

The 10th Technology Presentation



Sysmex Corporation

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 - Member of Managing Board and Executive Officer, Head of R&D

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Kaoru Asano, Executive Officer, Executive Vice President of the R&D Strategic Planning Div.

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2. Strategy for Establishing Personalized Medicine

Mitsuru Watanabe,

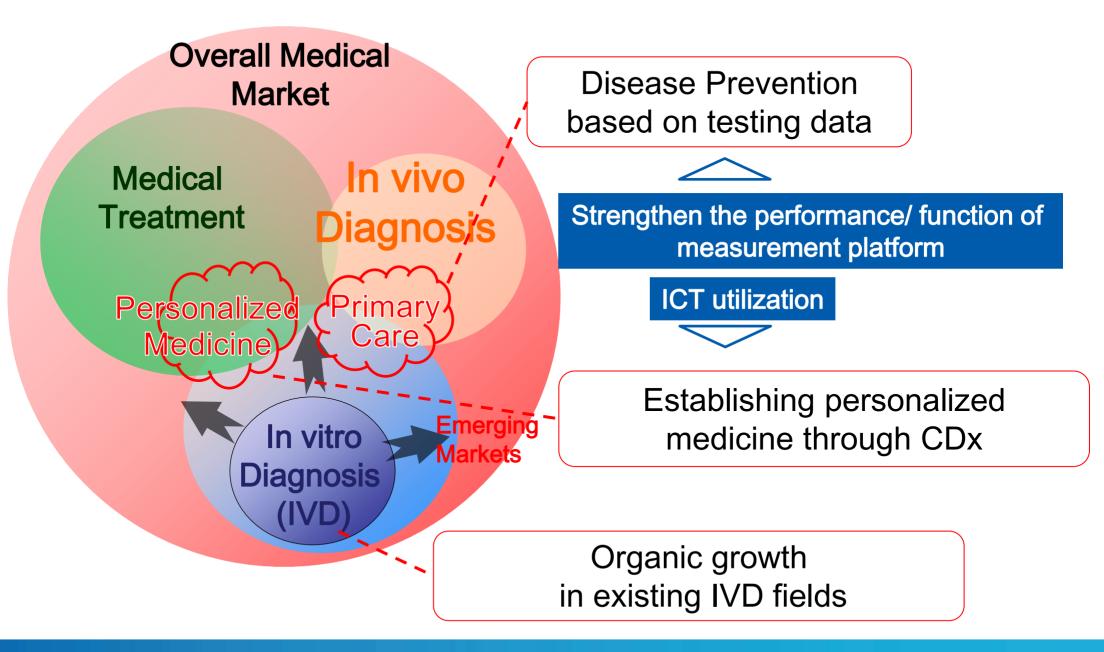
Member of Managing Board and Executive Officer, Head of R&D

(1) Outline of Technology Strategy

- (2) Companion Diagnostics
- (3) Founded Course at Kobe University Graduate School (Assessment of Clinical Testing)

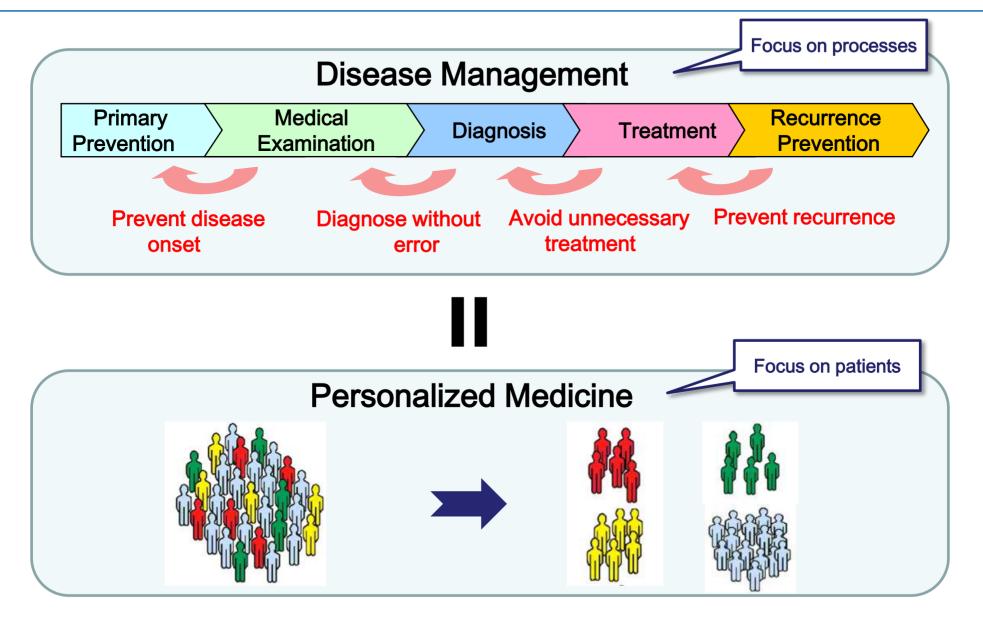
IVD Markets





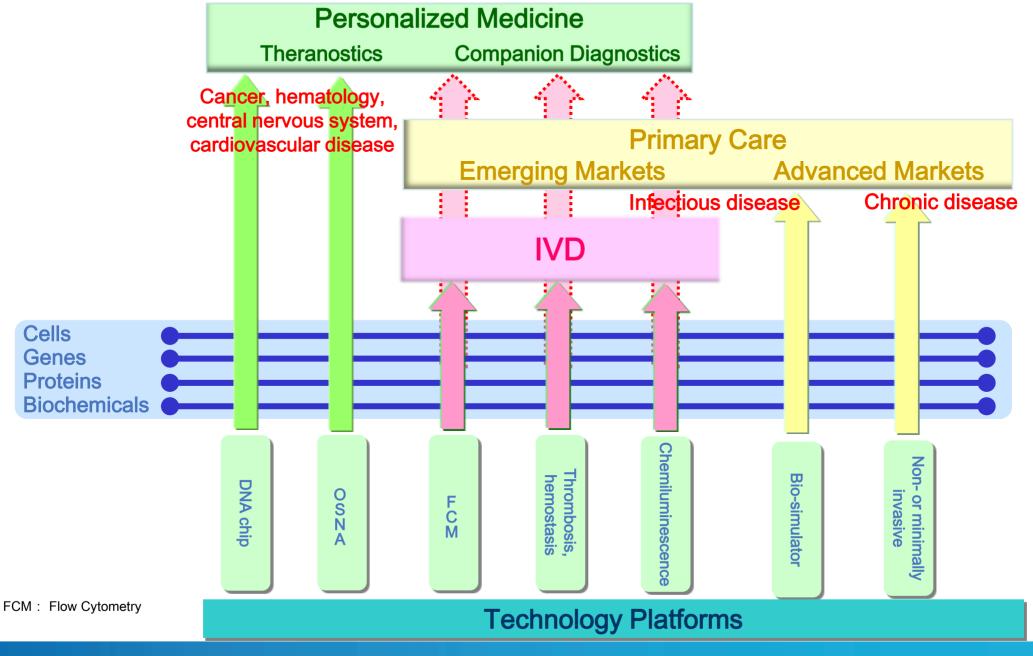
Disease Management and Personalized Medicine





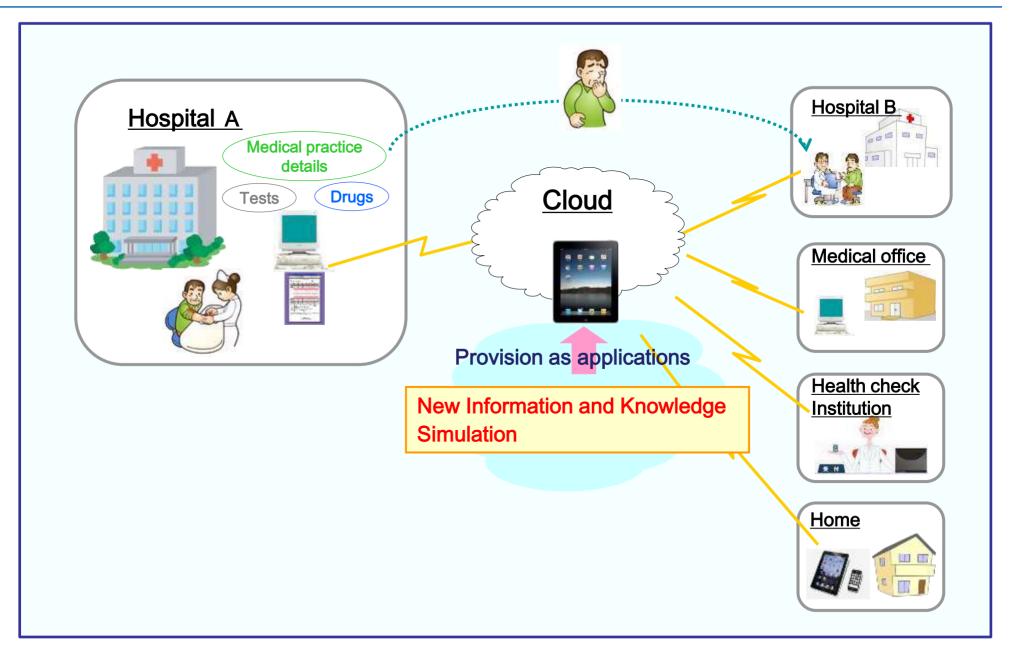
Strengthening the Technology Platform





Primary Care with ICT







2. Strategy for Establishing Personalized Medicine

- (1) Outline of Technology Strategy
- (2) Companion Diagnostics
- (3) Founded Course at Kobe University Graduate School (Assessment of Clinical Testing)

What is Companion Diagnostics?



