

Presentation

letsugu: Good morning. This is letsugu.

This is the first time in three years that we will be presenting financial results in a face-to-face setting. I know that many of you are online, but in that sense, I wonder if COVID-19 has waned a lot.

Financial Highlights: Net Sales and Operating Profit Reach Record Highs



(Billions of yen)	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2021		YoY (Previous period = 100%)	FX impact	
	Results	Ratio	Results	Ratio		Impact	YoY (excluding FX impact)
Net sales	363.7	100%	305.0	100%	119.2%	+21.35	112.2%
Cost of sales	173.1	47.6%	150.7	49.4%	114.9%	-	-
SG&A expenses	94.2	25.9%	82.6	27.1%	114.1%	-	-
R&D expenses	26.7	7.4%	22.5	7.4%	119.0%	-	-
Other income (expenses)	(2.1)	(0.6)%	0.8	0.3%	-	-	-
Operating profit	67.4	18.5%	50.0	16.4%	134.8%	+9.18	116.4%
Profit attributable to owners of the parent	44.0	12.1%	31.9	10.5%	138.2%	-	-

- We achieved double-digit growth year on year and record levels of sales and profit.**

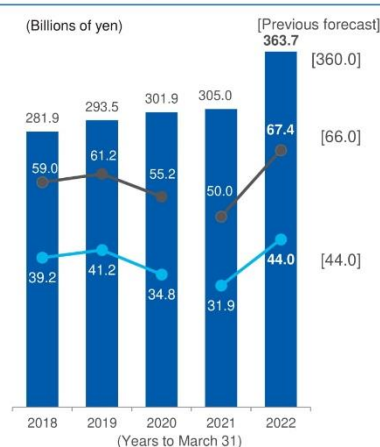
- ✓ **Net sales:** Net sales rose, benefiting from a number of factors: a recovery in testing demand, an alliance in the urinalysis field in North America, an increase in the number of areas in which we conduct direct sales, an increase in the installed instrument base, demand to strengthen healthcare infrastructures, and demand for COVID-19 testing.

- ✓ **Operating profit:** Operating profit also increased substantially due to a number of positive factors: higher sales and an improved cost of sales ratio lifted gross profit substantially, and the pandemic suppressed SG&A expenses.

- Net sales, operating profit, and profit attributable to owners of the parent all met the forecasts we had revised upward in November.**

- Changes in the external environment had little impact on performance.**

- ✓ Soaring raw material prices and shortages, rising logistics costs, rising geopolitical risks, Chinese city lockdowns, etc.



	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021
1USD	¥112.4	¥106.1
1EUR	¥130.6	¥123.7
1CNY	¥17.5	¥15.7

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Today, I am pleased to present our financial results for the fiscal year ended March 2022. Today, I would like to start with a summary of the financial results for the previous fiscal year, followed by a forecast of the current fiscal year's performance.

As a summary of the financial results for the fiscal year ended March 2022, as shown above, we achieved record highs in both sales and operating profit, with net sales of JPY363.78 billion, operating profit of JPY67.41 billion, and profit attributable to owners of the parent of JPY44.09 billion.

We changed our forecast during the period, or rather, we revised it upward due to the exchange rates, but we were able to meet the target and achieved a double-digit sales growth rate of 19.2%, which is close to 20%. Even excluding foreign exchange, as you can see here, the growth rate was 11.2%, which is a good figure.

In the fiscal year before last, when the COVID-19 pandemic began, there was a worldwide reduction in the number of testing; or rather, a situation where people could not go to hospitals, including lockdowns. This was an extraordinary situa

tion in which reagent sales dropped dramatically, but they have recovered, which is very significant. In addition, we have continued to take on the usual challenges, such as the expansion of our area.

SYSMEX has always aimed for double-digit growth, and we have been able to successfully achieve this.

The external environment is very severe in many ways, as you already know. Due to the situation in Ukraine, in particular, raw materials and logistics costs have risen considerably. For the fiscal year that ended, I don't think that there was much of an impact. It is true that we are having a bit of trouble with the shortage of semiconductors, though.

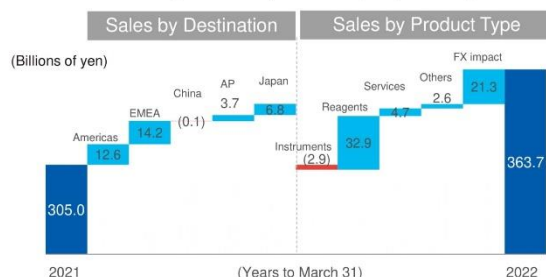
On the other hand, as you can see in the right corner, the exchange rates for the full year ended at JPY112.4 for the dollar, JPY130.6 for the euro, and JPY17.5 for the Chinese yuan. Although the yen is considerably stronger than the current figure, the exchange rates have improved considerably compared to the fiscal year before last.

