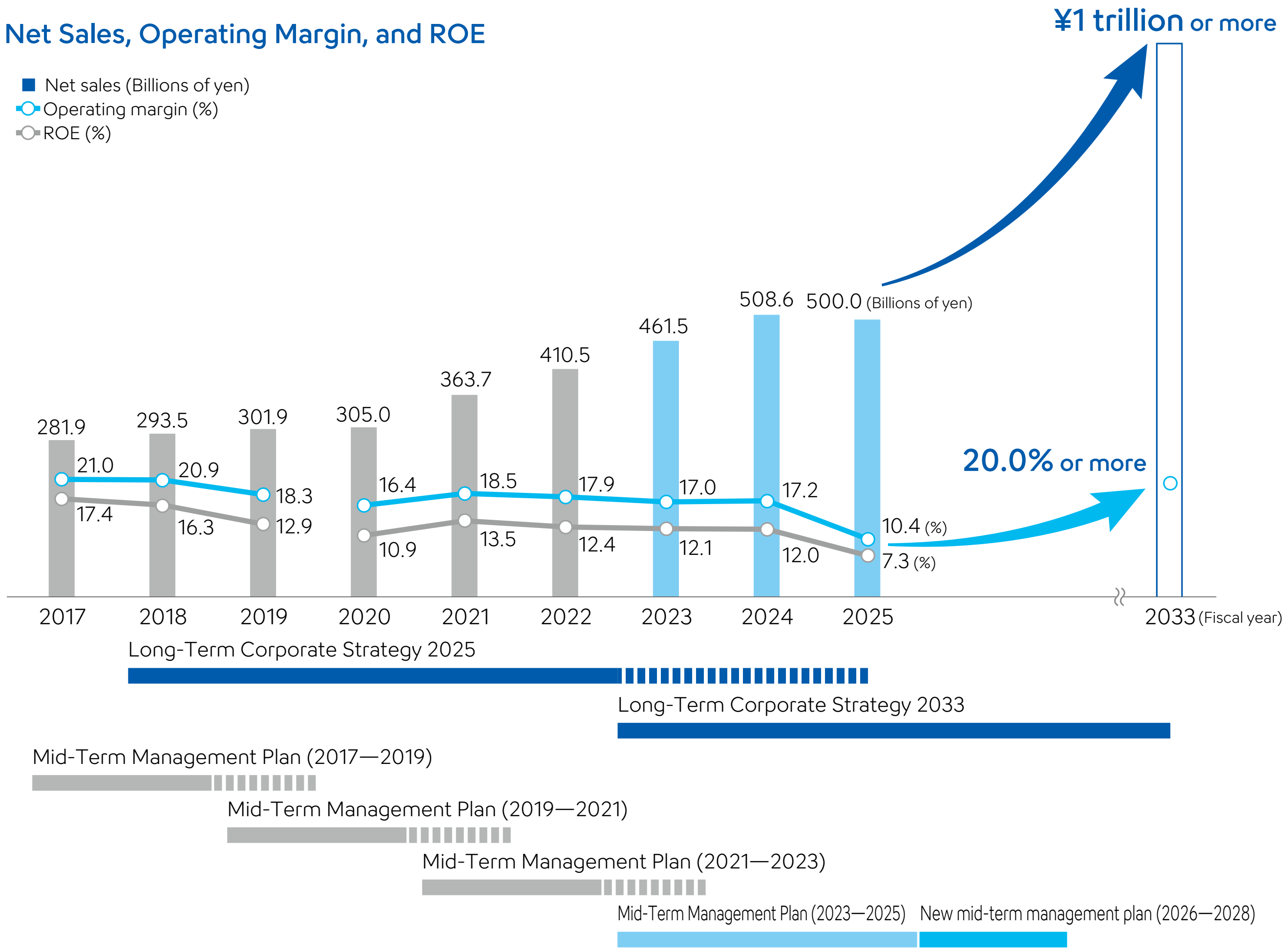
Mid-Term Management Plan and Initiatives

To realize Long-Term Corporate Strategy 2033, we have formulated a Mid-Term Management Plan that concludes in fiscal 2028 and are advancing initiatives under the plan.

Management Plans to Date

Net Sales, Operating Margin, and ROE



Initiatives under Past Mid-Term Management Plans

	Mid-Term Management Plan (2017—2019)	Mid-Term Management Plan (2019—2021)	Mid-Term Management Plan (2021—2023)
Theme	• **Returning to a growth trajectory**	• **Enhancing our competitive advantage and expanding our business portfolio** • **Reforming the Group's human resource management**	• **Sustaining the expansion of our corporate scale and developing new businesses** • **Improving sustainability management and further promoting DX**
New products Regional expansion	• Launched new products (hemostasis, life science: gene panel testing, etc.) • Expanded our direct sales area (Egypt, India)	• Launched new products (hematology: high-end, low-end, and tests related to COVID-19) • Sold robotic-assisted surgery system	• 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
Business investment Management foundation	• Established a bio-reagent center	• Introduced job-based HR management	• Declared our intention to achieve carbon neutrality • Transitioned to global core systems
Issues	• Optimization of product life cycles • Developing of professional human resources from a medium- to long-term perspective • Reforming our business processes through DX	• Business structure reform (increase sales ratios of non-hematology fields) • Further growth in emerging markets • Identification and practice of materiality	• Increased competitiveness and market expansion in the diagnostics business • Acceleration of business growth in new domains • Promotion of sustainability management and human capital management

Past Management Plans

Under its past mid-term management plans, Sysmex expanded sales and profits while strengthening its business foundation for long-term growth. Centered on its core hematology field, the Company expanded its direct sales and service structure globally. In 2019, it established a development and production base for bio-reagents used in hemostasis and immunochemistry, strengthening the foundation for expansion into other fields. In addition, aiming to shift from regional optimization to Company-wide optimization, Sysmex worked to organize its data infrastructure and optimize business processes through internal digitalization. Investment in human capital and the promotion of sustainability further enhanced the corporate foundation supporting medium- to long-term growth. Previously, Sysmex used a rolling system, reviewing its three-year mid-term management plan every two years. However, in fiscal 2025, it shifted to a three-year fixed system to clarify progress toward targets.

Previous Mid-Term Management Plan (Fiscal 2023–2025)

As the first phase of its Long-Term Corporate Strategy, Sysmex pursued three growth strategies. Under the "reinforcement of existing businesses," the Company steadily advanced the overseas rollout of its top-end hematology model and the transition to direct sales in Europe and the United States in the hemostasis field. Under "business expansion in emerging markets," it achieved high growth, particularly in India and Central and South America. In addition, as part of its internal digitalization efforts, Sysmex completed the global rollout of its core systems and established a foundation for improved productivity and operational efficiency. These initiatives produced steady results under the growth strategies.

However, both the net sales and profit targets were missed. The operating margin was 10.4%, compared with the target of 20.0%, and ROE was 7.3%, compared with the target of 16.0%. The main factor was the significant impact of changes in the market environment associated with China's healthcare cost-containment policies during the final fiscal year. In addition, global inflation and US tariffs reduced earnings, creating challenges in balancing topline and profit growth. Progress in new businesses was also delayed, and goodwill impairment losses were recognized in certain businesses. Furthermore, prolonged DX investment meant that generating returns on investment took longer than anticipated. These circumstances highlighted the need to optimize the allocation of management resources, in addition to addressing profitability and capital efficiency.

Mid-Term Management Plan (2023–2025)

Theme

Implementing a transformation scenario to achieve growth through innovation and strengthen the corporate foundation to realize the Long-Term Vision

Strategies

Three Growth Strategies
• Reinforcement of existing businesses
• Business expansion in emerging markets
• Expansion of new businesses

Reinforcing the Management Foundation
• Direct sales and service structure
• DX
• Human capital
• Initiatives for a circular society, etc.

Steady Results from the Strategies

• **Solid growth in Europe, the Americas, and AP**
• **Full-scale rollout of hemostasis in Europe and the United States**
• **Expansion of direct sales areas**
• **Stronger foundation in emerging markets (Start of operations at the new factory in India, etc.)**
• **Launch of Alzheimer's disease reagents**
• **Establishment of a DX platform**

Reasons for Missing the Plan Targets

• Market changes, including China's healthcare cost-containment policies
• Increased costs associated with responding to uncertainties such as inflation, conditions in the Middle East, and US tariffs
• Delays in the growth and monetization of new businesses
• Goodwill impairment losses related to new businesses[1]
• Impact of bringing forward sales to fiscal 2024 due to the core system upgrade[1]

1 Transitory factors

Performance vs. Target / CAGR[2]

	Performance vs. Target	CAGR[2]
Net sales:	(10.7)%	6.8%
Operating margin (CAGR is for operating profit)	(9.6)pts	(11.1)%
ROE	(8.7)pts	—
<Reinforcement of Existing Businesses>		
Hematology	0.8%	7.5%
Urinalysis	2.5%	24.9%
Hemostasis:	(22.2)%	2.7%
<Business Expansion in Emerging Markets>		
Emerging Markets	—[3]	11.1%
<Expansion of New Businesses>		
Medical robotics business:	(87.8)%	12.3%
<Others>		
China:	(31.2)%	(2.6)%

2 CAGR: Compound annual growth rate from fiscal 2022 to fiscal 2025
3 No target set

Overview of the Mid-Term Management Plan

Direction of the Mid-Term Management Plan (Fiscal 2026–2028)

Phase 2 of Long-Term Corporate Strategy 2033 (VA33)

Reinforce the strength and earnings power of the diagnostics business

- Maintain a strong focus on the diagnostics business and deliver innovative value to customers through focused investment and resource allocation
- Secure profitability that enables the Company to respond to market and competitive changes and reinvest in growth
- Fulfill our responsibilities to stakeholders as an industry-leading company by overcoming risks arising from an uncertain business environment
- Return to high growth, improve capital efficiency, and restore the confidence of the capital markets

Considerations Underlying the Plan

Market and Technology Outlook	Current Management Challenges
• Expectations for improved healthcare economics • Expansion of data-driven healthcare (advances in AI and digital technologies) • Advances in diagnostic technologies and personalized healthcare • Diversification of methods for providing tests • Persistent healthcare access challenges • Growing uncertainty in the business environment (Geopolitical risks, tighter regulations, etc.)	• Improving profitability and capital efficiency (operating margin and ROE) • Agile introduction of new products • Strengthening responsiveness to changes in the market environment (China's healthcare cost-containment policies, conditions in the Middle East, etc.) • Strengthening the future prospects and earnings bases of new businesses • Strengthening relationships of trust with stakeholders

Competitive Advantages and Business Foundations

- No. 1 global market share in hematology
- Provision of instruments, reagents, and services
- Customer base and global supply network spanning more than 190 countries and regions
- Data and knowledge accumulated from testing worldwide

Strategic Themes

	Details	Main Related Materiality
1 Strengthening the competitiveness of the diagnostics business	>>P47	• Creating value for a healthy society 1 2 3 4 • Creating innovation 5 6 • Providing responsible products, services, and solutions 7 9 • Reducing environmental impacts 13
2 Advancing medical DX and data utilization by leveraging the strengths of the diagnostics business	>>P49	• Creating value for a healthy society 1 2 3 4 • Creating innovation 5 6 • Providing responsible products, services, and solutions 7 • Strengthening governance 17
3 Improving profitability through value chain transformation	>>P51	• Creating innovation 6 • Providing responsible products, services, and solutions 8 • Reducing environmental impacts 13
4 Redesigning financial and capital strategies	>>P63	• Strengthening governance 16

Implementing the Core Strategies (Technology, Human Capital, and Eco-Social)

	Details	Main Related Materiality
Reinforcing human capital	>>P59	• Maximizing human capital 10 11 12 • Creating value for a healthy society 1 2 3 4 • Creating innovation 5 6 • Providing responsible products, services, and solutions 7 • Reducing environmental impacts 13 14 15
Strengthening R&D capabilities	>>P55	
Realizing a circular value chain	>>P57	

Considerations Underlying the Plan

Sysmex launched its new Mid-Term Management Plan (fiscal 2026–2028) in April 2026. The Company has positioned it as an important plan for advancing transformation toward realizing Long-Term Corporate Strategy 2033 (VA33).

In recent years, the healthcare market has continued to demand improvements in both healthcare economics and quality, as well as better healthcare access. Shortages of healthcare professionals are also driving growing demand for the automation of testing and labor-saving solutions. Going forward, advances in AI and digital technologies are expected to drive increasingly sophisticated and personalized healthcare and the diversification of methods for providing tests. At the same time, uncertainty in the business environment is expected to increase due to geopolitical risks, tighter regulations in individual countries, and other factors.

Under the previous mid-term management plan, Sysmex advanced initiatives for future growth, but challenges also became apparent in areas such as its ability to respond to changes in the market environment, the need to improve profitability and capital efficiency, and the nature of its dialogue with the capital markets.

At the same time, Sysmex has a strong business foundation for achieving long-term growth, including the technological capabilities cultivated over many years in the diagnostics business and a network spanning more than 190 countries and regions. In addition to a business model of providing instruments, reagents, and services on an integrated basis, the Company draws strength from data and knowledge accumulated through testing worldwide. Through these strengths, Sysmex has contributed to resolving challenges in healthcare settings by enabling highly accurate and efficient testing and optimizing laboratory operations.

Based on this understanding of the environment and Sysmex's strengths, the new mid-term management plan concentrates management resources on the diagnostics business—the source of the Company's competitiveness—to further reinforce its strengths and earnings power. Through selection and concentration, Sysmex will rebuild its business foundation while improving profitability to enable reinvestment in growth and enhancing capital efficiency. It will also work to build more constructive relationships with the capital markets by strengthening transparent information disclosure and dialogue.

