

# Business Results

## First Nine Months of the Fiscal Year Ending March 31, 2021

February 3, 2021  
Sysmex Corporation

# Index

## Business Results, First Nine Months of the Fiscal Year Ending March 31, 2021

(Appendix)

- Q3 Business Results
- Sales by Business and Product Type
- Results by Geographic Region (Sales and Operating Profit)

The Sysmex Group adopted International Financial Reporting Standards (IFRS) in the fiscal year ended March 31, 2017. Figures are disclosed in compliance with IFRS.

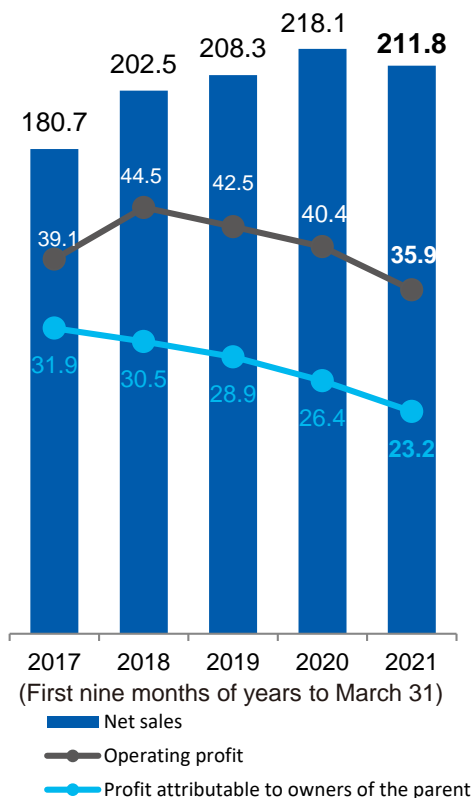
### **Forward-Looking Statements**

This material contains forward-looking statements about Sysmex Corporation and its Group companies (the Sysmex Group). These forward-looking statements are based on the current judgments and assumptions of the Sysmex Group in light of the information currently available to it. Uncertainties inherent in such judgments and assumptions, the future course of our business operations and changes in operating environments both in Japan and overseas may cause our actual results, performance, achievements, or financial position to be materially different from any future results, performance, achievements or financial position either expressed or implied within these forward-looking statements.

# Financial Highlights



(Billions of yen)



First nine months of fiscal year ending March 31, 2021

First nine months of fiscal year ended March 31, 2020

1USD	¥106.1	¥108.7
1EUR	¥122.4	¥121.1
1CNY	¥15.4	¥15.6

(Billions of yen)

First nine months of fiscal year ending March 31, 2021

First nine months of fiscal year ended March 31, 2020

YoY (Previous period = 100%)

	Results	Ratio	Results	Ratio	
Net sales	211.8	100%	218.1	100%	97.1%
Cost of sales	103.2	48.7%	1,00.4	46.0%	102.8%
SG&A expenses	58.2	27.5%	61.7	28.3%	94.3%
R&D expenses	15.2	7.2%	16.1	7.4%	94.4%
Other income (expenses)	0.7	0.4%	0.6	0.3%	120.3%
Operating profit	35.9	16.9%	40.4	18.5%	88.8%
Profit attributable to owners of the parent	23.2	11.0%	26.4	12.1%	87.9%

● **Net sales:**

Despite higher instrument sales, net sales fell due to lower reagent sales in the hematology, urinalysis, and immunochemistry fields, owing to the impact of COVID-19.

● **Operating profit:**

Operating profit decreased. Although SG&A expenses fell due to restrictions on movement stemming from COVID-19, the cost of sales ratio deteriorated due to falling reagent sales volume. Operating profit was also affected by exchange rates.

Exchange rate fluctuations reduced net sales ¥2.40 billion and lowered operating profit ¥0.68 billion. At the exchange rates prevailing one year earlier, net sales would have been down 1.8%, and operating profit down 9.5%.

● **Profit attributable to owners of the parent:** Although the exchange rate loss decreased, profit was down due to lower operating profit.

**Exchange loss (gains):** Loss of ¥0.64 billion (loss of ¥1.44 billion in previous term)

# Quarterly Operating Performance



Profitability improved in Q3, thanks to higher sales and decreases in the cost of sales and SG&A expense ratios.

(Billions of yen)

	Q1 (Apr.–Jun.)			Q2 (Jul.–Sep.)			Q3 (Oct.–Dec.)		
	Results	Ratio	YoY increase	Results	Ratio	YoY increase	Results	Ratio	YoY increase
Net sales	60.5	100.0%	-11.7%	71.5	100.0%	-3.9%	79.7	100.0%	6.1%
Cost of sales	29.8	49.4%	-5.6%	34.9	48.8%	3.3%	38.4	48.2%	9.9%
SG&A expenses	18.9	31.3%	-8.6%	19.1	26.8%	-0.9%	20.1	25.2%	-7.3%
R&D expenses	4.9	8.1%	-1.6%	4.8	6.8%	-11.6%	5.5	6.9%	-3.5%
Other operating income and expenses	0.1	0.3%	56.9%	0.3	0.5%	-43.7%	0.2	0.3%	—
Operating profit	6.9	11.5%	-38.3%	13.0	18.2%	-21.0%	15.9	19.9%	26.0%
Profit attributable to owners of the parent	4.4	7.4%	-33.0%	8.1	11.4%	-25.1%	10.6	13.3%	19.5%

# Estimated Number of Hematology Tests

The number of tests declined around year-end in the Americas, EMEA, AP and Japan, but has recovered since. In China, the number of tests has fallen since the beginning of January. We are monitoring the impact from a resurgence in infections.

