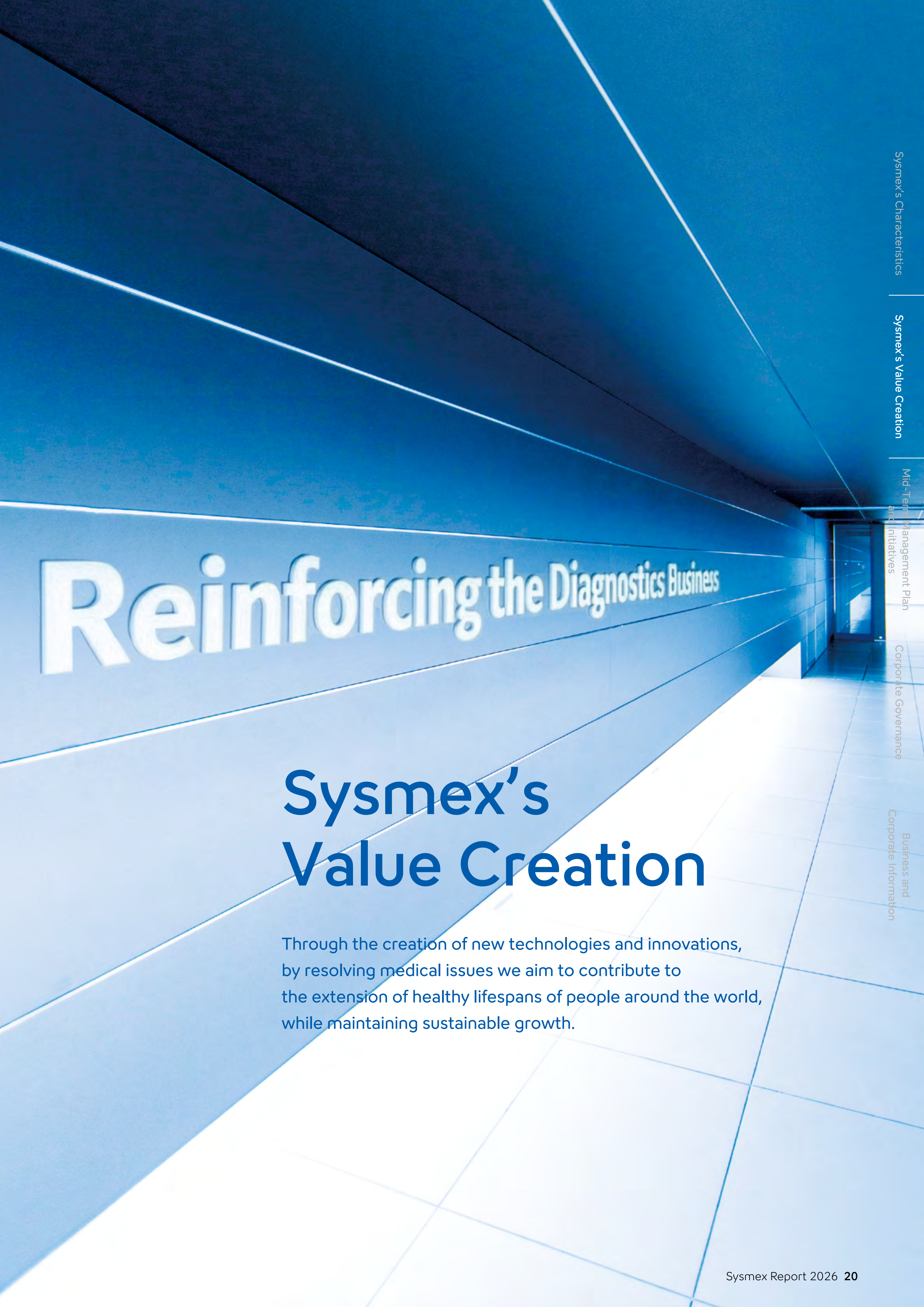


Sysmex's Value Creation

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

Iwane Matsui
President

With "Reinforce the strengths and earnings power of the diagnostics business" as our aim, we will return to a growth trajectory by creating value that exceeds customer expectations through the execution of the new Mid-Term Management Plan and by improving profitability and capital efficiency.

On Becoming President

I was appointed Sysmex's representative director and president in April 2026. When I was approached about taking on the role, I was told that what Sysmex needs going forward is value creation from the customer's perspective, by leveraging my experience. Steering the Group as we undertake reforms to return to a growth trajectory is an enormous responsibility, but I intend to devote myself fully to evolving Sysmex once again into a strong company.

I decided to join TOA Medical Electronics Co., Ltd. (now Sysmex) in 1985 because, despite being a company of only around 500 employees at the time, I was attracted by its dynamic growth and corporate culture of valuing people. I felt it was a company where I could boldly take on the challenges I wanted to pursue. After joining, I threw myself into sales activities, from developing new customers to proposing solutions. In 1991, I helped establish our UK subsidiary, Sysmex's first overseas direct sales base, and in 2001 I became president of our European subsidiary. These experiences were invaluable. Leading overseas operations while engaging in extensive dialogue with customers and key opinion leaders laid the foundation for who I am today. Sysmex possesses many management resources including our technologies and talented people. However, our customer base across more than 190 countries and regions represents a unique and enduring competitive advantage. Solving the challenges facing our customers and society is the very essence of how we create value and grow. We will continue to advance reforms and guide Sysmex forward, while responding to the expectations of customers and society, and I ask for your continued support.

Achievements and Challenges under the Previous Mid-Term Management Plan

Under the previous Mid-Term Management Plan, a rapid contraction in the Chinese market and other factors exposed a downward trend in profitability and capital efficiency, but our priority strategies progressed steadily. The global rollout of the latest models in the hematology field and the establishment of direct sales systems for hemostasis testing in Europe and the Americas produced solid results. Our expansion in emerging markets, including the establishment of a production site in India, also delivered growth exceeding our plans. As we rebuilt customer contact following the COVID-19 pandemic, our market shares generally increased as well, and I believe customer trust in Sysmex and our competitiveness have steadily strengthened.

At the same time, areas for improvement in management became clear. In particular, we take very seriously the fact that repeated downward revisions to our financial forecast in fiscal 2025 meant that we failed to meet stakeholder expectations. This resulted from our inability to adequately anticipate the speed of changes in the Chinese market environment and respond with sufficient agility. Going forward, based on information received continuously from our local subsidiary in China, we will further strengthen agile and flexible management decision-making that takes risks into account.

