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Announcement of the Mid-Term Management Plan

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Member of the Managing Board and Senior Executive Officer
Senior Managing Director

Disclaimer

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- The information on products and other matters contained herein is not intended as advertising or medical advice, whether or not regulatory approval has been obtained.
- The Sysmex Group adopted International Financial Reporting Standards (IFRS) in the fiscal year ended March 31, 2017. Figures are disclosed in compliance with IFRS.

Our Desired Future State



Together for a better healthcare journey

Sysmex is deeply committed to its supporting role as provider of each individual lifetime “healthcare journey,” utilizing its proprietary technology and solutions in better and better ways.

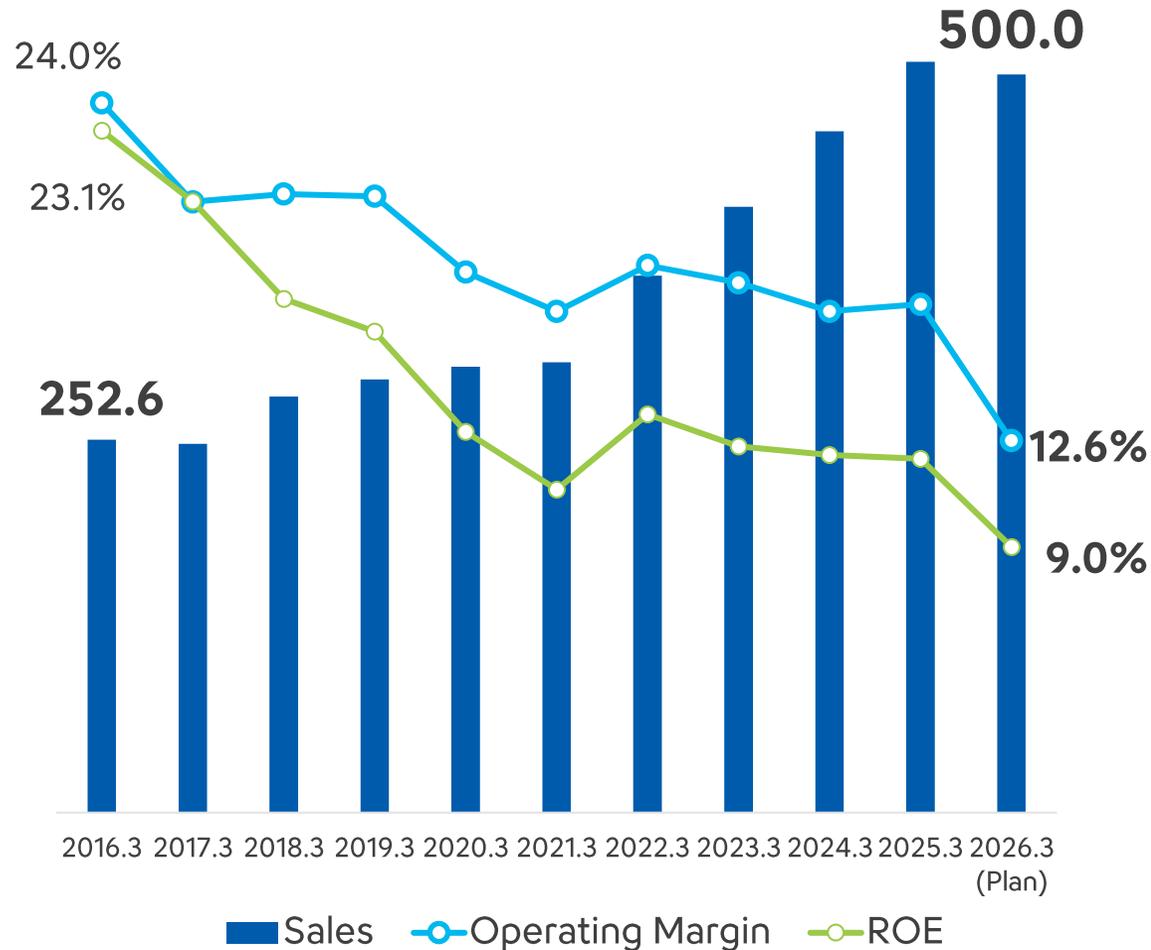
Sysmex will also continue to innovate in testing and diagnosis as important functions within the healthcare journey, collaboratively creating unique values in the areas of personalized medicine and novel treatments.

We will continue to grow as a sustainable company creating social and economic value, providing a greater sense of security among people and the society in which they live.



Our Business Performance

■ Performance trends over the past 10 years
(Billions of yen)



External

- Robust growth in global healthcare demand
- The Chinese market is entering an optimization phase, with a temporary contraction
- Pressure on sales unit prices due to increased competition

Internal

- Realizing growth through high customer support and brand power
- Delay in monetization of new businesses and decreased profitability and efficiency due to an increased SG&A expenses ratio driven by DX investments and other factors.

Our Strategic Priorities

Maintaining a strong focus on the diagnostics business

- Launching new products that meet customer expectations
- Create new value through DX

Building a more cost-competitive and profitable corporate structure

- Improving the profitability of diagnostic reagents
- Improve management efficiency and productivity by utilizing DX
- Conduct a bold review of the business portfolio and R&D themes

Fulfilling our social responsibilities

- Strengthen a stable supply system that does not stop testing around the world
- Ensure accountability to stakeholders



Aims of the New Mid-Term Management Plan



Reinforce the strengths and earnings power of the diagnostics business

- 1. Successfully execute the global launch of new product lines delivering new customer value**
- 2. Accelerate medical DX initiatives that leverage Sysmex's strengths**
- 3. Reform our corporate structure to sustain a cost base resilient to global volatility and competition and capable of sustaining stable supply**
- 4. Return to a growth trajectory while improving profitability and capital efficiency to enhance corporate value**

Index

- 1. Review of the Previous Mid-Term Management Plan**
- 2. Business Environment Assessment and Background of the New Mid-Term Management Plan**
- 3. Strategic Themes**
- 4. Management Goals**
- 5. Financial & Capital Strategy**

