

Business Results

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

February 10, 2022
Sysmex Corporation

Index

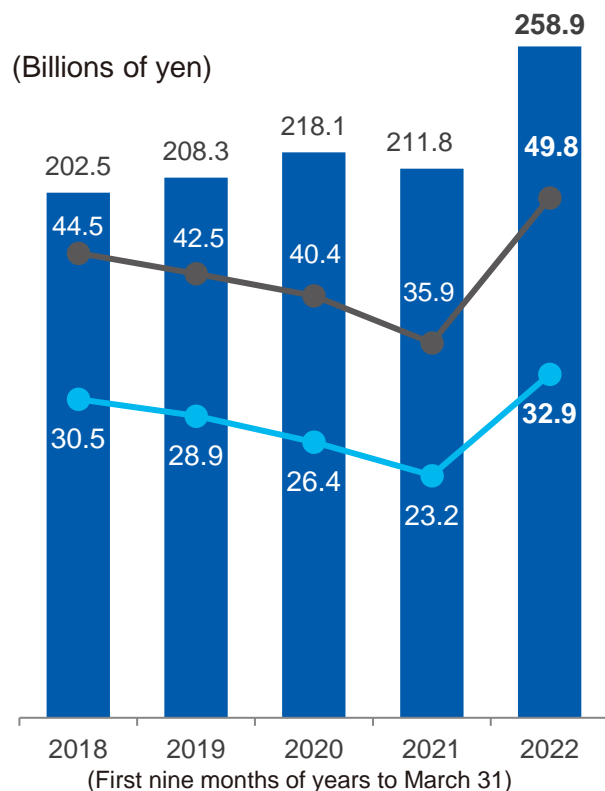
Business Results, First Nine Months of the Fiscal Year Ending March 31, 2022

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 (Year on Year)



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

	First nine months of fiscal year ending March 31, 2022	First nine months of fiscal year ended March 31, 2021
1USD	¥111.1	¥106.1
1EUR	¥130.6	¥122.4
1CNY	¥17.3	¥15.4

(Billions of yen)	First nine months of fiscal year ending March 31, 2022		First nine months of fiscal year ended March 31, 2021		YoY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net sales	258.9	100%	211.8	100%	122.2%
Cost of sales	121.5	46.9%	103.2	48.7%	117.7%
SG&A expenses	67.2	26.0%	58.2	27.5%	115.6%
R&D expenses	18.3	7.1%	15.2	7.2%	119.9%
Other income (expenses)	(1.9)	(0.7)%	0.7	0.4%	-
Operating profit	49.8	19.3%	35.9	16.9%	138.9%
Profit attributable to owners of the parent	32.9	12.7%	23.2	11.0%	141.3%

- Net sales:** Net sales rose significantly, owing to a recovery in testing demand (which lifted reagent sales) and the impact of exchange rates (yen depreciation).
 - Operating profit:** SG&A expenses increased. Even so, operating profit grew significantly thanks to higher sales, which pushed up gross profit and improved the cost of sales ratio. Exchange rate fluctuations raised net sales ¥15.30 billion and increased operating profit ¥5.26 billion. At the exchange rates prevailing one year earlier, net sales would have been up 15.0% year on year, and operating profit up 24.2%.
 - Profit attributable to owners of the parent:** Profit was up due to higher operating profit and an improvement in exchange gains (losses).
- Exchange gains (losses):** Gain of ¥0.44 billion (loss of ¥0.64 billion in same period of previous fiscal year)

Quarterly Operating Performance



The Company recorded double-digit growth in net sales compared with Q3 of the previous fiscal year, when performance was recovering from the impact of COVID-19. However, temporary losses led to an increase in other expenses, so the rise in operating profit was slight.

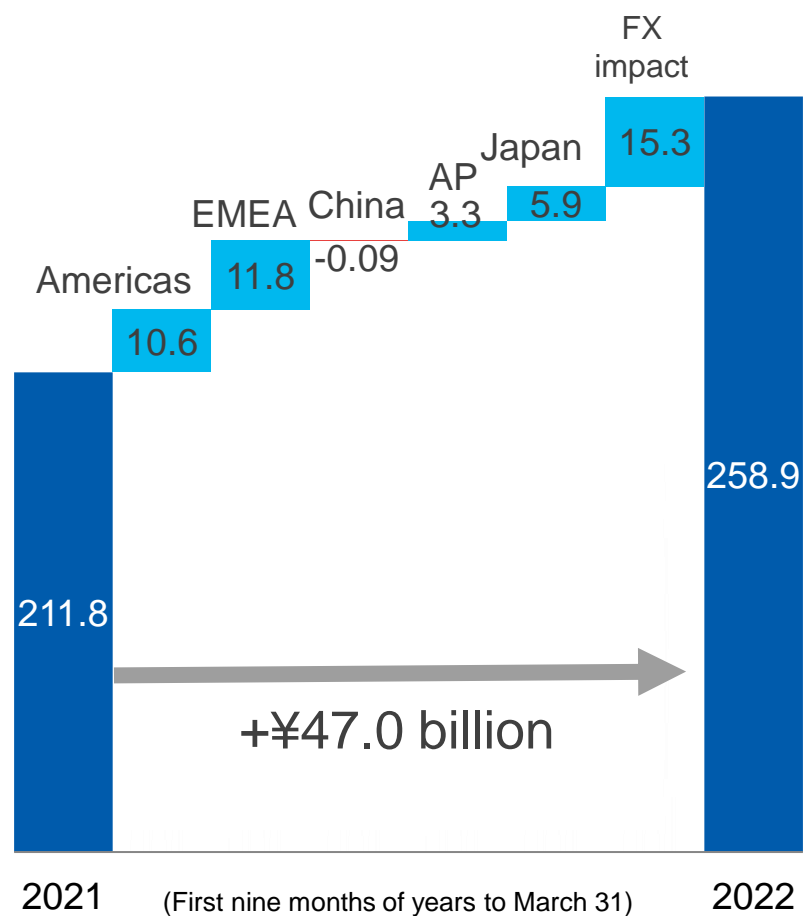
(Billions of yen)

