

Business Results

First Six Months of the
Fiscal Year Ending March 31, 2022

Sysmex Corporation
Hisashi Ietsugu, Chairman and CEO
November 11, 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.

First-Half Results

- **Increases** in net sales and operating profit
(+27.8% YoY for net sales, +68.5% YoY for operating profit)
 - Testing demand has continued to recover since the second half of the previous fiscal year, and sales increased in direct sales areas. These factors pushed up sales, mainly of reagents, leading to **higher sales across all regions and in all fields**.
 - Operating profit rose due to higher gross profit, stemming from higher net sales, and an improved cost of sales ratio, reflecting the product mix.

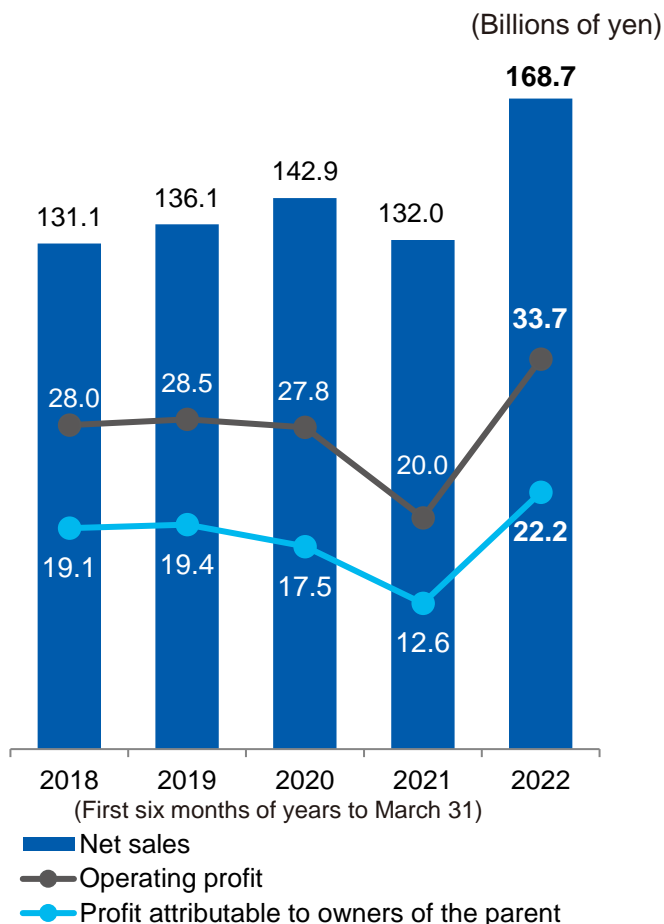
Full-Year Forecast

- **Revised upward** our forecast for the fiscal year ending March 31, 2022
 - Net sales and operating profit **expected to reach full-year forecast levels** announced at the beginning of the fiscal year
 - We have **changed our assumed exchange rate** for the second half, taking into consideration actual exchange rates for the first half and the trend toward yen depreciation.

1.

Business Results, First Six Months of the Fiscal Year Ending March 31, 2022

Financial Highlights (Year-on-Year)



	First six months of fiscal year ending March 31, 2022	First six months of fiscal year ended March 31, 2021
1USD	¥109.8	¥106.9
1EUR	¥130.9	¥121.3
1CNY	¥17.0	¥15.3

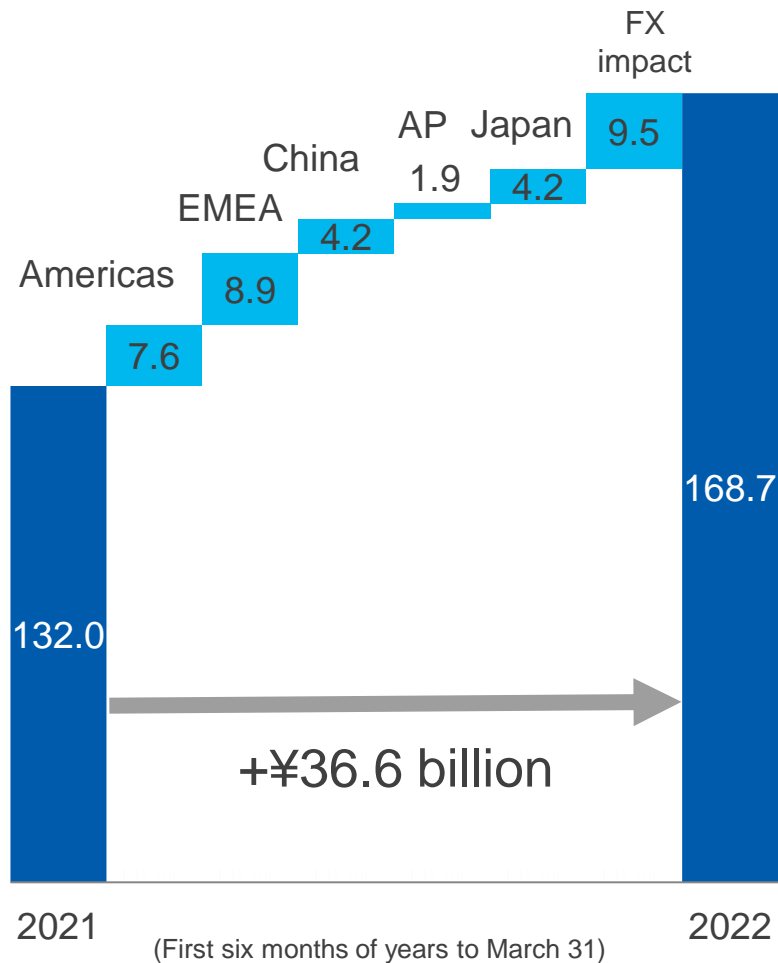
(Billions of yen)	First six months of fiscal year ending March 31, 2022		First six months of fiscal year ended March 31, 2021		YoY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net sales	168.7	100%	132.0	100%	127.8%
Cost of sales	78.9	46.8%	64.7	49.1%	121.8%
SG&A expenses	44.0	26.1%	38.0	28.8%	115.7%
R&D expenses	11.6	6.9%	9.7	7.4%	119.1%
Other income (expenses)	(0.4)	(0.3)%	0.5	0.4%	-
Operating profit	33.7	20.0%	20.0	15.1%	168.5%
Profit attributable to owners of the parent	22.2	13.2%	12.6	9.6%	175.8%

- Net sales:** As expected, we experienced a recovery in testing demand (which had decreased in the previous year), which lifted reagent sales, and the impact of exchange rates (yen depreciation). As a result, net sales rose.
 - Operating profit:** SG&A expenses increased. Even so, operating profit grew thanks to higher sales, which pushed up gross profit and improved the cost of sales ratio. Exchange rate fluctuations raised net sales ¥9.51 billion and increased operating profit ¥3.17 billion. At the exchange rates prevailing one year earlier, net sales would have been up 20.6% year on year, and operating profit up 52.7%.
 - Profit attributable to owners of the parent:** Profit was up due to higher operating profit and an improvement in exchange gains and losses.
- Exchange gains (losses):** Loss of ¥0.01 billion (loss of ¥0.70 billion in same period of previous fiscal year)

Breakdown of Net Sales (by Destination)

Net Sales by Destination

(Billions of yen)

