

# Business Results for the Fiscal Year Ended March 31, 2021 and Mid-Term Management Plan

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May 13, 2021

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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.

1.

## Financial Highlights for the Fiscal Year Ended March 31, 2021

## Net sales Up (year on year)

- Reagent sales were down due to COVID-19, but **instrument sales increased**, notably in EMEA, China and Japan.

## Operating profit down (year on year)

- Sales of hematology reagents declined, **lowering gross profit**.
- Sales and marketing activities were limited by restrictions on movement due to COVID-19. Despite **lowering SG&A expenses**, we proactively conducted activities online, maintaining quality and quantity.
- We maintained R&D expenditure levels and continued to invest.

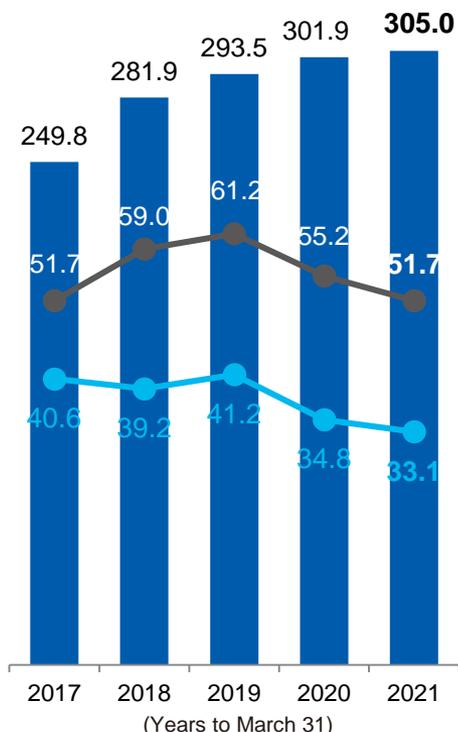
## Despite COVID-19, progress according to plan on important priorities

- We launched new products in the fields of hematology, hemostasis and medical robotics.
- By renewing alliances, we expanded our direct sales and service region, accelerating initiatives that will contribute to future growth.

# Financial Highlights (Year on Year)



(Billions of yen)



■ Net sales  
—●— Operating profit  
—●— Profit attributable to owners of the parent

**Fiscal year ended March 31, 2021**    Fiscal year ended March 31, 2020

1USD	<b>¥106.1</b>	¥108.7
1EUR	<b>¥123.7</b>	¥120.8
1CNY	<b>¥15.7</b>	¥15.6

**Fiscal year ended March 31, 2021**

**Fiscal year ended March 31, 2020**

(Billions of yen)  
YoY (Previous period = 100%)

	Results	Ratio	Results	Ratio	
Net sales	<b>305.0</b>	<b>100%</b>	301.9	100%	<b>101.0%</b>
Cost of sales	<b>150.7</b>	<b>49.4%</b>	142.1	47.1%	<b>106.0%</b>
SG&A expenses	<b>80.8</b>	<b>26.5%</b>	83.5	27.7%	<b>96.8%</b>
R&D expenses	<b>22.5</b>	<b>7.4%</b>	21.7	7.2%	<b>103.5%</b>
Other income (expenses)	<b>0.8</b>	<b>0.3%</b>	0.7	0.3%	<b>108.0%</b>
Operating profit	<b>51.7</b>	<b>17.0%</b>	55.2	18.3%	<b>93.7%</b>
Profit attributable to owners of the parent	<b>33.1</b>	<b>10.9%</b>	34.8	11.6%	<b>95.0%</b>

- **Net sales:** Reagent sales were down due to COVID-19, but instrument sales rose in EMEA, China and Japan, leading to increase net sales year on year.
- **Operating profit:** Although SG&A expenses were down year on year, gross profit fell due to lower reagent sales, reducing operating profit.

Exchange rate fluctuations reduced net sales ¥0.76 billion and raised operating profit ¥0.04 billion. At the exchange rates prevailing one year earlier, net sales would have been up 1.3% year on year, and operating profit down 6.4%.

- **Profit attributable to owners of the parent:** Despite the lower exchange loss, profit attributable to owners of the parent declined due to lower operating profit.

**Exchange loss (gains):** Loss of ¥0.23 billion (loss of ¥3.01 billion in previous year)

# Financial Highlights (vs. Target):

Met Targets for Operating Profit and Profit Attributable to Owners of the Parent



Fiscal year ended March 31, 2021

(Billions of yen)

	Results	Ratio	Target	Ratio	Achievement rate
Net sales	305.0	100%	310.0	100%	98.4%
Cost of sales	150.7	49.4%	152.0	49.2%	98.9%
SG&A expenses	80.8	26.5%	86.5	27.9%	93.5%
R&D expenses	22.5	7.4%	23.1	7.5%	97.5%
Other income (expenses)	0.8	0.3%	0.6	0.2%	141.2%
Operating profit	51.7	17.0%	48.5	15.6%	106.8%
Profit attributable to owners of the parent	33.1	10.9%	30.8	9.9%	107.6%

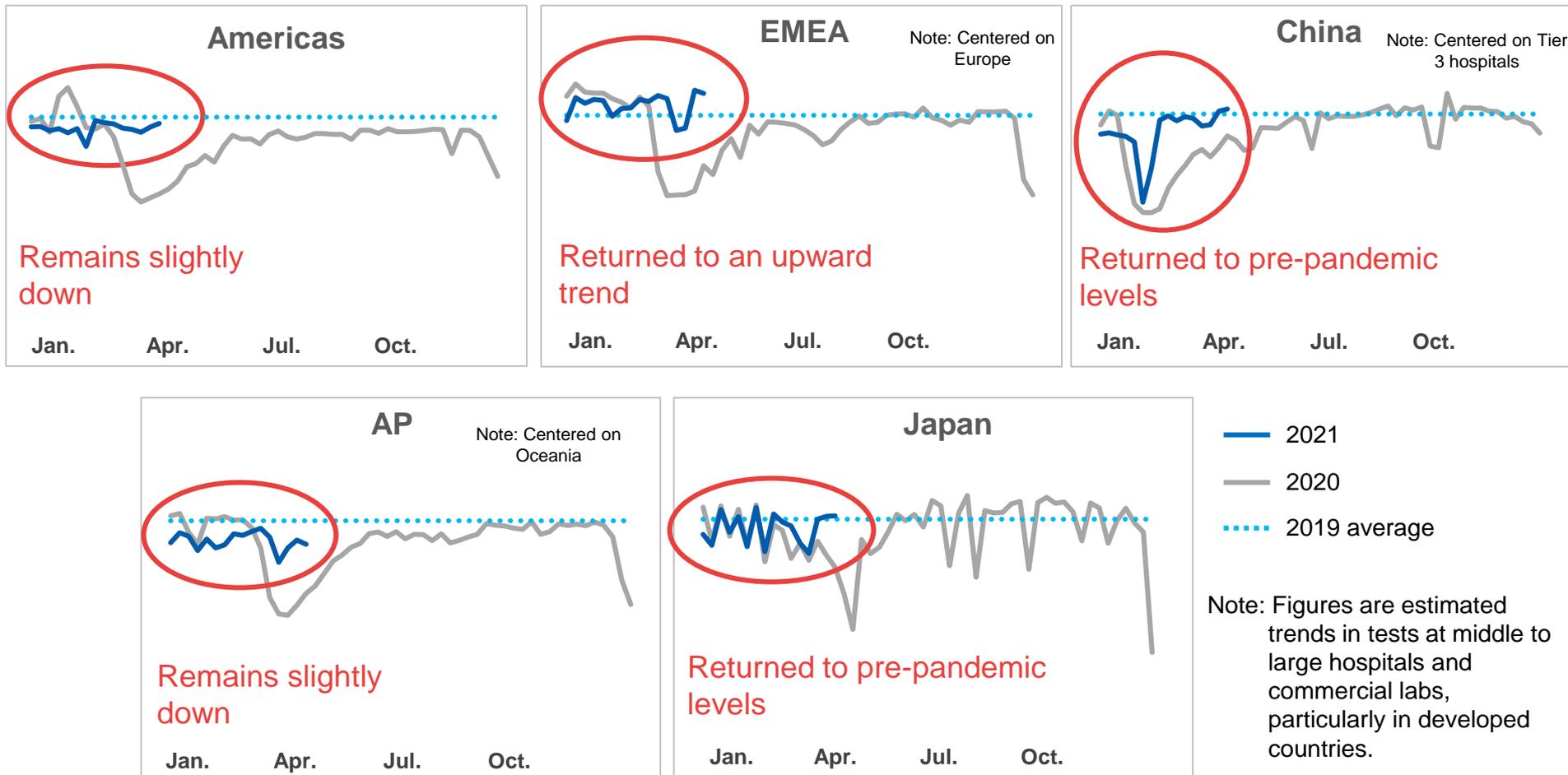
- **Net sales:** The impact of COVID-19 in the Americas and AP was been more prolonged than we had expected, so performance was below our targets.
- **Operating profit:** Although net sales were below target, restrictions on movement amid COVID-19 led to lower-than-expected SG&A expenses. This factor, plus yen depreciation, led us to meet our operating profit target.
- **Profit attributable to owners of the parent:** We met our profit target, as operating profit was higher than target and the exchange loss was lower.

