

## Governance

### Risk Management

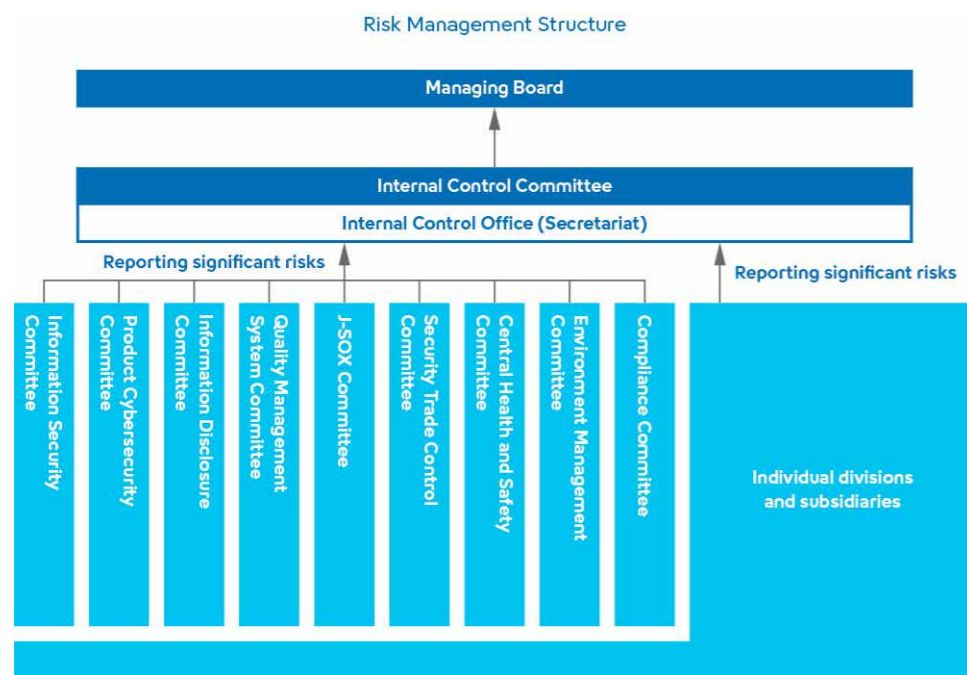
#### Risk Management Structure

##### Risk Management Structure

##### Promoting Risk Management by Establishing a Dedicated Committee

System established the Internal Control Committee to supervise the Group's risk management as a whole. The Internal Control Office, an organization independent of business divisions and under the President's direct control, functions as the Committee's secretariat. Chaired by the President, the Committee consists of the Chairperson, relevant executive officers, and full-time Audit and Supervisory Committee members. There are also outside members of the Managing Board who serve as observers.

The Committee analyzes and assesses the levels of risks involved in such areas as fair trade, compliance (including corruption and business ethics), human resources, occupational health and safety, the environment, and accounting and finance (including tax payments), from such viewpoints as possible impacts and likelihoods. By annually assessing such risks, the Committee identifies those significantly affecting the Group's operations and implements necessary countermeasures. In addition, relevant committees, including the Compliance Committee as well as individual divisions and subsidiaries, manage operational risks and periodically report on them to the Managing Board. When a major risk that has a significant impact on the Group's business arises, they also report it to the Managing Board to discuss how to respond, following the PDCA cycle. The Internal Audit Office conducted an internal audit of Group-wide risk management in fiscal 2023. Furthermore, our risk management structure is annually assessed by a third party as part of our internal controls.



