



**Sysmex**

# Sustainability Report 2012

**Digest Version**



# 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 sixth issue, we prepared two versions of the report: a digest version focused only on activities of high importance and a full version with more detailed information. We also regularly disclose policy, system and other CSR information on our website. In this way, we enable the reader to select the report format most appropriate to their level of specialization and interest.

Corporate Social Responsibility (CSR) Website  
<http://www.sysmex.co.jp/en/sysmex/csr/index.html>

## Scope of this Report

### Period reported

Fiscal 2011 (from April 1, 2011 to March 31, 2012). 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 and "Sysmex Corporation" refers to the Sysmex Corporation on a non-consolidated basis.

### Guidelines referenced

- The Japanese Ministry of the Environment's Environmental Reporting Guidelines (2012 ed.)
- The Global Reporting Initiative (GRI)'s Sustainability Reporting Guidelines 2006

### Date of publication

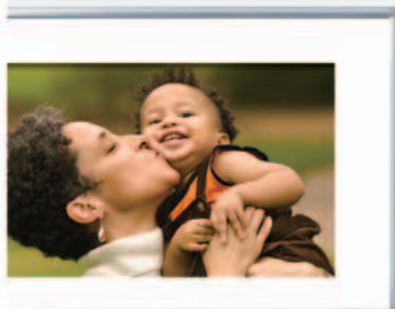
September 2012

### Inquiries about this report

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### Cautionary statements

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



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# Contributing to the Realization of a Healthy Society through Healthcare Testing

There are two kinds of healthcare testing received at regular health checkups and hospitals. One is in-vivo diagnosis, such as X-rays, performed directly on the body. The other is in-vitro diagnostics, which examines a patient's blood, urine and cells. Based on an integrated system, from research and development, to production, sales, after-sales support, Sysmex provides all devices, reagents and software necessary for in-vitro diagnostics. Through providing these products, we contribute to the early detection of disease, optimal disease management selection and the prevention of disease.

## Sysmex Business Process



### Creating valuable healthcare testing and diagnostic technologies

We strive to create valuable healthcare 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.



## Main Products



Automated hematology analyzer



Coagulation analyzer



Gene amplification detector



Self-Medication support software



Amplification reagent LYNOAMP® BC

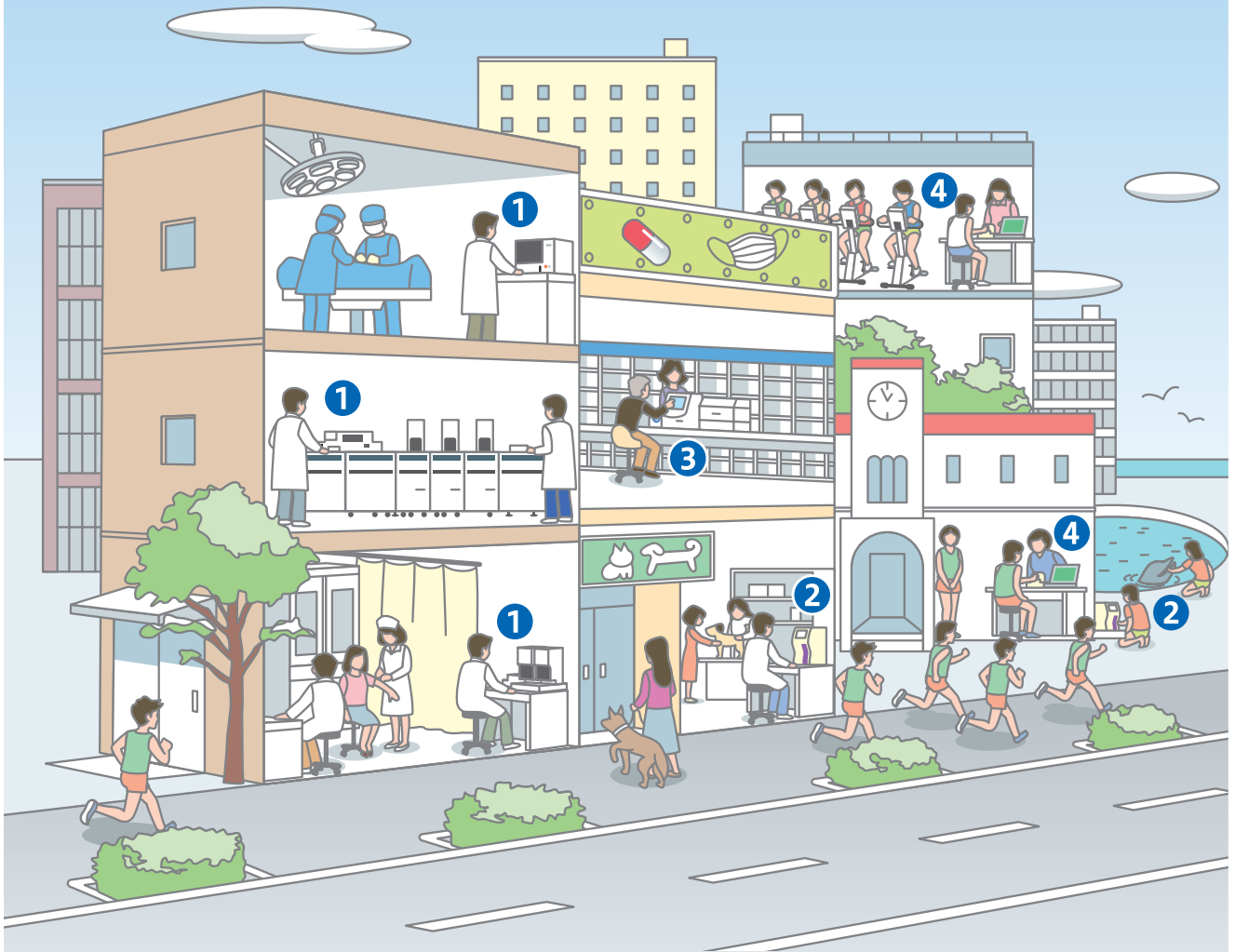
## 1 Hospitals

Blood tests are always performed at regular and physical examinations. Irregularities or changes in organs and systems in the body show up easily in blood components, resulting in the early detection and treatment of disease.



