



Sysmex Sustainability Report 2018



Lighting the way [with diagnostics](#)

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Sysmex Way

Mission

Shaping the advancement of healthcare.

Value

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

Mind

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

Our Core Behaviors

To our Customers

We deliver reassurance to our customers, through unmatched quality, advanced technologies, superior support, and actions that consistently reflect the viewpoint of our customers. We constantly look out for our customers' true needs, and seek to generate new solutions to satisfy those needs.

To our Employees

We honor diversity, respect the individuality of each employee, and provide them with a workplace where they can realize their full potential. We value the spirit of independence and challenge, provide employees with opportunities for self-fulfillment and growth, and reward them for their accomplishments.

To our Business Partners

We deliver commitment to our client companies through broad-ranging partnerships. We strive to be a company that can grow in step with our trade partners, through respect and mutual trust.

To our Shareholders

Our shareholders can rest assured that we will continue to improve the soundness and transparency of our management policies, while promoting information disclosure and close communications. We commit ourselves to a consistent yet innovative style of management, in order to achieve sustainable growth and increased shareholder value.

To Society

We carry out our business in strict compliance with laws and regulations, as well as in adherence to high ethical standards. As a responsible member of society, we play an active role in resolving environmental issues and other problems that impact our society today.



Identifying Priority Issues (Materiality) with a View to Resolving the World's Medical Issues

In line with our mission of “shaping the advancement of healthcare,” which is defined in the “Sysmex Way,” the corporate philosophy of the Sysmex Group, Sysmex works to contribute to the development of healthcare and the healthy lives of people.

February 2018 marked the 50th anniversary of our establishment. Since the time of its founding, Sysmex has been involved with medical testing, playing an important role in disease prevention, early detection, and determining courses of treatment. We have created new diagnostic value to enhance the quality of life (QOL) of patients and other people, and we have striven to establish testing technologies that help lighten their burden. In the field of in vitro diagnostics, we currently provide products, services, and support in more than 190 countries and regions throughout the world.

The global medical environment is undergoing significant changes. Advanced countries are characterized by aging populations and increasingly diverse healthcare needs, and emerging markets are marked by medical infrastructure developments and a rising quality of healthcare. Meanwhile, addressing three major infectious diseases (HIV/AIDS, tuberculosis and malaria) is a serious issue in developing countries. In September 2015, the United Nations adopted the Sustainable Development Goals (SDGs), which set 17 globally consistent targets. As a healthcare company, Sysmex aims to contribute toward achieving these goals by providing

high-value testing and diagnostic technologies.

In May 2017, we identified our priority issues (materiality). In addition to the “resolution of medical issues through products and services” which is the contribution we make through our business, the priority issues include the “responsible provision of products and services,” “realization of an attractive workplace,” “environmental consideration” and “governance.” Through priority initiatives in these five areas, we aim to help resolve social issues and contribute toward the realization of a sustainable society.

Formulating Long-Term Management Goals for the Sysmex Group in Response to Increasingly Diverse Healthcare Needs

We expect the global healthcare market to continue growing as advanced countries endeavor to raise healthcare efficiency to hold down medical costs. Meanwhile, against a backdrop of economic development, demand is growing in emerging markets and developing countries to put healthcare infrastructures in place and increase the quality of healthcare. At the same time, artificial intelligence (AI), big data analytics, and other leading-edge technologies are being applied in the healthcare domain. We also see other opportunities for further growth, in such areas as personalized medicine—including genomic medicine that incorporates advances in molecular diagnostic technologies¹—and regenerative medicine.

Sysmex views these changes in the healthcare environment and increasingly diverse healthcare needs as business

By creating innovative testing and diagnostic technologies, we aim to resolve the world's medical issues, realize a sustainable society, and enhance corporate value.

opportunities. As such, we have formulated new long-term management goals for the period ending in fiscal 2025, with the aim of achieving sustainable growth of the Sysmex Group and reinforcing the management foundation to support this growth. We have also established our long-term vision as a “Unique & Advanced Healthcare Testing Company”, and our positioning based on this vision. We aim to achieve further growth by strengthening and expanding our conventional core business portfolio in the IVD field. In the primary care domain, involving diagnosis at locations near patients, we will create new services that take advantage of diagnostic techniques accumulated through IVD and IT. In addition, we will create new diagnostic technologies that contribute to personalized medicine through the fusion of our proprietary technologies and new technologies achieved through open innovation. We also aim to transform our business structure by monetizing businesses centered on the life science field. Furthermore, we will recruit and foster the human resources essential to supporting the future expansion of our business activities and achieving the Group's strategic goals. At the same time, we will enhance environmental considerations and initiatives to reinforce our management foundation, including the areas of corporate governance and risk management.

In the area of personalized medicine, in fiscal 2017 we welcomed into the Sysmex Group a pioneer in genetic analysis technology, Oxford Gene Technology IP Limited of the United Kingdom, thereby fortifying our technology base. Meanwhile, Multiplex Gene Panel Testing to Advancing Personalized Medicine using the cancer-related gene panel² testing system, which we jointly developed with the National Cancer Center, received advanced medical care approval. In these ways, we aim to use gene testing to augment the level

of healthcare. Furthermore, we have joined the Malaria Consortium in a bid to eliminate malaria—one of the world's three major infectious diseases—and are developing hematology instruments that will contribute to malaria testing. Through such endeavors, we are helping to put in place healthcare infrastructures and raise the level of healthcare in emerging markets and developing countries.

¹ Technologies for identifying diseases by studying the proteins, DNA, RNA, and other molecules contained in tissues and body fluids.

² A diagnostic reagent kit that is designated to analyze the mutation, proliferation and fusion of multiple genes having diagnostic significance for cancer.

Celebrating our 50th anniversary in 2018, Sysmex has formulated a new corporate message, “Lighting the way with diagnostics,” to promote the Company's advance to the next stage. This new message embodies the idea of enhancing diagnostic value with innovative testing to bring greater trust and confidence to healthcare.

Through innovative testing and diagnostic technologies, we will continue taking on challenges as the future of healthcare unfolds, working to enhance corporate value and realize a sustainable society over the medium to long term. I would like to ask for your continued support and understanding of our endeavors.

July 2018

Hisashi Ietsugu
Chairman and CEO



Sysmex and Its Relations with Society

Sysmex's Businesses

By providing highly valuable testing and diagnostic technologies, the Sysmex Group strives to contribute toward the creation of fulfilling and healthy societies around the world.

■ Corporate Philosophy, Core Behaviors

- ▶ Please click [here](#) for information on the Sysmex Way, the corporate philosophy of the Sysmex Group, and our core behaviors.

■ Sysmex's Businesses

We provide products and services in more than 190 countries around the world.

Our Principal Diagnostics Fields

Hospitals

Hematology

Testing that measures and analyzes the number, type and size of red, white and other blood cells [Anemia, leukemia, thrombocytopenia, etc.]



Hemostasis

Testing to determine the ability of blood to clot when injured and to dissolve clots [Hemorrhagic diseases (hemophilia, etc.), thrombotic diseases (deep-vein thrombosis, etc.)]



Urinalysis

Testing for the presence of sugar, protein or blood in the urine, the presence of urinary tract stones, kidney function and signs of diabetes



Immunochemistry

Testing for the status of viruses, hormones and proteins, and to determine causes and types of disease [Infectious diseases (hepatitis, AIDS), cancer, allergies, etc.]



Clinical Chemistry

Testing to determine the state of metabolism-related organs by studying sugars, lipids, proteins and other components [Diabetes, arteriosclerosis, liver dysfunction, kidney dysfunction, etc.]



Life Science

- Gene testing
In this testing, we analyze genetic information to study the likelihood that cancer and other diseases will occur, as well as pharmaceutical compatibility
- Lymph node metastasis testing
Testing to determine the metastasis of cancer cells to the lymph nodes



Animal Hospitals

Our automated hematology analyzers for animals are useful in managing the health of dogs, cats and other pets, as well as aquarium dolphins and zoo animals.



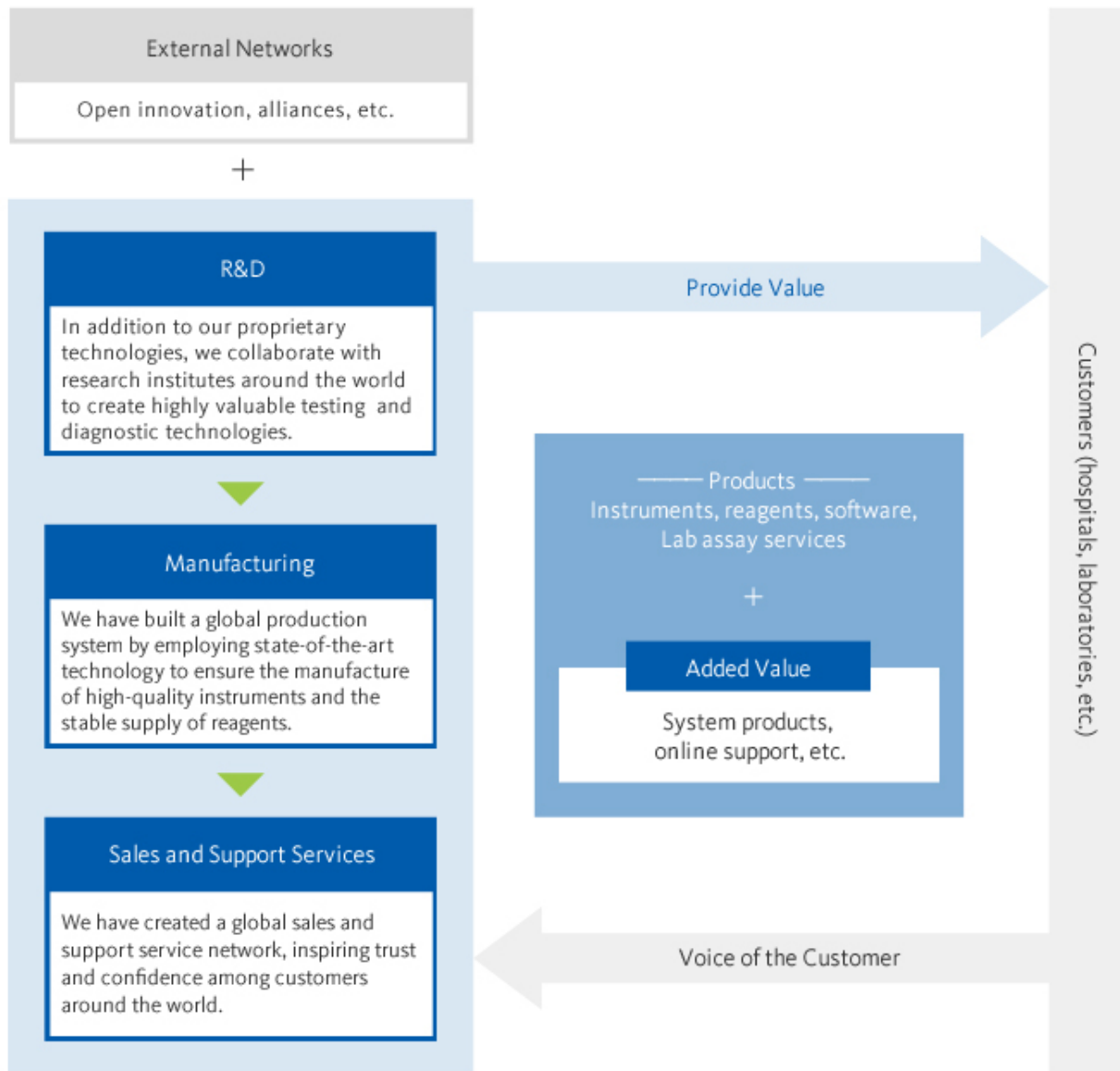
Sports Facilities

Our health monitoring system measures estimated hemoglobin levels without blood sampling and is used as a tool for monitoring athletic condition.



► [Click here for "Sysmex Near You,"](#) an introduction of some of the Sysmex products that are in use around you.

Sysmex's Business Processes



Sysmex Initiatives on Priority Issues

Sysmex identified priority issues (materiality) and is pursuing related initiatives with a view to realizing a sustainable society and achieving sustainable growth for Sysmex.

► [Click here for information on materiality.](#)

Management Plans



The corporate philosophy for the Sysmex Group, the “Sysmex Way,” defines its mission as “Shaping the advancement of healthcare.” On this basis, we have established a Long-Term Management Goals and a Mid-Term Management Plan aimed at contributing to the advancement of healthcare and a healthy life for people around the world.

Sysmex Group Long-Term Management Goals (2025)



Positioning

Creating innovative diagnostic value as a global top-five company in IVD

- Aim to become a global top-five company through sustained growth in our core businesses
- In addition to increasing our share of the IVD market, which continues to grow globally, create new diagnostic value

A leading company in personalized diagnostics for optimizing medical treatment

- Create new testing and diagnostic value that contributes to the selection of treatment methods
- Fuse our measurement platforms with new technologies and knowledge acquired through open innovation and others

A solution provider contributing to the advancement of primary care diagnostics

- Leverage the diagnostic technologies and IT we have cultivated in the IVD domain
 - Provide solutions that contribute to increased access to healthcare
-

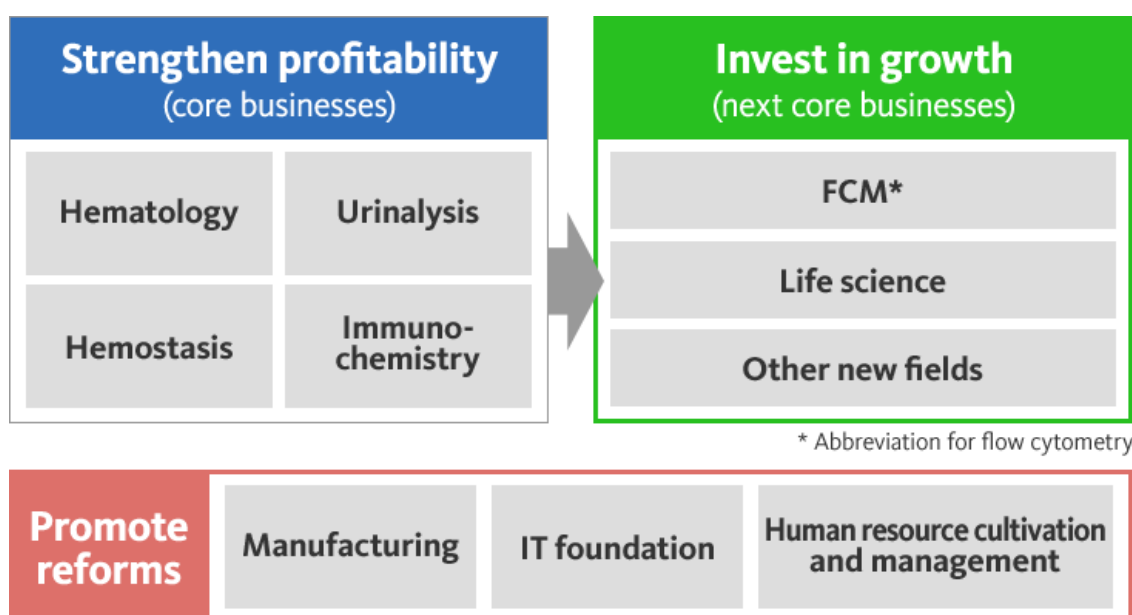
An attractive company providing value and instilling confidence

- Earn support from diverse stakeholders through distinctive technologies and business model, dynamic human resources and sound and advanced corporate management
-

One Sysmex carrying out high-speed management

- Provide attractive workplaces where diverse human resources can exercise their talents
 - Make use of sophisticated teamwork to achieve efficient and high-speed management
-

Mid-Term Management Plan (Fiscal Years Ending March 31, 2018 to 2020)



Strengthen profitability

(core businesses)

(1) Enhance profitability through market expansion in the hematology field

- Achieve an undisputed No. 1 position in the United States (strengthen sales promotion on the West Coast, introduction at prominent commercial labs)
- Strengthen sales to second-tier and lower hospitals in China
- Realize high rates of growth in emerging markets

(2) Expand the urinalysis testing business by increasing new product sales

- Realize an efficient work flow for urinalysis testing through a new concept (Urine chemistry + sediment + imaging instrument + data management)

(3) Bolster profitability by increasing our global share in the hemostasis field

- Accelerate global development by leveraging our alliance with Siemens
- Accelerate introduction of fibrin reagents* (China, Japan, etc.)

* Used to test for clotting abnormalities and thrombosis

(4) Expand business and improve profitability in the immunochemistry field in Japan, China and other parts of Asia

- Expand business in the hepatic disease domain
- Launch unique parameters in China and other parts of Asia (hepatic fibrosis test reagents, such as the M2BPGi™ assay kit)
- Improve profitability by reducing cost of sales and expand sales

Invest in growth

(next core businesses)

(5) Establish a foundation for the FCM business

- Launch clinical FCM products
- Step up sales promotion for research and industry use

(6) Increase the life science business

- Promote the lab assay businesses of RIKEN GENESIS and Inostics
- Enter the clinical PCR market, expand business related to gene testing
- Expand the market for rapid detection of lymph node metastasis based on the OSNA™ method

(7) Commercialize business in other new fields

- Generate business in ultrahigh-sensitivity HISCL™, cervical cancer screening systems, glucose AUC (postprandial hyperglycemia monitoring system) and other new areas

Promote reforms

(8) Enhance manufacturing speed and quality

- Strengthen development and production capacity by establishing a bio-diagnostic reagent base
- Maintain customer trust through high levels of quality and an enhanced system for stable supply

(9) Reinforce IT platforms to optimize operating processes

- Optimize supply chain processes
- Optimize engineering chain processes

(10) Strengthen human resource cultivation and human resource management to support Group growth

- Step up recruiting and cultivation of human resources who are next-generation leaders and who have advanced specialties
- Foster a working environment that embraces diverse human resources (Promote further diversity)

<Contribute to a sustainable society>

- (11) In addition to efforts to resolve healthcare issues through our products and services, we will work to be environmentally considerate, reinforce corporate governance and promote diversity, thereby providing unique and new value to diverse stakeholders and contributing to the development of society.

Financial targets (Fiscal year ending March 31, 2020)

Net Sales	¥350.0 billion (CAGR* = 11.9%)
Operating income	¥72.0 billion (CAGR* = 11.7%) (Operating margin of 20.6%)
ROE	20% or more
Operating cash flow	¥55.0 billion
Free cash flow	¥30.0 billion

Exchange rate assumptions: 1USD=¥110, 1EUR=¥115, 1CNY=¥16

*CAGR (compound annual growth rate): For fiscal years ending March 31, 2018 to 2020

Basic Policy and Structure

Message from the Executive in Charge

By practicing the “Sysmex Way,” we are working toward the realization of a sustainable society.

Sysmex believes its CSR is to build trust and confidence among stakeholders by putting into practice the “Sysmex Way,” the corporate philosophy for the Sysmex Group.

To practice CSR, Sysmex has identified priority issues (materiality). We are addressing these issues in accordance with our action plans: a Mid-Term CSR Plan through fiscal 2019 and an annual plan. Important CSR themes, such as identifying materiality and formulating mid-term CSR plans, are discussed and reported at management meetings. In addition, we have established the CSR Promotion Department, which is dedicated to the formulation of CSR activity plans and the dissemination of CSR information.

Sysmex will continue working toward the creation of a fulfilling and healthy society through its business activities, provide a working environment that allows diverse human resources to maximize their skills, and work proactively to address global environmental problems, which are growing increasingly severe. In these ways, we are contributing toward the realization of a sustainable society.



Yukio Nakajima
Member of the Managing Board
and Senior Executive Officer
Senior Managing Director
CFO

Basic Policy

Our CSR is to put the “Sysmex Way” into practice, thereby building trust and confidence among stakeholders.

The “Sysmex Way,” the corporate philosophy for the Sysmex Group, indicates the way the most basic corporate activities ought to be conducted, consisting of three elements necessary for continued growth through contributing to society: Mission, Value and Mind. The mission expresses the expansion of our business from activities centered on the field of in vitro diagnostics—a focus since our establishment—to the broader healthcare domain with its even closer connection to human health. In this manner, the mission asserts our aim of contributing toward the realization of a society filled with abundance, health and joy.

The Sysmex Way’s Core Behaviors clarify provision of specific value to customers, employees, business partners, shareholders, society and all our stakeholders. For example, to provide reassurance to all members of society we carry out our business in strict compliance with laws and regulations, as well as in adherence to high ethical standards. We also consider it important to play an active role in resolving environmental issues and other problems that impact our society today.

▶ [Please click here for our corporate philosophy and core behaviors.](#)

CSR Management Structure

We have set up various committees, headed by executives, to promote activities according to key CSR-related themes, including compliance, risk management and the environment. We have also established the CSR Promotion Department as the specialized department for planning, promoting CSR activities and disseminating CSR-related information both inside and outside the Company.

Important CSR themes, such as identifying materiality and formulating mid-term CSR plans, are discussed and reported at management meetings attended by members of the Managing Board. We also analyze expectations and requests from society and extract our tasks from this information. Related departments then reflect the tasks in their execution plans and activities, resulting in a PDCA cycle.

Stakeholder Relations

Stakeholder Communications

Through communication with its stakeholders, Sysmex checks whether it is responding to stakeholders' requests and expectations through its business activities. The results are reflected in various business activities.

Main Dialogue Achievements in Fiscal 2017

Dialogue with Customers

- Conducted survey on degree of customer satisfaction in each region
- Held scientific seminars in each region
- Held user group meetings to communicate accurate product knowledge in each region
- Held customer training program incorporating customer feedback in each region

▶ For details, see "Responsible Provision of Products and Services."

Dialogue with Employees

- Conducted employee questionnaires and interviews
- Held hearings for all employees about their aspirations in relation to career design (voluntary reporting system)¹
- Held dialogues with labor unions²

1 Sysmex Corporation

2 Sysmex Corporation, Sysmex Shanghai, Jinan Sysmex, Sysmex Wuxi, Sysmex Vietnam, Sysmex Thailand, HYPHEN BioMed

▶ For details, see "Realization of an Attractive Workplace."

Dialogue with Business Partners

- Conducted supplier briefings
- Held meeting for distributors

▶ For details, see "Responsible Provision of Products and Services."

Dialogue with Shareholders and Investors

- Held Ordinary General Meeting and informal meeting with shareholders
- Held the Technology Presentation for institutional investors and analysts
- Held informational meetings and Company tours for individual investors

▶ For details, see the "IR Library."

Dialogue with Members of the Local Community

- Held event for local community interaction at R&D core Technopark
- Engaged in dialogue with community through social contribution activities around the world

▶ For details, see “Corporate Citizenship Activities.”

Stakeholder Dialogue

Systemex identifies priority issues, materiality, and develops specific action plans, which it pursues through its CSR activities. We recently engaged in dialogue with a third-party expert concerning Systemex’s materiality, as well as our thoughts and directions for promoting CSR going forward.

“Systemex’s Materiality and CSR Ideals”

Date: December 19, 2017

Location: Systemex Corporation’s head office

Participants:

<Stakeholder>

Katsuhiko Kokubu Professor, Graduate School of Business Administration,
Kobe University

<Systemex>

Noriko Okada Executive Vice President, Corporate Communication Division

Emiko Takahashi Vice President, CSR Promotion Department, Corporate
Communication Division

<Moderator>

Eriko Nashioka Representative Director of IEMA, CPA



Katsuhiko Kokubu



Eriko Nashioka

Stakeholder Comments (Excerpt)

Category	Comments
The Significance of CSR at Sysmex	<ul style="list-style-type: none"> As a company involved in healthcare and based in Kobe, the epicenter of the Great Hanshin Earthquake, Sysmex is deeply aware of its responsibility to society. Sysmex needs to have a broad understanding of society's needs in order to remain a company that society considers to be necessary.
Materiality	<ul style="list-style-type: none"> Out of all the numerous issues society faces, it is important to clarify the reasons for selecting specific materiality items and taking action on them. Rather than frequently revising materiality items, it is best to pursue activities for around three years, employing the PDCA cycle.
Setting KPIs for CSR Activities	<ul style="list-style-type: none"> KPIs are necessary when pursuing CSR activities, but it is not necessary to assign numerical targets to all issues. It is fine to set numerical targets as KPIs for areas that require improvement; for areas that do not require improvement, the KPI could be to maintain target levels.
CSR Ideals	<ul style="list-style-type: none"> CSR should be positioned as a topic for debate at meetings of the Managing Board; it is important to link CSR and governance. The Social Contribution Point Program is a good example of how employees take a leading role in promoting CSR and of support for employees' corporate citizenship activities.

Sysmex's Comments

We plan to reaffirm why materiality is important to us and consider the timing of revisions and the setting of KPIs. We will take on board the opinions we have heard today as part of our broad understanding of society's needs, and incorporate them into our CSR activities going forward.


Materiality

Considering Materiality

Systemex has identified priority issues, materiality, with a view to realizing a sustainable society and achieving sustainable growth for the Group. We are currently developing a specific action plan based on these identified materiality and are taking actions accordingly.

Identifying Materiality

The Process of Identifying Materiality



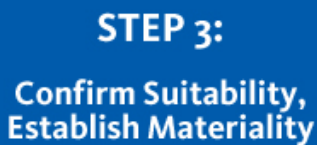
STEP 1:
Understand
and Organize
the Issues

We analyzed society's requirements based on international guidelines, such as the GRI Sustainability Reporting Guidelines (G4), the United Nations Sustainability Development Goals (SDGs) and ISO 26000, as well as screening content from sustainability assessment bodies. We compared these requirements against the current state of the Systemex's CSR activities, extracting and identifying related aspects.



STEP 2:
Prioritize

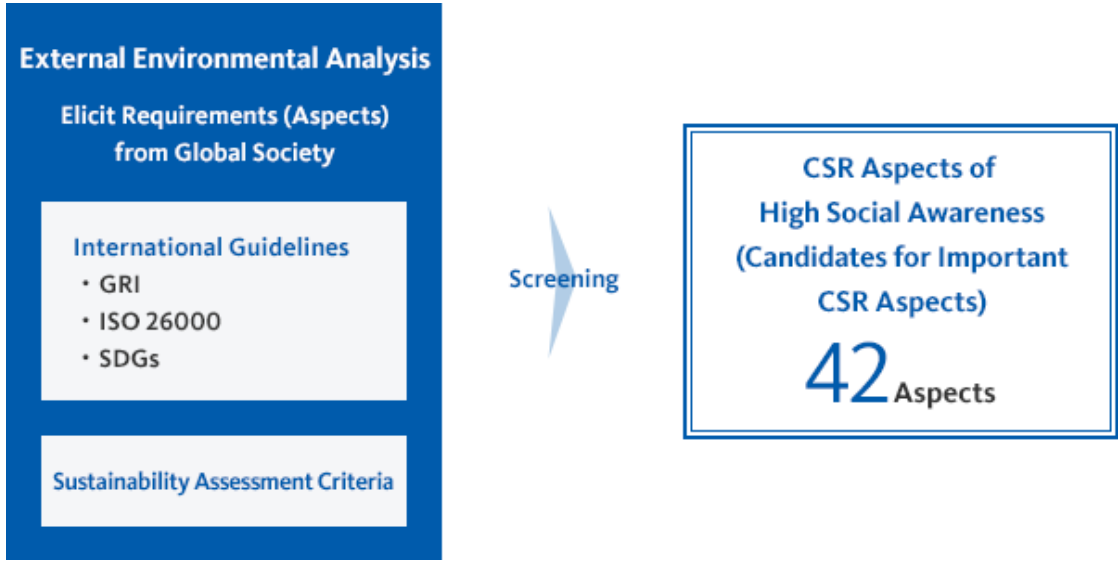
We then conducted an overall assessment of the related aspects identified in STEP 1 along two axes: the degree of importance for Systemex's stakeholders (size of impact on decision-making by stakeholders) and, from the perspective of risks and opportunities, the degree of importance for Systemex (size of the Company's impact on the economy, environment and society). Through this process, we discovered the most important aspects requiring priority initiatives.



STEP 3:
Confirm Suitability,
Establish Materiality

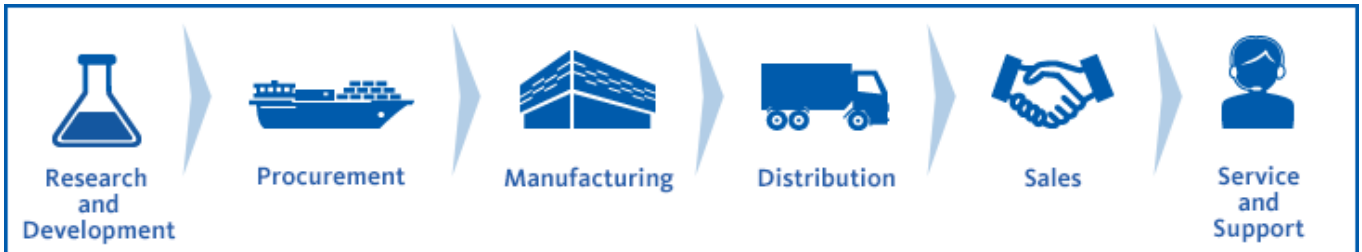
The materiality organized as a result of STEP 2 were approved at a management meeting chaired by the chairman and CEO.

STEP 1 Understand and Organize the Issues



STEP 2 Prioritize

Sysmex’s business activities impact society in various ways throughout the value chain. The Sysmex Group comprehensively evaluates these impacts along two axes, according to the “degree of importance for Sysmex’s stakeholders” and, from the perspective of risks and opportunities, by the “degree of importance for Sysmex.” We then select aspects of topmost importance requiring priority initiatives. The Company contributes to society by promoting CSR initiatives across the value chain.





Research and Development

Recognized Social Issues, Expectations of Sysmex

In advanced countries, as populations age the need is growing to reduce healthcare costs and extend healthy lifespans. Emerging markets and developing countries, meanwhile, face the issues of building healthcare infrastructure in line with population growth and ensuring the availability of healthcare. We recognize the need to contribute to the resolution of these various healthcare issues through research and development.

Main CSR-Related Aspects *

- Resolution of medical issues through business activities
- Improvement in accessibility to medical services by means such as familiarizing products
- Securing of product quality and safety
- Environmental consideration through the product lifecycle



Procurement

Recognized Social Issues, Expectations of Sysmex

The scope of corporate responsibility is broadening. In addition to the quality of raw materials, companies are being called on to take into account human rights, labor practices and consideration for the environment in their procurement activities. We believe in the importance of working with our business partners for the responsible provision of products and services.

Main CSR-Related Aspects *

- Securing of product quality and safety
- Assessment and management of the supply chain
- Compliance
- Environmental consideration through the product lifecycle



Recognized Social Issues, Expectations of Sysmex

In recent years, society's demands have increased in relation to product quality and safety. Accordingly, we believe in the importance of thorough compliance with laws, regulations and standards and assurance of high product quality and safety.

Main CSR-Related Aspects*

- Securing of product quality and safety
- Reduction in environmental burden through activities at business offices
- Environmental consideration through the product lifecycle
- Compliance



Recognized Social Issues, Expectations of Sysmex

We believe in the importance of addressing environmental issues, such as reducing GHGs through improved distribution efficiency and raising the recycle rate.

Main CSR-Related Aspects*

- Environmental consideration through the product lifecycle



Recognized Social Issues, Expectations of Sysmex

As a global company, we develop business in countries and regions that face healthcare issues, and we are called on to help address these issues.

Furthermore, we believe in the importance of creating long-term, trust-based relationships with customers through initiatives to enhance customer satisfaction, appropriate information disclosure and stable product supply.

