



# **Business Results for the Fiscal Year Ended March 31, 2023 and Overview of Management Strategy**

**Financial Highlights, Long-Term Corporate Strategy, and Mid-Term Management Plan**

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Together for a better  
healthcare journey

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## **(Appendix)**

- The Sysmex Group adopted International Financial Reporting Standards (IFRS) in the fiscal year ended March 31, 2017. Figures are disclosed in compliance with IFRS.
- In the fiscal year ended March 31, 2022, the Sysmex Group changed its method of recognizing the costs of configuration or customization services in cloud computing contracts as an expense when these services are received.
- This material contains forward-looking statements about the Sysmex Group. These forward-looking statements are based on the current judgments and assumptions of the Sysmex Group in light of the information currently available to it. Uncertainties inherent in such judgments and assumptions, the future course of our business operations and changes in operating environments both in Japan and overseas may cause our actual results, performance, achievements, or financial position to be materially different from any future results, performance, achievements or financial position either expressed or implied within these forward-looking statements.

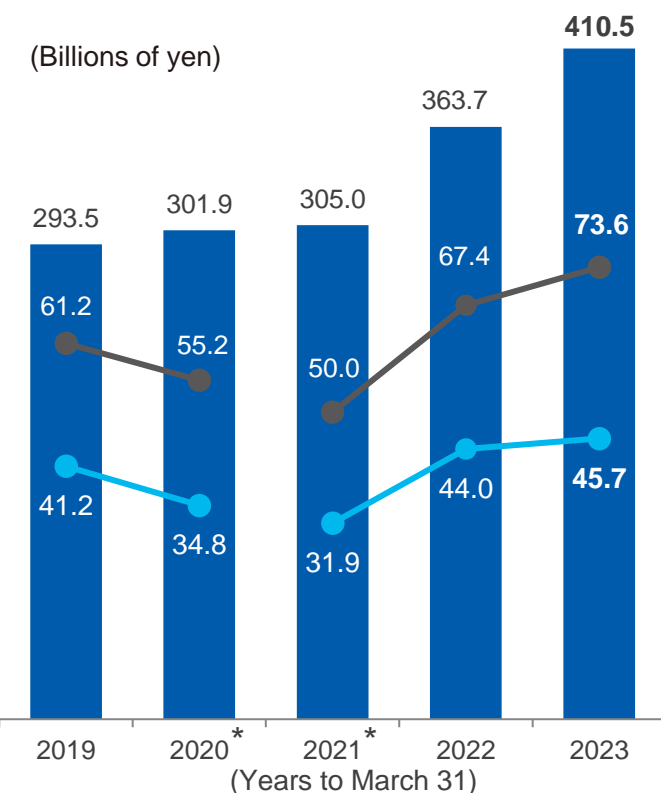
# **1. Financial Highlights for the Fiscal Year Ended March 31, 2023**

# Financial Highlights:



## Net Sales and Operating Profit Reached Record Highs

(Billions of yen)	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2022		YoY (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net sales	<b>410.5</b>	<b>100%</b>	363.7	100%	<b>112.8%</b>
Cost of sales	<b>194.4</b>	<b>47.4%</b>	173.1	47.6%	<b>112.3%</b>
SG&A expenses	<b>112.3</b>	<b>27.4%</b>	94.2	25.9%	<b>119.2%</b>
R&D expenses	<b>31.0</b>	<b>7.6%</b>	26.7	7.4%	<b>116.0%</b>
Other income (expenses)	<b>1.0</b>	<b>0.3%</b>	(2.1)	-0.6%	-
Operating profit	<b>73.6</b>	<b>17.9%</b>	67.4	18.5%	<b>109.3%</b>
Profit attributable to owners of the parent	<b>45.7</b>	<b>11.2%</b>	44.0	12.1%	<b>103.8%</b>



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

\*Changes in accounting method

✓ **Net sales:** Net sales increased on a yen basis in all regions, leading to double-digit growth.

**Operating profit:** Up, owing to the modulating impact of sharply higher raw materials costs, plus the effect of yen depreciation.

– **Exchange rate impact:** Net sales: +¥38.89 billion Operating profit: +¥16.91 billion

– **At the exchange rates prevailing one year earlier:**

Net sales: +2.2% Operating profit: -15.8%

✓ **Profit attributable to owners of the parent:** Up, despite the impact of foreign exchange losses

Note: Foreign exchange losses were ¥1.33 billion (a year-on-year deterioration of ¥2.19 billion)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022
1USD	<b>¥135.5</b>	¥112.4
1EUR	<b>¥141.0</b>	¥130.6
1CNY	<b>¥19.8</b>	¥17.5

# Q4 Business Results (Year on Year)



The cost of sales ratio improved substantially, due to the product mix, but the operating margin was flat year on year, owing to the impact of other income (expenses).

(Billions of yen)	Q4 of the fiscal year ended March 31, 2023 (January–March)		Q4 of the fiscal year ended March 31, 2022 (January–March) *		YoY change (Previous period = 100%)
	Results	Ratio	Results	Ratio	
Net sales	<b>111.7</b>	100.0%	104.8	100.0%	<b>106.6%</b>
Cost of sales	<b>50.5</b>	45.2%	51.6	49.3%	<b>97.8%</b>
SG&A expenses	<b>30.8</b>	27.6%	26.4	25.2%	<b>116.4%</b>
R&D expenses	<b>8.9</b>	8.0%	8.4	8.1%	<b>106.2%</b>
Other income (expenses)	<b>(2.0)</b>	-1.9%	(0.2)	-0.2%	-
Operating profit	<b>19.3</b>	17.3%	18.0	17.2%	<b>106.9%</b>
<small>Note: Figures in parentheses exclude the impact of other income (expenses).</small>					
Profit attributable to owners of the parent	<b>10.5</b>	9.5%	11.5	11.0%	<b>91.8%</b>
● Exchange rates	Q4 of the fiscal year ended March 31, 2023 (January–March)		Q4 of the fiscal year ended March 31, 2022 (January–March)		*Changes in accounting method
	1USD	<b>¥132.3</b>		<b>¥116.2</b>	
	1EUR	<b>¥142.1</b>		<b>¥130.4</b>	
	1CNY	<b>¥19.3</b>		<b>¥18.3</b>	

# Breakdown of Net Sales (by Destination and Product Type)

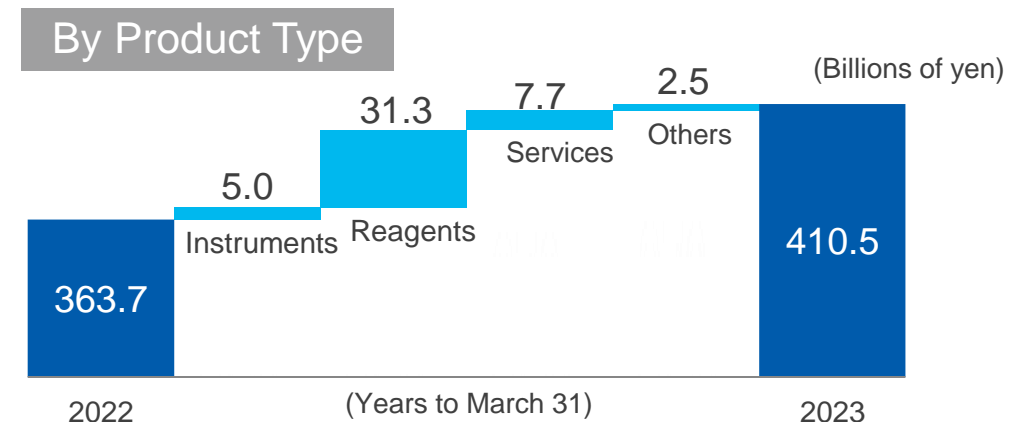
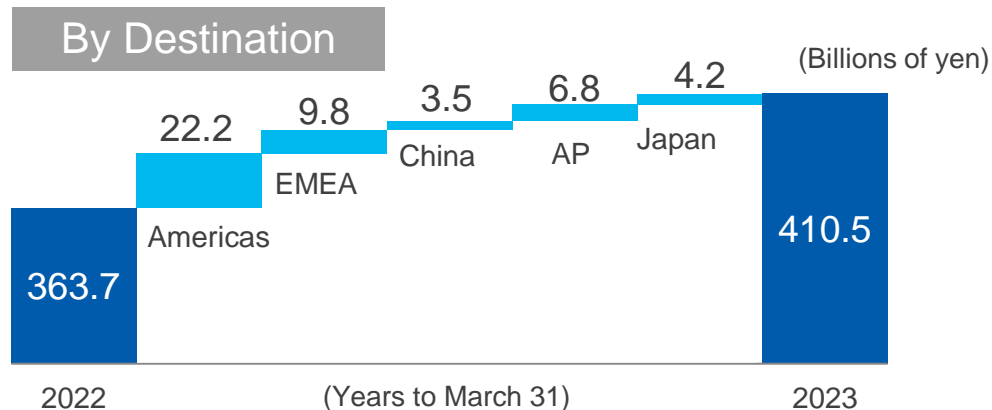


(Billions of yen)	Fiscal year ended March 31, 2023		YoY (Previous period = 100%)	
	Results	Ratio	Yen basis	Local currency basis
Net sales	410.5	100.0%	112.8%	102.2%*
Americas	105.9	25.8%	126.6%	105.2%
EMEA	111.3	27.1%	109.7%	101.6%
China	96.9	23.6%	103.8%	92.4%
AP	36.4	8.9%	123.2%	111.9%*
Japan	59.8	14.6%	107.6%	-
Instruments	91.7	22.4%	105.8%	95.5%*
Reagents	247.5	60.3%	114.5%	104.2%*
Services	54.3	13.2%	116.7%	103.5%*
Others	16.8	4.1%	118.1%	108.2%*

