

# Business Results for the Fiscal Year Ended March 31, 2022 and Earnings Forecast for the Fiscal Year Ending March 31, 2023.

Resolving Social Issues with a View to Sustainable Growth for  
the Group and Society

## Sysmex Corporation

June 2022

Hisashi Ietsugu, Chairman and CEO

(Securities code: 6869)

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# About Sysmex Corporation

# About Sysmex Corporation



|                              |  |
|------------------------------|--|
| ■ Head office                | Chuo-ku, Kobe, Japan   |
| ■ Established                | February 20, 1968  |
| ■ Paid-in capital            | ¥14,112 million  |
| ■ Consolidated net sales     | ¥363,780 million   |
| ■ Affiliated companies       | 76 (11 in Japan, 65 overseas)<br>Note: Excluding two equity-method affiliates  |
| ■ Employees                  | 9,812 (3,885 in Japan, 5,927 overseas)<br>Note: Including part-time employees and others   |
| ■ Lines of business          | Development, manufacture, sales and export/import of laboratory testing instruments (testing of blood, urine and other items), reagents and related software |
| ■ Origin of the company name | <b>SY</b> stematical <b>ME</b> dicis + <b>X</b>  |

Note: As of March 31, 2022

We provide products and services in more than 190 countries and regions from approximately 60 locations around the world.

## Sysmex Way

### Mission

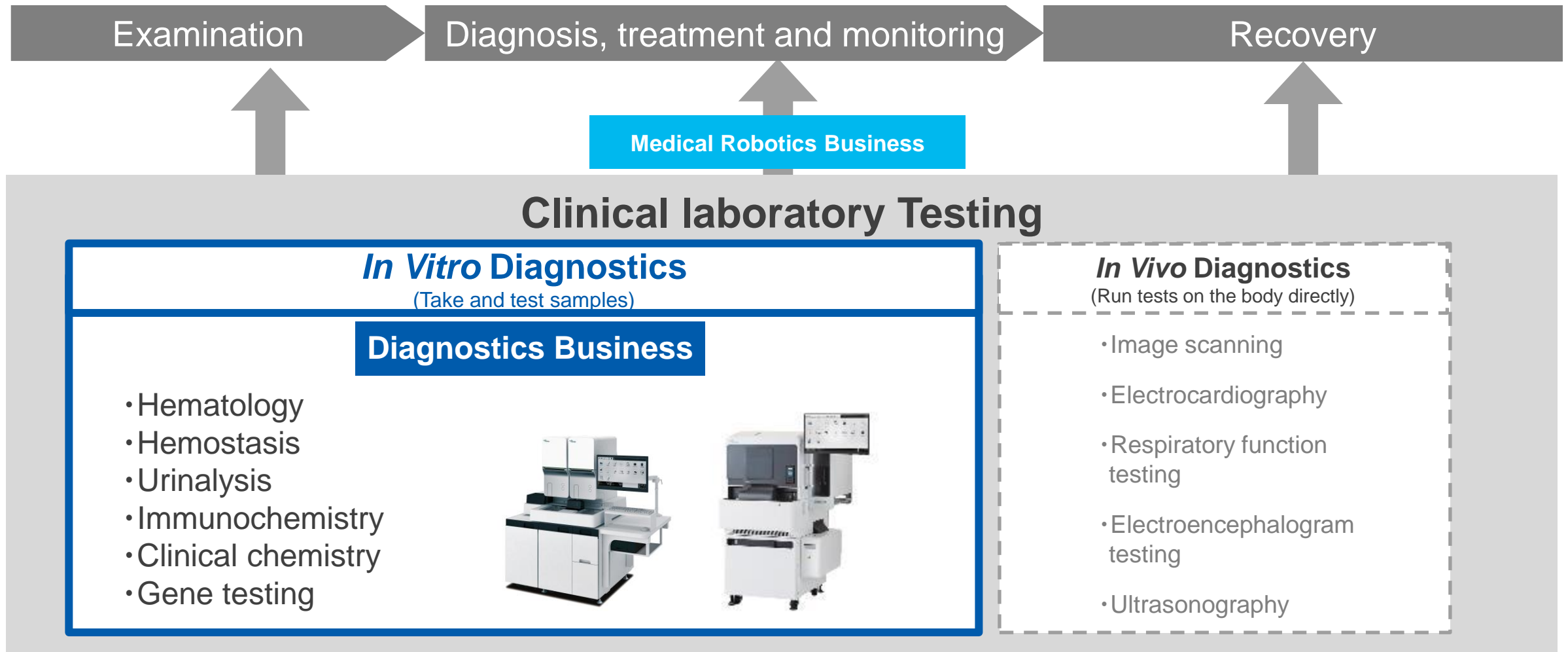
Shaping the advancement of healthcare.

