

**Summary of Consolidated Financial Results [ IFRS ]  
for the Fiscal Year Ended March 31, 2022**

May 12, 2022

Listed company name : Sysmex Corporation  
Code : 6869  
Listed stock exchanges : Tokyo Stock Exchange  
URL : www.sysmex.co.jp/en  
Company representative : Hisashi Ietsugu, Chairman and CEO  
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Scheduled date for shareholders' meeting : June 24, 2022  
Scheduled date for dividend payment : June 27, 2022  
Scheduled date for filing of financial report : June 24, 2022  
Preparation of supplementary material for earnings : Yes  
Holding of earnings announcement : Yes

(Unit: Millions of Yen)

**1. Consolidated Results for the Year Ended March 31, 2022**

(1) Operating results

(% changes as compared with the previous fiscal year)

	Net Sales		Operating profit		Profit before tax		Profit	
Year ended Mar. 31, 2022	363,780	19.2%	67,416	34.8%	64,346	39.1%	44,071	38.3%
Year ended Mar. 31, 2021	305,073	1.0%	50,010	(9.5)%	46,251	(6.4)%	31,865	(8.5)%

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Year ended Mar. 31, 2022	44,093	38.2%	56,442	32.7%	210.88	210.49
Year ended Mar. 31, 2021	31,905	(8.5)%	42,531	55.4%	152.73	152.47

	Return on equity (%)	Profit before tax to total assets (%)	Operating profit to net sales (%)
Year ended Mar. 31, 2022	13.5	14.2	18.5
Year ended Mar. 31, 2021	10.9	11.4	16.4

Note:

Share of loss on equity method: 3,561 million yen for the year ended March 31, 2022; 3,083 million yen for the year ended March 31, 2021.

(2) Financial condition

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent to total assets (%)	Equity attributable to owners of the parent per share (Yen)
As of Mar. 31, 2022	483,707	349,053	348,303	72.0	1,664.85
As of Mar. 31, 2021	424,895	306,089	305,318	71.9	1,460.88

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the term
Year ended Mar. 31, 2022	58,739	(35,052)	(20,542)	73,752
Year ended Mar. 31, 2021	56,873	(29,191)	(20,253)	66,467

## 2. Dividend

	Dividend per share					Total dividend payment (Millions of yen)	Dividend payout ratio (Consolidated) (%)	Dividend to equity attributable to owners of the parent (Consolidated) (%)
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)			
Year ended Mar. 31, 2021	—	36.00	—	36.00	72.00	15,044	47.1	5.2
Year ended Mar. 31, 2022	—	37.00	—	39.00	76.00	15,893	36.0	4.9
Year ending Mar. 31, 2023 (Forecast)	—	40.00	—	40.00	80.00		33.5	

## 3. Financial Forecast for the Year Ending March 31, 2023

(% changes as compared with the corresponding period of the previous fiscal year)

	Net Sales		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share (Yen)
Six months ending Sep. 30, 2022	193,000	14.4%	38,000	12.7%	36,300	13.1%	25,000	12.4%	119.50
Year ending Mar. 31, 2023	410,000	12.7%	76,000	12.7%	72,500	12.7%	50,000	13.4%	238.99

## 4. Other Information

(1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation):  
No

(2) Changes in accounting policies and accounting estimates

1) Changes in accounting policies required by IFRS: No

2) Other changes in accounting policies: Yes

3) Changes in accounting estimates: No

(3) Number of outstanding stock (common stock)

1) Number of outstanding stock at the end of each fiscal period (including treasury stock):

209,657,362 shares as of Mar. 31, 2022; 209,443,232 shares as of Mar. 31, 2021

2) Number of treasury stock at the end of each fiscal period:

447,255 shares as of Mar. 31, 2022; 446,876 shares as of Mar. 31, 2021

3) Average number of outstanding stock for each period (cumulative):

209,091,573 shares for the year ended Mar. 31, 2022

208,905,283 shares for the year ended Mar. 31, 2021

## (Reference) Summary of the Non-consolidated Financial Results for the Year Ended March 31, 2022

(1) Non-consolidated operating results

(% changes as compared with the previous fiscal year)

	Net Sales		Operating income		Ordinary income		Net income	
Year ended Mar. 31, 2022	185,959	17.6%	40,232	54.7%	48,343	64.1%	36,031	59.2%
Year ended Mar. 31, 2021	158,142	(0.9)%	26,004	(22.5)%	29,460	(28.0)%	22,635	(27.6)%

	Net income per share (Yen)	Diluted net income per share (Yen)
Year ended Mar. 31, 2022	172.32	172.01
Year ended Mar. 31, 2021	108.35	108.17

(2) Non-consolidated financial condition

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
As of Mar. 31, 2022	283,110	234,932	82.5	1,116.08
As of Mar. 31, 2021	257,889	212,840	82.0	1,011.23

Equity capital: 233,495 million yen as of March 31, 2022; 211,342 million yen as of March 31, 2021.