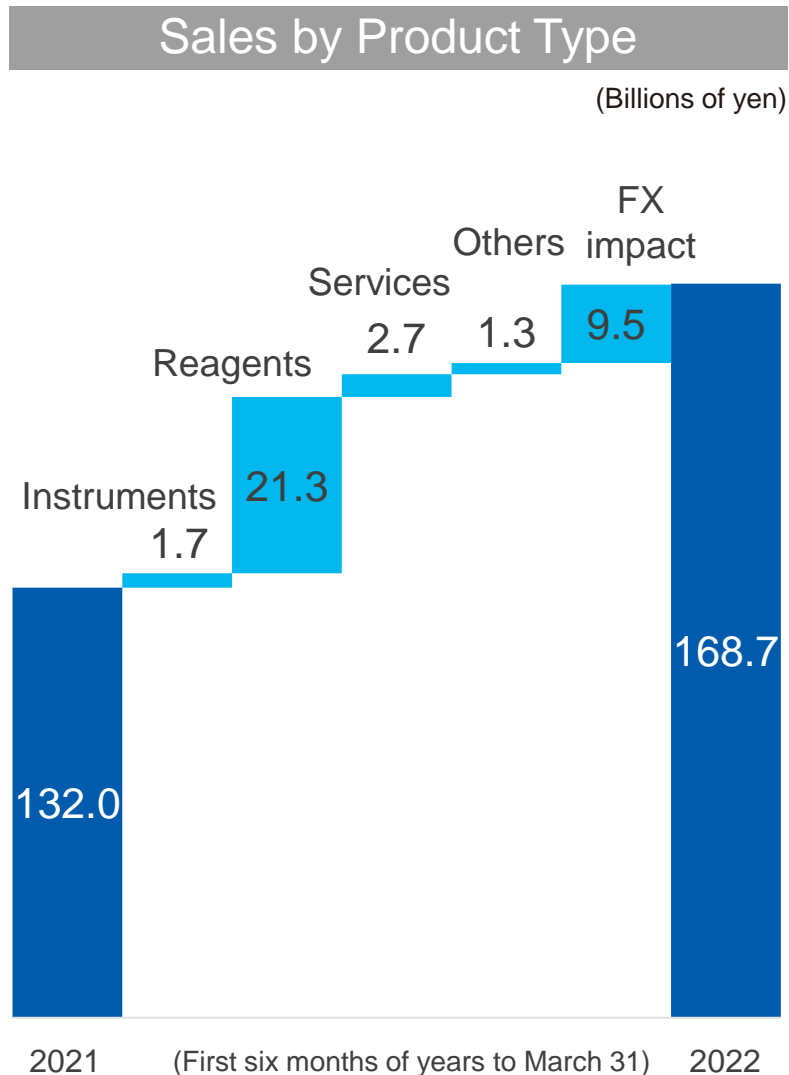


Sales rose by double digits in all regions, due mainly to increased sales of hematology reagents.

(Billions of yen)	First six months of fiscal year ending March 31, 2022		YoY (Previous period = 100%)	
	Results	Ratio	Yen basis	Local currency basis
Net sales	168.7	100.0%	127.8%	120.6%*
Americas	38.2	22.7%	130.2%	126.7%
EMEA	49.2	29.2%	133.5%	123.6%
China	42.1	25.0%	125.3%	112.6%
AP	13.5	8.1%	124.5%	118.3%*
Japan	25.5	15.0%	120.1%	-

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

Breakdown of Net Sales (by Product Type)



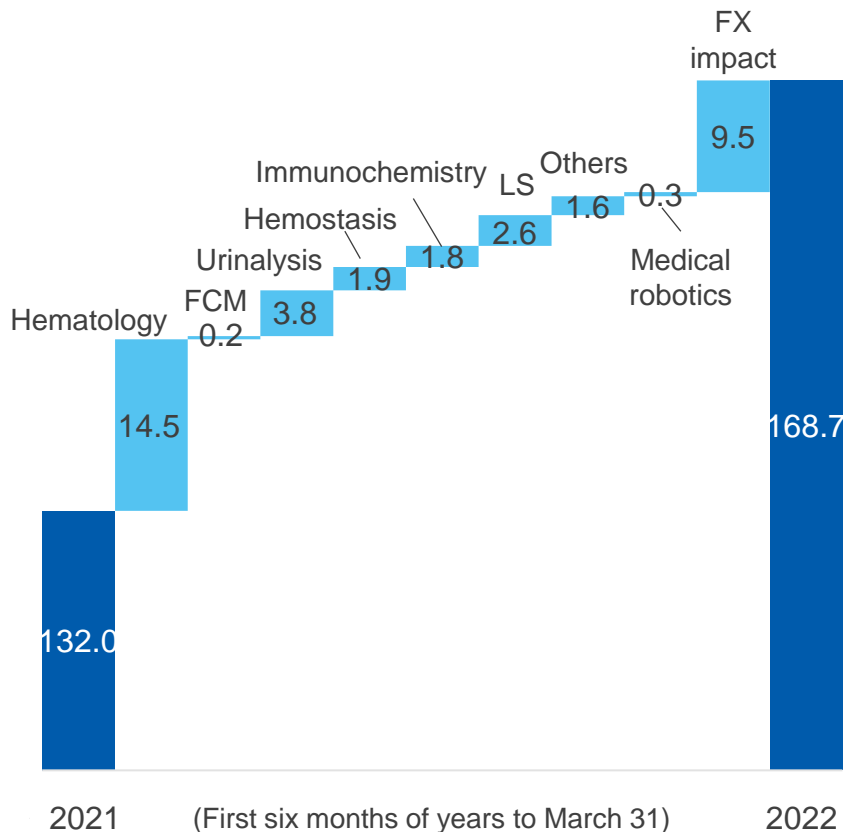
- Instruments:
 - Full-fledged installation of hematology instruments resumed in North America, and sales rose in the urinalysis field due to collaboration with Siemens. Sales rose as a result.
 - Favorable sales in the hematology field led to higher sales in the EMEA region, as well.
 - In China, sales were down in reaction to strong performance in the same period of the previous fiscal year, led by increased demand to strengthen the healthcare infrastructure in the face of COVID-19.
- Reagents:
 - Sales rose, due to increases in the hematology and urinalysis fields stemming from a demand recovery.
 - Testing demand related to COVID-19 in the hemostasis, immunochemistry and life science fields increased and boosted sales.

(Billions of yen)	First six months of fiscal year ending March 31, 2022		YoY (previous period = 100%)	
	Results	Ratio	Yen basis	Excluding FX impact
Instruments	39.5	23.4%	111.3%	104.9%
Reagents	100.8	59.8%	136.9%	128.9%
Services, others	28.3	16.8%	124.1%	117.9%

Breakdown of Net Sales (by Business)

Sales by Business

(Billions of yen)



Sales rose in all businesses thanks to a resurgence in testing demand, an increase in the direct sales area and ongoing demand for COVID-19 testing.