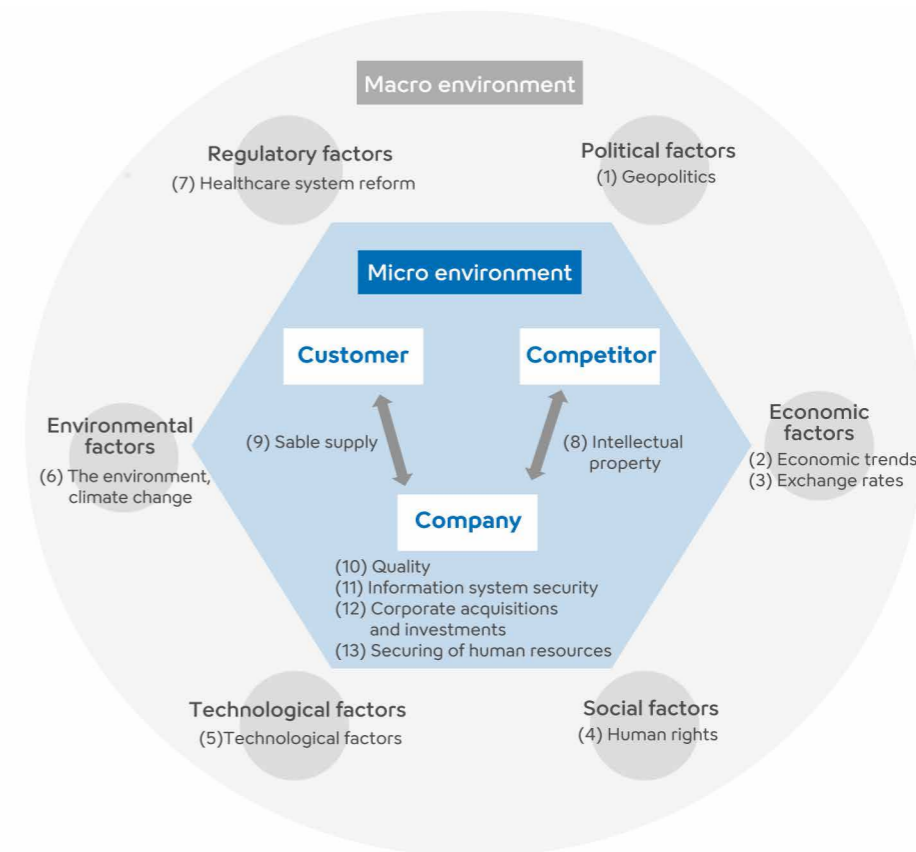
- ▶ Corporate Governance
- ▶ Sysmex Report (Risk Management)

## Governance

### Operating Risks

We believe that 13 items related to the Sysmex Group's operational and accounting conditions could have a significant impact on investors' decisions. Below, we have classified these items as macro-environmental risks and micro-environmental risks. Forward-looking statements contained in this document are based on the judgment of the Sysmex Group and are not all-inclusive; the Group may be affected by risks other than those described herein.

In addition, on June 4, 2024, Sysmex Corporation has been subjected to an on-site inspection by the Japan Fair Trade Commission on suspicion of violations of the Antimonopoly Act (Tie-in sales, etc.) in relation to the transactions of blood coagulation analyzers and reagents (reagents for measuring FDP and reagents for measuring D-dimer) in Japanese market. We will fully cooperate with the inspection by the Japan Fair Trade Commission.



## 1. Geopolitical risks

### Threats and opportunities

#### <Threats> Impact on operations of rising geopolitical tensions

The Sysmex Group engages in global manufacturing, sales and service, R&D and other activities, and we have locations around the world. Increased geopolitical tensions, such as inter-country conflicts and trade friction, could lead to stricter import/export regulations or further protection of local industries in the countries where the Sysmex Group has its bases of operations or in neighboring regions, which may restrict its sales, procurement, and other business activities.

Disputes between countries could limit the business activities as described above, as well as affecting the safety of employees and others.

#### <Opportunities> Enhance reliability through an ongoing supply of products and services

Promoting the local production of reagents on a global scale and reinforcing our stable supply system could enhance our reliability and competitiveness from the customer perspective. In addition, having bases of operations in various regions allows us to accurately ascertain local needs and provide products and services that closely meet these needs.

### Responses

The Sysmex Group uses its global network to continuously monitor the situation in each country and region. In countries that are working to protect domestic industries, we may be required to engage in the local production and procurement of parts and raw materials, and we strive to remain abreast of the latest information. Meanwhile, we are working to transition to local production, particularly of reagents.