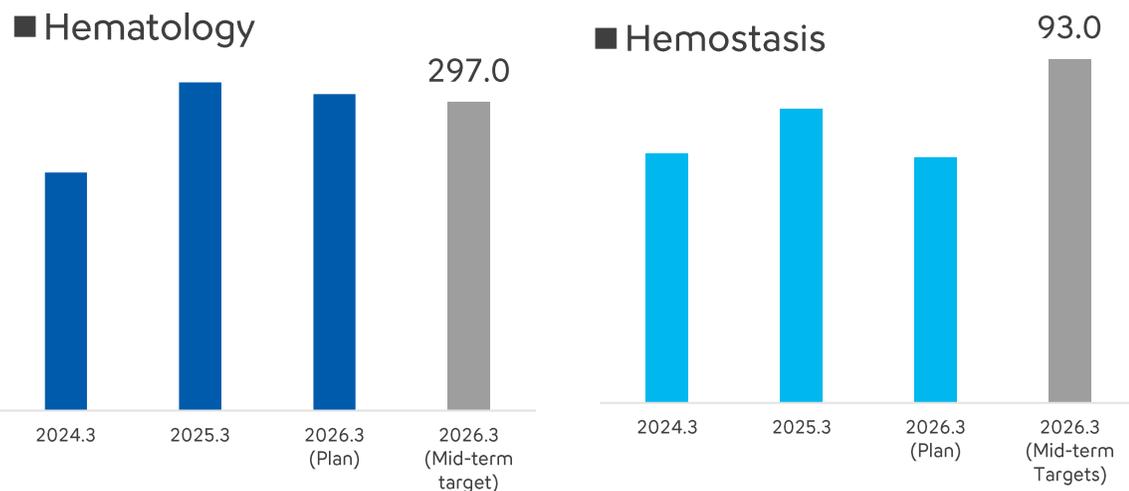
1. Review of the Previous Mid-Term Management Plan

Review of the Previous Mid-Term Management Plan (by Business, Field and Destination)



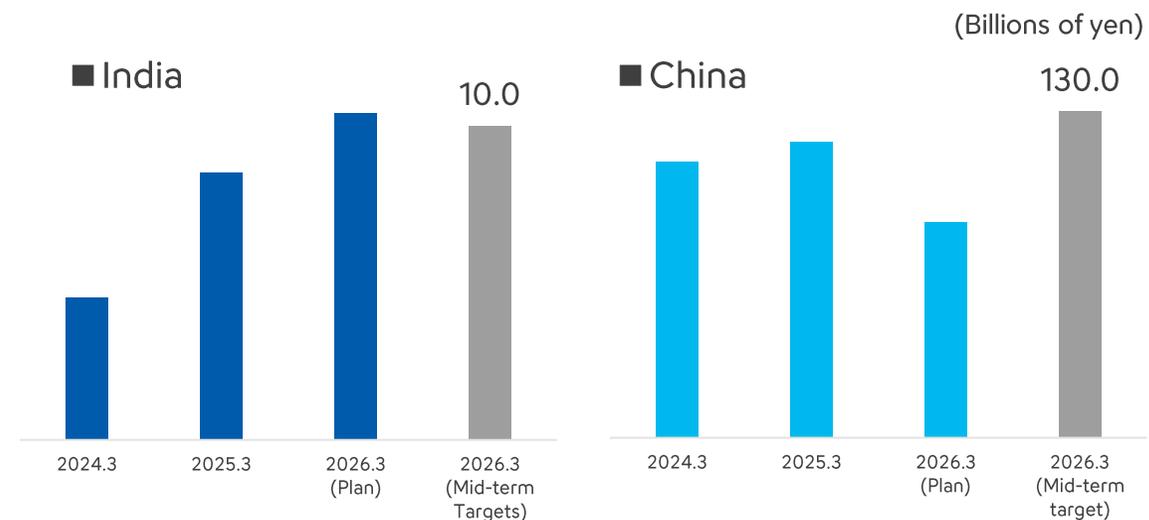
By Business and Field

- **Hematology:**
Expected to achieve plan. thanks to global expansion of XR™-Series, high growth in emerging markets such as India and Brazil
- **Hemostasis:**
Expected not to achieve plan. Although a direct sales and services system has been established in Europe and the United States, the initial target is expected to be missed due to delays in the approval of the CN™-Series and changes in the market environment in China.
- **Medical Robot:**
Due to the deterioration of hospital management in Japan, **expected not to achieve plan significantly.**