## 2 Animal Hospitals

Just like humans, health maintenance is indispensable for animals to stay healthy. Hematology tests are useful for the health maintenance of dogs, cats and other pets, aquarium dolphins and zoo animals.



## 3 Pharmacies

Provides information related to health on an individual basis by conducting data analysis on results of simple anthropometric measurements such as body fat percentage and blood pressure conducted in-store and answers to lifestyle and diet questions.



## 4 Sports

Used for daily training programs and nutritional maintenance to regularly check the hemoglobin levels of sports gym, high school and college track teams and other athletes.



Message from the President

## We aim to build trust and confidence among our stakeholders through the creation of valuable healthcare testing technologies.

### Contributing to the “Advancement of Healthcare” through Testing

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. Presently, 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 shifting 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 for healthcare are increasingly diversifying. Sysmex is responding to these changes and striving to create innovative values with the aim of contributing to the advancement of healthcare. We want to respond to the desire of people across the globe: “to stay healthy”.

In fiscal 2011, we launched a new product, the XN-Series, in our mainstay hematology field. Compared with conventional instruments, the XN-Series features improved functionality, performance and operability. In addition, the series offers new functions, such as providing a reportable parameter that assists clinicians in the diagnosis of thrombocytopenia, thereby adding new value that contributes to clinical site. The XN-Series offers various innovations that help reduce the workload on medical technologists and to prevent misdiagnosis. At the same time, extensive network-based and preventive maintenance are available as online services. The user-friendly design has earned high marks, winning the series the Good Design Gold Award 2011. The XN-Series is environmentally conscious, as well. Its use of concentrated reagents helps to reduce waste and substantially reduces product lifecycle CO<sub>2</sub> emissions, compared with conventional models.



“Shaping the advancement of healthcare” is Sysmex’s mission. In accordance with this affirmation, we aim to create valuable healthcare testing technologies that contribute to the quality of life (QOL) of people and reduce the burden on healthcare facilities.

### **Building Trust and Confidence among Our Stakeholders**

We aim to build trust and confidence among our stakeholders in accordance with our corporate philosophy, the “Sysmex Way.”

In fiscal 2011, we commenced the full-fledged use of silkworms to develop proteins, with the goal of providing products to engender even higher levels of confidence among our customers. Some of the diagnostic reagents that Sysmex provides are derived from animals including cattle, rabbits and other mammals, but in recent years the risk of procuring such ingredients has grown in line with the growth of emerging markets and concerns about bovine spongiform encephalopathy (BSE). Furthermore, individual differences can arise from such animal-derived ingredients, making it difficult to ensure the stable quality of ingredients supplied to us. To resolve these issues, we are reinforcing our design and mass-production technologies for proteins to produce reagents that do not rely on such animal-derived ingredients. Creating a protein development system using silkworms is one aspect of these efforts.

### **Contributing to a Healthy Society through Sports**

Sysmex is devoted to corporate citizenship activities and philanthropy that center on health and healthcare. In addition to our ongoing support of the Kobe Medical Industry Development Project, we provide scientific support, encourage the standardization of testing, promote organizations committed to eliminating cancer and take part globally in corporate citizenship activities and philanthropy designed to meet regional needs.

During fiscal 2011, we participated as a special sponsor

#### 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.

in the Kobe Marathon 2011, staged by Kobe City. Based on the theme of “thanks and friendship,” the Kobe Marathon aims to express gratitude to everyone who supported the region’s recovery after the Great Hanshin-Awaji Earthquake. In addition to sponsoring the race based on its standing as a Kobe-based company, by operating in the healthcare sector Sysmex is well acquainted with the link between sports and health. Numerous employee volunteers participated, and assisting in event operations.

In February 2011, Sysmex joined the United Nations Global Compact, committing to uphold 10 principles in the areas of human rights, labor, the environment and anti-corruption. By joining the compact, we aim to move forward proactively with corporate social responsibility (CSR) activities befitting a global company.

Sysmex will continue working to achieve sustainable development of the Group and the global community. We would like to ask our stakeholders for their continued support and understanding of all our endeavors.



Hisashi Ietsugu  
President and CEO

## Highlight 1

# Development of Hematology Analyzers Contributing to Usability and the Environment

In May 2011, Sysmex launched its new XN-Series of products on global scale.

Pursuing the provision of comfortable healthcare sites, we designed the user-friendly analyzer from the user's point of view, focusing efforts on improving environmental performance, specifically reductions in waste and CO<sub>2</sub>.



## Development of Analyzers Equipped with New Technologies

In May 2011, Sysmex launched its XN-Series analyzers for the global market. This product is a hematology analyzer that checks patient's health by measuring and analyzing blood samples to determine the number, types and sizes of red and white blood cells and platelets and other elements.

The XN-Series significantly improves measurement accuracy for low platelet counts, useful for the diagnosis of diseases such as thrombocytopenia and is equipped with a body fluid measurement mode, helpful for the indication of meningitis antimicrobial treatment. In addition to its functions and performance, usability and eco-friendliness are the most prominent features of the XN-Series.

## Supporting Accurate Test Data with Design Contributing to the Prevention of Misdiagnosis and Improved User-Friendliness

The XN-Series attempts to improve usability in an aim to prevent misdiagnosis, lessen the workload of medical technologists and improve the laboratory site. The human-centered design takes operator motion into account, resulting in significant improvements in operability, including the simplification of operating panels. The design concept unifies analyzer, operating panel and disposable reagents with the aim of realizing a quick and accurate analyzer.

The XN-Series also features further enhancements in online service. The device and reagents can be monitored remotely, enabling data from device sensors to be analyzed via a connection to the Sysmex Network Communication Systems (SNCS), Sysmex's online system. (See page 12 for details.) This enables the detection of problems and preventative maintenance before failure occurs to avoid sudden malfunctions in support of stable device operation.