Strategic Themes

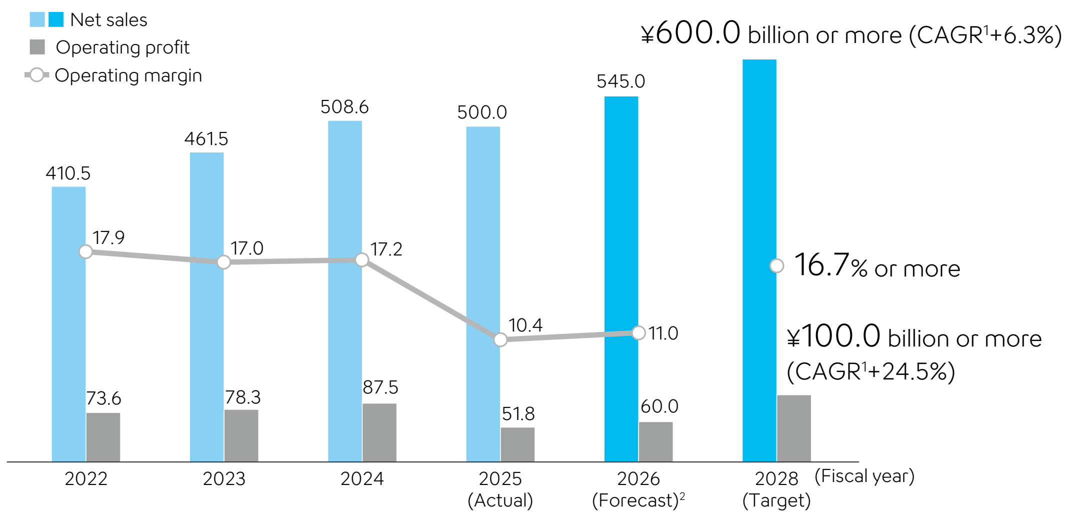
Sysmex has established four strategic themes for achieving the goals of the mid-term management plan. Centered on the diagnostics business, the Company will enhance the value of its products and services while working to advance healthcare delivery and create new value through medical DX and data utilization. It will also improve profitability and strengthen cost competitiveness while redesigning its financial and capital strategies to build a management foundation that emphasizes capital efficiency.

In addition, Sysmex will promote the core strategies under its Long-Term Corporate Strategy, including strengthening human capital and research and development and realizing a circular value chain, thereby enhancing corporate value over the medium to long term.

Mid-Term Management Plan Targets

Financial Targets

	Fiscal 2025 (Actual)	Fiscal 2028 (Target)	Fiscal 2033 (Target)
Net sales	¥500.0 billion	¥600.0 billion or more	¥1 trillion or more
Operating profit	¥51.8 billion	¥100.0 billion or more	
Operating margin	10.4%	16.7% or more	20% or more
ROE	7.3%	12.0% or more	
ROIC	7.6%	10.5% or more	
CCC	205 days	190 days or less	
Operating cash flow	¥73.8 billion	¥95.0 billion or more	
Free cash flow	¥22.3 billion	¥40.0 billion or more	



1 CAGR from fiscal 2025 to 2028 2 Revised August 2026

Capital Policies (Three-Year Total)

	Past three years (Fiscal 2023–2025)	Three years of the mid-term management plan (Fiscal 2026–2028)
Cash flow generation (Operating cash flow)	¥225.9 billion	¥400.0 billion or more
Capital investment (Investing cash flow)	¥158.9 billion	¥150.0 billion
Shareholder returns	¥64.7 billion	¥110.0 billion
R&D expenses	¥92.0 billion	¥170.0 billion
Capital efficiency[1] (ROE)	7.3%	12.0% or more

1 Final fiscal year

Sales Targets by Business and Field

(Billions of yen)

	Fiscal 2025 (Actual)	Fiscal 2028 (Target)	CAGR[1] (%)
Hematology	299.4	334.5	3.8
FCM	4.6	8.0	19.5
Urinalysis	44.0	53.0	6.3
Hemostasis	72.4	93.0	8.7
Immunochemistry	22.3	25.5	4.6
Clinical chemistry	2.9	19.0	86.9
Life science	24.9	27.5	3.3
Others	25.9	24.5	(1.9)
Diagnostics business	496.7	585.0	5.6
Medical robotics business	3.3	15.0	65.7
Total	500.0	600.0	6.3

Sales Target by Destination

(Billions of yen)

	Fiscal 2025 (Actual)	Fiscal 2028 (Target)	CAGR[1] (%)
Japan	58.6	86.0	13.6
Americas	139.2	165.5	5.9
EMEA	158.0	193.0	6.9
China	89.4	82.5	(2.7)
Asia Pacific	54.6	73.0	10.1

Net Sales Targets

(Billions of yen)

	Fiscal 2025 (Actual)	Fiscal 2028 (Target)	CAGR[1] (%)
Diagnostics business (emerging markets)	74.3	100.0	10.4
Diagnostics business (other than emerging markets)	425.7	500.0	5.5

Actual exchange rates in fiscal 2025: USD1 = JPY150.8, EUR1 = JPY174.8, CNY1 = JPY21.2
Forecast exchange rates for the mid-term management plan: USD1 = JPY150.0, EUR1 = JPY174.6, CNY1 = JPY21.1
1 CAGR from fiscal 2025 to 2028

Main Sustainability Targets

Materiality	Main sustainability targets	Fiscal 2025 (Actual)	Fiscal 2028 (Target)	Related pages
Creating new value for a healthy society	• Number of hematology tests	3,014 million	—[1]	>>1 Strengthening the Competitiveness of the Diagnostics Business P47
	• Number of regulatory approvals for high-risk products (major countries)	50	—[1]	
	• Sales in emerging and developing markets	¥157.4 billion	—[1]	>>2 Advancing Medical DX and Data Utilization by Leveraging the Strengths of the Diagnostics Business P49
Creating innovation	• R&D-to-sales ratio	—[1]	—[1]	
Providing responsible products, services, and solutions	• Number of recalls[2]	6	—[1]	
	• Net Promoter Score (NPS®)[3]	—[1]	—[1]	>>3 Improving Profitability through Value Chain Transformation P51
	• Number of regulatory approvals (major countries)	816	—[1]	>>Strengthening R&D Capabilities P55
Maximizing human capital	• Engagement score	74%	75%	>>Reinforcing Human Capital P59
	• Ratio of female managers	19.7%	25% or higher	
	• Value-added productivity (Group)	¥19.01 million	¥23.00 million	
	• Annual total working hours	1,974 hours	1,970 hours	
Reducing environmental impacts	• Zero product loss	0.18%	0.13%	>>Realizing a Circular Value Chain (Reduction in Environmental Burden) P57
	• Complete transition to recycled and environmentally friendly materials	67%	80%	
	• GHG emissions reduction rate (Scopes 1, 2)[4]	Down 41%	Down 48%	
	• GHG emissions reduction rate (Scope 3)[4]	Up 8%	Down 20%	
	• Reduction rate of water consumption (main reagent factories)	Down 25pts	Down 54pts	
Strengthening governance	• Number of ethics violations	26	—[1]	>>Corporate Governance P79
	• Number of participants in information security training	31,744	—[1]	>>Risk Management P85

1 These are monitoring items for which no targets are set. 2 Target: Group companies in Japan
3 NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems. (Starting in fiscal 2027) 4 Base year: Fiscal 2022
>>Progress toward Sustainability Targets and KPIs (Excerpted) P74

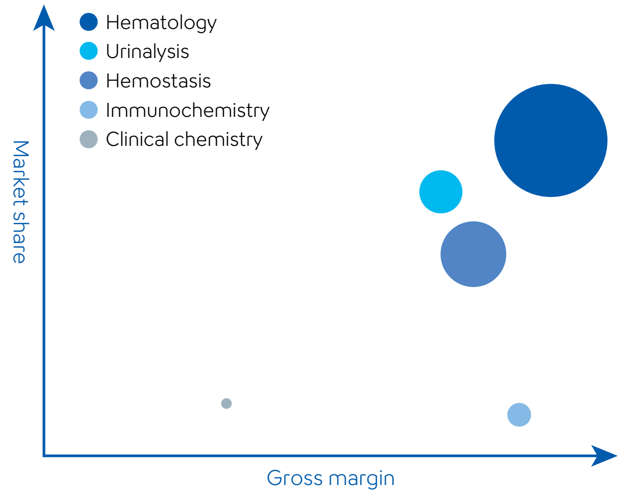
Strategic Themes under the Mid-Term Management Plan

1 Strengthening the Competitiveness of the Diagnostics Business

Portfolio by Field

- **Enhancing the business portfolio based on the hematology field**
- **Strengthening market competitiveness through the rollout of next-generation models**

■ Market Share and Gross Margin (Illustrative)



■ New Products Planned for Launch during the Mid-Term Management Plan Period (by Field)

	High-end models	Compact models
	Next-generation products equipped with AI	Strategic products tailored to regional needs
Hematology	✓	✓
Urinalysis	✓	—[1]
Hemostasis	✓	✓
Immunochemistry	✓	✓

1. Already launched in fiscal 2025

Sysmex is enhancing its business portfolio by strengthening its initiatives in fields with high growth and profitability potential, with hematology, where we hold the No. 1 global market share, as our core business.

The hematology field, where Sysmex has a high market share and profitability, forms our earnings base. We will continue to pursue growth by strengthening our technological advantages and expanding our presence in emerging markets, while hematology, together with urinalysis, will provide a stable source of profits. We will also leverage the customer base and sales and service structure we have built over many years to expand our business in other fields.

We have positioned the hemostasis field as the highest-priority area under the mid-term management plan. Leveraging the customer base and sales capabilities developed in hematology, we will drive market share expansion, particularly in Europe and the Americas. We will increase profitability through growth in reagent sales accompanying expansion of the installed instrument base and raise profitability toward levels approaching those of hematology, developing hemostasis into a field that drives the diagnostics business in both growth and profitability.

The immunochemistry field is a massive market in which major global companies hold high shares, but it is also a growth area in which high profitability can be expected. We aim to increase its contribution to profit by differentiating our offerings through the expansion of highly distinctive test parameters, including those for Alzheimer's disease, and the in-house sourcing of raw materials.

Furthermore, during the mid-term management plan period, we will progressively launch AI-equipped flagship models globally and renew our product lineup. By addressing a broad range of customer needs, from the high-end to the mid- and low-end markets, we will enhance our competitiveness and achieve sustainable growth.

Column: Expanding the Basic Testing Portfolio by Strengthening Clinical Chemistry

In April 2026, we acquired the medical equipment business of JEOL Ltd., strengthening our clinical chemistry field. Clinical chemistry is one of the basic testing fields, alongside hematology and urinalysis, and this acquisition has expanded our basic testing portfolio. Particularly in emerging markets, we will enhance the value we provide to customers through proposals combining multiple fields, leading to medium- to long-term growth and higher profitability.

■ Rollout Roadmap during the Mid-Term Management Plan Period

	Fiscal 2026	Fiscal 2027	Fiscal 2028
Instruments	Take over existing operations	—	Launch new products
Reagents	Negotiations with manufacturers	OEM agreements	Full-scale rollout
Regional rollout	Primarily Japan	Promote overseas rollout	Scale up
Sources of profits	Instruments	Instruments and reagents	Instruments and reagents

Accelerating Growth in the Hemostasis Field in Europe and the Americas

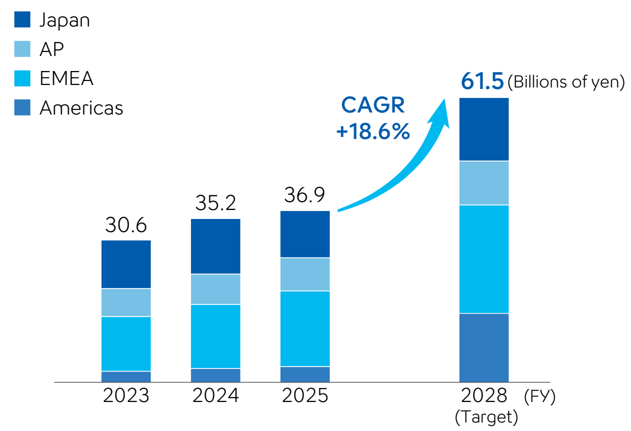
- **Expanding market share in Europe and the Americas by leveraging our hematology customer base**
- **Improving profitability by expanding instrument installations and reagent sales through a broad range of solutions**

In April 2024, Sysmex began direct sales in the hemostasis field in Europe and the Americas, expanding the addressable market roughly twofold from Asia to the global market. >>P97 Customers in the hemostasis field are the same as those in hematology, where Sysmex holds the No. 1 global market share. As a result, our ability to leverage the customer base, sales channels to medical institutions, and service network developed in hematology provides a foundation for growth in Europe and the Americas.

In addition, Sysmex's top-end models are highly competitive, offering high throughput while saving space and energy. We also offer products for the mid- and low-end markets that incorporate the performance of these models, enabling us to address a broad customer base. We are also developing integrated systems with hematology and contributing to improved laboratory productivity and the resolution of operational issues through distinctive cross-field systems. Our ability to provide this combination of product performance and value extending beyond individual testing fields is a competitive advantage for Sysmex.

Leveraging these strengths, we will promote conversions from competitors and win major projects. By expanding the installed instrument base, we will increase sales of high-margin reagents and raise their share of sales, thereby improving profitability.

■ Hemostasis Sales by Destination (Excluding China)



Integrated Blood Testing System Combining Hematology and Hemostasis

Business Expansion in Emerging Markets (Asia, Central and South America, the Middle East and Africa, etc.)

- **Strengthening direct sales and stable supply systems to capture expanding demand in growth markets**
- **Expanding market share through the introduction of strategic models and expansion of the product portfolio**

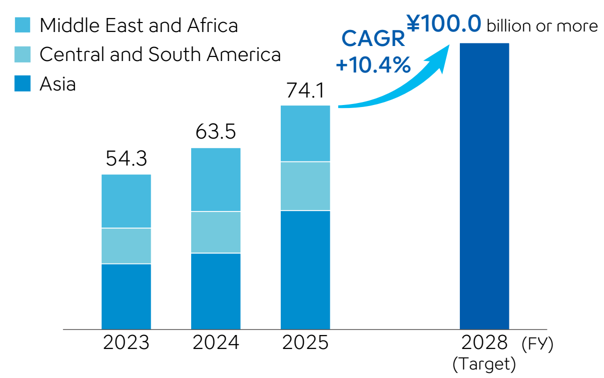
Emerging markets offer Sysmex substantial room to expand market share and are growth markets where demand for testing is expected to increase against a backdrop of population growth and the development of healthcare infrastructure.

To capture these market opportunities, Sysmex will strengthen its direct sales and stable supply systems, while expanding its portfolio and rolling out strategic products tailored to regional needs.

In India in particular, in addition to the high-end market, including university hospitals, we aim to expand our share in the mid- and low-end markets through increased sales of products supporting Make in India and the introduction of strategic models. In Brazil, we will accelerate growth by expanding our product portfolio in areas including hemostasis, in addition to hematology and urinalysis. Furthermore, to strengthen the reagent supply structure across Central and South America, we plan to begin operations at a new plant in fiscal 2027.

Through these initiatives, we aim to grow sales in emerging markets from ¥74.1 billion at a rate exceeding market growth and achieve sales of at least ¥100.0 billion in fiscal 2028.