### Value

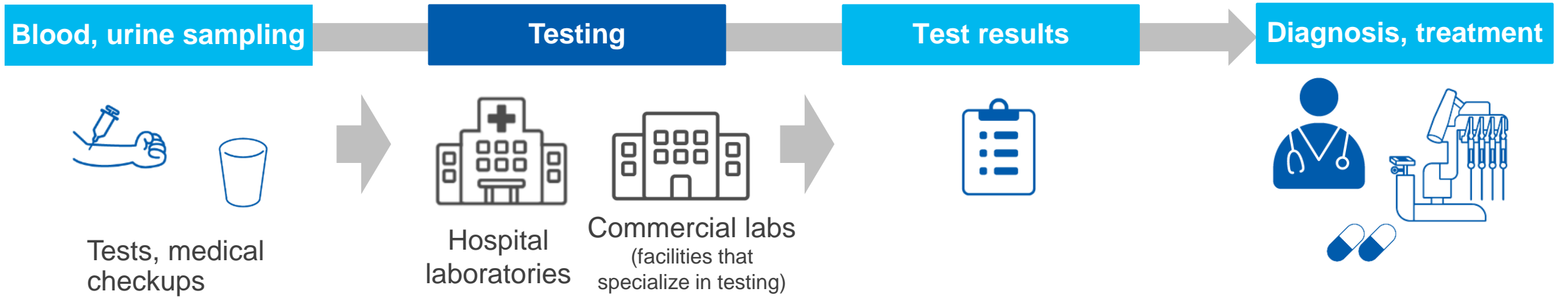
We continue to create unique and innovative values, while building trust and confidence.

### Mind

With passion and flexibility, we demonstrate our individual competence and unsurpassed teamwork.



Testing is essential for supporting diagnosis and measuring the effects of treatment and drug administration.



## Sysmex

Testing instruments



Specialized reagents



Software



Surgical support robot



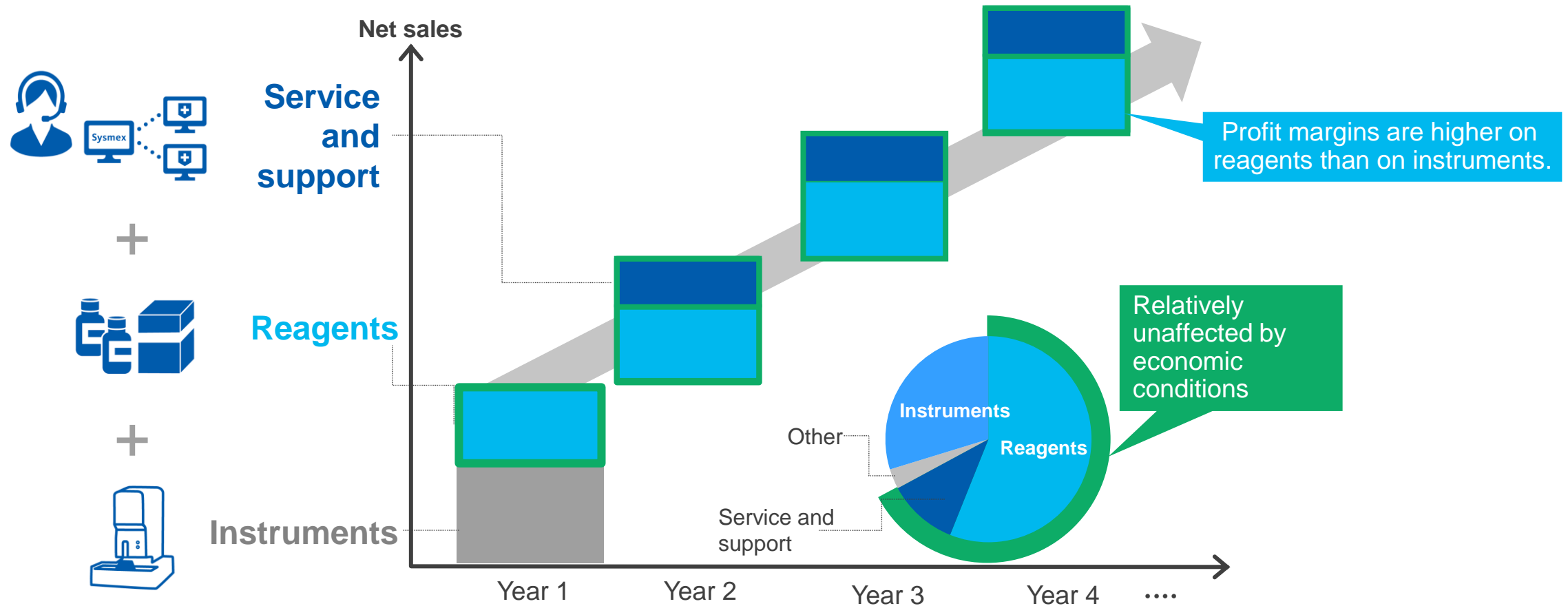
Development, manufacture and sale of the instruments, reagents and software needed for testing

Handling sales and service (Japan)

We are a Group that supports health through the testing and surgical domains.

