

Corporate Governance

Systemex recognizes that reinforcing corporate governance is an important management issue. Based on the "Systemex Way," the corporate philosophy of the Systemex Group, we are working to maximize the corporate value of the overall Group by enhancing management soundness and transparency and increasing management speed and efficiency.



Message from Outside Members of the Managing Board



Hidekazu Fukumoto

Member of the Managing Board (Outside),
Independent Director
Chairperson of the Compensation Committee and
member of the Nominating Committee

Kazuo Ota

Member of the Managing Board (Outside),
Independent Director
Chairperson of the Nominating Committee and
member of the Compensation Committee

Please share with us your evaluations of fiscal 2022, and describe your particular monitoring focus.

Ota: Fiscal 2022 was the second year of our mid-term management plan (fiscal 2021–2023), and things went generally according to plan. Among the highlights, Systemex received regulatory approval of our reagent to test for Alzheimer’s disease, and insurance coverage was expanded in the medical robotics business. Performance was also in line with the growth trajectory outlined in the mid-term management plan, helped by foreign exchange, and the Group was affected by changes in the environment with respect to China and Russia.

I think Systemex is on a growth mission, and I give the Group high marks for its agile response to changes in the external environment and its ability to continue making strategic moves for the future.

Fukumoto: I generally concur with Mr. Ota. We focused specifically on three monitoring items. First, we have been closely monitoring risk responses in our China operations. The Managing Board regards China as a significant market with growth potential, despite the complex risks it entails. We have received detailed reports from the executive

team regarding factors such as the COVID-19 lockdowns and the Chinese government’s procurement policies, and we recommend developing more refined risk scenarios and corresponding strategies. Second, we are focusing on growth investments in the fields of immunochemistry and life science, and on new businesses. While the future results look promising, establishing these areas as key revenue sources is a work in progress, and appropriate investments are essential. Our third focus is on prioritizing the cost effectiveness of DX investments and initiatives for digital businesses that contribute to top-line growth. We believe there is room for improvement in IT governance, including refining investment plans and measuring their effectiveness.

Ota: That’s right. We are also having energetic discussions within the Managing Board about verifying the effectiveness of investment in general. Four years have passed since I was first appointed as an outside member of the Managing Board, and the medical robotics business has always been a focus. As this is a long-term project, formulating a profit plan is not easy, but we recommend flexibly applying a plan to recoup investment and verify its contribution to corporate value using ROIC and other methods.

Fiscal 2022 also marked the appointment of President Asano. What do you think of the personnel changes on the Board?

Fukumoto: On the Managing Board, we consider Sysmex's ability to leverage its accumulated R&D capabilities and technologies for growth to be crucial as we discuss long-term business strategy. Given that President Asano has experience in R&D and business development and has played a central role in formulating Sysmex's Long-Term Corporate Strategy 2033 (VA33) and mid-term management plan, I believe he is well-suited for the top management position. I think this personnel decision is also timely. The Nominating Committee and Managing Board had no objections to his appointment. At the same time, we were in consensus that Chairperson Ietsugu should provide support as Group CEO in order to drive strong growth and ensure the success of VA33 and the mid-term management plan.

Ota: Mr. Fukumoto and I were both appointed as members of the Nominating Committee in fiscal 2022. We recognized that succession planning was an extremely important management issue for Sysmex, and that the executive team wanted to select the next president from within the Group. That would help ensure that the incoming president would have a good understanding of the transformation and evolution that had taken place to date.

President Asano is full of curiosity, and I consider him, like Chairperson Ietsugu, to be a capable leader with a strong desire for growth. That said, as Sysmex plans to make more aggressive investments in the future, I believe it will be necessary to strengthen governance further under the new management structure.

What are your expectations for Sysmex's Long-Term Corporate Strategy 2033 (VA33), and what issues do you foresee?

Fukumoto: When formulating VA33, outside members of the Managing Board had regular opportunities to share and discuss the strategy's outline from its early stages. We imagined various scenarios for future changes in the operating environment and prioritized strategies that emphasize the sharing of value with stakeholders and society.

Ota: VA33 is also a declaration to employees and other stakeholders that Sysmex is transforming and expanding

its business domain from *in vitro* diagnostics (IVD) to the broader healthcare journey. We believe this statement, which coincided with the appointment of the new president, was effective in demonstrating Sysmex's determination to take on new challenges.

We have high expectations that the clear and ambitious goals of our strategy will bring significant value to society. That being said, achieving these goals, including the numerical target of ¥1 trillion in net sales, will not be easy. We have painted a beautiful picture; now the execution is crucial. As we expand into new territories, risks will also grow, so it is important to constantly evaluate Sysmex's progress, achievements and challenges.

Fukumoto: In that sense, I believe the key to achieving VA33 lies in speed and the ability to execute it. Whether expanding in the hemostasis field or cultivating the Indian market, Sysmex will have numerous business opportunities that can contribute to revenue growth in the coming years. The Group needs to set specific and appropriate KPIs and milestones, and continuously implement the PDCA cycle.

Even if Sysmex was not aiming for double-digit growth and net sales of ¥1 trillion, it could surely achieve growth in its existing areas. But setting high targets and achieving discontinuous growth requires creativity. Unlike in the past, prioritizing investments in capital and human resources becomes crucial, and there may be cases where we need to review projects and decide to withdraw from them. As members of the Managing Board, we also need to examine the effectiveness and feasibility of KPIs and milestones, and engage in monitoring and discussions from a high-level perspective.

Ota: Mr. Fukumoto's remarks remind me how important monitoring will be. To date, Sysmex has been able to expand by competing in growing markets and providing products and services that meet customer needs. Moving forward, the Group will need to hold discussions from diverse perspectives, including business cultivation and development and risk measurement. As outside members of the Managing Board, we will need to involve ourselves in discussions even earlier than before. Engaging in multifaceted discussions should enable us to establish appropriate monitoring items. I believe management and strategy founded on such discussions are essential to achieve the level of governance stakeholders require.



What are your views on reinforcing governance, including your aspirations as committee chairpersons?

Ota: The word "governance" has a broad meaning, and it is also the very essence of management. Some may think that strengthening governance conflicts with management speed and efficiency. In reality, though, companies that have strengthened their governance can expect to control risks better and increase their chances of long-term growth. As a general direction, we aim for Sysmex to be a company that strives to strengthen governance, involving not only the management team but the entire organization.

Fukumoto: I agree. Strengthening and evolving governance is not an end, but rather a means to achieve our vision and drive growth. Sysmex's governance must constantly evolve in order to make its plans a reality. I have followed Sysmex since my days in the banking sector, and I have recognized its commitment to improving governance. Even since my appointment as an outside member of the Managing Board, Sysmex has consistently worked on improving areas of concern. As an example, in fiscal 2023 Sysmex appointed outside members of the Managing Board to chair both the Nominating Committee and the Compensation Committee. While these committees have always been forums where each member has an active voice, the appointment of outside members as chairpersons increases transparency and responsiveness, reflecting society's expectations and demands.