Note: Summaries of financial results are not subject to audit by certified public accountants or auditors.

\* Explanation regarding the appropriate use of financial forecast and other information

1. The forecasts and future projections contained herein have been prepared on the basis of rational decisions given the information available as of the date of announcement of this document. These forecasts do not represent a commitment by the Company, and actual performance may differ substantially from forecasts for a variety of reasons. Please refer to “4) Outlook for future” within “1. Overview of operating performance” on page 4 of the attachment to this document.
2. Supplementary financial materials (in Japanese and English) will be posted on the Sysmex website on Thursday, May 12, 2022.

## Content of Supplementary Materials

1. Overview of operating performance	2
1) Operating performance during the year	2
2) Financial conditions at end of the year	4
3) Cash flows during the year	4
4) Outlook for future	4
2. Basic perspective on selection of accounting standards	5
3. Consolidated financial statements and notes	6
1) Consolidated statement of financial position	6
2) Consolidated statement of income	8
3) Consolidated statement of comprehensive income	9
4) Consolidated statement of changes in equity	10
5) Consolidated statement of cash flows	12
6) Notes to the consolidated financial statements	13
1. Notes related to the going concern assumption	13
2. Changes in accounting policies	13
3. Segment information	13
4. Per-share information	16
5. Significant subsequent event	16

## 1. Overview of operating performance

### 1) Operating performance during the year

Future-related information contained in the text below is based on the judgement as of the end of the fiscal period under review.

The Group booked other non-current assets for the cost of configuration or customization costs in cloud computing contracts until the previous fiscal year, but it was decided by the IFRS Interpretation Guidelines Committee announced in April 2021 from the current fiscal year. Based on the announce, we changed the method to recognize the cost as an expense when the service is received. The changes in the accounting policy have been applied retroactively, and we are comparing and analyzing the figures for the previous fiscal year to reflect the details of the retroactive processing.

During the fiscal year ended March 31, 2022, the Japanese economy was characterized by a temporary abatement in the COVID-19 pandemic, and corporate earnings, production, and capital investment showed signs of rebounding. However, personal consumption then fell off as infections began to increase anew. This factor, plus the negative impact of rising crude oil and materials prices, caused the outlook to remain uncertain. Overseas, the overall trend is toward recovery, although the situation varies by country and region. There are concerns about an economic slowdown due to soaring raw material prices and supply chain disruptions caused by increasing geopolitical risks, as well as a shift toward tighter U.S. monetary policy.

On the healthcare front, in Japan demand expectations are rising in the medical and healthcare fields against the backdrop of an aging population and diversifying health and medical needs. The Japanese government has positioned this category as one for its growth strategies, so medical-related industries are expected to remain active. Looking overseas, aging populations in developed countries are driving demand for more efficient healthcare. Economic growth in emerging markets is causing healthcare demand to increase and prompting higher levels of healthcare quality and service enhancements. At the same time, rapid advances in the application of artificial intelligence, information and communications technology, and other leading-edge technologies to the healthcare sector are expected to continue providing opportunities for growth.

Under these circumstances, Sysmex continued to expand its product portfolio in the hematology field. We launched a next-generation flagship model, the XR-Series Automated Hematology Analyzer, and a compact three-part differential model, the XQ-Series Automated Hematology Analyzer, in Japan. We are moving forward with a gradual global sales rollout as we receive regulatory approval in individual countries. We continue working to advance our product portfolio in the hematology field, as part of our aim to contribute to the optimization of laboratory operations according to regional characteristics and facilities' needs.

In addition, we have established a new local subsidiary to further strengthen our business foundation in Saudi Arabia, where strong market growth is expected even compared with other parts of the Middle East. By making the transition from working with local distributors to operating via a direct sales and service structure, we will work to meet customer needs more precisely. We aim to expand our market share in the mainstay hematology field, win business in the urinalysis and hemostasis fields, and develop business in other fields.