# Sysmex's Business Model

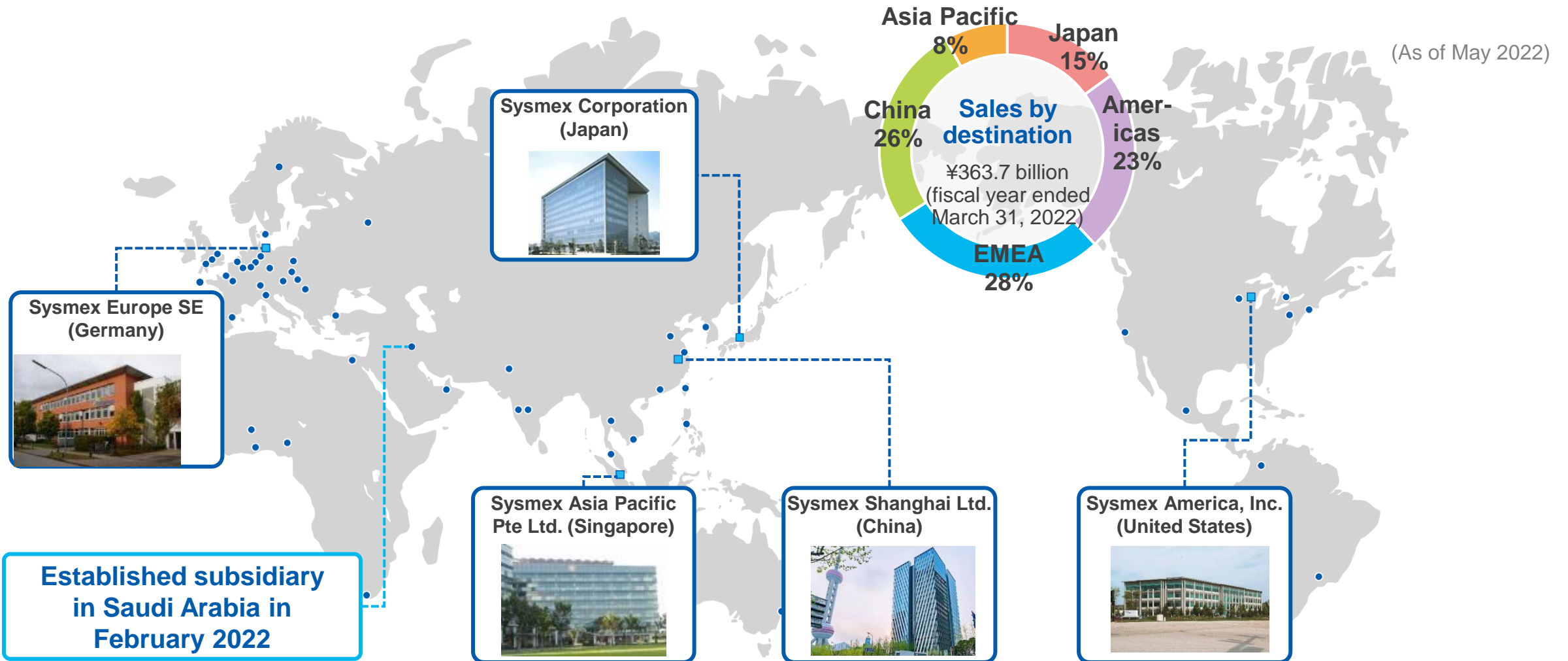
- Even after customers purchase instruments, they continue to need reagents, services and support, which are essential for testing.



The Company generates long-term stable earnings that are relatively unaffected by economic conditions.



# Business Locations

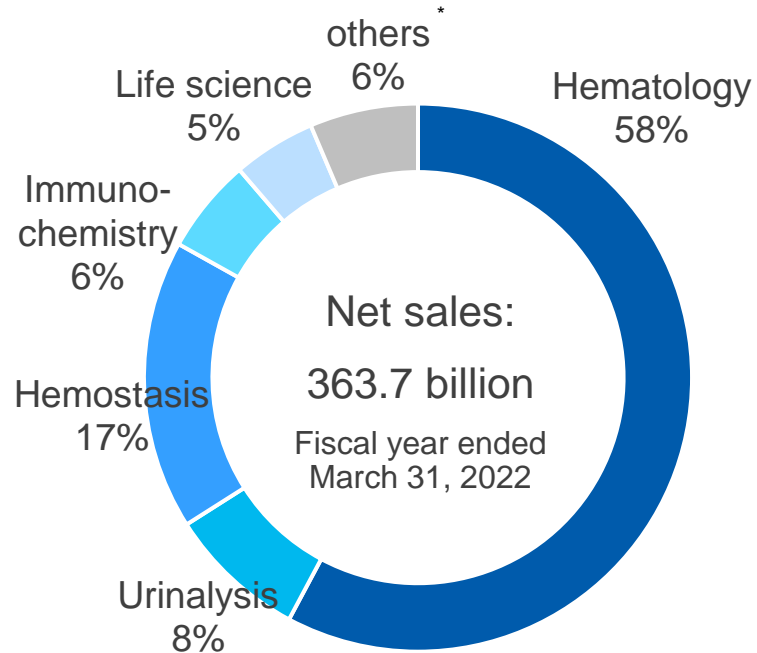


Since establishment, we have continued to develop globally, creating our own network.