## Contributing to the Reduction of Waste and CO<sub>2</sub> Emissions with Concentrated Reagents

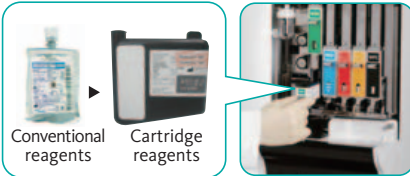
The XN-Series employs concentrated reagent CELLPACK DST, which is 25 times more concentrated than conventional reagent CELLPACK (II). CELLPACK DST is diluted and used in conjunction with reagent preparation unit RU-20. Using this



## New Technologies Improving Usability



**1** Equipped with touch panel that is easy to read and operate



**2** Cartridge-type reagent enables one-touch replacement

XN-Series Multiparameter Automated Hematology Analyzers



**GOOD DESIGN AWARD 2011**

Received Good Design Gold Award 2011 for design recognized as contributing to enhanced usability by healthcare facilities



**3** Installed operation buttons in easy to push location in consideration of operator motion



**4** ID tags appended to agent simplify reagent management and prevent improper connections

concentrated reagent enables facilities that process high volumes of tests each day to reduce the frequency of reagent changes to one fifth that usually required in one day.

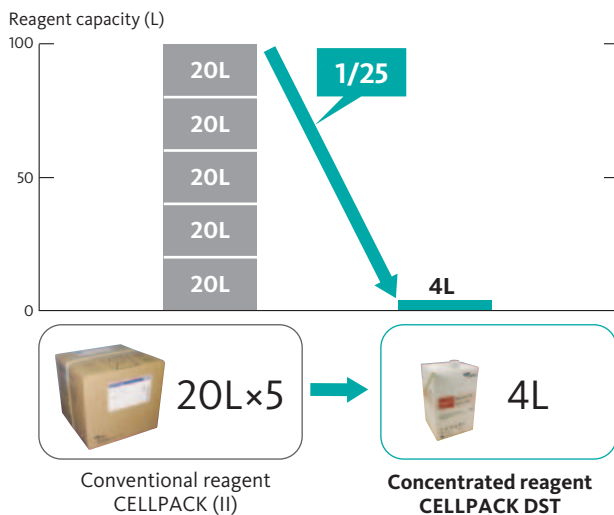
Concentration also makes reagents compact, which contributes to resource conservation by reducing container and packaging materials, enabling a significant decrease in waste generated by laboratories. Furthermore, switching from polyethylene to paper reagent containers is helpful for conserving petroleum resources.

Concentrated reagents also contribute to the reduction of CO<sub>2</sub>

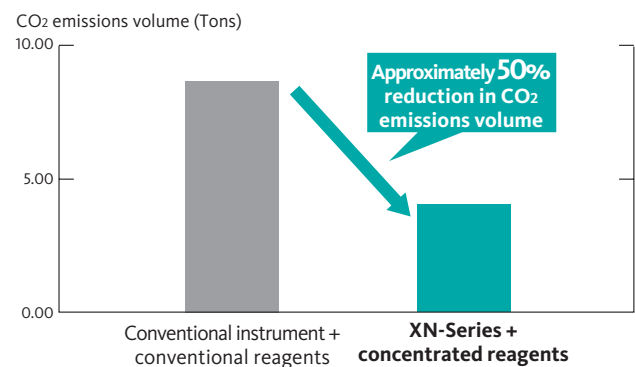
emissions throughout the product lifecycle. CO<sub>2</sub> emitted during transportation accounted for 40% of CO<sub>2</sub> emitted throughout the entire product lifecycle of conventional products, from manufacture to shipment, use and disposal. Concentrated reagents are designed to be lightweight and compact, significantly improving transportation efficiency with decreased weight and volume. We calculate this enables around 50% reduction of CO<sub>2</sub> throughout the entire product lifecycle compared to conventional products.

Going forward, Sysmex will continue efforts to create valuable healthcare testing technologies by providing new products and services able to meet increased demand and diverse testing needs that contribute to the evolution of clinical development.

### XN-Series reagents are 25 times more concentrated than conventional reagents



### CO<sub>2</sub> Emissions of XN-Series + Concentrated Reagent and Conventional Instrument + Reagent



## Words from a Customer

The XN-Series significantly improves the measurement accuracy of low white blood cell and platelet counts, offering hope for the support of new testing knowledge based on this reliability and contributions to healthcare research. In addition, reducing the weight and number of exchanging times the reagent needs to be changed reduces our workload and contributes to the reduction of waste after usage, making it an instrument that is gentle on people and the environment.

I hope Sysmex continues listening to customers and developing good products that incorporate user needs.

**Shuichi Shiga**, Qualified Class 1 Laboratory Technologist, Manager, Department of Clinical Laboratory, Kyoto University Hospital



## Highlight 2

# Contributing to a Healthy Society through Sports

As a healthcare company, Sysmex supports the realization of a healthy society through sports. In addition to continued management of the Sysmex Women's Track & Field Team, in fiscal 2011 we were a special sponsor of the first citizen marathon ever held in our hometown of Kobe.

### Special Sponsor of the First Kobe Marathon, Run by 20,000 Participants

The first Kobe Marathon (sponsored by Hyogo Prefectural Government, Kobe City, Hyogo Prefectural Board of Education and Kobe City Board of Education, Hyogo Amateur Athletics Association) was held on November 20, 2011.

Sysmex became a special sponsor of the marathon, which had "Thanks and Friendship" as its theme, out of a desire to contribute to health maintenance and improvement through sports.

In addition to providing the bibs worn by the 20,000 participants during the race, we exhibited the ASTRIM at the Kobe Marathon EXPO event held prior to the marathon, conducting hemoglobin concentration estimation for an enthralled crowd. This instrument enables the estimation of hemoglobin concentration, closely connected to stamina, without requiring a blood sample. Popular with runners who checked on their health just before the marathon, in two days a total of 3,300 visitors measured their hemoglobin levels.



The First Kobe Marathon (image provided by The Kobe Shimibun)



Sysmex booth at the Kobe Marathon EXPO



Roadside supporters



Employees volunteers provide water

## Employee Volunteers Cheer Runners and Support Management

In the past, Sysmex employees have voluntarily formed teams to conduct volunteer activities such as coastline cleanup and afforestation efforts, but most activities were comparatively small in scale. The Kobe Marathon was our first large-scale activity, involving approximately 180 people, including employee volunteers and their families. Participants provided water at a beverage booth, handed out towels at the finish line and assisted with course cleanup activities. Many participants said the volunteer activities were excellent and provided them with valuable experiences.

