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## Materials for the 58th Ordinary General Meeting of Shareholders

### Matters Subject to Measures for Electronic Provision Not Stated in Documents in Paper Format Delivered upon Request Pursuant to Laws and Regulations and the Articles of Incorporation

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(58th fiscal year from April 1, 2024 to March 31, 2025)

## SYSMEX CORPORATION

The above matters have been omitted from the document to be delivered to shareholders who have requested delivery in paper format (document stating the matters subject to measures for electronic provision), pursuant to laws and regulations and Article 15, Paragraph 2 of the Articles of Incorporation.

## Status of assets and profit or loss in the current and past three fiscal years

Category	55th fiscal year ended March 31, 2022	56th fiscal year ended March 31, 2023	57th fiscal year ended March 31, 2024	58th fiscal year ended March 31, 2025 (fiscal year under review)
Net sales (Millions of yen)	363,780	410,502	461,510	508,643
Operating profit (Millions of yen)	67,416	73,679	78,382	87,583
Profit attributable to owners of parent (Millions of yen)	44,093	45,784	49,639	53,669
Basic earnings per share (Yen)	70.29	72.94	79.27	86.07
Total assets (Millions of yen)	483,707	531,074	618,920	665,268
Total equity (Millions of yen)	349,053	388,356	432,897	464,534
Equity attributable to owners of parent per share (Yen)	554.94	617.56	692.94	743.71

- Notes: 1. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
2. On April 1, 2024, the Company conducted a stock split at a ratio of 3 shares for each share. Basic earnings per share and equity attributable to owners of parent per share are calculated assuming the stock split took place at the beginning of the 55th fiscal year.

### Major sites, etc.

(As of March 31, 2025)

#### (1) Major sites, etc. in Japan

##### SYSMEX CORPORATION

Head Office:	Chuo-ku, Kobe
Branch Office:	Tokyo Office (Shinagawa-ku, Tokyo)
Branches:	Tokyo Branch (Shinagawa-ku, Tokyo), Osaka Branch (Kita-ku, Osaka-shi)
Factories:	i-Square (Kakogawa, Hyogo), Kakogawa Factory (Kakogawa, Hyogo), Seishin Factory (Nishi-ku, Kobe), Ono Factory (Ono, Hyogo)
Others:	Technopark (Nishi-ku, Kobe), Solution Center (Nishi-ku, Kobe)

Systemex RA Co., Ltd.

Head Office and Factory: Shiojiri, Nagano

#### (2) Major overseas sites, etc.

Please refer to “I-2. (ii) Significant subsidiaries” of the Business Report in the Notice of the 58th Ordinary General Meeting of Shareholders.

### Employees

(As of March 31, 2025)

#### (1) Employees of the corporate group

Number of employees	Increase/decrease from the previous fiscal year-end
10,533 [836]	Increased by 491 [decreased by 62]

Note: The number of employees indicates the number of working employees, and the average number of part-time and contract employees during the fiscal year under review is given in square brackets separately.

## (2) Employees of the Company

Number of employees	Increase/decrease from the previous fiscal year-end	Average age (Years)	Average length of service (Years)
2,876 [536]	Increased by 173 [Decreased by 40]	42.3	12.7

Note: The number of employees indicates the number of working employees, and the average number of part-time and contract employees during the fiscal year under review is given in square brackets separately.

## Major lenders

(As of March 31, 2025)

There are no matters requiring special mention.

## Other important matters related to Sysmex Group

Not applicable.

## Shares

(As of March 31, 2025)

- (1) Total number of authorized shares: 1,796,064,000 shares
- (2) Total number of issued shares: 629,473,176 shares
- (3) Number of shareholders: 20,553
- (4) Major shareholders

Shareholder name	Number of shares held (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	77,809	12.4
Nakatani Foundation	38,692	6.2
Custody Bank of Japan, Ltd. (Trust Account)	37,606	6.0
The Kobe Yamabuki Foundation	36,000	5.7
Nakatani Kosan, Ltd.	34,341	5.5
Taeko Wada	21,709	3.5
Kazuko Ietsugu	20,909	3.3
Rusoru, Ltd.	14,250	2.3
STATE STREET BANK AND TRUST COMPANY 505001	13,500	2.1
NORTHERN TRUST CO.(AVFC) SUB A/C AMERICAN CLIENTS	12,529	2.0

- Notes:
1. Shareholding ratio is calculated after deducting treasury shares (1,343,971 shares). The 4,529,000 shares held by The Master Trust Bank of Japan, Ltd. as trust assets under the Employee Stock Ownership Plan (ESOP) are not included in treasury shares.
  2. As of April 1, 2024, we amended Article 6 in the Articles of Incorporation of the Company based on the provisions stipulated in Article 184-2 of the Companies Act. As a result, the number of authorized shares increased by 1,197,376,000 shares to 1,796,064,000 shares.
  3. On April 1, 2024, the Company implemented a stock split at a ratio of 3 shares for each share of common stock. As a result, the total number of issued shares increased by 419,580,744 shares to 629,473,176 shares.

## Share acquisition rights, etc.

### (1) Share acquisition rights, etc. (as of March 31, 2025)

			4th share acquisition rights	
Date of resolution on issuance			August 28, 2019	
Number of share acquisition rights			52,346 units	
Class and number of shares subject to share acquisition rights			Common stock 1,570,380 shares (30 shares per unit of share acquisition right)	
Amount to be paid in for share acquisition rights			This amount shall be offset by the remuneration claims to the Company and no monetary payment shall be required (Note 1)	
Value of property to be contributed upon exercise of share acquisition rights			For each unit of share acquisition rights 72,960 yen (2,432 yen per share)	
Exercise period			From September 21, 2021 to September 20, 2027	
Conditions for exercise			(Note 2)	
Ownership by officers and employees, etc.	Members of the Managing Board (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members)	Members of the Managing Board (excluding Outside Members)	Number of share acquisition rights	10,450 units
			Number of shares subject to share acquisition rights	313,500 shares
			Number of right holders	6 individuals
		Members of the Managing Board (Outside)	Number of share acquisition rights	– units
			Number of shares subject to share acquisition rights	– shares
			Number of right holders	– individuals
	Members of the Managing Board (Audit and Supervisory Committee Members)	Members of the Managing Board (excluding Outside Members)	Number of share acquisition rights	200 units
			Number of shares subject to share acquisition rights	6,000 shares
			Number of right holders	1 individual
		Members of the Managing Board (Outside)	Number of share acquisition rights	– units
		Number of shares subject to share acquisition rights	– shares	
		Number of right holders	– individuals	
	Employees of the Company	Number of share acquisition rights	28,526 units	
		Number of shares subject to share acquisition rights	855,780 shares	
		Number of right holders	188 individuals	
	Officers and employees of subsidiaries	Number of share acquisition rights	13,170 units	
		Number of shares subject to share acquisition rights	395,100 shares	
		Number of right holders	73 individuals	

Notes: 1. The exercise of share acquisition rights requires the contribution of property (72,960 yen for each unit of share acquisition right).

2. A person who has received allotment of share acquisition rights must be in a position of Member of Managing Board,

Audit & Supervisory Board Member or employee of the Company or its subsidiary at the time of exercise of share acquisition rights. However, when a holder of share acquisition rights retires as an employee at the retirement age, or from the position of Member of Managing Board, Audit & Supervisory Board Member or of the Company or its subsidiary due to the expiry of his/her term of office, he or she may exercise his/her share acquisition rights for two years following his/her retirement. The heirs of the holder of share acquisition rights may exercise the share acquisition rights. Acquisition of share acquisition rights through transfer shall require approval by the Company's Managing Board.

3. The Company implemented a stock split at a ratio of 3 shares for each share of common stock with an effective date of April 1, 2024. The above "Number of shares subject to share acquisition rights" and "Value of property to be contributed upon exercise of share acquisition rights" are calculated to reflect the stock split.

(2) Share acquisition rights granted during the fiscal year under review

Not applicable.

(3) Other significant matters concerning share acquisition rights

Not applicable.

### **Summary of limited liability agreement**

In accordance with the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with each Outside Director to limit his or her liability for damages under Article 423, paragraph (1) of the same Act.

The maximum amount of liability for damages stipulated in these agreements are the minimum amount prescribed in laws and regulations.

### **Summary of liability insurance agreement for officers, etc.**

The Company has entered into a Directors and Officers liability insurance policy with an insurance company, as prescribed in Article 430-3, paragraph (1) of the Companies Act. The scope of insured persons under this insurance policy include the Company's Directors and Executive Officers, the directors and audit & supervisory board member of subsidiaries, and managerial employees of the Company and its subsidiaries. The insured persons do not bear the cost of insurance premiums. The insurance policy provides coverage for damages such as compensation for damages and litigation costs to be borne by the insured. However, there are exemptions such as damages arising from acts knowingly committed in violation of laws and regulations not being covered.

### **Outside Officers**

- a. Important concurrent positions as executive of other companies, etc., and relationships between the Company and such other companies, etc.

- Not applicable.

- b. Important concurrent positions as outside officer of other companies, etc., and relationships between the Company and such other companies, etc.

- Member of the Managing Board (Outside) Haruo Inoue is an Outside Director of UNIRITA Inc.

There are no special relationships between the Company and UNIRITA Inc.

- Member of the Managing Board (Outside) Yuka Fujioka is an Outside Director of Maruichi Steel Tube Ltd.

There are no special relationships between the Company and Maruichi Steel Tube Ltd.

c. Main activities during the fiscal year ended March 31, 2025

	Attendance, comments, and summary of duties performed regarding the roles expected of Members of the Managing Board (Outside)
Member of the Managing Board (Outside) Kazuo Ota	Kazuo Ota attended 17 of 18 meetings of the Managing Board held during the fiscal year ended March 31, 2025. Based on his abundant experience and extensive knowledge as a manager of a globally operating company he is fulfilling his role on the Managing Board by making the necessary comments as appropriate during deliberations on proposals and exercising management oversight to ensure the appropriateness and soundness of decision-making.
Member of the Managing Board (Outside) Haruo Inoue	Haruo Inoue attended all 14 of the meetings of the Managing Board held since he was appointed during the fiscal year ended March 31, 2025. Based on his knowledge of finance, financial accounting, risk management, etc. as a financial institution manager, in addition to his abundant experience and extensive knowledge in the business world, he is fulfilling his role on the Managing Board by making the necessary comments as appropriate during deliberations on proposals and exercising management oversight to ensure the appropriateness and soundness of decision-making.
Member of the Managing Board (Outside) Yuka Fujioka	Yuka Fujioka attended 13 of 14 of the meetings of the Managing Board held since she was appointed during the fiscal year ended March 31, 2025. Based on her global perspective and deep knowledge cultivated through extensive overseas experience, and abundant experience and extensive knowledge in management, etc., she is fulfilling his role on the Managing Board by making the necessary comments as appropriate during deliberations on proposals and exercising management oversight to ensure the appropriateness and soundness of decision-making.
Member of the Managing Board (Outside) (Audit and Supervisory Committee Member) Kazumasa Hashimoto	Kazumasa Hashimoto attended all 18 meetings of the Managing Board and all 17 meetings of Audit and Supervisory Committee held during the fiscal year ended March 31, 2025. Based on his wealth of experience and knowledge of finance and accounting as a corporate manager of a financial institution, he has fulfilled his role of ensuring the soundness and transparency of management and the auditing and supervisory functions through appropriate auditing and supervision of business execution such as providing necessary comments on deliberation of proposals as appropriate in the Managing Board and the Audit and Supervisory Committee.
Member of the Managing Board (Outside) (Audit and Supervisory Committee Member) Michihide Iwasa	Michihide Iwasa attended all 18 meetings of the Managing Board and all 17 meetings of Audit and Supervisory Committee held during the fiscal year ended March 31, 2025. Based on his wealth of experience and knowledge of corporate management, etc., he has fulfilled his role of ensuring the soundness and transparency of management and the auditing and supervisory functions through appropriate auditing and supervision of business execution such as providing necessary comments on deliberation of proposals as appropriate in the Managing Board and the Audit and Supervisory Committee.