Under our Long-Term Vision, "Together for a better healthcare journey," we have worked to expand and deepen our business domains. However, our efforts to expand the business led to management resources being spread too thinly across a range of investments. We therefore see room to improve how we allocate and prioritize those resources. We also recognize shortening new-product development and launch cycles, improving productivity across operations, and strengthening cost competitiveness as important challenges.

What We Aim to Achieve Under the New Mid-Term Management Plan (Fiscal 2026–2028)

Looking ahead in healthcare, as the global population continues to grow and age, testing and prevention will become increasingly important, and healthcare systems will need to respond to the increasing sophistication and diversification of medical care. Systemic and infrastructure-related challenges are also mounting, including optimizing healthcare spending, reducing disparities in standards of healthcare, and shortages of healthcare professionals. With its No. 1 global market share in the hematology field, Sysmex has an important role to play in addressing these healthcare challenges. At the same time, as the use of AI becomes commonplace, it is clear that creating value through AI and deploying AI in real-world settings will become key competitive factors. With one of the world's leading data collection infrastructures and direct dialogue with customers about their needs, we must use AI and data to drive innovation in testing and healthcare. Meanwhile, from an economic perspective, geopolitical risks are expected to intensify and markets to become even more uncertain and unstable. Personnel, raw material, and logistics costs are also rising, requiring decision-making and business execution fundamentally different from what has been required in the past.

Against this backdrop, and reflecting on the previous Mid-Term Management Plan, we have set "Reinforce the strengths and earnings power of the diagnostics business" as the aim of the new Mid-Term Management Plan. We will embrace the pride and responsibility that come with being a leading company, return to our roots of creating value through the diagnostics business, and rigorously set priorities and concentrate our resources accordingly. By improving profitability and capital efficiency, we will regain the trust of our stakeholders.

Under this aim, we have organized our strategic priorities around three perspectives. The first is "Maintaining a strong focus on the diagnostics business." We will concentrate management resources on businesses that generate earnings and devote ourselves to what lies at the heart of being a manufacturer: providing new products and services that exceed customer expectations. We will also make maximum use of our competitive advantages—our customer base and testing data—to create new value through AI and DX. Specifically, we plan to continuously launch flagship models equipped with AI capabilities in our major fields, delivering greater efficiency in testing operations and added clinical value to customers. We will also innovate the product life cycle, establishing a development model that continuously enhances product value through the review of development processes and software updates.

The second is "Building a more cost-competitive and profitable corporate structure," with an emphasis on cash and profit generation. To improve the profitability of reagents, which are a source of recurring revenue, we will transform our approach to raw materials, logistics, and our operational footprint by reviewing the supply chain, while using internal DX to improve management efficiency and productivity. We are also reviewing our business portfolio based on a fundamental policy of concentrating on the diagnostics business. We are establishing criteria for deciding how to proceed with each business based on its risk and future potential, while also considering the best-owner perspective. Once we have clarified the direction for reviewing the relevant domains and resource allocation, we will communicate this to stakeholders.

The third is "Fulfilling our social responsibilities." Healthcare, which directly concerns health and life, is inseparable from our contribution and mission to society, and Sysmex will continue to fulfill this mission. In particular, many people around the world still lack adequate access to essential healthcare services. By expanding access to and advancing testing, which serves as the gateway to healthcare, we aim to improve access to healthcare worldwide. Even amid growing uncertainty caused by natural disasters, geopolitical tensions, and other factors, ensuring that testing does not stop is an important responsibility of Sysmex. A strong sense of responsibility for keeping our customers' testing operations running is deeply rooted in our corporate culture. Whenever a natural disaster occurs and I see our employees working tirelessly to restore customers' laboratories and provide support, I am reminded that our corporate philosophy has taken root throughout the organization. We will maintain this stance under the new Mid-Term Management Plan. In addition to helping enhance healthcare access, we will rebuild our global supply chain and strengthen our stable supply system so that testing does not stop even in an emergency, continuing to deliver confidence to customers around the world. Furthermore, to regain the trust of the capital markets, we will ensure timely and transparent disclosure and dialogue.

Aim of the New Mid-Term Management Plan:

"Reinforce the strengths and earnings power of the diagnostics business"

Our Strategic Priorities:

- Maintaining a strong focus on the diagnostics business
- Building a more cost-competitive and profitable corporate structure
- Fulfilling our social responsibilities

Strategic Themes:

- Strengthening the competitiveness of the diagnostics business
- Advancing medical DX and data utilization by leveraging the strengths of the diagnostics business
- Improving profitability through value chain transformation
- Redesigning financial and capital strategies

Achieving the New Mid-Term Management Plan

Based on the thinking outlined above, under the new Mid-Term Management Plan, we have redefined our materiality through quantitative verification and aligned it more closely with our strategies. We are advancing initiatives focused on four strategic themes; (1) strengthening the competitiveness of the diagnostics business; (2) advancing medical DX and data utilization by leveraging the strengths of the diagnostics business; (3) improving profitability through value chain transformation; and (4) redesigning financial and capital strategies. (For details, see P31, "Materiality," and P43, "Overview of the Mid-Term Management Plan.")

Our management targets include net sales of ¥600.0 billion or more (an increase of ¥100.0 billion from fiscal 2025), an operating margin of 16.7% or higher (an increase of 6.3 percentage points), and ROE of 12.0% or higher (an increase of 4.7 percentage points), as well as targets for capital efficiency, working capital efficiency as measured by the cash conversion cycle (CCC), and cash generation capability. Reflecting the lessons learned from the previous Mid-Term Management Plan, we set these targets conservatively, without assuming favorable business or competitive conditions, and incorporated a wide range of risks. While prioritizing fields and concentrating our resources accordingly, we will aim to outpace market growth in each field and maintain a relentless focus on improving profitability and capital efficiency. To this end, in addition to strengthening monitoring of our operating margin, as we reform the business portfolio we will manage ROE, ROIC, and the cost of capital with greater emphasis than ever before.

