

Effectiveness of the Managing Board

The Managing Board is composed of members having diverse knowledge, experience and expertise. We strive to ensure appropriate diversity and scale, taking into account the overall balance of the Managing Board.

To enhance the functions of the Managing Board, the Company conducts a document-based questionnaire survey of all members of the Managing Board (including members of the Audit and Supervisory Committee). The Board's effectiveness is determined on the basis of deliberation by the Managing Board of the aggregate results. In fiscal 2019, the Board was evaluated highly on many items, indicating that it is functioning effectively and filling its role appropriately. Meanwhile, the Company recognizes the need to persevere in initiatives to further increase the Board's effectiveness. We will continue to regularly evaluate the Managing Board in the aim of maintaining and increasing its effectiveness and continuing to enhance our corporate value.

■ Overview of Evaluation of Effectiveness (Composition)

The scale of the Managing Board and ratio of independent outside members of the Managing Board are generally appropriate, both in nature and diversity.

(Operation)

The provision of information necessary to fully discuss the Managing Board's agenda is generally appropriate. To further improve effectiveness, the Company is continually working to improve the Managing Board's operation by providing advance explanations to outside members of the Managing Board, organizing points at issue and providing related information necessary to understand the background. We hold opinion exchange meetings attended solely by outside members of the Managing Board as we seek to promote understanding of key issues. We also engage in other initiatives to invigorate deliberations.

Nevertheless, room for improvement remains with respect to improving the timing when materials for deliberation are provided; initiatives to provide these materials earlier are still needed.

(Status of Agenda and Deliberation)

The time for addressing and deliberating the Managing Board's agenda is appropriate, and we strive to provide individual

■ Skill Matrix for Members of the Managing Board (As of June 19, 2020)

	Name	Gender	Year	Initial appointment	Independent	Area of experience						
						General management	Global	Sales and marketing	Technology, R&D	Production, SCM	Finance and accounting	Human resources
Internal	Hisashi Ietsugu	M	1949	1986		○		○			○	○
	Yukio Nakajima	M	1950	1999		○		○			○	○
	Kaoru Asano	M	1958	2014		○			○			
	Kenji Tachibana	M	1957	2014		○	○	○				
	Junzo Yamamoto	M	1955	2017		○			○	○		
	Iwane Matsui	M	1961	2019		○	○	○				
	Hiroshi Kanda	M	1957	2019		○	○	○	○			
Yukitoshi Kamao	M	1956	2016		○					○		
External	Masayo Takahashi	F	1961	2016		○	○		○			
	Kazuo Ota	M	1955	2019	○	○	○					○
	Kazumasa Hashimoto	M	1953	2020	○	○		○		○		
	Michihide Iawasa	M	1956	2020	○	○						

Note: "Global" indicates experience at an overseas post.

members of the Managing Board with an understanding of agenda items and information prior to meetings, as well as to leverage their knowledge and experience to engage in deliberation. Matters of management importance are put on the agenda in a timely manner, and decision-making is appropriate, with outside members of the Managing Board interjecting objective and rational opinions. Going forward, further efforts are needed to encourage even more frank and free exchange of opinions and realize advanced decision-making through more vigorous deliberation by the Managing Board.

■ Major Managing Board Agenda Items (Fiscal 2019)

- Appointments and dismissals of members of the Managing Board, compensation-related matters
- Reports on the status of business execution by members of the Managing Board
- Evaluation of the Managing Board's effectiveness
- Audit policy, audit plan and audit implementation report (members of the Audit and Supervisory Committee)
- Progress on Group management plan
- Business expansion strategies and initiatives
- Group operating performance; quarterly, semiannual and annual results
- Introduction of a new HR management structure targeting managers

Effectiveness of the Audit and Supervisory Committee

Members of the Audit and Supervisory Committee attend important meetings, such as meetings of the Managing Board; browse approval documents; audit subsidiaries and conduct other activities to confirm the status of business execution by members of the Managing Board.

The Audit and Supervisory Committee also audits the working of the Company's internal control system. The committee works closely with the accounting auditors to confirm the accounting audit plans and results, exchanging information and opinions.