In the event of an emergency, such as a conflict between countries, the Group promotes measures to ensure against interruptions in the supply of its products, which contribute to humanitarian aid and medical care, while placing the highest priority on protecting human life and complying with import/export regulations and other regulations related to security.

We will continue to respond appropriately to the ever-changing global situation, taking into consideration its impact on the Group's business.

## 2. Economic trends

### Threats and opportunities

#### <Threats> Decline in sales opportunities due to deteriorating economic conditions

The Sysmex Group operates primarily in the healthcare sector, which is relatively stable. However, if a global economic downturn causes governments to tighten their healthcare finances or medical institutions to reduce their budgets, capital investment could decline, affecting our operating results and financial position.

In addition, significant changes in the economic environment, such as rapid inflation and soaring energy prices, could significantly increase the cost of raw materials, transportation, and other items, which could affect our operating results.

#### <Opportunities> Increased investment in healthcare infrastructure due to favorable economic conditions

When the global economy is strong, increased investment in medical infrastructure and other factors may provide additional sales opportunities for the Sysmex Group's products.

In particular, in emerging markets that are slated for population and economic growth, the need for improved medical standards is increasing, and further market expansion can be expected.

### Responses

The Sysmex Group monitors changes in market conditions globally through its bases in various countries and regions. We are also working to standardize and streamline testing by providing solutions that help medical institutions improve profitability through the use of robotics, AI, and other technologies. Furthermore, in emerging markets where economic and population growth is expected to spur

investment in medical infrastructure, we are contributing to Universal Health Coverage\* by developing and introducing products that meet a wide variety of market needs and improving access to and quality of healthcare. In particular, we have positioned India, which has high growth potential, as one of our key markets, and we are accelerating the development and launch of our products to expand our market share in the country. The entire Group will continue working to create further added value.

\* A condition in which all people have access to affordable and proper services to improve their health, prevent or treat illnesses, and recover

## 3. Impact of exchange rate fluctuations

### Threats and opportunities

#### <Threats> Negative impact on consolidated results, including decreases in overseas sales and assets due to yen appreciation

#### <Opportunities> Positive impact on consolidated results, including increases in overseas sales and assets due to yen depreciation

The Sysmex Group sells to customers in other countries and regions through its overseas affiliates and distributors. Overseas sales account for a high proportion of consolidated net sales: 85.4% in the fiscal year ended March 31, 2023 and 86.5% in the fiscal year ended March 31, 2024. The line items in the local-currency financial statements of overseas affiliates are affected by fluctuations in exchange rates when converted into yen, thereby affecting the Sysmex Group's operating results and financial statements. Yen appreciation could have an adverse effect on operating results. Conversely, yen depreciation causes SG&A and other expenses at overseas affiliates to increase in yen terms, but higher sales tend to overshadow these increases, which can have a positive impact on consolidated operating results.

In the fiscal year ended March 31, 2024, a ¥1 change in exchange rates had the following impacts on net sales and operating profit.

	Net sales	Operating profit
USD	¥735 million	¥127 million
EUR	¥511 million	¥91 million
CNY	¥5,330 million	¥3,888 million

### Responses

The Group hedges its foreign currency-denominated receivables and payables, including foreign currency-denominated trade receivables, loans to affiliated companies, and borrowings, mainly by entering into forward exchange rate contracts.

In addition, we are taking measures to mitigate the impact of exchange rates by diversifying our reagent production sites globally.

## 4. Human rights

### Threats and opportunities

#### <Threats> Loss of public trust due to inadequate response to human rights

Respect for human rights is one of the most important elements of our corporate activities, and we are undertaking a number of measures in this regard in various countries. If the Sysmex Group's efforts to respect human rights are inadequate or tardy, and human rights violations such as discrimination based on race, gender, or other factors, or if forced labor or child labor occur, we could experience a deterioration of trust among our business partners, investors, and other stakeholders.

#### <Opportunities> Improving reliability through appropriate human rights measures

Promoting fair and sustainable corporate management and responding appropriately to human rights, such as by fostering DE&I\* that creates and embraces a comfortable working environment for diverse human resources, and eliminating discrimination in the supply

chain, may lead to increased reliability among stakeholders and ultimately to the creation of competitive advantage.