### Americas



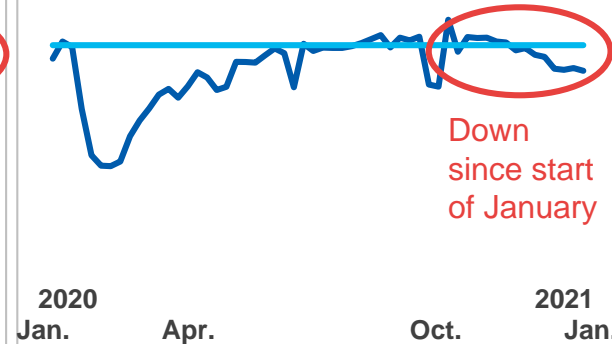
### EMEA

Note: Centered on Europe



### China

Note: Centered on Tier 3 hospitals



### AP

Note: Centered on Oceania



### Japan

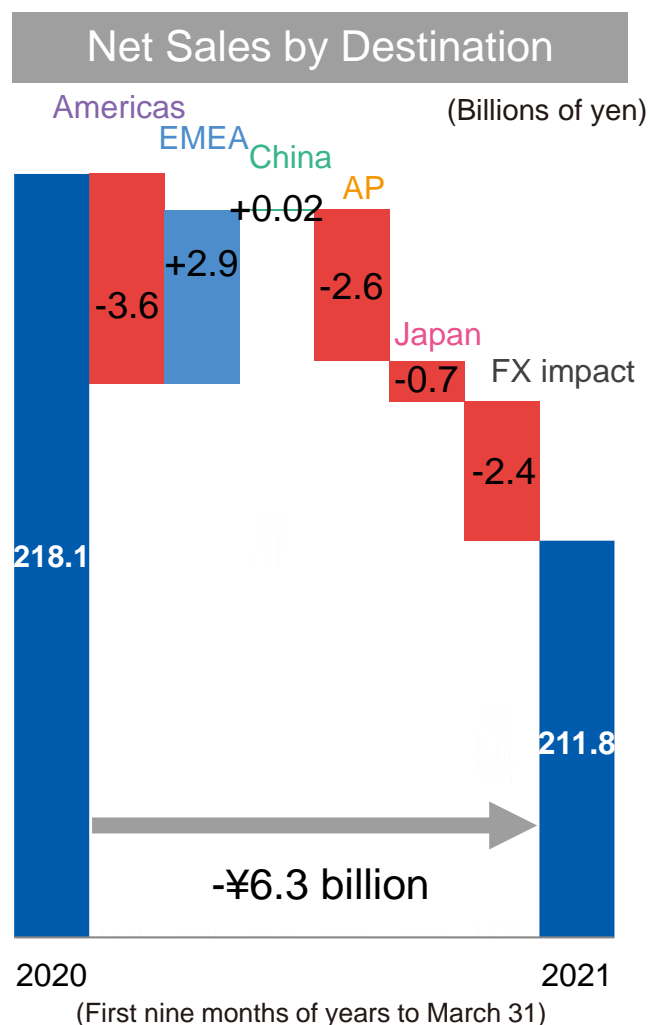


— Average for previous fiscal year

Note: Figures are estimated trends in tests at middle to large hospitals and commercial labs, particularly in developed countries.

# Breakdown of Net Sales (by Destination)

Although sales in EMEA increased and sales in China returned to the previous year's level, sales decreased due to the impact of COVID-19 in the Americas, AP and Japan.



(Billions of yen)

First nine months of fiscal year ending March 31, 2021

YoY (Previous period = 100%)

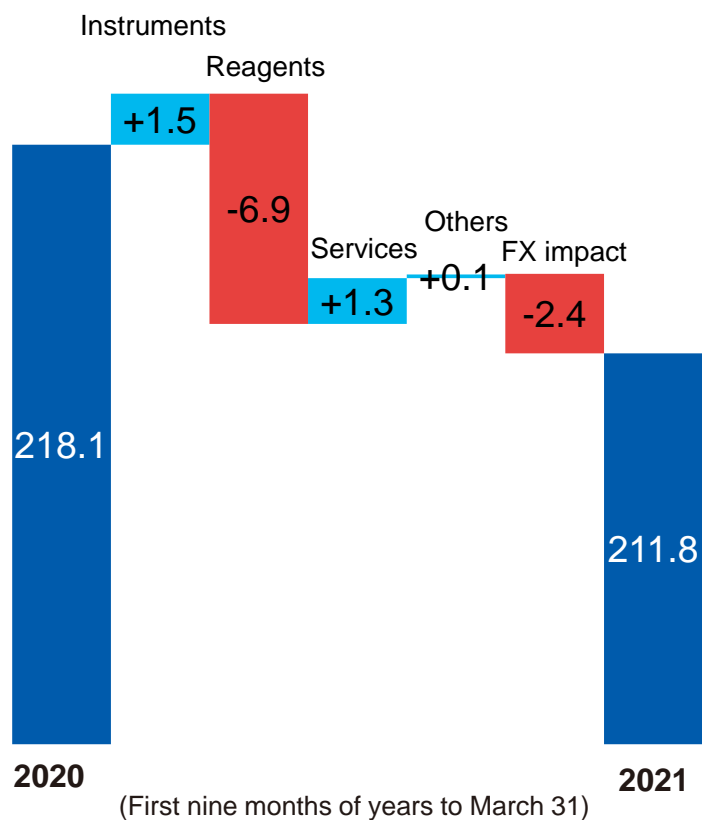
	Results	Ratio	Yen basis	Local currency basis
Net sales	211.8	100.0%	97.1%	98.2%*
Americas	45.6	21.6%	90.1%	92.3%
EMEA	59.5	28.1%	104.5%	103.3%
China	56.3	26.6%	99.6%	100.2%
AP	16.9	8.0%	85.1%	86.9%*
Japan	33.2	15.7%	97.9%	-

\* Year-on-year increase on a yen basis, excluding the impact of exchange rate fluctuations

# Breakdown of Net Sales (by Product Type)

Sales of instruments and services rose, but reagent sales declined.