■ Emerging Market Sales



2 Advancing Medical DX and Data Utilization by Leveraging the Strengths of the Diagnostics Business

Creating New Value by Leveraging Unique Data Assets

Realizing Better Healthcare and Enhancing Value for Customers

① Lab Performance & Compliance (Enhancing the Sophistication and Efficiency of Laboratory Operations)

Fully automated Laboratories in the future

- Improve laboratory safety and reduce manual labor
- Enhance efficiency of testing operations
- Guarantee of stable test results

② Healthcare Journey Navigation (Supporting Diagnosis and Treatment Using Data and AI)

Expand the role and value of screening test

- Guide patients to personalized medicine
- Address shortages of healthcare professionals
- Pursue integration with preventive healthcare

③ Population Health Management (Advancing Public Health Monitoring)

Leverage extensive data assets to support public health and group interventions

- Early intervention for infectious disease outbreaks
- Optimize healthcare resource allocation
- Medical Program Validation

Data collection infrastructure × Testing data × AI/Digital = Providing value unique to Sysmex

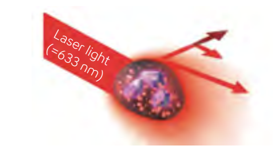
Unique Sysmex Assets

Data collection infrastructure

- Sysmex products operating around the world
- Continuous accumulation of real-world data
- Broad presence across fields, centered on hematology
- Quality-controlled, high-quality data that support AI utilization

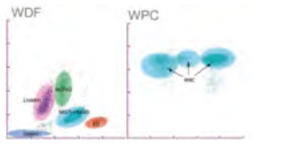
Testing data

Analytical Information Obtained for Each Cell



- Types and quantities of nucleic acids and organelles
- Information about cell content
- Information about cell size, etc.

Scattergram Information Integrating Data for Individual Cells



Through testing instruments and services deployed in more than 190 countries and regions, Sysmex has a platform for generating quality-controlled, high-quality testing data. Hematology testing, in particular, is a basic test widely performed when people receive medical care and serves as a common gateway to healthcare for many people. Unlike tests performed after a disease has already been narrowed down to some extent, hematology testing is performed routinely, giving Sysmex a major strength in its ability to continuously accumulate an overwhelming volume of data globally. These highly distinctive data include not only test results but also information obtained through optical measurement and analytical processes. As data generated every day at medical institutions around the world, together with the insights derived from them, continue to accumulate, an environment is being created that supports new value creation.

Advances in AI and digital technologies are greatly expanding the potential to create new value from these data. Sysmex is expanding the value it provides in areas including the sophistication and efficiency of laboratory operations, support for diagnosis and treatment using data and AI, and the advancement of public health monitoring, while working to realize new data-driven medical DX. Another distinctive feature of Sysmex is its ability to create value that affects the entire diagnostic process by starting from the comprehensive data obtained through screening tests, the gateway to healthcare. The data and insights accumulated through our overwhelming market share, together with the mechanisms that connect them to new value creation, are sources of Sysmex's competitive advantage. Our ability to realize these mechanisms on a global scale is a distinctive strength that competitors cannot easily replicate.

① Lab Performance & Compliance (Enhancing the Sophistication and Efficiency of Laboratory Operations)

As rising healthcare costs and shortages of healthcare professionals become global challenges, there is a growing need to realize sustainable healthcare while making effective use of limited healthcare resources. Clinical testing includes a wide variety of test parameters, and as new tests continue to emerge, it is not economical to measure every parameter uniformly. Additional testing and retesting in response to suspected diseases and test results can be expected to improve diagnostic accuracy, but testing workflows are becoming increasingly complex.

Sysmex has extensive expertise in optimizing laboratory operations, developed in advanced markets. The evolution of instruments and systems provides an important foundation for laboratory operations, but our strength lies in our ability to optimize the entire testing workflow by leveraging AI and digital technologies together with knowledge accumulated over many years. In addition to reducing workloads and improving operational efficiency, we will also advance support for the interpretation of imaging data using expert knowledge and similar past cases, thereby contributing to improved productivity across the entire laboratory.

② Healthcare Journey Navigation (Supporting Diagnosis and Treatment Using Data and AI)

Sysmex aims to evolve screening tests beyond the simple detection of abnormalities into a new stage that guides patients toward appropriate diagnosis and treatment. Advances in AI and analytical technologies are making it increasingly possible to improve the volume and quality of information obtained from testing data and thereby enable more appropriate diagnostic steps and treatment selection. To realize this value, we are promoting the use of data, including data from existing models. Our flagship models are also designed on the premise of AI-based data analysis, with more advanced measurement technologies and analytical functions enabling the acquisition of a wider variety of analytical data. We will deploy these models as platforms to which new functions and added value can be continuously added through updates to analytical capabilities even after installation, and will advance applications such as early warning detection and prediction of treatment effectiveness.

For example, joint research with Juntendo University found the possibility of predicting treatment response in patients with chronic myeloid leukemia through statistical analysis of testing data. In the future, we hope this will support appropriate treatment selection for patients, helping to reduce their physical and financial burden, improve QOL, and curb healthcare costs.

■ Future Treatment Selection Support for Chronic Myeloid Leukemia (Illustrative)

Blood cell testing data

↓

Data analysis incorporating AI and other technologies
Classify patients by predicting disease status and treatment response

↓

Toward effective treatment selection

Treatment A | Treatment B

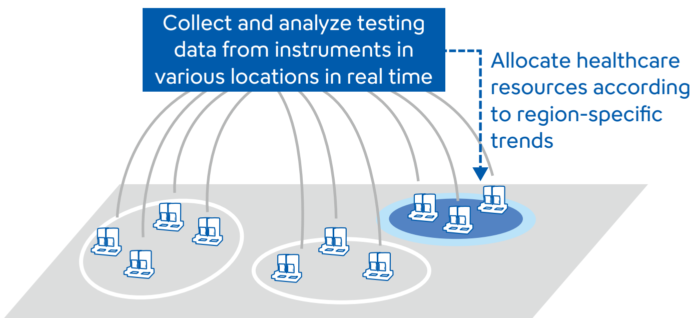
③ Population Health Management (Advancing Public Health Monitoring)

Sysmex is working to create new value by using testing data not only for the diagnosis of individual patients but also as population-level data. We have supported stable operation by connecting instruments and customer centers via networks and remotely monitoring instrument operating status. We are now using this platform to explore applications such as understanding the distribution of anemia and analyzing signs of infectious disease outbreaks. Sysmex has a strong market presence in many countries and regions, and our testing instruments are used by a broad range of medical institutions, giving us a sufficiently large data population to identify disease trends at the regional level.

Going forward, we will leverage these strengths to support the early identification of health issues and the advancement of public health and healthcare measures.

In this way, we will create new value not only by providing testing instruments and reagents, but also by serving as an information infrastructure supporting the health of local communities.

■ Public Health Monitoring (Illustrative)



Use case: Understanding regional anemia trends and analyzing signs of infectious disease outbreaks

3 Improving Profitability through Value Chain Transformation

Research and Development

Accelerating commercialization by focusing on highly profitable areas and developing with scale in mind

- Focusing themes on highly profitable areas (portfolio optimization)
- Developing high-value-added products equipped with AI
- Designing products with life-cycle perspectives and cost optimization built in
- Optimizing design and shortening R&D periods through digitization of know-how and AI utilization

Supply Chain

Reforming the earnings structure through global optimization and scaling up

- In-house sourcing of raw materials and procurement optimization .... See 2
- Improving productivity through scaling up...... See 2
- Global optimization of logistics .... See 3
- Improving cash efficiency by shortening lead times and reducing inventories

Sales and Customer Care

Sustainable revenue growth through enhanced customer value and stronger retention

- Expanding the customer base through high-value-added products and customer care
- Increasing reagent usage through growth in testing volumes and test parameters
- Enhancing and optimizing sales and customer care systems through the use of activity data
- Stabilizing the earnings base by strengthening retention

Administrative Operations

Sustainably improving profitability through Company-wide digital utilization and business transformation

- Optimizing operations through shared services
- Automating and reducing labor requirements for back-office operations
- Enhancing and accelerating decision-making through stronger data governance

1 Utilizing a Global Digital Platform and AI

Targets under the New Mid-Term Management Plan (Fiscal 2026–2028)

Net Sales Growth	Cost of sales ratio	SG&A expense ratio		Operating margin
CAGR 6.3% (Average annual growth rate from fiscal 2026 to fiscal 2028)	Improvement of 1.9 pts	Improvement of 2.5 pts	▶	16.7% Improvement of 6.3 pts

1 Overall Optimization and Improved Profitability through Digital Infrastructure and AI

Under the new mid-term management plan, improving profitability is positioned as our highest-priority issue. We are advancing reforms across the entire value chain while steadily improving profitability even as the external environment changes through the use of a global digital platform and AI.

First, we are using the digital platform that began operating globally in fiscal 2025 to drive Company-wide initiatives to improve profitability. We are integrating business processes and data that were previously optimized by region or function and shifting toward optimization across the entire value chain, from research and development through production and sales. At the core of this effort, we are standardizing processes and data, enabling us to measure and assess the effectiveness of initiatives by tracking efforts at each location and function using common indicators. By deploying successful initiatives globally, we will further accelerate productivity improvements and cost reductions.

In addition, AI utilization is expanding beyond improving employee work efficiency to encompass the entire value chain, including research and development, supply-demand planning, production optimization, and sales activities, and more than 300 applications[1] have been developed through frontline-led initiatives. We expect the resulting improvements in operational efficiency and faster decision-making to help curb increases in SG&A expenses, and going forward we also anticipate further cost reductions through additional efficiency gains.

1 Figures are for Japan only

■ Examples of Applications Developed through Frontline-Led Initiatives

Automating the process of checking consistency between Japanese-language screens and screens in other languages using AI. This substantially reduces the work required compared with conventional visual checks while improving quality.

Greek-language display on hematology instruments

2 In-House Sourcing of Raw Materials and Optimization of Production Processes

We will improve the cost of sales ratio and profitability through the in-house sourcing of raw materials and optimization of production processes. For example, for immunochemistry reagents targeting major infectious disease markers such as HBsAg and HCVAb, we will promote scaling up by shifting from small-lot, high-frequency production to larger production volumes per run and fewer production runs. Immunochemistry reagents use biological raw materials such as antibodies and enzymes, resulting in high cost levels, so efficiency improvements in this area are expected to have a significant positive impact on profitability. By consolidating more than 10 production runs annually into around four to six runs and combining this with longer shelf lives, we will reduce disposal losses. At the same time, higher sales volumes will lower manufacturing costs per unit and improve gross margins. In hematology, which accounts for around 60% of sales, we will also review and optimize raw materials and manufacturing processes for reagents such as stains and hemolytic agents. Because of the large scale of this field, even small improvements are expected to have a significant effect on profitability.

Furthermore, we will standardize and digitize production processes to reduce defect rates and shorten lead times, while reducing inventories to improve cash efficiency. We will roll out these initiatives across fields to improve profitability by lowering the cost of sales ratio.

3 Global Optimization of Logistics

We will reduce costs and improve cash efficiency through global optimization of logistics. Since fiscal 2025, we have been building a platform that provides centralized global visibility of demand, inventory, and supply information by leveraging our digital platform and standardizing business processes. This is creating an environment in which inventory allocation and transportation networks that were previously optimized by region can now be redesigned from the perspective of overall optimization. The use of AI will further improve the accuracy of supply-demand adjustments in response to fluctuations in demand, enabling us to reduce supply-demand gaps and the risks of excess inventory and stockouts while pursuing more appropriate inventory allocation and supply decisions.

In addition to warehouses at our major production sites, we will establish hub warehouses to consolidate the conventional multistage transportation structure, shortening transportation lead times and reducing transportation costs. We will also enhance global supply-demand management to review safety stocks previously held separately at each location and optimize them to appropriate levels, improving inventory turnover and reducing inventories. This will curb stagnant inventory while maintaining stable supply, improving working capital efficiency and strengthening our earnings base.

Kensuke Murata
Director
Manufacturing Technology Development 1
Reagent Production

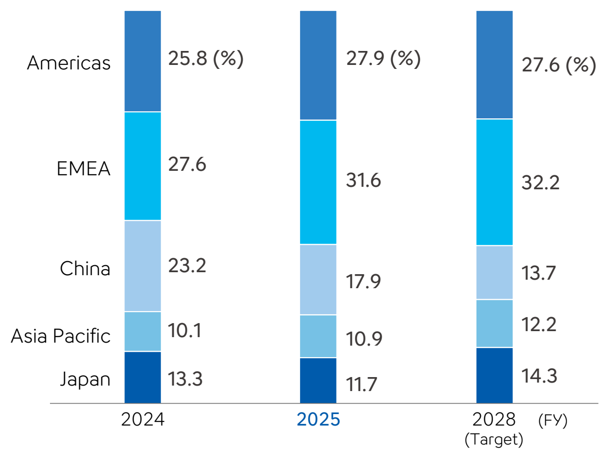
Employee Interview: Balancing Improved Profitability and Value Creation

Sysmex is advancing a reagent value chain transformation project across the diagnostics business to improve profitability. I am involved both as a member of the project office and as a member responsible for improving production efficiency and bringing critical raw materials in-house. We have long pursued improvement activities within individual departments, but developing these into a Company-wide project has enabled us to address issues that would have been difficult to tackle at the departmental level. These initiatives go beyond reducing costs. For example, scaling up reduces the number of production runs, easing workloads for production staff and creating time for higher-value-added work. Being able to use the same lot for longer also improves convenience for customers. Moreover, shifting to manufacturing using cell culture technology can eliminate animal-derived raw materials. Because these initiatives create value on multiple fronts, many colleagues across departments are participating, and I personally find the work highly rewarding.