On the day of the event, among the approximately 520,000 people shouting encouragement to over 20,000 runners, 150 of those voices came from roadside Sysmex participants supporting runners with their "A Smile from Kobe" message. Employee participants provided the Kobe Marathon with entertainment, voluntarily assembling a band that performed at a specially constructed roadside studio.

The second marathon will be held on November 25, 2012. Sysmex plans to provide ongoing support for the Kobe Marathon.

## Managing a Women's Track & Field Team Training Globally Active Athletes

Sysmex conducts several other sports support activities in addition to sponsorship of the Kobe Marathon. One of those is management of the Sysmex Women's Track & Field Team, which includes Mizuki Noguchi, active all over the world, and young athletes who aim to become world-class competitors. The Sysmex Women's Track & Field Team won second place at the West Japan Women's Industry Group Ekiden Race, held in October 2011, making their mark at a national event.

At present, the Women's Track & Field Team practices in Kyoto's Ukyo Ward, but in April 2013, they will move to practice facilities in Kobe City in Hyogo Prefecture, where Sysmex head office are located, to further energize interactions with the local community in Kobe.

Sysmex will continue to support the realization of a healthy and prosperous society through sports promotion.

### Words from an Employee

I participated in the First Kobe Marathon, hanging medals on runner's necks as they completed the race. The sense of accomplishment in the expressions on the faces of runners as they approached the finish line was moving and motivational. Also, I got a sense of the connection and feeling of oneness shared among local runners and participants from all over Japan and the world, making this a treasured experience.

**Kumiko Ikushima**, Human Resources Department



### Internal Lectures on Sports and Nutrition Conducted by Senior Nutritionists

In December 2011, Sysmex provided second-year students from the Dietary Nutrition Department of the Osaka Yuhigaoka Gakuen Junior College with a lecture on sports and nutrition. They introduced athlete diets and essential nutrients, explaining athlete performance and hemoglobin using real-life examples. At the end of the lecture, we had the students experience use of Sysmex instruments for estimating hemoglobin concentration.



### Words from a Participant Importance of Doing Sports Science from a Nutritional Perspective

At this lecture, the students taught me that an athlete's diet has an enormous influence on their competitive performance, bringing home the importance of conditioning management. Doing sports science from a nutritional perspective is linked to enhancing the competitive performance of athletes. I look forward to the development of instruments used to ascertain athlete nutritional management and conditioning.

**Kiyohiro Kawai**, Professor, Medical Doctor, Ph.D., Department of Food Science and Nutrition, Osaka Yuhigaoka Gakuen Junior College



## Moving Forward with CSR

Systemex CSR builds trust and confidence to all our stakeholders through the practice of the Systemex Way, the corporate philosophy of the Systemex Group. The Systemex Way indicates the way the most basic corporate activities ought to be, consisting of three elements necessary for continued growth: Mission, Value and Mind. The Core Behaviors clarify provision of value to customers, employees, business partners, shareholders, society and all our stakeholders. At Systemex, every Group employee shares the Systemex Way, placing importance on specific behaviors throughout daily business activities.

Corporate Philosophy

### Systemex 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.

## With Our Customers

### Quality Assurance Initiatives

Systemex has constructed a system to ensure compliance with laws and regulations around the world based on the "Systemex Corporation Quality Compliance Policy", and we act accordingly. At the same time, Systemex also conducts global internal quality auditing, to confirm that the system is operating properly. In fiscal 2011, we conducted quality audits of our overseas suppliers in addition to the auditing we have been conducting at overseas factories.

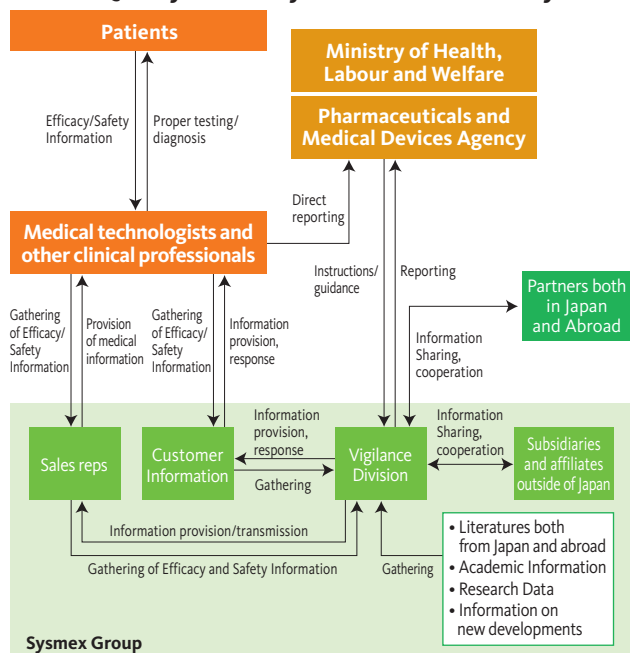
Also, beginning in fiscal 2011 we concentrated the quality efforts of the main overseas companies and overseas factories at the headquarters quality assurance department, and introduced a system whereby they are reviewed by management.

Currently, all Group companies involved in development and production are in the process of acquiring ISO 9001 and ISO 13485\* international quality management system standard certification. As of March 31, 2012, 25 of the 47 Systemex Group companies had acquired ISO 9001 certification, with 13 Group companies also having acquired ISO 13485 certification.

\* ISO 13485: Quality management system for the design and manufacture of medical devices.

## Ensuring Product Safety

### Product Quality and Safety Information Control System



At Sysmex, information on product quality and safety is centrally controlled at the Safety Information Division.

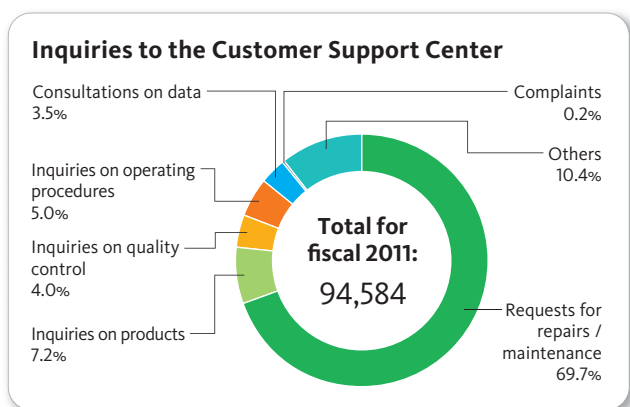
This division investigates and analyzes such information from customers, and feeds their analysis results to relevant customers while also sharing them with design, manufacturing and other related functions, so that these findings may be applied to quality improvement and product development.

