**
Cash and cash equivalents, beginning of year	**75,507**	69,460	**503,380**
Cash and cash equivalents, end of year	**¥ 89,570**	¥ 75,507	**$ 597,133**

Note: The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥150 to $1, the approximate rate of exchange at March 31, 2025.

Status of Sustainability Targets (Excerpted)

Please see the *Sysmex Sustainability Data book* for details about all sustainability targets and future initiatives.
>>Website > Sysmex Sustainability Data Book 2025 > Status of Sustainability Targets

Materiality		KPI[1]		Target			Results					Key Progress
				Fiscal 2024	Fiscal 2025	Fiscal 2033 (Eco-Vision)	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	
Creating new value for a healthy society	Resolution of medical issues through innovation	Number of hematology tests	Number of CBC tests (based on the number of reagents)	—	—	—	—	2,971 million	2,977 million	3,325 million	3,322 million	● The number of hematology tests declined due to a temporary impact from a change in aggregation methods; however, our business continues to progress favorably. ● Market share increased due to growth in reagent sales driven by a rise in instrument installations across all regions, expansion in emerging markets such as India and Saudi Arabia, and progress in direct sales regions. The successful introduction of flagship models in Japan and EMEA also contributed to this growth. ● Sales of surgical robot system began overseas in fiscal 2024, and the number of cases increased dramatically, primarily in Japan, due to an increase in the number of installations. ● The number of cancer genomes analyzed and the number of breast cancer testing using the OSNA method have been steadily progressing. ● Through the strengthening of our sales and service structure in emerging countries such as India, Brazil, the Middle East, Turkey, and Saudi Arabia, sales in emerging and developing countries increased.
		Hematology market share[2]	Percentage of consolidated sales to the market size of instruments, reagents, and services in a single year in the field of hematology	—	—		55.6%	54.6%	54.0%	53.0%	54.6%	
		Number of cases with surgical support robot	Number of cases with surgical robot system (manufactured by Medicaroid Corporation)	—	—		—	—	1,323	2,903	5,209	
		Number of cancer genomes Analyzed[3]	Number of cancer genomes analyzed by the NCC OncoPanel	—	—		1.6 thousand	1.6 thousand	1.7 thousand	1.6 thousand	1.8 thousand	
		Number of breast cancer tests using the OSNA method	Number of breast cancer tests using the OSNA method	—	—		46 thousand	54 thousand	52 thousand	52 thousand	53 thousand	
	Improvement in accessibility to healthcare	Sales in emerging and developing markets	Consolidated sales in emerging and developing markets	—	—		¥122.0 billion	¥143.0 billion	¥156.7 billion	¥164.6 billion	¥179.5 billion	
Providing responsible products, services, and solutions	Pursuit of quality and trust	Number of recalls[4]	Number of voluntary recalls/repairs for products sold (instruments and reagents)	—	—		8	3	7	4	6	● The number of recalls increased by two compared with the previous fiscal year; however, there were no health hazards. We successfully prevent defective products from entering the market by establishing a system that ensures compliance with the regulations of each country, timely collecting information, and thoroughly investigating the causes of defective products. ● The CSR survey response rate achieved target. In addition to working toward the improvement of initiatives based on the results of the CSR survey, we conducted training sessions on the CSR survey and BCP response items. We also held an SBT briefing session.
	Strengthening supply chain management	CSR survey response rate (primary suppliers in Japan and overseas)	Percentage of raw material suppliers that responded to CSR surveys (primary suppliers in Japan and overseas)	90%	90%		89%	90%	94%	95%	95%	
Reducing environmental impacts	Resource circulation in product life cycle	Zero product loss	Unused disposal rate of in-house manufactured goods, raw materials and spare parts (cost/sales percentage)	0.20%	0.18%	Less than 0.1%	—	—	—	0.40%	0.40%	● As part of our efforts to achieve zero product loss, we established recycling systems in multiple regions for unused instruments that would otherwise be discarded. However, due to an increase in the disposal of COVID-19-related reagents and other items, the overall unused disposal rate remained at the same level as in the previous fiscal year. ● By fully switching to recycled and environmentally friendly materials, such as changing product packaging to recycled paper and FSC-certified paper, and replacing wooden pallets for instruments with cardboard, we exceeded our target. ● Scope 3 >>P76 ● With regard to the supplier engagement rate, a newly established target, we are working to achieve a rate of 60% within the next five years. ● Scope 1 and Scope 2 >>P76 In fiscal 2024, electricity usage increased due to the parallel operation of new and existing plants in India. As a result, the reduction rates did not meet our targets. ● Regarding the reduction of water consumption in reagent factories, we implemented measures such as improving tank and filter cleaning methods and enhancing pure water purification efficiency. As a result, we achieved a reduction that surpassed our target. ● With respect to the reduction of total waste, in addition to continuing existing initiatives, we exceeded our target through measures such as converting of waste items into valuable materials for recycling transactions in Japan.
		Recycling of containers and packing and utilization of environment compliance materials	Rate of recycled or environmentally conscious materials used in containers and packaging/labeling materials	50%	60.0%	100%	—	—	—	43%	62%	
		Reduction of greenhouse gas emissions (Scope 3)	Percentage of reduction of greenhouse gas emissions (Scope 3) with FY2022 as the base year	Cut 5%	Cut 10%	Cut 35%	—	—	—	Cut 4%	Cut 1%	
		Supplier engagement ratio[5]	The percentage of suppliers in Categories 1, 2, 4, and 9 that have obtained SBT certification or are committed to GHG emissions reductions equivalent to SBT	—	—	—	—	—	—	—	40%	
	Reduction in environmental burden through business activities	Reduction of greenhouse gas emissions (Scopes 1, 2)	Reduction rate of GHG emissions (Scope 1, 2) with FY2022 as the base year	Cut 35%	Cut 40%	Cut 55%	—	—	—	Cut 29%	Cut 33%	
		Reduction of water consumption (main reagent factories)	Percentage of reduction of water consumption per production of reagents with FY2022 as the base year	Cut 14pt	Cut 23pt	Cut 90pt	—	—	—	Up 2pt[4]	Cut 31pt	
		Reduction of total waste	Percentage of reduction waste generated by business activities per consolidated sales with FY2022 as the base year	Cut 3%	Cut 5%	Cut 15%	Cut 8%	Cut 15%	Cut 27%	Cut 32%	Cut 33%	
Creating an attractive workplace	Increased engagement	Engagement score	Percentage of positive responses to engagement in the corporate culture survey	75%	75%	—	66% (except EMEA)	65% (except EMEA)	71%	75%	76%	● Engagement score >>P67 ● While regions such as Japan saw improvements in the turnover ratio thanks to strengthened human resource development and a review of compensation structures, turnover increased in the United States, where business restructuring was undertaken. ● The female managers ratio exceeds 30% in overseas regions, notably in the Americas, due to the early appointment of women to managerial positions. On the other hand, the figure in Japan remains at 10%, showing differences in progress among regions. Going forward, to further accelerate the appointment of women to management positions, we will strengthen structural support measures such as the systematic development of management candidates and promotion to foster mindset change. ● In the whole Group's next-generation management positions remained at the same level as the previous fiscal year, reinforced by progress in overseas appointments. ● Value-added productivity >>P68
		Turnover ratio	Turnover rate of regular employees (Ratio for people who have left the organization for any reason, including layoffs, job cuts, job changes, retirement age, etc.)	10% or less	10% or less		7.5%	10.9%	8.4%	7.7%	8.0%	
	Promotion of diversity, equity & inclusion	Female managers ratio	Ratio of women at director level or above	19%or higher	20%or higher		16.2%	17.3%	19.5% (except Russia)	19.2%	18.7%	
		Female next generation managers ratio	Percentage of women in the manager position	—	—		—	—	32.1%	34.0%	34.0%	
		Female associates, employees ratio	Female associates, employees ratio	—	—		—	—	41.8%	41.5%	41.1%	
	Development of human resources	Value-added productivity (non-consolidated)[6]	Value added per time	—	—		—	—	¥13,230	¥14,760	¥15,042	
		Value-added productivity (Group)	Value added per capita	¥21.00 million	¥22.50 million		—	—	¥18.74 million	¥19.97 million	¥21.44 million	
Strengthening governance	Compliance	Number of internal reports	Number of internal reports of incidents received	—	—		12	28	21	26	17	● The number of internal reports totaled 17, including cases both in Japan and overseas. We investigated the facts of each case and took appropriate action. ● There were 19 unethical incidents, but no serious violations. Going forward, we will continue to position education and awareness-raising activities for employees as the foundation for promoting and ensuring compliance. We will also provide ongoing training and work to further instill conduct based on the Global Compliance Code.
		Number of unethical incidents	Total number of incidents in which the violations the law were found, and disciplinary actions were taken for the violation of the Global Compliance Code	—	—		5	14	9	15	19	