Successfully implementing the new Mid-Term Management Plan will require strong execution by both management and every employee. To closely monitor changes in the external environment and respond with agility, we will stay close to the front lines and focus on management decisions based on a firsthand understanding of developments there. We will also create an environment that encourages positive and open discussion. I intend to remain true to the stance of "Be Positive, Be Open," creating an open and vibrant corporate culture. To achieve this, we will embrace diversity, create an environment where people can exchange views as equals regardless of nationality, gender, professional background, or other differences, and further enhance our DE&I initiatives.

Since becoming president, I have held dialogues with employees at our regional headquarters in the Americas, EMEA, China, Asia, and Japan. The aim of the new Mid-Term Management Plan—"Reinforcing the strengths and earning power of the diagnostics business"—has generated high expectations and resonated strongly with employees. Going forward, I will continue to actively engage in dialogue with employees around the world and across the value chain.

Town hall meeting with employees in the United States

To Our Shareholders and Investors

As I noted in reflecting on the previous Mid-Term Management Plan, we take seriously the loss of trust in our financial forecasts and disclosures in fiscal 2025. This experience has reinforced the importance of transparency and underscored the fact that delays in disclosure can further erode trust. Going forward, we will work to provide prompt and thorough disclosure based on a precise understanding of strategic progress and changes in the operating environment, while enhancing both the quality and quantity of our dialogue with the capital markets. We highly value the expectations and requests of our shareholders and investors. Management will take these perspectives seriously, and ensure they are shared through the Company. We see dialogue with you as a force that drives transformation for each of us.

Sysmex will continue to innovate so that we can return to a growth trajectory and enhance corporate value. We ask for your continued support.

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." Under Long-Term Corporate Strategy 2033, Sysmex has adopted the Long-Term Vision "Together for a better healthcare journey" and will continue contributing to the advancement of healthcare and healthier lives.

Long-term vision: **Together for a better healthcare journey**

Inputs

Sources of Value Creation

Sysmex Characteristic 1
Profit Model
A Stable, Highly Profitable Business Model
>>P13

Sysmex Characteristic 2
Markets and Fields
A Strong Business Position in IVD
>>P15

Sysmex Characteristic 3
Value Chain
An Integrated System for Providing Customers with Confidence
>>P17

Sales and Service Network Covering More Than 190 Countries and Regions
>>P16

sysmex
Brand Strength
(No. 1 Global Market Share in Hematology)

Diverse Human Capital
(Global and Specialized Talent)
>>P59

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 P28

Value Creation Strategies

Materiality >>P31

Creating value for a healthy society
- Improving the quality of life of each individual and extending healthy life expectancy
- Improving the safety and productivity of healthcare professionals
- Improving the economic efficiency of healthcare
- Improving accessibility to healthcare

Creating innovation
- Implementation of innovative technologies and creation and protection of intellectual property
- Utilization of proprietary data and AI

Providing responsible products, services, and solutions
- Pursuit of quality and trust
- Maintaining stable supply through the development of a resilient supply chain
- Response to medical administration in each country

Maximizing human capital
- Talent acquisition and development
- Promotion of diversity, equity & inclusion (DE&I)
- Promotion of health and occupational safety

Reducing environmental impacts
- Resource circulation in product life cycle
- Responding to climate change
- Efficient use of water resources

Strengthening governance
- Business activities based on legal compliance, respect for human rights, and high ethical standards
- Cybersecurity measures for information systems and products

Core Strategies >>P28

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

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

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

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
- Improving 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 P35

[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

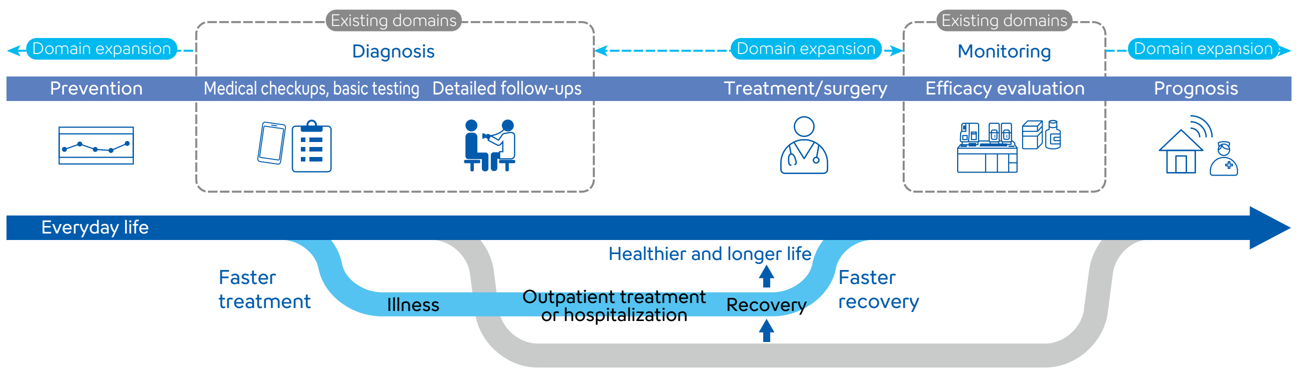
Long-Term Corporate Strategy 2033
(VA33: Value Advance 2033)

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

■ Healthcare Journey



>>What Sysmex Aims For P9

Financial Targets

Growth	Profitability
Net sales ¥1 trillion or more	Operating margin 20% or more

Environmental Targets

Achieve zero product losses	Switch to environmentally conscious materials
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

To date, Sysmex has achieved strong growth by capitalizing on global population growth and steadily rising healthcare demand and expanding its diagnostics business globally in hematology—where it holds the No. 1 global market share—as well as in urinalysis, hemostasis, and immunochemistry. We have also laid the groundwork for expansion into new domains, including personalized medicine and the medical robotics business.

At the same time, the healthcare environment is expected to change even more rapidly. As societies around the world age, rising social security costs, healthcare disparities, and problems with healthcare access will become increasingly serious challenges. Improving healthcare productivity will become an important priority, while prevention and self-medication are also expected to grow in importance. On the technology front, medical DX, led by advances in AI, is accelerating, and the implementation and expanded use of robotics technologies are also expected to progress. Advances in diagnostic technologies such as genetic analysis, ultra-highly sensitive measurement, and miniaturization will continue, accompanied by wider adoption of new treatments such as regenerative and cellular medicine.

Against this backdrop, in 2023 Sysmex adopted the Long-Term Vision "Together for a better healthcare journey," and formulated Long-Term Corporate Strategy 2033. 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.

