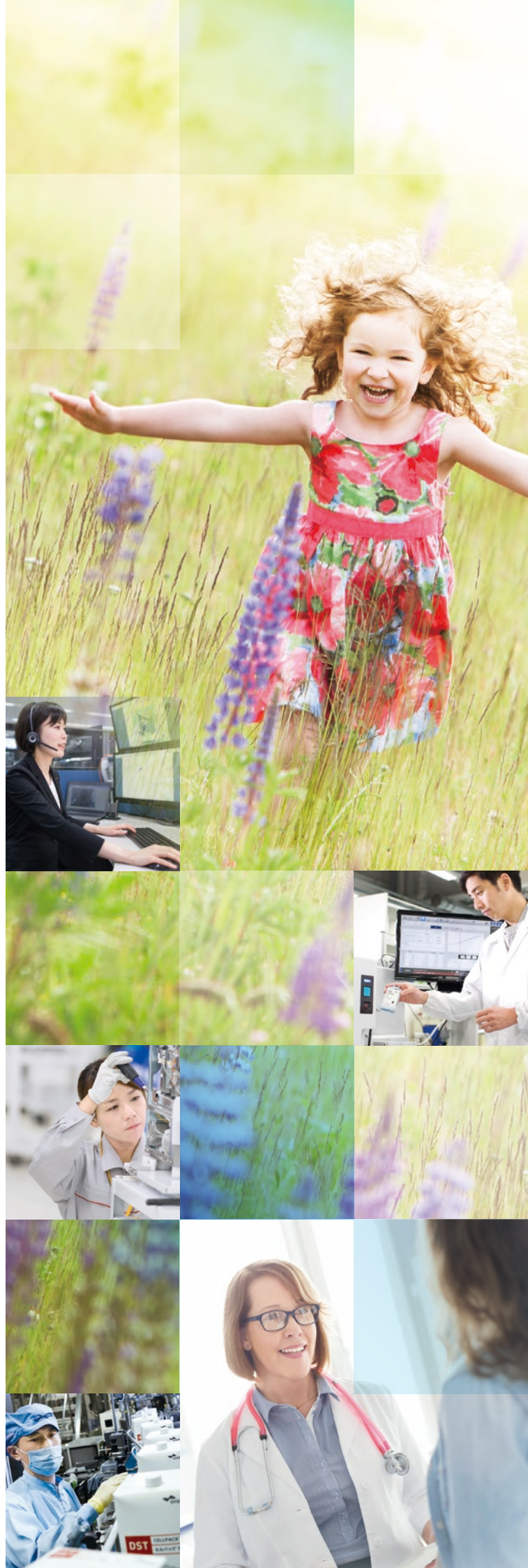




# Sysmex Sustainability Report 2016

Full Version





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## Editorial Policy

Systemex publishes the annual "Systemex Sustainability Report" to communicate to stakeholders our approaches and activities concerning corporate social responsibility (CSR), and to facilitate dialogue with them. The digest version describes our approach to CSR, highlights key initiatives during the fiscal year and introduces various topics by region. For more detailed information in accordance with the core option of the Global Reporting Initiative (GRI)'s Sustainability Reporting Guidelines, Edition 4, see the "Systemex Sustainability Report, Full Version (PDF)" and our CSR website. We also plan to publish the "Systemex Report," including both financial and non-financial information, in 2016.

### Guidelines referenced

- The Global Reporting Initiative (GRI)'s Sustainability Reporting Guidelines, Edition 4
- The Japanese Ministry of the Environment's Environmental Reporting Guidelines (2012 ed.)

### Organizations covered

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

### Period covered

Primarily fiscal 2015 (from April 1, 2015 to March 31, 2016). Some activities conducted outside this period are also included.

### Date of publication

August 2016  
Previous version: August 2015

### Inquiries about this report

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### Cautionary Statements

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

## **Sysmex Group Corporate Philosophy**

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### **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**

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#### **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.



Message from the Chairman and CEO





**We aim to build trust and confidence among people around the world. This has remained an important goal since the time of our founding, as we work to contribute to the development of healthcare and the healthy lives of people.**

### **Creating High-Value Testing and Diagnostic Technologies, and Contributing to the Development of Healthcare**

In line with our mission of “shaping the advancement of healthcare,” which is defined in the “Sysmex Way,” the corporate philosophy of the Sysmex Group, Sysmex works to contribute to the development of healthcare and the healthy lives of people.

In recent years, advanced countries have been characterized by rapidly aging populations and increasingly diverse healthcare needs, while emerging markets have been marked by population increases and rapid developments in healthcare infrastructure. Meanwhile, in addition to being affected by the three leading infectious diseases—HIV/AIDS, malaria and tuberculosis—developing countries have been facing new types of infectious diseases, such as Ebola hemorrhagic fever. In this changing environment, testing is expected to play an increasingly important role in disease prevention, early detection and determining courses of treatment.

Since its founding, Sysmex has responded to increasingly sophisticated and diverse testing needs. We currently provide products and after-sales support in the hematology and other *in vitro* diagnostics fields in more than 190 countries around the world. Stepping up our R&D efforts toward the realization of personalized medicine, we are pursuing collaborative research with research institutions, universities, hospitals and other companies. We are working toward the creation of advanced, high-value testing and diagnostic technologies, such as minimizing the physical burden on patients by using blood for the early detection of cancer and the choice of treatment regimens best suited to individual patients. Furthermore, by leveraging the expertise and networks we have amassed, we have embarked on the collaborative development of next-generation diagnostic drugs for dementia.

Going forward, we aim to respond swiftly to environmental changes and create new value that will contribute to the advancement of healthcare. By so doing, we intend to address the shared desire of people around the world to remain healthy.

### **Building Trust and Confidence Among Stakeholders**

Sysmex holds dear the policy of building trust and confidence among stakeholders by fulfilling its corporate philosophy and core behaviors. In addition to contributing to the development of healthcare, our core behaviors indicate specifically how we are to build trust and confidence among our customers, employees, business partners, shareholders and society, including resolving environmental issues, and we are pursuing business activities in this vein.

Sysmex joined the United Nations Global Compact in February 2011. The mid-term CSR plan for fiscal 2015–2017, which we formulated in fiscal 2015, reflects the 10 principles of the Global Compact in the areas of human rights, labor, the environment and anti-corruption. In September 2015, the United Nations adopted sustainable development goals. Taking these goals into account, going forward Sysmex will clarify the issues it considers important and proactively redouble its CSR activities as a global company.

Sysmex will continue working toward the creation of a fulfilling and healthy society through its business activities, engaging proactively in environmental and social contribution activities, as it strives to meet the expectations of its stakeholders by continuing to build trust and confidence among people around the world. We would like to ask our stakeholders for their continued support and understanding of all our endeavors.

July 2016



Hisashi Ietsugu  
Chairman and CEO

# Contributing to a Healthy Society through Testing

Testing during hospital medical examinations and regular health checkups can be broadly divided into two types. One type, called “*in vivo* diagnosis,” includes X-rays and other tests conducted directly on patients’ bodies. Another type, called “*in vitro* diagnosis” or IVD, includes tests conducted on patient samples of blood, urine, cells and so on. Sysmex’s business is in the IVD field. We are a comprehensive manufacturer in this field, conducting R&D, manufacturing, sales and after-sales support on the instruments, reagents and software needed for IVD. Sysmex provides customers in more than 190 countries around the world with products and after-sales support. We contribute to rapid diagnosis and the selection of treatment methods and help to reduce the burden on patients.

## Sysmex’s Business Process

Creating High-Value Testing and Diagnostic Technologies



**Research and Development**

Ensuring Product Quality and Providing a Steady Supply of Products



**Manufacturing**

Providing Products and Services in More than 190 Countries around the World



**Sales**

Providing a Detailed Response to Inquiries



**After-Sales Support**

## Sysmex Products



XN-Series: XN-2000  
Automated Hematology Analyzer

Principal Diseases for Which the Instrument Is Used  
**Anemia, leukemia, thrombocytopenia, etc.**



UF-5000  
Fully Automated Analyzer of Formed Elements in Urine

Principal Diseases for Which the Instrument Is Used  
**Renal disease, urinary tract disorders, etc.**



CS-5100  
Automated Blood Coagulation Analyzer

Principal Diseases for Which the Instrument Is Used  
**Thrombosis, thrombotic disease (myocardial infarction, cerebral infarction), hemophilia, etc.**



HISCL-5000  
Automated Immunoassay System

Principal Diseases for Which the Instrument Is Used  
**Infectious diseases (hepatitis, AIDS), cancer, allergies, etc.**



RD-100i  
Gene Amplification Detector

What the Instrument Helps to Understand  
**Lymph node metastasis of breast cancer, colon cancer and stomach cancer**



ASTRIM FIT  
Health Monitoring Analyzer

What the Instrument Helps to Understand  
**Oxygen transport capacity of the blood**



Specialized Reagents  
Reagents for dilution, staining and other aspects of the Company’s products



poch-100iV Diff  
Automated Hematology Analyzer

What the Instrument Helps to Understand  
**The state of health of animals (determining the need for detailed tests)**

Sysmex products are in use near you.

### Hospitals

**1 [Laboratories]** Patient blood, urine and other samples are examined using Sysmex's products to discover reduced function or abnormalities in physical organs and systems, allowing for the early detection of disease, decisions on treatment plans and monitoring the effects of treatment.

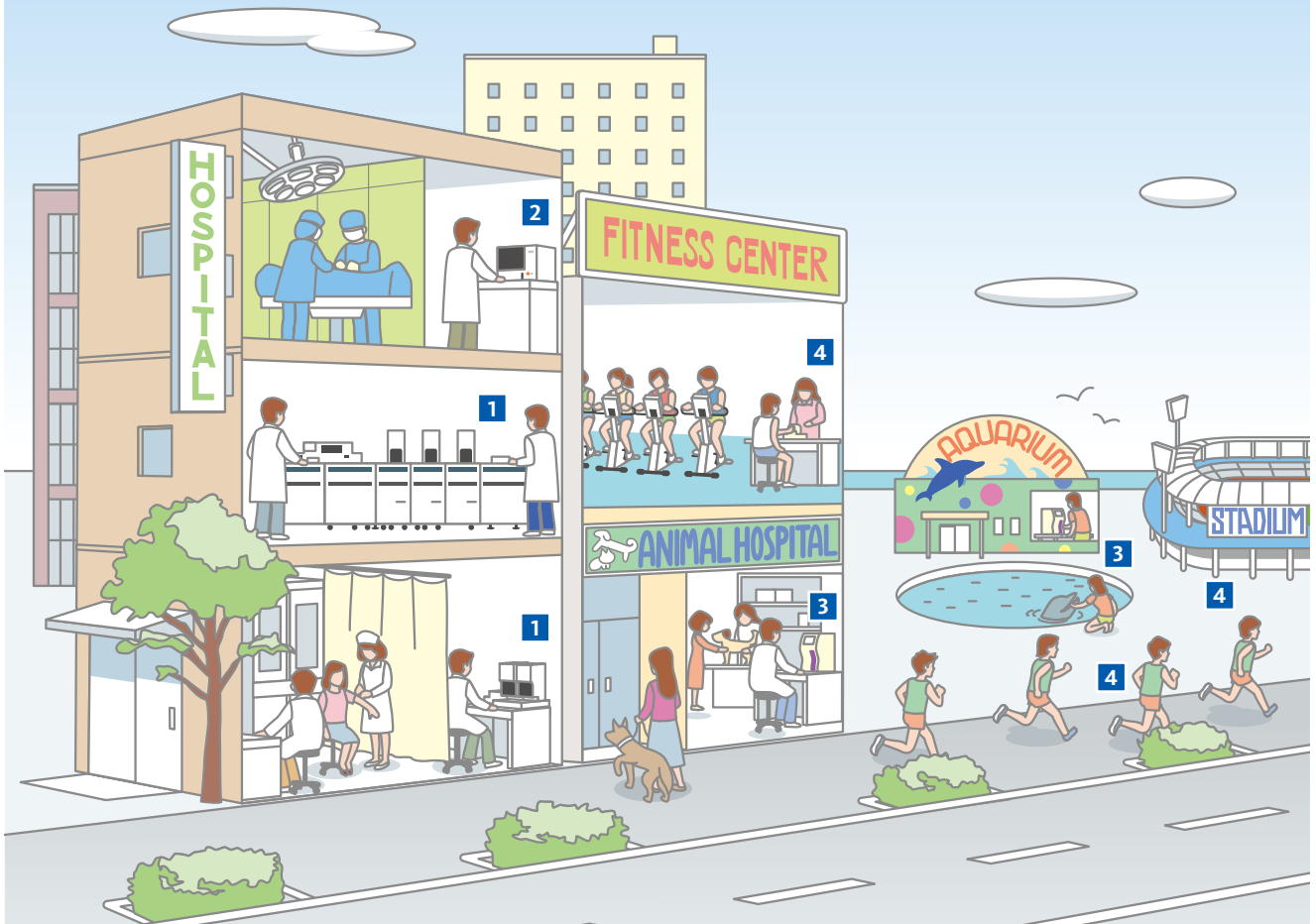
**2 [Operating rooms]** Sysmex's products are used to determine lymph node metastasis during breast cancer, colon cancer and stomach cancer operations, helping to minimize the amount of surgery needed and, therefore, the burden placed on the patient.

### Animal Hospitals, Aquariums

**3** Sysmex's products are used to check the blood of dogs and cats, as well as aquarium dolphins and zoo animals, to manage health and determine whether more detailed tests are necessary.

### Sports Training Facilities

**4** Sysmex's products are used by professional sports teams, high school, university and company track and field teams, and in sports gyms to measure athletes' estimated hemoglobin levels simply by inserting a finger and without sampling blood, thereby managing their physical condition.







1

# Highlight 1 Accelerating the Advancement of Healthcare by Gathering Knowledge and Technologies from Both Inside and Outside the Company



2



3



4

## Overview of the Sysmex Open Innovation Lab (SOLA)

**Innovation Area:**  
This area is equipped with state-of-the-art, high-performance analytical instruments to research and verify the seeds of new technologies. (1)(2)

**Sysmex Area:**  
This area, which is equipped with Sysmex's leading-edge diagnostic instruments, promotes the realization of products by fusing Sysmex's existing know-how with new technologies.

**Communication Area:**  
This area fosters the generation of new concepts by encouraging interaction among researchers. (3)

**ICT Area:**  
This area provides supercomputer access to researchers. (4)

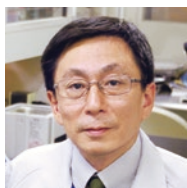
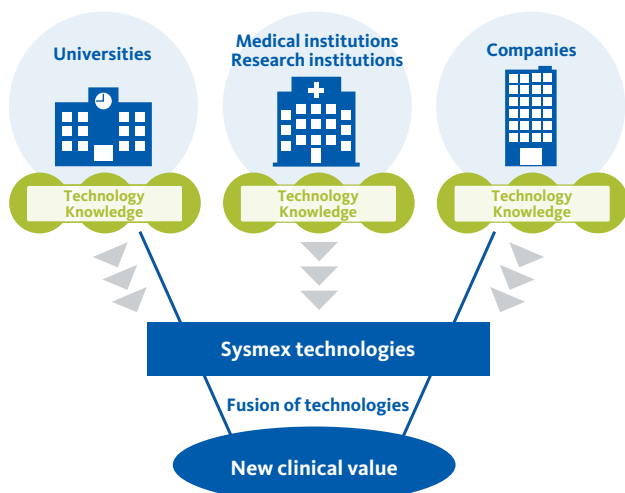
## Establishing an Open Innovation Lab with a View to Realizing Personalized Medicine

Drug efficacy and side effects differ, even among patients with the same disease. Progress on gene and protein analysis technologies in recent years have aided in uncovering disease origins and mechanisms, and this in turn has raised expectations for “personalized medicine.” This aims to boost treatment efficacy and quality of life through the selection of treatment methods tailored to individual patients.

To step up our R&D initiatives toward the realization of personalized medicine, in October 2015 we opened the Sysmex Open Innovation Lab (SOLA) and began collaborating with researchers from outside the Company.

In one example, we are collaborating with JVC KENWOOD Corporation to develop diagnostic instruments for the measurement of exosomes. Exosomes are present in such bodily fluids as blood, saliva and urine. It is expected that the many substances they contain might be employed as biomarkers\* for diseases including cancer and central nervous system disorders. Through this joint development, we are working toward the creation of groundbreaking testing and diagnostic technologies that could play a role in the early detection of cancer and the monitoring of treatment outcomes.

### Aims of the Sysmex Open Innovation Lab (SOLA)



**Mr. Koji Tsujita**

Senior Adviser  
Medical Systems  
Development Taskforce  
JVC KENWOOD  
Corporation

#### Stakeholder Comment

SOLA's Innovation Area provides an excellent environment, with state-of-the-art analytical instruments and efficiently arranged facilities. The spacious Communication Area and consideration for support staff allow extensive research to be conducted effectively and comfortably.

As well as the environment, I find the most stimulating and meaningful aspect of the lab to be the way we can work with Sysmex researchers, utilizing each other's technologies and knowledge for face-to-face deliberations and joint experiments. For me, this is one of SOLA's main attractions.

We aim to generate new clinical value by fusing advanced technologies to support leading-edge healthcare, such as personalized medicine. To this end, we plan to set up a global research unit comprising university researchers from Japan and around the world, as well as making use of corporate working groups.

\* Substances that act as markers for certain diseases

## Establishing a Joint Research Lab within the National Cancer Center Japan

In September 2013, Sysmex entered into a comprehensive collaboration agreement with the National Cancer Center Japan to develop diagnostic reagents for cancer. To date we have conducted joint research on seven topics.

In October 2015 we opened the Sysmex Cancer Innovation Laboratory (SCI-Lab) within the National Cancer Center Japan Hospital. This lab will further accelerate R&D in the field of cancer diagnosis with the aim of realizing genomic medicine\*1. This lab meets ISO 15189\*2 international standards for clinical laboratories.

The SCI-Lab employs next-generation sequencers to conduct clinical research involving comprehensive genetic testing to measure around 100 gene types related to various types of cancer. This research is expected to contribute to decisions on appropriate treatment methods and use of drugs.

This lab is operated in alliance with RIKEN GENESIS Co., Ltd., a Sysmex Group company with extensive experience in gene analysis.

We will continue to collaborate closely with the National Cancer Center Japan and RIKEN GENESIS, promoting research in the aim of realizing new cancer diagnosis methods as soon as possible.

\*1 This type of medicine involves analyzing the relationship between genetic information and disease in order to predict the onset risk of diseases and aid in selecting the most effective course of treatment.

\*2 This international standard specifies requirements for quality and competence in medical laboratories.



Sysmex Cancer Innovation Laboratory (SCI-Lab)



**Mr. Atsushi Ochiai**

Director  
Exploratory Oncology  
Research and Clinical  
Trial Center,  
National Cancer  
Center Japan

#### Stakeholder Comment

The SCI-Lab has enabled the configuration and operation of systems for providing actual medical care on cases within the center, including specimen collection, genome testing, providing information to patients and selecting treatment methods.

The genome diagnostics performed by the SCI-Lab is at the forefront of new genomic medicine in Japan, and should contribute substantially to the structure of genomic medicine in this country.

As the SCI-Lab develops, in addition to genomic medicine I look forward to the introduction and promotion of next-generation medical technologies and diagnoses at actual clinics.





1

# Highlight 2 Creating New Value through Global Human Resource Development and Exchange



2



3



4



5



6

**Training underway at the Global Communication Center**

Global Exchange Program  
 (This program aims to strengthen ties between Japanese and overseas employees by fostering interaction and deepening mutual understanding.)  
**(1 2 3)**

New employee training **(4)**

**Global Apprentice Program**

Sysmex Partec **(5)**  
 Sysmex Shanghai **(6)**



## Promoting Human Resource Development and Exchange Throughout the Group

Sysmex conducts its business on a global basis, and Group employees number over 7,000, more than 50% of whom are overseas (as of March 31, 2016).

To put into practice the Group corporate philosophy, the Sysmex Way, and to instill trust and confidence in people throughout the world, we recognize the need to enhance individual employees' skills and foster communication among diverse human resources. We believe it is important to share values and foster insights in order to create new value and encourage deeper cultural understanding.

To this end, in fiscal 2014 Sysmex formulated a global human resource development system to facilitate human resource development throughout the Group. Under this system, we are promoting initiatives to enhance a sense of unity within the Group, develop next-generation human resources, strengthen networks within the Group, and foster cultural understanding.

The Global Apprentice Program that we introduced in fiscal 2011, targeting young employees, is one aspect of these initiatives. Under this program, we solicit participation by employees who have a clear awareness of issues and wish to be active in the global environment. The program aims to cultivate future global

### Key Outcomes of the Global Apprentice Program (Fiscal 2015)

Sysmex America

**Developed an interface program for My Sysmex, a comprehensive information tool for customers using the Internet**

Sysmex America/Sysmex Brazil

**Provided support for the launch of South American service locations**

Sysmex Reagents America

**Conducted surveys of local factory operations and demand for the construction of next-generation factories**

Sysmex Europe

**Strengthened cooperation between the EMEA\* region and Sysmex Corporation for the global standardization of ICT**  
**Jointly promoted business related to colon cancer in EMEA\* and Japan**

\* Europe, the Middle East and Africa

human resources by providing employees with an opportunity to experience working overseas early in their careers. Upon their return, the employees participate in debriefing meetings. This approach helps to convey information about local issues and conditions to Sysmex in Japan. A total of 38 people had taken part in this program as of March 31, 2016.

## Opening the Global Communication Center (GCC) as a New Place for Human Resource Development and Exchange

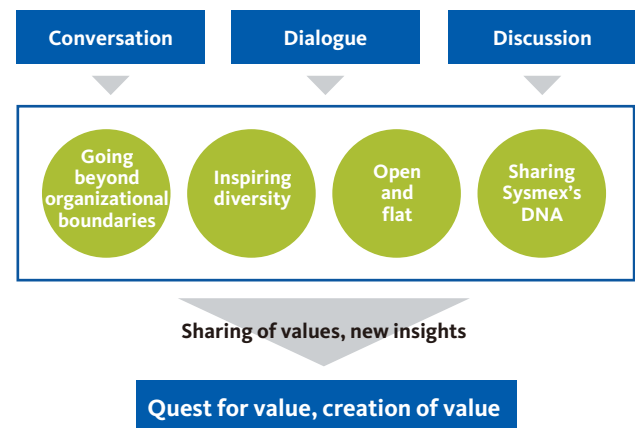
In April 2015, we opened the Global Communication Center, equipped with accommodation facilities, as a new place to encourage human resource development and exchange.

The center is designed to encourage free and open discussion among people whose cultures and values are diverse, and to foster the expansion of personal networks. The center has a discussion area with a flexible layout, and an open space where people can sit in circles for discussions.

At the GCC, we conduct new employee training and training for employees based on Sysmex's human resource development system, as well as cross-divisional study sessions and joint retreats for global personnel. We also invite people from outside the Company with a diverse range of values, so the center serves as a place for enhancing communication.

