



May 14, 2025  
Sysmex Corporation

## **Announcement Regarding the Introduction of the Performance-Linked Stock Compensation Plan**

Sysmex Corporation (HQ: Kobe, Japan; President: Kaoru Asano) hereby announces that, at a meeting on May 14, 2025, its Managing Board resolved to introduce a new performance-linked stock compensation plan for the members of the Company's Managing Board (excluding outside directors, members of the Managing Board who are Audit and Supervisory Committee members, and nonresidents of Japan) and its Executive Officers (excluding nonresidents of Japan; "Managing Board Members, Etc."), replacing the current officer shareholding association system and stock options (the "Plan").

Accordingly, the Company is announcing that it has decided to submit a proposal regarding the Plan to the Ordinary General Meeting of Shareholders for the 58<sup>th</sup> Fiscal Period to be held on June 27, 2025 (the "Shareholders' Meeting").

### **1. Purpose of introducing the Plan**

- (1) The Company is introducing the Plan to clarify the linkage between the compensation for Managing Board Members, Etc. and the Company's business performance and stock value, and have Managing Board Members, Etc. share the returns and risks associated with stock price fluctuations with shareholders, with the aim of raising their awareness about contributing to improving business performance and increasing corporate value over the medium to long term.
- (2) The introduction of the Plan is subject to approval at the Shareholders' Meeting.
- (3) For the Plan, we will adopt a framework called the "Board Incentive Plan (BIP) Trust." The Plan is designed to deliver and pay ("Delivery, Etc.") the Company's shares and an amount of cash equivalent to the conversion value of the Company's shares (the "Company's Shares, Etc.") to Managing Board Members, Etc. according to their positions, the degree of achievement of performance targets, etc.
- (4) With the introduction of the Plan, the compensation of the Company's Managing Board Members, Etc. will consist of fixed compensation, performance-linked compensation, and the Plan's stock-based compensation.

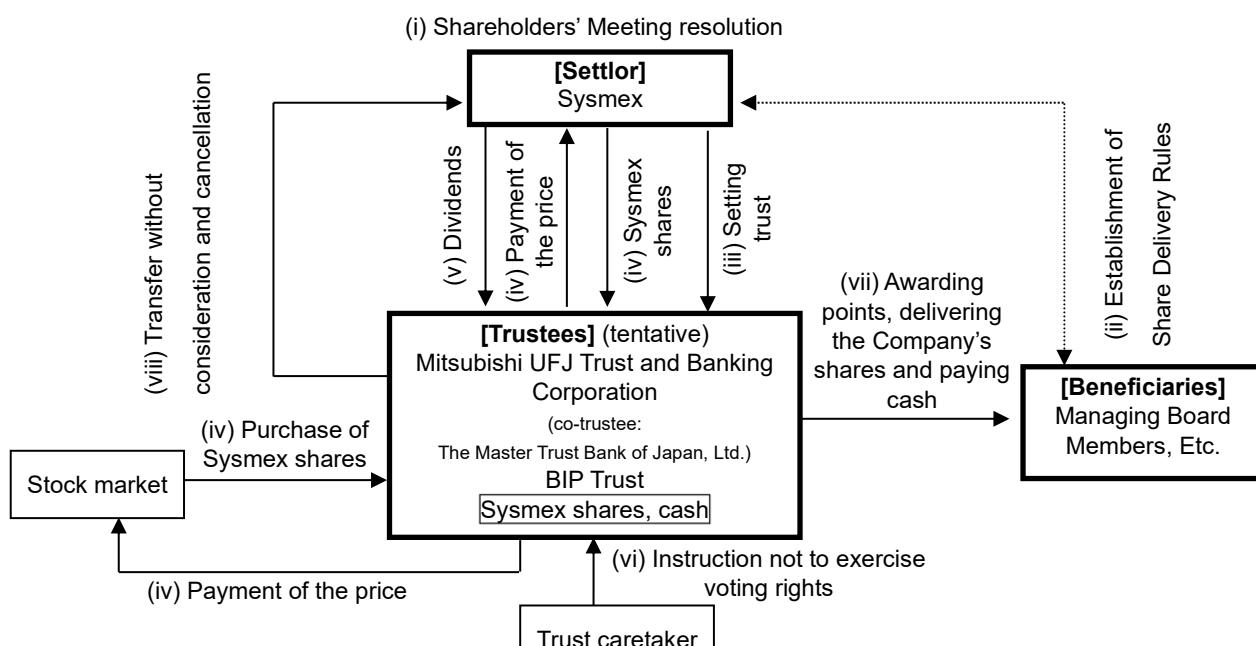
(5) The Company has a Compensation Committee, in which outside directors represent the majority, as an advisory body to the Managing Board for the purpose of strengthening the independence, objectivity, and accountability of the Managing Board's functions regarding executive compensation. The introduction of the Plan has been deliberated by this committee.