Targets

We have established four quantitative targets: two financial targets and two environmental targets. With growth and profitability as our financial themes, we are targeting net sales of ¥1 trillion or more and an operating margin of 20% or more as we pursue double-digit growth exceeding that of the IVD market and secure a level of profitability that enables reinvestment.

Business Domains

While continuing to focus on our existing IVD domain—the diagnostics business—we define our business domains from the perspective of the healthcare journey. In existing domains, we will expand testing fields and test parameters and focus on enhancing the value of testing through AI and digital technologies, while also expanding geographically into emerging markets and elsewhere. In addition, we will begin expanding into areas such as personalized prevention and prognostic monitoring for clinics and individuals. In expanding domains, we will also pursue treatment domains such as robotic-assisted surgery systems and regenerative and cellular medicine.

Core Strategies

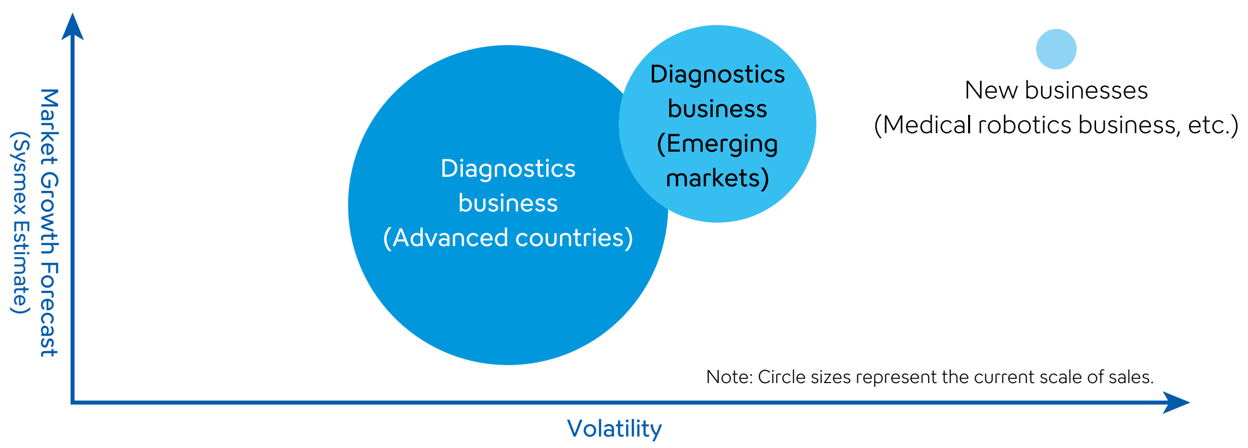
With a strong emphasis on sustainability, we have developed core strategies comprising businesses and technologies, eco-social, human capital, and corporate management, linked to our materiality.

Details

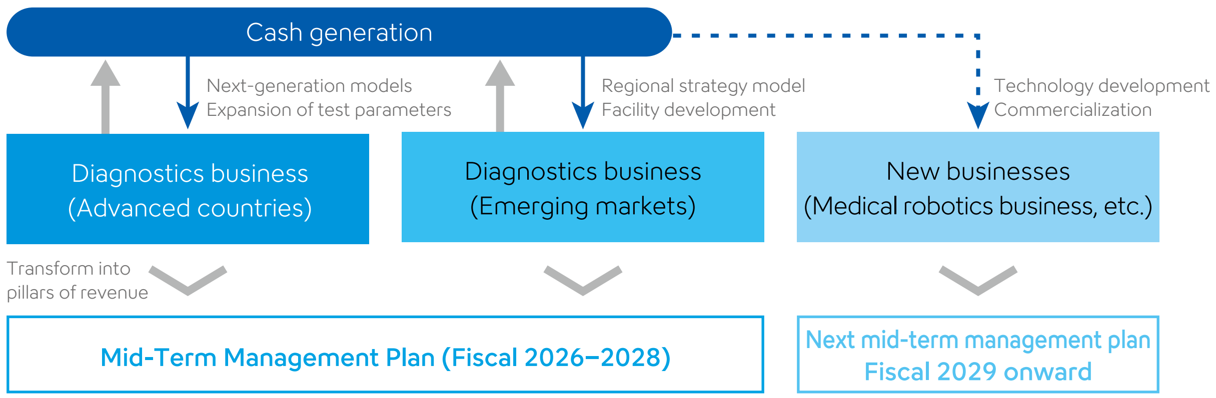
Businesses and Technologies	• Focus on strengthening the diagnostics business, which we have positioned as a driver of revenue growth. Promote the creation of new diagnostic value using AI and data and enhance laboratory productivity. • Develop new tests that lead to diagnosis and treatment and programs for detecting early signs of illness. • Take on challenges in new domains by leveraging technologies cultivated in IVD.
Eco-social	• Establish a business model adapted to a circular society, achieving both the resolution of environmental and social issues and business expansion. • Focus on reducing greenhouse gas emissions, environmentally conscious design, and conserving water resources.
Human Capital	• Acquire and develop highly specialized talent to build an optimal human resources portfolio. • Strengthen engagement by respecting the individuality of diverse talent, creating an optimal work environment, and providing opportunities for growth.
Corporate Management	• Strengthen governance and risk-management systems by building an autonomous and agile organizational management system. • Improve capital efficiency and enhance dialogue with stakeholders.

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.

Resource Allocation and Investment

From the perspective of portfolio management for future growth, we will classify our businesses into three domains according to their growth potential and risk characteristics and allocate resources strategically.

(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) New businesses: Domains in which we pursue new businesses such as prevention and the medical robotics business. 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, specifically into the development of new instruments and expansion of test parameters—areas with strong profitability and strategic importance.

In (2) the diagnostics business (emerging markets), we will expand our business by securing sales and service personnel, introducing regional strategy models, and developing our network of locations. During the Mid-Term Management Plan period, we plan to prioritize investments in these diagnostics businesses.

Meanwhile, in (3) new businesses, we will continue investing in research and development toward commercialization. From the next Mid-Term Management Plan onward, we will build foundations for future growth through disciplined investment, taking into account business progress and the market environment. We plan to allocate approximately 70% of research and development expenses to the (1), (2) diagnostics businesses and approximately 30% to new businesses.

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 new businesses, 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.