Breakdown of Net Sales (by Destination and Product Type)



(Billions of yen)	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2021	
	Results	Ratio	Yen basis	Local currency basis
Net sales	363.7	100.0%	119.2%	112.2%*
Americas	83.6	23.0%	127.0%	119.5%
EMEA	101.5	27.9%	123.6%	117.3%
China	93.3	25.7%	111.4%	99.9%
AP	29.6	8.1%	121.1%	115.2%*
Japan	55.6	15.3%	114.1%	-

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



Due to a recovery in testing demand and the impact of direct sales, reagent sales rose substantially.
Double-digit sales growth in all regions except China.

Note: Text in blue indicates new initiatives in the fiscal year ended March 31, 2022.

- Double-digit sales growth in all regions except China due to higher reagent sales
- Recovery in demand for hematology instruments in North America and growth in the urinalysis field by leveraging an alliance
- Growth due to expansion in the number of regions where we are conducting sales directly
 - ✓ Hematology: Spain, Portugal
 - ✓ Hemostasis: Middle East, Turkey, Eastern Europe, Russia
- Growth in hematology sales in India, which we are positioning as a priority market
- Winning of project tenders related to the strengthening of healthcare infrastructure
 - ✓ Eastern Europe, Russia, France, Indonesia, Thailand, etc.
- Rise in sales of testing related to COVID-19 (Japan, EMEA)
- Full-fledged entry into the medical robotics business (Japan)
- Positive impact of yen depreciation

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This is the breakdown of net sales. Basically, the local currency basis shown here in the framed box is very important. On a local currency basis, sales in the Americas, EMEA, and AP all grew by more than 10%. Only in China, sales were almost flat. I will mention China again later.

In any case, as I have been saying, one of the major factors is that reagent sales have recovered.

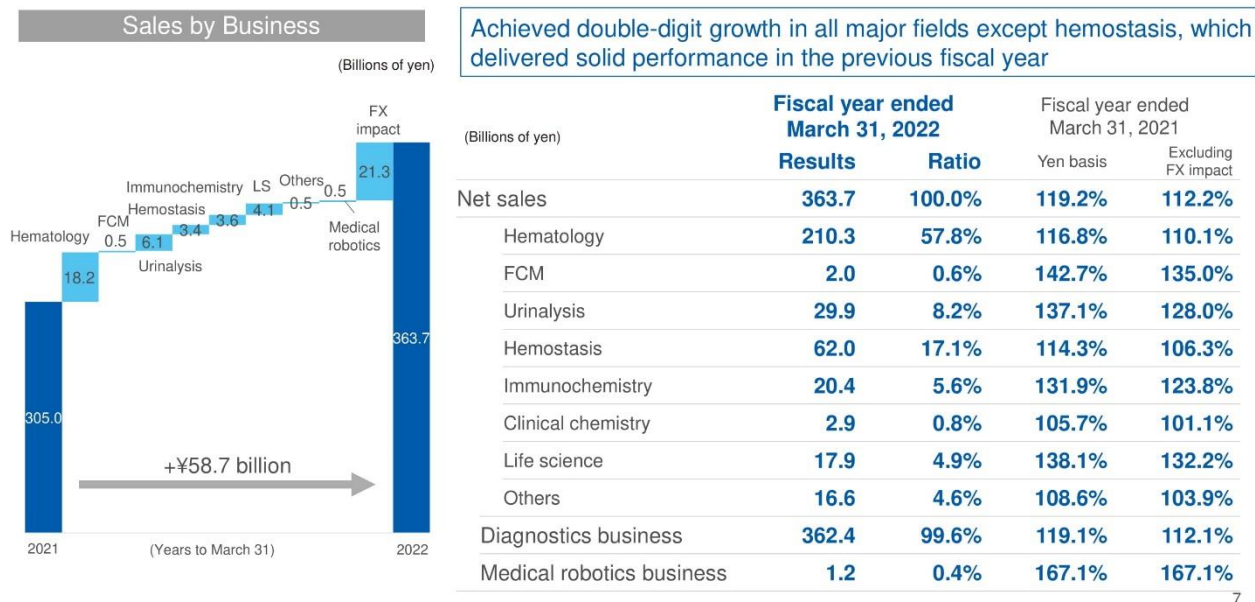
In terms of sales areas, especially for hematology, Spain was originally handled by Roche, but we are now handling it directly. We also acquired an agency in Portugal, and now we are handling the entire Iberian Peninsula.

In the area of hemostasis, we have expanded our sales territory to the Middle East, Turkey, Eastern Europe and Russia.

In addition to these factors, sales related to COVID-19, such as PCR reagents and other such things also made a small contribution. Moreover, we have also launched the medical robot, or hinotori by Medicaroid, on a full scale, although we are still in the starting stage.

Then the depreciation of the yen has been a positive factor.

Breakdown of Net Sales (by Business)



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These are the factors for the increase/decrease. As you can see here, the hemostasis business was in very good shape in the fiscal year before last, but in any case, we achieved a double-digit growth. This means that we have been able to enrich the contents of our business.