## Accounting Auditors

(1) Name Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration, etc.

	Payment amount (Millions of yen)
Amount of remuneration, etc. for the accounting auditor for the fiscal year under review	184
Total amount of money or other economic benefits to be paid by the Company and its subsidiaries to the accounting auditor	184

- Notes:
1. Among the Company's significant subsidiaries, Sysmex Europe SE and seven other companies have been audited (limited to audits in accordance with the provisions of the Companies Act or the Financial Instruments and Exchange Act (including the laws and regulations of foreign countries corresponding to said Acts)) by a certified public accountant or an audit corporation (including those with qualifications equivalent to such qualifications in foreign countries) other than the Company's accounting auditor.
  2. The audit contract between the Company and the accounting auditor does not distinguish between the remuneration for audits under the Companies Act and audits under the Financial Instruments and Exchange Act, and it is not practically possible to do so. Therefore, the total amount of these is stated as the amount of remuneration, etc. for the fiscal year under review.
  3. The Audit and Supervisory Committee obtained necessary materials and received reports from Members of the Managing Board, relevant internal departments, and the accounting auditor regarding the appropriateness of the audit plan prepared by the accounting auditor, the performance status of audit duties, and the basis for calculating the estimated remuneration. The Committee also reviewed the status of non-audit service engagements and the reasonableness of the related remuneration. After verifying the appropriateness of the remuneration amount and other terms of the audit contract with the accounting auditor, the Committee has decided to consent to the amount of remuneration for the accounting auditor.
  4. In addition to the above, during the fiscal year under review, the Company paid an additional 19 million yen as remuneration related to the audit of the previous fiscal year.

(3) Description of non-auditing services

Not applicable.

(4) Policy on decisions concerning the dismissal or non-reappointment of the Accounting Auditor

The policy on decisions concerning the dismissal or non-reappointment of the Accounting Auditor is as follows, and the Audit and Supervisory Committee, if it is deemed necessary, will determine the content of a proposal to be proposed to the General Meeting of Shareholders concerning the dismissal or non-reappointment of the Accounting Auditor.

1. In cases when Accounting Auditor is judged to be applicable to any of the items stipulated in Article 340, paragraph (1) of the Companies Act
2. In cases when Accounting Auditor is subject to disciplinary action or punishment from the supervisory authorities for violations of the Companies Act, Certified Public Accountants Act, or other laws and regulations
3. In addition, if it is determined that it is difficult for the Accounting Auditor to perform its duties properly, or if a change of auditor is deemed appropriate, taking into account the Accounting Auditor's audit quality, quality control, independence, overall competence, and other relevant factors.

## **System to ensure the appropriateness of operations and operation status of the system**

### (1) System for ensuring the proper conduct of business

The resolution of the Managing Board regarding the basic policy on the internal control system is as follows. (Revised on April 1, 2023)

#### Basic Policy

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- a. The Company and its subsidiaries (the “Sysmex Group”) has defined its corporate behaviors toward stakeholders based on the “Sysmex Way”, the Group corporate philosophy that serves as a cornerstone for all Sysmex Group activities by defining our stance, directions of pursuit and values, and Shared Values toward stakeholders. Executives and employees conduct business activities in accordance with these Shared Values.
  - b. Sysmex has established and applies a system required for ensuring appropriate operations, which forms the basis for processes required for maintaining organizational soundness and, by realizing the “Sysmex Way”, contributes toward the achievement of business objectives and the enhancement of corporate value.
  - c. The Managing Board has formulated the Basic Policy for the Internal Control System outlined. The board directs and supervises the implementation status of internal controls, confirms the status of its maintenance and operation, as well as its appropriateness, making revisions as necessary. To augment effectiveness, the Internal Control Committee and a specialized organization have been established as organizations dedicated to internal control, which maintain and apply the internal control system.
- \* Corporate Philosophy “Sysmex Way”: The “Sysmex Way” consists of three parts: the Mission, which defines our social raison d’être and states how we hope to contribute to society; the Value, which describes the values and management style that we must abide by; and the Mind, which expresses the mindset and code of conduct that every employee within the Sysmex Group must observe. The Shared Values state the specific value we provide to stakeholders.

### 1) Systems to ensure the appropriateness of business activities in the Group

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Sysmex has formulated the “Sysmex Way” and Shared Values based on this philosophy and promotes appropriate operations throughout the Group. In accordance with the Basic Policy for the Internal Control System formulated by the Managing Board, Sysmex promotes the overall maintenance and application of internal control across the Group, centered on the Internal Control Committee and a specialized organization for internal control. In each control area, such as compliance and risk management, Sysmex has established administrative sections and committees, formulated related global regulations, and put in place and operates a system to ensure operational appropriateness as a group.

Internal audit offices are in place at key subsidiaries, and Sysmex’s Internal Audit Office conducts audits of the Sysmex Group as a whole from a regional and companywide perspective. Based on its regulations relating to the management of affiliated companies, Sysmex respects the autonomy of the management of subsidiaries and other affiliated companies and ensures the appropriateness of business activities throughout the Sysmex Group by such means as periodic reporting on the details of their business activities and advance discussion concerning important matters.

### 2) Systems for ensuring that the execution of duties is compliant with laws and regulations and the Articles of Incorporation

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The Sysmex Group defines compliance as “the conduct of open and aboveboard business activities on the basis of observance of laws and regulations and high ethical standards” and maintain a system to ensure compliance as described below.

Recognizing that compliance violations are the most significant risk causing loss of society’s trust, Sysmex operates a Group-wide risk management system, under which the Compliance Committee is established as the umbrella organization for compliance, and promotes and strengthens compliance. The Sysmex Group has



formulated a Global Compliance Code that applies to employees and members of the Managing Board and rigorously ensures compliance through education and training. The Sysmex Group promotes the rapid detection and correction of violations of laws and regulations or the Articles of Incorporation by means of an internal compliance-related reporting system, and conducts audits of the compliance structure by means of the Internal Audit Office.

### 3) System for the retention and management of information

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Sysmex has formulated Global Document Management Regulations. In accordance with these regulations, the Group appropriately retains and manages minutes of Managing Board and other important meetings, as well as other information relating to the execution of duties by members of the Managing Board, and maintains the information in a state available for inspection as necessary.

### 4) Regulations concerning the management of risk of loss and other systems

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To maintain a structure concerning risk management, Sysmex complies with risk management regulations and strives to mitigate risk, centered on the Internal Control Committee, for the integrated management of internal control throughout the Group. The Internal Control Committee endeavors to discover foreseeable risks, select the most important of these risks, clarify the sections responsible for coping with risks, work with these sections, business divisions and other risk owners, establish countermeasures and confirm the implementation status of these countermeasures.

### 5) Systems to ensure the efficient execution of duties

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Sysmex has positioned the Managing Board as the institution to make important management decisions and supervise the execution of duties. The Company has introduced the executive officer system to be capable of making swifter operating decisions and reinforce management functions in order to respond quickly to changes in the business environment.

The Sysmex Group clarifies decision-making procedures and ensures efficient business operations based on organization regulations, scope of authority regulations, regulations concerning the management of affiliated companies, and others. In addition, the Group formulates mid-term plans and annual management plans, periodically confirms the progress made with those plans and takes any necessary measures.

### 6) Assignment of employees to assist the Audit and Supervisory Committee

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At Sysmex, the Internal Audit Office provides organizational assistance for the duties of the Audit and Supervisory Committee.

When employees at the Internal Audit Office assist the Audit and Supervisory Committee in its duties, they obey the Audit and Supervisory Committee's orders and instructions.

To ensure independence from members of the Managing Board (excluding members of the Managing Board who are Audit and Supervisory Committee members), personnel matters involving employees of the Internal Audit Office (including appointments, transfers and disciplinary actions) are discussed in advance with the Audit and Supervisory Committee.

### 7) Policy on handling audit expenses

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Sysmex has in place a budget corresponding to the annual audit plan in order to defray the expenses required for the execution of duties by the Audit and Supervisory Committee. Procedures are handled appropriately in the event additional expenses are required for the execution of duties by the Audit and Supervisory Committee.

8) Systems related to reporting to the Audit and Supervisory Committee and other systems for ensuring effective and efficient auditing by the Audit and Supervisory Committee

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If a member of the Managing Board or employee of the Group discovers a violation of the law or the Articles of Incorporation or a material fact that poses risk of causing significant damage to the Sysmex Group, that fact is promptly reported to the Audit and Supervisory Committee according to the prescribed regulations and procedures.

Members of the Audit and Supervisory Committee also attend important meetings such as meetings of the Managing Board, Steering Committee and other meeting bodies, read important documents such as approval requests, and request explanations from members of the Managing Board and employees of the Sysmex Group as necessary.

Sysmex prohibits dismissal or any other disadvantageous treatment to members of the Managing Board and employees of the Sysmex Group who report information as outlined above.

(2) Outline of the operational status of internal control system

The Group operates its internal control system described below in accordance with the “Basic Policy for the Internal Control System.”

1) Systems to ensure the appropriateness of business activities in the Group

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The Group conducts its business activities based on the “Sysmex Way” and Shared Values. In April 2020, the Company established an Internal Control Committee chaired by the President and a specialized organization for internal control to promote the enhancement of development and operation of the internal control.

The Company promotes compliance and human rights initiatives based on compliance regulations and human rights policies applicable to the entire Group. The Compliance Committee oversees related activities across the entire Group. The Company also provides education on compliance to its officers and employees through in-house training and other means to inform them about the content of relevant laws and regulations and any changes thereto. This is part of the Company’s efforts to promote compliance with laws, regulations, and the Articles of Incorporation.