Principal matters considered by the Audit and Supervisory Committee in fiscal 2019 included the appropriateness of audit policies and plans, preparation and state of operation of the internal control system, and methods and results of audits by the accounting auditors.

Executive Compensation

Compensation for members of the Managing Board makes a clear link between operating performance and responsibility for achievements. Compensation for members of the Managing Board, excluding members of the Audit and Supervisory Committee and outside members of the Managing Board divides broadly into fixed and performance-linked portions. Fixed compensation is determined based on a member's position, while performance-linked compensation is allocated on the basis of results. Profit attributable to owners of the parent is used as the indicator for performance-linked compensation. This indicator refers to net earnings for the consolidated fiscal year (sales net of expenses and profit or loss), so is considered by the Company to be an appropriate indicator for performance-linked compensation. Remuneration for members of the Managing Board (members of the Audit and Supervisory Committee) and outside members of the Managing Board consists of fixed remuneration only.

Remuneration amounts for members of the Managing Board (excluding members of the Audit and Supervisory Committee) are discussed and determined by the Managing Board following deliberation by the Compensation Committee. The Audit and Supervisory Committee deliberates and decides on remuneration of Audit and Supervisory Committee members.

A certain portion of fixed compensation for members of the Managing Board and executive officers is applied toward the purchase of the Company's stock in the aim of bolstering shareholder value by motivating management to pursue

■ Breakdown of Executive Compensation

Compensation for members of the Managing Board (excluding members of the Audit and Supervisory Committee and outside members of the Managing Board)

Fixed compensation: **Approximately 41%**

Performance-linked compensation: **Approximately 59%**

Members of the Audit and Supervisory Committee and outside members of the Managing Board

Fixed compensation: **100%**

Fixed compensation: Fixed compensation is determined based on a member's position. A certain portion is applied toward the purchase of the Company's stock. Performance-linked compensation: Performance-linked compensation amounts are multiplied by a variable compensation factor within 3% of profit attributable to owners of the parent to determine the total amount of variable compensation. From this amount, position-specific factors (related to the scale and responsibility of members of the Managing Board, as well as the degree of their impact on Group management) and individual evaluation factors are used to determine individual disbursements.

■ Actual Executive Compensation (Fiscal 2019)

Executive category	Total compensation paid	Amount of compensation by type			Number of executives receiving compensation
		Fixed compensation	Performance-linked compensation	Stock options	
Members of the Managing Board (excluding members of the Audit and Supervisory Committee and outside members of the Managing Board) ¹	597	245	245	107	9
Members of the Audit and Supervisory Committee (excluding outside members of the Managing Board)	24	24	—	—	1
Outside members of the Managing Board	28	28	—	—	5

¹ Includes members of the Managing Board who stepped down in fiscal 2019

Executives Receiving Total Compensation of ¥100 Million or More

Name	Executive Category	Company Category	Total Compensation	Amount of compensation by type		
				Fixed Compensation	Performance-Linked Compensation	Stock Options
Hisashi Ietsugu	Member of the Managing Board	Submitting company	155	59	73	23

Risk Management

Our Perspective on Operating Risks

Sysmex is responsible for providing customers in more than 190 countries and regions around the world with products that ensure uninterrupted testing, which is an essential element of medical care. For that reason, we have formulated countermeasures from a short- to long-term perspective to ensure that operations continue under any circumstances. In addition to natural disasters and country risks, we consider increasingly stringent healthcare restrictions in individual countries, the emergence of product quality issues and information leaks to be important risks. Risk management also supports our ongoing growth. By responding swiftly in a rapidly changing operating environment, we strive to earn the support of our stakeholders and to maintain or increase our position in the market.

Risk Management Structure

In fiscal 2020, Sysmex established an Internal Control Committee as a follow-on from the Risk Management Committee that had been in place until fiscal 2019. The Internal Control Committee is tasked with addressing strategic risks and promoting management activities spanning risk in general. The president and CEO chairs the Internal Control Committee, whose members include senior executive officers and members of the Audit and Supervisory Committee (excluding outside members of the Managing Board), with outside members of the Managing Board serving as observers.

The committee regularly evaluates risks in such categories as compliance (including fair dealing, corruption and business ethics), human resources, occupational health and safety, the

environment, and finance and accounting (including taxation) and takes measures to counter risks the committee defines as having a significant impact on the Group's business. The committee also drafts plans for each fiscal year, with activity themes for each region and division, and reports regularly.

