



# Governance

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● Materiality

## Strengthening Governance

● Background

Strengthening corporate governance is indispensable for achieving sustainable growth and enhancing corporate value over the medium to long term. At Sysmex, in addition to reinforcing our management foundation through the establishment of compliance and risk management structure, we consider constructive dialogue and collaboration with diverse stakeholders to be one of the key management issues that drive the enhancement of corporate value.

● Policies

We regard the strengthening of corporate governance as one of our key management issues. By enhancing the soundness and transparency of management, and by increasing both the speed and efficiency of decision-making, we aim to maximize corporate value for the entire Group.

- ▶ Corporate Governance
- ▶ Compliance/Risk Management Policy

● Structure

To reinforce the supervisory and oversight functions of the Board of Directors and to further enhance the transparency and objectivity of management, Sysmex has adopted the structure of a company with an Audit and Supervisory Committee. To accelerate decision-making in business execution and respond promptly to changes in the business environment, we have also introduced an executive officer system. Furthermore, Sysmex has established the Internal Control Committee to oversee risk management activities and the Compliance Committee to oversee compliance.

- ▶ Sysmex Report (Corporate Governance)

## Governance

### Compliance

## Compliance Management

### Group Policy

#### Pursuing Open and Aboveboard Business Activities

Based on our Group’s corporate philosophy, the Sysmex Way, and our Shared Values, we define compliance as “the conduct of open and aboveboard business activities based on the observance of laws and regulations and high ethical standards”. In accordance with this definition, we have established a Global Compliance Code, in which conformance rules and behavioral guidelines for all Group executives and employees are detailed. This code, written in Japanese, was translated into many languages so all Group executives and employees would be able to understand and adhere to it.

► [Full text of the Global Compliance Code](#)

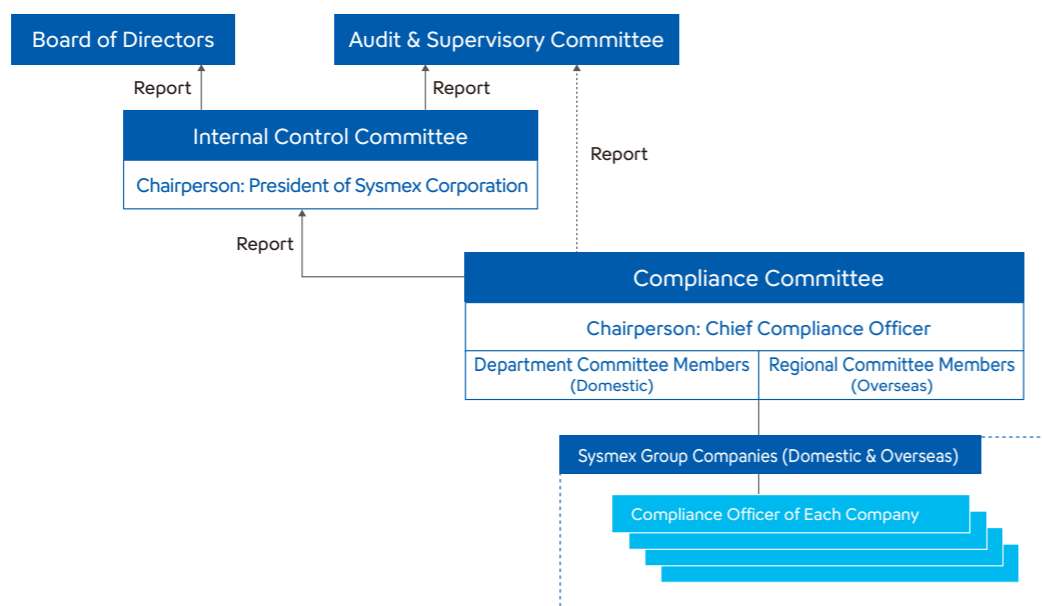
### Compliance Promotion Structure

Sysmex considers compliance violations to be the most serious type of risk that could damage the trust that society places in us. Under the Group-wide risk management structure, we have established a Compliance Committee as an umbrella organization to promote and enhance compliance.

The chairperson of the Compliance Committee works to ensure compliance throughout the Group as the Group Compliance Officer. Under the Group-wide policy, each Group company, both in Japan and overseas, has appointed its own compliance officer to uphold compliance. The Compliance Committee monitors Group-wide compliance promotion activities and their progress. We also conduct an annual internal audit of compliance based on risk assessment results. In fiscal 2024, we audited our compliance with the Labor Standards Act, and other laws and regulations. Furthermore, our compliance promotion structure is annually assessed by a third party as part of our internal controls.

