

Questions and Answers (Summary) on the Financial Results Presentation for the
First Three Months of the Fiscal Year Ending March 31, 2026

Q: What was the core system transition that was implemented in Japan?

A: Sysmex has been promoting DX globally, and as the final phase of this initiative, we completed the renewal of our internal core systems at the end of March 2025 and launched full-scale operations globally in April 2025. Since the scope of the system includes production, logistics, and order processing, we designated April as a transition period to avoid disruptions to product supply and took careful measures such as restricting order intake and increasing inventory. There were no operational issues with the system itself.

Q: Was the impact of the core system transition already apparent at the time of the fiscal year-end results?

A: Due to order restrictions, sales in Japan decreased by ¥3.3 billion in the first quarter. While we had anticipated some level of impact in advance and had expected to offset it through business expansion in the medical robotics business and other regions, unfortunately we were unable to fully do so, which is why we are providing this explanation now.

Q: What led to the revaluation of overseas inventories?

A: In conjunction with the system switchover in Japan and responses to U.S. tariffs, overseas inventory levels increased temporarily. This prompted a reassessment in coordination with our auditing firm, and we recorded an adjustment of ¥1.7 billion to cost of sales on a consolidated basis. This is considered a one-off event and is not expected to recur.

Q: Why did you revise your earnings forecast for the first half downward?

A: We lowered our forecast for net sales by ¥12.5 billion and operating profit by ¥8.5 billion. The main factors were slower-than-expected recovery in Japan and a deceleration in the Chinese market, where we expect sales to decline by 5–10% year on year in local currency terms. However, we have not revised our full-year forecast, as we expect improvements in the second half thanks to the launch of new products in the Americas and other growth drivers.

Q: What has been the impact of China's policies to curtail medical expenses?

A: Several policies have been implemented to reduce medical costs, but the one affecting us most is the restriction on bundled testing. At Sysmex, CRP testing is included in the hematology field, and restrictions on bundled tests have led to fluctuations in reagent sales. Although testing volume has not changed significantly overall, we believe the decrease in CRP testing was one of the factors behind lower sales in the first quarter. While the impact of these policies is likely to continue, we view them as necessary steps toward improving efficiency and quality in healthcare and moving China's healthcare system to a more advanced stage.

Q: Are there any external environmental changes besides CRP testing that are affecting performance in the Chinese market?

A: In hematology, testing volume has remained relatively stable. However, testing in other areas—such as urinalysis, hemoglobin A1c, and coagulation—is also subject to bundled test restrictions, and we are seeing a downward trend in testing volume. In immunochemistry, pricing is declining due to policy pressures. That said, in these fields, the impact has been limited thanks to increases in locally manufactured instruments, the number of customer facilities, and the range of test items adopted.

Q: What is your outlook for a recovery in sales in China?

A: We expect the impact of China's policies to curtail medical expenses to widen. For the first half, we project a 5–10% year-on-year decrease in sales on a local currency basis, and for the full year, we expect sales to be roughly flat compared to the previous year. We will continue to mitigate these impacts by expanding direct sales coverage at Tier III hospitals, broadening our product portfolio, and increasing the share of locally manufactured products.

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