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

## Major Reasons for Changes by Destination

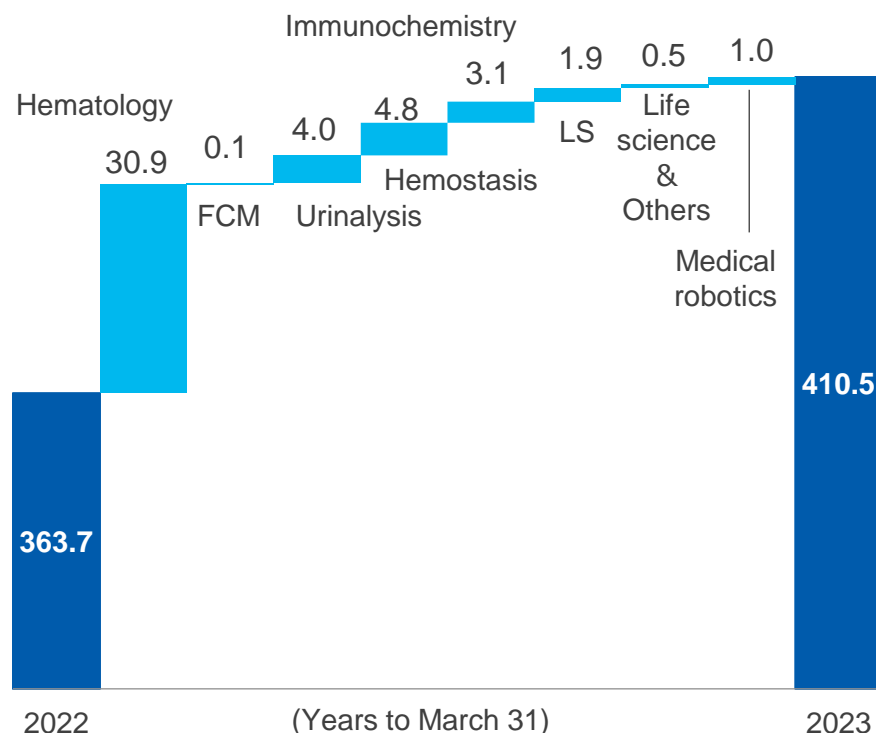
Americas	<ul style="list-style-type: none"> <li>In addition to increases in North America, a reinforced sales structure in Brazil led to favorable performance in the hematology and urinalysis fields in Central and South America.</li> </ul>
EMEA	<ul style="list-style-type: none"> <li>Despite the geopolitical impact of the Russia/Ukraine situation, sales increased, centered on the hematology, urinalysis and life science fields, helped by the acquisition of a large tender in Italy.</li> </ul>
China	<ul style="list-style-type: none"> <li>Sales were affected by lockdowns, but in the second half, reagent sales recovered to previous-year levels.</li> <li>Demand for instruments remains sluggish, owing to economic stagnation.</li> </ul>
AP	<ul style="list-style-type: none"> <li>Sales grew by double digits, pushed up mainly by a shift to direct sales in India.</li> </ul>
Japan	<ul style="list-style-type: none"> <li>The XR™-Series boosted sales in the hematology field, and sales of immunochemistry reagents were favorable. Also, the medical robotics business expanded.</li> </ul>



# Breakdown of Net Sales (by Business and Field)



Sales by Business and Field (Billions of Yen)



## Growth, Centered on the Hematology Field

(Billions of Yen)	Fiscal year ended March 31, 2023		YoY (Previous period = 100%)	
	Results	Ratio	Yen basis	Excluding FX impact
Net sales	<b>410.5</b>	<b>100.0%</b>	<b>112.8%</b>	<b>102.2%</b>
Hematology	<b>241.3</b>	<b>58.8%</b>	<b>114.7%</b>	<b>102.7%</b>
FCM	<b>2.2</b>	<b>0.6%</b>	<b>109.0%</b>	<b>97.7%</b>
Urinalysis	<b>34.0</b>	<b>8.3%</b>	<b>113.6%</b>	<b>100.8%</b>
Hemostasis	<b>66.9</b>	<b>16.3%</b>	<b>107.8%</b>	<b>98.1%</b>
Immunochemistry	<b>23.5</b>	<b>5.7%</b>	<b>115.5%</b>	<b>108.9%</b>
Clinical chemistry	<b>3.4</b>	<b>0.8%</b>	<b>115.8%</b>	<b>107.1%</b>
Life science	<b>19.9</b>	<b>4.9%</b>	<b>110.9%</b>	<b>105.4%</b>
Others	<b>16.6</b>	<b>4.1%</b>	<b>100.4%</b>	<b>95.0%</b>
Diagnostics business	<b>408.1</b>	<b>99.4%</b>	<b>112.6%</b>	<b>101.9%</b>
Medical robotics business	<b>2.3</b>	<b>0.6%</b>	<b>180.2%</b>	<b>180.2%</b>

### COVID-related testing

(Included in the life science, immunochemistry and others categories)  
 In the fiscal year ended March 31, 2023: ¥6.1 billion  
 (¥5.6 billion in Japan, ¥0.5 billion overseas)

(Reference):  
 ¥8.2 billion in the fiscal year ended March 31, 2022  
 (¥5.5 billion in Japan, ¥2.7 billion overseas)

# Results by Destination (Americas)

(Million USD)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	YoY (Previous period = 100%)	
			Local currency basis	Yen basis
Sales	<b>781.7</b>	743.0	<b>105.2%</b>	126.6%
Instruments	<b>213.9</b>	204.3	<b>104.7%</b>	125.5%
Reagents	<b>362.2</b>	342.5	<b>105.7%</b>	127.4%
Services,others	<b>205.6</b>	196.2	<b>104.8%</b>	126.3%

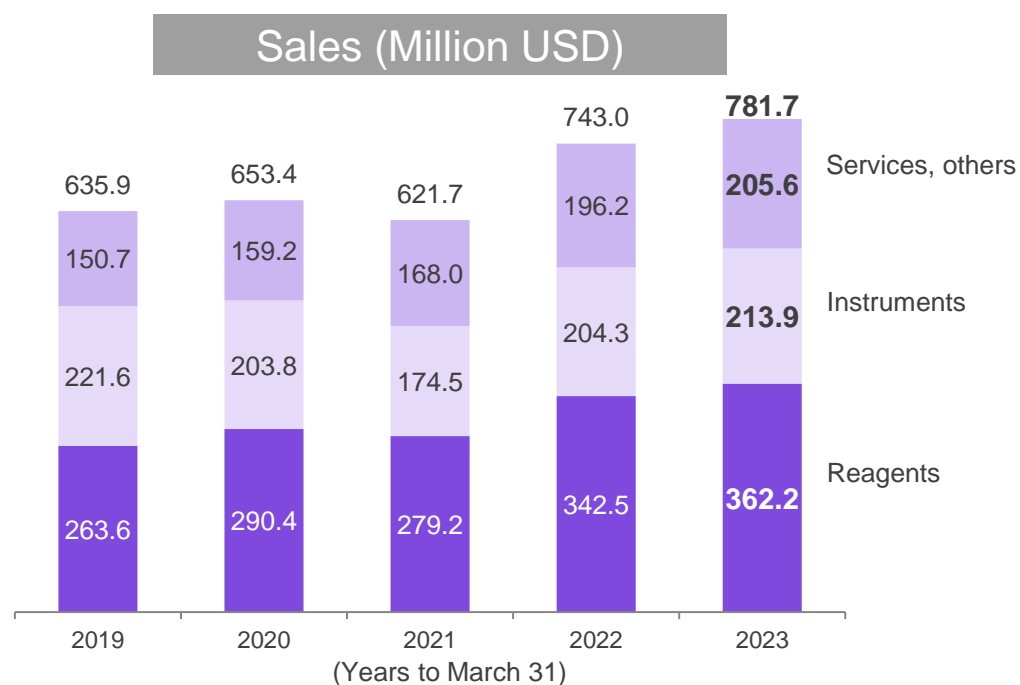
Sales rose, due to favorable performance centered on urinalysis and hematology reagents. In addition to higher sales in Central and South America, sales in North America were boosted by the impact of the alliance with Siemens in the urinalysis field.

## ● Instruments

- ✓ Sales were favorable in the hematology field in North, Central and South America.

## ● Reagents

- ✓ In the urinalysis field, sales rose due to expansion of the installed instrument base in North, Central and South America.
- ✓ In the hematology field, sales were favorable in Central and South America, centered on Brazil.

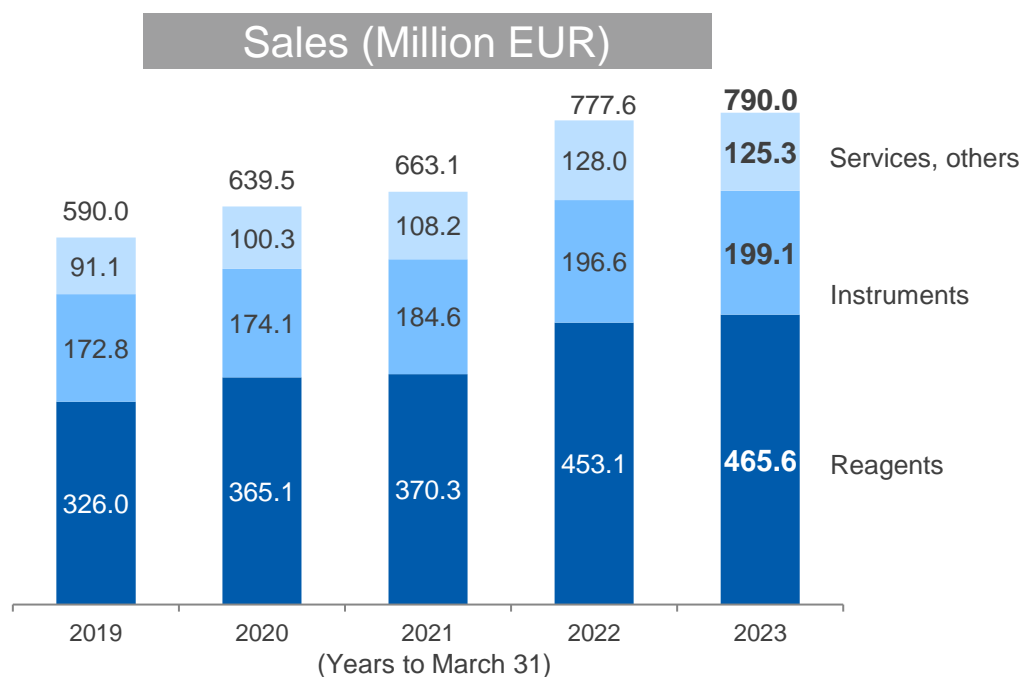




# Results by Destination (EMEA)

(Million EUR)	Fiscal year ended	Fiscal year ended	YoY (Previous period = 100%)	
	March 31, 2023	March 31, 2022	Local currency basis	Yen basis
Sales	<b>790.0</b>	777.6	<b>101.6%</b>	109.7%
Instruments	<b>199.1</b>	196.6	<b>101.3%</b>	109.4%
Reagents	<b>465.6</b>	453.1	<b>102.8%</b>	111.0%
Services, others	<b>125.3</b>	128.0	<b>97.9%</b>	105.8%

Sales were down in Russia, but winning a large tender boosted instrument sales in Italy, and sales of hematology reagents were favorable. As a result, sales were up for the region.



