

Summary of Consolidated Financial Results [IFRS]
for the First Three Months of the Fiscal Year Ending March 31, 2025

August 6, 2024

Listed company name : Sysmex Corporation
Code : 6869
Listed stock exchanges : Tokyo Stock Exchange
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Scheduled date for dividend payment : —
Preparation of supplementary material for
quarterly earnings : Yes
Holding of earnings announcement : Yes

(Unit: Millions of Yen)

1. Results for the First Three Months of the Fiscal Year Ending March 31, 2025

(1) Operating results

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

	Net Sales		Operating profit		Profit before tax		Profit	
Three months ended Jun. 30, 2024	111,946	17.4%	16,743	26.1%	16,979	29.0%	10,984	28.3%
Three months ended Jun. 30, 2023	95,351	10.8%	13,277	20.1%	13,160	2.4%	8,561	7.1%

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Three months ended Jun. 30, 2024	11,031	28.0%	24,618	8.0%	17.69	17.69
Three months ended Jun. 30, 2023	8,621	7.4%	22,790	4.4%	13.73	13.72

Note: The Company conducted a three-for-one stock split on common stock with an effective date of April 1, 2024. Basic earnings per share and diluted earnings per share have been calculated as if the stock split had taken place at the beginning of the previous consolidated fiscal year.

(2) Financial condition

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent to total assets
As of Jun. 30, 2024	626,249	448,784	447,979	71.5
As of Mar. 31, 2024	618,920	432,897	432,045	69.8

2. Dividend

	Dividend per share				
	First quarter (Yen)	Second quarter (Yen)	Third quarter (Yen)	Year-end (Yen)	Annual (Yen)
Year ended Mar. 31, 2024	—	42.00	—	42.00	84.00
Year ending Mar. 31, 2025	—				
Year ending Mar. 31, 2025 (Forecast)		15.00	—	15.00	30.00

Notes:

1. Revision of dividends forecast for this period: No
2. The Company conducted a three-for-one stock split on common stock with an effective date of April 1, 2024. However, actual dividend amounts prior to this stock split are shown for the fiscal years ended March 31, 2024.

3. Financial Forecast for the Year Ending March 31, 2025

(% 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, 2024	237,000	11.4%	37,000	9.4%	34,900	4.8%	23,000	3.7%	36.89
Year ending Mar. 31, 2025	510,000	10.5%	87,000	11.0%	82,500	10.6%	55,000	10.8%	88.21

Note: Revision of financial forecast for this period: No

4. Other Information

(1) Significant 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: No

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):

629,371,116 shares as of Jun. 30, 2024; 629,371,116 shares as of Mar. 31, 2024

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

5,873,240 shares as of Jun. 30, 2024; 5,872,332 shares as of Mar. 31, 2024

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

623,498,103 shares for the three months ended Jun. 30, 2024

627,800,607 shares for the three months ended Jun. 30, 2023

Notes:

1. The Company has introduced Stock-Granting Employee Stock Ownership Plan (ESOP) Trust. Company shares held by the trust are included in treasury stock and are excluded from calculations of the number of treasury stock at the end of the fiscal period and the average number of outstanding stock for the period.
2. The Company conducted a three-for-one stock split on common stock with an effective date of April 1, 2024. The number of outstanding stock at the end of the fiscal period, the number of treasury stock at the end of the fiscal period, and the average number of outstanding stock for the period are calculated as if the stock split had taken place at the beginning of the previous consolidated fiscal year.

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: Yes (optional)

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

1. Basic earnings per share have been revised from the figures indicated in the consolidated financial forecast announced on May 9, 2024, in accordance with changes in the number of shares of outstanding stock and treasury stock. No other figures in the financial forecast have been revised.
2. 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 “3) Consolidated financial forecast” within “1. Qualitative information on quarterly financial results” on page 5 of the attachment to this document for cautionary statements concerning the conditions and performance forecasts that serve as the basis for these forecasts.
3. Supplementary financial materials (in Japanese and English) will be posted on the Sysmex website on Tuesday, August 6, 2024.