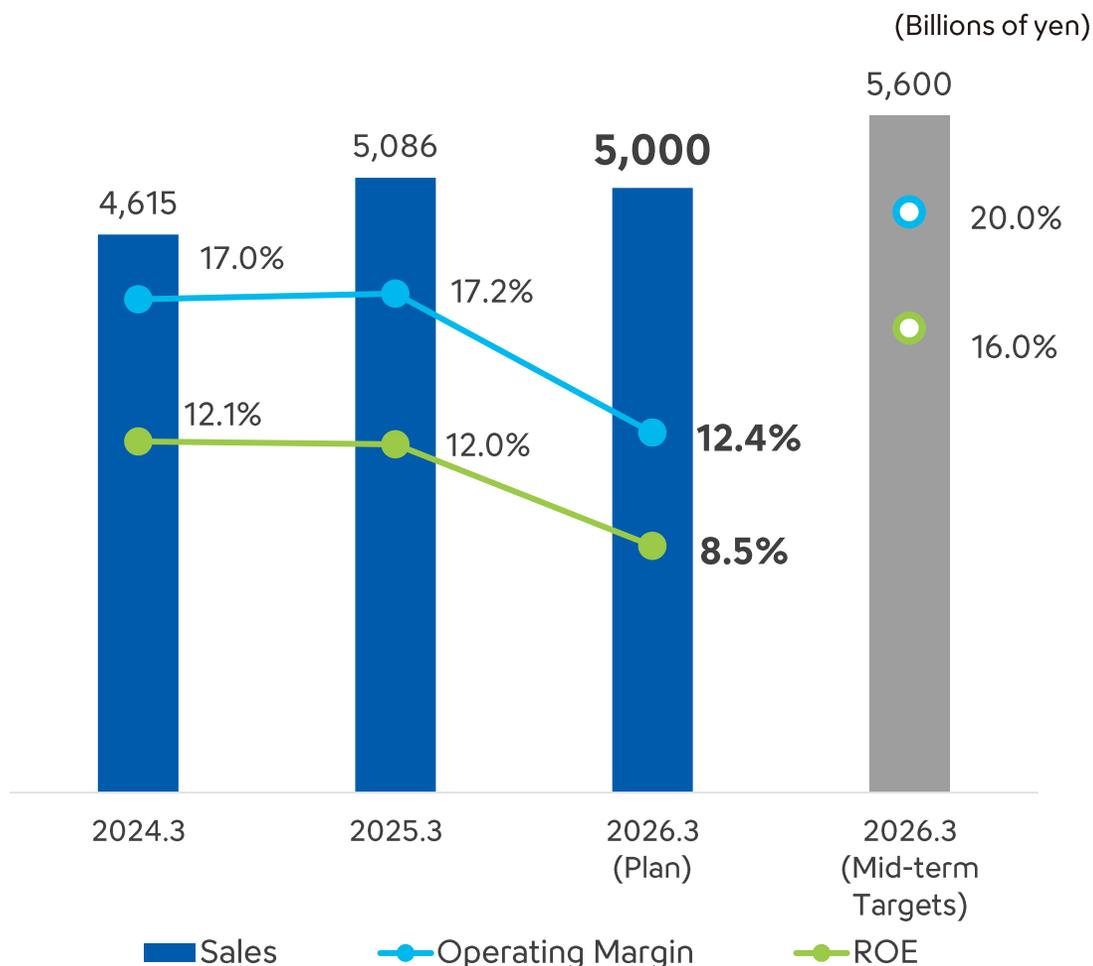


By Destination

- **Emerging Markets:**
India, Latin America, META, etc. **expected to continue to grow by double digits**
*CAGR from 2024.3 to 2026.3: India 18%, Brazil 19%, META 12%, etc.
- **China:**
Strongly affected by changes in the market environment due to medical cost control policies, **expected not to achieve plan.**



Review of the Previous Mid-Term Management Plan



Outlook for Achievement of the Mid-term Management Target

Sales	-10.7%
Operating margin	-7.6pt
ROE	-7.5pt

Expected to miss the target due to a combination of factors

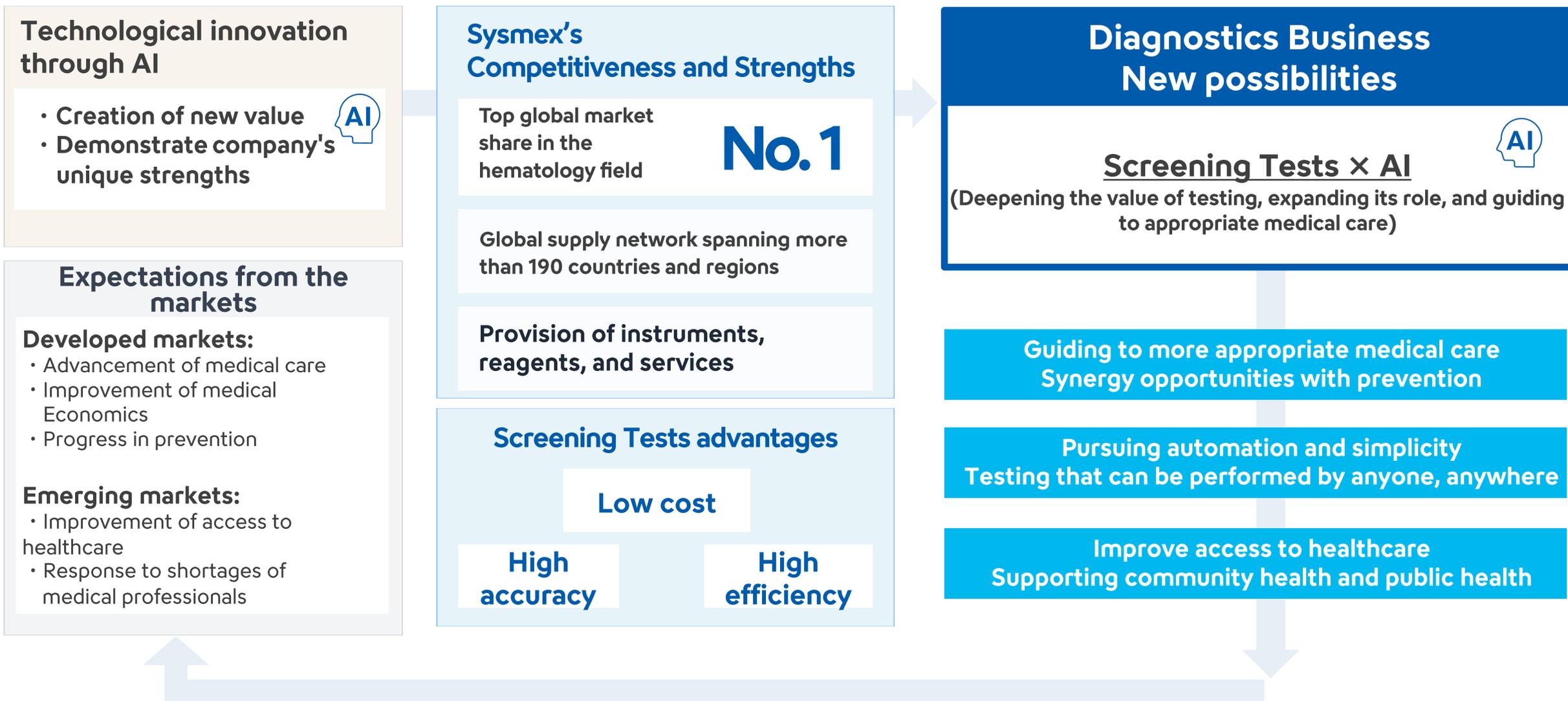
- ✓ China's expansion of healthcare cost control policies
- ✓ Delay in monetization of new business groups
- ✓ Increased internal DX investment and higher SG&A expenses due to inflation, etc.
- ✓ Profit growth below plan and ROE expected to fall short

Even though we have achieved high growth in the field of hematology and emerging countries, there are still issues in both growth potential and profitability, and we expect to miss the target

2.