By cultivating and fostering interaction among the global human resources of the future, Sysmex aims to encourage teamwork and create new value that puts the Sysmex Way into practice.

### Global Communication Center



**Hajime Naruse**  
Manufacturing  
Technology Department  
Manufacturing  
Management Division

#### Comments from an Employee Participant in the Global Apprentice Program

I applied for the Global Apprentice Program because I had past experience with a new factory construction project, which I hoped to make use of in the new expansion of our U.S. factory. The experience I gained there helped me to grow personally; it also strengthened my network with local employees, which has made my work easier since returning to Japan.



**Liyana Binti Mohd Yazid**  
Business Development  
Department  
UB-Product Engineering  
Division

#### Comments from an Employee Who Used the GCC

I underwent new employee training at the GCC. The facility made it possible for people to gather naturally, creating an atmosphere that encouraged communication among the trainees. There were ping pong tables where we could enjoy a refreshing break when we weren't in training. The scenery surrounding the GCC was nice, and some trainees took advantage of the location to go jogging in the mornings.

# Sysmex's CSR Activities

### > CSR Management

We conduct CSR activities in accordance with the corporate philosophy for the Sysmex Group and the 10 Principles of the United Nations Global Compact.

### > Results of Dialogue with Stakeholders

We consider opportunities to engage directly in dialogue with our stakeholders important, and we reflect their opinions and requests in our CSR activities.

### > External Evaluation

We have been selected as a member of representative sustainability indices. We have also received a variety of awards and commendations from third-party organizations.

### > Mid-Term CSR Plan

We have formulated a Mid-Term CSR Plan for the period from fiscal 2015 through fiscal 2017, and we conduct our CSR activities accordingly.

### > CSR Data

We introduce a host of data related to our stakeholder and corporate citizenship activities, as well as environmental preservation activities.

## Sysmex's CSR Activities

# CSR Management

## Basic Policy

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### Sysmex's CSR Builds Trust and Confidence through Practice of the Sysmex Way

Sysmex's 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.

Based on this perspective, we have set up various committees, headed by executives, to promote activities according to key CSR-related themes, including compliance, risk management and the environment. We have also established the CSR Promotion Department as the specialized department for planning, drawing up proposals for and promoting CSR activities and disseminating CSR-related information both inside and outside the Company.

### Participation in the UN Global Compact

To promote CSR initiatives more proactively, since February 2011 Sysmex has participated in the UN Global Compact, and we uphold its 10 principles.



## The UN Global Compact's 10 Principles

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



## Sysmex's CSR Activities

# Mid-Term CSR Plan

### Formulating a Mid-Term CSR Plan Based on Stakeholder Requirements and Expectations

In May 2015, Sysmex formulated a new mid-term CSR plan (fiscal 2015–2017), taking into account the globalization of our business and society's diverse and sophisticated requirements and expectations. The plan clarifies our material issues and solutions considering the 10 principles of the UN Global Compact, the ISO 26000 international standard on social responsibility, and various requirements and expectations from stakeholders.

We are currently working on determining the material aspects incorporating significant issues for stakeholders and Sysmex Group, to formulate the next mid-term CSR plan (fiscal 2017–2019).

In addition, we are undertaking initiatives to reduce the environmental impact of our business activities based on our environmental action plan, the Sysmex Eco-Vision 2020.

### Mid-Term CSR Issues

- Reinforcement of our global risk management structure
- Reinforcement of the compliance system
- Cultivation and promotion of diverse human resources
- Maintenance or improvement of an attractive and pleasant working environment
- Environmental impact reduction of products, services and operational activities  
(Including achieving the Group target values outlined in Sysmex Eco-Vision 2020)
- Promotion of CSR procurement
- Improvement of customer satisfaction
- Promotion of corporate citizenship activities

## Our Progress on the Mid-Term CSR Plan (targets and results)

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

Note: Of the mid-term CSR issues, the target scope for reinforcement of our global risk management structure, reinforcement of the compliance system, environmental impact reduction of products, services and operational activities, and improvement of customer satisfaction is Sysmex Corporation and its Group companies in Japan and overseas. The target scope of other mid-term CSR issues is Sysmex Corporation and its Group companies in Japan.



Fiscal 2015 Results	Progress*1	Fiscal 2016 Plans	Corresponding Categories and Aspects of G4*2
<ul style="list-style-type: none"> <li>Commenced meetings of risk and compliance officials and regular global meetings</li> </ul>	○	<ul style="list-style-type: none"> <li>Evaluate and revised the global risk management system</li> </ul>	
<ul style="list-style-type: none"> <li>Formulated global regulations for managing corporate secrecy</li> <li>Conducted drills on countermeasures against information leaks</li> <li>Implemented responses to sunshine laws and transparency guidelines</li> <li>Completed seismic reinforcement at facilities in domestic reagent factories</li> <li>Conducted BCP drill and awareness education</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue responding to significant Group risks (information leaks, fair trade, business continuity)</li> <li>Through risk assessments, identify and promote countermeasures for new important risks</li> </ul>	Economic : Indirect Economic Impacts Social : Anti-corruption
<ul style="list-style-type: none"> <li>Improved a complaints management system related to fair trade</li> <li>Added compliance provisions to agreements with overseas parties</li> </ul>	○	<ul style="list-style-type: none"> <li>Expand scope of contract including compliance provisions</li> </ul>	Social : Anti-corruption Social : Compliance
<ul style="list-style-type: none"> <li>Based on results of fiscal 2014 evaluations by external specialists, drafted and promoted compliance improvement measures at overseas Group companies</li> </ul>	○	<ul style="list-style-type: none"> <li>Draft and implement improvement measures based on results of fiscal 2015 evaluations by external specialists</li> </ul>	Social : Grievance Mechanisms for Impacts on Society
<ul style="list-style-type: none"> <li>Ratio of female recruits among new graduates : 37.8% at Sysmex Corporation</li> <li>Ratio of female managers (Director level or above) : 14.3% for the Group, 8.3% at Sysmex Corporation</li> <li>Formulated action plan related to the Act to Advance Women's Success in Their Working Life</li> <li>Held seminars and events of exchange opinions for women to consider careers and working styles</li> </ul>	○	<ul style="list-style-type: none"> <li>Build working environment where more women feel satisfied with their work and promote their active participation (conduct trials of working-at-home system, introduce measures to support for consideration of career plan, etc.)</li> </ul>	Labor Practices and Decent Work : Employment Labor Practices and Decent Work : Training and Education
<ul style="list-style-type: none"> <li>Employment ratio of foreign nationals : 13.6%</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to recruit non-Japanese human resources (maintain fiscal 2015 hiring ratio)</li> </ul>	Labor Practices and Decent Work : Diversity and Equal Opportunity
<ul style="list-style-type: none"> <li>Commenced systematic measures for management enhancement training and English-language skills training</li> <li>Continued to conduct overseas training for young and mid-level employees</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue implementing programs to cultivate global human resources</li> </ul>	
<ul style="list-style-type: none"> <li>Implemented activities to make male employees aware of childcare leave system</li> <li>Expanded internal portal site that introduces welfare and benefit systems and their procedures</li> <li>Conducted Corporate Culture Survey of Group employees</li> </ul>	○	<ul style="list-style-type: none"> <li>Draft and implement measures based on results of Corporate Culture Survey</li> </ul>	Labor Practices and Decent Work : Employment
<ul style="list-style-type: none"> <li>By increasing transportation efficiency, reduced CO<sub>2</sub> emissions from transportation by 48% (per unit of sales) against base year</li> <li>Continued measures during new product development to make instruments more energy-saving and compact</li> <li>Continued to augment capabilities to respond remotely and via telephone to service requests (to reduce amount of service involving vehicle dispatch)</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue promoting reductions in greenhouse gas emissions of products and services</li> </ul>	Environmental : Energy Environmental : Emissions Environmental : Products and Services Environmental : Transport
<ul style="list-style-type: none"> <li>Through measures to improve productivity, introduce electricity management system, purchase electric power generated from renewable energy sources and utilize solar generation, reduced greenhouse gas emissions by 28% (per unit of sales) against base year</li> <li>By revising waste disposal methods, increased waste recycling ratio to 93%</li> <li>Owing to increase in reagent shipping volumes, volume of water resource use was 121% (per unit of production) against base year, falling short of target</li> </ul>	△	<ul style="list-style-type: none"> <li>Continue reducing energy, waste and water resource use</li> </ul>	Environmental : Energy Environmental : Water Environmental : Emissions Environmental : Effluents and Waste
<ul style="list-style-type: none"> <li>Performed CSR surveys and conducted evaluations of new business partner candidates</li> <li>Increased awareness of CSR procurement at supplier presentation</li> </ul>	○	<ul style="list-style-type: none"> <li>Conduct business partner survey on conflict minerals</li> </ul>	Environmental : Supplier Environmental Assessment Labor Practices and Decent Work : Supplier Assessment for Labor Practices Human Rights : Supplier Human Rights Assessment Society : Supplier Assessment for Impacts on Society
<ul style="list-style-type: none"> <li>Conducted global integrated customer satisfaction survey at Japanese and overseas regional headquarters (except in China)</li> </ul>	○	<ul style="list-style-type: none"> <li>Conduct global integrated customer satisfaction survey in China</li> <li>Respond based on the results of customer satisfaction surveys conducted in fiscal 2015</li> </ul>	Product Responsibility : Product and Service Labeling
<ul style="list-style-type: none"> <li>Continued to conduct local community contribution activities (Sysmex Forest, opening the Minato Ijinkan, Kobe Marathon sponsorship, blood donations, community cleanups, etc.)</li> <li>Rate of employee participation in Social Contribution Point Program was 31%, and program resulted in ¥1.26 million in donations toward healthcare, food and education</li> </ul>	○	<ul style="list-style-type: none"> <li>Continue to conduct corporate citizenship activities</li> <li>Increase the number of employee volunteers by promoting a Social Contribution Point Program</li> </ul>	Society : Local Communities

\*1 "Progress" indicates the state of progress toward fiscal 2015 plans (○ : according to plan; △ : partially not achieved)  
\*2 Fourth Edition of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

## Sysmex's CSR Activities

# Results of Dialogue with Stakeholders

## Main Dialogue Achievements in Fiscal 2015

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### Dialogue with Customers

- Directors in charge of regional operations conducted opinion exchanges with customers (Sysmex Corporation)
- Conducted survey on degree of customer satisfaction in each region (Sysmex Corporation and overseas Group companies in each region)
- Held scientific seminars in each region (Sysmex Corporation and overseas Group companies in each region)
- Ongoing customer training program incorporating customer feedback in each region (Sysmex Corporation and overseas Group companies in each region)
- Held user group meetings to communicate accurate product knowledge (Sysmex Vietnam, Sysmex Malaysia)



38th Sysmex Scientific Seminar

## Dialogue with Employees

- Investigated desire concerning career design, including interest in working overseas or changing jobs through a voluntary reporting given to all employees, with results made use of in HR rotation (Sysmex Corporation)
- Utilized the Global Communication Center in the city of Ashiya, in Japan, as a place for people of diverse cultures and values to congregate, break from everyday operations and roles, and engage in discussion and the expansion of networks (Sysmex Corporation)
- Held briefings and opinion exchange meetings related to the human resource development system at various offices (Sysmex Corporation)
- Conducted collective bargaining with the labor union and held labor–management meetings on topics such as workplace environment improvement (Sysmex Corporation)
- Held dialogues with labor unions (Jinan Sysmex, Sysmex Wuxi, Sysmex Vietnam, Sysmex Thailand, HYPHEN BioMed)
- Gathered opinions through employee questionnaires and interviews (Sysmex Corporation and overseas Group companies in each region)



Training underway at the Global Communication Center

## Dialogues with Business Partners

- Held supplier briefings for business partners in Japan to enhance their understanding of CSR procurement (Sysmex Corporation)
- Held briefings with business partners related to quality control on parts (Sysmex Corporation)
- At briefing on environmental survey of business partners, conducted explanations regarding RoHS compliance on in vitro diagnostic (IVD) instruments (Sysmex Corporation)
- Conducted meetings with distributors to explain the Sysmex business plan, among other matters (Sysmex RUS)
- Held a business partner meeting (Sysmex Asia Pacific)



Supplier briefing

## Dialogue with Shareholders and Investors

- Held Ordinary General Meeting and informal meeting with shareholders (Sysmex Corporation)
- Held the Technology Presentation for institutional investors and analysts (Sysmex Corporation)
- Held informational meetings for individual investors (Sysmex Corporation)



Informal meeting with shareholders

## Dialogue with Members of the Local Community

- Held event for local community interaction at R&D core Technopark (Sysmex Corporation)
- Conducted a preview of the Global Communication Center (Sysmex Corporation)
- Participated in math and science education-focused "Science Fair in Hyogo" event for high school students (Sysmex Corporation)
- Engaged in dialogue with community residents through social contribution activities around the world (Group companies in overseas regions)



Local community interaction event at Technopark

## Sysmex's CSR Activities

# CSR Data

### Compliance

#### Information on Funding Provided to Medical Institutions

##### Japan

Category	Details		2014
Research and development	Expenses for trials, reports, and surveillance studies conducted under public regulations (clinical trials for new devices, post-marketing clinical studies, nonconformity and infection case reports, post-marketing surveillance studies, etc.) in addition to those for independent investigations.	Amount (1,000JPY)	83,204
Academic research support	Expenses for scholarships, general and academic conference donations, as well as academic conference co-sponsoring expenses		80,689
Manuscript writing fees, etc.	Expenses for lectures, manuscript writing, and the consignment of services, including consulting, to provide information regarding the appropriate use of medical devices and clinical reagents.		35,172
Expenses related to information provision	Expenses for lectures, workshops, and seminars to provide healthcare professionals with relevant information regarding appropriate and safe use of medical devices and clinical reagents.		167,400
Other expense	Expenses for receptions and social courtesy		30,495
Total amount			396,960



## US

Category		2014	2015
Relevant payments or transfer of value	Number	450	444
	Amount	US \$186,645	US \$195,638
Research	Number	8	3
	Amount	US \$194,150	US \$27,065

## France

Category		2014	2015
Relevant payments or transfer of value	Number	365	226
	Amount	€ 42,856	€ 14,367
Contracts	Number	3	4

Contract amounts are not required under the French Sunshine Act.

## Customers

Category	Fiscal 2013	Fiscal 2014	Fiscal 2015	Related Articles
People undergoing training at the Sysmex Corporation Monozukuri Training Center (cumulative)	709	942	1,031	<a href="#">Employee Evaluation, Treatment, and Human Resource Developmen</a>
Inquiries received by the Sysmex Corporation Customer Support Center	97,085	95,767	95,929	<a href="#">After-Sales Support / Scientific Activities</a>
Customer satisfaction rating with the Sysmex Corporation Customer Support Center* (%) * Research by Sysmex Corporation.	85.3	91.6	93.7	<a href="#">Enhancing Customer Satisfaction and Third-Party Evaluations</a>

Customer satisfaction rating in the United States* (out of 10 possible points) * Research by Sysmex America	9.1	9.1	9.1	<a href="#">Enhancing Customer Satisfaction and Third-Party Evaluations</a>
Customer satisfaction rating in the United States* (out of 10 possible points) * Research by IMV ServiceTrack.	8.95	9.18	9.09	<a href="#">Enhancing Customer Satisfaction and Third-Party Evaluations</a>

### Employees (All figures are results for Sysmex Corporation.)

Category		Fiscal 2013	Fiscal 2014	Fiscal 2015	Related Articles
New-graduate recruits	Total	68	61	59	<a href="#">Promoting Diversity</a>
	Of which, men	43	40	40	
	Of which, women	25	21	19	
	Of which, non-Japanese	7	12	12	
Mid-career recruits	Total	42	69	70	<a href="#">Promoting Diversity</a>
	Of which, men	31	47	50	
	Of which, women	11	22	20	
	Of which, non-Japanese	1	1	1	

Turnover* * Regular employees only, excluding people who have reached the mandatory retirement age	Turnover (people)	29	42	40	-
	Turnover (%)	1.4	1.96	1.97	
Employment of people with disabilities	Number of people	47	47	50	Promoting Diversity
	Percentage	1.94	1.86	1.82	
Reemployment of workers after the mandatory retirement	Applicants	16	20	25	Promoting Diversity
	People reemployed	16	20	25	
	Percentage reemployment	100	100	100	
Reemployment of personnel leaving for reasons of childcare or nursing care	New registrants	3	5	6	Promoting Diversity
	Number reemployed	0	1	1	
	Percentage reemployment	0	20	17	
Promotion to regular employees	Contract employees	6	15	17	Employee Evaluation, Treatment, and Human Resource Development
	Temporary employees	3	4	2	
	Total	9	19	19	

Industrial accidents	Work-related deaths	0	0	0	Considering Safety and Health
	Work-related injuries	2	3	7	
	Frequency of work-related injuries	0.41	0.58	1.27	
	Severity of work-related injuries	0.00	0.00	0.07	
	Total work days lost	2	20	386	
	Total actual number of working hours	4,895,594.75	5,129,491.25	5,499,593.25	
Paid leave	Days granted	45,348	47,000	49,534	Promoting Diversity
	Days taken	22,335.5	22,255.5	27,605.5	
	Percentage of days taken	49.3	47.4	55.7	
People taking pre-and post-maternity leave	Women	29	48	39	
	Men	0	0	0	
People taking childcare leave	Women	31	41	32	
	Men	1	3	2	
People taking shorter work hours for childcare	Women	51	50	50	
	Men	0	0	0	
People taking nursing care leave	Women	2	1	1	
	Men	1	0	1	

Percentage of people returning after childcare leave	Women	100	100	100	Promoting Diversity
	Men	100	100	100	
People taking accumulated paid leave		62	26	77	
People on flex-time arrangement		1,618	1,678	1,742	
Children in in-house daycare center	Total during year	33	34	33	
	At fiscal year-end	28	23	28	
Training results * * From fiscal 2013, excludes temporary employees, part-time employees and executives	Training expenditure per employee (yen)	122,396	157,789	179,000	Employee Evaluation, Treatment, and Human Resource Development
	Training time per employee (hours)	10.9	28.2	22.6	
	Number of training programs	12	22	23	
Number of interns accepted	Total	29	124	157	Promoting Diversity
	Of which, non-Japanese	6	3	5	

Note: Some figures have been revised from ones disclosed before, owing to changes in definition.

Category		Fiscal 2013	Fiscal 2014	Fiscal 2015	Related Articles
Female managers (%) (Director level or above)	Sysmex Corporation (%)	5.3	6.5	8.3	Promoting Diversity
	Overall Group (%)	10.6	11.6	14.3	



Category	Fiscal 2015			
Percentage of men and women in the Group	Japan	Men (%)	59.7	Regular employees, employees on loan, and contract employees (except temporary employees)
		Women (%)	40.3	
	Americas	Men (%)	65.0	Regular employees, employees on loan, contract employees and executives
		Women (%)	35.0	
	EMEA*	Men (%)	55.5	Regular employees, employees on loan, contract employees and executives
		Women (%)	44.5	
	China	Men (%)	68.9	Regular employees, employees on loan, contract employees and executives
		Women (%)	31.1	
	Asia Pacific	Men (%)	61.4	Regular employees, employees on loan, contract employees and executives
		Women (%)	38.6	

Category	Fiscal 2015			
Number of the Group employees	Japan	Men	1,993	Regular employees, employees on loan, and contract employees (except temporary employees)
		Women	1,346	
	Americas	Men	669	Regular employees, employees on loan, contract employees and executives
		Women	360	
	EMEA*	Men	1,114	Regular employees, employees on loan, contract employees and executives
		Women	892	
	China	Men	339	Regular employees, employees on loan, contract employees and executives
		Women	153	
	Asia Pacific	Men	356	Regular employees, employees on loan, contract employees and executives
		Women	224	

\* Europe, the Middle East and Africa

## Corporate Citizenship Activities

Category	Fiscal 2015
Expenditures for corporate citizenship activities (Sysmex Corporation, yen)	Approximately 430,000,000

Category	FY2014 - 2015
Donations to the World Cancer Research Fund (Group companies in EMEA*, euros) * Europe, the Middle East and Africa	Approximately 241,700

Category	Fiscal 2013	Fiscal 2014	Fiscal 2015	Related Articles
Donations to cancer-related organizations (Sysmex America, US dollars)	Approximately 100,000	Approximately 79,000	Approximately 80,000	<a href="#">Activities to Promote a Healthy Society</a>

[Environmental Conservation Activities \(Related articles indicate the scope of range of calculation.\)](#)

#### [Sysmex Group Environmental Action Plan \(Sysmex Eco-Vision 2020\) Mid-term](#)

Category	Fiscal 2013	Fiscal 2014	Fiscal 2015	Related Articles
CO <sub>2</sub> emissions from logistics per unit of non-consolidated sales* (t-CO <sub>2</sub> /¥100 million)	5.348	4.170	3.794	<a href="#">Environment Friendliness in Product and Service Life Cycles</a>
Greenhouse gas emissions at business offices per unit of consolidated sales (t-CO <sub>2</sub> /¥100 million)	7.98	7.28	7.26	<a href="#">Environmentally Conscious Operation</a>
Business office recycling rate (%)	88.9	90.3	89.0	<a href="#">Environmentally Conscious Operation</a>
Water use at reagent factories Units (1,000 m <sup>3</sup> /1,000 boxes)	22.0	21.4	25.9	<a href="#">Environmentally Conscious Operation</a>

\* Owing to revisions in the unit of output, CO<sub>2</sub> emissions from logistics per unit of non-consolidated sales have been revised from figures reported for the preceding fiscal year.

# External Evaluation

## Incorporation in Sustainability and Other Indices

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### Selection for Global Sustainability Indexes

A growing number of investors are evaluating companies' sustainability not only from a financial perspective, but also from the non-financial, environment, society and governance (ESG) perspective, in the aim of responsible investing from a long-term viewpoint. Around the world, a number of sustainability indexes are used to benchmark responsible investment. Being a highly sustainable company, Sysmex Corporation has been selected for numerous sustainability indexes.

- Dow Jones Sustainability Asia Pacific Index<sup>\*1</sup> (from fiscal 2012)
- FTSE4Good Index<sup>\*2</sup> (from fiscal 2008)
- MSCI Global Sustainability Index<sup>\*3</sup> (from fiscal 2011)
- MSCI Global Socially Responsible Indexes<sup>\*3</sup> (from fiscal 2013)
- Ethibel Excellence<sup>\*4</sup> (from fiscal 2011)
- Ethibel Pioneer<sup>\*5</sup> (from fiscal 2014)
- Ethibel Sustainability Index (ESI)<sup>\*6</sup> (from fiscal 2015)
- Global 100 (100 most sustainable companies in the world)<sup>\*7</sup> (second time in fiscal 2015)

\*1 The Asia Pacific Index of the Dow Jones Sustainability Indexes, which were developed through collaboration between the S&P Dow Jones Indices of the United States and Robeco SAM of Switzerland

\*2 An index developed by FTSE of the United Kingdom.