Ota: Against this backdrop, I have been appointed chairperson of the Nominating Committee, and I recognize that this committee's role will become even more significant going forward. Sysmex experienced growth under the strong leadership of Chairperson Ietsugu, and he played a key role in appointing people to executive positions. However, as the business environment becomes more complex and uncertain, and as our scope of operations expands, we need to identify and select candidates for executive positions with diverse perspectives. We have to broaden our focus beyond top management and extend it to the executive officer level, while also building a succession plan. As indicated by the Japanese government's guideline of having female executives account for 30% or more, diversity among members of the Managing Board and executive officers is an important topic. We will continue to discuss the policy and framework for appointing female and non-Japanese executives.

Fukumoto: On the Compensation Committee, which I have been appointed to chair, we have been discussing how to revise and strengthen evaluation indicators, such as the achievement of medium- to long-term plans and sustainability activities, in line with the promotion of VA33 and the mid-term management plan.

Sysmex has a relatively high proportion of performance-linked and non-monetary compensation, accounting for 70% or more of the total, for internal members of the Managing Board. The content of individual performance evaluations also continues to evolve, incorporating non-financial aspects. Moving forward, Sysmex intends to systematically organize evaluation criteria and actively consider ways to share them explicitly and concretely with our stakeholders.

Ota: Dialogue is also very important. Last year, I had the opportunity to engage in discussions with investors. These discussions were fruitful, as we were able to establish a common understanding of the challenges Sysmex faces and confirm investors' views. Moving forward, I hope to participate as much as possible in such opportunities for dialogue, as long as there is interest.

Internal dialogue is also vital. As an outside member of the Managing Board, my role is to objectively oversee management and provide support to the executive team based on my previous background. For example, I have a wealth of experience—including failures—in areas such as global production and procurement. These are categories in which Sysmex will need to progress. I look forward to engaging in various discussions and exchanging opinions in these areas.

Fukumoto: Outside members of the Managing Board have opportunities to interact with employees at the officer and division head levels, as well as people at research laboratories, factories, and other worksites. We also hear candid opinions during events such as luncheons. Although this makes for a lot of input and a busy schedule, I feel that it provides us an effective environment in which to fulfill our responsibilities as outside members of the Managing Board. Going forward, I will continue to communicate with passion to both internal and external stakeholders, actively seek their views, and utilize those perspectives to enhance management. As an outside member of the Managing Board, I am committed to sharing the joy of creating value for society and fostering growth together with all employees.

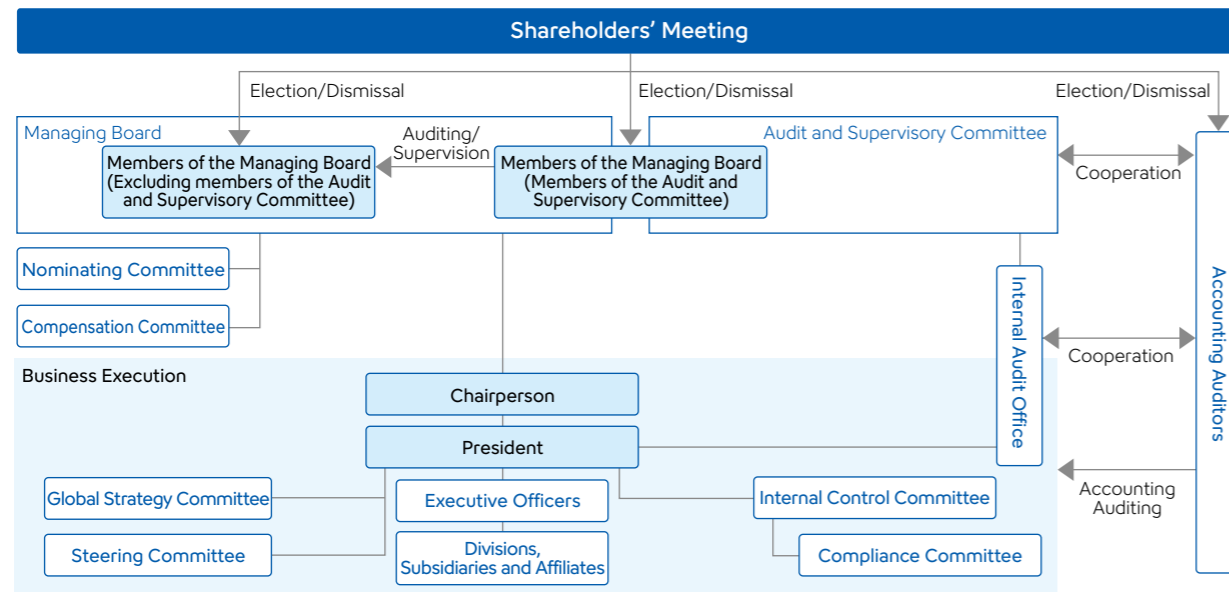
Corporate Governance

In its efforts to shore up corporate governance over the years, Sysmex has established an Audit and Supervisory Committee, enhanced the Managing Board's supervisory function through the introduction of outside members, and evaluated the Managing Board's effectiveness. We also established a Compliance Committee and an internal reporting system, augmented a Groupwide risk management function, and engaged in other initiatives to strengthen our base with a view to sustainable growth.