 Companion diagnostics (CDx)...
 Is an effective approach for realizing personalized medicine that involves development of therapeutic and diagnostic reagents in parallel.
 Pharmaceutical Company
 IVD Business Company

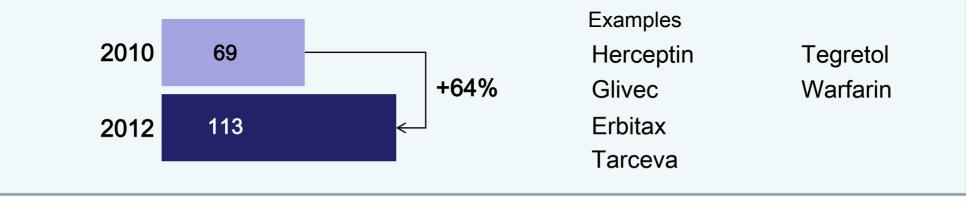


Biomarkers in FDA-Approved Drugs and Companion Diagnostics



(FDA-approved drugs)

 Drugs with description of biomarkers in the package insert (Efficacy prediction and patient stratification for conventional drugs)



· Diagnostic testing required prior to administration (companion diagnostics)



Ref. Bayer HealthCare; Molecular Med TriCon, Feb. 14th, 2013



(As of October 2012)

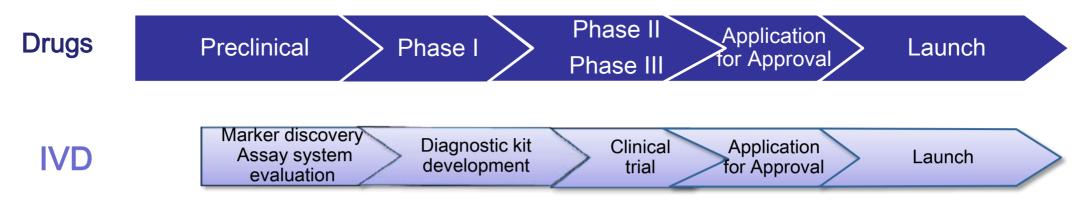
| Target disease | Product name (generic name) | Diagnostic testing to predict efficacy (NHI points) | |
|--------------------------|---|--|--|
| Breast cancer | Herceptin (Trastuzumab) | Overexpression/proliferation of HER- | |
| Stomach cancer | - | 2 proteins/genes in cancer cells | |
| Lung cancer | Iressa (Gefitinib) Tarceva (Erlotinib) | Mutation of EGFR genes in cancer cells (2,000 -> 2,100) | |
| | Xalkori (Crizotinib) | Existence of ALK chimera genes in cancer cells (6,520) | |
| Colon cancer | Erbitax (Cetuximab) | No mutation of KRAS genes in cancer cells (2,000 -> 2,100) | |
| | Vectibix (Panitumumab) | | |
| Chronic myeloid leukemia | Glivec (Imatinib) Tasigna (Nilotinib) | Existence of BCR-ABL Chimera genes in cancer cells (1,200/2,000) | |
| Adult t-cell leukemia | Poteligeo (Mogamulizumab) | Existence of CCR4 protein in lymphatic tissue or blood (10,000) | |



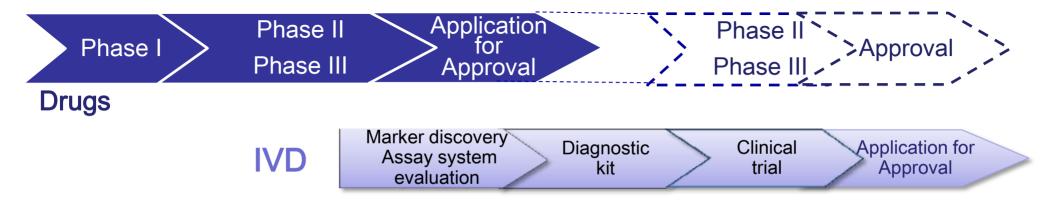
Drug Development Process Phase II Application Preclinical Phase I Launch for Approval Phase III 1) Determine the starting point **IVD Development Process** Marker discoverv **Diagnostic kit** Application Assay system Clinical trial I aunch development for Approval evaluation Strengtl 2) Establish seamless process



1) Early-Stage Collaboration (Investigational New drugs)



2) Late-Stage Collaboration (approval/developed drugs)



Sysmex's Approach



Marker discovery Assay system evaluation

1) Assay Lab (BMA Lab)



2) Use of Bioinformatics





Diagnostic kit **Clinical practice** ·->



Technology Platform Necessary to CDx



| | Current | Near Future | |
|----------|-----------|---|--|
| | (Biopsy) | (Liquid Biopsy) | |
| Genes | PCR | <mark>(High-Sensitivity) PCR</mark> Clinical Sequencer | |
| Proteins | IHC / ISH | Chemiluminescence (HISCL) Thrombosis/Hemostasis (CS) | |
| Cells | _ | FCM (Cell function analysis) | |
| | | IHC: Immunohistochemistry ISH: In Situ Hybridization | |

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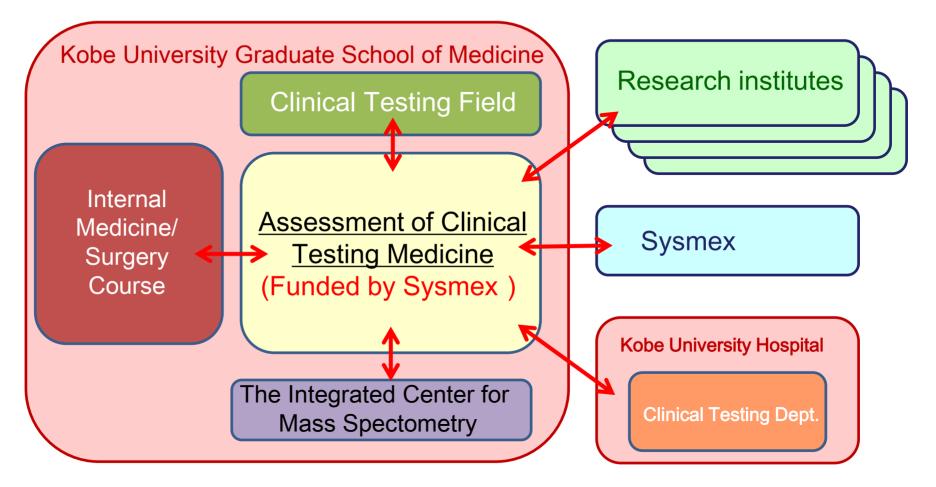


2. Strategy for Establishing Personalized Medicine

- (1) Outline of Technology Strategy
- (2) Companion Diagnostics
- (3) Founded Course at Kobe University Graduate School (Assessment of Clinical Testing)

Summary of Founded Course at Kobe University Graduate School





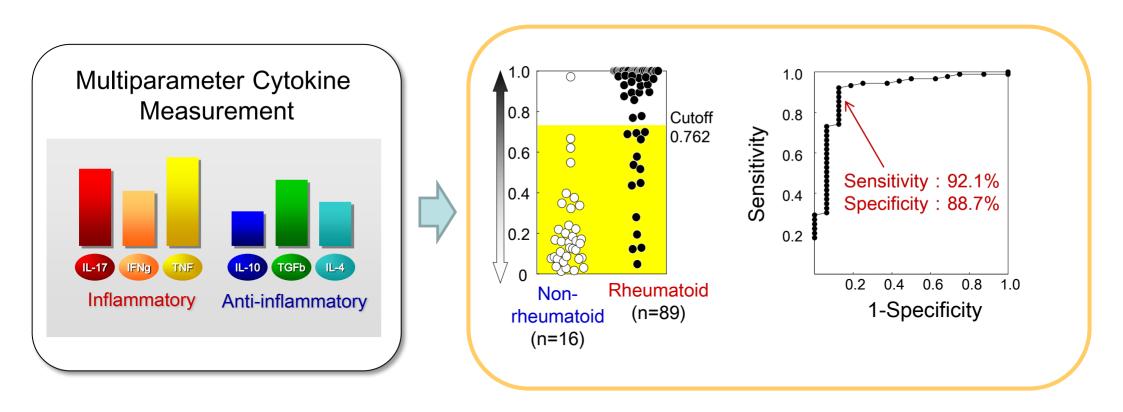
What is Assessment of Clinical Testing Medicine?

- The gathering of clinical epidemiological evidence concerning basic evaluations and comparisons of clinical test, as well as the utility in diagnosis and disease state monitoring
- The provision to clinical practices of verification of the availability of testing methods as well as efficient use of clinical test based upon that evidence

Diagnosis for Rheumatoid Arthritis through Serum Cytokine Measurement



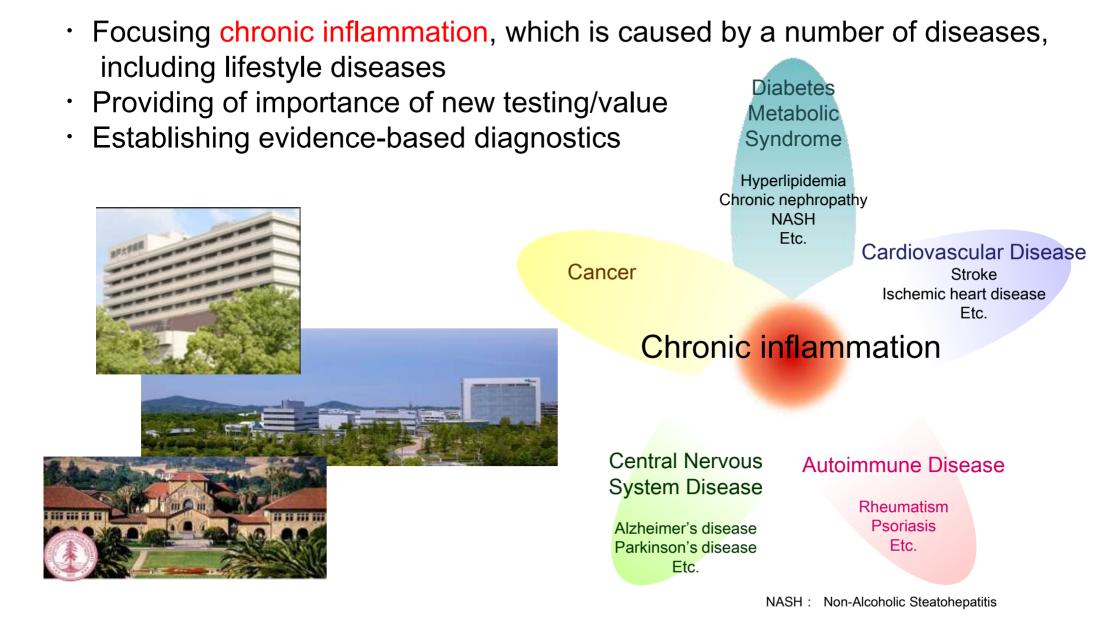
Current research: Diagnosis for Early-stage rheumatoid arthritis



Sensitivity : The probability that patients known to have the disease will test positive for it. Specificity : The probability that patients known not to have the disease will test negative for it.