Main CSR-Related Aspects*

- Resolution of medical issues through business activities
- Improvement in accessibility to medical services by means such as familiarizing products
- Appropriate disclosure of information regarding products and services
- Compliance



Service and Support

Recognized Social Issues, Expectations of Sysmex

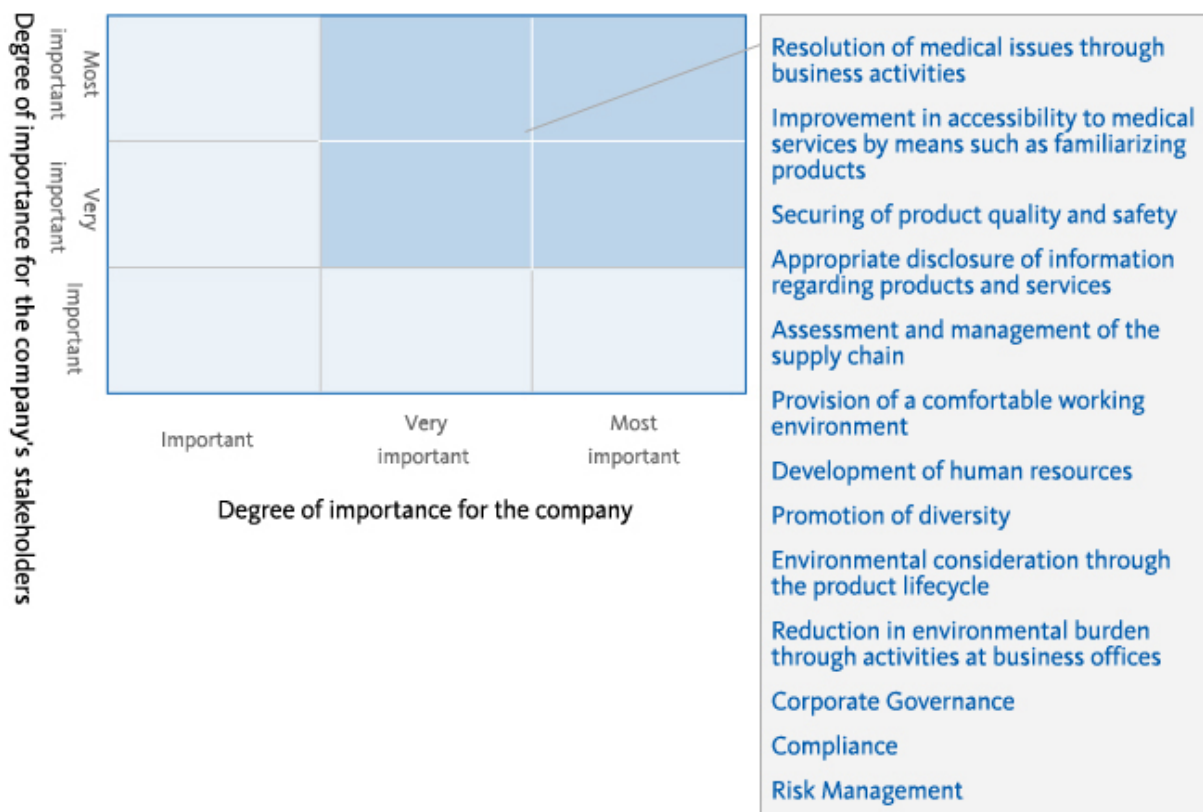
We believe in the importance of building long-term trust-based relationships with customers through initiatives to boost customer satisfaction, the collection of quality information globally and in a timely manner, responses in the event of troubles, and sharing information globally about bugs and malfunctions, as well as corrective and preventive action.

Main CSR-Related Aspects *

- Reduction of environmental burden through activities at business offices
- Appropriate disclosure of information regarding products and services
- Compliance

* CSR-related aspects: Aspects selected after analyzing GRI Guidelines (G4), United Nations Sustainability Development Goals (SDGs), ISO 26000 and other international guidelines, and screening content from SRI and other assessment bodies, and reflecting on the status of Sysmex's CSR activities.

Sysmex's Materiality Matrix



STEP 3 Confirm Suitability, Establish Materiality

Sysmex's Materiality

Materiality	GRI Standard Related Perspective	SDGs Targets
<p>Resolution of medical issues through products and services</p> <ul style="list-style-type: none"> Resolution of medical issues through business activities Improvement in accessibility to medical services by means such as familiarizing products 	<ul style="list-style-type: none"> Indirect economic impact Local communities 	  
<p>Responsible provision of products and services</p> <ul style="list-style-type: none"> Securing of product quality and safety Appropriate disclosure of information regarding products and services. Assessment and management of the supply chain 	<ul style="list-style-type: none"> Supplier environmental assessment Supplier social assessment Customer health and safety Product and service labeling 	 
<p>Realization of an attractive workplace</p> <ul style="list-style-type: none"> Provision of a comfortable working environment Development of human resources Promotion of diversity 	<ul style="list-style-type: none"> Employment Training and education Diversity and equal opportunity 	 
<p>Environmental consideration</p> <ul style="list-style-type: none"> Environmental consideration through the product lifecycle Reduction in environmental burden through activities at business offices 	<ul style="list-style-type: none"> Raw materials Energy Water Emission into the atmosphere Effluents and waste 	   
<p>Governance</p> <ul style="list-style-type: none"> Corporate Governance Compliance Risk Management 	<ul style="list-style-type: none"> Ethics and integrity Governance Environment Compliance Anti-corruption Anti-competitive behavior Socioeconomic compliance 	 

Recognition of the Issues, Approaches

Resolution of Medical Issues through Products and Services

<Recognition of the Issues>

In relation to aging populations in advanced countries, in recent years the need has been growing to reduce healthcare costs and extend healthy lifespans. At the same time, the establishment of medical infrastructure is unable to keep pace with growing populations in emerging markets and developing countries, and some 400 million people around the world are not receiving necessary levels of healthcare*. Boosting access to healthcare services is therefore an issue.

Meanwhile, the Sustainable Development Goals (SDGs) set targets for human health and welfare, prompting growing expectations for global companies to undertake initiatives to resolve medical issues.

Under these conditions, the in vitro diagnostics (IVD) domain, which plays an important role in disease prevention, early detection and determining courses of treatment, is expected to contribute to a healthy society by creating new value and solving healthcare issues, including the three most deadly infectious diseases (HIV/AIDS, tuberculosis, malaria).

Sysmex believes the resolution of medical issues through its business activities and activities that improve access to healthcare contribute to social sustainability and will bolster corporate value through the creation of new technologies and markets.

*Source: WHO "[Universal Health Coverage](#)"

<Sysmex's Approach>

Since the time of our founding, Sysmex has expanded its product lineup and strengthened its services and support in response to testing needs, working to provide accurate test data swiftly. In recent years, we have been conducting research and development on gene testing and other advanced, high-value testing and diagnosis technologies that lead to early detection and treatment with a view to realizing personalized medicine. To boost access to healthcare in emerging markets and developing countries, we are promoting business activities aimed at raising local levels of healthcare by enhancing lab quality and promoting the training of healthcare professionals.

By leveraging the unique technologies we have cultivated to date, as well as our global network, we will continue to contribute toward the development of healthcare and the healthy lives of people.

► [Please click here for information on activity results in relation to the resolution of medical issues through products and services.](#)

Responsible Provision of Products and Services

<Recognition of the Issues>

A recent spate of issues involving product quality and recalls have drawn attention to society's demands for product and service quality and safety. Furthermore, in recent years the scope of corporate responsibility has expanded to encompass the entire supply chain, including business partners. The Sustainability Development Goals (SDGs) also include goals related to the responsibility of manufacturers.

Systemex engages in the global development of business in the healthcare field, involves people's lives and health. Accordingly, we work to ensure the quality and safety of our products and services, disclose information appropriately and conduct CSR-considerate procurement activities. We believe these moves are important in earning the trust of our stakeholders.

<Systemex's Approach>

Systemex has created a global quality management system, through which it is consistently striving to maintain or increase quality levels. As initiatives to enhance customer satisfaction, we offer services and support that are closely tailored to customers' needs, creating a framework we call "Voice of Customer (VOC)" to incorporate customer input into our product development and quality improvements, and provide the most recent scientific information. Furthermore, as a company developing its business globally we are reinforcing our systems for delivering a stable supply of products, promoting CSR-considerate procurement activities and aiming to grow in a sustainable manner in tandem with our business partners.

Going forward, we will continue striving to earn the trust of our stakeholders and instilling confidence by offering responsible products and services.

▶ [Please click here for information on activity results in relation to the responsible provision of products and services.](#)

Realizing an Attractive Workplace

<Recognition of the Issues>

In order to achieve sustainable growth, it is considered important for companies to promote diversity and create decent and attractive workplaces. Also, the SDGs include goals pertaining to gender equality, decent work and reduced inequalities.

Sysmex considers human resources an important management asset necessary for sustainable growth. We believe that creating attractive workplaces helps ensure superior personnel, reinforcing our corporate competitiveness.

<Sysmex's Approach>

Sysmex has in place a human resource development system that develops capabilities in an ongoing and systematic manner. We promote diversity and inclusion and have introduced various systems to create a workplace that provides peace of mind and enables diverse employees to maximize their skills.

As we strive toward sustainable growth, we will continue in our efforts to build a workplace in which diverse human resources can maximize their potential and provide opportunities for their individual growth.

▶ [Please click here for information on activity results in relation to the realization of an attractive workplace.](#)

Environmental Consideration

<Recognition of the Issues>

We recognize that mitigating climate change; using water, mineral and other resources; and protecting biodiversity are critical to sustainability of the global environment. As the going into force of the Paris Agreement and the Sustainable Development Goals (SDGs) demonstrate, around the world a growing number of initiatives make addressing the environmental problem a priority issue, and companies are being called on to play a greater role.

As a company developing its operations globally, Sysmex recognizes increasingly serious environmental issues as a topmost priority. We also understand that large-scale environmental damage due to climate change is a significant business risk because they have the potential to halt our resource procurement and manufacturing functions.

<Sysmex's Approach>

To guide the Group's environmental management over the long term, along with long-term management goals for the Sysmex Group, Sysmex has formulated the Sysmex Eco-Vision 2025. This vision sets long-term environmental targets to be achieved by fiscal 2025. We are promoting environmental preservation across product and service life cycles and throughout the value chain of our business activities.

Going forward, along with the pursuit of sustainable growth we will continue striving to reduce environmental impact—a vital social issue.

▶ [Please click here for information on activity results in relation to environmental consideration.](#)

Governance

<Recognition of the Issues>

Numerous corporate scandals related to corporate governance, risk management and compliance have come to light in recent years, and their impact on society has increased.

In this environment, Japan's Corporate Governance Code went into effect in June 2015, calling on companies to take governance into consideration in non-financial areas, as well as on the financial front. In addition to strengthening governance and internal control, companies are being called on to buttress their management foundations for promoting risk management and compliance. Sysmex believes that reinforcing governance helps ensure stakeholder trust and is an important management issue in terms of enhancing medium- to long-term corporate value.

<Sysmex's Approach>

Sysmex has established the Audit and Supervisory Committee and is strengthening the supervisory function by external members of the Managing Board, as well as enhancing the Managing Board's effectiveness and reinforcing governance in other ways. In line with these changes, we are putting in place systems to fortify the groupwide risk management function and have established a Compliance Committee and an internal reporting system as initiatives to strengthen our base with a view to sustainable growth.

We will continue aiming to maximize the overall corporate value of the Group through management robustness, better transparency and improved management speed and efficiency.

▶ [Please click here for information on activity results in relation to governance.](#)

Objectives and Results

Fiscal 2017 Objectives	Fiscal 2017 Results	Fiscal 2018 Objectives
Resolution of Medical Issues through Products and Services		
<p>Promote activities to prevent the spread of three major infectious diseases</p> <p>Promote support measures to raise the level of healthcare in emerging markets and developing countries</p>	<p>Continue participating in the Malaria Consortium, which connects industry, government and academia</p> <p>Develop and launch hematology analyzers that can measure malarial plasmodia and other infected red blood cell parameters¹</p> <p>Promote scientific support activities in Mongolia and other emerging markets and developing countries</p>	<p>Continue activities to prevent the spread of three major infectious diseases</p> <p>Promote support activities to raise the level of healthcare in emerging markets and developing countries</p>
Responsible Provision of Products and Services		
<p>Conduct CSR awareness activities for business partners</p> <p>Enhance CSR survey topics</p>	<p>Conducted briefings for business partners on such topics as CSR procurement and overseas laws and regulations (participating companies: 233)</p> <p>Used the common SAQ² created by GCNJ³ to conduct CSR surveys of all business partners (implementation rate at primary suppliers in Japan: 81%)</p>	<p>Expand scope of CSR surveys to include secondary suppliers in Japan</p> <p>Conduct CSR surveys (implementation rate for primary and secondary suppliers in Japan: 80% or more)</p> <p>Follow up with primary suppliers in Japan based on CSR survey results</p>
Realization of an Attractive Workplace		
<p>Utilize diverse human resources and promote diverse working styles</p> <ul style="list-style-type: none"> • Rate of employment of people with disabilities: 2.0% (Group companies in Japan) • Percentage of female managers: 10% (Sysmex Corporation) 	<p>Obtained certification for Sysmex Harmony Co., Ltd., as a special subsidiary for promoting the employment of people with disabilities</p> <ul style="list-style-type: none"> • Rate of employment of people with disabilities: 2.0% (Group companies in Japan) <p>Completed introduction of a working-at-home system (131 registered employees, of whom 99 used the system)</p> <p>Conducted education and training for female leaders</p> <ul style="list-style-type: none"> • Percentage of female managers: 8.62% (Sysmex Corporation) 	<p>Formulate and implement diversity promotion plans</p> <ul style="list-style-type: none"> • Rate of employment of people with disabilities: 2.2% or more (Group companies in Japan) • Percentage of female managers: 12% (Sysmex Corporation)

Environmental Consideration		
Set medium- to long-term Group environmental objectives	Completed the formulation of Sysmex Eco-Vision 2025 and mid-term environmental objectives (fiscal 2017–2019)	Promote environmental activities to achieve the objectives of Eco-Vision 2025 <ul style="list-style-type: none"> • Reduce CO₂ emissions • Reduce water consumption • Promote resource circulation • Protect biodiversity
Governance		
Promote compliance activities related to competition laws and anti-bribery Evaluate the effectiveness of the Managing Board	Revised the guidebook on competition laws Conducted training related to anti-bribery Evaluated the effectiveness of the Managing Board	Promote measures to reinforce Group compliance Continue and improve effectiveness evaluations of the Managing Board

1 For research use; only in Japan

2 CSR procurement self-assessment tool set

<http://ungcjin.org/activities/topics/detail.php?id=229>


3 Global Compact Network Japan

The UN Global Compact

Participating in the UN Global Compact

Systemx signed the United Nations Global Compact in February 2011 to proactively promote its CSR initiatives.

Systemx refers to the 10 principles of the Global Compact and the Sustainable Development Goals (SDGs), which the United Nations adopted in September 2015, when identifying priority issues (materiality) and promoting CSR activities.

- ▶ [Click here for information about the relationship between the Sustainable Development Goals \(SDGs\) and the priority issues to be addressed \(materiality\).](#)
- ▶ [Click here for information about the UN Global Compact's 10 Principles](#) 



The UN Global Compact



The Sustainable Development Goals (SDGs)

Resolution of Medical Issues through Products and Services

Offering Superior Technologies to Help Eliminate Malaria

Recognition of the Social Issue

Malaria is one of the world’s three major infectious diseases. Although the number of infections and deaths due to malaria has been falling for the past several years, annually around 200 million people are infected and some 450,000 die from the disease. In Africa, one child under the age of five dies from malaria every two minutes*.

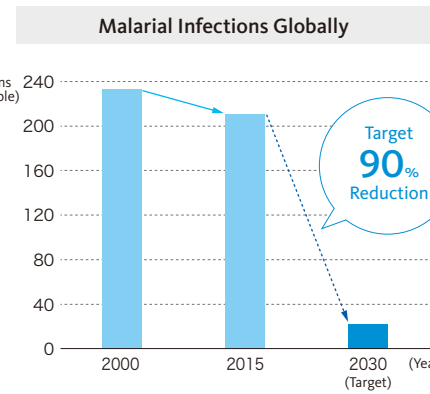
The Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 address a number of medical issues, and the World Health Organization (WHO) has set the goal of cutting malaria-related deaths, and the number of people infected by the disease, by 90% by 2030, compared with 2015 levels.

*Source: World Malaria Report 2017

Systemex’s Policy on Addressing Medical Issues

Systemex has identified the “resolution of medical issues through products and services” as a priority issue (materiality item) with a view to realizing a sustainable society and achieving sustainable growth for the Company. By leveraging our technologies, we aim to contribute toward measures to fight the three major infectious diseases in the IVD field.

Malaria Infections and Deaths	
Malarial infections per year	Deaths per year
Around 200 million people	Around 450,000 people



Source: World Malaria Report 2010, World Malaria Report 2017

Relation to the SDGs

The Sustainable Development Goals (SDGs) adopted by the United Nations consist of 17 goals to be met by 2030. Goal 3, to “Ensure healthy lives and promote well-being for all at all ages,” targets the following objectives.

- Reduce maternal mortality
- Reduce the mortality of newborns and children under five years of age
- Eradicate AIDS, tuberculosis, malaria and tackle other communicable diseases
- Reduce premature mortality from non-communicable diseases
- Ensure access to essential healthcare services, medicines and vaccines
- Develop the skills of, and conduct training for, health workers in developing countries



Partnership Aimed at Overcoming Tropical Infectious Diseases Not Present in Japan

We have succeeded in eradicating malaria in Japan; nobody in this country is infected. Overseas, however, the situation remains largely unchanged. With the emergence of drug-resistant malarial plasmodia and insecticide-resistant mosquitos, in some countries the number of infections and deaths have actually increased. Changing this situation and protecting from malaria the children who represent the future of the world requires a well-concerted, three-pronged approach: prevention, diagnosis and treatment. I find it very encouraging that Sysmex and other Japanese companies that aim to contribute to global health are taking the lead in a consortium to eliminate malaria through superior tools and specific strategies. I have great expectations for the success of this effort and its subsidiary benefits.



Kiyoshi Kita

Nagasaki University
School of Tropical Medicine
and Global Health
Dean, Professor

Specific Initiatives for Eliminating Malaria

Developing Products to Help Eliminate Malaria

Sysmex has developed and begun selling¹ the XN-30 multi-parameter automated hematology analyzer, which allows the detection of blood infections from malarial plasmodia.

As well as measuring infected red blood cell parameters such as malarial plasmodia², the XN-30 provides information indicating the quantity of infected red blood cells and the type of malarial plasmodia present. This information is important, as the treatment method generally varies depending on the type of malarial plasmodia. We are also working on technologies to identify asymptomatic carriers—people who have malarial plasmodia in their bodies but do not have the illness themselves—as addressing this situation is considered one way of preventing the spread of the infection.

The XN-30 is being used for basic research. The Research Institute for Microbial Diseases at Osaka University is using this instrument in an effort to discover new anti-malarial drugs.

In addition to our next model, which will feature certain improvements, going forward we will seek to obtain regulatory approval in various countries so that the instrument can be used in laboratories and other clinical facilities.

¹ In Japan only ² Research parameter

XN-30 Features

1. Fast

(measurement in approximately 1 minute)

2. Simple and accurate

No need for the technical skills required for conventional testing by microscope

3. Highly sensitive

Capable of measuring malarial plasmodia and other infected red blood cells at concentrations of 20cells/ μ L



XN-30 multiparameter automated hematology analyzer

Promoting a Partnership to Eliminate Malaria

Such worldwide issues as malaria cannot be resolved by a single company. Rather, it calls for strong partnerships that leverage the strengths of industry, the government, and academia, as well as nonprofit organizations and local communities.

Since 2016, Sysmex has been participating in the Malaria Consortium, a joint effort between industry, government, and academia. We are taking on a role in the field of blood testing.

The Malaria Consortium proposed "P3 (Public -Private Partnership) from Japan for Malaria Elimination" in Asia and Africa to the Japanese government in April 2018. It aims at malaria elimination by combining Japanese companies' technologies.

Malaria Consortium Initiatives

Preventing Occurrence

- Develop insecticide-treated mosquito nets, sprays and mosquito-repellant paint
- Develop infection-preventing drugs
- Provide health guidance

Testing and Diagnosis

- Gene testing
- Blood testing: Sysmex's role

Drug Discovery and Treatment

- Develop drugs for treatment

Environmental Consideration

Initiatives to Protect the Environment in the Long Term

Recognition of the Social Issue

Global environmental sustainability—curtailing climate change; utilizing water, mineral and other resources; and protecting biodiversity—is becoming an urgent issue. As the enactment of the Paris Agreement and the adoption of the Sustainable Development Goals (SDGs) show, around the world environmental initiatives are considered priority issues, and expectations for the role of the business sector are increasing.

Measures to Address Climate Change **2°C or less**
Keeping the rise in average air temperature to

The Paris Agreement calls for keeping the rise in average air temperatures well below 2°C above pre-industrial levels, and for efforts to hold this rise to 1.5°C.

Sysmex’s Policy on Undertaking Environmental Activities

As a company that is developing its operations globally, Sysmex has identified materiality issues that include “environmental consideration throughout the product life cycle” and “reduction in environmental burdens through activities at business offices,” and is working proactively to reduce its environmental impact.

Furthermore, we have revised our environmental policy in line with our transition to ISO 14001:2015, an international environmental management system, and are steadily pursuing environmental initiatives throughout the Group.

People Facing Water Shortages **40% or more**
of the world’s population

By 2050, around 3.9 billion people (more than 40% of the global population) living in river basins are forecast to face severe water shortages.

Source:OECD Environmental Outlook to 2050 (2012)

Relation to the SDGs

The Sustainable Development Goals (SDGs) adopted by the United Nations consist of 17 goals to be met by 2030. Goal 6, to “ensure access to water and sanitation for all;” goal 7, to “ensure access to affordable, reliable, sustainable and modern energy for all;” goal 12, to “ensure sustainable consumption and production patterns;” and goal 13, to “take urgent action to combat climate change and its impacts,” target the following objectives.

- Substantially improve the efficiency of water usage, ensure the sustainable extraction and provision of fresh water, and resolve water shortages
- Reduce waste emissions by promoting prevention, recycling and reuse
- Double the rate of improvement in energy efficiency
- Reinforce the ability to prevent and respond appropriately to the dangers and natural disasters resulting from climate change



We are promoting environmental conservation across the entire life cycle in an effort to realize a sustainable society.

Resolving global environmental issues requires a medium- to long-term perspective. To date, Sysmex has formulated long-term environmental objectives and engaged steadily in measures to reduce its environmental impact. Even so, companies are now being called upon to increase their environmental responses. We have recently formulated long-term management goals for the period ending in fiscal 2025. Along with our aim of further growth, we have recast our long-term environmental objectives. We will step up our environmental consideration to achieve a balance between economy and society. In addition to setting clear reduction targets to be achieved by fiscal 2025, we are engaging in environmentally-friendly business activities such as reducing the consumption of energy and water from the use of our products.



Junzo Yamamoto

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

Formulating Sysmex Eco-Vision 2025

Along with the Sysmex Group's long-term management goals, we have formulated Sysmex Eco-Vision 2025, which concludes in Fiscal 2025.

This vision clarifies Group-wide targets, taking into account the social situation, needs and expectations related to environmental issues, including climate change and recycling, as well as the Group's environmental impact and scope. We will step up our environmental conservation efforts across our product and service lifecycles—spanning development, manufacturing, sales, service and support—as well as our value chain.

Major Changes from Eco-Vision 2020*

- Expanded the scope of environmental consideration across the entire value chain and all business activities
- Set targets for biodiversity protection
- Expanded the coverage of business sites (accounting for 80% or more of sales)

* The long-term environmental action plan setting targets to be achieved by fiscal 2020 (set in fiscal 2010).

Please see the "Environmental Management" section for results based on this plan.

Long-Term Environmental Vision

Sysmex remains committed to protecting the global environment by setting environmental objectives for the product/service life cycle and the value chain of its business activities through the year ending March 31, 2026.

1. We reduce CO₂ emissions to contribute to prevention of climate change.
2. We promote resource consumption reduction and resource circulation to help to enhance sustainability of natural resources.
3. We contribute to biodiversity protection under a full awareness of the impact of our business activities on the natural environment.

Long-Term Environmental Objectives (Fiscal 2025)



Reduce CO₂ emissions

By **15%** when using instruments

By **50%** in business activities

By **15%** when shipping



Reduce water consumption

By **15%** when using instruments

By **15%** in business activities



Promote resource circulation

Increase the recycle rate in business activities to **93%** or higher



Protect biodiversity

Expand the line using alternatives to animal-derived substances

Base year: Year ended March 31, 2017

Materiality

Resolution of Medical Issues through Products and Services

Recognition of the Issues

In relation to aging populations in advanced countries, in recent years the need has been growing to reduce healthcare costs and extend healthy lifespans. At the same time, the establishment of medical infrastructure is unable to keep pace with growing populations in emerging markets and developing countries, and some 400 million people around the world are not receiving necessary levels of healthcare*. Boosting access to healthcare services is therefore an issue.

Meanwhile, the Sustainable Development Goals (SDGs) set targets for human health and welfare, prompting growing expectations for global companies to undertake initiatives to resolve medical issues.

Under these conditions, the in vitro diagnostics (IVD) domain, which plays an important role in disease prevention, early detection and determining courses of treatment, is expected to contribute to a healthy society by creating new value and solving healthcare issues, including the three most deadly infectious diseases (HIV/AIDS, tuberculosis, malaria).

Sysmex believes the resolution of medical issues through its business activities and activities that improve access to healthcare contribute to social sustainability and will bolster corporate value through the creation of new technologies and markets.

* Source: WHO "Universal Health Coverage"

Sysmex's Approach

Since the time of our founding, Sysmex has expanded its product lineup and strengthened its services and support in response to testing needs, working to provide accurate test data swiftly. In recent years, we have been conducting research and development on gene testing and other advanced, high-value testing and diagnosis technologies that lead to early detection and treatment with a view to realizing personalized medicine. To boost access to healthcare in emerging markets and developing countries, we are promoting business activities aimed at raising local levels of healthcare by enhancing lab quality and promoting the training of healthcare professionals.

By leveraging the unique technologies we have cultivated to date, as well as our global network, we will continue to contribute toward the development of healthcare and the healthy lives of people.

Resolution of Medical Issues through Business Activities

Innovation Management

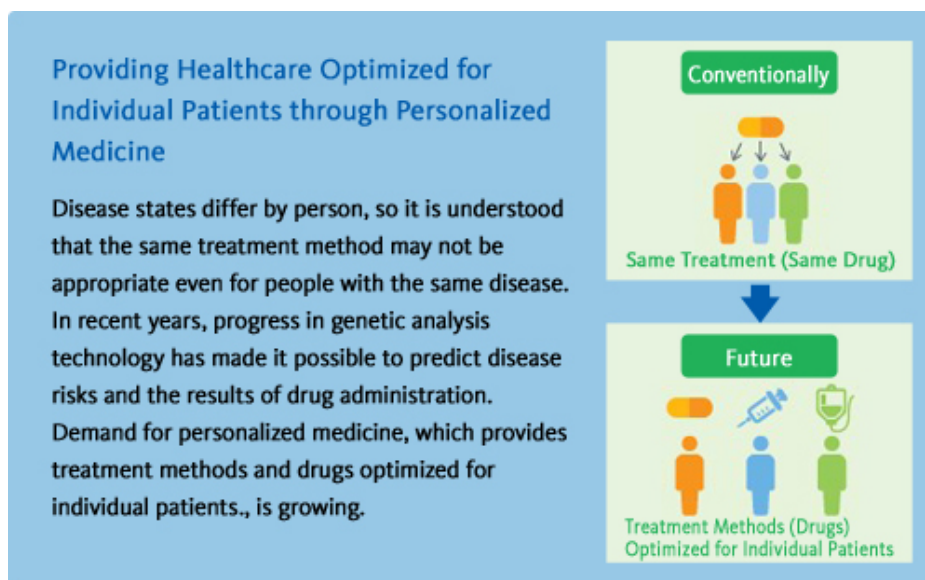
We believe that it is our mission to contribute to ongoing developments in healthcare and human health. As such, we are working to create testing and diagnostic technologies to realize healthcare optimized for individuals.

An R&D Structure That Generates Combinations of a Variety of Technologies

Sysmex develops technology platforms to analyze genes, cells and proteins. Through the multifaceted application of these platforms, we create new testing and diagnostic technologies that are useful to patients. At Technopark, our hub for R&D, a congregation of researchers and engineers in a host of fields—electrical, mechanical, biological, chemical and IT, among others—interact, collaborate, and engage in R&D on instruments, reagents and software in response to customer needs. We have built up a global R&D structure comprising R&D facilities in the United States, Germany and other countries.

In addition to expanding our own technology platforms, through open innovation we are pursuing collaboration with research institutes, universities and medical institutions in Japan and overseas. As part of this effort, we have set up an open innovation lab within Technopark, where we can conduct collaborative R&D with researchers from outside the Company, and we are promoting R&D toward the realization of personalized medicine.

About Personalized Medicine



- ▶ [Click here for details on the R&D structure.](#)
- ▶ [Click here for information on open innovation.](#)

Topics Related to Our R&D Structure (From Press Release in Fiscal 2017)

- [RIKEN GENESIS Establishes RIKEN GENESIS Innovation Genome Center to Provide Lab-Assay Services for Genetic Testing](#)
- [Sysmex Acquires UK Company to Expand into New Business Domains toward Personalized Medicine —Expanding Our Portfolio and Reinforcing Our Technology Base in the Life Science Business](#)
- [Sysmex Opens New R&D Facility with a View toward the Realization of Personalized Medicine](#)
- [Sysmex, RIKEN GENESIS and MKI Sign Comprehensive Collaboration Agreement with a View to Joint Promotion of Genomic Medicine](#)
- [Commencement of Collaborative Research on Measurement of Exosomes in Blood from Cancer Patients](#)
- [Japan's first-ever industry-academia alliance to realize the development of innovative medicine in Japan—Implementation of a one-stop bioresource project in Kyoto University, and the establishment of KBBM Co., Ltd. as a model of "industry-in-the-academia" industry-academia partnership](#)

Contributing to the Early Detection and Treatment of Cancer

As of 2015, there were some 17.5 million cancer patients around the world, with deaths from cancer numbering an estimated 8.7 million. Between 2005 and 2015, the number of cancer cases increased by 33%. Of this figure, 16.4% was attributable to society's aging, 12.6% to population growth and 4.1% to increasing age-specific incidence rates. Although varying widely by country and region, around the world it is said that one in three men and one in four women will contract cancer at some point in their lives, making cancer one of the most prevalent diseases*.

Through genetic testing and other technologies, Sysmex's working to contribute to the early detection and treatment of cancer, helping to improve the quality of life of individual patients.

* Source: Global Burden of Cancer 2015

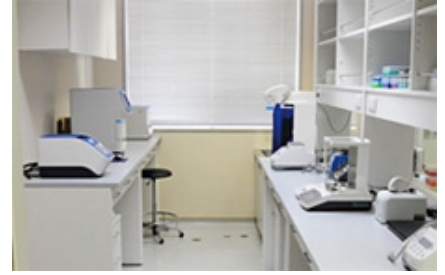
Promotion of R&D in the Field of Cancer Diagnosis

Sysmex Corporation has signed a comprehensive collaboration agreement with the National Cancer Center (2013), and we have engaged in joint development on more than 10 projects. In 2015, in the aim of accelerating R&D in the field of cancer diagnosis to encourage the proliferation of genomic medicine¹ and clinical sequence testing², we opened the Sysmex Cancer Innovation Laboratory (SCI-Lab) within the National Cancer Center Japan Hospital. This lab meets ISO15189³ international standards for clinical laboratories.

We operate this lab in conjunction with RIKEN GENESIS, a Sysmex Corporation subsidiary with extensive experience in gene analysis. The lab employs next-generation sequencers to conduct clinical research involving comprehensive genetic testing to measure around 100 gene types related to various types of cancer. This research is expected to contribute to decisions on appropriate treatment methods and use of drugs.

We will continue to collaborate closely with the National Cancer Center Japan and RIKEN GENESIS, promoting research in the aim of realizing new cancer diagnosis methods and clinical sequence testing as soon as possible.

- 1 This type of medicine involves analyzing the relationship between genetic information and disease in order to predict the onset risk of diseases and aid in selecting the most effective course of treatment.
- 2 Comprehensive analysis of disease-related genes for diagnosis and prevention of cancer and similar diseases.
- 3 This international standard specifies requirements for quality and competence in medical laboratories.



Sysmex Cancer Innovation Laboratory(SCI-Lab)

Providing a Lab Assay Service for Research¹, with a View toward the Realization of Personalized Medicine

Sysmex Corporation provides a lab assay service for research related to gene testing through the Sysmex BMA laboratory and the Sysmex IMP laboratory in the Kobe Biomedical Innovation Cluster (Port Island).

In December 2017, in collaboration with our subsidiary, Sysmex Inostics, we launched a lab assay service (for research) using BEAMing technology for detecting minute quantities of cancer-derived DNA in the blood in Japan, following our offering of the service in Germany and the United States. As a result, we expect to reduce the burden of specimen transport for customers in Japan (research institutions, universities, medical institutions and pharmaceutical companies), and report results more quickly.

In addition, we provide the Curebest™ 95GC Breast assay service², which provides research data to predict recurrence by analyzing breast cancer tissue. By providing a variety of research-use assay services such as these, we aim to contribute to personalized medicine, or healthcare that is optimized for individual patients.

1 Provision of laboratory testing results as services

2 An analysis service for measuring the expression amounts of 95 genes related to breast cancer prognosis



Sysmex BMA laboratory

Proliferation of Regenerative Medicine by Making Use of iPS Cells¹

iPS cell transplantation therapy is divided into two methods: autologous transplantation, where cells produced from iPS cells derived from a patient's own body are used, and allogeneic transplantation, which uses cells produced from iPS cells derived from a donor who meets certain criteria (allogeneic iPS cells).

At issue with autologous transplantation is the significant time and cost required to prepare cells for transplantation. Allogeneic transplantation, on the other hand, may have the potential to provide cells with assured quality for transplantation therapy timely, stably and inexpensively, because allogeneic iPS cells are managed in cell banks², and cells for transplant are produced systematically in standardized processes. For this reason, allogeneic transplantation appears to hold promise for the proliferation of regenerative medicine. That said, since allogeneic transplantation—the treatment method using donor-derived allogeneic iPS cells—may induce post-transplant immunorejection³, it is necessary to develop a new testing method to confirm prior to transplantation whether cells are suitable for transplant, including the possibility of immunorejection.

