

Sysmex
Sustainability
Report

2015

Digest Version



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Editorial Policy

Sysmex publishes the annual “Sysmex Sustainability Report” in the hopes of communicating its approaches and activities concerning corporate social responsibility (CSR) to stakeholders and facilitating dialog with them. This report is available as a full version and in digest form, as well as on the Company’s website.

Informational content of each media

- Sysmex Sustainability Report 2015 (Full Version), CSR Site: Comprehensive information
Provides exhaustive coverage of the Company’s CSR initiatives
- Sysmex Sustainability Report 2015 (Digest Version): Excerpts of key information only
Contains excerpted content the Company wishes particularly to communicate to stakeholders

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Organizations covered

Sysmex Group (Sysmex Corporation and its subsidiaries both in Japan and abroad). In this report, “Sysmex” refers to the Sysmex Group as a whole. “Sysmex Corporation” refers to the Company on a stand-alone basis.

Period covered

Primarily fiscal 2014 (from April 1, 2014 to March 31, 2015). Some activities conducted outside this period are also included.

Date of publication

August 2015
Previous version: August 2014

Guidelines referenced

- The Global Reporting Initiative (GRI)’s Sustainability Reporting Guidelines, Edition 3.1
- The Japanese Ministry of the Environment’s Environmental Reporting Guidelines (2012 ed.)

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.

We address the shared desire of all people to remain healthy by providing products and services backed by leading-edge technologies and building trust and confidence.

Contributing to the Advancement of Healthcare through Testing

In line with our mission of “shaping the advancement of healthcare,” which is defined in the “Sysmex Way,” the corporate philosophy for the Sysmex Group, Sysmex works to contribute to the development of healthcare and the healthy lives of people. Since our founding in 1968, we have created a wide spectrum of products and services in the *in-vitro* diagnostics field based on advanced technologies, and the Group’s products are used in more than 190 countries around the world.

In recent years, the environment surrounding the healthcare business has changed dramatically. In advanced countries, new needs are emerging as populations age and attention focuses on individually optimized healthcare (personalized medicine). Meanwhile, emerging markets—including China and countries in Southeast Asia and Central and South America—are working to expand their healthcare infrastructures and offer more sophisticated healthcare in line with their economic development.

In this environment, testing is playing an increasingly important role in illness prevention, early detection and the determination of treatment methods. We aim to swiftly address these changes in the environment and respond to people’s desire to remain healthy by meeting increasingly diverse and advanced testing needs.

In fiscal 2014, we launched the HISCL-800, a new product in the HISCL-Series of automated immunoassay analyzers that aids in the diagnosis of infectious diseases, cancers, heart diseases and autoimmune diseases and in monitoring their courses of treatment. This product inherits such series characteristics as minute samples, a high degree of sensitivity and fast measurement, and is compact, being approximately 60% the width of existing models. We also introduced the XN-L-Series, a compact automated hematology analyzer. Aimed primarily to meet demand at small and medium-sized facilities in advanced markets and expected growth in

emerging markets, with these products we expect to provide advanced testing in numerous regions and circumstances.

Building Trust and Confidence among Stakeholders

In keeping with its corporate philosophy, Sysmex prioritizes the building of trust and confidence among its stakeholders.

In fiscal 2014, we responded to growing global demand for testing by reorganizing our instrument manufacturing structure, creating a system to ensure the stable delivery of products of even higher quality. We opened the doors of i-Square, a new factory in the city of Kakogawa, Hyogo Prefecture, and expanded the factories at two Group companies in Japan. These moves will approximately triple our future supply capacity at our four factories, including Kakogawa Factory. We also set up a logistics center within i-Square to directly link our manufacturing and distribution functions. At the same time, we revised our product packaging materials and promoted such reforms as increasing loading ratios. In addition to making logistics more efficient, these moves are helping to reduce our CO₂ footprint. Overseas, we augmented production capacities at our reagent factories in Singapore and Germany. As well as ensuring high levels of quality and production efficiency, we strove to make these factories even more comfortable places for employees to work.

Besides its business-related initiatives, Sysmex also undertook a variety of social contribution activities. For example, because as a healthcare company we believe in contributing to a healthy society through sports, we have supported the Kobe Marathon since its inception. We were a special sponsor of the fourth Kobe Marathon, which was held in November 2014, and our volunteers supported event operations in such ways as providing water to runners.

Overseas, we conduct a host of social contribution activities tailored to the characteristics of individual regions. To help stamp out cancer, one of the world’s most deadly

diseases, in fiscal 2014 we launched the Sysmex Against Cancer campaign in the EMEA* region. Employee volunteers from different locations joined together in planning and conducting a variety of fund-raising events, with proceeds donated to the World Cancer Research Fund.

* Europe, the Middle East and Africa

Aiming to Make Further Progress with a New Mid-Term Management Plan

We have recently formulated a new Group mid-term management plan to guide Sysmex through fiscal 2017.

In addition to developing high-value-added products that anticipate customers' needs and rolling out a global business strategy, this plan calls for the Company to augment management soundness and transparency by revising its internal control system. These measures are intended to enhance our sustainable corporate value. We will also reinforce interactive communication with diverse stakeholders.

When formulating our mid-term management plan, we also revised our mid-term CSR plan. This plan is based on the 10 principles of the United Nations Global Compact, which the Company joined in 2011, and ISO 26000. The plan calls for further globalization of our businesses and re-establishes targets for future activities based on the increasingly diverse and sophisticated demands and expectations of our stakeholders.

Sysmex aims to continue achieving sustainable growth going forward and strives to earn the trust of all our stakeholders. As we undertake these endeavors, I ask for your further understanding and support going forward.

July 2015



Hisashi Ietsugu
Chairman and CEO



Supporting the Lives and Health of People Worldwide by Providing the Instruments, Reagents and Software used in *In-Vitro* Diagnostics*

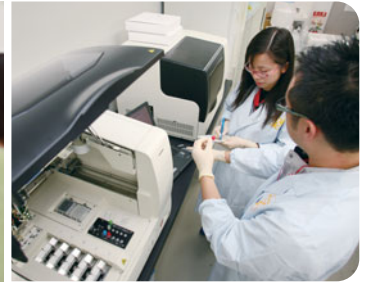
Addressing the Problems Faced by Patients and Healthcare Professionals



