



Sysmex

Sustainability Report 2011



We Believe the Possibilities.

About this Report

Editorial policy

Sysmex publishes the annual "Sysmex Sustainability Report" in the hopes of communicating our approaches and activities concerning corporate social responsibility (CSR) to our stakeholders and facilitating dialogs with them.

In this fifth issue, particularly important CSR activities are reported in the Highlight section. Typical activities are introduced for each stakeholder category, and each page lists the titles of related information posted on our website.

Scope of this Report

Period reported

FY2010 (from April 1, 2010 to March 31, 2011). Some activities conducted outside of this period are also included.

Organizations covered

Sysmex Group (Sysmex Corporation and its subsidiaries both in Japan and abroad). For the purpose of this report, "Sysmex" refers to the "Sysmex Group".

Guidelines referenced

- The Japanese Ministry of the Environment's Environmental Reporting Guidelines (2007 ed.)
- The Global Reporting Initiative (GRI)'s Sustainability Reporting Guidelines 2006

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Cautionary statements

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

Supporting the Lives and Health of People Worldwide through Clinical Testing

Sysmex supplies a wide range of instruments, reagents and software for clinical testing, such as hematology and urine analysis, to healthcare facilities around the globe. We employ a highly integrated system for all business operations, starting with R&D, production, sales, and after-sales support in order to continuously enhance the clinical value and usability of our products. Through clinical testing, we help people all over the world enjoy longer, healthier lives.



Creating high-value-added testing and diagnostic technologies

We strive to create high-value-added testing and diagnostic technologies for a wide spectrum of ailments, including blood/immunity diseases, infectious diseases, cancer and chronic disorders.



Ensuring high quality and stable product supply

Our quality control system is extensive and thorough. We have also established a global production system to ensure the stable supply of reagents.



Providing products and services to more than 170 countries

Through our global sales network, we provide high-quality products and services to healthcare facilities in more than 170 countries around the world.



Responding accurately to each and every inquiry

We take special effort to respond accurately to inquiries received through our call center and over the network. We also provide extensive academic support.





Enhancing clinical value

We help to improve the quality of life (QOL) of people everywhere through high-value-added clinical testing and diagnosis for the early detection/prevention of diseases, and for the selection of suitable treatment methods and prediction of post-operative conditions.



Patients

Improving the efficiency and quality of clinical testing

We help laboratories achieve higher efficiency and quality by providing them with easy-to-use products, detailed after-sales support, and optimal solutions for their diverse needs.



Doctors



Clinical technicians

Main Products



Automated hematology analyzer

This is a blood cell counter used for counting red blood cells, white blood cells and blood platelets, and also for analyzing their functions.



Coagulation analyzer

This thrombosis and hemostasis tester is used to analyze the likelihood of blood clot formation and blood clot dissolving functions.



Fully automated integrated urine analyzer

This device is used to examine protein, sugar, presence of blood cells and solids (such as bacteria and cells) in urine.



Gene amplification detector

This device amplifies the genes of cancer cells (breast or colon cancer) using the OSNA method and detects the presence of cancer cell genes.

Pursuing Healthcare Possibilities and Building the Trust and Confidence of People across the Globe

Contributing to the advancement of healthcare

Ever since its founding in 1968, Sysmex has created a wide spectrum of products and services in the diagnostics field based on advanced technologies. Diagnostics play a vital role in healthcare by enabling the early detection of disease, the determination of treatment and the prevention of illness. At present, Sysmex's products are being used at healthcare facilities in over 170 countries around the world.

The healthcare environment is currently undergoing dramatic changes due to changing social structures. In emerging countries, economic development and population growth are rapidly increasing healthcare needs. On the other hand, advanced countries are facing declining birthrates and aging populations, and individual values on health are increasingly diversifying. Sysmex is responding to such changes and striving to create innovative values with the aim of contributing to the advancement of healthcare. We want to respond to the wishes of people across the globe: "to stay healthy".

In fiscal 2010, Sysmex obtained approval from the Ministry of Health, Labour and Welfare of Japan to manufacture and market reagents for the detection of colon cancer lymph node metastasis. By providing more accurate results in a shorter time, this system helps healthcare professionals to make objective and appropriate decisions on post-operative treatment.

Building the trust and confidence of all stakeholders

Sysmex believes that continually building trust and confidence is the basis of fulfilling our corporate social responsibility (CSR). Based on our Group Corporate Philosophy, the "Sysmex Way", and our Core Behaviors, we conduct various activities in an effort to bring solid trust and confidence to our customers, business partners, employees, shareholders, and other stakeholders. In addition to contributing to the health of people around the world, we actively carry out environmental activities and social contribution activities.

In fiscal 2010, we continuously conducted VQ (Value Quest) Activities, through which all of our employees worldwide think about and propose ways to further strengthen our abovementioned efforts. For example, we have participated in the Kobe Medical Industry Development Project and continued to provide support

to social contribution activities carried out on a global scale by NPOs and NGOs who work actively in the fields of healthcare, education and the environment. In fiscal 2010, we decided to become the special sponsor of the "Kobe Marathon 2011", which will take place in Kobe in November 2011, concurring with the purpose of the event: "To express gratitude to everyone who supported the recovery after the Great Hanshin-Awaji Earthquake".

Participating in the United Nations Global Compact

In order to further promote CSR activities as a global corporation, Sysmex participated in the United Nations Global Compact in February 2011.

We took this opportunity to reconfirm our social responsibility and to incorporate and implement the UN Global Compact's ten principles in the areas of human rights, labor, the environment and anti-corruption into our activities as a means of further building the trust and confidence of people across the globe.



Promoting Eco-Vision and our mid-term environmental activities

In response to global environmental issues, Sysmex formulated the Group Environmental Action Plan (Sysmex Eco-Vision 2020) in April 2010. This Action Plan set forth long-term environmental objectives for fiscal 2020.

It also sets targets focusing on reducing the environmental burden in each stage of the product lifecycle, which consists of product design, production, sales, product use and disposal. Through these efforts, we are striving to save energy and resources in our business activities and to actively develop and distribute eco-friendly products and services.

Creating innovative values based on our mid-term management plan

This year, Sysmex formulated a new mid-term management plan. Guided by the new plan, we will strive to further improve the usability of our products, provide high clinical value, and strengthen our response to healthcare needs around the world.

In emerging countries, where the establishment of the healthcare infrastructure is urgently needed, we will provide products and services that meet local healthcare needs, and focus on improving our support systems. In the area of molecular diagnosis pertaining to cancer and other diseases, we aim to create original testing technologies in an effort to contribute to the further advancement of healthcare.

Supporting disaster-stricken areas

We would like to express our heartfelt condolences to all the victims of the Great Tohoku Pacific Earthquake, and our sincere sympathy to those who have been affected by this terrible tragedy including those who were compelled to leave their homes and businesses.

Healthcare infrastructure is an essential and critical factor in disaster recovery. We have provided as much support as possible for the early restoration of devastated healthcare facilities and the healthcare support network through the free use of testing instruments and the provision of reagents.

It is our hope that those affected by the tragedy will be able to return to their normal lives in a relatively short time. We would also like to take this opportunity to express our deepest gratitude for the warm support for disaster victims that arrived from overseas.

We will continue in our efforts to achieve sustainable development of the Group and the global community.

We ask our stakeholders for their continued support and generous understanding of all of our endeavors.



Hisashi Ietsugu
President and CEO



Corporate Philosophy

Sysmex Way

Mission

Shaping the advancement of healthcare

Value

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

Mind

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

Core Behaviors

To our Customers

We deliver reassurance to our customers, through unmatched quality, advanced technologies, superior support, and actions that consistently reflect the viewpoint of our customers.

We constantly look out for our customers' true needs, and seek to generate new solutions to satisfy those needs.

To our Employees

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

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

To our Business Partners

We deliver commitment to our client companies through broad-ranging partnerships.

We strive to be a company that can grow in step with our trade partners, through respect and mutual trust.

To our Shareholders

Our shareholders can rest assured that we will continue to improve the soundness and transparency of our management policies, while promoting information disclosure and close communications.

We commit ourselves to a consistent yet innovative style of management, in order to achieve sustainable growth and increased shareholder value.

To Society

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

Sysmex Employees around the World Put the Sysmex Way into Practice

Promoting VQ (Value Quest) Activities to live up to the Sysmex Way

In order to ensure steady implementation of the “Sysmex Way”, our Corporate Philosophy, in fiscal 2008 we kicked off the VQ Activities, through which each employee is encouraged to propose ideas and discuss with others about how to put the Sysmex Way into practice.

This companywide initiative continued on to fiscal 2010. In response to President Ietsugu’s question, various ideas were received from our employees around the world, and these ideas were then used to form 22 teams, which held a series of discussions that lasted for several months. In the VQ Session held in December, the fruits of these intensive discussions were presented. Attended by some 150 people, including employees of our Group companies in Japan and overseas, the event provided an opportunity for people from different regions and organizations to communicate with each other.

Giving Shape to Various Ideas Proposed by Employees

Some of the ideas for VQ Activities contributed by our employees have already been implemented, including teaching a class at a junior high school in our host city of Kobe and the opening of a “portal site of good working conditions” on the company intranet in fiscal 2009. We have also initiated the following activities.

- Dialogue on work efficiency improvement and work-life balance (see page 20)
- Environment preservation activities by the “Eco Team” formed by Japanese employees (see page 24)
- “Greener Sysmex” activities by employees in the Asia-Pacific region (see page 26)

Going forward, Sysmex will continue VQ Activities such as these aimed at putting the Sysmex Way into practice.

Fiscal 2010 VQ Session





Highlight
1

Automated Detection of Colon Cancer Lymph Node Metastasis Provides Rapid Testing Results



Sysmex's active involvement in creating new cancer testing technologies led to the development of a rapid breast cancer lymph node metastasis testing system (LINOAMP® BC and LYNORHAG® diagnostic reagents, and RD-100i gene amplification detector), which was released to markets in Europe in fiscal 2006 and Japan in fiscal 2008. In fiscal 2010, Sysmex received manufacturing and marketing approval from the Ministry of Health, Labour and Welfare of Japan for applying these reagents to the detection of colon cancer lymph node metastasis.

