Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Materials for the 59th 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

Status of assets and profit or loss in the current and past three fiscal years ... 2
Major sites, etc. ... 2
Employees ... 2
Major lenders ... 3
Other important matters related to Sysmex Group ... 3
Shares ... 3
Share acquisition rights, etc. ... 4
Summary of limited liability agreement ... 5
Summary of liability insurance agreement for officers, etc. ... 5
Outside Officers ... 5
Accounting Auditors ... 7
System to ensure the appropriateness of operations and operation status of the system ... 8
Basic policy related to control of the Company ... 12
Consolidated statement of changes in equity ... 13
Notes to the Consolidated Financial Statements ... 14
Balance sheet ... 31
Statement of income ... 32
Statement of changes in equity ... 33
Notes to the Non-consolidated Financial Statements ... 35

(59th fiscal year from April 1, 2025 to March 31, 2026)

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	56th fiscal year ended March 31, 2023	57th fiscal year ended March 31, 2024	58th fiscal year ended March 31, 2025	59th fiscal year ended March 31, 2026 (fiscal year under review)
Net sales (Millions of yen)	410,502	461,510	508,643	500,006
Operating profit (Millions of yen)	73,679	78,382	87,583	51,831
Profit attributable to owners of parent (Millions of yen)	45,784	49,639	53,669	35,457
Basic earnings per share (Yen)	72.94	79.27	86.07	56.89
Total assets (Millions of yen)	531,074	618,920	665,268	707,532
Total equity (Millions of yen)	388,356	432,897	464,534	505,676
Equity attributable to owners of parent per share (Yen)	617.56	692.94	743.71	812.57

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 56th fiscal year.

Major sites, etc.
(As of March 31, 2026)

(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)

Sysmex 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 59th Ordinary General Meeting of Shareholders.

Employees
(As of March 31, 2026)

(1) Employees of the corporate group

Number of employees	Increase/decrease from the previous fiscal year-end
10,861 [804]	Increased by 328 [Decreased by 32]

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)
3,011 [505]	Increased by 135 [Decreased by 31]	42.4	12.8

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, 2026)

There are no matters requiring special mention.

Other important matters related to Sysmex Group

Not applicable.

Shares
(As of March 31, 2026)

(1) Total number of authorized shares: 1,796,064,000 shares

(2) Total number of issued shares: 629,480,076 shares

(3) Number of shareholders: 52,767

(4) Major shareholders

Shareholder name	Number of shares held (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	72,152	11.5
Nakatani Foundation	38,692	6.2
The Kobe Yamabuki Foundation	36,000	5.7
Nakatani Kosan, Ltd.	34,341	5.5
Custody Bank of Japan, Ltd. (Trust Account)	29,830	4.8
Kazuko Ietsugu	20,909	3.3
Taeko Wada	19,489	3.1
STATE STREET BANK AND TRUST COMPANY 505001	16,749	2.7
Rusoru, Ltd.	14,250	2.3
NORTHERN TRUST CO. (AVFC) SUB A/C AMERICAN CLIENTS	9,781	1.6

Note: Shareholding ratio is calculated after deducting treasury shares (3,039,291 shares). The 438,000 shares of the Company held by the BIP Trust account and the 4,517,000 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.

Share acquisition rights, etc.

(1) Share acquisition rights, etc. (as of March 31, 2026)

			4th share acquisition rights
Date of resolution on issuance			August 28, 2019
Number of share acquisition rights			48,146 units
Class and number of shares subject to share acquisition rights			Common stock 1,444,380 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.	Directors (Members of the Board) (excluding Audit and Supervisory Committee Members)	Directors (Members of the Board) (excluding Outside Directors (Members of the Board))	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
		Outside Directors (Members of the Board)	Number of share acquisition rights – units Number of shares subject to share acquisition rights – shares Number of right holders – individuals
	Directors (Members of the Board) (Audit and Supervisory Committee Members)	Directors (Members of the Board) (excluding Outside Directors (Members of the Board))	Number of share acquisition rights 200 units Number of shares subject to share acquisition rights 6,000 shares Number of right holders 1 individual
		Outside Directors (Members of the Board)	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 25,606 units Number of shares subject to share acquisition rights 768,180 shares Number of right holders 184 individuals
	Officers and employees of subsidiaries		Number of share acquisition rights 11,890 units Number of shares subject to share acquisition rights 356,700 shares Number of right holders 68 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 Director (Member of the

Board), Audit and Supervisory Committee 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 Director (Member of the Board), Audit and Supervisory Committee 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 Board of Directors.