Based on the risk management regulations that apply to the entire Group, the Company regularly conducts risk assessments, identifies significant risks and considers risk countermeasures. The responsible departments or subsidiaries implement these risk measures and report the results to the Internal Control Committee.

The Internal Audit Office of the Company and the internal audit departments in each region share information on a regular basis and work together to conduct internal audits of the entire Group.

The Company has established regulations for the management of affiliated companies that apply to the entire Group. The Company receives periodic reports on business activities from its subsidiaries and, for the execution of important business activities, requires prior approval from the Company to ensure proper management and supervision, thereby ensuring the appropriateness of operations.

2) Systems for ensuring that the execution of duties is compliant with laws and regulations and the Articles of Incorporation

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The Company, through the Compliance Committee, deliberates on important compliance-related matters and promotes related initiatives, and oversees Group-wide activities.

The Company has also established compliance regulations and codes that apply to the entire Group, appointed compliance officers at the Company and Group companies, and created educational materials that provide specific guidelines for conduct, which have been communicated to officers and employees.

In addition, an internal reporting system has been established to enable all employees of the Group, including those of overseas Group companies, to report directly to the Group’s Chief Compliance Officer. Internal reports are handled appropriately, with measures in place to protect whistleblowers.

Furthermore, the Internal Audit Office of the Company audits the development and implementation status of the compliance system and reports its findings to the President as well as the Audit and Supervisory Committee.

### 3) System for the retention and management of information

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The Company has established regulations regarding document management and information security that apply to the entire Group. In addition, based on the regulations regarding information management, the Company has appointed regional information security officers in each region and prepared educational materials for specific practical work, which have been communicated to employees and officers.

Minutes of Meetings of the Managing Board and other important meetings, as well as documents such as internally approved document and decision-making records, are stored and managed in accordance with applicable regulations, and are kept available for inspection for a specified period.

Furthermore, in order to protect the information assets held by the Group, the Company has established an Information Security Committee and promotes security measures for all regions.

### 4) Regulations concerning the management of risk of loss and other systems

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The Company has established regulations regarding risk management and developed a Group-wide risk management system.

It also conducts periodic risk assessments. Specifically, the Internal Control Committee identifies important risks for the Group and examines risk countermeasures, while monitoring their implementation.

The Company strives to understand the status of risk management at its subsidiaries and provides support as necessary to strengthen the overall risk management structure.

The Company provides education on risk management to its officers and employees through in-house training and other means and promotes initiatives to enhance risk response.

In addition, the Company has formulated a business continuity plan to prepare for disasters such as earthquakes, and promotes preventive measures. To be able to respond in the event of a disaster, the Company continuously works to strengthen its framework by making ongoing improvements in a timely manner through maintaining relevant regulations and manuals, conducting regular drills, and other efforts.

### 5) Systems to ensure the efficient execution of duties

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The Company's Managing Board consists of nine Members of the Managing Board (excluding Members of the Managing Board who are Audit and Supervisory Committee Members), including three Members of the Managing Board (Outside), and three Member of the Managing Board who are Audit and Supervisory Committee Members, including two Members of the Managing Board (Outside). The Board engages in lively discussions.

The Managing Board is held once a month as a general rule, and additional extraordinary meetings are convened as necessary to supervise the execution of business operations.

Proposals submitted to the Managing Board are promptly determined based on discussions at the meetings of Global Strategy Committee, Steering Committee and other meeting bodies. Important matters within the Company are decided and approved promptly and appropriately in accordance with organization regulations, scope of authority regulations, regulations on internal approval procedure, and procedural manuals. The Group's Mid-Term Management Plan (3-year plan) and Annual Management Plan (1-year plan) set targets to be achieved, and progress is checked regularly.

#### 6) Assignment of employees to assist the Audit and Supervisory Committee

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The Company does not have dedicated personnel to assist the Audit and Supervisory Committee. However, the Company's Internal Audit Office serves as the secretariat of the Audit and Supervisory Committee and also supports the audit activities of its Members.

In addition, the Audit and Supervisory Committee Members regularly, and as necessary, exchange information and hold discussions with the Internal Audit Office to ensure coordination.

#### 7) Policy on handling audit expenses

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The Company ensures that the necessary budget for expenses incurred in the execution of the duties of the Audit and Supervisory Committee is allocated and promptly processed.

#### 8) Systems related to reporting to the Audit and Supervisory Committee and other systems for ensuring effective and efficient auditing by the Audit and Supervisory Committee

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Members of the Managing Board appropriately report to the Audit and Supervisory Committee when they determine that an event has occurred or may occur that could result in significant losses to the Company or any of its Group companies.

In addition to attending the Meetings of the Managing Board, the Audit and Supervisory Committee Members participate in other important meetings, where they receive reports on management strategies, business performance, significant transactions, and other key matters.

They are also granted access to internally approved documents and minutes of major meeting bodies, and collect information on their own when necessary.

The Company has rules in place to ensure that no officer or employee will be subject to adverse treatment as a result of internal reporting.

#### **Basic policy related to control of the Company**

The Company has not established any specific basic policy related to the role of persons who control decisions on the Company's financial and business policies.

We will continue to increase our market capitalization through sustained enhancement of corporate value, enhance management transparency, promote IR activities for proactive information disclosure, implement ongoing shareholder return measures, and build a company that is attractive to our shareholders.

The above report is presented according to the following.

1. Amounts presented in millions of yen are rounded down to the nearest million yen.
2. Numbers of shares presented in thousands of shares are rounded down to the nearest thousand shares.
3. Ratios are presented rounded to one decimal place by rounding the second decimal place.

**Consolidated statement of changes in equity**

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance as of April 1, 2024	14,729	20,830	365,985	(12,315)	42,814	432,045	851	432,897
Profit	–	–	53,669	–	–	53,669	(93)	53,576
Other comprehensive income	–	–	–	–	(4,141)	(4,141)	–	(4,141)
Comprehensive income	–	–	53,669	–	(4,141)	49,527	(93)	49,434
Issuance of new shares (exercise of share acquisition rights)	158	90	–	–	–	248	–	248
Share-based payment transactions	–	39	–	–	–	39	–	39
Dividends	–	–	(18,081)	–	–	(18,081)	–	(18,081)
Purchase of treasury shares	–	–	–	(2)	–	(2)	–	(2)
Disposal of treasury shares	–	0	–	0	–	0	–	0
Transfer from other components of equity to retained earnings	–	–	1,247	–	(1,247)	–	–	–
Total transactions with owners	158	129	(16,834)	(2)	(1,247)	(17,796)	–	(17,796)
Balance as of March 31, 2025	14,887	20,960	402,820	(12,318)	37,425	463,776	758	464,534

## Notes to the Consolidated Financial Statements

Notes to significant matters as the basis of preparing consolidated financial statements

### 1. Basis of the preparation of consolidated financial statements

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (the “IFRS”) as provided by Article 120-1 of the Regulations for Corporate Accounting. As prescribed in the latter part of the Article 120-1, some disclosure items required under IFRS are omitted.

### 2. Scope of consolidation

Number of subsidiaries: 80 companies

Name(s) of major subsidiaries

- Sysmex America, Inc.
- Sysmex Reagents America, Inc.
- Sysmex do Brasil Industria e Comercio Ltda.
- Sysmex Europe SE
- Sysmex Deutschland GmbH
- Sysmex UK Limited
- Sysmex France S.A.S.
- Sysmex Shanghai Ltd.
- Jinan Sysmex Medical Electronics Co., Ltd.
- Sysmex Asia Pacific Pte Ltd.
- Sysmex India Pvt. Ltd.
- Sysmex RA Co., Ltd.
- Sysmex Korea Co., Ltd.
- Sysmex Partec GmbH
- Oxford Gene Technology IP Limited

### 3. Application of the equity method

Number of companies accounted for using the equity method: 2

Name(s) of companies accounted for using the equity method

- Mediaroid Corporation

### 4. Accounting policies

#### (1) Standards and methods for valuation of financial instruments

##### 1) Financial assets

##### (i) Initial recognition and measurement

Financial assets are classified into financial assets measured at amortized cost and financial assets measured at fair value at initial recognition.

Financial assets that meet both of the following conditions are measured at amortized cost, and all other financial assets are measured at fair value:

- (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

- (b) The contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments measured at fair value, excluding equity instruments held for trading that are required to be measured at fair value through profit or loss, shall be designated either as measured at fair value through profit or loss or measured at fair value through other comprehensive income for each equity instrument at the initial acquisition and subsequently to apply such designation.

In the case of financial assets not measured at fair value through profit or loss, the financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets at initial recognition. However, trade receivables, which do not contain a material financial component, are measured at the transaction price.

Financial assets, such as stocks and bonds, are initially recognized on the contract date. All other financial assets are initially recognized on the transaction date.

(ii) Subsequent measurement

After initial recognition, financial assets are measured according to their classification as follows:

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured using the effective interest method. Amortized cost using the effective interest method and gains and losses upon derecognition are recognized in profit or loss.

(b) Financial assets measured at fair value

Changes in fair value of financial assets measured at fair value are recognized in profit or loss, except for equity instruments that have been designated as measured at fair value through other comprehensive income. Any changes in fair value are recognized in other comprehensive income and transferred directly to retained earnings when derecognized or where losses are expected to be realized.

(iii) Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets are expired or transferred, and substantially all the risks and rewards of ownership of such financial assets are transferred.

2) Impairment of financial assets

In terms of financial assets measured at amortized cost, an assessment is made at each reporting date as to whether or not the credit risk on financial assets has increased significantly since the initial recognition, and the following amounts are recognized as an impairment loss depending on whether or not a significant increase in credit risk has occurred since the initial recognition:

(i) If credit risk has not increased significantly since initial recognition:

Amount equal to 12-month expected credit losses

(ii) If credit risk has increased significantly since initial recognition:

Amount equal to lifetime expected credit losses

However, for trade receivables, contract assets and lease receivables, impairment losses in the amount equivalent to lifetime expected credit losses are recognized, regardless of whether the credit risk has increased significantly since initial recognition.

Expected credit losses are calculated in the following manner:

(i) Trade receivables, contract assets and lease receivables

- Assets for which credit risk has not increased significantly since initial recognition:

Expected credit losses are calculated by multiplying the probability of default expected to occur in the future of similar assets by the carrying amount.

- Assets for which credit risk has increased significantly since initial recognition and assets that fall under credit-impaired financial assets:

The recoverable amounts are estimated individually, and the difference between the recoverable amounts and the carrying amounts is recognized as expected credit loss.