# Sysmex's Sales Composition and Market Share



## Sales by Field



\*Others: FCM, clinical chemistry, etc.

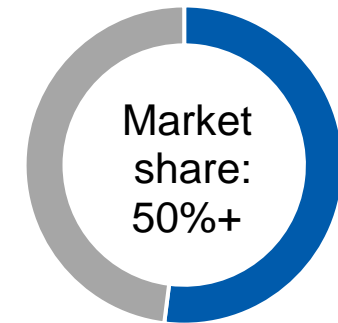
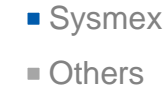
## Share of the IVD Market

※Note: According to Sysmex's estimates

### Hematology

1st: Sysmex

2nd: Danaher (United States)



Market scale: Approx. USD3.6 billion

### Hemostasis

1st: Sysmex

+ Siemens (Germany)

2nd: Welfen:

Formerly IL (Spain)

### Urinalysis (urine sediment analysis)

1st: Sysmex

+ Siemens (Germany)

\*North America only

2nd: Danaher (United States)

Highly competitive: We are the global leader in key fields and enjoy a high level of customer satisfaction.

# 2

## Business Results for the Fiscal Year Ended March 31, 2022

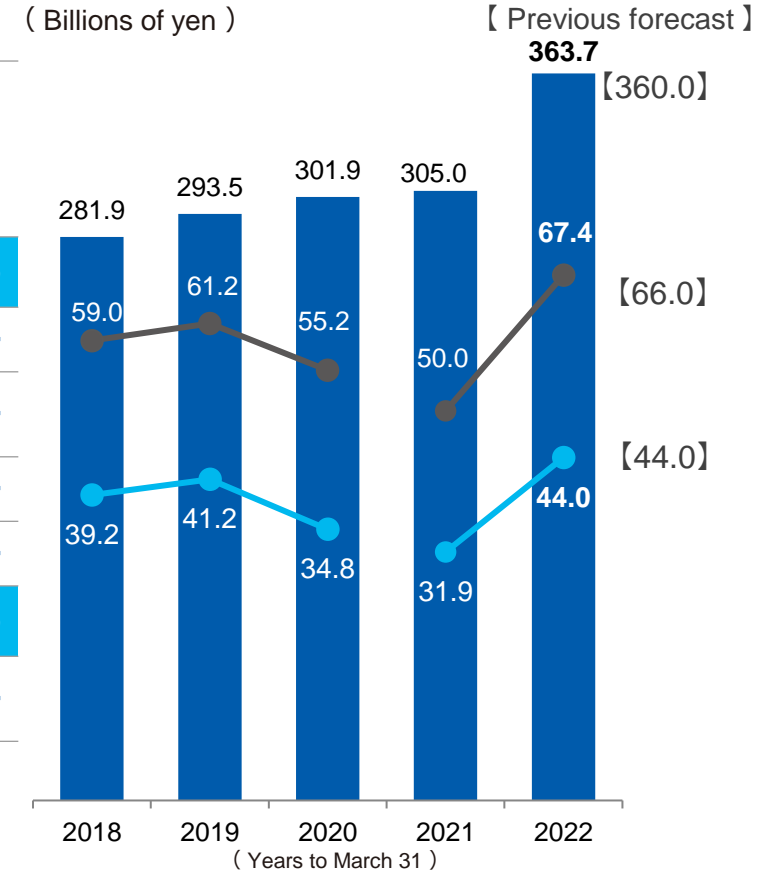
### <Change in Accounting Policy>

In the past, configuration or customization costs under cloud computing contracts were recorded as “other non-current assets.” However, based on the discussions leading to the IFRS Interpretations Committee’s agenda decision issued in April 2021, from the fiscal year ended March 31, 2022 the Company has changed its method of recognizing the costs of configuration or customization services in cloud computing contracts as an expense when these services are received. Accordingly, we have by retroactively adjusted the consolidated full-year and fourth-quarter figures for the fiscal years ended March 31, 2021 and 2022.

# Financial Highlights: Net Sales and Operating Profit Reach Record Highs



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



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

- ✓ **Net sales:** Net sales rose, benefiting from a number of factors: a recovery in testing demand, an alliance in the urinalysis field in North America, an increase in the number of areas in which we conduct direct sales, an increase in the installed instrument base, demand to strengthen healthcare infrastructures, and demand for COVID-19 testing.
- ✓ **Operating profit:** Operating profit also increased substantially due to a number of positive factors: higher sales and an improved cost of sales ratio lifted gross profit substantially, and the pandemic suppressed SG&A expenses.