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 (Member of the Board) 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 is 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 includes the Company's Directors (Members of the Board) and Executive Officers, the directors and audit and supervisory committee 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.

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

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

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

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

- Outside Director (Member of the Board) Marie Oshima is a Director (Outside) of Open Up Group Inc.

  There are no special relationships between the Company and Open Up Group Inc.

c. Main activities during the fiscal year ended March 31, 2026

	Attendance, comments, and summary of duties performed regarding the roles expected of Outside Director (Member of the Board)
Outside Director (Member of the Board) Kazuo Ota	Kazuo Ota attended all 17 meetings of the Managing Board held during the fiscal year ended March 31, 2026. Based on his abundant experience and extensive knowledge as a manager of a globally operating company he is fulfilling his role on the Board of Directors by making the necessary comments as appropriate during deliberations on proposals and exercising management oversight to ensure the appropriateness and soundness of decision-making.
Outside Director (Member of the Board) Haruo Inoue	Haruo Inoue attended all 17 meetings of the Managing Board held during the fiscal year ended March 31, 2026. 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 Board of Directors by making the necessary comments as appropriate during deliberations on proposals and exercising management oversight to ensure the appropriateness and soundness of decision-making.
Outside Director (Member of the Board) Yuka Fujioka	Yuka Fujioka attended all 17 meetings of the Managing Board held during the fiscal year ended March 31, 2026. 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 her role on the Board of Directors by making the necessary comments as appropriate during deliberations on proposals and exercising management oversight to ensure the appropriateness and soundness of decision-making.
Outside Director (Member of the Board) Marie Oshima	Marie Oshima attended 12 of 13 of the meetings of the Managing Board held since she was appointed during the fiscal year ended March 31, 2026. Based on her abundant experience and extensive knowledge in cybersecurity and scientific technology as an educator in manufacturing technologies and informatics, she is fulfilling her role on the Board of Directors by making the necessary comments as appropriate during deliberations on proposals and exercising management oversight to ensure the appropriateness and soundness of decision-making.
Outside Director (Member of the Board) (Audit and Supervisory Committee Member) Kazumasa Hashimoto	Kazumasa Hashimoto attended all 17 meetings of the Managing Board and all 16 meetings of Audit and Supervisory Committee held during the fiscal year ended March 31, 2026. 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 Board of Directors and the Audit and Supervisory Committee.
Outside Director (Member of the Board) (Audit and Supervisory Committee Member) Michihide Iwasa	Michihide Iwasa attended all 17 meetings of the Managing Board and all 16 meetings of Audit and Supervisory Committee held during the fiscal year ended March 31, 2026. 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 Board of Directors 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	194
Total amount of money or other economic benefits to be paid by the Company and its subsidiaries to the accounting auditor	194

Notes:
1. Among the Company's significant subsidiaries, Sysmex Europe SE and ten 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 Directors (Members of the 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 9 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 Board of Directors regarding the basic policy on the internal control system is as follows. (Revised on April 1, 2023)

Basic Policy

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 Board of Directors 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

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 Board of Directors, 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

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

Sysmex has formulated Global Document Management Regulations. In accordance with these regulations, the Group appropriately retains and manages minutes of Board of Directors and other important meetings, as well as other information relating to the execution of duties by Directors (Members of the 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

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

Sysmex has positioned the Board of Directors 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

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 Directors (Members of the Board) (excluding Directors 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

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

If a Director (Member of the 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.

Audit and Supervisory Committee Members also attend important meetings such as meetings of the Board of Directors, Steering Committee and other meeting bodies, read important documents such as approval requests, and request explanations from Directors (Members of the 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

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 (Representative Director) 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

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 (Representative Director) as well as the Audit and Supervisory Committee.