Mid-Term Management Plan: Regional Strategy

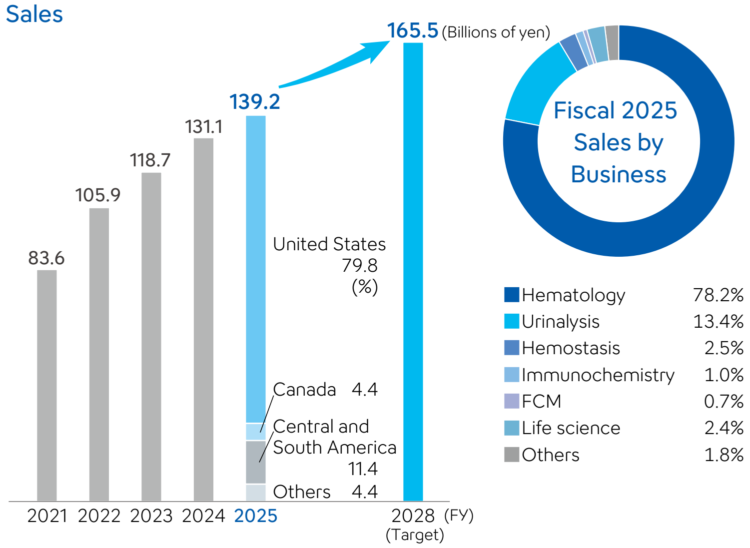
Regional Portfolio

Net Sales by Destination



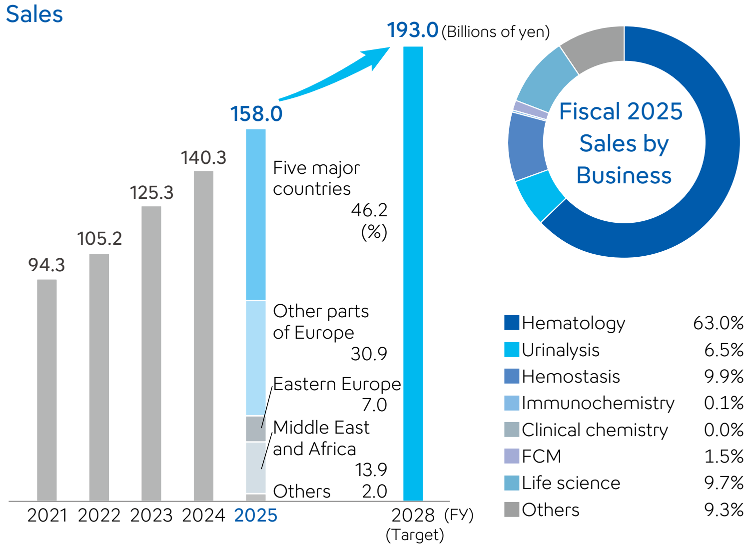
Under the new mid-term management plan, we will shift to a business structure that is more resilient to changes in the market environment. While we expect China's share of sales to decline amid ongoing healthcare cost control policies and changes in the distributor structure, we will capture growth in the Americas and EMEA, where expansion in the hemostasis field is expected, as well as market growth in AP, led by India. In this way, we aim to reduce our dependence on specific regions and achieve sustainable growth and higher profitability that are less susceptible to changes in the external environment.

Americas



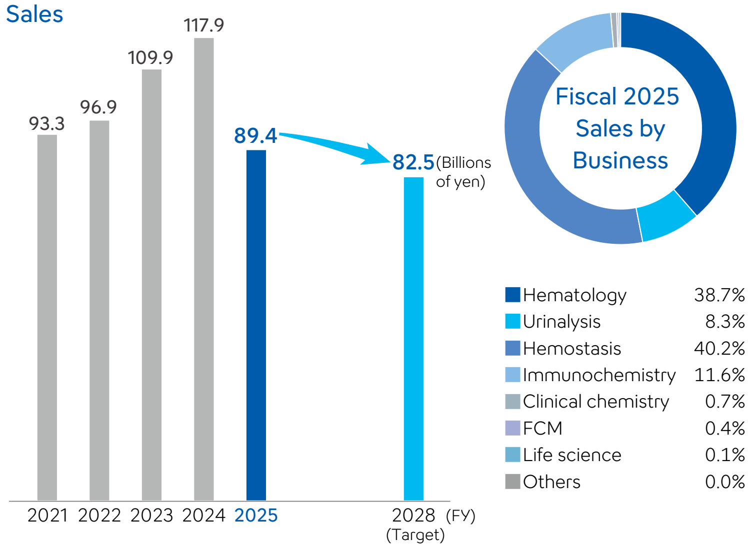
In North America, we will expand our business by making the hemostasis field a new growth driver in addition to steady growth in hematology and urinalysis. In the hemostasis field, supported by FDA approval for all test parameters, we will leverage the strong customer base developed in hematology to win customers from competitors, expand market share, and grow highly profitable reagent sales. In Central and South America, meanwhile, we will expand our customer base by increasing sales of core products and strengthening our sales and service structure, leading to a larger installed instrument base and continued growth in reagent sales.

EMEA



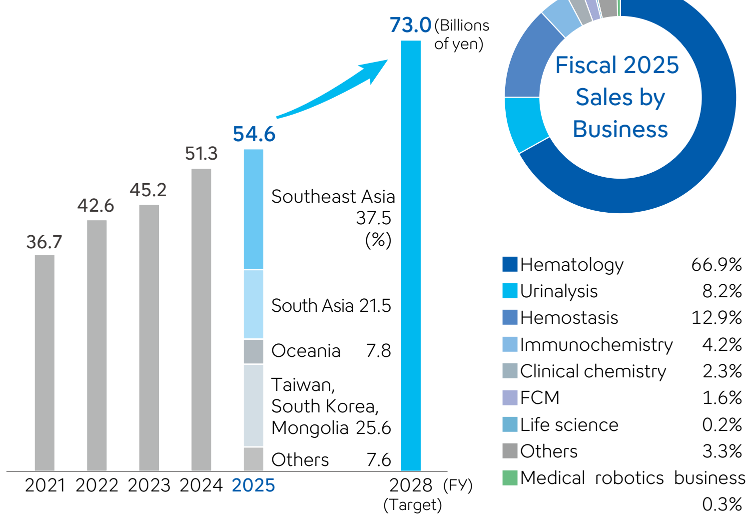
In EMEA, we will expand our business, centered on the hemostasis field. Market penetration in hemostasis is steadily progressing in major countries including Germany and France. We will further strengthen sales and enhance the value we provide to laboratories through solution proposals that leverage synergies with hematology. In emerging markets such as the Middle East and Africa, we will develop markets by leveraging our direct sales and service structure, expand instrument installations, and generate ongoing demand for reagents, while accelerating business growth with high-quality support as a key strength.

China



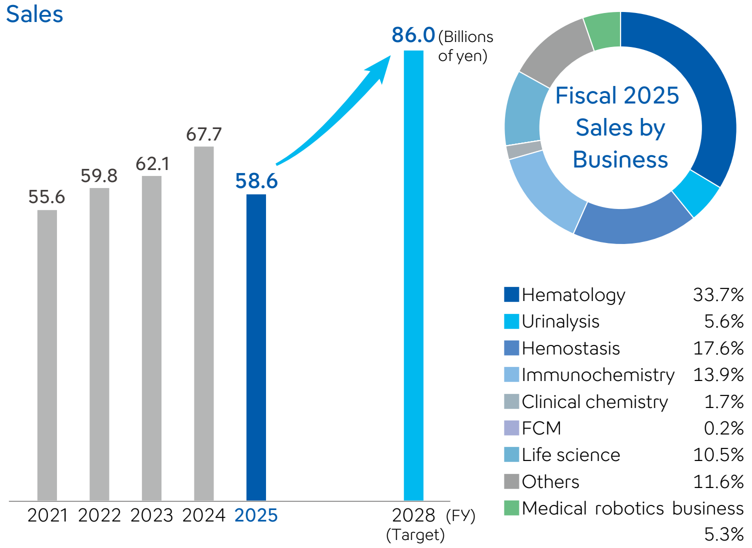
In China, we expect an uncertain market environment to continue due to healthcare cost control policies and the resulting reorganization of distributors. We have therefore not factored growth into the current Mid-Term Management Plan period and will instead strengthen our business foundations for future growth. We will maintain and enhance our competitiveness, particularly in the high-end market, while increasing our ability to respond to market changes through more direct customer engagement, stronger service systems, and the use of local production. Looking ahead to an eventual recovery in demand, we will seek to capture medium- to long-term growth opportunities.

Asia Pacific



In AP, we will pursue business growth by capturing expanding healthcare access and demand for testing in each region. In India, which will be a particular driver of growth, we will use our local production system to advance product development and supply tailored to market needs, while strengthening our direct sales and service structure to further increase our market presence. In Southeast Asia, we will also expand sales of core products centered on hematology and broaden our portfolio into areas such as clinical chemistry, leading to sustainable growth.

Japan



In Japan, where we maintain a high market share in hematology, we aim to achieve sustainable growth by enhancing the added value of our products and services. By introducing next-generation hematology instruments equipped with AI and digital technologies and unique test parameters in immunochemistry, we will enhance the value we provide to customers while contributing to labor savings and greater efficiency at medical institutions. We will also create new business opportunities by building a business foundation to grow reagent sales in clinical chemistry and advancing the medical robotics business.

Strengthening R&D Capabilities

Initiatives to Achieve Growth Strategies

- Accelerating and improving the efficiency of R&D through AI and digital technologies
- Further automating testing processes to help improve testing productivity and healthcare economics, and enhancing the value of testing
- Promoting in-house sourcing of raw materials, considering strategic autonomy, indispensability, and profitability

Future Upside

- Creating new growth opportunities through the development of new testing and diagnostic technologies and enhanced testing value
- Establishing a sustainable competitive advantage by strengthening R&D and supply capabilities

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 testing 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.

>>Advancing Medical DX and Data Utilization by Leveraging the Strengths of the Diagnostics Business P49

A cadre of personnel well-versed in the diverse technologies and fields supporting these R&D activities is one of Sysmex's strengths.

>>Strengthening Human Capital under the Mid-Term Management Plan P59

Our R&D framework extends globally, with Japan as the hub. We also access world-class technologies while conducting R&D tailored to regional needs. We are currently reviewing our framework to further accelerate development and strengthen the systems that support it.

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.

R&D Base

Diverse, specialized human resources
(Composition ratios below)

- Instruments: Mechanics, Fluids, Electronics
- Reagents: Chemistry/biology
- IT: Software (Including AI)

Three Technology Platforms

- **Cell measurement technologies**: Technologies for analyzing the number and type of cells in blood and urine and facilitating the analysis of intracellular information
- **Protein measurement technologies**: Technologies for detecting proteins in the blood swiftly and with a high degree of sensitivity
- **Gene measurement technologies**: Technologies for measuring gene quantities in cancer cells and enabling the detection of cancer-cell-derived DNA in the blood

Global R&D Locations

- Technopark (Japan)
- Sysmex R&D Center Americas, Inc. (United States)
- Sysmex R&D Center Europe GmbH (Germany)
- Wuxi Diagnostic Reagent Development Center (China)
- R&D Center Asia Pacific Software (Singapore)
- Others, totaling 23 locations in 9 countries

As of March 31, 2026

×

Open Innovation
(universities, medical and research institutions, pharmaceutical companies, and others)

- Joint research on early diagnosis of chronic myeloid leukemia using AI in the hematology field (Juntendo University)
- Comprehensive agreement aimed at the development of new diagnostics in the field of dementia (Eisai Co., Ltd.)
- R&D and commercialization of regenerative medicine products using stem cells (JCR Pharmaceuticals Co., Ltd.)
- Joint research on disease risk assessment models for chronic diseases and cancers (Nippon Life Insurance Company)

Product Life Cycle Reform

Sysmex has been reforming its product life cycle management to respond quickly to customer needs and optimize new product sales cycles in light of technological innovation and changes in the healthcare environment. In addition to conventional development and sales, we have evolved this into strategic management that consistently looks ahead to product introduction, operation, renewal, and transition to next-generation products. Through this reform, we will optimize the timing of new product launches while accurately capturing customer needs and instrument replacement cycles, thereby achieving both continuous innovation and stronger competitiveness of our product lineup. During the new mid-term management plan period, we plan to launch new products in multiple testing fields.

Beyond developing new products, we will also focus on planned, ongoing upgrades to existing products. We will continue to enhance their value after purchase by expanding software functions, improving usability, and strengthening integration with new services. This will enable a life-cycle-based value provision model in which product value grows together with customers, rather than ending with the sale of the product.

Through planned product releases and continuous value enhancement, we will continue to help resolve customer challenges and support sustainable growth.

Use of DX to Accelerate R&D Processes

Sysmex is advancing the use of AI and digital technologies in its R&D processes. During the previous Mid-Term Management Plan, we established a specialized organization to support the use of AI, data analytics, and ICT. By working closely with R&D teams, this organization is facilitating the rapid implementation of new technologies and methods. In fiscal 2025, we advanced initiatives to accelerate and improve the efficiency of research processes through AI and digital technologies.

Examples include building an AI knowledge base that consolidates past design cases and engineers' expertise, creating an environment in which even junior researchers can make use of accumulated knowledge. In antibody development, we are also using simulation technology to optimize cell culture conditions, with the aim of improving the efficiency of scale-up in antibody production and reducing development costs. In addition, we are expanding the use of AI to support preparation of test plans and test protocols required for regulatory submissions.

During the new mid-term management plan period, we will further expand the scope of these initiatives, aiming to strengthen competitiveness and generate innovation by improving the quality and speed of R&D.

Masahiro Miura, Ph.D.
Senior Researcher
Applied Diagnostic Research Group
Central Research Laboratories

Employee Interview: Taking on the Challenge of Pioneering the Future of Alzheimer's Disease Diagnosis and Treatment

Dementia has a major impact not only on patients but also on the lives of their families, and is an important issue that society as a whole must address. I am working to develop Alzheimer's disease testing reagents because I want to help address this challenge. Among these, MTBR-tau243 is a biomarker that has attracted growing attention in recent years, as it may capture advanced pathological stages of Alzheimer's disease and as therapeutic drug development has progressed. Sysmex was ahead of other companies in developing technology to measure this marker in blood, and we have presented the results at international conferences. We are currently receiving strong interest from leading KOLs and pharmaceutical companies and are discussing global research collaborations. In the future, we aim to offer a panel test combining multiple tests that capture different stages of disease progression and thereby contribute to treatment selection tailored to each individual. This initiative embodies our mission, "Shaping the advancement of healthcare." With pride and a sense of responsibility as a frontrunner in the industry, I work each day in R&D to help realize this mission.

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 promote resource circulation and address climate change throughout the product life cycle, as well as reduce environmental impact through the efficient use of water resources.

Under the previous mid-term management plan, we worked to achieve both a reduction in environmental impact and improved profitability, centered on building a circular value chain. We also made steady progress on key sustainability targets toward achieving Eco Vision 2033, including Scope 1 and 2 targets.

For example, in containers and packaging, in addition to switching to environmentally conscious materials, we launched the industry's first horizontal recycling of plastic reagent containers. By using recycled resin that can also be used for medical applications, we have reduced virgin resin use by approximately 30% and CO_2 emissions by approximately 15 tons annually. We also reduced product loss and improved resource efficiency by recycling unused discarded products.

Additionally, we advanced reductions in Scope 1 and 2 emissions and enhanced disclosure based on TCFD and TNFD, contributing to our achievement of the highest CDP rating.

In the effective use of water resources, we optimized cleaning processes and manufacturing processes at the Ono Factory to reduce water use. As a result, we achieved a cumulative reduction of 7,500 tons over three years, contributing to the achievement of water consumption reduction targets at the Group's major factories.

The resource circulation mechanisms built through these initiatives not only reduce environmental impact but also reduce dependence on external sources of raw materials and strengthen our ability to respond to supply fluctuations caused by geopolitical risks and other factors.