## 2. Details of the Plan

### (1) Overview of the Plan

This is a stock-based compensation plan under which a trust acquires the Company's shares with an amount of cash equivalent to the amount of compensation for Managing Board Members, Etc., contributed by the Company, and delivers the Company's Shares, Etc. to Managing Board Members, Etc. through the trust (see (2) and thereafter for details).

#### <Structure of the Plan>



- (i) In regard to the introduction of the Plan, Sysmex aims to obtain approval regarding executive compensation by resolution of the Shareholders' Meeting.
- (ii) Sysmex will adopt Share Delivery Rules as rules regarding the Plan by resolution of the Managing Board.
- (iii) Sysmex will set a trust (the "Trust") to which it makes contributions of cash to serve as the source of compensation for Managing Board Members, Etc., within the scope approved by resolution of the Shareholders' Meeting, as in (i), and of which Managing Board Members, Etc. who satisfy the requirements for eligible beneficiaries are the

beneficiaries.

- (iv) The Trust will purchase Sysmex shares from the stock market using the cash entrusted, as in (iii), in accordance with the instructions of the Trust caretaker. The number of shares to be acquired by the Trust will be within the scope approved by resolution of the Shareholders' Meeting, as in (i).
- (v) Payment of dividends for Sysmex shares held in the Trust will be made in the same manner as done for other Sysmex shares.
- (vi) Voting rights for Sysmex shares held in the Trust will not be exercised throughout the Trust period.
- (vii) In accordance with the Share Delivery Rules, during the Trust period, points will be granted to Managing Board Members, Etc. according to their positions and the degree of achievement of performance targets, etc., and such points will be accumulated. Managing Board Members, Etc. who satisfy the requirements for eligible beneficiaries will each be delivered the number of the Company's shares equivalent to a certain percentage of the number of points they have earned (with numbers of shares less than one unit rounded up), and receive the amount of cash equivalent to the conversion price of Sysmex shares corresponding to the remaining number of points after they are converted into cash within the Trust, in accordance with the provisions of the Trust contract.
- (viii) Residual shares arising at the expiration of the Trust period will qualify for Delivery, Etc. to Managing Board Members, Etc., if the Trust continues to be used. In the event that the Trust is terminated due to expiration of the Trust period, the Trust will transfer residual shares to the Company without consideration, and the Company will acquire them without consideration and then cancel them.
- (ix) The residual dividends on the Company's shares remaining in the Trust at the expiration of the Trust period will be used as funds for acquiring shares if the Trust continues to be used, but, if the Trust is terminated, rather than being continued, it will belong to the Company within the scope of the combined total of the remainder of funds for share acquisition and the reserve for Trust expenses ("Trust Reserve"). Any excess portion of the Trust Reserve will be donated to organizations that have no vested interest in Sysmex or its Managing Board Members, Etc.

Note: In the event that no more Company shares remain in the Trust as a result of, for example, Delivery, Etc. of the Company's Shares to Managing Board Members, Etc. who satisfy the requirements for eligible beneficiaries, the Trust will be terminated before the Trust period expires. Note that Sysmex may make additional contributions of cash to the Trust to fund the acquisition of the Company's shares subject to Delivery, Etc. to Managing Board Members, Etc. to the extent approved at the Shareholders' Meeting.

(2) Trust period

The initial applicable period will be about four years, from August 2025 (tentative) to August 2029 (tentative). Note, however, that when the Trust period expires, it may be extended as described in (3) below.

(3) Trust amount and method used to acquire the Company's shares for the Trust

The Company will set the maximum amount of Trust money to be contributed for each applicable period for the acquisition of the Company's shares for Delivery, Etc. to Managing Board Members, Etc. at 320 million yen (of which 180 million yen constitutes the Managing Board member portion) multiplied by the number of years of the applicable period (1,280 million yen for the four fiscal years that comprise the initial applicable period; of which 720 million yen constitutes the Managing Board member portion), and contribute such Trust money to establish a trust (the "Trust") for a period corresponding to the applicable period, with Managing Board Members, Etc. as the beneficiaries. The Trust will acquire Sysmex's shares from the stock market using the Trust money as the source funds, in accordance with the instructions of the Trust caretaker. During the applicable period, the Company will grant points (as described in (4) below) to each of the Managing Board Members, Etc., and, at a certain predetermined time, the Trust will Deliver, Etc. the Company's Shares, Etc. corresponding to this number of points.