We have formulated a business continuity plan (BCP) to fulfill our social responsibility by providing a stable supply of products and services to medical institutions when disasters or other risks materialize. To ensure that Sysmex products continue to operate stably at medical institutions even when risks materialize, the BCP identifies important products to be given supply priority. We have augmented our regulations and manuals related to disaster response and have put in place a structure to ensure we can respond swiftly to emergencies.

The COVID-19 pandemic, which began to spread in the

fourth quarter of fiscal 2019, called for us to quickly ascertain the impact on our business activities and respond accordingly. At the start of the pandemic we launched countermeasures to determine the status of the overall Group. We also took steps to ensure an ongoing supply of products and the safety of employees and disclosed our forecasts on the pandemic's impact outside the Company. As a result, even in this emergency we were able to continue operating instrument and reagent factories at locations around the world and maintain a stable supply of products, services and support to our customers.

[»Sustainability Data Book > Risk management P68](#)

Principal Operating Risks

Risks	Major Content	Key Environmental Factors	Main Impacts if Risks Materialize	Principal Responses
The spread of infectious disease or emergence of other risks that could substantially affect business activities	<ul style="list-style-type: none"> The impact on operations of global pandemics of COVID-19 and other unknown infectious diseases to which humans are not immune 	External	<ul style="list-style-type: none"> Halt of business operations due to enormous damage to Group facilities and infrastructure or damage to people Deterioration of operating performance and cash flow due to a halt in medical institutions' operations and decreasing testing demand Substantial downturn in productivity due to difficulty in continuing or maintaining human resources and the working environment 	<ul style="list-style-type: none"> We have configured a global risk management structure (such as by reinforcing our BCP) aimed at reducing damage and facilitating an early recovery of business activities. We have built an infrastructure capable of responding flexibly to emergencies (such as by introducing remote working).
Disaster, severe accident or other occurrences that disrupt product supply	<ul style="list-style-type: none"> Damage to manufacturing facilities and the stoppage of production activities due to severe accidents, such as natural disasters and fires Obstacles to the procurement of substances if suppliers suspend operations 	External	Suspension of product supply leading to a decline in sales and an inability to fulfill our supply responsibilities, leading to a decline in corporate value	<ul style="list-style-type: none"> We have introduced seismically isolated structures at instrument factories, diversified our reagent production function globally and created a system of mutual supply. We procure materials and parts from multiple companies and maintain stockpiles. We also conduct CSR surveys of our business partners.
Exchange rate fluctuations	<ul style="list-style-type: none"> Overseas business accounting for more than 80% of total Group sales Growth in sales in emerging markets leading to a higher proportion of sales taking place in currencies that are not key currencies 	External	Worsening of the Group's consolidated operating performance	<ul style="list-style-type: none"> Finance divisions and local subsidiaries hedge risks through forward exchange contracts. We have globally diversified our reagent production functions.
Increasingly stringent measures to curtail healthcare expenditure	<ul style="list-style-type: none"> Worsening market prices due to budget reductions by countries and medical institutions 	External	Longer replacement cycles and growing downward pressure on prices	<ul style="list-style-type: none"> We provide highly productive products and services that help make healthcare management more efficient.
Growing difficulty of obtaining regulatory approval due to increasingly stringent healthcare laws and restrictions, as well as to the introduction of independent regulations	<ul style="list-style-type: none"> Delayed new product launches due to longer approval periods 	External	Lost ability to capture market opportunities and increasing cost of response	<ul style="list-style-type: none"> The regulatory affairs division and local subsidiaries remain abreast of new laws and regulations and configure optimal systems.
Revisions to our the business model due to changes in the market environment	<ul style="list-style-type: none"> Hematology field accounting for a high percentage of sales and profits 	Internal	Worsening of the Group's consolidated operating performance	<ul style="list-style-type: none"> We are expanding our business portfolio outside of hematology and into such fields as hemostasis and urinalysis. We are accelerating development speed by establishing drives of growth.
Emergence of quality problems related to products or services	<ul style="list-style-type: none"> Major impact on test results 	Internal	Increasing cost of response and declines in corporate creditworthiness and brand power	<ul style="list-style-type: none"> We comply with individual countries' laws and regulations, as well as international restrictions, and we have created structures for maintaining and enhancing quality. We have enhanced our operational and design quality, bolstered mass-production quality and reinforced our systems for checking quality prior to market launch. We hold supplier presentations aimed at increasing the quality of the materials and parts we procure.
Information security risks	<ul style="list-style-type: none"> Impact on operations due to information leaks (such as cyber threats) and network breakdowns 	Internal	Halt of business activities and a decrease in corporate creditworthiness	<ul style="list-style-type: none"> We are making thorough efforts to enact security response measures and conduct employee education by putting in place, alternative network routes, implementing routine system administration procedures and establishing virus gateways.
M&A-related risks	<ul style="list-style-type: none"> Impact on strategies and operating performance if the results of M&A fall below expected levels 	Internal	Worsening of the Group's consolidated operating performance and review of business strategies	<ul style="list-style-type: none"> We conduct thorough prior audits, both of the market environment and from a financial perspective. We configure administrative structures for management and finance.
Compliance infringements	<ul style="list-style-type: none"> Compliance infractions, such as related laws and regulations 	Internal	Halt of business activities and a decrease in corporate creditworthiness	<ul style="list-style-type: none"> We provide comprehensive employee education and have put in place and are operating a global internal reporting system.