	Q1 (Apr.–Jun.)			Q2 (Jul.–Sep.)			Q3 (Oct.–Dec.)		
	Ratio	YoY change (Previous period = 100%)		Ratio	YoY change (Previous period = 100%)		Ratio	YoY change (Previous period = 100%)	
Net sales	79.3	100.0%	131.2%	89.3	100.0%	124.9%	90.1	100.0%	113.0%
Cost of sales	37.4	47.2%	125.4%	41.4	46.4%	118.8%	42.5	47.2%	110.8%
SG&A expenses	21.5	27.1%	113.6%	22.5	25.2%	117.8%	23.1	25.7%	115.2%
R&D expenses	5.4	6.9%	111.8%	6.1	6.8%	126.5%	6.7	7.4%	121.4%
Other income (expenses)	0.1	0.2%	92.4%	(0.5)	(0.7)%	–	(1.5)	(1.7)%	–
Operating profit	15.0	19.0%	216.3%	18.6	20.9%	143.0%	16.1	17.9%	101.6%
Profit attributable to owners of the parent	9.9	12.6%	222.7%	12.2	13.7%	150.0%	10.6	11.8%	100.2%

Breakdown of Net Sales (by Destination)

Net Sales by Destination

(Billions of yen)



Sales rose by double digits on a local currency basis in all regions except China, due mainly to increased sales of hematology reagents.

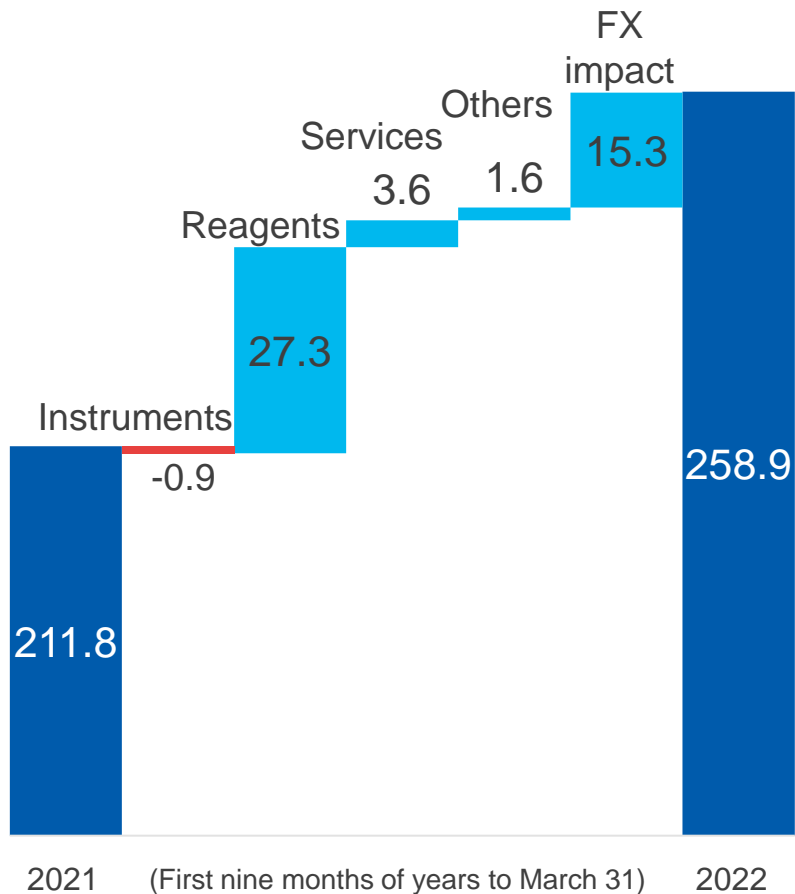
(Billions of yen)	First nine months of fiscal year ending March 31, 2022		YoY (Previous period = 100%)	
	Results	Ratio	Yen basis	Local currency basis
Net sales	258.9	100.0%	122.2%	115.0%*
Americas	59.2	22.9%	129.9%	123.9%
EMEA	76.1	29.4%	127.8%	119.9%
China	62.7	24.3%	111.3%	100.0%
AP	21.3	8.3%	126.2%	119.7%*
Japan	39.2	15.1%	118.0%	-

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

Breakdown of Net Sales (by Product Type)

Sales by Product Type

(Billions of yen)