Summary







3. Progress on Development Themes

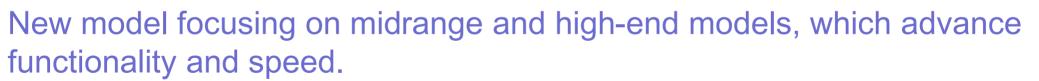
Kaoru Asano,

Executive Officer,

Executive Vice President of the R&D Strategic Planning Div.

(1) New Product Launch (New Products)(2) Progress Status of Development Theme at Practical Stage

^{3.-(1)-1)} New Models for Immunological Test (Fully <u>Automated Immunoassay Analyzer HISCL®-5000</u>)





HISCL®-5000

Rapid measurement

- Reaction to all parameters in 17 minutes
- Simultaneous measurement of 24 parameters (max)

Highly sensitive measurement

• Uses CDP-Star® to achieve a highly sensitive measuring system

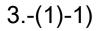
Minimized samples

• Sample amount used for all parameters: 10-30µL

High usability

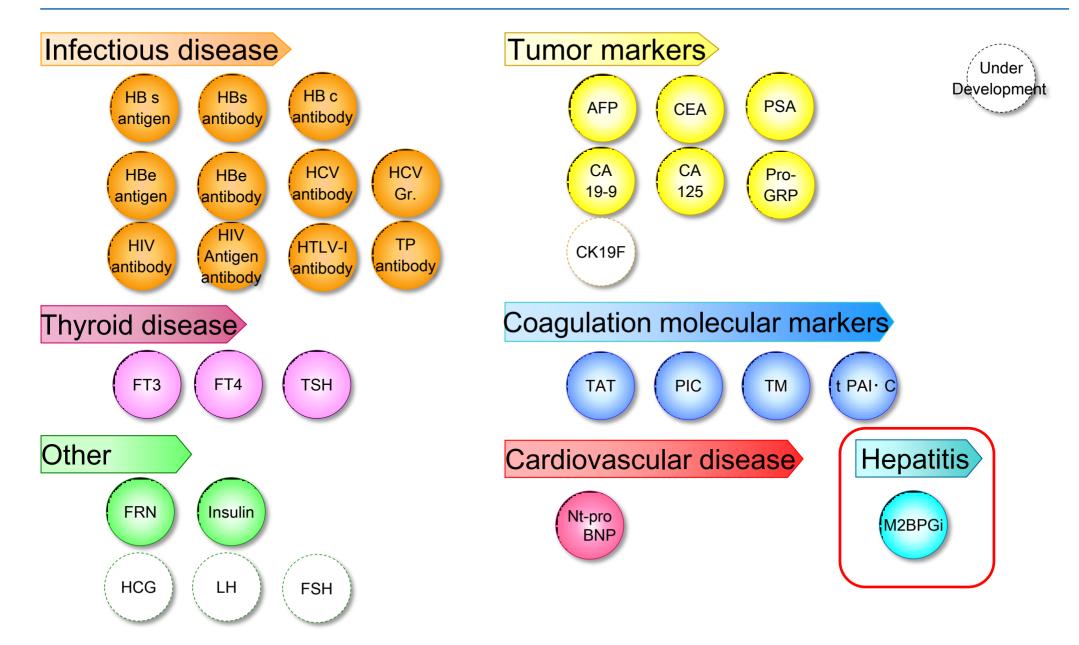
- Continuous measurement
- Flexible connectivity to transport systems
- Reagent controllability through RF-ID

Continuous measurement: Measurement is conducted continuously, without interruptions to reagent supply



HISCL[®] Reagents



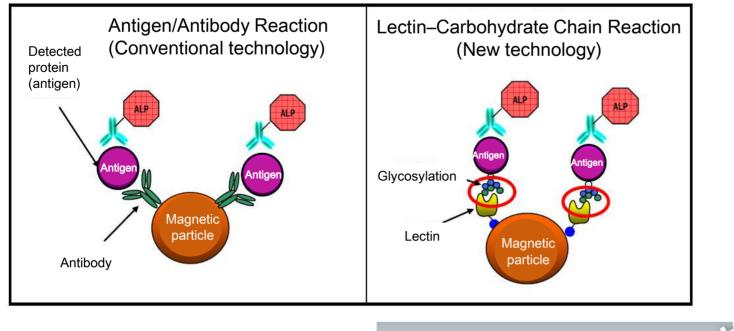


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3.-(1)-1)

Liver Fibrosis Markers







OPEN

SUBJECT AREAS: GLYCOBIOLOGY BIOCHEMICAL ASSAYS ASSAY SYSTEMS ELISA

A serum "sweet-doughnut" protein facilitates fibrosis evaluation and therapy assessment in patients with viral hepatitis

Atsushi Kuno¹*, Yuzuru Ikehara¹*, Yasuhito Tanaka², Kiyoaki Ito³, Atsushi Matsuda¹, Satoru Sekiya¹, Shuhei Hige⁴, Michiie Sakamoto⁵, Masayoshi Kage⁶, Masashi Mizokami³ & Hisashi Narimatsu¹

Nature Scientific Reports 3 : 1065 doi: 10.1038/srep01065 (2013)

Clinical Research Outcomes Using HISCL®



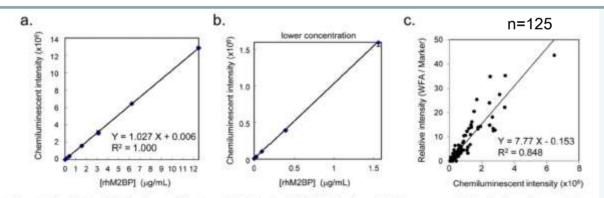
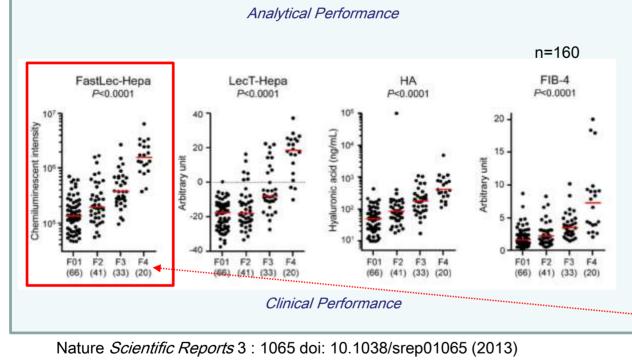


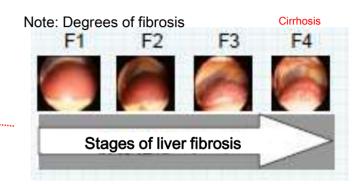
Figure 3 | Description of FastLec-Hepa, a fully automated WFA and anti-M2BP antibody sandwich immunoassay. (a) Standard curve for quantitation of WFA-binding rhM2BP. Plots for the lower concentration of rhM2BP are alternatively highlighted in (b). (c) Scatterplot comparison of WFA *-M2BP data obtained from 125 different serum samples by both HISCL and a manual lectin microarray assay. The best-fit linear comparison with its correlation coefficient was calculated in Excel 2007 (Microsoft).



Taken from Nature JAPAN WEB Comment

Although liver fibrosis reflects disease severity in chronic hepatitis patients, there has been no simple and accurate system to evaluate the therapeutic effect based on fibrosis. We developed a glycan-based immunoassay, FastLec-Hepa, to fill this unmet need. FastLec-Hepa automatically detects unique fibrosis-related glyco-alteration in serum hyperglycosylated Mac-2 binding protein within 20 min. The serum FastLec-Hepa counts increased with advancing fibrosis and illustrated significant differences in medians between all fibrosis stages. FastLec-Hepa is sufficiently sensitive and quantitative to evaluate the effects of PEG-interferon- α /ribavirin therapy in a short posttherapeutic interval.

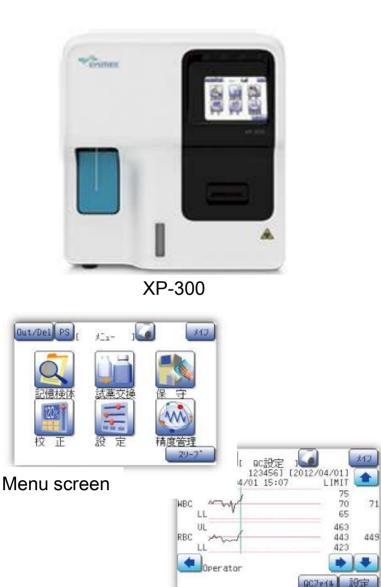
http://www.natureasia.com/ja-jp/srep/abstracts/42129



Sysmex Corporation

Compact Models for Hematology (XP Series)





3.-(1)-2)

Featuring high reliability established in the skills of the previous model, these hematology analyzers accommodate expanding demand in emerging markets.