The Sysmex Global Quality Complaint Processing System went into operation in April 2011. This system enables us to gather quality-related data from markets worldwide in a timely fashion.

## Prompt and Accurate Response to Customer Inquiries

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

By creating a database containing maintenance histories and the details of past inquiries from customers to ensure quick reference, the center responds to inquiries and requests both quickly and carefully. 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).



## For Highly Reliable Testing Data

At hospitals and other healthcare facilities, instrument precision is controlled to maintain consistent testing data reliability. In most cases, instrument precision is checked by comparing the measurement results of special reagents known as “control samples.” Sysmex Corporation supports precision control by providing control samples.

In addition, customer instruments are connected to the Customer Support Center via our online Sysmex Network Communication Systems (SNCS). Measured values of control samples sent via the SNCS from customer instruments are received by the Customer Support Center, which checks for abnormalities and returns the analysis results to the customer.

The SNCS also helps customers to prevent instrument failure by detecting signs of problems even before customers have become aware of them.

## For Accurate In-Vitro Diagnostics, Which is Indispensable to Treatment

Sysmex is expanding support structures and facilities to ensure stable product supplies. In fiscal 2011, we upgraded and made additions to the Ono Factory of Sysmex International Reagents, expanding capacity. By expanding the production area we have increased the factory’s production capacity to 1.5 times its previous level. We are also moving forward with revising the materials procurement process as part of our disaster response.

We are also expanding reagent production facility in Jinan to meet rapidly growing demand in China. The new facilities are scheduled to commence operation during 2012.

## Holding Scientific Seminars for Clinical Professionals

Sysmex keeps clinical professionals updated on scientific information by sponsoring seminars and study sessions for doctors, nurses, and medical technologists. In June 2011, nine venues, including the main sites in Kobe, Tokyo, Sendai and Fukuoka and five satellite sites, were linked by satellite relay in conducting the 34th Sysmex Scientific Seminar under the theme of “Cancer Genomes and Epigenomes: The future of testing at the genome level”.

We are also active in holding seminars overseas, including in Asia. In fiscal 2011, we held seminars in Indonesia, China and Taiwan.



Sysmex Scientific Seminar in China

## Publication of Sysmex Journal International and Picture Books Explaining Diseases and Testing

We distribute Sysmex Journal International to healthcare facilities and college libraries in more than 100 countries around the world, thus keeping many clinical professionals updated on current clinical medicine and medical testing.

Sysmex compiles educational picture books on diseases and testing, which we distribute to clinics and other healthcare facilities to keep in their waiting rooms. Introducing the characteristics of diseases and procedures of healthcare testing and treatment in an easy-to-understand way, the picture books present stories that hold the interest of children and other readers who may lack medical knowledge.



Picture books for disease and testing education and awareness

## With Our Employees

### Equitably Evaluating Personnel Based on Abilities and Accomplishments

Sysmex Corporation values the spirit of independence and challenge, provides employees with opportunities for self-fulfillment and growth, and rewards them for their accomplishments.

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

### Supporting Employees in Striking a Balance between Work and Family

Sysmex Corporation offers a variety of childcare leave and shortened working hour systems to ensure that parents can spend as much time together with their children as possible. To further support employees' childrearing, we have introduced a system that allows employees to take reserve paid leave days when necessary to attend to sick children. In fiscal 2011, we extended the period of applicability of this program, which formerly applied to children prior to entering elementary school, to children prior to entering junior high school.

Sysmex Corporation has opened the "Sysmex Kids Park," an in-house daycare center, at Technopark, our core R&D facility. The center takes care of employees' infant children while they are at work.



In-house daycare center, Sysmex Kids Park

## Acquiring a Next-Generation Accreditation Mark

In fiscal 2011, Sysmex Corporation received the next-generation accreditation mark (nicknamed "Kurumin") from the Ministry of Health, Labour and Welfare for its planned implementation of systems to support a balance for employees between work and family life.



Next-generation accreditation mark, "Kurumin"

## Focus on Developing Global Human Resources

In human resources, Sysmex focuses on two areas related to skills/education and motivation enhancement: enhancing management ability, business knowledge and skills through continuous training and education, and developing personnel capable of performing in the global arena.

In fiscal 2011, we introduced the Global Apprentice Program at overseas Group companies for younger employees. This program targets high-potential employees 35 and younger, and seeks to train personnel who can prevail in the global business arena by offering opportunities to gain overseas work experience at an early stage of career development.



Left) Shino Kurisu of the Business Management (Japan) Division (Dispatched to local subsidiary in Germany through the Global Apprentice Program)

## Employing Seniors, and Hiring Contract Employees and Temporary Employees as Full-Time Employees

Sysmex Corporation's mandatory retirement age is 60, but we have in place a system for rehiring until age 65 people who have retired at the mandatory retirement age and still wish to work. During fiscal 2011, we rehired according to internal rules all nine employees who had retired at the mandatory age but wished to continue working.

We also actively seek to hire temporary and part-time employees as full-timers. In fiscal 2011 a total of 23 contract employees and temporary employees were brought on as full-time employees.

### Users of Work and Family Support Systems (As of March 31, 2012)

System	Description	Number of Users
Shorter work hour system for child rearing	Until the end of third grade of elementary school	26 users
Leave of absence system (childcare leave, childbearing leave)	Child nursing leave prescribed by law, available after one year of age and up to two years	43 users
Reserved paid leave system	Reserved leave with pay for up to 10 days of annual paid vacation from previous years can be taken for child nursing leave or short-term nursing leave.	5 users
Reemployment system	System to reemploy people who previously left the Company for childcare or nursing-related reasons	0 users, 9 people registered
In-house daycare system	Daycare center provides care for infants and children up to entry into elementary school, which is available for full-time or temporary childcare.	26 children

## Promoting Employment of People with Disabilities

Sysmex Corporation encourages the employment of people with disabilities. Targeting long-term employment, we design working conditions so as to maximize individuals' aptitudes and skills.