Providing Vital Information for Post-surgical Therapeutic Principle by Testing for Lymph Node Metastasis

In Japan, cancer accounts for more than 30% of all deaths, and the incidence of cancer is rising each year. Colon cancer is

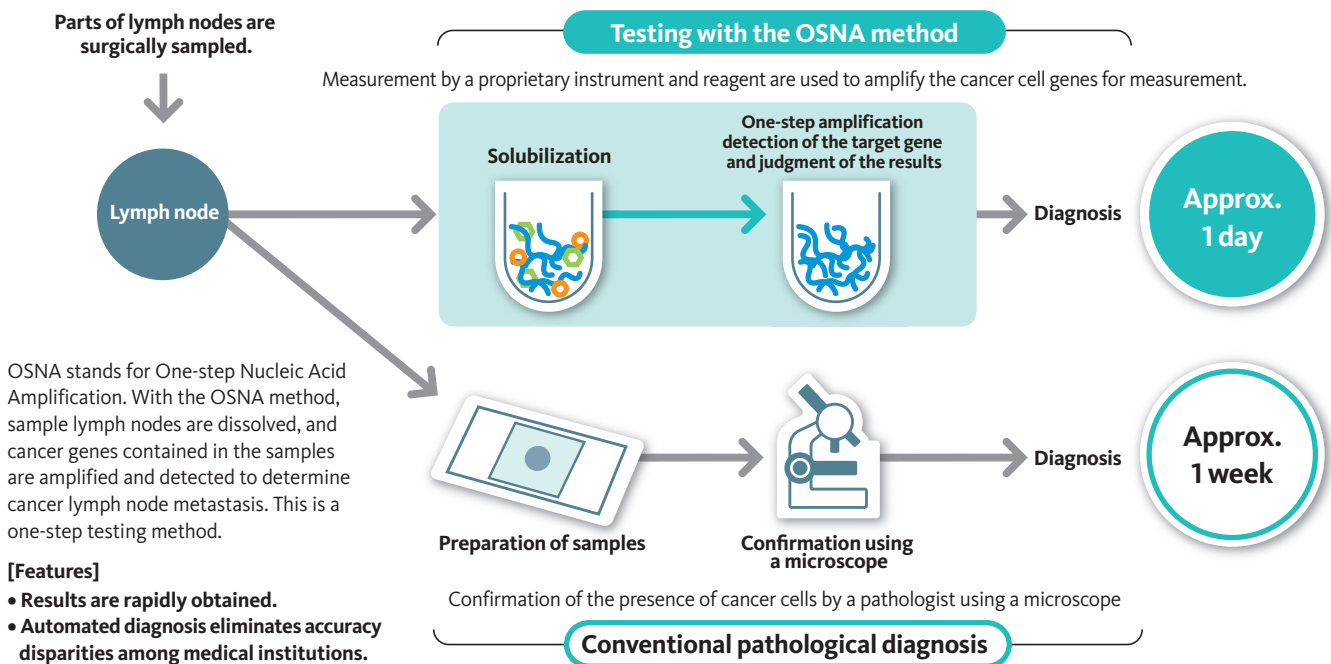
particularly prevalent, along with lung and stomach cancer.

Cancer can spread from its originating site to lymph nodes by lymph fluid called lymph node metastasis, and then to other parts of the body through the process. Diagnosis of cancer metastasis is extremely important for predicting the characteristics and future progression of the cancer. This is also used to determine post-surgical therapeutic principle.

A Detection System for the Fast and Accurate Diagnosis of Lymph Node Metastases that Provides Rapid Results

In the present method of diagnosing colon cancer lymph node metastasis, following a surgery, a pathologist prepares a series of pathological samples from surgically removed lymph nodes, and then views the samples under a microscope to determine whether the cancer has metastasized. However, the need to painstakingly diagnose a large number of lymph nodes places

Colon Cancer Lymph Node Metastasis Detection Based on the OSNA Method



- 1 Research and development of technologies in the life sciences
- 2 Gene amplification detector RD-100i
- 3 Amplification reagent LINOAMP®

a major burden on the pathologist.

A detection system for the fast and accurate diagnosis of lymph node metastases applying the OSNA (One-step Nucleic Acid Amplification) method developed by Sysmex greatly simplifies the testing. While the conventional method takes about a week to provide diagnostic results, the new system has the results ready the day after the surgery.

Also, with the conventional pathological diagnostic method, the process of preparing samples and confirming the presence of cancer cells depends largely on the skill and experience of the pathologist. It is said that this causes the diagnostic accuracy to vary from one medical institution to the next. These differences in accuracy can be eliminated by the widespread use of the automated detection system.

Sysmex will continue to promote this system and will also focus on the R&D that is needed to apply this technology to the detection of lymph node metastasis for other types of cancer, such as stomach cancer.

Nariaki Matsuura

Professor
Graduate School of Medicine
Osaka University



Words from a Stakeholder

I look forward to seeing wider use of the rapid, high-accurate OSNA method.

With its rapidity, the OSNA method has contributed significantly to the treatment of breast cancer. It is now expected to find application in the rapid intra-operative diagnosis of colon cancer. In the case of colon cancer, early recurrence in Stage II is observed in many cases even when the lymph node metastasis diagnosis is negative. Therefore, the accuracy of pathological diagnostic methods in which only parts of lymph nodes are tested is in question. The use of the OSNA method is expected to bring higher diagnostic accuracy to many cases.

In addition, because the OSNA method uses a simple automated system, I believe it can eliminate disparities among medical institutions and contribute to a more standardized form of cancer treatment. I have high expectations for the OSNA method in the clinical treatment of colon cancer.



Highlight
2

Supporting Healthcare Facilities in Developing Countries through the Supply of Instruments



There are many regions in the world where adequate healthcare infrastructures have not been constructed. As a healthcare company operating globally, Sysmex supplies instruments to healthcare facilities in regions such as these, thus minimizing the burden on doctors and clinical technicians and helping patients maintain and improve their health.

Maintaining and improving the health of people in developing countries

Sysmex provides instruments to healthcare facilities in developing countries with the cooperation of various organizations.

In Africa, we have delivered instruments for monitoring the health conditions of HIV patients to healthcare facilities in Senegal, Kenya, Zambia and other countries where the spread of HIV is becoming increasingly serious. In Asia, we have donated

hematology analyzers for diagnosis and treatment use to clinics in Indonesia through an NPO involved in activities to improve the health of mothers and children. To a hospital in Tibet located 3,600 m above sea level, we delivered instrument modified to operate properly under low atmospheric pressure.

Letter of appreciation received in April 2010 for a hematology analyzer delivered to Vanuatu

In April 2010, Sysmex received a letter of appreciation from the Kawasaki North Rotary Club for a hematology analyzer delivered to a hospital in Vanuatu.

Vanuatu is an island nation located in the South Pacific Ocean. In this country, Vila Central Hospital in the capital city is the only general hospital. In other towns, there are only small clinics each staffed with several nurses. The laboratory of Vila Central Hospital tests the blood of about 100 people every day. However, since the number of staff members was limited and microscopes were

Hematology Analyzers Provided in the Past

Senegal



Sysmex provided products to hospitals and Senegal's Ministry of Health and Prevention through JICA (Japan International Cooperation Agency). In recognition of its effectiveness for the country's program to prevent mother-to-child transmission of HIV, our hematology analyzer was certified as an authorized instrument by the HIV National Laboratory.

Zambia



Sysmex provided products to clinics operated by an NGO involved in support activities for socially vulnerable groups in Zambia where the spread of HIV was growing increasingly serious.

Kenya



In response to a request by an NPO working to eliminate HIV, Sysmex provided products to meet the country's need for rapid analysis of the health conditions of patients.

Tibet



Sysmex provided a modified product to a hospital in Tibet at an altitude of 3,600 m which had difficulties in obtaining instrument that would function properly under low atmospheric pressure.

Indonesia



We donated our products to local clinics through an NPO helping to improve the health of mothers and children. Since the power supply is not stable in the country, we also provided solar power generation equipment.



①



②



③

- ① Vila Central Hospital
- ② Letter of appreciation from Kawasaki North Rotary Club
- ③ Presentation of letter of appreciation

used for testing, the testing efficiency had to be improved to meet the demand. The Kawasaki North Rotary Club, which had been promoting a malaria eradication program in Vanuatu, learned this from a local healthcare professional and decided to donate a hematology analyzer. Upon receiving a request from the Rotary Club, Sysmex provided a KX-21 automated hematology analyzer, and set it up in the hospital in July 2009. Sysmex continues to supply reagents and conduct maintenance to support efficient testing at the hospital.

Vila Central Hospital expressed its gratitude via the Kawasaki North Rotary Club, stating that the automatic analysis function provides quickly accurate test data and that the instrument contributes greatly to the healthcare services in Vanuatu. The Kawasaki North Rotary Club also sent its appreciation and stated that the provision of our instrument helped further deepen the relationship with Vanuatu. Sysmex will continue to help solve healthcare issues around the world by providing instruments through its global network.

Noboru Matsunami

Chairman of International Service Committee for 2011 and 2012
Kawasaki North Rotary Club



Words from a Stakeholder

We seek cooperation from companies in the healthcare field

The Kawasaki North Rotary Club began providing healthcare support to Vanuatu 12 years ago. After carefully researching local needs, we donated microscopes and various other instruments. When we learned recently that a hematology analyzer was needed, we contacted Sysmex.

We are very grateful that Sysmex kindly responded to our request by setting up and adjusting an analyzer for use in Vanuatu as well as by providing training to operators. After the analyzer was donated, many people sent us thank-you messages. We are very happy to be of assistance. As our Rotary Club continues to provide support to Vanuatu, we seek cooperation from companies in the healthcare field.

To Become a Trustworthy Company with High Expectations from Society

Sysmex seeks to maximize the corporate value of the Group through enhanced management robustness, better transparency, and improved management speed and efficiency. We also strive to earn greater trust from our global society by ensuring that all of our business activities are conducted openly and aboveboard.

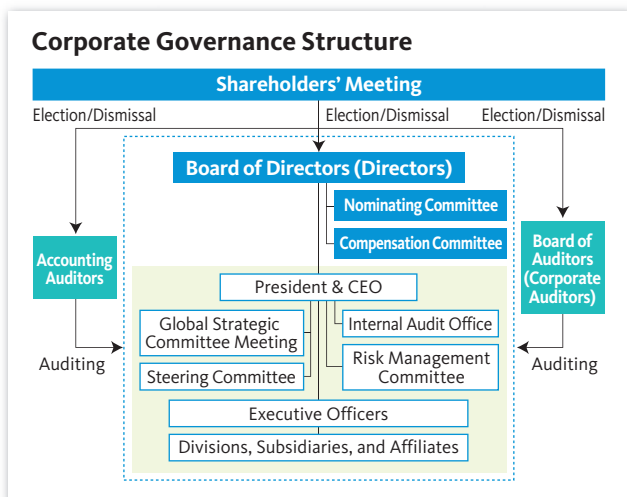
Corporate Governance Structure

To Improve Management Efficiency through Enhanced Management Robustness and Better Transparency

Sysmex considers reinforcing corporate governance to be one of its most important management priorities. We believe that enhanced management robustness, better transparency, and improved management speed and efficiency will help us to maximize the overall corporate value of the Group.