In July 2016, Sysmex Corporation, HEALIOS K.K. and Sumitomo Dainippon Pharma Co., Ltd., commenced joint R&D on a pre-transplant immune reaction testing method for using retinal pigment epithelial (RPE) cells derived from allogenic iPS cells. Sysmex will use its imaging flow cytometry and protein analysis technologies to develop the pre-transplant immune reaction testing method for RPE cells derived from allogenic iPS cells that have been jointly developed by HEALIOS and Sumitomo Dainippon Pharma targeting patients with macular degeneration⁴ and other ocular diseases. Through collaborative R&D employing leading-edge technologies, we will contribute to the popularization of regenerative medicine.

1 An abbreviation for induced pluripotent stem cells, iPS cells that are produced from human skin cells or others by transfection of several factors are capable of differentiation into many types of cells organizing

2 To produce final products on a sustained and stable basis, cells that have been prepared from a single cell under defined conditions (cultivation in advance) are dispensed into multiple containers and stored under defined conditions. For iPS cells, a project of "iPS Cell Stock for Regenerative Medicine" is underway by using cells harvested from healthy Japanese volunteers.

3 In this reaction, the body works to protect itself by resisting the invasion of foreign substances, activating immune cells to block the invasion. As this reaction is central to the success or failure of tissue and cell transplants, currently immunosuppressive agents are used to control the rejection reaction.

4 Retinal maculae play an important role in the ability to see, but damage due to advancing age can cause degeneration, resulting in illness in which the eyesight is impaired. In one type of age-related macular degeneration, the macular structure takes on an "atrophic form" along with advancing age. In another, the "exudative form," new vessels form just below the retina (neovascularity), causing damage to the maculae.

Topics Related to the Proliferation of Regenerative Medicine Using iPS Cells (From Press Release in Fiscal 2017)

▶ [Sysmex Invests in Megakaryon Corporation to Contribute to the Practical Realization of Platelet Preparations Derived from iPS Cells](#)

The Spread of Testing Having a Low Physical and Economic Impact

Sysmex is pursuing R&D aimed at the realization of testing to reduce the physical and economic burden on patients, ensuring that as many people as possible have access to appropriate healthcare.

Creating a Next-Generation Diagnostic Drug for Alzheimer's Disease

In line with aging populations, the number of people around the world diagnosed with dementia is rising each year. Some 9.9 million people develop dementia every year, and globally the number of people with dementia is expected to rise from 46.8 million in 2015 to 74.7 million in 2030 and 131.5 million by 2050*.

Early detection and early treatment can slow the progress of Alzheimer's disease, so early diagnosis is extremely important. However, issues exist with the brain imaging examinations and cerebrospinal fluid examinations that are necessary for the diagnosis of Alzheimer's disease. These issues include an insufficient number of facilities for examinations, high costs and the invasiveness of the testing.

Sysmex Corporation has signed a comprehensive agreement in the field of dementia with Eisai Co., Ltd., which has a wealth of knowledge and technologies related to drug discovery in the field of Alzheimer's disease (February 2016). While we have the technology to measure genes, proteins and cells with a high degree of sensitivity, by leveraging each other's technologies and knowledge, the two companies aim to discover next-generation diagnostic drugs that will enable early diagnosis, selection of the treatment options and the regular monitoring of the effects of treatment for dementia.

* "World Alzheimer Report 2015," Alzheimer's Disease International

Sysmex Super-Resolution Fluorescence Microscope Wins Good Design Gold Award 2017

The super-resolution fluorescence microscope developed by Sysmex Corporation received the Good Design Gold Award 2017 (Ministry of Economy, Trade and Industry Award).

This microscope, which enables the observation of the morphology of proteins measuring only tens of nanometers, is being used in joint research for Alzheimer's disease with Eisai Co., Ltd.

In addition to its functionality, specific areas in which the product was considered superior, and therefore selected for the Good Design Gold Award, included the fact that it needs less dedicated space than conventional super-resolution fluorescence microscopes and does not require a specialized environment such as a darkroom, enabling its introduction at facilities where installing those conventional microscopes are problematic. The product also earned high marks for its exterior design, which is simple and evokes a sense of innovation.



Super-Resolution Fluorescence Microscope

Further Product Popularization through the Expansion of Our Product Lineup

Sysmex provides products and services in the hematology, urinalysis and immunochemistry fields in more than 190 countries around the world. Global demand for testing is increasing each year, evidenced by evermore sophisticated healthcare in advanced countries and the establishment of healthcare infrastructure in emerging markets. In tandem with this demand, there exists a growing need for automated system products that boost productivity in line with facility characteristics, including laboratory scale, the number of tests processed, and the number of clinical laboratory technologists. Sysmex proposes myriad combinations and systems that conform to the environments of customer facilities by making products more compact, faster and adopting a modular concept*.

* Individual modules can be combined to create a diverse variety of product configurations. The series also allows for flexibility in testing throughput, increasing or reducing capacity in line with customer needs.

Product and Service Topics (From Press Releases in Fiscal 2017)

- Sysmex to Launch the Semi-Automated Urine Chemistry Analyzer UC-1000, a Compact Model in the Field of Urine Qualitative Analysis, in Overseas Markets
- Sysmex Expands XN-Series Product Lineup in the Hematology Field—Achieving Further Productivity Improvements in Hematology Testing Through Footprint Reduction
- Sysmex to Commence Sales of “Revohem PT” Reagent for Measuring Prothrombin Time, a Key Testing Parameter for Monitoring Anticoagulation Therapy—First Japanese PT Reagent Using Recombinant Protein Mass Produced by Silkworms
- Sysmex Launches the Revohem FVIII Chromogenic, a Coagulation Factor VIII Assay Reagent—Helping to Diagnose and Assist in Treatment of Hemophilia A
- Insurance Coverage of Lymph Node Metastasis Testing for Non-Small-Cell Lung Cancer Using the OSNA™ Method
- Sysmex Acquires CLIA Waiver for New Automated Hematology Analyzer—The First Automated Hematology Analyzer to Receive Such Approval
- Sysmex to Commence OncoBEAM™ Lab Assay Services (for Research) in Japan, as well as in Germany and the United States, to Analyze Genetic Mutations Related to Circulating Tumor DNA
- Sysmex to Launch the Automated High-sensitive Immunoassay System for Research Applications HI-1000—Promoting R&D on New Biomarkers Aimed at Achieving Personalized Medicine through Liquid Biopsy

Resolution of Medical Issues through Products and Services

Improvement in Accessibility to Medical Services by Means such as Familiarizing Products

People in some parts of the world have difficulty in receiving appropriate healthcare due to poverty or because healthcare environments and systems and frameworks for providing healthcare are underdeveloped.

Addressing one of its responsibilities as a company developing its business globally, Sysmex is working to improve access to healthcare so that as many people as possible can receive appropriate healthcare.

Initiatives Targeting the Three Major Infectious Diseases

Known as the three major infectious diseases, HIV/AIDS, tuberculosis and malaria claim about 3 million lives each year. Of the many infectious diseases that exist, these three have long existed on a global scale. In recent years, the spread of therapeutic drugs and vaccines has helped to stem the scale of infection, but economic, social and cultural factors also come into play, and the medical services required for prevention and treatment have not yet reached many poor and socially disadvantaged people. Impaired health can also affect economic growth, as it lowers labor capabilities, reduces labor productivity and leads to rising healthcare costs.*

By leveraging the detection technologies it has accumulated in the area of clinical testing, Sysmex is moving forward with the development of products that assist in diagnosing disease. We are also collaborating with government and academia on initiatives to address the three major infectious diseases.

* Source: "Knowing the Three Major Infectious Diseases", Friends of the Global Fund, Japan

Initiatives to Eliminating Malaria

Malaria is one of three major infectious diseases. Although the number of cases has trended downward over the past several years, each year some 200 million people are infected and around 450,000 die from the disease¹. Africa accounts for more than 90% of these deaths, with one child under the age of five losing its life by the disease every two minutes². To eliminate malaria, Sysmex is working to improve access to healthcare through its fields of business, the testing and diagnostic domains.

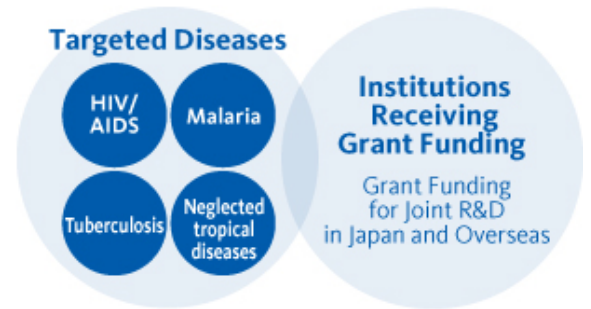
► For detailed activity highlights, see "Offering Superior Technologies to Help Eliminate Malaria."

1 "WHO World Malaria Report 2017"

2 Malarianomore.org.uk

Participating in the Global Health Innovative Technology Fund (GHIT Fund)

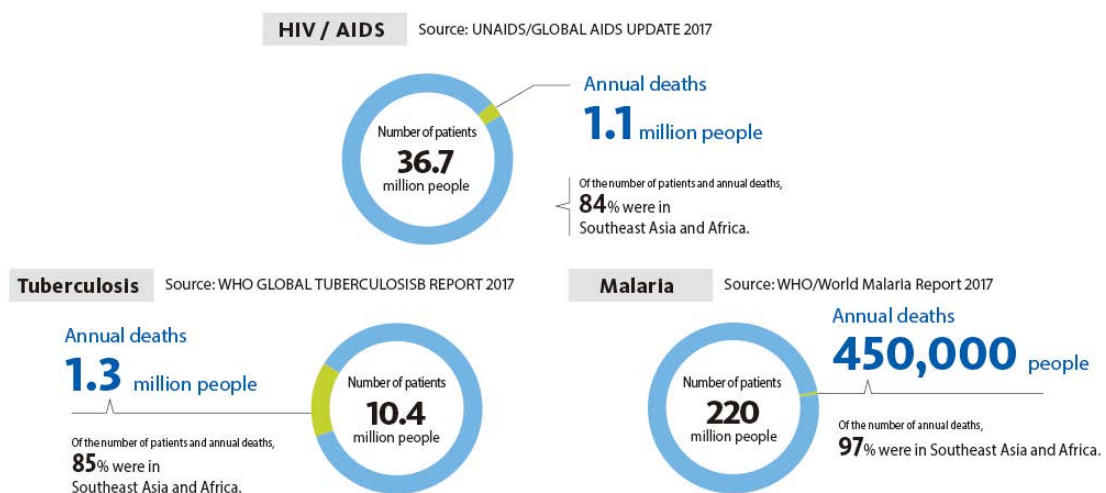
Sysmex is working on development of testing technologies targeting malaria, dengue fever, HIV/AIDS and other diseases, as well as developing products to contribute to the diagnosis of infectious diseases in emerging markets and developing countries. Since 2015, we have also participated in the Global Health Innovative Technology Fund (GHIT Fund) which states its vision for action as “one in which the crushing burden of infectious disease no longer prevents billions of people in the developing world from seeking the level of prosperity and longevity now common in the industrialized world.” The GHIT Fund has entered its second phase of activity (2018-2022), shifting from the initial focus on product development toward activities to provide these products to the people who need them. Sysmex will continue to participate in the fund’s second-phase activities. By promoting activities aimed at developing and providing new reagents for infectious diseases through Japanese technological innovation, we will contribute toward the eradication of infectious disease in developing countries.



Global Health Innovative Technology Fund

GHIT Fund Framework

Annual Deaths from the Three Major Infectious Diseases in 2016



Providing Healthcare Opportunities through the Donation of Mobile Laboratories

Regions lacking electrical equipment and other infrastructure cannot make immediate use of the products and services provided in advanced countries, pointing to the need to provide products and services suited to the needs of those regions and their people. In some regions, knowledge of healthcare is insufficient, and there exists a lack of understanding about the effects of testing and treatment. Patient education and awareness are important issues in such areas.



Mobile laboratory

In 2016, at the Tokyo International Conference on African Development (TICAD VI) in Kenya, we unveiled a mobile lab¹. We donated this vehicle to the Beyond Zero Campaign², which is working to raise awareness of maternal and child health and measures to address infectious diseases. We see introducing a mobile lab as a way to offer a regular traveling clinic, as well as to educate and promote awareness among patients in the aim of reducing the percentage of deaths from infectious diseases by contributing to their early detection and treatment.

Sysmex will continue working to provide appropriate healthcare to as many people as possible and aims to help resolve the world's healthcare issues by enhancing awareness of healthcare among patients.

1 Sysmex Corporation exhibited this lab in collaboration with Toyota Tsusho Corporation and Hino Motors, Ltd.

2 This awareness campaign on maternal and child health and measures to address infectious diseases was launched by the wife of Kenya's President Kenyatta in January 2014. In addition to spurring government efforts and raising awareness among the people, the campaign aims to distribute mobile laboratories throughout the country and includes such activities as a charity marathon supervised by Ms. Kenyatta.

Cooperation with a Program for Improving the Health of Mothers and Children

In December 2017, Sysmex Corporation participated in the "the Project for Improvement of Maternal and Child Health Department in Lambaréné Region," in cooperation with the Fiscal year 2017 Grant Assistance for Grass-Roots Human Security Projects in Gabonese Republic, Africa. Through this cooperation, we installed our automated hematology analyzer and provided training to medical staff at the hospital. We aim to improve the health of mothers and children by increasing free testing opportunities for pregnant and nursing mothers who live in areas with less access to healthcare.

Helping to Raise Local Healthcare Levels

As one of its initiatives to help the development of healthcare infrastructure and raise healthcare levels in Asia, Sysmex has supported efforts to raise the quality of healthcare testing in six countries: China, Mongolia, Cambodia, Myanmar, Thailand and the Philippines. We are also providing laboratory quality control support and supporting the education of healthcare professionals in the African countries of Namibia, Zambia and Zimbabwe.

Collaborating with the Japan International Cooperation Agency (JICA) to Promote Quality Control Support at Clinical Laboratories to Match International Standards

Sysmex provides laboratory quality control support in the Republic of Namibia, Africa, which faces shortages of healthcare personnel and healthcare infrastructure, as well as the issue of ensuring the quality of healthcare.

Specifically, Sysmex is providing a mentorship* program that makes use of the Sysmex Quality Guidance Manual—a quality control system operational manual for clinical laboratories conforming to international standards—to facilities under the jurisdiction of the Namibia Institute of Pathology, which is overseen by the Namibian government.

To date in Africa, we have already been engaging in the same type of initiatives to raise laboratory quality by working with the health ministries of Zambia and Zimbabwe. We will use this track record as a steppingstone to promote horizontal development into surrounding African countries.



Operator training at a lab (Namibia)

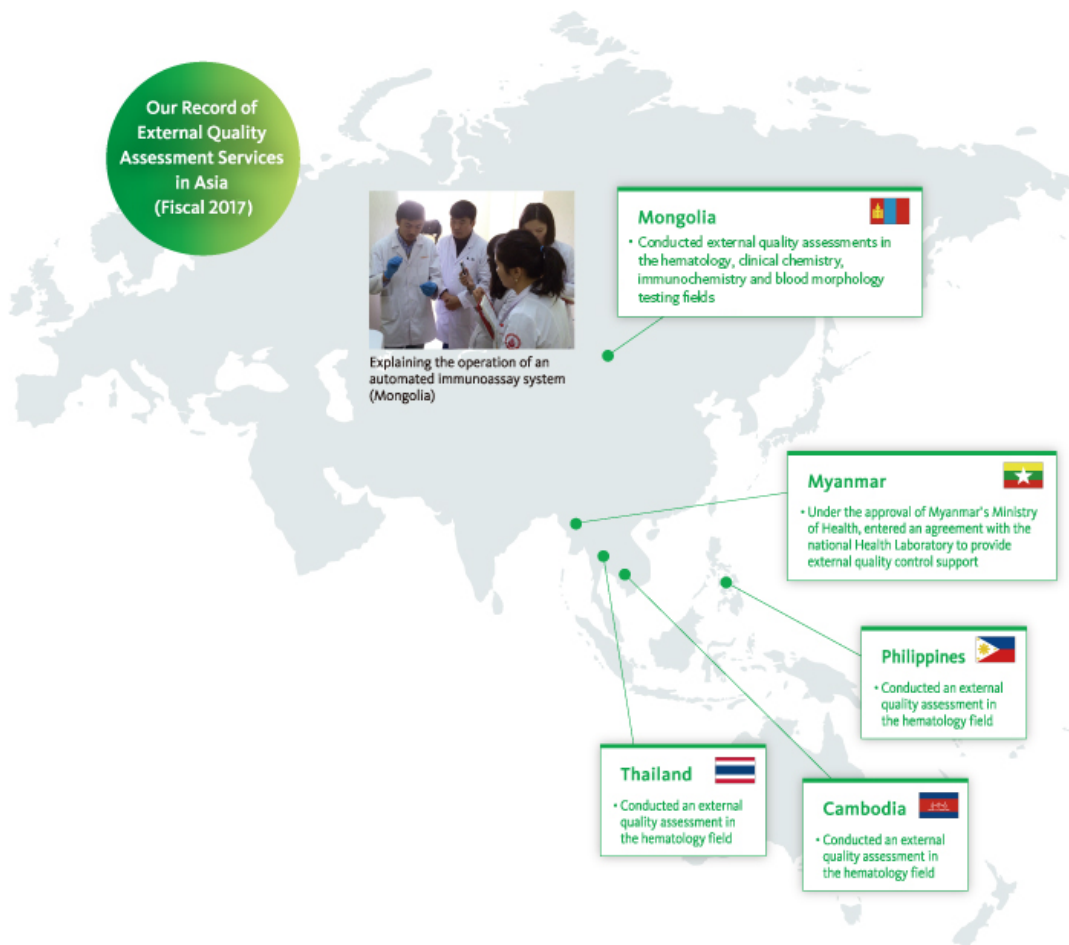
* Rather than simply managing people, mentorship is the concept of seeking the growth and success of all people related to a business after making the organization's directions and values clear. This concept encompasses management that motivates people, provides guidance on position and skills that leads toward enhanced capabilities, and provides a framework to invigorate an organization.

Conducting Scientific Support Activities to Standardize and Raise the Quality of Clinical Testing

To date, Sysmex Corporation has entered into agreements with government institutions in China, Mongolia, Cambodia, Myanmar, Thailand and the Philippines to conduct scientific support activities aimed at enhancing the quality of clinical testing.

The accumulation of expertise and standardization related to “blood morphology testing,” which is essential to the diagnosis, treatment and follow-up assessments for leukemia and other blood disorders, has become a social issue in Mongolia in recent years. As its support activities so far in the fields of hematology, clinical chemistry and immunochemistry have earned high marks, in July 2017 Sysmex Corporation expanded its support to include the field of blood morphology testing. In addition to providing technological and academic expertise to local clinical laboratory technologists, by supporting the construction and operation of a nationally implemented external quality control framework for a blood morphology testing, we aim to help improve the level of healthcare in Mongolia.

Going forward, Sysmex will continue with initiatives aimed at standardizing and increasing the quality of clinical testing in emerging markets and developing countries.



Supporting the Education of Healthcare Professionals

In addition to preparing healthcare infrastructure in place, having in place appropriately trained healthcare professionals is an essential part of improving access to healthcare. Sysmex provides educational support to raise the quality of clinical laboratories and to standardize and raise the quality of clinical testing. We also conduct seminars and study sessions targeting healthcare professionals, imparting leading-edge scientific information.

▶ [Click here for information on Customer Relations](#)

Materiality

Responsible Provision of Products and Services

Recognition of the Issues

A recent spate of issues involving product quality and recalls have drawn attention to society's demands for product and service quality and safety. Furthermore, in recent years the scope of corporate responsibility has expanded to encompass the entire supply chain, including business partners. The Sustainability Development Goals (SDGs) also include goals related to the responsibility of manufacturers.

Systemex engages in the global development of business in the healthcare field, involves people's lives and health. Accordingly, we work to ensure the quality and safety of our products and services, disclose information appropriately and conduct CSR-considerate procurement activities. We believe these moves are important in earning the trust of our stakeholders.

Systemex's Approach

Systemex has created a global quality management system, through which it is consistently striving to maintain or increase quality levels. As initiatives to enhance customer satisfaction, we offer services and support that are closely tailored to customers' needs, creating a framework we call "Voice of Customer (VOC)" to incorporate customer input into our product development and quality improvements, and provide the most recent scientific information. Furthermore, as a company developing its business globally we are reinforcing our systems for delivering a stable supply of products, promoting CSR-considerate procurement activities and aiming to grow in a sustainable manner in tandem with our business partners.

Going forward, we will continue striving to earn the trust of our stakeholders and instilling confidence by offering responsible products and services.

Securing of Product Quality and Safety

Product Quality and Safety Policies

Sysmex has constructed a system to ensure compliance with laws and regulations around the world based on the Quality Policy, the Core Behavior and the Sysmex Corporation Quality Compliance Policy, and we act accordingly.

Quality Policy

By shaping the advancement of healthcare, our global business activities contribute to the creation of a fulfilling and healthy society.

Core behavior

1. We understand our customer's needs, and provide products and solutions that meet or exceed their expectations.
2. We act based on our customer's viewpoints by realizing that "Quality is customer satisfaction".
3. We seek to reassure our customers by establishing the highest quality assurance standards and using them to enhance the quality of all aspects of our business.
4. We continually create innovative value for our stakeholders by developing and applying new and unique technologies and knowledge.
5. We comply with all relevant national or regional regulations and standards to provide safe products.
6. We maintain and continually improve the effectiveness of our quality management system.
7. We establish quality objectives consistent with this quality policy, and measure our performance against them.

Revised in May 2007

Quality Management

Building a Global Quality Management System

All of Sysmex's production facilities* have obtained certification under the international standards ISO 9001 or ISO 13485.

In addition, we regularly hold the Global RAQA (regulatory affairs/quality assurance) Meeting, at which people in charge of quality assurance at Group companies in Japan and overseas gather. In this way, we are working to share quality information throughout the Group and reinforce our structure.



Global RAQA Meeting

* Wholly owned subsidiaries

Sustainable Improvement Programs

Reinforcing Structures for Maintaining and Enhancing Quality

Used in laboratory testing, Sysmex's products play a vital role in protecting people's lives and good health. Being fully aware of this responsibility, Sysmex is making constant efforts to maintain and improve product quality by building various systems, not to mention complying with safety standards around the world at the design and development stages.

In the product development stage, we verify product quality by setting five "quality gates" in the process leading up to market launch. Also, when we market products that are manufactured by others, we verify their quality by conducting audits of the manufacturers and meticulously inspecting the products. As well as these efforts, in the unlikely event of a defective product we have systems in place to quickly identify and respond to the problem.

At factory sites, each month we monitor manufacturing processes and the status of supplier nonconformities. We designate appropriate quality improvements at suppliers with high nonconformity rates, and have a system of ensuring quality through regular quality audits. In addition, our global quality complaint processing system allows us to gather quality information in a timely way from markets around the world. When we receive information about a bug or malfunction, we immediately look into the cause and cease distribution of the product. Sharing information globally about bugs and malfunctions, as well as corrective and preventive actions, helps us maintain and enhance product quality.

Employee Training

Focusing on Specialized Quality and Safety Training

In addition to quality policy education for all employees, Sysmex Corporation conducts basic and specialized quality education targeting specific departments and job types. In fiscal 2017, we conducted training on good vigilance practice (GVP) for safety management employees in charge of manufacturing and sales. This training was aimed at gathering safety management information related to the causes of health hazards and ensuring an accurate understanding of how to use this information. Being a company that provides products and services in more than 190 countries and regions around the world, we conduct education on individual countries' regulatory systems for engineers in development divisions, making a thorough effort to develop products in accordance with laws and regulations.



Group training

Responsible Provision of Products and Services

Appropriate Disclosure of Information Regarding Products and Services

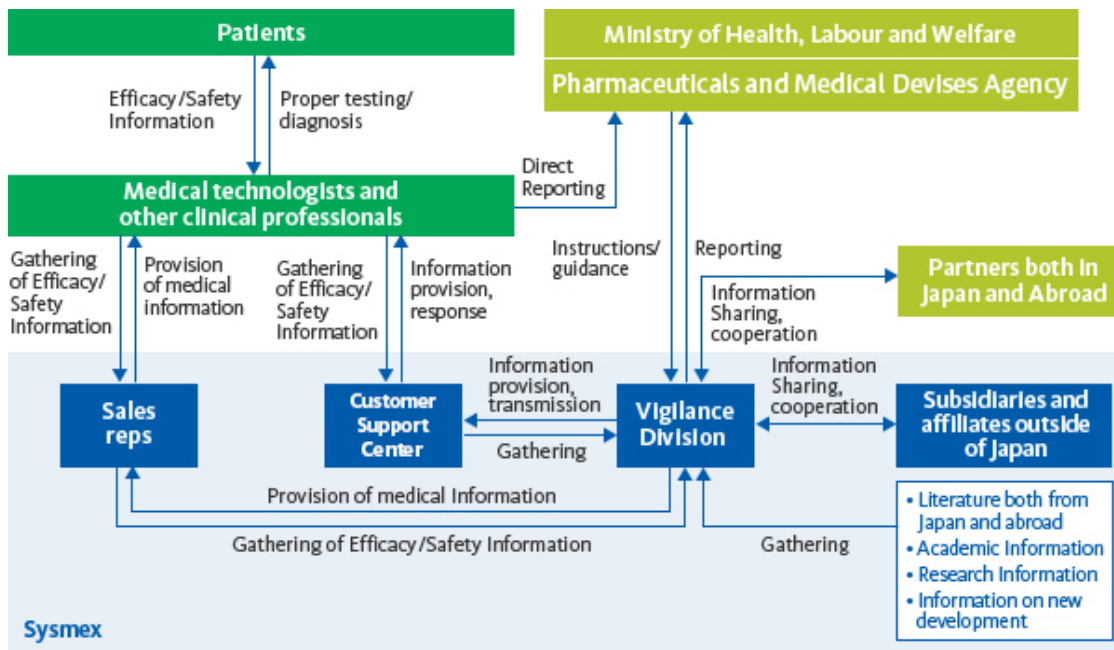
Quality and Safety Information

Sharing Customer Feedback within the Group

A direct link exists between a manufacturer's ability to provide safe, quality products and the trust it engenders.

Sysmex established the Vigilance Division to field the various inquiries it receives from outside the Company, as well as to investigate and analyze the information it receives; share this information with the design, manufacturing and other divisions; and improve quality. In addition, we have put in place a structure for incorporating this information in the next generation of new products.

Product Quality and Vigilance Control System



Recall and Repair Information Posted on Our Website

Sysmex posts information about product recall and repair on its website under “Important Product Notices”.

▶ [Please click here for important product notices. \(Information for Japanese market\)](#)

Working Aggressively to Stamp out Counterfeit Reagents

To assure accurate testing results, Sysmex asks its customers at healthcare facilities to use Sysmex branded instruments and reagents together. In recent years, however, reagents whose names and container shapes have been disguised to look like Sysmex reagents have been found in circulation in some areas. The use of such counterfeit reagents cannot guarantee the reliability of testing results and, in some cases, can be harmful to patients' health.

For this reason, Sysmex continuously monitors markets for counterfeit reagents. When they are discovered, we work with local government institutions and judicial organs to ensure the swift and thorough enforcement of our intellectual property rights. We also caution medical institutions against the use of counterfeit reagents by placing advertisements in newspapers.

Assessment and Management of the Supply Chain

Core Behaviors

We deliver commitment to our client companies through broad-ranging partnerships. We strive to be a company that can grow in step with our trade partners, through respect and mutual trust.

Supply Chain Management

Promoting CSR Procurement in the Supply Chain

Systemex considers procurement fundamental to supporting its business activities. We have formulated a procurement policy in line with core behaviors, and we select suppliers and build supply chain management on this basis. We have also created green procurement standards that indicate our fundamental perspective regarding environmental consideration in relation to procurement activities.

Systemex has publicized its statement on the Systemex UK website indicating its appropriate response to the U.K. Modern Slavery Act, which went into effect in March 2015 and provides for the elimination of forced labor, child labor, human trafficking, exploitation and other such practices in the supply chain.

- ▶ [Click here for information on green procurement.](#)
- ▶ [Click here for information on the U.K. Modern Slavery Act \(Systemex UK website\).](#)

Procurement Policy

In "shaping the advancement of healthcare," the Mission set forth in the Sysmex Way corporate philosophy, we deliver commitment to our business partners through equitable and fair procurement activities. We also strive to be a company that can grow in step with our trading partners in a spirit of mutual trust and encouragement. Operating in strict compliance with laws, regulations, and contracts, and adhering to high ethical standards, we carry out consistent procurement of components and raw materials that meet the levels of quality required by healthcare providers. We closely follow these policies in our endeavors to supply products that customers worldwide can use with confidence. Similarly, we hope that our business partners will cooperate with us in the following seven areas as we continue to create and enhance unique and creative values.

We ask our valued business partners to:

1. Assure quality to the requisite degree for healthcare products
2. Build a system for reliable supply
3. Refine technological capabilities that contribute to the development of healthcare
4. Create stable business foundations and formulate business continuity plans (BCP)
5. Promote business activities and CSR in compliance with the laws, regulations and social conventions of host countries
6. Carry out environmental management to help conserve the global natural environment
7. Supply products at reasonable prices and engage in aggressive cost-reduction programs

Revised in March 2014

Conducting CSR Surveys

To confirm its business partners' CSR activities, Sysmex Corporation conducts surveys of existing and new business partners on the status of these activities. In fiscal 2017, we surveyed some 230 existing business partners and three new ones.

From fiscal 2017, we adopted the common CSR survey form prepared by Global Compact Network Japan in our survey of existing business partners. This survey contained a number of survey items, including those related to human rights, labor practices, corruption, the environment and conflict minerals. (Refer to the PDF file of the common CSR survey for details.)

We elected not to conduct business with new business partners that had problems with their CSR initiatives. In addition to CSR surveys, we conducted management interviews at new business partners.

We conduct the same sort of initiatives for overseas business partners. In particular, people in charge of procurement make local visits to determine the status of child labor and the workplace environment, confirming that no problems exist.

- ▶ [Click here for information on the CSR/Sustainable Procurement Self-assessment Tool Set, the common CSR survey form prepared by Global Compact Network Japan.](#)

Aiming to Improve the Quality of Supplied Parts and Raw Materials

Systemex Corporation designates a Quality Assurance Agreement that clearly defines quality requirements. Counterparties sign this agreement after confirming their understanding of our procurement policy. We confirm the quality of supplied parts and conduct quality audits when we determine that corrective or preventive measures are needed.

We conduct quality audits of new suppliers and ensure that appropriate quality control is in place.

Relations in the Supply Chain

We strive to enhance relations with our business partners so we can conduct business together based on their understanding of our business directions and procurement policy.

In fiscal 2017, we held supplier briefings for major business partners in Japan. We explained our procurement policy, CSR activities, overseas legal and regulatory trends, and other aspects of CSR. In this way, we strive to ensure mutual understanding and strengthen relations.



Supplier briefing

Conducting Internal Awareness Activities to Ensure Compliance with Procurement-Related Legislation

Systemex Corporation has in place an electronic procurement system (Systemex Trade Mission, or STM). In addition to preventing the reduction of payments to inappropriate levels, as well as avoiding product returns, each year we conduct training on this system. Also, all members of the Procurement Department undergo training on the Subcontract Law. For people newly assigned to this department, we also provide training on our procurement policy, CSR, green procurement and procurement risk.

Customer Relations

Enhancing Customer Satisfaction

Conducting Customer Satisfaction Surveys in Japan and Overseas

Sysmex conducts customer satisfaction surveys in a variety of countries and regions. We feed back the opinions and requests we receive to the appropriate divisions, so they can make use of this information in their routine business activities.

Sysmex America surveys all customers who purchase blood testing instruments, conducting satisfaction surveys each year. In fiscal 2017, 97% of customers responded that they were satisfied. Also, Sysmex ranked top among manufacturers of hematology analyzers in an IMV ServiceTrak survey (sponsored by IMV) of customer satisfaction for 17 consecutive years.

In fiscal 2017, Sysmex Shanghai conducted customer satisfaction surveys of approximately 2,300 hospitals all over China, receiving high marks in multiple categories, such as after-sales service quality and response speed.

We also conduct regular customer satisfaction surveys in the EMEA* and Asia Pacific regions.

* EMEA: Europe, the Middle East and Africa


Enhancing Service and Support

Responding to Inquiries Rapidly and Responsibly

In Japan, Sysmex Corporation maintains a Customer Support Center, where experienced staff members with expert knowledge cater to customers 24 hours a day, 365 days a year (separate agreement required). By creating a database containing maintenance histories and the details of past inquiries from customers to ensure quick reference, the center responds to inquiries and requests both quickly and carefully.