Under the new mid-term management plan, we will further strengthen resource circulation initiatives as activities that enhance our competitive advantage. By reducing packaging materials, expanding the scope of recycling, and developing new products that reduce electricity and water use, we will further improve resource efficiency while advancing environmental initiatives that deliver both profitability and stable supply.

■ 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 **90pts 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

>>Progress toward Sustainability Targets and KPIs P74

Further Strengthening Activities That Enhance Competitive Advantage

Sysmex has established the "Eco-Social Award," an internal awards program that evaluates and recognizes initiatives from multiple perspectives, including the creation of environmental and social value as well as contributions to business competitiveness through profitability, technological innovation, and ripple effects across the organization. This makes initiatives in each department visible and recognized, boosting motivation and spreading best practices across the organization, which in turn creates synergies throughout the organization.

In fiscal 2024, we also launched an internal environmental training program, the "Environmental Juku," initially focusing on design and development departments and holding discussions on realizing environmentally conscious design. From fiscal 2025, we expanded the program to sales and service departments, developing it into cross-functional activities aimed at consideration and implementation.

Discussions across the entire value chain enable us to incorporate expertise from each area of operations and customer needs, leading to highly effective initiatives. By considering products in light of social and customer expectations and business viability, and strengthening our environmental capabilities, we will further establish our competitive advantage.

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

Initiatives	Environmental and social considerations	Enhanced competitiveness and contribution to improved profitability
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
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
Horizontal recycling[1] of plastic containers	• Decreases consumption of virgin plastics • Reduction of GHG emissions	• Response to future regulations and increased material prices
Transition to circular materials for containers and packaging	• Reduction in the use of wood and other materials • Reduction of GHG emissions	• Reduction of raw material and transportation costs

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

Atsushi Nishimoto
Senior Engineer
Production Design Center

Employee Interview: Balancing Environmental Considerations and Cost through Packaging Reform

Medical device packaging has traditionally relied mainly on wooden pallets and steel packaging for durability, but this posed challenges in terms of disposal, recycling, and cost.

In response, Sysmex has been developing and introducing durable corrugated cardboard packaging, promoting a shift to recyclable packaging materials. For major products, we have been replacing wood and steel packaging, and in fiscal 2025, approximately 90% of the packaging was switched to corrugated cardboard. Replacing steel packaging reduced packaging weight by approximately 70%, helping to reduce CO_2 emissions during transportation. Packaging costs were also reduced by approximately 75% per package, achieving both reduced environmental impact and lower costs.

We will continue expanding the scope of application and contribute to realizing a circular value chain.

Reinforcing Human Capital

■ Human Capital Strategy

Inputs
- Securing the workforce
- Provision of growth opportunities
- Competitive compensation

Throughputs

Our ideals for human capital

Optimization of our human resources portfolio
- Appropriate human resources to drive strategy
  Business domains, regions/
  functions Skills, expertise and diversity

Achieving high engagement
- Enhancement of individual well-being
- Promotion of DE&I

Demonstration of unsurpassed teamwork
- Improvement of corporate culture
  (Respect for autonomy and promotion of challenge)
- Securing and fostering of an abundant leadership cadre

Outputs
- High productivity
- Provision of added value to stakeholders

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 achieving 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.

Review of the Previous Mid-Term Management Plan

Under the previous mid-term management plan, in anticipation of expanding the business portfolio toward realizing our Long-Term Corporate Strategy, we strengthened the recruitment and development of specialized talent, particularly bio-specialists, AI and digital talent, and talent for new business domains. We also implemented global next-generation management training and advanced succession planning for key positions. In addition, we strengthened personnel in regions and businesses transitioning to direct sales. As a result, we made progress in building a human capital foundation to support expansion into new domains and growth of our global business. At the same time, partly due to business performance, human capital ROI declined, and employee engagement was also affected, bringing challenges in organizational vitality to the fore. Given the advances in technologies such as AI, we also recognized as an important management issue how to maximize employee capabilities and raise productivity and added value.

Message from the Executive in Charge of Human Resources

Kensuke Iizuka
Director (Member of the Board) and Managing Executive Officer, CFO
Corporate Management and Next Generation Medical Business Development

Under the new mid-term management plan, we aim to reinforce the strengths and earning power of the diagnostics business. Optimizing human capital in line with this management strategy is extremely important. To support agile new product launches, strengthen our presence in each region, and create further value through AI and DX, we will secure and develop specialized talent, optimize human capital allocation, and create an environment in which every employee can thrive. As the use of AI in day-to-day operations becomes standard, we will accelerate task shifting so employees can focus on work that requires more thought and judgment. We believe these initiatives will not only support employee growth and improve engagement, but also improve productivity, creating added value and enhancing profitability beyond increases in personnel expenses. People are the driving force behind sustainable growth and enhanced corporate value. We will devote our efforts to remaining a company where every employee is inspired by their work and the value it provides, and is able to take on challenges.

Initiatives to Achieve Growth Strategies

- Optimization of human capital allocation and task shifting based on the use of AI and DX
- Recruitment and development of global next-generation leaders and specialized talent (biology, IT)
- Strategic investment in human capital in growth areas and priority markets

Inputs (Securing and Developing Specialized Talent, Competitive Compensation)

Sysmex's competitive strength comes from its people, who are well versed in a wide range of technologies and fields. Looking ahead to future growth, under the mid-term management plan we will globally recruit and strengthen bio-specialists responsible for developing hemostasis and immunochemistry reagents, as well as digital talent to accelerate commercialization of digital healthcare. In particular, as AI becomes more pervasive and labor shifts toward knowledge work, a broader range of talent, including data scientists, will be needed. To remain a company chosen by outstanding talent, it is essential to foster a challenging corporate culture in which employees can feel their own growth and contribute to society. We will therefore continue creating growth opportunities throughout the organization, from management to employees.

Under our human capital strategy, we believe it is important to provide competitive compensation and secure a robust leadership cadre. In fiscal 2024, we introduced an ESOP for key positions at overseas subsidiaries. In fiscal 2025, we expanded it to key positions in Japan, and from fiscal 2026 onward we will further expand its scope.

Throughputs

Optimization of the Human Resources Portfolio

The first of our ideals for human capital, "optimization of the human resources portfolio," means appropriately allocating people who contribute to advancing strategy and enhancing corporate value. To achieve this, we are acquiring and developing a diverse workforce with the skills and expertise required for the businesses and functions targeted by our management strategy. First, by advancing DX, we are centrally managing human resources information globally and using this foundation to allocate people based on skills and expertise and promote career autonomy. We are also developing DX talent and fostering a culture of DX utilization to achieve business transformation through AI and DX. During the new mid-term management plan period, we will advance workforce management through the use of AI agents and task shifting, while expanding the use of AI globally.

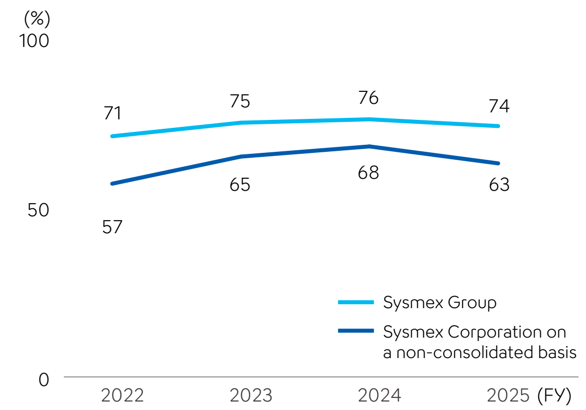
Regarding workforce composition, as the business expands, we are increasing production, sales, and service personnel, particularly in emerging markets such as India and in regions and businesses in Europe and the United States where we have begun direct sales. In staff functions, excluding direct-sales regions, we are optimizing human capital through DX. For example, we are standardizing business processes at each company through DX and promoting shared services for administrative functions. Under the previous mid-term management plan, we consolidated common operations in parts of EMEA. Under the new mid-term management plan, we will further standardize operations across affiliates in Japan and improve productivity by sharing HR, accounting, and general affairs operations.

Achieving High Engagement

Engagement is a particularly important indicator because it is linked to the quality of our outputs. We aim to realize high engagement by ensuring each employee is fulfilled both physically and mentally and experiences personal meaning in their work. To that end, we are improving workplace environments that support well-being and providing diverse growth opportunities. Group-wide engagement currently stands at 74%, against a target of 75%. This is down 2 points year on year, mainly because, while overseas regions maintained relatively high levels, the score at Sysmex Corporation fell 5 points year on year to 63%. We recognize that lower business performance and changes in the external environment may have had some impact. In addition to its existing employee stock ownership plan, Sysmex Corporation granted shares to general employees in fiscal 2025 as one initiative to increase interest in management metrics and awareness of their work.

In addition, amid rising uncertainty, we believe the knowledge and experience of diverse talent can enhance competitiveness, and are promoting workplaces and organizations where each person can thrive through DE&I. The ratio of female managers was 9.7%, compared with a Group-wide target of 20%; at Sysmex Corporation, the ratio was 11.3%, and further improvement is needed. We have set a target of at least 15% by fiscal 2029 and are advancing initiatives from both career development and work-style perspectives. The ratio of women in the next-generation management pipeline has risen to 25.2%, showing 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.

To drive teamwork, another important theme is instilling our corporate philosophy so that our more than 10,000 employees are aligned in the same direction. In addition to initiatives at each Group company, we use a global e-learning platform and hold dialogues between executives and employees on the corporate philosophy. We also have an annual Group award program that recognizes employees for putting the philosophy into practice.

Emilani Nababan
President Director,
PT. Sysmex Indonesia

Employee Interview: Connecting People and Organizations: Lessons from a Next-Generation Leadership Development Program

As the representative of Sysmex Indonesia, I work alongside approximately 150 team members to pursue business growth by improving access to healthcare. Since fiscal 2025, I have participated in KIZUNA, the Sysmex Group's development program for next-generation management talent, and have deepened my understanding of the corporate philosophy, leadership, and the business. Through this program, I gained a renewed understanding that leadership extends far beyond directing people. It is about cultivating trust, fostering an environment where individuals are empowered to take initiative, leverage their strengths, and contribute meaningfully toward shared goals. Engaging with participants from 11 countries also reinforced the realization that while our markets, cultures, and challenges may differ, we are united by a common purpose. This experience deepened my understanding of the role leaders play in bridging regions, functions, and organizations to drive collaboration and collective success. Moving forward, I will apply the insights gained and the relationships established through this program to strengthen connections across regional and departmental boundaries. I am committed to fostering an inclusive and empowering culture where every individual is encouraged to take ownership, contribute meaningfully, and realize their full potential.



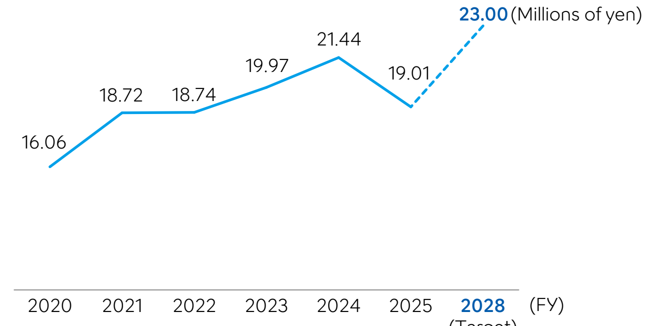
To secure and develop a robust leadership cadre, we are working to identify successor candidates for key global positions and create development opportunities. In fiscal 2025, we launched a new global leadership program. To support further global growth and co-creation, we are developing leaders who share common perspectives and values, understand diverse cultures, and connect people and organizations across regions and functions.

Outputs (Monitoring of Human Capital)

Sysmex views personnel expenses not as costs but as human capital and monitors value-added productivity. Rather than viewing operating profit and personnel expenses as a trade-off, we use value-added productivity as an indicator for achieving both returns to employees and profit growth. We collect data such as employee numbers and personnel expenses monthly and track trends by region and country. Through regular dialogue with HR heads at regional headquarters, we are working to improve value-added productivity globally.

In fiscal 2025, Group value-added productivity was ¥19.01 million, below the target of ¥22.50 million. Although we continued investing in human capital with future growth in mind, the significant decline in operating profit had an impact. Going forward, we will aim to achieve the target by improving productivity through DX and other initiatives.

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



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

■ Human Capital KPIs

	Indicator	Fiscal 2024 (Actual)	Fiscal 2025 (Actual)	Fiscal 2026 (Target)	Fiscal 2028 (Target)
Inputs Items related to investment in human capital	Staffing plan, number of personnel	12,064	12,313	—	—
	Training time per employee	24.7 hours	29.5 hours	40 hours	40 hours
	Personnel expenses	¥142.4 billion	¥150.1 billion	—	—
Throughputs Items related to employee experience and corporate culture	Engagement score	76%	74%	75%	75%
	Ratio of favorable responses to the "Sysmex Way"[1]	70%	69%	—	—
	Percentage reporting a favorable impression of "well-being"[1]	59%	59%	—	—
	Female managers ratio (Group)	18.7%	19.7%	20%	25% or more
	(Sysmex Corporation)	10.0%	11.3%	—	—
Outputs Items related to results of utilizing human capital	Value-added productivity	¥21.44 million	¥19.01 million	¥22.50 million	¥23.00 million

1 Target: Sysmex Corporation

Message from the CFO

Kensuke Iizuka
Director (Member of the Board) and Managing Executive Officer, CFO
Corporate Management and Next Generation Medical Business Development

Sysmex must build a resilient management foundation that can withstand changes in the external environment, with an emphasis not only on market growth but also on profitability, capital efficiency, and financial discipline. As CFO, I will lead this transformation and remain firmly committed to transparent disclosure and constructive dialogue as we work to regain the trust of the capital markets.

Review of the Previous Mid-Term Management Plan

Under the previous mid-term management plan (fiscal 2023–2025), the deterioration in business performance in fiscal 2025 resulted in net sales, profit, and ROE all falling short of plan. Profitability and capital efficiency also showed marked downward trends, and our market capitalization fell to approximately half its level of one year earlier. Our greatest regret is that we repeatedly revised our financial forecasts downward, and I take very seriously the fact that this undermined the capital markets' trust in us.

To summarize our fiscal 2025 performance, the overseas rollout of our highest-end models and the expansion of our business in emerging markets both progressed ahead of plan. However, profit declined substantially against a backdrop that included the rapid contraction of the Chinese market due to healthcare cost control policies and rising inflation. These abrupt changes in the external environment contributed directly to the decline in performance, but the fundamental issues were internal.