As an initiative toward the realization of personalized medicine, Sysmex submitted an application for manufacturing and marketing approval with the Pharmaceuticals and Medical Devices Agency (PMDA) for an assay kit to measure amyloid beta (A $\beta$ ) in the blood using HISCL<sup>TM</sup>-5000/HISCL<sup>TM</sup>-800 Automated Immunoassay System. Alzheimer's disease is thought to be caused by the accumulation of a protein called A $\beta$  in the brain, which causes damage to nerve cells. By providing an assay kit that assists in identifying the accumulation of A $\beta$  in the brain, we aim to reduce the burden on patients and create an environment that allows them to start treatment as soon as possible.

As the global general distributor, Sysmex continued to market hinotori<sup>TM</sup> to medical institutions in Japan. (The hinotori<sup>TM</sup> Surgical Robot System is the first made-in-Japan robotic-assisted surgery system.) Based on our launch in the Japanese market, we are putting together regulatory affairs and sales systems in preparation to enter overseas markets.

## Net sales by destination

	Year ended March 31, 2021		Year ended March 31, 2022		YoY (Previous period = 100)
	Amount (Millions of yen)	Percentage of total (%)	Amount (Millions of yen)	Percentage of total (%)	
Japan	48,756	16.0	55,618	15.3	114.1
Americas	65,890	21.6	83,655	23.0	127.0
EMEA	82,140	26.9	101,528	27.9	123.6
China	83,830	27.5	93,373	25.7	111.4
Asia Pacific	24,454	8.0	29,604	8.1	121.1
Overseas subtotal	256,316	84.0	308,161	84.7	120.2
Total	305,073	100.0	363,780	100.0	119.2

In Japan, sales rose for hemostasis, immunochemistry and life science reagents related to COVID-19 testing. Sales of medical robotics instruments also grew. As a result, sales in Japan rose 14.1% year on year, to ¥55,618 million.

Overseas, testing demand recovered from the previous fiscal year, when demand was affected by COVID-19. In the hematology field, sales of reagents increased, as did sales of reagents in the urinalysis and hemostasis fields. These factors, plus ongoing yen depreciation, caused overseas Group sales to rise 20.2% year on year, to ¥308,161 million. The overseas sales ratio rose 0.7 percentage point, to 84.7%.

Selling, general and administrative (SG&A) expenses expanded 14.1%, to ¥94,235 million, owing mainly to the resumption of sales and service activities that had been constrained across all regions in the previous period due to the pandemic. In addition, R&D expenses increased 19.0% year on year, to ¥26,784 million, owing to active investment in development.

As a result, during the fiscal year ended March 31, 2022, the Group recorded consolidated net sales of ¥363,780 million, up 19.2% year on year. Operating profit rose 34.8%, to ¥67,416 million; profit before tax surged 39.1%, to ¥64,346 million, and profit attributable to owners of the parent expanded 38.2%, to ¥44,093 million.

### Performance by segment

#### (1) Japan

Sales rose for hemostasis, immunochemistry and life science reagents related to COVID-19 testing. Sales of medical robotics instruments also grew. As a result, sales in Japan rose 13.4% year on year, to ¥59,743 million.

On the profit front, performance was affected by higher SG&A and R&D expenses, but gross profit increased due to higher sales and an improvement in the cost of sales ratio. Accordingly, segment profit (operating profit) rose 33.5%, to ¥38,246 million.

#### (2) Americas

In North America, sales of instruments, reagents and maintenance services increased in the hematology field due to a resurgence in testing demand and sales increase of instruments. Along with the alliance with Siemens Healthcare Diagnostics Inc., sales of instruments, reagents and maintenance services increased in the urinalysis field. As a result, sales in the region grew 28.4%, to ¥78,964 million.

Segment profit (operating profit) grew 84.1%, to ¥4,625 million. Although SG&A expenses increased, this performance was attributable to higher gross profit, stemming from increased sales.

#### (3) EMEA

Sales of instruments and reagents increased in the fields of hematology, urinalysis and hemostasis, due to a resurgence in testing demand and the acquisition of bids in Russia, Middle East and Eastern Europe. Sales of purchased antibody testing kits related to the COVID-19 pandemic also grew. As a result, sales were ¥102,411 million, up 23.6% year on year.

Segment profit (operating profit) grew 22.1%, to ¥12,310 million, despite higher SG&A expenses, due to higher gross profit, stemming from increased sales.

#### (4) China

Influence of the Chinese government procurement policy led to purchasing delays, causing a

decline in sales of instruments in major fields. Nevertheless, sales were ¥93,295 million, up 11.4% year on year. Sales of hematology, urinalysis, hemostasis and immunochemistry reagents increased, due to a resurgence in testing demand and the positive impact of yen depreciation.