- Touch panel for better operability
- Increased specimen memory
- Space-saving
- Compatible with in-hospital networks and SNCS[®]
- Silent design

Quality control chart screen

3.-(1)-3)

Expanding Application of OSNA® to Stomach Cancer





RD-100*i* gene amplification detector



LYNOAMP[®] BC (Same reagent for breast and colon cancer)

Clinical trial results for stomach cancer

| N=394 lymph nodes | | 2mm space histopathological examination Positive Negative | |
|-------------------|----------|--|-----|
| OSNA® method | Positive | 45 | 14 |
| | Negative | 9 | 326 |

Sensitivity: 0.833 Specificity: 0.959 Concordance rate: 0.942

Approved by the Ministry of Health, Labor and Welfare as of July 12, 2012



3. Progress on Development Themes

(1) New Product Launch (New Products)(2) Progress Status of Development Theme at Practical Stage

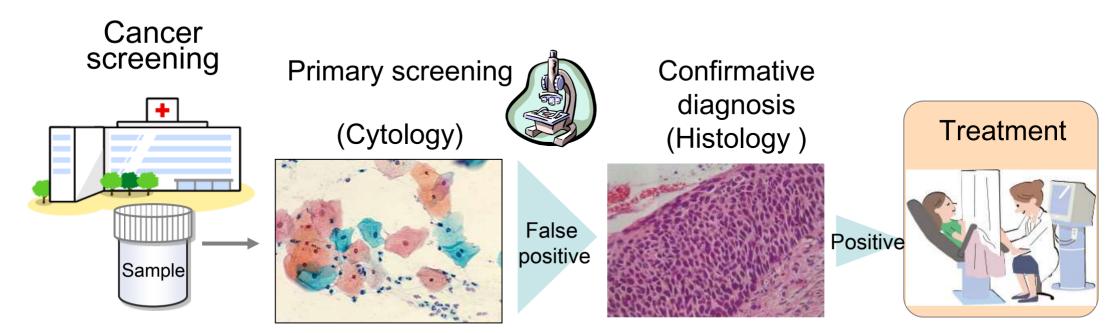


1) Cervical Cancer Screening



Cervical Cancer Screening: Diagnostic Flow





Cytological Issues

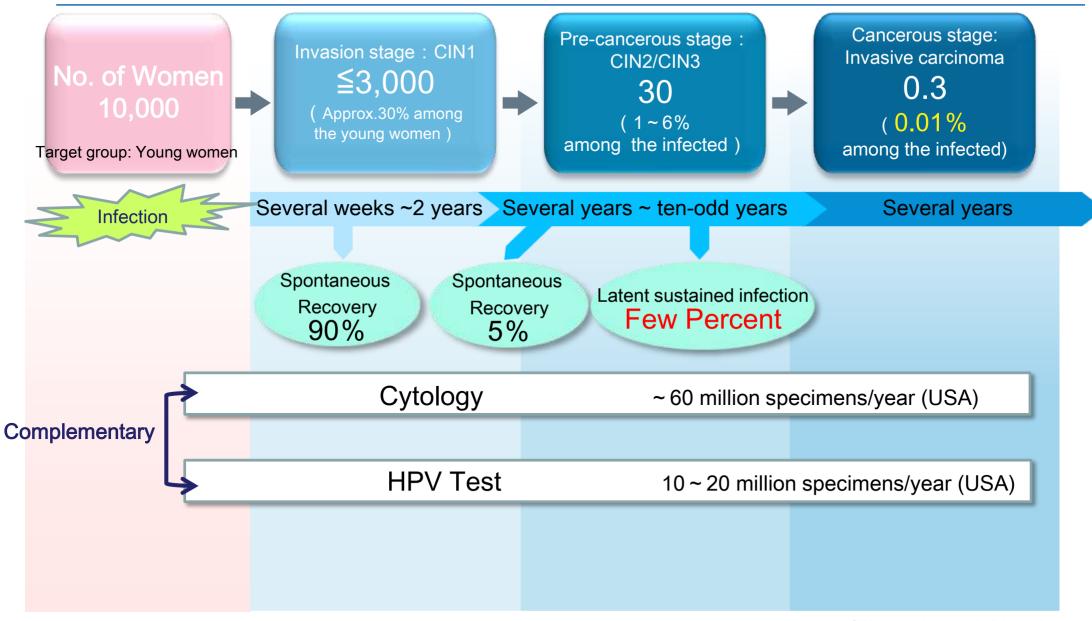
3.-(2)-1)

- Low sensitivity (44%~78%)
- Screening results can vary according to the cytologist.
- Shortage of cytologists (especially in emerging markets)

Strong need for automation

3.-(2)-1)

Relationships between HPV Infection and Cervical Cancer



CIN: cervical intraepithelial neoplasia

sysmex

Cervical Cancer Screening System



Newly-Developed Technologies



1) Pretreatment technology for LBC specimens Technology for dissociating cells while maintaining their morphology

2) DNA staining and FCM technology Technology for measuring cell diameter, nuclear diameter, and nuclear DNA content

 3) Analyzing technology
 Technology for detecting abnormal cells based on original parameters

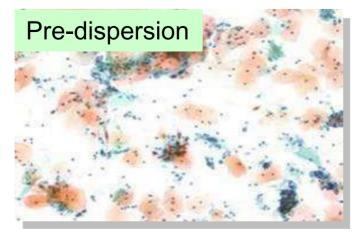
Development for these technologies

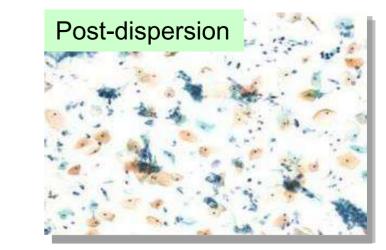
LBC: liquid-based cytology

1) Pretreatment Technology for LBC specimens



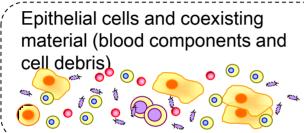
Cell dispersion (mucolytic agent, mechanical stirring, etc.) Dissociating cell clusters while maintaining cell morphology





Concentration of cell density (Using a metal micropore filter)

Concentration of epithelial cell density (approximately 10X) Reduce the amount of coexisting material, such as blood components and cell debris.

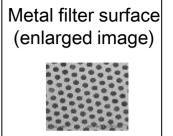






Epithelial cell-rich





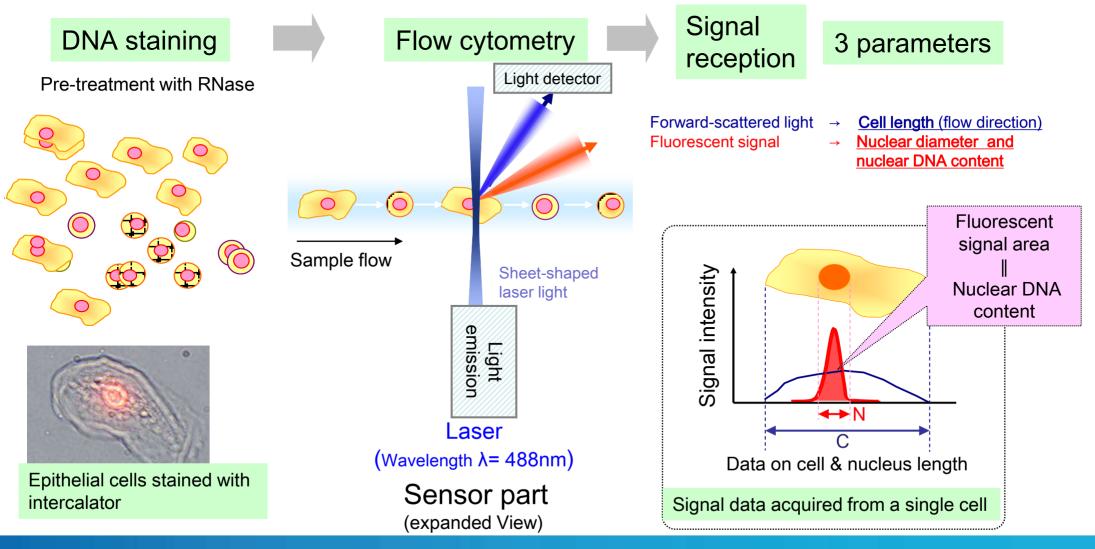
Epithelial cell-rich: Sample with concentrated epithelial cells

3.-(2)-1)

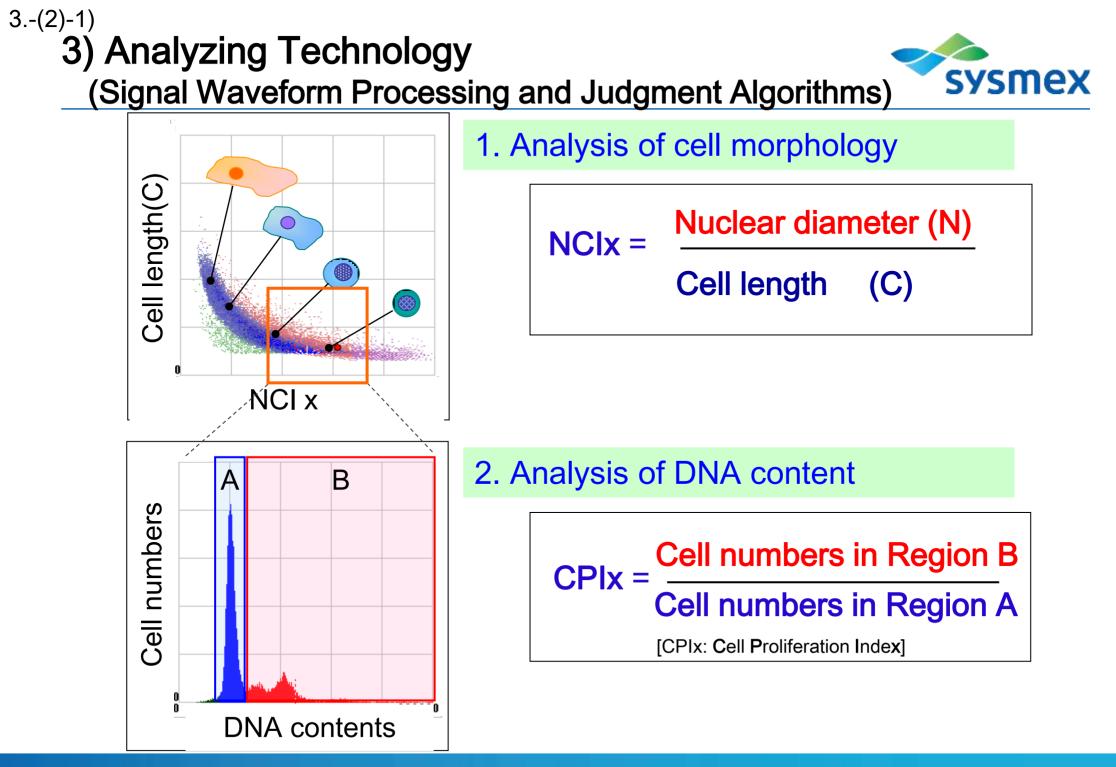
2) DNA Staining and FCM Technology



Those cells are exposed to a narrow, long laser beam to measure the nuclear DNA content, cell diameter, and nuclear diameter of individual cells. All of the data acquired is then processed, and the characteristics of sample are analyzed by statistical methods.