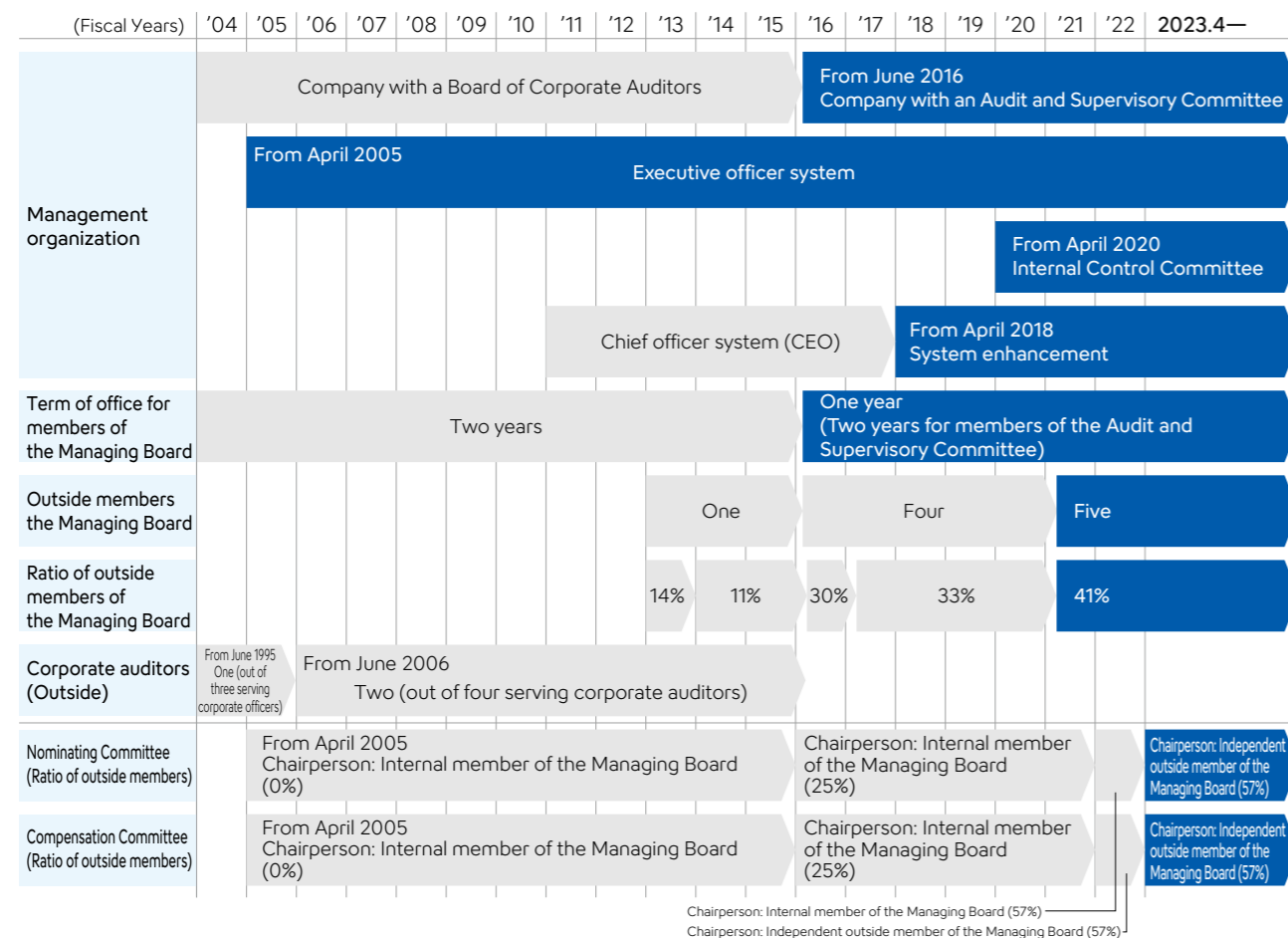
Management Organization

Sysmex has adopted an Audit and Supervisory Committee. Managing Board members who are also members of the Audit and Supervisory Committee have voting rights. This arrangement reinforces the Managing Board's audit and supervisory functions, as well as heightening management transparency and objectivity. In addition, we have appointed outside members of the Managing Board, thereby strengthening the

Corporate Governance Structure



Advances in Corporate Governance



board's supervisory function. Furthermore, we have introduced an executive officer system to accelerate decision-making on business execution and respond swiftly to changes in the business environment. The Company currently has 12 members on the Managing Board (of whom five are outside members). Also, three board members are members of the Audit and Supervisory Committee. (Two members of the Audit and Supervisory Committee are outside members of the Managing Board.) The Company also has 16 executive officers (of whom four concurrently serve as members of the Managing Board). We have also established the Nominating Committee and the Compensation Committee as advisory bodies. In fiscal 2023, an independent outside member of the Managing Board was appointed as the chairperson of the Managing Board.

The Company implements all the principles of the Tokyo Stock Exchange's Corporate Governance Code. >>Website >About Sysmex >Corporate Governance

Effectiveness of the Managing Board

The Managing Board is composed of members having diverse knowledge, experience and expertise. We strive to ensure appropriate diversity and scale, taking into account the overall balance of the Managing Board.

To enhance the functions of the Managing Board, we conduct an annual document-based questionnaire survey of all members of the Managing Board (including members of the Audit and Supervisory Committee) and deliberate on the Managing Board's effectiveness. The questionnaire survey conducted in fiscal 2022 confirmed that the Managing Board is functioning effectively and fulfilling its role appropriately. In addition, we have recognized the need for a continued response, undertaking initiatives to further enhance effectiveness.

Overview of Effectiveness Evaluation

(Composition)

The scale of the Managing Board and the ratio of outside members of the Managing Board are generally

Major Boards

Organization	Function and Content	Composition	Meetings Held in Fiscal 2022
Managing Board	Deliberates on important matters related to management	Members of the Managing Board	18
Nominating Committee	A Managing Board advisory body involved in executive appointments	Chairperson and Group CEO, President, members of the Managing Board (1), outside members of the Managing Board (4)	3
Compensation Committee	A Managing Board advisory body involved with decisions on executive compensation	Chairperson and Group CEO, President, members of the Managing Board (1), outside members of the Managing Board (4)	2
Audit and Supervisory Committee	Independent institution for auditing the execution of operations, mainly by members of the Managing Board	Members of the Audit and Supervisory Committee	18
Global Strategy Committee	Deliberates on and discusses medium- to long-term Group management directions, important strategies and issues	Chairperson and Group CEO, President, senior executive officers, member of the Audit and Supervisory Committee* (1)	11
Steering Committee	Discusses and reports on projects that are important from the perspective of making progress on the Group fiscal yearly plan	Chairperson and Group CEO, President, executive officers, member of the Audit and Supervisory Committee (1)	16

* Participates as an observer

Members of Major Boards (As of June 23, 2023)

Name	Board	Rate of Attendance at Meetings of the Managing Board	Rate of Attendance at Meetings of the Nominating Committee	Rate of Attendance at Meetings of the Compensation Committee	Rate of Attendance at Meetings of the Audit and Supervisory Committee
	Internal	Hisashi Ietsugu	100%	100%	100%
Kaoru Asano		100%	100%	100%	—
Kenji Tachibana		100%	100%	100%	—
Iwane Matsui		100%	—	—	—
Hiroshi Kanda*1		100%	—	—	—
Tomokazu Yoshida		100%	—	—	—
Takashi Ono		—*2	—	—	—
External	Tomoo Aramaki	100%	—	—	100%
	Masayo Takahashi	88%	—	—	—
	Kazuo Ota	100%	100%	100%	—
	Hidekazu Fukumoto	100%	100%	100%	—
	Kazumasa Hashimoto	100%	100%	100%	100%
Michihide Iwasa	100%	100%	100%	100%	

Note: Rates of attendance are for fiscal 2022. *1 Stepped down in June 2023 *2 Member from June 2023

appropriate, both in nature and level of experience. To further enhance the Managing Board's effectiveness, in addition to achieving a balance between knowledge, experience, and capabilities, the Company will continue to consider ensuring diversity, including gender, nationality, career history, and age, such as by increasing the ratio of women and foreign nationals on the Managing Board. **(Operation)**

The provision of information necessary to discuss the Managing Board's agenda is generally appropriate. The Company is continually working to improve the Managing Board's operation through the distribution of materials and the provision of explanations, as necessary, to outside members of the Managing Board, organizing points at issue, and providing related information necessary to understand their background. Among efforts to encourage more active deliberation, we hold opinion exchange meetings attended only by outside members of the Managing Board. Providing materials more quickly, an issue raised previously, was improved from the previous fiscal year, and we will continue to work on this issue.