(ii) Assets other than (i) above

- Assets for which credit risk has not increased significantly since initial recognition:

Expected credit losses are calculated by multiplying the probability of default expected to occur in the future of similar assets by the carrying amount.

- Assets for which credit risk has increased significantly since initial recognition and assets that fall under credit-impaired financial assets:

The recoverable amounts are estimated individually, and each expected credit loss is measured as the difference between the present value of such assets discounted by the initial effective interest rate and the carrying amount.

The carrying amount of financial assets for which an impairment loss has been recognized is reduced through loss allowance, and impairment loss is recognized in profit or loss. In addition, when the Group has no reasonable expectations of recovering a financial asset, the carrying amount of the financial asset is reduced directly and the corresponding allowance account is also reduced.

If, after recognition of an impairment loss, the amount of impairment loss is reduced, the amount of reduction of the impairment loss is reversed in profit or loss through the allowance account.

### 3) Financial liabilities

#### (i) Initial recognition and measurement

Financial liabilities are classified into financial liabilities measured at amortized cost or at fair value through profit or loss at initial recognition. All financial liabilities are initially measured at fair value, except for financial liabilities measured at amortized cost, which are measured at the amount net of direct transaction costs.

#### (ii) Subsequent measurement

After initial recognition, financial liabilities are measured according to their classification as follows:

##### (a) Financial liabilities measured at amortized cost

Measured at amortized cost using the effective interest method. Amortized cost using the effective interest method and gains and losses upon derecognition are recognized in profit or loss.

##### (b) Financial liabilities measured at fair value through profit or loss

Measured at fair value. Any changes in fair value of financial liabilities measured at fair value are recognized in profit or loss.

#### (iii) Derecognition

Financial liabilities are derecognized when obligations specified in a contract are discharged, cancelled, or expired.

### 4) Derivatives and hedge accounting

Derivatives are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value.

The Company and its subsidiaries (the “Group”) uses forward exchange contracts, and similar contracts, to manage the foreign currency exchange rate risk exposure of recognized financial assets, liabilities and forecast transactions.



Among the derivatives mentioned above, there are no transactions that apply hedge accounting. Accordingly, derivative financial instruments are classified as “financial assets measured at fair value through profit or loss” and “financial liabilities measured at fair value through profit or loss.”

5) Offsetting financial instruments

A financial asset and a financial liability are offset and the net amount is presented in the consolidated statement of financial position only when the Group currently has a legally enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the asset and settle the liability simultaneously.

6) Fair value measurements

IFRS 13, “Fair Value Measurement,” categorizes the inputs used to measure fair value into the following three levels according to the extent to which the input is observable from the outside:

Level 1: Quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(2) Standards and methods for valuation of inventory

Inventories are measured at the lower of acquisition cost, or net realizable value. Acquisition cost of inventories is calculated primarily based on the weighted-average cost formula and comprises all costs of purchase, processing costs, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(3) Standards and methods for valuation of property, plant and equipment and intangible assets, and methods of depreciation or amortization

1) Property, plant and equipment

(i) Recognition and measurement

For property, plant and equipment, the cost model is adopted, whereby such items are measured at acquisition cost less accumulated depreciation and accumulated impairment losses.

Acquisition cost includes any directly attributable costs of acquiring the assets and the initially estimated costs of dismantling and removing the assets and site restoration.

(ii) Depreciation

Depreciation of property, plant and equipment (other than land and other non-depreciable assets) is calculated using the straight-line method over the estimated useful life of each asset.

The estimated useful lives are as follows:

Buildings and structures: 10 to 50 years

Machinery and vehicles: 5 to 12 years

Tools, furniture and fixtures: 2 to 15 years

The depreciation methods, estimated useful lives, and residual values are reviewed at the end of the fiscal year and revised as necessary.

2) Intangible assets

For intangible assets, the cost model is adopted and such items are measured at acquisition cost less accumulated amortization and accumulated impairment losses.

Expenses incurred from development activities are recognized as expenses when incurred. However, an intangible asset arising from development is recognized only if the Group can demonstrate all of the following:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale
- (ii) its intention to complete the intangible asset and use or sell it
- (iii) its ability to use or sell the intangible asset
- (iv) how the intangible asset will generate probable future economic benefits
- (v) the availability of adequate technical, financial, and other resources to complete development and to use or sell the intangible asset
- (vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development

Intangible assets are amortized by the straight-line method over their estimated useful lives from the day on which the assets become available for use.

The estimated useful lives are as follows:

Software:	3 to 10 years
Development expenses:	3 to 20 years
Other intangible assets:	2 to 21 years

The amortization methods, estimated useful lives, and residual values are reviewed at the end of the fiscal year and revised as necessary. Certain trademarks that have been assessed as having indefinite useful lives are not amortized because the Group expects to continue to benefit from the trademarks as long as the related businesses continue to operate.

#### (4) Goodwill

Goodwill is presented at acquisition cost less accumulated impairment losses. Goodwill is not amortized, but is tested for impairment in each period.

Identifiable assets and liabilities of the acquiree are recognized at fair value on the acquisition date.

If the sum of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree exceeds the net value of the identifiable assets and liabilities as of the acquisition date, the excess is recognized as goodwill. Conversely, if the sum is less than the net value, the difference is recognized in profit or loss. The consideration transferred is measured as the sum of fair values of the assets transferred, liabilities incurred, and equity interests issued, and includes the fair value of any assets or liabilities arising from contingent consideration arrangements. Acquisition-related costs are recognized as expenses in the periods in which the costs were incurred.

#### (5) Impairment of non-financial assets

In terms of non-financial assets (other than inventories and deferred tax assets), an assessment is made at the end of each reporting period for any indications of impairment in each asset or cash-generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash-generating unit, and it is tested for impairment.

Goodwill and intangible assets with indefinite useful lives are tested for impairment every year or whenever any indications of impairment exist.

As corporate assets do not independently generate cash inflows, when indications of impairment become apparent in corporate assets, impairment testing is conducted based on the recoverable amount of the cash-generating unit to which such assets belong.

The recoverable amount is calculated as the higher of the fair value, less costs of disposal or the value in use. The value in use is the present value calculated by discounting the estimated future cash flows from the asset or cash-generating unit.

If the recoverable amount of the asset or cash-generating unit is less than its carrying amount, the carrying amount is reduced to the recoverable amount and the difference is recognized as impairment loss in profit or loss.

For impairment loss of assets or cash-generating units excluding goodwill recognized in prior periods, assessment is conducted at the end of each reporting period whether there is any indication that an impairment loss may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated, and if the recoverable amount exceeds the carrying amount of the asset or cash-generating unit, impairment loss is reversed. Reversal is recognized in profit or loss and the increased carrying amount is not to exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset or cash-generating unit in prior periods.

Impairment loss recognized for goodwill is not reversed.

(6) Standards for recording provisions and allowances

Provisions are recognized if a present legal or constructive obligation exists as a result of a past event that can be estimated reliably and it is probable that an outflow of resources with economic benefits will be required to settle the obligation.

When the time value of money is material, a provision is measured at the present value of the amount required to settle the present obligation.

(7) Accounting methods related to employee benefits

1) Post-retirement benefits

The Group has defined benefit plans and defined contribution plans.

(i) Defined benefit plans

Net defined benefit liabilities (assets) are calculated at the discounted present value of benefit obligations under such plans less the fair value of the plan assets. Any amount recorded as assets from this calculation is limited to the present value of any future economic benefit available in the form of refunds from the plans or reductions in future contributions to the plans. Defined benefit plan obligations are calculated using the projected unit credit method as the discounted present value of the amount of estimated future benefits. The discount rate is determined by reference to market yields on high-quality corporate bonds as of the end of the reporting period, which reflect the estimated timing and amount of payment of the benefits.

Current service costs and net interest expenses related to the net defined benefit liabilities (assets) are recognized in profit or loss.

Past service costs are recognized immediately in profit or loss.

Remeasurements of net defined benefit liabilities (assets), including actuarial gains and losses, are recognized in other comprehensive income and are immediately reclassified from other comprehensive income to retained earnings.

(ii) Defined contribution plans

The contributions under the defined contribution plans are recognized as expenses in the period in which the employee renders the related service.

2) Others

Short-term employee benefits are recognized as expenses in the period in which the employee renders the related service without discounting.

Long-term employee benefits are recognized as a liability, the discount amount of future payment in exchange for services rendered in the prior and current periods.

Bonus payments and paid leave are recognized as liabilities in the estimated payment amount, where there is a legal or constructive obligation to pay and the obligation can be estimated reliably.

## (8) Revenues

The Group recognizes revenues from contracts with customers based on the following five-step approach:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group engages in the sale of diagnostic instruments and reagents and the provision of related services. Based on the five-step approach outlined above, in accordance with the details of contracts with customers, the Group combines contracts and identifies multiple performance obligations. Transaction prices are determined on the basis of consideration agreed upon in contracts with customers, less discounts and rebates. Transaction prices determined in this manner are allocated to the performance obligations, and revenue is recognized.

Certain of these contracts are transactions comprising multiple elements, including instruments, reagents, and maintenance services. To allocate the transaction price of multiple-element arrangements to each performance obligation on a relative stand-alone selling price basis, the Group determines the stand-alone selling price of the distinct good or service underlying each performance obligation in the contract at contract inception and allocates the transaction price in proportion to those standalone selling prices. If a stand-alone selling price is not directly observable, based on the actual transaction condition, the Group either uses the method to estimate the stand-alone selling price as expected cost plus a margin or the method to estimate the stand-alone selling price as the total transaction price of multiple-element arrangements less the stand-alone selling prices of other goods or services promised.

### 1) Sales of instruments and reagents

The Group recognizes revenue from the sale of instruments and reagents based on the details of contracts with customers, when the customer obtains control of such products and performance obligations are deemed to have been satisfied. Specifically, revenue is recognized when the rights of ownership and the risks thereof are transferred from the Group to the customer, either on the shipping date, at the time of transfer to the customer, or at the time of customer inspection and acceptance.

### 2) Maintenance service

Maintenance services mainly involve the provision of services on products for a certain period of time. As the control of these maintenance services is transferred over a defined period, revenue is recognized when performance obligations are satisfied over a defined period.

Revenue from maintenance services on products is primarily recognized through a calculation based on the percentage of the total volume of goods or services transferred (output method). If consideration is received from a customer before performance obligations are satisfied, this consideration is recognized as a contract liability.

Consideration related to the provision of these product sales and services is generally received within one year from the point revenue is recognized; therefore, it does not include a significant financial element.

(9) Foreign currency translation

1) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction.

At the end of each reporting period, foreign currency monetary items are translated into functional currency using the closing rate. Non-monetary items that are measured at fair value in a foreign currency are translated into functional currency using the exchange rate at the date when the fair value was measured.