\* Diversity, equity, and inclusion

### Responses

The Sysmex Group has announced a global compliance code that outlines its commitment to respecting human rights and eliminating discrimination, and is committed to creating a corporate management and work environment that respects the human rights of all stakeholders. In addition, our human rights policy stipulates the implementation of human rights due diligence and promotes efforts to prevent and mitigate negative impacts on human rights, not only within the Group but also with external partners involved in the supply chain. We have put in place preventive measures to ensure that our business activities are not involved in or complicit with violations of human rights. These measures prohibit forced labor and child labor and counter discrimination based on gender, disability status, or racial group.

Systemex has established internal reporting hotlines in Japan and overseas for handling consultations on human rights, including those related to discrimination and harassment. Furthermore, we provide training to prevent harassment and disseminate accurate labor-related information to prevent human rights infringements.

## 5. Technological innovation

### Threats and opportunities

#### <Threats> Decline in competitive advantage due to delayed response to technological innovation

Recent technological innovations have led to the emergence of new technologies in the healthcare field, and business models are likely to change substantially as a result. Operating in this environment, delays by the Sysmex Group's in responding to this situation may reduce its competitive advantage.

#### <Opportunities> Enhanced added value through innovation

The creation and active use of innovative technologies will facilitate further innovation and the provision of high-value-added products and services that improve the efficiency of healthcare, including laboratory operations.

In addition, we have the potential to expand sales opportunities by adapting quickly to changes in business models that accompany the spread of innovative technologies.

### Responses

Based on the "Sysmex Way," the corporate philosophy of the Sysmex Group, we strive to create innovation through the development of various technologies and provide products and services that help to address social issues. The Group continues to invest aggressively in the development of new technologies and is committed to open innovation that effectively creates new clinical value by integrating the Group's technologies with those of universities, research institutions, and other companies. We have established R&D sites around the world to facilitate these activities and are working to contribute not only to the conventional *in vitro* diagnostics but also to personalized medicine and preventive medicine.

We will continue to contribute to extending healthy life expectancies and aim for sustainable growth by working to solve medical issues through the creation of new technologies and innovations.

## 6. Climate change and other environmental risks

### Threats and opportunities

#### <Threats> Impact on business due to inadequate environmental response or natural disasters

The sustainability of the global environment has become an urgent issue, and environmental regulations are being tightened in Europe, the United States, and other countries. Violations of or delays in responding to regulatory or other requirements by the Sysmex Group may result in penalties, bidding restrictions, or other actions.

In addition, natural disasters caused by climate change may affect the supply of products to customers around the world and the safety of our employees.

#### <Opportunities> Improving reliability and competitive advantage by addressing environmental issues

By obtaining information on environmental laws and regulations in each country as appropriate, and by proactively responding to such laws and regulations, we can improve the reliability of our products among stakeholders and expand sales opportunities.

In addition, providing added value on the eco-social front, such as environmentally friendly product development and production activities, and establishing a competitive advantage in this area, may contribute to business growth.

### Responses

The Sysmex Group has established an Environmental Management Committee as an organization to promote environmental management. The Group is committed to the realization of a circular-oriented society and aims to provide sustainable value to the environment and society both by resolving social issues and by achieving business growth through the Group's products and services.

We have formulated the Sysmex Eco-Vision 2033 and are working to reduce environmental impact through environmentally friendly products and services that take CO<sub>2</sub> reduction and biodiversity into consideration. For example, we are promoting the use of concentrated reagents, introducing dry ice-free transportation, and developing products using non-animal derived raw materials in all value chains, including production, development, sales, and services. In addition, we endorse the recommendations of the TCFD<sup>1</sup> and are striving to enhance information disclosure based on its framework. Furthermore, we have set targets based on carbon neutrality<sup>2</sup> and the SBTs<sup>3</sup> by 2040, and we are accelerating our efforts to address environmental issues.