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1. Qualitative information on quarterly financial results

1) Operating performance analysis

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

In the first quarter of the fiscal year ending March 31, 2025, the outlook for the global economy is being adversely affected by both short-term factors, such as high borrowing costs and the withdrawal of fiscal support, and long-term factors, including Russia's invasion of Ukraine, weak productivity growth, and worsening geoeconomic fragmentation. However, we expect growth to continue at a pace similar to fiscal 2023, driven by aggressive government spending and household consumption, as well as an expansion of supply capacity, mainly due to an increase in labor market participation.

On the healthcare front, as global society ages we expect to see efforts to optimize social security expenditures and decentralize healthcare functions. Against this backdrop, prevention and self-medication will become increasingly important. At the same time, healthcare disparities and the issue of accessibility to healthcare will continue to persist. Furthermore, we anticipate advancements in technological innovation such as gene analysis, ultrahigh sensitive measurement, and miniaturization, which will be applied to healthcare. Demand for personalized medicine will grow, and we expect the practical application of new treatment methods such as regenerative and cellular medicine and genomic medicine. Additionally, we predict the widespread adoption of artificial intelligence (AI) and the acceleration of digital transformation (DX) in the healthcare sector, including the implementation and expansion of robotic technologies. We anticipate further growth opportunities as a result.

Against this backdrop, we began sales of our own brand of hemostasis testing solutions in the United States and EU countries*1, based on a mutual OEM supply initiative with Siemens Healthcare Diagnostics Inc. in April 2024. This distribution is based on a global OEM agreement on hemostasis products concluded in February 2023. Moving forward, we will gradually expand the implementation of sales through this initiative on a global scale. This will enable Sysmex to provide even more effective solutions under our own brand by combining our strengths with the world's leading hemostasis product portfolios. Starting with the United States and EU countries, which have been vital areas of expansion in our hemostasis field, Sysmex will progressively extend this new initiative to other countries and regions.

Also, our subsidiary, Sysmex Astrego AB, was awarded one of the UK's biggest science prizes, the "Longitude Prize on AMR," for the development of the PA-100 AST System, a rapid antimicrobial susceptibility testing system. The prize is designed to reward and support teams of innovators who have undertaken the challenge of transforming the conventional clinical workflows for infectious diseases, thereby making greatest contribution to tackling the global issue of antimicrobial resistance (AMR)*2. Since the prize launched in November 2014, more than 250 teams from around the world have applied, with Sysmex Astrego AB standing out as the sole recipient. The Longitude Prize on AMR will serve as a catalyst for Sysmex to further accelerate its efforts in expanding the global market and its application coverage of the PA-100 AST System, which is set to revolutionize conventional clinical workflows for infectious diseases. Through this testing system, Sysmex will continue its contribution to tackling the universal threat of AMR.

Finally, we launched the HISCL™ VEGF*3 Assay Kit for Research Use and HISCL™ PEDF*4 Assay Kit for Research Use, research reagents for measuring secreted proteins in cell culture media in regenerative cellular medicine, in Japan, starting from June 20, 2024. A challenge in regenerative cellular medicine is that the manufacturing cost is higher than that of common small-molecule drugs. It has been reported that labor costs, including staff-hours, for quality-control testing account for approximately 70% of the manufacturing cost of cellular drugs. In addition, since cultured cells themselves are the raw material for cellular therapeutics, they must be non-destructively inspected and monitored in quality control testing. Currently, however, such an inspection is performed manually, and its automation is a challenge. In combination with the Automated Immunoassay System HISCL™-5000/HISCL™-800, these assay kits can automatically measure secreted proteins, which are indicators of the engraftment ability and functional expression of transplanted cells, in

just 17 minutes. This can make a significant contribution to greater efficiency and standardization of work in quality control testing of cellular medicine.