Exchange differences arising from such translation or settlement are recognized in profit or loss. However, exchange differences arising from financial assets measured at fair value through other comprehensive income are recognized in other comprehensive income.

2) Foreign operations

The assets and liabilities of foreign operations are translated at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated at the average rates of exchange during the reporting period, unless there are material fluctuations in exchange rates. Exchange differences arising from such translation are recognized in other comprehensive income. However, the revenues and expenses of the Group's subsidiaries in the hyperinflationary economy are translated into Japanese yen at the spot exchange rates prevailing at the fiscal year end date in accordance with the hyperinflationary accounting. For more information on hyperinflation accounting, please refer to "4. Accounting policies (10) Hyperinflationary accounting adjustments."

When foreign operations are disposed of, the cumulative exchange differences related to such foreign operations are reclassified to profit or loss at the time of disposal.

(10) Hyperinflationary accounting adjustments

In accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies," the Group's consolidated financial statements include the financial statements of the subsidiaries in the hyperinflationary economy, which are restated in terms of the current measuring unit at the end of the reporting period.

The Group's subsidiaries in the hyperinflationary economy have restated its non-monetary items, such as property, plant and equipment, held at acquisition cost based on the acquisition date by applying the unit of measurement as of the end of the reporting period. Monetary items and non-monetary items held at current cost are not restated as they are considered to be expressed in terms of the current measuring unit at the end of the reporting period.

Notes to accounting estimates

Valuation of goodwill

1. Amount recorded in the consolidated financial statements

Goodwill	4,205 million yen
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2. Other matters

The recoverable amount used in impairment testing of goodwill is measured at the value in use. The value in use is determined by discounting estimated future cash flows based on financial budgets of each cash-generating unit or a group of cash-generating units for one to five years, which are approved by management, and growth rates. The financial budgets used for impairment testing are subject to uncertainty because they include assumptions such as the timing of regulatory approval, the timing of new product launches, demand forecasts for new countries and markets, the effects of business-related initiatives which are underway, and sales forecasts and related cost estimates for each product and region based on these assumptions. These estimates are based on historical data as well as external information, such as future market forecasts. Growth rates are determined by taking into consideration

the average long-term growth rate of the market or the country in which each cash-generating unit or group of cash-generating units operates. The discount rates are determined based on the before-tax weighted-average capital cost for the market or the country in which each cash-generating unit or group of cash-generating units operates. In addition, growth rates and discount rates may be affected by uncertain future changes in economic conditions and other factors. If such uncertainties materialize and require revisions to future plans, or if there are significant changes in the growth rate or discount rate, it could have a material impact on the consolidated financial statements for the following fiscal year.

#### Notes to consolidated statement of financial position

1. The stated amounts are rounded down to the nearest million yen.
2. Loss allowance deducted directly from assets  
Trade and other receivables (current assets) 1,315 million yen
3. Accumulated depreciation and accumulated impairment losses of property, plant and equipment  
150,619 million yen
4. Contingent liabilities

#### Guarantee of obligations

The Company is contingently liable as guarantor of the indebtedness of its equity-method affiliated company for borrowing from a financial institution.

(Millions of yen)

Guaranteed	Guarantee amount	Nature of guarantee
Medicaroid Corporation	7,200	Guarantee for working capital loans
Total	7,200	

Note: The Group recognized liabilities associated with equity method of 6,773 million yen for the fiscal year ended March 31, 2025.

#### Notes to consolidated statement of income

1. The stated amounts are rounded down to the nearest million yen.
2. The Group recognized an impairment loss of 3,211 million yen for the fiscal year ended March 31, 2025.

The impairment loss was mainly attributable to the 3,172 million yen in impairment losses pertaining to the goodwill arising from the business combination of Sysmex Partec in the Headquarters segment.

#### Notes to consolidated statement of changes in equity

1. The stated amounts are rounded down to the nearest million yen.
2. Class and total number of the issued shares as of March 31, 2025  
Common stock 629,473,176 shares

### 3. Dividends during the fiscal year under review

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Dividend record date	Effective date
Ordinary General Meeting of Shareholders held on June 21, 2024	Common stock	8,792	42.00	March 31, 2024	June 24, 2024
Meeting of the Managing Board held on November 6, 2024	Common stock	9,420	15.00	September 30, 2024	December 3, 2024

- Notes:
- The total dividends as a result of the resolution of the Ordinary General Meeting of Shareholders on June 21, 2024 includes dividends of 63 million yen on the Company's shares held by the ESOP trust.
  - The Company implemented a stock split at a ratio of 3 shares for each share of common stock with an effective date of April 1, 2024, and the above "Dividends per share" determined by resolution of the Ordinary General Meeting of Shareholders held on June 21, 2024 shows the actual amount of dividends before the stock split.
  - The total dividends as a result of the resolution of the Meeting of the Managing Board on November 6, 2024 includes dividends of 67 million yen on the Company's shares held by the ESOP trust.

### 4. Dividends after the end of the fiscal year under review

The following proposal will be submitted.

Resolution	Class of shares	Source of dividends	Total dividends (Millions of yen)	Dividends per share (Yen)	Dividend record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 27, 2025	Common stock	Retained earnings	10,678	17.00	March 31, 2025	June 30, 2025

Note: The total dividends as a result of the resolution of the Ordinary General Meeting of Shareholders on June 27, 2025 includes dividends of 76 million yen on the Company's shares held by the ESOP trust.

### 5. Number of shares subject to share acquisition rights (for which the exercise period has commenced) as of the end of the fiscal year under review

Stock options granted by resolution of the Meeting of the Managing Board held on August 28, 2019

Common stock 1,570,380 shares

### Notes to financial instruments

#### 1. Status of financial instruments

##### (1) Capital management

The Group, in an effort to maximize its corporate value through sustained growth, has been focusing on capital management to maintain financial soundness in preparation for business investments that ensure growth, while enhancing capital efficiency.

The Group is not subject to any material capital restrictions.

##### (2) Financial risk management policy

In the course of executing business activities, the Group is exposed to various financial risks (credit, liquidity, and market). In order to avoid or mitigate such risks, the Group engages in risk management based on certain policies.

The Group invests funds in low-risk financial assets, mainly short-term deposits, and uses financial instruments, mainly bank loans, for funding.

Derivative transactions have been approved by a predetermined decision-maker based on the internal guidelines, which prescribe the authority and the limit of transactions, and are managed through the finance department, regularly confirming the balance as at each due date.

(3) Credit risk management

The Company manages its credit risk from receivables on the basis of internal guidelines, which include periodical monitoring of payment terms and balances for major customers by each business administration department in order to mitigate and identify at an early stage any customer default risks due to deteriorating finances. The credit risk regarding subsidiaries is also managed in the same manner.

Credit risk from major derivatives is minimized due to dealing only with large financial institutions.

The carrying amounts of financial assets after impairment loss stated in the consolidated statement of financial position represent the maximum exposure to credit risk at reporting dates that do not take into account collateral and other credit enhancements.

(4) Liquidity risk management

The Company manages its liquidity risk by holding adequate volumes of cash on hand in view of business income and expenditure, and capital investment plan along with adequate cash management plan by the finance department. The finance department of the Company manages liquidity risk by obtaining information on cash flows for the whole Group.

(5) Market risk management

1) Management of foreign currency exchange rate risk

In terms of foreign currency receivables and payables, foreign currency exchange rate risk, which is summarized with respect to each currency and each month, is managed mainly through use of forward exchange contracts. Forward exchange contracts are used for foreign currency forecast transactions and loans for subsidiaries, according to conditions in respect of foreign currency exchange rate fluctuations.

2) Management of interest rate risk

As the Group does not have material financial instruments exposed to interest rate risk, the interest rate risk is limited.

3) Management of market price fluctuation risk

Equity instruments are managed through regular monitoring of fair values and the financial positions of issuers.



## 2. Fair value of financial instruments

- Carrying amount and fair value

Carrying amounts and fair values of financial assets and financial liabilities as of March 31, 2025 are as follows. Financial assets and financial liabilities whose fair values approximate their carrying amounts are not included.

(Millions of yen)

	Carrying amount	Fair value
<b>Assets</b>		
Lease receivables	36,730	36,310
Bonds	150	147
Total	36,880	36,458
<b>Liabilities</b>		
Long-term loans payable	33,073	32,286
Others	76	75
Total	33,149	32,362

Note: Long-term loans payable include current portion of long-term loans payable which are included in “Other short-term financial liabilities” in the consolidated statement of financial position.

## 3. Breakdown, etc. of financial instruments by appropriate classification

### (1) Fair value measurement method

The fair values of major financial assets and financial liabilities are determined in the following manner. In measuring the fair values of financial instruments, the quoted price is used, if available. If the quoted price is not available, the method of discounting future cash flows or other appropriate methods are used.

#### 1) Trade and other receivables

The fair values of lease receivables are measured at the present value calculated by discounting future cash flows, using the applicable discount rate considering credit risk, and classified in Level 3.

#### 2) Other financial assets

- Stocks, etc.

The fair values of listed stocks are measured from the quoted prices of identical assets in active markets, and classified in Level 1.

The fair values of unlisted stocks and investments are measured, in accordance with the valuation policy and procedures set forth by the Company, using a valuation method based on the market values of comparable companies, a valuation method based on discounted future cash flows, a valuation method based on the net assets of the investee and other methods, and classified in Level 3.

#### 3) Derivative financial assets and derivative financial liabilities

The fair values of forward exchange contracts, etc., are measured based on the prices indicated by the financial institutions, which are the counterparties of the contracts, and classified in Level 2.

#### 4) Bonds and long-term loans payable

The fair values of bonds and long-term loans payable are measured at the present value discounted at the interest rate assumed for transactions with the same terms for the same remaining period, and are classified in Level 2.

The fair values of financial assets and financial liabilities other than those stated above approximate their carrying amount.

(2) Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is as follows:

(Millions of yen)

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Stocks, etc.				
Financial assets measured at fair value through profit or loss	–	–	2,953	2,953
Financial assets measured at fair value through other comprehensive income	3,956	–	2,921	6,877
Derivative financial assets				
Financial assets measured at fair value through profit or loss	–	116	–	116
Others				
Financial assets measured at fair value through profit or loss	195	–	1,730	1,925
<b>Total</b>	<b>4,152</b>	<b>116</b>	<b>7,605</b>	<b>11,873</b>
<b>Liabilities</b>				
Derivative financial liabilities				
Financial liabilities measured at fair value through profit or loss	–	147	–	147
<b>Total</b>	<b>–</b>	<b>147</b>	<b>–</b>	<b>147</b>

Note: Transfers between levels of the fair value hierarchy are recognized on the date on which the event occurred or the situation changed to necessitate the transfer. No transfers occurred for the fiscal year ended March 31, 2025.