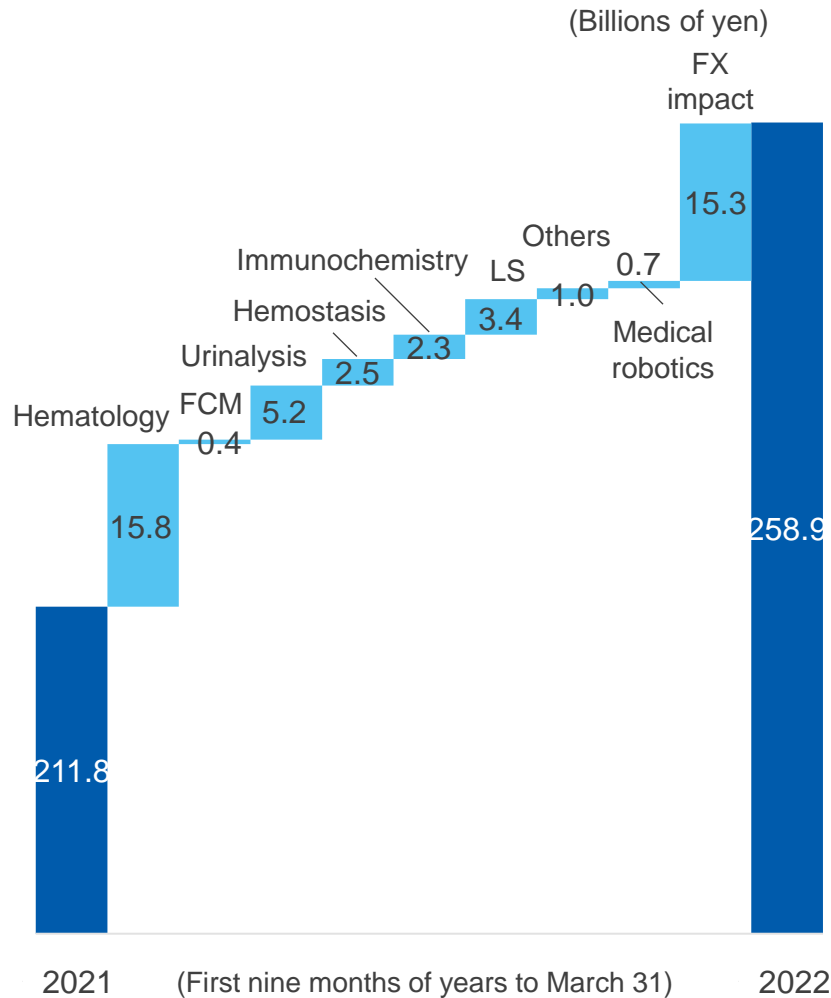


- Instruments:
 - Performance was robust, centered on the Americas. However, sales were down year on year, reflecting a COVID-19-related demand surge in China in the same period of the previous year. Also, distributors reported delayed purchases.
- Reagents:
 - Sales rose, due to a substantial increase in the hematology field 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 nine months of fiscal year ending March 31, 2022		YoY (previous period = 100%)	
	Results	Ratio	Yen basis	Excluding FX impact
Instruments	59.1	22.8%	104.5%	98.3%
Reagents	156.8	60.6%	130.8%	122.8%
Services, others	42.9	16.6%	121.6%	115.0%

Breakdown of Net Sales (by Business)