Sysmex has continued to grow by expanding its geographic reach overseas and capturing growth in those markets. Europe in the 1990s, the United States in the 2000s, and China from the 2010s onward are representative examples. However, the abrupt changes in the Chinese market in fiscal 2025 revealed that our management foundation lacked sufficient earnings resilience. We believe this reflected an over-reliance on market growth, insufficient recognition of risk, and delays in responding to change. Furthermore, as our businesses expanded steadily, we came to place disproportionate emphasis on "double-digit sales growth" among our key indicators. Supported by an excellent business model and strong customer base, we continued increasing sales and, as a result, were also able to continue achieving targets for other management indicators. We need to pay closer attention to our cost structure, cash management, and cost of capital, and build a resilient management foundation that is not easily affected by environmental changes, with an emphasis not only on market growth but also on profitability, capital efficiency, and financial discipline. Although this is far from the situation we would have wanted, I believe the capital markets' harsh assessment has given us an opportunity to build a shared sense of urgency within the Company and accelerate reform.

Key Indicators under the Long-Term Corporate Strategy and New Mid-Term Management Plan

Under the Long-Term Corporate Strategy, we have designated net sales, operating margin, free cash flow, and ROE as key indicators. Drawing on the lessons of the previous mid-term management plan, however, we will manage the business with a particularly strong focus on ROE. By strengthening our earnings base, pursuing growth that generates both cash and profit, and improving capital efficiency, we can steadily invest for the future and provide shareholder returns. Unless our financial and capital policies can sustain this cycle, we will not be able to enhance corporate value.

Accordingly, under the new mid-term management plan (fiscal 2026–2028), we have formulated financial and capital policies aimed at returning to a growth trajectory. With a focus on strengthening the diagnostics business and its earnings power, we will review our business portfolio, earnings structure, and areas of investment while improving capital and cash efficiency. (See Figure 1.)

For net sales, we aim for steady growth based on our strengths, including the promotion of direct sales in Europe and the United States in the hemostasis field, sales of new AI-equipped products, and business expansion in emerging markets. Specifically, we are targeting a CAGR of 6%, which we believe is achievable even in an unstable external environment.

For operating margin, a key priority, we aim to achieve 16.7% in fiscal 2028, an improvement of 6.3 percentage points from fiscal 2025, through measures including growth in higher-margin reagent sales, supply chain optimization, productivity improvements through DX, and disciplined investment decisions. We also target free cash flow of at least ¥40.0 billion. Although ROE is currently below 10%, we intend to ensure a level of at least 12% in fiscal 2028. In addition to strengthening profitability, we will shorten the cash conversion cycle by optimizing inventory and logistics locations and reducing lead times, targeting a 10-day reduction from fiscal 2025, and aim for ROIC of 10.5%. We also plan to optimize our capital structure by using financial leverage as necessary while maintaining our current credit rating. (See Figure 2.)

■ Key Indicators and Targets under the New Mid-Term Management Plan (Figure 1)

	Key Indicators under Long-Term Corporate Strategy 2033	Achievements and Challenges under the Previous Mid-Term Management Plan	Direction under the Mid-Term Management Plan
Net Sales	Double-digit growth (fiscal 2033 target: ¥1 trillion or more) • Growth in emerging markets and the healthcare domain	CAGR +6.8% • Direct sales in Europe and the United States in the hematology and hemostasis fields and growth in emerging markets progressed steadily • Changes in the Chinese market environment and delays in new businesses	CAGR +6.3% • Growth through direct sales in Europe and the United States in the hemostasis field, expansion in emerging markets, and the launch of new products
Operating Margin	20% or more • High profitability to allow investment for the future and stable shareholder returns	10.4% (Operating profit CAGR −11.1%) • Profitability declined due to changes in the Chinese market environment, the impact of inflation, and increased upfront investment in DX, direct sales, and other areas • Delays in business progress at affiliates (goodwill impairment)	16.7% (Operating profit CAGR +24.5%) • Improved reagent gross margins, a higher reagent sales mix, and supply chain optimization
Free Cash Flow	• Healthy financial position due to increased operating cash flow and reinvestment in growth	CAGR +9.4% • Free cash flow grew as operating cash flow increased, but cash generation capability remained a challenge due to lower profitability and upfront investment in DX, factories, direct sales, and other areas	CAGR +21.4% • Strengthen cash generation capability through improved profitability and CCC
ROE	• Capital efficiency that meets stakeholder expectations and is comparable to global companies in the same industry	−5.1pts • Capital efficiency declined due to lower profitability and increased upfront investment	+4.7pts • Improve capital efficiency through improved profitability and CCC and optimized cash allocation

■ Initiatives to Improve Capital Efficiency (Figure 2)

Improving business profitability (Improvement of profit margins)
- ☑ Reinforcing the "strength" of the Diagnostics Business
- ☑ Review the business portfolio
- ☑ Improve the efficiency of internal operations, and improve productivity

▶

Improving capital efficiency (ROIC Improvement)
- ☑ Shorten the cash conversion cycle (CCC), focusing on the inventory turnover period
  - Optimize inventory and logistics locations
  - Shorten reagent lead times

▶

Utilize Financial Leverage
- ☑ Optimization of capital structure through the use of debt (Maintain a credit rating of AA−)

▶

Sustained ROE Growth
12.0% or more
(Target for the fiscal year 2028)

Business Portfolio and Regional Composition

Under the new mid-term management plan, we have made rebuilding the portfolio a key priority in charting a new growth trajectory. Our direction is to allocate capital and human capital preferentially to businesses with high market shares and profitability, led by the hematology field. We will further strengthen these businesses by driving profit growth through new products and expansion in emerging markets, while using AI to enhance the value of testing. For other diagnostics businesses and new businesses such as the medical robotics business and regenerative and cellular medicine, some of which have received substantial research investment to date, we will rigorously select R&D themes and focus resources on priority areas, thereby improving profitability, capital efficiency, and cash generation capability across the Group. In line with this policy, we reviewed our business plans and recorded goodwill impairment losses totaling ¥11.2 billion at three consolidated subsidiaries in fiscal 2025. Although this was one factor behind the deterioration in fiscal 2025 performance, it reflects the new management team's strong determination to assess the true state of each business rigorously and disclose the results in a timely manner.

We are currently reviewing the business portfolio by closely examining and verifying not only market potential, market position, and competitive advantages, but also ROIC, IRR, payback periods, and additional capital requirements. We will establish hurdle rates appropriate to each business and carry out business reviews. In the second half of fiscal 2026, we plan to disclose internally and externally our approach to the business portfolio and the progress made, and use this as the basis for dialogue with shareholders and investors.

In terms of regional composition, we expect steady growth in the Americas and EMEA, reflecting the shift to direct sales in the hemostasis field and growth in emerging markets, and double-digit sales growth in AP, where growth is expected in India and other markets. In Japan, growth will come from expanding sales of new products and the clinical chemistry business transferred from JEOL Ltd. in April 2026. In China, while preparing to capture long-term growth opportunities, we will optimize our business development on the assumption that the market will remain in a contraction phase for some time. In recent years, China has accounted for around 25% of net sales, but under the new mid-term management plan we will reduce this to 13.7%. (See Figure 3.)

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Earnings Structure

To address the urgent need to improve profitability, in addition to rebuilding the business portfolio as described above, we will review processes across the entire value chain and improve the cost of sales ratio by 1.9 percentage points over three years through an improved product mix, higher reagent profitability, and supply chain optimization. Approximately three-quarters of SG&A expenses consist of fixed costs, such as personnel expenses and the costs of locations and facilities, and we need to address this cost structure. To concentrate management resources on businesses that generate greater profits, we will shift our business and human capital portfolios while reviewing business processes and improving productivity. To this end, using the DX infrastructure for which investment was largely completed in fiscal 2025, we will optimize the entire value chain by standardizing processes and data globally, improving production and inventory management and shifting tasks through more accurate demand forecasting, and expanding the use of AI-enabled applications developed by employees. Rather than pursuing short-term cost cutting, we will build an earnings base that supports future growth through fundamental structural reform.

Capital Allocation and Improvement of Capital Efficiency

For capital allocation, our sources of funds will be cash generated by the diagnostics business and borrowing utilized as necessary. We will allocate ¥170.0 billion to business operations and R&D, of which ¥150.0 billion will be directed toward strengthening the diagnostics business, while controlling investment in other areas by imposing caps. Capital investment will be maintained at around 10% of net sales and directed toward such areas as facility development and leasing businesses to support expansion in emerging markets. We have also set aside ¥50.0 billion for strategic investments. All allocations will remain subject to strict discipline based on giving priority to the diagnostics business and applying hurdle rates.

We will also enhance shareholder returns. While maintaining our progressive dividend policy with a consolidated dividend payout ratio of around 40%, we will also conduct share buybacks. From March through July 2026, Sysmex conducted its first-ever share buyback, with an upper limit of ¥30.0 billion. This also demonstrated our commitment to enhancing shareholder returns under the new mid-term management plan. Going forward, if opportunities for growth investment are limited, we will consider further share buybacks. (See Figure 4.)

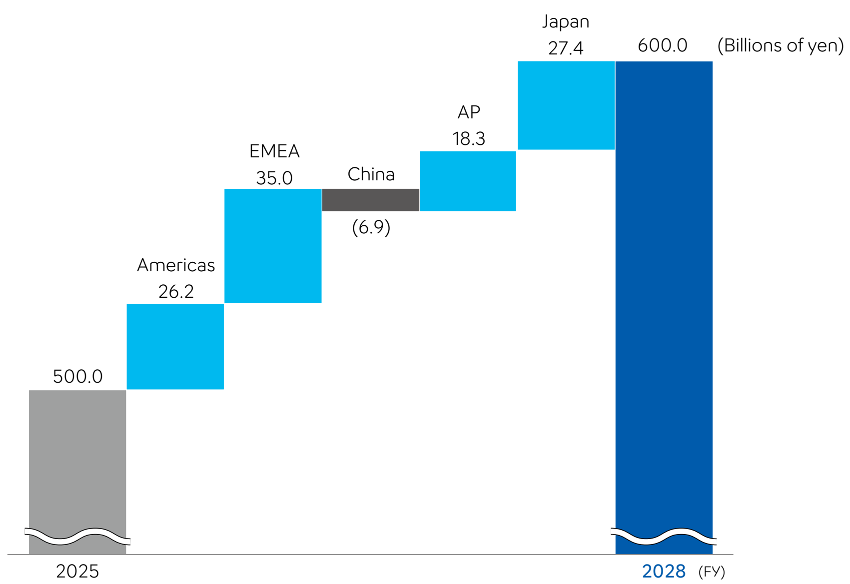
Future Aspirations and Commitment

From April 2025, I was responsible for overall Corporate Management while also serving as the executive in charge of finance. I was appointed CFO in April 2026 and elected a Director in June of the same year. Although my areas of responsibility have not changed substantially from last year, I see my role as working closely with the CEO and President as a member of the management team. I have been told that one reason for my appointment as CFO was my ability to speak candidly with the CEO and President and engage in in-depth discussion with them. Accordingly, at a time when structural and mindset reforms are needed, I am determined to lead this transformation with strong resolve. For example, in fiscal 2026 we established two new forums: the Management Promotion Council, which is responsible for progress reporting and countermeasures relating to Group performance and strategic target themes, and the Investment Review Committee, which reviews investment proposals and scrutinizes the business portfolio. As chair of both bodies, I will also advance management reform.

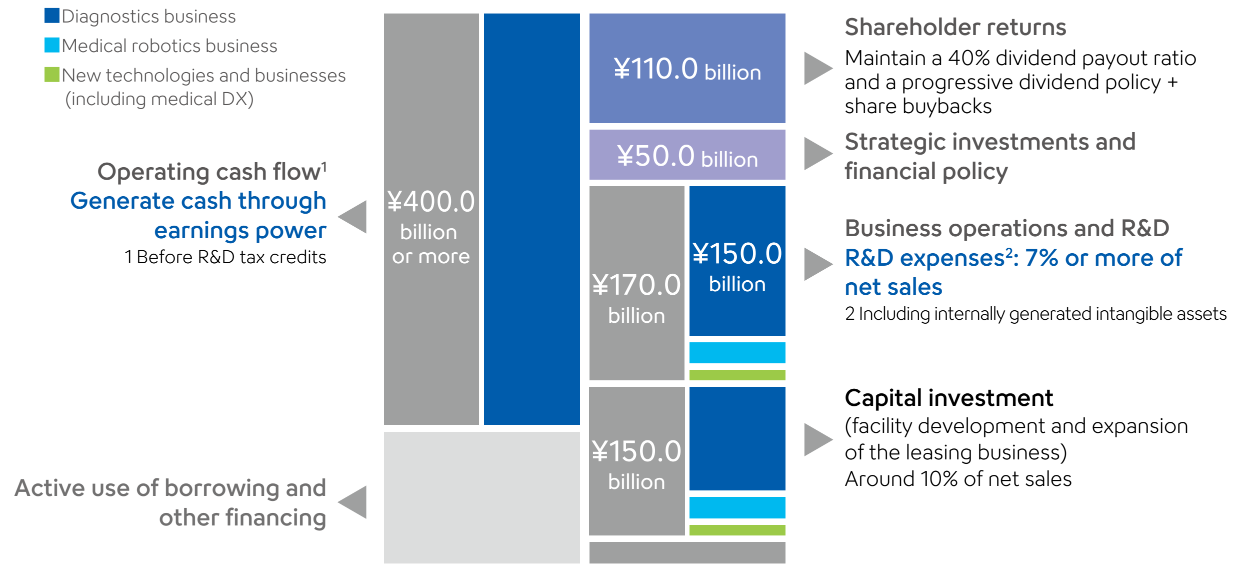
Restoring the trust of the capital markets is another important part of my role. Reflecting on the repeated downward revisions in fiscal 2025 reinforced for me the importance of integrity: sincerity in our assessment of the external environment, objectivity in evaluating business development, and timely and candid sharing of the progress of our strategies and the realities of management. Guided by these principles, we will also consider carefully what kind of disclosure and dialogue shareholders and investors genuinely expect from us.

The reforms we are now undertaking in management and the business portfolio are intended to support growth decades into the future, and candid feedback from shareholders and investors on their execution and evaluation is extremely valuable. We hope to continue engaging in active dialogue and appreciate your continued support.