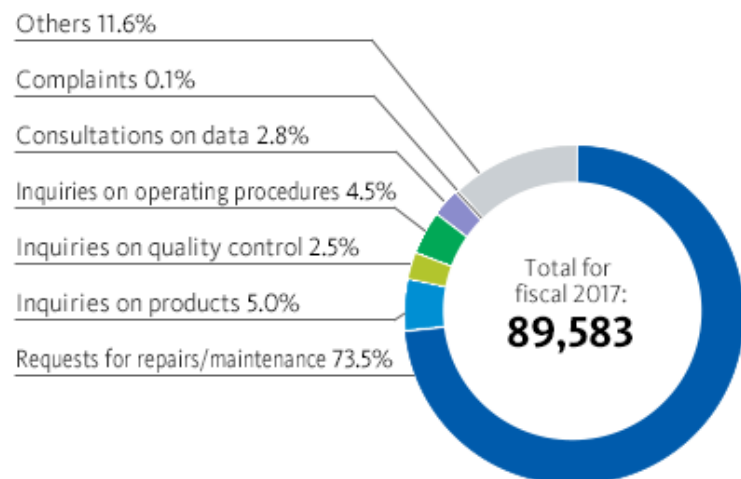
Requests and other comments received through the support center and other means is gathered by the Voice of Customer (VOC) Group. After analyzing this information from various angles, it is provided as feedback to related divisions so it can be utilized in new product development and operational improvements. In fiscal 2017, we gathered some 18,000 customer comments in the Japanese market. We have received a positive response to instruments with new functions and instruments that we have added as a result of customer input, which are indicated by the VOC mark we use in our product catalog.

To provide customers with even better service, in fiscal 2017 Sysmex Spain strengthened its customer service center functions. Several times each year, its employees visit customer companies to hear requests directly. By engaging in dialogue in this manner, the company is working to build better relationships.



Voice of Customer = お客様からのご意見・ご要望を製品開発に活かす取り組み。
日本国内で主要な機器・試薬の、研究開発から製造、販売、サービス&サポートまでを一貫して提供するシスメックスならではの取り組みです。

Inquiries to Customer Support Center



Responding to inquiries at the Customer Support Center

▶ See “Fiscal 2017 Performance Data” for results over the past three years.

Utilizing Networks to Provide Customer Support

At hospitals and other healthcare institutions, instrument and reagent precision is controlled to maintain consistent testing data reliability. In most cases, the condition of instruments and reagents is checked by comparing the measurement results of materials known as “control substances” with reference values and results on a daily basis. Sysmex supports customers’ quality control by providing control substances in various fields.



Customer Support Center

Customer instruments are connected to the Customer Support Center via our online Sysmex Network Communication Systems (SNCS). Measured values of control substances sent via the SNCS from customer instruments are received by the Customer Support Center, which tallies and compares these values with its other data results on the same instruments, detects signs of abnormalities and returns the analysis results to the customer. SNCS employs a remote service that enables communication with customers. With this system, we can share data processing screens and use Web cameras to confirm the status of instruments.

This service also helps to prevent trouble by using information from the sensors placed on various section of instruments, such as the number of operations, maintenance periods, and log and temperature information.

Disseminating Information That Is Useful for Customers

As part of our customer support activities, we disseminate information on the “Support Information” section of our website.

Up-to-date information is sent out using an e-mail magazine distribution service. We also offer a “personal page” function for managing content and viewing histories. In these ways, we are consistently enhancing functionality to facilitate customer use.



“Support Information” site

Utilizing ISO to Increase the Quality of Clinical Testing

Recently, the field of clinical testing has met with strong demand for improvement in the quality of test results, and awareness of international standards is increasing around the world. One such standard is ISO 15189 (Medical laboratories - Requirements for quality and competence). The number of clinical laboratories that have obtained this certification is increasing, with the certification having become obligatory in some countries.

Sysmex has received certification under the ISO/IEC 17025 international standard for clinical testing calibration institutions and the ISO 15195 standard, verifying that Sysmex meets the international standards for the quality of the calibration service it provides on its automated hematology analyzers. We are the first company in Japan to receive the accreditation in the field.

A calibration certificate that Sysmex issues is accepted as a globally recognized document that ISO 15189 requires to ensure traceability and traceable calibration. As of March 31, 2018, Sysmex had issued such certificates on more than 3,690 instruments.

Furthermore, SNCS/eQAPI¹, an external quality assessment service Sysmex provides, is the first in Japan in any industry to receive certification under ISO/IEC 17043² (Conformity assessment—General requirements for proficiency testing).

1 Sysmex Network Communication Systems (SNCS) is a service that uses a network to provide quality assurance on diagnostic instruments, monitor failure and offer maintenance support. eQAPI is an external quality assurance service that covers multiple instruments and reagent manufacturers.

2 International standard on conformity assessment - general requirements for proficiency testing.

	ISO/IEC 17025: International standard on general requirements for the competence of testing and calibration laboratories	ISO/IEC 15195: International standard as a reference measurement laboratory for clinical testing	ISO/IEC 17043: International standard on conformity assessment - general requirements for proficiency testing
Name of Entity	Reference Measurement Laboratory, Sysmex Corporation	Reference Measurement Laboratory, Sysmex Corporation	Quality Control Services, Sysmex Corporation
Certification date	February 14, 2014	March 17, 2015	February 12, 2014
Certification number	RNL00440	RCL00440	PTP00010
Scope of certification	M19.2 Number concentration M19.3 Mass concentration (red blood cell count, white blood cell count, platelet count, hematocrit value, hemoglobin concentration)	M19 Number concentration (red blood cell count, white blood cell count, platelet count, hematocrit value, hemoglobin concentration)	M51 Medical testing (urinalysis, hematology, clinical chemistry , immunology, other testing)
Remarks	First accreditation in Japan in the area of blood cell count	First accreditation in Japan in the area of blood cell count	First accreditation in Japan in all industries

Scientific Activities

Sysmex holds seminars targeting healthcare professionals in Japan and other Asian countries to provide them with most up-to-date medical information. We also work with various countries' ministries of health, other national institutions and major academic societies on scientific activities aimed at helping to increase the level of healthcare.

Holding Scientific Seminars for Clinical Professionals

Sysmex hosts scientific seminars and study sessions in various regions for doctors, clinical technologists and other healthcare professionals working on the front lines.

We began offering scientific seminars in 1978 to provide the most recent information in the field of clinical testing and share that knowledge. June 2017 marked the 40th year of such seminars. The theme of the fiscal 2017 seminar was “Further Leaps Forward in Hematologic Disease Medicine: the Forefront and Future

Prospects.” The seminar took place at 15 venues in Japan and, for the first time, was transmitted to three overseas locations (Mongolia, South Korea and Indonesia). A record 1,855 people attended the seminar. This figure brought the cumulative number of participants above 40,000.

Through initiatives such as this, we build trust-based relationships with numerous healthcare professionals. At the same time, the accumulated medical knowledge helps to raise the quality of healthcare.



40th Sysmex Scientific Seminar (Japan)

Principal Scientific Seminars Held for Healthcare Professionals

Region	Theme	Attendees
Japan and other parts of Asia	“Further Leaps Forward in Hematologic Disease Medicine: the Forefront and Future Prospects”	1,855 people
China	20th Scientific Seminar “Clinical Applications of Hematology and Urinalysis”	Approximately 1,500 people
Belgium	7th European Scientific Symposium	Approximately 500 people
Japan	66th Congress of the Japanese Association of Medical Technologists, “Recent Topics in Lung Cancer Screening”	Approximately 300 people
Turkey	2nd Scientific Symposium	Approximately 300 people
Iran	10th International and 15th Nationwide Congress on Clinical Testing	Approximately 200 people
Indonesia	7th Sysmex Scientific Seminar	Approximately 170 people

Overseas Case Study (Asia Pacific): Conducting Support Activities to Raise the Quality of Clinical Testing

Sysmex is working with governments and academic societies in Asia's emerging markets and developing countries to support the standardization of through external quality control program. In fiscal 2017, we provided external quality control in Mongolia, Thailand, the Philippines and Cambodia. We also signed an agreement related to scientific support in Myanmar. Through these efforts, we are working to raise the quality of clinical testing in various countries.

▶ [Click here for information on the resolution of medical issues through business activities.](#)

Stable Supply

Establishing a Stable Supply Structure

As a healthcare company, we recognize that we have an obligation to provide a stable supply of quality products and services. To fulfill this role, Sysmex operates factories in Japan and overseas and has established a global supply structure to meet demand efficiently.

We have also been proactive in securing multiple business partners from which to procure raw materials, allowing to achieve cost efficiencies and providing a backup structure.

Response in Times of Disaster (BCP)

Almost every year, disasters occur worldwide, killing a great many people and causing significant damage to the local and world economies. In the past 30 years (1984-2013), more than 2.47 million people have been killed and more than US\$2.4 trillion in damage has occurred*. Earthquakes and other large-scale natural disasters occur frequently in Asia, a situation that calls for disaster preparedness and quick response when disaster strikes.

Sysmex has formulated a business continuity plan (BCP) to ensure the continuity of important operations in the event of an earthquake, tsunami or other large-scale disasters, as well as rapid recovery.

To diversify risk related to reagents, we procure key raw materials from multiple sources. Also, we select production locations based on the concept of local production for local consumption. At the same time, we are building a system through which factories can provide supplies to each other in emergencies, and we have secured alternative transportation routes. We have created an internal BCP manual on product supply and conduct simulation training that assumes a disaster situation.

Just after the earthquakes in Kumamoto occurred in April 2016, we set up a product supply countermeasures headquarters that quickly ascertained the status of all suppliers, determined the degree of impact on our product suppliers and worked rapidly to select alternative products. As a result, there was no impact on our production plan.

* Source: [Ministry of the Cabinet, website page on "Disaster Management in Japan"](#)

▶ [Click here for information on disaster countermeasures.](#)

Responding to Demand Increases

Expanding Factories and Installing Equipment in Preparation for a Rise in Global Demand

Sysmex works to respond swiftly to changes in global demand for its instruments and consistently ensure a stable supply of its products. To achieve these goals, we maintain appropriate inventory levels of each product at each location, ensure that inventories are located near their markets, and communicate with local subsidiaries to accurately determine the demand status.

We are also building new factories and expanding equipment in anticipation of further growth in demand for reagents. In July 2017, we completed the expansion of our reagent factory in the United States, Sysmex Reagents America, and commenced full-fledged production. By increasing production capacity to 1.8 times its former level, we expect to be able to provide a stable supply to meet demand growth in the Americas over the medium to long term. Going forward, we will continue working to bolster production capacity in line with demand in each region. We will also create regional logistic hub functions in each region to further ensure stable supply.

We will continue improving production lines and logistics to ensure a stable supply of products to meet global demand.

Materiality

Realization of an Attractive Workplace

Recognition of the Issues

In order to achieve sustainable growth, it is considered important for companies to promote diversity and create decent and attractive workplaces. Also, the SDGs include goals pertaining to gender equality, decent work and reduced inequalities.

Systemex considers human resources an important management asset necessary for sustainable growth. We believe that creating attractive workplaces helps ensure superior personnel, reinforcing our corporate competitiveness.

Systemex's Approach

Systemex has in place a human resource development system that develops capabilities in an ongoing and systematic manner. We promote diversity and inclusion and have introduced various systems to create a workplace that provides peace of mind and enables diverse employees to maximize their skills.

As we strive toward sustainable growth, we will continue in our efforts to build a workplace in which diverse human resources can maximize their potential and provide opportunities for their individual growth.

Provision of a Comfortable Working Environment

Fair Evaluation and Treatment

Equitable Personnel Evaluation Based on Abilities and Accomplishments

Systemex values the spirit of independence and challenge, provides employees with opportunities for self-fulfillment and growth, and rewards them for their accomplishments. We remunerate employees appropriately, according to factors such as their occupations and qualifications, and base salaries are the same, regardless of gender.

Based on the principle of fair treatment, our basic approach toward evaluation is to "reward employees for capabilities that contribute to the enhancement of corporate value as well as for producing accomplishments." In addition to evaluating employees for their successes, we evaluate the processes of producing achievements (competency evaluations). To achieve fairness and ensure that employees understand their evaluations, we show employees their evaluation results and their superiors' comments.

Basic Principles of the Personnel Management System

1. Ensuring long-term employment

- Establishing a double-linear-type competence-based rating frame that enables a diversity of employees to maximize their skills, and providing opportunities for self-realization and growth

2. Promoting the development and cultivation of diverse human resources

- Establishing competence-based rating standards and promoting cultivation of human resources and normalization of career advancement through clarification of promotion criteria
- Evaluating not only accomplishments but also the processes of producing achievements (realization capability) in order to promote human resource development and the reform of corporate culture

3. Rewarding employees for capabilities that contribute to the enhancement of corporate value as well as for producing accomplishments

- Simplifying the relationship between evaluation and reward
- Creating a remuneration structure that is easy for everyone to understand and that rewards employees in accordance with their contribution, role, competency and accomplishments

Supporting Employee Career Design

Systemex Corporation employs a voluntary reporting system for all employees. Under this system, each year we hold hearings for each employee to learn about their medium- to long-term career, overseas work and job category aspirations. The system affords each employee with the opportunity to consider their own career directions and life plan, as well as to affect their own skills development and placement according to the content of their reports.

The fiscal 2017 hearing included reporting by 90.8% of employees.

Promoting and Improving the Treatment of Contract and Temporary Employees

Systemex Corporation actively hires contract employees and temporary employees as regular personnel. We have clarified our internal regulations for hiring people working fixed-term contracts, offering them fair opportunities for promotion. We put this information on our intranet to encourage thorough understanding of these rules.

To provide a more comfortable working environment, we extended the flex-time system and began applying our welfare programs “cafeteria plan^{*}” to contract employees, as well as regular employees. This system enables employees to efficiently arrange their own working hours to suit individual circumstances, such as visiting the hospital or raising children. Going forward, we will revise our systems as appropriate to enhance our treatment of employees.

* Under this system, each year the Company provides employees with “cafeteria points,” which they can use as they choose to pay the costs of specific types of welfare (to improve the work-life balance).

▶ See “Fiscal 2017 Performance Data” for results over the past three years.

Introducing Internal Awards Systems to Motivate Employees

Systemex introduced the Group CEO Award system for recognizing individuals, divisions or groups that contribute most significantly to the realization of the Systemex Way, our Group corporate philosophy, sharing these achievements throughout the Company each year. We provide awards for one individual and one group.

To motivate R&D engineers and heighten awareness of intellectual property, we have also introduced three patent award systems: the Patent Grand Prize/Patent Prize of Distinction, the Patent Meister and the Filing Commemoration Prize. In addition, we present a Quality Award for success in quality improvements.

Efforts to Enhance Employee Satisfaction

Sysmex conducts "corporate culture surveys" once every two years targeting all employees of the Sysmex Group. Employee satisfaction is one aspect of the surveys. Survey results are fed back to individual departments, where they serve as a basis for enhancing satisfaction levels further. Departments whose survey scores are flat receive visits from human resources department members, who offer advice on improvements. Members of human resources departments conduct interviews at the individual as well as the departmental level, to identify problems and consider improvement measures for reforms of organizational culture.

Understanding of and Support for a Work-Life Balance

Promoting the Use of Systems that Support a Work-Life Balance

Sysmex Corporation provides a dedicated site on the Internet to provide easy-to-understand explanations of its programs for supporting a work-life balance. We also hold briefings to promote awareness. In addition, we promote the use of these programs during diversity roundtables, where employees exchange opinions freely on such broad-ranging themes as careers, work-life balance and cultural understanding.

▶ [Click here for information on diversity roundtables.](#)

Systems to Support a Balance between Work and Child Rearing

Providing a Host of Leave Systems and Supporting Child-Rearing with an In-House Daycare Center

Systemex Corporation has created diverse programs to provide support, from pre-natal to child-rearing. In addition to leave systems for fertility treatments and morning sickness, we offer child nursing leave until a child reaches two years of age (above the statutory requirement), a system for shorter working hours until a child reaches junior high school age, a working-at-home system and a flex-time system that differs by type of work. When an employee needs to take time off work to nurse a child, they can do so under a program that allows them to use accumulated paid leave in half-day increments in addition to statutory leave. We also strive to smooth the return to work following childcare leave by conducting seminars prior to returning to work and distributing newsletters to employees on childcare leave.

In line with the growing demand for male employees to participate in childcare, we are considering a system that would allow men to take special leave prior to their spouse giving birth, offering two additional days to be taken within one month of the birth to make any necessary preparations. Employees are also eligible for "nurturing leave," under which they can take special leave of three consecutive days to care for children up to one year of age.

We have set up Systemex Kids Park, an in-house daycare center that accepts babies and toddlers, at Technopark, our core R&D base. The center offers short-term as well as fulltime daycare, so that employees whose spouses work on a part-time basis or who find it difficult to take care of their children due to caretakers' illness, bereavement or other circumstances may also temporarily utilize the service.

In recognition of its planned implementation of such systems, Systemex Corporation received the next-generation support certification logo (nicknamed "Kurumin"*) from the Ministry of Health, Labour and Welfare.

* Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, companies that formulate business plans as general business operators, meet the targets designated by these plans, and meet certain standards may receive "Kurumin" certification as "companies that support child-rearing" by the Minister of Health, Labour and Welfare.

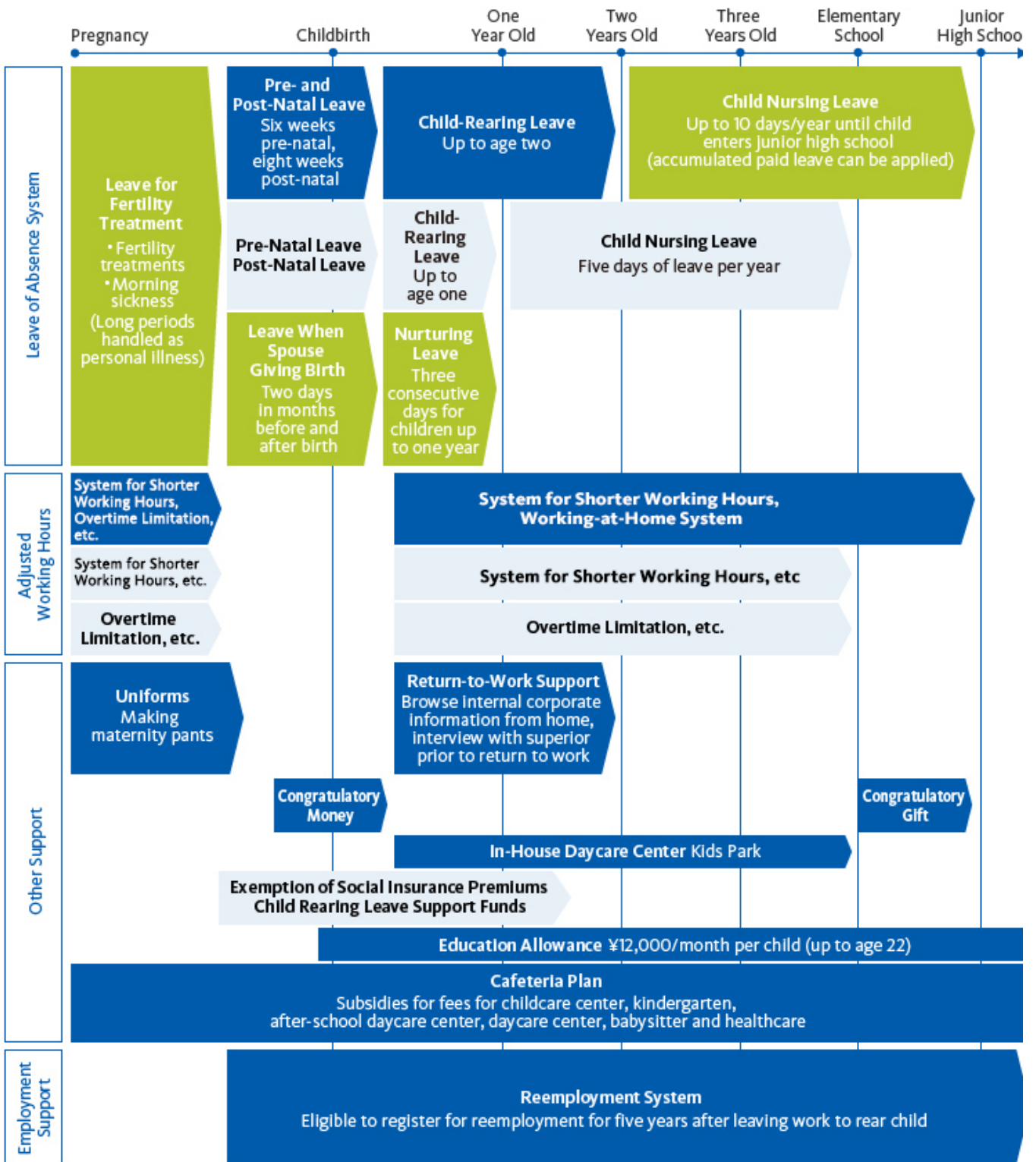


In-house daycare center, Systemex Kids Park



Next-generation support certification logo (nicknamed "Kurumin")

Systems Related to Children



■ Statutory system
 ■ Sysmex system
 ■ Sysmex special leave

Other Systems to Support a Work-Life Balance

Supporting Nursing Care, Corporate Citizenship Activities and Others

Among its programs aimed at realizing a work-life balance, Sysmex Corporation has prepared various types of programs related to nursing care.

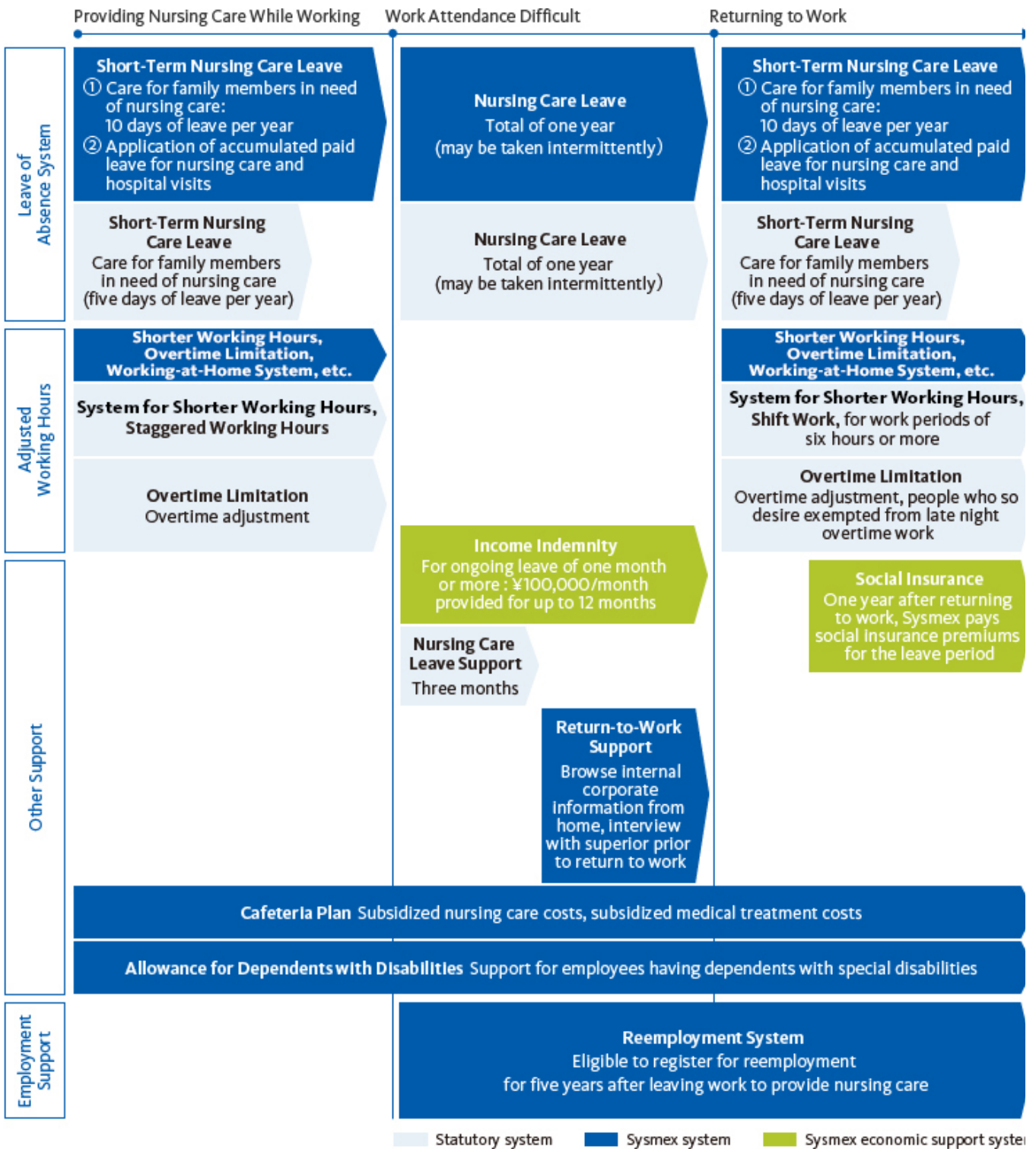
We have introduced a program of that allows employees who need to attend family members in hospital to take short-term nursing care leave and accumulated paid leave for up to 40 days in half-day increments. We also have a working-at-home system that enables employees to care for family members who require nursing care or other types of support.

In addition, we have introduced a unique “income indemnity system” to provide a nursing care leave stipend, aiming to help offset the loss of income from taking leave, as well as unexpected expenses, for people taking one month or more of nursing care leave. Furthermore, we have a system for rehiring employees whose careers have been interrupted due to nursing care.

We hold briefing sessions to explain the purpose of these systems, as well as how to prepare for nursing care to alleviate the uncertainties surrounding it.

As well as these programs, we have introduced a volunteer leave system (up to 10 days of leave in a year, two of which are accounted for as paid leave) and a system of donor leave, whereby internal organ and other donors receive up to five days each time. These systems are aimed at making it easier for employees to take leave and support a work-life balance in various ways.

Systems Related to Nursing Care



Supporting a Return to the Workplace Following Leave

To facilitate a smooth return to work following leave for child rearing or nursing care, three months prior to their return to work Sysmex Corporation provides employees with tablets and notebook PCs that give them access to internal email and allows intranet access. This system provides support from an IT perspective.

Enabling access to Company information in real time facilitates communication with the workplace, helping to alleviate a sense of feeling lost upon their return and eliminate gaps returning employees

feel with the people in the workplace. When returning employees start to use these devices, we also provides them an opportunity to meet with superiors in their departments.

Activities at Other Group Companies

Company	Activity
<p>Sysmex America</p>	<ul style="list-style-type: none"> • Introduction of a flex-time system and a working-at-home system • Introduction of a childcare leave system (for fathers and mothers) that exceeds statutory requirements • Introduction of family support systems (child-rearing support, family leave, assistance payment when employees need to use support systems offered by outside institutions when family members are ill) <p><Third-Party Awards and Commendations></p> <ul style="list-style-type: none"> • Selected for the Companies that Care Honor Roll for 10 consecutive years <p>▶ Click here for information on selection for the Companies that Care Honor Roll.</p>
<p>Sysmex Europe</p>	<ul style="list-style-type: none"> • Introduction of a flex-time system and a working-at-home system • Establishment of a parent-child room • Introduction of a childcare leave system (for fathers and mothers) • Child-rearing support system (assistance payment when employees need to use support systems offered by outside institutions) <p><Third-Party Awards and Commendations></p> <ul style="list-style-type: none"> • Selected as a Great Place to Work for three consecutive years • Received the Family Friendliness award from the German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (June 2017)
<p>Sysmex Shanghai</p>	<ul style="list-style-type: none"> • Introduction of a flex-time system • Child-rearing support system (medical insurance assistance)
<p>Sysmex Asia Pacific Sysmex Malaysia Sysmex Indonesia</p>	<ul style="list-style-type: none"> • Introduction of a flex-time system and a working-at-home system • Child-rearing support systems (medical insurance assistance, provision of scholarships) <p><Third-Party Awards and Commendations></p> <ul style="list-style-type: none"> • Named the HR Asia Best Companies to Work for In Asia 2017 (sponsored by HR Asia) (Sysmex Asia Pacific, Sysmex Malaysia)



Parent-child room (Sysmex Europe)

Employee-Related Data

▶ [Click here for employee-related data.](#)

Realization of an Attractive Workplace

Development of Human Resource

Basic Policy on Human Resource Management

As a global company based in Japan, we promote the development of and cultivate the capabilities of diverse human resources based on the assumption of long-term employment. We also reward employees for capabilities and successes that contribute toward increased corporate value.

Core Behaviors

To our Employees

We honor diversity, respect the individuality of each employee, and provide them with a workplace where they can realize their full potential.

We value the spirit of independence and challenge, provide employees with opportunities for self-fulfillment and growth, and reward them for their accomplishments.

Development of Human Resources

Promoting Global Human Resource Development

Throughout the Group, Sysmex has more than 8,445 employees (as of March 31, 2018) building its business globally, with overseas employees accounting for more than 58% of this total. In order to put into practice the "Sysmex Way," our Group corporate philosophy, under these circumstances and instill confidence in people around the world, augmenting the skills of individuals is important. We believe it is also essential to foster communication among diverse human resources, encouraging the mutual sharing of values and fostering new insights that will lead to new values and deepen cultural awareness through the joining of creative forces.

In this spirit, we have created a groupwide global human resource development system in fiscal 2014. We cultivate a sense of unity in business activities and the workplace and develop next-generation human resources. We are also reinforcing networks within the Group and undertaking various measures to foster intercultural understanding.

Human Resource Development Based on Four Concepts

Based on its four concepts for human resource development (“link training, evaluation and work (show results),” “promote globalization of the Sysmex Group,” “invest in ongoing human resource development” and “be a company that cultivates human resources and personal growth”), Sysmex Corporation operates a training system offering selective, rank-based and elective training that seeks to nurture personnel in a planned and gradual manner. In fiscal 2017, on average each employee underwent 15.4 hours of training, and average per-employee expenditure amounted to ¥103,000*.



New employee training

We have also opened the Global Communication Center (GCC) in Ashiya, Hyogo Prefecture, to serve as a gathering place for people of diverse cultures and values, both inside and outside the Company. At the GCC, we conduct various types of training based on Sysmex’s human resource development system, as well as cross-divisional study sessions and joint retreats for global personnel.

* This figure indicates training provided by the Human Resources Division and excludes certain types of training, such as self-development and training related to specialized work for divisions.

▶ See “Fiscal 2017 Performance Data” for results over the past three years.

Three Core Training Systems

Training Type	Objective
Selective training	<ul style="list-style-type: none"> • Cultivate global leaders • Cultivate future management personnel
Rank-based training	<ul style="list-style-type: none"> • Acquire the minimum level of understanding and expertise in management and issue resolution required at each level • Promote communication between departments
Elective training (Sysmex College)	<ul style="list-style-type: none"> • Obtain practical expertise, knowledge and skills on business execution • Gain various types of business management expertise



Global Communication Center (theater room)

Main Programs for Cultivating Human Resources

Program / Measure	Objective, Overview
Global Personnel Exchange Program	Promote exchanges of Japanese and overseas personnel, strengthen ties through deeper mutual understanding
Global Apprentice Program	Dispatch young employees to overseas Group companies to help them gain work experience
Training at the Monozukuri Training Center	Provide hands-on training in the knowledge and skills necessary to manufacture Sysmex instruments
R&D Innovation Activities	Strengthen teamwork and proposal-making capabilities among R&D personnel
Sysmex Academy (Sysmex Europe)	Gain product-related knowledge and skills
HR Academy (Sysmex Europe)	Enhance “soft skills,” such as team-building, leadership and language proficiency
Sysmex University (Sysmex Asia Pacific)	Online training that can be used by all employees



Cross-cultural experience training



Interacting with employees in other regions through operational experiences

Realization of an Attractive Workplace

Promotion of Diversity

Diversity and Inclusion

Significance of the Initiatives

Systemex considers human resources an important management resource for achieving sustainable growth, and we have evolved from the practice of “diversity,” which simply welcomes diverse human resources, to the more extensive practice of “diversity and inclusion.” This approach involves creating a working environment that is suitable for a wide variety of human resources.

Through synergies arising from different values, perspectives, experiences and capabilities, we are working to create a culture of innovation and generate value.

Working to Achieve Diversity and Inclusion

To promote diversity and inclusion, in April 2017 Systemex Corporation established the Diversity Promotion Section within its Human Resources Division. Systemex is working to cultivate an organizational culture that promotes further understanding of diversity and LGBT*. In fiscal 2017, we set up a diversity portal site on our intranet to disseminate information and promote understanding. We also conduct awareness surveys related to diversity, welcoming frank comments from employees and developing our initiatives in this regard.

Systemex America conducts measures based on its affirmative action program, aiming to erase prejudice and discrimination.

* Acronym referring to sexual minorities (lesbian, gay, bisexual and transgender)

Ensuring Diverse Human Resources

Aiming to Equalize Employment Opportunities

Sysmex Corporation recruits new employees based on the evaluation of individuals, without regard for nationality, race, gender, age, employment history or disability status. Specifically, we instituted year-round hiring to offer equal opportunities to people who had already graduated or had studied overseas and therefore might be at a disadvantage.