*1 EU countries: Countries including EU member states, Iceland, Liechtenstein, and Norway

*2 Antimicrobial resistance (AMR): This phenomenon occurs when living organisms develop a resistance to a drug, whose efficacy is reduced or nullified as a result. Bacteria that have developed microbial resistance are known as antimicrobial-resistant bacteria. If drug-resistant bacteria proliferate, antimicrobials will become less effective, making it difficult to treat infections that would otherwise be mild and reversible.

*3 VEGF (vascular endothelial growth factor): A group of glycoproteins involved in vascularization (the formation of new blood vessels in areas with no blood vessels during embryogenesis) and angiogenesis (the formation of blood vessels by branching and elongating from existing vessels).

*4 PEDF (pigment epithelium derived factor): A multifunctional secreted protein with anti-angiogenic, anti-tumorigenic, and neurotrophic functions.

Net sales by destination

	Three months ended June 30, 2023		Three months ended June 30, 2024		YoY (Previous period = 100)
	Amount (Millions of yen)	Percentage of total (%)	Amount (Millions of yen)	Percentage of total (%)	
Japan	13,036	13.7	13,717	12.3	105.2
Americas	27,021	28.3	31,638	28.3	117.1
EMEA	28,775	30.1	34,726	31.0	120.7
China	16,722	17.6	19,522	17.4	116.7
Asia Pacific	9,795	10.3	12,340	11.0	126.0
Overseas subtotal	82,315	86.3	98,228	87.7	119.3
Total	95,351	100.0	111,946	100.0	117.4

In Japan, sales increased 5.2% year on year, to ¥13,717 million. Changes in the market environment pushed up demand, which boosted sales of instruments in the medical robotics business. Also, sales of hematology instruments increased.

Overseas, sales of instruments, reagents and maintenance services increased in the hematology field, as did sales of hemostasis and urinalysis reagents. These factors, plus ongoing yen depreciation, caused overseas sales to rise 19.3% year on year, to ¥98,228 million. The overseas sales ratio rose 1.4 percentage point, to 87.7%.

Selling, general and administrative (SG&A) expenses expanded 19.5%, to ¥36,016 million. Behind this rise were stemming from a greater headcount and inflation-fueled rises in personnel costs, as well as higher expenses. R&D expenses increased 3.1% year on year, to ¥7,356 million.

As a result, during the first quarter of the fiscal year ending March 31, 2025, Sysmex recorded consolidated net sales of ¥111,946 million, up 17.4% year on year. Operating profit was up 26.1%, to ¥16,743 million; profit before tax increased 29.0%, to ¥16,979 million, and profit attributable to owners of the parent rose by 28.0%, to ¥11,031 million.

Performance by segment

(1) Headquarters

Sales of hemostasis and life science reagents increased, as did instrument sales in the medical robotics business. As a result, sales in this segment rose 10.3% year on year, to ¥19,759 million.

On the profit front, SG&A expenses rose, but higher sales and an improved cost of sales ratio pushed up segment profit (operating profit) 70.5%, to ¥10,748 million.

(2) Americas RHQ

Sales of hematology and urinalysis reagents increased in North America, as well as Central and South America. In North America, sales of maintenance services in the hematology and urinalysis fields also increased. As a result, overall sales in the Americas grew 17.0% year on year, to ¥29,785 million.

Despite the higher sales, segment profit (operating profit) fell 27.9%, to ¥1,789 million, owing to higher SG&A expenses.

(3) EMEA RHQ

The transition to direct sales in Saudi Arabia contributed to segment performance. Sales increased for hematology, urinalysis and hemostasis reagents. Accordingly, sales were ¥33,837 million, up 19.3% year on year.

Although SG&A expenses rose, higher sales caused segment profit (operating profit) to soar 71.0%, to ¥3,475 million.