## ● Instruments

- ✓ Sales were favorable in the urinalysis field, owing in part to the winning of a large tender in Italy.
- ✓ Sales of compact instruments in the hematology field rose, centered on Africa.

## ● Reagents

- ✓ In the hematology field, sales increased, centered on Turkey and France.
- ✓ Demand for COVID-19-related testing turned downward.

# Results by Destination (China)

(Million CNY)	Fiscal year ended	Fiscal year ended	YoY (Previous period = 100%)	
	March 31, 2023	March 31, 2022	Local currency basis	Yen basis
Sales	<b>4,907.6</b>	5,313.1	<b>92.4%</b>	103.8%
Instruments	<b>767.7</b>	1,151.3	<b>66.7%</b>	75.0%
Reagents	<b>3,517.5</b>	3,586.0	<b>98.1%</b>	110.2%
Services,others	<b>622.4</b>	575.8	<b>108.1%</b>	121.2%

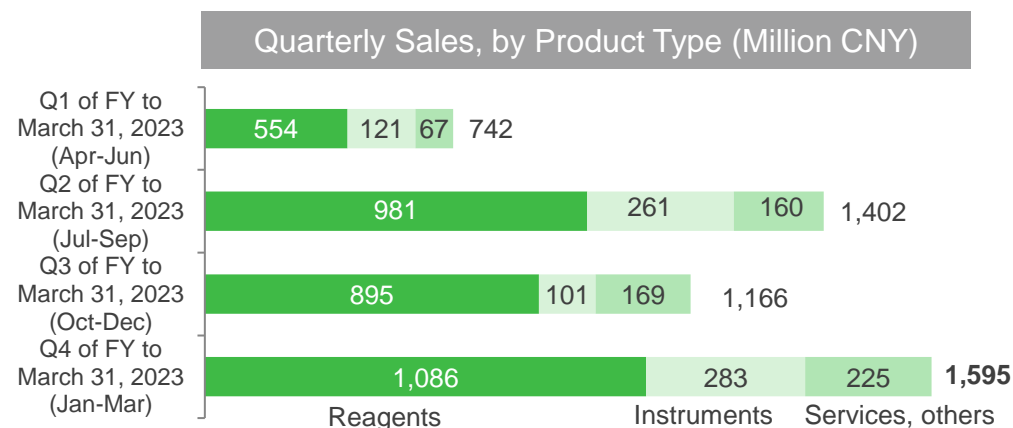
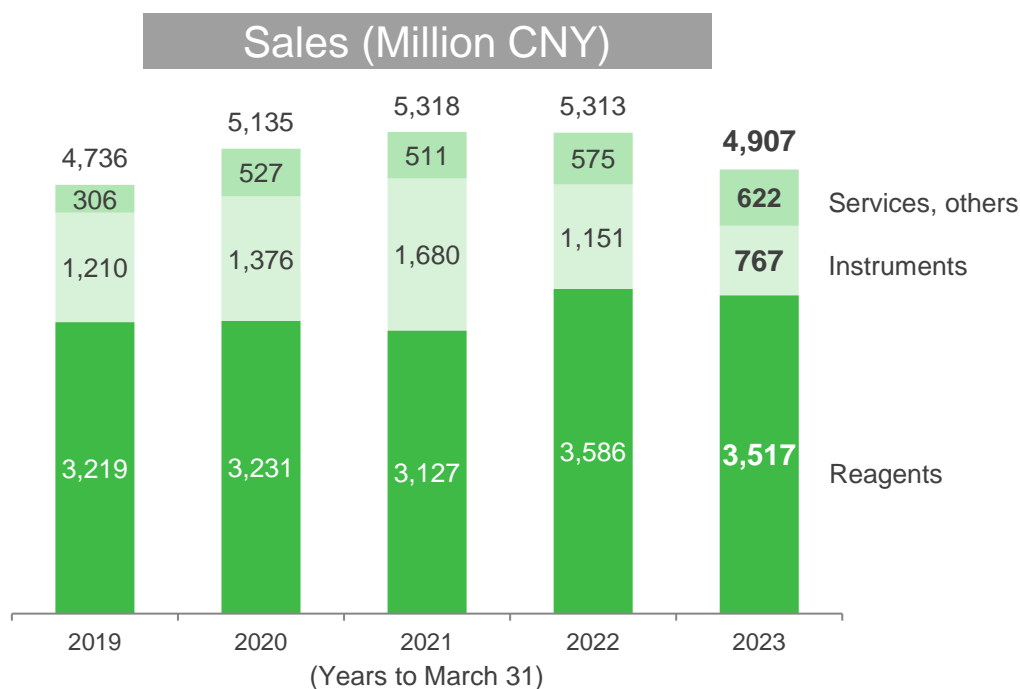
Sales fell due to the impacts of COVID-19 (lockdowns, a surge in infections) and government procurement policies. However, performance recovered in the fourth quarter, owing to a resurgence in testing demand and the expansion of knockdown production.

## ● Instruments

- ✓ Sales affected by the impact of COVID-19 and government procurement policies. However, sales rose for high-end instruments in the hemostasis field, and for knockdown instruments in the hematology and urinalysis fields.

## ● Reagents

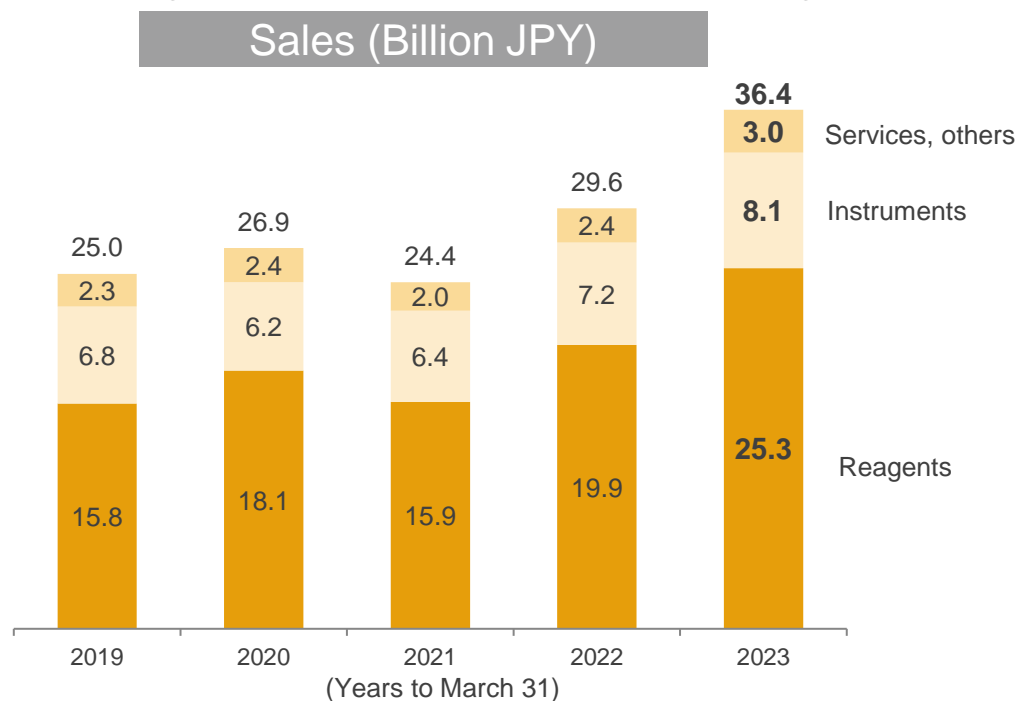
- ✓ Sales rose in the hemostasis field for reagents used to predict COVID-19 aggravation, but overall reagent sales were down due to a drop in testing demand.



# Results by Destination (AP)

(Billions of yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	YoY (Previous period = 100%) Yen basis
Sales	<b>36.4</b>	29.6	<b>123.2%</b> (111.9%)
Instruments	<b>8.1</b>	7.2	<b>112.1%</b>
Reagents	<b>25.3</b>	19.9	<b>127.2%</b>
Services,others	<b>3.0</b>	2.4	<b>123.8%</b>

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



Sales were up in all categories, helped by higher sales in India and favorable reagent sales, due to expansion of the installed instrument base.

## ● Instruments

- ✓ Sales were down slightly in the hemostasis and immunochemistry fields, reflecting the impact of COVID-19 in the previous year, but favorable performance in other fields led to an increase overall.
- ✓ Sales increased in the hematology field, centered on Indonesia and Taiwan.

## ● Reagents

- ✓ Boosted by expansion of the installed instrument base, performance continued in India and Vietnam, and was favorable in the hematology field.
- ✓ In Thailand and Southeast Asia, sales were solid in the urinalysis and immunochemistry fields, and reagent sales were up in all fields.

# Results by Destination (Japan)

(Billions of yen)	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	YoY (Previous period = 100%) Yen basis
Sales	<b>59.8</b>	55.6	<b>107.6%</b>
Diagnostics business	<b>57.4</b>	54.3	<b>105.8%</b>
Instruments	<b>9.7</b>	9.5	<b>102.5%</b>
Reagents	<b>38.0</b>	35.5	<b>107.0%</b>
Services, others	<b>9.7</b>	9.2	<b>104.9%</b>
Medical robotics business	<b>2.3</b>	1.2	<b>180.2%</b>

Sales rose, due to higher sales of hematology instruments, as well as to favorable reagent sales in the hemostasis and immunochemistry fields and higher sales in the medical robotics business.

## Diagnostics business

### ● Instruments

- ✓ Sales rose by double digits in the hematology field, owing to the XR-Series. In addition, sales grew substantially in the immunochemistry field, due to a rise in demand related to COVID-19 testing and pushed up overall sales.