To ensure our ability to recruit personnel around the world, we conduct Company briefings and interviews overseas, as well as conducting Web-based briefings and interviews. As in the previous year, we continued to host interns in fiscal 2017, strengthening our measures to help overseas human resources gain a better knowledge of Sysmex. Due to such efforts, foreign nationals accounted for 7.8% of new graduates hired in fiscal 2017.

Promoting Employment of People with Disabilities

Sysmex encourages the employment of people with disabilities. Targeting long-term employment, we design working conditions to maximize individuals' aptitudes and skills. In fiscal 2017, employment of people with disabilities amounted to 2.04% of Group employees in Japan.

In April 2017, we established Sysmex Harmony Co., Ltd., in Kobe, Hyogo Prefecture, a special subsidiary*. By creating a workplace where people with various sorts of physical, intellectual and psychological disabilities can work in keeping with their characteristics and disabilities, we aim to foster an environment in which everyone, regardless of disability, can work and grow together enthusiastically and with peace of mind.

For the past 15 years, Sysmex Europe has worked with an organization that endeavors to support the independence of people with disabilities. The company subcontracts packaging work at a manufacturing line of its reagent factory in Germany to people with disabilities. We strive to maintain high levels of motivation among these workers through sharing our mission, as well as through periodic training and support from employees.

* A subsidiary that has been certified by the director of a public employment security office for special consideration in the employment of people with disabilities. Having labor regulations separate from the parent company enables such subsidiaries to give more consideration to work capabilities and labor conditions of people with disabilities in their labor regulations and workplace environments, thereby making it easier to increase employment for people with disabilities.



Operations at Sysmex Harmony

Employing Seniors - System for Reemploying Post- Mandatory Retirement Age Workers

Sysmex Corporation's mandatory retirement age is 60, but we have in place a system for rehiring until age 65 people who have retired at the mandatory retirement age and still wish to work. In fiscal 2017, 38 people who had reached the mandatory retirement age were rehired according to internal rules.

Promoting Women's Career Activities

Sysmex Corporation has been an active proponent of diversity. In addition to respecting the individuality of our employees, we strive to provide them with a workplace where they can realize their full potential. One aspect of these activities involves establishing an in-house daycare center, providing childcare leave that exceeds statutory requirements. Also, based on the Act on Promotion of Women's Participation and Advancement in the Workplace, in April 2016 we formulated the "Action Plan Under the Act on the Promotion of Women's Active Participation," to cultivate female leaders and promote diverse working styles.

As a result of these efforts, the percentage of female employees at Sysmex Corporation has risen from 19.9% in fiscal 2005 to 29.4% in fiscal 2017¹. The percentage of female managers has also increased over that period, from 2.4% to 8.6%². Also, the percentage of female managers for the Sysmex Group as a whole was 15.2% in fiscal 2017.

1 Based on the number of people employed.

2 Director level or above

Receiving the Highest-Level "Eruboshi" Certification as an Excellent Company Based on the Act on Promotion of Women's Participation and Advancement in the Workplace

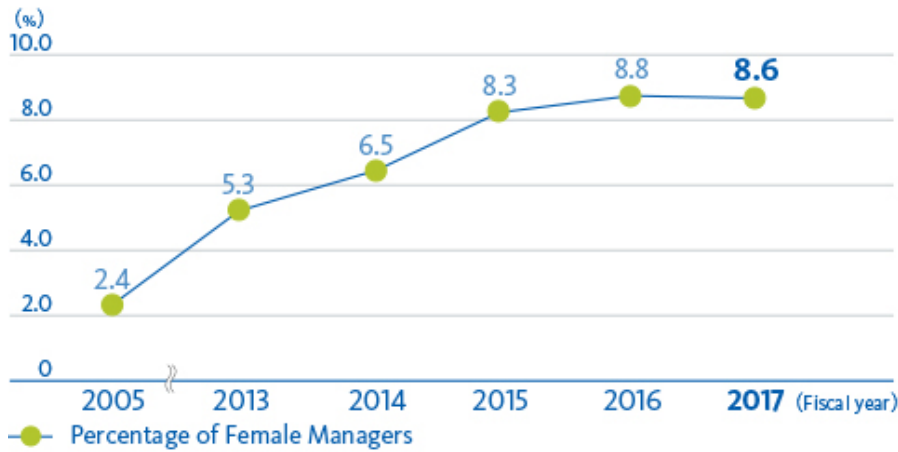
Sysmex Corporation honors the individual of each employee and provides them with a workplace where they can realize their full potential. In September 2016, we met all five criteria set by the Ministry of Health, Labour and Welfare for the promotion of women's participation and received the highest ranking, Level 3, as an "Eruboshi" company, indicating superior initiatives to promote the active participation of women.

▶ [Click here for information on the Act on the Promotion of Women's Participation and Advancement in the Workplace \(Ministry of Health, Labour and Welfare\)](#)

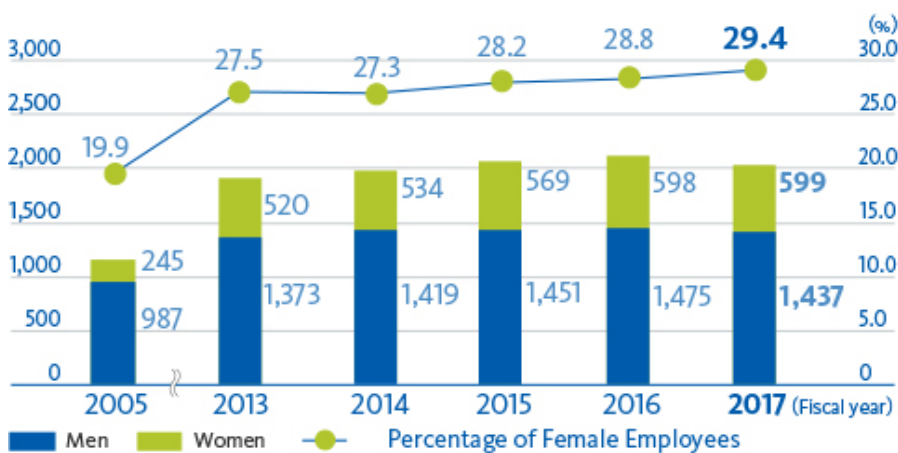


"Eruboshi" mark

Percentage of Female Managers (Sysmex Corporation)



Percentage of Female Employees* (Sysmex Corporation)



* Based on the number of people employed.

Promoting and Showing Understanding

Diversity Education

Sysmex Corporation holds diversity roundtables, where employees exchange opinions freely on such broad-ranging themes as careers, work-life balance and cultural understanding, creating a community that goes beyond internal divisions. In fiscal 2017, we held these roundtables six times, including some in English.

Sysmex America and Sysmex Europe have formed employee groups to conduct diversity education and promote diversity in an effort to foster understanding.

Occupational Safety and Health

Assurance of Safety and Health at Workplaces

Explicitly Ensuring “Safety and Health at Workplaces” in the Global Compliance Code

Sysmex's Global Compliance Code clearly states the Company's goal of "8-4 Assurance of safety and health in the workplace" and we are conducting a number of activities in this vein.

▶ [Click here for information on the Global Compliance Code](#) 

Promoting Cooperation between Executives and Employees on Safety and Health

To ensure the health and safety of its employees, Sysmex Corporation has formulated Safety and Health Regulations and strives to create a safe working environment. In fiscal 2016, we established the Central Health and Safety Committee (meets twice each year), which targets Group companies in Japan. This committee aims to reinforce and enhance domestic Group companies' occupational safety and health systems. To this end, the committee formulates policies and targets, ascertains the status of occupational health at individual business sites, considers improvement measures and reports its results to executives via the Risk Management Committee.

The committee set companywide safety and health targets for fiscal 2017: zero work-related injuries, and the promotion of health and productivity management for an increase in employee vitality and productivity through investment in improving employee health. Each of our companies and offices worked to carry out these initiatives, centered on their Safety and Health Committees.

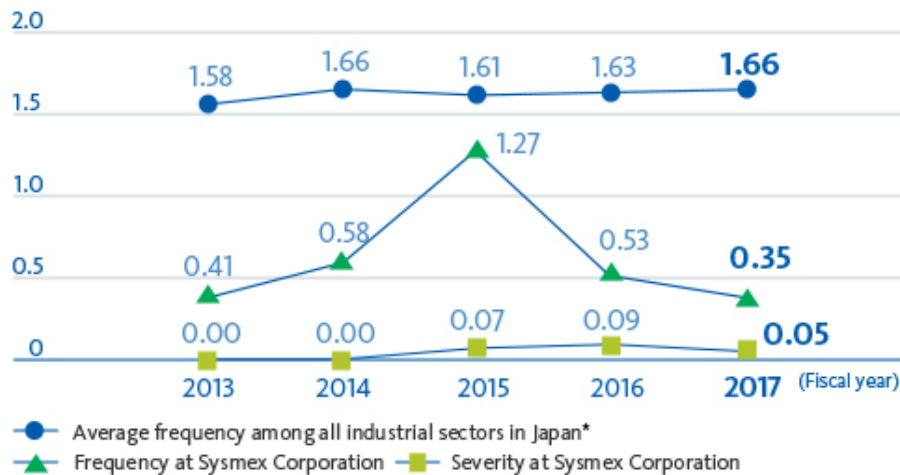
Health and Safety Committee meetings are held regularly at each office. In addition to examples of near misses, the committee tours workplaces to eliminate identified risks and, from a risk management perspective, determine causes and introduce preemptive short- and long-term measures.

As preparation for an accident or sudden illness, employees are given safety training on appropriate emergency and evacuation measures and how to handle machinery and raw materials that are potentially dangerous. We also hold comprehensive fire drills based on a hypothetical large-scale disaster. We conduct training on the use of AEDs and hold regular courses to train citizen emergency response personnel. In particular, we hold initial-response drills that involve checks to be performed in the event of a disaster: quickly confirming and ensuring employees' safety, checking and sharing the disaster situation of offices and customers as well as the status of product supplies.

Sysmex Brazil has acquired OHSAS 18001* certification, an international standard for occupational health and safety management systems.

* This standard, issued in 1999 based on BS 8800, which was developed by the British Standards Institute (BSI) in 1996, consists of some 30 certification bodies and standardization organizations in various countries.

Frequency of Work-Related Injuries / Severity Rate (Sysmex Corporation)



Notes: Frequency of work-related injuries: the number of employee deaths or injuries resulting from work-related accidents per million hours.
 Severity of work-related injuries: the ratio of the number of days absent from work due to work-related injuries per thousand hours worked.

* Source: "Survey on Industrial Accidents", Ministry of Health, Labour and Welfare

Preventing Overwork

To prevent overwork, we focus on reducing long working hours, which can impair physical and mental health. In addition to complying with related legislation, we have in place internal standards for working outside regular hours or on holidays that are stricter than the guidelines set by the Ministry of Health, Labour and Welfare. When employees exceed these standards, we will communicate this fact with their superiors and seek to make workplace improvements. We ask employees to submit a voluntary check form and, if necessary, meet with an industrial physician.

In April 2018, we began automatically recording when individual PCs were booted up and switched off in an effort to ascertain working hours. We also began training aimed at preventing overwork and introduced specific measures.

Promoting Health and Productivity Management

Maintaining and Improving Employees' Health

Sysmex Corporation believes that maintaining and improving employees' physical and mental health is an essential part of creating a safe and comfortable workplace. We encourage employees to undergo thorough physical examinations and cancer tests specifically for women, in addition to regular health checkups, for the early detection of illness. As a company in the business of handling medical instruments, our employees could come into contact with infectious substances in the course of their duties.

For this reason, in addition to statutory special health examinations we conduct our own medical checkups twice each year that include testing for hepatitis B and C. In December 2015, we registered as a partner company in the Cancer Screening Corporate Action¹ and Know about Hepatitis² projects. We also trained employees who received education as hepatic medicine coordinators. In November 2016, we signed the Agreement to Promote an Increase in the Rate of Cancer Screening with Hyogo Prefecture.

Kokoro no Health Checks are also performed annually to confirm mental health and uncover any harassment-related situations. We track results over time and strive to make workplace improvements.

Furthermore, we provide channels for health consultations throughout the Company, and have in place systems where employees can meet with industrial physicians and public health nurses. We also have established an employee assistance program (EAP), enabling employees to seek help easily.

As welfare facilities to encourage health maintenance, on the grounds of the Solution Center Sysmex provides sports grounds and tennis courts, as well as a gymnasium with fitness equipment, along with systems for ongoing assistance in using sports facilities. We hold events and seminars as needed to raise employee awareness of physical health maintenance. We have also introduced a "cafeteria plan³" which includes programs to promote health, and employee cafeterias offer healthy menu options. In commemoration of our 50th anniversary of establishment, in January 2018 we began soliciting global "personal health challenge declarations" from employees and developing health promotion measures.

As a result of these activities, in February 2018 we were recognized for the second time by the Ministry of Economy, Trade and Industry for excellence in health management of "companies that excel in health management" (White 500).



- 1 This project is undertaken on behalf of the Ministry of Health, Labour and Welfare. The ministry aims to raise Japan's cancer screening rate to 50% through workplace initiatives.
- 2 The Ministry of Health, Labour and Welfare campaign aims to encourage early detection and treatment by disseminating easy-to-understand information about hepatitis and the importance of testing for the hepatitis virus.
- 3 This is part of our system of welfare programs. Each year, the Company provides employees with "cafeteria points," which they can use as they choose to pay the costs of specific types of welfare (to improve the work-life balance).

In addition to the efforts described above, overseas Group companies engage in a variety of measures to ensure employee health.

Company	Activity
Sysmex America	<ul style="list-style-type: none"> • Establishment of an in-house fitness room • Provision of a health and fitness allowance • Subsidies for health checks and influenza vaccines
Sysmex Europe	<ul style="list-style-type: none"> • Establishment of an in-house fitness room • Provision of a health management program in which sports professionals and dieticians are invited to provide advice • Provision of free lunches at the cafeteria
Sysmex UK	<ul style="list-style-type: none"> • Establishment of a 24-hour telephone counseling system related to health • Third-party stress risk assessments • Provision of free fruit and water at the cafeteria
Sysmex Spain	<ul style="list-style-type: none"> • Assistance with sports club membership fees • Provision of health management programs related to relaxation and diet • Provision of free fruit in the cafeteria
Sysmex Partec	<ul style="list-style-type: none"> • Provision of sporting courses in which employees can participate at lunch time or after work
Sysmex Shanghai	<ul style="list-style-type: none"> • Establishment of an in-house fitness room
Sysmex Taiwan	<ul style="list-style-type: none"> • Provision of a half-day health check each year for each employee and his/her spouse or one parent
Sysmex Asia Pacific	<ul style="list-style-type: none"> • Assistance with sports club membership fees • Introduction of commendations for participating in health events conducted by health ministries and an award system • Provision of free fruit in the cafeteria
Sysmex Malaysia	<ul style="list-style-type: none"> • Supporting for marathons and cycling events through lending folding bicycles to employees and other measures
Sysmex Indonesia	<ul style="list-style-type: none"> • Provision of free fruit and water
Sysmex Vietnam	<ul style="list-style-type: none"> • Holding of sports activities targeting all employees
Sysmex Korea	<ul style="list-style-type: none"> • Establishment of in-house fitness and refreshment rooms

Realization of an Attractive Workplace

Respecting Workers' Rights

Upholding the Freedom of Labor Association and Recognizing the Right to Collective Bargaining

Participating in the UN Global Compact and Supporting the ILO's Core Labour Standards

System respects workers rights to labor association and collective bargaining, based on its participation in the UN Global Compact and support for the ILO's Core Labour Standards.

All System Corporation employees, except executive employees and some in managerial posts, are members of the System Union, the in-house labor union. In fiscal 2017, membership accounted for 62% of employees. Overseas Group companies, including Jinan System, System Wuxi, System Thailand, System Vietnam and HYPHEN BioMed, have also formed labor unions.

Labor-Management Dialogue

Engaging in Dialogue with Labor Unions at Group Companies

Each year, System Corporation engages in collective bargaining with the System Union.

In addition to regular council meetings, in fiscal 2017 labor and management met to discuss health-enhancing activities, the management of working hours, welfare and benefit systems and other measures. We also hold similar types of dialogue with labor unions of overseas Group companies.

Employee Opinions Reflected in Management

To reflect employee opinions at the management level, System conducts a Corporate Culture Survey once every two years, covering all employees. We analyze the results of this survey and promote improvement initiatives targeting any problems or issues.


Respect for Human Rights

Policies and Initiatives Related to Respect for Human Rights

[Adhering to the Universal Declaration of Human Rights, ILO's Core Labour Standards, and the UN Global Compact](#)

In accordance with the item of the Sysmex Global Compliance Code, "8. To Respect Human Rights and to Improve Occupational Health and Safety," we practice corporate management that respects the human rights of all employees and engage in initiatives to enhance the working environment. This code is in keeping with the Universal Declaration of Human Rights provision that "All human beings are born free and equal in dignity and rights" and the gist of the ILO's Core Labour Standards, which define minimum labor standards that must be preserved in the workplace. To ensure that these perspectives are effectively put into practice, Sysmex has clarified conformance rules and action guidelines proscribing discrimination, harassment, forced labor and child labor. We also conduct various types of training to ensure employee awareness. Sysmex began participating in the UN Global Compact in February 2011, and we have clarified our corporate stance in relation to the compact's 10 principles regarding human rights, labor, the environment and anti-corruption.

In view that it promotes human genome and genetic analysis research, as well as clinical research, Sysmex has established an internal committee to ensure thorough consideration for subjects' human rights, and we follow specific guidelines in this regard.

- ▶ [Click here for information on the Global Compliance Code.](#) 
- ▶ [Click here for information on research ethics.](#)

Identifying Risk to Human Rights (Human Rights Due Diligence)

According to item “8. To Respect Human Rights and to Improve Occupational Health and Safety” of the Sysmex Global Compliance Code, we believe it is necessary to conduct “human rights due diligence,” which involves identifying negative impacts on human rights, and preventing or reducing them through our business activities throughout the entire supply chain. Specifically, we have incorporated into CSR surveys of our business partners such topics as prohibiting forced and child labor and eliminating discrimination due to gender, disability, race or other factors. To ensure that Sysmex’s activities are not involved or complicit in human rights abuses, we ascertain impacts on human rights in advance and put in place measures to ensure prevention. With the U.K. Modern Slavery Act going into effect, Sysmex UK has publicized its statement in this regard on its website and operates in compliance with this act.

- ▶ [Click here for information on the U.K. Modern Slavery Act \(Sysmex UK website\).](#)
- ▶ [Click here for information about procurement policies that take into consideration human rights in the supply chain.](#)

Consultation and Reporting Systems Related to Human Rights

Sysmex has established internal reporting systems in Japan and overseas to handle human rights consultations, including those related to sexual harassment and workplace bullying.

- ▶ [Click here for information on our internal reporting system](#)

Education and Training On Understanding Respect for Human Rights

[Conducting Training to Prevent Human Rights Abuses](#)

Sysmex strives to prevent human rights abuses by conducting training on prevention of harassment and regulations related to labor standards.

In fiscal 2017, we conducted training for 130 newly appointed managers on such topics as harassment, including LGBT*, personnel administration and the Workers Dispatch Act. We also held training for new employees and mid-career hires.

* Acronym referring to sexual minorities (lesbian, gay, bisexual and transgender)

Corporate Citizenship Activities

Policy on Corporate Citizenship Activities and Philanthropy

Systemex actively carries out corporate philanthropic activities to promote a healthy society and vibrant community, and also facilitates our employees' personal participation in volunteer efforts.

- **Contribution to a healthy society**

Systemex actively utilizes its resources in the healthcare field to carry out philanthropic activities and promote the building of a healthy society.

- **Cooperation toward a vibrant local community**

Systemex acts as a responsible and socially-conscious corporate citizen by cooperating with the local community through donations, sponsorships and involvement in philanthropic programs.

- **Facilitation of employees' volunteer efforts**

Systemex will facilitate employees' participation in volunteer efforts as citizens of the world, members of Systemex group that contribute to healthcare in the world, and emphasize community involvement and development.

Established May 2012

Corporate Citizenship Activities

Corporate Citizenship Activities

Sysmex contributes toward the creation of a healthy society and the establishment of a vibrant community through activities based on “To society” defined in Sysmex Way’s Core Behaviors and its policy on corporate citizenship.

Creation of a Healthy Society

Participation in the Kobe Medical Industry Development Project

The Kobe Medical Industry Development Project aims to create a focal point among members of the healthcare industry in Kobe through industry–government–academia cooperation.

Sysmex has set up labs within the Translational Research Informatics Center (TRI), one of the project’s core facilities, and the Center for Biomedical Research Activities (BMA), where we promote clinical research and collaborative research with a variety of healthcare institutions and other companies.

Contributing to Healthcare by Funding University Courses

Since fiscal 2004, Sysmex Corporation has contributed funds to a course of assessment of clinical testing at the Kobe University Graduate School of Medicine and promoted joint research on new clinical testing technologies. This course is currently collaborating with Sysmex’s Central Research Laboratories on the development of highly precise yet simple diagnosis technologies for determining the risk of cardiovascular disease by evaluating the function of high-density lipoproteins.

In fiscal 2017, we established two new funded courses in the field of international clinical cancer research. The courses aim to apply leading-edge technologies, such as artificial intelligence and robotics technology, to the surgical domain and establish surgical treatment methods for cancer that are minimally invasive and offer complete cures. In collaboration with these funded courses, Sysmex will promote R&D of next-generation medical care and new medical devices by utilizing its liquid biopsy technologies and Medicaroid’s robotics technologies.

Contributing to Healthcare through Foundations

In 1984, Taro Nakatani, the founder of TOA MEDICAL ELECTRONICS CO., LTD. (current Sysmex Corporation) established the Nakatani Foundation of electronic Measuring Technology Advancement. In 2012, the foundation changed its name to the Nakatani Foundation for Advancement of Measuring Technologies in Biomedical Engineering. The foundation’s core activity is to provide grants for leading-edge technology development in the field of biomedical engineering measurement, providing awards to researchers and offering technology exchange grants.

From the time of its launch through fiscal 2017, the foundation has provided 445 grants amounting to a cumulative* ¥1,680 million.

* The cumulative amount of grant money includes long-term and large-scale research grants and special research grants, which are for multiple years.

Activities

Theme	Content	Company
Human Resource Cultivation	Cultivation of engineers in collaboration with a university (Shanghai Medical Instrumentation College)	Systemex Shanghai
Healthcare-Related Physical Support	Joint development of a system to operative vehicles for supplying drugs as a disaster countermeasure (collaboration with the Hyogo Pharmaceutical Society and Shinkai Transport Systems) ▶ Click here for details.	Systemex Corporation
Awareness Activities	Participated as a partner company in the Cancer Screening Corporate Action, a national project aimed at achieving a 50% rate for cancer screening	Systemex Corporation
	Production of illustrated books to promote education and awareness	Systemex Corporation
	Participation in the Making Strides charity walk to eliminate breast cancer	Systemex America
	Participation in the Rowing against Cancer Charity, a charity event to eliminate cancer	Systemex Europe
	Cooperation in the Wacoal Pink Ride movement to eliminate breast cancer	Systemex Malaysia
Contributions to International Cooperation	Hosting of JICA trainees (44 people from 37 countries)	Systemex Corporation
Donations and Sponsorship	Donation to the Global Health Innovative Technology Fund (GHIT Fund)	Systemex Corporation
	Donation to ILFAR, an NPO dedicated to building an HIV/AIDS treatment infrastructure in Kenya	Systemex Corporation
	Donation to the Zero Malaria 2030 Campaign (Malaria No More Japan, a designated NPO), a publicity activity toward creating a malaria-free world	Systemex Corporation
	Donation to Kindney Kids NZ, an organization that provides support to children with kidney disease	Systemex New Zealand
	Donation to the Ronald McDonald House, which provides accommodation to children with diseases, as well as their parents	Systemex New Zealand



Illustrated books to promote education and awareness (Sysmex Corporation)



Participated in charity walk "Making Strides 2017," aiming to eradicate breast cancer (Sysmex America)



Participation in the Rowing against Cancer Charity, a charity event to eliminate cancer (Sysmex Europe)

Establishment of a Vibrant Community

Sponsorship of the Kobe Marathon 2017

Sysmex Corporation has been a special sponsor of this event since its inception. With a theme of "Thanks and Friendship," the Kobe Marathon is meant to express the gratitude of the people of the Kobe area to everyone who assisted in the reconstruction of the region following the Great Hanshin-Awaji Earthquake.

As a special sponsor of the Kobe Marathon 2017, held in November 2017, we provided runners' bib numbers and exhibited at the Kobe Marathon EXPO. We also fielded volunteers who provided operational support.



Employee volunteers handing out water

Holding Events for Communication with the Local Community

Every year, Sysmex Corporation invites community residents to its offices to strengthen its relationship with the local community. In May 2017, we opened the gardens at Technopark for an event in which some 750 members of the local community joined and strolled about the grounds. On the day, we held a lecture themed on "diabetes and post-prandial blood glucose." Participants also took part in a health check using ASTRIM FIT, our product for checking estimated blood hemoglobin levels without sampling.



Technopark Festa (Sysmex Corporation)

Helping to Repair Homes for Low-Income People and Being Selected for the Companies That Care Honor Roll

Systemex America supports activities conducted by Habitat for Humanity, an international NGO. This organization takes part in efforts to provide homes for low-income people in more than 70 countries around the world. The company provided donations for home repairs and support through employee volunteers. The company was also selected for the Companies That Care Honor Roll 2018, sponsored by Companies That Care, a U.S. nonprofit organization. For 10 consecutive years, Systemex America has been selected for this honor roll, which identifies companies of excellence in a variety of areas, such as cultivating leaders, employee compensation, extensive welfare, work-life balance, a pleasant working environment and volunteer activities in the region.



Helping to repair homes for low-income people through Habitat for Humanity
(Systemex America)



Selected for the Companies That Care Honor Roll for the 10th consecutive year
(Systemex America)

Activities

Theme	Content	Company
Cultivation of the Next Generation	Holding of on-site lecture, "Blood Is Important"	Sysmex Corporation
	Hosted the Try-yaru Week workplace experience program	
	Participation in the Science Fair in Hyogo, an event including companies, universities and research institutions	
	Hosting of overseas interns	
	Participation in Global Human Resource Development Community, a public-private partnership study-abroad program	
Support to Stimulate the Local Economy and Contribute to Cultural Development	Opening of Minato Ijinkan to the public	Sysmex Corporation
Support for the Promotion of Sports	Signing of affiliation agreements with figure skaters Mai Mihara and Kaori Sakamoto	Sysmex Corporation
	Sponsorship of Vissel Kobe, a Japanese professional J. League soccer club	
Nature Preservation and Clean-up Activities	Forest conservation activities through the Sysmex Forest	Sysmex Corporation
	Employee clean-up activities around business offices	
Local Communities	Introduction of Ride High, an in-house charity to support poor children	Sysmex UK
	Participated in the "My Future Project" to support poor students, provided work experience opportunities and conducted education	Sysmex Hong Kong
	Support for vocational training of youths with disabilities (helping make ice cream)	Sysmex Asia Pacific
	Participated in the "PERTIWI Soup Kitchen," which provides support for the homeless, distributing food to around 1,000 people	Sysmex Malaysia
	Invited orphans and held an exchange event with employees	Sysmex Malaysia



On-site lecture (Sysmex Corporation)



My Future Project, employment support for poor students (Sysmex Hong Kong)



PERTIWI Soup Kitchen, support for homeless people (Sysmex Malaysia)



Events interacting with orphans (Sysmex Malaysia)

Employee Volunteer Activities

Sysmex encourages employee volunteer activities. To promote these activities, we have introduced a Social Contribution Point Program. Under this program, employees earn points for participating in social contribution activities, as well as social contribution events sponsored by the Company, and the Company makes donations based on the number of points. Some 37% of Sysmex employees in Japan, or 1,319 people, participated in this program, resulting in around ¥1.60 million in donations. Japan Heart, an NPO receiving donations through the Social Contribution Point Program held an event inviting child cancer patients and their families to Kidzania Koshien. Fifteen Sysmex employees volunteered to take part in the activity, accompanying participants and taking photos.

Employees at business offices planned volunteer activities, donating used books and clothes to NPOs and foster homes.



(Left) © UNICEF/UNI150956/Asselin
(Center) © UNICEF/UNI108970/Asselin
(Right) © UNICEF/UNI179689/Markisz
Courtesy of: Japan Committee for UNICEF

Around 37%, 1,319 people of Sysmex employees in Japan participated, leading to total donations of about ¥1,600,000

Antimalarial drugs: 81,000 tablets (UNICEF), support for healthcare-equipped travel and excursions for children affected by childhood cancer and their parents (Japan Heart)



Volunteer activities at Kidzania Koshien



Donations of used books and clothing to foster homes

Employees at Sysmex, which provides the testing instruments used for blood donations, are also active participants in blood donations. Sysmex Corporation has been registered as a “blood donation supporting company” since fiscal 2014, and around 400 employees of Group companies in Japan took part in blood donations in fiscal 2017.

Sysmex America, Sysmex Thailand, Sysmex Indonesia and Sysmex New Zealand also regularly conduct blood donation activities.



Materiality

Environmental Consideration

Recognition of the Issues

We recognize that mitigating climate change; using water, mineral and other resources; and protecting biodiversity are critical to sustainability of the global environment. As the going into force of the Paris Agreement and the Sustainable Development Goals (SDGs) demonstrate, around the world a growing number of initiatives make addressing the environmental problem a priority issue, and companies are being called on to play a greater role.

As a company developing its operations globally, Sysmex recognizes increasingly serious environmental issues as a topmost priority. We also understand that large-scale environmental damage due to climate change is a significant business risk because they have the potential to halt our resource procurement and manufacturing functions.

Sysmex's Approach

To guide the Group's environmental management over the long term, along with long-term management goals for the Sysmex Group, Sysmex has formulated the Sysmex Eco-Vision 2025. This vision sets long-term environmental targets to be achieved by fiscal 2025. We are promoting environmental preservation across product and service life cycles and throughout the value chain of our business activities.

Going forward, along with the pursuit of sustainable growth we will continue striving to reduce environmental impact—a vital social issue.

Environmental Management

Environmental Policy


Environmental Policy

By shaping the advancement of healthcare, our global environmental conservation activities contribute to the creation of a fulfilling and healthy society.

Core behaviors

1. We deliver reassurance to all people by carrying out business activities in an environmentally conscious manner.
2. We promote environmental management in throughout the life cycles of products and services and the value chain of our business activities, so that we can contribute to climate change mitigation, sustainable resource use (waste reduction, recycle, water conservation), protection of biodiversity, and proper control of chemical substances.
3. We comply with all applicable national or regional environmental regulations, standards and agreements.
4. In order to improve environmental performance, we continually improve our environmental conservation activities and work diligently prevent pollution and minimize the impact our products and services have on the environment.
5. We contribute to society through environmental conservation activities as a member of the community, while educating and raising the environmental consciousness.
6. We establish environmental objectives consistent with this environmental policy, and measure our performance against them.

Revised April 2018

► [Click here for information on “11. To Preserve the Global Environment” in the Sysmex Global Compliance Code.](#) 

Sysmex Eco-Vision 2025

Formulating Sysmex Eco-Vision 2025

To coincide with the formulation of the new long-term management goals for the Sysmex Group, we formulated “Sysmex Eco-Vision 2025”. These set forth the long-term environmental vision that Sysmex aims to attain by 2025, and requires us to promote environmental conservation more than ever throughout the product/service life cycle and across the entire value chain of our business activities.

- ▶ For details on Sysmex Eco-Vision 2025, see the activity highlight in the “Initiative to Protect the Environment from a Long-Term Perspective.”

Environmental Management System

Group Environmental Management System

Sysmex has formulated Global Environmental Management Regulations to clarify the responsibilities and roles of each Group company. We have assigned a managing director, a member of the Managing Board, of Sysmex Corporation as an environmental management officer to oversee and control Group environmental management.

Promoting the Acquisition of ISO 14001 Certification

Sysmex is working toward the acquisition of ISO 14001, the international standard for environmental management, for the Group’s principal affiliated companies. As of April 30, 2018, we had acquired certifications at 16 Group companies, and the percentage of employees at locations that had received certifications amounted to 60% of the total number of Group employees.

By centralizing the environmental activities at Group companies in Japan, we are working to ascertain the state of progress on activities and any issues, as well as to reinforce management activities, and four companies (Sysmex Corporation, Sysmex International Reagents, Sysmex RA and Sysmex Medica) comprising nine locations have obtained integrated certification. As a result, we are now able to systematically share information related to environmental management. Also, in fiscal 2016 we completed the transition to the amended ISO standards (ISO 14001:2015).