Reducing the Burden on Patients

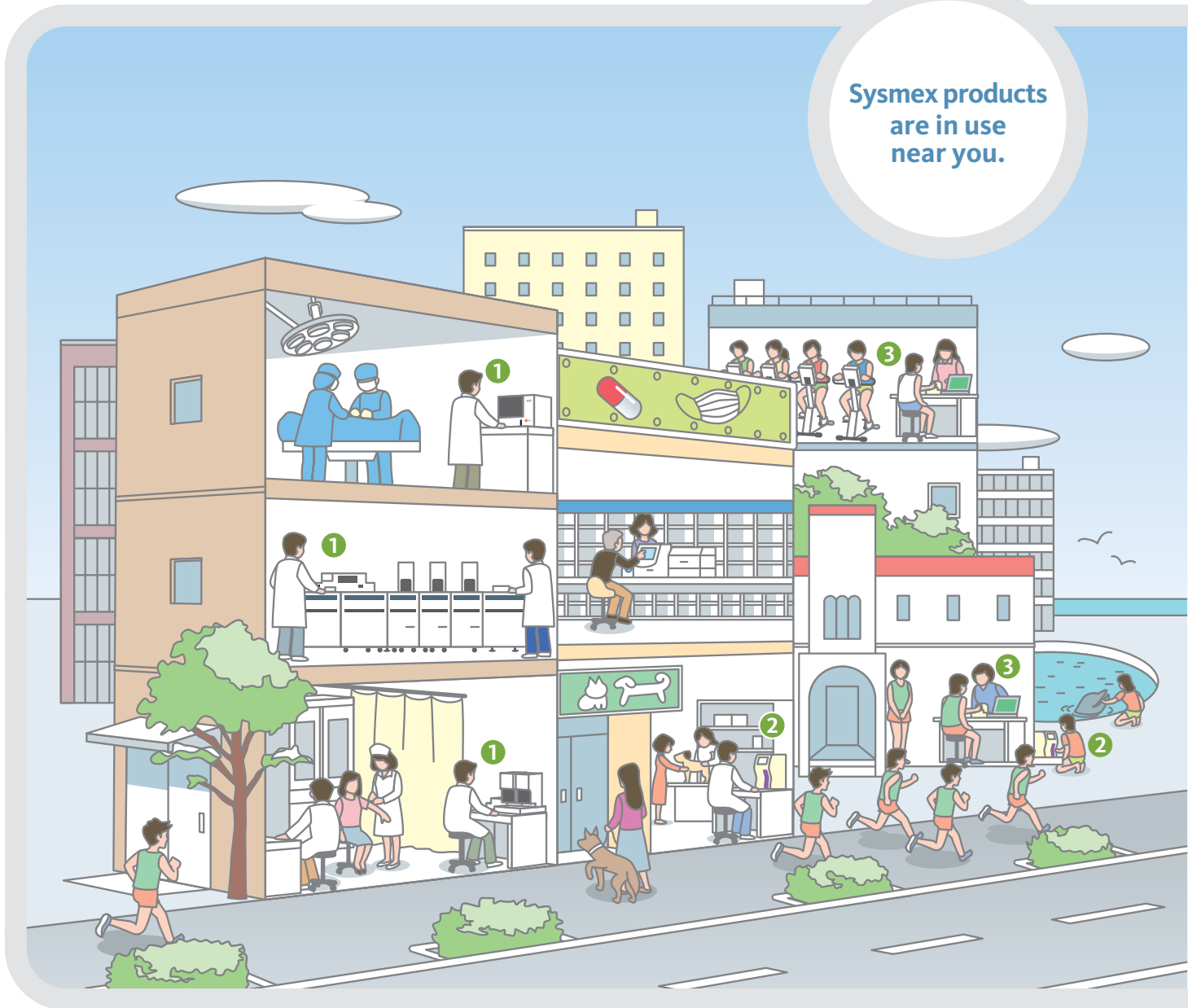


Helping Physicians Diagnose Swiftly



Reducing the Burden for Laboratory Technologists and Enhancing Efficiency

Sysmex products are in use near you.



* *In-vitro* diagnostics are a type of laboratory testing. Whereas *In-vivo* diagnostics involves tests conducted directly on patients' bodies, such as electrocardiograms and ultrasound, with *In-vitro* diagnosis tests are performed on samples (specimens) taken from a patient's body, such as blood and urine, analyzing the shape and number of constituents and cells contained in these samples.



Integrated System from R&D to After-Sales Support

R&D

Production

Sales

After-sales Support

① Hospitals

Hematology Field

Hematology, which involves measuring and analyzing the number, type and size of red, white and other blood cells, allows the presence of anemia or infectious disease to be determined.

XN-Series XN-2000
Automated Hematology Analyzer



Urinalysis Field

Urinalysis entails testing for the presence of sugar, protein or blood in the urine, aiding in the diagnosis of a variety of diseases.

UF-1000i
Automated Urine Particle Analyzer



Hemostasis Field

Hemostasis supports the diagnosis and treatment monitoring of the mechanism that prevents blood from clotting (as in hemophilia) or disorders resulting from thrombi (as with cerebral infarction).

CS-5100
Automated Blood Coagulation Analyzer



Life Science Field

Leading-edge technologies are used to analyze genes and proteins, performing molecular diagnostics related to diseases, centering on cancer.

The One-Step Nucleic Acid Amplification (OSNA) method that Sysmex has developed can be used to detect target genes in lymph nodes quickly, easily and with a high degree of precision. This technology is currently eligible for insurance coverage in testing for breast cancer, colorectal cancer and stomach cancer. The technology is also a focus of R&D attention in realizing personalized medicine, including for studying the effectiveness of anti-cancer agents.

RD-100i
Gene Amplification Detector



Immunochemistry Field

Immunochemistry is performed on blood serum, the supernatant fluid isolated after blood separates, to test for the presence of the hepatitis virus, measure thyroid hormone and check for cancer.

HISCL-5000
Automated Immunoassay System



② Animal Hospitals

Our products for animals help manage the health of dogs and cats, as well as aquarium dolphins and zoo animals.

poch-100iV Diff
Automated Hematology Analyzer



③ Sports Training Facilities

Our health monitoring analyzer measures hemoglobin levels without blood sampling and is used as a tool for monitoring athletic condition.

ASTRIM FIT
Health Monitoring Analyzer



Expanding our Lineup of Immunoassay Analyzers and Reagents That Contribute to the Early Detection and Treatment of Infectious Diseases, Cancer and Other Diseases

1 Launch of a Compact and High-Performance Immunoassay Analyzer to Meet Diverse Needs around the World

As a way of measuring proteins and other substances in the blood, immunochemistry testing has a wide range of applications, from diagnosis of infectious diseases, cancers, heart diseases and autoimmune diseases to monitoring the course of treatment. As such, immunochemistry testing plays an essential role in the early detection of diseases and determination of therapeutic effects. To meet a variety of testing needs related to immunochemistry testing, Sysmex has expanded its lineup of HISCL-Series automated immunoassay analyzers.