(Agenda and Deliberation)

The time allotted for addressing and deliberating the Managing Board's agenda is appropriate, and we strive to provide individual members of the Managing Board with an understanding of agenda items and information prior to meetings, as well as to leverage their knowledge and experience to engage in deliberation. Decision-making on items of management importance is conducted appropriately, taking into account the objective and rational opinions of outside members of the Managing Board.

■ Major Managing Board Agenda Items and Reporting Items (Fiscal 2022)

- Appointments and dismissals of members of the Managing Board, compensation-related matters
- Reports on the status of business execution by members of the Managing Board
- Evaluation of the Managing Board's effectiveness
- Audit policy, audit plan, and audit implementation report (members of the Audit and Supervisory Committee)
- Corporate governance policy
- Matters related to the Group's internal control
- Matters related to sustainability
- Group operating performance; quarterly, semiannual, and annual results
- Matters related to promoting DX in the Group
- Matters related to long-term strategy and investment

Effectiveness of the Audit and Supervisory Committee

Members of the Audit and Supervisory Committee attend important meetings, such as meetings of the Managing Board; browse approval documents; audit subsidiaries; exchange opinions with members of the Managing Board; and conduct other activities to confirm the status of business execution by members of the Managing Board. The Audit and Supervisory Committee conducts audits using the Company's internal control system and other methods. The committee works closely with the accounting auditors to confirm the accounting audit plans and results, and internal controls related to financial reports, exchanging information and opinions.

■ Skill Matrix for Members of the Managing Board (As of June 23, 2023)

	Name	Gender	Year	Initial appointment	Independent	Knowledge and experience								
						Corporate management	Management and business planning	Global	Sales and service	Research and development	Production/SCM	IT/DX	Finance/accounting	Human resources/general affairs
Internal	Hisashi Ietsugu	M	1949	1986		●	●		●				●	●
	Kaoru Asano	M	1958	2014		●	●			●		●		
	Kenji Tachibana	M	1957	2014		●	●	●	●		●			
	Iwane Matsui	M	1961	2019		●	●	●	●			●		
	Tomokazu Yoshida	M	1964	2021		●	●		●					
	Takashi Ono	M	1965	2023		●	●	●	●		●			
External	Tomoo Aramaki	M	1966	2022			●					●		
	Masayo Takahashi	F	1961	2016		●	●		●				●	●
	Kazuo Ota	M	1955	2019	○	●	●	●			●	●	●	●
	Hidekazu Fukumoto	M	1955	2021	○	●	●		●			●	●	●
	Kazumasa Hashimoto	M	1953	2020	○	●	●		●			●	●	●
	Michihide Iwasa	M	1956	2020	○	●				●			●	●

Note: The above represents the main skills and experience of each Member of the Managing Board and does not represent all skills and experience.

■ Definition of skills and experience

Item	Definition
Corporate management	Management experience as a representative, executive director, executive officer, etc. at a company, organization, etc.
Management and business planning	Experience and knowledge of management planning, business strategy, planning, promotion, etc. as a practicing, managing, or executive officer in charge, etc.
Global	Experience of overseas assignment
Sales and service	Experience and knowledge of domestic and overseas sales, marketing, technical services, etc. as a practicing, managing, or executive officer in charge, etc.
Research and development	Experience and knowledge of technology strategy, technology and product development, IT development, intellectual property, etc. as a practicing, managing, or executive officer in charge, etc.
Production/SCM	Experience and knowledge of production, procurement, logistics, quality, etc. as a practicing, managing, or executive officer in charge, etc.
IT/DX	Experience and knowledge of IT/DX, etc. as a practicing, managing, or executive officer in charge, etc.
Finance/accounting	Experience and knowledge of accounting, finance, business administration, etc. as a practicing, managing, or executive officer in charge, etc.
Human resources/general affairs	Experience and knowledge of human resources, labor affairs, human resources development, diversity, legal affairs, compliance, etc. as a practicing, managing, or executive officer in charge, etc.

Note: Judgment is made based on whether or not the Member of the Managing Board has a total of about three years of experience in each of the items stated on the left.

Principal matters considered by the Audit and Supervisory Committee in fiscal 2022 included the appropriateness of audit policies and plans, the preparation and operations of the internal control system, and methods and results of audits by the accounting auditors.

Executive Compensation

Compensation for members of the Managing Board makes a clear link between operating performance and responsibility for achievements. Compensation for members of the Managing Board (excluding members of the Audit and Supervisory Committee and outside members of the Managing Board) is divided into three broad categories: fixed compensation, performance-linked compensation, and non-monetary compensation.

Fixed compensation comprises compensation for members of the Managing Board and compensation for business execution. Position-specific factors (related to the scale of responsibility of members of the Managing Board, as well as the degree of their impact on Group management) are used to determine disbursements. Performance-linked compensation is linked to consolidated operating performance for the Group, using profit attributable to owners of the parent as an indicator. This indicator refers to net earnings for the consolidated fiscal year (sales net of expenses and profit or loss), which the Company considers an appropriate indicator for performance-linked compensation. As non-monetary compensation, Sysmex encourages officers to acquire Company shares. Sysmex's aims to enhance corporate value from a shareholder perspective, boost the incentive to enhance corporate performance over the medium- to

long-term, and augment personnel retention.

A certain portion of fixed compensation for members of the Managing Board and executive officers is applied toward the purchase of the Company's stock. The Company aims for the Chairperson and Group CEO to hold shares worth five times his fixed compensation, and for other members of the Managing Board and executive officers to hold shares worth twice their fixed compensation, holding the acquired shares during their terms of office. As of March 31, 2023, the Chairperson and Group CEO held 614,000 shares (104 times his fixed compensation), and other members of the Managing Board and executive officers (those who hold shares) held an average of 17,000 shares (7 times their fixed compensation). >>Shares Held by Individual Directors P85

Compensation for members of the Managing Board who are members of the Audit and Supervisory Committee, and outside members of the Managing Board, comprises fixed compensation only.