At the expiration of the Trust period of the Trust, the Trust may be continued by revising the Trust contract and making additional entrustments to the existing Trust. In such a case, the fiscal year covered by the Company's Mid-Term Management Plan at the time will become the new applicable period, and the Trust period of the Trust will be extended for the number of years corresponding to such period. For each extended period, the Company will make additional contributions within the maximum amount of Trust money approved at the Shareholders' Meeting to be contributed to the Trust, and will continue to grant points to Managing Board Members, Etc. during the extended Trust period, and the Trust will continue to Deliver, Etc. the Company's Shares, Etc. Note, however, that, when such additional contributions are made, if there are any shares of the Company (excluding shares of the Company corresponding to the points granted to Managing Board Members, Etc. for which Delivery, Etc. has not yet been conducted) and cash remaining in the Trust assets ("Residual Shares, Etc.") on the last day of the Trust period before the extension, the combined total of the amount of Residual Shares, Etc. and the Trust money to be additionally contributed by the Company must not exceed the amount obtained by multiplying 320 million yen (of which 180 million yen constitutes the Managing Board member portion) by the number of years of the new applicable period. This extension of the Trust period is not limited

to once, but may be implemented again thereafter.

If the Trust contract is not revised or no additional entrustments are made to the existing Trust at the expiration of the Trust period (at the expiration of the extended Trust period if the above extension of the Trust period is made), no new points will be granted to Managing Board Members, Etc. thereafter. However, the Trust period of the Trust may be extended for a period until the Delivery, Etc. of the Company's Shares, Etc. to Managing Board Members, Etc. who may satisfy the requirements for eligible beneficiaries is completed.

(4) Company's Shares, Etc. subject to Delivery, Etc. to Managing Board Members, Etc.

The number of the Company's Shares, Etc. subject to Delivery, Etc. to Managing Board Members, Etc. will be determined according to the number of points calculated using the following point calculation formulas, where 1 point = 1 share of the Company's common stock. In the event of a stock split, reverse stock split, etc. regarding the Company's shares held in the Trust during the Trust period, the number of Company shares per point will be adjusted according to the split ratio, consolidation ratio, etc. of the Company's shares.

(Point calculation formulas)

At a certain time each year during the Trust period, points ("Base Points") calculated by dividing the amount obtained by multiplying the compensation base amount predetermined for each position by 50% by the average acquisition price of the Company's shares by the Trust ("Base Share Price") will be granted, and after the end of the period covered by the Mid-Term Management Plan, the Base Points granted for the period will be totaled, and this total number of Base Points will be multiplied by the performance-linked coefficient corresponding to the degree of achievement of the performance targets under the Mid-Term Management Plan to calculate the points.

(i) F-PSU points

Total Base Points (amount of stock-based compensation by position x 50% ÷ Base Share Price) x performance-linked coefficient\*

\* Varies between 0% and 200% according to the degree of achievement of targets, etc. in the final fiscal year of the Mid-Term Management Plan (targets set on financial indicators, including net sales, operating profit, and ROE)

(ii) EV-PSU points

Total Base Points (amount of stock-based compensation by position x 50% ÷ Base Share Price) x performance-linked coefficient\*

\* Varies between 0% and 200% according to the degree of achievement of targets,

etc. in the final fiscal year of the Mid-Term Management Plan (targets set on corporate value indicators, including relative TSR)

The maximum number of points to be granted to Managing Board Members, Etc. during the Trust period will be 140,000 points (of which 80,000 points constitute the Managing Board member portion) multiplied by 4, the number of years of the applicable period, while the maximum number of shares of the Company's Shares, Etc. that Managing Board Members, Etc. are eligible for Delivery, Etc. from the Trust during the Trust period will be the number of shares corresponding to such maximum number of points ("Maximum Number of Shares to Be Delivered"). Therefore, the Maximum Number of Shares to Be Delivered corresponding to the initial applicable period covering four fiscal years is 560,000 shares (of which 320,000 shares constitute the Managing Board member portion).

If the Trust is continued in accordance with (3) above, the Maximum Number of Shares to Be Delivered during the extended Trust period will be the number of shares equal to such maximum number per fiscal year multiplied by the number of years of the extended Trust period. This Maximum Number of Shares to Be Delivered is set based on the maximum Trust amount to be contributed by the Company as described in (3) above, with reference to the most recent share price and other factors.

(5) Method and timing of Delivery, Etc. of the Company's Shares, Etc. to Managing Board Members, Etc.