## Notes to revenue recognition

### 1. Disaggregation of revenue

Reportable segments of the Group are constituent units of the Group for which separate financial data is available and that are examined on a regular basis for the purpose of enabling the Managing Board to decide on the allocation of resources and evaluate results of operations.

The Group mainly manufactures and sells diagnostic instruments and diagnostic reagents, and the Company acts as the headquarters in Japan and East Asia, while in other regions, regional headquarters established in the Americas, EMEA (Europe, Middle East and Africa), China, and Asia Pacific regions devise comprehensive strategies tailored to the characteristics of each region and conduct business activities. Furthermore, the Company supervises some overseas subsidiaries according to the content of their business.

Segments classified by region where located were previously used as reportable segments, but reportable segments have been changed based on a management approach unifying the performance management system to place emphasis on segments classified by headquarters and seeking to improve the efficiency of performance management from the fiscal year ended March 31, 2025. In terms of segments by headquarters, there are five reportable segments: “Headquarters,” “Americas RHQ,” “EMEA RHQ,” “China RHQ,” and “AP RHQ.”

The companies included in the reportable segments are as follows.

Reportable segment	Companies included in reportable segment
Headquarters	SYSMEX CORPORATION, Sysmex RA Co., Ltd., 12 other domestic subsidiaries, Oxford Gene Technology IP Limited, Sysmex Partec GmbH, Sysmex Korea Co., Ltd., and 12 other overseas subsidiaries
Americas RHQ	Sysmex America, Inc., Sysmex Reagents America, Inc., Sysmex do Brasil Industria e Comercio Ltda. and five other subsidiaries in the Americas region
EMEA RHQ	Sysmex Europe SE, Sysmex Deutschland GmbH, Sysmex UK Limited, Sysmex France S.A.S., and 25 other subsidiaries in the EMEA region
China RHQ	Sysmex Shanghai Ltd., Jinan Sysmex Medical Electronics Co., Ltd. and two other subsidiaries in the China region
AP RHQ	Sysmex Asia Pacific Pte Ltd., Sysmex India Pvt. Ltd. and nine other regional subsidiaries in the Asia Pacific region

Revenues recorded in the five reportable segments above are represented as net sales. Details classified to goods or services based on revenue recognized from contracts with customers are as follows:

	(Millions of yen)					
	Headquarters	Americas RHQ	EMEA RHQ	China RHQ	AP RHQ	Total
Goods or services						
Instruments	21,736	27,384	30,720	15,512	8,905	104,259
Reagents	56,572	61,467	83,630	87,212	24,935	313,818
Maintenance services	10,633	31,875	14,974	7,924	3,005	68,414
Others	5,046	2,187	6,346	7,178	1,392	22,150
Total	93,988	122,916	135,671	117,828	38,239	508,643
Revenues recognized from contracts with customers	92,521	113,026	122,723	117,697	35,572	481,541
Revenues recognized from other items (Note)	1,467	9,890	12,947	130	2,666	27,101

Note: Lease revenues based on IFRS 16 are included in revenues recognized from other items.

## 2. Contract balances

Balances of receivables arising from contracts with customers, contract assets and contract liabilities at the beginning and the end the fiscal year ended March 31, 2025 are as follows:

(Millions of yen)

	As of April 1, 2024	As of March 31, 2025
Receivables arising from contracts with customers	148,386	153,782
Contract assets	6,022	7,457
Contract liabilities	16,591	18,098

Contract assets are mainly unconditional rights to receive considerations in exchange for multi-component transactions consisting of instruments, reagents, and maintenance services, which are related to goods or services that have been completed as of the reporting date. In the consolidated statement of financial position, they are included in other current assets.

Contract liabilities are mainly related to unearned revenue and advances received from customers. Of the revenue recognized in the fiscal year ended March 31, 2025, 16,018 million yen of contract liabilities was included in the beginning of the fiscal year.

## 3. Transaction price allocated to remaining performance obligation

The aggregated amount of transaction price allocated to remaining performance obligations unsatisfied as of March 31, 2025, and the expected duration of the remaining performance obligations are as follows:

The table below does not include contracts for which original expected duration is one year or less. The table below also does not include contracts wherein the amount of consideration from a customer corresponds directly with the value provided to the customer.

(Millions of yen)

Within one year	19,327
Longer than one year	29,708
Total	49,036

## Notes to per share information

- |  |            |
|--|------------|
| 1. Equity attributable to owners of parent per share | 743.71 yen |
| 2. Basic earnings per share                          | 86.07 yen  |
| 3. Diluted earnings per share                        | 86.05 yen  |

Note: The Company has introduced the ESOP trust, and in calculating basic earnings per share and diluted earnings per share, the Company treats the Company's shares held by the trust as treasury shares. Therefore, the number of shares is deducted from the average number of common stock shares during the period average number of shares during the period.

## Significant subsequent events

(Introduction of performance-linked and share-based remuneration plan for the Directors)

The meeting of the Managing Board held on May 14, 2025, the Company resolved to introduce a performance-linked and share-based remuneration plan (hereinafter, "the Plan"), and decided to submit a proposal on the Plan to the 58th Ordinary General Meeting of Shareholders (hereinafter, "this Meeting") to be held on June 27, 2025.

## 1. Purpose of introduction of the Plan

The Company has revised its executive compensation system and introduced a new share-based remuneration plan with the aim of clarifying the link between the remuneration of Members of the Managing Board (excluding Outside Members of the Managing Board, Members of the Managing Board who are Members of the Audit and Supervisory Committee, and non-residents of Japan) and Executive Officers (excluding non-residents of Japan; hereinafter collectively referred to as “the Directors”) and the performance and stock value of the Company, and to enhance the awareness of the Directors regarding their contribution to the improvement of medium to long-term performance and the enhancement of corporate value.

## 2. Overview of the Plan

- (1) The introduction of the plan is conditional upon obtaining approval for the resolution on remuneration for Directors in this Meeting.
- (2) The Plan utilizes a system called a BIP (Board Incentive Plan) Trust. The Plan provides for the grant and payment (hereinafter referred to as “grant, etc.”) of the Company’s shares and cash equivalent to the value of the Company’s shares (hereinafter referred to as “the Company’s shares, etc.”) to the Directors, in accordance with their positions, performance targets, and other factors.
- (3) If the trust period of the BIP Trust established for the purpose of implementing the Plan (hereinafter referred to as “the Trust”) expires, the Company intends to continue implementing the Plan by newly establishing the Trust or by amending or supplementing the existing Trust upon the expiration of the trust period.

### Details of the trust agreement

- |    |                                  |   |
|----|----------------------------------|---|
| 1  | Type of trust:                   | Money trust other than a money trust for specific individual management (third-party-benefit trust)   |
| 2  | Purpose of the trust:            | Granting incentives to the Directors  |
| 3  | Settlor:                         | The Company   |
| 4  | Trustee:                         | Mitsubishi UFJ Trust and Banking Corporation (planned)<br>(Joint trustee: The Master Trust Bank of Japan, Ltd. (planned))   |
| 5  | Beneficiaries:                   | Directors who satisfy the beneficiary requirements  |
| 6  | Trust administrator:             | Third party (Certified Public Accountant) without an interest with the Company  |
| 7  | Trust agreement date:            | August 2025 (scheduled)   |
| 8  | Duration of the trust:           | August 2025 to August 2029 (scheduled)  |
| 9  | Starting date of the Plan:       | August 2025 (scheduled)   |
| 10 | Exercise of voting rights:       | Voting rights will not be exercised.  |
| 11 | Class of shares acquired:        | Company’s common stock  |
| 12 | Amount of trust money:           | 880 million yen (planned) (including trust fees and trust expenses)   |
| 13 | Timing of acquisition of shares: | August 7, 2025 (scheduled) to August 28, 2025 (scheduled)   |
| 14 | Method of acquisition of shares: | Acquisitions from the stock market  |
| 15 | Right holder:                    | The Company   |
| 16 | Residual assets                  | The residual assets that can be received by the Company, as the rights holder, shall be limited to the amount of the trust reserve after deducting the funds for acquiring shares from the trust money. |

**Balance sheet**  
(As of March 31, 2025)

(Millions of yen)

	Amount	Account items	Amount
Assets		Liabilities	
Current assets	165,215	Current liabilities	52,598
Cash and deposits	43,349	Accounts payable - trade	11,126
Notes receivable - trade	1,048	Electronically recorded obligations - operating	851
Accounts receivable - trade	65,236	Short-term loans payable	14,061
Investments in leases	572	Accounts payable - other	9,161
Merchandise and finished goods	21,373	Accrued expenses	1,191
Work in progress	3,061	Income taxes payable	9,436
Raw materials and supplies	8,713	Contract liabilities	376
Prepaid expenses	2,904	Refund liabilities	1,098
Accounts receivable - other	13,123	Provision for bonuses	4,103
Short-term loans receivable	3,577	Provision for bonuses for directors (and other officers)	593
Others	2,254	Provision for product warranties	218
Non-current assets	199,439	Other	378
Property, plant and equipment	48,304	Non-current liabilities	36,907
Buildings	23,108	Long-term loans payable	28,200
Structures	730	Provision for retirement benefits	417
Machinery and equipment	1,517	Provision for retirement benefits for directors (and other officers)	63
Tools, furniture and fixtures	10,477	Provision for loss on guarantees	6,900
Land	10,651	Long-term guarantee deposits	435
Leased assets	145	Other	890
Construction in progress	1,674	Total liabilities	89,506
Intangible assets	71,737	Net assets	
Software	69,695	Shareholders' equity	272,469
Other	2,041	Share capital	14,887
Investments and other assets	79,397	Capital surplus	20,759
Investment securities	7,989	Legal capital surplus	20,753
Shares of subsidiaries and associates	40,110	Other capital surplus	6
Investments in capital of subsidiaries and associates	10,705	Retained earnings	249,140
Long-term loans receivable	14,664	Legal retained earnings	389
Long-term prepaid expenses	1,981	Other retained earnings	248,750
Prepaid pension costs	4,626	Reserve for experimentation and research	9,800
Deferred tax assets	5,124	Reserve for special account	358
Guarantee deposits	1,116	General reserve	27,715
Others	326	Retained earnings brought forward	210,876
Loss allowance	(7,248)	Treasury shares	(12,318)
		Valuation and translation adjustments	1,635
		Valuation difference on available-for-sale securities	1,635
		Share acquisition rights	1,043
		Total net assets	275,148
Total assets	364,655	Total liabilities and net assets	364,655