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

## ● Changes in the external environment had little impact on performance.

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

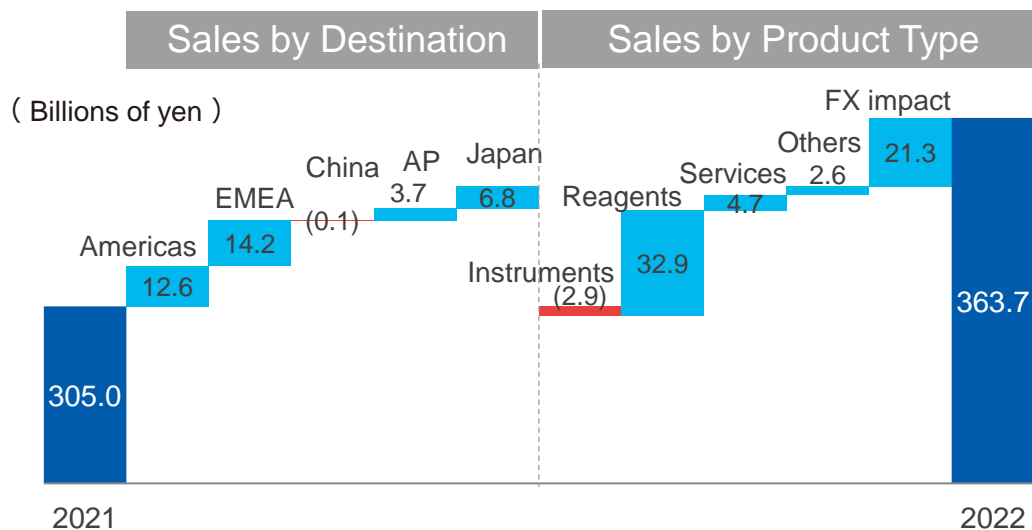
|      | Fiscal year ended<br>March 31, 2022 | Fiscal year ended<br>March 31, 2021 |
|------|-------------------------------------|-------------------------------------|
| 1USD | <b>¥112.4</b>                       | ¥106.1                              |
| 1EUR | <b>¥130.6</b>                       | ¥123.7                              |
| 1CNY | <b>¥17.5</b>                        | ¥15.7                               |

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



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

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



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

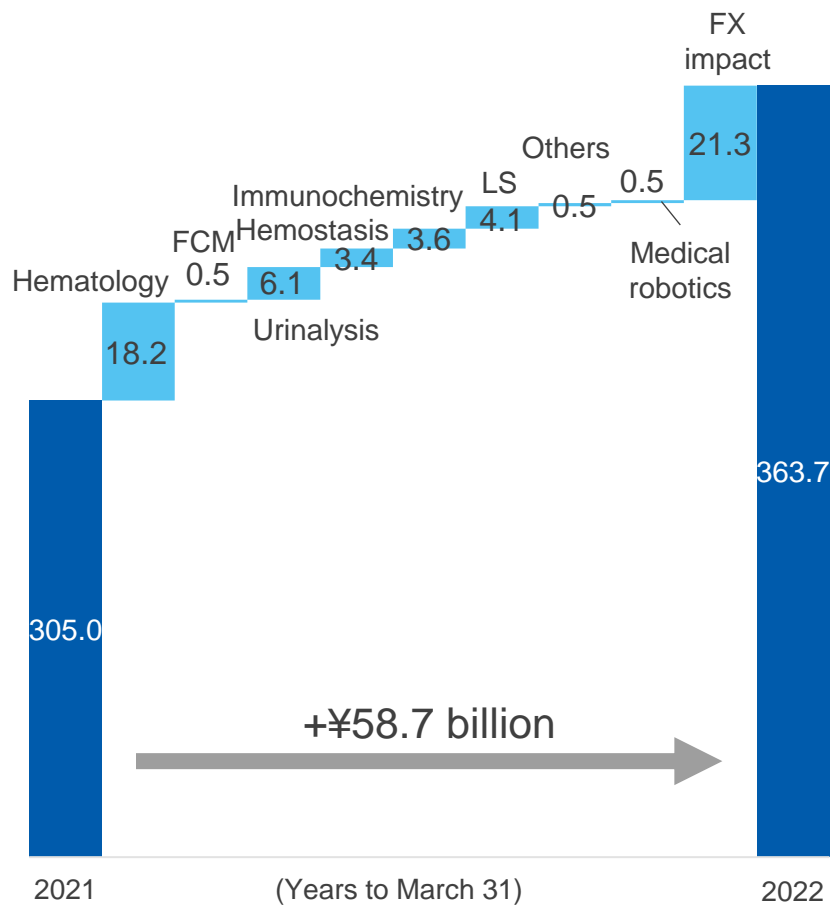
Note: Text in blue indicates new initiatives in the fiscal year ended March 31, 2022.