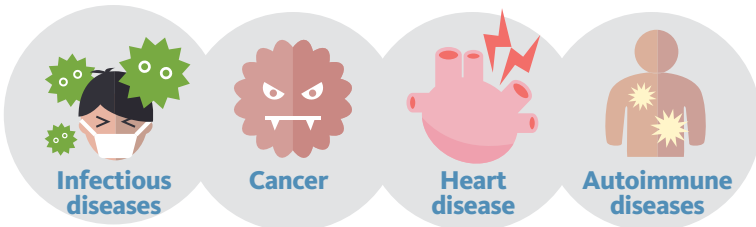
In September 2014, we launched the HISCL-800, which carries forward such HISCL-Series characteristics as minute samples, a high degree of sensitivity and fast measurement (requiring only 17 minutes). At the same time, the HISCL-800

is space-saving, with a footprint approximately 60% the width of the HISCL-5000. This instrument, which offers high functionality and performance, as well as being space-saving, is expected to contribute to high-value-added testing in emerging markets such as China and other Asian countries that are slated for future growth. Contributing to testing efficiency, the interface employs a large, 21-inch color touch-panel display and uses large icons to ensure a high level of visibility and operability.

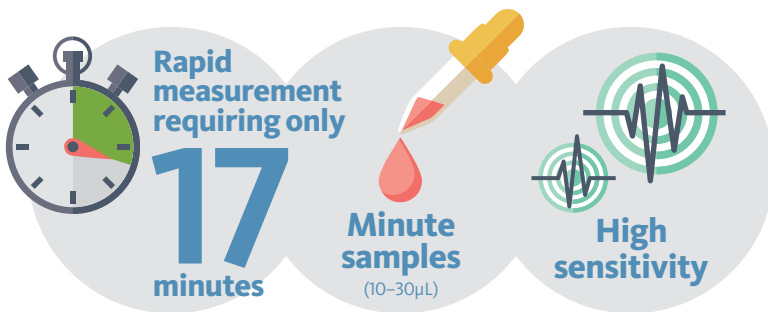
This model works with the Sysmex Network Communications Systems (SNCS)* to determine the status of a customer's instrument and pre-empt malfunctions. This functionality helps in configuring a testing environment that is convenient and instills customer confidence.

* A separate agreement is needed to use this service.

Diseases for which immunochemistry tests contribute to diagnosis and monitoring of courses of treatment



Principal characteristics of HISCL-Series fully automated immunoassay analyzers



- Increased testing efficiency
- Highly reliable testing results
- Reduced burden on patients



Instrument width approximately **60%** of the existing model, the HISCL-5000
Space-saving

What is viral hepatitis?

One of Japan's most prominent infectious diseases

Affecting some **3** million people

May lead to liver cirrhosis and hepatocellular carcinoma

Characteristics of the new reagent, HISCL M2BPGi

Reduces the burden on patients and leads to more efficient testing
Quickly determines liver fibrosis progression with only a blood sample



Degree of liver fibrosis progression

≡ Potential development into liver cirrhosis, hepatocellular carcinoma

② A New Reagent That Helps to Reduce the Burden on Patients When Diagnosing Hepatic Virus-Induced Diseases

In January 2015, Sysmex's new reagent for the HISCL-Series, the HISCL M2BPGi Assay Kit, received approval for health insurance coverage in Japan. This reagent is able to determine in a short period of time the degree of liver fibrosis progression (hepatic fibrosis).

Left untreated, viral hepatitis, one of Japan's leading infectious diseases, can progress from chronic hepatitis and liver cirrhosis to hepatocellular carcinoma. To treat this disease, determining the degree of hepatic fibrosis due to the hepatitis virus is key. At present, the typical testing process involves living tissue diagnosis, or taking a biopsy of the liver tissue. This method requires hospitalization, placing a substantial burden on the patient on both the physical and economic fronts.

Using the HISCL M2BPGi Assay Kit and HISCL-Series immunoassay analyzers (HISCL-5000/2000i/800) allows the degree of hepatic fibrosis progression to be quickly measured with only a blood sample. This method is expected to reduce the burden on the patient and lead to more efficient testing.

③ Contributing to the Automation of Testing for Atopic Dermatitis and Greatly Reducing the Time Required for Diagnosis

In April 2014, Sysmex began offering the HISCL TARC Assay Kit for diagnosing atopic dermatitis.

An objective approach to diagnosing atopic dermatitis involves measuring the amount of a substance called TARC* produced in the blood, thereby evaluating the severity of the disease and measuring therapeutic effects. In the past, these tests have been performed manually, typically requiring more than three hours. By using a HISCL-Series instrument and the HISCL TARC Assay Kit, this testing can be automated, reducing testing time to only around 17 minutes.

By further expanding its lineup of immunoassay analyzers and reagents, Sysmex aims to contribute to enhancing the quality of testing and reducing the burden on patients.

* An abbreviation for thymus and activation-regulated chemokine, a substance that causes cells in the blood to migrate to the skin, resulting in allergic inflammation.

Time required to measure TARC production volume
Substantially reduces testing time

To approximately

1/11
of manual method

(From approximately 3 hours, 15 minutes to around 17 minutes)

Customer Comment



Impressions from Using the HISCL-800: "Easy to Use and Hassle Free"

We decided to introduce the HISCL-800 because it was perfectly sized for our laboratory and because of the quick, polite and reliable responses of Sysmex's sales, support and scientific personnel. In addition to the instrument itself being compact, all the necessary reagents can be stored within the instrument, which makes the lab neat and tidy. The touch-screen monitor makes the instrument easy to use and it requires hardly any maintenance. From my perspective, the HISCL-800 is easy to use and hassle free.

Momoyo Sakai, Chief of Clinical Laboratory, Healthcare Corporation TOSEIKAI, Suwa Maternity Clinic

Opening of i-Square, a Core Instrument Factory Focused on Delivering High-Quality Products in a Stable Manner

1 Rearranging the Group's Overall Production System to Meet Growing Demand for Testing

Sysmex leverages its advanced “made in Japan” technological capabilities to manufacture IVD instruments that are shipped to customers in more than 190 countries.

Recent years have seen increasing healthcare and testing needs in China and other emerging markets, as well as advanced countries, and demand for our instruments has grown sharply. In response to these conditions, in June 2014 Sysmex established i-Square, a new factory in the city of Kakogawa, Hyogo Prefecture, with a site area of 30,000 square meters. We took the establishment of i-Square as an opportunity to revise the Group's instrument production

system. We reorganized our structure to manufacture compact models at the Kakogawa Factory, as well as the Sysmex Medica and Sysmex RA factories. Sysmex Medica (Himeji, Hyogo Prefecture) specializes in the assembly of units for high-end models, and Sysmex RA (Shiojiri, Nagano Prefecture) focuses on the manufacture of peripheral equipment for IVD instruments.