### Statement of income

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Amount
Net sales	236,780
Cost of sales	100,222
Gross profit	136,558
Selling, general and administrative expenses	80,268
Operating profit	56,289
Non-operating income	10,863
Interest and dividend income	4,071
System usage fee income	6,103
Other	688
Non-operating expenses	1,555
Interest expenses	569
Foreign exchange loss	800
Other	184
Ordinary profit	65,598
Extraordinary income	43
Gain on sale of fixed assets	36
Gain on reversal of share acquisition rights	6
Extraordinary losses	12,500
Loss on sale of non-current assets	5
Loss on retirement of non-current assets	98
Loss on valuation of investment securities	6
Loss on valuation of investments in capital	3,700
Loss on valuation of investments in capital of subsidiaries and associates	5,260
Provision for loss on guarantees	1,673
Provision of allowance for doubtful accounts	1,755
Profit before income taxes	53,141
Income taxes - current	17,666
Income taxes - deferred	10,255
Profit	25,219

## Statement of changes in equity

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
Reserve for experimentation and research	Reserve for special account					General reserve	Retained earnings brought forward			
Balance at beginning of period	14,729	20,595	6	20,601	389	9,800	283	27,715	203,945	242,134
Changes during period										
Issuance of new shares (exercise of share acquisition rights)	158	158		158						
Dividends of surplus									(18,212)	(18,212)
Profit									25,219	25,219
Purchase of treasury shares										
Disposal of treasury shares			0	0						
Provision of reserve for special account							75		(75)	-
Net changes in items other than shareholders' equity										
Total changes during period	158	158	0	158	-	-	75	-	6,931	7,006
Balance at end of period	14,887	20,753	6	20,759	389	9,800	358	27,715	210,876	249,140



(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(12,315)	265,149	1,628	1,628	1,118	267,897
Changes during period						
Issuance of new shares (exercise of share acquisition rights)		316				316
Dividends of surplus		(18,212)				(18,212)
Profit		25,219				25,219
Purchase of treasury shares	(2)	(2)				(2)
Disposal of treasury shares	0	0				0
Provision of reserve for special account		-				-
Net changes in items other than shareholders' equity			7	7	(74)	(67)
Total changes during period	(2)	7,319	7	7	(74)	7,251
Balance at end of period	(12,318)	272,469	1,635	1,635	1,043	275,148

## Notes to the Non-consolidated Financial Statements

Notes to significant accounting policies

1. Standards and methods for valuation of asset

(1) Securities

Held-to-maturity bonds

Either amortized or accumulated to face value (straight-line method)

Shares of subsidiaries and associates

Stated at cost using the moving-average method

Available-for-sale securities

Securities other than stocks, etc. without market value

Stated at fair value (valuation differences are directly recorded in net assets, and the cost of sales is computed based on the moving-average method)

Stocks, etc. without market prices

Stated at cost using the moving-average method

(2) Derivatives

Stated at fair value

(3) Inventories

Merchandise, finished goods, work in process and raw materials

Stated at cost using the periodic-average method

Carrying amounts on the balance sheet are subject to the book value reduction method based on decreased profitability.

2. Depreciation or amortization method for fixed assets

(1) Property, plant and equipment (excluding leased assets)

Straight-line method

The useful lives are as follows:

Buildings: 15 to 50 years

Machinery and equipment: 5 to 12 years

Tools, furniture and fixtures: 2 to 15 years

(2) Intangible assets (excluding leased assets)

Straight-line method

Software

Software for market sales purposes

The greater of the amount amortized based on the estimated sales volume over the estimated sales period (3 years), or the amount allocated evenly over the remaining period during which the software can be sold is recorded.

Software for internal use

It is based on an estimated in-house working life of three to ten years.

(3) Long-term prepaid expenses

Straight-line method

(4) Leased assets

Leased assets arising from finance lease transactions that do not transfer ownership

Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

3. Standards for recording provisions and allowances

(1) Loss allowance

To prepare for credit losses on receivables, an estimated uncollectable amount is provided at the amount estimated by either using the historical rate of credit loss for general receivables, or based on individual consideration of collectability for specific receivables such as highly doubtful receivables.

(2) Provision for bonuses

A provision for bonuses is provided to prepare for the bonus payment to employees at the amount to be borne applicable to the fiscal year under review out of the estimated future bonus payment amount.

(3) Provision for bonuses for directors (and other officers)

To prepare for payment of bonuses for directors (and other officers), a provision is recorded based on an estimated amount to be paid for the fiscal year under review.

(4) Provision for product warranties

To prepare for after-sales service costs for instrument products, a provision is recorded based on the estimated amount of such costs during the warranty period, using past results as the basis.

(5) Provision for retirement benefits (prepaid pension costs)

To prepare for employee retirement benefits, a provision for retirement benefits or prepaid pension costs is recorded at the amount recognized as incurred at the end of the fiscal year under review, based on the estimated amount of the retirement benefit obligation and pension assets as of the end of the fiscal year under review.

1) Method of attributing expected retirement benefits to periods

In the calculation of retirement benefit obligations, expected retirement benefits are attributed to the period up to the end of the fiscal year under review on a benefit formula basis.

2) Method used to amortize actuarial gains and losses and past service cost

Past service cost is being expensed as incurred by the straight-line method over a certain period (5 years) within the average remaining service years of the employees.

Actuarial gains and losses are amortized using the straight-line method over a certain period within the average remaining service years (5 years) of employees when incurred in each fiscal year, from the fiscal year following the accrual of each gain or loss.

(6) Provision for retirement benefits for directors (and other officers)

To prepare for the payment of retirement benefits for directors (and other officers), a provision was recorded based on the estimated amount to be paid in accordance with the Company's internal regulations. However, following the abolition of the retirement benefits system for directors (and other officers) on June 24, 2005, no new provisions have been recorded since that date. Therefore, the balance as of the end of the fiscal year under review represents the amount provided for based on the periods during which the incumbent Members of the Managing Board served prior to June 24, 2005.

(7) Provision for loss on guarantees

To prepare for losses related to guarantee of obligation, a provision is recorded at the estimated amount of the loss, taking into account the financial condition of the guaranteed party and other relevant factors.

#### 4. Standards for recognizing revenue and expenses

- (1) The Company recognizes revenues from contracts with customers based on the following five-step approach:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company engages in the sale of diagnostic instruments and reagents and the provision of related services. Based on the five-step approach outlined above, in accordance with the details of contracts with customers, the Company combines contracts and identifies multiple performance obligations. Transaction prices are determined on the basis of consideration agreed upon in contracts with customers, less discounts and rebates. Transaction prices determined in this manner are allocated to the performance obligations, and revenue is recognized.

- 1) Sales of instruments and reagents

The Company recognizes revenue from the sale of instruments and reagents based on the details of contracts with customers, when the customer obtains control of such products and performance obligations are deemed to have been satisfied. Specifically, revenue is recognized when the rights of ownership and the risks thereof are transferred from the Company to the customer, either on the shipping date, at the time of transfer to the customer, or at the time of customer inspection and acceptance.

- 2) Maintenance service

Maintenance services mainly involve the provision of services on products for a certain period of time. As the control of these maintenance services is transferred over a defined period, revenue is recognized when performance obligations are satisfied over a defined period.

Revenue from maintenance services on products is primarily recognized through a calculation based on the percentage of the total volume of goods or services transferred (output method). If consideration is received from a customer before performance obligations are satisfied, this consideration is recognized as a contract liability.

Consideration related to the provision of these product sales and services is generally received within one year from the point revenue is recognized; therefore, it does not include a significant financial element.

- 3) Royalties

Revenue from the granting of licenses (revenue related to sales-based royalties) is recognized. Revenue related to sales-based royalties is recognized at the later of the following two points: when the underlying sales occur or when the performance obligation to which the sales-based royalty has been allocated is satisfied.

- (2) Standards for recognizing revenue from finance lease transactions

Revenue and cost of sales are recognized at the commencement date of the lease transaction by recording net sales and cost of sales at that time.

#### 5. Other significant items supporting the basis for the preparation of non-consolidated financial statements

- (1) Basis for translating foreign currency denominated assets and liabilities into Japanese currency

Monetary claims and liabilities denominated in foreign currencies are translated into Japanese yen at the spot exchange rate prevailing at the reporting date, and the difference arising from such translation is recognized in profit or loss.

(2) Accounting methods for hedge transactions

1) The deferred hedge method is used. Forward exchange contracts and similar contracts related to foreign currency-denominated monetary claims and liabilities are generally accounted for in accordance with the Accounting Standard for Financial Instruments. For interest rate swaps, the Company applies exceptional treatment when the swap in question meets the conditions for application of such exceptional treatment.

2) Hedging instruments and hedged items

Hedging instruments: Interest rate swaps, forward exchange contracts, etc.

Hedged items: Borrowings; foreign currency transactions (monetary claims and liabilities, forecasted transactions, etc.)

3) Hedging policy

Hedging is carried out within the scope of the relevant assets and liabilities to reduce interest rate fluctuation risk and exchange rate fluctuation risk.

4) Methods for evaluating the effectiveness of hedges

Hedge effectiveness is assessed by comparing the cumulative changes in market value or cash flows of the hedged item with those of the hedging instrument over the period from the inception of the hedge to the time of effectiveness assessment, and is determined based on the amount of change in both.

(3) Accounting method for retirement benefits

The accounting method for undisposed unrecognized actuarial gains and losses and unrecognized past service costs related to retirement benefits differs from the accounting method used for the consolidated financial statements.

Notes to accounting estimates

Valuation of investments in and shares of capital of subsidiaries and associates

1. Amount recorded in the non-consolidated financial statements

Shares of subsidiaries and associates 40,110 million yen

Investments in capital of subsidiaries and associates 10,705 million yen

2. Other items

Investments in and shares of capital of subsidiaries and associates are stated at cost using the moving-average method. The need for impairment is assessed by comparing the actual value of the stocks, etc. with the acquisition cost. If the actual value of the stocks, etc. declines significantly compared to the acquisition cost, a corresponding reduction will be made unless there is sufficient evidence supporting recoverability, and the difference is recognized as a loss for the fiscal year under review.

The actual value used for such valuation is calculated based on the net assets per share or the value in use based on future financial budgets used in the goodwill impairment testing in the consolidated financial statements. The estimated value in use used for impairment testing for goodwill includes assumptions such as the timing of regulatory approval, the timing of new product launches, demand forecasts for new countries and markets, the effects of business-related initiatives which are underway, and sales forecasts and related cost estimates for each product and region based on these assumptions, as well as growth rates and discount rates.

Since these assumptions are subject to estimation uncertainty, if a significant change occurs and the actual value declines significantly, this may have a significant impact on the non-consolidated financial statements for the following fiscal year.