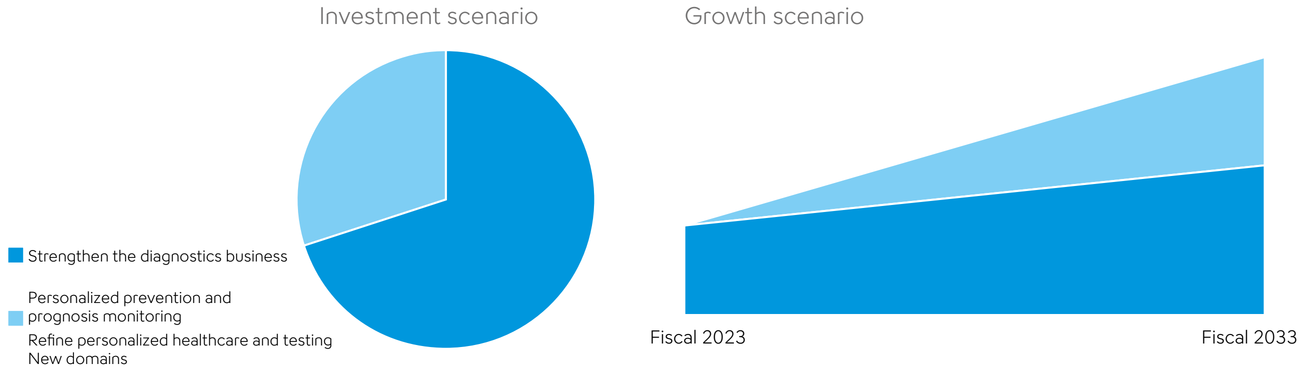
Improved Capital Efficiency

- 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)

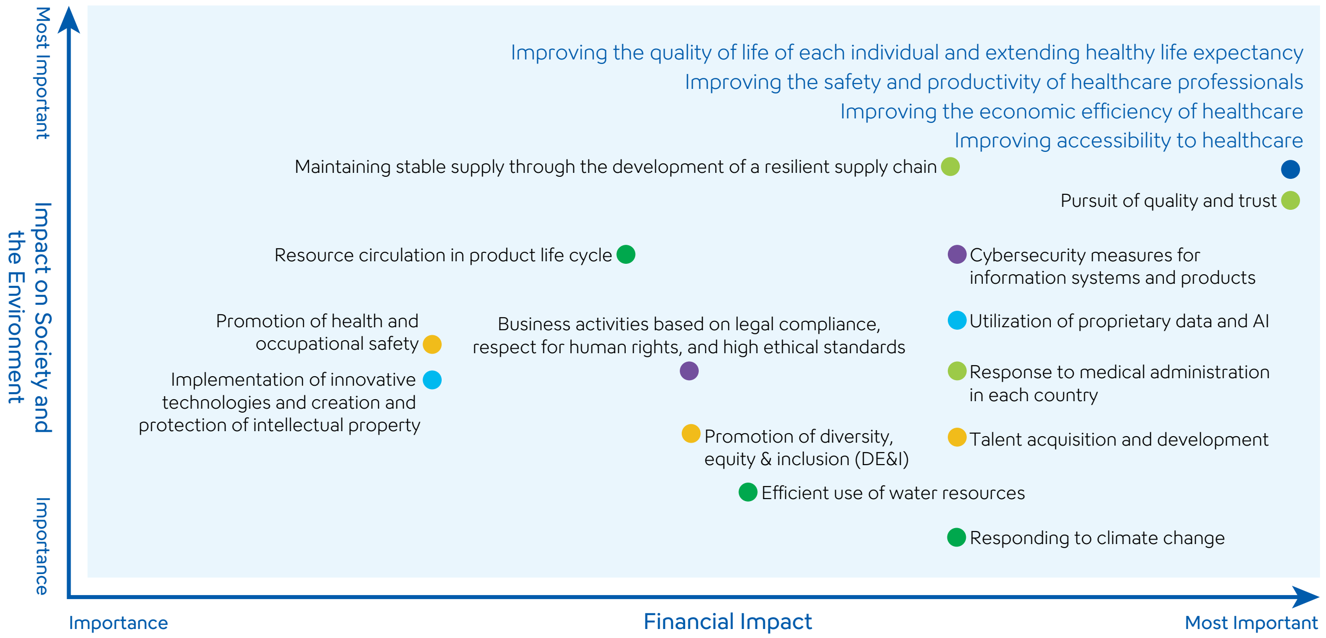
Redefining Materiality

We identify priority issues (materiality) with the aim of realizing a sustainable society and achieving sustainable growth for Sysmex, and we periodically verify and review this content. In fiscal 2023, in conjunction with the formulation of Long-Term Corporate Strategy 2033, we identified materiality based on the concept of double materiality, namely the impacts on social value and corporate value, as issues to be addressed in realizing our long-term vision. Furthermore, in 2026, in conjunction with the launch of the new Mid-Term Management Plan (fiscal 2026 to fiscal 2028), we reorganized social issues faced by each stakeholder group, including healthcare-related issues, and redefined our materiality through a more quantitative approach that strengthens linkage with our strategy. In redefining the materiality, taking into account feedback and requests obtained through stakeholder dialogue, the revised materiality was deliberated at management meetings and ultimately approved by the Board of Directors.

■ Redefinition Process

1. Understanding business activities, the value chain, and key stakeholders	As a prerequisite for evaluating our materiality, we organized the scope of our business activities and related parties.	[Details of the review] • Organized the scope of major businesses and the value chain • Identified key stakeholders • Confirmed relationships between each stakeholder group and business activities
2. Identifying sustainability items	Referring to various guidance and guidelines and the Company-wide risk list, we created a comprehensive list of sustainability issues (163 items).	[References] • ESRS, ISSB (SSBJ), SASB • External ESG assessments and indexes • Company-wide risk assessment results
3. IRO assessment (Impacts, Risks, and Opportunities)	We evaluated the above list from the perspective of double materiality—social/environmental and financial—while considering short-term (1–2 years), medium-term (3–6 years), and long-term (7 years or more) time horizons.	[Assessment criteria] • Impact (social/environmental): magnitude of impact × scope of impact • Risk: likelihood of occurrence × degree of negative impact on business performance • Opportunity: likelihood of occurrence × degree of positive impact on business performance
4. Identifying materiality items	Based on the above assessments, we consolidated and reorganized the issues while considering linkage with strategies and initiatives across each division, and identified 17 items to be addressed on a higher-priority basis.	[Detailed identification process] • Consolidated and reorganized issues based on the above assessments and linkage with strategies and activities, resulting in the extraction of 30 items • Reassessed the items by establishing thresholds for issues requiring priority action and identified 17 items
5. Establishing KPIs	For the 17 identified items, we reorganized both their contribution to enhancing corporate value and the value provided to stakeholders, and established KPIs to monitor progress and achievement during the period of the Mid-Term Management Plan.	[KPI items] • Total KPIs: 62 • Of which; 58 continuing KPIs and 4 newly established KPIs