(Billions of yen)

First six months of fiscal year ending March 31, 2022

YoY (previous period = 100%)

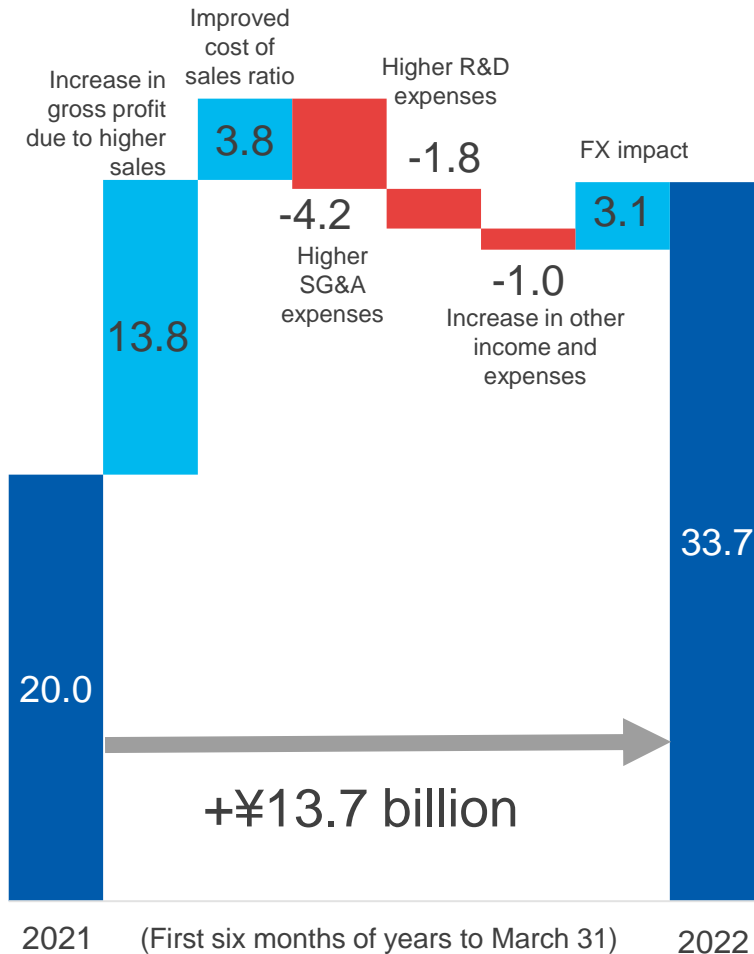
	Results	Ratio	Yen basis	Excluding FX impact
Net sales	168.7	100.0%	127.8%	120.6%
Hematology	100.0	59.3%	124.8%	118.2%
FCM	0.8	0.5%	165.2%	155.4%
Urinalysis	12.8	7.6%	157.3%	147.6%
Hemostasis	28.6	17.0%	115.9%	108.0%
Immunochemistry	8.6	5.1%	135.9%	128.5%
Clinical chemistry	1.4	0.9%	113.4%	108.9%
Life science	8.2	4.9%	159.2%	150.6%
Others	7.6	4.6%	134.4%	126.3%
Diagnostics business	168.3	99.8%	127.5%	120.3%
Medical robotics business	0.3	0.2%	-	-

Breakdown of Operating Profit

Note: Figures and comments below exclude the impact of exchange rates.

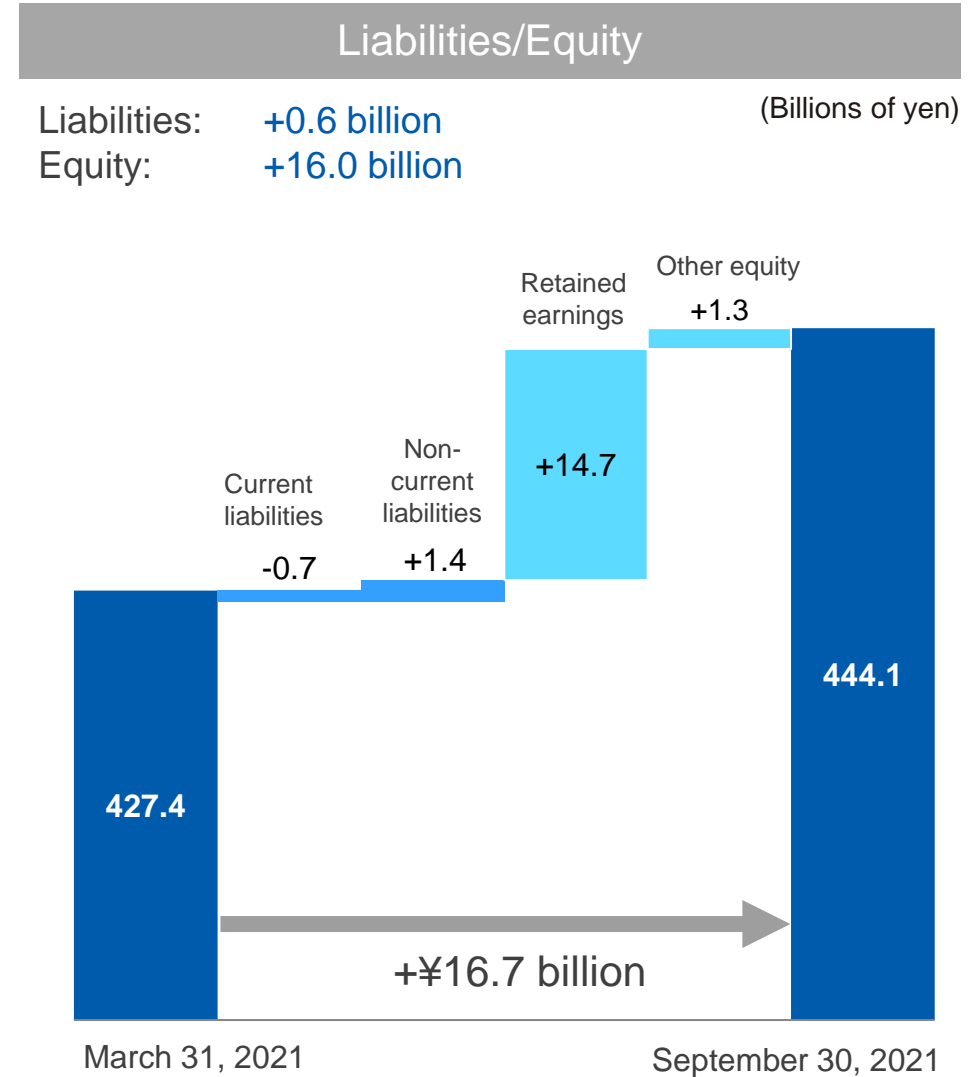
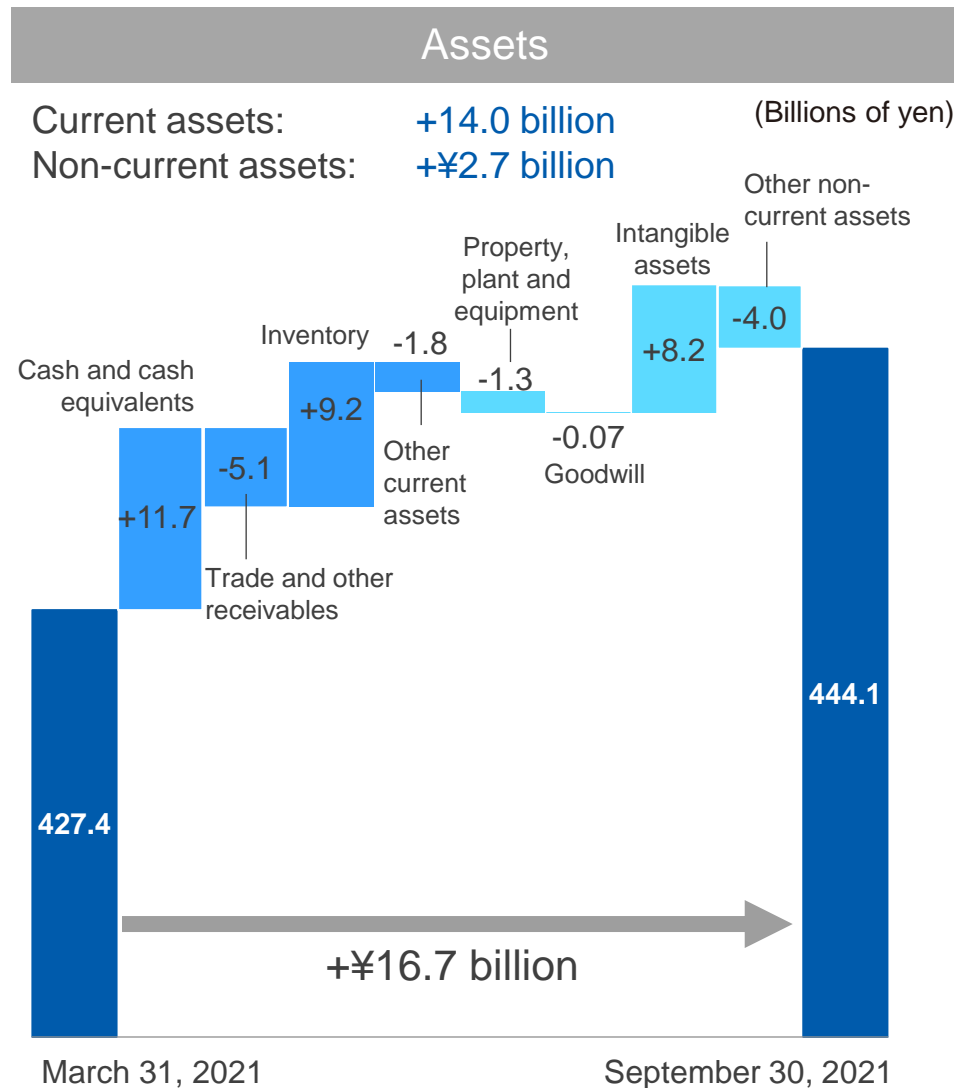
Operating Profit