These revisions will allow the Sysmex Group to triple its instrument manufacturing capacity, thereby meeting growing global needs.

i-Square Features

Manufacturing

Uncompromising pursuit of high quality

Utilization of

ICT (Information and Communications Technology)
in manufacturing

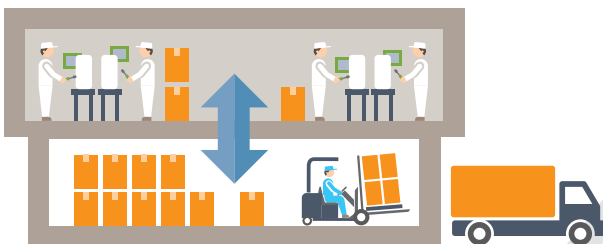


Screen from a 3D moving manual

i-Square Features

Logistics

Achieves highly efficient operations



Directly linking the manufacturing and logistics functions

2 Configuring a System to Manufacture and Supply High-Quality Products Efficiently

The manufacturing area at i-Square is designed around the concept of manufacturing high-quality products through a combination of people and technology, promoting the use of ICT in “digital manufacturing.” The Smart Pro manufacturing support system directs workers and testing personnel, accumulates working and testing results, and creates manufacturing and testing records. Linking with Smart Pro are 3D “moving manuals” that use displays to demonstrate operations to workers using three-dimensional animations, resulting in high-quality, highly efficient manufacturing.

i-Square also serves a central function in managing instrument logistics. Whereas in the past instruments manufactured at our factories were stored in external warehouses, i-Square houses an internal logistics center that directly links the manufacturing and logistics functions. This system allows inventories to be managed as products are manufactured. By significantly improving operational efficiency, the new arrangement enables us to provide instruments to the market more swiftly than in the past.

Overview of Instrument Manufacturing Locations

	Sysmex, i-Square	Sysmex Kakogawa Factory	Sysmex Medica	Sysmex RA
Location	Kakogawa, Hyogo Prefecture	Kakogawa, Hyogo Prefecture	Himeji, Hyogo Prefecture	Shiojiri, Nagano Prefecture
Site area	Approx. 30,000m ²	Approx. 12,000m ²	Approx. 7,300m ²	Approx. 6,100m ²
Floor space	Approx. 20,000m ²	Approx. 9,800m ²	Approx. 4,400m ²	Approx. 6,000m ²
Main products	High-end models	Compact models	High-end units	Peripheral equipment

Eventually Approximately
Tripling
 the Group's
**Overall Instrument
 Manufacturing Capacity**

Responding to Growing Global Needs for Testing

i-Square



3 Consideration for the Environment and the Local Community

i-Square is designed to minimize environmental impact. LED lighting and solar power modules have been introduced to conserve energy and lower CO₂ emissions. Furthermore, the factory is surrounded by a variety of greenery, with trees, water and light in abundance. A mound of earth near the entrance of i-Square serves as an important symbol for the factory. Made with excess soil from construction that was left in place rather than being carted away, the hillock serves as a reminder of this reduced environmental impact.

The industrial complex where the factory is situated adjoins a housing area, and numerous schools are located nearby. Sysmex has set aside a portion of its site as an access road for students commuting to school, and has received a certificate of appreciation from the city of Kakogawa for its contribution to children's safety during their commute to school.

Going forward, Sysmex plans to continue its efforts to reinforce its manufacturing and logistics structures to take the environment into consideration while ensuring the stable provision of high-quality products around the world.

Using Natural Energy at i-Square

Reducing Environmental Impact

Generating **110 kWh** through Solar Power

(Accounting for 10% of all power used at i-Square)

In fiscal 2014, greenhouse gas emissions at Sysmex's factories and primary business offices were down 9% year on year per unit of sales, although the absolute number increased due to the establishment of i-Square and other factors.

Employee Comment



An Easy Factory for Employees to Work in, and Convenient for Hosting Tour Guests

i-Square is a marriage between natural beauty and functionality. The facility is "people-friendly" in that in addition to being a comfortable place to work, it is convenient for hosting tour guests and people in the surrounding community, and features an abundance of trees, water and light. The manufacturing area is characterized by a pillarless, astylar configuration. This arrangement allows layouts to be flexibly adjusted as demands dictate.

Wataru Kaneshika, Production Control Department, Instrument Production Division, Sysmex Corporation

Employee Volunteers Conduct Fund-Raising Campaign to Help Fight Cancer

1 “Sysmex Against Cancer” Campaign

Cancer is the world’s deadliest disease. Given that the number of deaths from cancer is forecast to continue increasing, in addition to improving treatment methods there is a growing need to address the illness through prevention and early detection. Sysmex manufactures and sells products that assist in the early detection of cancer. We also make donations*1 to the American Cancer Society and other organizations that work to prevent and conduct

research on cancer. In these ways, the Company is working proactively to contribute to society by fighting cancer.

In fiscal 2014, employee volunteers at Group companies in the EMEA*2 region launched the cancer-fighting campaign “Sysmex Against Cancer.”

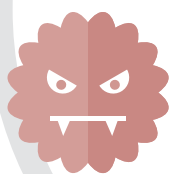
*1 For details, please see the section on page 15 of this report, entitled “Making Ongoing Contributions to Organizations That Support Cancer Prevention and Research”

*2 Europe, the Middle East and Africa

World Cancer Status

The World’s Deadliest Disease

Deaths from Cancer **13.0 million**



8.2 million



2012 (Estimate)



13.0 million

2030 (Forecast)

Throughout the world, an estimated 14.0 million people fell ill with cancer in 2012, and around 8.2 million people died from the disease. By 2030, these figures are forecast to climb to 22.0 million and 13.0 million, respectively.

Source: World Cancer Report 2014, International Agency for Research on Cancer

2 Leading in a Number of Fund-Raising Activities in the EMEA*1 Region

As part of the Sysmex Against Cancer campaign, a dedicated website has been set up to publicize the host of events employees have planned and to solicit donations. These funds are donated to the World Cancer Research Fund*2, which raises awareness of cancer prevention and supports research.

These activities span the entire EMEA region, from Russia to South Africa, from the United Kingdom to the Middle East. Events are diverse, including sales of food, precious stones and caps, holding auctions and hosting lectures by specialists. As of April 2015, a total of 162 events had been held.

*1 Europe, the Middle East and Africa

*2 The World Cancer Research Fund is a non-profit organization headquartered in London, England. The fund promotes awareness of cancer-prevention measures and provides funding for scientific research on the relationship between cancer and such factors as food, exercise and obesity.

Employee Comment



A Major Project Combining the Efforts of Employees in 15 Countries

Many people in our lives are affected by cancer in one way or another. Sysmex is no exception. Sadly, two of our beloved colleagues passed away from cancer on the same day. As people involved in healthcare, this event led us to wonder what we might be able to do, and we launched the “Sysmex Against Cancer” campaign. On April 12, 2015, employees in 15 countries combined their energies to take part in a major project.