Exchange rate loss (gains): Up ¥0.47 billion

	Fiscal year ended March 31, 2021	Assumed exchange rates
1USD	¥106.1	¥106.5
1EUR	¥123.7	¥121.6
1CNY	¥15.7	¥15.3

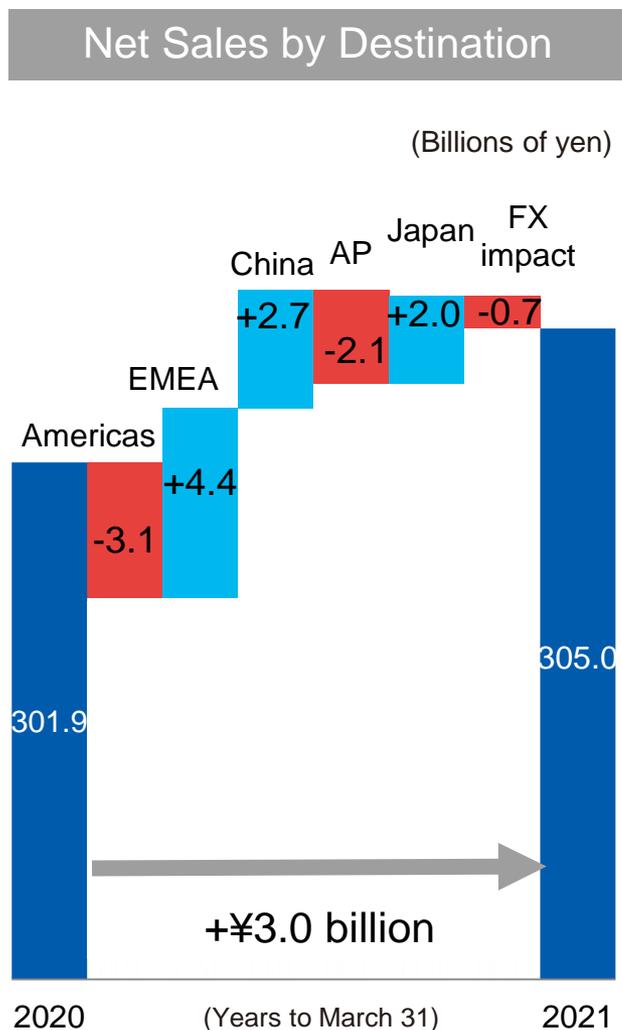
# Estimated Number of Hematology Tests

The number of tests continued to decline in the Americas and AP, but recovered to pre-pandemic levels in EMEA, China and Japan.



# Breakdown of Net Sales (by Destination)

Despite lower sales in the Americas and AP, due to the prolonged impact of COVID-19, net sales increased due to higher sales in EMEA, China and Japan.



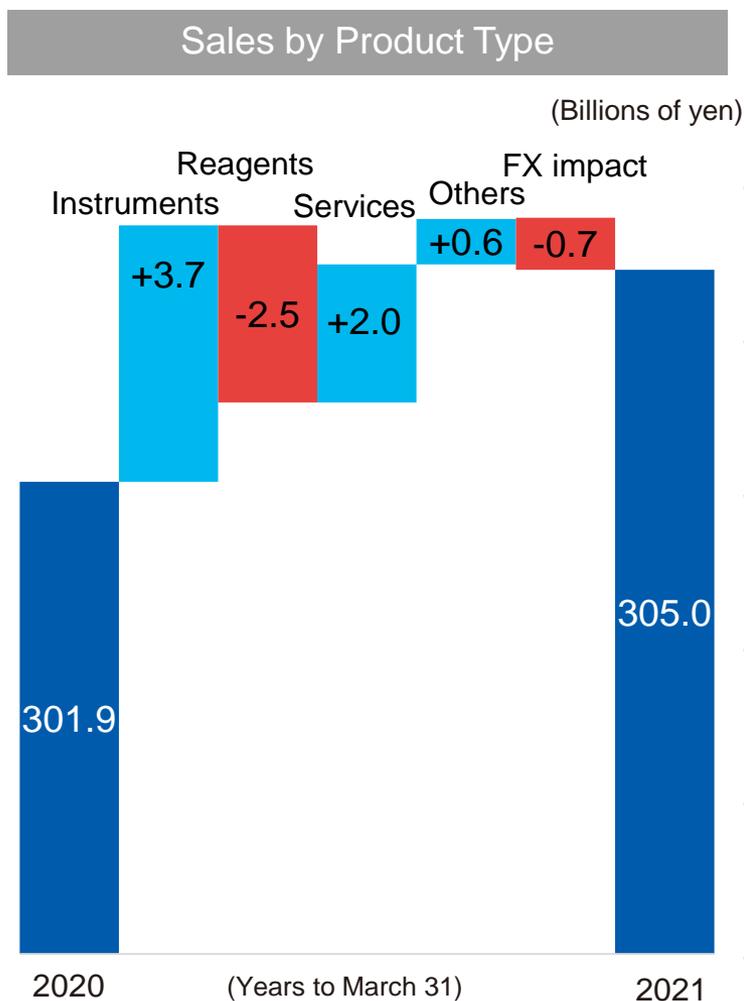
(Billions of yen)

	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2020	
	Results	Ratio	Yen basis	Local currency basis
Net sales	<b>305.0</b>	100.0%	101.0%	101.3%*
Americas	<b>65.8</b>	21.6%	92.8%	95.1%
EMEA	<b>82.1</b>	26.9%	106.3%	103.7%
China	<b>83.8</b>	27.5%	104.7%	103.6%
AP	<b>24.4</b>	8.0%	90.8%	91.9%*
Japan	<b>48.7</b>	16.0%	104.3%	-

\* 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 due to COVID-19.



	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2020		(Billions of yen)	
	Results	Ratio	Results	Ratio	YoY (Previous period = 100%)	YoY at previous year's rate
Net sales	<b>305.0</b>	<b>100.0%</b>	301.9	100.0%	<b>101.0%</b>	<b>101.3%</b>
Instruments	<b>84.6</b>	<b>27.8%</b>	81.2	26.9%	<b>104.3%</b>	<b>104.6%</b>
Reagents	<b>170.3</b>	<b>55.8%</b>	173.1	57.3%	<b>98.3%</b>	<b>98.5%</b>
Services	<b>39.3</b>	<b>12.9%</b>	37.5	12.4%	<b>104.8%</b>	<b>105.4%</b>
Others	<b>10.7</b>	<b>3.5%</b>	10.0	3.3%	<b>107.0%</b>	<b>106.7%</b>

# Breakdown of Net Sales (by Business)

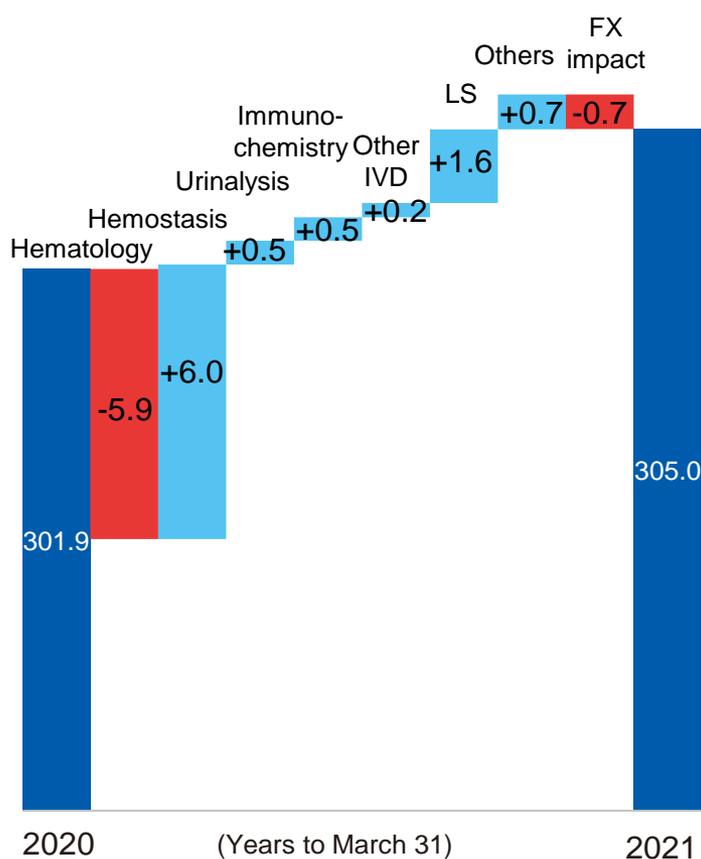


Hematology sales were down due to COVID-19, but sales increased in all other fields.

(Billions of yen)

## Sales by Business

(Billions of yen)

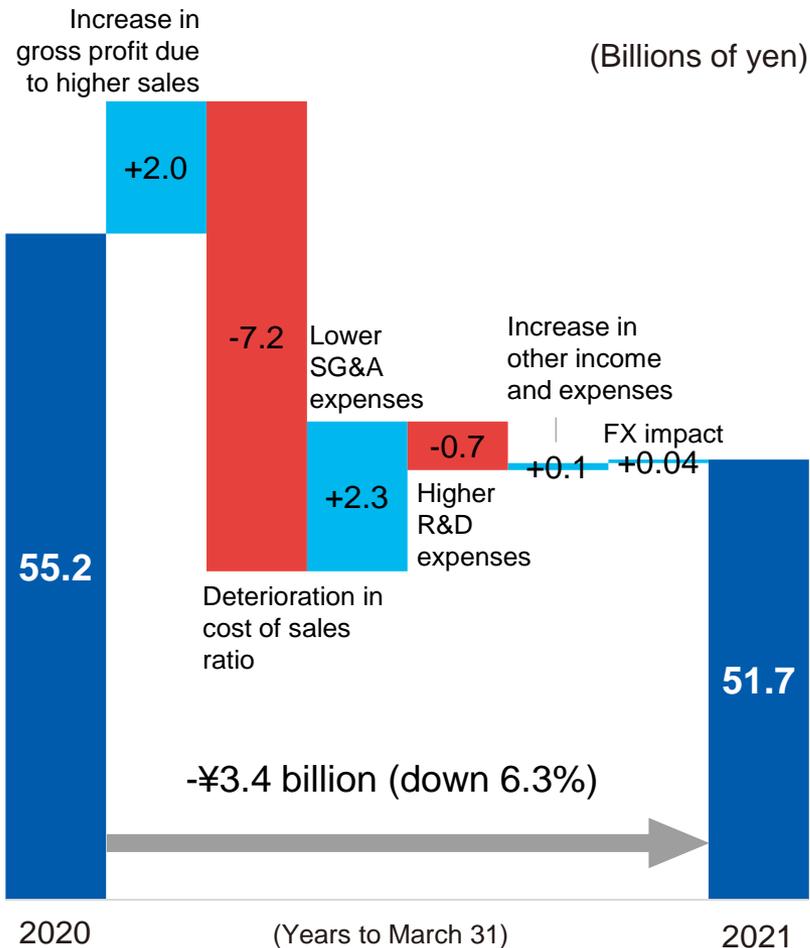


	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2020		YoY (Previous period = 100%)	YoY at previous year's rate
	Results	Ratio	Results	Ratio		
Net sales	<b>305.0</b>	<b>100.0%</b>	301.9	100.0%	<b>101.0%</b>	<b>101.3%</b>
Hematology	<b>180.0</b>	<b>59.0%</b>	187.2	62.0%	<b>96.2%</b>	<b>96.8%</b>
Hemostasis	<b>54.3</b>	<b>17.8%</b>	48.2	16.0%	<b>112.6%</b>	<b>112.5%</b>
Urinalysis	<b>21.8</b>	<b>7.2%</b>	21.2	7.0%	<b>102.8%</b>	<b>102.5%</b>
Immuno-chemistry	<b>15.4</b>	<b>5.1%</b>	14.8	4.9%	<b>104.4%</b>	<b>103.5%</b>
Other IVD*	<b>19.5</b>	<b>6.4%</b>	19.0	6.4%	<b>102.5%</b>	-
LS	<b>13.0</b>	<b>4.3%</b>	11.2	3.7%	<b>115.4%</b>	<b>114.4%</b>
Others	<b>0.7</b>	<b>0.3%</b>	-	-	-	-

\*Clinical chemistry, FCM, laboratory information systems, etc.