(i) F-PSU

As a general rule, the timing of Delivery, Etc. of the Company's Shares, Etc. relating to F-PSU will be after the Mid-Term Management Plan expires. Managing Board Members, Etc. who satisfy the requirements for eligible beneficiaries will qualify for Delivery, Etc. of the Company's Shares, Etc. according to the F-PSU points calculated under (4) (i). In such a case, the Managing Board Members, Etc. will be delivered the number of shares of the Company equivalent to a certain percentage of F-PSU points (with the number of shares less than one unit rounded up) for the purpose of securing funds for tax payment, and will be paid cash in an amount equivalent to the amount of the conversion price of the number of shares equivalent to the remaining F-PSU points after they are converted into cash within the Trust.

(ii) EV-PSU

As a general rule, the timing of Delivery, Etc. of the Company's Shares, Etc. relating to EV-PSU will be at the time of retirement of the Managing Board Members, Etc. Managing Board Members, Etc. who satisfy the requirements for eligible

beneficiaries will qualify for Delivery, Etc. of the Company's Shares, Etc. according to the EV-PSU points calculated under (4) (ii). In such a case, the Managing Board Members, Etc. will be delivered the number of shares of the Company equivalent to a certain percentage of EV-PSU points (with the number of shares less than one unit rounded up) for the purpose of securing funds for tax payment, and will be paid cash in an amount equivalent to the amount of the conversion price of the number of shares equivalent to the remaining EV-PSU points after they are converted into cash within the Trust.

In the event that Managing Board Members, Etc. become nonresidents of Japan prior to the time of Delivery, Etc. of the Company's Shares, Etc. as described above, the Managing Board Members, Etc. will, as a general rule, receive a cash payment equivalent to the converted value after converting all of the Company shares corresponding to the total number of points granted at that time into cash within the Trust.

In the event that Managing Board Members, Etc. die prior to the time of Delivery, Etc. of the Company's Shares, Etc. as described above, the heirs of such Managing Board Members, Etc. will, as a general rule, receive a cash payment equivalent to the converted value after converting all of the Company shares corresponding to the total number of points granted at that time into cash within the Trust.

**(6) Voting rights regarding the Company's shares held in the Trust**

Voting rights for Sysmex shares held in the Trust will not be exercised during the Trust period to ensure neutrality with respect to management.

**(7) Handling of dividends on the Company's shares held in the Trust**

Dividends on the Company's shares held in the Trust will be paid to the Trust and be used to pay the Trust fees and expenses of the Trust.

**(8) Handling of residual shares and dividends at the expiration of the Trust period**

In the event that residual shares remain at the end of the Trust period, the Trust will either continue to be used with the Trust contract revised and with additional entrustments made to the existing Trust, or the Trust will transfer such residual shares to the Company without consideration so that they can be canceled by a Managing Board resolution.

The residual dividends on the Company's shares remaining in the Trust at the expiration of the Trust period will be used as funds for acquiring shares if the Trust continues to be used, but, if the Trust is terminated, the portion exceeding the Trust Reserve will be donated to organizations that have no vested interest in Sysmex or its Managing Board Members, Etc.

(Reference)

[Details of the Trust contract]

(i) Type of trust	Trust of money other than a specified individually operated monetary trust (third party beneficiary trust)
(ii) Purpose of trust	Granting of incentives to Managing Board Members, Etc.
(iii) Settlor	Sysmex
(iv) Trustee	Mitsubishi UFJ Trust and Banking Corporation (tentative) (co-trustee: The Master Trust Bank of Japan, Ltd. (tentative))
(v) Beneficiary	Individuals who satisfy the requirements for eligible beneficiaries as Managing Board Members, Etc.
(vi) Trust caretaker	A third party having no vested interest in Sysmex (certified public accountant)
(vii) Trust contract date	August 2025 (tentative)
(viii) Trust period	August 2025 (tentative) to August 2029 (tentative)
(ix) Plan start date	August 2025 (tentative)
(ix) Exercise of voting rights	Not to be exercised
(x) Class of shares to be acquired	Common shares of Sysmex
(xii) Amount of Trust money	¥880 million (tentative) (including Trust fees and Trust expenses)
(xiii) Stock acquisition date	August 7, 2025 (tentative) to August 28, 2025 (tentative)
(xiv) Method of acquisition of shares	To be acquired from the stock market
(xv) Rights holder	Sysmex
(xvi) Residual assets	Residual assets that may be received by Sysmex as the rights holder will be within the range of the Trust Reserve, after the deduction of funds for acquiring shares from the Trust money.

Note: The scheduled dates shown above may be changed to appropriate dates in light of applicable laws and regulations.

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