Jos van de Ven, IVD Division, Sysmex Nederland

3 Conducting Contribution Activities through the NN Marathon Rotterdam

On April 12, 2015, one of the largest projects so far in the Sysmex Against Cancer campaign was held to raise funds through the 2015 NN Marathon Rotterdam. Each year, more than 20,000 runners take part in this event, which is the largest marathon in the Netherlands. Some 96 Sysmex employees—92 from Europe, one from the Middle East and three from Africa—ran in the marathon. When participants applied to take part in the marathon, they agreed to try and raise funds for the World Cancer Research Fund.

As a result of these activities, by the end of April 2015 the Sysmex Against Cancer campaign had raised a total of €241,733 (approximately ¥31.5 million*) which it contributed to the World Cancer Research Fund. Through this campaign, we plan to continue contributing to the fight against cancer.

Going forward, in tandem with employees and local communities Sysmex will continue working proactively on social contribution activities that address the various problems society faces.

*Calculated at €1.00 = ¥130.32, the exchange rate on March 31, 2015

**Amassing Donations through
Sysmex Against Cancer**

**Contributing to the World
Cancer Research Fund**

€241,733

(Approximately ¥31.5 million)

Contribution presentation ceremony

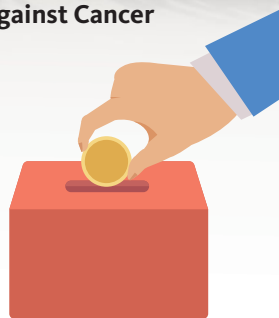


Overview of the Sysmex Against Cancer Campaign

162

Fund-Raising Activities,

Including Participation in the NN Marathon Rotterdam



Taking part in a host of fund-raising activities



Global CSR Activity Highlights

Japan

In the Hematology Field, Launch of Compact Models in the XN Family

In December 2014, Sysmex launched the XN-L-Series (XN-550, XN-450 and XN-350) of automated multiparameter hematology analyzers. These compact models are part of the Company's flagship model in the hematology field, the XN-Series. The width of the system comprising the new series and its data processing unit have been reduced to about 70% that of current compact models*. In addition, the new series offers high levels of performance and operability, and is aimed at small- and medium-sized healthcare facilities, as well as emergency laboratories at large-scale institutions.

* Compared with the XN-350 and XS-800i (main instrument plus data processing unit)

Space-saving
Approximately
70%
the width of
current products*



XN-550

XN-450

XN-350

Establishment of a New Development Base for Companion Diagnostic Drugs

In the area of cancer treatment, demand is growing to realize and promote personalized medicine, which is optimized for individual patients. In line with this trend, expectations are growing for companion diagnostic drugs, which are used to predict the efficacy and side effects of drugs before using them as treatment. To accelerate R&D on companion diagnostic drugs, in December 2014 Sysmex established a new base on Kobe Port Island to develop these drugs and provide lab assay services.

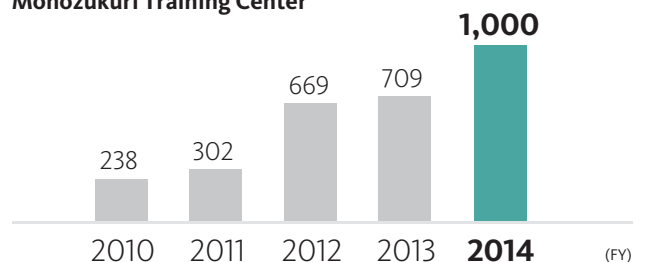


Base for companion diagnostic drug development and lab assay services

Technical Training at the Monozukuri Training Center

Sysmex has established the Monozukuri Training Center at its Kakogawa Factory to provide technical training for new employees, as well as part-time and temporary employees. This center was expanded in fiscal 2014 as part of the renovation work conducted at Kakogawa Factory, increasing the number of training topics it handles. We have also shared this center's educational know-how with other factories to augment on-site human resource development.

Total Number of People Undergoing Training at the Monozukuri Training Center



Sponsorship of the Kobe Marathon 2014

Systemex Corporation has been a special sponsor of this event since its inception. With a theme of "Thanks and Friendship," the Kobe Marathon is meant to express the gratitude of the people of the Kobe area to everyone who assisted in the reconstruction of the region following the Great Hanshin-Awaji Earthquake. For the fourth marathon, held in November 2014, Systemex supplied bib numbers to runners and fielded volunteers who provided operational support. Systemex also exhibited at the Kobe Marathon EXPO.



Volunteers providing water
(136 Group employees and their family members participated)

Introduction of a Social Contribution Point Program to Encourage Employee Volunteer Activities

Systemex introduced a Social Contribution Point Program in April 2014. Under this program, employees earn individual points for taking part in social contribution activities, as well as for participating in social contribution events sponsored by the Company. The Company makes a donation corresponding to the number of points accumulated at the end of each fiscal year. Under this program, in fiscal 2014 Systemex donated ¥970,000 worth of measles vaccines, antimalarial mosquito nets and emergency medical kits to developing countries via UNICEF.

The result of the Social Contribution Program in Fiscal 2014

Approximately **28%** of Group employees in Japan participated, a total of **837** people.

A total of **¥972,200** was donated, corresponding to **9,722** points.

- Measles vaccines: 10,600 doses
- Emergency medical kits: 78
- Antimalarial mosquito nets: 770

Human Resource Development Based on Four Concepts

Based on its four concepts for human resource development, Systemex Corporation operates a training system offering selective, rank-based and elective training that seeks to nurture personnel in a planned and gradual manner. In fiscal 2014, on average each employee underwent 28.2 hours of training, and average per-employee expenditure amounted to ¥157,789*. Furthermore, in April 2015 Systemex opened the Global Communication Center in Okuike, Ashiya, Hyogo Prefecture. This new facility aims to serve as a gathering place for people of diverse cultures and values, encouraging communication in surroundings that provide a break from everyday routines and foster broader networks.

* This figure indicates training provided by the Human Resources Department and excludes certain types of training, such as self-development and training related to specialized work for divisions.

Average training hours per employee (fiscal 2014)

Approximately

28 hours

Average training expenditure per employee (fiscal 2014)

Approximately

¥160,000



Global Communication Center (theater room)



New employee training

Four Concepts of Human Resource Development

- 1 Link training, evaluation and work (show results)
- 2 Promote globalization of the Systemex Group
- 3 Invest in ongoing human resource development
- 4 Be a company that cultivates human resources and personal growth



Americas

Providing Extensive Support to Boost Customer Satisfaction

Systemex America, the regional headquarters for the Americas, has striven over many years to provide customer support to ensure that instruments operate soundly at customer sites. As one indicator of the success of such support, the company has received the top ranking among manufacturers of hematology analyzers in an IMV ServiceTrak survey (sponsored by IMV) of customer satisfaction for 15 consecutive years. Systemex America has also won the Ace-Award (sponsored by Confrimit) for four consecutive years for excellent corporate results on customer feedback. Furthermore, the company scored well in an independent survey conducted in 2014, receiving an overall rating of 9.1 out of a 10.0 scale for customer satisfaction.