Segment profit (operating profit) grew 128.4%, to ¥11,572 million, despite higher SG&A expenses, due to increased sales and higher gross profit, stemming from an improved cost of sales ratio.

#### (5) Asia Pacific

Sales of hematology and urinalysis reagents increased, due to a resurgence in testing demand. In South Asia, instrument sales increased in the hematology field due to the acquisition of bids in India. In India and Southeast Asia, sales of hemostasis instrument and reagents increased. As a result, sales were ¥29,364 million, up 20.8% year on year.

Segment profit (operating profit) grew 2.0%, to ¥2,176 million, despite higher SG&A expenses, due to increased sales and higher gross profit, stemming from an improved cost of sales ratio.

### 2) Financial conditions at end of the year

As of March 31, 2022, total assets amounted to ¥483,707 million, up ¥58,811 million from March 31, 2021. As main factors, trade and other receivables grew ¥18,056 million, inventories rose ¥14,959 million, and intangible assets were up ¥10,419 million.

Meanwhile, total liabilities as of March 31, 2022 were ¥134,654 million, up ¥15,847 million from March 31, 2021. Principal increases included income taxes payable, which rose ¥6,249 million, other non-current liabilities, which rose ¥4,476 million, and accrued expenses, which rose ¥3,271 million.

Total equity came to ¥349,053 million, up ¥42,963 million from March 31, 2021. Among principal reasons, retained earnings rose ¥28,812 million, and other components of equity increased ¥12,392 million. Equity attributable to owners of the parent to total assets amounted to 72.0% on March 31, 2022, up 0.1 percentage point from 71.9% on March 31, 2021.

### 3) Cash flows during the year

As of March 31, 2022, cash and cash equivalents amounted to ¥73,752 million, up ¥7,284 million from March 31, 2021.

Cash flows from various activities during the fiscal year are described in more detail below.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥58,739 million, up ¥1,866 million from the previous fiscal year. As principal factors, profit before tax provided ¥64,346 million (¥18,095 million more than in the preceding year), depreciation and amortization provided ¥27,431 million (up ¥2,014 million), an increase in trade receivables provided ¥10,297 million (up ¥1,230 million), a decrease in inventories used ¥12,495 million (a ¥3,851 million decrease in the previous year), and income taxes paid amounted to ¥14,705 million (up ¥1,532 million).

(Cash flows from investing activities)

Net cash used in investing activities was ¥35,052 million (up ¥5,860 million). Among major factors, purchases of property, plant and equipment used ¥12,768 million (up ¥2,837 million), purchases of intangible assets used ¥19,266 million (up ¥3,403 million).

(Cash flows from financing activities)

Net cash used in financing activities was ¥20,542 million (up ¥288 million). This was mainly due to the dividends paid of 15,258 million (up ¥220 million).

### 4) Outlook for future

In Japan, the impact of COVID-19 is lengthening, but consumer spending and corporate earnings are expected to recover, as vaccination is allowing people to pursue their lives despite the virus. However, the economic outlook remains uncertain due to such factors as rising commodities prices caused by a worldwide increase in crude oil prices and further yen depreciation. Overseas, economic uncertainty is increasing due to the emergence of geopolitical risks, trends in US–China relations and soaring energy prices.

Looking at the healthcare environment, in developed countries efforts are underway to raise the efficiency of healthcare as populations age. Meanwhile, in emerging markets economic development is prompting an increase in demand for healthcare and the need for healthcare quality and service enhancement. Furthermore, the rapid application of artificial intelligence (AI), information communication technology (ICT) and other leading-edge technologies to the healthcare field are

expected to sustain future growth. The global COVID-19 pandemic has also prompted considerations about healthcare systems and the potential for major changes in the healthcare environment itself. We anticipate further opportunities for growth, owing to improved access to healthcare and a focus on self-medication.

Under these conditions, in April 2021 Sysmex launched a new mid-term management plan (fiscal years ending March 31, 2022 to 2024). To reach positioning targets based on the long-term vision, the plan is aimed at sustaining robust growth for the Group and supporting this growth by reinforcing the management base.

Our consolidated operating forecast for the fiscal year ending March 31, 2023 calls for increased sales and profits as we expand our product lineup and reinforce our sales and service structure. We forecast net sales of ¥410,000 million, operating profit of ¥ 76,000 million, profit before tax of ¥72,500 million and profit attributable to owners of the parent of ¥50,000 million.