# Breakdown of Operating Profit

## Operating Profit



- Increase in gross profit due to higher sales: ¥2.04 billion
- Cost of sales: Up ¥7.25 billion (2.3pt deterioration in COS ratio)
  - Changes in the product mix (lower percentage of reagents) Up ¥4.6 billion (1.5pt deterioration)
  - Increase in the mix of products having a high cost of sales ratio Up ¥3.9 billion (1.3pt deterioration)
  - Lower service costs in China Down ¥1.5 billion (0.6pt improvement)
- SG&A expenses: Down ¥2.31 billion
  - These expenses decreased due limitations on sales on marketing activities, as COVID-19 led to restrictions on movement.
- R&D expenses: Up ¥0.75 billion
  - The rise was because we continued to invest in new IVD products and tests related to COVID-19.
- FX impact: ¥0.04 billion positive

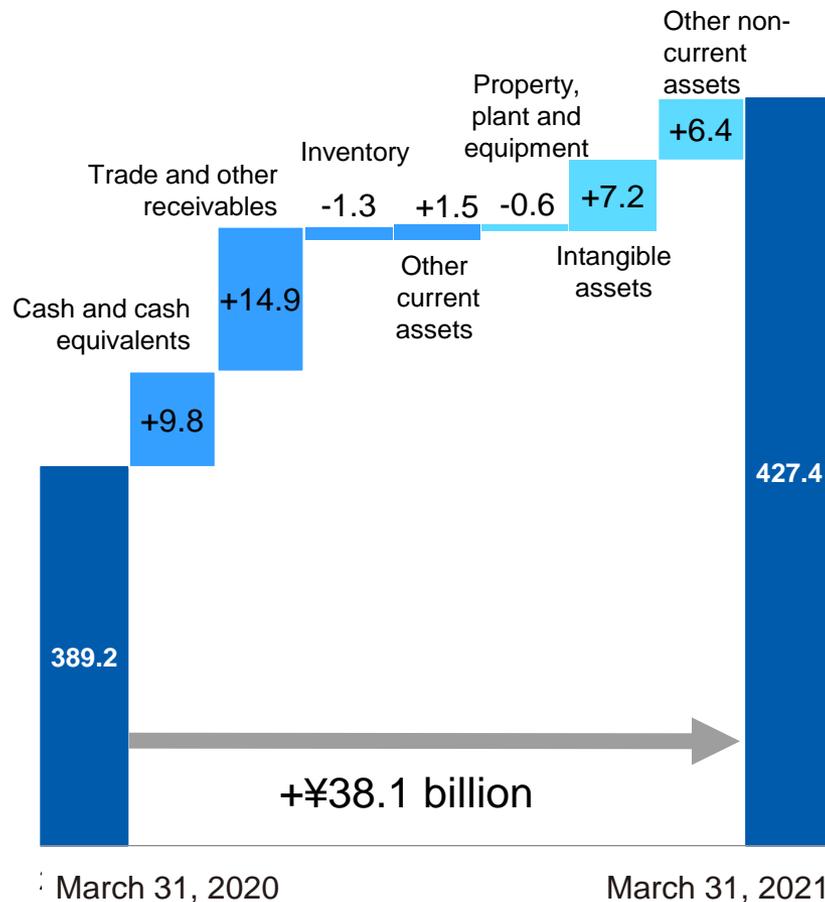
# Breakdown of Assets and Liabilities/Equity

## Assets

(Billions of yen)

Current assets: **+¥25.12 billion**

Non-current assets: **+¥13.05 billion**

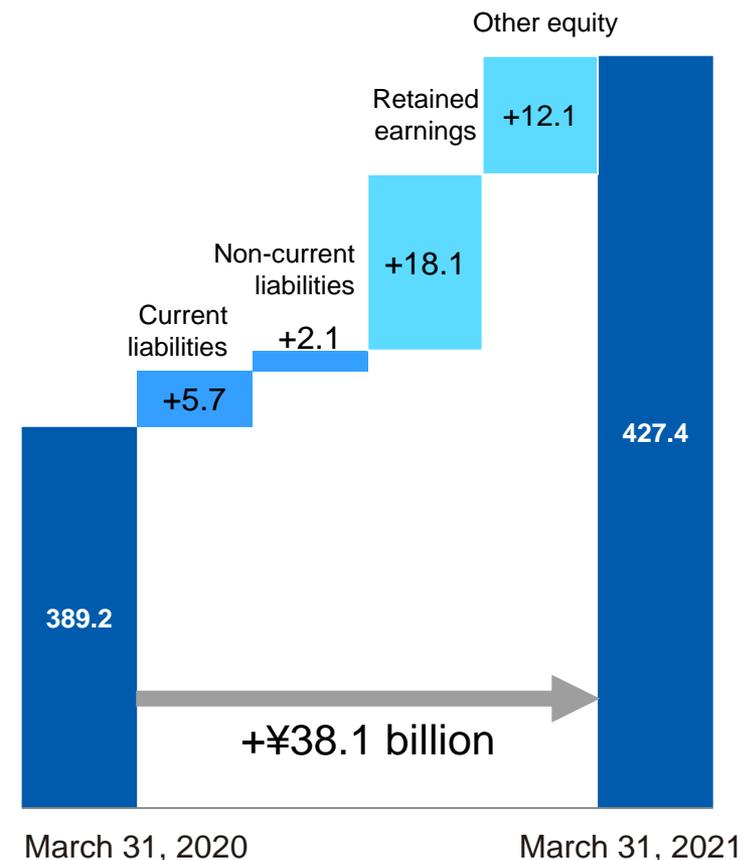


## Liabilities/Equity

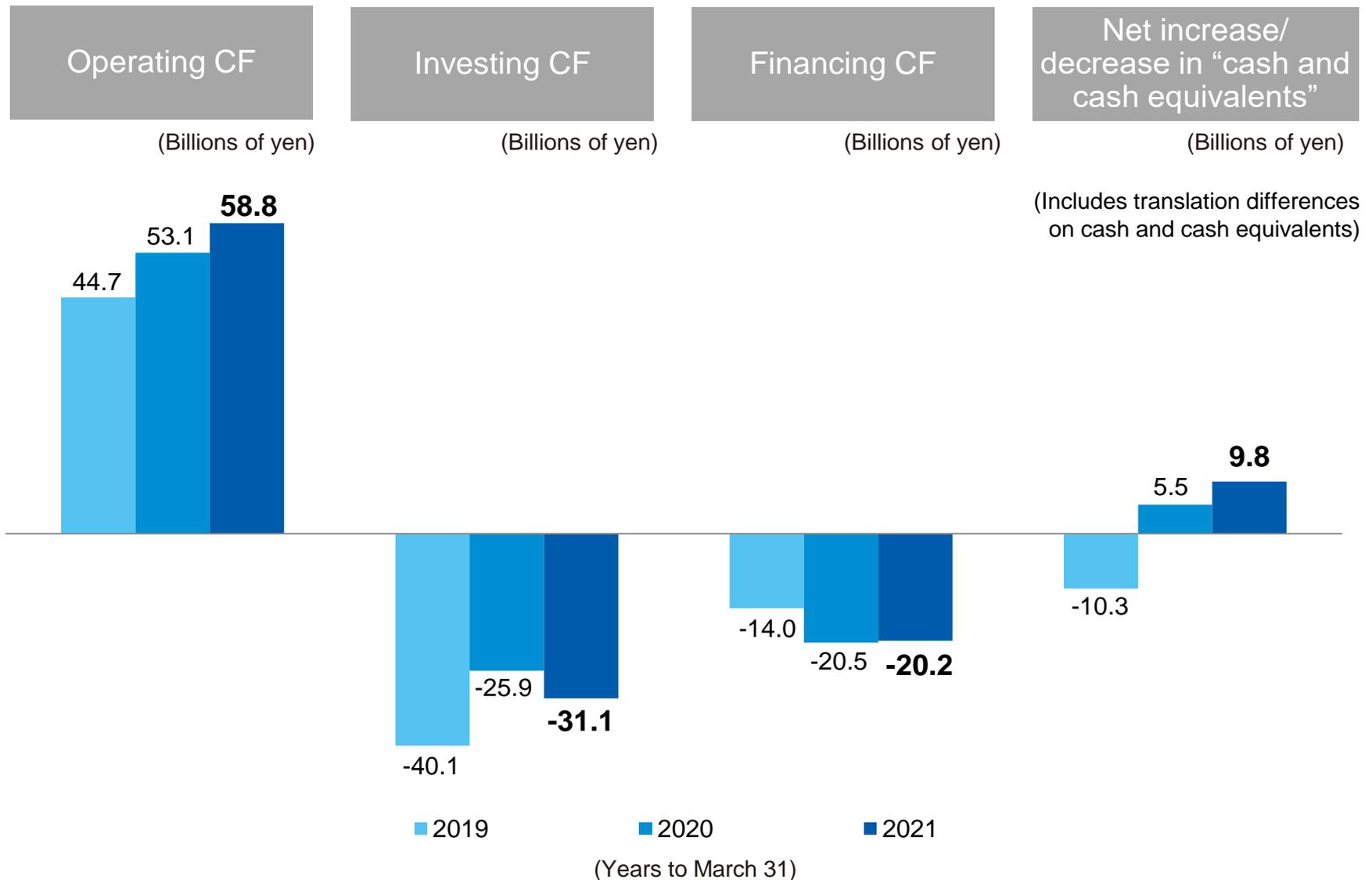
(Billions of yen)