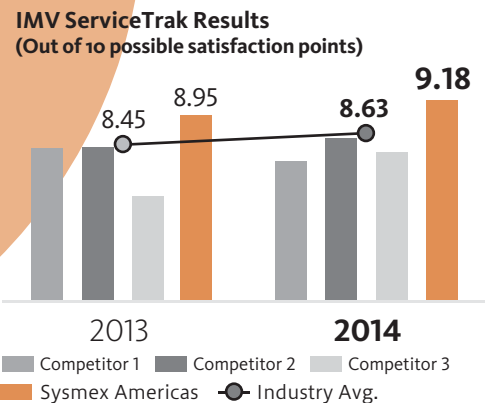


Recording a video showing customers how to use an instrument

Customer Satisfaction Survey Ranks Systemex America

No.1

for 15 Consecutive Years



Making Ongoing Contributions to Organizations That Support Cancer Prevention and Research

To achieve its goal of contributing to a healthy society, Systemex America regularly donates to organizations that support cancer prevention and research. In fiscal 2014, the company donated a total of \$79,000* to the American Cancer Society, the American Heart Association and the Leukemia & Lymphoma Society. The company's employees also actively participated as volunteers in events held by these societies.

* Including donations received through fund-raising campaigns



Employees and their families who participated in fund-raising events

Selected for the Companies That Care Honor Roll for the Seventh Consecutive Year

Recognized for its corporate citizenship activities and proactive efforts to make the workplace motivating for employees, Systemex America was selected for the Companies That Care Honor Roll, sponsored by Companies That Care, a U.S. nonprofit organization. This was the seventh year in a row the company has been selected for this honor.





Global CSR Activity Highlights

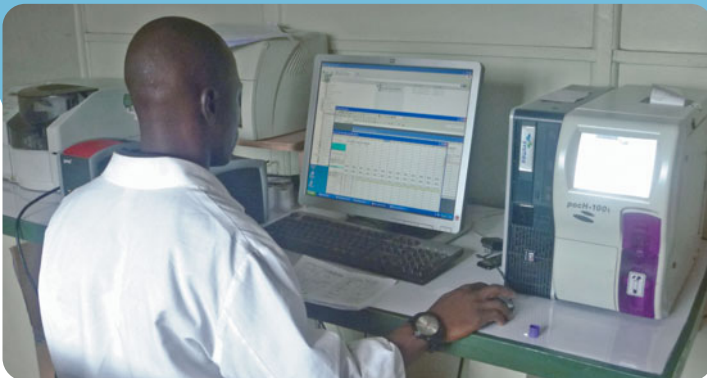
EMEA*

*Europe, the Middle East and Africa

Support for Non-profit Organization Building Medical Infrastructure in Kenya

In fiscal 2010, Sysmex donated hematology analyzers in support of ILFAR, a non-profit organization dedicated to building an HIV/AIDS treatment infrastructure in Kenya, and Sysmex has continued to provide support since then. ILFAR provides education about HIV/AIDS and conducts regular free screening in the area. In September 2014, the organization provided free screening for more than 2,300 residents of the village of Pumwani, Kenya. In fiscal 2014, Sysmex made a donation to ILFAR corresponding to the screening costs for 1,100 people.

Helping to Curb the Increase in **HIV** Infection



Hematology analyzer donated by Sysmex

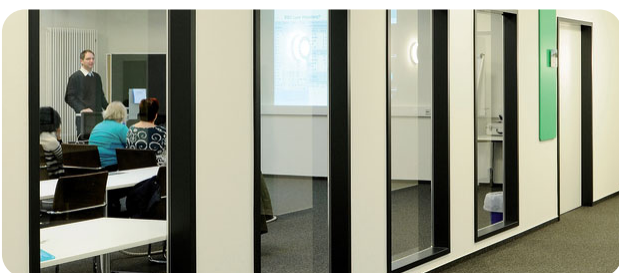


Performing treatment

Providing Training for Distributors and Employees

Conducting highly precise testing requires an appropriate level of technological and scientific knowledge. To foster this expertise, Sysmex Europe, the regional headquarters for EMEA*, has established the Sysmex Academy to provide training for key distributors and employees alike. The company has also set up training centers in various EMEA regions, providing an education system that offers instruction supervised by the Sysmex Academy.

* Europe, the Middle East and Africa



Training at the Sysmex Academy

Improving Health through Sports

In fiscal 2014, Sysmex Europe opened the Sysmex Gym, fitted out with various types of sports equipment. The gym offers training in various sports, including kick-boxing and pilates. To foster an interest in sports among numerous employees, the gym offers entry-level training by professional coaches, and specialists provide massages, creating an environment where gym-goers can enjoy maintaining their health.



Sysmex Gym



Global CSR Activity Highlights

China

Providing Leading-Edge Scientific Information to Healthcare Professionals

Since 1998, Sysmex has conducted scientific seminars for healthcare professionals in China, where economic development and population growth are leading to rapid growth in demand for healthcare and testing. On November 1, 2014, we held the 17th Sysmex Scientific Seminar in China in the city of Kunming. Attended by 780 people from throughout China, the seminar disseminated leading-edge information on laboratory testing.

780

Participants from throughout China



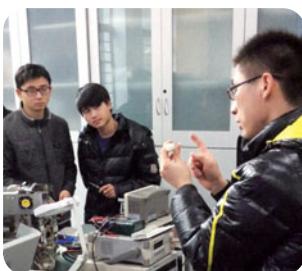
Seminar underway



Greeting by President Ietsugu

Collaborating with a College to Cultivate Engineers

China, where testing demand is growing at a rapid pace, faces an urgent need to provide laboratory testing instrument engineers with the requisite specialized knowledge and technological skills. To address this need, Sysmex Shanghai and the Shanghai Medical Instrumentation College (SMIC) together operate a training center for engineers. In fiscal 2014, five SMIC instructors with advanced instruction credentials and three Sysmex Shanghai engineers with extensive operational and technological experience participated in this project.



Engineers in training



Wuxi Reagent Factory Named a “Fiscal 2014 Trusted Company” by the Jiangsu Province Food & Drug Administration

In fiscal 2014, the Sysmex Wuxi Factory was named a “Fiscal 2014 Trusted Company” by the Food & Drug Administration in Jiangsu Province, where it is located. The authority selected the Wuxi Factory for this distinction from among all companies in Jiangsu Province involved in the manufacture of medical equipment, based on their legal compliance.