3.-(2)-1)



Evaluation of This System



High sensitivity and specificity in detection of moderate or higher-level pathological changes

| Accuracy | | | | n | 95% confidence interval |
|-------------|-----------|----------|------------------------|---------------|--|
| Sei | nsitivity | 100.0% | | 15 / 15 | 79.6 - 100.0 |
| Spe | ecificity | 85.1 | 85.1% 841 / 988 | | 82.8 - 87.2 |
| | | Existing | g testing | T atal | Positive : CIN2 or above |
| | | Positive | Negative | Total | Negative: CIN1 or below (including normal) |
| This system | Positive | 15 | 147 | 162 | |
| ystem | Negative | 0 | 841 | 841 | |
| | Total | 15 | 988 | 1003 | |

3.-(2)-1)

Future Plans



Japan Organization for working groups Implementation of clinical evaluation Pharmaceutical application Outside Japan Implementation of clinical evaluation in fiscal 2013 (under preparation)



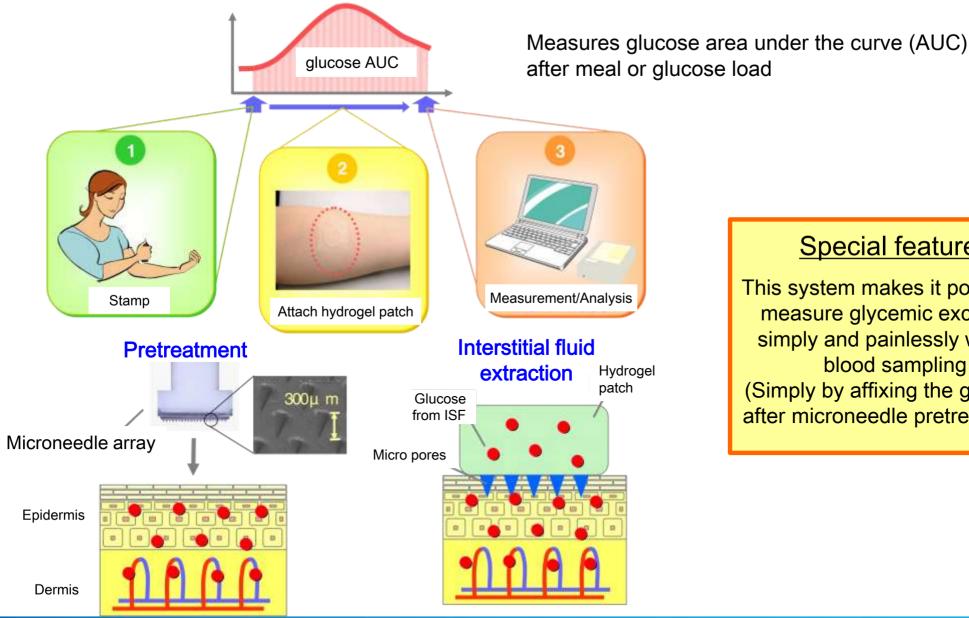
2) Glucose AUC

(Minimally Invasive Interstitial Fluid Extraction Technology)

AUC: Area Under the blood Concentration time curve

3.-(2)-2)

Glucose Monitoring System without blood sampling sysmex



Special features

This system makes it possible to measure glycemic excursion simply and painlessly without blood sampling (Simply by affixing the gel patch after microneedle pretreatment.)



1. Screening for early stage diabetes

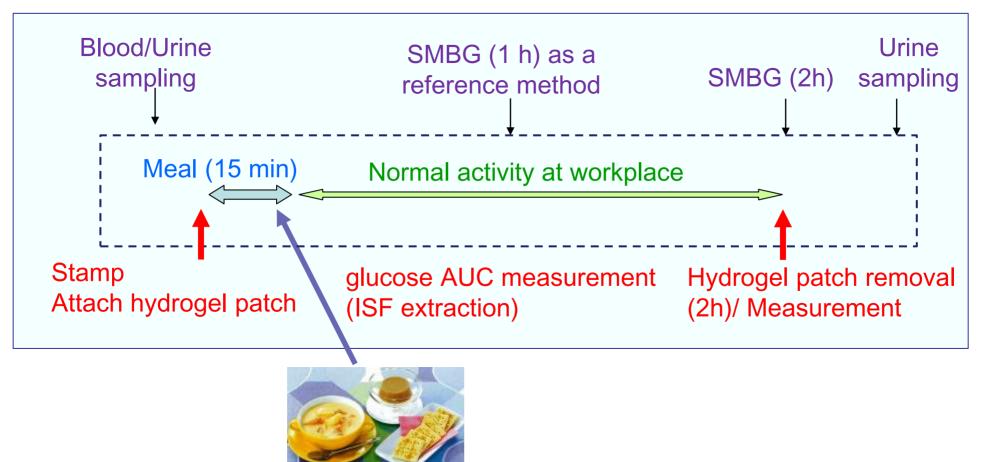
Can it easily find early stage diabetes (impaired glucose tolerance) during health checkups?

2. Determining the efficacy of diabetes treatments
Can the efficacy of diabetes treatments be monitored?

3. Application to the individualized dietary therapy Can it be used to determine the optimal diets for individuals?



Evaluation Protocol in routine health checkups



(57g carbohydrate, developed by Japan Diabetes Society test meal working group)

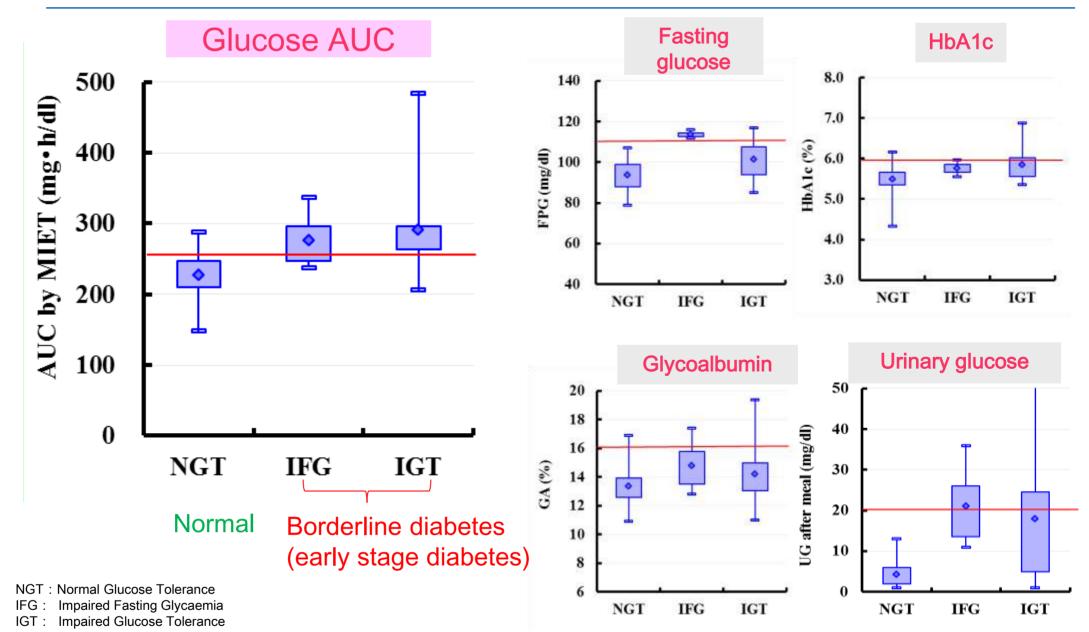
SMBG : Self-Monitoring of Blood Glucose

3.-(2)-2)

3.-(2)-2)

Screening Performance Using Glucose AUC



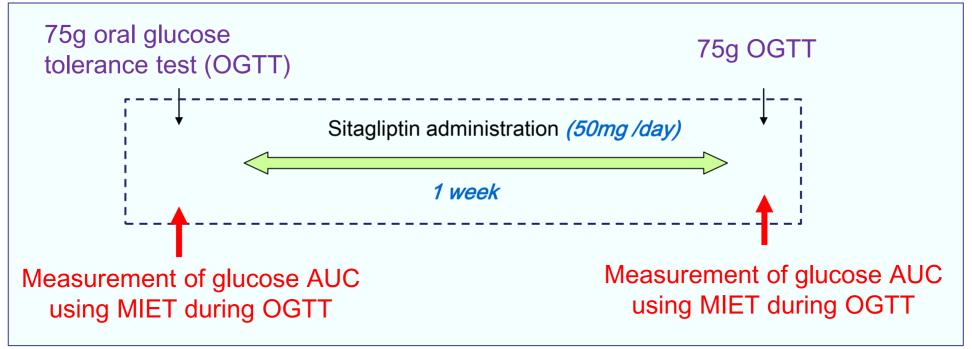


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2) Determining the Efficacy of Diabetes Treatments sysmex

Subjects: 8 Type-2 diabetes patients being administered an antidiabetic drug (Sitagliptin)

Evaluation protocol envisaging clinical use



Sitagliptin: DPP-4 inhibitor

Controls blood glucose level by inhibiting the enzyme DDP-4, which degrades the gastrointestinal hormone incretin that is secreted after glucose intake.