\*1 Task Force on Climate-related Financial Disclosures

\*2 Carbon neutral: Targeting Scope 1 and Scope 2

\*3 Science Based Targets (Corporate greenhouse gas emission reduction targets consistent with the levels required under the Paris Agreement)

## 7. Healthcare system reform

### Threats and opportunities

#### <Threats> Decreased sales opportunities due to inadequate or delayed response to healthcare system reforms

The marketing of the Sysmex Group's instruments and reagent products generally requires regulatory approval, but the requirements for obtaining such approval are becoming increasingly complex and sophisticated in each country. This trend may increase the cost of compliance, and delays in responding to such requirements may result in lost opportunities to acquire markets, including an impact on new product launches.

In addition, if individual countries review their insurance coverage systems or reduce health insurance compensation, sales opportunities for the Group's products could decrease.

#### <Opportunities> Improved competitive advantage through rapid response to regulations and needs

In the healthcare industry, compliance with increasingly strict regulatory requirements, including the IVDR\* in Europe, may create barriers for new entrants and reinforce the Sysmex Group's competitive advantage. In addition, we could see an increase in sales opportunities if the budgets of medical institutions grow due to improved healthcare finances in various countries. Furthermore, demand is expected to grow due to the expansion of healthcare systems in emerging markets and increased investment in medical infrastructure.

\* *In Vitro* Diagnostic Medical Devices Regulation

### Responses

We strive to remain abreast of the latest regulatory information by participating in industry associations in various countries, and we work to obtain and maintain regulatory approvals in a timely and accurate manner by utilizing the Sysmex Group's global network. We are promoting the development of new diagnostic technologies that contribute to personalized healthcare, based on an accurate understanding of increasingly diverse and sophisticated needs amid changing environments in various countries and regions. In addition,

we will continue to leverage our strengths in IVD instruments, reagents, IT, service, and support to address medical issues. These include improving the efficiency of medical workflows, enabling the early detection of diseases, and improving accessibility to healthcare in emerging markets.

## 8. Intellectual property

### Threats and opportunities

#### <Threats> Impact on business due to infringement or violation of intellectual property rights

The Sysmex Group applies for patents, trademarks, and design rights on a global basis, but such rights may not be granted in some or any countries. Furthermore, if counterfeit products that infringe on the intellectual property rights of the Sysmex Group are distributed, the reliability of test results may not be ensured, and medical institutions and patients may be affected.

In addition, disputes over intellectual property rights may arise, such as lawsuits for infringement of intellectual property rights of third parties or demands for payment of royalties, despite the legitimacy of the Sysmex Group claims.

#### <Opportunities> Provide unique products and services by acquiring intellectual property rights

The appropriate protection of the intellectual property rights held by the Sysmex Group should strengthen its independence and competitiveness and enhance its brand image.

The Sysmex Group also has the potential to further accelerate innovation through the appropriate use of third-party licenses as well as intellectual property rights owned by the Sysmex Group.

### Responses

The Sysmex Group respects the intellectual property rights of the Group and third parties, and seeks to establish a global competitive advantage by proactively seeking rights to valuable intellectual property created in all of its business activities, and by responding appropriately to the intellectual property rights of third parties. Through internal training, employees are made aware of the importance of respecting the intellectual property rights of the Sysmex Group and third parties in the conduct of business. Furthermore, we have established an award system to motivate employees to acquire intellectual property rights.

In addition, as a countermeasure against infringement of the Sysmex Group's intellectual property rights, we have obtained patents in countries around the world and are working to thoroughly eliminate counterfeit products so that our customers can use our products with confidence. We are working to secure intellectual property rights for important brands globally, including in emerging markets and developing countries. Notably, we have applied for trademark rights in 195 countries and regions for our corporate brands. As a result, overseas holdings account for 85% of our total intellectual property rights.

## 9. Stable supply

### Threats and opportunities

#### <Threats> Impact on product supply due to interruptions or delays in procurement or production

The Sysmex Group supplies IVD instruments and reagents, which are essential for medical institutions to perform daily testing, to customers all over the world. Although we make every effort to ensure an uninterrupted supply of products to our customers, stable product supply may be disrupted in the event of difficulties in procuring parts or raw materials, owing to sudden changes in market conditions or the suspension of suppliers' operations, or in the event of a major natural disaster, fire, or other serious accident or pandemic at supply chain locations including production plants and warehouses, or if distribution routes are blocked due to interstate conflict or trade friction.