The Company's Board of Directors consists of 8 directors, who deliberate on important management issues. The Company has adopted the corporate auditor system, and the Board of Auditors consists of 4 corporate auditors, 2 of whom are external auditors. The corporate auditors supervise the directors' business conduct both independently and objectively. In April 2005, we adopted the executive officer system in order to increase the speed of decision making in the conduct of business and respond quickly to changes in the business environment. A consultative body to the President, the Steering Committee deliberates on important matters concerning the Group's business. Seven out of the 14 executive officers are concurrently directors. The Company has also established the Nominating Committee and the Compensation Committee, which have responsibilities in accordance with the "Companies with Committees" system.

In order to protect stakeholders' interests, we have established regulations concerning insider trading, personal information protection, compliance, and ethics for clinical research and development.



Internal Control

To Ensure the Appropriateness of Financial Statements

Sysmex is working on the establishment of an internal control system for the entire Group. To expedite this ongoing effort, in November 2008 we laid down Internal Control Regulations concerning Financial Statements and established an Internal Control Committee concerning Financial Statements, a consultative body to the President.

To standardize financial reporting operations within the Group, we began rebuilding our ERP* system in fiscal 2009. In fiscal 2010, we completed its implementation across the Group except for some sites in Europe.

* Enterprise Resource Planning. A method / concept for enhancing management efficiency through an integrated approach toward managing an entire enterprise for efficient use of management resources

Risk Management

Promoting Risk Management by Establishing a Dedicated Committee

To control Group-wide risk management activities, Sysmex established a Risk Management Committee, which is chaired by a Risk Management Officer (Senior Managing Officer), the Group's chief executive in charge of risk management.

In fiscal 2010, in order to select priority risks to address during the mid-term management plan, this Committee conducted risk assessment and determined new priority risks.



- Security export control
- Intellectual property management

Compliance

Pursuing “Open and Aboveboard Business Activities”

Sysmex has defined its view of compliance as “respecting laws and regulations and going about our business boldly with a strong sense of ethics”.

In accordance with this definition, we have established a Compliance Code, in which particularly important conformance rules for all executives and employees to abide by are compiled. The Compliance Code has been translated into English, Chinese, German and other local languages for use by subsidiaries and affiliates outside of Japan. We have collected a written pledge to comply with this Code from all employees within the Sysmex Group.

Compliance Code (Excerpts)

1. To Ensure Safety of Our Products and Services to Customers
2. To Promote Fair Dealing and Free Competition
3. To Make Fair and Proper Information Disclosure and to Exercise Complete Information Control
4. To Respect Intellectual Property
5. To Maintain International Peace and Safety
6. To Conduct Proper Accounting and Appropriate Tax Payment
7. To Respect Human Rights and to Improve Occupational Health and Safety
8. To Make Distinction between Public and Private Matters and Not to Do Any Act Involving Conflict of Interest
9. To Maintain Sound Relationship with Society
10. To Preserve the Global Environment

Established in April 2006

Continuously Providing Education on Compliance

Sysmex provides education on compliance for all employees of Group companies in Japan. We have also produced a Compliance Handbook and distributed a copy to every employee in Japan. Furthermore, we provide education on work-related laws and regulations to each department.

For overseas Group companies, we have appointed compliance managers at regional headquarters for the Americas, Europe, China and the Asia-Pacific region. Each Group company provides education to its employees.



Compliance Handbook

Activities During Compliance Enforcement Month

In fiscal 2010, we designated October as “Compliance Enforcement Month”, and intensively conducted a variety of activities during this period to raise employee awareness concerning compliance.

Specifically, we conducted a questionnaire survey with all employees of Group companies in Japan to confirm the progress of improvements pertaining to employee knowledge and the effectiveness of education. We also held a series of lectures and seminars to further raise employee awareness concerning compliance.

Lectures and Seminars Held During Compliance Enforcement Month

Name	Number of participants
Compliance lecture for directors	17 persons
Compliance lecture for (executive) vice president	81 persons
Seminar on copyrights and trademarks (for employees)	380 persons



Compliance lecture for (executive) vice president

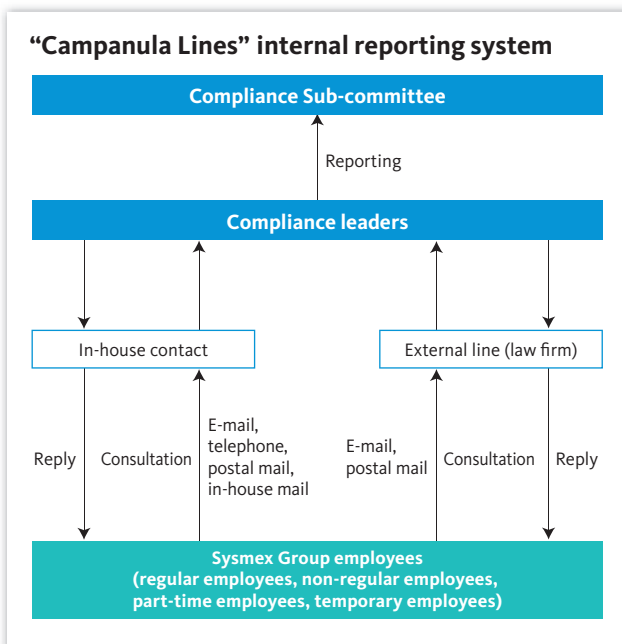


Seminar on copyrights and trademarks

Internal Reporting System

An internal reporting system originally developed for Group companies in Japan, the “Campanula Lines” allow our staff members to seek consultations and file a report via telephone, postal mail or e-mail through two lines (in-house and external). Any information received is handled anonymously to protect the personal information of those providing the information.

We are expediting the introduction of an internal reporting system at our subsidiaries and affiliates outside of Japan. As of January 2011, the system had been introduced to 38 of the 44 overseas Group companies.



R&D Ethics Compliance

Being involved in clinical research and human genome and genetic analysis research, Sysmex Corporation adopted the “Ethics Regulations on Clinical Research and Development and Human Genome and Genetic Analysis Research”, whose basic policies include “respect of human dignity” and “thorough protection of personal information”. The Company also established a “Research Ethics Examination Committee”, which includes outside members such as legal and science experts, in order to review research content.

The list of committee members and examination results are disclosed on our website, thus ensuring transparency.

Group Company in Brazil Obtains SA8000*1 and OHSAS18001*2 Certification

In fiscal 2008, our affiliate Sysmex do Brasil Indústria e Comércio Ltda. began their initiative to acquire certification for Social Accountability 8000 (SA8000)*1, an international standard for the protection of workers’ fundamental human rights, and has since briefed their employees and business partners on this standard.

In fiscal 2010, the company obtained SA8000 certification as well as certification for OHSAS18001*2, an international standard for occupational health and safety management systems.

*1 SA8000: Created by an American CSR assessment body based on the International Labor Organization (ILO) conventions, Universal Declaration of Human Rights, and the United Nations Convention on the Rights of the Child.
 *2 OHSAS18001: Published in 1999 based on the BS8800 standard, which was developed by the British Standards Institute (BSI) in 1996, by a team consisting of some 30 certification bodies and standardization organizations in various countries.



Certification project team at Sysmex do Brasil Industria e Comercio Ltda.

Educational Campaign for the Prevention of Corruption

In fiscal 2008, Sysmex Corporation established a Sysmex Promotion Code (SPC), which stipulates the core behaviors for preventing bribery and other inappropriate acts and maintaining fair trade. At the same time, the Company established a Fair Trade Promotion Committee, under which three Sub-committees are placed in charge of “training and guidance”, “investigation”, and “auditing”.

In fiscal 2010, seminars continued to be organized and held for employees involved in sales and service activities, including those from Group companies in Japan and those from R&D who deal with public agencies.

Promotion of CSR Activities

Participation in the United Nations Global Compact

To demonstrate our increased emphasis on activities pertaining to CSR, Sysmex expressed its intention to participate in the United Nations Global Compact and was officially registered on February 22, 2011.

The UN Global Compact sets forth ten principles that companies and organizations should abide by. It was originally proposed by UN Secretary-General Kofi Annan in an address to the World Economic Forum in January 1999. Then, in July 2000, it was officially adopted by the United Nations Headquarters in New York. The UN Global Compact asks participating companies and organizations to embrace, support and enact ten principles in the areas of human rights, labor, the environment and anti-corruption. The number of participating companies and organizations total 8,800 worldwide, and more than 125 in Japan (as of the end of December 2010).

Through participation in the Global Compact, Sysmex deepens its understanding of the social responsibility that it must fulfill through business activities and also incorporates the ten principles pertaining to human rights, labor, the environment and anti-corruption into its corporate activities in a bid to build trust and confidence to people all around the world.



The UN Global Compact's Ten Principles

Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and
	2. make sure that they are not complicit in human rights abuses.
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	4. the elimination of all forms of forced and compulsory labor;
	5. the effective abolition of child labor; and
	6. the elimination of discrimination in respect of employment and occupation.
Environment	7. Businesses should support a precautionary approach to environmental challenges;
	8. undertake initiatives to promote greater environmental responsibility; and
	9. encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.

Reorganizing the Structure for Promoting CSR

In fiscal 2010, Sysmex established a new CSR Division in order to aggressively fulfill its corporate social responsibility. Placed under the CSR Division are the CSR Promotion Department (formerly the CSR Promotion Division) and the Risk Management Department. With this organizational structure, we will promote CSR activities that also encompass risk management.

We also began examining Sysmex's priority CSR issues in fiscal 2010.

Holding CSR Opinion Exchange Meetings

Sysmex holds CSR opinion exchange meetings with the CSR Promotion Department (formerly the CSR Promotion Division) and managers of various divisions and facilities.

In fiscal 2010, a total of six meetings were held. Participants exchanged information on the progress of Sysmex's CSR activities and discussed future activities.



Opinion exchange meeting held at the Tokyo Office



Opinion exchange meeting held at the Osaka Branch

In Pursuit of Superior Quality and Satisfaction That Go Beyond Customers' Expectations

While attending to constant improvement of the quality of our products and services, Sysmex is working hard to create a system that allows us to ensure that customers can confidently use such products with safety and ease. We sincerely wish to offer satisfaction that more than meets their expectations by deepening our understanding of “what customers truly want”.