\*3 An index developed by Morgan Stanley Capital International (MSCI) of the United States

\*4 An index developed by Forum Ethibel, a Belgian non-profit organization

\*5 An index of particularly excellent companies, from among those selected for inclusion in Ethibel Excellence

\*6 An index formed of companies included in Ethibel Excellence

\*7 The 100 Most Sustainable Companies in the World, selected by Corporate Knights of Canada. The selection was announced during the World Economic Forum, held in Davos, Switzerland.

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM



FTSE4Good



MSCI



2016 Constituent  
MSCI Global  
Sustainability Indexes

## Recognition and Commendation by Third Parties

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### 2016

- May
    - Received the ACE-Award, sponsored by Confirmit (Voice of Customer and Contact Center divisions) (Sysmex America)
  - March
    - Selected as a Great Place to Work (Sysmex Europe)
  - March
    - Selected for the Companies That Care Honor Roll\* 2016 (Sysmex America)
- \* Companies That Care Honor Roll: A corporate ranking that designates companies that contribute to the welfare of employees, their families and local community, based on a survey conducted by the Center for Companies That Care, an NPO.

### 2015

- December
    - Received an award as a model for formulating a system for Good Distribution Practice (GDP)\* in the in vitro diagnostics (IVD) industry that Taiwan's FDA is moving into law.
- \* A model for verifying that the quality (effectiveness, safety) of pharmaceuticals that are produced, distributed and stored by manufacturing companies up to customers, as well as for preventing theft and accidents, and ensuring against counterfeit drugs and altered products being mixed into the supply route.
- November
    - Received the Japan Investor Relations Association's 20th IR Grand Prix Award
  - October
    - Named by the Securities Analysts Association of Japan for Excellence in Corporate Disclosure and selected for excellence in disclosure to individual investors
  - October
    - At the Kinki Local Commendation for Inventions, received the Encouragement Prize of the Commissioner of Japan Patent Office for one invention and the Encouragement Prize for Invention for three inventions

- October • i-Square received the Landscape Community Planning Award in the Design Division from the city of Kakogawa
- October • Ranked 24th of 454 Companies in the overall Nikkei ranking of "Companies that Motivate People"
- August • Sysmex Annual Report 2014 won the Gold Award in the healthcare (instruments) category of the 2014 Vision Awards in the United States
- July • Selected for HR Asia Best Companies to Work for in Asia 2015 (Sysmex Asia Pacific)
- June • Received Fiscal 2015 Hyogo Prefecture Invention Awards for "Hemostasis Analyzer" and "Working Procedure Display Method and Working Procedure Display System"
- May • Received the ACE-Award, sponsored by Conformat (Sysmex America)
- April • Named a Great Place to Work Brazil (Sysmex Brazil)
- March • Received the Award for Excellence at the 18th Environmental Communication Awards for the Sysmex Sustainability Report 2014
- March • Ranked first in the Toyo Keizai ranking of the top 300 "Excellent Companies for New Employees"
- March • Selected for the "Companies That Care Honor Roll 2015" (Sysmex America)

## 2014

- December • Received an overall rating of 73rd of 538 companies in the NICES ranking by Nikkei Inc.
- October • Received the "Minister of Education, Culture, Sports, Science and Technology Encouragement Prize for Invention" for one invention and "The Encouragement Prize for Invention" for three other inventions
- October • Ranked 30th of 439 Companies in the overall Nikkei ranking of "Companies that Motivate People"
- October • Selected by the Securities Analysts Association of Japan for "Excellence in Disclosure to Individual Investors"
- August • CC-1001 automated hematology analyzer certified under the "3rd Heritage Program of Legacy Analytical Instruments/Scientific Instruments"
- July • Received an award from the city of Kobe for "efforts to promote citizens' health and contribute to an improved awareness of nutrition"
- June • Received Fiscal 2014 Hyogo Prefecture Invention Awards for the "Direct Nucleic Acid Amplification Method" and the "Liquid Suction Supervision Method"
- May • Received the ACE-Award, sponsored by Conformat (Sysmex America)



- April • Received the Fiscal 2014 Commendation for Science and Technology (Development Category) by the Minister of Education, Culture, Sports, Science and Technology for the Development of a Method for Analyzing Formed Elements in Urine
- April • Baddhi Factory wins local environmental award (Sysmex India)
- March • Selected for the Companies That Care Honor Roll 2014 (Sysmex America)
- March • Named a Great Place to Work, ranking 50th out of 100 companies (Sysmex Europe)

## 2013

- December • Received the German Design Award (sponsored by the German Design Council) for the XN-2000 automated hematology analyzer and XN reagents
- November • Received the "Chairman's Prize from the Hyogo Institute of Invention and Innovation" for one invention and "The Encouragement Prize for Invention" for three other inventions at the Kinki Local Commendation for Invention
- November • Selected in the Top Workplaces survey of regional organizations by the Chicago Tribune (Sysmex America)
- October • Selected for excellence in disclosure to individual investors at the Awards for Excellence in Corporate Disclosure, sponsored by the Securities Analysts Association of Japan
- October • Received the Good Design Award, sponsored by the Japan Institute of Design Promotion, for the ASTRIM FIT health monitoring analyzer
- July • Our online network support service, Sysmex Network Communication Systems (SNCS), received a Grand Prix at the IT Japan Award 2013, sponsored by *Nikkei Computer* (published by Nikkei Business Publications, Inc.)
- June • Received the Hyogo Prefecture Invention Award for Specimen Analyzers and White Blood Cell Classification and Counting Method/White Blood Cell Classification and Counting Kit
- May • Received the ACE-Award, sponsored by Conformat (Sysmex America)
- April • Received the Fiscal 2013 Commendation for Science and Technology (Development Category) by the Minister of Education, Culture, Sports, Science and Technology, for development of the method of classifying and counting particles by automated hematology analyzer
- March • Selected to the Companies That Care Honor Roll 2013 (Sysmex America)
- January • Received Germany's iF Product Design Award for the XN-2000 automated hematology analyzer and XN reagents

## 2012

- November
- Received "The Encouragement Prize of the President of Japan Patent Attorneys Association" for one invention, and "The Encouragement Prize for Invention" for three inventions at the Kinki Local Commendation for Invention Awards
- October
- Received commendation at the Securities Analysts Association of Japan Corporate Disclosure Study Group Awards
- October
- Selected one of the 2012 Best Places to Work in Healthcare\* in recognition of its high level of employee satisfaction (Sysmex America)
- \* Best Places to Work in Healthcare: Ranking of companies selected and recognized by employees from the healthcare industry as good places to work. Based on research by industry publication *Modern Healthcare*
- August
- Sysmex 2011 Annual Report awarded a bronze medal in the Healthcare Technology category of the 26th Annual International ARC Awards (held by MerComm, Inc., of the United States)
- August
- Received Healthcare's Hottest Award\* in recognition of rapid sales growth (Sysmex America)
- \* Healthcare's Hottest Award: Healthcare companies with continuous growth that have generated a minimum of \$20 million in annual revenue in most recent fiscal year are selected based on research by industry publication *Modern Healthcare*
- May
- Received the award for contribution to industrial development of Hyogo in recognition of initiatives to the Kobe Chamber of Commerce and contributions invigorating regional industry
- May
- Received Hyogo Prefecture Invention Award for "Hematological analyzer sampling probe cleaning composition and method of using" and "Automated hematology slide preparation unit"
- March
- Selected as a Great Place to Work (Sysmex Europe)
- March
- Selected for Companies That Care Honor Roll 2012 (Sysmex America)
- February
- Received 2012 Achievement in Customer Excellence Award\* for high-quality service (Sysmex America)
- \* A program recognizes outstanding achievement in customer, employee and partner satisfaction by MarketTools, USA.
- January
- Selected for inclusion in the Global 100 (100 most sustainable companies in the world)

## 2011

- December • Selected one of the 2011 Best Places to Work in Healthcare(Sysmex America)
- November • Received the Good Design Gold Award 2011 for its highly rated in vitro diagnostic system employing the Sysmex's new Silent Design®
- August • Received Technology Award from the Japan Society of Clinical Chemistry for 'A Novel CK-MB Activity Assay Kit "L-System CK-MB" Using Anti-human Mitochondrial CK Antibodies'
- May • Received the "Invention Award" in the 2011 National Commendation for Invention, sponsored by the Japan Institute of Invention and Innovation, for technologies related to its white blood cell classification and counting method and associated reagents
- March • Won the Hyogo Governor's Award in the 3rd Hyogo Manufacturing Technology Awards
- March • Selected for Companies That Care Honor Roll 2011 (Sysmex America)
- February • Sysmex Technopark R&D Tower received CASBEE Architectural Award (1st City of Kobe Design Award, CASBEE Category Architectural Award)
- January • Received Nikkei Annual Report Award 2010 (presented by Nikkei Inc.) for the attractive layout, design and overall balance of our annual report

## 2010

- November • Received the Director-General of the Patent Office Encouragement Award (1 award) and Invention Encouragement Award (3 awards) in the Kansai Region Commendation for Invention
- November • The OSNA method received the "Best Ideas in Healthcare 2010\*" award (hosted by Diario Medico) in Spain
  - \* From 2002, Diario Medico, the leading medical newspaper publisher in Spain, has selected the best initiatives, products or projects leading to significant improvements in healthcare. In 2010, out of 506 ideas, Sysmex's OSNA method received the "Best Ideas in Healthcare 2010" award in the research and pharmacology field
- October • Received the Minister of Economy, Trade and Industry Award in the Intellectual Property Achievement Award
  - Received the Kobe Environmental Achievement Award
- August • Sysmex Annual Report 2009 won the Gold Award in the healthcare category of the 2009 Vision Award
- July • Honored with the Invention Award in the National Commendation for Invention
- April • Received the Hyogo Prefectural Invention Award
- March • Selected for Companies That Care Honor Roll 2010 (Sysmex America)

- February • Our initiative to "turn food waste into compost" recognized as a "Hyogo Biomass eco Model\*" (organized by the Hyogo Prefectural Government)  
\* Recognizing pioneering initiatives in the efficient utilization of biomass in Hyogo Prefecture

## 2009

- October • Our R&D hub, Technopark, received the Encouragement Award of the Urban Green Space Award\* (organized by the Urban Green Space Development Foundation)  
\* Commends companies that have achieved outstanding results in improving the environment by using trees, flowers, and other "greenery," thus contributing to the creation of lush urban neighborhoods
- September • Our R&D hub, Technopark, received the Promotion Award of the Best of New Offices award\*  
\* Commends offices that incorporate originality and ingenuity, are comfortable and functional, stimulate sensitivity, and enhance creativity
- September • Received Honorary Award from the Mongolian Health Minister in recognition of our investigation and support for external quality control
- April • Selected as one of Daiwa Investor Relations' "580 companies that maintain outstanding Internet IR Site" for our IR site
- March • Our IR site received the Gómez IR Site Ranking Excellent Award
- March • Selected for Companies That Care Honor Roll 2009 (Sysmex America)

## 2008

- December • Our R&D hub, Technopark, assessed as the first-ever CASBEE\* class S (highest class) facility in Kobe City  
\* Comprehensive Assessment System for Built Environment Efficiency: Assesses buildings in terms of the global environment, earthquake performance, barrier-free functions, landscape, etc.
- November • Received one "Commissioner of the Japan Patent Office Invention Incentive Award" and three "Invention Incentive Awards" in the 2008 Kinki Local Commendation for Invention (organized by the Japan Institute of Invention and Innovation)
- October • Received the "Fiscal 2008 Kobe Men & Women Iki-iki Business Establishment Award" (organized by the Kobe City Government)
- March • Our Sustainability Report 2007 received the Encouragement Award given as a part of the Environmental Communication Awards (organized by the Ministry of the Environment of Japan)

## 2007

- December • The Sysmex Annual Report received the Special Award in the Nikkei Annual Report Awards 2007
- November • Received a "Shibucho-award (Award from the Branch Director)" and two "Invention Incentive Awards" in the 2007 Kinki Local Commendation for Invention (organized by the Japan Institute of Invention and Innovation)
- April • Our "reagent technology for measuring immature cells in the blood" received the 2007 Minister of Education, Culture, Sports, Science and Technology Award (organized by the Ministry of Education, Culture, Sports, Science and Technology of Japan)

## Compliance

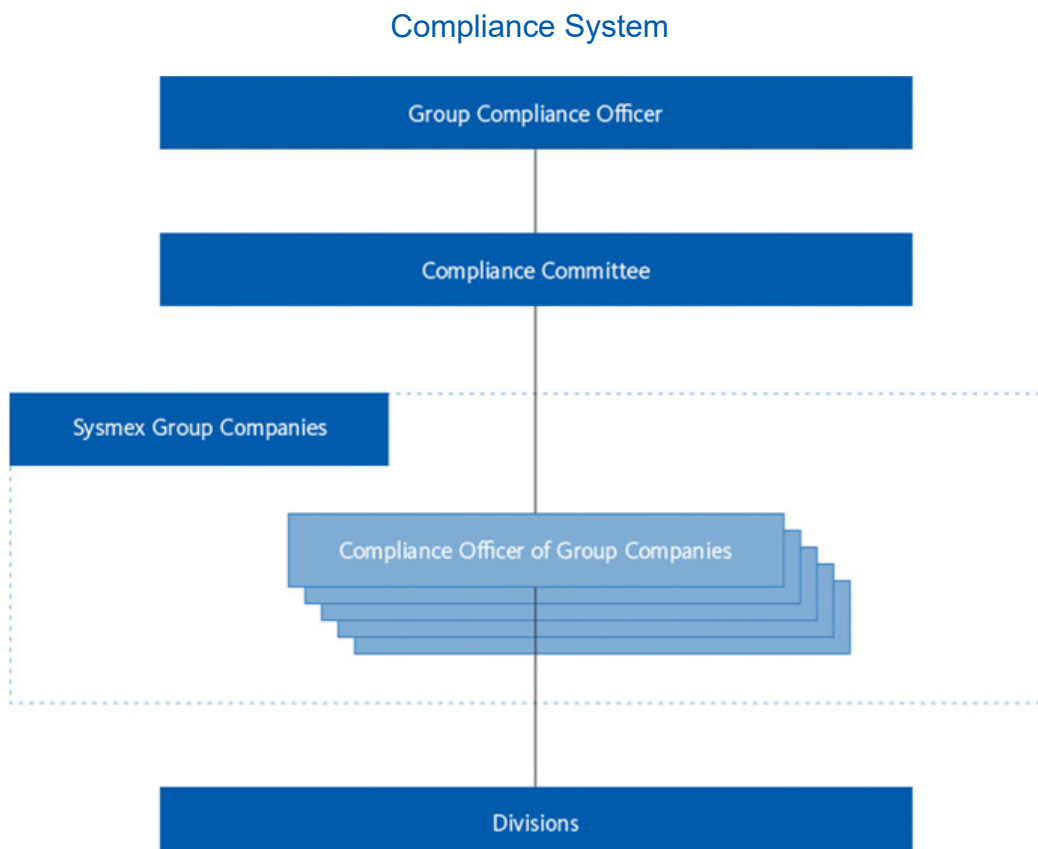
### Compliance Structure

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#### Pursuing Open and Aboveboard Business Activities

Based on our Group philosophy, the "Sysmex Way," we define our view of compliance as "conducting business activities not only in compliance with applicable laws and regulations, but also based on fairness and high ethical standards." In accordance with this definition, we have established a Global Compliance Code, in which particularly important conformance rules and behavioral guidelines for all Group executives and employees to abide by are compiled. We set forth a bylaw for revising this code once every two years, in principle, to respond to changes in our internal and external environments.

Global Compliance Code section "2. To Promote Fair Dealing and Free Competition" serves as a global code of ethics for marketing. We have also formulated the Sysmex Promotion Code to spell out our promotion activities in Japan in greater detail and more specifically.





# Sysmex Global Compliance Code

## **1. To Ensure Safety of Our Products and Services to Customers**

In all of our corporate activities, we will make it a matter of priority to provide our customers with safety and security.

## **2. To Promote Fair Dealing and Free Competition**

We will deal with our customers and business partners in a just and fair manner and will conduct transactions under appropriate conditions. As regards our relations with other companies in the same line of business, we will not illegally, dishonestly or unreasonably restrict their business, nor will we engage in the public defamation of those companies.

## **3. Fair and Proper Information Disclosure and Exercise of Complete Information Control**

Our corporate information, such as our group's financial conditions and business activities, will be disclosed in a fair, prompt, correct and clear manner in accordance with applicable laws and regulations and we will exercise strict control over confidential information collected through our business activities so as not to cause any infringement to the rights of third parties.

## **4. Implementation of Appropriate Research and Development Activities**

When carrying out our research and development, we will protect the dignity and human rights of the trial subjects and their privacy in the research of genes and other matters, and will comply with applicable laws and regulations and carry out our research activities in accordance with high ethical standards.

## **5. To Respect Intellectual Property**

We respect both the rights of our own company's intellectual properties and the intellectual properties of others. We will not unlawfully acquire or utilize any confidential business information or the proprietary assets of others.

## **6. To Maintain International Peace and Safety**

We will comply with export- and import-related laws and regulations, and will not be engaged in any transaction likely to impede maintenance of international peace and safety.

## **7. To Conduct Proper Accounting and Appropriate Tax Payments**

We will always apply the appropriate accounting treatment and recognize tax obligations set forth in applicable tax laws and accounting regulations and standards.

#### **8. To Respect Human Rights and to Improve Occupational Health and Safety**

We will support the Universal Declaration of Human Rights and Core Labour Standards, and respect the fundamental human rights of each person and will not infringe thereon by such acts as discrimination, harassment, etc. We will also comply with applicable laws and regulations, endeavor to improve occupational health and safety, and will not force any unfair labor practice on the personnel of the company.

#### **9. Distinction between Public and Private Matters and No Conflicts of Interest**

We will not attempt to gain any personal profit in performance of our duties, and will not make any unauthorized use of our group's assets, goods and information, nor will we perform such personal acts that may cause harm to our group's business activities or reputation.

#### **10. To Maintain Sound Relationships with Society**

We will comply with applicable laws and regulations related to anti-bribery statutes and comply strictly with applicable laws when making political donations, if allowed under local law. We will not be intimidated by antisocial activities, behavior and groups, and will never maintain any relationship with them.

#### **11. To Preserve the Global Environment**

We will comply with environment-related laws and regulations, etc. and pay attention to the environment throughout our business activities based on international standards, etc. for the environment in an endeavor to preserve and improve the global environment.

Revised May 2014

## **Third-Party Evaluations of Group Structure to Promote Compliance and Its Operational Status**

We confirm the appropriateness of our compliance-related initiatives and regulations with respect to social conditions and various laws and regulations, revising our content as needed. To reinforce our compliance promotion structure, in fiscal 2014 we revised our Global Compliance Regulations, which form the basis for these activities. We also invited outside institutions to evaluate our Group structure to promote compliance and its operational status.

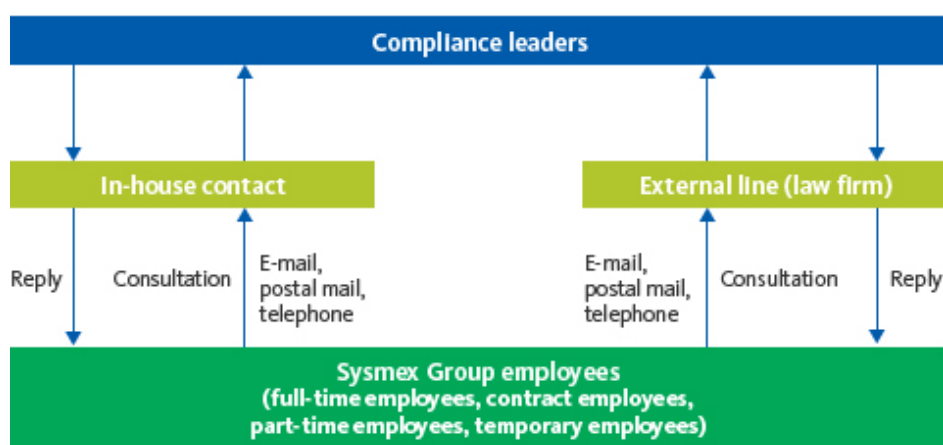
Based on the results of the evaluation, principal activities in fiscal 2015 were to improve and enhance internal reporting systems at overseas Group companies. We plan to continue having these systems evaluated by external institutions and making improvements.

## Establishment of an Internal Reporting System

In principle, we aim to resolve any compliance-related issues within the organization but have established "Campanula Lines" for resolving issues that are difficult to address internally. In the interest of resolving issues at an early stage, "Campanula Lines" allow our employees to seek consultations and file reports via telephone, postal mail or e-mail through two lines (in-house and external).

Any information received is handled anonymously to protect those providing the information from any adverse reactions. Also, such internal reporting systems are in place at overseas Group companies. In fiscal 2015, we fielded 12 consultations from Group companies in Japan. We conducted factual inquiries for consultations and dealt with each of them appropriately.

### "Campanula Lines" Internal Reporting System



## Compliance Education

### Continuously Providing Education on Compliance

Compliance managers are in place at each Group company, and Sysmex provides compliance education for all employees. We have produced a Compliance Handbook and distributed a copy to each Group company employee in Japan to ensure that all employees are thoroughly compliance-aware. At Group companies in Japan, in addition to conducting regular compliance education each year we set key themes and conduct education at related departments according to these themes. In fiscal 2015, we conducted training related to the social security and tax number system and ensuring transparency in relationships with medical institutions. We also produced new video training materials to promote understanding of the Global Compliance Code, which we used in internal training sessions.

We also conduct compliance education at Group companies overseas, in accordance with conditions in individual countries. In 2015, we prepared materials in Japanese and English related to anti-competition laws and conducted training at various companies.

### Main Compliance Education in Fiscal 2015 (Japan)

- Social security and tax number system: Conducted e-learning
- Ensuring transparency in relationships with medical institutions: Conducted e-learning related to transparency guidelines
- Promoting fair trade: Conducted e-learning related to the Subcontract Law
- Global Compliance Code: Conducted induction training for all employees entering the Company
- Business execution by temporary employees: Conducted training for division managers and people providing instruction to temporary employees

### Main Compliance Education in Fiscal 2015 (Overseas)

- Anti-competition laws, anti-bribery legislation, sunshine laws, general compliance

### Holding a Study Session on European Environmental Legislation

An awareness of the laws and regulations in the countries where our products are sold is an important part of promoting global compliance.

In June 2015, Sysmex held a study session on environmental legislation in Europe. More than 80 people attended, including members of development and procurement divisions. A lecture covering legal requirements under the RoHS directive and REACH regulations, as well as the Company's initiatives, was followed by a question-and-answer session and exchange of opinions about activities.



Study session underway

# Security Export Control

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## Establishing a Security Export Control Structure

Systemex formulates internal control regulations in this regard, and registers for approval with the regulatory authorities at the Ministry of Economy, Trade and Industry.

Under the Compliance Committee we have established a Security Export Control Committee. Based on our internal control regulations, this committee strives to reinforce our security export control system and thoroughly verify the destinations and purposes of our export of commodity and technology.