In the event of a major or potential compliance violation that would significantly affect the Group or a Group company, the compliance officer of the relevant company will immediately notify the Group Compliance Officer. After receiving this report, the Group Compliance Officer will proceed to report on the event to the Internal Control Committee, chaired by the President, and members of the Managing Board and Audit & Supervisory Committee. We will also disclose information on events that require it in accordance with information disclosure regulations.

There were 19 ethics incidents in fiscal 2024, but no serious violations.



### Whistleblowing System

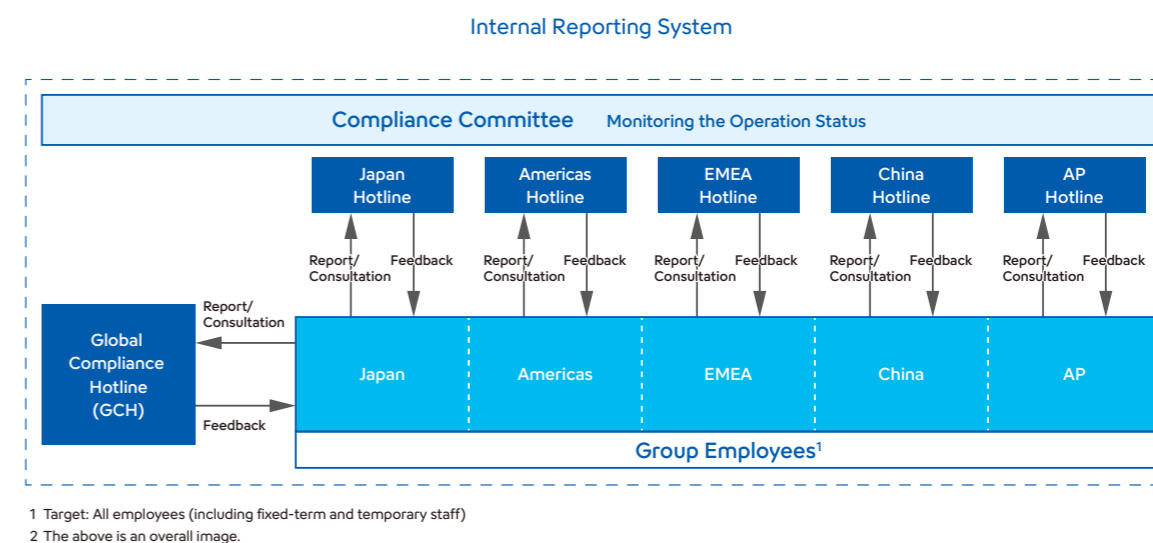
Sysmex has built a global system whereby all the employees of the Group can consult or report on compliance issues, including bribery and human rights abuses. Specifically, in addition to the whistleblowing hotlines placed and administrated by the Compliance Officer of each regional headquarter to accept any reports and consultations from Group employees in each region, the Group Compliance Officer established the Global Compliance Hotline (GCH), through which all Group employees can directly consult with or report to Sysmex Corporation headquarters. These whistleblowing hotlines are operated by the independent external service providers. In the Japan region, consultations and reporting on compliance issues related to the management team can be handled by the Audit and Supervisory Committee members who serve as a whistleblowing hotline.

When accepting a report or consultation regarding a potential compliance violation, the Legal Affairs Department normally takes the lead in investigating the facts. If a compliance violation is confirmed, corrective measures are promptly taken, and preventive measures against recurrence are implemented.

Employees seeking consultation or making reports can remain anonymous through any of these whistleblowing channels. Information received through these channels is handled confidentially. Sysmex prohibits dismissal or any other disadvantageous treatment in any way of individuals for consulting or reporting. If an executive or employee of a Group company violates this principle, disciplinary action will be taken in accordance with the internal rules of the respective Group company and the laws and regulations of the respective country and/or region.

We promote the early detection of compliance violations by disseminating information about such systems to all the Group employees via the intranet and through training.

In addition, the Compliance Committee monitors the operational status of the whistleblowing system. In fiscal 2024, a total of 17 reports were received through the whistleblowing system, from Japan and overseas.



### Compliance Education

#### Providing Education on Compliance

Sysmex views employee education and awareness activities as the foundation of promoting and ensuring compliance, and regularly offers training. During new employee and rank-based training, we take the opportunity to foster an understanding of the Global Compliance Code.

In fiscal 2024, we conducted multilingual global compliance training for all Group employees in accordance with the compliance education policy shared within the Group. This ensures that employees thoroughly understand and consider the importance of compliance, the Global Compliance Code, appropriate responses when a compliance violation is discovered, and other necessary matters.