Sales by Business

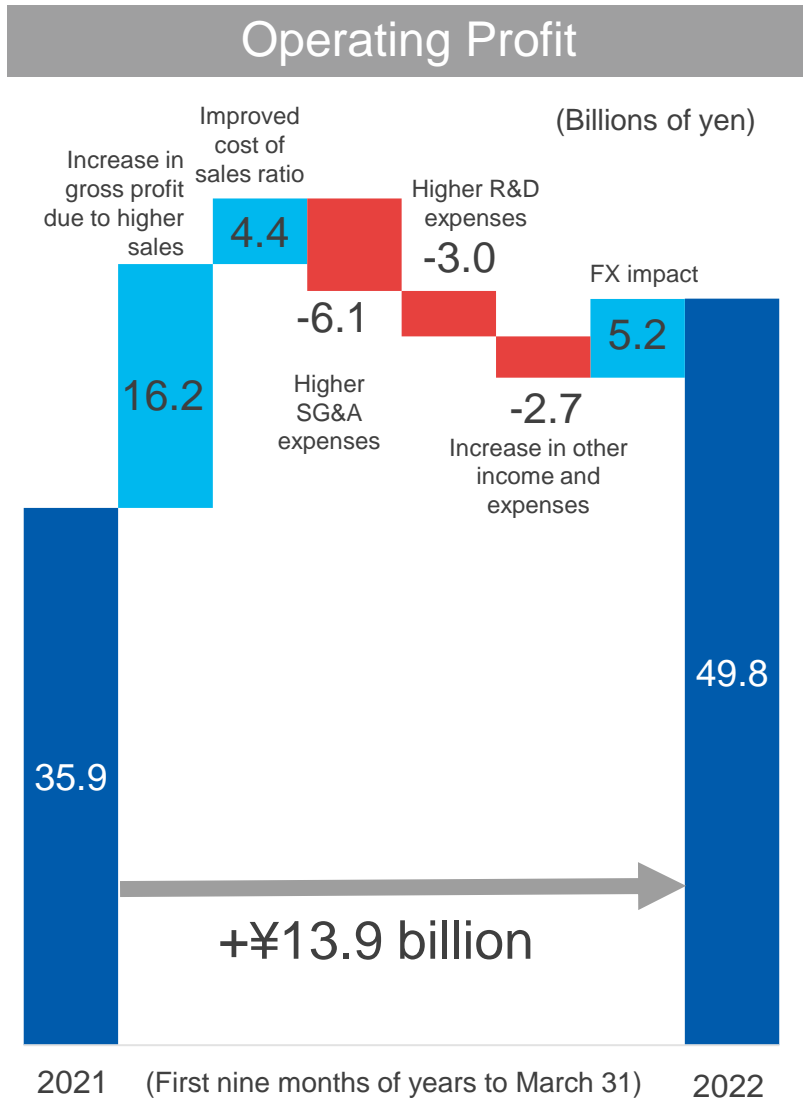


Sales rose in all businesses thanks to a resurgence in testing demand, an increase in the direct sales area and expansion in the urinalysis field in North America.

(Billions of yen)	First nine months of fiscal year ending March 31, 2022		YoY (previous period = 100%)	
	Results	Ratio	Yen basis	Excluding FX impact
Net sales	258.9	100.0%	122.2%	115.0%
Hematology	151.8	58.6%	119.2%	112.4%
FCM	1.4	0.6%	154.9%	145.9%
Urinalysis	20.7	8.0%	146.9%	137.3%
Hemostasis	43.5	16.8%	114.8%	106.8%
Immunochemistry	13.7	5.3%	130.3%	122.7%
Clinical chemistry	2.2	0.9%	112.3%	107.5%
Life science	12.5	4.9%	148.2%	140.6%
Others	11.9	4.6%	114.7%	108.7%
Diagnostics business	258.1	99.7%	121.9%	114.6%
Medical robotics business	0.7	0.3%	-	-

Breakdown of Operating Profit

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



- Increase in gross profit due to higher sales: ¥16.28 billion
 - Impact of improvement in the cost of sales ratio: ¥4.40 billion (1.8pt improvement)
 - Despite negative factors (such as the impact of sharply higher shipping costs), the ratio improved thanks to 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: ¥6.19 billion
 - Expenses rose due to the recommencement of sales and service activities in each area, as well as to reinforcement of the direct sales structure.
 - Increase in expenses related to digitalization and the medical robotics business
 - Increase in R&D expenses: ¥3.04 billion
 - Rise due to ongoing investment in product development and expenses related to regulatory affairs
 - Increase in other expenses: ¥2.76 billion
 - Temporary expenses related to a fire at an outsourced storage facility
 - Impairment loss on intangible assets
-
- FX impact: ¥5.26 billion positive impact

Topics (April to December 2021)

Diagnostics business

- Relocated the PCR testing laboratory to our Research and Development Center and expanded its functions (Japan: May)
- TARC assay kit approved for an additional indication as an auxiliary assessment of COVID-19 aggravation risk (Japan: June)
- **Launched fifteen immunochemistry reagent parameters (such as tumor markers) (China:December)**
- **Obtained regulatory approval for locally manufactured instruments in Urinalysis field (knockdown production method) (China: December)**
- **Filed for manufacturing and marketing approval for an assay kit that assists in identification of amyloid beta accumulation in the brain (Japan: December)**

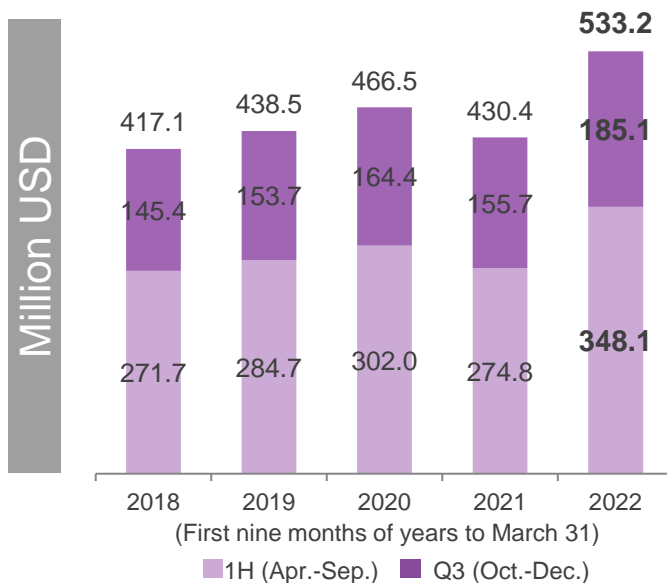
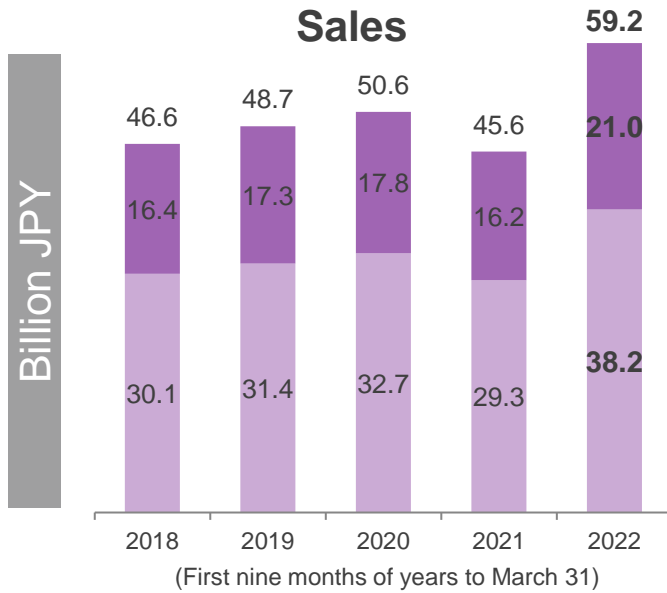
Medical robotics business