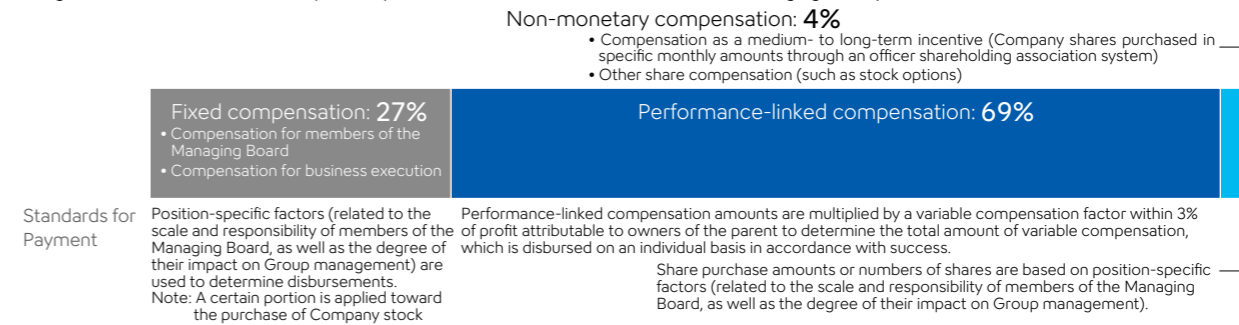
The Managing Board has delegated to the Chairperson and Group CEO the task of determining individual compensation and specific details of compensation for members of the Managing Board (excluding members of the Audit and Supervisory Committee). The Managing Board confirms the appropriateness of the process for determining officer compensation and compensation amounts via the Audit and Supervisory Committee. This committee has three members (of whom two are outside members of the Managing Board).

Compliance

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■ Breakdown of Executive Compensation (Fiscal 2022)

Compensation for members of the Managing Board (excluding members of the Audit and Supervisory Committee and outside members of the Managing Board)



Members of the Audit and Supervisory Committee and outside members of the Managing Board



■ Actual Executive Compensation (Fiscal 2022)

Executive category	Total compensation	Amount of compensation by type			Number of executives receiving compensation
		Fixed compensation	Performance-linked compensation	Non-monetary compensation	
Members of the Managing Board (excluding members of the Audit and Supervisory Committee and outside members of the Managing Board)	707	194	485	27	6
Members of the Audit and Supervisory Committee (excluding outside members of the Managing Board)	21	21	—	—	2
Outside members of the Managing Board	36	36	—	—	5

■ Executives Receiving Total Compensation of ¥100 Million or More

Name	Executive category	Company category	Amount of compensation by type			Total compensation
			Fixed compensation	Performance-linked compensation	Non-monetary compensation	
Hisashi Ietsugu	Member of the Managing Board	Submitting company	52	171	6	230

Risk Management

Our Perspective on Operating Risks

Sysmex is responsible for the steady provision of products and services to customers in more than 190 countries and regions around the world, ensuring that testing operations (which are essential to healthcare) are not interrupted. For that reason, we have formulated countermeasures from a short- to long-term perspective to ensure that operations continue under any circumstances. In addition to risks related to economic trends, we consider natural disasters, climate change, and other environmental and geopolitical risks. We also consider increasingly stringent healthcare restrictions in individual countries, the emergence of product quality issues, and

information leaks to be important risks. Risk management also supports our ongoing growth. By responding swiftly in a rapidly changing operating environment, we strive to earn the support of our stakeholders and to maintain or increase our position in the market.

Risk Management Structure

In fiscal 2020, Sysmex established an Internal Control Committee tasked with overall internal control and risk management. In addition to strategic risks, this committee promotes management related to overall risks. Members of this committee, which is chaired by the president and member of the Managing Board,

include senior executive officers and full-time Audit and Supervisory Committee members (excluding outside members of the Managing Board). Outside members of the Managing Board also attend as observers.

We have formulated a Business Continuity Plan (BCP) to ensure a stable supply of products and services to medical institutions and the stable operation of Sysmex products at medical institutions, if risks such as disasters and cyber threats materialize. The BCP involves the establishment of regulations and manuals for responding to crises, and identifies important products to be given supply priority.

In fiscal 2022, despite concerns about the procurement of raw materials, including semiconductors, we

were able to respond flexibly throughout the supply chain to supply products to our customers without interruption.

In addition to strengthening internal measures for information security, we have established a Product Security Incident Response Team (PSIRT) and are promoting cyber security measures for our products and services so that our customers can use them with peace of mind.

In addition, we are promoting Group-wide efforts to address environmental issues such as climate change, aiming to contribute to realizing a recycling-oriented society.