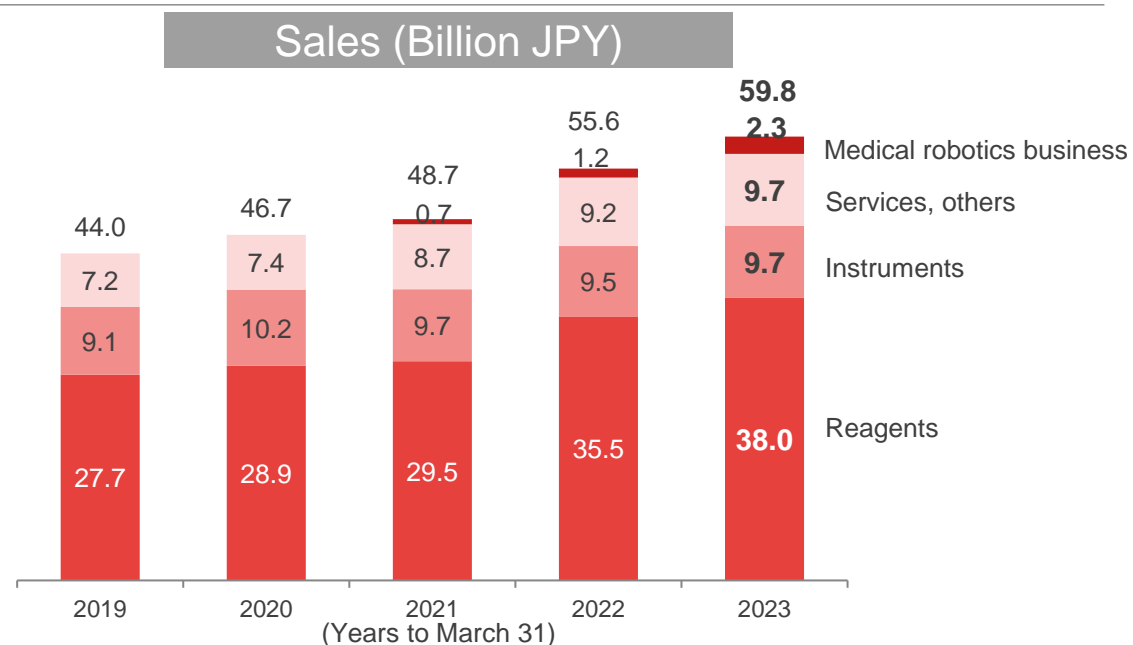
### ● Reagents

- ✓ Sales expanded, thanks to higher sales in the immunochemistry field stemming from an expanded installed instrument base and favorable performance in the hemostasis field in relation to reagents used to predict COVID-19 aggravation.

## Medical robotics business

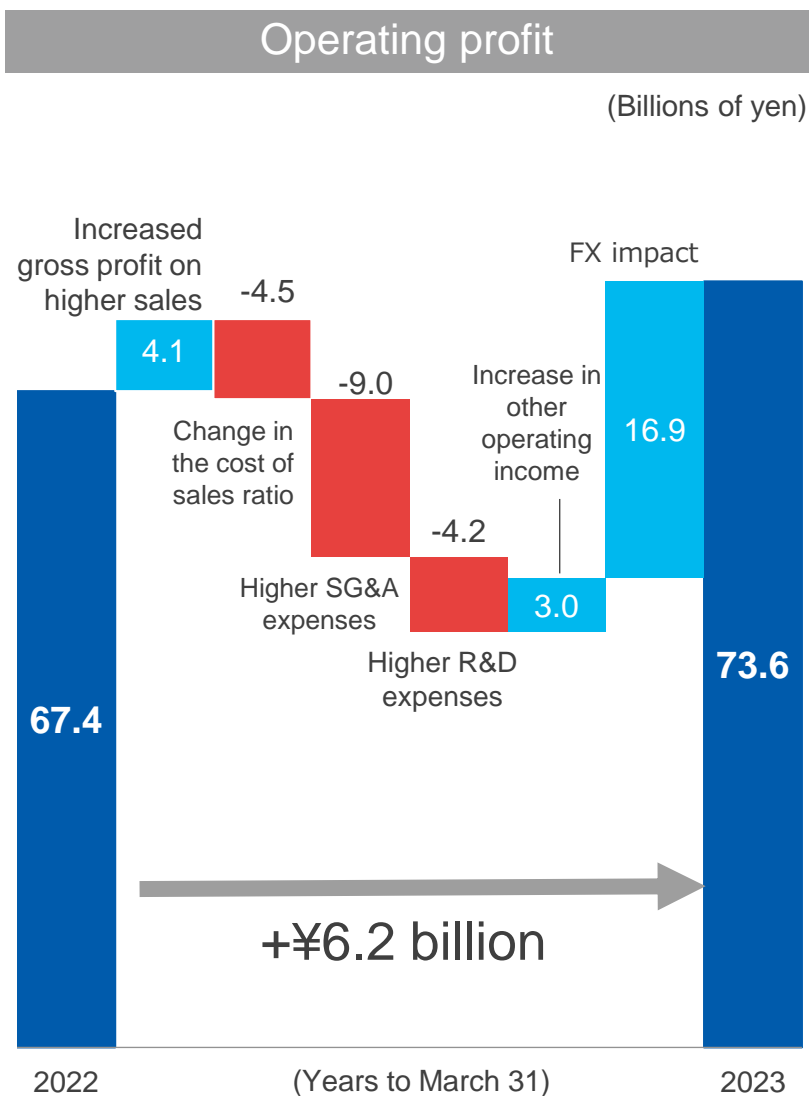
- ✓ 35 units have been installed since the start of sales, including 17 during the fiscal year\*.
- ✓ More than 1,323 cases (as of March 2023)

\*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.



# Breakdown of Operating Profit

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



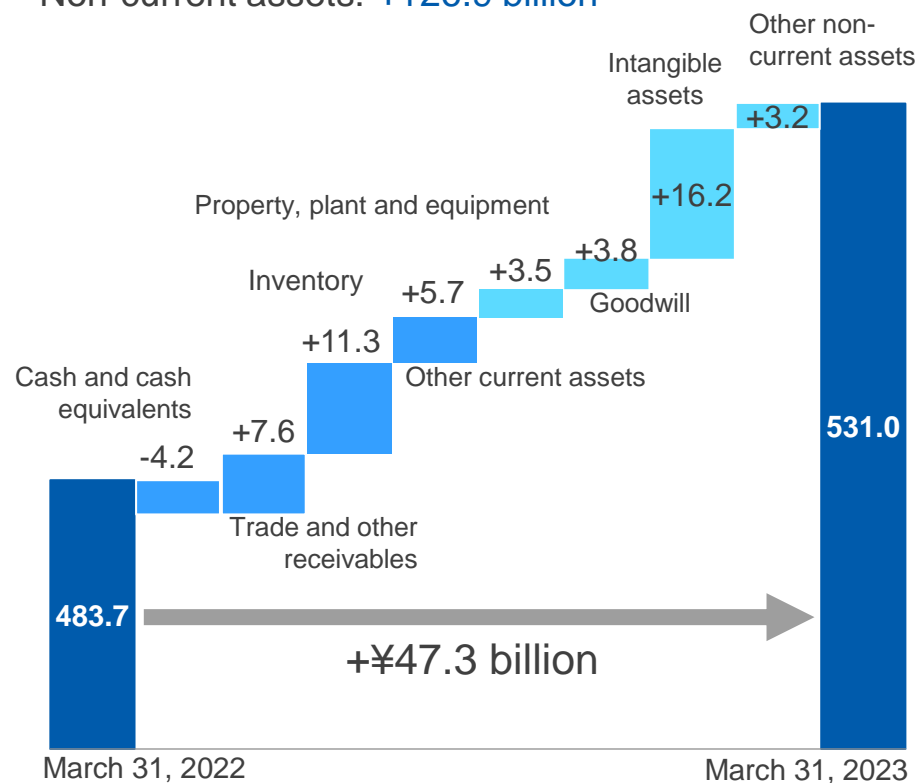
- Increased gross profit on higher sales: ¥4.1 billion
- Impact of change in the cost of sales ratio: ¥4.5 billion (worse by 1.2pt )
  - ✓ Sharply higher raw material prices: 1.2pt worse; sharply higher shipping costs: 0.5pt worse; service costs: 0.4pt worse
  - ✓ Changes in the product mix: 0.7pt improvement
- Higher SG&A expenses: ¥9.0 billion
  - ✓ Costs rose due to a resumption of sales and service activities in each region and the reinforcement of the direct sales structure.
  - ✓ Costs related to digitalization increased.
- Higher R&D expenses: ¥4.2 billion
  - ✓ Ongoing investments in product development and costs related to regulatory affairs were higher.
- Increase in other operating income: ¥3.0 billion
  - ✓ A decrease in other operating expenses and an increase in other operating income related to a fire at an outsourced storage facility
- FX impact: ¥16.9 billion positive impact

# Breakdown of Changes in the Consolidated Statement of Financial Position

Inventory rose due to efforts to maintain stable inventories, and intangible assets increased owing to greater investment in digitalization.