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

Others

- **Selected for inclusion in the Dow Jones Sustainability World Index for the sixth consecutive year (November)**
- **With Yamato Transport, commenced dry ice-free transportation of reagents for gene testing in consolidated cargo at the ultralow temperature range of minus 70 degrees Celsius (Japan: December)**

Information by Destination (Americas)

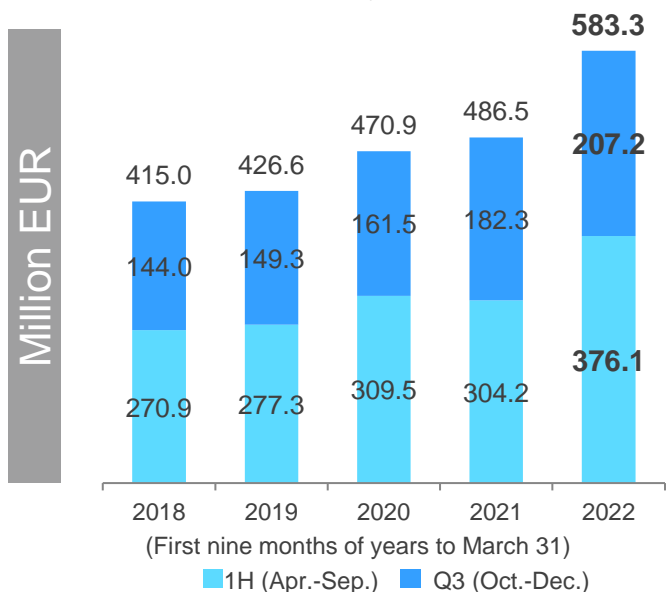
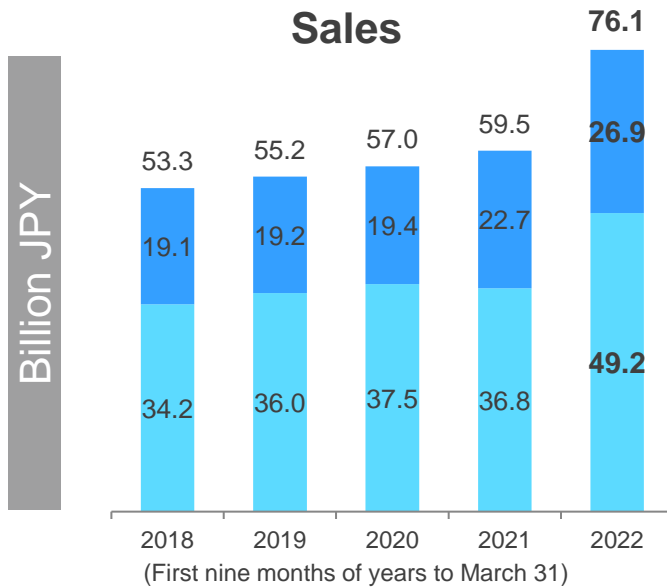


(Billions of yen)	First nine months of fiscal year ending March 31, 2022	First nine months of fiscal year ended March 31, 2021	YoY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	59.2	45.6	129.9%	123.9%
Instruments	15.5	11.5	134.6%	128.4%
Reagents	27.6	21.1	130.4%	124.3%
Services, others	16.1	12.9	124.8%	119.1%

Due to the recovery following the COVID-19 impact, performance in the hematology field was solid, and North American sales in the urinalysis field rose, boosting sales.

- **Instruments:** In addition to robust performance in the hematology field, higher sales in the urinalysis field in collaboration with Siemens boosted sales in North America, 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)