Materiality Matrix



Themes and Priority Issues

Themes	Priority Issues	Description
Creating value for a healthy society	1 Improving the quality of life of each individual and extending healthy life expectancy 2 Improving the safety and productivity of healthcare professionals 3 Improving the economic efficiency of healthcare 4 Improving accessibility to healthcare	We strive to advance testing and services that contribute to improving the quality of life (QOL) and healthy life expectancy of each patient and individual. At the same time, by helping improve the productivity of healthcare professionals and addressing other challenges, we contribute to the sustainability of healthcare. We also aim to realize a society in which appropriate testing is accessible to all in order to help reduce disparities.
Creating innovation	5 Implementation of innovative technologies and creation and protection of intellectual property 6 Utilization of proprietary data and AI	Through the creation of new testing and diagnostic technologies, as well as the utilization of accumulated data and digital technologies, we aim to enable more precise and earlier diagnosis and prediction, thereby maximizing treatment opportunities and improving patient outcomes.
Providing responsible products, services, and solutions	7 Pursuit of quality and trust 8 Maintaining stable supply through the development of a resilient supply chain 9 Response to medical administration in each country	We will establish product supply and service systems that ensure testing never stops, even in response to various contingencies. At the same time, we will maintain a stable supply system capable of addressing diverse risks, including increasingly sophisticated and evolving regulatory requirements in each country, as well as logistics and geopolitical risks.
Maximizing human capital	10 Talent acquisition and development 11 Promotion of diversity, equity & inclusion (DE&I) 12 Promotion of health and occupational safety	We will build an environment in which diverse employees can maximize their individual capabilities and take on challenges in ways true to themselves, while safeguarding their physical and mental well-being. Through this, we will acquire and develop human capital capable of creating value for society and healthcare and executing our strategies.
Reducing environmental impacts	13 Resource circulation in product life cycle 14 Responding to climate change 15 Efficient use of water resources	We will promote business activities that reduce environmental impacts related to climate change, water resources, and other issues, while contributing to the realization of a circular resource society through the expansion of environmentally conscious products and services.
Strengthening governance	16 Business activities based on legal compliance, respect for human rights, and high ethical standards 17 Cybersecurity measures for information systems and products	We will promote supply chain management not only within the Sysmex Group but also across our business partners, enhancing management soundness and transparency while reducing risks. Through these efforts, we aim to improve management efficiency and strengthen competitiveness.

At Sysmex, we recognize the importance of accelerating sustainability-oriented management, and the newly redefined materiality has also been positioned as issues to be addressed in realizing our long-term vision. Looking ahead to an increasingly diversified and complex social environment, we recognize more strongly than ever the importance of innovation, technology, data, and digitalization, while placing importance on ensuring that our core strategies under the long-term corporate strategy, the Mid-Term Management Plan, and our materiality are all designed as one consistent strategy framework. Compared with the previous materiality framework consisting of 14 items across five fields, the new materiality framework comprises 17 items across six themes. This increase reflects efforts to clarify initiatives that contribute to value creation for each stakeholder and enhancement of corporate value, while strengthening linkage with our strategies and activities.

Among these materiality themes, the highest priority is "creating value for a healthy society," which represents the ultimate goal of the value we provide. To realize this goal, we will focus on "creating innovation" and "providing responsible products, services, and solutions" while advancing "maximizing human capital," "reducing environmental impacts," and "strengthening governance" as the foundation supporting these efforts.

KPIs used to measure the achievement status and progress of each initiative have been designed while redefining both their contribution to enhancing corporate value and the value provided to stakeholders. Under the mid-term management plan, we have designated responsible and promoting divisions. Progress is reported annually to the Managing Board and management meetings, and members of the Managing Board confirm progress and deliberate future improvement activities as necessary.

Going forward, in line with the progress of our strategies and changes in the business environment, we will continue to periodically verify and review our materiality while further promoting sustainability-oriented management with stronger execution capabilities.