As of January 2012, our employment ratio of people with disabilities was 1.99%, exceeding the legally stipulated 1.8%. We will continue reinforcing our efforts in this area, targeting an employment ratio of 2.0%.

## With Our Business Partners

### 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.

The briefing in February 2012 was attended by 397 people from 225 companies. We described to participants our business activities, purchasing policies for the fiscal year. Throughout the year, we also awarded five suppliers whose cooperation was particularly helpful in heightening the competitiveness and reliability of our products, as well as their stable supply.



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, Sysmex provides education through companywide e-learning. In addition, we have established an electronic purchasing system to prevent unreasonable payment reductions and refunds. Each year, we also provide training on the system. In fiscal 2011, 63 people underwent this training, including new employees assigned to R&D departments.

## With Our Shareholders and Investors

### General Meeting and Informal Meetings for Shareholders

Valuing opportunities for direct dialogue with our shareholders, we make an effort to encourage the participation of as many shareholders as possible at the General Meeting of Shareholders.

We also hold informal meetings every year to deepen conversations with shareholders. In fiscal 2011, with the objective of facilitating a better understanding of our activities, we exhibited the XN-Series and introduced facilities using our products in addition to a panel display explaining Sysmex social contribution activities.

At the same time, for shareholders who find it difficult to attend shareholder meetings, we use mail and the Internet to facilitate the exercise of voting rights.

Furthermore, we contribute to the readability of convocation and resolution notices. We also prepare English-language versions for overseas shareholders. In fiscal 2011, we printed a color convocation notice and posted the same information on our corporate website.

### 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), since the third quarter of fiscal 2011 Sysmex has held a conference call following the announcement of business results in the first and third quarters in an effort to further enhance information disclosure.

### Active Approach to Direct Dialog

Sysmex creates a great number of opportunities for direct dialog with investors so as to explain our management policies and business strategies.

#### Main Dialogue Achievements in Fiscal 2011

- Conducted informal meeting after general shareholders meeting (Sysmex Corporation)
- Conducted individual interviews with over 300 domestic and foreign institutional investors and analysts (Sysmex Corporation)
- In October 2011, conducted tour of R&D core Technopark for individual investors (Sysmex Corporation)
- In January 2012, held informational meeting for individual investors at Kobe Portopia Hall for 515 individual investors (Sysmex Corporation)



Investor briefing

## With Our Local Communities

### Japan

#### Funding of University Courses

Since fiscal 2004, Sysmex has contributed funds to a course at the Kobe University Graduate School of Medicine. The course, entitled “Assessment of Clinical Testing (Sysmex)”, involves basic and clinical research for the scientific determination of the efficacy of clinical testing, such as new testing methods, the use of biomarkers and laboratory diagnosis evaluation, in a clinical setting.

Sysmex also seeks to invigorate educational and research activities at local universities, and contributed 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

Photo 1

Since 2004, Sysmex has continuously supported the Pink Ribbon Campaign, which promotes the early detection and treatment of breast cancer, by sponsoring symposiums and through other activities. In 2011 we participated in the “Smile Walk” held in Kobe.

#### Technopark Festa: A Community Event

Sysmex Corporation holds Technopark Festa, inviting community residents to visit the Technopark R&D Center every year. Technopark Festa aims to strengthen our relationship with the local community.

More than 500 people attended the Technopark Festa in November 2011, at which we provided lectures and facility tours.

We also opened the Japanese garden at Technopark to the public in April, and had about 400 visitors.

### The Americas

#### Supporting Local High School Students

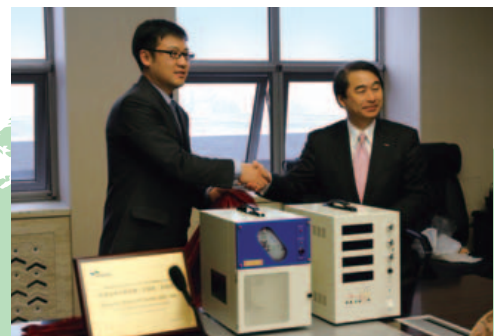
Sysmex America is working with a local NPO to provide advisors and financial support for students at three Chicago public high schools. These efforts have received high marks, and in fiscal 2011 Sysmex America was awarded Honor Roll status by the Center for Companies That Care for its local community contributions and outstanding workplace practices for four consecutive years since 2008.

Photo 3



Reagent manufacturing (packaging by workers with disabilities)

Photo 4



Sysmex Reference Counter provided free of charge on loan to the Beijing Institute of Medical Device Testing in China

Photo 5



Tree-planting (Indonesia)



**Ongoing Participation in an Philanthropic Event for the Elimination of Cancer**

Photo 2

Sysmex America has continued to participate in fundraising events for the elimination of cancer since fiscal 2009. In fiscal 2011, Sysmex America sponsored charity events for the American Cancer Society, the American Heart Association and the Leukemia & Lymphoma Society.

**Europe**

**Contracting out Work to Organizations Supporting People with Disabilities**

Photo 3

Sysmex Europe and Sysmex Deutschland contract out work such as materials selection and carton stacking to organizations that aid the physically-challenged in becoming more self-reliant. These organizations dispatch workers with disabilities to Sysmex's manufacturing line.

**China**

**Sysmex Reference Counter for Blood Cell Counting Contributes to Testing Standardization**

Photo 4

The Beijing Institute of Medical Device Testing (BIMT) selected the Sysmex Reference Counter as the national standard for

blood cell counting in China. The BIMT handles the registration of medical devices under the State Food and Drug Administration (SFDA), and this is the first time the reference counter has been employed.

The adoption of the Sysmex Reference Counter provides a basis for further efforts toward more precision in blood cell counting and further standardization of testing by registered testing organs affiliated with the SFDA.

**Asia-Pacific**

**Tree-Planting throughout the Region**

Photo 5

Sysmex employees throughout the Asia-Pacific region have joined to create the Greener Sysmex Team, with the goal of making Sysmex a more environmentally friendly company. In fiscal 2011, the team was active in tree-planting and greening projects in each region.

Mangrove planting was undertaken by Sysmex Thailand in April 2011 and by Sysmex Malaysia in November 2011. Sysmex Philippines also conducted tree-planting in May 2011, while Sysmex Indonesia did so in February 2012.