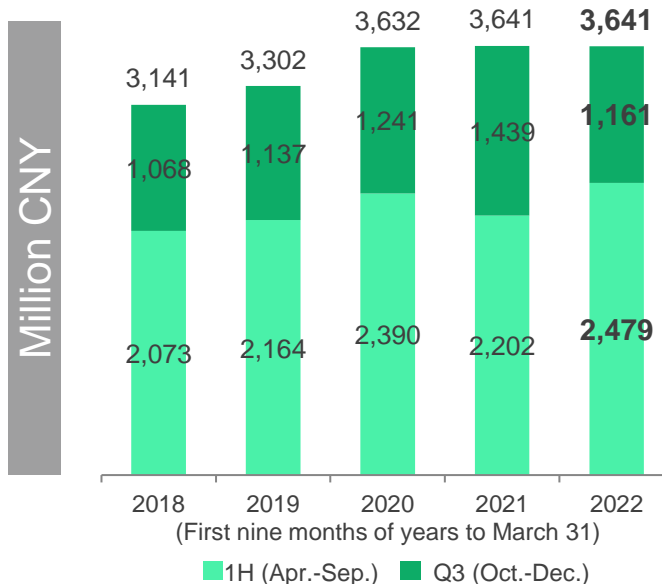
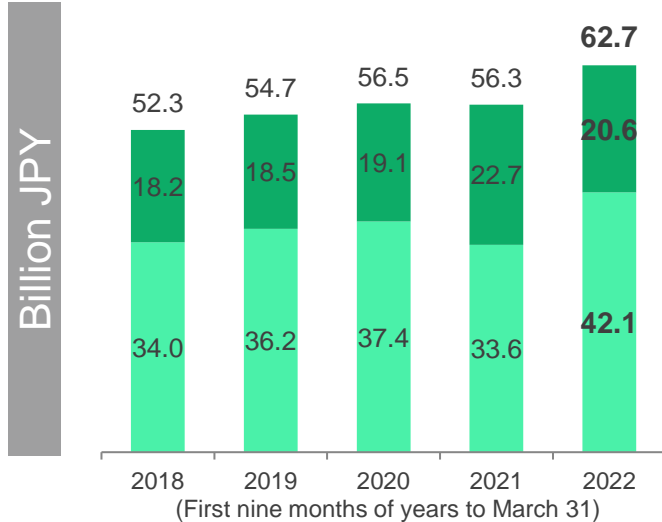
(Billions of yen)	First nine months of fiscal year ending March 31, 2022	First nine months of fiscal year ended March 31, 2021	YoY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	76.1	59.5	127.8%	119.9%
Instruments	19.1	17.4	110.1%	103.0%
Reagents	44.8	32.4	138.2%	129.7%
Services, others	12.1	9.6	125.3%	117.5%

Instrument sales were robust, and reagent sales increased due to a recovery in testing demand, leading to higher sales in EMEA.

- **Instruments:** Sales of instruments rose, due to higher sales centering on 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:** Due to a resurgence following the impact of COVID-19, sales rose in the hematology, urinalysis and life science fields. Sales also increased in the hemostasis field in Russia.

Information by Destination (China)

Sales

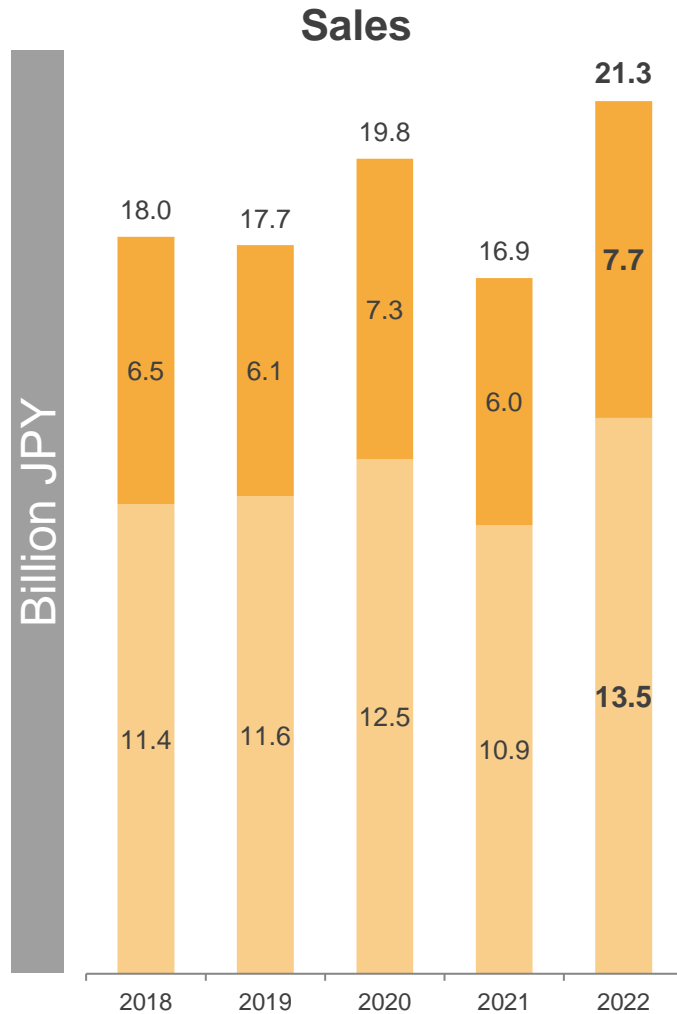


(Billions of yen)	First nine months of fiscal year ending March 31, 2022	First nine months of fiscal year ended March 31, 2021	YoY (Previous period = 100%)	
			(Yen basis)	(Local currency basis)
Sales	62.7	56.3	111.3%	100.0%
Instruments	13.1	17.9	73.3%	66.0%
Reagents	43.1	32.9	130.8%	117.4%
Services, others	6.5	5.4	119.5%	107.1%

Sales in the region increased despite a decline in instrument sales, as reagent sales were robust due to a resurgence following the impact of COVID-19.