(Billions of yen)

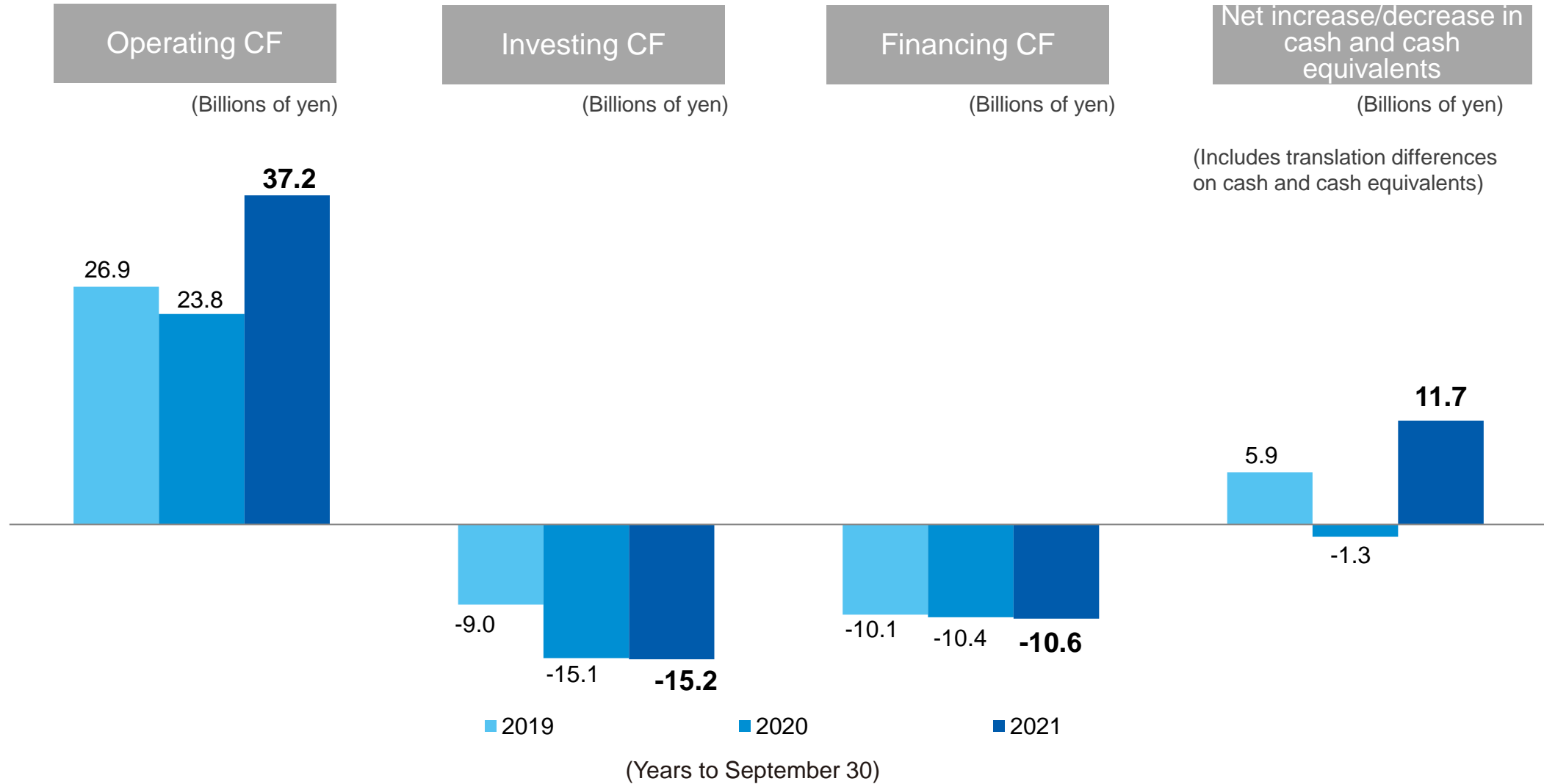


- Increase in gross profit due to higher sales: ¥13.82 billion
 - Impact of improvement in the cost of sales ratio: ¥3.81 billion (2.4pt improvement)
 - Despite negative factors (such as the impact of higher shipping costs), the ratio improved thanks to the product mix (an increase in the proportion of reagent sales) and a rise in the proportion of sales of products having a low cost-of-sales ratio.
 - Increase in SG&A expenses: ¥4.23 billion
 - Expenses rose due to the recommencement of sales and service activities in each area, as well as to reinforcement of the direct selling structure.
 - Increase in expenses related to digitalization
 - Increase in R&D expenses: ¥1.86 billion
 - Rise due to ongoing investment in product development and expenses related to regulatory affairs
 - Increase in other operating expenses: ¥1.00 billion
 - Impairment loss on intangible assets
-
- FX impact: ¥3.17 billion positive impact