3) System for the retention and management of information

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 Board of Directors 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

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

The Company's Board of Directors consists of 10 Directors (Members of the Board) (excluding Directors Who Are Audit and Supervisory Committee Members), including four Outside Directors (Members of the Board), and three Directors (Members of the Board) Who Are Audit and Supervisory Committee Members, including two Outside Directors (Members of the Board). The Board engages in lively discussions.

The Board of Directors 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 Board of Directors 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

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

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

Directors (Members of the 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 Board of Directors, 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, 2025 to March 31, 2026)

(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, 2025	14,887	20,960	402,820	(12,318)	37,425	463,776	758	464,534
Profit			35,457			35,457	(82)	35,374
Other comprehensive income					31,226	31,226		31,226
Comprehensive income	–	–	35,457	–	31,226	66,684	(82)	66,601
Issuance of new shares (exercise of share acquisition rights)	10	6				16		16
Share-based payment transactions		170				170		170
Dividends			(22,441)			(22,441)		(22,441)
Purchase of treasury shares				(3,214)		(3,214)		(3,214)
Disposal of treasury shares		(22)		31		8		8
Transfer from other components of equity to retained earnings			416		(416)	–		–
Total transactions with owners	10	153	(22,025)	(3,182)	(416)	(25,459)	–	(25,459)
Balance as of March 31, 2026	14,898	21,114	416,253	(15,501)	68,236	505,000	675	505,676

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 Partec GmbH
   - Oxford Gene Technology IP Limited
   - Sysmex Korea Co., Ltd.

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

   - Medicaroid 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

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

Impairment of non-financial assets

1. Amount recorded in the consolidated financial statements for the fiscal year under review

Some consolidated companies hold non-financial assets (other than inventories and deferred tax assets) that may be significantly affected by changes in the business environment and other factors in determining whether there are indications of impairment and in estimating recoverable amounts. The breakdown of these non-financial assets recorded in the consolidated financial statements is as follows: property, plant and equipment of 4,091 million yen, goodwill of 1,655 million yen, and intangible assets of 7,297 million yen (of which 1,288 million yen are intangible assets with indefinite useful lives).

2. Other matters

As described in the Notes to the Consolidated Financial Statements, "Notes to significant matters as the basis of preparing consolidated financial statements, 4. Accounting policies (5) Impairment of non-financial assets."

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 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) 2,191 million yen
3. Accumulated depreciation and accumulated impairment losses of property, plant and equipment

   177,256 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	7,400	Guarantee for working capital loans
Total	7,400	

Note: The Group recognized liabilities associated with equity method of 6,556 million yen for the fiscal year ended March 31, 2026.

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 11,557 million yen for the fiscal year ended March 31, 2026.

   The impairment loss was mainly attributable to the 11,269 million yen in impairment losses pertaining to the goodwill arising from the business combination of Sysmex Partec GmbH, Oxford Gene Technology IP Limited and Sysmex Astrego AB 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, 2026

   Common stock 629,480,076 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
June 27, 2025 Ordinary General Meeting of Shareholders	Common stock	10,678	17.00	March 31, 2025	June 30, 2025
November 5, 2025 Board of Directors	Common stock	11,934	19.00	September 30, 2025	December 2, 2025

Notes: 1. The total dividends as a result of the resolution of the Ordinary General Meeting of Shareholders on June 27, 2025 include dividends of 76 million yen on the Company's shares held by the ESOP trust.

2. The total dividends as a result of the resolution of the meeting of the Board of Directors on November 5, 2025 include dividends of 94 million yen on the Company's shares held by the BIP Trust and 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 26, 2026	Common stock	Retained earnings	11,902	19.00	March 31, 2026	June 29, 2026

Note: The total dividends as a result of the resolution of the Ordinary General Meeting of Shareholders on June 26, 2026 include dividends of 94 million yen on the Company's shares held by the BIP Trust and 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 Board of Directors held on August 28, 2019

   Common stock 1,444,380 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, 2026 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
Assets		
Lease receivables	46,561	45,430
Bonds	150	146
Total	46,711	45,577
Liabilities		
Long-term loans payable	32,359	31,243
Others	56	55
Total	32,416	31,298

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
Assets				
Stocks, etc.				
Financial assets measured at fair value through profit or loss	–	–	3,278	3,278
Financial assets measured at fair value through other comprehensive income	5,618	–	2,275	7,894
Derivative financial assets				
Financial assets measured at fair value through profit or loss	–	27	–	27
Others				
Financial assets measured at fair value through profit or loss	35	–	2,378	2,414
Total	5,654	27	7,932	13,614
Liabilities				
Derivative financial liabilities				
Financial liabilities measured at fair value through profit or loss	–	137	–	137
Total	–	137	–	137

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, 2026.