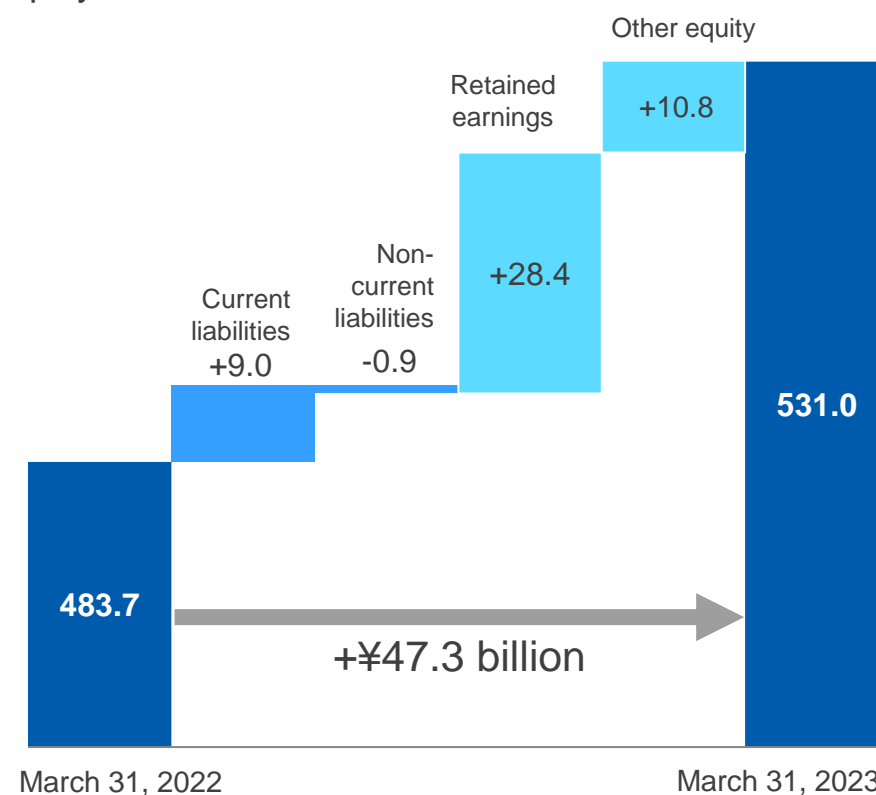
## Assets

Current assets: **+¥20.3 billion**  
 Non-current assets: **+¥26.9 billion**



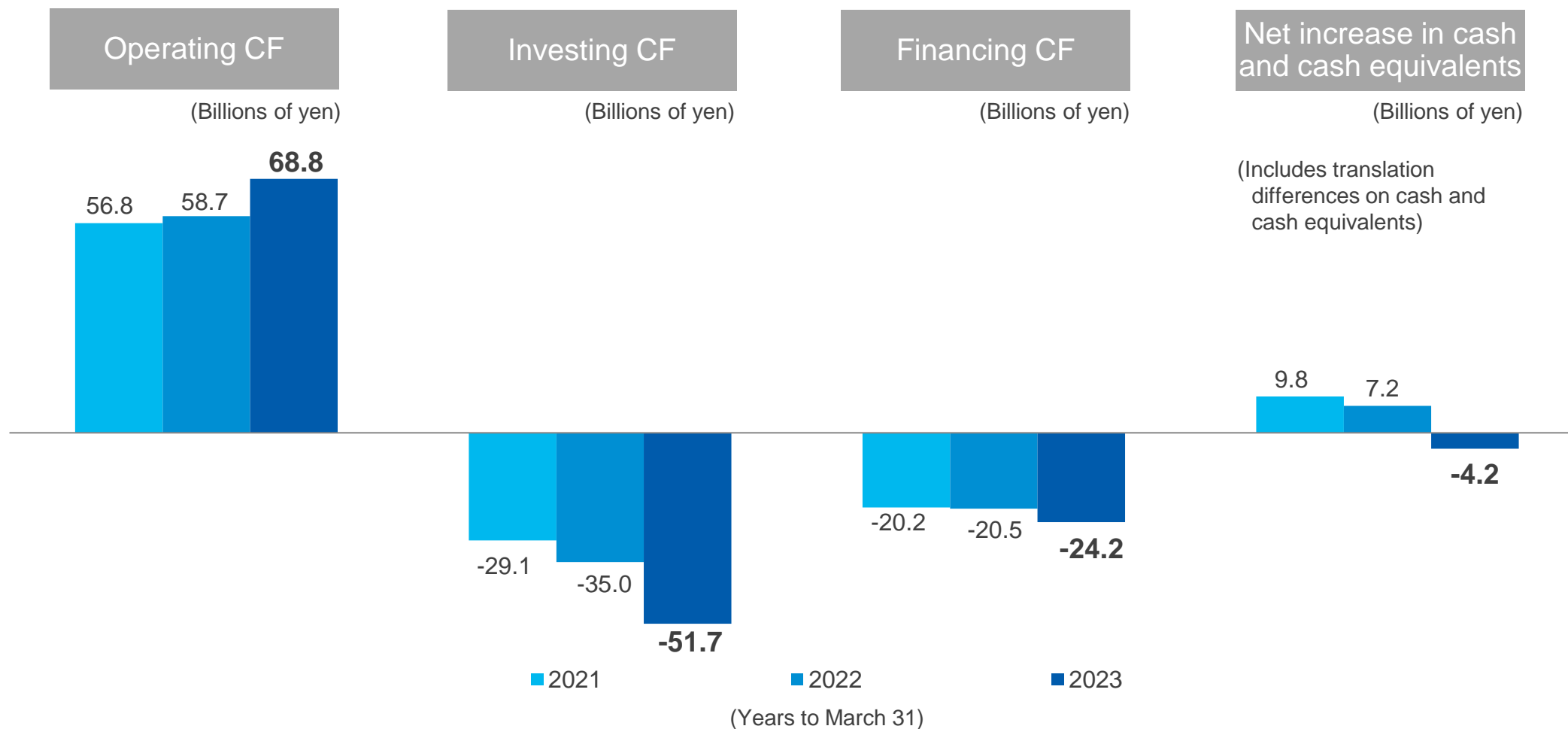
## Liabilities/Equity

Liabilities: **+¥8.0 billion**  
 Equity: **+¥39.3 billion**



# Consolidated Cash Flows

Investing cash flows increased due to the conversion of Astrego to a subsidiary and investment in digitalization.



# Topics (April 2022 to March 2023)



## Diagnostics business

- Launch of sample transportation system modules for the XR-Series automated hematology analyzer (July 2022/Japan)
- Start of knockdown production of sample transportation system modules for the XN™-Series (December 2022/China)
- Receipt of manufacturing and marketing approval for Alzheimer disease tests (assay kit to identify amyloid beta in the brain using a small amount of blood) (December 2022/Japan)
- Expansion of immunochemistry reagent parameters to 57 (Q3 2022/China)
- **Signing of a global OEM agreement with Siemens Healthineers in the hemostasis field (March 2023)**

## Medical robotics business

- National insurance coverage for gastroenterology and gynecology indications for the hinotori™ surgical robot system (December 2022/Japan)

## Sustainability management

- Declaration of achieving carbon neutrality by 2040 (May 2022)
- Selected for inclusion in the Dow Jones Sustainability World Index for the seventh consecutive year (December 2022)
- **Selected as a “Human Capital Leaders 2022” for being a company committed to excellent human capital management and disclosure (February 2023/Japan)**



## Dividend Forecast for the Fiscal Year Ended March 31, 2023 (Proposal)

- The proposed dividend is ¥6 higher than for the year ended March 31, 2022.
- This dividend is ¥2 higher than forecast at the beginning of the fiscal year, due to a commemorative dividend to celebrate our 55th anniversary of establishment.

	Interim	Year-end	Annual	Payout ratio
Year ended March 31, 2022	¥37	¥39	¥76	36.0%
Year ended March 31, 2023 (proposed)	¥40	¥42* <small>Includes a 55th anniversary commemorative dividend (¥2)</small>	¥82	37.5%

\*We plan to propose this year-end dividend to the 56th Ordinary General Meeting of Shareholders.

## **2. Long-Term Corporate Strategy 2033 (VA33)**

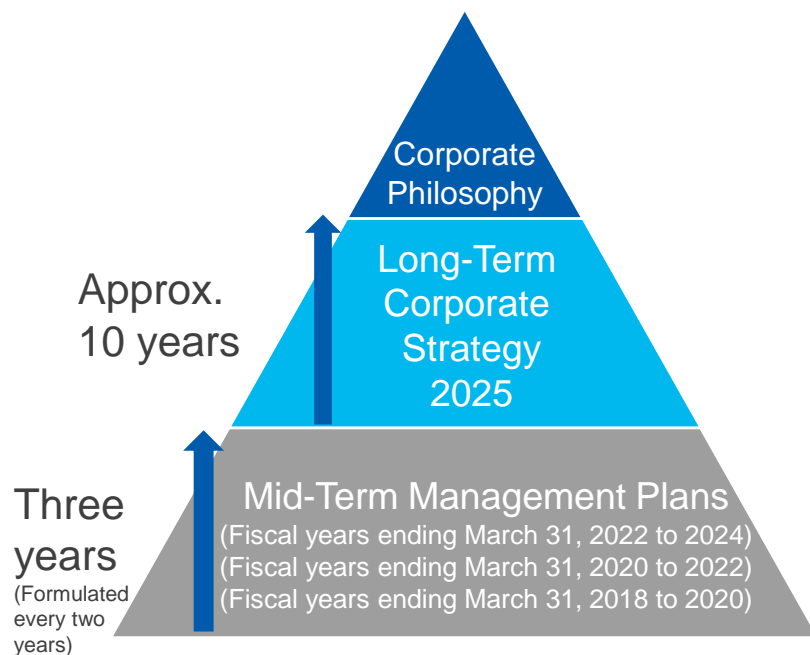
# Previous Long-Term Corporate Strategy 2025

## Long-Term Corporate Strategy Targeting 2025 That We Formulated in 2018

### ■ Long-Term Vision (2025)

**A “Unique & Advanced Healthcare Testing Company”**

### Value Creation Structure



### Positioning

1. **Creating innovative diagnostic value as a global top-five company in IVD**
2. **A leading company in personalized diagnostics for optimizing medical treatment**
3. **A solution provider contributing to the advancement of primary care diagnostics**
4. **An attractive company providing value and instilling confidence**
5. **“One Sysmex” carrying out high-speed management**

**Business expansion**

**Enhancement of corporate value and climate**

# Key Progress to Realize Our Positioning

## Business expansion

- |                          |   |  |
|--------------------------|---|--|
| <b>New product sales</b> | ✓ Hematology  | Launched the XR-Series   |
|                          | ✓ Immunochemistry   | Expanded reagent parameters (Alzheimer's, COVID-19 antigen, etc.)    |
|                          | ✓ Life science  | Launched OncoGuide™ NCC Oncopanel System for cancer genome profiling |
| <b>Alliance measures</b> | ✓ Forged alliance with Siemens in the hemostasis and urinalysis fields  |  |
| <b>Regional measures</b> | ✓ Expanded items manufactured using knockdown production in response to Chinese measures giving preferential treatment to items manufactured in the country |  |
|                          | ✓ Reinforce sales structures in India, Central and South America, the Middle East and other emerging markets  |  |
| <b>New business</b>      | ✓ Started the medical robotics business   |  |

## Enhancement of corporate value and climate

- ✓ Promoted digitalization internally
- ✓ Configured a global human resource management and job-based human resource system
- ✓ Promoted working styles to help enhance engagement

# New Long-Term Corporate Strategy 2033 (VA33: Value Advance)



## Value

- Each and every employee is always sincerely committed to improving social value and corporate value.
- We foster innovation in testing and diagnosis, creating unique value in personalized medicine and new therapeutic areas.

## Advance

- We promote advancements in healthcare, which is our mission.
- We prepare for further advances.