(Note: These figures are based on the assumption that the COVID-19 pandemic will draw to a close and that economic activity will gradually normalize.)

Our assumptions for annual average exchange rates are US\$1=¥120 and €1=¥130.

The forecast outlined above is based on currently available information. Actual performance may differ from this forecast for a variety of reasons.

## **2. Basic perspective on selection of accounting standards**

The Sysmex Group voluntarily adopted IFRS from the fiscal year ended March 31, 2017. Our aim is to increase convenience to shareholders and investors in Japan and overseas by enhancing the international comparability of our financial information in capital markets.



### 3. Consolidated financial statements and notes

#### 1) Consolidated statement of financial position

(Unit: Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	66,467	73,752
Trade and other receivables	100,641	118,697
Inventories	46,985	61,944
Other short-term financial assets	1,105	1,498
Income taxes receivable	909	470
Other current assets	14,723	18,728
Total current assets	<u>230,833</u>	<u>275,092</u>
Non-current assets		
Property, plant and equipment	96,140	98,525
Goodwill	12,433	13,010
Intangible assets	46,840	57,260
Investments accounted for using the equity method	1,093	986
Trade and other receivables	15,202	16,403
Other long-term financial assets	7,945	9,157
Asset for retirement benefits	923	841
Other non-current assets	5,621	3,910
Deferred tax assets	7,860	8,520
Total non-current assets	<u>194,061</u>	<u>208,614</u>
Total assets	<u>424,895</u>	<u>483,707</u>

(Unit: Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	34,159	32,111
Lease liabilities	5,783	6,439
Other current financial liabilities	1,529	1,482
Income taxes payable	6,563	12,813
Provisions	1,002	1,234
Contract liabilities	12,168	12,852
Accrued expenses	14,227	17,498
Accrued bonuses	8,508	10,985
Other current liabilities	5,964	6,663
Total current liabilities	89,907	102,082
Non-current liabilities		
Lease liabilities	16,178	15,840
Other non-current financial liabilities	108	30
Liability for retirement benefits	1,071	1,183
Provisions	265	366
Other non-current liabilities	4,060	8,537
Deferred tax liabilities	7,212	6,613
Total non-current liabilities	28,898	32,571
Total liabilities	118,806	134,654
Equity		
Equity attributable to owners of the parent		
Capital stock	13,229	14,112
Capital surplus	19,581	20,483
Retained earnings	276,897	305,710
Treasury stock	(307)	(312)
Other components of equity	(4,082)	8,309
Total equity attributable to owners of the parent	305,318	348,303
Non-controlling interests	771	750
Total equity	306,089	349,053
Total liabilities and equity	424,895	483,707

## 2) Consolidated statement of income

(Unit: Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Net sales	305,073	363,780
Cost of sales	150,770	173,195
Gross profit	154,302	190,585
Selling, general and administrative expenses	82,621	94,235
Research and development expenses	22,517	26,784
Other operating income	1,637	1,409
Other operating expenses	790	3,557
Operating profit	50,010	67,416
Financial income	420	550
Financial expenses	866	909
Share of profit (loss) of associates accounted for using the equity method	(3,083)	(3,561)
Foreign exchange gain (loss)	(230)	850
Profit before tax	46,251	64,346
Income taxes expenses	14,385	20,274
Profit	31,865	44,071
Profit attributable to		
Owners of the parent	31,905	44,093
Non-controlling interests	(39)	(21)
Profit	31,865	44,071

(Unit: Yen)

Earnings per share		
Basic	152.73	210.88
Diluted	152.47	210.49

## 3) Consolidated statement of comprehensive income

(Unit: Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Profit	31,865	44,071
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net gain (loss) on financial assets measured at fair value through other comprehensive income	608	(213)
Remeasurements of defined benefit plans	11	(66)
Total	<u>620</u>	<u>(280)</u>
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	10,070	12,647
Share of other comprehensive income of investments accounted for using the equity method	(25)	3
Total	<u>10,045</u>	<u>12,650</u>
Total other comprehensive income	<u>10,665</u>	<u>12,370</u>
Comprehensive income	<u>42,531</u>	<u>56,442</u>
Comprehensive income attributable to		
Owners of the parent	42,570	56,463
Non-controlling interests	(39)	(21)
Comprehensive income	<u>42,531</u>	<u>56,442</u>

4) Consolidated statement of changes in equity  
For the year ended March 31, 2021