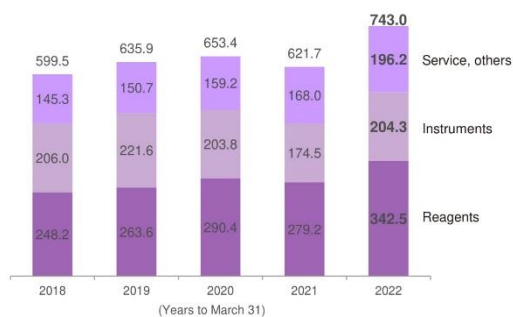
Information by Destination (Americas)



(Million USD)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	YoY (Previous period = 100%)	
			Local currency basis	Yen basis
Sales	743.0	621.7	119.5%	127.0%
Instruments	204.3	174.5	117.1%	124.5%
Reagents	342.5	279.2	122.7%	130.4%
Services, others	196.2	168.0	116.8%	123.8%

Sales (Million USD)



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

- ✓ A recovery following the impact of COVID-19 lifted sales in the hematology field.
- ✓ Higher sales in the urinalysis field in collaboration with Siemens Healthineers boosted sales in North America.

● Reagents

- ✓ A recovery in testing demand and higher instruments sales led to favorable reagent sales in the hematology field in North America, as well as Central and South America.
- ✓ In North America, business in urinalysis field expanded thanks to the introduction of Siemens Healthineers' urine chemistry analyzer and the transfer of customers. Also, our own installed instrument base increased.

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This is by region. The Americas grew by 19.5% on a local currency basis.

The recovery from the impacts of COVID-19 is very significant, but on the other hand, especially in North America, their behavior has already become quite normal. In Japan, there may still be some strict regulations, but that is the situation in North America.

In addition, in discussions with Siemens, we agreed to sell Siemens Healthineers' urine chemistry analysis dipsticks in North America, which SYSMEX did not have. Both in instruments and reagents, we originally have urine sediment testing, so it is very important to tie up with this, and under those circumstances, the urinary field also performed well.

Moreover, especially in Latin America, it is true that Brazil was originally handled by Roche, but SYSMEX is now directly handling the middle and south market, and we have expanded our territory in this way, which has resulted in strong sales.

Information by Destination (EMEA)



(Million EUR)	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	YoY (Previous period = 100%)	
			Local currency basis	Yen basis
Sales	777.6	663.1	117.3%	123.6%
Instruments	196.6	184.6	106.5%	112.6%
Reagents	453.1	370.3	122.4%	128.8%
Services, others	128.0	108.2	118.3%	124.6%

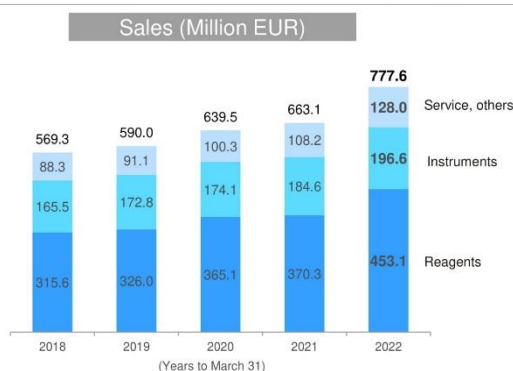
In addition to the effect of direct sales, sales rose significantly due to favorable sales of instruments and reagents stemming from a recovery from the COVID-19 impact.

● Instruments

- ✓ Sales in the hematology field rose due to favorable results in the direct-sales areas of Spain and Turkey, as well as the winning of tenders in Eastern Europe and Russia, where investment in healthcare infrastructure is active.
- ✓ In Turkey, direct sales in the hemostasis field were favorable, and urinalysis sales increased.

● Reagents

- ✓ Reagent sales grew substantially, owing to an increase in the installed instrument base and testing related to COVID-19.
- ✓ A recovery in testing demand led to substantially higher sales in the hematology, urinalysis and hemostasis fields.



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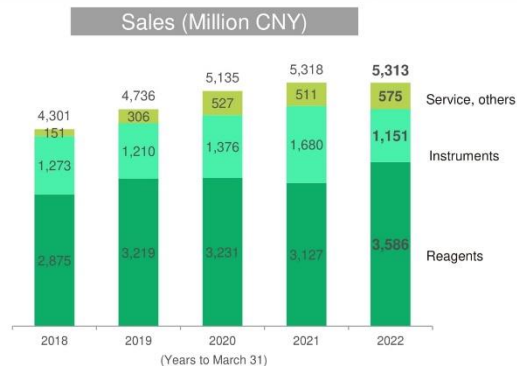
EMEA. EMEA has been steadily growing, with a 17.3% increase on a local currency basis. The direct sales effect is emerging with increasing number of territories, as I mentioned earlier. Also, we are getting tendered projects in Eastern Europe and Russia, and so on. In any case, EMEA in general had a very good shape development. In the fiscal year before last, we were also able to get big deals, and we are steadily increasing.

As for the reagents, the recovery from the impact of COVID-19 was significant.