Members of the Managing Board (As of June 19, 2020)



Iwane Matsui

Member of the Managing Board and Senior Executive Officer
Managing Director
Global Business

Kenji Tachibana

Member of the Managing Board and Senior Executive Officer
Senior Managing Director
COO IVD Business Unit

Yukio Nakajima

Member of the Managing Board and Senior Executive Officer
Senior Managing Director
CFO
Corporate Business Planning and Administration

Hisashi Ietsugu

Chairman and CEO

Kaoru Asano

Member of the Managing Board and Senior Executive Officer
Senior Managing Director
COO LS Business Unit and CTO
Corporate R&D

Junzo Yamamoto

Member of the Managing Board and Senior Executive Officer
Managing Director
Manufacturing and SCM

Hiroshi Kanda

Member of the Managing Board and Senior Executive Officer
Managing Director
IVD Business Unit
IVD Business Development

Kazumasa Hashimoto

Member of the Managing Board (Outside)
(Member of the Audit and Supervisory Committee)
Independent Director

Kazuo Ota

Member of the Managing Board (Outside)
Independent Director

Masayo Takahashi

Member of the Managing Board (Outside)

Yukitoshi Kamao

Member of the Managing Board (Member of the Audit and Supervisory Committee)

Michihide Iwasa

Member of the Managing Board (Outside)
(Member of the Audit and Supervisory Committee)
Independent Director

Members of the Managing Board (As of June 19, 2020)

Hisashi Ietsugu (born 1949)
Chairman and CEO
Number of Company shares held: 611,700

Sep. 1986 Joined the Company, Member of the Managing Board
Mar. 1990 Member of the Managing Board and Senior Executive Officer, Managing Director
Feb. 1996 Member of the Managing Board and Senior Executive Officer, Managing Director (Representative Director)
Apr. 1996 Member of the Managing Board and Senior Executive Officer, Senior Managing Director (Representative Director)
Jun. 1996 President and CEO
Apr. 2013 Chairman and CEO (current)

(Important concurrent position) Chairman of the Kobe Chamber of Commerce and Industry

Reasons for Appointing

Holding the positions of Chairman and CEO of the Company, he has managed all of Sysmex and provided strong leadership for many years. He was appointed because he will be essential for increasing the corporate value with his sense of balance, enabling appropriate supervision and decision-making of the entire management based on his insight and abundant experience and achievements as a corporate manager.