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Principal Operating Risks

Risks	Major Content	Key Environmental Factors	Main Impacts if Risks Materialize	Principal Responses
Fluctuations in economic trends	<ul style="list-style-type: none"> Delays or postponement of purchases due to deteriorating healthcare finances of national governments and shrinking budgets for healthcare facilities Soaring prices and rising interest rates around the world 	External	<ul style="list-style-type: none"> Deterioration in consolidated Group performance due to increased costs, such as for equipment purchases or raw materials. 	<ul style="list-style-type: none"> We continuously monitor and analyze changes in the market environment in each country or region. We take appropriate measures to improve efficiency and create value-added products and services
Exchange rate fluctuations	<ul style="list-style-type: none"> Overseas business accounting for more than 80% of total Group sales Growth in sales in emerging markets leading to a higher proportion of sales taking place in non-key currencies 	External	<ul style="list-style-type: none"> Worsening of the Group's consolidated operating performance 	<ul style="list-style-type: none"> Finance divisions and local subsidiaries minimize risks through forward exchange contracts. We have globally diversified our reagent production functions.
Acceleration of healthcare system reforms and increasingly stringent healthcare laws and restrictions	<ul style="list-style-type: none"> Intensifying competitive environment due to government and medical institutions' efforts to optimize medical expenses and introduce stricter procurement policies Delays in business promotion and the introduction of new products to the market due to longer times to acquire regulatory approval 	External	<ul style="list-style-type: none"> Loss of market acquisition opportunities and increased price pressures, and worsening of the Group's consolidated operating performance due to higher costs to respond 	<ul style="list-style-type: none"> We provide highly productive products and services that help make healthcare management more efficient. We have established production systems and procure parts and raw materials in accordance with national and regional policies. Regulatory Affairs Department and local subsidiaries to understand the latest laws and regulations to establish optimal systems.
Risks related to intellectual property rights	<ul style="list-style-type: none"> Intellectual property disputes arising from infringement by third parties of intellectual property rights held by the Company or unexpected infringement of intellectual property rights held by third parties 	Internal	<ul style="list-style-type: none"> Decrease in market share and brand strength due to leakage of in-house technology Litigation costs and compensation for intellectual property disputes 	<ul style="list-style-type: none"> We conduct thorough intellectual property training, particularly for employees in R&D divisions. We work to reduce the likelihood of third-party intellectual property disputes.
Revisions to our business model due to changes in the market environment	<ul style="list-style-type: none"> Hematology field accounting for a high percentage of sales and profits 	Internal	<ul style="list-style-type: none"> Worsening of the Group's consolidated operating performance 	<ul style="list-style-type: none"> We are expanding our business portfolio outside of hematology. We provide products and services that meet the needs of countries and regions with weak medical infrastructures. We are accelerating development by establishing growth drivers.
Emergence of quality problems related to products or services	<ul style="list-style-type: none"> Major impacts, such as erroneous testing results 	Internal	<ul style="list-style-type: none"> Increasing cost of response and decline in corporate creditworthiness and brand power 	<ul style="list-style-type: none"> We comply with individual countries' laws and regulations, as well as international restrictions, and we have created structures for maintaining and enhancing quality. We have enhanced our operational and design quality, bolstered mass-production quality, and reinforced our systems for checking quality prior to market launch. We hold supplier presentations aimed at increasing the quality of the materials and parts we procure.
Climate change and other environmental risks	<ul style="list-style-type: none"> Disruption of raw material procurement and logistics networks due to large-scale wind and flood damage, droughts, and severe impacts on biodiversity Tighter environmental restrictions on import tariffs and bidding conditions 	External	<ul style="list-style-type: none"> Suspension of product supply leading to a decline in sales and an inability to fulfill our supply responsibilities, leading to a decline in corporate value Increasing cost of response 	<ul style="list-style-type: none"> We have endorsed the TCFD recommendations, and we assess and manage climate-related risks and opportunities based on the TCFD framework. We have set carbon neutrality targets for 2040 based on the SBTs, and we are accelerating efforts to achieve them.
Disaster, severe accidents, geopolitical problems, or other occurrences that disrupt product supply	<ul style="list-style-type: none"> Damage to manufacturing facilities and the stoppage of production activities due to severe accidents, such as natural disasters and fires Obstacles to the procurement of substances if suppliers suspend operations Suspension of distribution and stoppage of production activities due to geopolitical issues 	External	<ul style="list-style-type: none"> Suspension of product supply leading to a decline in sales and an inability to fulfill our supply responsibilities, leading to a decline in corporate value 	<ul style="list-style-type: none"> We have introduced seismically isolated structures at instrument factories, diversified our reagent production function globally, and created a system of mutual supply. We procure materials and parts from multiple companies and maintain stockpiles. We also conduct CSR surveys of our business partners.
Information security risks	<ul style="list-style-type: none"> Impact on operations due to information leaks such as cyber threats and network breakdowns Network failure in a customer's facility due to cyberattacks via the Company's products 	Internal	<ul style="list-style-type: none"> Halt of business activities and a decrease in corporate creditworthiness 	<ul style="list-style-type: none"> We are strengthening internal controls, such as rigorous user management access restrictions. We are implementing mechanisms for detecting unauthorized network access and isolating malware. We monitor security 24 hours a day. We have established the Computer Security Incident Response Team (CSIRT). We have established the Product Security Incident Response Team (PSIRT).
M&A-related risks	<ul style="list-style-type: none"> Impact on strategies and operating performance if the results of M&A fall below expected levels 	Internal	<ul style="list-style-type: none"> Worsening of the Group's consolidated operating performance and review of business strategies 	<ul style="list-style-type: none"> We conduct thorough prior audits, both of the market environment and from a financial perspective. We configure administrative structures for management and finance.
The spread of infectious disease or emergence of other risks that could substantially affect business activities	<ul style="list-style-type: none"> The impact on operations of global pandemics such as COVID-19 and other unknown infectious diseases 	External	<ul style="list-style-type: none"> Halt of business operations due to enormous damage to Group facilities and infrastructure, or injuries to people Deterioration of operating performance and cash flow due to a halt in medical institutions' operations and decreasing testing demand Substantial downturn in productivity due to difficulty in continuing or maintaining human resources and the working environment 	<ul style="list-style-type: none"> We have configured a global risk management structure (such as reinforcing our BCP), aimed at reducing damage and facilitating an early recovery of business activities. We have built an infrastructure capable of responding flexibly to emergencies (such as by introducing remote working). We prevent infections from spreading by building testing structures involved in the development and sale of reagents and the opening of labs to provide assay services.
Compliance infringements	<ul style="list-style-type: none"> Compliance infractions of laws and regulations 	Internal	<ul style="list-style-type: none"> Halt of business activities and a decrease in corporate creditworthiness 	<ul style="list-style-type: none"> We provide comprehensive employee education. We have put in place a global internal reporting system.

Members of the Managing Board



Kenji Tachibana

Member of the Managing Board and Senior Executive Officer
Senior Managing Director
Corporate Management,
Regulatory Affairs & Quality Assurance
and DX Strategy Development

Hisashi Ietsugu

Chairperson and Group CEO

Kaoru Asano

President

Iwane Matsui

Member of the Managing Board and Senior Executive Officer
Senior Managing Director
Japan and International Business and
Medical Robotics (MR) Business

Kazumasa Hashimoto

Member of the Managing Board (Outside)
(Member of the Audit and Supervisory Committee)
Independent Director

Hidekazu Fukumoto

Member of the Managing Board (Outside)
Independent Director

Masayo Takahashi

Member of the Managing Board (Outside)

Tomokazu Yoshida

Member of the Managing Board and Senior Executive Officer
Managing Director, CTO
R&D

Takashi Ono

Member of the Managing Board and Senior Executive Officer
Managing Director
Eco-Social (ES) Strategy
Business Strategy Development

Kazuo Ota

Member of the Managing Board (Outside)
Independent Director

Tomoo Aramaki

Member of the Managing Board (Member of the Audit and Supervisory Committee)

Michihide Iwasa

Member of the Managing Board (Outside)
(Member of the Audit and Supervisory Committee)
Independent Director

Members of the Managing Board (As of June 23, 2023)

Hisashi Ietsugu (born 1949)
Chairperson and Group CEO
Number of Company shares held: 614,800

Sep. 1986 Joined the Company, Member of the Managing Board
Mar. 1990 Member of the Managing Board and Senior Executive Officer, Managing Director
Feb. 1996 Member of the Managing Board and Senior Executive Officer, Managing Director (Representative Director)
Apr. 1996 Member of the Managing Board and Senior Executive Officer, Senior Managing Director (Representative Director)
Jun. 1996 President and CEO
Apr. 2013 Chairman and CEO
Apr. 2023 Chairperson and Group CEO (current)

Reasons for Appointing

He has managed all of Sysmex and provided strong leadership for many years. He was appointed because he will be essential for increasing the corporate value with his sense of balance, enabling appropriate supervision and decision-making of the entire management based on his insight and abundant experience and achievements as a corporate manager.