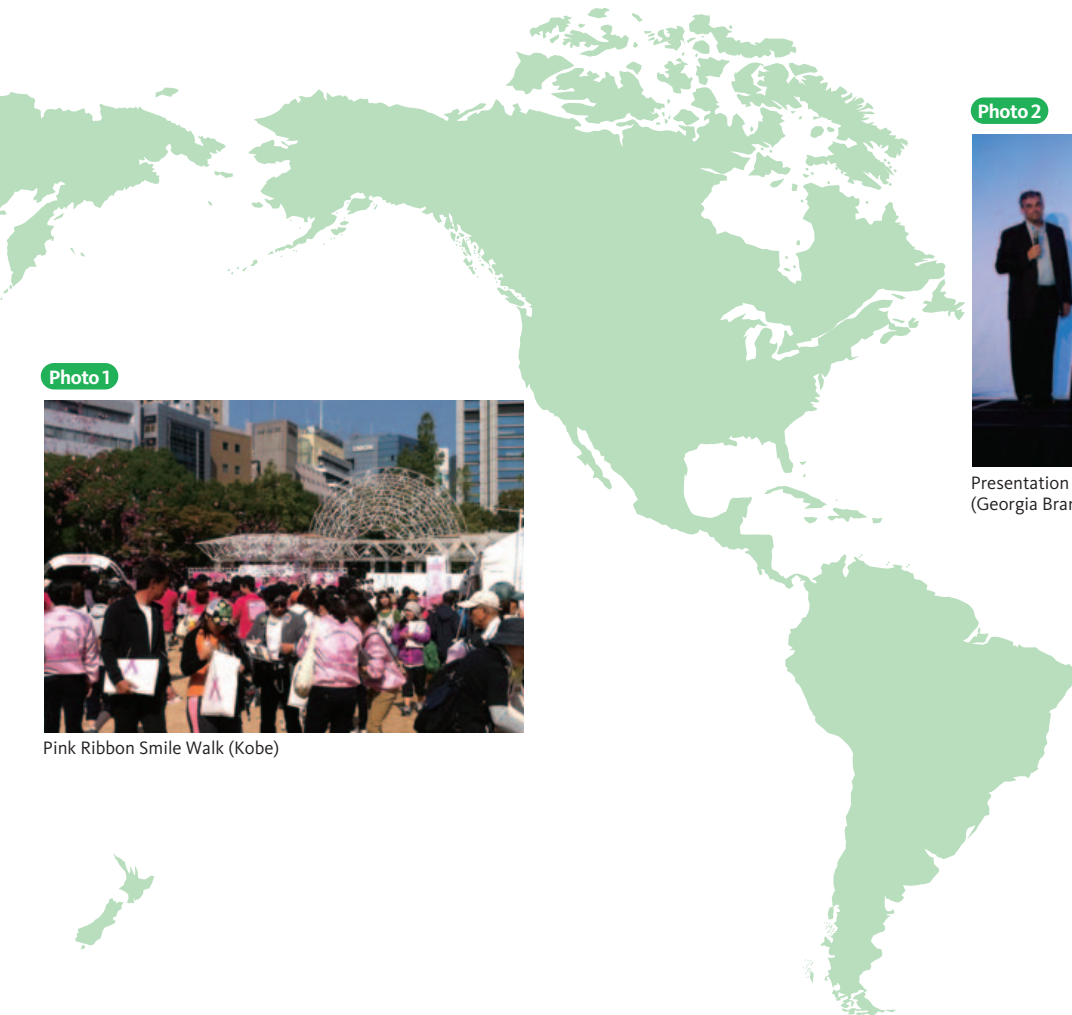
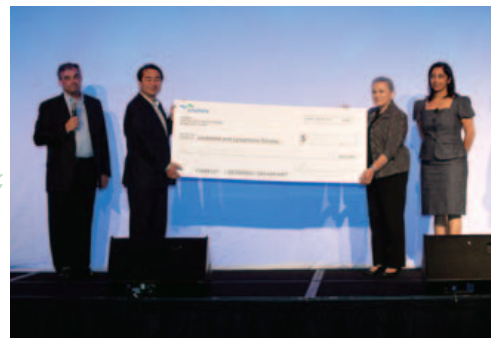


Photo 1



Pink Ribbon Smile Walk (Kobe)

Photo 2



Presentation of charity funds (Georgia Branch of the Leukemia & Lymphoma Society)

## The Environment

### Systemx Group Environmental Action Plan (Systemx Eco-Vision 2020)

In fiscal 2010, Systemx formulated the Systemx Group Environmental Action Plan (Systemx Eco-Vision 2020).

We are working to reduce our environmental impact to achieve these long-term environmental objectives.

### Global Warming Countermeasures

#### Reducing Greenhouse Gas Emissions at Business Offices

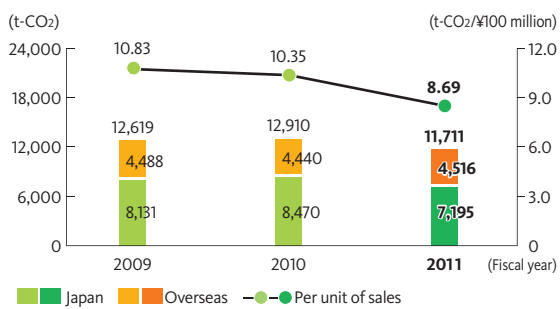
We are promoting various measures at each site, in order to reduce greenhouse gas emissions at our business offices. As a result, in fiscal 2011 greenhouse gas emissions per unit of sales were 16% lower than in the previous fiscal year.

At our factories in Japan, we are working on various measures to bolster production efficiency, such as by conserving energy at production facilities. At all our business offices, including our factories, we have introduced thorough temperature controls, affixed insulating sheets, and assiduously reduced unnecessary lighting. Energy conservation measures are designed according to each site characteristics.