Information by Destination (China)



(Million CNY)	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	YoY (Previous period = 100%)	
			Local currency basis	Yen basis
Sales	5,313.1	5,318.5	99.9%	111.4%
Instruments	1,151.3	1,680.3	68.5%	76.4%
Reagents	3,586.0	3,127.2	114.7%	127.8%
Services, others	575.8	511.1	112.7%	126.0%



Sales in the region were flat year on year due to lower instrument sales, even though a recovery from the impact of COVID-19 led to favorable reagent sales.

● Instruments

- ✓ In reaction to favorable performance due to investments in healthcare infrastructure in the previous year (in the urinalysis, hemostasis, and immunochemistry fields), sales were down due to the impact of our distributor in Shanghai* and the impact of government procurement policies (delayed purchases).

* In Q4, we completed the changeover from distributors in Shanghai to new distributors (March 31, 2022). (Previously, we had used these as multiple secondary distributors.)

● Reagents

- ✓ Sales rose, due to a recovery in testing demand and an increase in the installed instrument base in the hematology, urinalysis, and immunochemistry fields.
- ✓ Owing to ongoing COVID-19 infections, demand for tests to predict aggravation rose, pushing up sales in the hemostasis field.

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China. The rate is 99.9%, which is flat, but China itself had a very strong performance in the fiscal year before last. The introduction of new hemostasis instruments went quite well, but in that sense there was a slight backlash.

Another major factor was that the Shanghai distributor, the largest distributor covering seven provinces, had financial difficulties, and had to give up its agency. This distributor accounted for a fairly large part. Since we are in the distributor business in China, sales are first recorded in the distributors, but this was stopped, so there were some difficulties because of that. We have now divided them into six distributors, and they have already started working, so things are back to normal.

In addition, in terms of Buy China policy, our products are made in China using the knockdown system, but overall, there is still a lot to be done. In such a situation, there was an impact from the policy.

Regarding the current lockdown in Shanghai, it is true that there was a slight impact in March, and our products including instruments that we were supposed to introduce were stopped at the port and could not get into the country in March. Then logistics also stopped in that sense. Since our headquarters is located in Shanghai, I believe this situation had an impact on us.

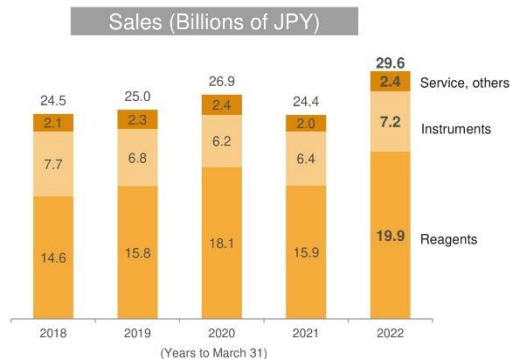
In any case, however, we believe that the market itself is strong and we are looking forward to the future. I don't think it is pessimistic.

Information by Destination (AP)



(Billions of yen)	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	YoY (Previous period = 100%) Yen basis
Sales	29.6	24.4	121.1% (115.2%)
Instruments	7.2	6.4	111.5%
Reagents	19.9	15.9	124.9%
Services, others	2.4	2.0	121.5%

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



Sales grew by double digits, benefiting from a recovery following the COVID-19 impact and higher reagent sales stemming from a greater installed instrument base.

● Instruments

- ✓ Sales were favorable in the hematology field, centered on India and South Korea.
- ✓ In Thailand and other parts of Southeast Asia, sales increased in the urinalysis and hemostasis fields.

● Reagents

- ✓ In addition to a recovery in testing demand, sales grew thanks to an increase in the installed instrument based in the hematology, urinalysis, and immunochemistry fields, particularly in India.
- ✓ In Indonesia and South Korea, ongoing COVID-19 infections drove up demand for tests to predict aggravation and sales increased in the hemostasis field.

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The Asia Pacific region also showed steady 21% growth in yen terms.

In particular, in India, we were able to get some very large deals in the fiscal year before last.

Including reagents, there is still a lot of potential for the future. When we were using distributors, they did not handle many high-end products, but SYSMEX is very strong in high-end models, and we have received many requests from our customers and started handling them directly. We are feeling a positive response.

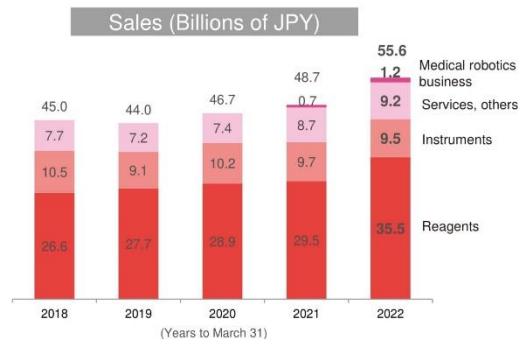
Other countries such as South Korea, Thailand, and Southeast Asia are also doing well.

In any case, Asia and Southeast Asia have a large population, and we are very much looking forward to the markets in Bangladesh, Pakistan, and Indonesia, as well as India. We would like to further focus our efforts on this area.