Sysmex Wuxi



Asia Pacific

Expanding Our Reagent Factory in Singapore to Ensure a Stable Supply

Systemex is augmenting its reagent production capacity to ensure a stable supply of reagents to meet a growing demand for testing, particularly in emerging markets. In fiscal 2014, Systemex renovated its factory in Singapore, prioritizing efforts to take the global environment into account, ensure high manufacturing quality and efficiency, and allow for future product additions. Production capacity at this factory will be steadily increased to approximately three times its former level.

Production Capacity to Approximately

Triple



Building housing the new reagent factory



Production area inside the factory

Contributing to Testing Quality Improvements in Asian Countries

Systemex is supporting efforts to put in place healthcare infrastructure and enhance the quality of healthcare in emerging markets and developing countries in Asia. For example, we work with local governments and academic societies to provide external quality control* in an effort to standardize testing results. We continued these efforts in fiscal 2014, supporting external quality control in countries including Mongolia, Thailand

and the Philippines. Systemex also provides technological and academic expertise to local healthcare professionals.

* External quality control: A process for confirming the accuracy of measurement data by comparing such data from the diagnostic instruments of specific institutions with those of the reference counter (an instrument that provides measurement data accepted as standard) and other institutions

Major Support Activities in Fiscal 2014

Mongolia	<ul style="list-style-type: none"> Conducted external quality control twice each in the fields of hematology and clinical chemistry Concluded an ongoing contract with the Mongolian Ministry of Health to provide external quality control support Performed lectures at a seminar attended by institutions participating in external quality control
Thailand	<ul style="list-style-type: none"> Conducted external quality control four times in the hematology field Performed lectures at a seminar attended by institutions participating in external quality control
Philippines	<ul style="list-style-type: none"> Conducted external quality control three times in the hematology field
Cambodia	<ul style="list-style-type: none"> Concluded a contract with the Cambodian Ministry of Health to provide support for external quality control in the hematology field

Providing Free Screening for a Genetic Blood Disorder in Indonesia

In Indonesia, a large number of people are affected by thalassemia, an illness marked by symptoms such as dizziness, but people with mild cases may not even be aware that they have the

disorder. To address this situation, in May 2014 Systemex Indonesia conducted a free screening event that attracted more than 2,000 people.



Screening event

Based on our corporate philosophy, we have formulated a mid-term plan and are promoting CSR activities to build confidence among our stakeholders.

Sysmex CSR Builds Trust and Confidence through Practice of the Sysmex Way

Sysmex CSR builds trust and confidence among all its stakeholders through the practice of the Sysmex Way, the corporate philosophy of the Sysmex Group. The Sysmex Way indicates the way the most basic corporate activities ought to be conducted, consisting of three elements necessary for continued growth: Mission, Value and Mind. The mission expresses the expansion of our business from activities centered on the field of diagnostics—a focus since our establishment—to the broader healthcare domain with its even closer connection to human health. In this manner, the mission asserts our aim of contributing toward the realization of a society filled with abundance, health and joy.

The Core Behaviors clarify provision of specific value to customers, employees, business partners, shareholders, society and all our stakeholders. For example, to provide reassurance to all members of society we carry out our business in strict compliance with laws and regulations, as well as in adherence to high ethical standards. We also consider it important to play an active role in resolving environmental issues and other problems that impact our society today.

Promoting CSR Activities Based on the Global Compact's 10 Principles and ISO 26000

Sysmex joined the United Nations Global Compact in February 2011 to become more proactive in its CSR initiatives.

We have formulated a mid-term CSR plan and are undertaking CSR activities based on these 10 principles, as well as ISO 26000, the international standard for social responsibility.



Network Japan
WE SUPPORT

The UN Global Compact's 10 Principles

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

Formulation of a New Mid-Term CSR Plan Responding to Increasingly Diverse and Sophisticated Social Requirements and Expectations

In May 2015, Sysmex formulated a new Mid-Term CSR Plan in response to increasingly diverse and sophisticated social requirements and expectations.

Regarding ongoing themes such as risk management and customer satisfaction, we will reinforce our structures from a global perspective. We also set new targets to increase employee satisfaction in order to maintain and enhance an attractive and pleasant working place.

For the future, we plan to incorporate the opinions of stakeholders and define material issues.

Mid-Term CSR Plan (Fiscal 2015–2017)

Category	Mid-Term CSR Issues	Measures	Specific Developments (Fiscal 2015)
Organizational governance	Reinforcement of our global risk management structure	Deploy a global risk management system	<ul style="list-style-type: none"> • Reinforce the risk management structural base
		Strengthen measures to counter significant Group risks	<ul style="list-style-type: none"> • Step up countermeasures against information leaks • Promote global fair trade • Roll out global business continuity measures
	Reinforcement of the compliance system	Ensure thorough compliance and expand application	<ul style="list-style-type: none"> • Create a complaints management system related to fair trade • Expand the scope of our compliance policy
		Reinforce the global compliance structure	<ul style="list-style-type: none"> • Draft and implement improvement measures based on evaluations by external specialists
Human rights / Labor practices	Cultivation and promotion of diverse human resources	Promote an active role for women	<ul style="list-style-type: none"> • Increase the ratio of female recruits • Conduct career advancement training for women
		Recruit diverse global human resources	<ul style="list-style-type: none"> • Increase hiring ratio of non-Japanese human resources
		Promote global talent management	<ul style="list-style-type: none"> • Implement programs to cultivate global human resources
	Maintenance or improvement of an attractive and pleasant working environment	Increase employee satisfaction	<ul style="list-style-type: none"> • Promote awareness activities with the aim of utilizing various programs
Environment	Environmental impact reduction of products, services and operational activities	Promote environmentally friendly products and services (Including achieving the Group target values outlined in Sysmex Eco-Vision 2020)	<ul style="list-style-type: none"> • Reduce greenhouse gas emissions of products and services
		Reduce the environmental impact of business activities (Including achieving the Group target values outlined in Sysmex Eco-Vision 2020)	<ul style="list-style-type: none"> • Curtail use of energy, waste and use of water resources
Fair operating practices	Promotion of CSR procurement	Continue to promote CSR procurement	<ul style="list-style-type: none"> • Select new business partners based on new procurement policies and promote awareness among existing business partners
Consumer issues	Improvement of customer satisfaction	Create a global customer satisfaction evaluation system	<ul style="list-style-type: none"> • Conduct a global customer satisfaction survey
Community involvement and development	Promotion of corporate citizenship activities	Conduct corporate citizenship activities based on the Policy on Corporate Citizenship Activities and Philanthropy	<ul style="list-style-type: none"> • Continue to conduct corporate citizenship activities • Increase the number of employee volunteers by promoting a social contribution points program