We conduct workshops and e-learning to raise awareness of security export controls and export administration regulations in the United States, as well as performing audits to ensure thorough controls. Furthermore, to strengthen the security export control system for the Group as a whole, we are introducing management systems that link with enterprise resource planning (ERP) systems at regional headquarters overseas in an effort to ensure management thoroughness and increase efficiency.

## Holding the First Global Security Trade Management (STC) Conference

Recent years have seen an increase in the number of opportunities for Systemex to export products between its overseas locations, presenting the need to reconfigure our security export control structure to respond to increasingly complex logistics. To address this situation, in October 2015 we held the First Global Security Trade Management (STC) Conference, calling personnel in charge of and conducting security trade management at headquarters and overseas subsidiaries to Hamburg, Germany.



Conference underway

The conference involved exchanging information and discussing initiatives and issues in individual regions, and each region drafted a plan for improvements going forward. We plan to continue with this activity in an effort to ensure that trade management is thorough and efficient.

## Conducting Training for People Involved in Classification

"Classification" is a basic security trade management process for determining whether exported goods and technologies are subject to legislation under the Export Trade Control Order or the Foreign Exchange Order. Each year, Sysmex brings together people in charge of these activities and conducts training related to classification.



Training underway

In the past, we have conducted this training annually, but sessions were held twice in fiscal 2015, in August 2015 and January 2016. The training provided explanations about points of caution when using the classification system newly introduced in fiscal 2015. We identified points to be aware of when classifying instruments, reagents and software, and showed examples of mistaken classifications. The training also included field-specific Q&A aimed at resolving issues in day-to-day classification operations.

## Intellectual Property Management

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### To Respect Intellectual Property

Sysmex accords third-party intellectual property rights the same level of respect as it does its own.

When applying for patents to protect our own intellectual property and responding to third parties' intellectual property rights, members of the intellectual property, R&D and business planning departments conduct and discuss patent reviews for each new product development project. Through these activities, we confirm our ability to secure proprietary rights that need to be protected and check that we are responding appropriately with respect to third-party intellectual property rights that need to be respected.



# Research Ethics

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## Conducting Appropriate R&D Activities

Being involved in clinical research and development and human genome and genetic analysis research, Sysmex has adopted the Ethics Regulations on Clinical Research and Development and Human Genome and Genetic Analysis Research, whose basic policies include respect for human dignity and thorough protection of personal information. Sysmex has also established a Research Ethics Examination Committee, which includes outside members such as legal and science experts, in order to review research content. The list of committee members and examination results are disclosed on our website, thus ensuring transparency.

In relation to animal testing and recombinant genetic testing, we have also set up the Testing Control Committee to deliberate on whether testing plans satisfy related legislation.

# Bribery Prevention

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## Promoting Compliance with Applicable Laws in Japan and Overseas

Sysmex is striving to prevent corruption based on the 10th principle of the Global Compact, that "Businesses should work against corruption in all its forms, including extortion and bribery."

We have prepared a practical guide that covers applicable laws not only in Japan, but also in the United States, the United Kingdom, China and other major countries, and use this guide in universal awareness activities. The momentum of efforts to eradicate corruption is gathering pace throughout the world. Various countries are enacting laws and stepping up enforcement on the prevention of bribery. Against this backdrop, Sysmex formulated Global Anti-Bribery Regulations in April 2016. These regulations serve as basic rules for the Group on bribery prevention and apply to all Group companies in Japan and overseas.

# Tax Transparency

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## Appropriate Tax Payments and Disclosure

Item 7 of the Global Compliance Code for Sysmex Corporation provides for "conducting proper accounting and appropriate tax payments." Furthermore, in line with the international consensus we employ OECD guidelines when pricing internal transactions among Group companies overseas.

We disclose Group payments of corporate and other taxes in financial and other reports, as well as the reasons for differences with effective statutory tax rates.

### Sysmex Group Compliance Code (Excerpt)

#### **7. To Conduct Proper Accounting and Appropriate Tax Payments**

We will always apply the appropriate accounting treatment and recognize tax obligations set forth in applicable tax laws and accounting regulations and standards.

##### **7-1 Appropriate tax return procedures**

We will adhere to tax laws and regulations applicable to jurisdictions both domestic and foreign, following appropriate and compliant tax return procedures.

##### **7-2 Proper accounting procedures**

We will fully comply with tax laws, external accounting standards and internal accounting procedures, including global, regional and local, related to accounting entries of transactions such as sales and expenditures. Also, we will maintain accurate and complete records of all slips invoices, receipts, books, records and other documents material to financial transactions and will not make false or misleading entries.

##### **7-3 Preparation of fair and transparent financial statements**

We will prepare and distribute financial statements that fairly and accurately reflect the financial performance of the company and fully comply with applicable laws, regulations and accepted accounting standards, and will not conduct illegal acts such as deliberate the misstatement of accounts.

# Transparency in Relationships with Medical Institutions

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## Introduction

Sysmex, with its Group corporate mission of "Shaping the advancement of healthcare," conducts business activities with the aim of providing reassurance to its various stakeholders, including customers. As part of this objective, at every stage of our operations—from research and development to manufacturing, sales and after-sales support—we are increasing the number of opportunities for collaboration with medical institutions and medical professionals. We believe that maintaining a strong sense of ethics as we go about these activities is important in securing broader society's understanding of us as a company.

## Responses in Japan

In 2012, the Japan Association of Clinical Reagents Industries formulated guidelines for ensuring the transparency of relationships between corporate activities and medical institutions. Concurring with the spirit of these guidelines, Sysmex Corporation and Sysmex International Reagents disclose information about funding they provide to medical institutions.

### Disclosure Method

We disclose relevant information on our website every fiscal year.

### Target of Disclosure

This information is based on the "Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions" established by the Japan Association of Clinical Reagents Industries.

## Responses in the US and France

Sunshine Acts have been enacted in the US and France. We report relevant payments or transfers of value to the US and French governments regularly.

### Disclosure Method

We disclose relevant information on the US and French governments' website every year.

\*We also disclose it on our web site.

## Target of Disclosure

### US

Relevant payments or transfers of value to, or research with, the following recipients:

- Registered US physicians
- Teaching hospitals in the US

### France

Relevant payments or transfers of value to, or agreements with, the following recipients:

- Physicians, medical professionals and medical students in France
- Health institutions (educational institutions or medical companies) in France

# Risk Management

## Risk Management Structure

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### Promoting Risk Management by Establishing a Dedicated Committee

To control groupwide risk management activities, Sysmex established a Risk Management Committee, which is chaired by a risk management officer, the Group's chief executive in charge of risk management. The risk management officer is a senior executive officer of Sysmex Corporation who, as chair of the Risk Management Committee, identifies major risks having the potential to significantly impact the Group's business and consistently observes the results of risk response and monitoring by individual divisions and affiliated companies.

For everyday risk management, committees other than the Risk Management Committee, as well as departments and affiliated companies, respond independently to operational risks. We clarify the responsibilities and roles of the Risk Management Committee for responding to significant risks to the Group, and have in place a risk management structure for responding to these risks swiftly and decisively.

## Disaster Response

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### Creation of a Structure for Responding Swiftly in Times of Emergency

Sysmex formulates business continuity plans (BCPs) for its manufacturing, procurement and other functions to ensure it can fulfill its corporate responsibilities and supply products and services in a stable manner in the event of a disaster or other crisis. We have also created disaster response regulations and put in place a system to ensure rapid response in times of emergency.

We have introduced at affiliated companies in Japan the safety confirmation tools Sysmex Corporation employs as a means of emergency communication. Sysmex has installed wireless digital equipment at Group business offices in Japan, putting in place a system for communicating in the event of a communication blackout. In fiscal 2015, in preparation for a large-scale earthquake we held safety confirmation training that assumed an earthquake in the Nankai Trough. We also held groupwide simulation training and workshops as business continuity training in an effort to enhance BCP effectiveness.

The groupwide backbone IT system that Sysmex Corporation operates is located at external, disaster-resistant data centers. In addition, we created a backup structure so that we can quickly switch to a backup system in the event that disaster renders our regular system inoperable.

## Information Security

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### Conducting Ongoing Training to Increase Awareness and Ensure Rules Are Entrenched

Sysmex handles data about its customers, as well as on the entities with which it collaborates on R&D and other testing. We recognize the importance of upholding information such as this, as well as of other important corporate secrets, and view the leak of such corporate secrets as an important risk for the Group. Accordingly, we have in place structures to prevent this risk from materializing.

For this reason, Sysmex Corporation and its affiliated companies in Japan conducts ongoing training for all employees at the divisional manager level and below to impress upon them the importance of and increase awareness of information management and entrench our rules on managing corporate secrecy. In fiscal 2015, we conducted e-learning on managing corporate secrecy. We also performed e-learning groupwide in Japan with regard to the social security and tax number system.



## Involvement with Stakeholders



### > Involvement with 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.



### > Involvement with 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.



### > Involvement with 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.



### > Involvement with 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.

## Involvement with Stakeholders

# Involvement with Customers

### Core Behaviors

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.



### > Ensuring Quality and Safety

We have created a global management structure and are working to ensure the quality and safety of our products and services.

### > Stable Supply

In response to growing global needs for testing, we are reinforcing our structure for supplying instruments and reagents.

### > Contributing to Resolution of Healthcare Issues

We contribute to the resolution of a host of healthcare issues by using advanced technologies to create innovating products and services.

### > After-Sales Support / Scientific Activities

We help to improve the efficiency of our customers' operations by providing meticulous after-sales support and disseminating extensive scientific information.

### > Enhancing Customer Satisfaction and Third-Party Evaluations

We conduct customer satisfaction surveys and take to heart the resulting opinions and requests as we develop and improve products and services.

# Ensuring Quality and Safety

## Quality Assurance

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### Quality Policy

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

### Core behavior

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

Revised in May 2007

## Building a Global Quality Management System

Sysmex has constructed a system to ensure compliance with laws and regulations around the world based on its Quality Policy and the Sysmex Corporation Quality Compliance Policy, and we act accordingly.

With regard to our quality management system, nearly all Group companies handling development or manufacturing functions have constructed management systems in line with and obtained certification under the ISO 9001 or ISO 13485<sup>\*1</sup> international standards. Of our 64 Group companies, 31 have received ISO 9001 certification and 19 have obtained ISO 13485 certification. Sysmex also conducts management reviews and audits of quality activities at its principal Group companies to confirm that the management system is operating properly. In addition to quality policy training for all employees, we conduct specialized quality education targeting specific departments and job types. In fiscal 2015, we performed training on quality complaint processing. We also conducted training related to laws and regulations applied in China.

To share quality-related information throughout the Group and reinforce our systems, once a year we hold the Global RAQA (regulatory affairs/quality assurance) Meeting, at which Quality Assurance Department managers from Sysmex Corporation, regional headquarters in the Americas, EMEA<sup>\*2</sup>, China and the Asia Pacific regions, and affiliates gather. In fiscal 2015, this meeting took place in Japan in September and was attended by members of the regulatory affairs and quality assurance departments of our various regional headquarters and overseas affiliated companies. At the meeting, the president spoke on the importance of quality, boosting participants' awareness on this topic.

<sup>\*1</sup> Quality management system for the design and manufacture of medical devices

<sup>\*2</sup> Europe, the Middle East, Africa

## Reinforcing Structures to Maintain and Improve Product Quality

Used in laboratory testing, Sysmex's products play a vital role in protecting people's lives and good health. Being fully aware of this responsibility, Sysmex is making constant efforts to maintain and improve product quality by building various systems, not to mention complying with safety standards around the world at the design and development stages.



Quality education



Session in the Global RAQA Meeting

In the product development stage, we verify product quality by setting five "quality gates" in the process leading up to market launch. Also, when we market products that are manufactured by others, we verify their quality by conducting periodic audits of the manufacturers and meticulously inspecting the products. As well as these efforts, in the unlikely event of a defective product we have systems in place to quickly identify and respond to the problem.

The Sysmex global quality complaint processing system, which was implemented in April 2011, allows us to gather quality information in a timely way from markets around the world. When we receive information about a bug or malfunction, we immediately look into the cause and cease distribution of the product. We also share information globally about bugs and malfunctions, as well as corrective and preventive actions.

## Focusing on Quality Training in the Development Divisions

Of Sysmex's three business units, the products handled by the ICH<sup>\*1</sup> Business Unit (ICH-BU) are particularly important to advanced diagnosis and medical judgments about treatment methods. To continue supplying highly reliable products, Sysmex ensures that the employees and specifically the engineers in this business unit undergo thorough quality training.



Group training

As part of our efforts to reinforce the quality management system, in fiscal 2015 we began employing external consultants to conduct simulated FDA<sup>\*2</sup> audits at ICH-BU.

\*1 An acronym taken from the initial letters of "immunochemistry testing," "clinical chemistry testing" and "hemostasis testing."

\*2 Acronym for "Food and Drug Administration"

## Quality and Safety Information

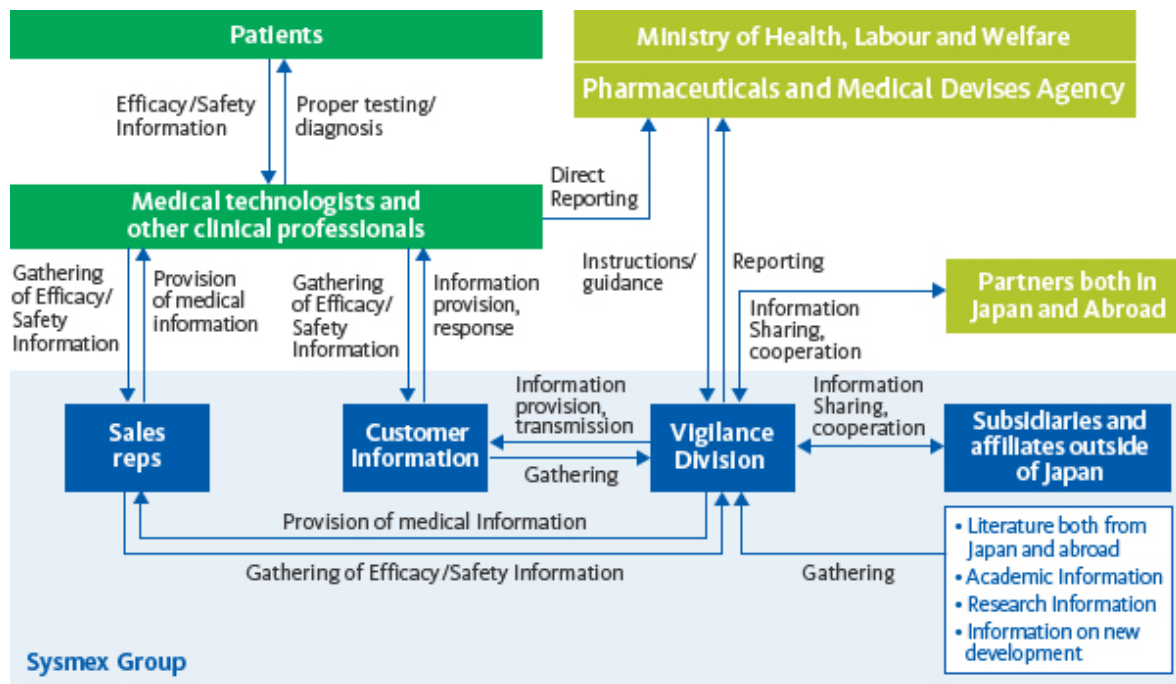
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### Sharing Customer Feedback on Product Quality and Safety within the Company

At Sysmex, information on product quality and safety is centrally controlled at the Vigilance 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.



## Product Quality and Vigilance Control System



## Collection and Repair Information Posted on Our Website

Sysmex posts information about product collection and repair on its website under "Important Product Notices."

## Working Aggressively to Stamp out Counterfeit Reagents

To assure accurate testing results, Sysmex asks its customers at healthcare facilities to use Sysmex-branded instruments and reagents together. In recent years, however, reagents disguised as Sysmex reagents have been found in circulation in some areas. The use of such counterfeit reagents cannot guarantee the reliability of testing results and, in some cases, can be harmful to patients' health.

Sysmex continuously monitors markets for counterfeit reagents. When they are discovered, we work with local government institutions and judicial organs to ensure thorough enforcement. We also caution medical institutions against the use of counterfeit reagents by placing advertisements in newspapers.

## Overseas Example (Taiwan): Sysmex Taiwan Receives Award for GDP\* Initiatives

In December 2015, Sysmex Taiwan received a prize from the Taiwan Food and Drug Administration (TFDA) for its exemplary GDP initiatives.

\* Acronym for "good distribution practice." GDP refers to a manufacturer ensuring the quality (efficacy and safety) of medical products from the time they are produced throughout the distribution and storage phases and until they are delivered to customers. GDP also includes the prevention of theft, accidents, and efforts to prevent the introduction into the supply route of counterfeit medications and falsified products.



Award ceremony



## Involvement with Customers

# After-Sales Support / Scientific Activities

## After-Sales Support

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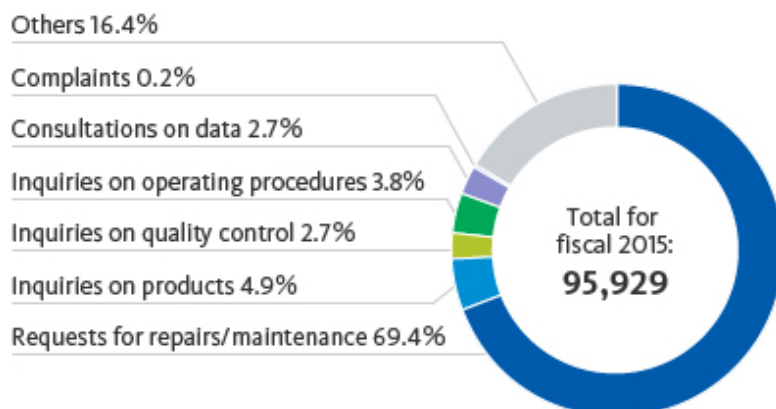
### Responding to Inquiries Rapidly and Responsibly

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

Requests and other comments received through the support center and other means is gathered by the Voice of Customer (VOC) Group. After analyzing this information from various angles, it is provided as feedback to related divisions so it can be utilized in new product development and operational improvements. We typically earn high marks for our instruments with new functions and equipment added from VOC.

In fiscal 2015, we received some 12,500 customer comments in the Japanese market.

### Inquiries to Customer Support Center



Responding to inquiries at the Customer Support Center

## Supporting Customers' Quality Control on a Daily Basis

At hospitals and other healthcare institutions, instrument and reagent precision is controlled to maintain consistent testing data reliability. In most cases, the condition of instruments and reagents is checked by comparing the measurement results of materials known as "control blood" with reference values and results on a daily basis. Sysmex supports quality control by providing control blood. Customer instruments are connected to the Customer Support Center via our online Sysmex Network Communication Systems (SNCS). Measured values of control blood sent via the SNCS from customer instruments are received by the Customer Support Center, which tallies and compares these values with its other data results on the same instruments, detects signs of abnormalities and returns the analysis results to the customer. SNCS employs a remote service that enables communication with customers. With this system, we can share data processing screens and use Web cameras to confirm the status of instruments.

This service also helps to prevent trouble by using information from the sensors placed on various instruments, the number of operations and maintenance periods.

## Holding a Global Meeting on After-Sales Support

In November 2015, we held a Global Meeting on After-Sales Support to share after-sales support issues and perspectives on a global basis.

The meeting was attended by 32 people responsible for practical operations in nine regions, including regional headquarters overseas. The meeting was divided into a scientific and a technology session, which served as venues for specialized and lively discussion. At the scientific session, we shared topics from various regions concerning principal products and exchanged opinions on how to create clinical value across fields. The theme of the technology session centered on technological materials and training content, which are essential for providing higher-quality product support. We used a workshop format to discuss ways to produce high-quality materials efficiently and utilize them throughout the Group. Going forward, we will continue to enhance groupwide after-sales support quality through close communications beyond regional boundaries.



Meeting underway

## Utilizing ISO to Increase the Quality of Clinical Testing

In fiscal 2013, Sysmex Corporation obtained ISO/IEC 17025<sup>\*1</sup> certification for the calibration service it provides for hematology analyzers. Sysmex provides SNCS<sup>\*2</sup> and eQAPI<sup>\*3</sup> external quality control programs for general testing, hematology, clinical chemistry, immunology and other testing. In this regard, we are the first organization in Japan to receive the ISO/IEC 17043<sup>\*4</sup> certification, not only in the clinical testing field but also across all industries. Sysmex provides customers with high-value services as an ISO-compliant Calibration Laboratory and Proficiency Testing Provider. Furthermore, in fiscal 2014 we received ISO 15195 certification—an international certification on requirements for reference measurement laboratories involved in laboratory medicine. On this basis, we will step up our efforts to further standardize and raise the quality of laboratory testing. (See the section below for details.)

In fiscal 2015, we calibrated around 650 hematology analyzers according to ISO/IEC 17025, issuing calibration certificates bearing the certification symbol to guarantee the instruments traceable<sup>\*5</sup> according to internationally standard measurement methods. We also expanded our ISO/IEC 17043 certification region to include Japan, Europe, Africa, the Middle East and Taiwan as of March 2016. We plan to continue expanding this area.

<sup>\*1</sup> ISO/IEC 17025: International standard on general requirements for the competence of testing and calibration laboratories.

<sup>\*2</sup> SNCS: Refer to the above section entitled "Supporting Customers' Quality Control on a Daily Basis."

<sup>\*3</sup> eQAPI: A large-scale real-time external quality assessment program. This service involves analyzing the results of measurement data in real time, which contributes to improving the accuracy of everyday testing.

<sup>\*4</sup> ISO/IEC 17043: International standard on conformity assessment—general requirements for proficiency testing.

<sup>\*5</sup> Traceable: Assuming that measuring instrument calibration is conducted on the basis of higher measurement standards, the calibration history can be traced back clearly to primary standards, which are national and international standards.

## The First in Japan to Receive ISO 15195 Certification in the Hematology Field

In March 2015, Sysmex's Scientific Affairs Division received certification under ISO 15195, the international standard for "Laboratory medicine—Requirements for reference measurement laboratories." We were the first in Japan to receive this certification in the hematology field.

In the hematology field, possessing the technological expertise to accurately implement the reference measurement procedures<sup>\*</sup> of the International Council for Standardization of Hematology (ICSH) and the Clinical and Laboratory Standards Institute (CLSI) certify traceability.

Receipt of this accreditation provides international recognition of Sysmex's ability to conduct reference measurement procedures based on ISO-defined standards. Consequently, the certification further underscores quality assurance in our calibration service for automated hematology analyzers.

\* Reference measurement procedures: These measurement procedures certify the least possible deviation of obtained data in international comparisons. In several fields, including hematology, traceability systems are based on reference measurement procedures.

## Overseas Example (Europe): 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.



Training at the Sysmex Academy

\* EMEA: Europe, the Middle East and Africa

## Scientific Activities

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### Holding Scientific Seminars for Clinical Professionals

Sysmex keeps clinical professionals updated on scientific information by sponsoring seminars and study sessions for doctors and medical technologists.