Information by Destination (Japan)



(Billions of yen)	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	YoY (Previous period = 100%) Yen basis
Sales	55.6	48.7	114.1%
Diagnostics business	54.3	47.9	113.2%
Instruments	9.5	9.7	97.6%
Reagents	35.5	29.5	120.3%
Services, others	9.2	8.7	106.8%
Medical robotics business	1.2	0.7	167.1%



Sales rose in the region, as testing demand recovered and an increase in the installed instrument base led to favorable sales of reagents. Sales in the medical robotics business also contributed.

Diagnostics business

● Instruments

- ✓ Demand for testing related to COVID-19 boosted demand in the immunochemistry field, and sales were favorable in the urinalysis and life science fields.
- ✓ Despite progress in introducing the XR™-Series, sales were down in comparison with the previous year, which was affected by the winning of large tenders from commercial labs.

● Reagents

- ✓ Sales were up in all main fields, owing to a recovery in testing demand and sales from testing related to COVID-19.

Medical robotics business

● 18 units have been installed since the start of sales*

*Contract details differ, depending on the sales scheme and the amount and timing to book as sales are different, so the number of units installed does not align with sales results.

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Japan has been recovering.

Then, on the other hand, we launched the medical robotics business.

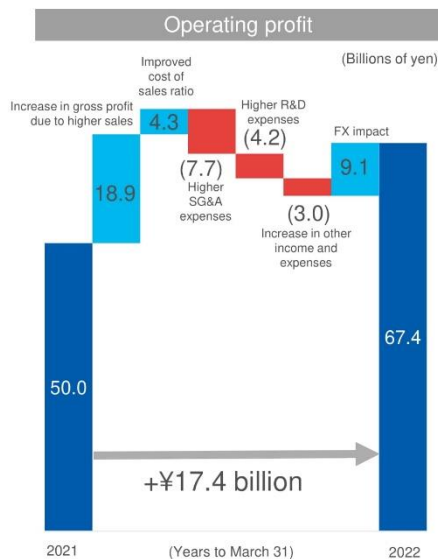
In many ways, this is our home ground, and the growth rate was 14.1%.

There was also a significant amount of sales related to COVID-19.

In our home ground Japan, we have just started the medical robotics business, in particular, and we are in a very important situation this fiscal year. I have heard that the response is very good, so I believe that we can make this development.

Since Japan is our home ground, we would like to take on various challenges, starting with Japan.

Breakdown of Operating Profit



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

- Increase in gross profit due to higher sales: ¥18.90 billion
- Impact of improvement in the cost of sales ratio: ¥4.39 billion (1.3pt 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.
- Increase in SG&A expenses: ¥7.76 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: ¥4.26 billion
 - Rise due to ongoing investment in product development and expenses related to regulatory affairs
- Increase in other expenses: ¥3.04 billion
 - Temporary expenses related to a fire at an outsourced storage facility
 - Impairment loss on intangible assets
- FX impact: ¥9.18 billion positive impact

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This is the breakdown of operating profit.

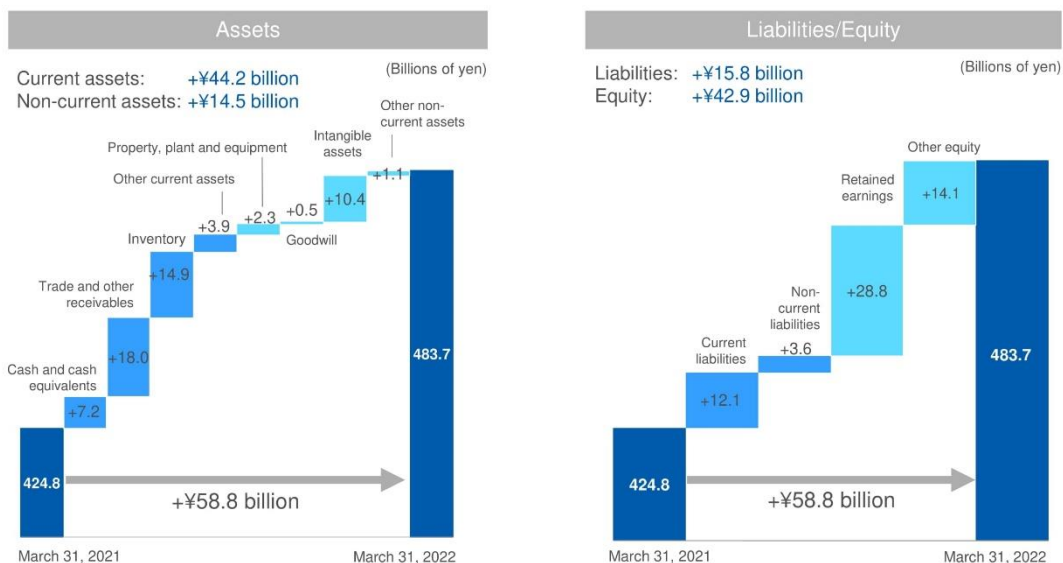
The effect of higher sales was JPY18.9 billion. The cost of sales ratio improved slightly by 1.3%, and the increase in SG&A expenses was due to the gradual increase in activities.