(4) China RHQ

Sales of hematology and urinalysis reagents increased. Consequently, sales rose 16.7%, to ¥19,477 million.

However, segment profit (operating profit) decreased by 19.3%, to ¥557 million, despite the higher sales, owing to deterioration in the cost of sales ratio and an increase in SG&A expenses.

(5) Asia Pacific RHQ

Sales of hematology instruments, reagents, and maintenance services grew. This led to a 31.0% increase in sales, to ¥9,086 million.

Segment profit (operating profit) surged 87.3%, to ¥1,668 million, due to higher sales and an improved cost of sales ratio, although SG&A expenses grew.

2) Financial conditions analysis

(1) Financial conditions

As of June 30, 2024, total assets amounted to ¥626,249 million, up ¥7,328 million from March 31, 2024. As main factors, we saw increases of ¥9,212 million in inventories, ¥1,941 million in property, plant and equipment, ¥2,069 million on intangible assets, and ¥1,963 in trade and other receivables (non-current assets), while trade and other receivables (current assets) fell ¥10,463 million.

Meanwhile, total liabilities as of June 30, 2024 were ¥177,465 million, down ¥8,558 million from March 31, 2024. Principal decreases included trade and other payables, which was down ¥5,980 million, and accrued bonuses, which fell ¥5,641 million.

Total equity came to ¥448,784 million, up ¥15,887 million from March 31, 2024. Among principal reasons, other components of equity rose ¥13,634 million. Equity attributable to owners of the parent to total assets amounted to 71.5% on June 30, 2024, up 1.7 percentage points from 69.8% on March 31, 2024.

(2) Cash flows

As of June 30, 2024, cash and cash equivalents amounted to ¥76,757 million, up ¥1,249 million from March 31, 2024.

Cash flows from various activities during the first quarter are described in more detail below.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥17,966 million, up ¥6,622 million from the first three months of the previous fiscal year. As principal factors, profit before tax provided ¥16,979 million (¥3,819 million more than in the preceding year) and a decrease in trade receivables provided ¥17,019 million (up ¥4,557 million), while an increase in inventories used ¥6,030 million (up ¥1,242 million), and income taxes paid amounted to ¥10,321 million (down ¥2,114 million).

(Cash flows from investing activities)

Net cash used in investing activities was ¥11,132 million (up ¥839 million). Among major factors, purchases of property, plant and equipment used ¥4,743 million (up ¥18 million), and

purchases of intangible assets used ¥5,484 million (up ¥133 million).

(Cash flows from financing activities)

Net cash used in financing activities was ¥9,010 million (down ¥1,569 million). This was mainly due to dividends paid of ¥8,728 million (down ¥59 million).

3) Consolidated financial forecast

The Company maintains its consolidated financial forecasts, as announced on May 9, 2024.

These forecasts are based on information available as of the date of this release. Actual results may differ materially from these forecast due to unforeseen factors and future events.

4) Operating risks

In the first quarter under review, no new operating risk emerged, and there were no material changes to the operating risks outlined in our financial report for the previous fiscal year.

5) Business and financial issues to be addressed

There are no significant changes to the descriptions of “Priority business and financial issues to be addressed” in “Part I: Corporate Information, Section 2: Business Overview, 1. Management Policy, Management Environment and Issues to be Addressed” in the financial report for the previous fiscal year.

6) Important management contracts, etc.

No conclusions of important management contracts or decisions regarding them were made during the first quarter under review.