In June 2015, venues in Sendai, Tokyo, Kobe and Fukuoka were linked by satellite relay to hold the 38th Sysmex Scientific Seminar.

Themed on "The Future of Hematopoietic Tumor Diagnosis:

Whether Morphology Will Survive in the Age of Genomics

—Morphology vs. Genomics," the seminar was attended by 1,320 people. Four leading authorities took the podium to introduce morphological and genomic perspectives. This was the first time for the seminar to employ a debate-oriented approach to an easy-to-understand lecture on leukemia and malignant lymphoma.



38th Sysmex Scientific Seminar

## Publishing Scholarly Magazines

We distribute the Sysmex Journal International (Japanese, English and Chinese editions) to medical institutions and university libraries in more than 100 countries throughout the world, thus keeping many clinical professionals updated on current clinical medicine and healthcare testing.

## Overseas Example (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 October 31, 2015, we held the 18th Sysmex Scientific Seminar in China in Shanghai, which was attended by approximately 1,300 people from throughout China. At the seminar, 16 leading

authorities in their fields from Japan and China disseminated leading-edge information regarding clinical applications of the HISCL-Series, Sysmex's fully automated immunoassay system, and announced new information regarding laboratory testing quality and efficiency.



18th Sysmex Scientific Seminar

## Overseas Example (China): Cooperating with Hospitals on Research into Early Detection of Infectious Diseases

Sysmex's HISCL-Series fully automated immunoassay system is used broadly for diagnosing infectious and other diseases and monitoring their courses of treatment, playing an important role in the early detection and treatment of disease. In fiscal 2015, Sysmex Shanghai began working with local hospitals, using the HISCL-Series in joint research toward the early detection of syphilis.



HISCL-5000 being used for joint research



## Overseas Example (Asia): Holding a Scientific Seminar in the Philippines

Systemex holds scientific seminars in various other Asian countries in addition to China.

In fiscal 2015, Systemex held a two-day scientific seminar on September 2 and 3 in Manila, the Philippines. Themed "Expanding the Possibilities," the seminar was attended by 900 people, with attendees hailing from Singapore, India, Thailand, Vietnam and other countries, as well as the Philippines. As lecturers, in addition to people from the Asia Pacific region we invited physicians from Japan, Canada and the United Kingdom to provide up-to-date information related to hematology, urinalysis, hemostasis and immunology.



Scientific seminar in Manila, the Philippines

## Overseas Example (Myanmar): Cooperating in Activities Aimed at Improving Hemophilia<sup>\*1</sup> Treatment

Systemex Asia Pacific is participating in the Twinning Program<sup>\*2</sup> of the World Federation of Hemophilia in the aim of improving hemophilia treatment in emerging markets. In September 2015, the company participated in a workshop held in Yangon, Myanmar, using Systemex instruments to provide training.



Workshop underway

<sup>\*1</sup> A disorder occurring in people born with insufficiency of a protein that causes blood to clot

<sup>\*2</sup> This program aims to improve hemophilia care in emerging markets by forming partnerships between hemophilia-related organizations and healthcare facilities in advanced countries and emerging markets, promoting the ongoing accumulation of knowledge.

## Overseas Example (Taiwan): Holding a Seminar to Promote ISO 15189

In October 2015, Sysmex Taiwan held a seminar to promote accreditation under the international standard of ISO 15189 (Medical laboratories—Particular requirements for quality and competence). Taking place at Sysmex Corporation's Technopark facility, the seminar provided an opportunity for interaction among certified auditors belonging to medical technologist associations and certifying bodies in Taiwan and Japan.



Seminar underway

Attended by more than 100 people, including 70 from Taiwan, the seminar invited animated discussion about the current spread of this certification and issues with promoting its further uptake.

## Providing Tools to Raise Awareness of Hemophilia

In fiscal 2015, Sysmex Taiwan and Hemophilia Association of Taiwan cooperated in producing a scientific handbook in traditional Chinese related to hemophilia and materials that provided an easy-to-understand explanation of recent trends on the treatment of hemophilia. The company donated these materials to the association and distributed them at events. The company also donated these materials to 10 hemophilia centers throughout the country, where they are being used in awareness activities.

### Enhancing Awareness Tools in Response to Local Needs



Hemophilia handbook



## Involvement with Customers

# Stable Supply

## Stable Supply of Diagnostic Instruments

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### Establishing New Factories and Expanding Facilities to Meet Growing Global Demand

Sysmex works to respond swiftly to changes in global demand for its instruments and consistently ensure a stable supply of its products. To achieve these goals, we maintain appropriate inventory levels of each product at each location, ensure that inventories are located near their markets, and communicate with local subsidiaries to accurately determine the demand status. We are also building new factories and expanding existing facilities in preparation for increased demand.

In fiscal 2015, we redesigned production lines to accommodate rising demand for large instruments in the immunochemistry and hemostasis fields. We will continue revamping and improving production lines to supply products that meet global demand.

## Stable Supply of Reagents

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### Response in Times of Disaster (BCP)

We are also working from a variety of angles to ensure a stable supply of reagents, including by maintaining appropriate inventories. In addition, to ensure our ability to respond in times of disaster, we are reinforcing overseas production and striving to disperse risk by diversifying our suppliers of key raw materials.

In fiscal 2015, we conducted seismic reinforcement work at the Seishin Factory and Ono Factory. At the Ono Factory, we installed further backup electric power supplies, explosion-proofing equipment and combustible gas detection systems, and received certification under the Fire Service Act as a location for handling small amounts of hazardous materials. This certification enables us to expand production volume to approximately nine times the fiscal 2015 level of 2.4 million boxes, paving the way for further increases in production stability. At the same time, we conducted a risk assessment on reagent material procurement.

## Expanding Factories and Installing Equipment in Preparation for a Rise in Global Demand

In response to an anticipated increase in global demand for reagents, we expanded the capacity of our reagent factory in Singapore in fiscal 2014 and in Germany in fiscal 2015. We also revised production processes at our Seishin Factory to meet an expected rise in demand for reagents in China, thereby shortening production lead times.



Enhanced facilities (tanks)

In fiscal 2015, we installed new equipment at our Wuxi Factory in China. This upgrade doubled the factory's capacity to produce hemolysis agents and HISCL cleaning solutions—its principal products. As Chinese market demand in the immunochemistry field is expected to continue expanding for the foreseeable future, we have designed the factory layout to accommodate the introduction of additional equipment. This arrangement will allow us to step up production quickly in response to demand.

## Overseas Example (Germany): Expanding an Environmentally Conscious Reagent Factory

To meet growing demand in the EMEA<sup>\*1</sup> region, in fiscal 2015 we expanded our reagent factory in Germany, increasing production capacity to 1.5 times its former level. To reduce energy use and CO<sub>2</sub> emissions at the factory, we installed solar panels and an ice thermal storage system<sup>\*2</sup>, a seasonal thermal storage climate control system that makes use of natural energy.

\*1 Europe, the Middle East, Africa

\*2 With this type of system, ice produced in the ground in winter is used in the summer for cooling. In winter, geothermal water, which is warmer than the ambient air, is used to supply heat.



Reagent factory in Germany

## Involvement with Customers

# Enhancing Customer Satisfaction and Third-Party Evaluations

## Enhancing Customer Satisfaction

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### Conducting Customer Satisfaction Surveys in Japan and Overseas

Sysmex Corporation conducts surveys of customers who attend its national seminars and exhibitions, asking them to evaluate Sysmex's sales and service activities.

We also conduct questionnaire surveys related to the Customer Support Center of people who take part in customer training held by the Solution Center. In fiscal 2015, 222 people responded to this survey. Their satisfaction level was 93.7%, up 2.1 percentage points from the preceding year. We are working to boost customer satisfaction by upgrading our telephone reception system to improve the sharing information.

The opinions and requests are communicated to each division and used for product improvement and other efforts.

### Overseas Example (Americas): Improving Customer Satisfaction by Launching an Educational Support Site

Sysmex America has striven over many years to provide extensive support to its customers. Evincing its success, the company ranked top among manufacturers of hematology analyzers in an IMV ServiceTrak survey (sponsored by IMV) of customer satisfaction for 16 consecutive years. In addition, in February 2016 Sysmex launched a new educational support site for healthcare professionals, providing recent clinical information to aid in patient diagnosis and treatment.

**Customer Satisfaction Survey Ranks  
Sysmex America**  
**No.1** for 16 Consecutive Years



Educational support site for healthcare professionals: Clinical Education for Clinicians

## Overseas Example (China): Striving to Boost Customer Satisfaction

Sysmex Shanghai conducted a customer satisfaction survey in fiscal 2015. To gather comments from as many customers as possible, in addition to communicating directly with customers the company conducted an online survey, attracting opinions from some 1,500 customers. The survey showed that customers gave Sysmex Shanghai high marks in a number of categories, including after-sales service, and that customers had additional expectations and requests in such areas as periodic maintenance. Based on the results of this survey, the company will work to increase customer satisfaction levels further going forward.

### Gathering Customer Comments through Direct Dialogue and on Line



Sysmex Shanghai call center

## Involvement with Customers

# Contributing to Resolution of Healthcare Issues

## Developing Products and Technologies That Help to Resolve Healthcare Issues

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### Helping to Raise the Quality of Testing in Emerging Markets and Developing Countries

Sysmex is working with governments and academic societies in Asia's emerging markets and developing countries to provide external quality control<sup>\*1</sup>, promote the standardization of testing and help raise the quality of local healthcare. In fiscal 2015, we signed a new agreement with Mongolia's Ministry of Health and Sports to support activities aimed at creating external quality controls and a standard laboratory<sup>\*2</sup> to enhance the quality of testing of infectious diseases in the immunochemistry testing field. We also signed an agreement with Cambodia's Ministry of Health related to scientific support activities.

<sup>\*1</sup> A method under which the same specimens (such as artificially produced blood) are distributed to multiple clinical laboratories, and the measurement results obtained are analyzed using statistical methods, thereby allowing the precision of individual laboratories' measurement results to be evaluated. The results are provided as feedback to these laboratories, helping to increase the quality of testing.

<sup>\*2</sup> A model clinical laboratory for a region or country that serves a central laboratory role.

In addition, Sysmex South Africa provides training on how to operate laboratories in accordance with ISO 15189<sup>\*3</sup> international standard to help ensure the work quality of laboratories in African countries. In fiscal 2015, the company provided this support to a laboratory in Zimbabwe.

<sup>\*3</sup> An international standard that defines requirements for quality and competence by medical laboratories

Through external quality control, we have contributed to the standardization of testing in **6** countries

China, the Philippines, Mongolia, Thailand, Cambodia and Myanmar (As of March 31, 2016)



Signing ceremony with the Mongolian Ministry of Health and Sports



Hospital laboratory supported by Sysmex South Africa (Zimbabwe)

## Major Support Activities in Asia in Fiscal 2015

Mongolia	<ul style="list-style-type: none"> <li>• Conducted external quality control twice each in the fields of hematology and clinical chemistry</li> <li>• Concluded a new agreement with Mongolia's Ministry of Health and Sports to support activities aimed at creating external quality controls and a reference laboratory in the immunochemistry testing field</li> </ul>
Thailand	<ul style="list-style-type: none"> <li>• Conducted external quality control four times in the hematology field</li> </ul>
Philippines	<ul style="list-style-type: none"> <li>• Conducted external quality control once in the hematology field</li> </ul>
Cambodia	<ul style="list-style-type: none"> <li>• Provided operational and maintenance support based on international standards for the Company's automated hematology analyzers that have been delivered to a reference laboratory certified by Cambodia's Ministry of Health</li> <li>• Began supporting the configuration and operation of an external quality control scheme in the hematology field</li> </ul>
Myanmar	<ul style="list-style-type: none"> <li>• Reported results of a trial survey targeting related officials</li> <li>• Under the approval of Myanmar's Ministry of Health, performed preparations leading toward an agreement with the National Health Laboratory to provide external quality control support</li> </ul>

## Strengthening Our Lineup of Urinalysis Products

Throughout the world, demand for urinalysis is increasing, as this type of testing provides a variety of physical information while placing a relatively small physical and economic burden on patients. In September 2015, Sysmex launched its

UF-5000/4000/3000 fully automated analyzers of formed elements in urine. These instruments offer enhanced performance and an extended range of testing parameters, compared with conventional models. Furthermore, in January 2016 we introduced the UD-10

fully automated imaging unit for formed elements in urine. Through a business alliance with EIKEN CHEMICAL CO., LTD., we also began selling the UC-3500 fully automated urine chemistry analyzer (in overseas markets), the first under our own brand. These products, which employ the modular concept, can be combined with other instruments to meet diverse urinalysis needs.



UD-10 fully automated imaging unit for formed elements in urine (left)  
 UF-5000 fully automated analyzer of formed elements in urine (center)  
 UC-3500 fully automated urine chemistry analyzer (right)



## Sysmex IMP Lab Begins Offering Lab Assay Service for Research

Sysmex is working to achieve highly functional and efficient assay services related to genetic testing by concentrating these activities at the Sysmex IMP lab, located on Kobe's Port Island.

In April 2016, this lab began offering the Curebest® 95GC Breast assay service<sup>\*1</sup>, which provides research data to predict recurrence by analyzing breast cancer tissue. During fiscal 2016, we also plan to commence the OncoBEAM lab assay service<sup>\*2</sup> to detect genetic mutations on specific types of cancer by using BEAMing technology to test minute amounts of cancer-derived DNA in the blood. Going forward, by providing assay services for research we aim to contribute to personalized medicine, which provides healthcare optimized to individual patients.



The Sysmex IMP lab, our base for lab assay services related to genetic testing

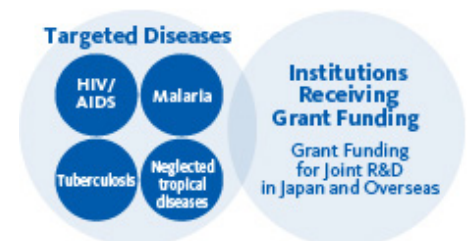
<sup>\*1</sup> An analysis service for measuring the expression amounts of 95 genes related to breast cancer prognosis

<sup>\*2</sup> An assay service for detecting mutations in target genes for specific types of cancer

## Helping to Resolve Healthcare Issues in Developing Countries

To date, Sysmex has created testing technologies and developed products for HIV, malaria and other diseases in an effort to help diagnose infectious diseases in emerging markets and developing countries. In fiscal 2015, Sysmex decided to participate in the GHIT Fund, which states its vision as “one in which the crushing burden of infectious disease no longer prevents billions of people in the developing world from seeking the level of prosperity and longevity now common in the industrialized world,” becoming the only manufacturer of diagnostic reagents to do so. Going forward, we aim to continue working to address healthcare issues throughout the world through our business activities.

### GHIT Fund Framework





## Addressing the World's Three Leading Infectious Diseases

We welcomed Partec into the Sysmex Group in 2013. Partec has a strong presence in research domains and in the market for detecting infectious diseases such as HIV and malaria. Partec is a pioneer in the flow cytometry (FCM) method, in 1968 becoming the first company in the world to commercialize research equipment employing this method. Products developed for emerging markets and developing countries using these technologies have contributed to the treatment and monitoring of HIV/AIDS, one of the world's three leading infectious diseases. The company also provides a fluorescence microscope system that allows testing for tuberculosis and malaria.

Compact and portable, its instruments can be used in environments where medical treatment facilities are lacking, and the reagents they use cost only a fraction of those offered by competitors. To provide easy access to testing, the company is rolling out mobile laboratories in various regions. Particularly in Africa, Partec accounts for a major share of the market in testing for HIV/AIDS.

Going forward, Sysmex will leverage its global network to increase recognition and adoption of Partec's products in Asia and Central and South America as well as Africa. In this manner, we are working to help improve healthcare environments in various emerging markets and developing countries.



Compact and portable instruments to test for infectious diseases



Deployment of mobile laboratories in areas lacking infrastructure

## Receiving Manufacturing and Marketing Approval for a Reagent to Monitor therapeutic Gains on Chronic Myelogenous Leukemia (CML)

CML is a disease that occurs as a result of chromosomal abnormalities in the blood cells. Using molecularly targeted drugs is an effective method of treatment, and treatment guidelines in Japan and other countries recommend the use of genetic testing\* to monitor therapeutic gains. However, in Japan the reagent that has received manufacturing and sales approval from the Ministry of Health, Labour and Welfare for use in genetic testing based on Japan's guidelines has not been sold.



ipsogen BCR-ABL1 MbcR IS-MMR DX reagent

Sysmex Corporation therefore began working toward the manufacture and sale of a reagent that was effective for monitoring based on the guidelines. In August 2014, Sysmex became the first organization in Japan to receive approval to manufacture and market the ipsogen BCR ABL1 MbcR IS-MMR DX reagent, and insurance coverage was approved in April 2014. Hereafter we plan to introduce the product into the Japanese market.

\* The practice guideline on hematopoietic malignancies (2013 edition) created by the Japanese Society of Hematology recommends using the BC R-ABL1 mRNA test for monitoring accuracy and reporting results according to international standards.

## Other New Products and Services (Fiscal 2015)

- Launch of three platelet aggregation agonist reagent kits used in testing for thrombotic disease, such as myocardial and cerebral infarction
- Following on from Spain, commencement of liquid biopsy RAS testing (for research) in Germany, contributing to the selection of optimal methods for treating metastatic colorectal patients
- Expansion in the scope of application for LYNOAMP BC, a diagnostic reagent used to detect lymph node metastasis more quickly than with conventional methods, to non-small cell lung cancer lymph node metastasis testing

## Involvement with Stakeholders

# Involvement with Shareholders

### Core Behaviors

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.



## Information Disclosure

### 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.

After the general meeting, we hold informal meetings to promote interaction with shareholders. We use panels and images to explain our R&D topics, equipment supply structure, social contribution initiatives, sports activities and third-party evaluations of the Company, and then invite attendees to share their opinions and ask questions.



Informal meeting for shareholders

We accommodate shareholders who are unable to attend on the day by enabling them to exercise their voting rights in writing or over the Internet. Furthermore, we contribute to the readability of convocation and resolution notices. We also prepare English-language versions for overseas shareholders, print color convocation notices and post the same information on our corporate website.

## Further Enhancing Information Disclosure

We make 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 stock exchanges.

In addition to biannual briefings on financial results (after year-end and after the second quarter), Sysmex holds conference calls following the announcement of business results in the first and third quarters in an effort to further enhance information disclosure.

## External Evaluation

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### Sysmex Wins "IR Grand Prix Award" for the First Time

In November 2015, for the first time Sysmex won the "IR Grand Prix Award," the top award in the Annual IR Grand Prix, sponsored by the Japan Investor Relations Association (JIRA).

JIRA's Annual IR Grand Prix is aimed at furthering the understanding of investor relations and selecting for awards those companies that are proactive in their activities and have earned strong support from market participants. Companies become eligible for the IR Grand Prix Award after they have won the Best IR Award twice in the past. In the past, Sysmex has won the IR Award for Small to Medium Capitalization Companies (fiscal 2004) and the Best IR Award (fiscal 2006 and fiscal 2011). Sysmex was selected for the current award in recognition of having maintained a high level of IR over a long period.



Award ceremony



IR Grand Prix Award mark

We scored particularly well for our high level of management transparency and easy-to-understand explanations on the status of R&D. Other comments included that top management explains management strategies and medium-term management plans from an investor perspective and creates opportunities for dialogue, and that the IR Department strives to disclose easy-to-understand information and takes investor feedback into account. The Company also earned high marks for its

briefings for individual investors, factory tours, meetings, and the extensiveness of content in briefing materials and on the website.

## Chosen for Excellence in Disclosure to Individual Shareholders for Fourth Consecutive Year

In fiscal 2015, Sysmex was selected for its excellence in disclosure at the 2015 Awards for Excellence in Corporate Disclosure, sponsored by the Securities Analysts Association of Japan. We were chosen as the top among the 19 companies in the pharmaceuticals category. We were evaluated highly based on the management team's proactive involvement in IR, as well as the meaningful discussions that take place during briefings and at analyst meetings. We also scored highly in terms of the extensiveness of content for results presentations and supplementary materials, and the useful content of technology presentations and facility tours.

This also marked the fourth consecutive year the Company has received the distinction for excellence in disclosure to individual investors, ranking first among the 213 companies in all industries evaluated in this category. With regard to briefings for individual investors, we earned high marks for our video distribution of the content of presentations and for explanations that are easy to understand and provided from an individual investor's perspective. Concerning our website, we were evaluated highly on having easy-to-understand descriptions of information that individual investors wish to know, as well as the inclusion of graphs and other materials that show operating performance trends in an easily understandable manner. Our shareholder newsletter received a strong evaluation for its easy-to-understand explanations of our mid-term management plan vision and initiatives.

## Involvement with Stakeholders

# Involvement with Business Partners

### Core Behaviors

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.



## CSR Promotion throughout the Value Chain

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### Putting in Place a Procurement Policy that Takes CSR into Account

Systemex Corporation has formulated a procurement policy that expresses its basic considerations on selecting suppliers and conducting procurement transactions, and is promoting its deployment across the value chain. In fiscal 2013, we revised the policy to promote CSR through procurement. We also added a clause about formulating business continuity plans (BCP) as befits a company that is developing its business globally in the healthcare field, and another on promoting business activities and CSR in compliance with the laws, regulations and social conventions of host countries.

When confirming our business partners' CSR activities, we conduct CSR surveys containing such topics as providing a safe and healthy workplace; prohibiting forced and child labor; eliminating discrimination due to gender, disability, race or other factors; and preventing bribery of officials in Japan and overseas. At present, we have conducted surveys of approximately 80% of business partners. We also conducted CSR surveys of 15 new potential business partners and interviewed their managers to check the status of their CSR activities. Our people in charge of procurement visited these overseas business partners to confirm the status of their initiatives in this regard, including the prevention of child labor and maintaining a safe and clean workplace.

At the same time, in response to the U.K. Modern Slavery Act, Systemex has publicized its statement on the Systemex UK website.



## Procurement Policy

In "shaping the advancement of healthcare," the Mission set forth in the Sysmex Way corporate philosophy, we deliver commitment to our business partners through equitable and fair procurement activities. We also strive to be a company that can grow in step with our trading partners in a spirit of mutual trust and encouragement. Operating in strict compliance with laws, regulations, and contracts, and adhering to high ethical standards, we carry out consistent procurement of components and raw materials that meet the levels of quality required by healthcare providers. We closely follow these policies in our endeavors to supply products that customers worldwide can use with confidence. Similarly, we hope that our business partners will cooperate with us in the following seven areas as we continue to create and enhance unique and creative values.