Kenji Tachibana (born 1957)
Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO IVD Business Unit
Number of Company shares held: 31,800

Mar. 1980 Joined the Company
Apr. 1998 President of Sysmex Singapore Pte Ltd. (presently Sysmex Asia Pacific Pte Ltd.)
Apr. 2011 Executive Officer, Executive Vice President of IVD Business Development
Apr. 2013 Senior Executive Officer
Jun. 2014 Member of the Managing Board and Senior Executive Officer
Apr. 2015 Member of the Managing Board and Senior Executive Officer, Managing Director
Apr. 2017 Member of the Managing Board and Senior Executive Officer, Senior Managing Director
Apr. 2018 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO IVD Business Unit (current)

Reasons for Appointing

He has been involved in business strategy development and international businesses and has contributed to strategic and global business development. He was appointed because he will be essential for increasing corporate value through the growth of businesses.

Yukio Nakajima (born 1950)
Member of the Managing Board and Senior Executive Officer
Senior Managing Director, CFO
Corporate Business Planning and Administration
Number of Company shares held: 95,200

Apr. 1973 Joined the Company
Jun. 1999 Member of the Managing Board, Executive Vice President of Corporate Business Planning
Apr. 2005 Member of the Managing Board and Executive Officer, Vice President of Corporate Business Planning
Apr. 2009 Member of the Managing Board and Senior Executive Officer, Managing Director
Apr. 2013 Member of the Managing Board and Senior Executive Officer, Senior Managing Director
Apr. 2018 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, CFO (current)

Reasons for Appointing

He has been involved in planning and administration departments, including Corporate Business Planning, Corporate Business Administration, IR, HR and General Affairs for many years and has contributed to the strengthening of the Company's management base. He was appointed because his abundant experience and wide-ranging insight will be essential for increasing corporate value.

Junzo Yamamoto (born 1955)
Member of the Managing Board and Senior Executive Officer
Managing Director
Manufacturing and SCM
Number of Company shares held: 29,900

Mar. 1980 Joined the Company
Apr. 2011 Executive Officer, Executive Vice President of Instrument Production
Apr. 2015 Senior Executive Officer
Apr. 2017 Senior Executive Officer, Managing Director
Jun. 2017 Member of the Managing Board and Senior Executive Officer, Managing Director (current)

Reasons for Appointing

He has been involved in instrument production and supply chains for many years and has contributed to strengthening the production system. He was appointed because his experience and insight will be essential for increasing corporate value.

Kaoru Asano (born 1958)
Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO LS Business Unit and CTO
Corporate R&D
Number of Company shares held: 54,400

Aug. 1987 Joined the Company
Apr. 2009 Executive Officer, Manager of Central Research Laboratories
Apr. 2011 Executive Officer, Executive Vice President of R&D Strategic Planning
Apr. 2013 Senior Executive Officer
Jun. 2014 Member of the Managing Board and Senior Executive Officer
Apr. 2015 Member of the Managing Board and Senior Executive Officer, Managing Director
Apr. 2017 Member of the Managing Board and Senior Executive Officer, Senior Managing Director
Apr. 2018 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO LS Business Unit and CTO (current)

Reasons for Appointing

He has been involved in research and technology development for many years and has contributed to business development. He was appointed because leveraging his experience and insight in new R&D will be essential for increasing corporate value.

Iwane Matsui (born 1961)
Member of the Managing Board and Senior Executive Officer
Managing Director
Global Business
Number of Company shares held: 1,500

Apr. 1985 Joined the Company
Jul. 2001 President of Sysmex Europe GmbH
Apr. 2011 Executive Officer, Executive Vice President of Corporate Business Planning
Apr. 2013 Executive Officer, Executive Vice President of International Business Management
Apr. 2017 Senior Executive Officer
Apr. 2019 Senior Executive Officer, Managing Director
Jun. 2019 Member of the Managing Board and Senior Executive Officer, Managing Director (current)

Reasons for Appointing

He has been involved in promoting businesses such as domestic and international sales and marketing serving as a sales manager for domestic sales and as a representative of overseas regional headquarters of the Group for many years, and has contributed to global business development. He was appointed because his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.

Hiroshi Kanda (born 1957)
Member of the Managing Board and Senior Executive Officer
Managing Director
IVD Business Unit IVD Business Development
Number of Company shares held: 54,500

Mar. 1980 Joined the Company
Apr. 2004 Chairman of Sysmex Shanghai Ltd.
Apr. 2013 Executive Officer, ICH Business Unit and Executive Vice President of Hemostasis Product Engineering Development
Apr. 2017 Senior Executive Officer
Apr. 2019 Senior Executive Officer, Managing Director
Jun. 2019 Member of the Managing Board and Senior Executive Officer, Managing Director (current)

Reasons for Appointing

He has been involved in promoting businesses such as product planning and market development of the Group for many years and has contributed to global business development. He was appointed because his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.