1 The shaded KPIs were added in April 2023. The items whose targets are displayed as "—" are monitoring items for which no targets are set.
2 Source: Clearstate and Sysmex estimates
3 Target: Sysmex Group in Japan
4 The figure disclosed in the previous fiscal year has been revised due to a change in the calculation method
5 Added KPIs from April 2024.
6 Target: Sysmex Corporation on a non-consolidated basis

Sysmex's Businesses

Diagnostics Business

Clinical testing, which is essential to healthcare, can be broadly divided into two categories: *in vitro* diagnostics (IVD) that involve the examination of blood, urine, and other samples taken from the body, and *in vivo* diagnostics, which involve direct examination using X-rays or electrocardiograms. Sysmex is developing its diagnostics business, centered on the IVD domain, where we provide medical institutions and other customers with instruments, reagents, and software on a global basis.

IVD is used in a variety of ways. It is used during medical checkups to help prevent disease. IVD is also used in diagnosing diseases, determining treatment methods, measuring the results of drug administration, predicting aggravation, and for post-treatment monitoring. Healthcare without accurate test results is like walking through fog; the path is uncertain. IVD is essential because it allows medical professionals to assess a patient's state of health accurately and swiftly, and to determine optimal treatment methods.

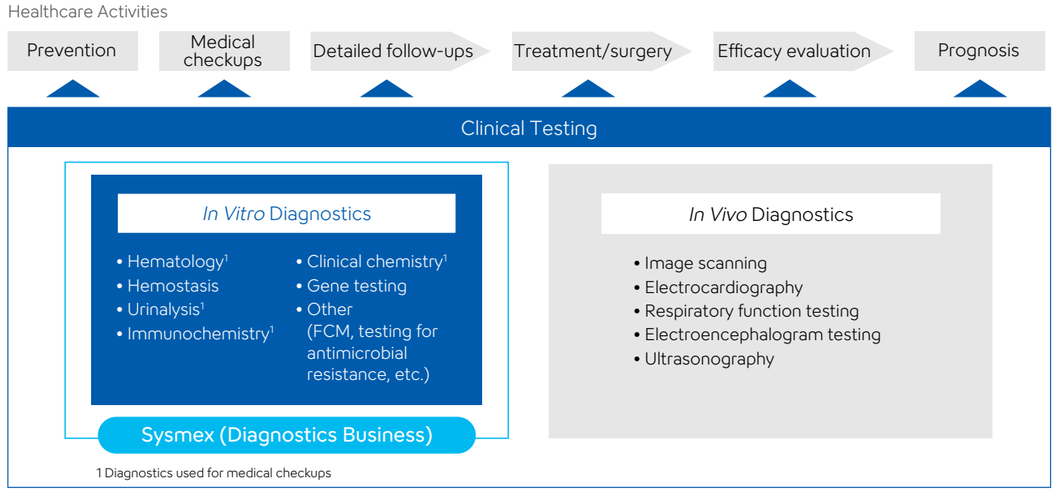
In IVD, within Sysmex's main business fields of hematology, urinalysis, and immunochemistry, testing is conducted to check a patient's physical condition. They are used for a wide range of other purposes, such as disease prevention and early-stage detection through medical checkups, and in treating diseases or managing their prognoses. In fields such as hemostasis and gene testing, tests are performed to measure a person's physical condition in greater detail and are mainly used in the process of diagnosing and treating diseases.