■ Regional Growth Outlook under the New Mid-Term Management Plan (Figure 3)



■ Capital Allocation (Figure 4)



Performance Highlights (As of the end of fiscal 2025)

Consolidated Financial Data (10 Years)

IFRS (Billions of yen)

(Fiscal years)	2016	2017	2018	2019	2020	2021	2022	2023	2024	**2025**
For the year:										
Net sales	249.8	281.9	293.5	301.9	305.0	363.7	410.5	461.5	508.6	**500.0**
Operating profit	51.7	59.0	61.2	55.2	50.0[5]	67.4	73.6	78.3	87.5	**51.8**
Profit attributable to owners of the parent	40.6	39.2	41.2	34.8	31.9[5]	44.0	45.7	49.6	53.6	**35.4**
Capital expenditure[1]	19.3	24.9	30.2	27.1	25.7	33.2	42.0	50.8	48.6	**50.3**
Depreciation and amortization	12.3	14.6	15.8	23.9	25.5	27.4	31.8	35.8	39.0	**46.4**
R&D expenses	15.5	16.7	19.5	21.7	22.5	26.7	31.0	31.4	31.4	**29.1**
Net cash provided by (used in) operating activities	32.8	52.2	44.7	53.1[4]	56.8[5]	58.7	68.8	63.9	88.2	**73.8**
Net cash provided by (used in) investing activities	(19.4)	(37.8)	(40.1)	(25.9)	(29.1)[5]	(35.0)	(51.7)	(54.9)	(52.4)	**(51.4)**
Net cash provided by (used in) financing activities	(10.8)	(11.5)	(14.0)	(20.5)[4]	(20.2)	(20.5)	(24.2)	(9.0)	(24.3)	**(37.6)**
At year-end:										
Total assets	279.8	321.9	346.7	389.2[4]	424.8[5]	483.7	531.0	618.9	665.2	**707.5**
Cash and cash equivalents, end of year	57.9	61.4	51.0	56.5	66.4	73.7	69.4	75.5	89.5	**84.1**
Total equity	210.2	241.4	265.1	278.3	306.0[5]	349.0	388.3	432.8	464.5	**505.6**
Interest-bearing liabilities	1.1	0.9	0.8	23.1[4]	22.5	22.8	23.5	56.3	66.0	**71.6**
Per share data:										
Equity attributable to owners of the parent[2] (yen)	335.29	384.86	422.36	443.26	486.96[5]	554.95	617.56	692.94	743.71	**812.57**
Profit attributable to owners of the parent (basic)[2] (yen)	65.10	62.76	65.87	55.70	50.91[5]	70.29	72.94	79.27	86.07	**56.89**
Profit attributable to owners of the parent (diluted)[2] (yen)	64.91	62.61	65.76	55.64	50.82[5]	70.16	72.91	79.24	86.05	**56.89**
Cash dividends applicable to the year[2] (yen)	19.33	22.00	23.33	24.00	24.00	25.33	27.33	28.00	32.00	**38.00**
Dividend payout ratio (%)	29.7	35.1	35.4	43.1	47.1[5]	36.0	37.5	35.4	37.4	**67.3**
Other data:										
Operating margin (%)	20.7	21.0	20.9	18.3	16.4[5]	18.5	17.9	17.0	17.2	**10.4**
Overseas sales ratio (%)	82.6	84.0	85.0	84.5	84.0	84.7	85.4	86.5	86.7	**88.3**
Equity ratio (%)	74.8	74.8	76.3	71.3	71.9[5]	72.0	73.0	69.8	69.7	**71.4**
Return on equity (ROE) (%)	20.7	17.4	16.3	12.9	10.9[5]	13.5	12.4	12.1	12.0	**7.3**
Return on assets (ROA)[3] (%)	14.9	13.0	12.3	9.5	7.8[5]	9.7	9.0	8.6	8.4	**5.2**
Number of employees (Including part-time and other employees)	7,930	8,445	8,715	9,231	9,510	9,812	10,522	11,012	11,457	**11,731**
Exchange rates:										
US dollars (yen)	108.4	110.9	110.9	108.7	106.1	112.4	135.5	144.6	152.6	**150.8**
Euros (yen)	118.8	129.7	128.4	120.8	123.7	130.6	141.0	156.8	163.8	**174.8**
Chinese yuan (yen)	16.1	16.8	16.5	15.6	15.7	17.5	19.8	20.1	21.1	**21.2**

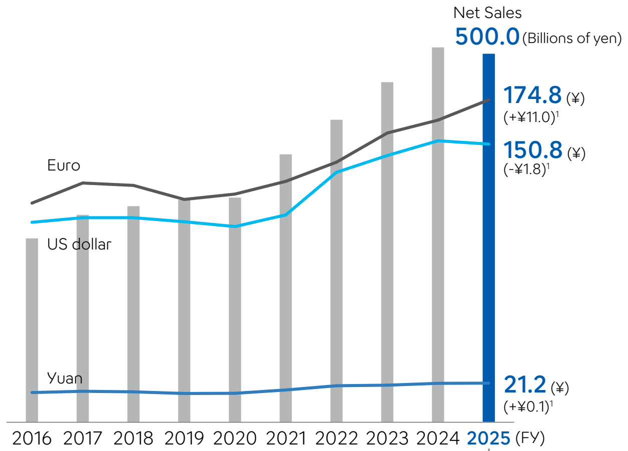
1 Including tangible and intangible items
2 Dividend (actual) converted to post-split basis. As of April 1, 2024 (Three-for-one stock split).
3 ROA = Profit attributable to owners of the parent/total assets (yearly average)×100
4 Adopted IFRS 16 (from fiscal 2019)
5 In fiscal 2021, Sysmex changed its 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.

Financial Performance (IFRS)

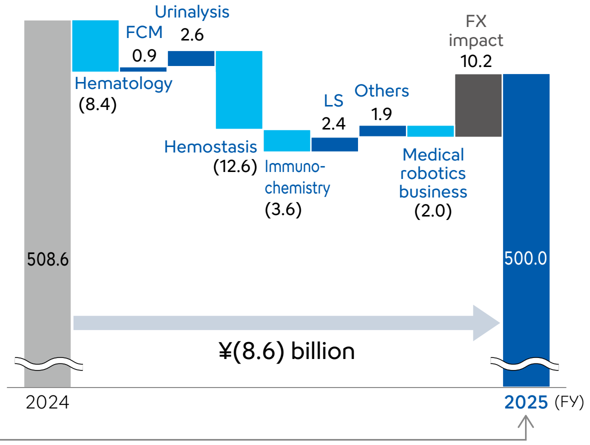
Net Sales

¥500.0 billion

(Down 1.7% year on year)



Reasons for Changes in Net Sales in Fiscal 2025 (by Field)



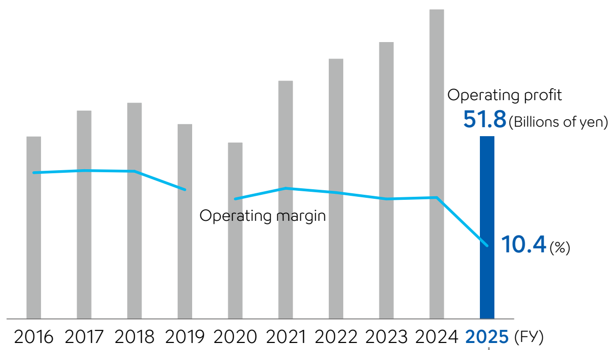
In fiscal 2025, net sales declined due to the impact of healthcare cost containment policies in China and associated distributor inventory adjustments. This was the first decline in net sales since fiscal 2020, when performance was affected by the spread of COVID-19, although the Americas, EMEA, and AP regions recorded steady growth. In the hematology field, sales increased in all regions except China, while the hemostasis field also grew, particularly in Europe and the United States. Excluding China, net sales increased 5.1% year on year.

1. Compared with the previous fiscal year

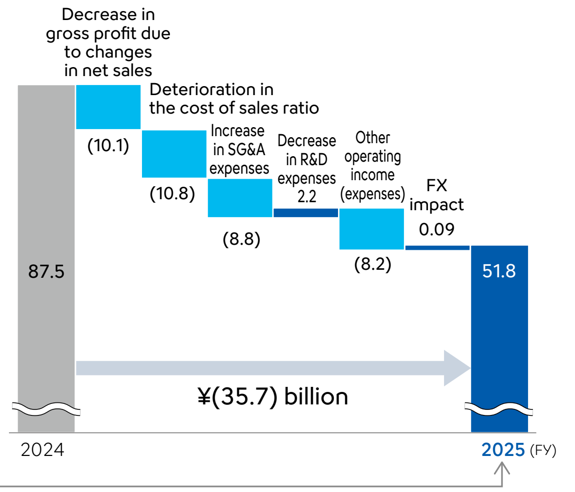
Operating Profit/Operating Margin

¥51.8 billion (Down 40.8% year on year)

10.4% (Down 6.8 percentage points year on year)



Reasons for Changes in Operating Profit in Fiscal 2025

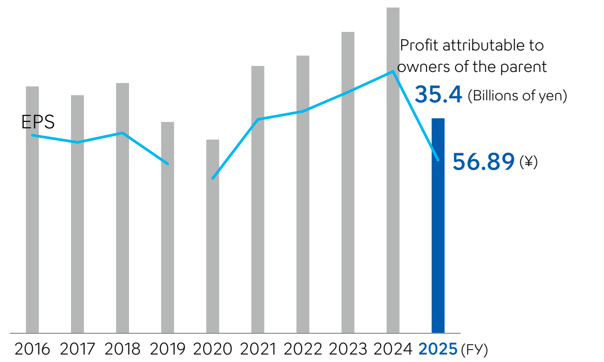


Operating margins have remained flat in recent years due to continued investment in digitalization and in strengthening the foundation in direct-sales regions. In fiscal 2025, operating profit declined due to the impact of changes in the external environment in China, as well as deterioration in the cost of sales ratio due to U.S. tariffs and other factors and the recording of goodwill impairment losses.

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

¥35.4 billion (Down 33.9% year on year)

¥56.89 (Down 33.9% year on year)

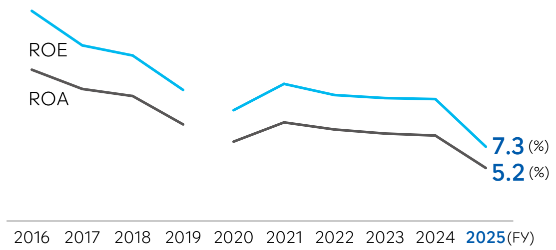


Profit attributable to owners of the parent had been trending upward in recent years in line with growth in operating profit, but declined in fiscal 2025 due to lower operating profit and the recording of goodwill impairment losses, among other factors.

ROE/ROA

7.3% (Down 4.7 percentage points year on year)

5.2% (Down 3.2 percentage points year on year)

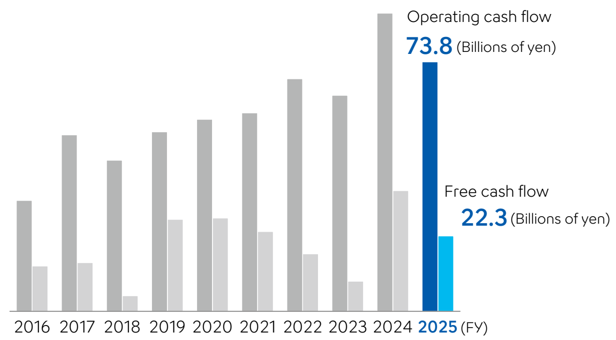


In recent years, ROE and ROA have remained flat as investment in future growth, including DX investment and the establishment of new production sites, has preceded returns. In fiscal 2025, profit attributable to owners of the parent decreased due to lower operating profit and the recording of goodwill impairment losses, among other factors, resulting in declines in both ROE and ROA.

Operating Cash Flow/ Free Cash Flow

¥73.8 billion (Down 16.3% year on year)

¥22.3 billion (Down 37.4% year on year)

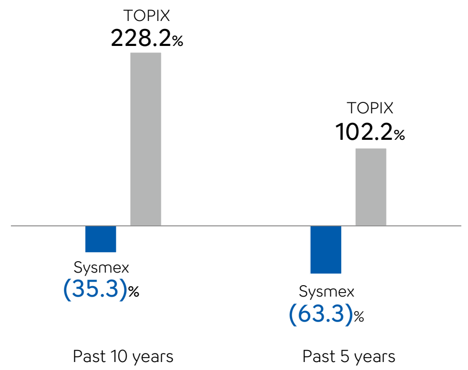


In recent years, we have continued investing in digitalization and in strengthening the business foundation. In fiscal 2025, operating cash flow decreased due to lower operating profit and an increase in inventories, among other factors, and free cash flow also declined.

Total Shareholder Return (TSR) (Annualized Rate)

(35.3)% (Past 10 years)

(63.3)% (Past 5 years)



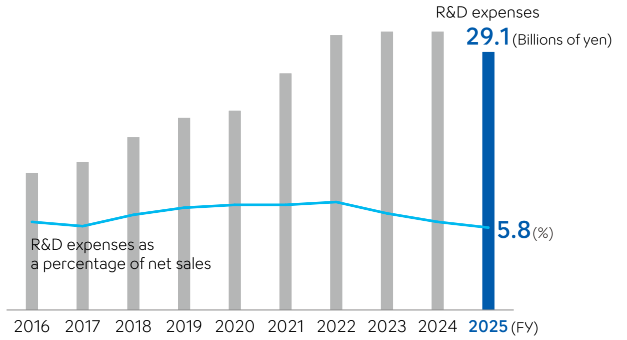
Despite maintaining stable dividends, the share price remained weak due to lower sales in China and declining profit margins associated with investment in future growth. As a result, total shareholder return has been below TOPIX over both the past five and 10 years.

Financial and Non-Financial Performance

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

¥29.1 billion
(Down 7.3% year on year)

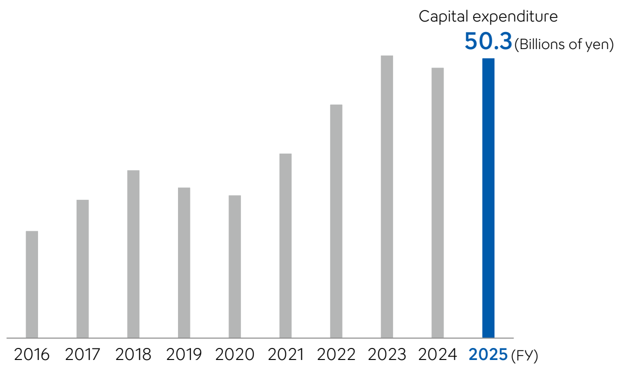
5.8%
(Down 0.4 percentage points year on year)



Sysmex targets annual R&D investment equivalent to approximately 7% of net sales. In fiscal 2025, although we continued to invest in growth drivers such as the hematology and hemostasis fields, R&D expenses were held to approximately 6% of net sales by reviewing R&D themes.