Liabilities: **+¥7.8 billion**

Equity: **+¥30.3 billion**



# Consolidated Cash Flows



# Topics (April 2020 to April 2021)

## IVD business

- Launched new automated hematology analyzers (Japan): the XR series and the XQ series
- In the hemostasis field, launched CN-6500/CN-3500 automated blood coagulation analyzers (Japan)
- Launched the XF-1600 flow cytometer (for research) (North America)
- Renewed agreement for global alliance in the hematology field with Roche
- Renewed agreement for global alliance with Siemens Healthineers in the hemostasis field



## Life science business

- Received insurance coverage for liquid biopsy for colorectal cancer *RAS* gene mutation testing using high-sensitivity digital PCR (Japan)
- Launched a system that uses the OSNA™ method to detect breast cancer metastasis to the lymph nodes (China)

## Medical robotics

- Launched a surgical robot unit, the hinotori™ Surgical Robot System (Japan) and opened training centers in Kobe and Nagoya



## Others

- Sysmex announces its endorsement of the recommendations of the Task Force on Climate-Related Financial Disclosures
- Sysmex selected as one of the Global 100's Most Sustainable Companies in the Word for the fourth time
- Selected for inclusion in the Dow Jones Sustainability World Index for the fifth consecutive year



Note: Blue text indicates progress since Q4.

## Configure assays using our HISCL automated immunoassay system

### Antigen test

- In November 2020, received manufacturing and marketing approval and insurance coverage (measurement of nasopharyngeal and nasal swabs)

### Antibody test

- In June 2020, 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 July 2020, launched a lab assay service (for research) of six parameters closely related to COVID-19
- **In February 2021, received insurance coverage**, for the IFN- $\lambda$ 3 reagent



HISCL-5000 automated immunoassay system

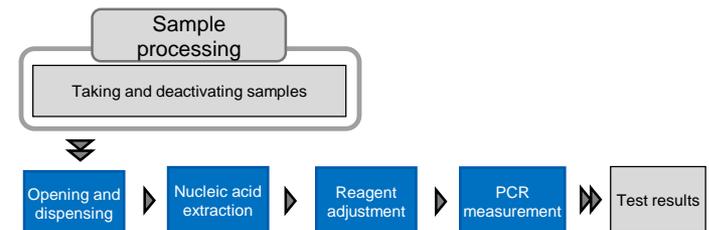
Note: Our automated immunoassay system is capable of performing **measurements** that **are highly sensitive** in **17 minutes per sample (up to 200 samples/hour)**.

## PCR testing

- **In April 2021, obtained manufacturing and marketing approval, as well as insurance coverage, for a novel coronavirus detection reagent (RT-PCR method) for measurement in nasopharyngeal swabs, nasal swabs and saliva**

## Automated PCR testing robot system

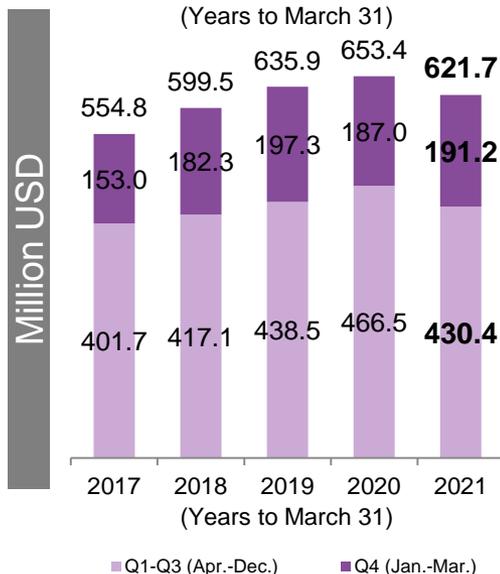
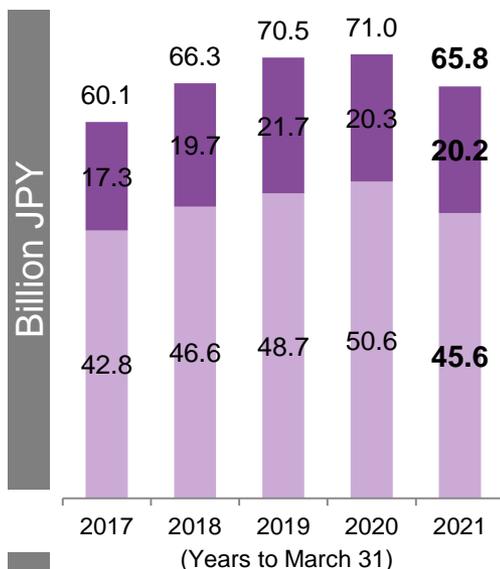
- Developing system in collaboration with Kawasaki Heavy Industries and Mediaroid with the aim of rollout in large-scale facilities where large numbers of tests must be performed in a short period of time, as well as in airports and other locations
- **In February 2021, launched a robot-based high-volume testing system that is unmanned and automated**



- Sysmex to provide sample deactivation reagent, PCR testing instruments and reagents
- **In April 2021, began evaluating utility, with a view to social implementation, in collaboration with Kyoto University Hospital and Kawasaki Heavy Industries**

# Information by Destination (Americas)

## Sales



(Billions of yen)

Fiscal year ended  
March 31, 2021

Fiscal year ended  
March 31, 2020

YoY  
(Previous period = 100%)

			(Yen basis)	(Local currency basis)
Sales	65.8	71.0	92.8%	95.1%
Instruments	18.5	22.1	83.5%	85.6%
Reagents	29.5	31.5	93.7%	96.1%
Services, others	17.8	17.3	102.9%	105.6%

**Particularly in North America, COVID-19 led to lower sales of hematology instruments. As a result, sales for the region were down.**

- Instruments: Sales decreased due to the impact of COVID-19 on the hematology field, although a new product launch led to higher sales in the urinalysis field in North America.
- Reagents: Testing demand is recovering, but sales in the hematology field were down, both in North America and in Central and South America, leading to lower reagent sales.

## Topics

- In North America, we have recommenced sales promotion activities by sales staff who have completed vaccination regimens.

# Information by Destination (EMEA)

## Sales

(Billions of yen)

**Fiscal year ended  
March 31, 2021**

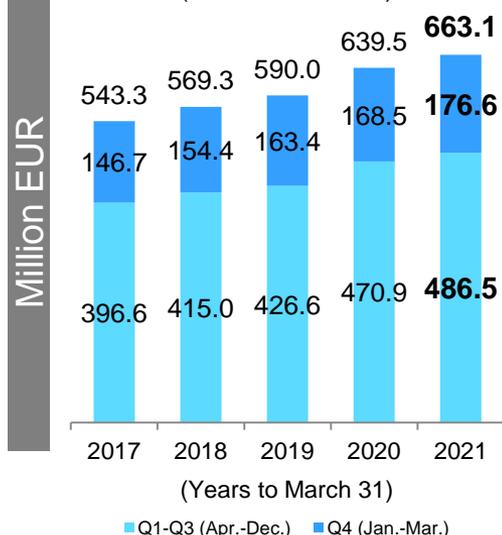
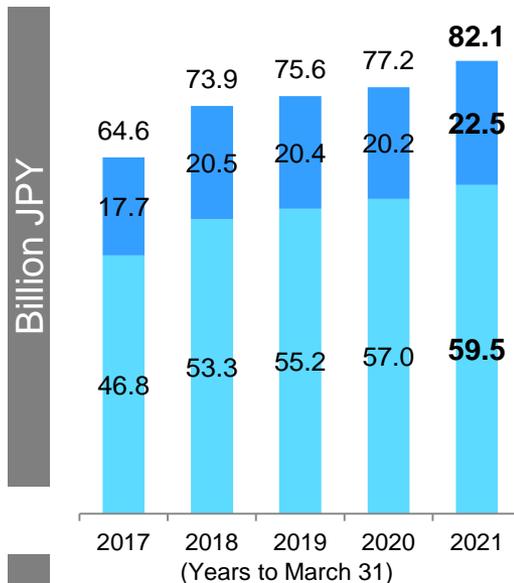
Fiscal year ended  
March 31, 2020

**YoY  
(Previous period = 100%)**

(Yen basis)

(Local currency  
basis)

	<b>82.1</b>	77.2	<b>106.3%</b>	103.7%
Sales				
Instruments	<b>22.8</b>	21.0	<b>108.4%</b>	106.1%
Reagents	<b>45.9</b>	44.1	<b>104.1%</b>	101.4%
Services, others	<b>13.4</b>	12.1	<b>110.7%</b>	107.9%



**Sales in this region rose despite the impact of COVID-19, owing mainly to higher instrument sales in the hematology and hemostasis fields.**

- Instruments: Sales were up, thanks to an order from a large commercial lab and the acquisition of an urgent COVID-19 tender in Russia.
- Reagents: Sales were up, due to recovery following the COVID-19 impact and higher sales in the hemostasis field.

## Topics

- We established Sysmex Portugal and commenced direct sales in the Iberian region (February).
- We were selected as one of the top 100 companies (as Great Place to Work) in Germany.