Sales by Product Type  
(Billions of yen)



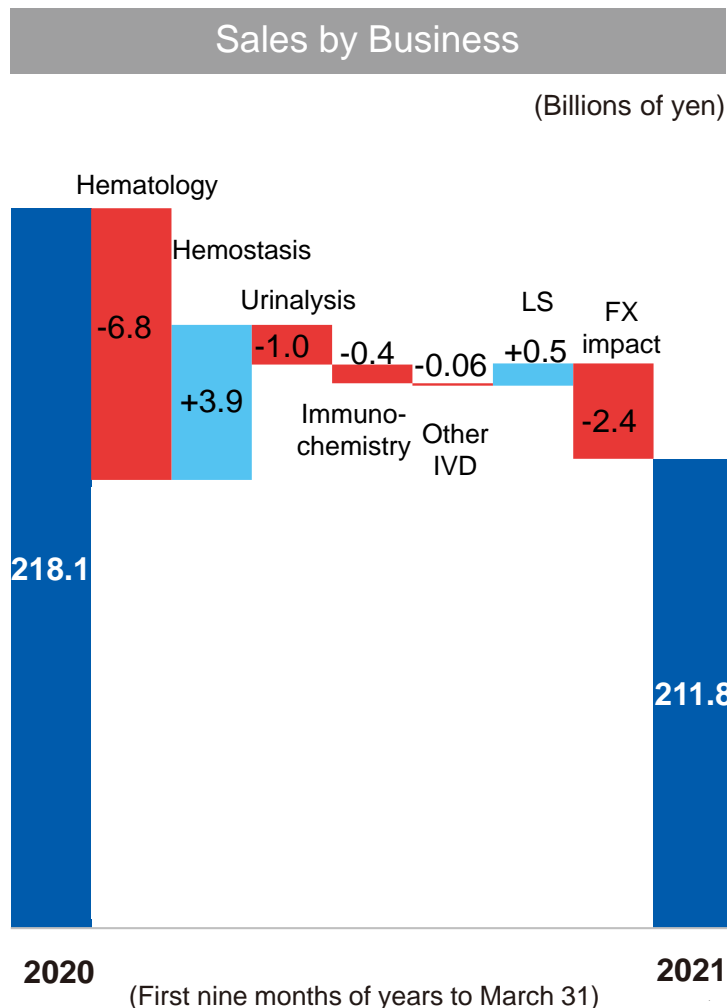
(Billions of yen)

	First nine months of fiscal year ending March 31, 2021		First nine months of fiscal year ended March 31, 2020		YoY (Previous period = 100%)	YoY at previous year's rate
	Results	Ratio	Results	Ratio		
Net sales	<b>211.8</b>	<b>100.0%</b>	218.1	100.0%	<b>97.1%</b>	<b>98.2%</b>
Instruments	<b>56.5</b>	<b>26.7%</b>	55.7	25.5%	<b>101.5%</b>	<b>102.8%</b>
Reagents	<b>119.9</b>	<b>56.6%</b>	128.1	58.8%	<b>93.5%</b>	<b>94.6%</b>
Services	<b>27.9</b>	<b>13.2%</b>	26.8	12.3%	<b>104.0%</b>	<b>105.1%</b>
Others	<b>7.4</b>	<b>3.5%</b>	7.3	3.4%	<b>100.7%</b>	<b>101.6%</b>

# Breakdown of Net Sales (by Business)



Although hematology, urinalysis and immunochemistry sales were down, sales increased in the hemostasis and life science fields due to higher demand for testing related to COVID-19.



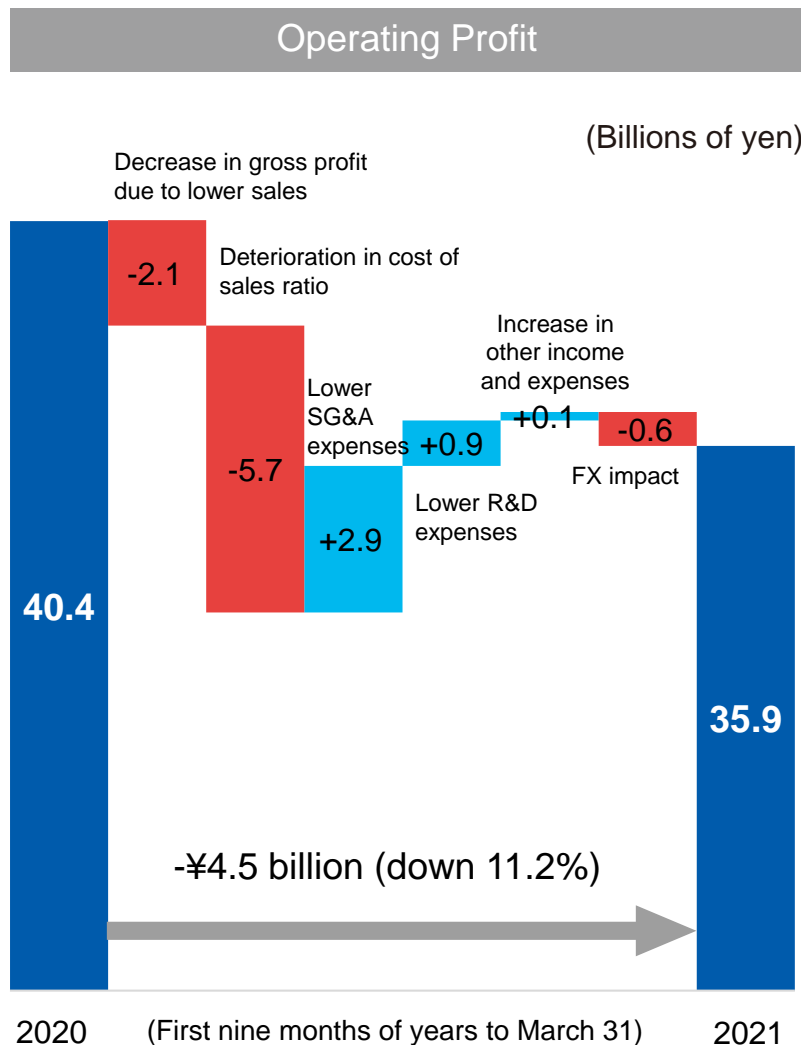
(Billions of yen)