Status of ISO 14001 Certification

Company	Scope	Site	Acquired in
Sysmex Europe (Acquired ISO 50001 certification)	Manufacture of reagents for clinical testing	Reagent factory	November 1999
	Sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software	Head office	October 2011
-			
Sysmex Deutschland			
Sysmex Corporation	Development, design, manufacture, sale and after-sale service of clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software, as well as sale of custom proteins	Kakogawa Factory	April 2000
		Technopark	February 2002
		Head office	February 2002
		Solution Center	November 2005
		i-Square	February 2015
Sysmex International Reagents		Ono Factory	March 2001
		Seishin Factory	June 2007
Sysmex Medica		-	March 2001
Sysmex RA		-	June 2008
Sysmex Brazil	Manufacture and sale of reagents for clinical testing	-	February 2009
Sysmex America	Sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software, as well as manufacture of testing reagents	-	December 2009
Sysmex Reagents America		-	
Sysmex New Zealand	Design, development, installation and support of healthcare information systems and services, as well as sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software	-	May 2011
Sysmex France	Sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software	-	February 2012

Company	Scope	Site	Acquired in
Sysmex India	Manufacture of reagents for clinical testing	-	March 2012
Sysmex Asia Pacific	Sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software, as well as manufacture and sale of reagents for clinical testing	Head office	April 2012
		Reagent factory	
Sysmex Espana	Sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software	-	April 2012
Sysmex Wuxi	Development and manufacture of reagents for clinical testing	-	June 2013
Jinan Sysmex	Manufacture and sale of reagents for clinical testing	-	January 2016

Conducting Environmental Auditing

In line with environmental management system requirements, we perform regular internal and external environmental audits at locations that have obtained ISO 14001 certification.

In fiscal 2017, four nonconformities were found during internal environmental audits of the four Group companies and nine locations for which certification in Japan has been integrated. One slight nonconformity was found in external environmental audits. Corrective measures have been completed.

Long-Term Environmental Objectives and Results of Mid-Term Environmental Objectives

Long-Term Environmental Objectives of the Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020) and Sysmex Group Medium-Term Environmental Objectives and Results

	Sysmex Eco-Vision 2020 Long-term Environmental Objectives (Revised Edition)	Mid-term Environmental Objectives (FY2015 -2017)	Activities/Achievements in FY2017
Environmental consciousness in product life cycle process	Promote eco-friendly products and service models	Promote eco-friendly products and service models	<ul style="list-style-type: none"> Continued working to reduce electricity use and achieve better compactness in the development of new products Continued efforts to develop alternatives for animal-derived substances in reagents To reduce waste, increased the number of instrument varieties employing reusable packaging materials Increased the percentage of customer inquiries and service requests resolved via telephone and network services (compatibility with remote connection) (thereby reducing CO₂ emissions by decreasing the number of visits made using vehicles) <p>▶ Click here for details</p>
	Reduce carbon dioxide emissions for logistics by 50% (per unit of non-consolidated sales) ¹ Base year: FY2010	Reduce carbon dioxide emissions for logistics by 45% (per unit of non-consolidated sales) ¹ Base year: FY2010	<ul style="list-style-type: none"> For exports, promoted shift from air to ocean transport Optimized product package sizes and conducted loading simulations to increase container loading efficiency Promoted local procurement of disposable products <p>Results (per unit of non consolidated sales): Fiscal 2017: 4.924 (t-CO₂/hundred million yen) Base year: 7.252 (t-CO₂/hundred million yen) Against base year: Down 32%</p> <p>▶ Click here for details</p>

	Sysmex Eco-Vision 2020 Long-term Environmental Objectives (Revised Edition)	Mid-term Environmental Objectives (FY2015 –2017)	Activities/Achievements in FY2017
Environmental consciousness at business offices	Reduce greenhouse gas emissions at business offices by 50%(per unit of consolidated sales) ² Base year: FY2008	Reduce greenhouse gas emissions at business offices by 40% (per unit of consolidated sales) ² Base year: FY2008	<ul style="list-style-type: none"> • Reduced use of electricity by improving production efficiency (Sysmex International Reagents) • Reduced CO₂ emissions by using solar power (Sysmex Europe(Reagent factory in Germany) , i-Square) • Switched to high-efficiency air conditioning units (Solution Center) • Converted to the use of renewable energy for electricity (Sysmex Europe, Sysmex Deutschland, Sysmex Europe (reagent factory in Germany)) <p>Results (per unit of consolidated sales): Fiscal 2017: 7.16 (t-CO₂/hundred million yen) Base year: 10.07 (t-CO₂/hundred million yen) Against base year: Down 29% ▶ Click here for details</p>
	Achieve a recycle rate of 93% or higher at all business offices ³	Achieve a recycle rate of 92% or higher at all business offices ³	<ul style="list-style-type: none"> • Reused as a road paving material the glass waste formerly processed at landfills (Technopark, Solution Center) • Reused packaging material on purchased items (Sysmex Wuxi) <p>Results: Fiscal 2017: 91.3% ▶ Click here for details</p>

	Sysmex Eco-Vision 2020 Long-term Environmental Objectives (Revised Edition)	Mid-term Environmental Objectives (FY2015 –2017)	Activities/Achievements in FY2017
	Reduce water usage at reagent factories by 10% (per unit of amount of production) ⁴ Base year: FY2008	Reduce water usage at reagent factories by 7% (per unit of amount of production) ⁴ Base year: FY2008	<ul style="list-style-type: none"> • Reused reverse-osmosis (pure) wastewater through improvement of ultrapure water plant (Sysmex Asia Pacific) • Reused industrial waste water after treatment (Sysmex India) Results (per unit of production): Fiscal 2017: 23.2 (m³/thousand boxes) Base year: 21.5 (m³/thousand boxes) Against base year: Up 8% ▶ Click here for details

1 Scope of data: Sysmex Corporation

2 Scope of data: Factories and major business offices (13 factories, 7 business offices)

[Factories]

Sysmex Corporation (Kakogawa Factory, i-Square), Sysmex International Reagents (Ono Factory, Seishin Factory), Sysmex Medica, Sysmex RA, Sysmex Europe (Reagent factory in Germany), Sysmex Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex, Sysmex Wuxi

[Major Business Offices]

Sysmex Corporation (head office, Technopark, Solution Center), Sysmex Europe, Sysmex America, Sysmex Shanghai, Sysmex Asia Pacific

3 Scope of data: Factories and major business offices where products and/or chemical substances are handled (13 factories, 3 business offices)

[Factories]

Sysmex Corporation (Kakogawa Factory, i-Square), Sysmex International Reagents (Ono Factory, Seishin Factory), Sysmex Medica, Sysmex RA, Sysmex Europe (Reagent factory in Germany), Sysmex Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex, Sysmex Wuxi

[Major Business Offices]

Sysmex Corporation (head office, Technopark, Solution Center)

4 Scope of data: Reagent factories (9 factories)

Sysmex International Reagents (Ono Factory, Seishin Factory), Sysmex Europe (Reagent factory in Germany), Sysmex Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex, Sysmex Wuxi

Environmental Risk Assessments

Performing Environmental Risk Assessments

As part of the Group's risk management, Sysmex assesses the impact of business activities on increasingly severe environmental issues from the perspectives of compliance and environmental impact, in an effort to reduce risk and create business opportunities. We conduct risk assessments once every two years under its risk assessment system.

Environmental Education

Conducting Environmental Education and Training

Sysmex Corporation conducts general education for all employees to foster an awareness of the impact of the Group's environmental activities and individual operations. We conduct specialized training for individuals designated by their divisions as people responsible for and in charge of environmental management system promotion. We also conduct specialized and emergency response training for each division, as necessary.

Examples of Environmental Education (Fiscal 2017)

- General environmental training (e-learning): For all employees at business sites having integrated ISO certification
- Regulatory system seminar: For people in charge of business sites and development

Environmental Consideration

Environmental Consideration through the Product Lifecycle

Eco-friendly products and services

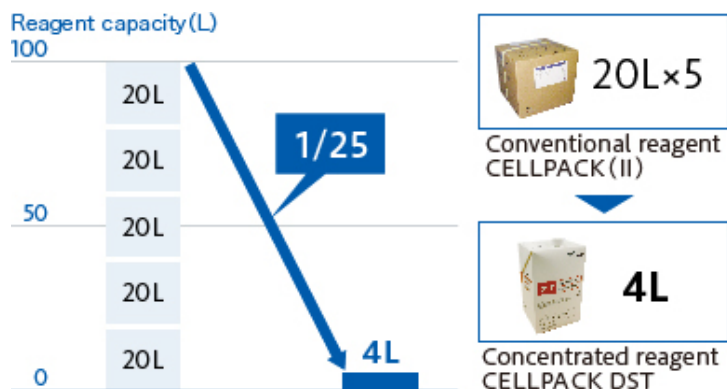
Environment-Friendliness in Product Design

Sysmex has formulated regulations related to product life cycle management in an effort to contribute to energy conservation and waste reduction when customers use our products. These guidelines, aimed at conserving IVD instruments' use of electricity and lowering reagent quantities, are incorporated into technical development.

Examples of Initiatives

Method	Results of Initiatives
Adopting Concentrated Reagent	<ul style="list-style-type: none"> • Reduced resources used in containers and packaging materials • Substantially reduced waste generated at laboratories • By reducing weight and volume, improved transportation efficiency and reduced CO₂ emissions
Use of Environmentally Considerate Raw Materials	By switching to more environment-friendly and safer reagents, eliminated the need for processing waste liquid with neutralizing agents

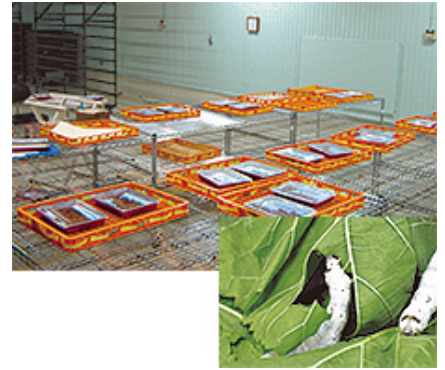
XN-Series Using Reagent Concentrated 25 Times Compared with Conventional Reagents



Environmental Consideration in the Production of Raw Materials

To curtail the use of natural resources, Sysmex has established a production method using recombinant silkworms as an alternative to the use of animal-derived proteins in its reagents.

In the past, producing these substances used substantial amounts of energy. However, as silkworms can be cultivated in typical rooms, simply by using shelves and breeding containers and providing them with food, we anticipate a stable supply, as well as energy savings and waste reduction.



Silkworms to produce proteins

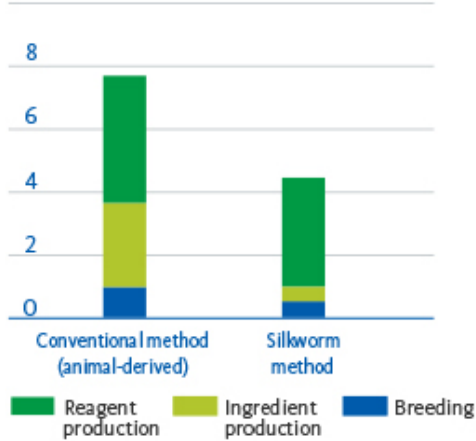
We use proteins produced by silkworms in Revohem PT, a reagent we launched in fiscal 2017. This is the first such product to obtain regulatory certification.

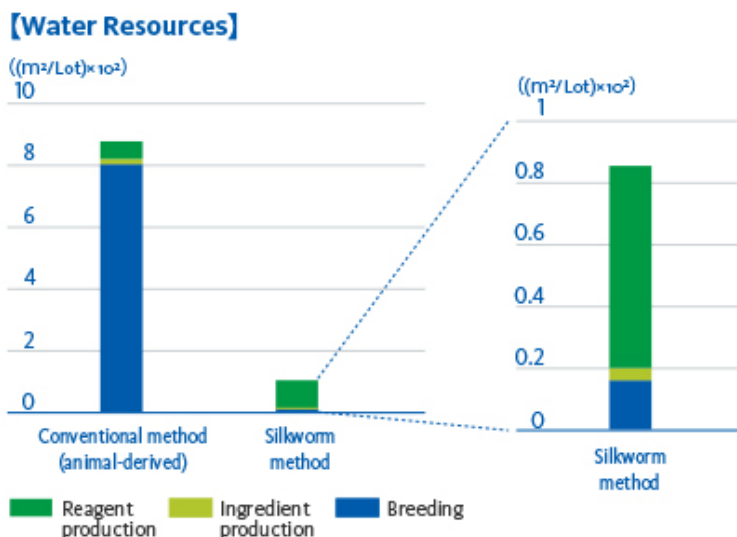
Our protein production contracting service business using this technology has also been fully operational since fiscal 2012, and we are already taking orders from a number of pharmaceutical companies.

Comparison of Method Using Silkworms and Conventional Method (Revohem PT)

[CO₂ Emissions]

((kg-CO₂eq/Lot)×10³)





* Comparison of in-house product (through joint research with Tokyo City University)

Response to Laws and Regulations on Harmful Substances

Application of the revised RoHS Directive* (which was amended in July 2011) to Sysmex's diagnostic instruments and diagnostic instruments for animals began in July 2016.

Sysmex has completed parts surveys and the switchover to alternative parts on products destined for the European Union, and we declared our compliance in fiscal 2015.


* A directive prohibiting the use of hazardous substances in electrical and electronic devices sold in the European Union. This directive calls for the cessation of use of heavy metals (lead, cadmium, mercury and hexavalent chromium) and specified bromine containing flame retardants (PBB and PBDE).

Environmentally Conscious Procurement (Green Procurement)

Cooperating with Business Partners to Promote Environmentally Conscious Procurement

Sysmex has established Green Procurement Standards, which describe its fundamental stance on environmental considerations in procurement activities.

We also conduct annual CSR surveys of our business partners to check whether they have in place policies on environmental management, as well as targets and plans for CO₂ reduction and energy conservation.

- ▶ [Click here for information on our procurement policy.](#)
- ▶ [History of Revisions and Updates of Disclosure Information Related to Green Procurement](#) 

Green Procurement Standards

Through our global corporate activities in the healthcare field, we are contributing to the creation of a fulfilling and healthy society.

1. Objectives

In accordance with its environmental policy, the Sysmex Group strives to fulfill its corporate social responsibility by promoting global environment conservation. Accordingly, we endeavor to promote the manufacture of environmentally friendly products by encouraging the procurement of raw materials and parts that have low impact on the global environment. Sysmex aims to cultivate motivated environmental conservation activities among our suppliers and enable us to work together toward the development of a sustainable society.

2. Green Procurement Initiatives

The Sysmex Group practices "green procurement" to ensure that its procurement activities promote a reduction in the environmental impact of the Company's products and reduce the environmental impact of all production activities, including those of our suppliers. We promote the two items below as specific green procurement initiatives.

- 1) Promote the procurement of raw materials and parts that have lower environmental impact.
- 2) Expand business with suppliers that take a proactive approach toward environmental conservation.

3. Scope of Application

These standards apply to the procurement of raw materials, parts and products by Sysmex Group companies.

4. Control of Chemical Substances in Products

The Sysmex Group requires the selection of materials and parts for the products it develops and produces to be based not only on the requisite quality, performance and economic feasibility, but also on the minimization of environmental impact. Therefore, raw materials and parts that do not employ the chemical substances described below shall be adopted:

- 1) Substances prohibited according to restrictions on chemical substances contained in products shall not be contained.
- 2) Those in which the chemical substance amounts defined under restrictions on chemical substances contained in products shall be monitored.
- 3) Those for which the environmental impact of the chemical substance in terms of atmospheric pollution, water contamination, soil pollution, etc. shall be low.
- 4) Environmental impact data for materials shall be disclosed.
- 5) In relation to packaging materials, when all of the aforementioned factors are identical, that with the lowest volume of contained chemical substances shall be selected.

Revised November 2014

1. Configuration and Operation of Environmental Management Systems

When commencing transactions with business partners, the Sysmex Group indicates clearly the importance it places on motivated environmental conservation activities. To this end, we confirm whether potential suppliers have in place environmental management systems certified by third parties.

- 1) ISO 14001 certification
- 2) Simplified environmental management system certification

2. Provision of Environmental Information on Raw Materials and Parts

The Sysmex Group asks suppliers to provide the following environmental reports in cooperation with Sysmex's environmental conservation activities.

- 1) Data on harmful chemical substances contained in raw materials and parts
- 2) Certification against the use of substances targeted by European RoHS regulations
- 3) Information on raw materials and parts compliant with European RoHS regulations

3. Environmental Measures by Suppliers to Their Outsourcing Partners

The Sysmex Group also asks suppliers to request that their outsourcing partners configure environmental management systems and cooperate in providing environmental information. We ask suppliers to take responsibility for managing their outsourcing partners in this respect.

Revised November 2014

Specifying Prohibited Substances, Substances to Be Reduced and Target Countries

Based on its green procurement standards, Sysmex discloses the following items in dealing with chemical substances (substances with environmental impact) contained in the products it manufactures and sells, as well as their constituent parts, devices and materials.

1. Prohibited substances (substances whose use is prohibited), revised on May 31, 2018

▶ [Prohibited substances](#) 

2. Substances to be reduced (substances whose use must be reduced) , revised on May 31, 2018

▶ [Substances to be reduced](#) 

3. List of target countries (countries and regions whose environmental laws and regulations provide the basis for prohibited substances and substances to be reduced), revised on May 31, 2017

▶ [List of target countries](#) 

Environment-Friendly Logistics

Efforts to Lower CO₂ Emissions in Japan-Domestic and Inter-Regional Transportation of Products

As Sysmex’s global business continues to expand, it is working to curtail CO₂ emissions by reviewing its logistics processes and systems as distribution grows increasingly diverse and moving forward with packaging reforms.

As a result, in fiscal 2017 we achieved a 32% reduction compared with fiscal 2010, the base year under Sysmex Eco-Vision 2020. We have also set CO₂ reduction targets when shipping under Sysmex Eco-Vision 2025, which we formulated in fiscal 2018, and are continuing with our initiatives.



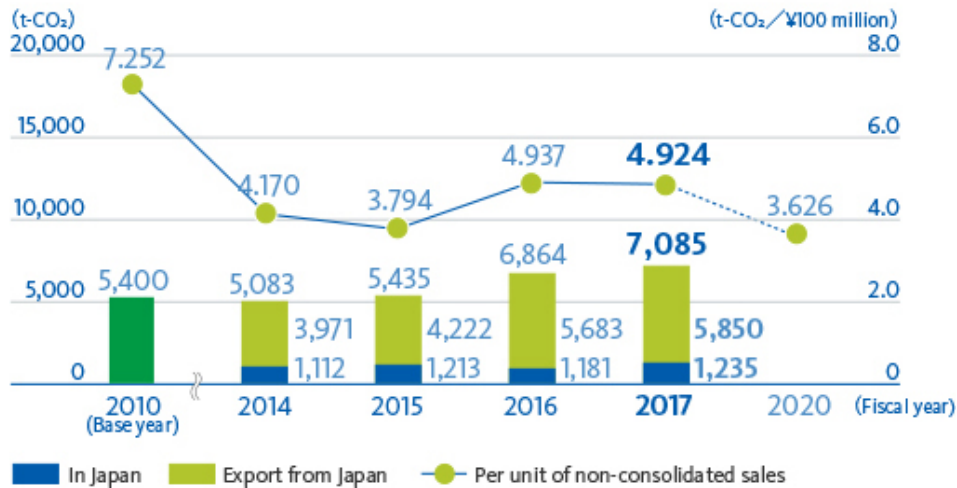
Reefer container

Results of Reviewing Logistics Processes, Systems and Packaging

Method	Result of Reviews
Modal Shift	We shifted our mode of transporting reagents, which are considered hazardous materials, from aircraft to ship, using reefer containers*, for reagents destined for Germany. This move reduced the annual aircraft transport volume by around 380 tons.
Increasing Transportation Efficiency	Following the China region, we set up a regional logistics hub warehouse in Sysmex Asia Pacific. Concentrating transportation within the region is reducing CO ₂ emissions.
Loading Simulations	To reduce transport frequency, we have stepped up loading simulations. As a result, we have improved our container loading ratio from 52% (fiscal 2013) to more than 70% (since fiscal 2015). In the Sysmex Asia Pacific supply chain, we have introduced the “container optimizer” to automatically calculate optimal loading ratios, resulting in effective transport.

* A container with equipment to maintain its internal temperature at a specified level

CO₂ emissions from logistics



Notes: Range of calculation is CO₂ from warehouse in Japan to customers within Japan and that to overseas seaport or airport.

Saving Resources by Revising Packaging Materials

To conserve resources, Sysmex has introduced reusable packaging for instruments shipped within Japan. In fiscal 2017, this move resulted in a savings of approximately 14 tons of cardboard.

In addition, for the steel materials introduced for shipping products overseas, we have increased transport strength and encouraged recycling at delivery locations, helping to reduce environmental impact.

Furthermore, to reduce waste from packaging materials Sysmex Switzerland has introduced reusable boxes for refrigerated cargo.

Introduction of Reusable Packaging Materials That Can Be Folded up When Returning



Environmental Consideration

Reduction in Environmental Burden through Activities at Business Offices: Responding to Climate Change

Reducing Greenhouse Gas Emissions

Efforts to Reduce Greenhouse Gas Emissions at Business Offices

We are undertaking a variety of efforts to reduce direct and indirect greenhouse gas emissions by business offices.

In fiscal 2017, unit greenhouse gas emissions decreased by approximately 2.7% year on year. Against our Eco-Vision 2020 targets, emissions (unit per consolidated sales) were down 29% compared with our base year (fiscal 2008).



LED Lighting(Ono Factory)

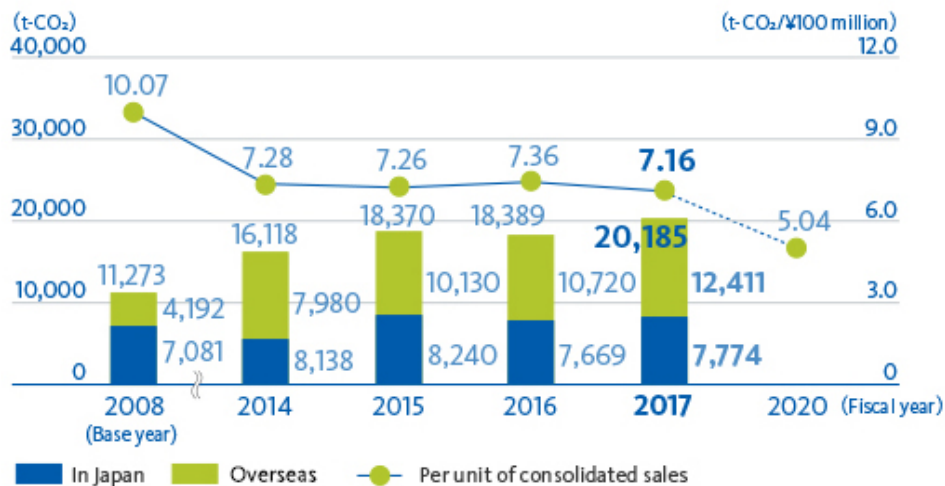
Initiatives to Reduce Greenhouse Gas Emissions

Initiative	Company	Content
Energy Conservation Measures	Systemex Corporation	<p>We introduced an electricity management system (demand monitoring function)¹ to understand and control overall electricity use. We used this analysis to introduce energy-saving measures tailored to business office characteristics.</p> <ul style="list-style-type: none"> Monitoring room temperatures in summer and winter Installing moving detectors to activate staircase lighting Upgrading to energy-saving air conditioning equipment Introducing LED lighting, other
	Systemex Europe	Introduced a new air conditioning system
Shifted to high-efficiency equipment	Systemex Corporation	At the Solution Center, switched to high-efficiency air conditioning equipment that does not use gas
	Systemex Europe	Switched to LED lighting in principal reagent filling rooms
	Systemex Wuxi	Switched to a refrigerant with lower global warming potential in cold storage

Initiative	Company	Content
Introduced renewable energy	Sysmex Corporation	At i-Square, installed solar panels and introduced natural lighting in working areas to save electricity
	Sysmex Europe	Used all renewable energy for electricity
	Sysmex UK	Shifted to renewable energy for some electricity
Employee Awareness	Sysmex Malaysia	Gave Greener Sysmex Points to employees who use hybrid vehicles to commute to work, reduced energy use and decreased CO ₂ emissions
	Sysmex Australia	Encouraged employees to use public transportation to commute to work
	Sysmex India	Confirmed that all employees who use their own cars to commute to work have received PUC certification ²

- 1 Functions for continuously measuring maximum electrical demand (demand value) for 24-hour periods and sounding an alarm if the level exceeds target values, as well as reporting on electricity use on a daily and monthly basis.
- 2 An acronym for pollution under control, PUC certifies that vehicle emissions are below pollution control standards. Indian law requires vehicles to undergo semiannual PUC testing, and PUC certification is obligatory. (The PUC certification period is one year for new vehicles.)

Greenhouse gas emissions at business offices



Notes: Scope of the data: Factories and major business offices

[Factories]

Sysmex Corporation (Kakogawa Factory, i-Square), Sysmex International Reagents (Ono Factory, Seishin Factory), Sysmex Medica, Sysmex RA, Sysmex Europe (Reagent factory in Germany), Sysmex Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex, Sysmex Wuxi

[Major Business Offices]

Sysmex Corporation (head office, Technopark, Solution Center), Sysmex Europe, Sysmex America, Sysmex Shanghai, Sysmex Asia Pacific

Decreasing CO₂ Emissions from Domestic Company's Cars

To curtail fuel use and reduce CO₂ emissions from some 400 company cars in Japan, we are making use of our intranet to visualize travel distances and gasoline used by each Company car and heighten driver awareness. We are also introducing fuel-efficient vehicles and hybrid cars. CO₂ emissions by Company cars in Japan were down approximately 6% year on year.

Complying with Related Laws and Regulations

Based on the Energy Conservation Act, Sysmex Corporation has submitted to the Ministry of Economy, Trade and Industry a medium- to long-term plan that summarizes its regular reports aggregating annual energy usage amounts and its energy reduction plan. Going forward, we will continue promoting energy conservation activities throughout the Company to achieve these non-binding targets in Japan.

Environmental Consideration

Reduction in Environmental Burden through Activities at Business Offices: Resource Circulation

Managing and Recycling Waste

Reducing Waste and Promoting a Stable Recycling Rate

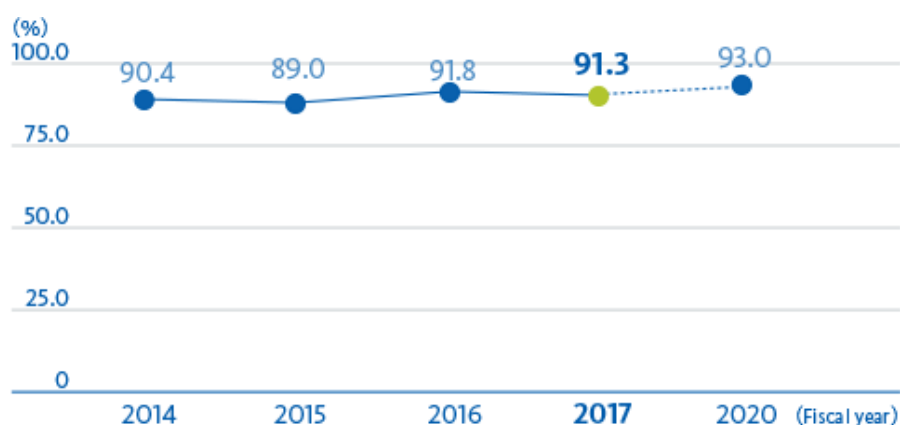
Systemex engages in ongoing initiatives to reduce waste and increase the recycling rate.

As our business grows, our total amount of waste increases due to the establishment and expansion of new locations and to a rising number of employees. However, as a result of business office initiatives our Group recycling rate remains high, at 91.3%.

Waste-Reduction Initiatives

Company	Initiative
Systemex Corporation	Reuse the glass waste formerly processed at landfills as a road paving material, achieving material recycling of glass waste
Systemex RA	Introduction of ethanol reuse equipment to process previously incinerated waste ethanol, reducing the amount emitted as waste to one-seventh
Systemex Wuxi	Reuse of the polyethylene bags used to package purchased parts as trash bags

Business office recycling rate



Scope of data: Factories and major business offices where products and/or chemical substances are handled

[Factories]

Systemex Corporation (Kakogawa Factory, i-Square), Systemex International Reagents (Ono Factory, Seishin Factory), Systemex Medica, Systemex RA, Systemex Europe (Reagent factory in Germany), Systemex Brazil, Systemex Reagents America, Systemex India, Systemex Asia Pacific, Jinan Systemex, Systemex Wuxi

[Major Business Offices]

Systemex Corporation (head office, Technopark, Solution Center)

Using Water Resources Effectively

Reducing Water Use and Appropriately Processing Wastewater

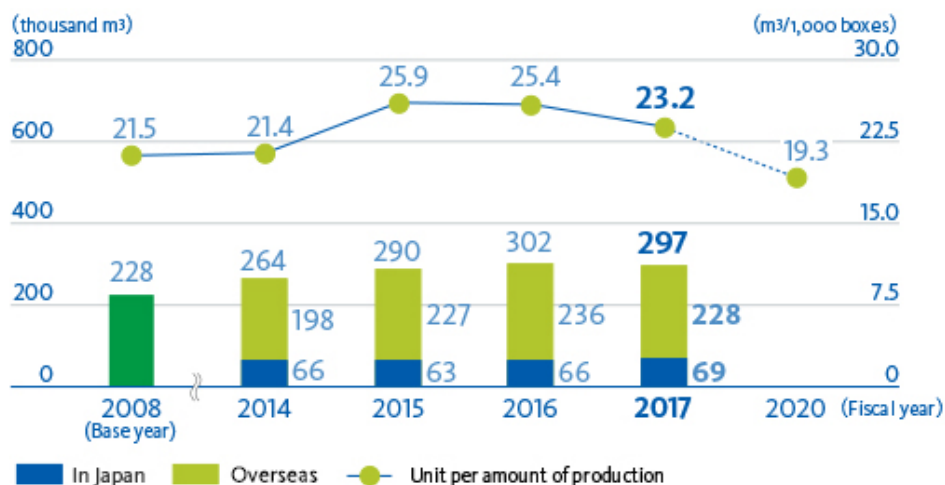
Systemex uses water, both above-ground and underground water, in its business activities, such as its core reagent production. Recognizing the reduction of water use as an important social responsibility, Systemex sets targets for the reduction of water use in Systemex Eco-Vision 2025, and is working to improve the efficiency of water use at individual sites.

In fiscal 2017 our water usage (per unit of production volume) improved approximately 9% year on year, resulting in an 8% increase against our Eco-Vision 2020 base year for water usage.

Major Initiatives at Business Offices

Company	Initiative
Reagent factories in Japan	Promote improvements in production efficiency, reduce work hours and decrease water use
Systemex Asia Pacific	Upgrade of the ultrapure water plant and recycling waste water through reverse osmosis when the factory is not in operation
Systemex India	Recycle industrial wastewater after treatment, use for watering greenery around factory

Water Use at Reagent Factories



Scope of data: Reagent factories (9 locations)

System International Reagents (Ono Factory, Seishin Factory), System Europe (Reagent factory in Germany), System Brazil, System Reagents America, System India, System Asia Pacific, Jinan System, System Wuxi

Reducing Paper Use

Promoting Digital Data

System Corporation is working to reduce the use of paper by utilizing personal computers, tablets and smartphones to send and receive data electronically. These efforts have boosted operating efficiency and cut down on paper use and waste volume.

The use of electronic data facilitates the sending of agenda information to meeting attendees ahead of time. Checking and considering this information in advance has made meetings more efficient and shorter. Eschewing the use of paper for storing materials also helps reduce the risk of internal information leaks. System Korea has installed an approval system that has reduced paper use by 20,000 sheets. We have also begun cutting down on paper use by providing suppliers with product drawings as electronic data rather than on paper.

Environmental Consideration

Reduction in Environmental Burden through Activities at Business Offices: Preventing Pollution

Managing Chemical Substances

Determining the Status of Storage and Use and Managing Harmful Substances

Systemex uses chemical substances in its product R&D and manufacturing processes. In addition to preventing losses or leaks, we strive to manage chemical substances appropriately to prevent damage to the health of employees working on-site.

Methods for Managing Harmful Substances

Company	Initiative
Systemex Corporation	<ul style="list-style-type: none">• We have established a Chemical Substance Management Committee and are reducing chemical accidents, educating related divisions and otherwise enhancing the management system (Technopark).• At the Scientific Laboratory, we conduct thorough chemical substance management based on the Scientific Affairs Division Standards for Laboratory Management (Solution Center).
Systemex International Reagents	We use ID cards and fingerprint recognition to prevent unregistered personnel from entering areas where deleterious and hazardous substances are stored.

Emission of Harmful Substances and Management and Processing with Regard to Their Release into the Water and Atmosphere

Managing and Processing Harmful Substances

As preparation against the danger of infection by biological substances, we strictly control the locations where such substances are stored and used, based on manuals. Also, these substances are carefully segregated from general waste for proper disposal.

For other harmful substances, we work to prevent aerial drift, dispersion and groundwater permeation through countermeasures addressing both facilities and management methods. In these ways, we endeavor to keep emissions below statutory standard values.