Quality Assurance

Quality Policy

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

Core behavior

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

Established in May 2007



Global QA Meeting in fiscal 2010

Ensuring Product Quality

Used for clinical testing, Sysmex's products play a vital role in protecting people's lives and good health. Being fully aware of this responsibility, Sysmex is making constant efforts to maintain and improve product quality by building various systems, not to mention complying with safety standards around the world in the design and development stages. In the product development stage, we verify product quality by setting five “quality gates” in the process leading up to market launch.

When we market products that are manufactured by others, we verify their quality by conducting periodic audits of the manufacturers and meticulously inspecting the products.

Creating a Global Quality Management System

As of March 31, 2011, a total of 27 of the 44 Group companies were qualified for the ISO 9001 international standard for quality management systems, with all of the companies involved in development and production being certified.

In fiscal 2009, we newly established a “Sysmex Corporation Quality Compliance Policy”. In this Policy, we reaffirmed the laws, regulations, and in-house rules that we must comply with in order to maintain product quality and achieve customer satisfaction, and clearly defined systems and activities designed for conformance with them. At the same time, we developed procedures for global internal auditing, which is conducted to ensure the steady implementation of such systems and activities. In fiscal 2010, we conducted an audit of our factories in China and Singapore.

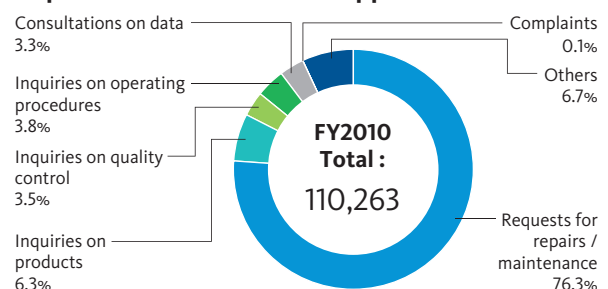
In addition, we hold a Global QA (Quality Assurance) Meeting each year where managers of quality management systems from Sysmex Corporation in Japan; the regional headquarters in the Americas, Europe, China, and the Asia-Pacific region; and affiliates gather to share information as a means of strengthening the global Sysmex quality assurance system.

After - Sales Support

For Responding to Inquiries both Rapidly and Responsibly

In Japan, Sysmex Corporation maintains a Customer Support Center, where experienced staff members with expert knowledge cater to customers 24 hours a day, 365 days a year (separate contract necessary).

Inquiries to the Customer Support Center



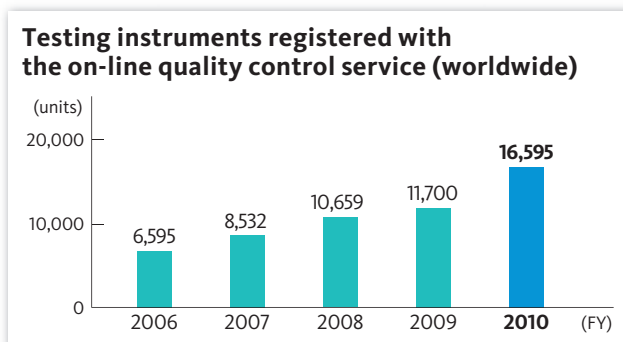
- Ensuring Product Safety
- The Fight against Counterfeit Reagents

By creating a database containing maintenance histories and the details of past inquiries from customers to ensure quick reference, the Center responds to inquiries and requests both quickly and carefully. We also maintain customer service contacts at our regional headquarters in the four regions outside of Japan (the Americas, Europe, China, and the Asia-Pacific region).

Supporting Customers' Quality Control on a Daily Basis

At hospitals and other healthcare facilities, the accuracy of instruments is controlled to consistently maintain the reliability of testing data. The condition of their instruments is checked by comparing the measurement results of special reagents known as "control samples" with results from the previous day.

Sysmex Corporation supports customers' quality control by offering such control samples. Customers' instruments are connected to the Customer Support Center via our on-line Sysmex Network Communication Systems (SNCS). Measured values of control samples sent via the SNCS from customers' instruments are received by the Customer Support Center, which checks to see if anything is wrong and then sends its analysis back to the customers. The SNCS also helps customers to prevent instrument failure, as it detects signs of problems even before customers have become aware of them. Going forward, we will further advance this "prediction" and "prevention" support service and strengthen our remote maintenance support by utilizing networks to cope with malfunctions.



Preparing Instruction Manuals That Are Easy to Understand

Instruction manuals that show users how to operate instruments

in an easy-to-understand manner are essential for obtaining accurate test data. In fiscal 2010, as a means of making our manuals easier to understand, we revised the arrangement of their chapters to match the user's workflow, and made improvements to the font size and type to achieve easier-to-read print. For some instruments, we have also provided moving pictures on the display to provide users with viewable instruction manuals that make operating methods easier to understand.



Instruction manuals on instrument displays use moving pictures to describe operating methods.

Academic Activities

Holding Scientific Seminars for Healthcare Professionals

Sysmex keeps healthcare professionals updated on cutting-edge scientific information by sponsoring seminars and study sessions for doctors, nurses, and clinical technologists. In June 2010, venues in Kobe, Tokyo, Sendai, and Fukuoka were linked by satellite relay to hold the 33rd Sysmex Scientific Seminar under the theme of "The Frontiers of Genetic Testing".

The 13th Sysmex Scientific Seminar in China, which was held in October 2010, set a new record in participation with more than 800 people attending.



Sysmex Scientific Seminar in China

Supporting Self-realization and Growth

Aspiring to be a “company where each and every employee works on his or her own initiative, without any fear of taking up challenges”, Sysmex provides employees with opportunities for self-fulfillment by equitably evaluating and rewarding them for their accomplishments and offering a diverse range of human resources development programs. We also strive to improve the workplace environment so that diverse individuals can concentrate on their work with confidence.

Treatment / Employment

Equitably Evaluating Personnel Based on Abilities and Accomplishments

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

Sysmex’s personnel management system is based on the idea that “Sysmex, a global company based in Japan, promotes the development and cultivation of diverse skills of employees based on long-term employment, and rewards employees for their abilities and accomplishments, which in turn contribute to the enhancement of corporate value”.

Basic Principles of the Personnel Management System

1) Ensuring long-term employment

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

2) Promoting the development and cultivation of diverse employee skills

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

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

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

Holding Company Information Sessions and Employment Interviews on the Internet

Sysmex Corporation recruits new employees based on the evaluation of individuals, regardless of their gender, nationality, age or disability. In fiscal 2010, we began holding company information sessions and employment interviews on the Internet so that students studying abroad would not have to interrupt their studies for job hunting.

We are also actively hiring temporary employees and contract employees as full-time employees. In fiscal 2010, we employed ten such employees.

Human Resources Development

Focusing on HR Development on a Global Basis

Sysmex Corporation offers a wide variety of training programs that are designed to help employees develop their skills and

increase their job satisfaction.

In fiscal 2010, we set employees’ first three years at the company as a compulsory training period and expanded our human resource development programs for new employees in order to provide basic business knowledge and improve their skills. In fiscal 2011, we initiated various training programs for managers and mid-level employees with the aim of improving their management capabilities and fostering personnel capable of working competently in a global business environment.

Health and Safety Considerations

Maintaining and Improving Both Physical and Mental Health

Sysmex Corporation encourages its employees to undergo thorough physical examinations and cancer tests for women, in addition to regular health checkups, for the early detection of illness.

To improve employees’ mental health, the Company established a health consultation contact throughout the company, where employees can have face-to-face visits with industrial psychiatrists, public health nurses, and counselors.

Supporting Employees in Striking a Balance between Work and Family

Offering Various Systems for Childcare Support

Sysmex Corporation offers childcare leave and shorter work hour systems to ensure that parents can spend as much time together with their children as possible. To further support employees’ childrearing, we allow employees to take reserve paid leave days when necessary to attend to sick children. In addition, in order to provide employees who were forced to suspend their career paths due to child raising with opportunities to resume their work, we offer a “reemployment system”. These support systems are explained explicitly on a special site on the company intranet.

We have also established the “Sysmex Kids Park”, an in-house daycare center for pre-school children. This facility offers both full-time and short-term daycare.

Users of work and family support systems (as of the end of March 2011)

System	Number of users
Shorter work hour system	14 users
Leave of absence system (childcare leave, childbearing leave)	37 users
Reserved paid leave system	5 users
Reemployment system	0 users, 6 registered users
In-house daycare center	17 children

- Breakdown of employees
- Occupational health and safety
- Cooperation between labor and management

VQ Activities

Promoting Dialogue on the Subjects of Work Efficiency Improvement and Work-Life Balance

The “Team for pursuit of work efficiency through innovative thinking”, which was formed in fiscal 2009, discussed ways to raise the awareness of work efficiency improvement and work-life balance based on the slogan “Smart Work, Smiling Life”. In May 2011, we invited Naoko Mohri, who works on job diversity and extended work hour reduction systems at Senjukai Co., Ltd., and hosted a discussion with team members.

In this discussion, Ms. Mohri introduced the efforts of Senshukai for reducing extended work hours and promoting a better work-life balance. Participants then discussed how

the in-house lectures and workshops planned by the team at Sysmex could effectively raise the awareness of work efficiency improvement and work-life balance. Ms. Mohri stressed the importance of continuous efforts for raising awareness, and proposed posting case studies of work-life balance improvements achieved by employees.



Comment of Naoko Mohri (Senshukai Co., Ltd.)

In fiscal 2010, Senshukai organized a committee to address the creation of sound work environments through the “reduction of extended working hours in tandem with the improvement of work quality”. The committee repeated the process of “grasping the nature of issues”, “steadily implementing improvement measures” and “disclosing information”. I was inspired by Sysmex’s voluntary VQ Activities. I will continue to advance these activities. Thank you.



Naoko Mohri
Diversity Promotion Team
Human Resources Dept.
Management Planning Division
Senshukai Co., Ltd.

Comments of “Team for pursuit of work efficiency through innovative thinking”

Yukako Kishimoto (Team Leader)
Human Resources and General Affairs Division

Many books have been published on the subjects of work efficiency improvement and work-life balance, but listening to a person actually involved in carrying out such measures at a company provided me with many ideas that will help me improve the plan drafted by our team, which I could not learn from reading books. I intend to use the information in the activities conducted by our team in the future.

Yasuhiro Sakai
Technology Development Division

I learned that Ms. Mohri has been working on the same issues as those that we extracted. Much of the information provided by Ms. Mohri can be applied to our VQ Activities. The session was very informative.

Shunsuke Hazama
Technology Development Division

I realized that improvement of work-life balance can be achieved by promoting small changes in the awareness of each employee.