	First nine months of fiscal year ending March 31, 2021		First nine months of fiscal year ended March 31, 2020		YoY (Previous period = 100%)	YoY at previous year's rate
	Results	Ratio	Results	Ratio		
Net sales	<b>211.8</b>	<b>100.0%</b>	218.1	100.0%	<b>97.1%</b>	<b>98.2%</b>
Hematology	<b>127.3</b>	<b>60.1%</b>	136.0	62.3%	<b>93.6%</b>	<b>95.0%</b>
Hemostasis	<b>37.9</b>	<b>17.9%</b>	34.4	15.8%	<b>110.0%</b>	<b>111.3%</b>
Urinalysis	<b>14.1</b>	<b>6.7%</b>	15.2	7.0%	<b>92.7%</b>	<b>93.5%</b>
Immuno-chemistry	<b>10.5</b>	<b>5.0%</b>	11.0	5.1%	<b>95.5%</b>	<b>95.7%</b>
Other IVD*	<b>13.3</b>	<b>6.3%</b>	13.4	6.2%	<b>99.5%</b>	-
LS	<b>8.4</b>	<b>4.0%</b>	7.9	3.6%	<b>107.0%</b>	<b>106.9%</b>

\*Includes clinical chemistry, FCM, clinical laboratory information systems and others.



# Breakdown of Operating Profit



- Decrease in gross profit due to lower sales: Down ¥2.11 billion
- Cost of sales: Up ¥5.74 billion (COS ratio 2.7pt deterioration)
  - Changes in the product mix (lower percentage of reagents) Up ¥3.5 billion (1.6pt deterioration)
  - Increase in the mix of products having a high cost of sales ratio Up ¥3.5 billion (1.6pt deterioration)
  - Lower service costs in China Down ¥1.5 billion (0.6pt improvement)
- SG&A expenses: Down ¥2.93 billion
  - These expenses decreased due to a shift toward mainly online marketing activities, as COVID-19 led to restrictions on movement.
- R&D expenses: Down ¥0.91 billion
  - We continued to invest in new IVD products and COVID-19 tests. However, the previous fiscal year included initial costs from the bio-diagnostic reagent base. Also, licensing fees on some life science products were incorporated into cost of sales. As a result, R&D expenses were down year on year.
- FX impact: ¥0.68 billion negative

## Reinforcement of sales and service structure

- Converted a distributor in Portugal to a subsidiary and shifted to direct sales in the hematology field (January)
- Renewed agreement for global alliance in the hematology field with Roche (January)
- Renewed agreement for global alliance with Siemens Healthineers in the hemostasis field (February)

## Robotic-assisted surgery system

- Launched a surgical robot unit, the hinotori™ Surgical Robot System (December)
- Performed first surgery (urology) using hinotori™, conducted at the Kobe University Hospital (December)
- Opened training centers at Kobe University Hospital International Clinical Cancer Research Centers (December) and Fujita Health University (January)



## Others

- Sysmex selected as one of the Global 100's Most Sustainable Companies in the World for the fourth time (January)
- Sysmex announces its endorsement of the recommendations of the Task Force on Climate-Related Financial Disclosures (January)
- Sysmex and Yamato Logistics commence transport (of reagents for gene testing) at ultralow temperatures of 70°C or below (February)

## Renewal of global alliance agreement with Roche

- Extended sales and service agreement in the hematology field (through August 2026)
  - Changed Spain to a direct sales area for Sysmex
- Agreed to extend the mutual provision of products under a total laboratory solution collaboration agreement (through December 2030)
  - Expanded target region to globally (excluding Japan, China, and certain other parts of Asia)
- Signed a new IT Solutions Collaboration Agreement (through December 2030)
  - Leveraging both companies' IT platforms and collaborating to enhance the value provided to customers

## Renewal of global alliance agreement with Siemens Healthineers

- Extended for two years a mutual product supply and sales and service agreement in the hemostasis field
  - Sysmex to commence direct sales and service provision in Russia, Turkey and the Middle East (excluding Israel)
- Accelerated global market launch of CN-6000/CN-3000 automated blood coagulation analyzers
  - Siemens began handling the analyzers (in Oceania, Central and South America, the European Union (some areas excluded) and South Africa)
  - Sysmex to take the lead in obtaining regulatory approval in individual countries

Note: Blue text indicates progress during Q3.

## Configure assays using our HISCL automated immunoassay system

### Antigen test

- In November, received manufacturing and marketing approval and insurance coverage (measurement of nasopharyngeal swabs and nasal swabs) (Japan)
- Expansion of application to saliva under development

### Antibody test

- In June, launched an antibody lab assay service (for research) and antibody measurement reagents (for research)
- Provided epidemiological studies and other information for research

### Tests to predict severity and monitor treatment

- In December, received manufacturing and marketing approval for the IFN- $\lambda$ 3 reagent; application for insurance coverage currently under processing
- In July, launched a lab assay service (for research) of six cytokines most relevant to COVID-19

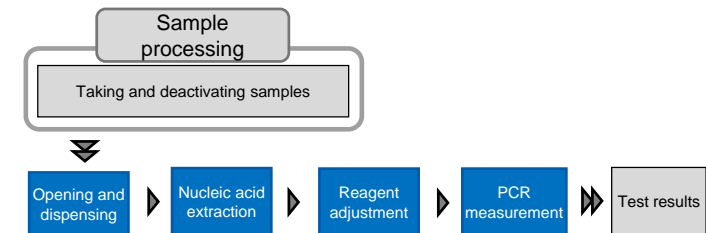


HISCL-5000 automated immunoassay system

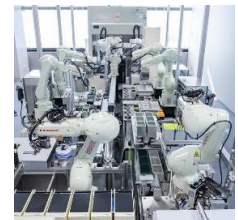
Note: Our automated immunoassay system is capable of performing **measurements** that **are highly sensitive** in **17 minutes per sample (up to 200 samples/hour)**.