At one point, there was no activity at all, and SG&A expenses decreased.

We are also working on digitization and focusing on robotics.

The development in such a manner has resulted in a large increase of JPY17.4 billion, and as you can see here, there is a positive exchange rate impact of JPY9.18 billion.

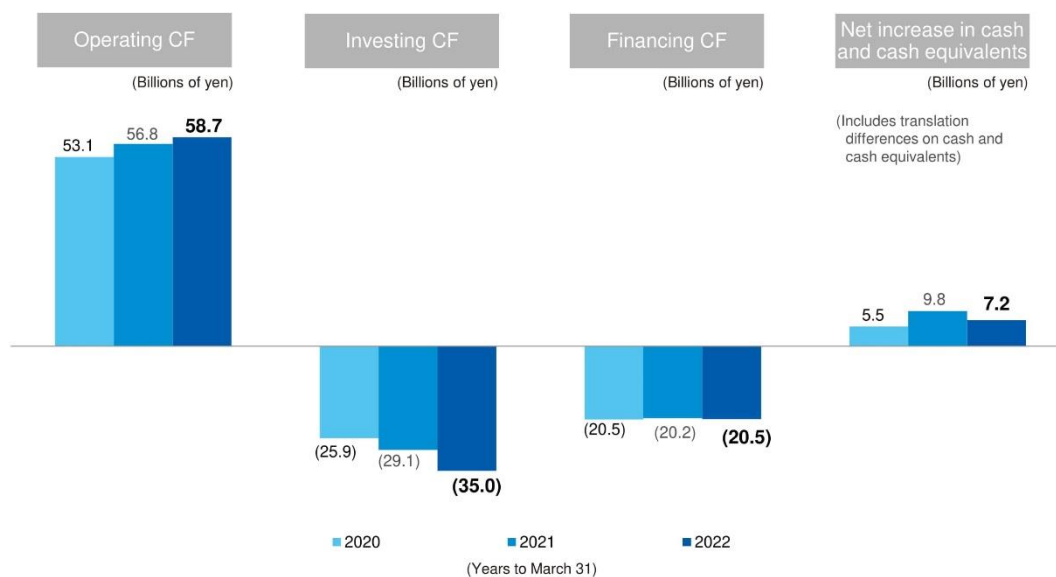
Breakdown of Assets and Liabilities/Equity



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The financial situation is as shown here, and I believe that we are developing in a very healthy way.

Consolidated Cash Flows



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Cash flow. In terms of cash flow, investment activities have been developing in this way, including considerable investment in digitalization.

Cash and deposits at the end of the fiscal year increased by JPY7.28 billion.

Diagnostics business

- TARC assay kit approved for an additional indication as an auxiliary assessment of COVID-19 aggravation risk (Japan: June)
- 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)
- **Formed capital and business tie-up with KAINOS Laboratories to drive growth in the immunochemistry field (Japan: February)**
- **Established subsidiary in Saudi Arabia to expand business in growing market (EMEA: February)**
- **Launched 18 immunochemistry reagent parameters (such as tumor markers) (China: December, March)**
Note: Introduced a total of 37 parameters
- **Established a new R&D base in Singapore (RDCAP) (AP: April 2022)**

Medical robotics business

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

Sustainability management

- 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 at the ultralow temperature range of minus 70 degrees Celsius (Japan: December)
- **Transferred listing to the Prime Market (Japan: April 2022)**

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Topics. First of all, in our diagnostics business, especially the TARC assay kit for COVID-19 aggravation risk has been approved and is also receiving a lot of recognition. On the other hand, we formed capital tie-up with KAINOS Laboratories to accelerate growth in the immunochemistry field.

In terms of how we can increase the speed of our R&D and commercialization, we are planning to further increase the number of immunochemistry items through a successful partnership with KAINOS, since they are strong in this area.

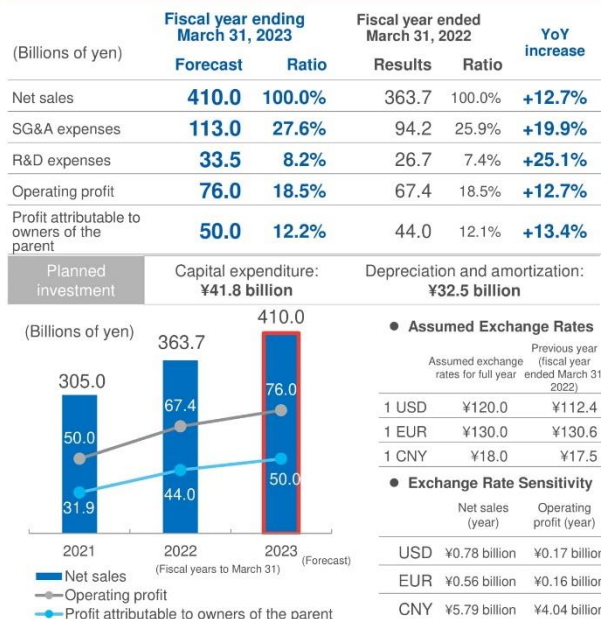
We have also established a local subsidiary in Saudi Arabia. This was also a very difficult task. Although it is not easy to establish a local subsidiary in Saudi Arabia, we were able to do it successfully over time. The number of new items has been increased in the immunochemistry field.