**Business Environment Assessment and
Background of the New Mid-Term Management Plan**

Turning Sysmex's strengths into Tangible Growth Opportunities



Four Strategic Themes



Strengthening the competitiveness of the diagnostics business



Advancing medical DX and data utilization by leveraging the strengths of the diagnostics business



Improving profitability through value chain transformation



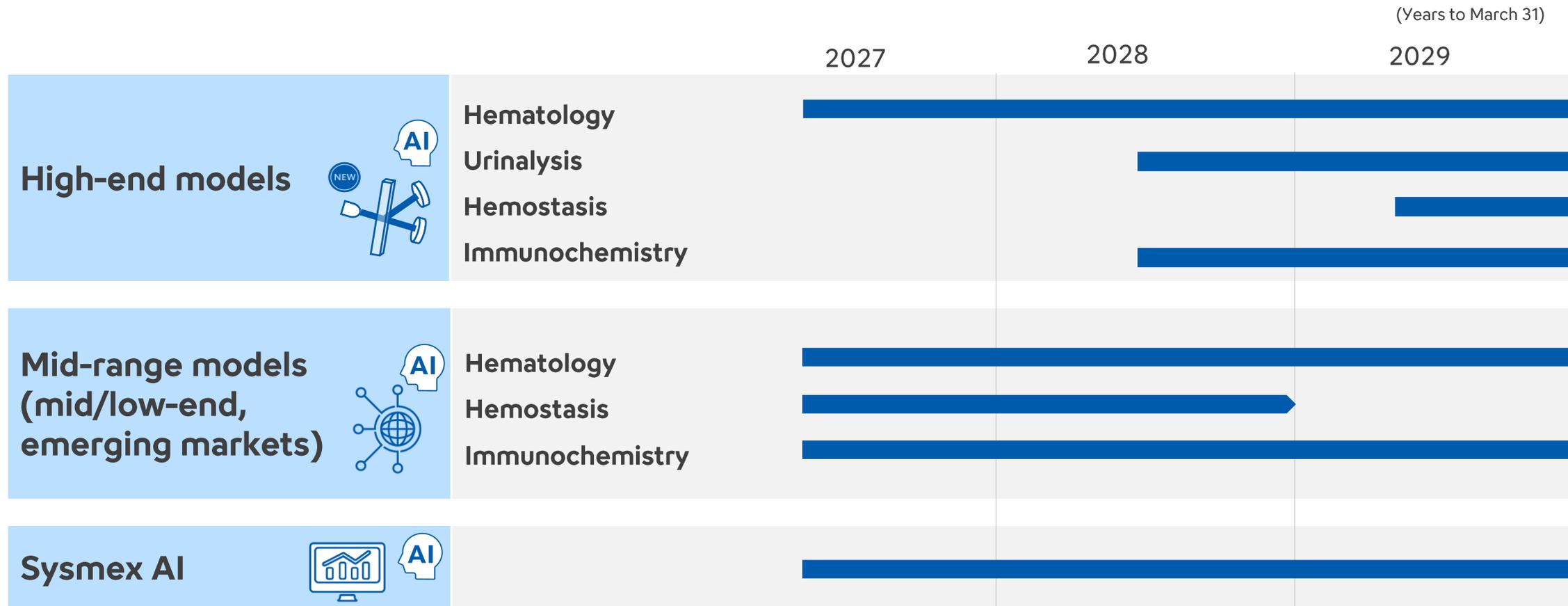
Redesigning financial and capital strategies

Human Capital Strategy

3. Strategic Themes

1. Strengthening the Competitiveness of the Diagnostics Business

- Launch flagship models globally, centered on the core hematology field

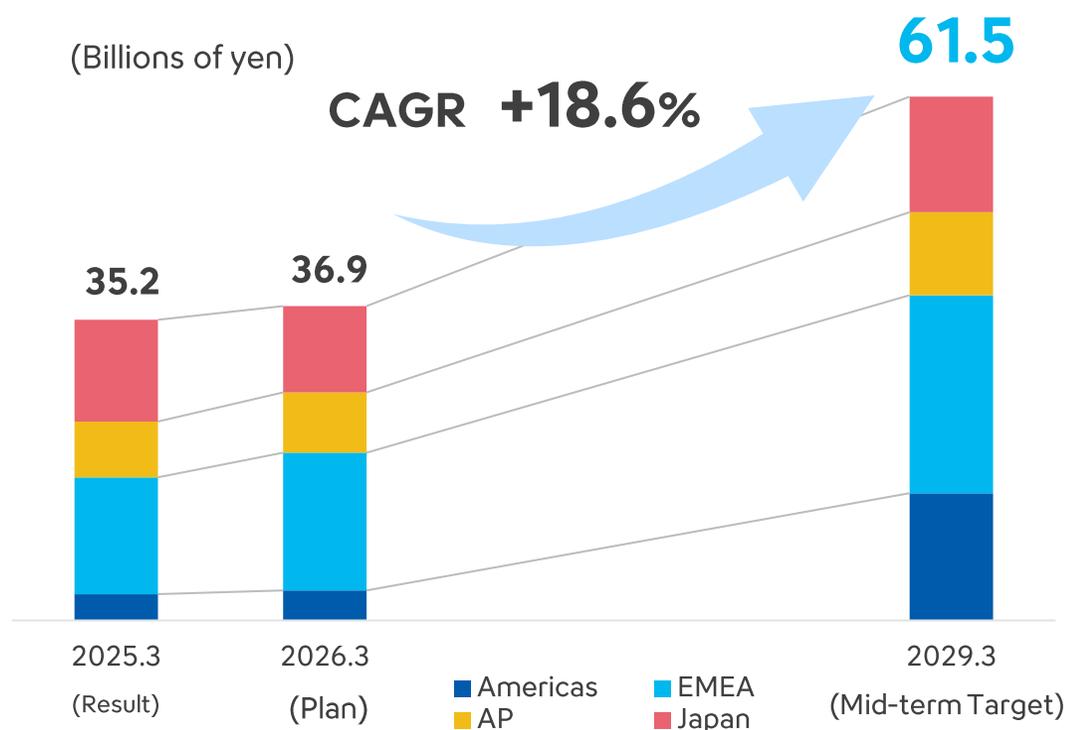


Next-generation models with AI increase diagnostic value and enhance competitiveness