## Automated PCR testing robot system

- Established and are preparing for the launch of a robot-based high-volume testing system that will be unmanned and automated



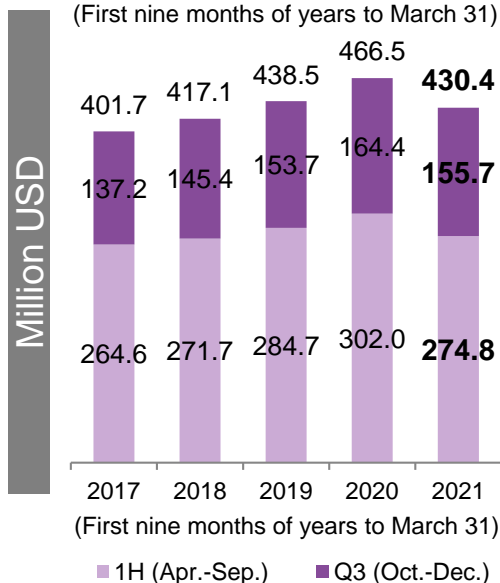
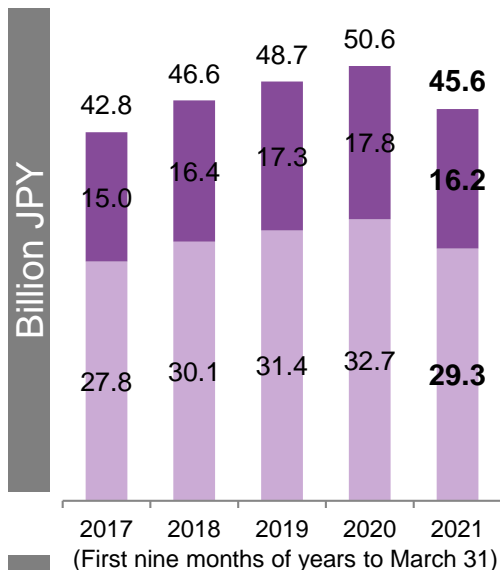
- Developing system in collaboration with Kawasaki Heavy Industries and Medicaroid with the aim of rollout in large-scale facilities where large numbers of tests must be performed in a short period of time, as well as in airports and other locations
- Sysmex to conduct sample deactivation and provide PCR testing instruments and reagents



## New blood testing method

- Engaged in joint research with Kobe University on the ELISPOT method, which makes it possible to detect the immune response of T cells to SARS-CoV-2

## Sales



(Billions of yen)

	First nine months of fiscal year ending March 31, 2021	First nine months of fiscal year ended March 31, 2020	YoY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	<b>45.6</b>	50.6	<b>90.1%</b>	92.3%
Instruments	<b>11.5</b>	14.8	<b>77.6%</b>	79.5%
Reagents	<b>21.1</b>	22.8	<b>92.6%</b>	94.9%
Services, others	<b>12.9</b>	12.9	<b>99.9%</b>	102.3%

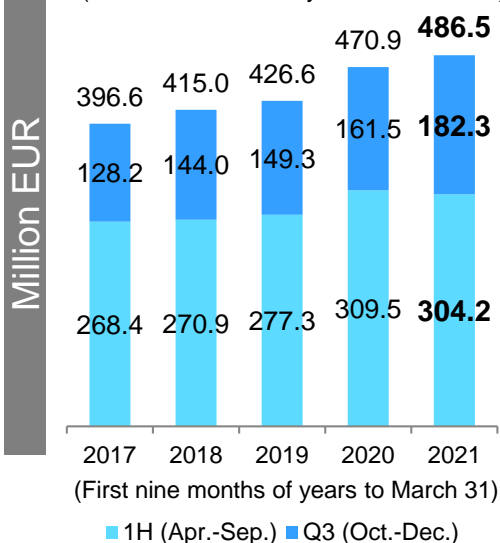
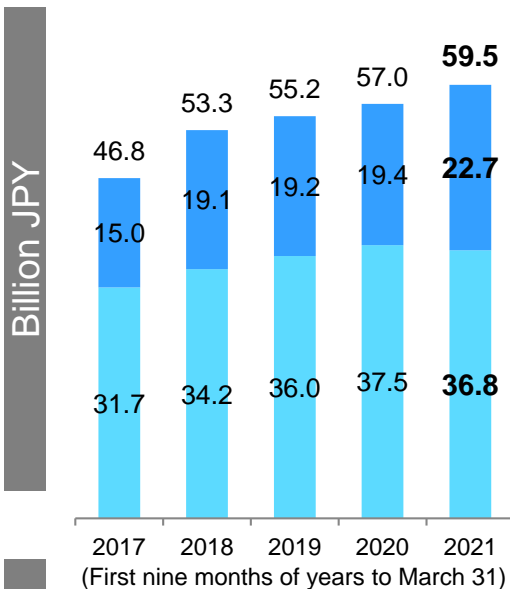
**Particularly in North America, instrument installations were delayed due to restrictions on movement stemming from COVID-19. Reagent sales also fell. As a result, sales for the region were down.**

- Instruments: Sales decreased as the result of delayed product installations in the hematology and urinalysis fields due to COVID-19, although sales were up in the hemostasis field in North America.
- Reagents: Sales were down in the hematology field due to the impact of COVID-19, both in North America and in Central and South America.

## Topics

- We will be monitoring trends in the healthcare market following the election of US president Biden
- In North America, in Q3 we commenced sales of new urinalysis products based on an exclusive sales agreement with Siemens Healthineers. Preparations are underway to introduce products at major commercial labs.