Iwane Matsui (born 1961)
Member of the Managing Board and Senior Executive Officer
Senior Managing Director
Japan and International Business and Medical Robotics (MR) Business
Number of Company shares held: 3,000

Apr. 1985 Joined the Company
Jul. 2001 President of Sysmex Europe GmbH (presently Sysmex Europe SE)
Apr. 2011 Executive Officer, Executive Vice President of Corporate Business Planning
Apr. 2013 Executive Officer, Executive Vice President of International Business Management
Apr. 2017 Senior Executive Officer
Apr. 2019 Senior Executive Officer, Managing Director
Jun. 2019 Member of the Managing Board and Senior Executive Officer, Managing Director
Apr. 2023 Member of the Managing Board and Senior Executive Officer, Senior Managing Director (current)

Reasons for Appointing

He has been involved in promoting businesses such as domestic and international sales and marketing serving as a sales manager for domestic sales and as a representative of several overseas regional headquarters of the Group for many years, and has contributed to global business development. He was appointed because his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.

Kaoru Asano (born 1958)
President
Number of Company shares held: 53,600

Aug. 1987 Joined the Company
Apr. 2009 Executive Officer, Manager of Central Research Laboratories
Apr. 2011 Executive Officer, Executive Vice President of R&D Strategic Planning
Apr. 2013 Senior Executive Officer
Jun. 2014 Member of the Managing Board and Senior Executive Officer
Apr. 2015 Member of the Managing Board and Senior Executive Officer, Managing Director
Apr. 2017 Member of the Managing Board and Senior Executive Officer, Senior Managing Director
Apr. 2018 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO LS Business Unit and CTO
Apr. 2021 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, CTO
Apr. 2023 President (current)

(Important concurrent position)
Vice Chairperson of the Kobe Chamber of Commerce and Industry

Reasons for Appointing

He has been managed in research, technology development and technological strategy for many years and has contributed to business development. He was appointed because leveraging his experience and insight will be essential for increasing corporate value.

Tomokazu Yoshida (born 1964)
Member of the Managing Board and Senior Executive Officer
Managing Director, CTO
R&D
Number of Company shares held: 1,800

Jun. 2000 Joined the Company
Apr. 2017 Executive Officer, Executive Vice President of Central Research Laboratories and MR Business Development
Apr. 2020 Senior Executive Officer
Apr. 2021 Senior Executive Officer, Managing Director
Jun. 2021 Member of the Managing Board and Senior Executive Officer, Managing Director
Apr. 2023 Member of the Managing Board and Senior Executive Officer, Managing Director, CTO (current)

Reasons for Appointing

He has been involved in research and technology development for many years and has contributed to business development. He was appointed because his abundant experience and wide-ranging insight will be essential for increasing the corporate value.

Kenji Tachibana (born 1957)
Member of the Managing Board and Senior Executive Officer
Senior Managing Director
Corporate Management, Regulatory Affairs & Quality Assurance and DX Strategy Development
Number of Company shares held: 38,800

Mar. 1980 Joined the Company
Apr. 1998 President of Sysmex Singapore Pte Ltd. (presently Sysmex Asia Pacific Pte Ltd.)
Apr. 2011 Executive Officer, Executive Vice President of IVD Business Development
Apr. 2013 Senior Executive Officer
Jun. 2014 Member of the Managing Board and Senior Executive Officer
Apr. 2015 Member of the Managing Board and Senior Executive Officer, Managing Director
Apr. 2017 Member of the Managing Board and Senior Executive Officer, Senior Managing Director
Apr. 2018 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO IVD Business Unit
Apr. 2021 Member of the Managing Board and Senior Executive Officer, Senior Managing Director (current)

Reasons for Appointing

He has been involved in business strategy development and international businesses and has contributed to strategic and global business development. He was appointed because he will be essential for increasing corporate value through the growth of businesses.

Takashi Ono (born 1965)
Member of the Managing Board and Senior Executive Officer
Managing Director
Eco-Social (ES) Strategy and Business Strategy Development
Number of Company shares held: 10,393

Apr. 1987 Joined the Company
Apr. 2009 Executive Vice President, Sysmex America Inc.
Apr. 2019 Executive Officer and SCM Executive Vice President
Apr. 2021 Senior Executive Officer
Apr. 2023 Senior Executive Officer, Managing Director
Jun. 2023 Member of the Managing Board and Senior Executive Officer, Managing Director (current)

Reasons for Appointing

He has been involved in product planning, market development, production and supply chain management (SCM) and has contributed to the global business development. He was appointed because his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.

Masayo Takahashi (born 1961)
Member of the Managing Board (Outside)
Number of Company shares held: N/A

Apr. 1992 Ph.D. of Medicine and Assistant professor of Ophthalmology, Kyoto University Hospital
Apr. 2006 Team Leader, Laboratory for Retinal Regeneration Research, RIKEN Center for Developmental Biology, Japan (presently RIKEN Center for Biosystems Dynamics Research, Japan)
Jun. 2016 Joined the Company, Member of the Managing Board (Outside) (current)
Dec. 2017 Director of Research Center, Kobe City Eye Hospital
Aug. 2019 President of Vision Care Inc. (current)
Aug. 2020 President, VCGT Inc. (current)
Mar. 2021 President, VCCT Inc. (current)
Apr. 2022 RARA fellow, Ritsumeikan Advanced Research Academy (RARA), and visiting professor, Research Organization of Science and Technology, Ritsumeikan University (current)
Apr. 2022 Visiting Scientist, Cell and Gene Therapy in Ophthalmology Laboratory, RIKEN Baton Zone Program (BZP), RIKEN Cluster for Science, Technology and Innovation Hub, (RCSTI) Japan (current)
Apr. 2022 Senior Adviser, Research Center, Kobe City Eye Hospital (current)

Reasons for Appointing

She was appointed to utilize her abundant experience and deep insight relating to advanced medical research, medical ethics and other fields as a clinician and researcher for management of the Company.

Tomoo Aramaki (born 1966)
Member of the Managing Board (Member of the Audit and Supervisory Committee)
Number of Company shares held: 7,200

Apr. 1989 Joined the Company
Apr. 2019 Executive Vice President of the Business Administration of the Company
Jun. 2022 Member of the Managing Board (Member of the Audit and Supervisory Committee) (current)

Reasons for Appointing

He has long been involved in the business administration department and has also served as the head of the business administration department of the Company's overseas subsidiaries. He was appointed to utilize his abundant experience and insight, which is necessary to increase the audit and supervisory functions.