1. Strengthening the Competitiveness of the Diagnostics Business

● Accelerate growth in the hemostasis field in Europe and the Americas

■ Hemostasis field net sales (excluding China)



- Maximize the high appreciation of existing customers (hematology field)
- Introduction of an integrated systems combining hemostasis and hematology
- Extensive lineup including the compact analyzer

**KPIs toward the target
for the fiscal year ending March 2029**
Standalone market share in Europe and the Americas:

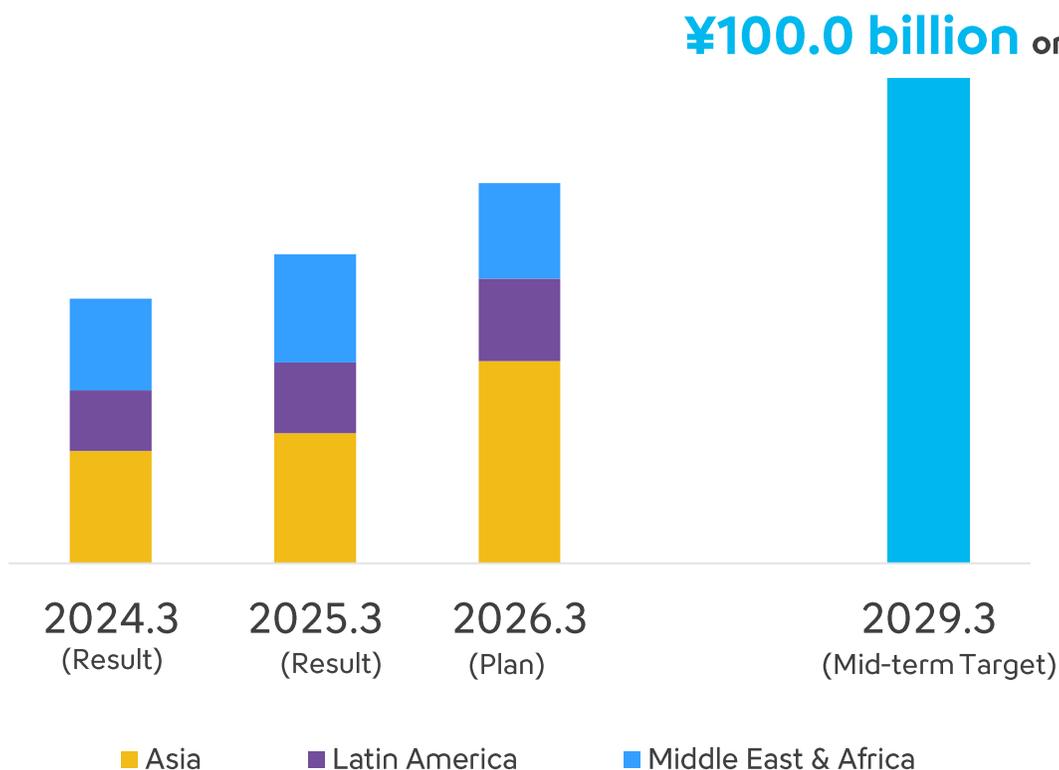
0%* → 10% or more

*Sole market share before revision of the OEM contract with Siemens

Improve profitability through growth in reagent sales driven by expanded sales of the CN™-Series

1. Strengthening the Competitiveness of the Diagnostics Business

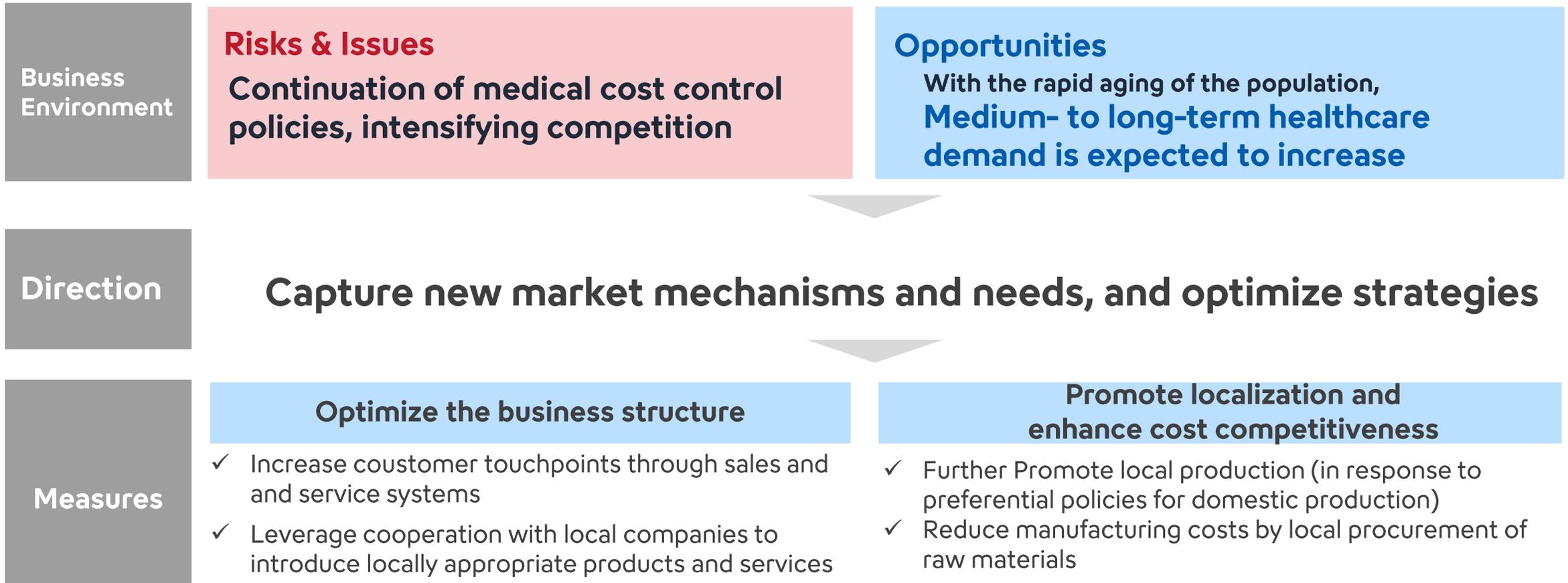
- Achieve double-digit growth in the emerging markets (Asia, Central and South America, the Middle East, Africa, and other regions)