# Information by Destination (China)

## Sales

(Billions of yen)

**Fiscal year ended  
March 31, 2021**

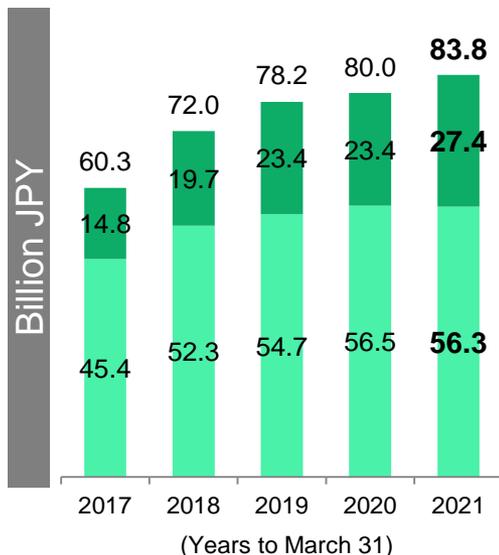
Fiscal year ended  
March 31, 2020

**YoY  
(Previous period = 100%)**

(Yen basis)

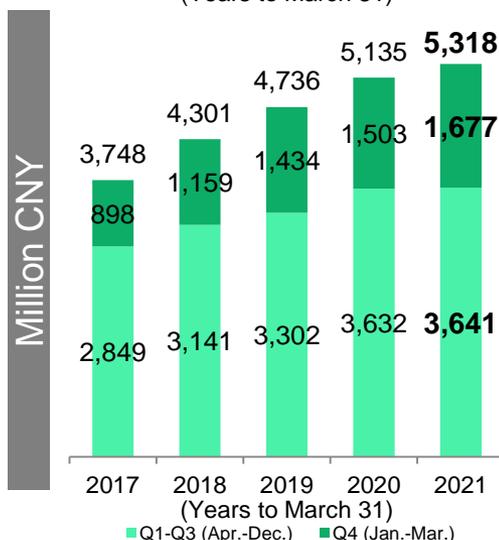
(Local currency  
basis)

	<b>83.8</b>	80.0	<b>104.7%</b>	103.6%
Sales				
Instruments	<b>26.4</b>	21.4	<b>123.3%</b>	122.1%
Reagents	<b>49.3</b>	50.3	<b>97.9%</b>	96.8%
Services, others	<b>8.0</b>	8.2	<b>97.8%</b>	96.8%



**Reagent sales decreased due to COVID-19, but instrument sales rose in all fields. As a result, sales for the region increased.**

- Instruments: Sales rose substantially, due to favorable sales of new products in the hemostasis field and increased demand for CRP (inflammation marker) testing in the hematology field.
- Reagents: Sales recovered from the COVID-19 impact in the second-half but were down overall due to lower first-half demand.

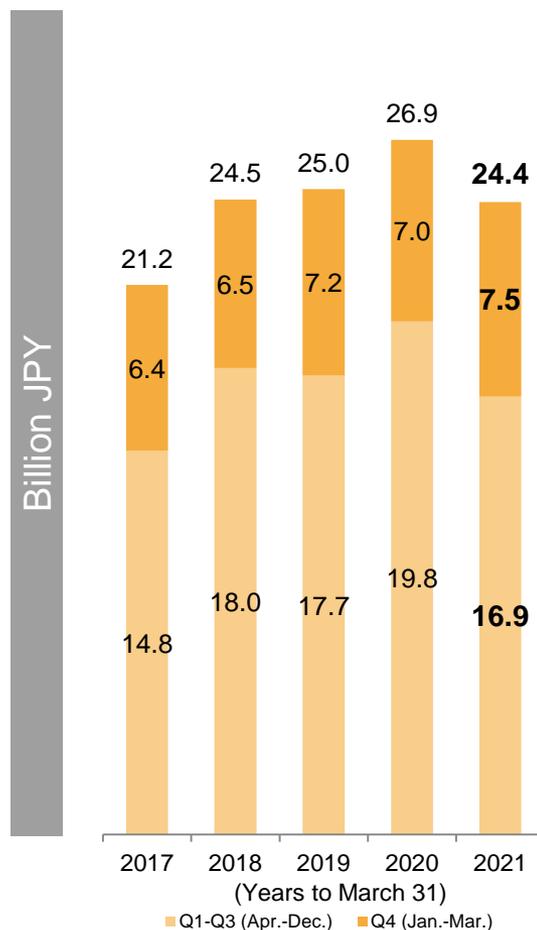


## Topics

- In Q4, we began local production of a concentrated reagent in the hematology field.

## Sales

(Billions of yen)



**Fiscal year ended  
March 31, 2021**

Fiscal year ended  
March 31, 2020

**YoY  
(Previous period =  
100%)**  
  
(Yen basis)

	<b>24.4</b>	26.9	<b>90.8%</b> (91.9%)
Sales			
Instruments	<b>6.4</b>	6.2	<b>103.6%</b>
Reagents	<b>15.9</b>	18.1	<b>87.7%</b>
Services, others	<b>2.0</b>	2.4	<b>82.1%</b>

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

### Sales were down, as COVID-19 affected reagent sales, while instrument sales were up due to the acquisition of a tender in South Asia.

- Instruments: Sales were up, due to the acquisition of a tender in the hematology field in India and the launch of new hemostasis products at a large commercial lab in Australia.
- Reagents: Although sales in the hemostasis field was up, reagent sales were down mainly in the hematology and urinalysis fields due to COVID-19 and an outbreak of dengue fever in the previous fiscal year.

### Topics

- We will continue to monitor trends in India and other countries experiencing a resurgence in the number of COVID-19 cases.

# Information by Destination (Japan)

(Billions of yen)

Fiscal year ended  
March 31, 2021

Fiscal year ended  
March 31, 2020

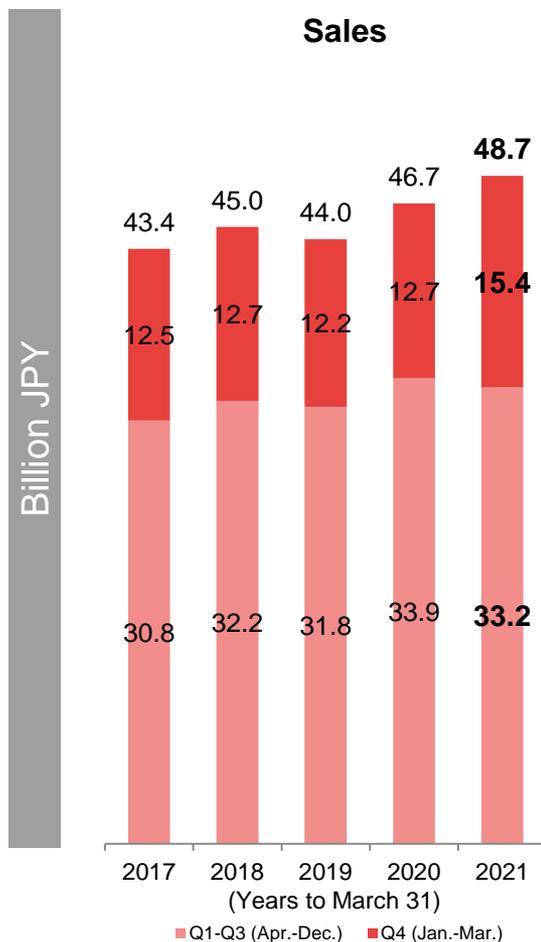
YoY  
(Previous period =  
100%)

(Yen basis)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	YoY (Previous period = 100%)
Sales	<b>48.7</b>	46.7	<b>104.3%</b>
Instruments	<b>10.4</b>	10.2	<b>101.3%</b>
Reagents	<b>29.5</b>	28.9	<b>102.0%</b>
Services, others	<b>8.7</b>	7.4	<b>117.6%</b>

**Sales for the region rose, owing to higher sales of hematology instruments and surgical support robots. Also, reagent sales rose in relation to COVID-19 testing.**

- Instruments: Sales were up slightly, due to sales of hematology instruments to a large commercial lab and the launch of hinotori.
- Reagents: Reagent sales rose, despite lower sales in the urinalysis and immunochemistry fields, due to higher sales in the hemostasis and life science fields in relation to COVID-19 testing.



## Topics

- We launched new hematology products (XR Series, XQ Series).
- We obtained manufacturing and marketing approval, as well as insurance coverage, for a novel coronavirus detection reagent (RT-PCR method).

# Dividend Forecast

- Dividend amounts are the same as for the fiscal year ended March 31, 2020.  
The dividend payout ratio is 45.4%.

	Interim dividend	Year-end dividend	Total	Dividend ratio
Fiscal year ended March 31, 2020	¥36	¥36	¥72	43.1%
Fiscal year ended March 31, 2021 (proposal)	¥36	¥36*	¥72	45.4%

\*To be proposed at the 54th Ordinary General Meeting of Shareholders

2.

## Review of the Previous Mid-Term Management Plan (Announced May 2019)

# Review of the Previous Mid-Term Management Plan (Financial Indicators)



Although net sales continued to climb, the COVID-19 pandemic led to a sluggish rate of growth and profitability.

(Billions of yen)

	Results for the fiscal year ended March 31, 2020	Results for the fiscal year ended March 31, 2021	Targets for the fiscal year ending March 21, 2022
Net sales	301.98	305.07	380.00
Operating profit (Operating margin)	55.28 (18.3)	51.79 (17.0)	78.00 (20.5)
ROE (%)	12.9	11.3	18.0
Free CF	27.27	27.68	40.0
Operating CF	53.18	58.81	75.0

# Review of the Previous Mid-Term Management Plan (Key Initiatives)

Promoted initiatives to ensure future growth and enhance management quality

## Results

### Business

- **Reinforce strong growth in the hematology field** (through new product launches and a move to direct sales in India and the Iberian peninsular)
- **Form alliances in the urinalysis field and launch new products in North America**
- **Renew alliances in the hemostasis field** (move to direct sales in some countries, roll out the CN Series globally)
- **Expand the life science business** (Japanese insurance coverage for the NCC Oncopanel, OSNA launch in China)
- **Launch COVID-19-related products and services** (Japan)
- **Launch hinotori surgical support robot** (Japan)

### Management

- **Introduce a job-based HR management system based on a global HR policy**
- **Introduce smart work with a view to work style reform**
- **Promote a digital transformation project**
- **Establish the Internal Control Office to enhance management quality and reinforce Group governance**
- **Clarify endorsement of recommendations by the Task Force on Climate-related Financial Disclosures (TCFD)**

## Ongoing issues

### Business

- **Enhance new product development capabilities and speed**
- **Obtain regulatory approval swiftly**
- **Boost productivity**

### Management

- **Respond to the “new normal”**
- **Transform HR management**
- **Contribute to a sustainable society**

3.