Corporate Overview

Company name Sysmex Corporation

Established February 20, 1968

Paid-in capital ¥10,483.33 million

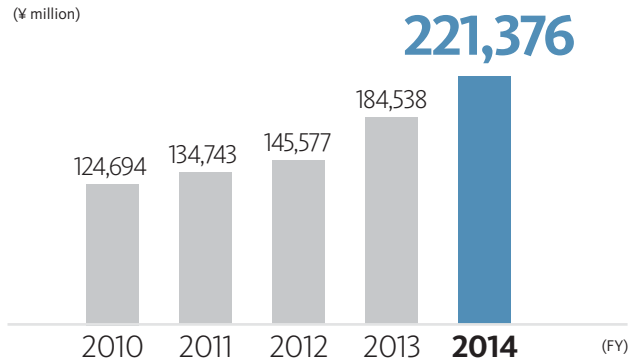
Representative Hisashi Ietsugu, Chairman and CEO

Head Office 1-5-1, Wakinohama-Kaigandori, Chuo-ku, Kobe 651-0073, Japan

Line of business Development, manufacture, sales, and export/import of laboratory testing instruments, reagents, and related software

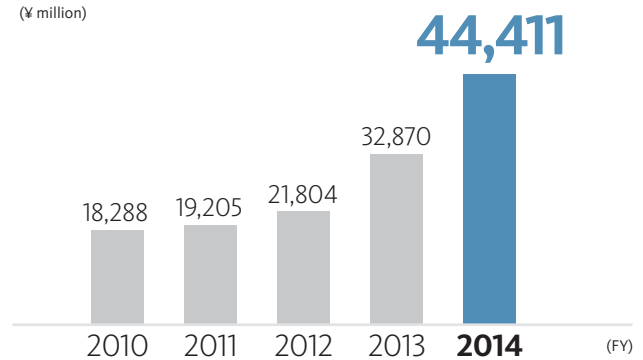
Net Sales

(¥ million)



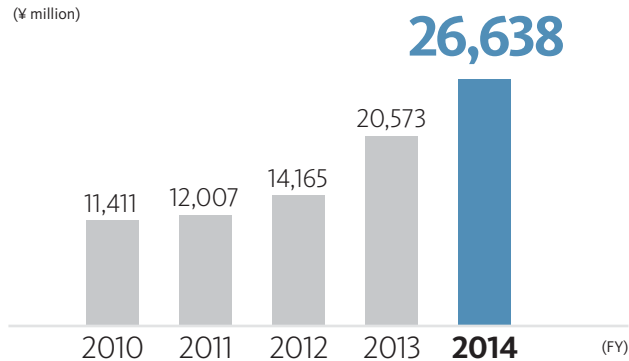
Operating Income

(¥ million)

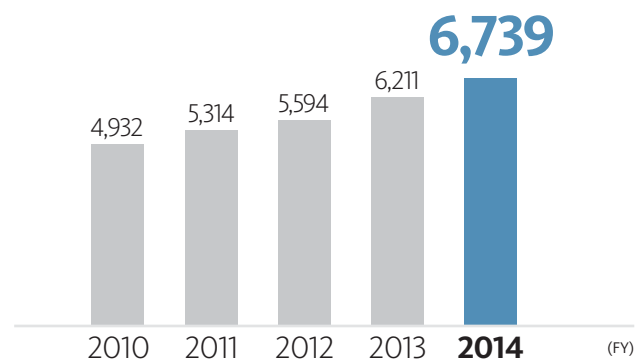


Net Income

(¥ million)



Number of Employees



Note: Including contract workers and part-time employees

Information Available on the Website

Comprehensive Information Provided on the CSR Site

Search Sysmex CSR



Message from the Chairman and CEO

Sysmex's CSR Activities

- CSR Management
- Mid-Term CSR Plan
- Results of Dialogue with Stakeholders
- Summary of CSR Data
- External Evaluation

Corporate Governance

Compliance

Risk Management

2015 CSR Activity Highlights

- 1 Expanding our Lineup of Immunoassay Analyzers and Reagents That Contribute to the Early Detection and Treatment of Infectious Diseases, Cancer and Other Diseases
- 2 Opening of i-Square, a Core Instrument Factory Focused on Delivering High-Quality Products in a Stable Manner
- 3 Employee Volunteers Conduct Fund-Raising Campaign to Help Fight Cancer

Involvement with Stakeholders

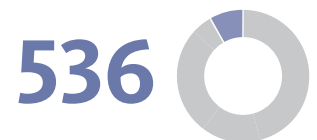
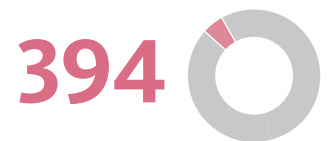
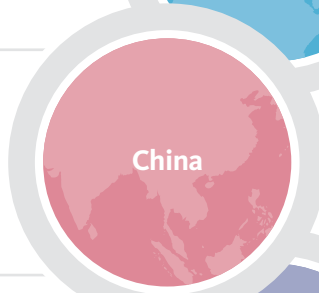
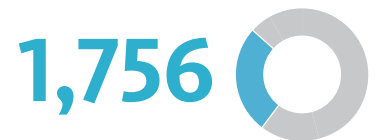
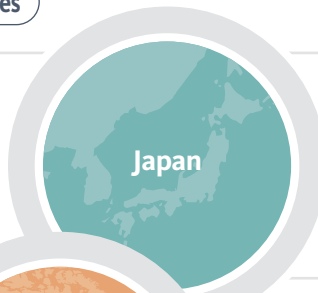
- **Involvement with Customers**
 - Ensuring Quality and Safety
 - After-Sales Support/Scientific Activities
 - Stable Supply
 - Enhancing Customer Satisfaction and Third-Party Evaluations
 - Contributing to Resolution of Healthcare Issues
- **Involvement with Shareholders**
- **Involvement with Business Partners**
- **Involvement with Employees**
 - Respecting Human Rights and Diversity
 - Employee Evaluation, Treatment, and Human Resource Development
 - Ensuring a Work-Life Balance
 - Respecting Workers' Rights
 - Considering Safety and Health

Corporate Citizenship Activities

- Policy on Corporate Citizenship Activities and Philanthropy
- Activities to Promote a Healthy Society
- Contributing to Local Communities
- Promoting Employees' Social Contribution Activities

Net Sales by Destination/Regional Subsidiaries and Affiliates

Employees by Region



Environmental Conservation Activities

- Environmental Policy
- Environmental Management
- Environmentally Conscious Products and Services
- Environmental Consciousness at Business Offices
- Other Environmental Considerations
- Green Procurement
- Environmental Data

Systemex Sustainability Report

Guideline Comparative Table



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