- **Introduce strategic products sequentially**
 - Introduction of our own "tabletop and small models"
 - Accelerate reagent sales and improve profitability by utilizing strategic products
- **Providing new solutions using medical DX**
 - Establishment of a public health support model based on a high market share
- Strengthening the direct sales and service system (ongoing)
- Strengthening a stable supply system by utilizing new production facilities (ongoing)

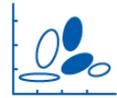
Capture high-growth markets effectively through strategic products that address customer needs

1. Strengthening the Competitiveness of the Diagnostics Business (Initiatives in China)



While revitalizing business activities for future growth, sales for the fiscal year ending March 31, 2029 are expected to be at the same level as the fiscal year ending March 31, 2026

2. Advancing Medical DX that leverages the strengths of the diagnostic business



Test Data ×



AI/Digital =



Delivering value unique to Sysmex

Intelligence Triage

Expand the role and value of screening testing



- Guide patients to personalized medicine
- Address shortages of healthcare professionals
- Pursue integration with preventive healthcare

Operational Excellence

Fully automated Laboratories in the future



- Improve laboratory safety and reducing manual labor
- Enhance efficiency of testing operations
- Guarantee of stable test results

Population Health management

Leverage extensive data assets to support public health and group interventions



- Early intervention for infectious disease outbreaks
- Optimize healthcare resource allocation
- Medical Program Validation

Deliver innovations unique to Sysmex that create impact through economic value and efficiency

2. Advancing Data Utilization

 Internal data ×
  AI/Digital =
  A High-productivity corporate structure

Driving cultural transformation

Promote autonomous resolution of business issues

Citizen-developed applications:

200 or more

*result



Optimizing business operating costs

Improve operational efficiency through digitalization



- Utilize task shifting and shared services to curb workforce growth
- Building a highly productive organizational structure

Achieving Effectiveness

Impact of internal digitalization



Expected impact over the next three years:

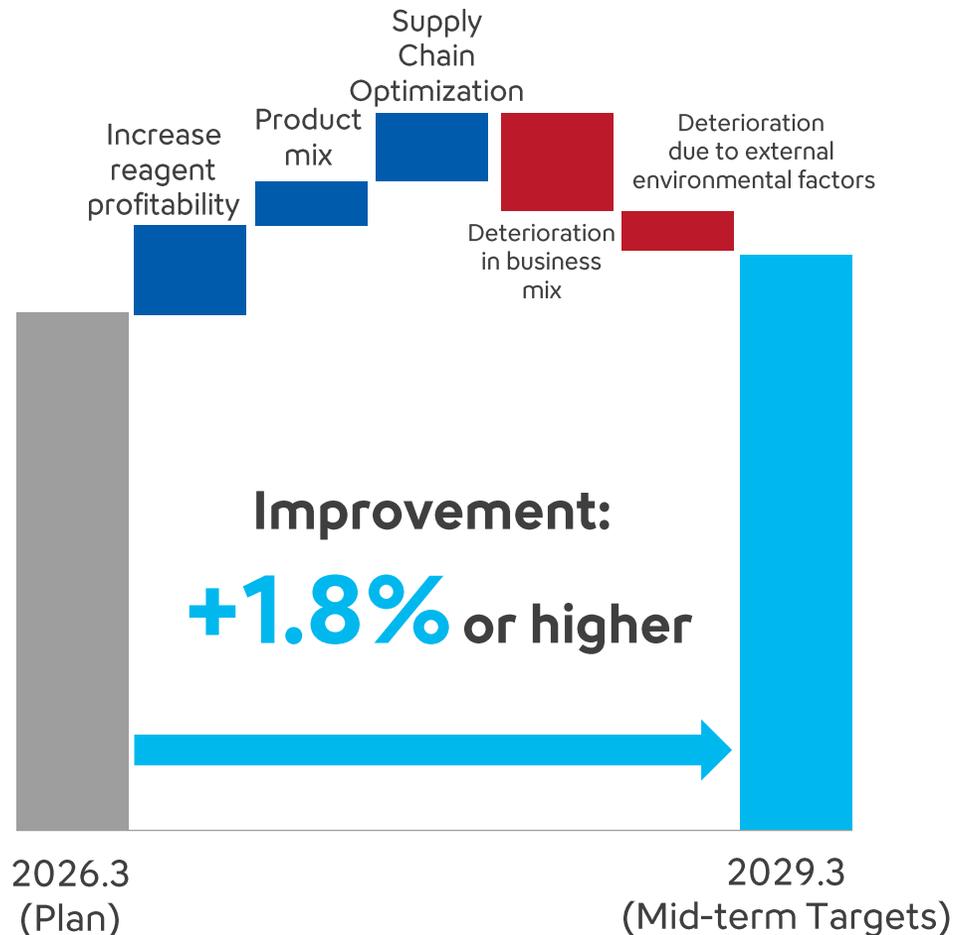
¥10.0 billion or more

* Including indirect effects

Transform into a corporate structure that continuously improves productivity and efficiency

3. Improving Profitability through Value Chain Transformation

■ Envisioned gross margin improvement trajectory



Improvement factors

● Increasing reagent profitability

- ✓ Improve productivity through the use of digital information (including production scale optimization)
- ✓ Maintain and increase sales unit prices, promote in-house production of raw materials, etc.

● Improving the product mix

- ✓ Increase the proportion of high-gross-margin products, such as hemostasis reagents.

● Supply chain optimization

- ✓ Optimize global supply chain networks (reducing logistics costs and shortening lead time)

Negative factors

● Business field mix

- ✓ Expansion of sales of surgical robot, launch of biochemistry field, etc.