Capital Expenditure (including tangible and intangible)

¥50.3 billion
(Up 3.4% year on year)

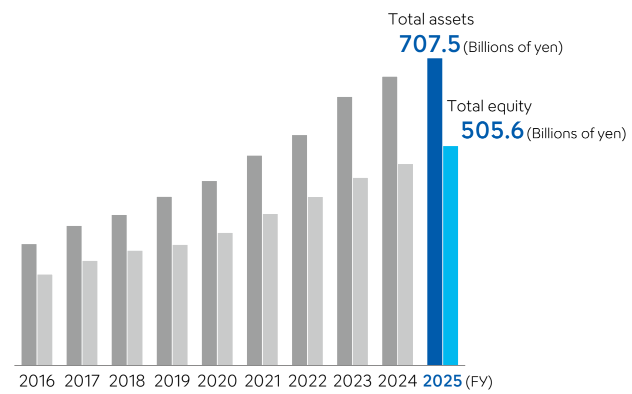


We have increased our investment in digitalization in recent years. In fiscal 2025, in addition to digitalization investment, capital expenditure increased due to such factors as the development of production sites in emerging markets and lease assets associated with the lending of instruments to customers.

Total Assets/Total Equity

¥707.5 billion
(Up 6.4% year on year)

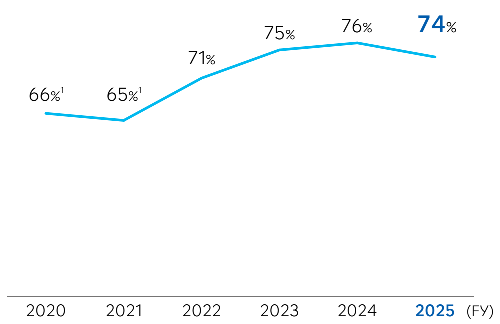
¥505.6 billion
(Up 8.9% year on year)



Assets: Although goodwill decreased due to goodwill impairment losses, buildings acquired in anticipation of growth, inventories, and cash and cash equivalents increased.
Equity: Increased due to the recording of profit attributable to owners of the parent and the impact of foreign exchange rates, among other factors.

Engagement Score

74%
(Down 2 percentage points year on year)



The engagement score had been trending upward due to initiatives such as improving the work environment in Japan. In fiscal 2025, however, the score in Japan declined against the backdrop of changes in the business environment and other factors, bringing down the overall score. Overseas scores remained at a high level.

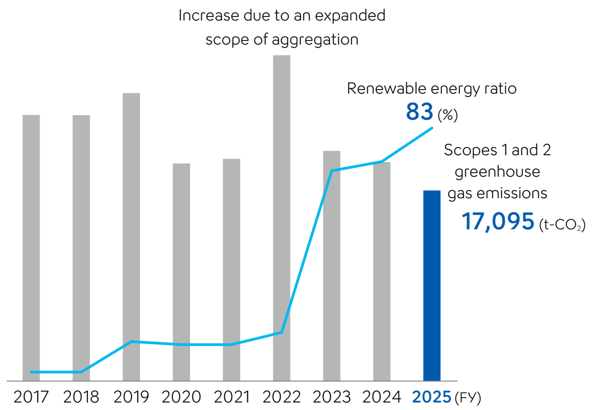
1 Figures exclude EMEA in fiscal 2020 and fiscal 2021.

Non-Financial Performance

Scopes 1 and 2 Greenhouse Gas Emissions/ Renewable Energy Ratio

17,095 t-CO_2
(Down 12.9% year on year)

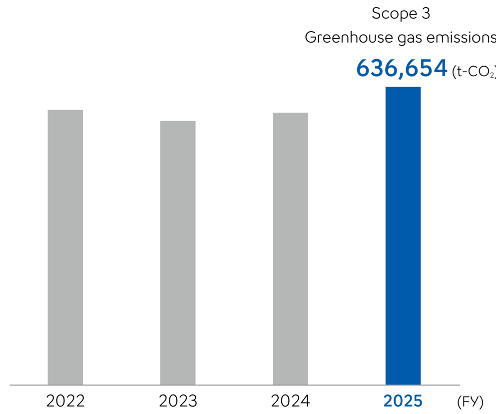
83%
(Up 11 percentage points year on year)



We have continuously promoted the switch to renewable energy and energy-saving measures in Japan and overseas. In fiscal 2025, emissions in Scopes 1 and 2 decreased, mainly due to the switch to renewable energy at overseas locations and further progress in replacing company vehicles with fuel-efficient models.

Scope 3 Greenhouse Gas Emissions

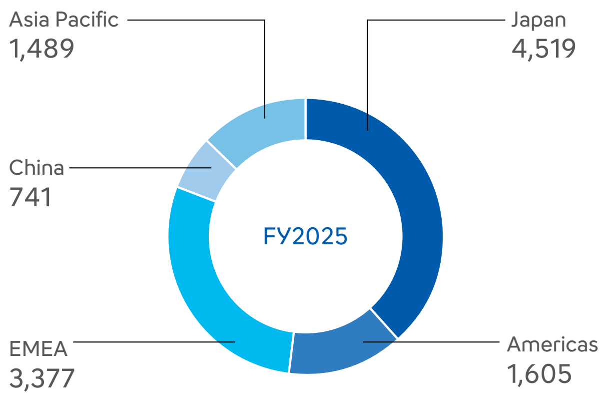
636,654 t-CO_2
(Up 9.4% year on year)



We promoted modal shifts in product shipments and the adoption of products with enhanced energy-saving functions. However, for the second consecutive year, higher emissions associated with expanded business activities outweighed these effects, resulting in an increase in total Scope 3 emissions.

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

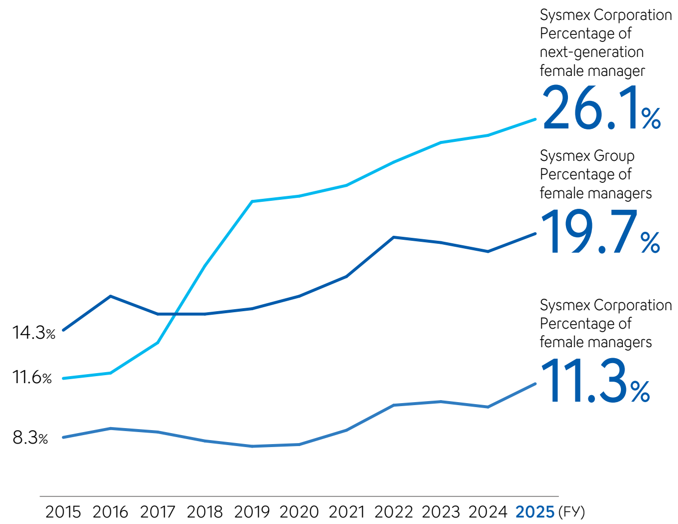
11,731 61.5%



In addition to globally expanding personnel in regions and businesses shifting to direct sales, including emerging markets and the hemostasis field, software-related personnel and others increased in Japan, where our main development and production functions are located.

1 Including part-time employees and others

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



We made progress in the early appointment of women to management positions in overseas regions. At Sysmex Corporation as well, we advanced the appointment of women through support for career development and the promotion of diverse working styles, and the percentage of female managers continued to improve.

Returns to Shareholders

To enhance corporate value sustainably, Sysmex formulated a capital allocation policy under the mid-term management plan to steadily execute growth investments such as R&D and capital expenditure while enhancing shareholder returns.

Under this policy, we have continued our progressive dividend policy targeting a payout ratio of around 40% and conducted our first-ever share repurchase from fiscal 2025 through fiscal 2026. By combining dividends and share repurchases, we are further strengthening shareholder returns and working to improve capital efficiency and shareholder value.

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 2025, we announced dividends for the year of ¥38 per share, which includes an interim dividend of ¥19. As a result, the dividend payout ratio came to 67.3%.

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. We have introduced a cash management system (CMS) for cash settlements between Sysmex Corporation and domestic subsidiaries.

In 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 2025, the Company mainly funded its capital expenditure and R&D activities out of cash generated through operating activities.

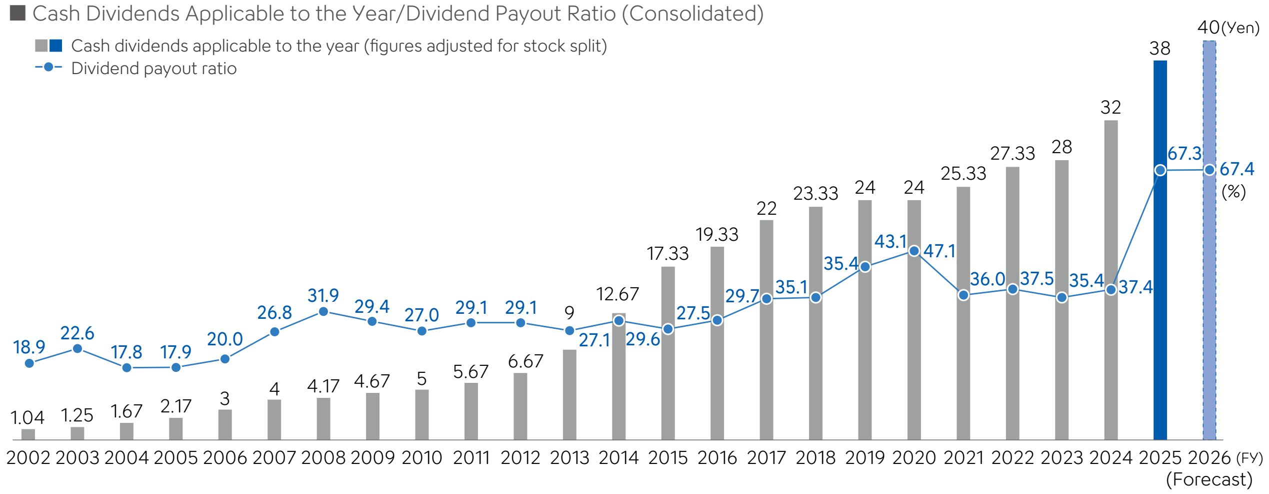
Outlook for Fiscal 2026

In fiscal 2025, net sales and profit declined due to the impact of healthcare cost containment policies in China and the recording of goodwill impairment losses at consolidated subsidiaries in new business areas, among other factors, with net sales of ¥500.0 billion and operating profit of ¥51.8 billion. Meanwhile, the diagnostics business outside China maintained solid growth in each region and retained its competitiveness.

In fiscal 2026, the first year of the new mid-term management plan, we aim to achieve further growth in the diagnostics business through growth in the hemostasis field, steady expansion in the hematology field, sales contributions from the clinical chemistry business we acquired in April, and expanding testing demand, particularly in emerging markets. While closely monitoring the impact of healthcare cost containment policies and the standardization of testing prices in China, we expect growth in both net sales and profit, forecasting net sales of ¥545.0 billion, operating profit of ¥60.0 billion, profit before tax of ¥56.0 billion, and profit attributable to owners of the parent of ¥37.0 billion.[1] Our calculations assume full-year exchange rates of ¥156.1 to the U.S. dollar, ¥181.3 to the euro, and ¥22.4 to the Chinese yuan.

1. Revised in August 2026

■ 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.

Progress toward Sustainability Targets and KPIs (Excerpted)

Please see the Sysmex Sustainability Data book for details about all sustainability targets and future initiatives.

>>Website > Sysmex Sustainability Data Book 2026 > Status of Sustainability Targets

Materiality	Main Sustainability KPIs	Actual		Target	Key Progress
		Fiscal 2024	Fiscal 2025	Fiscal 2025	
Creating value for a healthy society	1. Number of hematology tests	2,904 million[2]	3,014 million	—[1]	1. Although the number of tests decreased due to the impact of healthcare system reforms in China, expanding testing demand and market share, particularly in emerging markets, led to an increase in the number of tests.
	2. Number of regulatory approvals for high-risk products (major countries)	—	50	—[1]	2. A new KPI was established for the number of regulatory approvals obtained for high-risk products[3], to assess capabilities in addressing advanced regulatory reviews.
	3. Sales in emerging and developing markets	¥179.5 billion	¥157.4 billion	—[1]	3. Although sales declined due to contraction in China, sales in emerging and developing markets excluding China rose sharply, up 17% year on year, driven by strong growth in India and Brazil.
Creating innovation	4. R&D-to-sales ratio	6.2%	5.8%	—[1]	4. New KPI. With continued investment in the diagnostics business, the new mid-term management plan includes plans to launch multiple high-end instruments.
Providing responsible products, services, and solutions	5. Number of recalls[4]	6	6	—[1]	5. There were no adverse health effects. Strengthening quality assurance systems, together with rapid information collection and root-cause investigation, has prevented defective products from reaching the market.
	6. Net Promoter Score (NPS®)[5]	—[1]	—	—[1]	
	7. Number of regulatory approvals (major countries)	—[1]	816	—[1]	7. New KPI. We will assess whether stable product supply systems are being secured through the maintenance and renewal of regulatory approvals in each country and region.
Maximizing human capital	8. Engagement score	76%	74%	75%	8. Engagement Score >>P61
	9. Ratio of female managers	18.7%	19.7%	20% or higher	9. Female Managers Ratio >>P72
	10. Value-added productivity	¥21.44 million	¥19.01 million	¥22.50 million	10. Value-Added Productivity >>P62
	11. Annual total working hours[4]	1,993 hours	1,974 hours	1,980 hours	11. Total annual working hours decreased by 19 hours from the previous fiscal year, improving for the fifth consecutive year. Proactive hiring to address staffing shortages and the spread of productivity-conscious working practices helped reduce overtime hours.
Reducing environmental impacts	12. Zero product loss	0.40%	0.18%	0.18%	12. Recycling of unused instruments and reagents that would otherwise be discarded was promoted in some regions, resulting in achievement of the target.
	13. Complete transition to recycled and environmentally friendly materials	62%	67%	60%	13. The target was achieved by switching product packaging to recycled paper and FSC-certified paper, and wooden pallets for instruments to corrugated cardboard.
	14. GHG emissions reduction rate (Scopes 1, 2)[6]	Down 33%	Down 41%	Down 40%	14. Scopes 1 and 2 >>P72
	15. GHG emissions reduction rate (Scope 3)[6]	Down 1%	Up 8%	Down 10%	15. Scope 3 >>P72
	16. Reduction rate of water consumption (main reagent factories)[6]	Down 31pts	Down 25pts	Down 23pts	16. The target was achieved through improvements such as tank cleaning methods and increased pure-water production efficiency at each factory.
Strengthening governance	17. Number of ethics violations	19	26	—[1]	17. There were no serious violations. The number increased as efforts to familiarize employees with the system and awareness-raising activities proved effective.
	18. Number of participants in information security training	27,060	31,744	—[1]	18. Cybersecurity training was expanded to temporary staff and contractors. Training on ransomware countermeasures was also conducted to reduce information security risks.

1 These are monitoring items for which no targets are set.
2 Revised from the figure disclosed in the previous fiscal year due to a change in the calculation method.
3 Applies to products requiring high-level regulatory review (Class III and above in Japan; Classes C and D under the EU IVDR). Excludes procured products and locally produced products.
4 Target: Group companies in Japan
5 NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems. (Starting in fiscal 2027)
6 Base year: Fiscal 2022