Medical Robotics Business

In recent years, it has become common to perform minimally invasive laparoscopic surgery to reduce the physical burden on patients. However, this surgery requires a high degree of technical skill, and surgical-support robots that complement these skills are attracting attention from medical workers. Currently, insurance coverage of surgical procedures using these robots has been extended to include urology, gastroenterology, gynecology, and respiratory surgery, and the number of surgeries performed using surgical support robots is gradually increasing. In addition, from the viewpoint of improving access to medical care, such robots are being considered for use with remote medicine. It may not be long before surgeries can be performed with doctors and patients in different locations.

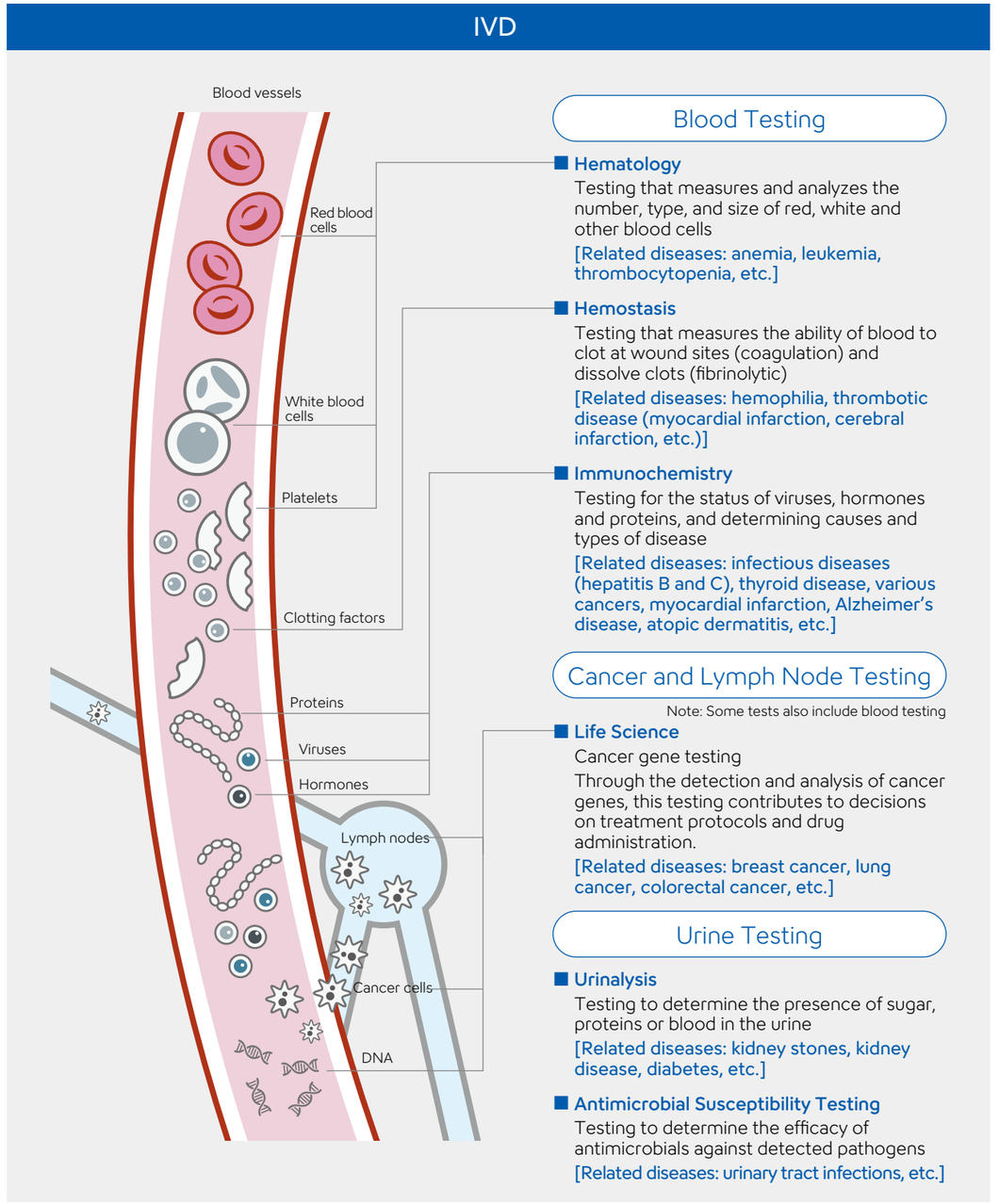
Under these circumstances, Medicaroid Corporation, a joint venture between Sysmex and Kawasaki Heavy Industries, Ltd., developed the first made-in-Japan robotic-assisted surgery system. Sysmex began domestic sales of this system in 2020 as a global exclusive distributor and has since stepped up its market penetration. Internationally, the system obtained regulatory approval in Singapore in 2023 and in Malaysia in 2024. In the EMEA region, as well, Sysmex is pursuing regulatory approval and is actively promoting a global rollout.