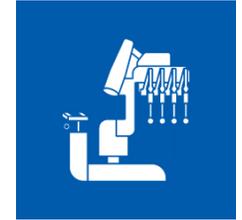
● External environment

- ✓ Decrease in reagents volume and decline in unit price of sales in China, U.S. tariffs, etc.

Initiatives Toward New Growth Drivers

Medical robotics business

- Expand the customer base in the Japanese market
- Enter markets in Europe and parts of Central and South America, in addition to Asia



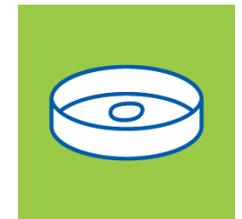
Neurology (dementia)

- Early panelization of blood biomarkers
- Accelerate global market entry by leveraging alliances
- Expand the HISCL™-Series globally

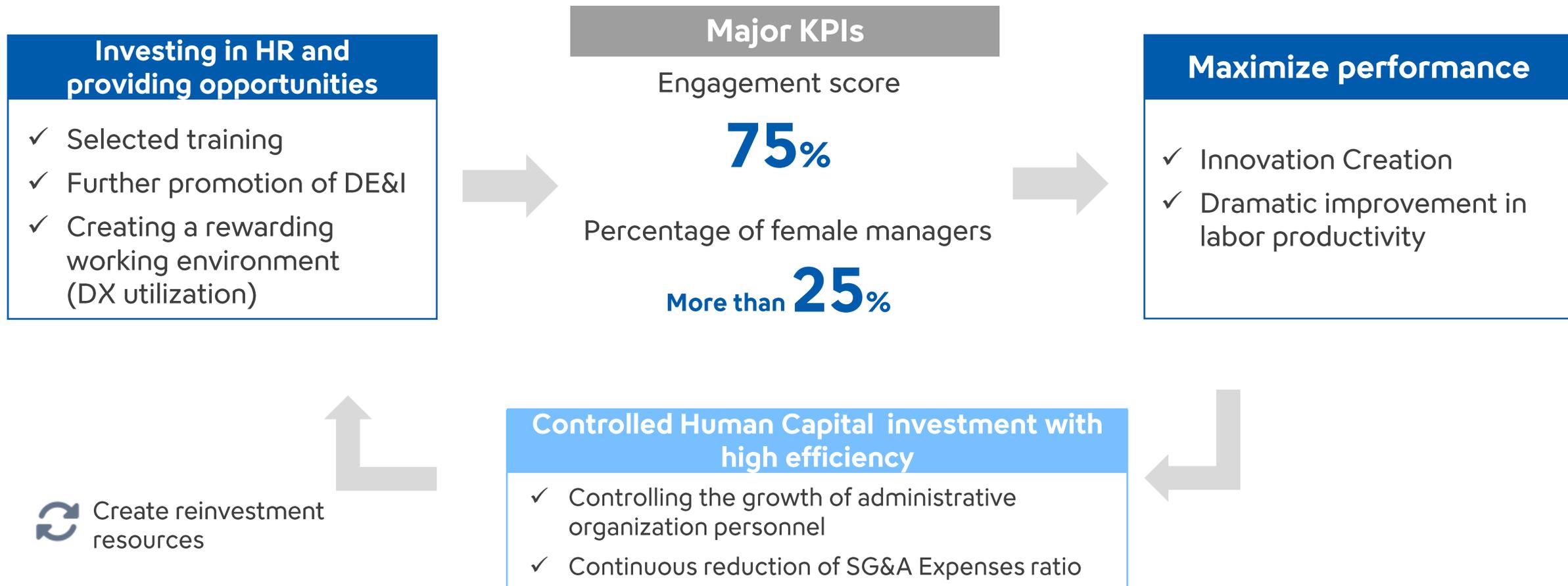


Regenerative and cellular medicine

- Business development across three areas: quality control testing, automation of manufacturing processes, and regenerative medical products
- Accelerate development of themes with strong synergy with the diagnostics business



Human Capital Strategy



Maximizing performance and improving the efficiency of human capital investment

4. Management Goals

Financial Targets for the Fiscal Year Ending March 31, 2029



Net sales

¥600.0 billion or more
(CAGR*1 of 6.3%)

Operating profit and operating margin

¥100.0 billion or more
(CAGR*1 of 17.2%)

16.7% or more
(+4.3pt*2)

Capital efficiency

ROE

12.0% or more
(+3.5pt*2)

ROIC

10.5% or more
(+1.5pt*3)

Working capital efficiency

Cash conversion cycle (CCC)

190 days or less
(10-day reduction*2)

Cash generation capability

Operating cash flow

¥95.0 billion or more

Free cash flow

¥40.0 billion or more

■ Assumed exchange rates for the period covered by the mid-term management plan

1 USD	150.0 yen
1 EUR	174.6 yen
1 CNY	21.1 yen

*1: Compound annual growth rate from the plan for the fiscal year ending March 2026 to the fiscal year ending March 2029

*2: Compared with the plans for the fiscal year ending March 2026

*3: Compared with the forecast for the fiscal year ending March 2026

Mid-Term Management Plan: Financial Targets



(Billions of yen)

Group Consolidated PL	Fiscal year ending March 31, 2026 (Forecast) * Announced in February	Fiscal year ending March 31, 2029 (Target)	CAGR *
Net sales	500.0	600.0	6.3%
Cost of sales	244.0	282.0	4.9%
SG&A expenses	165.0	182.0	3.3%
R&D expenses	30.0	36.0	6.3%
Operating profit	62.0	100.0	17.2%
Operating margin	12.4%	16.7%	-

*From the plan for the fiscal year ending March 2026 to the fiscal year ending March 2029

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



By Business and Field

	Fiscal year ending March 31, 2026 (Plan) * Disclosed in February	Fiscal year ending March 31, 2029 (Target)	CAGR*
Hematology	299.5	334.5	3.8%
FCM	5.0	8.0	17.0%
Urinalysis	46.5	53.0	4.5%
Hemostasis	72.0	93.0	8.9%
Immunochemistry	21.5	25.5	5.9%
Biochemistry	3.0	19.0	85.0%
Life Sciences	24.5	27.5	3.9%
Others	24.5	24.5	-
Diagnostics Business	496.5	585.0	5.6%
Medical Robot Business	3.5	15.0	62.4%
Total	500.0	600.0	6.3%