In April of this year, we established an R&D base in Singapore in the form of RDCAP. With this, we have established a global R&D network in the US, Europe, China, Asia Pacific, Singapore, and Japan.

As for the medical robotics business I mentioned earlier, we are now taking on the challenge of expanding regulatory approval to gynecology and gastroenterology.

We are also focusing on sustainability management.

Consolidated Earnings Forecast



● Net sales

- ✓ Ongoing double-digit growth, with sales in the Americas, EMEA and China of around ¥100 billion each
- ✓ Launch of the XR-Series and transport system (Japan, EMEA, AP)
- ✓ Growth in the urinalysis business in North America
- ✓ Growth due to direct sales in Saudi Arabia and an enhanced sales structure in Brazil
- ✓ Growth due to recovery of instrument sales in China and expansion of immunochemistry reagent parameters
- ✓ Accelerated introduction of hinotori™, planned to install 45 units (Japan)

● Operating profit

- ✓ Despite the restart of activity that had been constrained by COVID-19 and aggressive ongoing investment*, double-digit profit growth due to higher gross profit and reduced cost of sales

*Investment in R&D, global regulatory application activities and digitalization

● Assumptions for the external environment

- ✓ Growing demand for testing, ongoing investment in healthcare infrastructure
- ✓ Ongoing yen depreciation
- ✓ Downward trending demand for COVID-19 testing
- ✓ Sharply higher raw materials prices
- ✓ Direct impact of emerging geopolitical risk expected to remain slight

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This is the forecast for the fiscal year ending March 2023. For the current fiscal year, we are planning net sales of JPY410 billion, operating profit of JPY76 billion, and profit attributable to owners of parent of JPY50 billion, all double-digit growth rates.

Basically, SYSMEX's goal is always to achieve double-digit growth. Each department needs to think about what it can do to achieve this goal. Thanks to your support, especially overseas, we believe that the scale of our business in the Americas, EMEA, and China will probably grow to over JPY100 billion in terms of yen this fiscal year.

In addition, we will develop our flagship XR-Series, which are currently only available in Japan, in Europe and the US as well, although it may take some more time. The point is that we need to get our regulatory application activities in order.

In China, in terms of recovery of instrument sales, there have been a number of issues, including the distributors I mentioned earlier, but the market itself is strong, and it is important to ensure that we can get it back on track.

We are also in the process of introducing 45 units of hinotori surgical robots. At the same time, we are preparing for global expansion.

The assumed exchange rates are JPY120 for the US dollar, JPY130 for the Euro, and JPY18 for the Chinese Yuan.

As assumptions for the external environment, the demand for inspections itself is sure to increase. It is a fact that there has been a move to strengthen the medical system in each country, especially in relation to COVID-19. In this sense, we believe that demand itself will remain strong. In addition, the yen is weakening.

Although the number of COVID-19 testing itself is expected to decrease, in Japan, we are working with Kawasaki Heavy Industries to robotize the PCR process, which is now being used at airports. As inbound demand recovers in the future, there will certainly be demand here, and we need to ensure that this will grow.

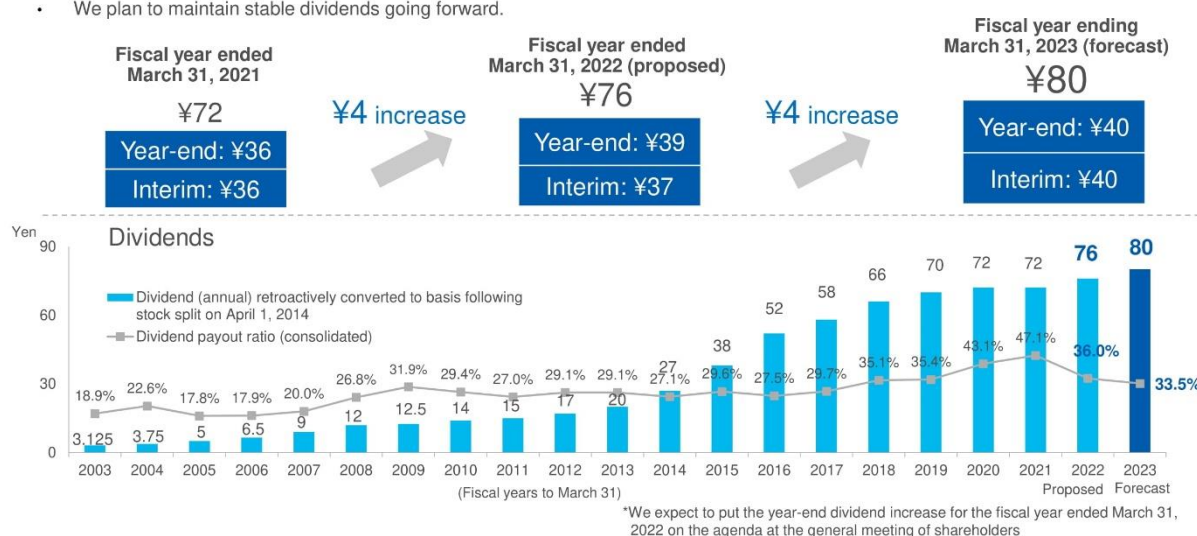
At present, regarding the Russia-Ukraine situation, there is little geopolitical risk for our business. Overall, the impact is about 2% of sales. However, we are responsible for ensuring the supply of health care products and reagents directly to our customers, so we will do our best to ensure this.