Shinya Tabuchi
Corporate Business Planning Division

I gained good advice on the issues that we encountered in conducting VQ Activities. I would now like to put this into practice.

Arisa Nakamura
CSR Division

It was very informative to learn about concrete work efficiency improvement measures. I would like to incorporate these measures into our activities.

Mai Morita
CSR Division

Information concerning the efforts of another company for improving work efficiency serves as a very useful reference. I would like to use what I have learned in our future activities.



Back row from left: Shunsuke Hazama, Arisa Nakamura, Mai Morita and Shinya Tabuchi
Front row from left: Yasuhiro Sakai, Naoko Mohri and Yukako Kishimoto

Enduring Relationships of Mutual Trust

• Strengthening partnerships in technological development

Systemx hopes to grow and develop along with its suppliers and distributors. By building partnerships that are based on mutual trust, while maintaining fair and transparent trading, we strive to supply superior products that contribute to healthcare.

Relationships with Suppliers

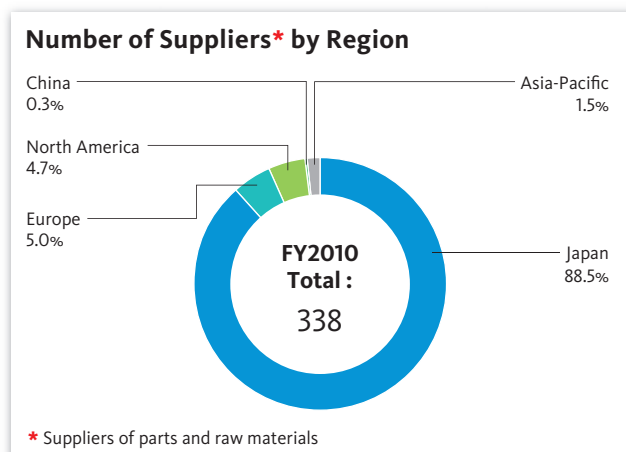
Procurement Policies

- To contribute to healthcare through the supply of superior products
- To achieve mutual growth and development based on mutual trust with business partners
 - Better partnerships
 - Fair, transparent procurement
 - Compliance with applicable laws, confidentiality
 - Environmental considerations

Aiming to Improve the Quality of Supplied Parts and Raw Materials

In order to supply top quality products to customers in a stable manner, it is essential to maintain and improve the quality of supplied parts and raw materials. Toward this end, Systemx supports quality assurance of its suppliers in various ways, such as providing them with checklists by which they can self-examine their own quality management systems, and sending Procurement and Quality Management members to suppliers' manufacturing plants to assist them in improving quality on the shop floor.

We prepared a Quality Agreement that defines the quality requirements, and have been encouraging suppliers to sign this agreement since fiscal 2009. By the end of fiscal 2010, the Kakogawa Factory had concluded the agreement with 115 out of 148 suppliers that it regularly procures parts and materials from. Systemx has also produced and distributed guidelines aimed at deepening the overall understanding of the agreement.



Purchasing Policy Briefing

The annual Purchasing Policy Briefing is an opportunity for us to meet with suppliers and brief them on the course of our business and purchasing policy, thereby forging even stronger relationships with them.

At the briefing held in February 2011, we described our business activities, mid-/long-term strategies and purchasing policy to about 370 people from 220 suppliers.



Purchasing Policy Briefing

Strictly Observing the Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors

In order to comply with the Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors, Systemx provides education through companywide e-learning. In addition, we have established an electronic purchasing system to prevent unreasonable payment reductions and refunds. We also provide training to new employees who use the system.

In fiscal 2010, 25 employees underwent this training.

Relationships with Distributors

Focusing on Compliance — A Key Issue

Systemx rigorously ensures compliance in order to build sustainable and fruitful partnerships with its distributors. We oblige employees to not abuse any dominant bargaining position, offer excessive entertainments or presents, or the like when dealing with distributors.

At the same time, we take advantage of the opportunities presented by product briefings, which are held on occasions such as new launches, in order to share our policies and activities with our distributors so that we may help them to deepen their understanding of the importance of compliance. In fiscal 2008, we bolstered our drive to prevent corruption by establishing a Systemx Promotion Code (SPC) in an attempt to involve distributors in the initiative to maintain fair business.

Interaction through Frequent and Varied Communications

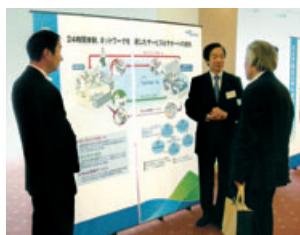
Sysmex aims to sustain its growth by striking a balance between returns to shareholders and investment in growth opportunities. In order to achieve a greater understanding of our management and business operations among shareholders and other investors, we actively promote external information disclosure and direct interaction.

General Meeting of Shareholders

Informal Meeting with Shareholders

Sysmex encourages as many shareholders as possible to attend the General Meeting of Shareholders, which is an opportunity for us to interact directly with our valued shareholders. After the General Meeting of Shareholders, we hold an informal meeting with shareholders to further promote interaction. In fiscal 2010, we explained our activities in seven areas, such as environmental conservation activities and R&D in the life science field, and held a question-and-answer session. At the meeting, we also displayed our products and scientific information.

Shareholders who find it difficult to attend a shareholders' meeting may exercise their voting rights by mail or via the Internet. We also issue an English version of the notice of convocation and notice of resolutions.



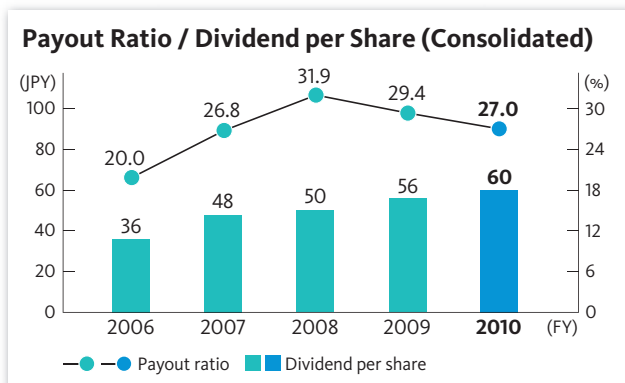
Information meeting to promote interaction with shareholders

Dividends

Working toward Stable Dividend Payment

Our basic policy on returning profits to shareholders is to ensure a regular level of stable dividends, with such distributions being backed up by successful business performance, while also taking into account our consolidated earnings results and payout ratio.

In order to sustain high growth into the future, we ensure that our internal reserves are put to efficient use for R&D and capital expenditures.



Information Disclosure

Further Enhancing Information Disclosure

Sysmex makes it a rule to disclose any information that we believe will affect investment decisions in light of our own standards, as well as to observe applicable laws and regulations concerning securities trading and the Rules on Timely Disclosure of Corporate Information by the Issuer of Listed Security and the Like established by the Stock Exchange.

In addition to biannual briefings on financial results (after year-end and after the second quarter), Sysmex has, since fiscal 2010, held a conference call following the announcement of business results for the third quarter in an effort to further enhance information disclosure.

Investor Relations

A Key Tool for Direct Interaction

Sysmex creates as many opportunities as possible to directly interact with its investors and share management policies, business strategies, and the like with them. In fiscal 2010, we held a total of 300 one-on-one meetings with institutional investors and analysts around the world.

In fiscal 2010, we held informational meetings with private investors in Tokyo and Kobe, together with other companies.

Honored with the Gold Award in the World's Largest Annual Report Competition

Sysmex's 2009 Annual Report received the Gold Award in the Health Care (Equipment and Supplies) Class of the "2009 Vision Awards", the world's largest annual report competition held by LACP (League of American Communications Professionals LCC) and participated by more than 4,000 companies in over 25 countries worldwide. The Gold Award is the second highest honor following the Platinum Award.



Gold Award certificate

Contributing to a Global Society

Fully aware of its responsibility as a corporate citizen, Sysmex is actively involved in a range of vibrant corporate philanthropic activities in such areas as education, sports and the environment, as well as healthcare. As a global company, Sysmex has been expanding those activities from Kobe, Japan, where the company was founded to various countries and regions around the world.

Activities in Japan

Healthcare

Participating in the Kobe Medical Industry Development Project

The Kobe Medical Industry Development Project aims to create a focal point among healthcare industries in Kobe through industry-government-academia cooperation. Sysmex established the Sysmex Asano Laboratory at the Translational Research Informatics Center (TRI), one of the core facilities of this project. Under the direction of Dr. Shigetaka Asano (Professor Emeritus, The University of Tokyo, and Professor of the Faculty of Science and Engineering, Waseda University), a leading expert on hematology, we are working on research that will improve the efficacy and safety of cell therapies such as bone marrow transplantation (BMT).

In June 2010, Sysmex received a certificate of appreciation from Kobe City in recognition of its contribution to the Medical Industry Development Project.



Acceptance of the certificate of appreciation for contribution to the Kobe Medical Industry Development Project.

Support for Kobe University

Since fiscal 2004, Sysmex Corporation has contributed funds to a course at the Kobe University Graduate School of Medicine. The course, entitled “Assessment of Clinical Testing”, aims to establish methods of diagnostic testing that are based on scientific evidence in the area of autoimmune diseases.

In fiscal 2010, Sysmex donated funds toward the construction of a hall at the Kobe University School of Medicine. The university has named one part of the facility “Sysmex Hall” in appreciation of the company’s funding support.

Endorsing “Pink Ribbon” to Support Breast Cancer Patients

Since fiscal 2004, we have been continuously endorsing activities organized in the name of Pink Ribbon, and provided cooperation for the holding of symposiums.



Education

Ono Factory Bus Tour

Sysmex International Reagents' Ono Factory was visited by elementary school children and their parents/guardians living in Ono City, Hyogo, who participated in the “Demand Bus Tour” organized by Ono City. After listening to a brief outline of the company, they took a tour of the factory, observing robots and an unmanned warehousing system.



Participants of the bus tour

Receiving Student Interns from Lomonosov Moscow State University

In fiscal 2010, Sysmex received two students from an internship program with Lomonosov Moscow State University in Russia.

The students learned about Sysmex as well as the general corporate culture, organizational structure and management of Japanese companies during their training period of about a month.



Training session



Farewell party

Accepting JICA Trainees

Every year, Sysmex Corporation provides training on the use of instruments to researchers from developing countries who visit Japan on a program offered by the Japan International Corporation Agency (JICA).

- Scientific support
- Support for local communities

Sports

Participating in the First Kobe Marathon as a Special Sponsor

Sysmex is a special sponsor for the first Kobe Marathon, which is scheduled to be held on November 20, 2011, based on the theme of “Thanks and Friendship”.