Breakdown of Assets and Liabilities/Equity



Consolidated Cash Flows



Topics (April to October 2021)



Diagnostics business

- TARC assay kit approved for an additional indication as an auxiliary assessment of COVID-19 aggravation risk (Japan)
- Relocated our PCR testing laboratory to the Research and Development Center and expanded its functions (Japan)
- In EMEA region, launched CN-3500/CN-6500
- Signed joint development and capital alliance with ThinkCyte with an aim toward commercialization of an AI-based cell analysis technology
- Formed strategic alliance with QIAGEN to provide cancer companion diagnostics that uses ultrasensitive liquid biopsy NGS technology

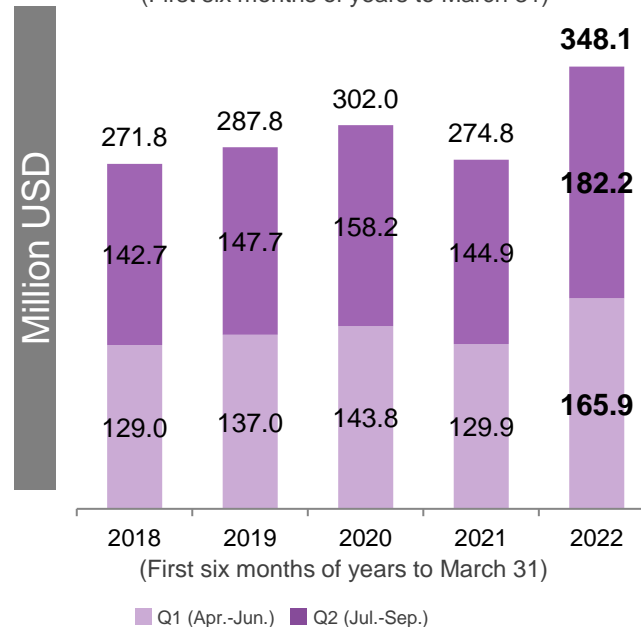
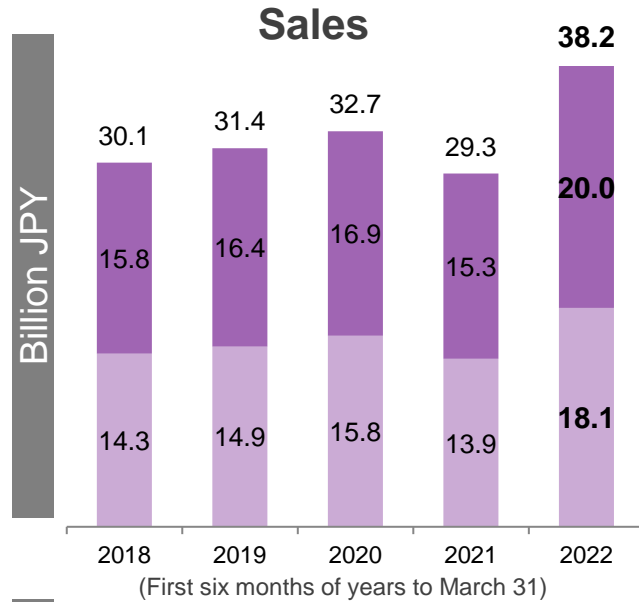
Medical robotics business

- Completed application to expand regulatory approval for robotic assisted surgery system to gynecology and gastroenterology (Japan)

Others

- Extended introduction of job-based HR management system to general employees in addition to managers. (Japan)
- Complied with the listing criteria for the “Prime Market,” and the Managing Board resolved to select the “Prime Market” category for its listing

Information by Destination (Americas)



	(Billions of yen)	First six months of fiscal year ending March 31, 2022	First six months of fiscal year ended March 31, 2021	YoY (Previous period = 100%)	
				(Yen basis)	(Local currency basis)
Sales		38.2	29.3	130.2%	126.7%
Instruments		9.7	7.6	127.6%	124.2%
Reagents		17.8	13.1	136.0%	132.3%
Services, others		10.5	8.5	123.6%	120.3%

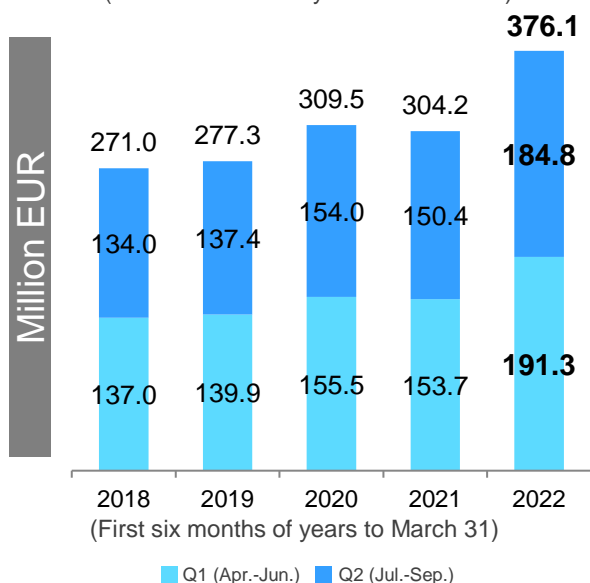
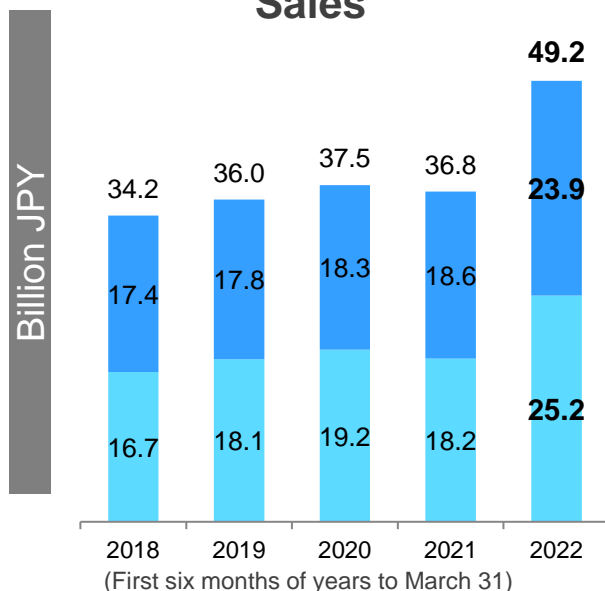
Due to the recovery following the COVID-19 impact, instrument and reagent sales increased in the hematology field, and North American sales in the urinalysis field rose, boosting sales.

- Instruments: Installation of hematology instruments was robust, mainly in the United States, and sales in the urinalysis field rose due to our collaboration with Siemens, lifting instrument sales.
- Reagents: Due to the recovery following the COVID-19 impact, sales increased in the hematology field and in the urinalysis field in North America, causing reagent sales to rise.