■ Diagnostics Business Domain

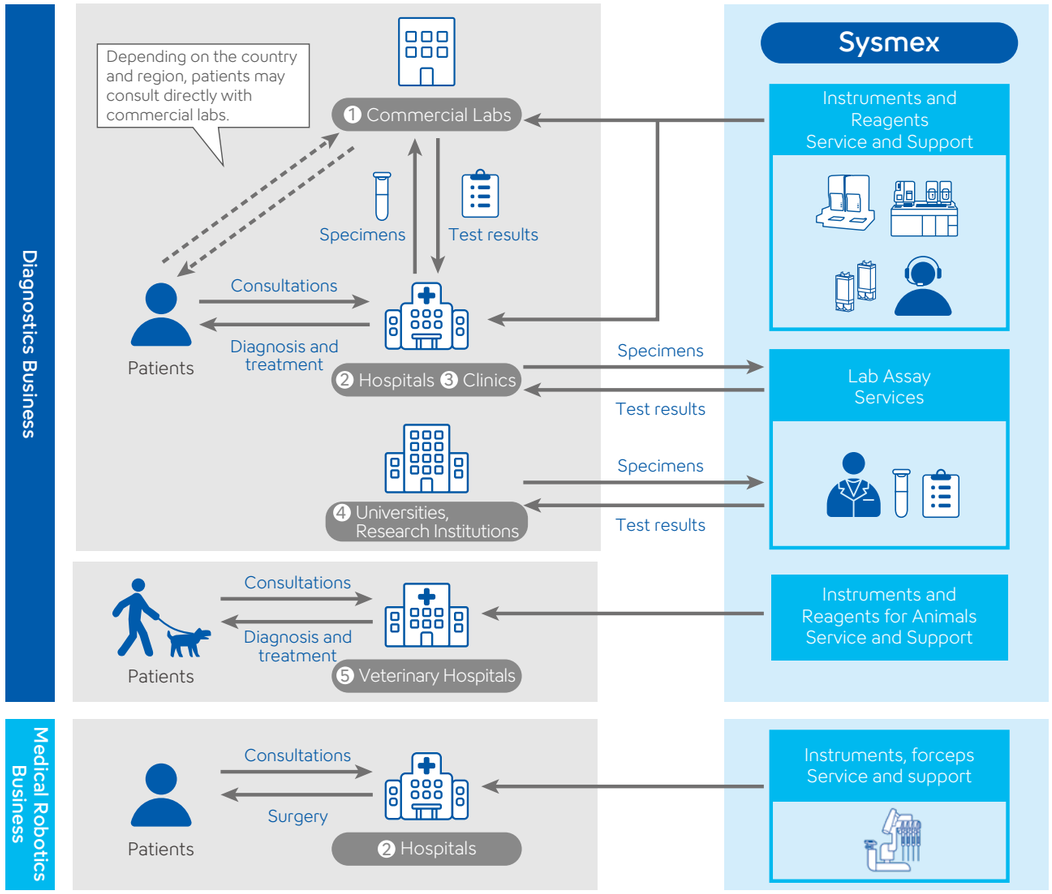


1 Diagnostics used for medical checkups

What can be determined from samples (blood, urine, and cancer tissue)



Sysmex's Products in Use



1 Commercial Labs

Commercial labs conduct testing for small-scale medical institutions that do not have their own analyzers, as well as handling specialized tests. Large-scale labs, which handle tens of thousands of samples each day, use high-productivity transport systems.

2 Hospitals

In laboratories, our products for testing blood and urine are used for medical checkups and diagnosis of outpatients and inpatients. Operating rooms use our surgical robot systems and employ the OSNA method for cancer lymph node metastasis testing.

3 Clinics

Clinics typically use products that are compact and simple.

4 Universities and Research Institutions, etc. (Lab Assay Services)

We are developing a lab assay business, in which we receive samples from medical institutions, test them at our labs and our affiliated companies (such as Sysmex Inostics and RIKEN GENESIS), and send back the results of protein or gene analyses performed on those samples. In addition to medical institutions, we handle measurements on behalf of universities, research institutes, and pharmaceutical companies, providing information to assist their drug discovery and R&D efforts.

5 Veterinary hospitals

Our products are used in maintaining the health of dogs, cats, and other pets, as well as aquarium and zoo animals.