Kazuo Ota (born 1955)
Member of the Managing Board (Outside)
Independent Director
Number of Company shares held: N/A

Apr. 1978 Joined Kawasaki Heavy Industries, Ltd.
Apr. 2013 Executive Officer, General Manager of Planning & Control Division, Aerospace Company of Kawasaki Heavy Industries, Ltd.
Apr. 2015 Managing Executive Officer, General Manager of Corporate Planning Division, In Charge of Finance & Human Resources (Corporate) of Kawasaki Heavy Industries, Ltd.
Jun. 2015 Senior Vice President, General Manager of Corporate Planning Division, In Charge of Finance & Human Resources (Corporate) of Kawasaki Heavy Industries, Ltd.
Apr. 2018 Director, Managing Executive Officer, President of Motorcycle & Engine Company of Kawasaki Heavy Industries, Ltd.
Jun. 2019 Advisor of Kawasaki Heavy Industries, Ltd.
Jun. 2019 Joined the Company, Member of the Managing Board (Outside) (current)

Reasons for Appointing

He was appointed to utilize his abundant experience and deep insight in corporate management for management of the Company.

Kazumasa Hashimoto (born 1953)
Member of the Managing Board (Outside) (Member of the Audit and Supervisory Committee), Independent Director
Number of Company shares held: N/A

Apr. 1976 Joined Sumitomo Bank (presently Sumitomo Mitsui Banking Corporation)
Apr. 2004 Executive Officer of Sumitomo Mitsui Banking Corporation
Apr. 2007 Managing Executive Officer of Sumitomo Mitsui Banking Corporation
Jun. 2010 President and Representative Director of Ginsen Co., Ltd.
Jun. 2014 President and Representative Director, and Chief Operating Officer of Kansai Urban Banking Corporation (presently Kansai Mirai Bank, Limited)
Jun. 2016 Chairman of the Board, President and Representative Director of Kansai Urban Banking Corporation
Apr. 2018 Representative Director and President of Kansai Mirai Financial Group, Inc.
Apr. 2019 Chairman of Kansai Mirai Bank, Limited.
Jun. 2020 Joined the Company, Member of the Managing Board (Outside) (Member of the Audit and Supervisory Committee) (current)
Apr. 2023 Special Advisor of Kansai Mirai Bank, Limited. (current)

Reasons for Appointing

He was appointed to utilize his abundant experience and deep insight into corporate management as a corporate manager of a financial institution.

Hidekazu Fukumoto (born 1955)
Member of the Managing Board (Outside)
Independent Director
Number of Company shares held: N/A

Apr. 1978 Joined The Sanwa Bank, Ltd. (presently MUFG Bank, Ltd.)
May 2005 Executive Officer of UFJ Bank Ltd. (presently MUFG Bank, Ltd.)
Jan. 2006 Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (presently MUFG Bank, Ltd.)
Apr. 2008 Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Jun. 2010 Managing Director and Chief Executive of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
May 2012 Senior Managing Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
May 2014 Deputy President Chief Executive of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
May 2016 Deputy President (Director) of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Jun. 2017 Member of the Board of Directors, Deputy President of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Apr. 2018 Member of the Board of Directors, Deputy President of MUFG Bank, Ltd.
Jun. 2019 Advisor of MUFG Bank, Ltd. (current)
Jun. 2019 President of SANSHIN Co., Ltd.
Jun. 2021 Joined the Company, Member of the Managing Board (Outside) (current)
Jun. 2023 Chairperson of SANSHIN Co., Ltd. (current)

Reasons for Appointing

He was appointed to utilize his knowledge on finance, financial accounting, risk management, as a corporate manager of a financial institution, as well as his abundant experience and deep insight in the business world.

Michihide Iwasa (born 1956)
Member of the Managing Board (Outside) (Member of the Audit and Supervisory Committee), Independent Director
Number of Company shares held: N/A

Apr. 1979 Joined Kobe Steel, Ltd.
Apr. 2009 Senior General Manager of Raw Materials Purchasing Department of Kobe Steel, Ltd.
Apr. 2010 Executive Officer of Iron & Steel Business of Kobe Steel, Ltd.
Apr. 2012 Managing Executive Officer of Iron & Steel Business of Kobe Steel, Ltd.
Jun. 2014 Representative Director and President of Kobelco Logistics, Ltd.
Jun. 2020 Senior Advisor of Kobelco Logistics, Ltd.
Jun. 2020 Joined the Company, Member of the Managing Board (Outside) (Member of the Audit and Supervisory Committee) (current)

Reasons for Appointing

He was appointed to utilize his abundant experience and deep insight into corporate management for audits of the Company.

Executive Officers (As of June 23, 2023)



Mamoru Kubota

Senior Executive Officer
Deputy in charge of Business Strategy Development



Kensuke Iizuka

Senior Executive Officer
In charge of Management Strategy
Executive Vice President of Corporate Business Planning Div., Corporate Executive Office



Frank Buescher

Senior Executive Officer
CEO, Sysmex Asia Pacific Pte Ltd.
Deputy in charge of DX Strategy Development



Peng Zuo Hui

Executive Officer
President and CEO,
Sysmex Shanghai Ltd.



Mitsuhsa Kanagawa

Executive Officer
In charge of Instrument Production and SCM.



Alain Baverel

Executive Officer
CEO, Sysmex Europe SE



Reiko Watanabe

Executive Officer
Executive Vice President of Medical & Scientific Affairs Div.



Kaoru Watanabe

Executive Officer
Supervision of JEA
Deputy in charge of Medical Robotics (MR) Business



Takaaki Nagai

Executive Officer
Executive Vice President of System Engineering Div.



Kinya Uchihashi

Executive Officer
In charge of Reagent Production
Executive Vice President of Reagent Production Div.



Andy Hay

Executive Officer
CEO, Sysmex America, Inc.



Naohiko Matsuo

Executive Officer
Deputy in charge of Business Strategy Development
Executive Vice President of ICH Business Div.

Executive Officers' Main Responsibilities

	Main Responsibilities Related to Key Actions for the Group and Areas in Charge						Main Responsibilities Related to Materiality				
	1	2	3	4	5	6	1	2	3	4	5
	Enhance competitiveness and expand markets through innovation in diagnostics business domain	Accelerate commercialization centered on genetic testing in the domain of personalized medicine	Create a new business model in the domains of prevention and self-medication	Accelerate business growth in the therapeutic domain, centered on the medical robotics business	Realize a circular resource value chain and transform with a view to solving social issues	Enhance corporate value by strengthening human capital and management base	Creating new value for a healthy society	Providing Responsible of products, services and solutions	Creating an Attractive Workplace	Reducing in environmental impacts	Strengthening Governance
	Posts and Responsibilities										
Kenji Tachibana											
Iwane Matsui											
Tomokazu Yoshida											
Takashi Ono											
Mamoru Kubota											
Kensuke Iizuka											
Frank Buescher											
Peng Zuo Hui											
Mitsuhsa Kanagawa											
Alain Baverel											
Reiko Watanabe											
Kaoru Watanabe											
Takaaki Nagai											
Kinya Uchihashi											
Andy Hay											
Naohiko Matsuo											