- [Education regarding Fair Marketing Activities](#)
- [Education and Training on Respect for Human Rights](#)
- [Diversity Education](#)

Governance

Compliance Promotion Initiatives

Anti-Corruption

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

For risk assessments conducted periodically by the Internal Control Committee, compliance violations, including acts of corruption, are recognized as risks, and we are working to reduce them. Per the Corruption and Bribery section of the Global Compliance Code, giving or offering bribes or providing inappropriate entertainment or gifts to public officials, customers, or business partners, or any other practices that may appear to be corrupt, and accepting entertainment, gifts or other things from business partners that go beyond moderation are clearly prohibited. Additionally, the Global Anti-Bribery Regulations applicable to all Group companies cover topics such as specific banned activities (including bribes, facilitation payments, inappropriate entertainment, gifts, benefits, or donations), due diligence for mergers and acquisitions, the provision of education, and management systems. In these ways, we promote initiatives for Group-wide compliance. If a violation of the Global Anti-Bribery Regulations is identified, we promptly implement appropriate corrective measures and preventive measures against recurrence. Disciplinary action is taken against the relevant Group executive or employee in accordance with the internal rules of each Group company and the laws and regulations of the respective country and/or region.

The Managing Board monitors the compliance status and periodically receives reports from the Internal Control Committee regarding initiatives based on the Global Compliance Code and Global Anti-Bribery Regulations.

- ▶ [Global Compliance Code](#)
- ▶ [Anti-Bribery Regulations \(Summary\)](#)

Transparency in Relationships with Medical Institutions

Sysmex has increased opportunities for collaboration with medical professionals and other professionals at medical institutions at every stage of its operations through research and development, production, sales, services and support. Transactions with them must be conducted with high ethical standards. The “Transparency in Relationships with Medical Professionals and Medical Institutions” Chapter of the Global Compliance Code stipulates that appropriate relationships with medical professionals and medical institutions must be established and maintained, and transparency in these relationships must be ensured. Additionally, the Global Regulations on Ethical and Transparent Interactions with Healthcare Professionals and Healthcare Organizations provide for topics such as specific banned activities, collaboration with Group Companies, provision of education, and management systems. We promote initiatives to ensure compliance Group-wide.

In Japan, Sysmex Corporation, a member of the Japan Association of Clinical Reagents Industries, concurs with the philosophy outlined in the association’s “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions” and discloses information regarding funding to medical institutions.

Countries other than Japan have implemented laws that require companies to ensure transparency in their relations with medical institutions (“Sunshine Acts”) and regulations for the medical device industry. In compliance with these laws and regulations, the Sysmex Group reports to government authorities on funding to medical institutions and industry organizations in relevant countries and regions, as follows:

- ▶ [Japan](#)
- ▶ [U.S.](#)
- ▶ [France](#)
- ▶ [Belgium](#)
- ▶ [Netherlands](#)
- ▶ [Portugal](#)
- ▶ [Europe](#)
- ▶ [UAE](#)
- ▶ [Global Regulations on Ethical and Transparent Interactions with Healthcare Professionals and Healthcare Organizations \(Summary\)](#)
- ▶ [Japan Association of Clinical Reagents Industries “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions” \(Japanese\)](#)

Research Ethics

Implementation of Appropriate Research and Development Activities

In the “Appropriate Research and Development Activities” Chapter of the Global Compliance Code, Sysmex stipulates that it must be engaged in appropriate research and development activities while protecting the dignity and human rights of test subjects and complying with relevant laws, regulations, and ethical guidelines in the relevant countries and regions. In accordance with these stipulations, Sysmex conducts R&D activities with high ethical standards. Sysmex has established the “Group Ethics Regulations on Clinical Research and Development” and a Research Ethics Examination Committee, which includes outside members, including legal and scientific experts, to review research content. The list of committee members and deliberation results are disclosed on our website to ensure transparency.

- ▶ [Global Compliance Code](#)
- ▶ [Group Ethics Regulations on Clinical Research and Development](#)
- ▶ [Responses to and Reporting of Unfair Practices in Research \(Japanese\)](#)

Policy on Animal Testing and the Use of Genetically Modified Organisms (GMOs)

In compliance with the laws and regulations of each country and region, Sysmex gives priority to considering alternative methods, limits the number of animals used in experiments to the minimum necessary, and takes sufficient measures to reduce animal suffering. We also ensure strict adherence to relevant national and regional laws and regulations in the use of genetically modified organisms (GMOs) and implement measures to prevent their release in order to avoid adverse effects on biodiversity. All animal experiments are conducted in line with internal regulations that conform to relevant laws and public guidelines. Our Testing Control Committee rigorously considers testing plans to ensure regulatory conformance.