## Sales



(Billions of yen)

	First nine months of fiscal year ending March 31, 2021	First nine months of fiscal year ended March 31, 2020	YoY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	<b>59.5</b>	57.0	<b>104.5%</b>	103.3%
Instruments	<b>17.4</b>	15.7	<b>111.0%</b>	109.9%
Reagents	<b>32.4</b>	32.6	<b>99.4%</b>	98.1%
Services, others	<b>9.6</b>	8.6	<b>112.3%</b>	110.9%

**Sales in this region rose, owing to higher instrument sales in the hematology and hemostasis fields, although reagent sales were down as a result of COVID-19.**

- Instruments: Sales were up, with growth in the hematology field thanks to an order from a large commercial lab and the acquisition of a tender in the Middle East in Q3.
- Reagents: Sales were down, due to lower sales in the hematology, urinalysis and LS fields (affected by COVID-19), despite increased sales in the hemostasis field.

## Topics

- We commenced direct sales in the hematology field (Spain, Portugal).
- We held the Sysmex Virtual Expo, an online tradeshow (December 2020).

## Sales

(Billions of yen)

First nine months  
of fiscal year  
ending March 31,  
2021

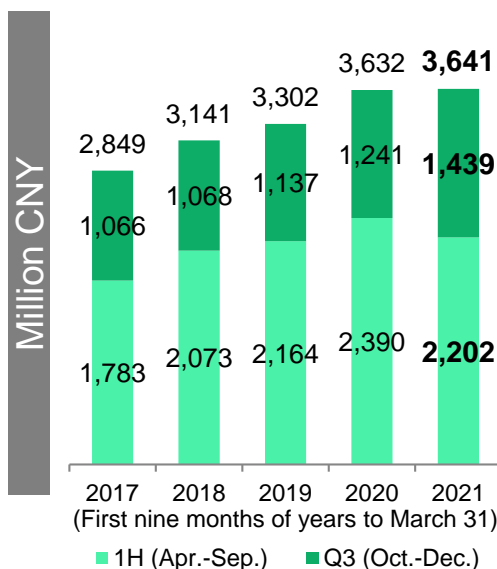
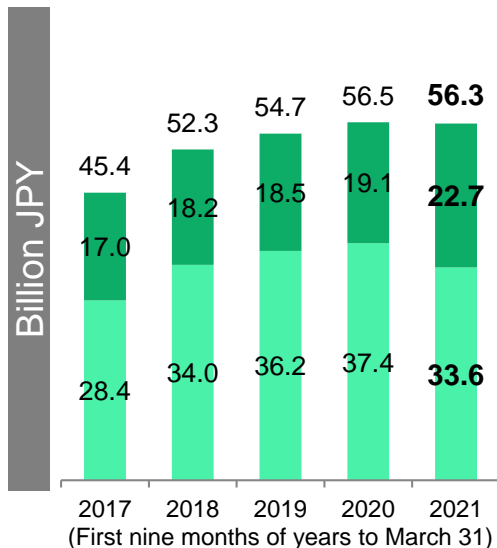
First nine months  
of fiscal year  
ended March 31,  
2020

YoY  
(Previous period = 100%)

(Yen basis)

(Local currency  
basis)

	56.3	56.5	99.6%	100.2%
Sales				
Instruments	17.9	14.0	127.8%	128.7%
Reagents	32.9	37.0	89.0%	89.4%
Services, others	5.4	5.4	99.5%	100.2%



**Instrument sales increased, but reagent sales fell due the impact of COVID-19 in 1H. As a result, sales for the region were flat.**

- Instruments: Sales rose substantially, due to favorable sales of new products in the hemostasis field launched in Q2 and higher sales in all fields.
- Reagents: Sales were firm in the hematology and urinalysis fields, and Q3 sales were up, but reagent sales for the period were down due to a decrease in the first half.

## Topics

- In Q3, we launched the XN-10x, a locally manufactured hematology analyzer.
- In January, we began operations at a new factory handling knockdown instrument production.

## Sales

(Billions of yen)

First nine months of  
fiscal year ending  
March 31, 2021

First nine months of  
fiscal year ended  
March 31, 2020

YoY  
(Previous period = 100%)

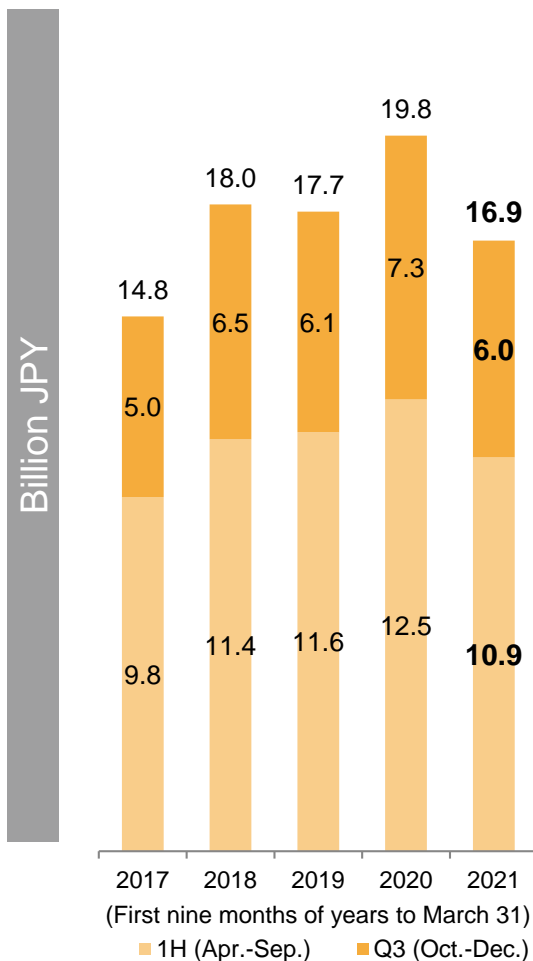
(Yen basis)

	16.9	19.8	85.1% (86.9%)
Sales			
Instruments	4.0	4.6	88.2%
Reagents	11.3	13.4	85.0%
Services, others	1.4	1.8	78.8%

Note: Figures in parentheses exclude the impact of exchange rate fluctuations.