Although the price of raw materials is rising, we are making a great deal of effort in procurement itself, and it is important to find ways to control this situation and also to reduce costs.

Annual Dividend Forecast



- For the fiscal year ended March 31, 2022, we propose dividends for the year of **¥76**, up **¥4** year on year and **up ¥2** from our previous forecast.
- For the fiscal year ending March 31, 2023, we forecast dividends for the year of **¥80**, up **¥4** year on year.
- We plan to maintain stable dividends going forward.



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This is the annual dividend. This time, we have increased the dividend by JPY4 from the previous fiscal year and JPY2 from the announcement to JPY76.

For the current fiscal year, we will increase the dividend forecast by another JPY4 to JPY80, JPY40 for H1 and JPY40 for H2.

The dividend payout ratio itself is planned to be 33.5% at the end of the current fiscal year. We have been steadily increasing dividends and returning profits to shareholders.

Naturally, our performance is important for the steady shareholder returns, and we will continue to focus on developing our business in this way.

New Initiatives Targeting Medium- to Long-Term Growth



- Market development in emerging countries, where substantial growth is anticipated over the medium to long term
 - ✓ Introduce products tailored to market needs, enhance sales, services and manufacturing
- Astrego: Initiatives involving antimicrobial susceptibility testing and restraining drug-resistant bacteria
 - ✓ Acquired additional shares in Astrego, making it a wholly owned subsidiary (May 2, 2022)
 - ✓ Completed a self-declaration and CE-marking in March 2022, test marketing in Europe in the year to March 31, 2023
- Initiatives for diagnosing Alzheimer's disease
 - ✓ Efforts underway for an early rollout of laboratory developed testing (LDT) in the United States
 - ✓ Expect to receive manufacturing and marketing approval in Japan in the year to March 31, 2023
- Global rollout of the medical robotics business
 - ✓ Efforts underway toward an early rollout overseas (United States, Europe, AP)
- Promotion of sustainability management
 - ✓ Formulate new long-term management strategy targeting sustainability management (to be announced in May 2023)

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These are the new initiatives targeting medium- to long-term growth. First, as I mentioned earlier, we will develop markets in emerging countries, especially in India and other areas, and manage to introduce products to these markets. We are thinking of the Indian region as a second China in a way. We are now preparing for that development.

Next, we acquired Astrego, a Swedish company, and finally made it a wholly owned subsidiary in May of this year. The system here is to test for urinary tract infections, and they can do that with Micro hydraulic circuit technology. The most important thing is the challenge to control drug-resistant bacteria. This is not just business, but measures against AMR (Antimicrobial Resistance) are very important initiatives.

For a urinary tract infection, we can check with this system to see which drug works. Traditionally, there have been cases where they have tested several of them and finally, they worked, but we have acquired a Swedish company that has unique technology that allows us to see which drug works.

Next, the initiatives for Alzheimer's disease. This is the diagnosis of dementia using blood. This is an important point, because blood can be used very easily. Current method of using spinal fluid is very invasive for the patients. We are trying to do that in a steady manner, and currently submitting an application to the PMDA in Japan.

In the US, we have our base in Baltimore, and we are working on the early realization of LDT, laboratory developed testing, as well as the development in collaboration with Eisai.

As I mentioned earlier, we are also looking to expand our medical robotics business on a global scale. Originally, Medcaroid have a subsidiary in San Jose, the US, and in Europe, they have a subsidiary in Germany. We are preparing for the future global expansion now.

In addition, we are in the process of starting negotiations with the FDA. The US and Europe are very important markets, and we are determined to take on the challenges in these large markets.

Then, the promotion of sustainability management is very important now. SYSMEX is originally a healthcare company, so we are rather able to produce products that are in line with the needs. There is a theme of carbon

neutrality in the world, and we are talking about how we can reduce logistics costs. Regarding the cold chain, specimens and reagents must be cooled before being sent to the customer, and we are trying to develop this without CO₂ emissions.

Fortunately, we successfully developed our business in the fiscal year that ended. We would like to move steadily forward, further increasing in speed as the yen is weakening considerably, which will be the tailwinds for the current fiscal year.

This concludes my presentation. Thank you very much.

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