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 Board of Directors 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.

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., 13 other domestic subsidiaries, Oxford Gene Technology IP Limited, Sysmex Partec GmbH, Sysmex Korea Co., Ltd., and 11 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	18,617	30,954	34,486	11,518	7,655	103,232
Reagents	52,128	63,899	93,692	68,501	29,700	307,923
Maintenance services	12,106	33,505	16,471	5,512	1,679	69,275
Others	4,709	2,097	7,459	3,763	1,545	19,575
Total	87,562	130,456	152,110	89,296	40,581	500,006
Revenues recognized from contracts with customers	86,424	122,046	137,802	89,201	39,723	475,197
Revenues recognized from other items (Note)	1,137	8,410	14,308	94	858	24,809

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, 2026 are as follows:

(Millions of yen)

	As of April 1, 2025	As of March 31, 2026
Receivables arising from contracts with customers	153,782	158,164
Contract assets	7,457	5,577
Contract liabilities	18,098	20,770

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, 2026, 17,581 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, 2026, 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	19,557
Longer than one year	31,311
Total	50,868

Notes to per share information

1. Equity attributable to owners of parent per share 812.57 yen
2. Basic earnings per share 56.89 yen
3. Diluted earnings per share 56.89 yen

Notes: 1. The Company has introduced the BIP Trust and 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, such shares are deducted from the average number of common stock shares during the period.

2. Diluted earnings per share is stated at the same amount as basic earnings per share because, although potential shares exist, they have no dilutive effect.

Significant subsequent events

1 Acquisition of the medical equipment business of JEOL Ltd.

The Company resolved to acquire the medical equipment business (hereinafter referred to as the "Target Business") of JEOL Ltd. (hereinafter referred to as "JEOL") and entered into a share transfer agreement on September 2, 2025. Pursuant to this agreement, JEOL caused the Target Business to be succeeded by K.K. Medical Equipment Business Split Preparation Company (hereinafter referred to as the "Target

Company"), a newly established company, through an absorption-type company split, and the Company acquired all shares of the Target Company effective April 1, 2026.

1) Overview of acquiree

Name K.K. Medical Equipment Business Split Preparation Company

Line of business Manufacturing, sales, research and development of medical equipment, outsourced processing, maintenance and services of related products and parts, and procurement and sales of peripheral devices.

2) Overview of business combination

By succeeding to the Target Business, consisting of the manufacturing, sales, development, research and other operations relating to automated biochemical analyzers*1, BioMajestyTM*2, that have been developed by JEOL, the Company aims to incorporate into the Sysmex Group's product portfolio a highly competitive lineup of products in the biochemical testing field, strengthen collaborative relationships with reagent manufacturers, and expand business development, including in overseas markets.

Furthermore, the Target Company changed its trade name to Sysmex BioMajesty Co., Ltd. due to the acquisition of shares.

*1 Automated biochemical analyzers:

Devices that use body fluids such as blood and urine as samples to measure various components, including glucose, cholesterol, proteins, and enzymes. Currently, they are capable of measuring a wide range of items, including not only general biochemical items but also immune serum, tumor markers, and certain blood coagulation test items.

*2 BioMajesty series:

A series of automated biochemical analyzers that achieves reduced sample volumes and smaller reagent volumes through a proprietary method of diluting collected samples. A full lineup is available, ranging from the JCA-BM8000 series, a high-end product pursuing high-speed, high-volume processing, to the JCA-BM6010 G, a low-end space-saving model integrating multifunctionality and ease of use, enabling it to meet every need of testing laboratories.

3) Acquisition date

April 1, 2026

4) Consideration for the acquisition

Consideration is currently being calculated in accordance with the method prescribed in the share transfer agreement.

5) Fair value of acquired assets and assumed liabilities as of the acquisition date

Currently being calculated.