We ask our valued business partners to:

1. Assure quality to the requisite degree for healthcare products
2. Build a system for reliable supply
3. Refine technological capabilities that contribute to the development of healthcare
4. Create stable business foundations and formulate business continuity plans (BCP)
5. Promote business activities and CSR in compliance with the laws, regulations and social conventions of host countries
6. Carry out environmental management to help conserve the global natural environment
7. Supply products at reasonable prices and engage in aggressive cost-reduction programs

Revised in March 2014

## Reinforcing Relations with Business Partners

We strive to enhance relations with our business partners so we can conduct business together based on their understanding of our business directions and procurement policy. In February and March 2016, we conducted supplier briefings for business partners in Japan who supply parts processed to Sysmex specifications for use in testing instruments. Members of Sysmex's quality control departments also participated in the briefings, explaining the standards for provision inherent in the Sysmex Procurement Policy item calling to "assure quality to the requisite degree for healthcare products."



Procurement policy briefing

Affiliated companies overseas also created opportunities for communication with their distributors. Sysmex Russia held a meeting with distributors in November 2015, during which it provided explanations of Sysmex's Quality Policy and most recent service offerings.

## Aiming to Improve the Quality of Supplied Parts and Raw Materials

Our ability to provide high-quality products to customers in a stable manner depends on maintaining or improving the quality of the raw materials and parts we procure. We prepared a Quality Assurance Agreement that defines the quality requirements in 2009, and after also preparing a handbook to improve understanding of the content we have since been concluding this agreement with suppliers.

We conduct quality audits without fail on new procurement partners to ensure that quality management systems are operating appropriately. For existing procurement partners, we inspect products for quality when they are delivered, conducting quality audits if deemed necessary as a corrective or precautionary measure.

## Business Partner Briefings on Environmental Studies

As the RoHS directive will go into effect for *in vitro* diagnostic (IVD) instruments in July 2016, in January 2016 we held three business partner briefings on environmental studies—once in Tokyo and twice in Kobe. People from 245 business partners attended these sessions, where we explained the importance Sysmex places on regulatory initiatives and environmental response, and asked for their cooperation in complying with the RoHS directive.



Business partner briefings on environmental studies

## Ensuring Thorough Compliance and CSR in Transactions

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### Conducting Internal Awareness Activities to Ensure Compliance with Procurement-Related Legislation

We have in place an electronic procurement system (Sysmex Trade Mission, or STM). In addition to preventing the reduction of payments to inappropriate levels, as well as avoiding product returns, each year we conduct training on this system.

In fiscal 2015, all members of the Procurement Department underwent training on the Subcontract Law. For people newly assigned to this department, we also provided training on our procurement policy, CSR, green procurement and procurement risk. New members of the R&D Department, which is in the position to order R&D materials, also participated in training on points of caution from the time an order is placed through to acceptance inspection, as well as in relation to the Subcontract Law.

## Explaining Policies on Compliance to Distributors

Sysmex rigorously ensures compliance to build sustainable and fruitful partnerships with its distributors. We prohibit employees from abusing any dominant bargaining position, offering excessive entertainment, presents or the like when dealing with distributors.

We assign personnel to full-time duty with key distributors, and hold regular meetings to foster mutual understanding.

## Involvement with Stakeholders

# Involvement with Employees

### Core Behaviors

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.



### > Respecting Human Rights

We support the Universal Declaration on Human Rights and ILO's Core Labour Standards, work to prevent human rights abuses.

### > Promoting Diversity

We strive to ensure and utilize diverse human resources. We have child-rearing support and a variety of other systems in place to support a work-life balance for employees.

### > Considering Safety and Health

To foster a safe and good working environment, we have established a Safety and Health Committee at each of our offices, conducted by the employee representatives and the head of that office.

### > Employee Evaluation, Treatment, and Human Resource Development

We endeavor to treat employees fairly. Also, we have in place a host of human resource development programs, providing opportunities for self-fulfillment and growth.

### > Respecting Workers' Rights

Based on the principles of Global Compact and ILO's Core Labour Standards, we uphold the freedom of labor association and recognize the right to collective bargaining.

# Respecting Human Rights

## Respecting Human Rights

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### [Adhering to the Universal Declaration of Human Rights and ILO's Core Labour Standards](#)

As indicated in "8. To Respect Human Rights and to Improve Occupational Health and Safety" of its Global Compliance Code, Sysmex has set forth clearly its adherence to the Universal Declaration of Human Rights and ILO's Core Labour Standards. In addition, we have formulated guidelines describing particularly important rules and behaviors for compliance with basic respect for human rights.

Specifically, the code clarifies a variety of discriminatory actions that are not tolerated; prohibits sexual harassment, workplace bullying and other acts that ignore human rights; underscores prohibitions on child labor and forced or compulsory labor; and seeks to ensure a safe and comfortable workplace environment. We conduct training programs as needed to ensure the code is put into practice.

We have also established regulations and committees aimed at ensuring the human rights of subjects when engaging in human genome and genetic analysis research and clinical research and development.

## Systemx Group Compliance Code (Excerpt)

### **8. To Respect Human Rights and to Improve Occupational Health and Safety**

We will support the Universal Declaration of Human Rights and Core Labour Standards, and respect the fundamental human rights of each person and will not infringe thereon by such acts as discrimination, harassment, etc. We will also comply with applicable laws and regulations, endeavor to improve occupational health and safety, and will not force any unfair labor practice on the personnel of the company.

#### **8-1 Prohibition of discrimination and harassments**

We must not discriminate with regard to a person's sex, age, nationality, race, origin, belief, religion, social status, lineage, illness or physical disability, nor must we behave in a manner that ignores the dignity of other people, including such acts as sexual harassment, power harassment, etc.

#### **8-2 Privacy protection**

We must acknowledge the diverse values of people as individuals, and must respect privacy of each and every person. We must not unnecessarily disclose private information we acquire in the course of work to any other third person and must not seek to obtain private information unnecessarily.

#### **8-3 Elimination of forced labor and child labor**

We must not engage in unjust labor practices by detaining someone against his or her will. We must not hire children below the minimum age of employment set forth by applicable laws or regulations.

#### **8-4 Assurance of safety and health at workplaces**

We must adhere to laws and regulations related to safety and health practices so that every employee may work with peace of mind, and must maintain and enhance the mental as well as physical health of every employee so that a safe and comfortable working environment can be established.

## Consultation and Reporting Systems Related to Human Rights

Systemx has set up "Campanula Lines" as an internal reporting system for Group companies in Japan to enable consultation related to sexual harassment and workplace bullying, among other topics. We also have internal reporting systems in place at Group companies overseas.

In addition, once each year Systemx Corporation undertakes an employee survey to check on any behavior or attitudes that might be construed as workplace bullying or sexual harassment. Survey results are reported to executive vice presidents and vice presidents, and management training is conducted on the basis of these results.



## Conducting Training to Prevent Human Rights Abuses

Sysmex Corporation strives to prevent human rights abuses by conducting training to prevent harassment and impart a proper understanding of working. We also strive to prevent human rights abuses.

In fiscal 2015, we conducted training for newly appointed 110 managers on such topics as harassment, personnel administration and the Workers Dispatch Act. We also held training for 53 vice presidents that included previous examples of harassment at the Company.

## Involvement with Employees

# Employee Evaluation, Treatment, and Human Resource Development

## Employee Evaluation and Treatment

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### 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 toward 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 achieve fairness and ensure that employees understand their evaluations, we show employees their evaluation results and their superiors' comments.

### Basic Principles of the Personnel Management System

#### 1. Ensuring long-term employment

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

#### 2. Promoting the development and cultivation of diverse human resources

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

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

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

## Supporting Employee Career Design

Systemex Corporation employs a voluntary reporting system for all employees. Under this system, each year we hold hearings for each employee to learn about their medium- to long-term career, overseas work and job category aspirations. The system affords each employee with the opportunity to consider their own career directions and life plan, as well as to affect their own skills development and placement according to the content of their reports.

The fiscal 2015 hearing included reporting by 88.9% of employees.

## Promoting and Improving the Treatment of Contract and Temporary Employees

Systemex Corporation actively hires contract employees and temporary employees as regular personnel. We have clarified our internal regulations for hiring people working on limited, fixed-term contracts, offering them fair opportunities for promotion. We put this information on our intranet to encourage thorough understanding of these rules. When renewing temporary employees' contracts, for employees that meet certain conditions we notify temporary placement agencies of the possibility of employing such personnel directly. In addition to these initiatives, we have set up a specialized helpdesk to make it easy for contract and part-time employees to consult about improvements in business administration, and this information is noted in their contracts. By continuing with such efforts, in fiscal 2015 19 contract and temporary employees were promoted to full-time positions.

In December 2015, we conducted training for people in charge of divisions and people who give orders and instructions to temporary employees. This training was aimed at ensuring thorough awareness of the rules on business execution by temporary employees and matters that are prohibited under their contracts.

As production volumes have increased, Systemex's demand for part-time and contract employees has grown. In fiscal 2015, we hired around 150 new part-time employees. Going forward, we will revise our systems as appropriate to enhance our treatment of employees.

## Introducing Internal Awards Systems to Motivate Employees

In fiscal 2011, Systemex introduced the Group CEO Award system for recognizing individuals, organizations or groups that contribute most significantly to the realization of the Systemex Way, our Group corporate philosophy, sharing these achievements throughout the Company each year. We provide awards for one individual and one group.

To motivate R&D engineers and heighten awareness of intellectual property, Sysmex Corporation has also introduced three patent award systems: the Patent Grand Prize/Patent Prize of Distinction, the Patent Meister and the Filing Commemoration Prize. We also present a Quality Award for success in quality improvements.

## Overseas Example: Personnel Systems at Regional Headquarters

Our regional headquarters for the Americas, EMEA\*, China and Asia Pacific have in place personnel systems in line with the legal frameworks and cultures of these regions.

In general, we use management by objectives approaches to evaluate personnel. To some degree, we also employ competency evaluations in the Americas, EMEA\* and Asia Pacific. We use talent management education for cultivating personnel and conduct level-based training. In addition, these headquarters have in place an employee exchange program with Sysmex Corporation in Japan to promote global personnel intercourse and training.

\* EMEA: Europe, the Middle East and Africa

## Human Resources Development

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### Human Resource Development Based on Four Concepts

Based on its four concepts for human resource development, Sysmex 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 2015, on average each employee underwent 22.6 hours of training, and average per-employee expenditure amounted to ¥ 179,000\*. Furthermore, in April 2015 Sysmex 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.



New employee training

\* 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.

## Four Concepts of Human Resource Development

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

## Three Core Training Systems

Training Type	Objective
Selective training	<ul style="list-style-type: none"> <li>• Cultivate global leaders</li> <li>• Cultivate future management personnel</li> </ul>
Rank-based training	<ul style="list-style-type: none"> <li>• Acquire the minimum level of understanding and expertise in management and issue resolution required at each level</li> <li>• Promote communication between departments</li> </ul>
Elective training (Sysmex College)	<ul style="list-style-type: none"> <li>• Obtain practical expertise, knowledge and skills on business execution</li> <li>• Gain various types of business management expertise</li> </ul>

## Outline of the Global Communication Center

Location :	Ashiya, Hyogo Prefecture
Site area :	33,399m <sup>2</sup>
Floor space :	2,914m <sup>2</sup>
Facilities :	Training room, conference room, collaboration space, theater room, lodging facilities, cafeteria, etc.



Global Communication Center  
(theater room)

## Promoting Global Human Resource Development and Exchange

Systemx introduced the Global Personnel Exchange Program in fiscal 2012 to promote mutual exchange between employees in Japan and at Group companies overseas. The program aims to strengthen ties through deeper mutual understanding.

In fiscal 2015, a total of 22 employees from 13 countries in the Americas, EMEA\*, Asia Pacific, China and Japan regions underwent training under this program in November. They experienced operations at headquarters in Kobe and deepened relations by participating in operational experiences, seminars and discussions, as well as customer visits. In June and December 2015, Japanese employees visited Systemx America, Systemx Canada and Systemx Europe, fostering mutual understanding through facility tours, experiencing operations there and participating in opinion exchanges.

Through the Global Apprentice Program, we also send young employees to overseas subsidiaries to gain on-the-ground experience there.

\* EMEA: Europe, the Middle East and Africa



Cross-cultural experience training



Interacting with employees in other regions through operational experiences

## Enhancing the Skills of Employees in Manufacturing Workplaces

Augmenting the technological skills of employees who engage in manufacturing processes is an important issue. The Monozukuri Training Center provides hands-on training throughout the year in the knowledge and skills needed to manufacture Systemx instruments.

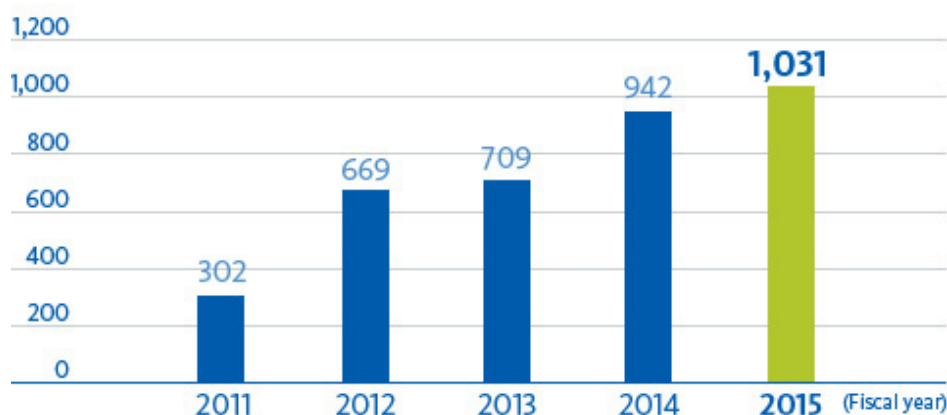
In fiscal 2015, we revised the center's educational content and increased the number of hours of education. Also, by sharing technology training content with instrument production groups Systemx RA and Systemx Medica, we endeavored to increase the impact of human resource development for employees who perform manufacturing processes.



Training at the Monozukuri Training Center



## Number of Monozukuri Training Center Trainees (Cumulative)



## R&D Innovation Activity to Promote the Growth of Researchers

Systemex Corporation inaugurated the R&D Innovation Activity in September 2013 to strengthen researchers' teambuilding and proposal-making capabilities. Started at the Central Research Laboratories, since April 2014 the activity has expanded into the Technology Development Division and other areas.



Presentation of results

In March 2016, a results presentation was held as an overall review. In addition to activities to enhance teambuilding and proposal-making capabilities, members reported on their individual changes and development, leading to a spirited exchange of opinions. At the presentation, members who had made the biggest changes received awards to increase their motivation for such activities.

## Overseas Example (Germany): Actively Supporting Employees' Personal Growth

In addition to specialized skill development and personal development courses for employees, Systemex Europe has in place language training programs (English and Japanese), and all employees undergo training on a regular basis.



Training underway

For example, Systemex Europe conducts "Systemex Academy" providing product-related training and "HR Academy" to enhance "soft skills" like team-building, leadership and language proficiency through face-to-face lectures or e-learning. It also has "On-Boarding Training\*" to support employee growth.

\* On-Boarding Training: An internal training method used to help newly hired employees to fit in organization's environment quickly

## Overseas Example (France): Conducting Language Training to Enhance Communications within the Group

As numerous languages are used throughout Europe, communicating with other regions is an important task. In addition to English, employees need to be proficient in many countries' official languages.

HYPHEN BioMed, a Sysmex Group company in France, brought in English- and French-language instructors in fiscal 2014 and set up a new language training program. This program divides students into groups, providing instruction depending on their proficiencies and needs. The courses work to raise language skills through coursework using DVDs and other materials, as well as role plays and discussions, and tests are conducted to evaluate progress. A number of students of this program commented on how it has improved their communications within the Group.

## Overseas Example (Asia Pacific): Concentrating on Boosting Employees' Skills

Sysmex Asia Pacific collaborates with outside institutions to give all employees access to online training via Sysmex University and has set up a monthly e-learning program. By introducing employee skill development programs and cross-training to encourage mutual skill-building, the company works to help its employees develop their capabilities.

Alongside systems such as these, each employee's plan for individual growth is set and the progress is checked every year.

## Involvement with Employees

# Promoting Diversity

## Ensuring Diverse Human Resources

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### Embracing Diverse Personnel through Diversity and Inclusion

Systemex Corporation has evolved from the practice of "diversity," which simply welcomes diverse human resources, to the more extensive practice of "diversity and inclusion." This approach involves creating a working environment that is amenable to a wide variety of human resources, recruiting and stationing them without regard for nationality, race, gender or physical disability.

### Aiming to Equalize Employment Opportunities

Systemex Corporation recruits new employees based the evaluation of individuals, without regard for gender, nationality, race, age, employment history or disability status. Specifically, we instituted year-round hiring to offer equal opportunities to people who had already graduated or had studied overseas and therefore might be at a disadvantage.

To ensure our ability to recruit personnel around the world, we conduct Company briefings and interviews overseas, as well as conducting Web-based briefings and interviews. In fiscal 2015, we expanded the number of regions from which we accept interns. In autumn 2015, we provided internship opportunities for approximately 30 students of Zhejiang University in China. (See the section below for details.) This is an example of our heightened initiatives to increase awareness of the Company among human resources overseas. Due to such efforts, foreign nationals accounted for 19.7%\* of new graduates hired in fiscal 2015.

\* Excluding members of the Systemex Women's Track & Field Team

## Overseas Example (China): Accepting Interns from China's Zhejiang University

In September 2015, we provided internship opportunities for some 30 students from China's Zhejiang University, who took part in a program to visit Japanese companies. On the day of acceptance, we provided the new interns with opportunities to communicate with young Sysmex employees and sought to deepen their understanding of the Company's business and technologies, encouraging them to think about the future of healthcare as they go about their work.



Discussion underway

The event was well received by participants and university personnel alike, with more than 90% of participants indicating that they hoped to work with Sysmex after graduation. We plan to continue with activities like this to promote the employment of diverse human resources.

## Promoting Employment of People with Disabilities

Sysmex Corporation encourages the employment of people with disabilities. Targeting long-term employment, we design working conditions to maximize individuals' aptitudes and skills. In fiscal 2015, employment of people with disabilities amounted to 1.82%.

In addition, we are introducing Ostomates (toilets for people who have had colostomies or urostomies) and other barrier-free facilities, each month a Safety and Health Committee member visits workplaces to confirm that facilities are easily navigable by wheelchair. These are examples of our ongoing efforts to create a working environment that is amenable to people with disabilities.

## Employing Seniors—System for Reemploying Post- Mandatory Retirement Age Workers

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. In fiscal 2015, 25 people who had reached the mandatory retirement age were rehired according to internal rules, up from the previous year.

## Promoting Women's Career Activities

One aspect of our efforts to support the success of women is an initiative to cultivate female leaders. To date, we have put in place a number of leave systems and established an in-house daycare center to provide support for employees balancing work and child-rearing. As a result of these efforts, the percentage of female employees at Sysmex Corporation has risen from 18.4% in fiscal 2005 to 32.4% in fiscal 2015. The percentage of female managers\* has also increased over that period, from 2.4% to 8.3%. Also, the percentage of female managers for the Sysmex Group as a whole was 14.3% in fiscal 2015.

In line with the April 2016 enforcement of the Act on the Promotion of Women's Participation and Advancement in the Workplace, we plan to step up our promotion of women's career activities, providing an environment in which diverse human resources can work with a feeling of satisfaction and realizing a workplace that exemplifies diversity and inclusion.

\* "Managers" indicate people who have subordinates or who are of a rank equivalent to those with subordinates.

## Sysmex Corporation Action Plan under the Act on the Promotion of Women's Active Participation

### 1. Effective Period

April 1, 2016–March 31, 2021

### 2. Purpose

To achieve the diversity necessary to enable all employees to work with satisfaction and realize new added value through the establishment of a working environment as illustrated in the Sysmex Way.

### 3. Goals

Raise the percentage of women in line management to:

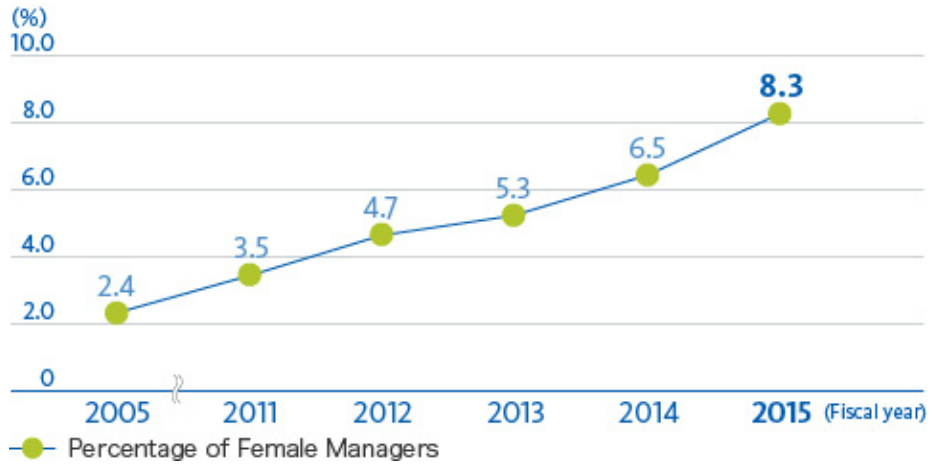
10% or above by the end of FY2017

15% or above by the end of FY2020

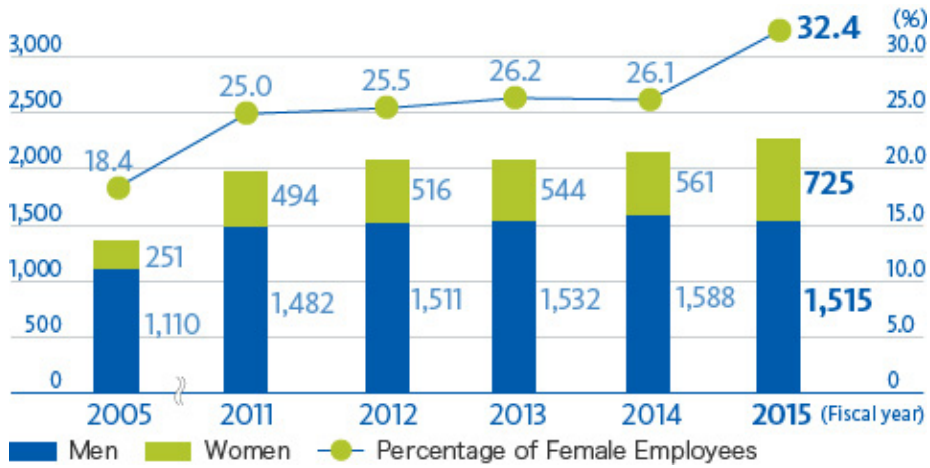
### 4. Specific Measures

- Support the development of a career-oriented mindset
- Provide education for female leader candidates
- Promote diverse and flexible working styles
- Offer education on diversity management
- Consider the adoption of a working from home system

Percentage of Female Managers (Sysmex Corporation)



Percentage of Female Employees (Sysmex Corporation)



### Overseas Example (United States): Formulation and Enactment of an Affirmative Action Program

Sysmex America has designed and put in place an affirmative action program aimed at encouraging diversity.