2. Condensed quarterly consolidated financial statements and notes

1) Condensed quarterly consolidated statement of financial position

(Unit: Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	75,507	76,757
Trade and other receivables	157,067	146,604
Inventories	79,123	88,335
Other short-term financial assets	1,310	1,053
Income taxes receivable	934	1,084
Other current assets	29,515	28,484
Total current assets	343,459	342,319
Non-current assets		
Property, plant and equipment	116,693	118,635
Goodwill	17,221	18,138
Intangible assets	86,786	88,856
Investments accounted for using the equity method	472	441
Trade and other receivables	21,435	23,399
Other long-term financial assets	14,034	14,132
Asset for retirement benefits	458	483
Other non-current assets	4,339	4,522
Deferred tax assets	14,018	15,320
Total non-current assets	275,461	283,929
Total assets	618,920	626,249

(Unit: Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	33,602	27,622
Lease liabilities	8,659	9,333
Other current financial liabilities	1,028	1,501
Income taxes payable	12,476	8,675
Provisions	1,159	1,160
Contract liabilities	16,591	17,084
Accrued expenses	21,643	23,490
Accrued bonuses	12,611	6,969
Other current liabilities	10,311	10,008
Total current liabilities	118,084	105,847
Non-current liabilities		
Long-term loans payable	28,600	30,608
Lease liabilities	18,080	18,180
Other non-current financial liabilities	76	71
Liability for retirement benefits	2,239	2,442
Provisions	674	705
Other non-current liabilities	10,350	11,396
Deferred tax liabilities	7,917	8,214
Total non-current liabilities	67,938	71,617
Total liabilities	186,023	177,465
Equity		
Equity attributable to owners of the parent		
Capital stock	14,729	14,729
Capital surplus	20,830	20,831
Retained earnings	365,985	368,288
Treasury stock	(12,315)	(12,318)
Other components of equity	42,814	56,449
Total equity attributable to owners of the parent	432,045	447,979
Non-controlling interests	851	804
Total equity	432,897	448,784
Total liabilities and equity	618,920	626,249

2) Condensed quarterly consolidated statement of income

(Unit: Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	95,351	111,946
Cost of sales	44,942	51,906
Gross profit	50,408	60,039
Selling, general and administrative expenses	30,148	36,016
Research and development expenses	7,131	7,356
Other operating income	300	234
Other operating expenses	151	157
Operating profit	13,277	16,743
Financial income	253	213
Financial expenses	404	590
Share of profit (loss) of associates accounted for using the equity method	(821)	(770)
Foreign exchange gain (loss)	856	1,384
Profit before tax	13,160	16,979
Income taxes expenses	4,598	5,995
Profit	8,561	10,984
Profit attributable to		
Owners of the parent	8,621	11,031
Non-controlling interests	(59)	(47)
Profit	8,561	10,984
(Unit: Yen)		
Earnings per share		
Basic	13.73	17.69
Diluted	13.72	17.69

3) Condensed quarterly consolidated statement of comprehensive income

(Unit: Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	8,561	10,984
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	272	(736)
Total	272	(736)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	13,952	14,353
Share of other comprehensive income of investments accounted for using the equity method	4	17
Total	13,956	14,370
Total other comprehensive income	14,229	13,634
Comprehensive income	22,790	24,618
Comprehensive income attributable to		
Owners of the parent	22,850	24,665
Non-controlling interests	(59)	(47)
Comprehensive income	22,790	24,618

4) Condensed quarterly consolidated statement of changes in equity

Three months ended June 30, 2023

(Unit: Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
As of April 1, 2023	14,282	20,580	334,192	(314)	18,925	387,665	690	388,356
Profit	—	—	8,621	—	—	8,621	(59)	8,561
Other comprehensive income	—	—	—	—	14,229	14,229	0	14,229
Comprehensive income	—	—	8,621	—	14,229	22,850	(59)	22,790
Exercise of warrants	222	127	—	—	—	349	—	349
Cash dividends	—	—	(8,788)	—	—	(8,788)	—	(8,788)
Purchase of treasury stock	—	—	—	(0)	—	(0)	—	(0)
Disposal of treasury stock	—	—	—	—	—	—	—	—
Total transactions with the owners	222	127	(8,788)	(0)	—	(8,439)	—	(8,439)
As of June 30, 2023	14,504	20,707	334,025	(315)	33,154	402,077	631	402,708