- Instruments: Sales were down in reaction to high demand in the previous fiscal year in the urinalysis, hemostasis and immunochemistry fields. Sales were also affected by delayed purchases and sluggishness among some distributors.
- Reagents: Sales rose, reflecting favorable performance across fields centering on hematology, hemostasis and immunochemistry, due to a recovery following the COVID-19 impact, and instrument installations in the previous period.

Information by Destination (AP)



(First nine months of years to March 31)

■ 1H (Apr.-Sep.) ■ Q3 (Oct.-Dec.)

(Billions of yen)

	First nine months of fiscal year ending March 31, 2022	First nine months of fiscal year ended March 31, 2021	YoY (Previous period = 100%) (Yen basis)
Sales	21.3	16.9	126.2% (119.7)
Instruments	4.9	4.0	120.4%
Reagents	14.6	11.3	128.6%
Services, others	1.8	1.4	123.5%

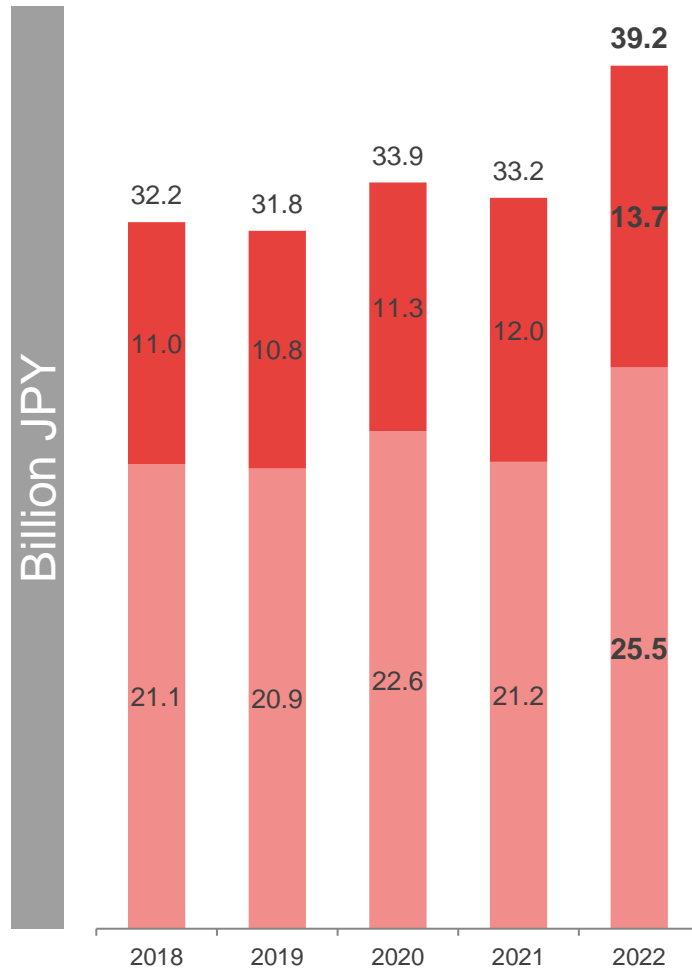
Note: Figures in parentheses exclude the impact of exchange rate fluctuations.

Performance recovered following the impact of COVID-19, and double-digit up instrument and reagent sales growth in all fields pushed sales for the region.

- Instruments: Sales rose centering on favorable results in the hematology and hemostasis field in India and Thailand.
- Reagents: Sales increased in all fields, due to a recovery in testing demand, centering on India, Indonesia and South Korea.

Information by Destination (Japan)

Sales



(First nine months of years to March 31)

■ 1H (Apr.-Sep.) ■ Q3 (Oct.-Dec.)

(Billions of yen)

	First nine months of fiscal year ending March 31, 2022	First nine months of fiscal year ended March 31, 2021	YoY (Previous period = 100%) (Yen basis)
Sales	39.2	33.2	118.0%
Diagnostics business	38.5	33.2	115.8%
Instruments	5.6	5.5	101.8%
Reagents	26.5	21.9	121.1%
Services, others	6.3	5.8	109.0%
Medical robotics business	0.7*	-	-

Sales rose in the region, as sales of instruments and reagents increased due to a rise in testing demand in relation to COVID-19.

- **Diagnostics business**
 Instruments: Sales rose due to higher sales in the immunochemistry and hemostasis fields in line with higher testing demand in relation to COVID-19.
 Reagents: Sales of reagents increased due to higher demand in the immunochemistry and hemostasis fields in line with higher demand for antigen tests and tests to predict aggravation. Sales also rose in the life science field due to an increase in PCR testing.
- **Medical robotics business:** Eleven units have been installed since the start of sales.

* Contract details differ, depending on the sales scheme, so the number of units installed does not align with sales results.

Consolidated Earnings Forecast



No revisions subsequent to November 2021 announcement.