In addition to providing the bib numbers that the expected 20,000 participants will wear during the race, we will exhibit a booth in the Kobe Marathon EXPO, which is being held concurrently, and will also support Sysmex employees who will volunteer to assist throughout the activities.



Press conference for the Kobe Marathon 2011

Support for Disaster Areas

Providing Support to Earthquake-devastated Areas

Sysmex and other interested companies in Kobe formed a support network, called “Yell from KOBE”, for the areas devastated by the Tohoku Region Pacific Ocean Offshore Earthquake in order to provide support based on their experience of Great Hanshin-Awaji Earthquake as well as restoration activities. In April 2011, each company sent shipments of its products to Kurihara City, Miyagi.



Shipment of relief supplies

VQ Activities

Eco Team's Environmental Preservation Activities

An Eco Team formed by Sysmex employees who are interested in environmental preservation activities has been conducting various activities since fiscal 2008.

In fiscal 2010, the Eco Team carried out a cleaning operation at Suma Beach in Hyogo Prefecture and an afforestation project for Mt. Rokko, also in Hyogo. These activities were also participated by the family members of employees.



Cleaning activity at Suma Beach



Afforestation activity on Mt. Rokko

Overseas Activities

Healthcare

Providing Support to Breast Cancer Patients

Systemex provides support to women fighting against breast cancer by donating funds to Mamazone, a group involved in improving the quality of testing, treatment and post-operative care for breast cancer patients.



Presentation of donation

\$30,000 Donated to Cancer Fighting Organizations

Systemex America has been supporting five organizations that support cancer eradication activities in order to fulfill a mission aimed at improving the health of people around the world. In fiscal 2010, Systemex donated total of \$30,000 to these organizations.

Education

Holding a "Go Green!" Workplace Tour for Children

In August 2010, Systemex America held a workplace tour for children. Under a banner proclaiming "Go Green!", Systemex America invited 37 children ranging in age from 6 to 12 and provided opportunities to plant flowering plants, build birdhouses and conduct other activities for enhancing their global environment protection awareness.



Children participating in the tour program

Supporting a Healthcare Research Project

Systemex India is a sponsor for awards presented to local hospitals that make excellent research achievements.

In Calcutta, the company contributes to the development of healthcare education through a healthcare research program.

Donating Funds for the Renovation of a Hospital for Children with Serious Diseases

Systemex New Zealand donated funds to a hospital that actively treats children with serious diseases. The funds were used to renovate examination rooms and rooms for patients and their families.

This has helped patients receive treatment in a more comfortable environment.



Donation presented as a "Christmas gift"

Providing Support to Schools in Liberia through an NPO

In fiscal 2010, Systemex Europe provided funds for procuring uniforms, classroom chairs, etc., for school children through Bong Aid, an organization involved in helping children receive education in the Republic of Liberia in Africa.



Children at one of the schools receiving aid

Visiting Children in an Orphanage

In fiscal 2010, employees of Systemex Malaysia and their families visited an orphanage in Kuala Lumpur to help cheer up the children at the facility.



Children at the orphanage

Support for Disaster Areas

Providing Support for Flood-damaged Areas

Large-scale floods occurred in Thailand in October 2010. Sysmex Thailand sent food, beverages and water to the flood-damaged areas, and also encouraged employees to volunteer for restoration activities.



Shipment of food and water to disaster areas (Thailand)



Daily commodities sent to disaster areas (New Zealand)

Daily Commodities Donated to Earthquake-stricken Areas in New Zealand

A large earthquake occurred in Christchurch, New Zealand, in February 2011. Sysmex New Zealand sent daily commodities to the earthquake-stricken areas, in addition to relief money.

Moreover, some employees made their homes available to refugees and supported the people in the disaster areas.

External Evaluation

Earning the Companies That Care Award

In fiscal 2010, Sysmex America was placed on the Companies That Care Honor Roll for the third consecutive year. This annual award honors companies that exhibit the characteristics of a “Companies That Care”, through activities such as social contributions and good work environments.

VQ Activities “Greener Sysmex” Activities

Group companies in eight countries in the Asia-Pacific region have formed a team that energetically conducts environmental preservation and local social contribution activities with the slogan of “Greener Sysmex”.

In fiscal 2010, the team cooperated in a charity event for the protection of endangered species in Singapore, New Zealand and Thailand. In the Philippines, it conducted afforestation activities.



Preparation for a charity event for the protection of endangered species (New Zealand)



Panel introducing “Greener Sysmex” activities



Afforestation activities (Philippines)

Setting Long-term Objectives and Helping to Reduce Environmental Impact

Moving ahead to become an “environmentally-advanced company” in the healthcare sector, Sysmex makes efforts to reduce the environmental impact which may result from each stage of our business activities, from product design, development, procurement, and production, to logistics, sales, support, and product usage, in the pursuit of harmony with the global environment.

Environmental Management

Environmental Policy

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

Core behavior

1. We deliver reassurance to all people by carrying out business activities in an environmentally conscious manner.
2. We strive to provide eco-friendly products and services while giving careful thought of environmental issues throughout their life cycles.
3. We strive to conserve energy and resources, reduce wastes, promote recycle and properly control chemical substances in all business activities.
4. We comply with all applicable national or regional environmental regulations, standards and agreements.
5. We continually improve our environmental conservation activities and work diligently prevent pollution and minimize the impact our products have on the environment.
6. We contribute to society through environmental conservation activities as a member of the community, while educating and raising the environmental consciousness.
7. We establish environmental objectives and targets consistent with this environmental policy, and measure our performance against them.

May 7, 2009
Hisashi Ietsugu
President & CEO

The Environmental Policy was formulated in March 2000, and amended in May 2009.

Promoting Environmental Activities

Sysmex Corporation and Sysmex International Reagents Co., Ltd. are in charge of establishing policies and plans, managing the progress of planned activities, and evaluating their results as members of the Environmental Management Committee chaired by the executive officer in charge of CSR.

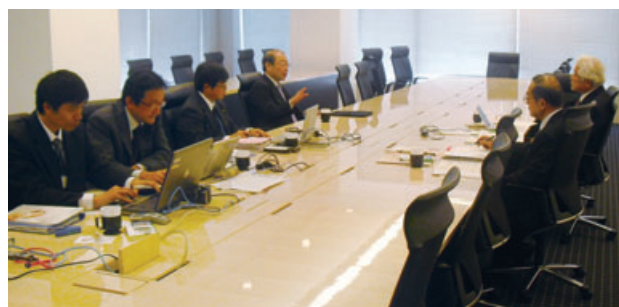
In April 2010, Sysmex formulated the Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020), which sets long-term environmental objectives toward the target year of fiscal 2020.

In fiscal 2010, in order to grasp further the entire Group’s environmental activities, Sysmex appointed an environmental manager in each Group company in Japan and overseas, thus establishing a system to collect activity information and performance data.

Environmental Auditing

In fiscal 2010, Sysmex Corporation and Sysmex International Reagents Co., Ltd. evaluated overall compliance through a series of self-assessments conducted by individual divisions themselves and internal environmental auditing performed by auditors in other divisions. External environmental auditing was also carried out by a third-party auditing organization.

The internal environmental audits found three nonconformities, while the external environmental audits discovered two nonconformities. Measures for rectifying these nonconformities were promptly completed.



External environmental auditing

External Evaluation

In October 2010, Sysmex was honored with the Kobe City Award for Distinguished Environmental Activities in recognition of its continuous environmental activities lasting more than ten years.

Sysmex International Reagents’ Ono Factory was designated as a model facility for waste reduction and recycling in the “Kitaharima Operation Forum for 20% Waste Reduction” held by the Kitaharima Bureau of the Hyogo Prefectural Government in November 2010.



Kobe City Award for Distinguished Environmental Activities

Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020)

Sysmex Eco-Vision 2020 Long-term Environmental Objectives (for Fiscal 2020)		Activities/Achievements in Fiscal 2010
Global warming countermeasures	Reduce the power consumption of diagnostics instrument by 25% (in comparison with conventional models)	<ul style="list-style-type: none"> • 20% reduction of power consumption in hematology analyzers scheduled for release in FY2011 from conventional models
	Reduce greenhouse gas emissions at business offices by 50% (per unit of consolidated sales)	<ul style="list-style-type: none"> • Upgrading of compressors for refrigeration equipment and all air conditioner to eco-friendlier units (Seishin Factory) • Upgrading of all air conditioners to eco-friendlier units (Ono Factory, Sysmex RA) • Installing a photovoltaic system (Sysmex Europe, Neumünster Factory) • Rooftop construction and heat shielding curtains for improved heat insulation (Kakogawa Factory)
	Reduce domestic carbon dioxide emissions for logistics by 11% (per unit of parent-only sales)	<ul style="list-style-type: none"> • Changing the mode of transportation for products from Hyogo Prefecture to Hokkaido from trucks to trains (modal shift)
	Set a target of reducing global carbon dioxide emissions for logistics	<ul style="list-style-type: none"> • Establishing CO₂ emission calculation rules for distribution of products between Japan and other regions (Americas, Europe, China, Asia-Pacific region), and implementing calculations based on the rules
	Reduce carbon dioxide emissions from domestic company cars by 50% (per unit of domestic sales)	<ul style="list-style-type: none"> • Commencing the collection of data of driving distances and gasoline usage. • Provision of eco-drive training. • Examining a switchover to hybrid vehicles and fuel-efficient compact cars with less environmental impact
Effective use of resources and waste reduction	Reduce domestic materials for containers and packaging for products and packing for transportation by 15% (per unit of parent-only sales)	<ul style="list-style-type: none"> • Reducing product packaging materials • Promoting to reduce packing materials for transportation and use of lightweight pallets
	Set a global target of reducing materials for containers and packaging for products and packing for transportation	<ul style="list-style-type: none"> • Compiling data on the weight of packaging and packing materials used by the entire Group (for FY2008 and FY2009)
	Reduce waste, etc. emissions at business offices by 15% (per unit of consolidated sales)	<ul style="list-style-type: none"> • Installing garbage disposers for processing of raw garbage generated by company cafeterias and cut grass generated by mowing (Solution Center, Seishin Factory) • Enlarging raw material containers and using returnable containers with the cooperation of raw material suppliers (Kakogawa Factory, Ono Factory, Sysmex Europe)
	Domestic: Achieve a recycle rate of 99% or higher at all business offices covered Overseas: Achieve a recycle rate of 95% or higher at all business offices covered	<ul style="list-style-type: none"> • Expanding the waste sorting range, reviewing waste disposal companies
Effective use of water resources	Reduce water usage at business offices by 30% (per unit of consolidated sales)	<ul style="list-style-type: none"> • Upgrading water purifying equipment to improve water purifying efficiency (Ono Factory) • Upgrading refrigeration equipment from a water cooling type to an air cooling type to reduce water consumption (Seishin Factory) • Utilizing water used in factory for watering trees and plants to reduce water consumption (Sysmex India)
Others	Develop products with no animal-derived ingredients	<ul style="list-style-type: none"> • Promoting a switchover of protein raw materials used in reagents from animal derivatives to artificially synthesized protein
	Develop paper containers for reagents	<ul style="list-style-type: none"> • Installing filling equipment and others in reagent factories to change petroleum-derived containers to paper bags
	Establish and operate guidelines for eco-friendly designing	<ul style="list-style-type: none"> • Investigating regulated chemicals in various countries in order to reflect them in the draft of guidelines for eco-friendly design
	Achieve an environmental management system development rate of 100% for major suppliers	<ul style="list-style-type: none"> • Implementing awareness-raising activities for raw material suppliers toward the acquisition of certification for environmental management standards
	Obtain the ISO 14001 certification at business offices covered	<ul style="list-style-type: none"> • Promoting preparation activities toward the acquisition of certification in FY 2011 at Sysmex Europe (head office) and Sysmex India
	Promote eco-friendly service models	<ul style="list-style-type: none"> • Promoting an expansion of SNCS users especially in China and the Asia-Pacific region • Commencing the development of an information system for transferring knowledge and know-how within the Group
	Promote life cycle assessment	<ul style="list-style-type: none"> • Establishing calculation standards for previous hematology analyzer models, and implementation of evaluation