# Systems to Support Both Work and Child-Rearing

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## Providing a Host of Leave Systems and Supporting Child-Rearing with an In-House Daycare Center

Sysmex Corporation has created diverse programs to provide support, from pre-natal to child-rearing. In addition to leave systems for fertility treatments and morning sickness, we offer child nursing leave until a child reaches two years of age, a system for shorter working hours until a child reaches junior high school age and a flex-time system that differs by type of work. When an employee needs to take time off work to nurse a child, they can do so under a program that allows them to use accumulated paid leave in addition to statutory leave.

In line with the growing demand for male employees to participate in childcare, we are considering a system that would allow men to take special leave prior to their spouse giving birth, offering two additional days to be taken within one month of the birth to make any necessary preparations. Employees are also eligible for "nurturing leave," under which they can take special leave of three consecutive days to care for children up to one year of age.

We have set up Sysmex Kids Park, an in-house daycare center that accepts babies and toddlers, at Technopark, our core R&D base. The center offers short-term as well as full-time daycare, so that employees whose spouses work on a part-time basis or who find it difficult to take care of their children due to caretakers' illness, bereavement or other circumstances may also temporarily utilize the service.

Furthermore, we provide a reemployment system to enable employees who were forced to suspend their career paths due to child-raising with opportunities to resume their work. In recognition of its planned implementation of such systems, Sysmex Corporation received the next-generation support certification logo (nicknamed "Kurumin") from the Ministry of Health, Labour and Welfare.

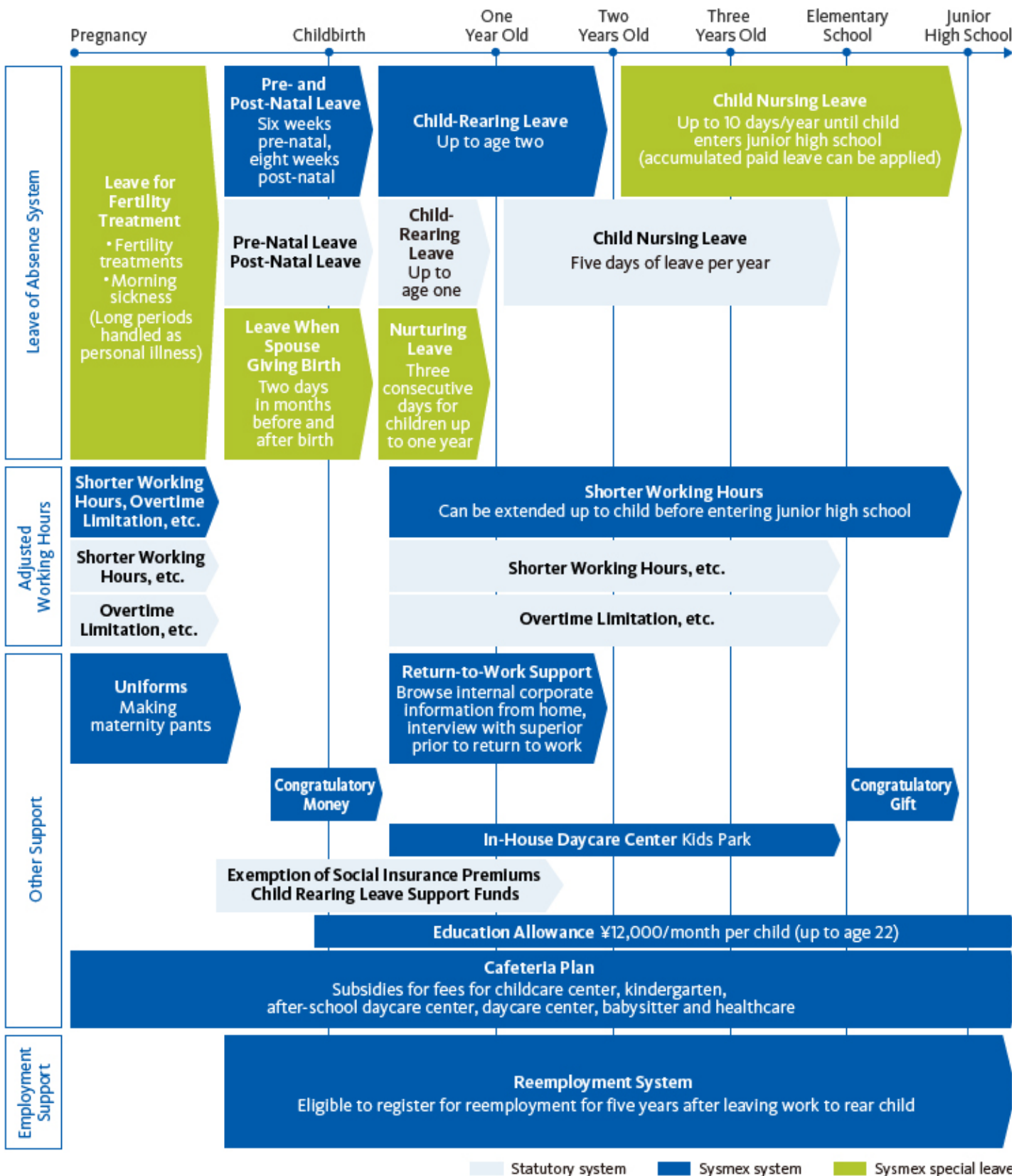


In-house daycare center, Sysmex Kids Park



Next-generation support certification logo (nicknamed "Kurumin")

## Systems Related to Children



## Use of Principal Support Systems (Fiscal 2015)

System	Description	Users
Shorter work hour system for child rearing	Until a child completes the sixth year of elementary school (Statutory requirement: Until the child reaches three years of age)	50 <sup>*1</sup>
Leave of absence system (childcare leave, childbearing leave)	Childcare leave: until the child turns two (Statutory requirement: In principle, until the child reaches one year of age)	73 <sup>*1</sup>
Accumulated paid leave system	Accumulated paid leave for up to 10 days of annual paid vacation from previous years can be taken for child nursing or short-term nursing purposes (Statutory requirement: Five days per fiscal year, 10 if two or more children or subject family members)	77 <sup>*2</sup>
Reemployment system	System to reemploy people who previously left the Company for childcare or nursing-related reasons	6 enrollment <sup>*2</sup>
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.	28 children <sup>*1</sup>

\*1 Regular employees, contract employees, senior contract employees and part-time employees at Sysmex Corporation

\*2 Regular employees at Sysmex Corporation

## Other Programs to Support a Work-Life Balance

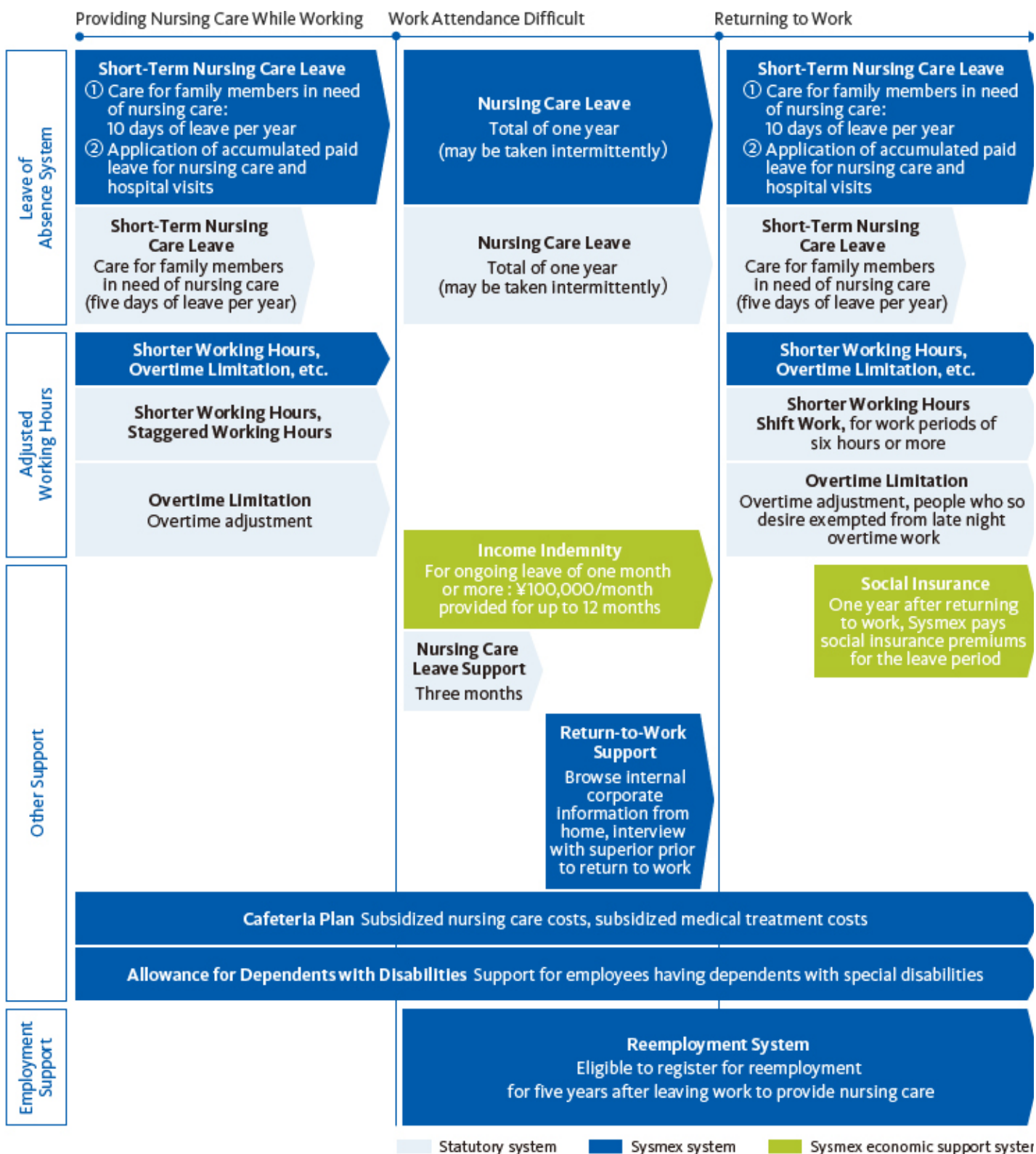
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### Supporting Nursing Care, Corporate Citizenship Activities and Others

One of Sysmex Corporation's systems to realize a work-life balance among its employees offers short-term nursing care leave if seven or more consecutive days are required for the recovery of a family member undergoing medical consultations or to accompany family during hospital stays. This time can be deducted from accumulated paid leave. In April 2014, we introduced a unique "income indemnity system" to provide a nursing care leave stipend, aiming to help offset the loss of income from taking leave, as well as unexpected expenses, for people taking one month or more of nursing care leave. Furthermore, we have a system for rehiring employees whose careers have been interrupted due to nursing care.

In addition to these, we have introduced a volunteer leave system. This program enables employees participating in social contribution activities to take up to 10 days of leave in a year, two of which are accounted for as paid leave. Other programs include donor leave, whereby bone marrow and other donors receive up to five days of paid leave each time. Through diverse systems of this nature, Sysmex works to support a work-life balance.

## Systems Related to Nursing Care



Statutory system    
  Sysmex system    
  Sysmex economic support system

## Supporting a Return to the Workplace Following Leave

In February 2013, Sysmex Corporation introduced a new support system to facilitate the smooth return to work of employees who have taken childrearing or nursing care leave, and the employee is loaned a tablet or notebook PC that he or she can use to connect to the Sysmex email system and intranet. Three months prior to returning to work the employee on leave can begin viewing "in-house only" company information. We require employees to consult with their superiors before commencing use of this system. This provides an opportunity to communicate about working styles after returning to work before that time is actually reached.

Being cut off from the workplace can be an obstacle to a later smooth return. However, this set-up allows the employee to access Company information at home in real-time, and enables better communications with colleagues through email. This IT-based system helps the employee get through the leave period without experiencing the torment of feelings of alienation and loneliness, and also allows the employee to play an active role at the workplace upon his or her return.

## Promoting the Use of Systems that Support a Work-Life Balance

Sysmex Corporation provides a dedicated site on the Internet to provide easy-to-understand explanations of its programs for supporting a work-life balance. We also hold briefings to promote awareness. Employees receive individual e-mail notifications about programs that we particularly wish to encourage.

## Efforts to Enhance Employee Satisfaction

We conduct "corporate culture surveys" once every two years targeting all employees of the Sysmex Group. Employee satisfaction is one aspect of the surveys. Survey results are fed back to individual departments, where they serve as a basis for enhancing satisfaction levels further. Departments whose survey scores are flat receive visits from human resources department members, who offer advice on improvements. Members of human resources departments conduct interviews at the individual as well as the departmental level when considering reforms related to corporate culture and specific improvement measures.

We are also striving to improve the working environment by providing opportunities to hear requests from foreign employees, whose sensibilities and cultural backgrounds may differ from those of Japanese employees. Such requests have led to the introduction of vegetarian menu options in the corporate cafeteria and the translation of in-house bulletins into English. Raising employee satisfaction is a priority target Sysmex has identified in its Mid-Term CSR Plan. We plan to accelerate such initiatives going forward.



Overseas Group companies are also conducting employee satisfaction surveys and undertaking initiatives to raise satisfaction levels.

### Overseas Example (United States): Operating Numerous Systems to Help Manage Work-Life Balance

Systemex America caters to diverse working styles by allowing employees to work at home and provide them with equipment necessary to do so. Employees who wish to may also opt for part-time or flex-time working arrangements.

To make everyday work more comfortable, Systemex America has a casual dress code. The company also has in place a number of leave programs in addition to paid leave, such as congratulatory and condolence leave, family leave and healthcare leave. If a family member should suddenly fall ill, employees can receive support from third party making contracts with Systemex America in order to facilitate a balance between childcare, nursing care and work.



Employees of Systemex Brazil

In recognition of the company's efforts to provide a comfortable workplace, in fiscal 2015 Systemex America was selected for the Companies that Care Honor Roll 2016. Also in the Americas, subsidiary Systemex Brazil was named under Great Place to Work Brazil, establishing its reputation as good company to work for.

### Overseas Example (Europe): Promoting a Comfortable Working Environment

Systemex Europe supports various employee working styles, such as flexitime and systems of shortened working hours. The company also provides child-care allowances for working parents with children aged three or younger. It also concentrates on employee health management by providing a training room and other facilities, and invites sports professionals and dieticians to provide advice. The company is working to enhance its health management program.



Selected as a "Great Place to Work" for three consecutive years

## Involvement with Employees

# Respecting Workers' Rights

## Upholding the Freedom of Labor Association and Recognizing the Right to Collective Bargaining

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### Participating in the Global Compact and Supporting Core Labour Standards

Systemex is a member of the Global Compact and provides clear notice that it respects the ILO's Core Labour Standards of the Global Compliance Code. In addition, we uphold the freedom of association and recognize the right to collective bargaining.

All full-time employees of Systemex Corporation, except those holding managerial posts and some in back-office operations, are members of the Systemex Union, the in-house labor union. In fiscal 2015, membership accounted for 58.3% of employees. Jinan Systemex and Systemex Wuxi in China, Systemex Thailand, Systemex Vietnam and HYPHEN BioMed have also formed labor unions that regularly conduct collective bargaining and other activities.

## Labor–Management Dialogue

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### Engaging in Dialogue with Labor Unions at Group Companies

Systemex Corporation engaged in collective bargaining with the Systemex Union in May 2015, agreeing to raise base salaries through weighted allocations based on evaluations and job grades, as well as to review job qualifications.

We held eight council meetings between labor and management in fiscal 2015, discussing such topics as wage optimization, management of working hours, revision of the employees' pension fund and the enhancement of work satisfaction. Group companies overseas also take part in labor–management dialogue according to conditions in each region.

## Employee Opinions Reflected in Management

Sysmex conducts a Corporate Culture Survey of all Group employees every two years, and we analyze replies to questions on over 100 categories to gain an understanding of unspoken rules and values within the organization, as well as of the degree of effectiveness of various measures. This is useful in discovering and resolving the issues surrounding the Group.

## Involvement with Employees

# Considering Safety and Health

## Assurance of Safety and Health at Workplaces

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### Explicitly Ensuring Occupational Health and Safety in the Global Compliance Code

System's Global Compliance Code clearly states the Company's goal of "ensuring occupational health and safety," and we are conducting a number of activities in this vein.

#### System Group Compliance Code (Excerpt)

##### **8-4 Assurance of safety and health at workplaces**

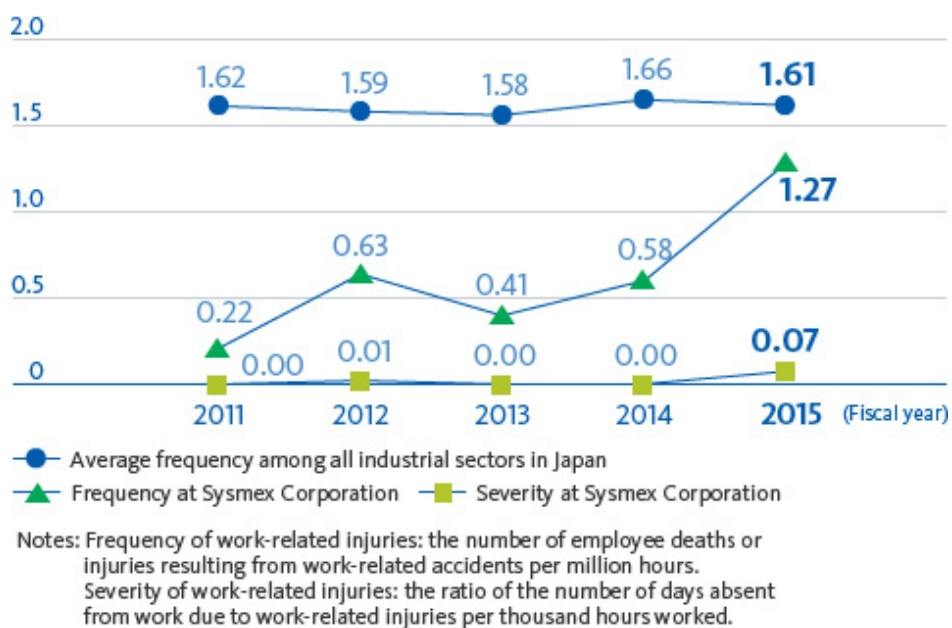
We must adhere to laws and regulations related to safety and health practices so that every employee may work with peace of mind, and must maintain and enhance the mental as well as physical health of every employee so that a safe and comfortable working environment can be established.

### Promoting Cooperation between Executives and Employees on Occupational Safety and Health

To ensure the health and safety of its workers, System Corporation has formulated Safety and Health Regulations. At each business site, we hold regular meetings of the Safety and Health Committee, which is chaired by the head of that office, and are attended by employee representatives. These meetings are held in the interest of creating a safe working environment. In addition to examples of near misses and occupational accidents, the committee tours workplaces to identify risks and, from a risk management perspective, determine causes and deliberate short- and long-term countermeasures. Health and safety topics are also discussed at council meetings between labor and management. Also, a system is in place for reporting to the executive officer in charge of human resources on the number of consultations with industrial physicians and the number of people taking leave or reporting overwork, thereby ensuring management awareness regarding health and safety risks and dealing with those risks.

As preparation for an accident or sudden illness, employees are given training on emergency measures, how to evacuate when an accident occurs and how to handle machinery and raw materials that are potentially dangerous. We conduct AED training and regular courses to train citizen emergency response personnel. We also conduct disaster-preparedness training. In fiscal 2015, we conducted disaster drills at each location, including the newly established Global Communication Center, and held drills in response to a simulated solvent leak at factories handling organic solvents. In fiscal 2015, the frequency of work-related injuries was 1.27 (7 injuries, 0 deaths) and the severity rate was 0.07.

Frequency and Severity of Work-Related Injuries (Sysmex Corporation)



## Preventing Overwork

Sysmex Corporation focuses on reducing long working hours, which can impair physical and mental health. In addition to complying with related legislation, we have in place internal standards for working outside regular hours or on holidays that are stricter than the guidelines set by the Ministry of Health, Labour and Welfare. Employees who exceed these standards are required to communicate this fact to their superiors, improve their operations, submit a voluntary check form and, if necessary, meet with an industrial physician.

## Overseas Example (Brazil): Obtaining Certification under OHSAS 18001\*

Systemex Brazil has acquired OHSAS 18001 certification, an international standard for occupational health and safety management systems.

\* OHSAS 18001: This standard, issued in 1999 based on BS 8800, which was developed by the British Standards Institute (BSI) in 1996, consists of some 30 certification bodies and standardization organizations in various countries.

## Overseas Example (China): Making Factory Workplaces Safe and Comfortable

At Systemex Wuxi, one of two reagent factories in China, we have introduced personnel management based on OHSAS 18001. We have established a Safety and Health Committee, work to determine the status of any work-related injuries and are promoting numerous initiatives, such as operational improvement and disaster training.

At our other Chinese reagent factory, Jinan Systemex, we have sought to create an environment where employees can work in safety and comfort by ensuring that the workplace is both safe and clean. For example, we have mechanized the conveyance of heavy products in the aim of reducing workplace accidents. We also use natural lighting in workplaces, which has a refreshing effect, to create bright and healthy-feeling spaces. We have expanded our employee welfare facilities, such as the dining hall and recreation areas, and made a biotope and walkways that impart a refreshing natural feeling.

## Maintaining and Improving Health

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### Maintaining and Improving Employees' Health

Systemex Corporation encourages employees to undergo thorough physical examinations and cancer tests for women, in addition to regular health checkups, for the early detection of illness. As a company in the business of handling medical instruments, our employees could come into contact with pathogens in the course of their duties. For this reason, in addition to statutory special health examinations we conduct our own medical checkups twice each year that include testing for hepatitis B and C. In December 2015, we registered as a partner company in the Cancer Screening Corporate Action<sup>\*1</sup> and Know about Hepatitis<sup>\*2</sup> projects.

Ahead of amendments to the Industrial Safety and Health Law requiring stress tests, since fiscal 2009 Systemex employees have undergone annual Kokoro no Health Checks to confirm mental health and to uncover any harassment-related situations. Results are reported to executives via the Human Resources Committee and provided as feedback to vice presidents and executive vice presidents.



Through repeated training and other opportunities, such information helps to improve the workplace environment. In fiscal 2015, we expanded the scope of these initiatives to include all Group companies in Japan. Furthermore, we provide channels for health consultations throughout the Company, and have in place systems where employees can meet with industrial physicians and public health nurses. We also have established an employee assistance program (EAP), enabling employees to seek help easily.

To enhance measures related to mental health care throughout the Group, in fiscal 2015 we formulated the Kokoro no Health Plan. Based on this plan, we provide support for people in charge of promoting mental health to obtain related certifications and hold Mental Health Training Workshops for industrial counselors as necessary.

Should long-term leave become necessary, we provide economic compensation and have introduced a system to ease employees back into the workplace when they recover, providing an environment where they can work with confidence. As welfare facilities to encourage health maintenance, on the grounds of the Solution Center, Sysmex Corporation provides sports grounds and tennis courts, as well as a gymnasium with training equipment. We hold events and seminars to raise employee awareness of physical health maintenance, and employee cafeterias offer healthy menu options.