2 Borrowing of a large amount of funds

The Company borrowed funds on April 28, 2026. The details are as follows.

(1) Reason for borrowing funds

The Company borrowed funds in order to address increased funding needs associated with the expansion of consolidated companies' business, including in Central and South America, and the enhancement of shareholder returns, including the acquisition of treasury shares.

(2) Overview of borrowings

1)	Lenders	Multiple banks
2)	Total amount borrowed	50,000 million yen
3)	Interest rate on borrowings	Fixed interest rate
4)	Borrowing period	5 years
5)	Collateral	Unsecured

Balance sheet

(As of March 31, 2026)

(Millions of yen)

Account items	Amount	Account items	Amount
Assets		Liabilities	
Current assets	158,690	Current liabilities	37,051
Cash and deposits	23,879	Accounts payable - trade	11,934
Notes receivable - trade	162	Electronically recorded obligations - operating	768
Accounts receivable - trade	53,011	Short-term loans payable	7,215
Investments in leases	476	Accounts payable - other	9,490
Merchandise and finished goods	29,895	Accrued expenses	1,202
Work in progress	3,153	Contract liabilities	340
Raw materials and supplies	9,578	Refund liabilities	1,044
Prepaid expenses	3,207	Provision for bonuses	4,008
Accounts receivable - other	15,696	Provision for bonuses for directors (and other officers)	442
Income taxes refund receivable	5,329	Provision for product warranties	152
Short-term loans receivable	8,523	Other	451
Other	5,937	Non-current liabilities	36,824
Loss allowance	(162)	Long-term loans payable	27,959
Non-current assets	193,871	Provision for retirement benefits	519
Property, plant and equipment	49,200	Provision for loss on guarantees	6,796
Buildings	22,456	Long-term guarantee deposits	436
Structures	631	Other	1,111
Machinery and equipment	1,744	Total liabilities	73,875
Tools, furniture and fixtures	11,606	Net assets	
Land	10,651	Shareholders' equity	274,733
Leased assets	96	Share capital	14,898
Construction in progress	2,012	Capital surplus	20,770
Intangible assets	69,816	Legal capital surplus	20,763
Software	67,949	Other capital surplus	6
Other	1,866	Retained earnings	254,556
Investments and other assets	74,854	Legal retained earnings	389
Investment securities	10,509	Other retained earnings	254,167
Shares of subsidiaries and associates	35,592	Reserve for experimentation and research	9,800
Investments in capital of subsidiaries and associates	11,021	Reserve for special account	358
Long-term loans receivable	2,126	General reserve	27,715
Long-term prepaid expenses	2,010	Retained earnings brought forward	216,293
Prepaid pension costs	5,291	Treasury shares	(15,492)
Deferred tax assets	6,693	Valuation and translation adjustments	2,992
Guarantee deposits	1,119	Valuation difference on available-for-sale securities	2,992
Other	489	Share acquisition rights	960
		Total net assets	278,685
Total assets	352,561	Total liabilities and net assets	352,561

Statement of income

(From April 1, 2025 to March 31, 2026)

(Millions of yen)

Account items	Amount
Net sales	197,359
Cost of sales	95,015
Gross profit	102,344
Selling, general and administrative expenses	81,613
Operating profit	20,730
Non-operating income	21,370
Interest and dividend income	10,793
System usage fee income	6,738
Foreign exchange gain	2,510
Other	1,328
Non-operating expenses	1,060
Interest expenses	477
Loss on retirement of non-current assets	423
Other	158
Ordinary profit	41,041
Extraordinary income	378
Gain on sale of investment securities	275
Reversal of provision for loss on guarantees	103
Extraordinary losses	9,796
Loss on valuation of shares of subsidiaries and associates	7,666
Loss on valuation of investments in capital of subsidiaries and associates	1,043
Loss on liquidation of subsidiaries and associates	722
Impairment losses	202
Provision of allowance for doubtful accounts	162
Profit before income taxes	31,623
Income taxes - current	5,710
Income taxes - deferred	(2,116)
Profit	28,029

Statement of changes in equity

(From April 1, 2025 to March 31, 2026)