Primary Products and Services

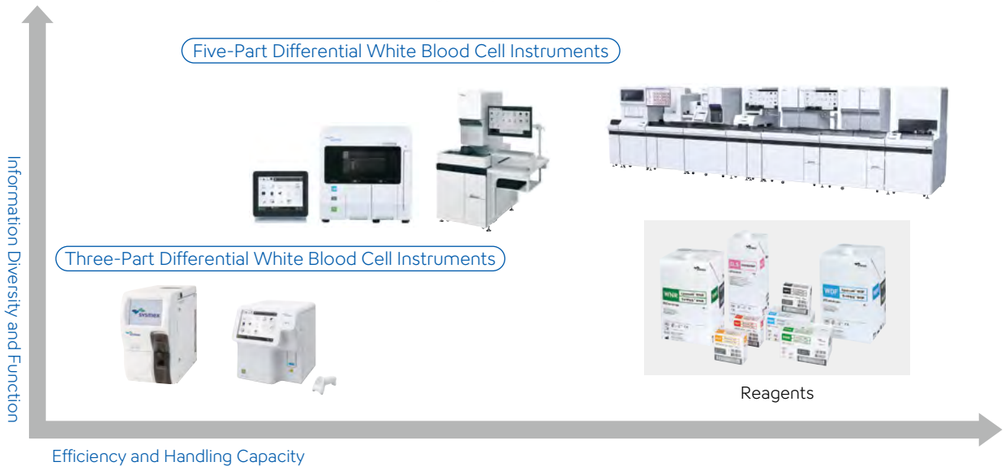
Diagnostics Business

Hematology

For small- and medium-sized institutions, Sysmex offers three-part white blood cell differential models, used for determining basic parameters, as well as five-part white blood cell differential models, used to deliver a high degree of clinical significance and require numerous reagents. In addition, we offer a wide-ranging lineup, including transport systems that can be used for rapid, high-volume testing in large-scale labs. In Japan in 2021, we launched a new five-part white blood cell differential flagship model, as well as a compact model providing three-part white blood cell differentiation. In 2022, we launched sample transportation system modules equipped with the world's first automated measurement function for quality control materials. Sysmex has been moving forward with the global rollout of its flagship models since 2023. In June 2025, we obtained marketing approval for sales in the United States.

In 2018, we launched the first products to have received CLIA-waiver certification to clinics and other small-scale facilities in the United States. We are also rolling out products to help realize early-stage detection and treatment of malaria. In EMEA in 2019, and in Japan in 2020, we launched an analyzer that supports standardization and improved efficiency in malaria testing.

■ Product Lineup of Multiparameter Automated Hematology Analyzers

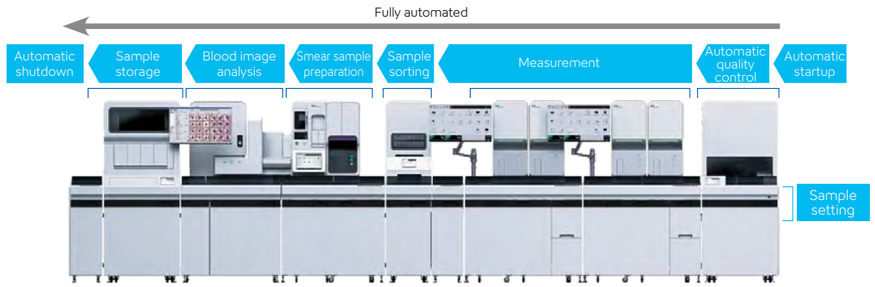


Flagship Model Boosts Efficiency in Laboratory Operations

In 1990, Sysmex developed the world's first fully automated hematology system, which automated everything from the counting of blood cells and the differentiation of white blood cells to smear preparation. This automation not only helped reduce labor costs but also helped reduce the risk of infection during sample handling and prevention of sample mix-ups. The flagship model we launched in 2021 improved processing capacity by 10% compared to the previous model, enhanced the ability to detect abnormal cells, and reduced power consumption by 40% (at maximum output of the transport system). Additionally, by combining peripheral devices based on the "touch-free concept," the system automates tasks such as device startup, quality control, and sample storage and retrieval, significantly minimizing manual work and further enhancing the efficiency of laboratory testing operations.

>>Three Growth Strategies, "Hematology" P51 >>R&D "Touch-Free Concept" P58

Analyzer and Sample Transportation System Product Lineup



Note: This is an example of equipment layout.

Flow Cytometry (FCM)

Flow cytometers using flow cytometry (FCM) technology are utilized not only in clinical fields for detailed analyses of leukemia, malignant lymphoma, HIV/AIDS, and similar conditions, but also in industrial applications such as food quality control, and in research fields such as cancer studies and regenerative medicine conducted by pharmaceutical companies and universities. In North America—the largest market for FCM testing—Sysmex launched a sample preparation system in 2019 and a flow cytometer for research use in 2020, achieving full automation of the FCM testing workflow from pretreatment to acquisition of measurement results. Going forward, Sysmex plans to further expand global deployment and maximize synergies between FCM and hematology testing, as the former is often performed as a follow-up to the latter.

Clinical flow cytometry system (flow cytometer, sample preparation system, etc.)

Antibody reagents (for research)

Urinalysis

We developed the world's first automated urine particle analyzer using the flow cytometry method. We are also adding to our portfolio of urine chemistry products by making use of alliances as we work to expand our lineup in response to diverse urinalysis needs. In 2020, we signed a distributorship agreement with Siemens Healthineers for the North American market. In 2022, we launched a new product in Japan for the mid/low-end market, which we have also rolled out in the EMEA region, and we plan to further expand our market scale.

Fully automated urine particle analyzer
Fully automated urine chemistry analyzer
Fully automated imaging unit for formed elements in urine

Reagents

Hemostasis

Sysmex handles products offering a wide range of processing capacities to meet the needs of various facilities. Demand for hemostasis testing has increased and grown more diverse due to a rise in thrombotic diseases stemming from lifestyle diseases, as well as to the development of new blood preparations.

Sysmex provides high-performance and user-friendly instruments, and is actively developing clinically valuable products in collaboration with Siemens Healthineers and Group company HYPHEN BioMed. In 2024, we commenced direct sales in this field in Europe and the United States.

Automated blood coagulation analyzer

Reagents

Immunochemistry

We are working to develop our business in Asia, including Japan and China, through sales of a fully automated immunoassay system, which performs highly sensitive, high-speed assays on minute sample quantities.

In addition to reagents to test for infectious disease and tumor markers, we are developing proprietary markers to test for measuring progression of hepatic fibrosis and atopic dermatitis. In 2022, we launched a reagent in Japan to test for Alzheimer's disease, which we are now rolling out in Europe and the United States. We are also working to develop new testing parameters.