**Sales were down, as COVID-19 continued to affect the region, particularly Southeast Asia and South Asia, with recoveries in South Korea and Taiwan.**

- Instruments: Despite higher sales in the hemostasis field, instrument sales were down, partly due to the impact of a large hematology order in Australia in the first nine months of the previous year.
- Reagents: Although performance in the hemostasis field was solid, sales were down due to COVID-19 and the impact on the hematology and urinalysis fields of an outbreak of dengue fever in the first nine months of the previous fiscal year.



## Topics

- We began operating the Sysmex Academy Online, an e-learning platform for customers.
- New product performance in the hemostasis field was robust in East Asia.



(Billions of yen)

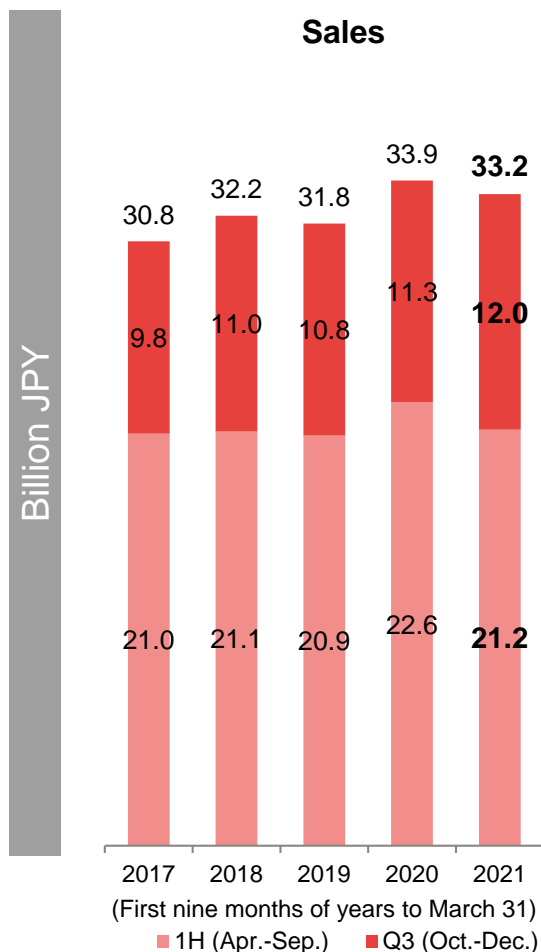
	First nine months of fiscal year ending March 31, 2021	First nine months of fiscal year ended March 31, 2020	YoY (Previous period = 100%) (Yen basis)
Sales	<b>33.2</b>	33.9	<b>97.9%</b>
Instruments	<b>5.5</b>	6.4	<b>85.8%</b>
Reagents	<b>21.9</b>	22.2	<b>98.8%</b>
Services, others	<b>5.8</b>	5.3	<b>109.2%</b>

**Instrument sales fell on comparison with the same period of the previous year, when we recorded a large order, and reagent sales declined due to the impact of COVID-19. As a result, sales for the region were down.**

- Instruments: Sales were down for the period due to a decrease during 1H, although Q3 sales were up YoY as the result of a hematology order from a major commercial lab.
- Reagents: Sales decreased in the hematology, urinalysis and immunochemistry fields due to the impact of COVID-19.

## Topics

- We launched a reagent for COVID-19 antigen tests.
- The first surgery was performed using a robotic-assisted surgical system, hinotori™ (a prostate cancer removal).



# Consolidated Earnings Forecast



Note: No changes subsequent to November 2020 announcement.

## Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2021

Net sales: **¥310.0 billion**

Operating profit: **¥48.5 billion**

Operating margin: **15.6%**

Profit attributable to owners of the parent: **¥30.8 billion**

Profit attributable to owners of the parent to net sales: **9.9%**

Planned investment

Capital expenditure:  
**¥14.7 billion**  
(Tangible only)

Depreciation and  
amortization:  
**¥25.7 billion**

R&D expenditure:  
**¥23.1 billion**

(Billions of yen)

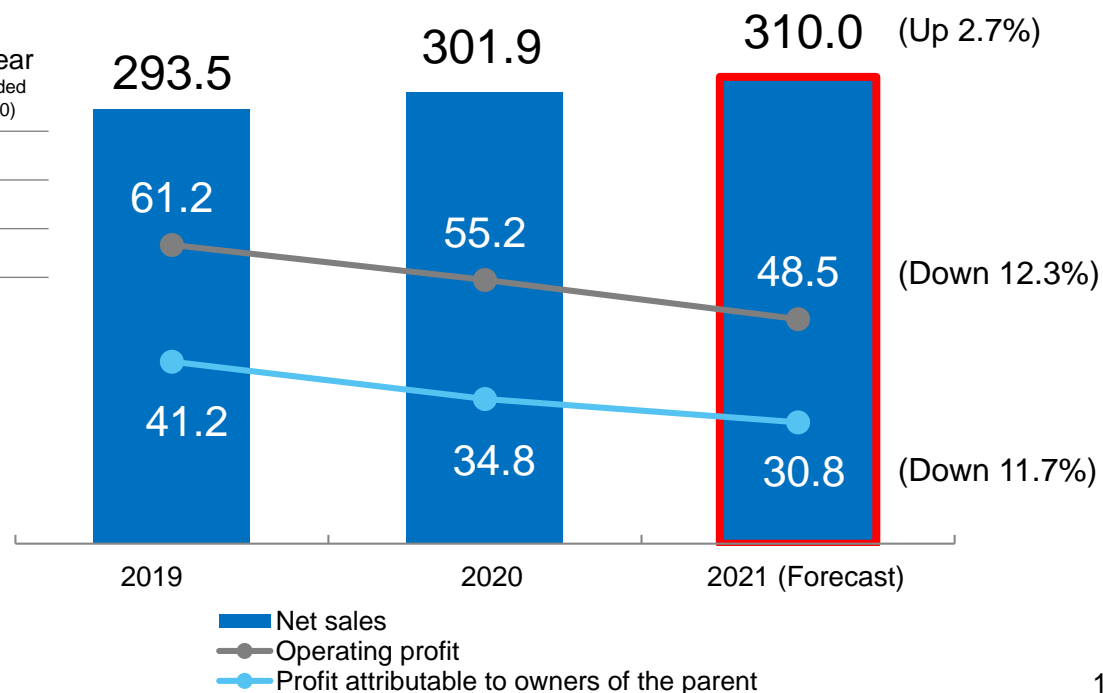
### ● Assumed Exchange Rates

(Announced November 2020)