Introduction of electric power monitor at Technopark to determine status of electricity use throughout the facility

#### Greenhouse Gas Emissions at Business Offices



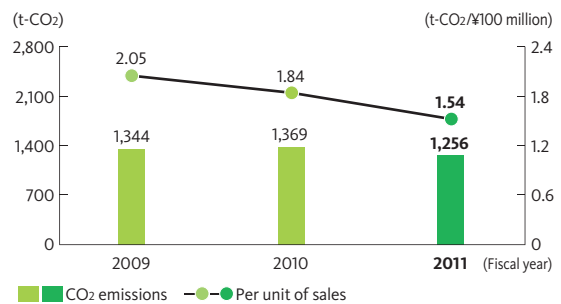
#### Reducing CO<sub>2</sub> Emissions for Logistics

We are also promoting efforts to reduce CO<sub>2</sub> emissions from logistics processes. For logistics operations in Japan, during the year we consolidated our logistics centers and revised transportation routes to make them more efficient. As a result, CO<sub>2</sub> emissions from transportation within Japan were down 8% in fiscal 2011, compared with the previous fiscal year.

To reduce emissions resulting from the export from Japan to overseas regions, whereas in the past we transported instruments from Japan to Indonesia by air, we shifted transportation of approximately 90% of these exports to ship.

By making changes such as these, in fiscal 2011 we succeeded in reducing CO<sub>2</sub> emissions from transportation to overseas destinations by 19% year on year.

#### CO<sub>2</sub> Emissions for Logistics



### Effective Use of Resources and Waste Reduction

#### Reducing Waste at Business Offices

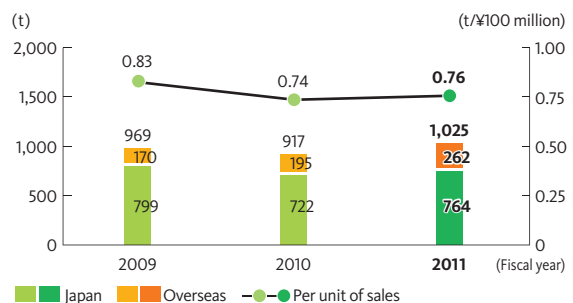
In fiscal 2011, we conducted a review of the suppliers who process the waste generated by Technopark and the Seishin Factory of Systemx International Reagents, with the aim of raising recycling ratios.

We continued to promote the use of garbage disposers at facilities that produce large amounts of raw garbage and waste oil, such as employee cafeterias. In fiscal 2011, we installed a garbage disposer at the Ono Factory of Systemx International Reagents. Owing to renovations at business offices, however, total waste emitted in fiscal 2011 was up 3% year on year per unit of sales.



Garbage disposer

#### Total Volume of Waste Emissions at Business Offices



### Effective Use of Water Resources

#### Reducing Water Usage and Processing Wastewater Appropriately at Business Offices

Systemx is working to reduce the amount of water it uses through such efforts as increasing the efficiency of water purifying

◆◆◆◆ Activities at Overseas Bases ◆◆◆◆

**Renewable Energy Use (Germany)**

At Sysmex Europe, the Neumünster Factory's installation of a photovoltaic system reduced overall power consumption at all factories in fiscal 2011 by around 25%, or 110,000 kWh. The company has also switched electric power providers, using only suppliers that generate power from renewable resources.



Photovoltaic system installed at the Neumünster Factory

**Eco-Friendly Factory (China)**

Sysmex Jinan is building an eco-friendly factory, including (without limitation) greenery on its roof (scheduled to commence operations in 2012).

**Water Recycling (India)**

At Sysmex India, all factory wastewater is reused at green spaces within the factory area, and thus the company is working to reduce the amount of water it consumes.

**Acquisition of ISO 14001 Certification (Germany, Singapore, India)**

Sysmex Europe, Sysmex Asia Pacific and Sysmex India have acquired ISO 14001 certification. Sysmex Wuxi and Sysmex Jinan are also pursuing initiatives toward this end.

equipment. However, as production volumes are increasing—notably for the production of reagents overseas—water use in fiscal 2011 per unit of sales was up 2% year on year.

In addition, we upgraded the wastewater processing system at our Kakogawa Factory to augment facility operation efficiency and boost safety. This system measures biochemical oxygen demand (BOD)—an indicator of water pollution—in real time, helping to ensure that we control equipment appropriately to keep wastewater above required standards.



Wastewater processing system

To meet the stipulations of the revised RoHS Directive, Sysmex is adjusting its design and production processes for products shipped to Europe.

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

**Others**

**Helping Suppliers Build an Environmental Management System**

Sysmex encourages its suppliers to acquire ISO 14001 certification or build other environmental management systems recommended by local administrations. As of March 31, 2012, 64 of our 84 main suppliers had received ISO 14001 or a simplified version of environmental management system certification.

Furthermore, in fiscal 2011 we conducted a survey of 220 suppliers to determine their environmental management system response status and environmental preservation initiatives. We confirmed that no major environmental issues had arisen.

**Establishing Eco-Friendly Production Methods for the Raw Materials Used in Diagnostic Reagents**

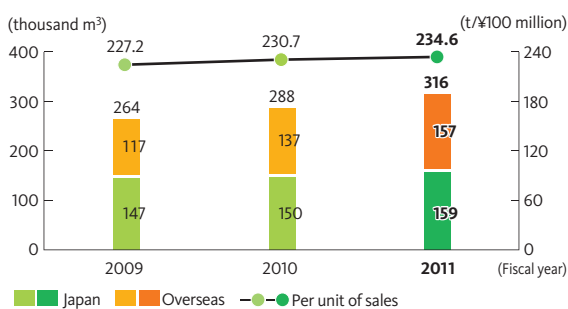
Sysmex has established a method of producing from silkworms the proteins used as raw materials in certain of its diagnostic reagents.

In the past, proteins were cultivated in computer-controlled tanks, using cells derived from mammals; the new approach reduces energy consumption substantially. As silkworms can be cultivated at room temperature, simply using shelves and breeding containers and providing them with food, we anticipate energy savings and waste reduction.



Silkworms to produce proteins

**Water Consumption at Business Offices**



**Reducing the Use of Substances with Environmental Impact**

**Conforming with Regulations**

Application of the revised RoHS Directive\*, which went into effect in July 2011, to Sysmex's products begins in July 2014 for scientific measurement instruments and from July 2016 for diagnostic instruments and diagnostic instruments for animals.



**We Believe the Possibilities.**

**Sysmex Corporation**

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