Information by Destination (EMEA)



Sales



(Billions of yen)	First six months of fiscal year ending March 31, 2022	First six months of fiscal year ended March 31, 2021	YoY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	49.2	36.8	133.5%	123.6%
Instruments	12.5	10.8	115.6%	106.7%
Reagents	28.6	19.9	144.1%	133.6%
Services, others	7.9	6.1	130.9%	121.4%

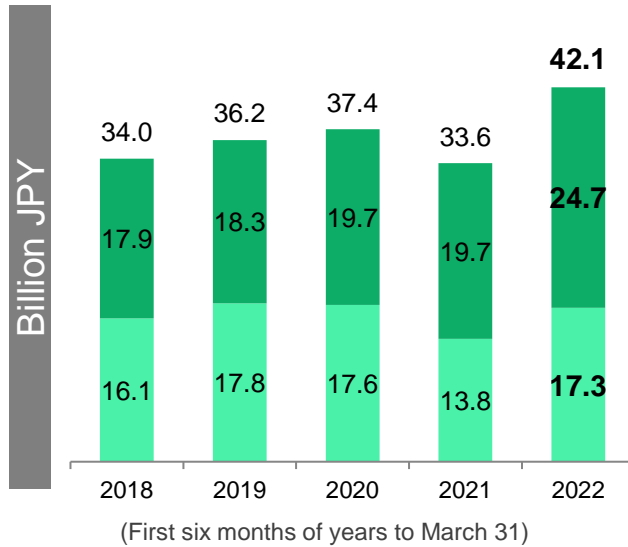
Due to the winning of tenders, instrument sales were robust, and reagent sales recovered in each region, leading to higher sales in EMEA.

- **Instruments:** Sales of instruments rose, due to higher sales in the hematology, urinalysis and hemostasis fields. Behind this increase was the winning of tenders in Russia and Eastern Europe, where investment in healthcare infrastructure is active.
- **Reagents:** Testing demand recovered in the hematology, urinalysis and life science fields, pushing up sales. Sales also increased in the hemostasis field in Russia and other areas.

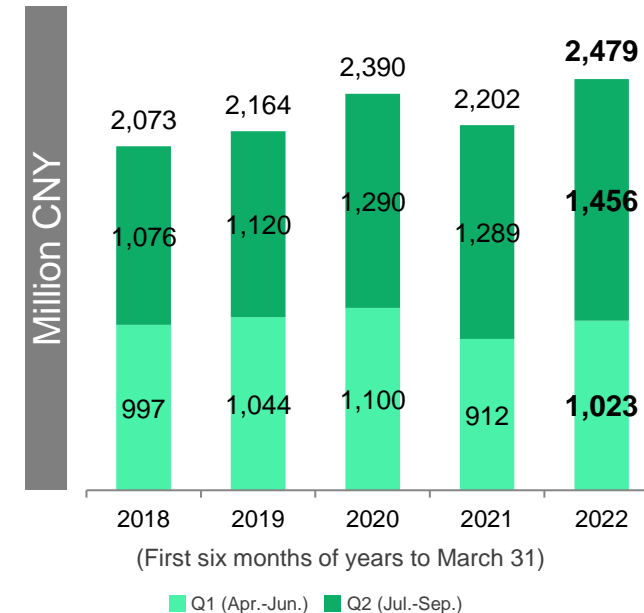
Information by Destination (China)

Sales

(Billions of yen)



	First six months of fiscal year ending March 31, 2022	First six months of fiscal year ended March 31, 2021	YoY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	42.1	33.6	125.3%	112.6%
Instruments	10.0	11.1	89.8%	80.7%
Reagents	27.7	19.0	145.4%	130.7%
Services, others	4.3	3.4	128.5%	115.4%

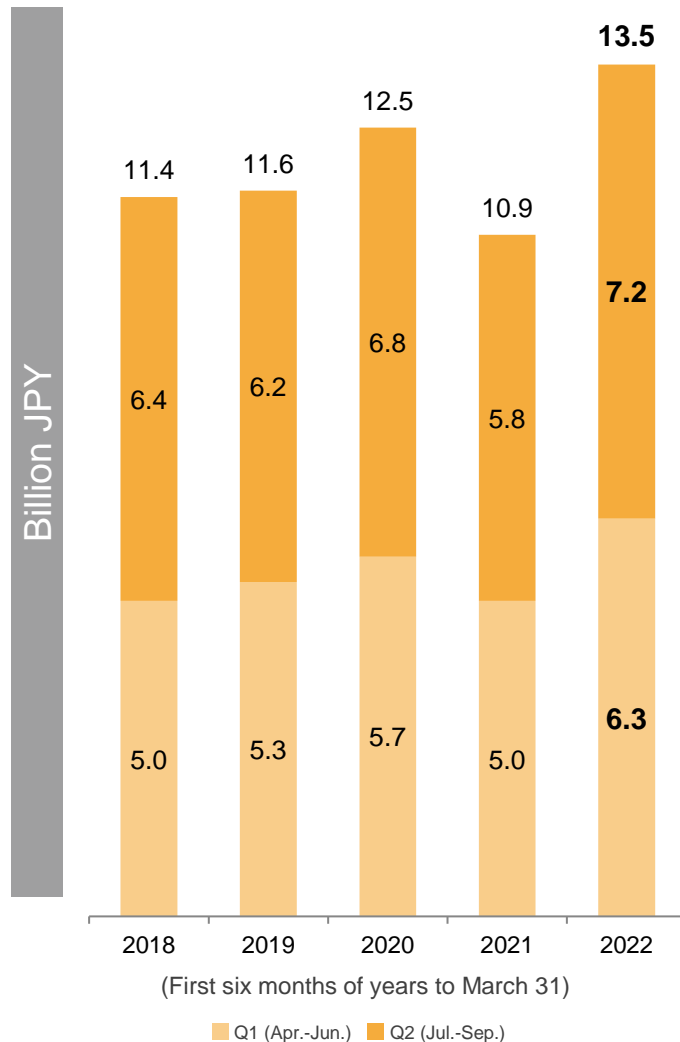


Overall sales rose due to higher sales of reagents, despite a decline in sales of instruments (which reflected higher demand in the previous fiscal year to reinforce the healthcare infrastructure).

- Instruments: Sales were down in reaction to high demand in the previous fiscal year in the urinalysis, hemostasis and immunochemistry fields.
- Reagents: Sales rose, reflecting favorable performance across all fields, centering on hematology and hemostasis, due to a recovery following the COVID-19 impact.

Information by Destination (AP)

Sales



(Billions of yen)

	First six months of fiscal year ending March 31, 2022	First six months of fiscal year ended March 31, 2021	YoY (Previous period = 100%) (Yen basis)
Sales	13.5	10.9	124.5% (118.3%)
Instruments	3.1	2.6	121.3%
Reagents	9.2	7.3	126.1%
Services, others	1.1	0.9	119.8%