	Assumed exchange rates for full year	Second half	Previous year (Fiscal Year ended March 31, 2020)
1 USD	¥106.5	¥106.0	¥108.7
1 EUR	¥121.6	¥122.0	¥120.8
1 CNY	¥15.3	¥15.3	¥15.6

### ● Exchange Rate Sensitivity

	Net sales (year)	Operating profit (year)
USD	¥0.61 billion	¥0.27 billion
EUR	¥0.44 billion	¥0.14 billion
CNY	¥5.38 billion	¥3.65 billion



A large, solid blue square is positioned on the left side of the slide.

(Appendix)

# Q3 Business Results



The cost of sales ratio worsened due to lower reagent sales, but profit increased as the result of YoY declines in SG&A and R&D expenses.

(Billions of yen)

Q3 of the fiscal year ending March 31, 2021  
(October–December)

Q3 of the fiscal year ended  
March 31, 2020  
(October–December)

	Results	Ratio	YoY change	Results	Ratio
Net sales	<b>79.7</b>	100.0%	<b>6.1%</b>	75.1	100.0%
Cost of sales	<b>38.4</b>	48.2%	<b>9.9%</b>	34.9	46.6%
SG&A expenses	<b>20.1</b>	25.2%	<b>-7.3%</b>	21.7	28.9%
R&D expenses	<b>5.5</b>	6.9%	<b>-3.5%</b>	5.7	7.6%
Other operating income and expenses	<b>0.2</b>	0.3%	—	-0.1	-0.1%
Operating profit	<b>15.9</b>	19.9%	<b>26.0%</b>	12.6	16.8%
Profit attributable to owners of the parent	<b>10.6</b>	13.3%	<b>19.5%</b>	8.9	11.8%

# Sales by Business and Product Type (Cumulative)



(Billions of yen)

		First nine months of fiscal year ending March 31, 2021		First nine months of fiscal year ended March 31, 2020		YoY (Previous period = 100%)	YoY at previous year's rate
		Results	Ratio	Results	Ratio		
By business	Hematology	127.3	60.1%	136.0	62.3%	93.6%	95.0%
	Hemostasis	37.9	17.9%	34.4	15.8%	110.0%	111.3%
	Urinalysis	14.1	6.7%	15.2	7.0%	92.7%	93.5%
	Immunochemistry	10.5	5.0%	11.0	5.1%	95.5%	95.7%
	Clinical chemistry	2.0	0.9%	2.1	1.0%	92.9%	93.9%
	FCM business	0.9	0.4%	1.1	0.5%	83.0%	83.8%
	Other IVD	10.4	4.9%	10.1	4.6%	102.8%	102.2%
	<b>IVD business</b>	<b>203.3</b>	<b>96.0%</b>	<b>210.2</b>	<b>96.4%</b>	<b>96.7%</b>	<b>97.9%</b>
	<b>LS business</b>	<b>8.4</b>	<b>4.0%</b>	<b>7.9</b>	<b>3.6%</b>	<b>107.0%</b>	<b>106.9%</b>
	<b>Other</b>	<b>0.0</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total sales</b>		<b>211.8</b>	<b>100.0%</b>	<b>218.1</b>	<b>100.0%</b>	<b>97.1%</b>	<b>98.2%</b>
By product type	<b>Instruments</b>	<b>56.5</b>	<b>26.7%</b>	<b>55.7</b>	<b>25.5%</b>	<b>101.5%</b>	<b>102.8%</b>
	<b>Reagents</b>	<b>119.9</b>	<b>56.6%</b>	<b>128.1</b>	<b>58.8%</b>	<b>93.5%</b>	<b>94.6%</b>
	<b>Services</b>	<b>27.9</b>	<b>13.2%</b>	<b>26.8</b>	<b>12.3%</b>	<b>104.0%</b>	<b>105.1%</b>
	<b>Other</b>	<b>7.4</b>	<b>3.5%</b>	<b>7.3</b>	<b>3.4%</b>	<b>100.7%</b>	<b>101.6%</b>
	<b>Total sales</b>	<b>211.8</b>	<b>100.0%</b>	<b>218.1</b>	<b>100.0%</b>	<b>97.1%</b>	<b>98.2%</b>

# Results by Geographic Region (Sales and Operating Profit)



(Billions of yen)

		First nine months of fiscal year ending March 31, 2021	First nine months of fiscal year ended March 31, 2020	YoY (Previous period = 100%)	
				Yen	Local currency
Americas	Sales to external customers	<b>42.4</b>	47.0	<b>90.2%</b>	<b>92.4%</b>
	Operating profit	<b>0.9</b>	1.6	<b>57.5%</b>	<b>59.8%</b>
EMEA	Sales to external customers	<b>60.1</b>	58.1	<b>103.3%</b>	<b>102.1%</b>
	Operating profit	<b>7.5</b>	6.3	<b>118.4%</b>	<b>116.2%</b>
China	Sales to external customers	<b>56.3</b>	56.5	<b>99.6%</b>	<b>100.2%</b>
	Operating profit	<b>3.0</b>	4.2	<b>71.4%</b>	<b>71.5%</b>
AP	Sales to external customers	<b>16.8</b>	19.7	<b>85.3%</b>	-
	Operating profit	<b>1.7</b>	3.0	<b>56.0%</b>	-
Japan*	Sales to external customers	<b>36.1</b>	36.6	<b>98.5%</b>	-
	Operating profit	<b>21.7</b>	26.4	<b>82.5%</b>	-

\*Includes sales to IDEXX and other external customers

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