## Mid-Term Management Plan (Fiscal Years Ending March 31, 2022 to 2024)

## Management environment

- **Unstable political conditions, unclear economic conditions**
  - Need to balance infection prevention measures with rebuilding the economy
  - Mounting geopolitical risk
- **Changing social values, progress in work style reform**
  - Remote working gaining traction, working environments being put in place, increased labor productivity
- **Increasing urgency of measures to reduce environmental burden**
- **Acceleration of the digital transformation**

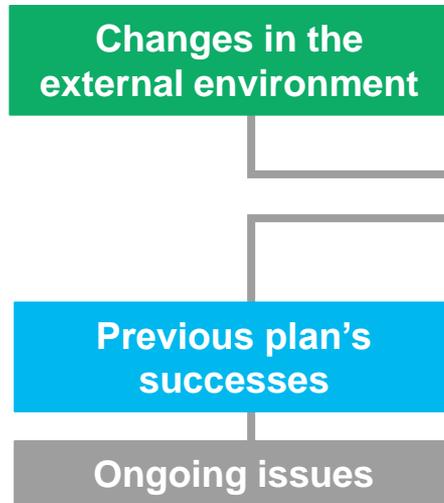
## Healthcare market

- **Impact of COVID-19 to continue for some time**
- **Balance between expanding the healthcare infrastructure and curtailing medical costs**
- **Changes in the way medical care is practiced, such as the growing prevalence of telemedicine**
- **Progress in the use of leading-edge technologies such as AI and robotics**
- **Manifestation of issues predating COVID-19**
  - Aging-related diseases, three major infectious diseases, antimicrobial resistance, increasing access to healthcare in developing countries, etc.

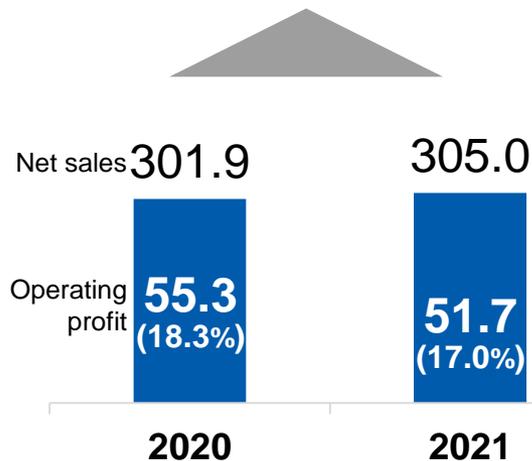
**The world is undergoing major upheaval, including social transformation due to COVID-19. Against this backdrop, we expect the healthcare market to continue growing in importance.**

# Overview of the Mid-Term Management Plan

Looking at the previous plan's success, resolving ongoing issues, and looking to the next stage



- ### Key actions
1. Accelerate the introduction of new products aimed at improving growth and profitability, and promote emerging market strategies
  2. Achieve high growth through proactive investment in key fields (hemostasis, immunochemistry and life science)
  3. Introduce new business to achieve dynamic growth (the MR business and additional technological and business developments)
  4. Promote digitalization in the Group and achieve DX to create customer value
  5. Enrich the talent portfolio, which contributes to strategy execution, and create an attractive organizational climate that leverages diverse talent
  6. Formulate a vision and roll out measures to reinforce and implement sustainability management



#### Targets for the Fiscal Year Ending March 31, 2024

Net sales:	¥420.0 billion
Operating profit:	¥80.0 billion
ROE:	15.0%
Free CF:	¥40.0 billion
Operating CF:	¥90.0 billion

(Billions of yen)

# Key Actions 1 and 2

1. Accelerate the introduction of new products aimed at improving growth and profitability, and promote emerging market strategies
2. Achieve high growth through proactive investment in key fields (hemostasis, immunochemistry and life science)

## Major growth drivers

### Promotion of sales of new products

- Hematology: XR Series (Japan, EMEA→AP, China, Americas)  
XQ Series (strengthen portfolio for emerging markets)  
Enhance portfolio through links with FCM  
Relaunch the XW-100 (United States)
- Urinalysis: Expand sales in North America (including urine chemistry)
- Hemostasis: CN Series (strengthen direct sales and alliance)
- Immunochemistry: Expand reagent parameters (Japan, China, AP)
- LS: Roll out OSNA in China, expand cancer genomic business
- Testing related to COVID-19 (Japan)

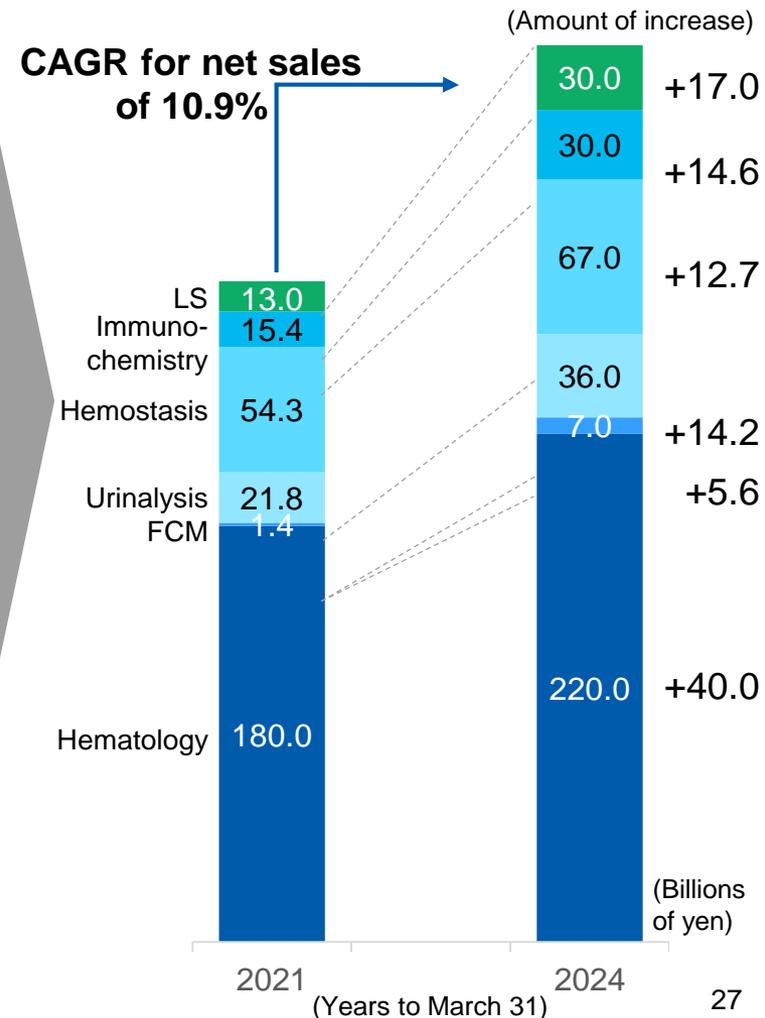
### Expansion of direct sales area, stronger alliances

- Hematology: Move to direct sales in Spain and Portugal
- Hemostasis: Middle East, Russia, Turkey

### Impact of COVID-19

- Recover from downturn in reagent sales during the fiscal year ended March 31, 2021 (around ¥12.0 billion\*)

\*Estimate of the decline in our reagent sales as a result of the decline in testing demand due to COVID-19 pandemic.



# Key Actions 3 and 4

## 3. Introduce new business to achieve dynamic growth

### MR

- Establish a business base in Japan with the hinotori surgical support robot (¥10.0 billion in the fiscal year ending March 31, 2024)
- Steadily complete preparations for global rollout

### Nascent fields

Note: These are fields where we will engage in technological and business development during the period of the plan.

- Astrego: Working to commercialize drug sensitivity testing for urinary tract infections
- Liquid biopsy: Working to commercialize testing for Alzheimer's disease and others
- Considering the digital health and medical data businesses

## 4. Promote digitalization in the Group and achieve DX to create customer value

### Internal

- Move business processes and data to the global standard
- Digitalize the value chain to facilitate seamless development, production, supply and support
- Reduce manual operations in order to augment productivity, speed and quality

### Customers

- Expand the Caresphere portfolio and accelerate global development
- Promote the digitalization of services and training for customers

# Key Actions 5 and 6

## 5. Enrich the talent portfolio, which contributes to strategy execution, and create an attractive organizational climate that leverages diverse talent

### Human resources

- Transform HR management through a job-based HR management system
- Build a global HR database to make human resources visible
- Acquire a competitive advantage by recruiting sophisticated and specialized human resources

### Corporate culture

- Promote work style reform and diversity
- Enhance labor productivity through better engagement
- Implement health and productivity management measures to support employees' physical and mental health, and provide a workplace where all employees can realize their full potential

## 6. Formulate a vision and roll out measures to reinforce and implement sustainability management

Year to March 31, 2022

Year to March 31, 2023

Year to March 31, 2024

Activities aimed at achieving sustainability targets  
 \*Resolve medical issues, environmental consideration, reinforced governance, etc.

Formulate vision for reinforcing sustainability management

Formulate new long-term management goals

Implement activities based on new long-term management goals

# Key Areas of Investment during the Period of the Mid-Term Management Plan



## R&D

### • Accelerate new product development

#### Enhance the diagnostics business

(Expand the hematology portfolio, increase immunochemistry reagent parameters, etc.)

#### Engage in development to cultivate new business

(Primary care, liquid biopsy, etc.)