Three months ended June 30, 2024

(Unit: Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total		
As of April 1, 2024	14,729	20,830	365,985	(12,315)	42,814	432,045	851	432,897
Profit	—	—	11,031	—	—	11,031	(47)	10,984
Other comprehensive income	—	—	—	—	13,634	13,634	—	13,634
Comprehensive income	—	—	11,031	—	13,634	24,665	(47)	24,618
Exercise of warrants	—	—	—	—	—	—	—	—
Cash dividends	—	—	(8,728)	—	—	(8,728)	—	(8,728)
Purchase of treasury stock	—	—	—	(2)	—	(2)	—	(2)
Disposal of treasury stock	—	0	—	0	—	0	—	0
Total transactions with the owners	—	0	(8,728)	(2)	—	(8,731)	—	(8,731)
As of June 30, 2024	14,729	20,831	368,288	(12,318)	56,449	447,979	804	448,784

5) Condensed quarterly consolidated statement of cash flows

(Unit: Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before tax	13,160	16,979
Depreciation and amortization	8,368	9,786
Share of loss (profit) of associates accounted for using the equity method	821	770
Loss on retirement of non-current assets	22	31
Decrease (increase) in trade receivable	12,462	17,019
Decrease (increase) in advance payments	(363)	(94)
Decrease (increase) in inventories	(4,787)	(6,030)
Increase (decrease) in trade payable	(2,459)	(3,637)
Increase (decrease) in accounts payable—other	(1,824)	(1,767)
Increase (decrease) in contract liabilities	(1,109)	(524)
Increase (decrease) in accrued expenses	1,481	1,063
Decrease/increase in consumption taxes receivable/payable	4,074	1,551
Increase (decrease) in accrued bonuses	(6,067)	(5,975)
Other—net	123	(646)
Subtotal	23,905	28,527
Interest and dividend received	133	166
Interest paid	(259)	(405)
Income taxes paid	(12,435)	(10,321)
Net cash provided by (used in) operating activities	11,343	17,966
Cash flows from investing activities		
Purchases of property, plant and equipment	(4,724)	(4,743)
Purchases of intangible assets	(5,350)	(5,484)
Payments resulting in an increase in long-term prepaid expenses	(111)	(258)
Purchases of investments in equity instruments	(69)	(801)
Payments into time deposits	(581)	(620)
Proceeds from withdrawal of time deposits	560	741
Other—net	(15)	34
Net cash provided by (used in) investing activities	(10,293)	(11,132)
Cash flows from financing activities		
Proceeds from long-term loans payable	—	2,300
Repayments of long-term loans payable	—	(125)
Exercise of warrants	349	—
Dividends paid	(8,788)	(8,728)
Repayments of lease liabilities	(2,140)	(2,453)
Other—net	(0)	(2)
Net cash provided by (used in) financing activities	(10,579)	(9,010)
Effects of exchange rate changes on cash and cash equivalents	2,980	3,426
Net increase (decrease) in cash and cash equivalents	(6,548)	1,249
Cash and cash equivalents at the beginning of the term	69,460	75,507
Cash and cash equivalents at the end of the term	62,911	76,757

6) Notes to the condensed quarterly consolidated financial statements

1. Key considerations on the basis for the preparation of condensed quarterly consolidated financial statements

The condensed quarterly consolidated financial statements have been prepared in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Consolidated Financial Statements, etc. of Tokyo Stock Exchange, Inc. (However, in accordance with Article 5, Paragraph 5 of the Standards for the Preparation of Quarterly Financial Statements, some disclosures in International Accounting Standard No. 34 “Interim Financial Reporting” are omitted.)

2. Notes related to the going concern assumption

Not applicable

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 headquarters established in those regions. These companies formulate overarching strategies tailored to regional characteristics and conduct business activities accordingly. Headquarters and other domestic and overseas subsidiaries are independent management units that handle production and sales for each region.