■ Materiality and the Organization of Strategies, and Sustainability Targets

Theme	Material Issue	Risks and Opportunities	Short term[1] 1 to 2 years	Medium term[1] 3 to 6 years	Long term[1] 7 or more years	Core Strategies	Major Initiatives	Main Sustainability Targets >>P74 (Mid-Term Management Plan: Fiscal 2026–2028)
Creating value for a healthy society	**1 Improving the quality of life of each individual and extending healthy life expectancy**	[Risks] • Deterioration of the market environment due to regulatory and policy changes in individual countries [Opportunities] • Growing demand to address unmet needs • Growing demand for more efficient healthcare and testing due to shortages of healthcare professionals and the need to optimize medical expenses • Market expansion driven by increasing healthcare needs in emerging markets				Businesses and technologies	• Creating customer value centered on screening tests • Promoting medical DX • Expanding geographic coverage • Developing and expanding products and services for emerging markets	• Number of hematology tests • Number of regulatory approvals for high-risk products (major countries) • Sales in emerging and developing markets
	2 Improving the safety and productivity of healthcare professionals							
	3 Improving the economic efficiency of healthcare							
	4 Improving accessibility to healthcare							
Creating innovation	**5 Implementation of innovative technologies and creation and protection of intellectual property**	[Risks] • Erosion of competitive advantage due to delays in responding to technological innovation and intensifying competition • Lost business opportunities due to intellectual property infringement or insufficient protection [Opportunities] • Stronger competitive advantage through the creation of new value using advanced technologies					• Acquiring and commercializing new technologies • Expanding IVD test parameters • Creating, protecting, and utilizing intellectual property • Promoting data and AI utilization	• R&D-to-sales ratio
	6 Utilization of proprietary data and AI							
Providing responsible products, services, and solutions	**7 Pursuit of quality and trust**	[Risks] • Reduced trust and competitiveness due to insufficient attention to quality and safety • Supply disruptions and increased costs due to supply chain interruptions • Increased costs and delays in market introduction due to increasingly sophisticated regulatory requirements [Opportunities] • Greater trust and stronger competitiveness through improved quality and safety • Earlier launches of new products through faster regulatory response					• Conducting quality improvement activities to increase customer satisfaction • Strengthening quality management systems	• Number of recalls • NPS®[2] • Number of regulatory approvals (major countries)
	8 Maintaining stable supply through the development of a resilient supply chain						• Optimizing production and procurement systems • Bringing the production of critical raw materials in-house and developing alternatives	
	9 Response to medical administration in each country						• Strengthening regulatory response capabilities and accelerating regulatory processes	
Maximizing human capital	**10 Talent acquisition and development**	[Risks] • Talent shortages due to intensifying competition for talent • Reduced competitiveness due to delays in talent development and the promotion of DE&I • Reduced trust and productivity due to human rights and occupational health and safety issues [Opportunities] • Innovation generated through the contributions of diverse talent • Stronger organizational capabilities through talent development and the provision of growth opportunities • Higher productivity and added value through improved engagement				Human capital	• Sharing our vision and strategies • Expanding investment in human capital • Strengthening portfolio management	• Engagement score • Ratio of female managers • Value-added productivity • Annual total working hours
	11 Promotion of diversity, equity & inclusion (DE&I)						• Fostering our corporate culture	
	12 Promotion of health and occupational safety						• Improving the work environment	
Reducing environmental impacts	**13 Resource circulation in product life cycle**	[Risks] • Procurement disruptions and higher response costs due to the impacts of climate change and other factors • Higher costs associated with responding to environmental regulations and societal expectations • Decline in external evaluations due to delays in addressing environmental issues [Opportunities] • Growing demand for environmentally conscious products and services • Cost reductions through resource circulation and environmentally conscious design				Eco-social	• Achieving zero product losses • Expanding the use of concentrated reagents and overseas reagent production • Accelerating the switch to environmentally conscious materials • Collaborating across the entire supply chain	• Zero product loss • Complete transition to recycled and environmentally friendly materials
	14 Responding to climate change						• Reducing GHG emissions • Expanding the use of renewable energy	• GHG emissions reduction rate (Scopes 1, 2, 3)
	15 Efficient use of water resources						• Reducing water consumption	• Reduction rate of water consumption (main reagent factories)
Strengthening governance	**16 Business activities based on legal compliance, respect for human rights, and high ethical standards**	[Risks] • Loss of trust and corporate value due to legal violations or governance failures • Impacts on business continuity and corporate value from cyberattacks, system failures, and information leaks [Opportunities] • Greater trust and corporate value through management grounded in high ethical standards and transparency • Stronger competitive advantage through enhanced information security				Corporate governance	• Ensuring compliance and respect for human rights and promoting related education	• Number of ethics violations
	17 Cybersecurity measures for information systems and products						• Strengthening cybersecurity systems and promoting related education	• Number of participants in information security training

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. Scheduled to commence in fiscal 2027

Providing Value in the Healthcare Domain

Social Outcomes

Materiality

Creating New Value for a Healthy Society

Extending Healthy Lifespans of People Around the World

Improving 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

Improvement in the Sustainability of Healthcare
- Optimize medical costs

Outcomes for medical institutions (medical challenges we want to solve)

★: Strength of need in next five years

Expanding Access and Advancing Testing

- Automate and standardize testing for any environment
- Improve levels of medical care

Developed countries: ★★
Emerging markets: ★★★

Optimization of Testing Operations and Management Processes

- Respond to personnel shortages by enhancing laboratory productivity
- Speeding up testing and diagnosis

Developed countries: ★★★
Emerging markets: ★★★

Advancing testing that eases the burden on patients

- Realize appropriate diagnosis, treatment, and drug administration
- Promote personalized medicine
- Realizing medical care that addresses drug-resistant bacteria

Developed countries: ★★★
Emerging markets: ★★

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: ★

Manage prevention and prognosis

- Strengthen response to public health
- Decentralize and optimize medical functions

Developed countries: ★★★
Emerging markets: ★★

>>Sysmex Initiatives for a Better Healthcare Journey

Outcome Measurement Example Indicators	Sysmex's Specific Outputs [Core Fields]	Related Sustainability Goals (Fiscal 2025 Results)	Corresponding Stage of the Healthcare Journey
People lacking access to essential healthcare services (2023)[1] **Approximately 4.6 billion**	**[Hematology, hemostasis, urinalysis]** • Develop a diverse product portfolio, including compact and rugged instruments and parameters tailored to regional needs, such as malaria testing • Achieve adoption as standard equipment • Provide foundational medical and academic information • Provide product training • Analyze big data from testing[2]	Number of hematology tests **3.01 billion**	Medical checkups, basic testing
Vacancy rate for clinical laboratory technologists in hematology/hemostasis (United States, 2024)[3] **14.4%** Productivity improvement at a high-efficiency large-scale commercial laboratory (Japan)[4] (2025) **Approximately 150%**	**[Hematology, hemostasis, urinalysis, 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]	—	
Number of dementia patients globally (2021)[5] **Approximately 57 million** Worldwide economic losses due to dementia (2019) **Approximately $1.3 trillion** Global number of new cancer cases (2022)[6] **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. ◎ Drug susceptibility testing, etc.	Number of cancer genomic medicine analyses performed **17,000**	Detailed follow-ups
Reduction in hospital stay from robotic-assisted surgery for prostate cancer (vs. open surgery) in Japan[7] **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]	Number of procedures performed using robotic-assisted surgery systems **7,857**	Treatment/ surgery
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

1 Source: Friends of WHO Japan Universal Health Coverage (UHC)
2 Technologies/products under development
3 Source: American Society for Clinical Pathology 2022 Vacancy Survey of medical laboratories in the United States | American Journal of Clinical Pathology | Oxford Academic
4 Source: Sysmex data. Rate of increase or decrease in the number of hematology tests per laboratory technologist compared with 10 years earlier. Improvement accompanying upgrades to Sysmex system products.
5 Source: Global status report on the public health response to dementia. Geneva: World Health Organization; 2021
6 Source: International Agency for Research on Cancer (IARC) "GLOBOCAN 2022"
7 Source: Calculated based on research by Global Health Consulting Japan Co., Ltd., comparing robotic-assisted surgery and open surgery for prostate cancer.