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

# Breakdown of Net Sales (by Business)

## Sales by Business

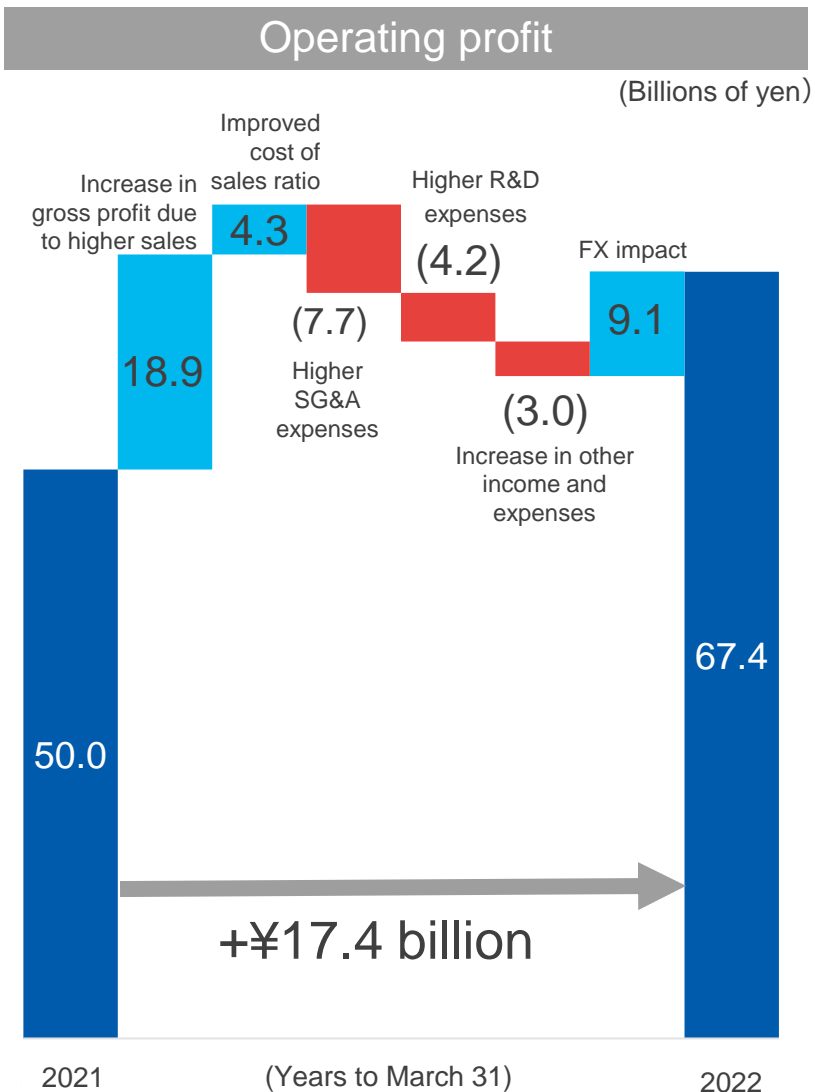
(Billions of yen)



Achieved double-digit growth in all major fields except hemostasis, which delivered solid performance in the previous fiscal year

| (Billions of yen)           | Fiscal year ended<br>March 31, 2022 |               | Fiscal year ended<br>March 31, 2021 |                        |
|-----------------------------|-------------------------------------|---------------|-------------------------------------|------------------------|
|                             | Results                             | Ratio         | Yen basis                           | Excluding<br>FX impact |
| <b>Net sales</b>            | <b>363.7</b>                        | <b>100.0%</b> | <b>119.2%</b>                       | <b>112.2%</b>          |
| Hematology                  | 210.3                               | 57.8%         | 116.8%                              | 110.1%                 |
| FCM                         | 2.0                                 | 0.6%          | 142.7%                              | 135.0%                 |
| Urinalysis                  | 29.9                                | 8.2%          | 137.1%                              | 128.0%                 |
| Hemostasis                  | 62.0                                | 17.1%         | 114.3%                              | 106.3%                 |
| Immunochemistry             | 20.4                                | 5.6%          | 131.9%                              | 123.8%                 |
| Clinical chemistry          | 2.9                                 | 0.8%          | 105.7%                              | 101.1%                 |
| Life science                | 17.9                                | 4.9%          | 138.1%                              | 132.2%                 |
| Others                      | 16.6                                | 4.6%          | 108.6%                              | 103.9%                 |
| <b>Diagnostics business</b> | <b>362.4</b>                        | <b>99.6%</b>  | <b>119.1%</b>                       | <b>112.1%</b>          |
| Medical robotics business   | 1.2                                 | 0.4%          | 167.1%                              | 167.1%                 |

# Breakdown of Operating Profit



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

- Increase in gross profit due to higher sales: ¥18.90 billion
- Impact of improvement in the cost of sales ratio: ¥4.39 billion (1.3pt improvement)
  - Despite negative factors such as the impact of sharply higher shipping costs, the ratio improved thanks to an increase in the proportion of reagent.
- Increase in SG&A expenses: ¥7.76 billion
  - Expenses rose due to the recommencement of sales and service activities in each area, as well as to reinforcement of the direct sales structure.
  - Increase in expenses related to digitalization and the medical robotics business
- Increase in R&D expenses: ¥4.26 billion
  - Rise due to ongoing investment in product development and expenses related to regulatory affairs
- Increase in other expenses: ¥3.04 billion
  - Temporary expenses related to a fire at an outsourced storage facility
  - Impairment loss on intangible assets
- FX impact: ¥9.18 billion positive impact