To date, we have organized reportable segments geographically. However, from the first quarter under review, the Company has integrated its performance management system to focus on managing company-specific segments in the interest of making performance management more efficient. We have revised the reportable segments based on this management approach. The five managing company-specific segments are “Headquarters,” “Americas RHQ,” “EMEA RHQ,” “China RHQ,” and “AP RHQ.”

The companies included in these reportable segments are outlined below.

Reportable segments	Companies included in the reportable segments
Headquarters	Sysmex Corporation, 13 other domestic subsidiaries, Sysmex Inostics Inc. (United States), Oxford Gene Technology Inc. (United Kingdom), Sysmex Partec GmbH (Germany), HYPHEN BioMed, SAS (France), Sysmex Astrego AB (Sweden), Sysmex Korea Co., Ltd. (South Korea), nine other companies
Americas RHQ	Sysmex America, Inc., seven other subsidiaries in the Americas
EMEA RHQ	Sysmex Europe SE, 27 other subsidiaries in the EMEA region
China RHQ	Sysmex Shanghai ltd., three other subsidiaries in China
AP RHQ	Sysmex Asia Pacific Pte Ltd., 10 other subsidiaries in the Asia Pacific region

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.

Accounting policies of reporting segments are consistent with the Group’s accounting policies indicated in the consolidated financial statements for the previous fiscal year

Segment information for the previous first quarter is based on the revised reportable segment categories.

Three months ended June 30, 2023

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Head- quarters	Americas RHQ	EMEA RHQ	China RHQ	AP RHQ	Total		
Sales								
Sales to external customers	17,908	25,457	28,360	16,689	6,935	95,351	—	95,351
Intersegment sales	28,279	10	217	0	4	28,512	(28,512)	—
Total	46,188	25,467	28,578	16,689	6,940	123,864	(28,512)	95,351
Segment profit (loss)	6,304	2,481	2,032	690	890	12,399	877	13,277
Financial income	—	—	—	—	—	—	—	253
Financial expenses	—	—	—	—	—	—	—	404
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(821)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	856
Profit before tax	—	—	—	—	—	—	—	13,160
Income taxes expenses	—	—	—	—	—	—	—	4,598
Profit	—	—	—	—	—	—	—	8,561

Notes:

1. Segment profit (loss) adjustments of ¥877 million include ¥825 million for the unrealized gains on inventories and ¥52 million for the unrealized gains on non-current assets.
2. Segment profit (loss) is adjusted to coincide with operating profit in the condensed quarterly consolidated statement of income.

Three months ended June 30, 2024

(Unit: Millions of yen)

	Reportable segment						Adjustments (Note 1)	Consolidated (Note 2)
	Head- quarters	Americas RHQ	EMEA RHQ	China RHQ	AP RHQ	Total		
Sales								
Sales to external customers	19,759	29,785	33,837	19,477	9,086	111,946	—	111,946
Intersegme nt sales	33,036	5	151	176	10	33,380	(33,380)	—
Total	52,796	29,790	33,988	19,654	9,097	145,326	(33,380)	111,946
Segment profit (loss)	10,748	1,789	3,475	557	1,668	18,238	(1,495)	16,743
Financial income	—	—	—	—	—	—	—	213
Financial expenses	—	—	—	—	—	—	—	590
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	—	(770)
Foreign exchange gain (loss)	—	—	—	—	—	—	—	1,384
Profit before tax	—	—	—	—	—	—	—	16,979
Income taxes expenses	—	—	—	—	—	—	—	5,995
Profit	—	—	—	—	—	—	—	10,984

Notes:

1. Segment profit (loss) adjustments of negative ¥1,495 million include negative ¥1,435 million for the unrealized gains on inventories and negative ¥59 million for the unrealized gains on non-current assets.
2. Segment profit (loss) is adjusted to coincide with operating profit in the condensed quarterly consolidated statement of income.