#### <Opportunities> Provide peace of mind and improve reliability through efforts to ensure a stable supply of products and services

In the event of a natural disaster, serious accident, or other contingency, our ability to provide a stable supply of products necessary for testing and avoid interruptions in medical operations, and the establishment of a system to prepare for such contingencies may help us

earn trust in our ability to continue supplying products in emergencies and further enhance our brand image.

### Responses

The Sysmex Group is committed to the stable supply of products and services on a global basis, in line with its social mission of supporting medical care by providing accurate test results and ensuring confidence through the delivery of high-quality products around the world. In addition to securing inventories of parts and raw materials and purchasing from multiple suppliers, we are working to enhance prevention and recovery measures to address large-scale disasters such as earthquakes, windstorms, and floods at our factories and warehouses. Reagents account for 60.8% of the Sysmex Group's sales (fiscal year ended March 31, 2024). For reagents, we secure inventory quantities that take into consideration the period required to ensure business continuity. In addition, we produce reagents at multiple locations. In particular, we have established a mutual supply network among major bases to ensure a stable supply of reagents in our mainstay hematology field.

In addition, the Sysmex Group as a whole has a business continuity plan in place, and through daily training we prepare to restore operations quickly in the event of an emergency so that medical institutions can continue their testing operations.

We will continue to reinforce our efforts to ensure that our customers can use our products with confidence.

## 10. Quality

### Threats and opportunities

#### <Threats> Reduced reliability due to poor quality of products and services

The products the Group manufactures and procures must be high-quality and safe. If the products we manufacture or procure are found to be of poor quality, this could result in delays or errors in testing at medical institutions, which could affect customers and patients. This could reduce trust in our products and of the Sysmex Group as a whole, and may also affect operating results.

#### <Opportunities> Improvement of reliability and competitive advantage through quality improvement

By further improving quality through the development and operation of a quality control system that complies with the laws and regulations of each country and international standards, we have the potential to win the trust of customers and expand sales opportunities.

Since our founding, the corporate philosophy of the Sysmex Group, has called on us to instill confidence in our customers through reliable quality. The brand image we have built up to date could help to maintain and enhance our corporate value and competitive advantage.

### Responses

The Sysmex Group is committed to group-wide management to maintain quality in compliance with the laws and regulations of each country and international standards. We have established a quality policy to monitor and improve the quality and safety of our products and services. In addition, all of our production bases have acquired ISO 9001 or ISO 13485 certification, the international standards for quality management systems. Furthermore, we collect and analyze information on product reliability and safety from a wide range of domestic and overseas sources, and utilize this information to improve product quality.

The Sysmex Group will continue to instill confidence among its customers through its high-quality products and services.

## 11. Information system security

### Threats and opportunities

#### <Threats> Impact on customers and business due to cyber-attacks

The Sysmex Group's products are equipped with network-based service capabilities. In the unlikely event that the Group's products are compromised by cyberattacks targeting medical institutions, testing operations could be suspended, and third parties could gain unauthorized access to personal information.

In addition, we have introduced various information systems within the Group to support information communication, core business

operations, and approval procedures to improve operational efficiency, and much of the business information is managed and operated via networks. In the event of system outages or leaks of confidential information due to failures in these systems or networks or cyberattacks, or in the event of the provision of false information or infringement of third-party rights due to the misuse of generative AI and other technologies that the Sysmex Group has been promoting in recent years, the efficiency and reliability of its operations may be impaired.

#### <Opportunities> Improved reliability of products and services by strengthening security support

By enhancing the security of our products and services, we can further enhance the trust customers place in our products and provide our customers with network-based services that they can use with confidence.

In addition, through the promotion of DX, including security enhancement, and the appropriate use of generative AI, we can expect to further improve business efficiency and productivity by strengthening information collaboration within the Group while managing information appropriately.