Global Warming Countermeasures

Reducing Power Consumption of Diagnostics Instruments

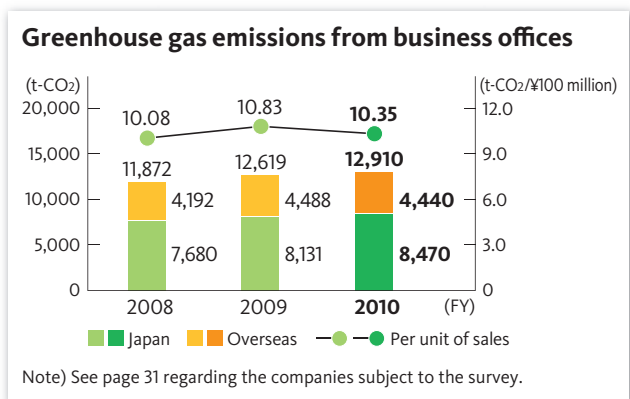
To ensure that our diagnostics instruments provide many years of operation after they are delivered to customers, Sysmex is working to further reduce the power consumption of its products.

Hematology analyzers scheduled to be shipped in fiscal 2011 offer a 20% reduction in power consumption as compared to previous models.

Reducing Greenhouse Gas Emissions at Business Offices

In order to reduce greenhouse gas emissions at our business offices, Sysmex is upgrading the equipment at each site. In fiscal 2010, greenhouse gas emissions were 4.4% lower than in the previous year. (Eco-Vision results: Total emissions per unit of sales)

Sysmex Europe installed a photovoltaic system at its Neumünster Factory in fiscal 2010. Since the system was installed in the middle of the fiscal year, the percentage of electricity generated by the photovoltaic system accounted for only 2.6% of the total electricity used by the factory. Estimates indicate that, when operating year-long, the system will supply 23% of the total electricity required by the factory.



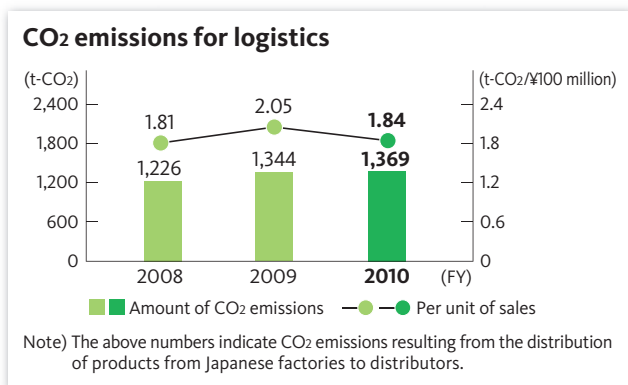
Photovoltaic system (Sysmex Europe)

Reducing CO₂ Emissions for Logistics

Since the rate of CO₂ emissions for logistics is large, Sysmex is addressing the reduction of CO₂ emissions generated by logistics.

In fiscal 2010, we changed the mode of product transportation from Hyogo Prefecture, where our warehouse is located, to Hokkaido from trucks to trains.

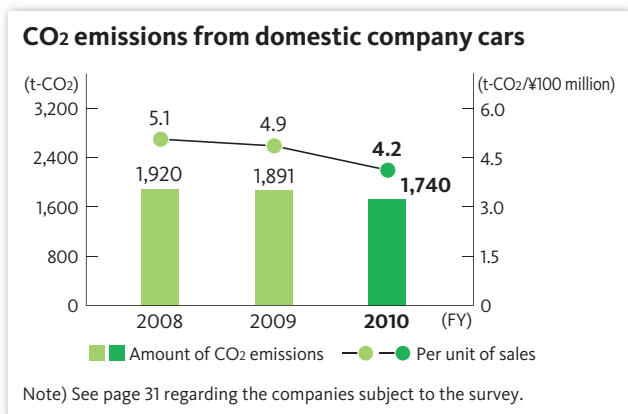
For overseas operations, in fiscal 2010 we established CO₂ emission calculation rules for the transportation of products from Japan to various countries, and performed trial calculations.



Reducing CO₂ Emissions from Domestic Company Cars

To reduce CO₂ emissions from some 400 company cars in Japan, we provided information on the traveling distance and fuel consumption of each vehicle on the company intranet with the aim of raising the drivers' awareness of CO₂ emissions from our company cars.

Reducing the number of vehicles in use lowered the CO₂ emissions from company cars in fiscal 2010. We also plan to switch company cars to eco-cars and promote eco-driving to further reduce CO₂ emissions.



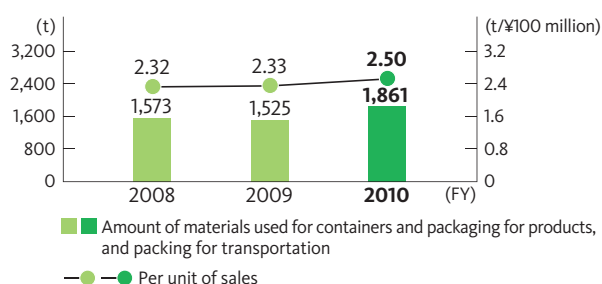
Effective Use of Resources and Waste Reduction

Reducing Materials for Containers and Packaging for Products, and Packing for Transportation

We are working to reduce the amounts of materials for containers, packaging and packing for instruments, reagents and repair parts in an effort to reduce the weight of materials used.

In fiscal 2010, we designed simpler packaging for products sold in Japan. We also collected actual data to grasp the amounts of materials used for containers, packaging and packing for products shipped overseas.

Amounts of materials for containers and packaging for products, and packing for transportation

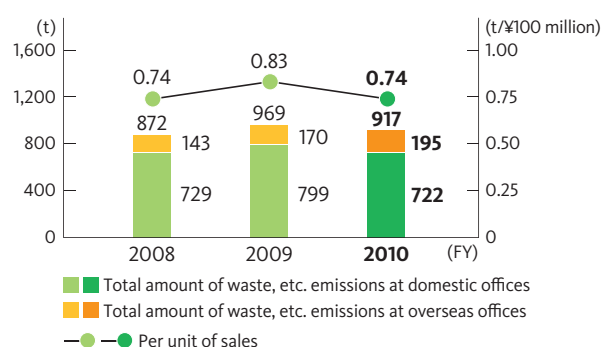


Note) See page 31 regarding the companies subject to the survey.

Reducing the Waste, etc. Emissions at Business Offices

Since some of the boxes that were used for transporting raw materials were of a disposable type, we gained the cooperation of suppliers to promote a change to returnable containers. We have also begun to use garbage disposers at facilities that produce large amounts of raw garbage, such as company cafeterias.

Amounts of waste, etc. emissions at business offices

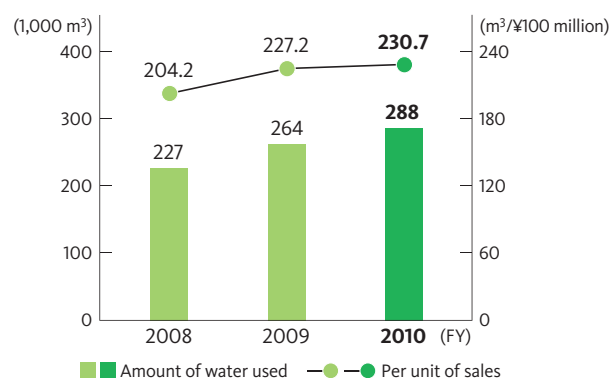


Effective Use of Water Resources

Reducing Water Usage at Business Offices

In fiscal 2010, the amount of water used per unit of sales increased by 2% from the previous year due to the increased production of reagents. We are striving to reduce water consumption by upgrading the water purifying equipment at the Ono Factory.

Amount of water used at business offices



Note) See page 31 regarding the companies subject to the survey.

Others

Helping Suppliers Build an Environmental Management System

Sysmex has established green procurement standards and introduced ISO 14001 and environmental management system specifications recommended by local administrations to our main suppliers in order to ensure that they comply with the standards.




Promoting Eco-friendly Service Models

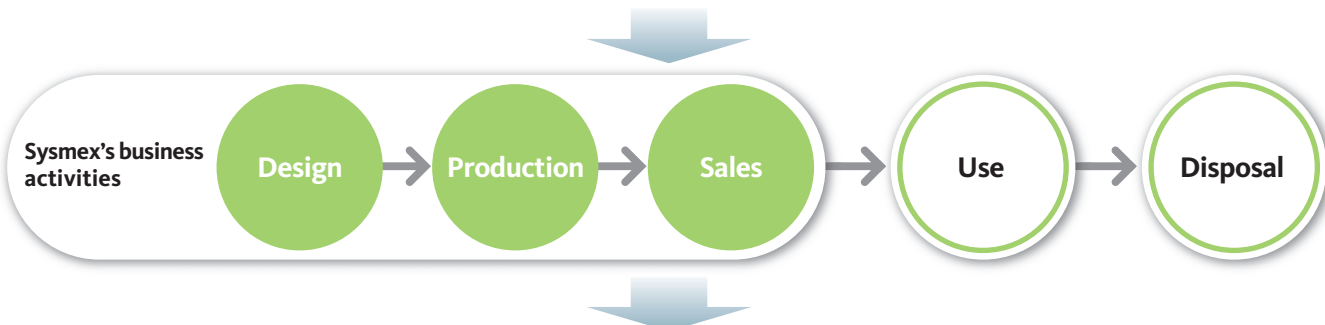
In addition to expanding the functions of the Customer Support Center, we are minimizing downtime for diagnostics instruments in use by constructing the Sysmex Network Communication System (SNCS, see page 18 for details) to maintain interactive communication with customers. This leads to reduced visits to customer sites by our employees, thus reducing the amounts of gasoline used by company cars and the amounts of CO₂ emitted by them.