(Unit: Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity			
As of April 1, 2020	12,877	18,487	261,321	(306)	(14,697)	277,683	663	278,347
Cumulative effects of changes in accounting policies	—	—	(1,342)	—	—	(1,342)	—	(1,342)
Restated balance	12,877	18,487	259,978	(306)	(14,697)	276,340	663	277,004
Profit	—	—	31,905	—	—	31,905	(39)	31,865
Other comprehensive income	—	—	—	—	10,665	10,665	(0)	10,665
Comprehensive income	—	—	31,905	—	10,665	42,570	(39)	42,531
Exercise of warrants	352	197	—	—	—	549	—	549
Share-based payment transactions	—	896	—	—	—	896	—	896
Cash dividends	—	—	(15,037)	—	—	(15,037)	—	(15,037)
Purchase of treasury stock	—	—	—	(1)	—	(1)	—	(1)
Disposal of treasury stock	—	0	—	0	—	0	—	0
Transfer to retained earnings	—	—	50	—	(50)	—	—	—
Establishment of subsidiary with non-controlling interests	—	—	—	—	—	—	49	49
Change in non-controlling interests due to capital increase of subsidiaries	—	—	—	—	—	—	98	98
Total transactions with the owners	352	1,093	(14,987)	(1)	(50)	(13,593)	147	(13,446)
As of March 31, 2021	13,229	19,581	276,897	(307)	(4,082)	305,318	771	306,089

For the year ended March 31, 2022

(Unit: Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity			
As of April 1, 2021	13,229	19,581	276,897	(307)	(4,082)	305,318	771	306,089
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	—
Restated balance	13,229	19,581	276,897	(307)	(4,082)	305,318	771	306,089
Profit	—	—	44,093	—	—	44,093	(21)	44,071
Other comprehensive income	—	—	—	—	12,370	12,370	0	12,370
Comprehensive income	—	—	44,093	—	12,370	56,463	(21)	56,442
Exercise of warrants	882	502	—	—	—	1,384	—	1,384
Share-based payment transactions	—	399	—	—	—	399	—	399
Cash dividends	—	—	(15,258)	—	—	(15,258)	—	(15,258)
Purchase of treasury stock	—	—	—	(4)	—	(4)	—	(4)
Disposal of treasury stock	—	—	—	—	—	—	—	—
Transfer to retained earnings	—	—	(21)	—	21	—	—	—
Establishment of subsidiary with non-controlling interests	—	—	—	—	—	—	—	—
Change in non-controlling interests due to capital increase of subsidiaries	—	—	—	—	—	—	—	—
Total transactions with the owners	882	901	(15,280)	(4)	21	(13,478)	—	(13,478)
As of March 31, 2022	14,112	20,483	305,710	(312)	8,309	348,303	750	349,053

## 5) Consolidated statement of cash flows

(Unit: Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	46,251	64,346
Depreciation and amortization	25,416	27,431
Interest and dividends income	(277)	(408)
Interest expenses	767	740
Share of loss (profit) on equity method	3,083	3,561
Loss on retirement of non-current assets	384	2,245
Decrease (increase) in trade receivables	(9,066)	(10,297)
Decrease (increase) in inventories	3,851	(12,495)
Increase (decrease) in trade payables	(834)	(5,055)
Increase (decrease) in accrued expenses	1,055	2,044
Decrease/increase in consumption taxes receivable/payable	(56)	(2,417)
Increase (decrease) in contract liabilities	(314)	158
Increase (decrease) in accrued bonuses	625	1,984
Other – net	(325)	2,011
Subtotal	<u>70,561</u>	<u>73,850</u>
Interest and dividend received	232	298
Interest paid	(748)	(704)
Income taxes paid	(13,172)	(14,705)
Net cash provided by (used in) operating activities	<u>56,873</u>	<u>58,739</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,930)	(12,768)
Proceeds from sales of property, plant and equipment	439	545
Purchase of intangible assets	(15,863)	(19,266)
Payments resulting in an increase in long-term prepaid expenses	(2,110)	(1,896)
Purchase of investments in equity instruments	(623)	(320)
Purchase of investments in debt instruments	—	(1,199)
Acquisitions of subsidiaries or other businesses	(343)	—
Payments into time deposits	(2,058)	(640)
Proceeds from withdrawal of time deposits	1,438	755
Other – net	(139)	(260)
Net cash provided by (used in) investing activities	<u>(29,191)</u>	<u>(35,052)</u>
Cash flows from financing activities		
Exercise of warrants	549	1,384
Dividends paid	(15,037)	(15,258)
Repayments of lease liabilities	(5,911)	(6,577)
Other – net	145	(90)
Net cash provided by (used in) financing activities	<u>(20,253)</u>	<u>(20,542)</u>
Foreign currency translation adjustments on cash and cash equivalents	2,447	4,139
Net increase (decrease) in cash and cash equivalents	<u>9,875</u>	<u>7,284</u>
Cash and cash equivalents, beginning of term	<u>56,592</u>	<u>66,467</u>
Cash and cash equivalents, end of term	<u>66,467</u>	<u>73,752</u>