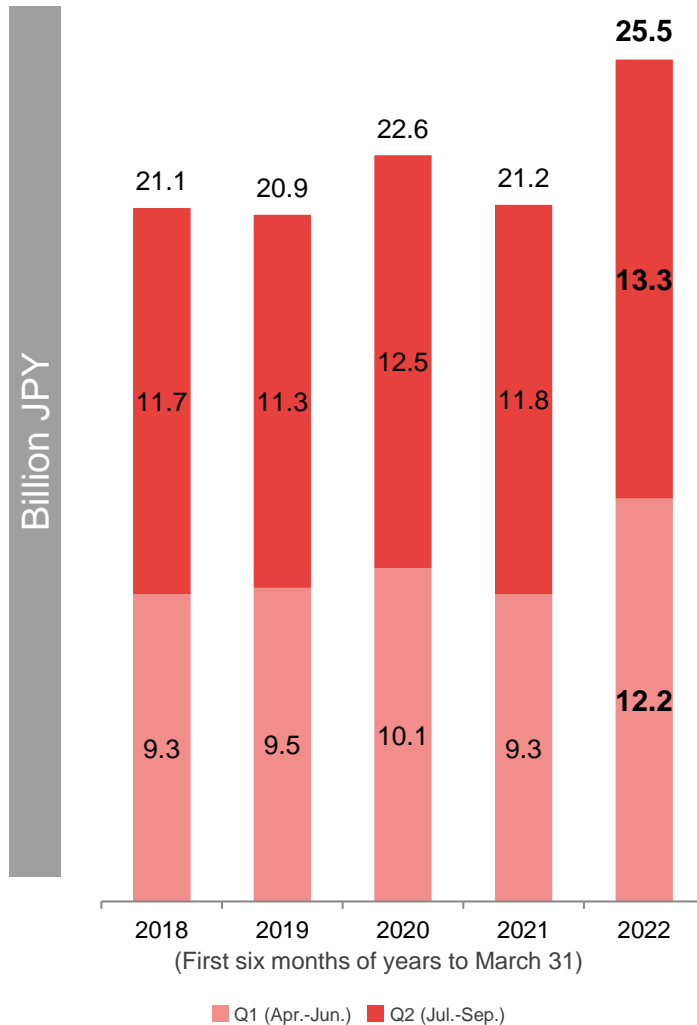
Note: Figures in parentheses exclude the impact of exchange rate fluctuations.

Except in some areas, performance recovered following the impact of COVID-19, and double-digit sales growth in all fields pushed up sales for the region.

- Instruments: Sales rose, with higher performance centering on the hematology field in India, Malaysia, Vietnam and South Korea.
- Reagents: Sales increased, due to a recovery following the impact of COVID-19, higher sales in the hematology field due to direct sales in India, and growth in the hemostasis field in Southeast Asia.

Information by Destination (Japan)

Sales



(Billions of yen)

	First six months of fiscal year ending March 31, 2022	First six months of fiscal year ended March 31, 2021	YoY (Previous period = 100%) (Yen basis)
Sales	25.5	21.2	120.1%
Diagnostics business	25.2	21.2	118.5%
Instruments	3.6	3.1	114.5%
Reagents	17.3	14.2	121.6%
Services, others	4.1	3.7	109.9%
Medical robotics business	0.3	-	-

Sales rose due to demand for testing in the urinalysis, hemostasis and immunochemistry fields, and in relation to COVID-19.

- Instruments: Sales rose due to higher sales in the immunochemistry field in relation to COVID-19, as well as to increased sales in the urinalysis and hemostasis fields.
- Reagents: Sales rose, as testing related to COVID-19 pushed up sales in the immunochemistry, hemostasis and life science fields.

2.

Financial Forecast for the Fiscal Year Ending March 31, 2022

Consolidated Earnings Forecast



Figures in light blue have been revised subsequent to May 2021 announcement.

Forecast figures announced in May 2021 are indicated in parentheses, ().

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

Net sales: **¥360.0 billion** (¥350.0 billion)

Operating profit: **¥66.0 billion** (¥60.0 billion)

Operating margin: **18.3%** (17.1%)

Profit attributable to owners of the parent: **¥44.0 billion** (¥40.0 billion)

Profit attributable to owners of the parent to net sales: **12.2%** (11.4%)

Planned investment

Capital expenditure:
¥39.0 billion
(including tangible and intangible)

Depreciation and amortization:
¥29.5 billion

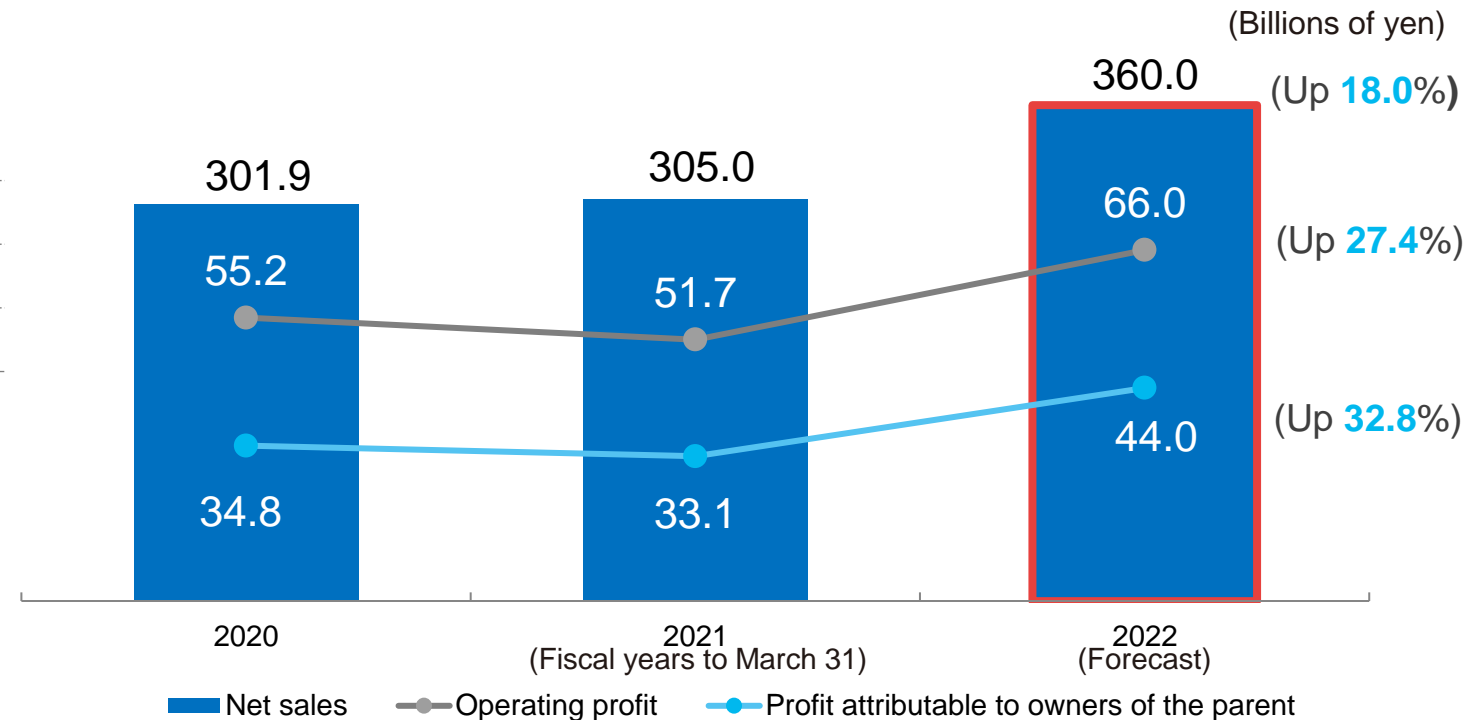
R&D expenditure:
¥26.5 billion (¥27.5 billion)

● Assumed Exchange Rates

	For fiscal year ending March 31, 2022 (Revised November 2021)	For second half of fiscal year ending March 31, 2022 (Revised November 2021)	Previous year (Fiscal Year ended March 31, 2021)
1 USD	¥ 110.9	¥ 112.0	¥106.1
1 EUR	¥ 130.5	¥ 130.0	¥123.7
1 CNY	¥ 17.0	¥ 17.0	¥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



Full-Year Earnings Forecast



Assumptions behind second-half earnings

- We currently expect to reach our goals for the year which was announced at the beginning of the fiscal year. As expected, we assume a recovery in reagent sales and steady progress on our business plans.
- In the second half, we will continue investing as planned, with a view to future growth.
- Our exchange rate assumptions for the second half are 1USD = ¥112.0, 1EUR = ¥130.0, and 1CNY = ¥17.0.