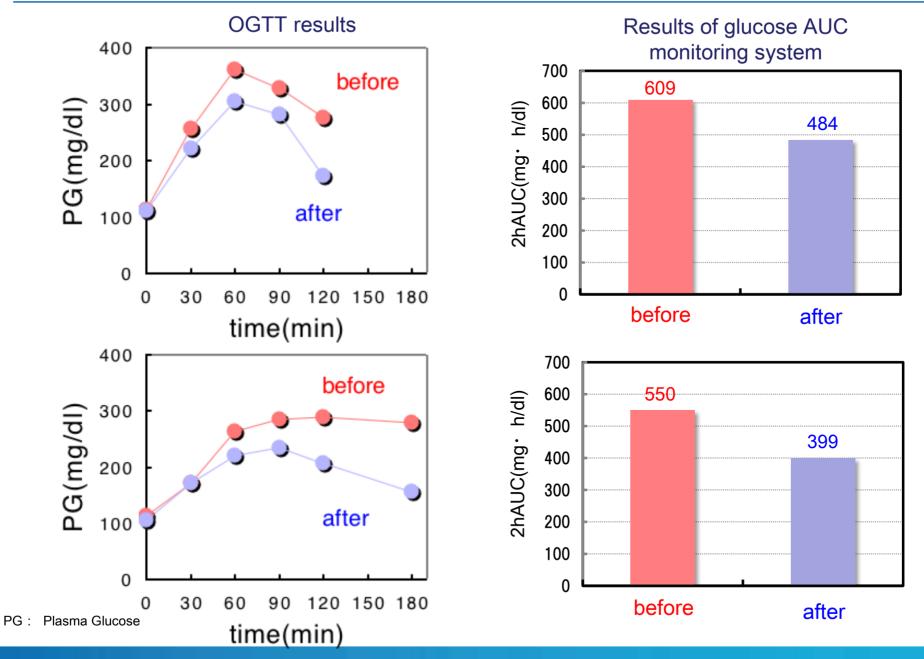
OGTT: Oral Glucose Tolerance Test

3.-(2)-2)

3.-(2)-2)

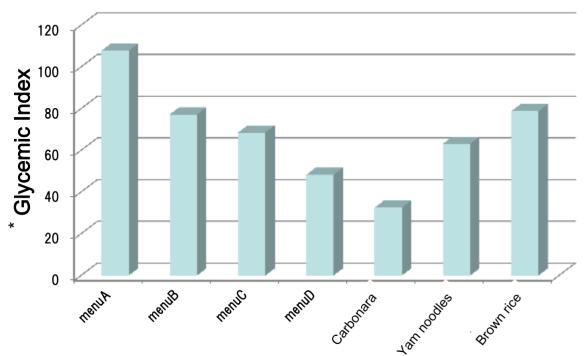
Drug Efficacy Monitoring





3.-(2)-2)

Individualized Dietary Therapy



*Increment Level of glucose AUC by a diet, which is normalized by the level after white rice (carbohydrate 50g) intake

Glucose AUC monitoring system will be useful for individualized dietary therapy, which enables to understand the relationship between food and glycemic excursion after intake of the food easily.

<u>Menu A</u>

Rice, Japanese greens in sesame sauce, vinegared cucumbers; 1 dish

<u>Menu B</u>

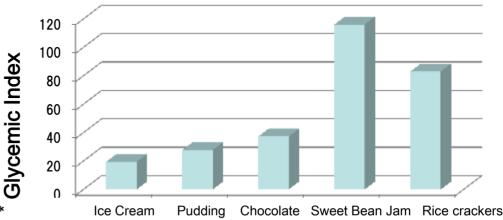
Rice, Japanese greens in sesame sauce, vinegared cucumbers; 2 dishes

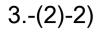
<u>Menu C</u>

Rice, Japanese greens in sesame sauce, vinegared cucumbers; 1 dish Tuna sashimi (lean tuna)

<u>Menu D</u>

Rice, Japanese greens in sesame sauce, vinegared cucumbers; 2 dishes Tuna sashimi (fatty tuna)





Future Plans



Planned clinical study and approval application

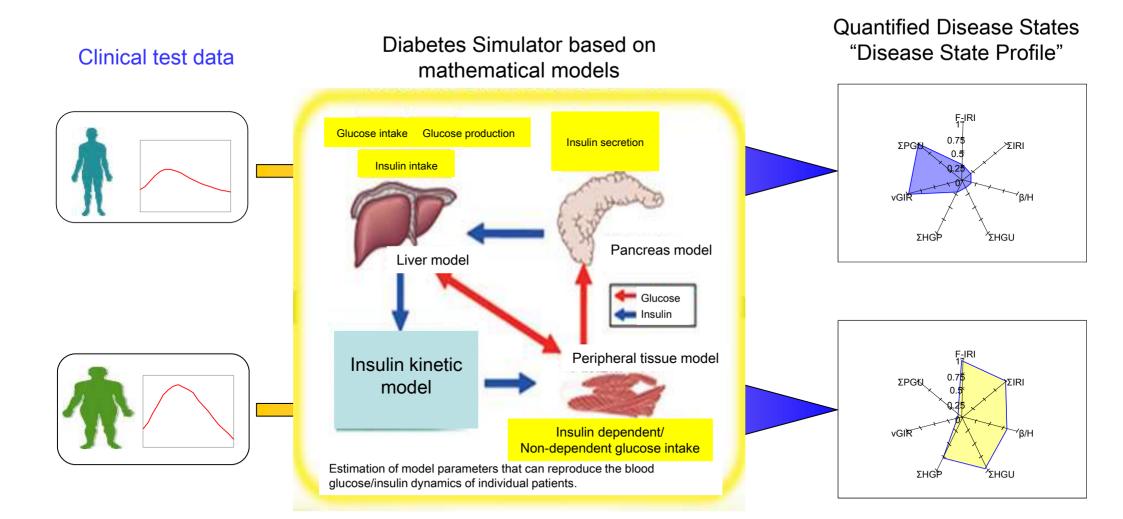
| Clinical study details | The screening performance for impaired glucose tolerance using the minimally invasive glucose AUC monitoring system is verified as not inferior to either the combined fasting blood glucose/HbA1c screening or the 2-hour glucose level during OGTT. | | | |
|---------------------------|--|--|--|--|
| No. of target cases | Approximately 180 | | | |
| Facilities | Five facilities participating in the AUC Study Group | | | |
| Period | 2Q-4Q fiscal 2013 | | | |



3) Diabetes Simulation (Disease State Simulation Technology)