#### Responses

The Sysmex Group is promoting cybersecurity measures for its products and services, led by the Product Cybersecurity Committee, in order to reliably ensure confidence among customers and patients. In line with these efforts, we have established a Product Security Policy and set up a PSIRT<sup>1</sup> to design and manufacture products in accordance with the security policy and to manage after-sales vulnerabilities in cooperation with product security managers in each region.

Furthermore, to minimize the operational impact of information system or network line failures, computer viruses, or external intrusions into information systems, we are working to tighten information management by introducing mechanisms to detect unauthorized communications and isolate malware, conducting 24-hour monitoring, establishing a CSIRT<sup>2</sup>, and developing security measures such as joining external organizations to quickly obtain information in case of emergencies or major incidents, as well as developing systems related to business continuity.

In addition, we are promoting efforts to inform employees of the rules for the use of AI technologies in general, taking security into consideration, and to accelerate innovation through proactive use of AI technologies.

\*1 Product Security Incident Response Team

\*2 Computer Security Incident Response Team

## 12. Corporate acquisitions and investments

### Threats and opportunities

#### <Threats> Delay in achieving strategic goals due to lack of investment effectiveness

The Sysmex Group is working to expand its R&D, production, and other bases. At the same time, the Group is accelerating its growth through proactive investment in IT infrastructure and leading-edge technologies, as well as through acquisitions and capital tie-ups. Amid these initiatives, changes in the business environment or exposure to unpredictable risks could prevent the full realization of the expected impacts and affect the achievement of our strategic goals.

#### <Opportunities> Accelerate business by maximizing investment effectiveness

Based on our management strategy, active investment from a long-term, global perspective may generate even higher investment impacts and allow us to realize our strategies even more swiftly.

#### Responses

The Sysmex Group aims to maximize the effectiveness of its investments by strengthening its systems for reviewing and making decisions on investments and monitoring PMI\*. Investment decisions are made after thorough advance investigation and deliberation at management meetings as to the purpose, impacts, and potential risks of such investments. Even after making a decision, we believe it is important to respond to changes and make course corrections flexibly. We are working to strengthen the investment management process through regular monitoring.

We will continue to accelerate the growth of the Sysmex Group by making appropriate decisions, actively taking risks on investments necessary for business growth, and continuing to provide high-value-added products and services by expanding our business and acquiring new technologies.

\* Post-merger integration

## 13. Securing of human resources

### Threats and opportunities

#### <Threats> Decline in competitiveness due to intensifying competition for human resources and outflow of human resources

Global competition for human resources is intensifying, and an inability to secure the human resources needed to promote business may affect operating results.

In addition, inadequate assurance of health and safety in the workplace environment can damage the mental and physical health of employees and lead to low morale and prompt an exodus of human resources.

#### <Opportunities> Strengthen management foundation by realizing attractive workplaces

Under the “Sysmex Way,” the corporate philosophy of the Sysmex Group, we have established a workplace environment in which a diverse workforce can safely demonstrate their abilities. We expect to achieve further corporate growth through both employee engagement and value-added productivity as we attract and retain talent through attractive personnel systems and a distinctive corporate culture.

#### Responses

The Sysmex Group believes that human resources are a key management resource to ensure sustainable growth. The Sysmex Way, the corporate philosophy of the Sysmex Group, promises employees that Sysmex “honors diversity, respects the individuality of each employee, and provides them with a workplace where they can realize their full potential.” We provide an environment that enables employees to take the initiative in shaping their own careers, such as by offering educational programs based on the career paths envisioned by each employee.

In addition, the Group as a whole has adopted a job-based personnel system as a foundation to help employees shape their own careers. We are also promoting the introduction of attractive systems such as a stock-granting compensation plan that helps employees build assets.

Furthermore, we are the first manufacturing company in Asia to acquire certification under ISO 30414, the international guideline for disclosure of information related to human capital. We will continue striving for transparent disclosure of human capital-related information and enhance our human resource system to facilitate the sustainable growth of our human resources and the Group.