Providing Value: Outcome Measurement Case Study

Expanding Access and Advancing Testing

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 creating a society where people can access high-quality healthcare by expanding access to and advancing testing. We envision a world where testing is widely available in every region, reliable test results can be obtained anytime and anywhere, and those results lead to appropriate care. Achieving this goal also requires 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 supporting the development of many emerging markets—Sysmex embraces this responsibility.

To ensure that local healthcare services are never interrupted, we go beyond developing and deploying products tailored to local needs and healthcare challenges. We also support quality management and human resource development. Through these efforts, we will contribute to expanding access and advancing testing.

Universal health coverage index[1]	People lacking access to essential health services[1]
71 (2023)	Approximately 4.6 billion / 8.0 billion people (2023)

1 Source: See page 36.

■ Examples of Value Provided by Sysmex

Healthcare Challenges and Customer Needs	Automated, standardized testing regardless of environment	Developing the skills of healthcare professionals	Early detection and treatment of diseases based on regional characteristics	Achieving appropriate allocation of healthcare resources
Sysmex Initiatives	• Provide rugged, compact instruments • Promote the standardization of test results through national reference instruments and other means	• Provide a wide range of academic materials in multiple languages >>Sustainability Website >Pursuit of Quality and Trust • Provide product training • Hold global academic seminars	• Provide testing tailored to regional characteristics, such as malaria testing >>Sustainability Website > Improving Accessibility to Healthcare	• Conduct public health monitoring using proprietary testing data[2] >>P50

2 Under development

Optimizing Testing Operations and Management Processes

As global populations grow, societies age, and healthcare becomes increasingly sophisticated, demand for medical services continues to expand. At the same time, the supply of healthcare professionals is not keeping pace. This challenge extends to laboratory testing, which serves as the gateway to care. According to surveys in the United States, demand for testing continues to rise while the average age of laboratory technologists is increasing, leaving many laboratories facing chronic staffing shortages. Although automation of testing itself has advanced significantly, many surrounding tasks—such as sample preparation and responding to physician inquiries—still rely on manual, labor-intensive work.

Since its founding, Sysmex has pursued improvements in the quality and productivity of laboratory testing. The Company continues to ask: can we realize a fully automated laboratory capable of supporting increasingly advanced healthcare? By leveraging AI-powered test result analysis systems and advancing the automation and optimization of testing processes, we aim to provide optimal diagnostic support while enabling medical professionals to focus on higher-value activities, such as in-depth data analysis and collaboration with physicians on diagnosis and treatment decisions. Sysmex holds the No. 1 global market share in the hematology field. Drawing on customer needs identified through extensive customer touchpoints, vast amounts of diagnostic and analytical data, and our expertise in quality control, we are working to optimize testing operations and management processes and help address the growing shortage of laboratory technologists.

Vacancy rate for clinical laboratory technologists in hematology and hemostasis (United States)[1]	Productivity improvement at a high-efficiency large-scale commercial lab (Japan)[1]
14.4% (2024)	Approximately 150% (2025)

1 Source: See page 36.

■ Examples of Value Provided by Sysmex

Healthcare Challenges and Customer Needs	Responding to personnel shortages by enhancing laboratory productivity	Reducing testing downtime and maintaining and managing testing quality	Responding to new test parameters
Sysmex Initiatives	• Develop the world's first hematology transport system to automate pre- and post-analytical processes as well as measurement, with rollout to other fields • Build systems capable of accommodating increasingly diverse test orders	• Monitor testing instruments in real time, including for preventive maintenance • Provide external quality control systems	• Expand test parameters, including Alzheimer's disease reagents[2] >>P56 • Improve diagnostic efficiency through the use of screening test data[2] >>P50

2 Under development

Challenges Facing Laboratories

Clinical Value	Operational Value	Management Value
Data Utilization	Laboratory Staffing Shortages Responding to New Diagnostic Technologies and Diversification	Burden of Maintaining High Accuracy and Quality Environmental Considerations

Hospital laboratories provide information essential to diagnosis and treatment and support clinical decision-making. In recent years, however, the healthcare environment has changed significantly, requiring laboratories to respond to increasingly sophisticated and complex demands.

The challenges facing laboratories can be organized from three perspectives. From the perspective of clinical value—challenges in diagnosis and healthcare—laboratories must not only advance diagnostic and testing technologies to support increasingly sophisticated healthcare but also make better use of data. A large hospital, for example, may perform more than 1,000 tests per day and several hundred thousand tests annually in hematology alone, and further utilization of this vast volume of data is expected. To enable earlier diagnosis and the selection of optimal treatments, there is a need to implement AI that supports advanced analysis and create new diagnostic value.

From the perspective of operational value—challenges in laboratory operations—shortages of laboratory technologists are a major issue in the United States and other developed countries, as demonstrated by the 14% vacancy rate among clinical laboratory technologists in the United States. While processing and testing specimens, laboratory technologists respond to a wide range of inquiries from physicians and nurses, including questions about the appropriate type of blood collection tube, the required blood volume, testing progress, the consistency of test results, and how those results should be interpreted. In addition to growing demand for healthcare and testing due to aging populations and increasingly sophisticated testing, laboratory technologists must also acquire the skills needed to handle new tests, further increasing the operational burden across the entire laboratory.

Finally, from the perspective of management value—challenges in management—hospitals are being asked to operate more efficiently while also addressing the financial and staffing burden of maintaining high accuracy and quality and taking environmental considerations into account. Quality control demonstrating the accuracy of test results and the associated records are required daily. The burden is also increasing from ISO compliance, establishing systems that enable testing processes and results to be traced and verified, and handling documentation. Rising electricity costs and demands to reduce environmental impacts are also having an increasingly significant effect on laboratory operations.

To address these challenges, Sysmex is pursuing solutions through the transformation of workflows across the entire laboratory, rather than focusing on only part of the testing process. By providing solutions that enable the use of data to enhance diagnostic value, automation and greater efficiency to compensate for staffing shortages, and both quality assurance and reduced operational burdens, we will help ease the burden of laboratory operations and enhance value across the entire healthcare setting.

>>Advancing medical DX and data utilization by leveraging the strengths of the diagnostics business P49-50