Diabetes Simulation



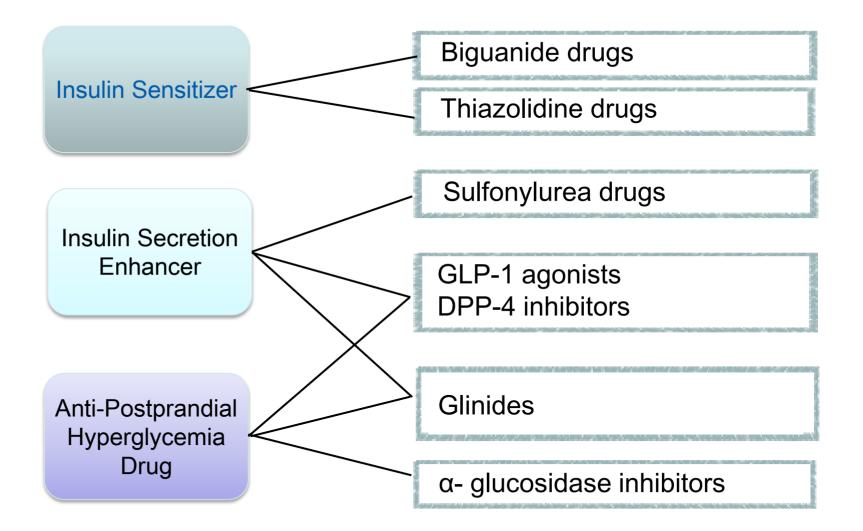


Quantification of disease states by simulation

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Anti-diabetic Drugs

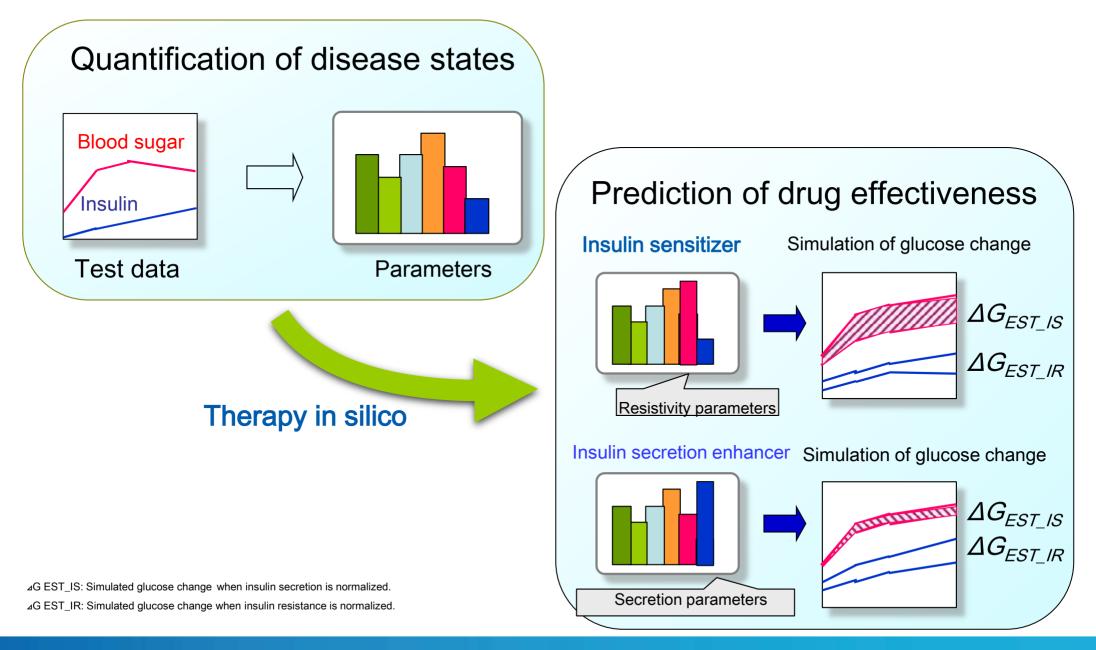




Drug selection is based on doctors' knowledge and experience

3.-(2)-3) **Prediction of Drug Responders Using** <u>Diabetes Simulators</u>



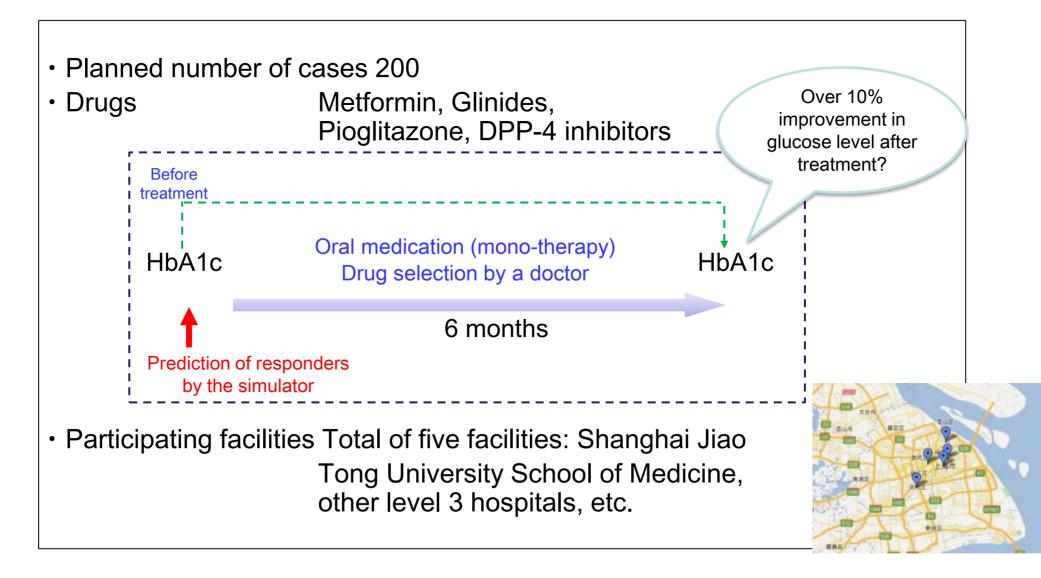


Verification of Clinical Utility

3.-(2)-3)

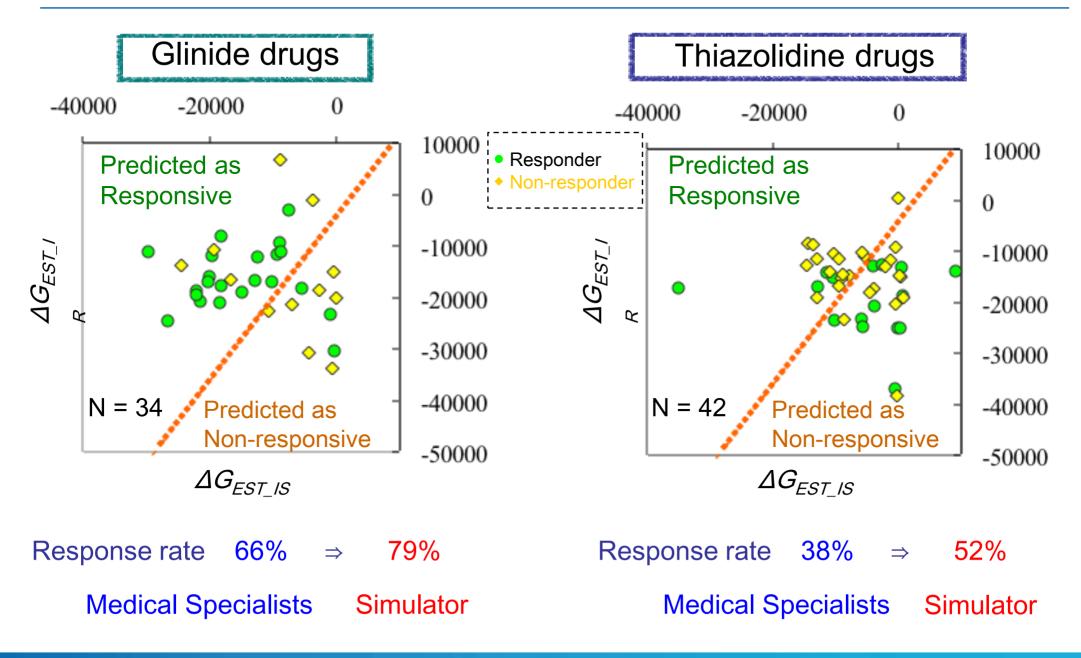


Prediction of Drug Responders Using Diabetes Simulators



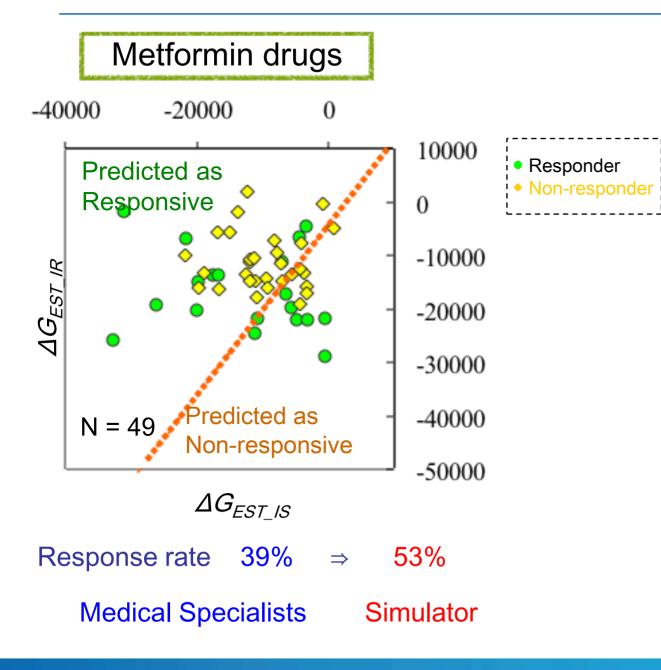
Performance in Drug Responder Prediction (1)





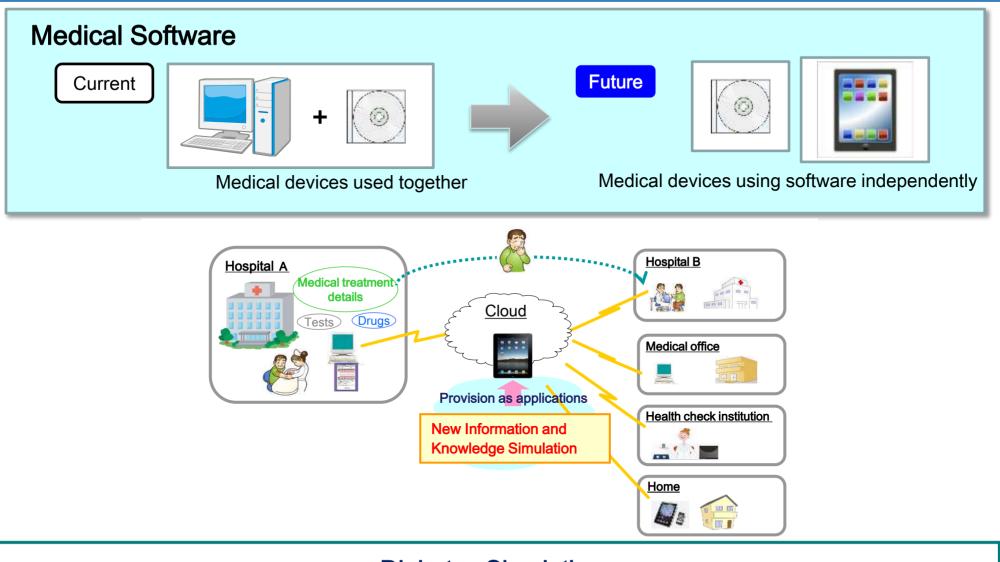
Performance in Drug Responder Prediction (2)





Future Plans





Diabetes Simulation

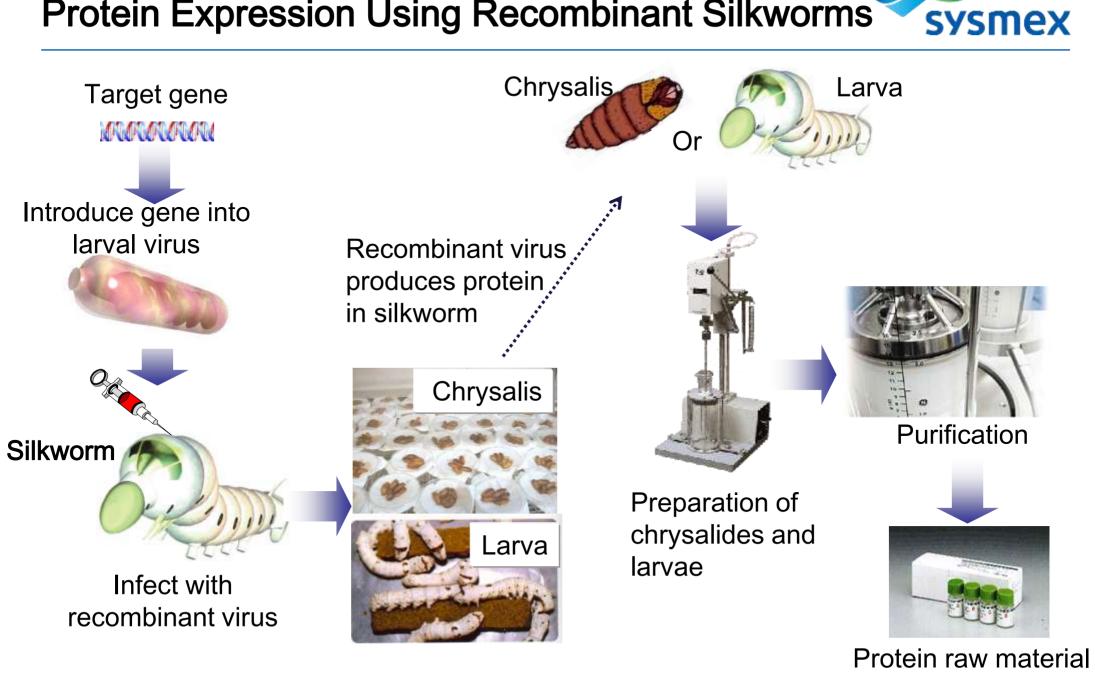
Plans to form study groups, implement clinical performance studies, apply for approvals