## “Together for a better healthcare journey”

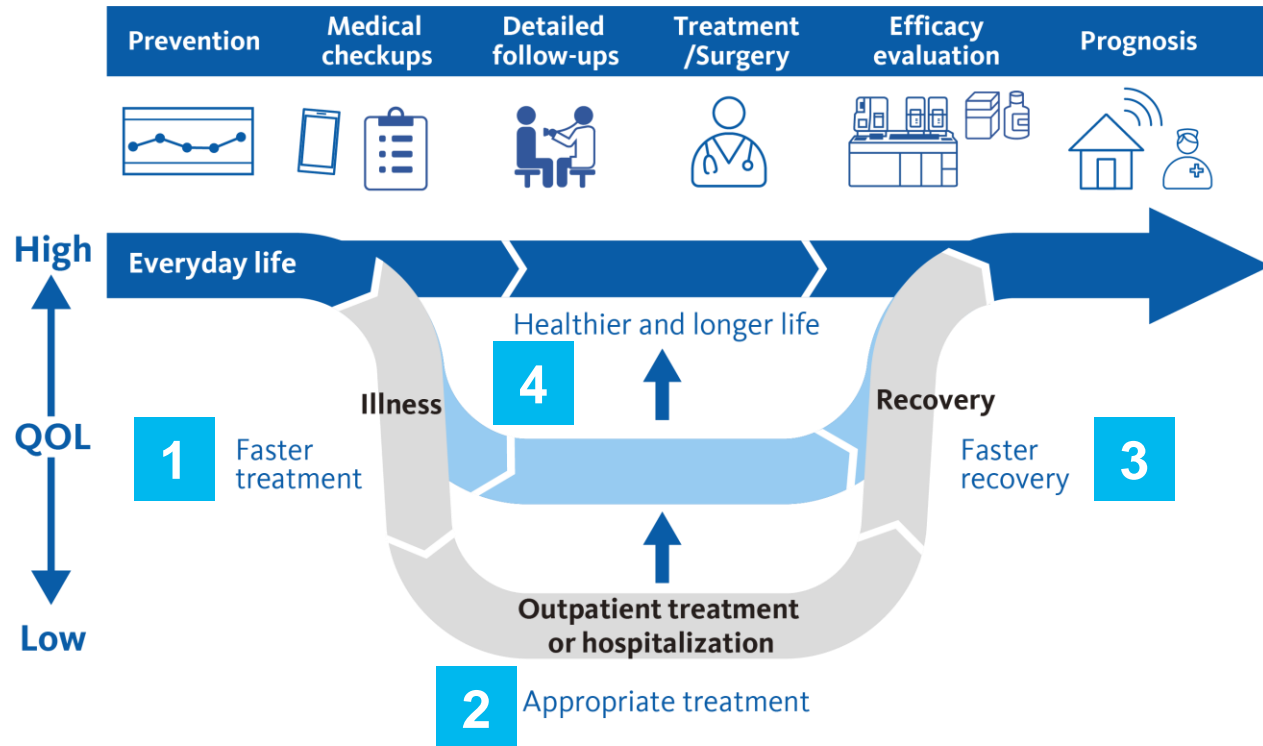
### Healthcare journey:

- We view the various healthcare-related events a person experiences throughout their lives (life stages), along with the corresponding process this involves (such as at healthcare institutions) as a “journey.”
- We will enlarge our business domains from the conventional focus on “diagnostics” to also include the “healthcare journey,” targeting the prevention, pre-symptomatic and prognosis monitoring stages.

# New Long-Term Corporate Strategy: Value Provided



We will help to improve the quality of life of people around the world at each stage of their healthcare journey and realize a fulfilling and healthy society by optimizing healthcare and healthcare costs



## Value provided by Sysmex

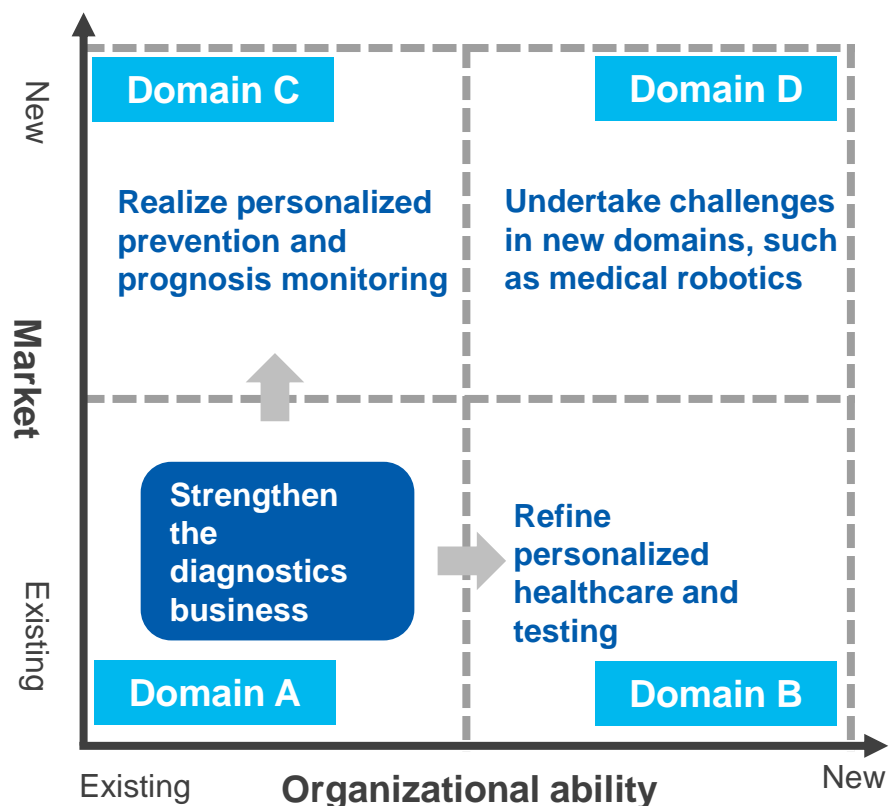
- 1 Provide tests and information to detect diseases at earlier and milder stages
- 2 Provide tests and information that allow for more precise diagnosis and personalized treatment options when illness strikes
- 3 Provide monitoring tests and information to facilitate faster and better recovery
- 4 Provide tests and information to contribute to people's longer and healthier lives

# New Long-Term Corporate Strategy: Business Domain



Expand our business domain by strengthening existing businesses and creating new businesses

## Moving from “diagnostics (healthcare testing)” to the “healthcare journey”



\*This frame is based on “Lead and Disrupt”, Charles A. O’Reilly et al.

### Domain A Strengthen the diagnostics business

- (1) Expand share in emerging markets in the hematology and urinalysis fields and maintain an overwhelming competitive advantage
- (2) Expand and roll out globally reagent parameters in the immunochemistry field
- (3) Conduct a global rollout through new alliance in the hemostasis field

### Domain B Refine personalized healthcare and testing

- (1) Leverage genome testing to roll out unique offerings in the life science field
- (2) Provide testing and diagnostic methods that optimize individual treatment

### Domain C Realize personalized prevention and prognosis monitoring

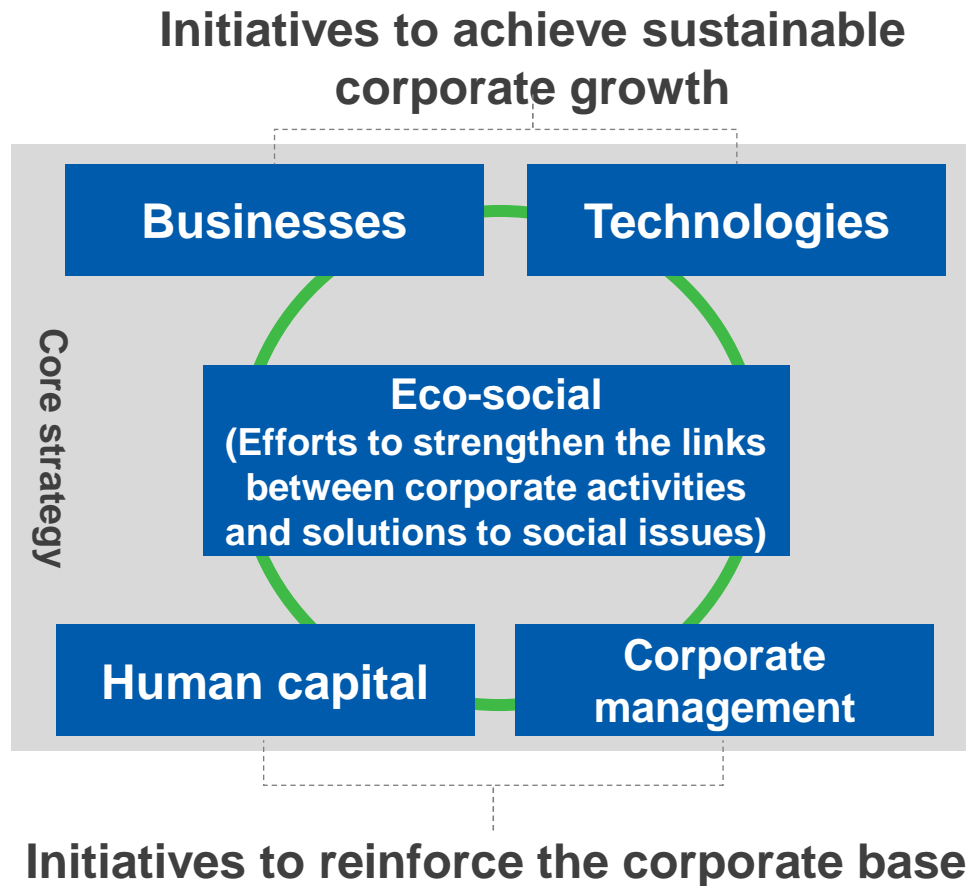
- (1) Realize new tests that target the prevention, pre-symptomatic and prognosis monitoring stages
- (2) Realize new healthcare support using healthcare data

### Domain D Medical robotics business, regenerative and cellular medicine



# New Long-Term Corporate Strategy: Strategy and Targets

To reach our objectives, we will promote a core strategy consisting of five elements, in our aim to a ¥1 trillion company



## Financial targets

- Growth  
Net sales: **¥1.0 trillion or more**
- Profitability  
Operating margin: **20% or more**