## 6) Notes to the consolidated financial statements

### 1. Notes related to the going concern assumption

Not applicable

### 2. Changes in accounting policies

Through the fiscal year ended March 31, 2021, the Group recorded configuration and customization costs related to cloud computing contracts as other non-current assets. However, based on discussions leading to the IFRS Interpretations Committee's agenda decision issued in April 2021, the Group has changed its method of recognizing the cost of the services as expenses when received.

The change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis.

As a result, compared with figures before such retroactive application, in the consolidated statement of financial position for the previous fiscal year, other non-current assets were down ¥3,716 million, deferred tax assets up ¥1,136 million and retained earnings down ¥2,579 million. In the consolidated statement of income for the previous fiscal year, selling, general and administrative expenses were up ¥1,781 million, operating profit and profit before tax were both down ¥1,781 million, and profit was down ¥1,237 million. Basic earnings per share and diluted earnings per share for the previous fiscal year were down ¥5.92 and ¥5.91, respectively.

In the consolidated statement of changes in equity for the previous fiscal year, the balance of retained earnings at the beginning of the previous fiscal year decreased by ¥1,342 million due to the cumulative effect on net assets at the beginning of the previous fiscal year.

### 3. Segment information

#### 1) Overview of reportable segments

The Group's reportable segments are the constituent business units of the Group for which separate financial data are available and that are examined on a regular basis for the purpose of enabling the Managing Board to allocate managerial resources and evaluate results of operations.

The Group is primarily engaged in the manufacture and sale of diagnostic instruments and reagents. These businesses are conducted in Japan by the Company, and in the Americas, EMEA, China and the Asia Pacific by regional headquarters established in those regions. These companies formulate overarching strategies tailored to regional characteristics and conduct business activities accordingly. Regional headquarters and other domestic and overseas subsidiaries are independent management units that handle production and sales for each region.

Accordingly, the Group has five reportable segments comprising geographical segments based on manufacturing and sales systems. These are "Japan," the "Americas," "EMEA," "China," and the "Asia Pacific."

#### 2) Segment profit and operating results

Profit and operating results from continuing operations by reportable segment of the Group are as follows;

Intersegment sales are determined based on market prices or costs of goods manufactured.

As described in "2. Changes in accounting policies", the accounting policy has been changed in the current fiscal year. The changes in the accounting policy have been applied retroactively and reflected the retroactive adjustments in the previous fiscal year. As a result, segment profit for the previous fiscal year decreased by ¥1,781 million and depreciation expenses decreased by ¥158 million in Japan compared to the conventional method.



For the year ended March 31, 2021

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	52,672	61,501	82,854	83,735	24,309	305,073	—	305,073
Intersegment sales	109,313	460	3,994	0	5	113,775	(113,775)	—
Total	161,986	61,961	86,849	83,735	24,315	418,848	(113,775)	305,073
Segment profit	28,652	2,512	10,085	5,066	2,134	48,451	1,559	50,010
Financial income	—	—	—	—	—	—	—	420
Financial expenses	—	—	—	—	—	—	—	866
Share of profit (loss) on equity method	—	—	—	—	—	—	—	(3,083)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	(230)
Profit before tax	—	—	—	—	—	—	—	46,251
Income tax expenses	—	—	—	—	—	—	—	14,385
Profit	—	—	—	—	—	—	—	31,865
Other								
Depreciation and amortization (Note 3)	13,592	3,889	4,809	930	3,049	26,270	(854)	25,416

Notes:

1. Segment profit adjustments of ¥1,559 million include ¥1,279 million for the unrealized gains on inventories, and ¥286 million for the unrealized gains on non-current assets.
2. Segment profit is reconciled with operating profit in the consolidated statement of income.
3. The negative ¥854 million reconciliation in depreciation and amortization is an adjustment related to intersegment transactions.