4) Development of Raw Materials for Diagnostic Reagents Using Silkworms

3.-(2)-4)

Protein Expression Using Recombinant Silkworms



3.-(2)-4) **Production Characteristics of Various** <u>Recombinant Proteins</u>

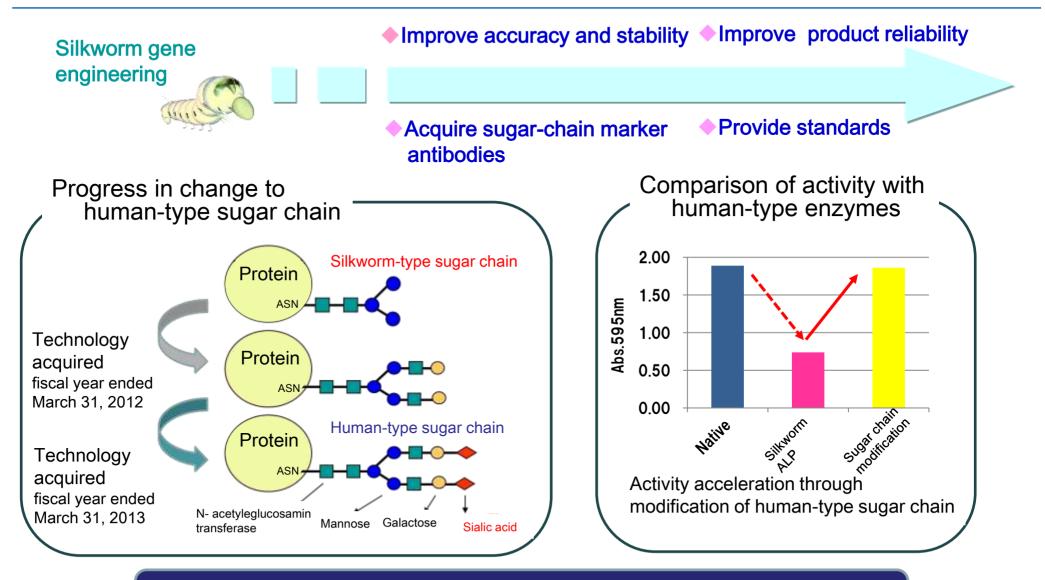


| | Produc -tivity | Cost | Production Period | Similarity to Human Type | Sugar Chain Structure (N Type) |
|----------|-------------------|------|----------------------|--------------------------------|--------------------------------------|
| E. Coli | 0 | Ø | 0 | × | (None) |
| Yeast | 0 | 0 | 0 | Δ | |
| Silkworm | 0 | 0 | 0 | 0 | |
| Animal | × | × | × | Ø | |
| | | | | se 💛 Galactose | e 🔶 Sialic acid |

3.-(2)-4)

Reagent Development Using Silkworms





ASN : Asparagine

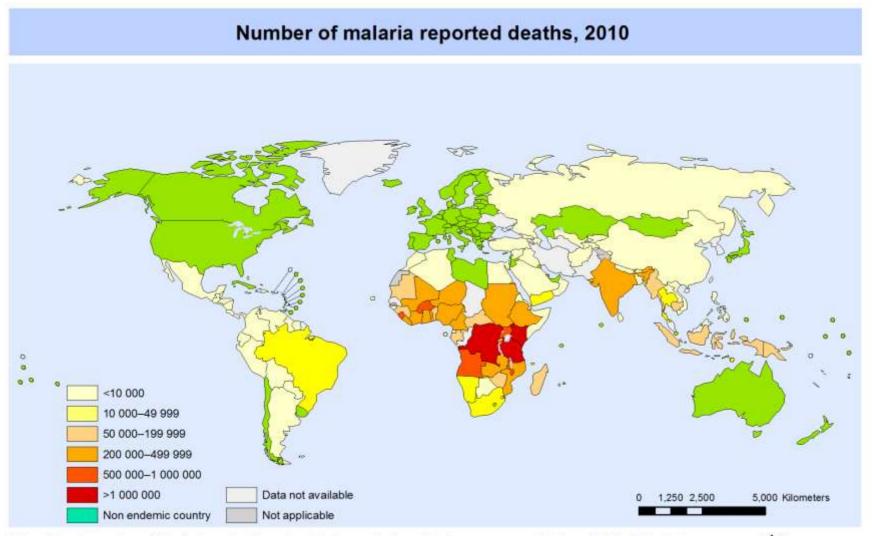
Aiming for improved expression efficiency and productivity



5) Malaria Detection Technology

Number of Malaria Deaths





The boundaries and names shown and the designations used on this map do not imply the expression of any opinion whatsoever on the part of the World Health Organization concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Dotted lines on maps represent approximate border lines for which there may not yet be full agreement. Data Source: World Health Organization Map Production: Public Health Information and Geographic Information Systems (GIS) World Health Organization

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Norld Health

http://gamapserver.who.int/mapLibrary/Files/Maps/Global_Malaria_ReportedDeaths_2010.png

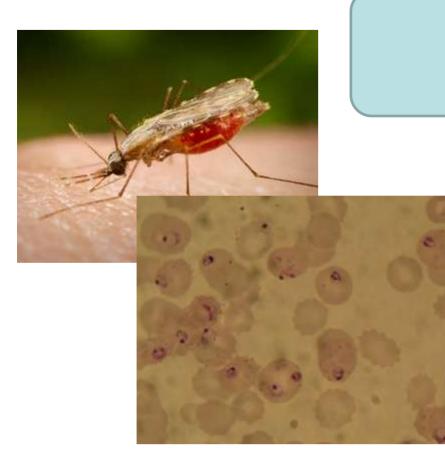
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3.-(2)-5)

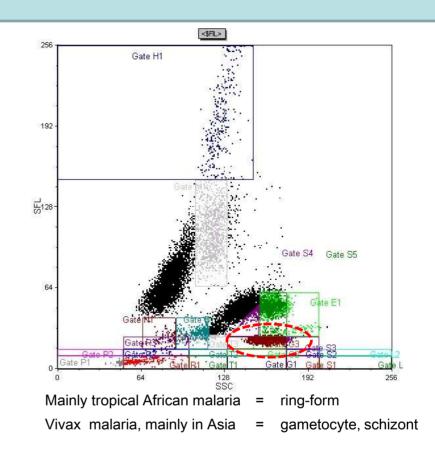
Malaria Detection Technology



Technology Characteristics



<u>Hematology Analyzer</u> Flagging infected cells with malaria Hypothetical data about malaria sample



(Reference) Reporting Subjects and Policies for Technology Presentation



1. Reporting Subjects

- Technical features of Sysmex technologies and products
- Technical themes on which Sysmex conducts R&D and their clinical utilities
- Outline of Sysmex technology strategy

2. Policy Regarding Reporting of Technological Themes

Explain R&D themes at the three stages below:

<Research stage> Start of research and preliminary evaluation

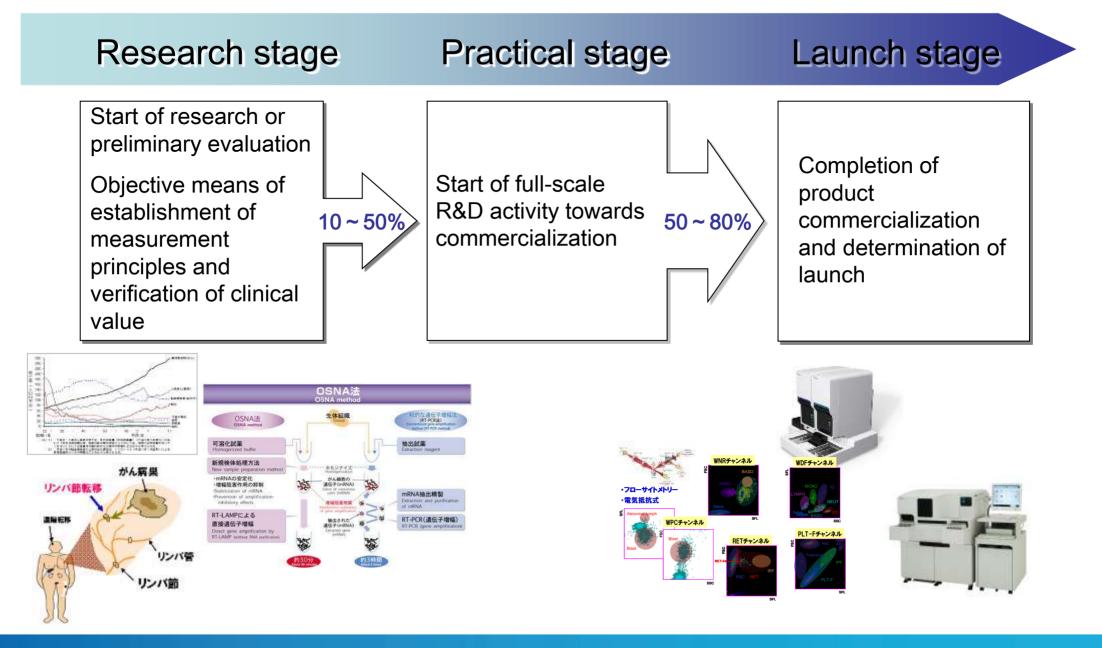
- Magnitude of clinical value in practical use
- Explanation of future R&D plans

<Practical stage> Elemental research, practical and product commercialization stage

- Technological impact on characteristics of products
- <Launch stage> Accomplishment of development and introduction to market
- · Details of technological features and superiority

(Reference) Definition of R&D Stage







We Believe the Possibilities.

Sysmex Corporation

Contact: IR & Corporate Communication Dept. Phone: +81-78-265-0500 Email: info@sysmex.co.jp URL: www.sysmex.co.jp/en/