## Sustainability targets

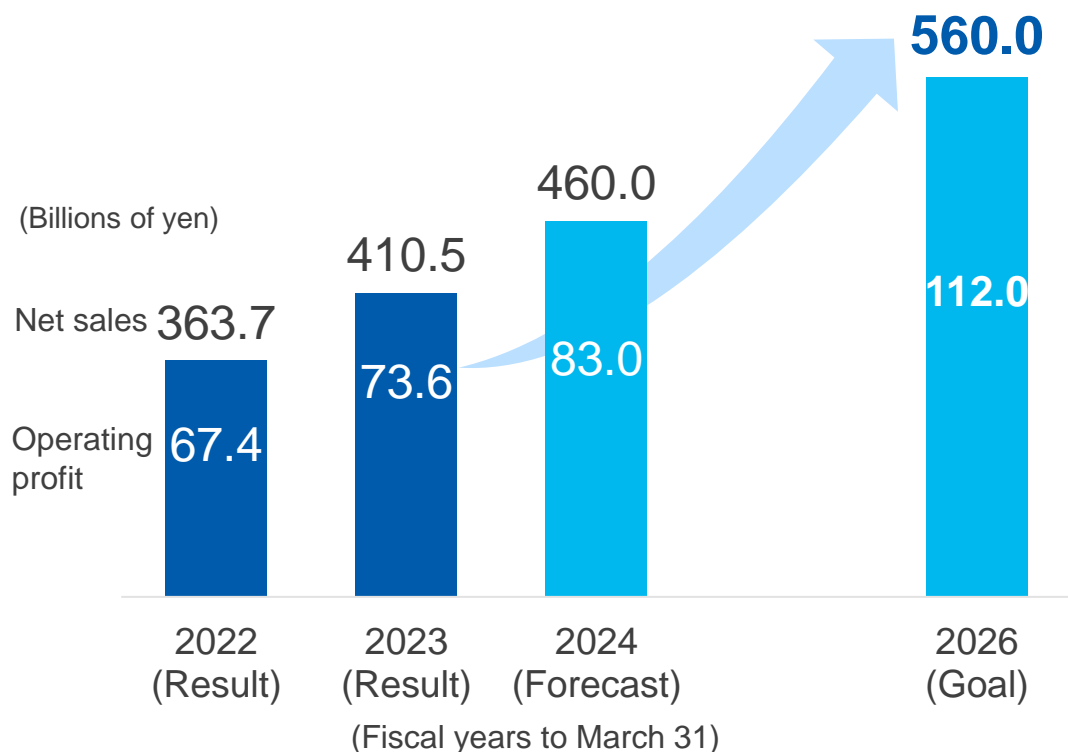
- Achieve zero product losses  
Percentage of unused waste: **0.1% or less**
- Switch to recycled and environmentally conscious materials  
Rate of use in containers and packaging materials: **100%**

# **3. Mid-Term Management Plan** **(Fiscal Years Ending March 31, 2024 to 2026)**

# Overview of the Mid-Term Management Plan

## Goals for the fiscal year ending March 31, 2026

**Net sales**                    **¥560.0 billion**  
**Operating profit**       **¥112.0 billion**  
**ROE**                            **16.0%**  
**Free CF**                    **¥46.0 billion**



## Key Actions for the Group

## Domain

1	Enhance competitiveness and expand markets through innovation in diagnostics business domain	A
2	Accelerate commercialization centered on genetic testing in the domain of personalized medicine	B
3	Create a new business model in the domains of prevention and self-medication	C
4	Accelerate business growth in the therapeutic domain, centered on the medical robotics business	D
5	Realize a circular resource value chain and transform with a view to solving social issues	AB CD
6	Enhance corporate value by strengthening human capital and management base	—

# Major Initiatives Related to Key Actions



## 1 Enhance competitiveness and expand markets through innovation in diagnostics business domain

- Accelerate global rollout and market introduction of the XR-Series
- Expand business in the immunochemistry reagent parameters and promote early commercialization of business involving diagnosis of Alzheimer's disease
- Leverage new alliance for global rollout in the hemostasis field
- Promote regional strategies, centered on China and India

## 2 Accelerate commercialization centered on genetic testing in the domain of personalized medicine

- Develop new parameters using liquid biopsy technology (genes, cells, proteins)
- Combine testing technologies to create new diagnostic value
- Develop testing systems in response to more decentralized healthcare

## 3 Create a new business model in the domains of prevention and self-medication

## 4 Accelerate business growth in the therapeutic domain, centered on the medical robotics business

- Medical robotics business: Accelerate introduction of hinotori surgical robot system in Japan and promote rollout overseas
- Develop regenerative and cellular medicine products and commercialize digital medical services

## 5 Realize a circular resource value chain and transform with a view to solving social issues

- Green innovation through 4R (reduce, reuse, recycle, replace) across the entire value chain
- Promote initiatives to achieve carbon neutrality by 2040
- Optimize our human capital portfolio and increase engagement
- Enhance corporate value by strengthening the management base and winning the support of stakeholders
- Improve business processes and productivity through digitization

## 6 Enhance corporate value by strengthening human capital and management base

# Resource Allocation and Financial Strategies



Continued upfront investment for the future based on a strong earnings model, ensuring stable shareholder returns

(Billions of yen)	Total over the past three years (fiscal years ended March 31, 2021 to 2023)	Total under the new mid-term management plan (fiscal years ending March 31, 2024 to 2026)
<b>Cash flow generation</b>	Operating CF: 184.4	280.0 or more
<b>Investment in facilities and businesses (Investing CF)</b>	101.0	170.0 <ul style="list-style-type: none"> <li>• Developments/facilities in emerging markets (such as India)</li> <li>• Promotion of digitalization</li> <li>• Expeditious M &amp; A</li> </ul>
<b>Shareholder returns</b>	46.8	<ul style="list-style-type: none"> <li>• Payout ratio of 30% or more</li> <li>• Steady dividend increases backed by rising performance</li> </ul>
<b>R&amp;D expenses</b>	80.3	125.0 <ul style="list-style-type: none"> <li>• Development of next-generation instruments and reagents</li> <li>• Development of technologies for new domains</li> </ul>
<b>Capital efficiency*</b>	ROE: 12.4%	16.0%

\*Final fiscal year

# Main Sustainability Targets



	New materiality	Major sustainability targets	Targets for the fiscal year ending March 31, 2026
● Creating new value for a healthy society	• Resolution of medical issues through innovation	Number of hematology tests	*2
	• Improvement in accessibility to healthcare	Surgeries performed using the robotic-assisted surgery system	*2
● Responsible provision of products, services and solutions	• Pursuit of quality and trust	Sales in emerging markets and developing countries	*2
	• Strengthening of supply chain management	Number of recalls	*2
● Reduction in environmental burden	• Resource circulation throughout the product life cycle	CSR survey response rate (in Japan and among primary suppliers overseas)	90%
		Zero product losses	0.18%
	• Reduction in environmental burden through activities at business offices	Complete switch to recycled or environmentally conscious materials	60%
● Strengthening of Governance	• Corporate governance	Reduction of GHG emissions (Scope 1, 2)	-40%
	• Compliance	Number of investor and analyst meetings	*2
	• Risk management	Number of internal reports	*2
● Realization of an attractive workplace	• Increased engagement	Number of information security trainees*1	*2
		Engagement score	75%
	• Promotion of diversity, equity and inclusion	Turnover ratio	10% or less
		Female managers ratio	20% or more
		Management diversity (percentage of women and non-Japanese nationals)	*2
		Training time per employee	40 hours
• Development of human resources	Value-added productivity (Group)	¥22.5 million	
	• Promotion of health and occupational safety	Annual working hours	1,980 hours

\*1 Target: Sysmex Group in Japan

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

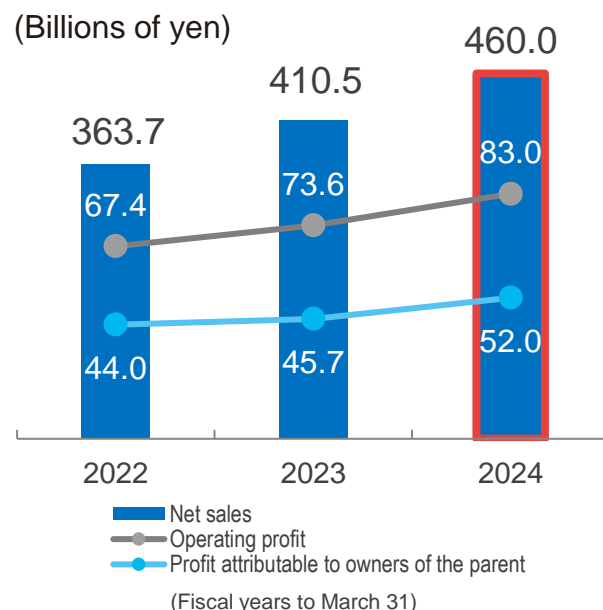
# **4. Financial Forecast for the Fiscal Year Ending March 31, 2024**

# Consolidated Earnings Forecast (Fiscal Year Ending March 31, 2024)



(Billions of yen)	Fiscal year ending March 31, 2024		Fiscal year ended March 31, 2023		YoY increase
	Forecast	Ratio	Results	Ratio	
Net sales	<b>460.0</b>	<b>100.0%</b>	410.5	100.0%	<b>+12.1%</b>
SG&A expenses	<b>124.5</b>	<b>27.1%</b>	112.3	27.4%	<b>+10.8%</b>
R&D expenses	<b>37.5</b>	<b>8.2%</b>	31.0	7.6%	<b>+20.9%</b>
Operating profit	<b>83.0</b>	<b>18.0%</b>	73.6	17.9%	<b>+12.6%</b>
Profit attributable to owners of the parent	<b>52.0</b>	<b>11.3%</b>	45.7	11.2%	<b>+13.8%</b>

Planned investment	Capital expenditure: <b>¥47.8 billion</b>	Depreciation and amortization: <b>¥35.0 billion</b>
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## Assumed Exchange Rates

	Fiscal year ending March 31, 2024	Fiscal year ended March 31, 2023
1 USD	¥133.0	¥135.5
1 EUR	¥143.0	¥141.0
1 CNY	¥19.2	¥19.8

## Exchange Rate Sensitivity

	Net sales (year)	Operating profit (year)
USD	¥0.79 billion	¥0.18 billion
EUR	¥0.58 billion	¥0.14 billion
CNY	¥5.46 billion	¥4.18 billion

## Net sales

- ✓ Sales growth in each region, including China
- ✓ Launch of the XR-Series (EMEA, AP, China)
- ✓ Expansion of knockdown production in China (hemostasis, urinalysis field)
- ✓ Accelerated introduction of hinotori surgical robot system (planning to introduce 50 units)

## Operating profit

- ✓ Despite higher SG&A expenses (due to inflation) and proactive ongoing capital expenditure\*, we anticipate double-digit growth, thanks to lower cost of sales and higher gross profit.