## Governance

### Response to Risks Related to Business Continuity

#### Establishment of a Business Continuity Plan (BCP)

##### Response to Major Disasters

Systemex has formulated Group-wide business continuity plans (BCPs) for production, procurement, and other functions to ensure the continuity of important operations in the event of an earthquake, storm, or flood damage, and other large-scale disasters, as well as rapid recovery from such disasters.

##### Main BCP Approaches:

- Decentralization of main raw material procurement (selection of production locations based on the concept of local production for local consumption)
- Securing safety stock of important raw materials that are difficult to substitute
- Decentralization of product storage in accordance with storage function (instruments, maintenance parts, room temperature storage reagents, cold storage reagents, and hazardous reagents)
- Creation of mutual supply systems within the factories, and securing alternative routes for transportation of products
- Prioritization of important products for supply to medical institutions
- Introduction of a structure to share crisis information between the Company and raw material suppliers so the Company can promptly take measures against highly urgent risks such as a natural disaster, fire, or accident occurring on the supplier side
- Provision of rules and manuals for disaster response and conducting regular disaster drills
- Introduction of an employee safety confirmation system
- Installation of digital radios in each business office
- Provision of emergency supplies and items to support employees temporarily staying at business offices and returning home after a disaster
- Establishment of basic IT systems (assignment to an external data center and creation of a system infrastructure that is quickly transferable to a backup system in emergencies)

#### ► Undertaking the Never-Ending Mission of “Creating a Stable Supply of Reagents”

## Governance

### Enhancing Information Security

#### Enhancing Product Security and Cyber Security

##### Product Security Initiatives

Systemex Corporation has established a Product Security Policy for our products and services and has established a Product Security Incident Response Team (PSIRT) to manage product design and manufacturing, as well as post-marketing vulnerabilities. Sensitive information (including individual, patient, and test subject information) obtained from our customers and those who have participated in research and development and experiments, as well as advanced, original technology regarding products and intellectual property, are considered important assets for management, and necessary measures are taken to prevent information leaks and internal fraud.

##### Information and Cybersecurity Initiatives

Systemex established the Global Information Security Committee in May 2023 to further enhance Group-wide information security management. We have formulated the Information Security Policy and established a Group-wide information security management framework as well as protect our information assets from threats and work to ensure our business continuity under the supervision and management of the Information Security Officer, Kenji Tachibana, a member of the Managing Board, a senior executive officer, and a senior managing director. Specifically, we established a Systemex Computer Security Incident Response Team (Systemex-CSIRT) to bolster our initiatives, such as prevention and early response to incidents and pre- and post-response to information leaks and data breaches based on such information as alerts received from the managed SOC (security operations center), in addition to threat information (threat intelligence) received from external parties (JPCERT/CC).

Regarding collaboration with external organizations, we have joined the Nippon CSIRT Association and Forum of Incident Response and Security Teams (FIRST) to share information regarding threats from emergencies and other significant incidents.

Internally, specific measures include rigorous management and regular review of access to information, regular updates to security patches, login restrictions using biometric authentication (facial and fingerprint recognition) for laptop computers and mobile devices on loan from the Company, and reviews of installed applications to ensure continuous operational and control measures. We have also installed endpoint detection and response (EDR) for PCs and server devices as part of our ransomware countermeasures (endpoint technology countermeasures).

##### Information and Cyber Security Education

At Systemex, in addition to the e-learning program on information security and drills for targeted email attacks (BEC and phishing), we are also implementing initiatives to raise employee awareness of information security, such as seminars concerning how emails should be handled.

We recommend that Systemex-CSIRT members obtain international qualifications (ISC2 CISSP, SANS GIAC, CompTIA) to reinforce our response to security incidents.

##### Acquiring Information Security Certification

Systemex Corporation has obtained ISO 27001 certification for our Information Security Management System (ISMS), and we are enhancing our information security management for research involving gene sequencing and other personal information. The service and support division of Systemex CNA has obtained the same certification. Systemex UK and Oxford Gene Technology have obtained Cyber Essentials\* certification as well as ISO 27001 certification, and undergo a surveillance review every six months.

\* Certification system initiated in 2014 by the UK government to improve corporate cyber security

► [Information Security Policy](#)

► [Product Security Policy](#)