In China we are working to differentiate ourselves by augmenting the number of parameters tailored to regional needs. To do so, we are pursuing development in local R&D bases and joint development with local companies.

Automated immunoassay system

Reagents

Cancer Gene Testing

Cancer Lymph Node Metastasis Testing System

Using our proprietary technology, the OSNA method, we provide a system that automatically and easily detect information to assist in diagnosing lymph node metastasis. We launched this system in China in 2020.

We developed a system for use in cancer gene profiling in collaboration with the National Cancer Center Japan. The system's targets for analysis are solid tumors. By obtaining a comprehensive cancer genomic profile of tumor tissue, the system analyzes abnormalities in cancer-specific genes in patients to provide information that is useful in determining treatment methods, including diagnoses and the selection of anti-cancer drugs. In 2019, this became the first such system to be covered under Japanese health insurance and be used in clinical settings.

Caresphere ICT Solution

Sysmex provides ICT solutions for healthcare professionals, including physicians and clinical laboratory technicians. We have built a platform that integrates and analyzes various types of data in real-time, from testing equipment and laboratory information systems to support laboratory operations. Our platform includes several applications, such as external quality control tools, services for visualizing equipment operation status and test volumes remotely, and educational tools. These tools support quality control and operational efficiency in laboratories, and also help reduce workloads at medical facilities and improve customer satisfaction through remote instrument maintenance and support.

Medical Robotics Business

Robotic-Assisted Surgery System

Compact enough to fit in standard Japanese operating rooms, this system is equipped with user-friendly robot arms and a high-definition 3D videoscope. Furthermore, the system has been designed to be network compatible, to support more accurate treatment by medical workers.

Robotic-assisted surgery system

Antimicrobial Susceptibility Testing

In June 2023, we launched in Europe a system to rapidly detect antimicrobial susceptibility. The system detects the presence or absence of bacteria and assesses the effectiveness of antimicrobials using urine samples from patients suspected of having urinary tract infections. This system delivers test results in as little as 30 minutes, compared with the several days that were previously required. This assists the appropriate use of antimicrobials during initial patient visits at clinics and other primary care settings.

Analyzer

Single use sample cartridge

Rapid antimicrobial susceptibility testing system

Rapid Antimicrobial Susceptibility Testing System Wins "Longitude Prize on AMR"

In June 2024, Sysmex Astrego AB was awarded the "Longitude Prize on AMR," the UK's largest science prize, for being the most innovative contributor to solving the global issue of antimicrobial resistance (AMR). This system challenges the conventional diagnostic flow for bacterial infections and was the sole winner selected from more than 250 applications submitted worldwide since the prize's inception in November 2014. Currently, Sysmex is working to prepare the system for clinical use by collecting data from healthcare institutions and building relationships with key opinion leaders. We will continue accelerating efforts to expand the system's global reach and its applications to additional disease areas.

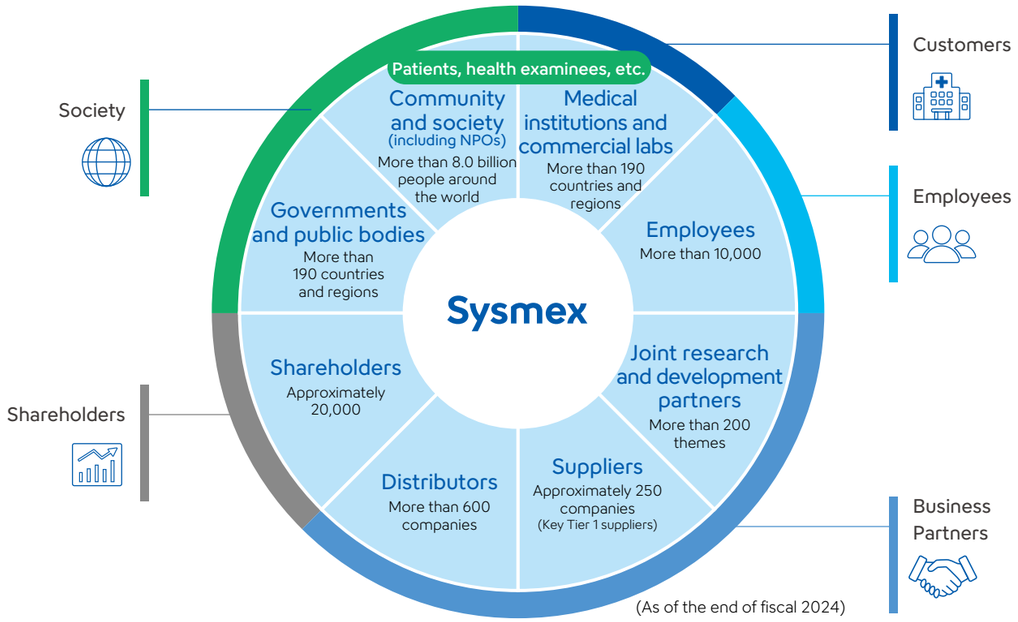
From right: Mikael Olsson, CEO of Sysmex Astrego AB, and Mike Read, Deputy CEO

Stakeholder Engagement

Sysmex works alongside its business partners and employees to provide products and services to medical institutions and other customers in an effort to resolve medical and social issues. Going forward, through proactive dialogue with stakeholders, we strive to forge better relations. In addition, by incorporating their expectations and requirements into our business activities, we will enhance the effectiveness of our strategy and strive to realize a sustainable society.