Wastewater Management and Processing

Sysmex prioritizes the protection of water quality. We have created our own emission standards that we use to manage the wastewater from development locations and factories that use chemical substances, ensuring that waterways and underground water are not affected.

Methods of Managing and Processing Wastewater

Company	Method
Sysmex International Reagents	At the Ono Factory, we have introduced an alarm system that sounds an alarm when biochemical oxygen demand (BOD) exceeds standards, preventing the emission of liquids containing organic matter.
Sysmex RA	We have introduced waste liquid processing equipment to heat-sterilize infectious waste, rendering it harmless before direct release into sewerage systems.
Sysmex America	The company has introduced a new wastewater processing system at its reagent factory, removing boron-containing compounds from the waste produced during reagent manufacturing.

Management and Processing Related to Atmospheric Emissions

In response to the Fluorocarbons Emission Control Law, a revised version of which went into effect on April 1, 2015, Group companies in Japan established response manuals for individual companies. We clarified fluorocarbon-containing equipment we own or manage and worked to determine appropriate use, conducted inspections and determined calculated leakages. Sysmex Medica has installed local exhaust equipment in its cleaning chamber, using activated carbon to process gas being treated with organic solvents, reducing the off-premise impact.

Environmental Consideration

Biodiversity Protection

Involvement with Biodiversity

Sysmex uses water in its core reagent production and understands that it receives a host of benefits from the world's living things as part of its business activities. Accordingly, we recognize that preserving the forests that contribute to local watershed protection is an important social responsibility. We also aim to contribute to the preservation of biodiversity.

- ▶ [Click here for information on our shift in animal-derived protein materials \(recombinant silkworms\) in our diagnostic reagents.](#)

Forest Conservation Activities

Contributing to Biodiversity Preservation through the "Sysmex Forest"

In fiscal 2013 we began taking part in forest maintenance activities based on the "Enlist the Participation of All Citizens in Creating Woodland" project being promoted by the Hyogo Prefectural Government. To this end, we took responsibility for a two-hectare portion of the 17-hectare Kawai Kaiteki Forest near our reagent factory in the city of Ono, Hyogo Prefecture. We dubbed this portion the "Sysmex Forest" and set about making the Satoyama (a human-influenced natural environment) a place of tranquility for people and wildlife. In fiscal 2017, a total of 205 people participated in these activities, which took place 10 times.

Initiatives at the Sysmex Forest

Initiative	Activity
Preservation of Biodiversity	<ul style="list-style-type: none">• Protection of endangered species (such as protecting the habitat of the clouded salamander¹ and planting plants to attract the chestnut tiger butterfly²)• Protection of rare wild plants (cultivating the Japanese lily to aid its recovery)
Education and Awareness	<ul style="list-style-type: none">• Conducting programs so that children can enjoy coming into contact with nature (hand-painting houses for small birds, cultivating plant cuttings, vegetables and shiitake mushrooms, and taking part in other activities)• Registered for the Green Wave, a program being promoted by Japan's Ministry of the Environment, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism. (invited by the United Nations to take part in the International Day for Biological Diversity (May 22) in 2017)

- 1 These small Cryptobranchioidea (primitive salamanders) are designated as Vulnerable II in the Ministry of the Environment’s Red Data Book.
- 2 These butterflies are unusual for their long migratory routes; most of them arrive in Japan in spring and migrate around 2,000km in autumn to Taiwan and other southern climes. They are designated as a quasi-endangered species in Chiba Prefecture’s Red List.

- ▶ [Click here for information on our system for promoting employee volunteers.](#)
- ▶ [Click here for information on the “Sysmex Forest.”](#)



Sysmex Forest
(participants in forest maintenance activities)



Sysmex Forest
(protecting scarce wildlife)

Activities in Other Regions

Company	Activity
Sysmex Spain	Participation in a biomass energy project to promote renewable energy and preserve the environment
Sysmex New Zealand	Support for initiatives to return unique flora and fauna to their previous state, such as the kiwi bird, which has been threatened with extinction by European pioneers
Sysmex India	50 trees planted by employees



Efforts to help preserve the kiwi bird in New Zealand



Afforestation activities in India

Governance

Recognition of the Issues

Numerous corporate scandals related to corporate governance, risk management and compliance have come to light in recent years, and their impact on society has increased.

In this environment, Japan's Corporate Governance Code went into effect in June 2015, calling on companies to take governance into consideration in non-financial areas, as well as on the financial front. In addition to strengthening governance and internal control, companies are being called on to buttress their management foundations for promoting risk management and compliance. Sysmex believes that reinforcing governance helps ensure stakeholder trust and is an important management issue in terms of enhancing medium- to long-term corporate value.

Sysmex's Approach

Sysmex has established the Audit and Supervisory Committee and is strengthening the supervisory function by external members of the Managing Board, as well as enhancing the Managing Board's effectiveness and reinforcing governance in other ways. In line with these changes, we are putting in place systems to fortify the groupwide risk management function and have established a Compliance Committee and an internal reporting system as initiatives to strengthen our base with a view to sustainable growth.

We will continue aiming to maximize the overall corporate value of the Group through management robustness, better transparency and improved management speed and efficiency.

▶ [Click here for information on corporate governance.](#)

Compliance Management

Group Policy

Pursuing Open and Aboveboard Business Activities

Based on our Group philosophy, the "Sysmex Way," we define our view of compliance as "the conduct of open and aboveboard business activities on the basis of observance of laws and regulations and high ethical standards." In accordance with this definition, we have established a Global Compliance Code, in which particularly important conformance rules and behavioral guidelines for all Group executives and employees to abide by are compiled.

Sysmex Group Global Compliance Code

1. **Ensuring the Safety of Our Products and Services to Customers**

In all our corporate activities, we shall make it a matter of priority to provide our customers with safety and security in the operation and use of our products and services.

2. **Promoting Fair Dealing and Free Competition**

We shall comply with the laws and regulations of each country and region concerning the promotion of fair and free competition, deal fairly with all our customers and other business partners and conduct transactions under appropriate conditions. In addition, in relation to other companies in the same business, we shall not illegally, dishonestly or unreasonably restrict their business, nor shall we defame them.

3. **Fair and Proper Information Disclosure and Exercise of Complete Information Control**

Our corporate information, such as our Group's financial condition and business activities, shall be disclosed in a fair, prompt, correct, and clear manner in accordance with applicable laws and regulations, and we shall exercise strict control over confidential information collected through our business activities so as not to infringe the rights of third parties.

4. **Implementation of Appropriate Research and Development Activities**

When carrying out research and development, we shall protect the dignity, privacy, and human rights of trial subjects, and shall comply with applicable laws and regulations to carry out our research activities in accordance with high ethical standards.

5. **To Respect Intellectual Property**

We respect both the rights of our Group's intellectual property and the intellectual property of others.

We shall not unlawfully acquire or use any confidential business information or the proprietary assets of others.

6. To Maintain International Peace and Safety

We shall comply with export- and import-related laws and regulations, and shall not engage in any transaction which may impede the maintenance of international peace and safety.

7. To Conduct Proper Accounting and Appropriate Tax Payments

We shall always apply the appropriate accounting measures and recognize the tax obligations set forth in applicable tax laws and accounting regulations and standards.

8. To Respect Human Rights and to Improve Occupational Health and Safety

We shall support the Universal Declaration of Human Rights and Core Labour Standards, and respect fundamental human rights, and shall not commit acts such as discrimination or harassment.

We shall also comply with applicable laws and regulations and endeavor to improve occupational health and safety.

Further, we shall not commit any unfair labor practices against the personnel of the company.

9. Prohibition of Conflicts of Interest

We shall not attempt to gain any personal profit in the performance of our duties, and shall not make any unauthorized use of our Group's assets, goods or information, nor shall we perform personal acts that may cause harm to the Group's business activities or reputation.

10. To Maintain Sound Relationships with Society

We shall comply with applicable laws and regulations related to anti-bribery statutes and comply strictly with applicable laws regarding making political donations. The company shall not be intimidated by antisocial activities, behavior and groups, nor maintain any relationship with them.

11. To Preserve the Global Environment

We shall comply with environment-related laws and regulations, and respect the environment throughout our business activities, based on applicable laws and international standards, in an endeavor to preserve and improve the global environment.

Revised May 2017

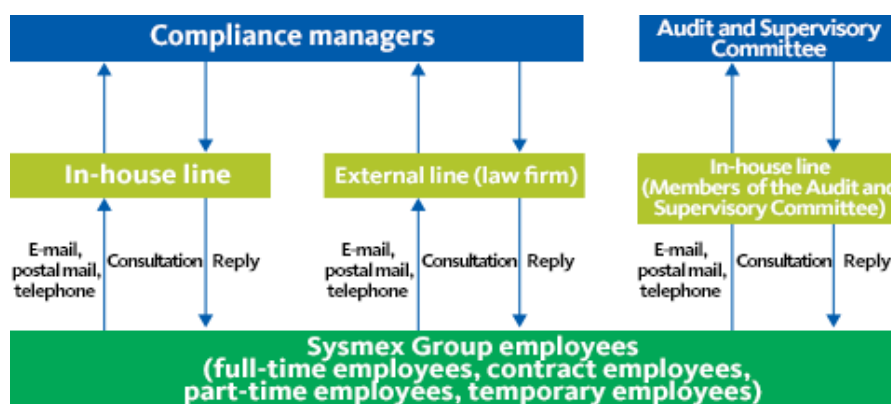
► [Click here for the full text of the Sysmex Group Global Compliance Code.](#) 

Operating an Internal Reporting System in Japan and Overseas

Systemex has established and operates an internal reporting system for all Group companies.

In Japan, we have set up “Campanula Lines” as an internal reporting system. Through this system, we field consultations related to compliance-related issues such as bribery and human rights abuses and work to resolve any issues quickly. The “Campanula Lines” allow our employees to seek consultations and file reports via e-mail, postal mail or telephone through two lines (in-house and external). We have also established a line via the Audit and Supervisory Committee that enables employees to seek consultations and file reports related to the management team. Information received through these lines is handled anonymously and based on the Whistleblower Protection Act to protect people consulting or providing information from any disadvantage.

The “Campanula Lines” Internal Reporting System



Overseas, consultation and reporting lines provide local-language response.

In fiscal 2017, we fielded 32 consultations from Japan and overseas. We conducted factual inquiries for these consultations and dealt with each of them appropriately.

Compliance Education

Continuously Providing Education on Compliance

To ensure thorough compliance, compliance managers are in place at each Group company, and Systemex provides compliance education. In addition to educating new employees about the Group’s perspectives on compliance and the Systemex Global Compliance Code, we conduct training for managers and e-learning on specific individual themes, thereby instilling thorough compliance awareness.

Main Compliance Education in Fiscal 2017

(Japan)

- Conducted compliance training for new employees
- Conducted compliance training for newly appointed managers
- Conducted training for Group employees in Japan on competition laws and anti-bribery
- Conducted training for Group employees in Japan on the revised Personal Information Protection Act
- Conducted human rights training related to harassment, including LGBT*, as well as personnel administration and the Workers Dispatch Act, for new employees, mid-career recruits and newly appointed managers
- Conducted Sysmex Promotion Code training to promote fair trade

* Acronym referring to sexual minorities (lesbian, gay, bisexual and transgender)

(Overseas)

- Conducted compliance training for new employees
- Conducted training in line with revisions to the Global Compliance Code
- Conducted compliance training for managers

Compliance

Security Export Control

Policy on Security Export Control

In line with Sysmex Global Compliance Code item “6. To Maintain International Peace and Safety,” we comply with export-related laws and regulations of individual countries and regions, and do not engage in transactions likely to impede the maintenance of international peace and safety.

▶ [Click here for information on the Global Compliance Code.](#)

Structure

Sysmex has established the Security Trade Control Committee, which is under the direct control of the president, to prevent illegal exports. We have also assigned people at overseas regional headquarters to take charge of managing security export control, and have configured a global operational structure.

Initiatives

Ensuring Thorough Management and Promoting Efficiency

Recent years have seen an increase in the number of opportunities for Sysmex to export products between its overseas locations, presenting the need to reform and systematize our processes and respond to increasingly complex logistics in order to ensure thorough trade management and promote efficiency.

In fiscal 2017, we held the Second Global Security Trade Control Council, a gathering of people responsible for and in charge of security export control in individual countries. Going forward, we will conduct coordinated global activities, promoting groupwide initiatives.

Conducting Ongoing Education

Once each year, Sysmex Corporation conducts e-learning on the fundamentals of security trade management for all employees. We also hold workshops on the recent global situation and regulatory systems, briefing sessions on newly introduced systems and offer various other types of education on an ongoing basis to increase awareness of security trade management.



Training

Intellectual Property Management

Policy on Respect for Intellectual Property

Sysmex accords third-party intellectual property rights the same level of respect as it does its own. As defined in item “5. To Respect Intellectual Property” of the Sysmex Global Governance Code, we will not unlawfully acquire or utilize any confidential business information or the proprietary assets of others. We promote a thorough understanding of these rules for compliance by all executives and employees throughout the Group.

▶ [Click here for the Sysmex Group Global Compliance Code.](#) 

Structures

When applying for patents to protect our own intellectual property and responding to third parties' intellectual property rights, members of the intellectual property, R&D and business development departments conduct and discuss patent reviews globally for each new product development project.

Initiatives


We conduct level-based (beginner, intermediate, advanced and senior management) training in our R&D and business development divisions on the importance of obtaining intellectual property rights, managing these rights appropriately, and respecting their significance. In this way, we are enhancing the awareness of intellectual property.

Research Ethics

Research Ethics

Conducting Appropriate R&D Activities

As defined in “4. Implementation of Appropriate Research and Development Activities” of the Global Compliance Code, when carrying out research and development, Sysmex protects the dignity, privacy, and human rights of trial subjects, and complies with applicable laws and regulations in individual countries and regions to carry out its research activities in accordance with high ethical standards. In addition, Sysmex has adopted the Ethics Regulations on Clinical Research and Development and Human Genome and Genetic Analysis Research and also established a Research Ethics Examination Committee, which includes outside members such as legal and science experts, in order to review research content. The list of committee members and deliberation results are disclosed on our website, thus ensuring transparency.

- ▶ [Click here for information on the “Ethics Regulations on Clinical Research and Development and Human Genome and Genetic Analysis Research.”](#) 
- ▶ [Click here for information on the activities of the Research Ethics Examination Committee.](#)

Consideration for Animal Experiments

Item “4.4 Animal experiments” of the Global Compliance Code states that when conducting animal experiments, we shall comply with applicable laws and regulations related to animal protection, and we shall limit such experiments to a minimum by studying the use of alternative methods. When animal experiments are necessary, we shall take all reasonable steps to minimize the animals’ pain. We conduct animal experiments in line with internal regulations that conform with public guidelines. Our Testing Control Committee rigorously deliberate testing plans to ensure their regulatory conformance.

Guidelines Sysmex Follows

- Act on Welfare and Management of Animals (Ministry of the Environment)
- Standards Relating to the Care and Management of Laboratory Animals and Relief of Pain (Ministry of the Environment)
- Fundamental Guidelines for Proper Conduct of Animal Experiment and Related Activities in Academic Research Institutions (Ministry of Education, Culture, Sports, Science and Technology)
- Guidelines for Proper Conduct of Animal Experiments (Science Council of Japan)

- ▶ [Click here for the Sysmex Group Global Compliance Code.](#) 

Anti-Corruption

Preparation of Standards and Provision of Education on the Prevention of Bribery

As one of its voluntary corporate efforts in accordance with the spirit of the UN Global Compact, Sysmex undertakes thorough efforts to prevent bribery, in line with Principle 10, which states that “Businesses should work against corruption in all its forms, including extortion and bribery.”

The momentum of efforts to eradicate corruption is gathering pace throughout the world, and various countries are enacting laws and stepping up enforcement. Against this backdrop, Sysmex clearly prohibits bribery in its Global Compliance Code, which applies to all executives and employees. In addition, we are encouraging a thorough understanding throughout the Group of our anti-bribery regulations, which cover such topics as banned items, due diligence, the provision of education, and management systems.

We have also prepared guidebooks related to legal systems in key countries, including Japan, the United States, the United Kingdom, and China, and conduct e-learning and other types of education and training.

Overview of Anti-Bribery Regulations

1. Sysmex prohibits the provision of money and other tangible or intangible benefits to public officials, and people who are not public officials, for the purpose of obtaining illicit profits, such as acquiring business or for the sake of business convenience.*
* Such acts include avoiding or simplifying administrative procedures, obtaining or maintaining business opportunities, obtaining accommodation on bids, or obtaining confidential information.
2. Prior to conducting new transactions, or during mergers and acquisitions, in addition to routine checks of a counterparty’s origin, background, and business details, Sysmex investigates whether the counterparty has relationships with public officials or past involvement in bribery cases.
3. Sysmex prohibits the payment to business partners and other parties of bribes or other payments that could be construed as bribes.
4. Sysmex has in place and operates a system for conducting regular education and training of Group executives and employees in relation to bribery prevention.
5. Group officers and employees who become aware of actions that contravene, or that could be construed as contravening these regulations must report such actions promptly to a compliance manager.

▶ [Click here for information on the Sysmex Promotion Code.](#) 

Transparency in Relationships with Medical Institutions

Responses in Japan

Transactions based on a high level of ethics are required at every stage of our operations—from research and development to manufacturing, sales and after-sales support—as the number of opportunities for collaboration with medical institutions and medical professionals is increasing.

Sysmex Corporation and Sysmex International Reagents, which are members of the Japan Association of Clinical Reagents Industries, concur with the philosophy outlined in the association’s “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions” (2011), and disclose information related to funding provided to medical institutions.

- ▶ [Click here for information on the Japan Association of Clinical Reagents Industries “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions” \(Japanese only\) \(PDF/1.07MB\)](#) 
- ▶ [Click here for Funding details.](#)

Responses Overseas

Sunshine Acts have been enacted in the US, France and Belgium. We report relevant payments or transfers of value to each government regularly.*

* We also disclose this on our web site.

- ▶ [Click here for Funding details.](#)

Compliance

Tax Strategy

Tax Policy

Systemex has established item “7. To Conduct Proper Accounting and Appropriate Tax Payments” in the Systemex Group Global Compliance Code to heighten tax transparency. Furthermore, in line with the international consensus we employ OECD guidelines when pricing internal transactions among Group companies overseas.

▶ [Click here for information on the Global Compliance Code.](#) 

Tax Payments

We disclose Group payments of corporate and other taxes in financial and other reports, as well as the reasons for differences with effective statutory tax rates.

- ▶ [Click here for our annual securities report \(Japanese only\).](#)
- ▶ [Click here for the Systemex Report \(Financial and Other Information\).](#)

Tax Strategy in the United Kingdom

▶ [Click here for information on our tax strategy in the United Kingdom](#) 

Risk Management Structure

Risk Management Structure

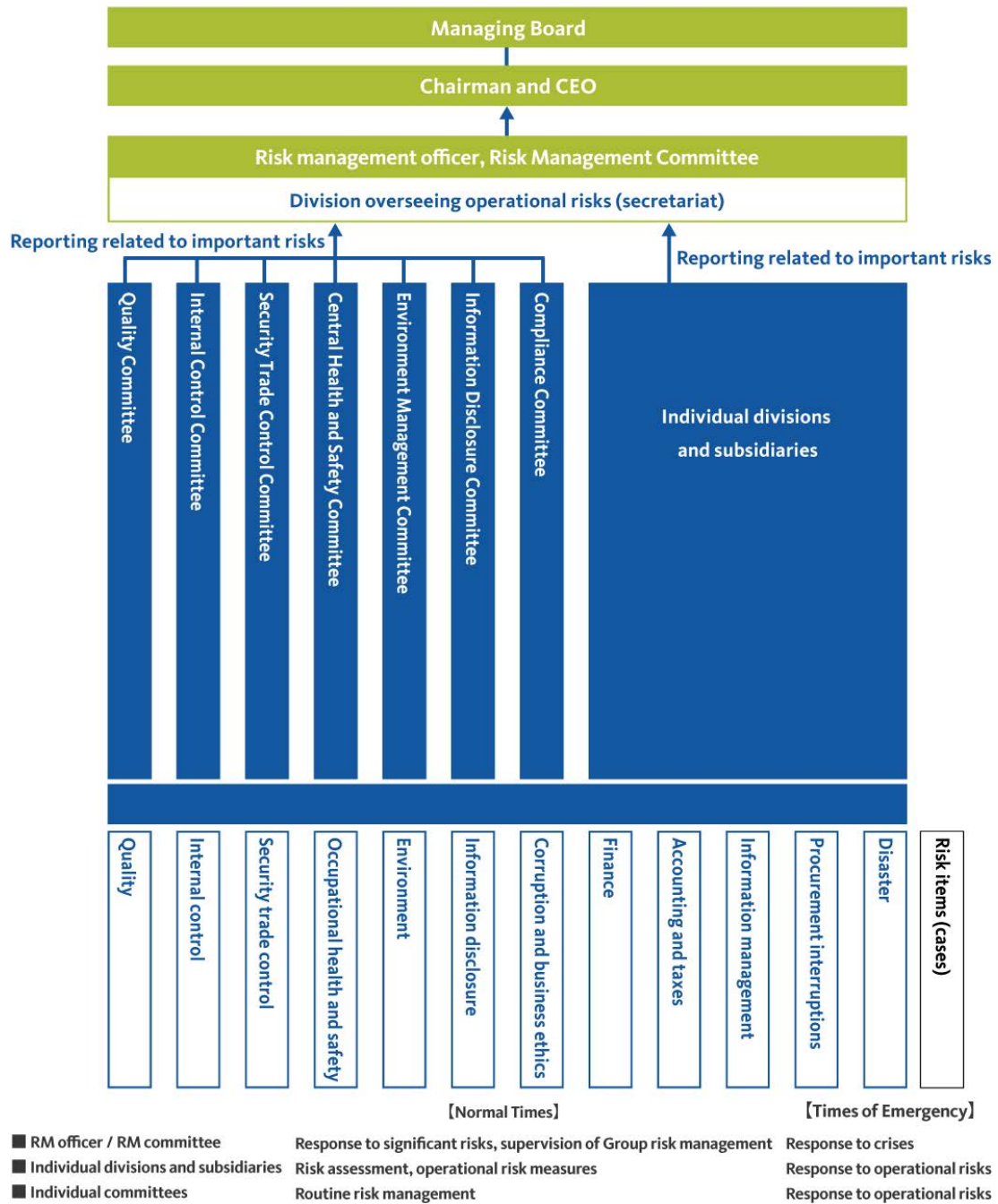
Promoting Risk Management by Establishing a Dedicated Committee

To control groupwide risk management activities, Sysmex has established a Risk Management Committee (RM Committee). The committee is chaired by a risk management officer, a senior managing director. Committee members include some members of the Managing Board, as well as executive officers, who handle risks.

The RM Committee regularly assesses various risks, such as those related to corruption, business ethics and other aspects of compliance, human resources, occupational safety and health, the environment, and accounting and finance, including tax payments. The committee identifies major risks affecting the Group's operations and prepares countermeasures.

The RM Committee monitors the status of risk management being conducted by the Compliance Committee, other related committees, individual divisions and subsidiaries. The committee also deliberates responses to any emerging risks that have a major impact on Group management.

Risk Management Structure



► [Click here for information on corporate governance.](#)

Disaster Response

Creation of a Structure for Responding Swiftly in Times of Emergency

Sysmex has formulated individual business continuity plans (BCPs) for manufacturing, procurement and other functions, to ensure the Company is able to meet its social responsibility of providing a stable supply of products and services to medical institutions in the event of disasters and other crisis situations. Our BCPs identify products to be given provision priority so that our instruments can continue to function in a stable manner at healthcare institutions even in crisis situations. We have also prepared disaster-response regulations and manuals, including basic disaster-response regulations, putting in place systems that enable us to respond swiftly in emergencies.

We have introduced safety confirmation tools at Group companies in Japan as a means of emergency communication. Sysmex has also installed wireless digital equipment at business offices in Japan, putting in place a system for communicating in the event of a communication blackout. We have also amassed stockpiles of supplies and other items to assist stranded personnel, setting aside enough items for every employee. Furthermore, we conduct e-learning on disaster prevention and response, BCP awareness education and simulation training to augment BCP effectiveness.

The groupwide backbone IT system that Sysmex operates is located at external, disaster-resistant data centers. In addition, we created a backup structure so that we can quickly switch to a backup system in the event that disaster renders our regular system inoperable.

▶ [Click here for details on response in times of disaster \(BCP\).](#)

Information Security

Enhancing Information Security

Systemex handles data about its customers, as well as on the entities with which it collaborates on R&D and other testing as well as information on the Company's proprietary technologies. We recognize the importance of upholding information such as this, as well as of other important corporate secrets, and view the leak of such corporate secrets as an important risk for the Group. Accordingly, we have in place structures to prevent this risk from materializing.

We have formulated consistent global regulations for information security and corporate secrets for all Group companies, strengthening measures to prevent information leaks and counter cyber threats. Group companies in Japan also regularly conduct e-learning related to information security and corporate secrets.

Systemex CNA has obtained certification under ISO 27001^{*}, the international standard for information security management systems, ensuring confidentiality, completeness and availability of information related to service and support.

* The service and support division has obtained certification from 2016.

External Evaluation

Incorporation in Sustainability Indexes and Rankings

Selection for Global Sustainability Indexes

A growing number of investors are evaluating companies' sustainability not only from a financial perspective, but also from the non-financial, environment, society and governance (ESG) perspective, in the aim of responsible investing from a long-term viewpoint. Around the world, a number of sustainability indexes are used to benchmark responsible investment. Being a highly sustainable company, Sysmex has been selected for numerous sustainability indexes and rankings.

- Dow Jones Sustainability World Index¹ (from fiscal 2016)
- Dow Jones Sustainability Asia Pacific Index¹ (from fiscal 2012)
- FTSE4Good Index² (from fiscal 2008)
- FTSE Blossom Japan Index³ (from fiscal 2017)
- MSCI ESG Leaders Indexes⁴ (from fiscal 2011)
- MSCI SRI Indexes⁴ (from fiscal 2013)
- MCSI Japan ESG Select Leaders Index⁵ (from fiscal 2017)
- MSCI Japan Empowering Women Index⁶ (WIN) (fiscal 2017)
- Ethibel Excellence⁷ (from fiscal 2011)
- Ethibel Pioneer⁷ (from fiscal 2014)
- Ethibel Sustainability Index(ESI)⁸ (from fiscal 2015)
- Global 100 (100 most sustainable companies in the world)⁹ (2017, 2016 and 2012)

1 An ESG investment index developed through collaboration between S&P Dow Jones Indices of the United States and Robeco SAM of Switzerland. This index evaluates corporate sustainability through the perspectives of the economy, the environment and society, and selects companies that are expected to achieve long-term sustainable growth based on comprehensive and advanced initiatives. The World Index targets the world's listed companies, while the Asia Pacific Index targets listed companies in the Asia-Pacific region.

2 An ESG investment index announced by FTSE Russell, of the London Stock Exchange Group of the United Kingdom. Excellent companies are selected, based on an evaluation of ESG (environment, society, governance) information disclosed to the general public by the world's leading companies.

3 FTSE Russell of the United Kingdom selects Japanese companies based on superior response on ESG (environment, society, governance) matters. The index uses FTSE4Good standards derived from international standards, such as the United Nations' Sustainable Development Goals (SDGs).

4 An ESG investment index developed by MCSI Inc. (Morgan Stanley Capital International), of the U.S. Morgan Stanley Group. Companies are selected based on an evaluation that includes ESG issues considered important by various indices based on the industry characteristics of the companies it targets.

5 An ESG investment index of MSCI of the United States. The index selects companies with relatively high ESG ratings in individual sectors from among the top 500 Japanese stocks by market capitalization.

6 An ESG investment index by MSCI of the United States. The index selects companies in various sectors that excel in gender diversity from among the top 500 Japanese stocks by market capitalization.

- 7 An index developed by Forum Ethibel, a Belgian non-profit organization. Companies are selected that exhibit high performance from the perspective of corporate social responsibility. The index includes two sub-indices, Pioneer and Excellence. Companies in the Pioneer index are selected from among those in the Excellence index as being particularly excellent.
- 8 This index comprises companies selected for Ethibel Excellence, based on such limiting conditions as floating market capitalization.
- 9 The 100 Most Sustainable Companies in the World, selected by Corporate Knights of Canada. The selection was announced during the World Economic Forum, held in Davos, Switzerland.

MEMBER OF
Dow Jones
Sustainability Indices
 In Collaboration with RobecoSAM



FTSE4Good



**FTSE Blossom
Japan**



2017 Constituent
 MSCI ESG
 Leaders Indexes



2017 Constituent
 MSCI SRI Indexes



Recognition and Commendation by Third Parties

From fiscal 2015 to 2017

2018

- March
 - Selected for the Companies That Care Honor Roll* 2018 for the tenth consecutive year (Sysmex America)
 - * Companies That Care Honor Roll: A corporate ranking that designates companies that contribute to the welfare of employees, their families and local community, based on a survey conducted by the Center for Companies That Care, an NPO.
- March
 - Recognized for the second time by the Ministry of Economy, Trade and Industry for excellence in health management of “companies that excel in health management” (White 500)
- February
 - Received an award of excellence in the environmental report division at the 21st Environmental Communication Awards for the Sysmex Sustainability Report 2017.