\* Investments in R&D expenses, global OEM rollout in hemostasis field, and digitalization within the Company

## Assumptions about the external environment

- ✓ The reopening of China, recovery in testing demand and investment in healthcare infrastructure
- ✓ Ongoing demand for greater healthcare access, centered on emerging markets
- ✓ Easing of higher raw material and shipping costs, but ongoing inflation
- ✓ Decline in demand for COVID-19 testing (antigen, PCR)

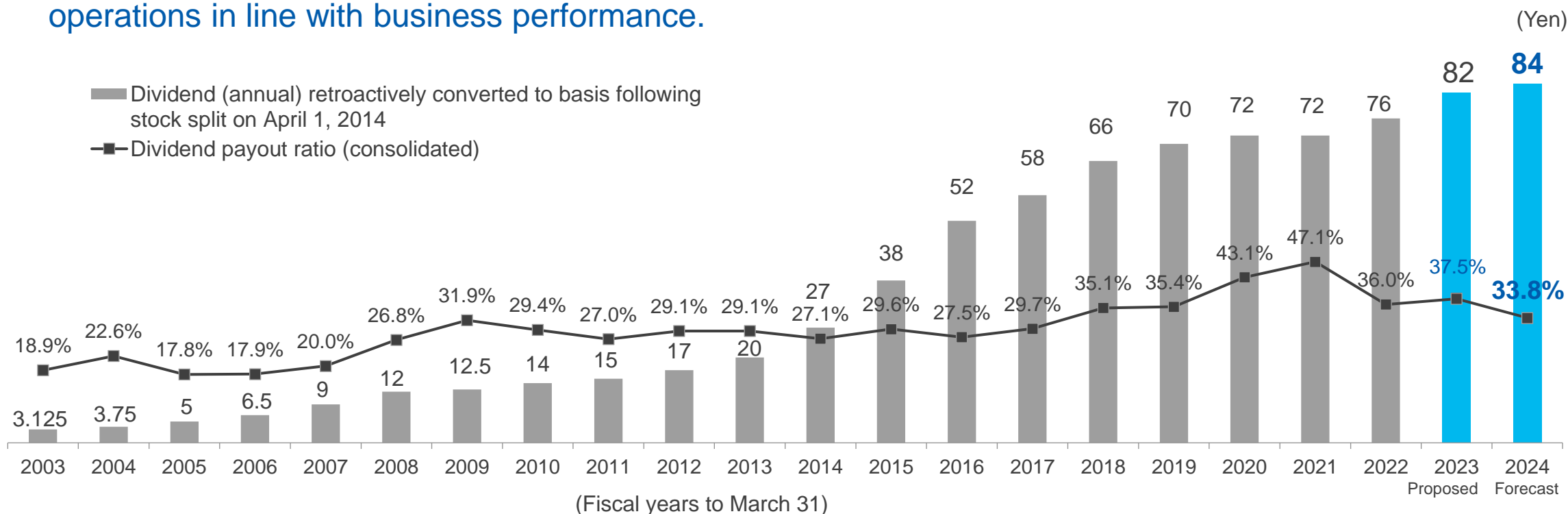


# Dividend Forecast for the Fiscal Year Ending March 31, 2024



We forecast a year-on-year increase of ¥2 per share, to ¥84.

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)**

# Mid-Term Management Plan

## Consolidated PL

(Billions of yen)

	Targets for the year ending March 31, 2024	Targets for the year ending March 31, 2026	CAGR*
Net sales	460.0	560.0	10.9%
Operating profit	83.0	112.0	15.0%
Operating margin	18.0%	20.0%	-
Profit attributable to owners of the parent	52.0	74.0	-

\*Compound annual growth rate for the period from fiscal years ending March 31, 2023 to 2026.

## Assumed Exchange Rates during the Period of the Mid-Term Management Plan

USD	EUR	CNY
¥133.0	¥143.0	¥19.2

# Mid-Term Management Plan (Sales by Business, Field, and Destination)



## Sales by Business and Field

(Billions of yen)

	Targets for the year ending March 31, 2024	Targets for the year ending March 31, 2026	CAGR*
Hematology	265.5	297.0	7.2%
FCM	4.5	7.0	45.7%
Urinalysis	38.0	43.0	8.1%
Hemostasis	71.0	93.0	11.6%
Immunochemistry	29.5	40.0	19.3%
Clinical chemistry	4.0	5.0	13.4%
Life science	22.0	31.0	15.9%
Others	18.5	17.0	-
Diagnostics business	453.0	533.0	9.3%
Medical robotics business	7.0	27.0	126.2%
Total	460.0	560.0	10.9%

## Sales by Destination

	Targets for the year ending March 31, 2024	Targets for the year ending March 31, 2026	CAGR*
Japan	68.0	90.0	14.6%
Americas	117.5	140.0	9.7%
EMEA	120.0	140.0	7.9%
China	109.5	130.0	10.3%
Asia Pacific	45.0	60.0	18.0%

\* Compound annual growth rate for the period from fiscal years ending March 31, 2023 to 2026.

# Quarterly Business Results for the Fiscal Year Ended March 31, 2023



(Billions of yen)

	Q1 (Apr.–Jun.)			Q2 (Jul.–Sep.)			Q3 (Oct.–Dec.)			Q4 (Jan.–Mar.)		
	Ratio	YoY change		Ratio	YoY change		Ratio	YoY change		Ratio	YoY change	
Net sales	86.0	100.0%	8.4%	107.9	100.0%	20.8%	104.7	100.0%	16.2%	111.7	100.0%	<b>6.6%</b>
Cost of sales	43.0	50.1%	14.9%	52.4	48.5%	26.4%	48.3	46.2%	13.6%	50.5	45.2%	<b>-2.2%</b>
SG&A expenses	25.1	29.2%	15.6%	27.8	25.8%	22.2%	28.5	27.3%	22.9%	30.8	27.6%	<b>16.4%</b>
R&D expenses	6.9	8.0%	25.9%	7.6	7.0%	24.5%	7.5	7.2%	12.4%	8.9	8.0%	<b>6.2%</b>
Other income (expenses)	0.1	0.2%	-	1.9	1.8%	-	0.9	1.0%	-	-2.0	-1.9%	-
Operating profit	11.0	12.8% (12.7%)	-25.3%	22.0	20.5% (18.6%)	19.7%	21.2	20.3% (19.3%)	31.8%	19.3	17.3% (19.1%)	<b>6.9%</b>
Profit attributable to owners of the parent	8.0	9.3%	-18.2%	15.9	14.8%	31.8%	11.1	10.7%	5.4%	10.5	9.5%	<b>-8.2%</b>

# Results by Geographic Region in the Fiscal Year Ended March 31, 2023



(Billions of yen)

		Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	YoY (Previous period = 100%)	
				Yen	Local currency
Americas	Sales to external customers	100.8	78.9	127.7%	106.1%
	Operating profit	4.0	4.6	87.9%	72.9%
EMEA	Sales to external customers	113.2	102.4	110.6%	102.4%
	Operating profit	8.3	12.3	68.2%	63.5%
China	Sales to external customers	96.7	93.2	103.8%	92.3%
	Operating profit	9.9	11.5	86.1%	76.8%
AP	Sales to external customers	36.3	29.3	123.7%	-
	Operating profit	3.4	2.1	158.8%	-
Japan*	Sales to external customers	63.3	59.7	106.0%	-
	Operating profit	51.3	38.2	134.2%	-

\*Includes sales to IDEXX and other external customers

# Progress of XR-Series and Alzheimer's Disease Testing



## ● Launch schedule for the XR-Series, hematology field

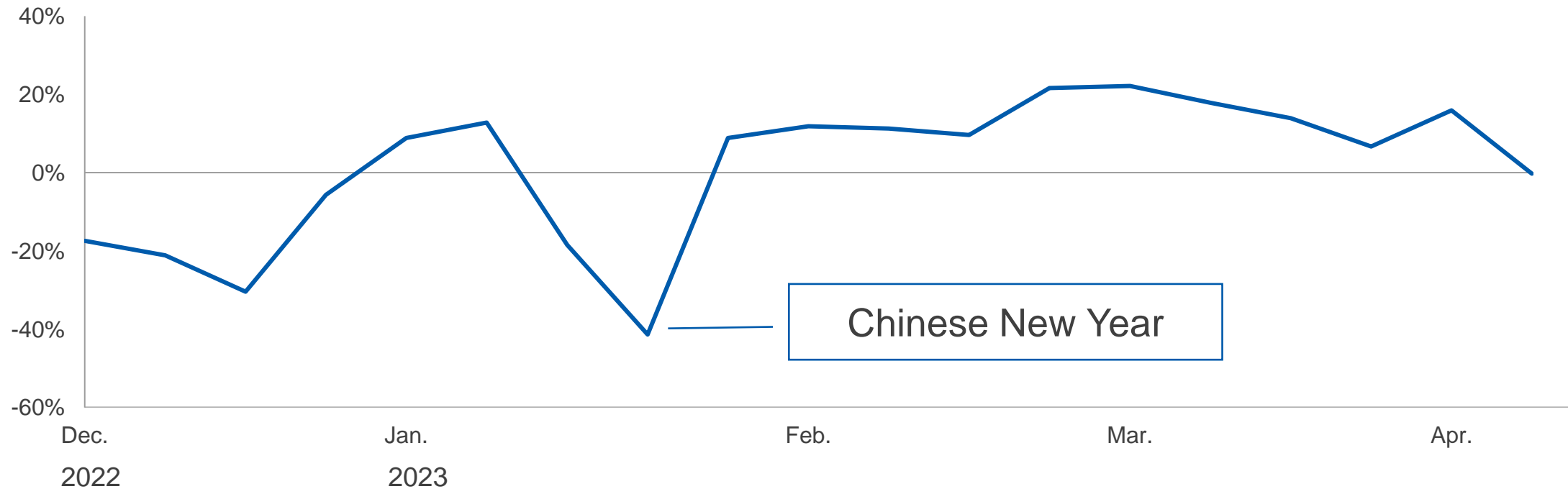
- ✓ Japan: BT-50, which fully automates quality control, was launched as a new module for the XR-Series in Q1 of the fiscal year ended March 31, 2023.  
In Q4, instruments sales in the hematology field rose by double digits.
- ✓ Americas: Started sales promotion of the BT-50 as an additional module for the XN-Series in December 2022.  
Expect to launch the XR-Series in the fiscal year ending March 31, 2025.
- ✓ EMEA: XR-Series (including the BT-50) is scheduled for launch in the Q1 of the fiscal year ending March 31, 2024.
- ✓ China: BT-50 launched in Q4 of the fiscal year ended March 31, 2023 as an additional module for the XN-Series.  
Expect to launch the XR-Series in Q3 of the fiscal year ending March 31, 2024.
- ✓ AP: Expect to launch in Q1 of the fiscal year ending March 31, 2024.

## ● Launch schedule for Alzheimer's disease testing

- ✓ Japan: Expect to launch in May of the fiscal year ending March 31, 2024 (May 2023).
- ✓ Americas: Expect to launch LDT at Sysmex Inostics in Q1 of the fiscal year ending March 31, 2024.

# Number of Hematology Tests in China

Return to Pre-COVID Levels After Restrictions on Behavior Were Lifted



Notes: Figures are Sysmex estimates  
Average number of tests per instrument, from April 2019 to March 2020



Together for a better  
healthcare journey