Applicable laws and guidelines include:

- the Act on Welfare and Management of Animals (Ministry of the Environment)
- the Standards Relating to the Care and Keeping and Reducing Pain of Laboratory Animals (Ministry of the Environment)
- the Fundamental Guidelines for Proper Conduct of Animal Experiments and Related Activities in Academic Research Institutions under the jurisdiction of the Ministry of Health, Labour and Welfare (MHLW)
- the Guidelines for Proper Conduct of Animal Experiments (Science Council of Japan)
- the Act on the Conservation and Sustainable Use of Biological Diversity through Regulations on the Use of Living Modified Organisms
- the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases
- the WHO Laboratory Biosafety Manual, 4th edition (2020).

- ▶ [Global Compliance Code](#)
- ▶ [Development of Non-Animal-Derived Products \(Biodiversity Considerations\)](#)

Fair Marketing Activities

In order to regulate our global promotional activities, we have included an ethics code for marketing in the “Anti-monopoly and Anti-competitive Behavior” Chapter of the Global Compliance Code. We have also established Global Regulations for Compliance with Competition Laws. Additionally, we provide guidance on competition laws in our global compliance training.

For activities in Japan, we have formulated the Sysmex Promotion Code. In fiscal 2024, we held training sessions using case studies regarding the promotion code for sales divisions at 65 departments and also conducted compliance training for general employees.

We were also under investigation by the Japan Fair Trade Commission (JFTC) beginning in June 2024 on suspicion of violating the Antimonopoly Act. In February 2025, this investigation was completed after the JFTC certified our commitment plan submitted by us under the provisions of the Antimonopoly Act. While the JFTC’s approval of the commitment plan does not constitute an acknowledgement that we violated the provisions of the Antimonopoly Act, given the fact that we were suspected of such a violation, we will further strengthen our compliance activities, and make every effort to prevent any recurrence of a similar situation in addition to carrying out the commitment plan that was certified.

- ▶ [Global Compliance Code](#)
- ▶ [Sysmex Promotion Code](#)

## Tax Policy

Sysmex has established a “Tax Strategy” in the Global Compliance Code approved by the President with the aim of increasing tax-related transparency. We will appropriately pay taxes according to the spirit of the law and contribute to the economic development of each country and region where we pay taxes. In transactions with foreign affiliates, we appropriately calculate transfer prices and pay taxes in the relevant countries in accordance with the OECD Transfer Pricing Guidelines and the transfer pricing laws of such countries. We will not transfer created value to lower tax jurisdictions, such as tax havens, only to gain a tax advantage or engage in inappropriate tax planning that is not consistent with our business purposes by abusing a tax system that lacks substance.

In addition, we disclose Group payments of taxes in our securities reports and other documents, as well as the reasons for any discrepancies from relevant statutory tax rates.

The Internal Control Committee, chaired by the President, is our governance body responsible for monitoring sustainability risks and opportunities, including tax risks. Important matters related to such risks and opportunities are reported to and, if necessary, discussed by the Managing Board.

▶ [Global Compliance Code](#)

▶ [Sysmex Report \(Operating Results and Financial Analysis\)](#)

▶ [Securities Report](#)

## Tax Strategy in the United Kingdom

▶ [UK Tax Strategy](#)

## Respect for Intellectual Property

In the “Intellectual Property” Chapter of the Global Compliance Code, Sysmex stipulates that all the officers and employees of the Group must respect the intellectual property of third parties as much as the Group’s intellectual property, and handle such intellectual property appropriately. We ensure that all the officers and employees are well informed of this rule and strictly comply with it. When developing new products, Intellectual Property, R&D, and Business Development Department members conduct and discuss global patent reviews for each new project.

▶ [Global Compliance Code](#)

▶ [Intellectual Property \(Japanese\)](#)

## Promotion of Security Trade Control

In the “Security Trade” Chapter of the Global Compliance Code, Sysmex stipulates that it will comply with the export laws and regulations of individual countries and regions and will not be engaged in transactions likely to impede the maintenance of international peace and safety. Sysmex has established the Security Trade Control Committee, which is under the direct control of the President, to prevent illegal exports. It has also assigned people at overseas regional headquarters to oversee security trade control, bolstering our global operational structure. In addition, it provides annual basic e-learning for all employees, as well as lectures on the latest world affairs and laws and regulations, as well as a variety of other types of training, to raise awareness of security trade control.

▶ [Global Compliance Code](#)