Major Stakeholders

Stakeholders described outside the circle are categorized according to our Shared Values. >>P4



Main Dialogue with Stakeholders

>>Website >Sustainability >Sustainability Management >Stakeholder Engagement

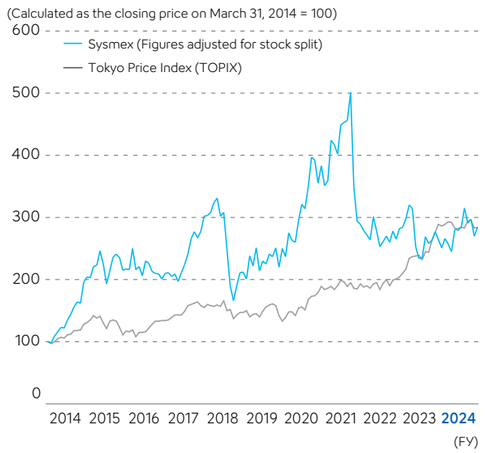
Customers	We engage in ongoing communication through sales and service and support activities, with the aim of instilling confidence in our customers and providing added value that exceeds their expectations. As a result, we earn high marks in customer satisfaction surveys. >>Customer Assessment in the United States P62
Employees	To achieve sustainable growth, it is essential that we work on recruiting, developing, and deploying human resources, promoting diversity and inclusion, and creating a workplace that is comfortable, appealing and conducive to work, in line with our Long-Term Corporate Strategy 2033. We have set the engagement score on our corporate culture survey, as one of our sustainability targets, and we are undertaking initiatives to achieve this target. >>Human Capital Strategy P65
Business Partners	We maintain ongoing dialogues to foster an understanding among business partners of Sysmex's business direction and policies, as well as to build trust-based relationships. For suppliers, we are strengthening communication to realize a circular society, as well as establishing supply chain management in accordance with our procurement policy.
Shareholders	Sysmex recognizes that IR activities are important to achieving sustainable growth and medium- to long-term increases in corporate value. We strive to disclose information proactively and quickly share internally the evaluations and requests that we receive in the course of dialogues with shareholders and investors, and to reflect this information in our management and IR activities. In recent years, we have received valuable suggestions from our investors regarding improvements to capital efficiency and a revision to our rolling mid-term management plan, and we have incorporated this input into our initiatives.
Society	We liaise and engage in dialogue with government agencies and international organizations with a view to the development of healthcare and the realization of a sustainable society. In addition, we communicate with society at large through activities aimed at meeting the needs of communities around the world, based on our Policy on Corporate Citizenship Activities and Philanthropy.

Terminology

Antimicrobial resistance	This phenomenon occurs when living organisms develop a resistance to a drug, whose efficacy is decreased or neutralized as a result. Bacteria that have developed microbial resistance are known as antimicrobial-resistant bacteria.
Bio-reagents	These reagents are made from proteins and substances derived from living organisms. Bio-reagents are more difficult to produce than chemical reagents in terms of raw material variability and quality stability.
Commercial lab	A company that specializes in testing operations, performing IVD on behalf of medical institutions, research institutes, and other facilities.
Concentrated reagents	More concentrated than conventional reagents, these reagents are automatically diluted and adjusted by the testing system.
EMEA	Europe, the Middle East, and Africa
Flow Cytometry (FCM)	Method involving the flow dispersion of minute particles and the use of laser light to optically analyze minute flows.
Hematology	The field of *in vitro* diagnostics that determines whether precise testing is necessary, by analyzing the number, type, and size of red, white, and other blood cells.
in vitro diagnostics (IVD)	In general, IVD refers to the testing of blood, urine and other samples to determine physical condition. IVD may also refer to the domain of laboratory testing in which IVD is performed.
Laboratory developed test (LDT)	A test performed in the clinical laboratories of medical institutions, commercial labs, and other facilities based on their own quality control regulations.
Liquid biopsy	This is a general name for technology using blood or body fluid samples for diagnosis and the prediction of treatment impacts, rather than through the conventional practice of tissue biopsy, in which diagnosis is performed on diseased tissue that has been collected. Liquid biopsy is less invasive than tissue biopsy, but more highly sensitive detection technologies are required.
Panel testing	A test that allows multiple markers to be measured at once. Particularly in genomic medicine, cancer panels are used to analyze the mutation, proliferation, and fusion of multiple genes having diagnostic significance.
Precision management	A management method used to guarantee the values measured by customers' testing equipment and to confirm that a customer's equipment is functioning correctly. External quality control is a method under which the same specimens (such as artificially produced blood) are distributed to multiple clinical laboratories, and the measurement results obtained are analyzed using statistical methods, thereby allowing the precision of individual laboratories' measurement results to be evaluated. The results are provided as feedback to these laboratories, helping to increase the quality of testing.
Primary care	The initial care provided at clinics or other locations when a patient first falls ill.
Reagent	A pharmaceutical product for medical use in laboratory testing, also called an *in vitro* diagnostic product. It is not used directly on the human body, but on samples of blood or other bodily fluids.
Regulatory approval (manufacturing and marketing approval)	In Japan, the manufacturing and marketing of medical devices and reagents requires approval from the Ministry of Health, Labour and Welfare. Such approval necessitates confirmation of a product's function and safety. Other countries have their own regulatory procedures: approval from the Food and Drug Administration in the United States, obtaining the CE Mark in Europe (which indicates compliance with the *In Vitro* Diagnostic Medical Device Directive (IVDD) and the *In Vitro* Diagnostic Medical Device Regulation (IVDR)), and in China, approval from the National Medical Products Administration (NMPA).
Specimen	Material necessary for testing. May include blood, cerebrospinal fluid, pus, punctured fluid, urine and feces.
Transport system	A system that links multiple analyzers, allowing testing to be automated. In addition to making testing operations more efficient, automation helps reduce the risk of infection when samples are handled manually, and prevents mishandling.
Urine sediment testing	Testing performed to analyze formed elements in the urine, including blood and other cells. Urine chemistry testing, on the other hand, is conducted by using a test paper to analyze for the presence of sugar, protein, or blood cells in urine.