Yukitoshi Kamao (born 1956)
Member of the Managing Board (Member of the Audit and Supervisory Committee)
Number of Company shares held: 46,700

Mar. 1978 Joined the Company
Apr. 2013 Executive Officer, Executive Vice President of Business Administration
Jun. 2016 Member of the Managing Board (Member of the Audit and Supervisory Committee) (current)

Reasons for Appointing

He was appointed to utilize his experience and specialized expertise related to corporate management, which is necessary to increase the audit and supervisory functions.

Masayo Takahashi (born 1961)
Member of the Managing Board (Outside)
Number of Company shares held: N/A

Oct. 1992 Ph.D. of Medicine and Assistant professor of Ophthalmology, Kyoto University Hospital
Apr. 2006 Team Leader, Laboratory for Retinal Regeneration Research, RIKEN Center for Developmental Biology, Japan
Apr. 2012 Project Leader, Laboratory for Retinal Regeneration Research, RIKEN Center for Developmental Biology, Japan (presently RIKEN Center for Biosystems Dynamics Research, Japan)
Jun. 2016 Joined the Company, Member of the Managing Board (current)
Dec. 2017 Director of Research Center, Kobe City Eye Hospital (current)
Aug. 2019 President of Vision Care Inc. (current)
Aug. 2019 Senior Visiting Scientist, Laboratory for Retinal Regeneration Research, RIKEN Center for Biosystems Dynamics Research, Japan (current)

Reasons for Appointing

She was appointed to utilize her abundant experience and deep insight relating to advanced medical research, medical ethics and other fields as a clinician and researcher for management of the Company.

Kazumasa Hashimoto (born 1953)
Member of the Managing Board (Outside) (Member of the Audit and Supervisory Committee), Independent Director
Number of Company shares held: N/A

Apr. 1976 Joined Sumitomo Bank (presently Sumitomo Mitsui Banking Corporation)
Apr. 2004 Executive Officer of Sumitomo Mitsui Banking Corporation
Apr. 2007 Managing Executive Officer of Sumitomo Mitsui Banking Corporation
Jun. 2010 President and Representative Director of Ginsen Co., Ltd.
Jun. 2014 President and Representative Director, and Chief Operating Officer of Kansai Urban Banking Corporation (presently Kansai Mirai Bank, Limited)
Jun. 2016 Chairman of the Board, President and Representative Director of Kansai Urban Banking Corporation
Apr. 2018 Representative Director and President of Kansai Mirai Financial Group, Inc.
Apr. 2019 Chairman of Kansai Mirai Bank, Limited. (current)
Jun. 2019 Outside Corporate Auditor of THE ROYAL HOTEL, LIMITED (current)
Jun. 2020 Joined the Company, Member of the Managing Board (Outside) (Member of the Audit and Supervisory Committee) (current)

Reasons for Appointing

He was appointed to utilize his abundant experience and deep insight into corporate management as a corporate manager of a financial institution.

Kazuo Ota (born 1955)
Member of the Managing Board (Outside)
Independent Director
Number of Company shares held: N/A

Apr. 1978 Joined Kawasaki Heavy Industries, Ltd.
Apr. 2013 Executive Officer, General Manager of Planning & Control Division, Aerospace Company of Kawasaki Heavy Industries, Ltd.
Apr. 2015 Managing Executive Officer, General Manager of Corporate Planning Division, In Charge of Finance & Human Resources (Corporate) of Kawasaki Heavy Industries, Ltd.
Jun. 2015 Senior Vice President, General Manager of Corporate Planning Division, In Charge of Finance & Human Resources (Corporate) of Kawasaki Heavy Industries, Ltd.
Apr. 2018 Director, Managing Executive Officer, President of Motorcycle & Engine Company of Kawasaki Heavy Industries, Ltd.
Jun. 2019 Advisor of Kawasaki Heavy Industries, Ltd.
Jun. 2019 Joined the Company, Member of the Managing Board (current)

Reasons for Appointing

He was appointed to utilize his abundant experience and deep insight in corporate management for management of the Company.