### • Promote global regulatory registration of new products

**New hematology products** (XR, XQ Series)  
**New hemostasis product** (CN Series)

**Total investment: Expected amount of approx. ¥90.0 billion\***

(Reference: Approx. ¥64.0 billion in fiscal years ended March 31, 2019 to 2021)

\*Includes R&D expenses for DX for customers (Caresphere)

## Sales and Service Structure

### EMEA

Direct sales in the hematology field (Spain, Portugal), direct sales in the hemostasis field (Russia, Turkey, Middle East)

### Americas

Urinalysis field in North America (strengthen sales and service capabilities)

### Japan

Medical robotics business

### China

Reinforce direct service capabilities

### AP

India (strengthen sales and service capabilities)

## HR, Working Environment

**Recruit and cultivate personnel who will support growth**

**Provide a comfortable working environment**

## Others

**Reinforce production capabilities**

**M&A**

## Promotion of Group Digitalization

- Complete introduction of systems for global HR management, linking of design information, management of regulatory documentation and settlement of travel expenses
- Complete the standardization of business processes aimed at updating global core systems

**The digitalization of society is accelerating. Accordingly, we will go beyond the scope of our initial plan\*, applying advanced digital solutions in a host of fields throughout the Group.**

**Total planned investment: Approx. ¥29.0 billion**

\*May 2019 press release

# Mid-Term Management Plan (Sustainability Targets)



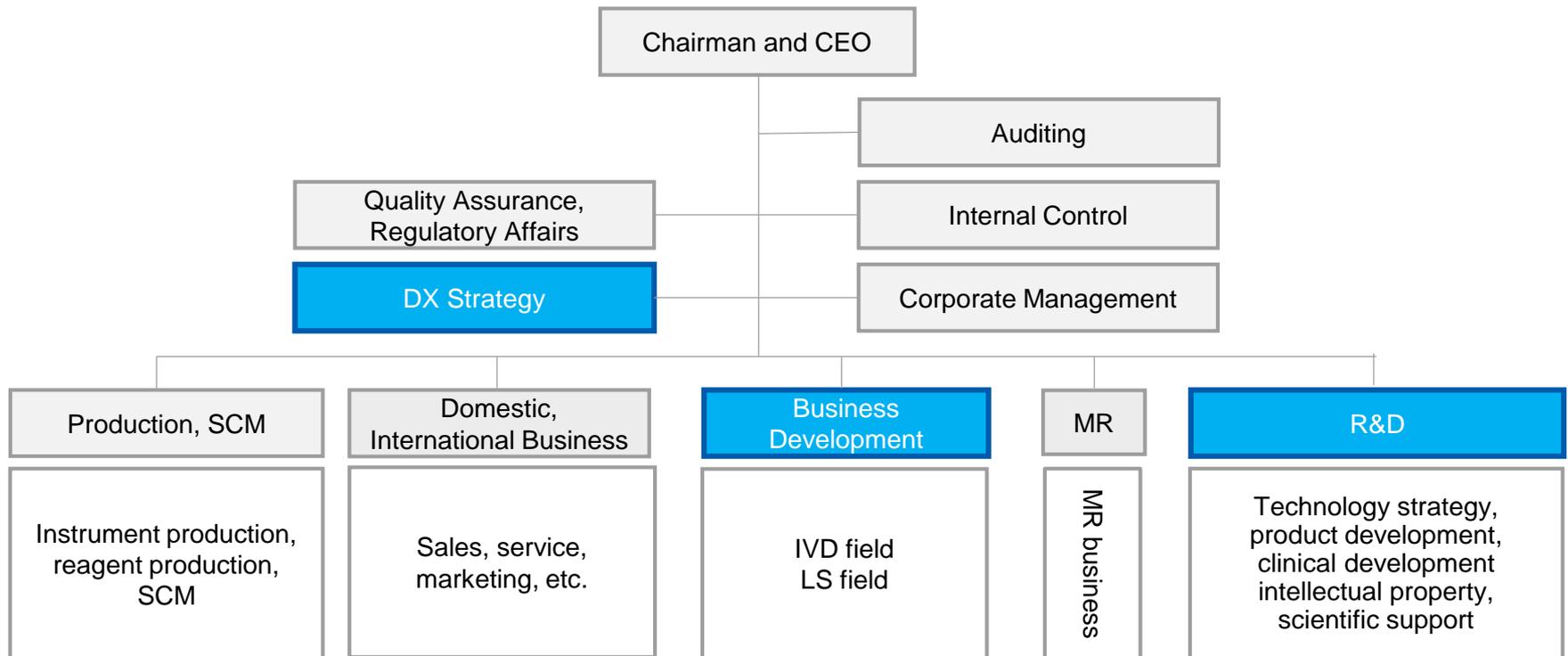
Sysmex's materiality and major sustainability targets		Major KPIs	Targets for the fiscal year ending March 31, 2024
● <b>Resolution of medical issues through products and services</b>	● <b>Resolution of medical issues through innovation</b>	Hematology market share	*2
		Number of cancer genomic analyzed*1	*2
● <b>Responsible provision of products and services</b>	● <b>Improvement in accessibility to healthcare</b>	Sales in emerging markets	*2
	● <b>Pursuit of quality and trust</b>	Number of recalls	*2
● <b>Realization of an attractive workplace</b>	● <b>Strengthening of supply chain management</b>	CSR survey response rate	90%
	● <b>Provision of a comfortable working environment</b>	Engagement score	75%
● <b>Environmental consideration</b> (Base year: fiscal year ended March 31, 2017)	● <b>Promotion of diversity and inclusion</b>	Turnover rate	*2
	● <b>Development of human resources</b>	Female managers ratio	17.0%
	● <b>Promotion of health and occupational safety</b>	Training time per employee	40.0 hours
		Total annual working hours*1	1,950 hours
		Lost-time injury frequency rate*1	Less than 0.58
	Lost work day rate*1	Less than 0.02	
● <b>Enhancement of governance</b>	● <b>Environmental consideration through product lifecycle</b>	Reduction of CO <sub>2</sub> emissions (instruments, shipping)	Cut 20%
		Reduction of water consumption (instruments)	Cut 10%
	● <b>Reduction in environmental burden through activities at business offices</b>	Reduction of CO <sub>2</sub> emissions (business activities)	Cut 40%
		Reduction of water consumption (business activities)	Cut 5%
● <b>Enhancement of governance</b>	● <b>Compliance</b>	Number of internal reports	*2
		Number of unethical incidents	*2
	● <b>Risk management</b>	Number of information security trainees	*2

\*1 Target: Sysmex Corporation on a non-consolidated basis

\*2 Set as a monitoring index; no target value has been set.

## Key changes in the organizational structure

- Integration of the strategy formulation and promotion functions for the IVD and LS businesses
- Integration of R&D functions with a view to accelerating product development
- Integration of DX strategy promotion functions to accelerate Group digitalization and the creation of customer value



■ Changes in new organization

4.

## Financial Forecast for the Fiscal Year Ending March 31, 2022

# Consolidated Earnings Forecast



## Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2022

Net sales: **¥350.0 billion**

Operating profit: **¥60.0 billion**

Operating margin: **17.1%**

Profit attributable to owners of the parent: **¥40.0 billion**

Profit attributable to owners of the parent to net sales: **11.4%**

### Planned investment

Capital expenditure:  
**¥39.0 billion**  
(includes both tangible and intangible assets)

Depreciation and amortization: **¥29.5 billion**

R&D expenditure: **¥27.5 billion**

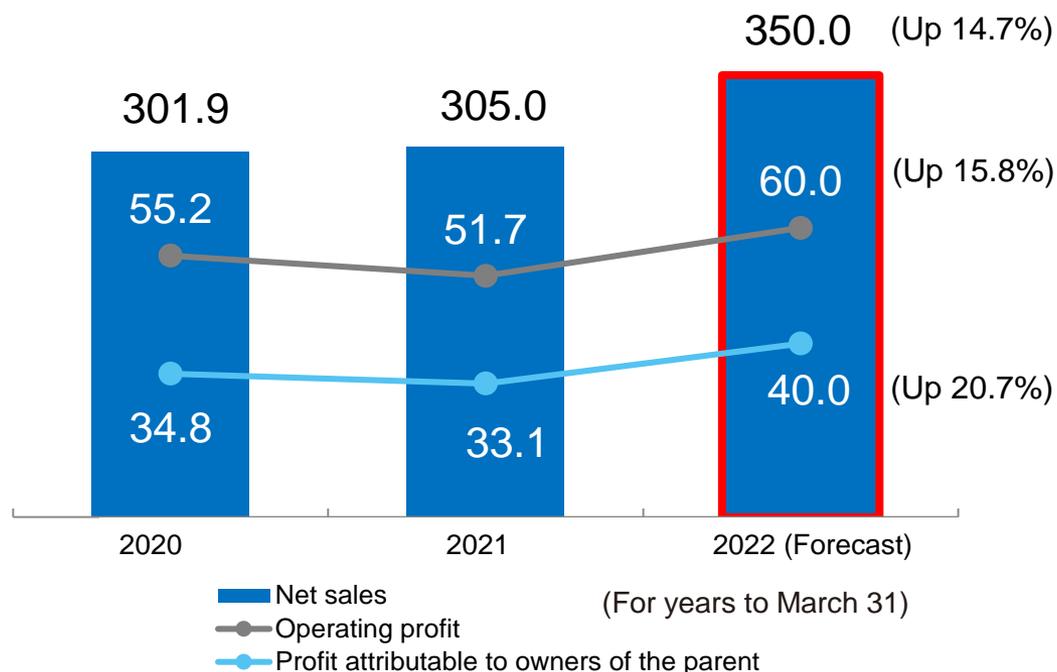
(Billions of yen)

### ● Assumed Exchange Rates

	Assumed exchange rates for full year	Previous year (Fiscal year ended March 31, 2021)
1 USD	¥106.0	¥106.1
1 EUR	¥125.0	¥123.7
1 CNY	¥16.0	¥15.7

### ● Exchange Rate Sensitivity

	Net sales (year)	Operating profit (year)
USD	¥0.68 billion	¥0.18 billion
EUR	¥0.51 billion	¥0.16 billion
CNY	¥5.88 billion	¥4.53 billion