## Notes to balance sheet

- The stated amounts are rounded down to the nearest million yen.
- Accumulated depreciation on property, plant and equipment 53,861 million yen
- Guarantee of obligations

Guaranteed	Guarantee amount	Nature of guarantee	Remarks
Systemex America, Inc.	1,521 million yen	Guarantee for lease liabilities	US\$10,173 thousand
Systemex Europe SE	938 million yen	Bid guarantee	EUR5,787 thousand
Systemex Shanghai Ltd.	411 million yen	Bid guarantee	CNY20,000 thousand
Systemex RA Co., Ltd.	4,473 million yen	Guarantee for borrowing for the construction of a new business site	—
Medicaroid Corporation (Note)	299 million yen	Guarantee for working capital loans	—
Total	7,643 million yen		

Note: The amount shown is the amount obtained by deducting the provision for loss on guarantees of 6,900 million yen from the amount of guarantee of obligation of 7,200 million yen.

## 4. Receivables from and payables to subsidiaries and associates

Short-term receivables	42,518 million yen
Long-term receivables	14,664 million yen
Short-term payables	19,998 million yen

## Notes to statement of income

- The stated amounts are rounded down to the nearest million yen.
- Transactions with subsidiaries and associates
 

Sales	166,780 million yen
Cost of purchased goods	24,932 million yen
Other non-operating transactions	11,738 million yen
- Loss on valuation of investments in capital of subsidiaries and associates

The loss on valuation of investments in capital of subsidiaries and associates is due to the impairment of the investment in SYSMEX PARTEC GMBH.

## Notes to statement of changes in equity

- The stated amounts are rounded down to the nearest million yen.
- Type and number of treasury shares

Class of shares	Number of shares at beginning of period (Shares)	Increase during period (Shares)	Decrease during period (Shares)	Number of shares at end of period (Shares)
Common stock	1,957,444	3,915,985	58	5,873,371

Notes: 1. The Company implemented a stock split of 3 shares for each share of common stock with an effective date of April 1, 2024.

2. The increase in the number of treasury shares was due to the stock split and the purchase of shares less than one unit.
3. The decrease in the number of treasury shares was due to the sale of shares less than one share unit.
4. The Company has introduced an ESOP trust, and the number of treasury shares includes the number held by the trust (1,509,800 shares at the beginning of the period, increase of 3,019,600 shares during the period due to a stock split, and 4,529,400 shares at the end of the period).

Notes to tax effect accounting

1. Components of deferred tax assets and deferred tax liabilities by cause

	(Millions of yen)
Deferred tax assets	
Provision for bonuses	1,254
Inventories	523
Accrued enterprise tax	554
Accrued expenses	201
Software	676
Investment securities, etc.	1,564
Investments in and shares of capital of subsidiaries and associates	10,821
Deferred assets for tax purposes	1,451
Loss allowance	2,281
Provision for loss on guarantees	2,171
Others	807
Subtotal deferred tax assets	22,308
Valuation allowance	(14,701)
Total of deferred tax assets	7,607
Deferred tax liabilities	
Prepaid pension costs	(1,456)
Land	(255)
Valuation difference on available-for-sale securities	(625)
Others	(145)
Total of deferred tax liabilities	(2,483)
Net deferred tax assets	5,124

2. Main components of the difference between the effective statutory tax rate and the effective income tax rate after application of tax-effect accounting

	(%)
Effective statutory tax rate	30.6
(Adjustments)	
Entertainment and other expenses that are never tax deductible	0.5
Dividends and other income that is never taxable	(1.3)
Foreign tax credits	(0.4)
Tax credits for research and development cost	(3.2)
Tax credits under the wage increase promotion tax system	(0.5)
Revision to increase in deferred tax assets at end of period due to change in tax rate	(0.2)
Increase/decrease in valuation allowance	26.8
Other	0.2
Effective income tax rate after application of tax-effect accounting	52.5



## Notes to related party transactions

### 1. Subsidiaries and associates, etc.

Type	Name of company, etc.	Location	Capital or investments	Line of business	Ratio of voting rights holding (held)	Relationship		Description of transaction	Transaction amount (Millions of yen)	Account items	Balance at end of period (Millions of yen)
						Concurrent officers (Person)	Business relationship				
Subsidiaries	Sysmex America, Inc.	Illinois, USA	(Thousands of US\$) 22,000	Sales of diagnostic instruments and reagents	Direct 100%	1	Sales of in-house products, etc.	Sales of in-house products, etc.	31,939	Accounts receivable - trade	4,965
								Guarantee of obligation for lease contracts	1,521	-	-
	Sysmex Europe SE	Norderstedt, Germany	(Thousands of EUR) 120	Customer and sales support for diagnostic instruments; manufacture and sales of reagents for diagnostic reagents	Direct 100%	1	Sales and manufacture of in-house reagents, etc.	Sales of in-house products, etc.	32,189	Accounts receivable - trade	2,879
								Borrowing of funds	220	Short-term loans payable	6,483
								Bid guarantee	938	-	-
	Sysmex Shanghai Ltd.	Shanghai, PRC	(Thousands of US\$) 1,000	Sales of diagnostic instruments and reagents	Direct 100%	1	Sales of in-house products, etc.	Sales of in-house products, etc.	72,626	Accounts receivable - trade	19,733
								Bid guarantee	411	-	-
	Sysmex RA Co., Ltd.	Shiojiri, Nagano	(Millions of yen) 70	Development and manufacture of diagnostic instruments	Direct 100%	-	Manufacture of the Company's instrument products, etc.	Guarantee for borrowing for the construction of a new business site	4,473	-	-
	Sysmex Asia Pacific Pte Ltd.	Singapore	(Thousands of S\$) 11,500	Sales and after-sales support for distributors for diagnostic instruments	Direct 100%	1	Sales and manufacture of in-house reagents, etc.	Sales of in-house products, etc.	14,176	Accounts receivable - trade	6,055
	Sysmex Inostics, Inc.	Maryland, USA	(Thousands of US\$) -	Blood DNA testing service in the cancer field	Direct 100%	-	Capital assistance	Loaning funds	1,755	Long-term loans receivable	7,248
Provision of loss allowance								1,755	Loss allowance	7,248	
Associates	Medicaroid Corporation	Chuo-ku, Kobe	(Millions of yen) 100	Marketing, development, design, manufacturing, sales and after-sales service related to medical robots	Direct 50%	1	Purchase of the company's products, etc., guarantee of obligations and subscription to new shares in a capital increase	Guarantee of working capital loan obligations	7,200	Provision for loss on guarantees	6,900

Notes: Terms and conditions of transaction and policy on determination thereof

1. The transaction prices and royalty rates for the sales of products, etc. are determined by taking into account the general terms and conditions of transactions.
2. The interest rates for loans and borrowings are determined through mutual consultation, taking into account market interest rates.
3. The transaction amounts for loaning and borrowing of funds represent the amounts of increase or decrease from the balance at the end of the previous fiscal year.

## 2. Officers and major shareholders, etc.

Type	Name of company, etc. or individual	Location	Capital or investments (Millions of yen)	Line of business or occupation	Ratio of voting rights holding (held)	Relationship	Description of transaction	Transaction amount (Millions of yen)	Account items	Balance at end of period (Millions of yen)
Officers	Kenji Tachibana	-	-	Members of the Managing Board, Senior Executive Officer and Senior Managing Director of the Company	(Held) Direct 0.06%	-	Exercise of share acquisition rights (stock options) (Note 2)	14	-	-
	Tomokazu Yoshida	-	-	Members of the Managing Board, Senior Executive Officer and Managing Director of the Company	(Held) Direct 0.00%	-	Exercise of share acquisition rights (stock options) (Note 2)	11	-	-
Companies in which officers and their close relatives have a majority of voting rights	Vision Care Inc. (Note 3)	Chuo-ku, Kobe	20	Retinal treatment development	-	Commissioning of research and development	Commissioned development fee (Note 4)	-	Other current assets	42
	VCCT Inc. (Note 5)	Chuo-ku, Kobe	399	Research and development of technologies related to regenerative medicine, etc.	Direct 3.03%	Subscription to new shares in a capital increase	Subscription to new shares in a capital increase (Note 6)		Investment securities	199
						Subscription of bonds	Subscription of convertible-bond-type bonds with share acquisition rights (Note 7)	-	Investment securities	200
					Receiving interest (Note 7)		2	Other current assets	25	

Notes: Terms and conditions of transaction and policy on determination thereof

1. Transaction amounts do not include consumption tax, etc. Consumption tax, etc. is included in the balance at end of period.
2. This refers to the exercise of share acquisition rights during the fiscal year under review as stock options granted in accordance with the provisions of Articles 236, 238 and 240 of the Companies Act, based on a resolution of the Meetings of the Managing Board held on August 29, 2019. The "Transaction amount" column shows the amount calculated by multiplying the number of shares granted through the exercise of the share acquisition rights as stock options during the fiscal year under review by the paid-in amount at the time of exercise.
3. It is a company in which 100% of voting rights are directly held by Masayo Takahashi, who is a former officer of the Company, but she is no longer a related party since she retired from the position of officer of the Company effective June 21, 2024. The transaction amount and balance at end of period are stated as the amounts as of June 30, 2024, which is the month in which she retired.
4. The commissioned development fee is determined in the same manner as the general terms and conditions of similar agreements.
5. It is a company in which 90.9% of voting rights are directly held by Vision Care Inc., in which 100% of voting rights are directly held by Masayo Takahashi, who is a former officer of the Company, but she is no longer a related party since she retired from the position of officer of the Company effective June 21, 2024. The transaction amount and balance at end of period are stated as the amounts as of June 30, 2024, which is the month in which she retired.
6. The subscription to new shares in a capital increase refers to the third-party equity allotment conducted by VCCT Inc. The subscription to new shares in the capital increase was determined based on the valuation amount calculated by the third party.
7. The basic agreement regarding the subscription of convertible-bond-type bonds with share acquisition rights has been concluded, which was determined rationally considering market interest rates.
8. The line of business or occupation is as of the time of the transaction.
9. The ratio of voting rights holding (held) is as of the end of the fiscal year under review.

#### Notes to per share information

1. Net assets per share	439.55 yen
2. Net income per share	40.45 yen
3. Diluted net income per share	40.43 yen

Note: In calculating net income per share and diluted net income per share, the Company treats the Company's shares held by the ESOP trust as treasury shares. Therefore, the number of shares is deducted from the average number of common stock shares during the period average number of shares during the period.

#### Notes to revenue recognition

The basis for understanding revenue is described in "4. Standards for recognizing revenue and expense" under "Notes to significant accounting policies."

#### Significant subsequent events

(Introduction of performance-linked and share-based remuneration plan for the Directors)

The meeting of the Managing Board held on May 14, 2025, the Company resolved to introduce a performance-linked and share-based remuneration plan (hereinafter, "the Plan"), and decided to submit a proposal on the Plan to the 58th Ordinary General Meeting of Shareholders to be held on June 27, 2025. The details are described in "Consolidated Financial Statements, Notes to the Consolidated Financial Statements, Significant subsequent events."