Michihide Iwasa (born 1956)
Member of the Managing Board (Outside) (Member of the Audit and Supervisory Committee), Independent Director
Number of Company shares held: N/A

Apr. 1979 Joined Kobe Steel, Ltd.
Apr. 2009 Trustee of Kobe Steel, Ltd.
Apr. 2010 Officer of Kobe Steel, Ltd.
Apr. 2012 Senior Managing Officer of Kobe Steel, Ltd.
Jun. 2014 Representative Director and President of Kobelco Logistics, Ltd.
Jun. 2020 Senior Advisor of Kobelco Logistics, Ltd. (current)
Jun. 2020 Joined the Company, Member of the Managing Board (Outside) (Member of the Audit and Supervisory Committee) (current)

Reasons for Appointing

He was appointed to utilize his abundant experience and deep insight into corporate management for audits of the Company.

Interview with an Outside Member of the Managing Board



Kazuo Ota
Outside Member of the Managing Board,
Independent Director

Q1 In your activities as a member of Sysmex's Managing Board over the past year, what have you recognized as management issues?

I believe the operating environment is favorable. In the healthcare market, demand is relatively unaffected by the sort of economic crisis we are currently facing, and the global market is expected to expand further. To continue growing in this environment, Sysmex needs to capture the growth of existing businesses. At the same time, it is important to focus on

commercializing its new portfolios in areas with growth potential, such as the life science business. To achieve this, Sysmex is investing proactively in R&D and digitalization, so profitability is down slightly from the past. I think Sysmex needs to describe its long-term outlook for recovering investment and its investment results more quantitatively.

Q2 How are those management issues being deliberated by the Managing Board?

The Managing Board is discussing management strategy, one important element of which is investing in new businesses. Personally, when discussing business investments I always have at the back of my mind the questions of how Sysmex will generate a return on these investments—not over the short term, but over the next five or 10 years—as well as how these investments

will augment and expand Sysmex's future corporate value. When envisioning the future, it is important to think about where Sysmex's strengths lie and how to position Sysmex to win out in competition. I believe that making these judgments is a key Managing Board responsibility, and I will continue working to enhance deliberations to ensure appropriate analysis and decisions.

Q3 In fiscal 2020, Sysmex introduced a globally consistent job-based HR management system. How would you assess Sysmex's current HR management?

I am firmly in favor of introducing this system. To demonstrate our presence in the healthcare industry, which is rife with global competitors, we must view our HR system from a global perspective.

That said, HR systems connect directly to employee motivation, and hurriedly introducing a system different from the one

used in the past could cause consternation. For this reason, my advice has been to proceed carefully and steadily when rolling out the new system, while sharing our ultimate vision for it. I also believe it is important to run the system in a Sysmex-specific manner, rather than to simply deploy a generic job-based system.

[»Job-Based HR Management System P56](#)

Executive Officers (As of June 19, 2020)



Yukio Hamaguchi
Senior Executive Officer
Executive Vice President of
Reagent Production
President and CEO,
Sysmex International Reagents Co., Ltd.



Ikuo Otani
Senior Executive Officer
IVD Business Unit
IVD Product Development



Mamoru Kubota
Senior Executive Officer
IS Business Unit



Tomokazu Yoshida
Senior Executive Officer
Executive Vice President of Central
Research Laboratories
MR Business Development



Kensuke Iizuka
Senior Executive Officer
Deputy in charge of Corporate Staff



Keiji Fujimoto
Executive Officer
Regulatory Affairs & Quality Assurance



Zuohui Peng
Executive Officer
President and CEO, Sysmex Shanghai Ltd.



Frank Buescher
Executive Officer
CEO, Sysmex Asia Pacific Pte Ltd.
Executive Vice President of
Caresphere Innovation



Takashi Ono
Executive Officer
Executive Vice President of SCM



Mitsuhsa Kanagawa
Executive Officer
IVD Business Unit
Executive Vice President of
Business Strategy Development



Alain Baverel
Executive Officer
President and CEO, Sysmex Europe GmbH