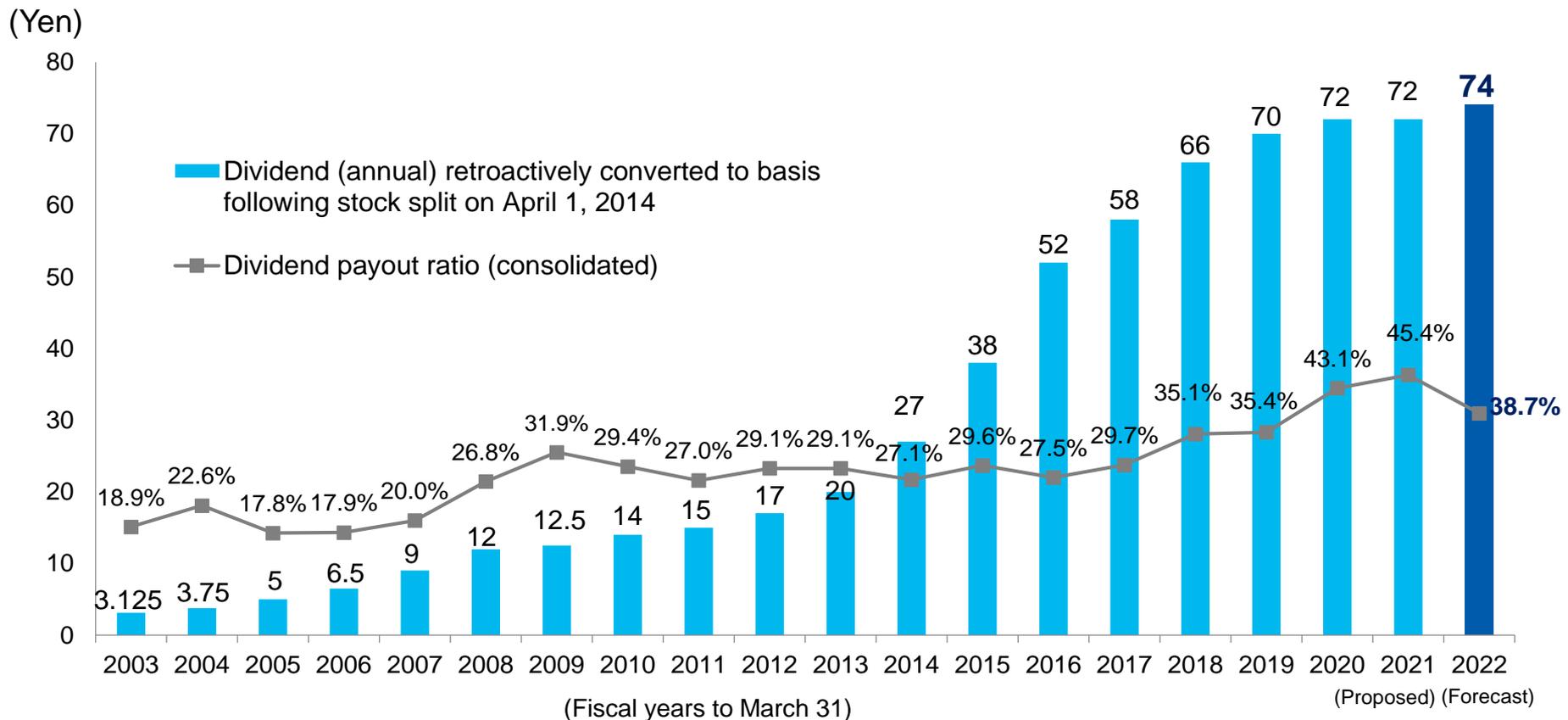


# Dividends

(Forecast for the Fiscal Year Ending March 31, 2022)



Sysmex aims to maintain a proper balance between aggressive investment, which is designed to sustain steady high growth, and returns to our shareholders as our earning power increases. In terms of returns to shareholders, we intend to provide a stable dividend on a continuous basis and aim for a consolidated payout ratio of 30% under our basic policy of sharing the successes of our operations in line with business performance.



Notes: Figures are according to IFRS from the fiscal year ended March 31, 2016

Two-for-one stock splits conducted on November 18, 2005, April 1, 2011 and April 1, 2014

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(Appendix)  
Mid-Term Management Plan  
(Fiscal Years Ending March 31, 2022 to 2024)

# Mid-Term Management Plan Targets

## Consolidated statement of income

(Billions of yen)

	Targets for fiscal year ending March 31, 2022	Targets for fiscal year ending March 31, 2024	CAGR*
Net sales	350.0	420.0	11.2%
Operating profit	60.0	80.0	15.6%
Operating margin	17.1%	19.0%	-
Profit attributable to owners of the parent	40.0	57.0	-

\*Compound annual growth rate from fiscal year ended March 31, 2021 to fiscal year ending March 31, 2024

## Assumed exchange rates during the period of the mid-term management plan

USD	EUR	CNY
¥106.0	¥125.0	¥16.0

# Mid-Term Management Plan Targets



## Sales by business

(Billions of yen)

	Targets for fiscal year ending March 31, 2022	Targets for fiscal year ending March 31, 2024	CAGR*
Hematology	197.0	220.0	6.9%
FCM	3.0	7.0	68.9%
Urinalysis	30.0	36.0	18.1%
Hemostasis	58.0	67.0	7.2%
Immunochemistry	20.0	30.0	24.7%
Clinical chemistry	3.0	3.5	7.7%
Life science	18.0	30.0	32.1%
Others	16.0	16.5	-
Diagnostics business	345.0	410.0	10.4%
Medical robotics business	5.0	10.0	134.5%
Total	350.0	420.0	11.2%

## Sales by destination

	Targets for fiscal year ending March 31, 2022	Targets for fiscal year ending March 31, 2024	CAGR*
Japan	59.5	76.5	16.2%
Americas	79.5	95.5	13.2%
EMEA	88.0	100.0	6.8%
China	94.0	112.0	10.1%
Asia Pacific	29.0	36.0	13.8%

\*Compound annual growth rate from fiscal year ended March 31, 2021 to fiscal year ending March 31, 2024

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(Appendix)  
Results for the Fiscal Year  
Ended March 31, 2021

# Quarterly Business Results



Instruments made up a higher percentage of sales, causing the cost of sales ratio to worsen. However, higher net sales pushed up gross profit, leading to rise in operating profit in Q4.

(Billions of yen)

	Q1 (Apr.–Jun.)			Q2 (Jul.–Sep.)			Q3 (Oct.–Dec.)			Q4 (Jan.–Mar.)		
	Ratio		YoY change									
Net sales	60.5	100.0%	-11.7%	71.5	100.0%	-3.9%	79.7	100.0%	6.1%	93.2	100.0%	11.2%
Cost of sales	29.8	49.4%	-5.6%	34.9	48.8%	3.3%	38.4	48.2%	9.9%	47.5	51.0%	13.9%
SG&A expenses	18.9	31.3%	-8.6%	19.1	26.8%	-0.9%	20.1	25.2%	-7.3%	22.6	24.3%	3.9%
R&D expenses	4.9	8.1%	-1.6%	4.8	6.8%	-11.6%	5.5	6.9%	-3.5%	7.2	7.8%	29.9%
Other operating income and expenses	0.1	0.3%	56.9%	0.3	0.5%	-43.7%	0.2	0.3%	–	0.0	0.1%	–
Operating profit	6.9	11.5%	-38.3%	13.0	18.2%	-21.0%	15.9	19.9%	26.0%	15.8	17.0%	6.9%
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%	9.8	10.6%	17.5%

# Sales by Business and Product Type



		Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2020		YoY (Previous period = 100%)	(Billions of yen) YoY at previous year's rate
		Results	Ratio	Results	Ratio		
By business	Hematology	180.0	59.0%	187.2	62.0%	96.2%	96.8%
	Hemostasis	54.3	17.8%	48.2	16.0%	112.6%	112.5%
	Urinalysis	21.8	7.2%	21.2	7.0%	102.8%	102.5%
	Immunochemistry	15.4	5.1%	14.8	4.9%	104.4%	103.5%
	Clinical chemistry	2.7	0.9%	2.9	1.0%	96.0%	96.5%
	FCM business	1.4	0.5%	1.5	0.5%	96.6%	97.1%
	Other IVD	15.3	5.0%	14.6	4.9%	104.4%	102.8%
	<b>IVD business</b>	<b>291.2</b>	<b>95.5%</b>	<b>290.6</b>	<b>96.3%</b>	<b>100.2%</b>	<b>100.5%</b>
	<b>LS business</b>	<b>13.0</b>	<b>4.3%</b>	<b>11.2</b>	<b>3.7%</b>	<b>115.4%</b>	<b>114.4%</b>
	<b>Other</b>	<b>0.7</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total sales</b>		<b>305.0</b>	<b>100.0%</b>	<b>301.9</b>	<b>100.0%</b>	<b>101.0%</b>	<b>101.3%</b>

By product	<b>Instruments</b>	<b>84.6</b>	<b>27.8%</b>	81.2	26.9%	104.3%	104.6%
	<b>Reagents</b>	<b>170.3</b>	<b>55.8%</b>	173.1	57.3%	98.3%	98.5%
	<b>Services</b>	<b>39.3</b>	<b>12.9%</b>	37.5	12.4%	104.8%	105.4%
	<b>Other</b>	<b>10.7</b>	<b>3.5%</b>	10.0	3.3%	107.0%	106.7%
	<b>Total sales</b>	<b>305.0</b>	<b>100.0%</b>	<b>301.9</b>	<b>100.0%</b>	<b>101.0%</b>	<b>101.3%</b>

# Results by Geographic Region (Sales and Operating Profit)



(Billions of yen)

		Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	YoY (Previous period = 100%)	
				Yen	Local currency
Americas	Sales to external customers	61.5	66.1	92.9%	95.3%
	Operating profit	2.5	2.8	87.9%	90.7%
EMEA	Sales to external customers	82.8	78.5	105.4%	102.8%
	Operating profit	10.0	8.3	120.8%	117.3%
China	Sales to external customers	83.7	79.9	104.7%	103.5%
	Operating profit	5.0	5.7	88.5%	86.9%
AP	Sales to external customers	24.3	26.6	91.1%	-
	Operating profit	2.1	3.1	68.4%	-
Japan*	Sales to external customers	52.6	50.5	104.2%	-
	Operating profit	30.4	36.2	83.9%	-

\*Includes sales to IDEXX and other external customers

Lighting the way **with diagnostics**