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

Net sales: **¥360.0 billion**

Operating profit: **¥66.0 billion**

Operating margin: **18.3%**

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

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

Planned investment

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

Depreciation and amortization:
¥29.5 billion

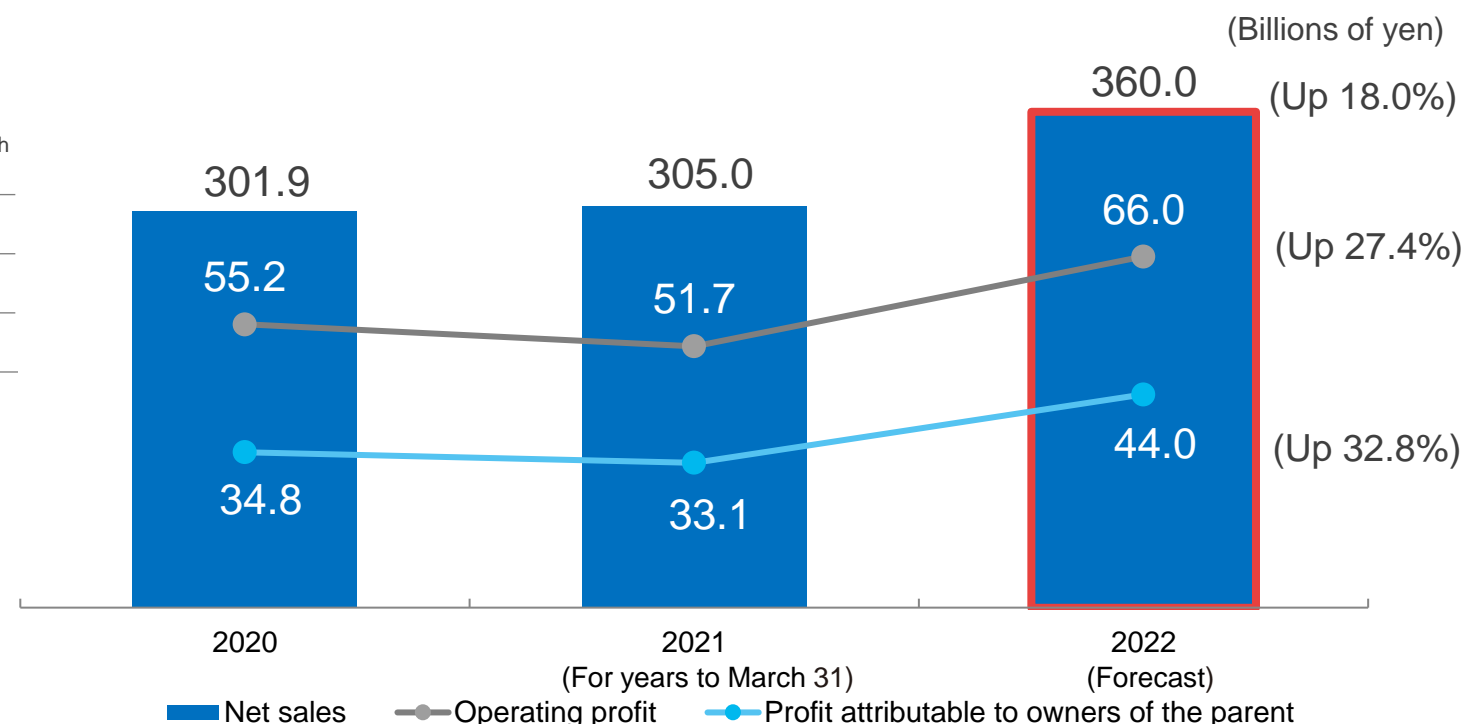
R&D expenditure:
¥26.5 billion

● Assumed Exchange Rates

	For fiscal year ending March 31, 2022 (Revised Nov. 2021)	For second half of fiscal year ending March 31, 2022 (Revised Nov. 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



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(Appendix)

Q3 Business Results (Year on Year)



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

(Billions of yen)

	Q3 of the fiscal year ending March 31, 2022 (October–December)			Q3 of the fiscal year ended March 31, 2021 (October–December)	
	Results	Ratio	YoY change (Previous period = 100%)	Results	Ratio
Net sales	90.1	100.0%	113.0%	79.7	100.0%
Cost of sales	42.5	47.2%	110.8%	38.4	48.2%
SG&A expenses	23.1	25.7%	115.2%	20.1	25.2%
R&D expenses	6.7	7.4%	121.4%	5.5	6.9%
Other income (expenses)	(1.5)	(1.7)%	-	0.2	0.3%
Operating profit	16.1	17.9%	101.6%	15.9	19.9%
Profit attributable to owners of the parent	10.6	11.8%	100.2%	10.6	13.3%

Results by Geographic Region (Sales and Operating Profit)



(Billions of yen)

		First nine months of fiscal year ending March 31, 2022	First nine months of fiscal year ended March 31, 2021	YoY (Previous period = 100%)	
				Yen	Local currency
Americas	Sales to external customers	55.8	42.4	131.7%	125.6%
	Operating profit	2.9	0.9	308.0%	289.3%
EMEA	Sales to external customers	76.9	60.1	127.9%	120.0%
	Operating profit	12.1	7.5	162.2%	152.9%
China	Sales to external customers	62.7	56.3	111.4%	100.0%
	Operating profit	7.3	3.0	242.1%	218.8%
AP	Sales to external customers	21.2	16.8	126.0%	-
	Operating profit	2.9	1.7	173.6%	-
Japan*	Sales to external customers	42.1	36.1	116.6%	-
	Operating profit	27.6	21.7	126.9%	-

*Includes sales to IDEXX and other external customers

Lighting the way **with diagnostics**