For the year ended March 31, 2022

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Japan	Americas	EMEA	China	Asia Pacific	Total		
Sales								
Sales to external customers	59,743	78,964	102,411	93,295	29,364	363,780	—	363,780
Intersegment sales	129,455	662	4,442	56	5	134,623	(134,623)	—
Total	189,199	79,627	106,854	93,351	29,369	498,403	(134,623)	363,780
Segment profit	38,246	4,625	12,310	11,572	2,176	68,932	(1,515)	67,416
Financial income	—	—	—	—	—	—	—	550
Financial expenses	—	—	—	—	—	—	—	909
Share of profit (loss) on equity method	—	—	—	—	—	—	—	(3,561)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	850
Profit before tax	—	—	—	—	—	—	—	64,346
Income tax expenses	—	—	—	—	—	—	—	20,274
Profit	—	—	—	—	—	—	—	44,071
Other								
Depreciation and amortization (Note 3)	14,360	4,062	5,326	969	3,520	28,239	(807)	27,431

Notes:

1. Segment profit adjustments of negative ¥1,515 million include negative ¥1,546 million for the unrealized gains on inventories, and ¥30 million for the unrealized gains on non-current assets.
2. Segment profit is reconciled with operating profit in the consolidated statement of income.
3. The negative ¥807 million reconciliation in depreciation and amortization is an adjustment related to intersegment transactions.
4. In the current fiscal year, the accounting policy for configuration and customization costs related to cloud computing contracts has been changed, and the relevant figures for the previous fiscal year reflect the retroactive revision due to the change in the accounting policy.

#### 4. Per-share information

The basis for calculating basic profit per share and diluted profit per share is as follows.

	Year ended March 31, 2021	Year ended March 31, 2022
Basis for calculating basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	31,905	44,093
Profit not attributable to common stock shareholders of the parent (Millions of yen)	—	
Profit used in calculating basic earnings per share (Millions of yen)	31,905	44,093
Average number of common stock shares during the period (Thousands of shares)	208,905	209,091
Basis for calculating diluted earnings per share		
Profit used in calculating basic earnings per share (Millions of yen)	31,905	44,093
Profit adjustment (Millions of yen)	—	
Profit used in calculating diluted earnings per share (Millions of yen)	31,905	44,093
Average number of common stock shares during the period (Thousands of shares)	208,905	209,091
Effect of dilutive shares (Thousands of shares)	347	383
Average number of common stock shares after adjustment for dilution (Thousands of shares)	209,253	209,474

#### 5. Significant subsequent event

Previous fiscal year (April 1, 2020 to March 31, 2021)

Not applicable

Current fiscal year (April 1, 2021 to March 31, 2022)

##### 1. Additional acquisition of shares of an equity method affiliate

The Company acquired additional shares of Astrego Diagnostics AB as an equity method affiliate.

##### (1) Outline of acquired company

Name: Astrego Diagnostics AB

Lines of business: Development of drug susceptibility testing products

##### (2) Outline of the business combination

The Company acquired an additional stake in Astrego Diagnostics AB (hereinafter, “ADA”). As a result, ADA will become a wholly owned subsidiary of the Company from the next fiscal year.

The purpose of the acquisition is to further strengthen synergies with ADA for accelerate clinical implementation of drug susceptibility testing.

In addition, ADA changed its trade name to Sysmex Astrego AB due to the additional acquisition of shares.

##### (3) Acquisition date

May 2, 2022

##### (4) Acquisition price

Approximately EUR30 million

The deal includes a conditional consideration agreement, which may result in certain adjustments to the consideration for the acquisition.

- (5) Fair value of assets acquired and liabilities assumed as of the acquisition date  
The fair values of the assets acquired and liabilities assumed as of the acquisition date are currently being calculated and have not yet been presented.  
Also, the amount of goodwill to be incurred has not yet been determined because the allocation of the acquisition cost has not been completed.
2. Underwriting capital increase of an equity method affiliate  
The Company resolved to underwrite capital increase of Mediaroid Corporation, an equity method affiliate of the company, at the Board meeting held on April 22, 2022 and completed payment as of April 28, 2022.
- (1) Purpose of capital increase  
The purpose is to strengthen the financial base so that Mediaroid Corporation can smoothly conduct its business.
- (2) Outline of the target company  
Name: Mediaroid Corporation  
Business: Marketing, development, design, manufacture, sales and service of medical robots  
Holding percentage of voting rights:  
Kawasaki Heavy Industries, Ltd. 50%  
The company 50%  
There is no change in the investment ratio due to this capital increase.
- (3) Outline of capital increase  
Amount of capital increase: ¥10,000 million  
Underwriting amount of the company: ¥5,000 million  
Capital after capital increase: ¥5,100 million  
Payment date: April 28, 2022