2017

- November • Super-resolution fluorescence microscope received the Good Design Gold Award 2017
- November • Ranked 18th in The Best-Performing CEOs in the World 2017, published by Harvard Business Review
- October • Sysmex Asia Pacific selected for HR Asia Best Companies to Work for in Asia 2017
- September • Selected for inclusion in the Dow Jones Sustainability World Index
- August • Named in Forbes' The World's 100 Most Innovative Companies (27th)
- June • Received the Work & Family in 2017 award (Sysmex Europe)
- April • Received the Fiscal 2017 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology, Prize for Science and Technology
- March • Selected for the Companies That Care Honor Roll 2017 (Sysmex America)
- February • Recognized by the Ministry of Economy, Trade and Industry for excellence in health management in the first year of "companies that excel in health management" (White 500)
- February • Received the Award for Excellence at the 20th Environmental Communication Awards (Jury Awards) for the Sysmex Sustainability Report 2016
- January • Selected for the 2017 Global 100 (100 most sustainable companies in the world), the third time

2016

- November • At the fiscal 2016 Kinki Local Commendation for Inventions, received the Minister of Education, Culture, Sports, Science and Technology Prize for one invention and the Encouragement Prize for Inventions for three inventions
- November • Sysmex Asia Pacific and Sysmex Malaysia selected for HR Asia Best Companies to Work for in Asia 2016
- October • Ranked 27th of 462 Companies in the Nikkei ranking of "Companies that Motivate People"
- September • Received the highest ranking, level 3, as an "Eruboshi" company, based on the Act on the Promotion of Women's Participation and Advancement in the Workplace
- September • Selected for the first time for inclusion in the Dow Jones Sustainability World Index
- September • Sysmex's automated blood coagulation analyzer certified under the 5th Heritage Program of Legacy Analytical Instruments/Scientific Instruments
- September • Ranked fifth in Forbes Japan's "Managers that Move Japan" and 28th on the Forbes 2016 List of the World's Most Innovative Companies
- August • Won the 14th Annual Merit Award from the Minister of Economy, Trade and Industry for Collaborative Achievement Between Industry, Academia and Government for the world's first practical realization of a system for diagnosing hepatic fibrosis using glycosylation
- June • Sysmex International Reagents' Ono Factory received the City of Ono Firefighting Society Excellent Business Site Award
- May • Received the ACE-Award, sponsored by Confirmit (Voice of Customer and Contact Center divisions) (Sysmex America)

- March • Selected as a Great Place to Work (Sysmex Europe)
- March • Selected for the Companies That Care Honor Roll 2016 (Sysmex America)

2015

- December • Received an award as a model for formulating a system for Good Distribution Practice (GDP)* in the in vitro diagnostics (IVD) industry that Taiwan's FDA is moving into law.
* A model for verifying that the quality (effectiveness, safety) of pharmaceuticals that are produced, distributed and stored by manufacturing companies up to customers, as well as for preventing theft and accidents, and ensuring against counterfeit drugs and altered products being mixed into the supply route.
- November • Received the Japan Investor Relations Association's 20th IR Grand Prix Award
- October • Named by the Securities Analysts Association of Japan for Excellence in Corporate Disclosure and selected for excellence in disclosure to individual investors
- October • At the Kinki Local Commendation for Inventions, received the Encouragement Prize of the Commissioner of Japan Patent Office for one invention and the Encouragement Prize for Invention for three inventions
- October • i-Square received the Landscape Community Planning Award in the Design Division from the city of Kakogawa
- October • Ranked 24th of 454 Companies in the overall Nikkei ranking of "Companies that Motivate People"
- August • Sysmex Annual Report 2014 won the Gold Award in the healthcare (instruments) category of the 2014 Vision Awards in the United States
- July • Selected for HR Asia Best Companies to Work for in Asia 2015 (Sysmex Asia Pacific)
- June • Received Fiscal 2015 Hyogo Prefecture Invention Awards for "Hemostasis Analyzer" and "Working Procedure Display Method and Working Procedure Display System"
- May • Received the ACE-Award, sponsored by Confermit (Sysmex America)
- April • Named a Great Place to Work Brazil (Sysmex Brazil)
- March • Received the Award for Excellence at the 18th Environmental Communication Awards for the Sysmex Sustainability Report 2014
- March • Ranked first in the Toyo Keizai ranking of the top 300 "Excellent Companies for New Employees"
- March • Selected for the "Companies That Care Honor Roll 2015" (Sysmex America)

Fiscal 2017 Performance Data

Social Data

Customers

Category	Fiscal 2015	Fiscal 2016	Fiscal 2017	Related Articles
Inquiries received by the Sysmex Customer Support Center	95,929	88,909	89,583	Details
Customer satisfaction rating in the United States* (out of 10 possible points) * Research by Sysmex America	9.1	9.2	9.3	Details
Customer satisfaction rating in the United States* (out of 10 possible points) * Research by IMV ServiceTrak	9.09	9.32	9.4	Details

Employees (All figures are results for Sysmex Corporation)

Category		Fiscal 2015	Fiscal 2016	Fiscal 2017	Related Articles
New-graduate recruits	Total	59	68	64	Details
	Of which, men	40	38	32	
	Of which, women	19	30	32	
	Of which, non-Japanese	12	15	5	
Mid-career recruits	Total	70	73	30	Details
	Of which, men	50	56	23	
	Of which, women	20	17	7	
	Of which, non-Japanese	1	4	2	
Turnover* * Regular employees only, excluding people who have reached the mandatory retirement age	Turnover (people)	40	74	101	-
	Turnover (%)	1.97	3.22	4.34	

Employment of people with disabilities* * Due to the establishment of Sysmex Harmony, figures indicated from fiscal 2017 onward are the employment rate not for Sysmex on a non-consolidated basis but including affiliated companies in Japan	Number of people	50	54	Sysmex Corporation 51	Details
				Group companies in Japan 69	
	Percentage	1.82	1.94	Sysmex Corporation 1.84	
				Group companies in Japan 2.04	
Reemployment of workers after the mandatory retirement	Applicants	25	22	38	Details
	People reemployed	25	22	38	
	Percentage reemployment	100	100	100	
Reemployment of personnel leaving for reasons of childcare or nursing care	New registrants	6	5	3	Details
	People reemployed	1	0	0	
	Percentage reemployment	17	0	0	
Promotion to regular employees	Contract employees	17	7	16	Details
	Temporary employees	2	4	10	
	Total	19	11	26	
Industrial accidents	Work-related deaths	0	0	0	Details
	Work-related injuries	7	3	2	
	Frequency of work-related injuries	1.27	0.53	0.35	
	Severity of work-related injuries	0.07	0.09	0.05	
	Total work days lost	386	494	308	
	Total actual number of working hours	5,499,593.25	5,641,249.00	5,635,447.00	
Paid leave	Days granted	49,534	51,667	49,177	Details
	Days taken	27,605.50	31,305.00	32,063.00	
	Percentage of days taken	55.7	60.6	65.2	
People taking pre-and post-maternity leave		39	48	39	

People taking childcare leave	Women	32	56	32	
	Men	2	3	1	
People taking shorter work hours for childcare	Women	50	47	58	
	Men	0	0	1	
People taking nursing care leave	Women	1	2	5	
	Men	1	0	0	
Percentage of people returning after childcare leave	Women (%)	100	98	97	
	Men (%)	100	100	100	
People taking accumulated paid leave		77	78	104	
People on flex-time arrangement		1,742	1,949	2,086	
Children in in-house daycare center	Total during year	33	32	34	
	At fiscal year-end	28	26	30	
Training results* * Excludes temporary employees, part-time employees and executives	Training expenditure per employee (yen)	179,000	108,000	103,000	Details
	Training time per employee (hours)	22.6	19.4	15.4	
	Number of training programs	23	23	14	
Number of interns accepted	Total	157	135	128	Details
	Of which, non-Japanese	5	1	9	

Note: Some figures have been revised from ones disclosed before, owing to changes in definition.

	Fiscal 2015	Fiscal 2016	Fiscal 2017
(1) Employees (people) ¹	2,031 (484)	2,083 (497)	2,046 (504)
(2) Average age (years old)	40.5	40.5	40.7
(3) Average years of employment (years)	11.5	11.6	12.0
(4) Average annual salary (thousands of yen) ²	7,843	7,853	7,826

1 The number of employees excludes workers dispatched from Sysmex Corporation but includes workers dispatched to Sysmex Corporation. For the number of temporary employees, the average for the year is indicated in parentheses.

2 The average annual salary amount includes wages outside basic wages, as well as bonuses.

Employees (All figures are results for Sysmex)

Category		Fiscal 2015	Fiscal 2016	Fiscal 2017	Related Articles
Female managers (%) (Director level or above)	Sysmex Corporation (%)	8.3	8.8	8.6	Details
	Overall Group (%)	14.3	16.2	15.2	

Category			Fiscal 2017	
Percentage of men and women in the Group	Japan	Men (%)	59.1	Regular employees, employees on loan, and contract employees (except executives and temporary employees)
		Women (%)	40.9	
	Americas	Men (%)	63.7	Regular employees, employees on loan, contract employees and executives
		Women (%)	36.3	
	EMEA*	Men (%)	55.7	
		Women (%)	44.3	
	China	Men (%)	65.7	
		Women (%)	34.3	
	Asia Pacific	Men (%)	61.4	
		Women (%)	38.6	

Category			Fiscal 2017		
Number of the Group employees	Japan	Men	2,077	Regular employees, employees on loan, and contract employees (except executives and temporary employees)	
		Women	1,440		
	Americas	Men	740	Regular employees, employees on loan, contract employees and executives	
		Women	422		
	EMEA*	Men	1,318		
		Women	1,049		
	China	Men	412		
		Women	215		
	Asia Pacific	Men	474		
		Women	298		
	Total			8,445	

* Europe, the Middle East and Africa













Corporate Citizenship Activities

Category	Fiscal 2017
Expenditures for corporate citizenship activities (Sysmex Corporation, yen)	About 510,000,000

Environmental Data







Material Balance

▶ [Please click here for detailed performance data.](#) 

		Fiscal 2015	Fiscal 2016	Fiscal 2017
1	 Electricity use (thousands kwh)	37,476	37,403	40,169
1	 City gas (thousands m ³)	1,544	1,474	734
1	 LPG (t)	19.4	21.1	20.9
1	 LNG (m ³)	0	0	799
1	 Heavy oil (kL)	0	0	35
1	 Kerosene (kL)	35	31	314
1	 Diesel oil (kL)	19	21	317
4	 Gasoline for domestic fleet (kL)	750	734	689
4	 Diesel for domestic fleet (kL)	23.5	25.1	23.2
3	 Water use (thousands m ³)	391	406	395
5	 Office paper (t)	44	42	45
4	 PRTR (t)	0.13	0.06	0.08



OUTPUT

		Fiscal 2015	Fiscal 2016	Fiscal 2017
1	 Greenhouse gas emissions from business offices (t-CO ₂)	24,035	22,760	24,983
4	 CO ₂ emissions from domestic company cars (t-CO ₂)	1,802	1,768	1,661
6	 Total waste emissions (t)	1,701	2,106	1,778
2	 Recycling rate (%)	91.9	91.1	92.2
3	 Wastewater volume (thousands m ³)	192	189	221
4	 PRTR (t)	0	0.02	0

- 1 Main business offices in Japan, Instrument factories in Japan, Reagent factories in Japan, Sales offices in Japan, Other offices in Japan, Main overseas locations, Overseas reagent factories
 [Main business offices in Japan] Sysmex Corporation (head office, Technopark, Solution Center)
 [Instrument factories in Japan] Sysmex Corporation (Kakogawa Factory, i-Square), Sysmex Medica, Sysmex RA
 [Reagent factories in Japan] Sysmex International Reagents (Ono Factory, Seishin Factory)
 [Sales offices in Japan] Sysmex Corporation
 1 office (Tokyo), 6 branches (Sendai, Kita Kanto, Nagoya, Osaka, Hiroshima, Fukuoka), 13 sales offices (Sapporo, Morioka, Nagano, Niigata, Chiba, Yokohama (included in scope from fiscal 2015), Shizuoka, Kanazawa, Kyoto, Kobe, Takamatsu, Okayama, Kagoshima), 1 service center (Metropolitan Area Service Center), Sysmex CNA
 [Other offices in Japan] Sysmex Corporation (R&D Center, Protein Development Center, BMA Laboratory, Global Communication Center (included in scope from fiscal 2015), Soushin dormitory (included in scope from fiscal 2015), Skyfront Research Campus (included in scope from fiscal 2017))
 [Main overseas locations] Sysmex Europe, Sysmex Deutschland, Sysmex America, Sysmex Shanghai, Sysmex Asia Pacific
 [Overseas reagent factories] Sysmex Europe(Reagent factory in Germany), Sysmex Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex, Sysmex Wuxi
- 2 Main business offices in Japan, Instrument factories in Japan, Reagent factories in Japan, Other offices in Japan, Overseas reagent factories
 (Refer to 1)
- 3 Main business offices in Japan (excluding head office), Instrument factories in Japan, Reagent factories in Japan, Other offices in Japan, Overseas reagent factories
 (Refer to 1)
- 4 Main business offices in Japan, Instrument factories in Japan, Reagent factories in Japan, Sales offices in Japan, Other offices in Japan
 (Refer to 1)

5 Main business offices in Japan, Instrument factories in Japan, Reagent factories in Japan
(Refer to 1)

6 Main business offices in Japan, Instrument factories in Japan, Reagent factories in Japan, Sales offices in Japan, Other offices in Japan, Overseas reagent factories
(Refer to 1)

Results for the Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020) (Related articles indicate the scope of calculation.)

Category	Fiscal 2015	Fiscal 2016	Fiscal 2017	Related Articles
CO ₂ emissions from logistics per unit of non-consolidated sales(t-CO ₂ /¥100 million)	3.794	4.937	4.924	Details
Greenhouse gas emissions at business offices per unit of consolidated sales (t-CO ₂ /¥100 million)	7.26	7.36	7.16	Details
Business office recycling rate (%)	89.0	91.8	91.3	Details
Water use at reagent factories per unit of amount of production (m ³ / thousand boxes)	25.9	25.4	23.2	Details

Main Indicators and Results Related to Environmental Impact

Data Related to the Sysmex Group Environmental Action Plan, Eco-Vision 2020

Aspect	Content			Unit	Scope ²	Base Year		
						Fiscal Year	Data	
Environment consciousness in product life cycle process	Greenhouse gas emissions GHG Scope 3 ¹	CO ₂ emissions from logistics	Product logistics within Japan	t-CO ₂	Sysmex Corporation	2010	5,399.84	
			Product logistics to overseas locations			2010		
		Unit CO ₂ emissions in logistics	Product logistics within Japan and to overseas locations	t-CO ₂ /¥100 million		2010	7.252	
		Unit denominator	Sysmex Corporation, non-consolidated net sales	¥100 million		2010	744.60	
Environment consciousness at business offices	Greenhouse gas emissions GHG Scope 1 + Scope 2 ¹	Total emissions	City gas, LPG, LNG, heavy oil, kerosene, diesel oil and electricity	t-CO ₂	Main business offices, instrument factories and reagent factories in Japan	2008	7,080.93	
						Main overseas locations and reagent factories	2008	4,191.63
		Total unit emissions	City gas, LPG, LNG, heavy oil, kerosene, diesel oil and electricity	t-CO ₂ /¥100 million	Main business offices, instrument factories and reagent factories in Japan, as well as main overseas locations and reagent factories		2008	10.08
		Unit denominator	Consolidated net sales	¥100 million	-	2008	1,118.42	
	Waste emissions	Total emissions		t	Main business offices, instrument factories and reagent factories in Japan, as well as overseas reagent factories	2008	872.28	
		Waste recycling (including energy recovery)				2008	670.78	
		Recycling rate for waste (including energy recovery)		%		2008	76.9	
	Water use	Groundwater		thousands m ³	Reagent factories in Japan	2008	-	
					Overseas reagent factories	2008	-	
		Municipal supply water	Reagent factories in Japan		2008	-		
Overseas reagent factories			2008		-			
Total water usage			2008		228.35			
Total amount used per unit		m ³ /thousand boxes	Reagent factories in Japan and overseas		2008	21.49		
Unit denominator	Boxes manufactured	thousand boxes		2008	10,625.87			

2013	2014	2015	2016	2017		Population of Coverage Ratio ⁴	Calculation Method	GRI Standard Indicator No.
Data	Data	Data	Data	Data	Coverage Ratio ³			
1,237.00	1,112.00	1,213.00	1,181.51	1,234.61	-	-	CO ₂ emissions from logistics from factories to warehouses in Japan and from warehouses to customers in Japan (including branches and sales offices). Calculated as ton-kilometers traveled (amount transported times distance traveled) times CO ₂ conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO ₂ Emissions in the Logistics Field"	305-03 305-04 305-05
4,251.00	3,971.00	4,222.00	5,682.54	5,850.44	-	-	CO ₂ emissions from logistics (including to overseas customers) from warehouses to ports (airports) in Japan and CO ₂ emissions from logistics from Japanese ports (airports) to ports (airports) in overseas regions. Calculated as ton-kilometers traveled (amount transported times distance traveled) times CO ₂ conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO ₂ Emissions in the Logistics Field"	
5.348	4.170	3.794	4.937	4.924	-	-		
1,026.17	1,218.94	1,432.43	1,390.40	1,438.80	-	-		
7,532.00	8,138.00	8,240.00	7,669.30	7,774.30	33.18%	8,872	The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factors (sources): (Fossil fuels) CO ₂ emission factors for fiscal 2008 are based on the Act on Promotion of Global Warming Countermeasures. The conversion factor for city gas (13A) assumes gas provided by Osaka Gas. (The same factor is used for overseas business offices.) (Electricity) CO ₂ emission factors for fiscal 2008 (before adjustments for credits) are based on the Act on Promotion of Global Warming Countermeasures, using information announced by the power companies that supply individual factories and business offices.	305-01 305-02 305-04 305-05
7,199.00	7,980.00	10,130.00	10,719.50	12,410.79	24.83%	8,872	The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factors (sources): (Fossil fuels) CO ₂ emission factors for fiscal 2008 are based on the Act on Promotion of Global Warming Countermeasures. The conversion factor for city gas (13A) assumes gas provided by Osaka Gas. (The same factor is used for overseas business offices.) (Electricity) Country-specific emission factors (2005) are listed in the GHG Protocol (WBCSD/WRI).	
7.98	7.28	7.26	7.36	7.16	58.01%	8,872		
1,845.38	2,213.76	2,531.57	2,498.99	2,819.35	-	-		
1,056.90	1,341.20	1,502.80	1,347.08	1,385.51	43.80%	8,872		306-02
941.60	1,212.60	1,338.00	1,237.12	1,265.35			Of waste, the amount reused or used for material recycling or heat recovery (thermal recycling).	
89.1	90.4	89.0	91.8	91.3			Recycling rate (%) = (amount of waste reused + amount of valuable substances sold) ÷ (industrial waste + general waste + amount of valuable substances sold) x 100(%)	
0.00	0.00	0.00	0.00	0.00	24.09%	1,241	The amount of groundwater used.	303-01
8.46	9.25	9.70	12.70	12.42	75.90%	1,241		
66.72	66.00	63.00	66.11	68.74	24.09%	1,241	The amount of clean water and industrial water used.	
174.02	188.56	216.90	223.41	215.54	75.90%	1,241		
249.20	263.81	289.60	302.23	296.70	100%	1,241		
22.04	21.40	25.91	25.39	23.17				
11,305.00	12,327.00	11,177.00	11,905.80	12,804.77	-	-	Boxes of the Company's reagents manufactured per year at reagent factories.	

Data Related to Environmental Performance

Aspect	Content		Unit	Scope ²	
INPUT	Energy consumption	Consumption of non-renewable energy	Electricity (non-renewable)	thousands kwh	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as main overseas locations and reagent factories
			City gas	thousands m ³	
			LPG	t	
			LNG	t	
			Heavy oil	kL	
			Kerosene	kL	
			Diesel oil	kL	
		Consumption of renewable energy	Electricity (renewable)	thousands kwh	
		Total consumption		GJ	
		Consumption of other non-renewable energy	Gasoline (Company cars)	kL	
	Diesel oil (Company cars)				
	Unit consumption of non-renewable energy	Unit consumption of non-renewable energy	Electricity (non-renewable)	thousands kwh/ ¥100 million	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as major overseas locations and reagent factories
			City gas	thousands m ³ / ¥100 million	
			LPG	t/¥100 million	
			LNG	t/¥100 million	
			Heavy oil	kL/¥100 million	
			Kerosene	kL/¥100 million	
			Diesel oil	kL/¥100 million	
		Unit consumption of renewable energy	Electricity (renewable)	thousands kwh/ ¥100 million	
		Total unit consumption		GJ/¥100 million	
Unit denominator	Consolidated net sales	¥100 million	-		
Reduction in energy consumption	Non-renewable energy consumption ¹	City gas, LPG, LNG, heavy oil, kerosene, diesel oil and electricity	GJ	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as major overseas locations and reagent factories	
	Renewable energy consumption	Electricity			
	Total consumption				
	Unit consumption of non-renewable energy	City gas, LPG, LNG, heavy oil, kerosene, diesel oil and electricity	GJ/¥100 million		
	Unit consumption of renewable energy	Electricity			
	Total unit consumption				

2013	2014	2015	2016	2017		Population of Coverage Ratio ⁴	Calculation Method	GRI Standard Indicator No.
Data	Data	Data	Data	Data	Coverage Ratio ³			
31,525.65	35,779.00	37,233.00	37,193.25	38,868.50	67.40%	8,872	The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	302-01 302-03
1,185.34	851.98	1,543.97	1,473.61	734.00				
12.38	15.11	19.39	21.09	20.88				
0.00	0.00	0.00	0.00	799.00				
0.00	0.00	0.00	0.00	35.00				
67.60	70.17	35.02	30.65	314.17				
18.72	18.91	18.84	21.17	317.25				
100.46	209.42	243.00	210.01	1,301.84				
368,227.36	395,042.86	439,653.70	440,124.47	490,098.77	42.57%	8,872	Gasoline consumed by Company cars in Japan. Diesel oil consumed by Company cars in Japan.	
794.69	777.51	749.86	733.66	689.39				
11.72	19.68	23.53	25.10	23.27				
17.084	16.162	14.707	14.883	13.786	67.40%	8,872		
0.642	0.385	0.610	0.590	0.260				
0.007	0.007	0.008	0.008	0.007				
0.000	0.000	0.000	0.000	0.283				
0.000	0.000	0.000	0.000	0.012				
0.037	0.032	0.014	0.012	0.111				
0.010	0.009	0.007	0.008	0.113				
0.054	0.095	0.096	0.084	0.462				
199.540	178.449	173.668	176.121	173.834	-	-		
1,845.38	2,213.76	2,531.57	2,498.99	2,819.35				
▲ 45,821.51	▲ 26,815.11	▲ 44,610.71	▲ 470.89	▲ 49,970.37	67.40%	8,872	(Energy consumed in the current fiscal year) – (energy consumed in the previous fiscal year) ▲ indicates an increase from the previous fiscal year. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	302-03 302-04
▲ 0.07	▲ 0.39	▲ 0.12	0.12	▲ 3.93				
▲ 45,821.58	▲ 26,815.50	▲ 44,610.84	▲ 470.77	▲ 49,974.30				
21.927	21.091	4.780	▲ 2.453	2.288	67.40%	8,872	▲ indicates an increase from the previous fiscal year.	
0.000	0.000	0.000	0.000	▲ 0.001				
21.927	21.091	4.780	▲ 2.453	2.287				

Aspect	Content		Unit	Scope ²	
INPUT	Water use	Groundwater	thousands m ³	Main business offices in Japan (excluding head office) and instrument factories, reagent factories and other offices in Japan, as well as overseas reagent factories	
		Municipal supply water			
		Total amount used			
		Total amount used per unit	m ³ /¥100 million		
	Unit denominator	Consolidated net sales	¥100 million	-	
OA paper use		t	Main business offices, instrument factories and reagent factories in Japan		
PRTR input		Handling volume	t	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan	
OUTPUT	Greenhouse gas emissions GHG Scope 1 ¹	Japan	City gas, LPG, LNG, heavy oil, kerosene, diesel oil	t-CO ₂	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan
		Overseas			Main overseas locations and reagent factories
		Total emissions		t-CO ₂ /¥100 million	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as major overseas locations and reagent factories
		Total unit emissions			
		Unit denominator			Consolidated net sales
	Greenhouse gas emissions GHG Scope 2 ¹	Japan	Electricity	t-CO ₂	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan
		Overseas			Main overseas locations and reagent factories
		Total emissions		t-CO ₂ /¥100 million	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as major overseas locations and reagent factories
		Total unit emissions			
		Unit denominator			Consolidated net sales
	Greenhouse gas emissions GHG Scope 3 ¹	CO ₂ emissions from logistics	Product logistics within Japan	t-CO ₂	Sismex Corporation
			Product logistics to overseas locations	t-CO ₂	
		Unit CO ₂ emissions from logistics	Product logistics within Japan and to overseas locations	t-CO ₂ /¥100 million	
		Unit denominator	Sismex Corporation, non-consolidated net sales	¥100 million	

2013	2014	2015	2016	2017		Population of Coverage Ratio ⁴	Calculation Method	GRI Standard Indicator No.
Data	Data	Data	Data	Data	Coverage Ratio ³			
44.47	51.24	50.29	58.30	53.13	41.72%	8,872	The amount of groundwater used.	303-01
299.94	316.97	340.80	347.79	342.28			The amount of clean water and industrial water used.	
344.40	368.21	391.09	406.09	395.41				
186.630	166.329	154.486	162.502	140.248				
1,845.38	2,213.76	2,531.57	2,498.99	2,819.35	-	-		
50.46	48.79	44.48	41.69	45.25	33.18%	8,872		
7.88	0.15	0.13	0.06	0.08	42.57%	8,872	PRTR handling volume at business offices in Japan that handle chemical substances.	
1,096.70	806.50	865.00	501.00	493.36	42.57%	8,872	The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	
2,147.70	1,430.20	2,892.10	3,057.60	4,541.90	24.83%	8,872	The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	305-01 305-04 305-05
3,244.40	2,236.70	3,757.10	3,558.60	5,035.26	67.40%	8,872		
1.758	1.010	1.484	1.424	1.786				
1,845.38	2,213.76	2,531.57	2,498.99	2,819.35	-	-		
11,869.90	12,635.30	13,040.60	11,915.90	12,079.36	42.57%	8,872	The amount of each business office electricity is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	305-02 305-04 305-05
5,099.30	6,559.20	7,237.50	7,285.40	7,868.88	24.83%	8,872	The amount of each business office electricity is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): Country-specific emission factors (2005) are listed in the GHG Protocol (WBCSD/WRI).	
16,969.20	19,194.50	20,278.10	19,201.30	19,948.25	67.40%	8,872		
9.196	8.671	8.010	7.684	7.075				
1,845.38	2,213.76	2,531.57	2,498.99	2,819.35	-	-		
1,237.00	1,112.00	1,213.00	1,181.51	1,234.61	-	-	CO ₂ emissions from logistics from factories to warehouses in Japan and from warehouses to customers in Japan (including branches and sales offices). Calculated as ton-kilometers traveled (amount transported times distance traveled) times CO ₂ conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO ₂ Emissions in the Logistics Field"	
4,251.00	3,971.00	4,222.00	5,682.54	5,850.44	-	-	CO ₂ emissions from logistics (including to overseas customers) from warehouses to ports (airports) in Japan and CO ₂ emissions from logistics from Japanese ports (airports) to ports (airports) in overseas regions. Calculated as ton-kilometers traveled (amount transported times distance traveled) times CO ₂ conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO ₂ Emissions in the Logistics Field"	305-03 305-04 305-05
5.348	4.170	3.794	4.937	4.924	-	-		
1,026.17	1,218.94	1,432.43	1,390.40	1,438.80	-	-		

Aspect	Content		Unit	Scope ²	
OUTPUT	Greenhouse gas emissions GHG Scope 3 ¹	Total CO ₂ emissions from Company cars	t-CO ₂	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan	
		Total unit CO ₂ emissions from Company cars	t-CO ₂ / ¥100 million		
		Unit denominator	Sysmex Corporation, non-consolidated net sales	¥100 million	Sysmex Corporation
	Waste emissions	Total emissions		t	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as overseas reagent factories
		Total emissions (excluding sales offices in Japan)		t	Main business offices, instrument factories, reagent factories and other offices in Japan, as well as overseas reagent factories
		Material recycling waste			
		Recycling waste (including energy recovery)			
		Material recycling rate			
		Recycling rate (including energy recovery)			
	Wastewater volume	Total emissions		thousands m ³	Main business offices in Japan (except head office) and instrument factories, reagent factories and other offices in Japan, as well as overseas reagent factories
	PRTR Output	Emissions		t	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan
		Travel			
Compliance	Violations of environmental regulations	Total amount of large fines	¥100 million	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as major overseas locations and reagent factories	
		Number of sanctions other than fines	cases		
	Significant spills and losses of chemical substances	Total number of cases			cases
		Total leakage volume			t

¹ GHG Scope 1: Standard for calculating and reporting GHGs emitted directly by Company facilities and factories. (Excluding from use of Company cars.)

GHG Scope 2: Standard for calculating and reporting GHGs emitted indirectly by the Company due to energy use.

GHG Scope 3: Standard for calculating and reporting GHGs emitted throughout the corporate group (supply chain) in relation to products and services. (Including from use of Company cars.)

2013	2014	2015	2016	2017		Population of Coverage Ratio ⁴	Calculation Method	GRI Standard Indicator No.	
Data	Data	Data	Data	Data	Coverage Ratio ³				
1,830.26	1,856.25	1,802.01	1,768.43	1,660.93	42.57%	8,872	The amount of gasoline and diesel oil for each Company car is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)		
1.784	1.523	1.258	1.272	1.154					
1,026.17	1,218.94	1,432.43	1,390.40	1,438.80	-	-			
1,274.16	1,556.76	1,701.35	2,105.50	1,778.26	53.19%	8,872			
1,109.82	1,419.19	1,534.63	1,436.45	1,404.64	44.43%	8,872	Of waste, the amount of valuable substances resulting from third-party processing. Includes substances converted to fuel (such as RPF). Of waste, the amount reused or used for material recycling or heat recovery (thermal recycling).	306-02	
600.51	788.13	986.44	814.25	1,169.09					
988.45	1,282.60	1,410.97	1,308.91	1,294.89					
54.11	55.53	64.28	56.68	83.23					
89.06	90.38	91.94	91.12	92.19					
144.36	163.83	191.66	188.75	221.00	41.72%	8,872			
0.00	0.00	0.00	0.02	0.00	42.57%	8,872	PRTR emissions for business offices in Japan that handle chemical substances.		
4.84	0.00	0.00	0.00	0.00			PRTR travel at business offices in Japan that handle chemical substances.		
0.00	0.00	0.00	0.00	0.00	67.40%	8,872		307-01	
0	0	0	0	0					
1	0	0	0	0					306-03
0.00	0.00	0.00	0.00	0.00					

2 Main business offices in Japan: Sysmex Corporation (head office, Technopark, Solution Center)

Instrument factories in Japan: Sysmex Corporation (Kakogawa Factory, i-Square), Sysmex Medica, Sysmex RA

Reagent factories in Japan: Sysmex International Reagents (Ono Factory, Seishin Factory)

Sales offices in Japan: Sysmex Corporation (1 office (Tokyo), 6 branches (Sendai, Kita Kanto, Nagoya, Osaka, Hiroshima, Fukuoka), 13 sales offices (Sapporo, Morioka, Nagano, Niigata, Chiba, Yokohama (included in scope from fiscal 2015), Shizuoka, Kanazawa, Kyoto, Kobe, Takamatsu, Okayama, Kagoshima), 1 service center (Metropolitan Area Service Center)), Sysmex CNA

Other offices in Japan: Sysmex Corporation (R&D Center, Protein Development Center, BMA Laboratory, Global Communication Center (included in scope from fiscal 2015), Soushin dormitory (included in scope from fiscal 2015), Skyfront Research Campus (included in scope from fiscal 2017))

Main overseas locations: Sysmex Europe, Sysmex Deutschland, Sysmex America, Sysmex Shanghai, Sysmex Asia Pacific

Overseas reagent factories: Sysmex Europe (Reagent factory in Germany), Sysmex Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex, Sysmex Wuxi

3 The coverage ratio calculation is based on the number of employees.

4 The coverage ratio population is Group employees. However, for Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020) > Environment consciousness at business offices > Water usage, the population is the number of employees at Group reagent factories.

Fiscal 2017 Performance Data

Governance Data

Information on Funding Provided to Medical Institutions*

Japan

Category	Details	2016 (Amount: 1,000JPY)
Research and development	Expenses for trials, reports, and surveillance studies conducted under public regulations (clinical trials for new devices, post-marketing clinical studies, nonconformity and infection case reports, post-marketing surveillance studies, etc.) in addition to those for independent investigations.	132,346
Academic research support	Expenses for scholarships, general and academic conference donations, as well as academic conference co-sponsoring expenses	1,950,673
Manuscript writing fees, etc.	Expenses for lectures, manuscript writing, and the consignment of services, including consulting, to provide information regarding the appropriate use of medical devices and clinical reagents.	39,246
Expenses related to information provision	Expenses for lectures, workshops, and seminars to provide healthcare professionals with relevant information regarding appropriate and safe use of medical devices and clinical reagents.	157,657
Other expense	Expenses for receptions and social courtesy	21,373
Total amount		2,301,298

US

Category		2015	2016	2017
Relevant payments or transfer of value	Number	443	242	477
	Amount	US \$190,638	US \$137,658	US \$99,210
Research	Number	7	21	26
	Amount	US \$76,061	US \$209,370	US \$342,614

France

Category		2015	2016	2017
Relevant payments or transfer of value	Number	228	226	344
	Amount	€ 21,899	€ 29,509	€ 23,763
Remuneration	Number	1	1	8
	Amount	€ 4,000	€ 4,000	€ 51,276
Contracts	Number	4	12	14

Belgium

Category		2015	2016	2017
Relevant payments or transfer of value	Number	-	-	6
	Amount	-	-	€ 11,563

* This information might be modified after our disclosure according to review by government authorities or medical institutions.

Target of Disclosure

US

Payments or transfers of value to, or research agreements with, the following recipients:

- Registered US physicians
- Teaching hospitals in the US

France

Payments, remuneration, or transfer of value to, or contracts with, the following recipients:

- Physicians, medical professionals and medical students in France
- Health institutions (educational institutions or medical companies) in France

Contract amounts are not required under the French Sunshine Act.

Belgium

Relevant payments or transfers of value to the following recipients:

- Healthcare professionals registered in Belgium
- Healthcare organizations in Belgium
- Patient associations in Belgium

► [Click here for information on corporate governance.](#)

Corporate Overview

(As of March 31, 2018)


Company name	Systemx Corporation	Head Office	1-5-1, Wakinohama-Kaigandori, Chuo-ku, Kobe 651-0073, Japan
Established	February 20, 1968	Line of business	Development, manufacture, sales, and export/import of laboratory testing instruments, reagents, and related software
Paid-in capital	¥12,276 million	Number of employees	Consolidated: 8,445 (Including contract workers and part-time employees)
Representative	Hisashi Ietsugu, Chairman and CEO		

Disclosure System

Non-Financial Information


Sustainability
<http://www.systemx.co.jp/en/csr/>

Systemx Sustainability



This site discloses details of sustainability initiatives

Sustainability Report "Systemx Sustainability Report"




Financial Information

IR Information
<http://www.systemx.co.jp/en/ir/>

Systemx Investor Relations

This site discloses details of financial, stocks and shareholder information.

Financial Statements etc.



Corporate Governance Report

Editorial Policy

Systemx publishes the annual "Systemx Sustainability Report" to communicate to stakeholders our approaches and activities concerning corporate social responsibility (CSR), and to enhance understanding of and trust in us.

Guidelines referenced

- The Global Reporting Initiative (GRI)'s Sustainability Reporting Standards
- The Japanese Ministry of the Environment's Environmental Reporting Guidelines (2012 ed.)

Organizations covered

Systemx Group (Systemx Corporation and its subsidiaries both in Japan and abroad). In this report, "Systemx" refers to the Systemx Group as a whole. "Systemx Corporation" refers to the Company on a stand-alone basis

Period covered

Primarily fiscal 2017 (from April 1, 2017 to March 31, 2018). Some activities conducted outside this period are also included. The most recent information is provided on our CSR news on the CSR site.

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Inquiries about this report

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Cautionary Statements

This report contains both forward-looking statements, plans and facts regarding the past about the Systemx Group. These forward-looking statements and plans are based on the current judgments and assumptions of the Systemx Group in light of the information currently available to it. Uncertainties inherent in such judgments and assumptions, the future course of our business operations, and future events may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements either expressed or implied within such forward-looking statements.

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