Stock Information (As of the End of Fiscal 2024)

■ Stock Price Range



■ Stock Price Movements

Fiscal years	High (Yen)	Low (Yen)	Closing price (Yen)	Volatility (%)
2014	6,880	3,070	6,670	27.6
2015	8,640	5,430	7,040	39.2
2016	8,170	6,010	6,750	29.9
2017	9,730	6,080	9,640	24.7
2018	11,110	4,810	6,690	38.7
2019	8,420	5,814	7,846	38.3
2020	13,310	7,024	11,925	27.7
2021	15,725	7,970	8,923	41.6
2022	9,815	7,380	8,643	41.0
2023[1]	10,440	2,637	2,662	29.8
2024	3,236	2,138	2,837	29.0

Note: Volatility refers to the annualized standard deviation based on daily closing prices.
1 Stock splits conducted on April 1, 2024 (1:3). (actually, the end of March)

■ Total Shareholder Return (TSR[1]) (Annualized Rate)

(%)

Investment period	Past 1 Year	Past 3 years		Past 5 years		Past 10 years	
	Cumulative/ Annual rate	Cumulative	Annual rate	Cumulative	Annual rate	Cumulative	Annual rate
Sysmex	7.7	(1.6)	(0.5)	13.4	2.6	39.1	3.4
TOPIX	(1.5)	47.2	13.8	113.4	16.4	117.4	8.1
TOPIX (Electrical equipment)	(3.4)	34.4	10.4	135.0	18.6	155.9	9.9

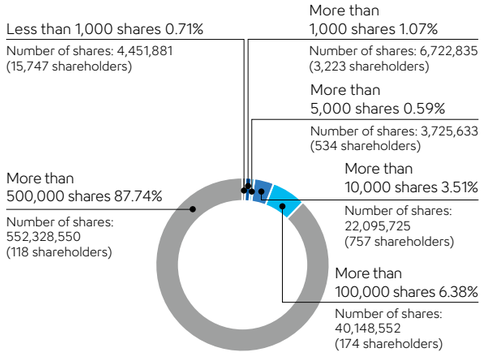
1 TSR: Total shareholder return, including capital gains and dividends
- Prepared by Sysmex based on data from Nikkei NEEDSFinancial QUEST
- Base date of March 31, 2025
- TSR calculated on the assumption that dividends are reinvested in shares

■ Principal Shareholders (Top 10)

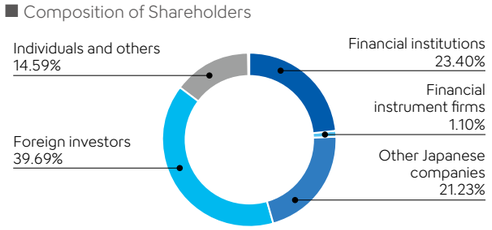
Shareholders	Number of shares held (Thousands)	Percentage of shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	77,809	12.39
Nakatani Foundation	38,692	6.16
Custody Bank of Japan, Ltd. (Trust Account)	37,606	5.99
The Kobe Yamabuki Foundation	36,000	5.73
Nakatani Kosan, Ltd.	34,341	5.47
Taeko Wada	21,709	3.46
Kazuko Ietsugu	20,909	3.33
Rusoru, Ltd.	14,250	2.27
STATE STREET BANK AND TRUST COMPANY 505001	13,500	2.15
NORTHERN TRUST CO.(AVFC) SUB A/C AMERICAN CLIENTS	12,529	1.99

Note: Percentage of shareholding excludes treasury stock (1,343,900 shares).

■ Distribution of Shares by Number of Shares Held



■ Composition of Shareholders



Corporate Information (As of the End of Fiscal 2024)

Sysmex Corporation

Established	February 20, 1968
Head Office	1-5-1, Wakinohama-Kaigandori, Chuo-ku, Kobe 651-0073, Japan
Inquiries	IR Department: TEL: +81-78-265-0500
Website	https://www.sysmex.co.jp/en/
Number of Employees	11,457 (consolidated basis) (including part-time employees and others)
Fiscal Year	April 1–March 31
Shareholders' Meeting	June
Number of Shares Authorized	1,796,064,000 shares
Number of Shares Issued	629,473,176 shares
Paid-in Capital	¥14,887.8 million
Stock Listings	Tokyo Stock Exchange, Prime Market
Ticker Code	6869
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation
Independent Auditor	Deloitte Touche Tohmatsu LLC
Rating	AA- (Rating and Investment Information, Inc. (R&I))
Major Indexes	Dow Jones Best-in-Class World Index Dow Jones Best-in-Class Asia Pacific Index FTSE4Good Index Series FTSE Blossom Japan Index FTSE Blossom Japan Sector Relative Index Morningstar Japan ex-REIT Gender Diversity Tilt Index MSCI ESG Selection Indexes MSCI SRI Indexes MSCI Japan ESG Select Leaders Index MSCI Japan Empowering Women Index (WIN) S&P/JPX Carbon Efficient Index ISS ESG "Prime" Status Ethibel Excellence Ethibel Pioneer Ethibel Sustainability Index (ESI) Euronext Vigeo Eiris World 120 Index iSTOXX MUTB Japan Platinum Career 150 Index

FTSE4Good
FTSE Blossom Japan
FTSE Blossom Japan Sector Relative Index
MSCI Selection Indexes Constituents 2025
2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX
2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)
S&P/JPX Carbon Efficient Index
STOXX INDICES
Member 2025/2026 Platinum Career Index

>>Website >Sustainability >External Evaluation