In fiscal 2010, we implemented security measures in the Asian region matched to the IT conditions of each country in order to increase the number of SNCS users.

Environmental Impact of Business Activities

Period reported: April 1, 2010, to March 31, 2011

INPUT				
		Unit	FY2009	FY2010
 Total energy input	Electricity* ¹	1,000 kWh	25,452	26,352
	Fuel (city gas)* ¹	1,000 Nm ³	800.9	793.5
	Fuel (LPG)* ¹	t	57.2	50.6
	Fuel (kerosene)* ¹	kl	45.2	49.9
	Fuel (gasoline for company cars)* ²	kl	825.0	746.5
 Total materials input	Printing paper (for use at offices)* ²	t	57.8	69.1
	Volume of PRTR* ³ chemicals handled* ²	t	38.2	8.9
	Materials for containers, packaging and packing* ²	t	1,525	1,861
 Water	Water consumption* ¹	m ³	263,740	287,674



OUTPUT				
		Unit	FY2009	FY2010
	Volume of greenhouse gases emitted from business offices* ¹	t-CO ₂	12,619	12,910
	Volume of CO ₂ emissions from company cars* ²	t-CO ₂	1,891	1,740
	Volume of chemicals released (PRTR* ³ chemicals)* ²	t	1.6	1.0
	Volume of waste* ¹	t	969	917
	Volume recycled [recycling rate]* ¹	t [%]	772 [79.6]	815 [88.9]
	Waste water* ¹	m ³	128,277	119,732

*¹ Companies subject to survey: Sysmex Corporation and its domestic and overseas Group companies
 Sysmex Corporation, Sysmex International Reagents Co., Ltd., Sysmex RA Co., Ltd., Sysmex Medica Co., Ltd., Sysmex Logistics Co., Ltd.
 Sysmex America, Inc., Sysmex Reagents America, Inc., Sysmex do Brasil Industria e Comercio Ltda., Sysmex Europe GmbH (Neumünster Factory), Sysmex Shanghai Ltd.,
 Jinan Sysmex Medical Electronics Co., Ltd., Sysmex Wuxi Co., Ltd., Sysmex Asia Pacific Pte. Ltd., Sysmex India Pvt. Ltd.

*² Companies subject to survey: Sysmex Corporation and its domestic Group companies
 Sysmex Corporation, Sysmex International Reagents Co., Ltd., Sysmex RA Co., Ltd., Sysmex Medica Co., Ltd., Sysmex Logistics Co., Ltd.

*³ PRTR : Pollutant Release and Transfer Register. A system used to collect, aggregate, and disseminate data on the quantity of toxic chemicals that have been released into the environment and their sources including those which have been transferred outside of facilities in the form of waste.

Independent Opinion

On Reading the Sysmex Sustainability Report 2011

1. Establishment of Environmental Action Plan (Eco-Vision)

In order to move forward toward an “environmentally advanced company” in the healthcare sector, Sysmex is making efforts to reduce the environmental impact that may result from the stages of its business activities, ranging from product design to usage, in a pursuit of harmony with the global environment. To that end, Sysmex formulated the Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020), which sets forth long-term environmental objectives toward the target year of 2020. I evaluate this plan highly for its proactive initiatives for promoting global warming countermeasures, effective use of resources and waste reduction, effective use of water resources and others. To achieve these long-term objectives, I look forward to Sysmex’s efforts for establishing a system for incorporating them as mid- and short-term targets and continuously disclosing the levels of achievement.

2. CSR Activities for Emerging Countries

Sysmex is actively providing products and services that match the healthcare needs in emerging countries. These activities are similar to a new business model called BOP (Base of the Economic Pyramid) business, which is expected to contribute continually to the resolution of various social issues pertaining to low income groups in developing countries. They constitute one of the high-priority CSR

Katsuhiko Kokubu

Professor, Graduate School of Business Administration, Kobe University



topics that Sysmex will focus on in the future. BOP business enables Sysmex to fulfill its CSR through business operations, and the further advancement of this business model is much anticipated.

3. Establishment of a CSR Management Framework

Sysmex has begun to establish a CSR management framework by building a CSR promotion structure, reviewing high-priority CSR issues and holding CSR opinion exchange meetings, in addition to participating in the United Nations Global Compact, Sysmex’s mid-term management plan has also incorporated strategic CSR activities as a high-priority management topic. The next important step is to embark on efforts to enhance bilateral communication with stakeholders in order to deepen the understanding of their needs. I trust that Sysmex will reflect its efforts to respond to shareholders’ needs and set appropriate targets within its CSR management.

I look forward to seeing further progress in Sysmex’s CSR activities.

In Reply

First of all, I would like to express my heartfelt appreciation to Dr. Kokubu for his sincere and judicious opinions.

In order to accomplish our highly evaluated Eco-Vision 2020, we will formulate mid- and short-term targets and plans, and then steadily promote corresponding activities.

For emerging countries and developing countries, we will provide products and services that meet the needs of each country so that our business activities will help in the establishment of local healthcare systems. In addition, we intend to actively address philanthropic activities.

With regard to CSR management, we will respond to the requests and expectations of our stakeholders by

Kenichi Yukimoto

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



giving the most serious consideration to the points described by Dr. Kokubu, and then examine high-priority issues and set targets.

We are determined to steadily advance our CSR activities in order to fully meet the expectations of Dr. Kokubu and our stakeholders.

Corporate Data

Corporate Overview

Company name	Sysmex Corporation	Line of business	Development, manufacture, sales, and export/import of laboratory testing instruments, reagents, and related software
Established	February 20, 1968	Main customers	National and other public hospitals, private hospitals, universities, research laboratories, other healthcare facilities, etc.
Paid-in capital	¥9,041 million	Export destinations	More than 170 countries
Representative	Hisashi Ietsugu, President and CEO	Consolidated subsidiaries	48 (7 in Japan, 41 abroad)
Head Office	1-5-1, Wakinohama-Kaigandori, Chuo-ku, Kobe 651-0073, Japan		

Business Segments

Diagnostics

The diagnostics field involves instruments, reagents, and software for analyzing samples of blood, urine, and cells. Our instruments for measuring the number and functions of blood cells (hematology) and determining the activity of blood hemostasis (hemostasis) enjoy a high reputation with customers, who place us as the number one brand in each market segment. By combining quality instruments with a broad range of other products and services, such as reagents, software, instrument maintenance services, and scientific support, we are offering solutions that increase the efficiency and

quality of laboratory operations.

Life Sciences

Tapping into the wealth of technological know-how that we have amassed in the diagnostics business, Sysmex applies the latest technologies for gene and protein analysis to the creation of innovative testing and diagnosis technologies. Our priority R&D area here is the definitive diagnosis and recurrence prevention of cancer, and we are currently introducing technologies for rapid detection of cancer cell metastasis in lymph nodes to markets around the world. We are also involved in R&D of technologies

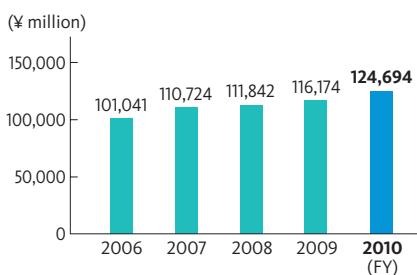
for predicting the effects of anti-cancer drugs slated for commercial launch. Our ultimate goal is to contribute to better patient QOL.

Other fields (Healthcare, etc.)

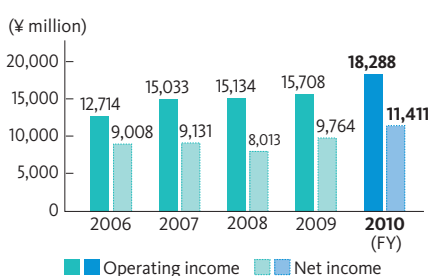
We commercialize and sell devices that can estimate hemoglobin levels without blood sampling, and a series of support software for health management and childcare services. We are also involved in the development of particle measuring analyzers for industrial field, utilizing the particle analysis technology that was originally developed in the diagnostics field.

Financial Data

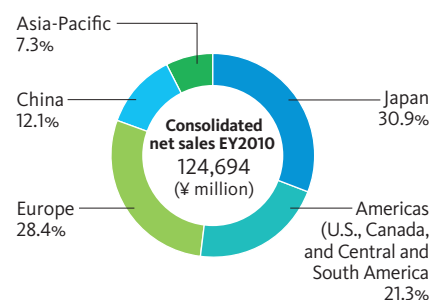
Consolidated net sales



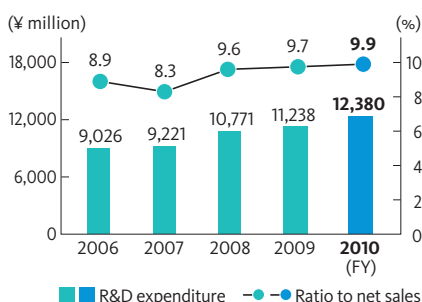
Consolidated operating income / Consolidated net income



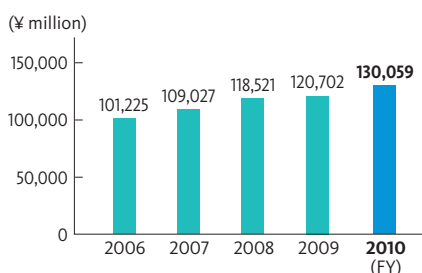
Net sales by geographic region



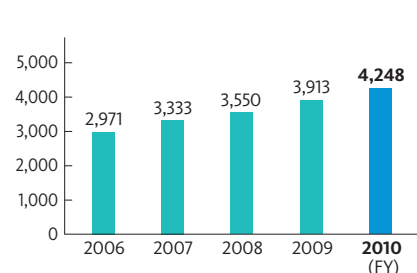
R&D expenditure



Consolidated net assets



Number of employees (Consolidated)



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