Sales by Destination

(Billions of yen)

	Fiscal year ending March 31, 2026 (Plan) * Disclosed in February	Fiscal year ending March 31, 2029 (Target)	CAGR*
Japan	58.0	86.0	14.0%
Americas	139.0	165.5	6.0%
EMEA	161.5	193.0	6.1%
China	86.0	82.5	-1.4%
AP	55.5	73.0	9.6%

* Compound annual growth rate (CAGR) for the fiscal years ending March 31, 2026 (plan) –2029

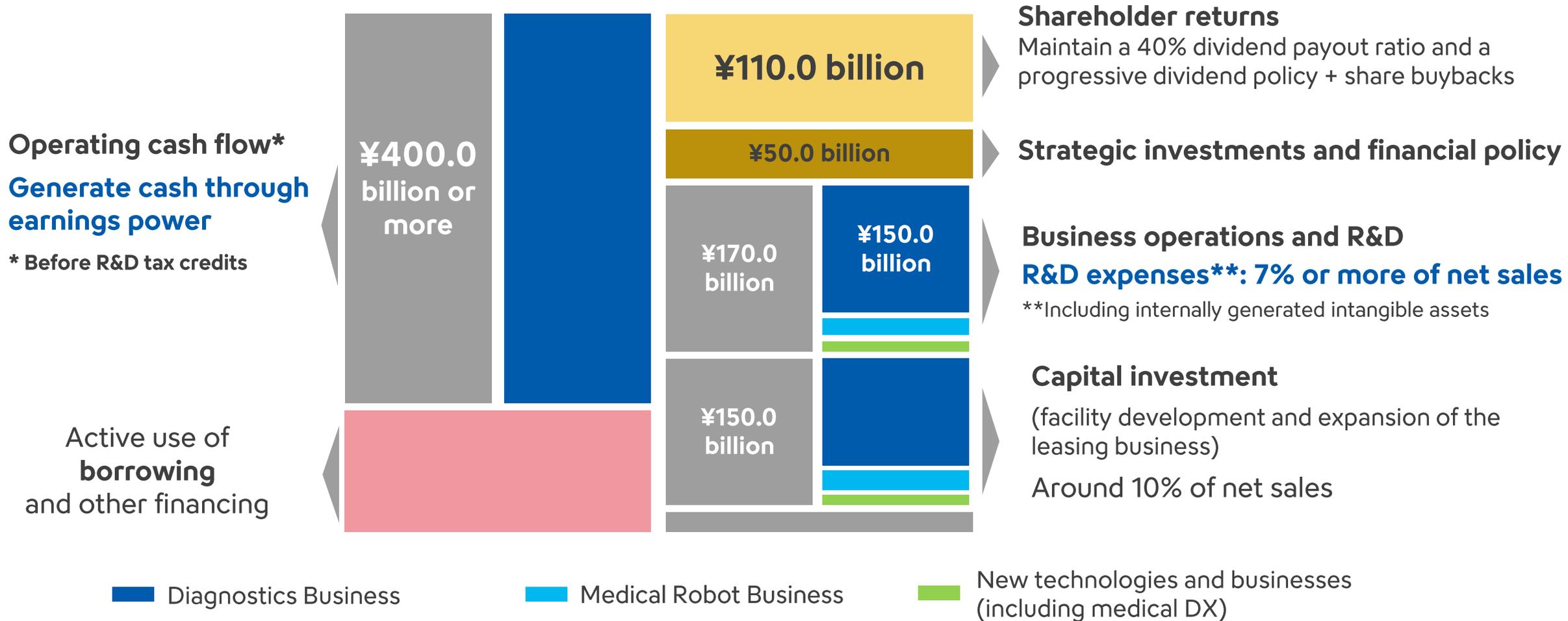
Revised materiality (key issues toward achieving the long-term vision) and reorganized priority themes into six key areas

Priority Themes	Overview
Value Creation for a Healthy Society	Enhancing safety and productivity for healthcare professionals, improving healthcare economics, and improvement in accessibility to healthcare
Creating Innovation	Implementation of innovative technologies and creation and protection of intellectual property
Responsible Provision of Products and Services	Strengthening resilient supply chain, BCP, quality
Maximizing Human Capital	Promoting DE&I, talent acquisition and development, and health and productivity management
Environment Consideration	Advancing resource circulation across the product life cycle and reducing GHG emissions and water consumption
Strengthening Governance	Business activities based on legal compliance, respect for human rights, and high ethical standards and cybersecurity measures

Reorganizing medical-related materialities that are directly linked to business and further strengthening linkage with strategy
Review from the perspective of changes in the external environment, such as the latest technology

5. Financial & Capital Strategy

Capital Allocation (Fiscal Years Ending March 31, 2027–2029)



Prioritize growth investments and allocate generated cash to value creation and shareholder returns

Improving Capital Efficiency and Financial Strategy

Improving business profitability (Improvement of profit margins)

- ✓ Reinforcing the “Strength” of the Diagnostics Business
- ✓ Review the business portfolio
- ✓ Improve the efficiency of internal operations, and improve productivity

Improving capital efficiency (ROIC Improvement)

- ✓ Shorten the cash conversion cycle (CCC), focusing on the inventory turnover period
 - Optimize inventory and logistics locations
 - Shorten lead times

Utilize Financial Leverage

- ✓ Optimization of capital structure through the use of debt
- *Maintain a credit rating of AA–

Sustained ROE Growth

12.0% or more

(Target for the fiscal year ending March 31, 2029)

Basic Policy

- Expanding shareholder value through **sustained growth and capital efficiency improvements**
- Continue to invest in growth while **delivering stable returns**
- If opportunities for growth investment are limited, consider further share buyback

Dividends

Dividend payout ratio: more than **40%**

Continued progressive dividends

Share buybacks

Period: March 2026 ~ September 2026

Total number of shares : **up to 30 million**

Aggregate amount : **up to ¥30.0 billion**

All re-purchased shares are scheduled to be canceled
(September 30, 2026)

Together for a better
healthcare journey