(Billions of yen)

	First half results (Apr.–Sep.)		Second half (Oct.–Mar.)		Full year (Apr.–Mar.)	
	Fiscal year ending March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ending March 31, 2022 (forecast)	Fiscal year ended March 31, 2021 (results)	Fiscal year ending March 31, 2022 (forecast)	Fiscal year ended March 31, 2021 (results)
Net sales	168.7	132.0	191.2	172.9	360.0	305.0
Cost of sales ratio	46.8%	49.1%	48.1%	49.7%	47.5%	49.4%
SG&A expenses	44.0	38.0	51.9	42.7	96.0	80.8
R&D expenses	11.6	9.7	14.8	12.7	26.5	22.5
Operating profit	33.7	20.0	32.2	31.7	66.0	51.7

Dividend Forecast

- No change from our dividend forecast at the start of the year

	Interim dividend	Year-end dividend	Total	Payout ratio
Fiscal year ended March 31, 2021	¥36	¥36	¥72	45.4%
Fiscal year ending March 31, 2022 (proposal)	¥37	¥37	¥74	35.2%

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.

(Appendix)

Q2 Business Results



Although SG&A and R&D expenses rose, higher sales pushed up gross profit, lifting overall profit.

(Billions of yen)

	Q2 of fiscal year ending March 31, 2022 (July to September)			Q2 of fiscal year ended March 31, 2021 (July to September)	
	Results	Ratio	YoY (Previous period = 100%)	Results	Ratio
Net sales	89.3	100.0%	124.9%	71.5	100.0%
Cost of sales	41.4	46.4%	118.8%	34.9	48.8%
SG&A expenses	22.5	25.2%	117.8%	19.1	26.8%
R&D expenses	6.1	6.8%	126.5%	4.8	6.8%
Other operating income and expenses	(0.5)	(0.7)%	-	0.3	0.5%
Operating profit	18.6	20.9%	143.0%	13.0	18.2%
Profit attributable to owners of the parent	12.2	13.7%	150.0%	8.1	11.4%

Results by Geographic Region (Sales and Operating Profit)



(Billions of yen)

		First six months of fiscal year ending March 31, 2022	First six months of fiscal year ended March 31, 2021	YoY (Previous period = 100%)	
				Yen	Local currency
Americas	Sales to external customers	35.6	27.2	131.2%	127.6%
	Operating profit	1.7	0.3	472.4%	450.3%
EMEA	Sales to external customers	49.7	37.1	133.8%	123.9%
	Operating profit	7.6	3.6	211.9%	196.8%
China	Sales to external customers	42.1	33.5	125.4%	112.7%
	Operating profit	4.7	1.2	389.1%	350.5%
AP	Sales to external customers	13.4	10.8	124.4%	-
	Operating profit	1.7	0.9	182.5%	-
Japan*	Sales to external customers	27.7	23.2	119.2%	-
	Operating profit	18.9	12.9	146.4%	-

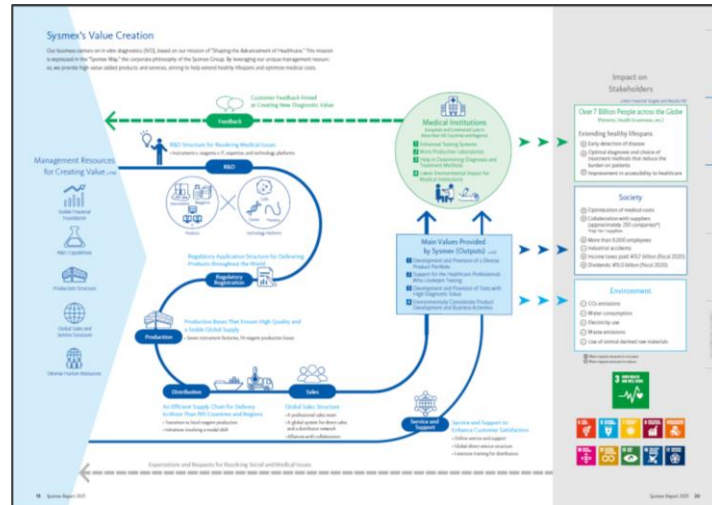
*Includes sales to IDEXX and other external customers

Published the *Sysmex Report 2021* (an Integrated Report) and the *Sysmex Sustainability Data Book 2021*



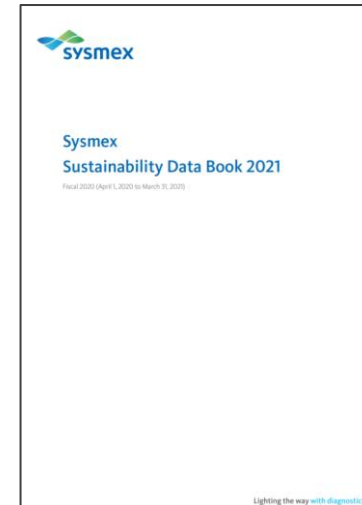
Sysmex Report 2021 (integrated report)

<https://www.sysmex.co.jp/en/ir/library/annual-reports/index.html>



Sysmex Sustainability Data Book 2021 (yearly report)

<https://www.sysmex.co.jp/en/csr/report/index.html>



Materiality	SDG Targets	KPI	2020 Actual	2021 Actual	2022 Target
Health of medical staff through products and services	Working conditions	Percentage of employees with positive work environment scores	51%	51%	51%
	Number of safety incidents	Total number of safety incidents (lost time and days away from work)	2,534	2,087	2,000
	Number of safety incidents	Number of safety incidents (lost time and days away from work)	2,534	2,087	2,000
	Number of safety incidents	Number of safety incidents (lost time and days away from work)	2,534	2,087	2,000
Responsible provision of products and services	Customer satisfaction	Customer satisfaction score	81%	81%	81%
	Customer satisfaction	Customer satisfaction score	81%	81%	81%
Reduction of CO2 emissions	Percentage of CO2 emissions reduced	Percentage of CO2 emissions reduced	100%	100%	100%
	Percentage of CO2 emissions reduced	Percentage of CO2 emissions reduced	100%	100%	100%
	Percentage of CO2 emissions reduced	Percentage of CO2 emissions reduced	100%	100%	100%
	Percentage of CO2 emissions reduced	Percentage of CO2 emissions reduced	100%	100%	100%

TOPICS

The *Sysmex Report 2020* received an award in a US annual report competition.

2020 Vision Awards

Annual Report Competition

•GOLD WINNER WORLDWIDE, etc.



Lighting the way **with diagnostics**