# Topics (April 2021 to April 2022)

## Diagnostics business

- TARC assay kit approved for an additional indication as an auxiliary assessment of COVID-19 aggravation risk (Japan: June)
- Obtained regulatory approval for locally manufactured instruments in urinalysis field (knockdown production method) (China: December)
- Filed for manufacturing and marketing approval for an assay kit that assists in identification of amyloid beta accumulation in the brain (Japan: December)
- **Formed capital and business tie-up with KAINOS Laboratories to drive growth in the immunochemistry field (Japan: February)**
- **Established subsidiary in Saudi Arabia to expand business in growing market (EMEA: February)**
- **Launched 18 immunochemistry reagent parameters (such as tumor markers) (China: December, March)**  
**Note: Introduced a total of 37 parameters**
- **Established a new R&D base in Singapore (RDCAP) (AP: April 2022)**

## Medical robotics business

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

## Sustainability management

- Selected for inclusion in the Dow Jones Sustainability World Index for the sixth consecutive year (November)
- With Yamato Transport, commenced dry ice-free transportation of reagents for gene testing at the ultralow temperature range of minus 70 degrees Celsius (Japan: December)
- **Transferred listing to the Prime Market (Japan: April 2022)**



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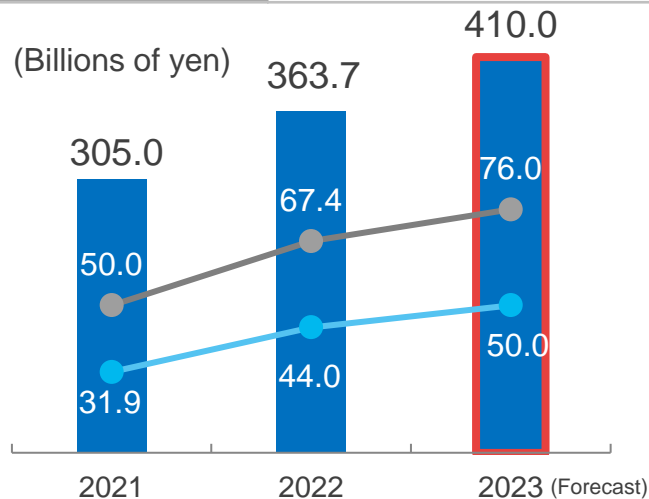
## Earnings and Dividend Forecasts for the Fiscal Year Ending March 31, 2023

# Consolidated Earnings Forecast



| (Billions of yen)                           | Fiscal year ending<br>March 31, 2023 |               | Fiscal year ended<br>March 31, 2022 |        | YoY<br>increase |
|---|--------------------------------------|---------------|-------------------------------------|--------|-----------------|
|   | Forecast                             | Ratio         | Results                             | Ratio  |                 |
| Net sales                                   | <b>410.0</b>                         | <b>100.0%</b> | 363.7                               | 100.0% | <b>+12.7%</b>   |
| SG&A expenses                               | <b>113.0</b>                         | <b>27.6%</b>  | 94.2                                | 25.9%  | <b>+19.9%</b>   |
| R&D expenses                                | <b>33.5</b>                          | <b>8.2%</b>   | 26.7                                | 7.4%   | <b>+25.1%</b>   |
| Operating profit                            | <b>76.0</b>                          | <b>18.5%</b>  | 67.4                                | 18.5%  | <b>+12.7%</b>   |
| Profit attributable to owners of the parent | <b>50.0</b>                          | <b>12.2%</b>  | 44.0                                | 12.1%  | <b>+13.4%</b>   |

|                    |   |   |
|--------------------|---|---|
| Planned investment | Capital expenditure: <b>¥41.8 billion</b> | Depreciation and amortization: <b>¥32.5 billion</b> |
|--------------------|---|---|



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

## ● Assumed Exchange Rates

| Assumed exchange rates for full year | Previous year (fiscal year ended March 31, 2022) |
|--------------------------------------|--|
| 1 USD                                | ¥120.0 / ¥112.4                                  |
| 1 EUR                                | ¥130.0 / ¥130.6                                  |
| 1 CNY                                | ¥18.0 / ¥17.5                                    |

## ● Exchange Rate Sensitivity

|     | Net sales (year) | Operating profit (year) |
|-----|------------------|-------------------------|
| USD | ¥0.78 billion    | ¥0.17 billion           |
| EUR | ¥0.56 billion    | ¥0.16 billion           |
| CNY | ¥5.79 billion    | ¥4.04 billion           |