(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	14,887	20,753	6	20,759	389	9,800	358	27,715	210,876	249,140
Changes during period										
Issuance of new shares (exercise of share acquisition rights)	10	10		10						–
Dividends of surplus				–					(22,612)	(22,612)
Profit				–					28,029	28,029
Purchase of treasury shares				–						–
Disposal of treasury shares				–						–
Net changes in items other than shareholders' equity				–						–
Total changes during period	10	10	–	10	–	–	–	–	5,416	5,416
Balance at end of period	14,898	20,763	6	20,770	389	9,800	358	27,715	216,293	254,556

(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	(12,318)	272,469	1,635	1,635	1,043	275,148
Changes during period						
Issuance of new shares (exercise of share acquisition rights)		21		–		21
Dividends of surplus		(22,612)		–		(22,612)
Profit		28,029		–		28,029
Purchase of treasury shares	(3,204)	(3,204)		–		(3,204)
Disposal of treasury shares	31	31		–		31
Net changes in items other than shareholders' equity		–	1,356	1,356	(83)	1,272
Total changes during period	(3,173)	2,264	1,356	1,356	(83)	3,536
Balance at end of period	(15,492)	274,733	2,992	2,992	960	278,685

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 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.

Note on changes in presentation

Balance sheet

"Provision for retirement benefits for directors (and other officers)," which had been presented separately under "Non-current liabilities" in the previous fiscal year, is included in "Other" from the fiscal year under review due to its immateriality.

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	35,592 million yen
Investments in capital of subsidiaries and associates	11,021 million yen

2. Other matters

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 impairment testing in the consolidated financial statements. The estimated value in use used for impairment testing 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

1. The stated amounts are rounded down to the nearest million yen.
2. Accumulated depreciation on property, plant and equipment 57,476 million yen
3. Guarantee of obligations

Guaranteed	Guarantee amount	Nature of guarantee	Remarks
Sysmex America, Inc.	6,348 million yen	Guarantee for lease liabilities	US$39,743 thousand
Sysmex Europe SE	1,234 million yen	Bid guarantee	EUR6,745 thousand
Sysmex Shanghai Ltd.	462 million yen	Bid guarantee	CNY20,000 thousand
Sysmex RA Co., Ltd.	4,159 million yen	Guarantee for borrowing for the construction of a new business site	–
Medicaroid Corporation (Note)	603 million yen	Guarantee for working capital loans	–
Total	12,808 million yen		

Note: The amount shown is the amount obtained by deducting the provision for loss on guarantees of 6,796 million yen from the amount of guarantee of obligation of 7,400 million yen.

4. Receivables from and payables to subsidiaries and associates

Short-term receivables	42,624 million yen
Long-term receivables	2,126 million yen
Short-term payables	13,806 million yen
Long-term receivables	159 million yen

Notes to statement of income

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

Sales	134,912 million yen
Cost of purchased goods	28,665 million yen
Other operating transactions	11,688 million yen
Other non-operating transactions	20,326 million yen

3. Loss on valuation of shares of subsidiaries and associates

   Loss on valuation of shares of subsidiaries and associates is mainly attributable to the impairment of shares of Sysmex Astrego AB.

4. 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 Inostics GmbH.

5. Loss on liquidation of subsidiaries and associates

   In connection with the liquidation of Sysmex Inostics Inc., which was a consolidated subsidiary of the Company, a loss on liquidation has been recorded as an extraordinary loss.

Notes to statement of changes in equity

1. The stated amounts are rounded down to the nearest million yen.

2. 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	5,873,371	2,133,820	11,826	7,995,365

Notes: 1. The increase of 2,133,820 shares in treasury shares consists of an increase of 1,695,300 shares due to the purchase of treasury shares, an increase of 438,500 shares due to the acquisition of treasury shares by the BIP Trust, and an increase of 20 shares due to the purchase of shares less than one share unit.

2. The decrease of 11,826 shares of treasury shares was due to the delivery of treasury shares by the ESOP trust.

3. The number of shares at the end of the fiscal year under review includes 4,956,074 shares of the Company held by the BIP Trust and the ESOP trust.