## ● Net sales

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

## ● Operating profit

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

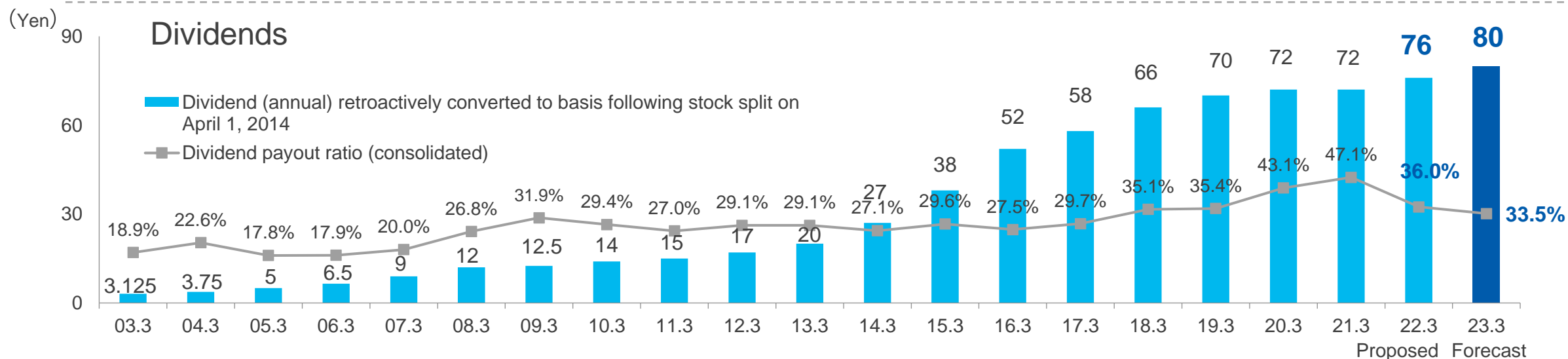
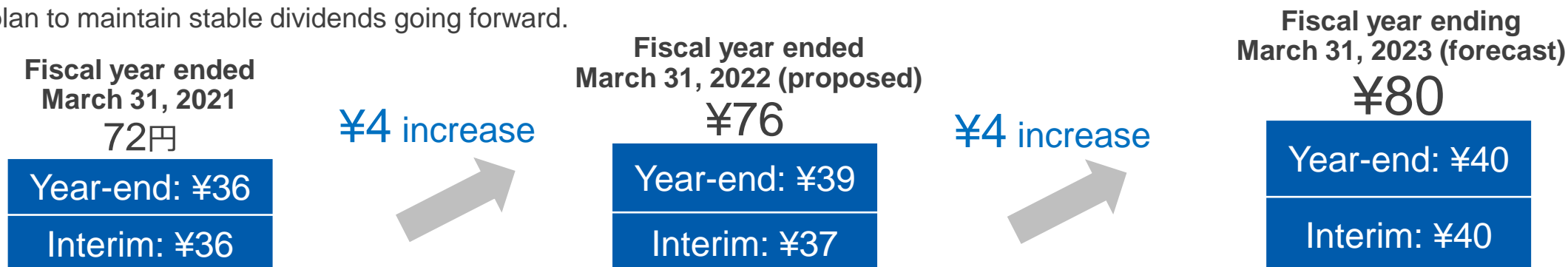
\*Investment in R&D, global regulatory application activities and digitalization

## ● Assumptions for the external environment

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

# Annual Dividend Forecast

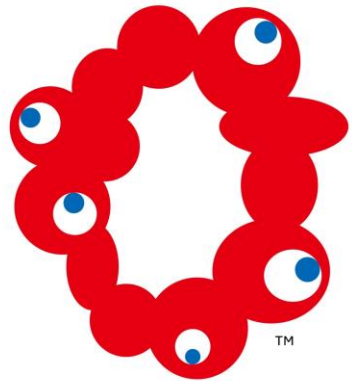
- For the fiscal year ended March 31, 2022, we propose dividends for the year of **¥76**, **up ¥4** year on year and **up ¥2** from our previous forecast.
- For the fiscal year ending March 31, 2023, we forecast dividends for the year of **¥80**, **up ¥4** year on year.
- We plan to maintain stable dividends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



\*We expect to put the year-end dividend increase for the fiscal year ended March 31, 2022 on the agenda at the general meeting of shareholders

# Supporting Our Region (Kansai)

Participating in “Amplification of Lives,” a thematic project of the Osaka, Kansai, Japan EXPO 2025



OSAKA, KANSAI, JAPAN  
**EXPO 2025**

Sponsoring the 10th Kobe Marathon

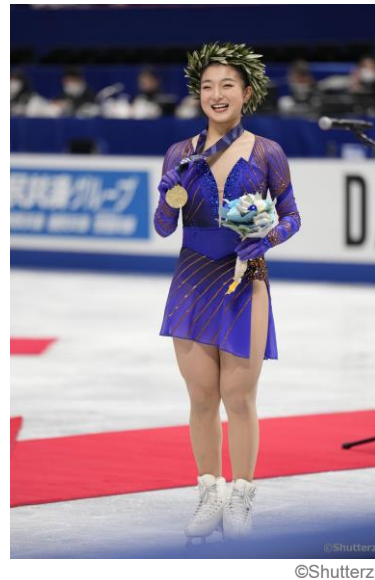


Helping figure skaters from Kobe to compete globally



Mai Mihara

Winner of the 2022 Four Continents Figure Skating Championships



Kaori Sakamoto

Winner of the ISU World Championships

Women's Track and Field Team, with activities centered on Kobe



Members of the Sysmex Women's Track & Field Team



Misato Horie

Winner of the combined 10th Osaka Marathon and the 77th Lake Biwa Mainichi Marathon

Please cheer them on!

Lighting the way **with diagnostics**