Notes to tax effect accounting

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

Deferred tax assets	(Millions of yen)
Provision for bonuses	1,261
Inventories	567
Accrued expenses	212
Software	763
Investment securities, etc.	1,545
Investments in and shares of capital of subsidiaries and associates	13,674
Deferred assets for tax purposes	1,251
Loss allowance	51
Provision for loss on guarantees	2,138
Others	865
Subtotal deferred tax assets	22,332
Valuation allowance	(12,334)
Total of deferred tax assets	9,998
Deferred tax liabilities	
Prepaid pension costs	(1,665)
Land	(255)
Valuation difference on available-for-sale securities	(1,172)
Others	(211)
Total of deferred tax liabilities	(3,304)
Net deferred tax assets	6,693

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	1.3
Dividends and other income that is never taxable	(8.1)
Foreign tax credits	(0.7)
Tax credits for research and development cost	(4.0)
Increase/decrease in valuation allowance	(7.6)
Other	(0.1)
Effective income tax rate after application of tax-effect accounting	11.4

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)
						Con-current officers (Person)	Business relationship				
Subsidiaries	Sysmex America, Inc.	Illinois, USA	(Thousands of US$) 22,000	Sales of diagnostic instruments and reagents	Direct 100%	1	Sales of in-house products, etc.	Sales of in-house products, etc.	26,928	Accounts receivable - trade	2,953
								Guarantee of obligation for lease contracts	6,348	–	
	Sysmex Europe SE	Hamburg, Germany	(Thousands of EUR) 120	Sales and after-sales support for distributors for diagnostic instruments Manufacture and sales of diagnostic reagents	Direct 100%	2	Sales and manufacture of in-house reagents, etc.	Sales of in-house products, etc.	26,906	Accounts receivable - trade	2,864
								Repayments of funds	3,737	Short-term loans payable	2,745
								Bid guarantee	1,234	–	
	Sysmex Shanghai Ltd.	Shanghai, PRC	(Thousands of US$) 1,000	Sales of diagnostic instruments and reagents	Direct 100%	1	Sales of in-house products, etc.	Sales of in-house products, etc.	50,084	Accounts receivable - trade	11,118
								Bid guarantee	462	–	
	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	4,159	–	
	Sysmex Asia Pacific Pte Ltd.	Singapore	(Thousands of SG$) 11,500	Sales and after-sales support for distributors for diagnostic instruments	Direct 100%	1	Sales and manufacture of in-house reagents, etc.	Sales of in-house products, etc.	15,938	Accounts receivable - trade	6,731
	Sysmex Inostics, Inc.	Maryland, USA	(Thousands of US$) –	Blood DNA testing service in the cancer field	Direct 100%	–	Capital assistance	Subscription to new shares in a capital increase	8,670	–	
								Proceeds from collection of loans receivable	7,864	–	
Associates	Medicaroid Corporation	Kobe, Hyogo	(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	7,400	Provision for loss on guarantees	6,796

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.
4. Sysmex Inostics Inc. completed its liquidation during the fiscal year under review.

2. Officers and major shareholders, etc.

Not applicable.

Notes to per share information

1. Net assets per share 446.87 yen
2. Net income per share 44.98 yen

Notes: 1. In calculating net income per share and diluted net income per share, the Company treats the Company's shares held by the BIP Trust and the ESOP trust as treasury shares. Therefore, such shares are deducted from the average number of common stock shares during the period.

2. Diluted net income per share is not presented because there are no dilutive shares.

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

1 Acquisition of the medical equipment business of JEOL Ltd.

The Company resolved to acquire the medical equipment business (hereinafter referred to as the "Target Business") of JEOL Ltd. (hereinafter referred to as "JEOL") and entered into a share transfer agreement on September 2, 2025. Pursuant to this agreement, JEOL caused the Target Business to be succeeded by K.K. Medical Equipment Business Split Preparation Company (hereinafter referred to as the "Target Company"), a newly established company, through an absorption-type company split, and the Company acquired all shares of the Target Company effective April 1, 2026. The details are described in "Consolidated Financial Statements, Notes to the Consolidated Financial Statements, Significant subsequent events."

2 Borrowing of a large amount of funds

The Company borrowed funds on April 28, 2026. The details are described in "Consolidated Financial Statements, Notes to the Consolidated Financial Statements, Significant subsequent events."