\*1 Cancer Screening Corporate Action: This project is undertaken on behalf of the Ministry of Health, Labour and Welfare. The ministry aims to raise Japan's cancer screening rate to 50% through workplace initiatives.

\*2 Know about Hepatitis: The Ministry of Health, Labour and Welfare campaign aims to encourage early detection and treatment by disseminating easy-to-understand information about hepatitis and the importance of testing for the hepatitis virus.

## Holding Health Events

Sysmex promotes campaigns aimed at heightening employee awareness of health. In fiscal 2015, we held "wellness fairs" in December and February, erecting panel displays and offering consultations with managerial dieticians. Through these fairs, we strove to provide information about osteoporosis and high blood pressure.



Wellness fair

In addition to these initiatives, as required we provide employees with information on health management, such as making them aware of ways to prevent influenza.

## Overseas Example (United States): Placing a Fitness Room That Is Free to Employees

To encourage health awareness, Sysmex America provides a fitness room that employees are free to use.

Each year, the company pays health and fitness allowances to help employees purchase any equipment they may need. Furthermore, Sysmex America subsidizes health checks and influenza vaccines.



Fitness room

## Overseas Example (Europe): 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

## Corporate Citizenship Activities

### Core Behaviors

As a responsible member of society, we play an active role in resolving environmental issues and other problems that impact our society today.



### > Policy on Corporate Citizenship Activities and Philanthropy

Systemex contributes actively to society's health and local communities. We also support the voluntary efforts of our employees.

### > Contributing to Local Communities

Having operations in locations around the world, Systemex takes part in numerous activities aimed to help resolve the issues local communities face.

### > Activities to Promote a Healthy Society

Through activities such as participation in a medical industry development project, we take part in a variety of activities to contribute to the advancement of healthcare and the creation of a healthy society.

### > Promoting Employees' Social Contribution Activities

We have formulated a Social Contribution Point Program to encourage employees' active participation in volunteer activities.

# Policy on Corporate Citizenship Activities and Philanthropy

## Formulation of a Policy Indicating Our Directions on Corporate Citizenship Activities

### Policy on Corporate Citizenship Activities and Philanthropy

Systemex actively carries out corporate philanthropic activities to promote a healthy society and vibrant community, and also facilitates our employees' personal participation in volunteer efforts.

- **Contribution to a healthy society**

Systemex actively utilizes its resources in the healthcare field to carry out philanthropic activities and promote the building of a healthy society.

- **Cooperation toward a vibrant local community**

Systemex acts as a responsible and socially-conscious corporate citizen by cooperating with the local community through donations, sponsorships and involvement in philanthropic programs.

- **Facilitation of employees' volunteer efforts**

Systemex will facilitate employees' participation in volunteer efforts as citizens of the world, members of Systemex group that contribute to healthcare in the world, and emphasize community involvement and development.

Established May 2012

## Corporate Citizenship Activities

# Activities to Promote a Healthy Society

## Activities in Japan

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### Participation in the Kobe Medical Industry Development Project

The Kobe Medical Industry Development Project aims to create a focal point among healthcare industries in Kobe through industry–government–academia cooperation.

In March 2014, Sysmex Corporation opened Sysmex IBRI within the Translational Research Informatics Center, one of the project’s core facilities. Sysmex IBRI is an open lab that promotes collaborative research between various medical institutions and companies and aims to further expand our scope of research.

### Contributing to Healthcare by Funding University Courses

Since fiscal 2004, Sysmex has contributed funds to a course of assessment of clinical testing at the Kobe University Graduate School of Medicine and promoted joint research on new clinical testing technologies. This course is currently collaborating with Sysmex’s Central Research Laboratories on the development of highly precise yet simple diagnosis technologies for determining the risk of cardiovascular disease by evaluating the function of



Activity report

high-density lipoproteins. We will continue researching laboratory medicine based on scientific evidence, thereby continuing R&D initiatives aimed at the establishment of new testing technologies and the commercialization of technologies. At the same time, we will continue with our support for local universities and other community contributions.

## Contributing to Healthcare through Foundations

The Nakatani Foundation of Electronic Measuring Technology Advancement, established to promote the development of electronic measuring instruments, became a public interest incorporated foundation in 2012 and changed its name to the Nakatani Foundation for Advancement of Measuring Technologies in Biomedical Engineering. This foundation provides grants for research and the Nakatani Award for research in the field of biomedical engineering measurement and related technologies.

Marking the foundation's 30th anniversary of establishment, in fiscal 2014 it began offering grants for overseas study and to promote science education at the junior and senior high school level. Furthermore, in fiscal 2015 the foundation founded an international exchange program for university students in the sciences in order to extend its grants to promote science education globally. This program is scheduled to begin with a Japan-U.S. exchange in summer 2016. From the time of its launch through fiscal 2015, the foundation has provided 377 grants amounting to a cumulative\* ¥950 million.

\* The cumulative amount of grant money includes Special Research Grants, which are for two-year.

## Participating in the Global Health Innovative Technology Fund

At Sysmex, which provides the testing instruments used for blood donations, employees are also active participants in blood donations. In fiscal 2015, some 250 employees took part in blood donations held at 14 offices.

To increase our support for the Japanese Red Cross Society as a healthcare company, since fiscal 2014 we have been registered as a "blood donation supporting company."



Blood donations (headquarters)





## Registering as a Partner to Promote “Cancer Screening Corporate Action”

Sysmex Corporation launched the LC-1000 exfoliative cell analyzer in fiscal 2014, aiming for it to be used in cervical cancer examinations in the future. We also plan to promote awareness activities aimed at increasing the percentage of people undergoing cervical cancer examinations.

As part of this effort, we registered with the Cancer Screening Corporate Action project in fiscal 2015. Overseen and operated by the Ministry of Health, Labour and Welfare, this national project aims to elicit the cooperation of companies and organizations to raise to 50% the percentage of people in Japan participating in cancer screening. Registered companies work to increase the cancer screening percentage through internal awareness activities and the dissemination of information, and by creating value through their businesses.



Certificate of registration for Cancer Screening Corporate Action

Sysmex plans to actively promote education within the Company about cervical cancer examinations. We will also participate proactively in related events outside the Company. In April 2016, we participated in the LOVE49 in KOBE project designating Uterus Day in fiscal 2016. We interacted with healthcare professionals, local university students and other participants, gaining valuable information that would be helpful for our future initiatives.

## Conducting a Training Course for Citizen Emergency Life-Saving Technicians

Each year, Sysmex Corporation holds a training course for citizen emergency life-saving technicians and AED training at Technopark or the Solution Center. Certified by the fire department and the city of Kobe First Aid Support Team (FAST), this course is designed to train people in appropriate responses in the event of illness or injury.



Training course for citizen emergency life-saving technicians

By encouraging as many people as possible to gain life-saving knowledge and skills, we contribute to a confident society.

## Participating in International Cooperation Efforts

Sysmex takes part in international cooperation efforts by Japan's Ministry of Foreign Affairs and the Japan International Cooperation Agency (JICA) by providing materials and instruments (either by extending yen credit or through outright donation) aimed at raising the level of healthcare in emerging and developing countries.

Every year, Sysmex hosts trainees visiting Japan through JICA programs at its research facilities.

In fiscal 2015, we conducted training three times at i-Square and other facilities for participants from Africa, Asia Pacific and Central Asia.



JICA trainees

## Holding an Open Lecture on Atopic Dermatitis

To promote broad awareness among the general public of the importance of TARC testing, a blood testing method that is effective in determining the severity of atopic dermatitis, Sysmex Corporation supported an open public lecture held in Hiroshima in February 2016 entitled "Accurate Knowledge of Atopic Dermatitis: From Causes to Recent Treatments." The lecture was sponsored by a local newspaper and co-hosted by the Hiroshima chapter of the Japan Organization of Clinical Dermatologists and the Hiroshima Prefectural Medical Association.



Open lecture

A lecturer from the Hiroshima University Graduate School provided a lecture themed "the relationship between atopic dermatitis and sweat," communicating in an easy-to-understand manner the most recent research results related to atopic dermatitis. In addition, a physician at the Osaka Prefectural Medical Center for Respiratory and Allergic Diseases gave a special lecture entitled "Don't Be Confused Any Longer! Accurate Knowledge and Treatment of Atopic Dermatitis." The lecture attracted the participation of some 480 patients and family members.

Going forward, in addition to providing highly precise and easy-to-use medical instruments, we will contribute to society through our business by fostering an understanding of the importance of the testing.

## Producing Illustrated Books to Promote Education and Awareness

We produce an illustrated book to promote education and awareness of illness and testing. We distribute this book to hospitals and clinics, which place it in waiting rooms and other locations. Because the book features easy-to-understand explanations in narrative form of the characteristics of illnesses, as well as their testing and treatment, it draws the interest of children and others who have little knowledge about medicine.



Illustrated books

## Overseas Activities

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### Making Ongoing Contributions to Organizations That Support Cancer Prevention and Research (United States and Canada)

To achieve its goal of contributing to a healthy society, Sysmex America regularly donates to organizations that support cancer prevention and research. In fiscal 2015, the company donated more than US\$80,000 (approximately ¥9 million)\* to the American and Canadian Cancer Societies, the American Heart Association and the Leukemia & Lymphoma Society. The company's employees also actively participated as volunteers in events held by these societies.



Employees participating in a charity walk

\* Including donations received through fund-raising campaigns. Calculated at the March 31, 2016, exchange rate of US\$1 = ¥113.

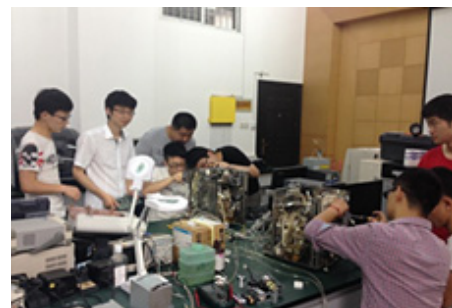
## “Sysmex Against Cancer” Campaign (Europe and Other Regions)

From fiscal 2015 to fiscal 2016, EMEA\* employee volunteers have been central to the “Sysmex Against Cancer” campaign to stamp out the disease. Employees in each region planned and held their own fundraising events to raise awareness of cancer prevention and raise approximately €241,733 in donations to the World Cancer Research Fund, a non-profit organization that conducts initiatives to support research. The donated funds were used for various research projects related to cancer prevention, the publication of research reports and awareness-building activities.

\* Europe, the Middle East and Africa

## Collaborating with a College to Cultivate Engineers (China)

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 2015, more than 30 people who underwent training in testing instrument repair and maintenance at this center were able to find employment in the healthcare field following graduation.



Engineers in training

## Providing Free Urinalysis Testing (Philippines)

In the Philippines, the television program *Salamat Dok* (“Thank you, doctor”) is being broadcast to raise public health awareness.

In cooperation with “The Day of Urine,” an event the program held in September 2015, Sysmex Philippines provided urinalysis testing free of charge to some 100 people in collaboration with the Philippine Association of Medical Technologists.



Employees at Sysmex Philippines, which provided the testing

## Blood Donations Overseas (Each Region)

To help resolve medical issues close to home, Sysmex Group companies participate actively in blood donations. In fiscal 2015, they engaged in the following activities.

- Conducting blood donation campaigns (In August 2015, at Sysmex America, Sysmex Reagents America and Sysmex Inostics)
- Holding blood donations to coincide with World Blood Donor Day 2015 (In June 2015, at Sysmex New Zealand)

## Providing Support for Children with Heart Disease (New Zealand)

Each year, Sysmex New Zealand holds an in-house fund-raising campaign to support children with congenital heart disease.

## Participating in Activities to Support Multiple Sclerosis Patients (New Zealand)

Sysmex New Zealand supports fundraising activities by organizations that support multiple sclerosis\* patients and events aimed at raising awareness.

\* A disease characterized by diverse symptoms stemming from simultaneous attacks on nerve cells, including in the brain, spinal cord, optic nerve and nerve cells

## Support for Non-profit Organization Building Medical Infrastructure (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 2015, the organization provided free screening for more than 2,700 residents of the village of Pumwani and other area in Kenya. In fiscal 2015, Sysmex made a donation to ILFAR corresponding to the screening costs for 1,190 people.



Hematology analyzer donated by Sysmex



## Corporate Citizenship Activities

# Contributing to Local Communities

## Contributing to Community Development

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### Sponsorship of the Kobe Marathon 2015

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 fifth marathon, held in November 2015, Systemex supplied bib numbers to runners and fielded volunteers who provided operational support. Systemex also exhibited at the Kobe Marathon EXPO.



Employee volunteers handing out water

The economic impact of this event is calculated to be approximately ¥7.5 billion in Hyogo Prefecture alone.

### Holding events for communication with local community

Every year, Systemex Corporation invites community residents to its offices to strengthen its relationship with the local community. In May 2015, we opened the gardens at Technopark for an event in which some 500 members of the local community joined and strolled about the grounds. On the day of the event, lectures were held on such topics as “Easy-to-understand diabetes and testing information.” Participants also took part in a health check using ASTRIM FIT, our product for checking estimated blood hemoglobin levels without sampling. Through activities such as these, we sought to spark interest in healthcare and testing.



Open gardens at Technopark



Coinciding with a regional joint disaster drill in July, at the newly opened Global Communication Center we held a private preview showing in which we gave a presentation introducing the Company, exhibited scientific materials and enabled participants to have health check by the ASTRIM FIT. Some 70 people attended. At the Solution Center, as well, in October we held a public exhibition of our collection of around 60 paintings by local artist Isao Nishimura, drawing some 140 people.



Minato Ijinkan

As in the previous year, in October we opened the Minato Ijinkan to the general public. A historical edifice constructed in 1906, the structure had become decrepit and was closed to the public in 2008. In September 2012, Sysmex rented the building, performed renovations and now uses it as a guest house. In addition to making the building open to the public, we held a photo exhibit introducing the history of Kobe and arranged a jazz concert and other enjoyable events. Some 350 people visited. We plan to open Minato Ijinkan to the public on a regular basis going forward.

## Supporting Various Events and Organizations to Stimulate the Local Community and Contribute to Cultural Development

Sysmex Corporation supports local development through donations and sponsorship.

For example, Sysmex is a regular sponsor of Kobe Luminarie, an annual illumination event that originated as a memorial for the victims of the 1995 Great Hanshin–Awaji Earthquake and which is held in the hopes of reconstructing/restoring Kobe and all of Hyogo Prefecture. We also cooperate with the Kobe Oji Zoo's Animal Sponsor Program. In addition, we support the following organizations and events.

### Stimulating the Local Community

- 45th Kobe Festival
- Kobe Seaside Bon Odori
- 88th Hyogo Prefectural Elementary, Junior High and High School Art Show
- Fourth Hyogo Concert by the Japan Virtuoso Symphony Orchestra
- Others

### Supporting Culture-Related Programs

- Hyogo Prefectural Museum of Art
- Others

## Others

- Global Health Innovative Technology Fund (GHIT Fund)
- "Global Human Resource Development Community" Japan Public–Private Partnership Student Study Abroad Program
- Japan Association for the United Nations World Food Programme
- Foundation for Computational Science
- Save the Children
- Nakatani Foundation for Advancement of Measuring Technologies in Biomedical Engineering
- Kobe Biomedical Innovation Cluster
- Hiroshige Kagawa Project for Connection with Huge Paintings Tohoku and Kobe 2015

Others

## Sponsoring Local Sports Team

To energize local Kobe sports teams, Sysmex Corporation sponsors Vissel Kobe, a Japanese professional J. League soccer club.

In addition to promoting the local community, through such initiatives Sysmex aims to contribute to a healthy community through sports.

## Overseas Example (Asia Pacific): Conducting Various Activities to Address Problems in Local Communities

Sysmex Group companies in the Asia Pacific region take part in various projects to resolve issues faced by the local community. In fiscal 2015, they engaged in the following efforts in various regions.

- The CEO and employees visited a local nursing care home for the elderly. They enjoyed singing with residents, making photo frames, folding origami and other activities together. (Sysmex Asia Pacific)



Visiting a nursing care home for the elderly (Sysmex Asia Pacific)

- Gatherings were held for children with disabilities from nearby areas. They had evening meals following Ramadan, and provided music and other performances. (Sysmex Malaysia)



Gathering with children with disabilities (Sysmex Malaysia)

## Overseas Example (United States): Selected for the Companies That Care Honor Roll for the Eighth Consecutive Year

Sysmex America was selected for the Companies That Care Honor Roll 2016, sponsored by Companies That Care, a U.S. nonprofit organization. Every year since 2009, Sysmex America has been selected for this honor roll, which identifies companies of excellence in a variety of areas, such as cultivating leaders, employee compensation, extensive welfare, work–life balance, a pleasant working environment and volunteer activities in the region.



## Overseas Example (Germany): Contracting out Some Work to Organizations Supporting People with Disabilities

Sysmex Europe supports initiatives to promote the autonomy of people with disabilities by outsourcing activities such as sorting materials at its reagent factory to supporting organizations and welcoming people with disabilities to work on its production lines.

## Support for Disaster-Affected Areas

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### Providing Support for the Region Affected by the Kumamoto Earthquake

In April 2016, a magnitude 7.3 earthquake hit Kumamoto Prefecture. Since then, large-scale quakes have continued to affect Kumamoto and Oita prefectures. Through the Japanese Red Cross Society, Sysmex Corporation has donated ¥10 million to provide relief to people in the stricken area and to aid in reconstruction of the affected region. Sysmex Group employees also conducted fundraising activities, donating approximately ¥1.3 million.

## Contributing to the Education of the Next Generation

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### Supporting the Education of Youth

Sysmex Corporation cooperates in the Try-yaru Week workplace experience program held for Hyogo Prefecture junior high school students. We also take part in the Science Fair in Hyogo, an event participated in by companies, universities and research institutions, at which math and science high school students in Hyogo Prefecture annually present their research results.

At the 8th Science Fair in Hyogo, held in January 2016, we provided a health check experience that involved ASTRIM FIT, our product that measures estimated hemoglobin levels without the need for blood sampling. We also put up posters explaining our business. The ASTRIM FIT proved popular, being tried by nearly 200 people.

### Hosting Internships and Company Tours

Sysmex Corporation takes a proactive stance toward hosting overseas students. In fiscal 2015, the Company provided internships for four students from the Indian Institute of Technology and one from UC Berkeley, in the United States, providing them an opportunity to learn about Sysmex's unique technologies.

In April 2015, we decided to take part in the "Global Human Resource Development Community," a public-private partnership student study abroad program. Established by the Japan Student Services Organization, this program elicits cooperation from companies, the Japanese government and universities to provide opportunities for motivated and capable young people to study abroad. The program aims to build momentum for studying abroad and support the formation of networks among students who have studied abroad.

HYPHEN BioMed, a Sysmex Group company in France, also hosted a company tour for 20 local students.

## Nature Preservation and Clean-up Activities

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### Forest Conservation Activities, Clean-up Activities

Sysmex promotes forest conservation in an aim to contribute to local watershed and biodiversity protection. We also take part in clean-up activities in various regions.

## Corporate Citizenship Activities

# Promoting Employees' Social Contribution Activities

## Systems to Facilitate Employees' Efforts toward Social Contribution

### Encourage Employee Volunteer Activities

Systemex encourages employee volunteer activities by a Social Contribution Point Program. Under this program, employees can register points after participating in volunteer efforts in private or social contribution activities held by the Company. The Company then makes contributions according to the total number of points registered by employees every year. In fiscal 2015, employees participated in cleanup activities, donation of second-hand books and other activities. As a result, the Company donated about ¥1.26 million to children in developing countries, exceeding the ¥0.97 million donated in fiscal 2014.



(c) UNICEF/NYHQ2014-0987/Campeanu



Cleanup activities

### Results of the Social Contribution Point Program in Fiscal 2015

Approximately 31% of Group employees in Japan participated, a total of 1,042 people. A total of ¥1,265,500 was donated, corresponding to 12,655 points.

Study materials for children: enough for 440 children  
Nutrient powder: 62,250 packages  
Polio vaccines: 34,560



## Environmental Conservation Activities

### Core Behaviors

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.



### > Environmental Management Initiatives

We have established mid- and long-term targets based on our environmental policy. We are engaging in initiatives to reduce the Group's environmental impact as we work to meet these targets.

### > Environmentally Conscious Operation

We work to identify and reduce the environmental impact of business offices and factories, including direct and indirect greenhouse gas emissions, waste emissions and water use.

### > Green Procurement

We have formulated the Green Procurement Standards and elicit the cooperation of our suppliers in efforts to decrease the environmental impact of our products.

### > Environment Friendliness in Product and Service Life Cycles

We respond to environment-related laws and regulations from the standpoint of product and service life cycles and are pursuing efforts to reduce environmental impact.

### > Other Environmental Conservation Activities

We recognize global environmental issues as a serious problem. Accordingly, we conduct environmental preservation activities involving employee volunteers in various regions.

### > Performance Data

We quantitatively identify environmental performance data, confirm the effects of activities linked to reducing environmental impact and use this information to set targets.

# Environmental Management Initiatives

## Environmental Policy

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### Environmental Policy

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

### Core behavior

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

Revised May 2009

# Environmental Management System

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## Group Environmental Management Initiatives

Sysmex has formulated Global Environmental Management Regulations to clarify the responsibilities and roles of each Group company. We have assigned a senior managing director of Sysmex Corporation as an environmental management officer to oversee and control Group environmental management. The Environmental Management Committee, which is chaired by the environmental management officer, conducts management reviews and deliberates important matters, including policies and Group environmental objectives.

## Setting Long-Term and Medium-Term Environmental Objectives

To guide the Group's environmental management over the long term, Sysmex has set long-term environmental targets to be achieved by fiscal 2020 under the Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020). To achieve these goals, we are working to improve the Group's environmental impact on an ongoing basis.

In our environmental action plan, we looked at the social situation, needs and expectations with regard to climate change, resource circulation and other environmental problems, identified issues to address by taking into consideration the Company's environmental impact and scope, and set targets in fiscal 2010 through deliberation by the Environmental Management Committee. Given environmental changes that have taken place in Japan and overseas, we revised certain of these targets in fiscal 2015. We revised the units for our target on reducing CO<sub>2</sub> emissions from Japan-domestic and inter-regional transportation from "per unit of freight ton-km" to "per unit of non-consolidated sales" to reflect the effects of improved loading efficiency.

In line with the Group's updated management strategies, we formulated mid-term environmental objectives, setting environmental action plan targets to achieve every three years. We are currently undertaking efforts to achieve the targets of the Mid-Term Environmental Action Plan (Fiscal 2015–2017), concluding in fiscal 2017.

## Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020)/ Mid-term Environmental Objectives and Results

	<p>Sysmex Eco-Vision 2020 Long-term Environmental Objectives (Revised Edition)</p>	<p>Mid-term Environmental Objectives (FY2015 –2017)</p>	<p>Activities/Achievements in FY2015</p>
<p>Environmental consciousness in product life cycle process</p>	<p>Promote eco-friendly products and service models</p>	<p>Promote eco-friendly products and service models</p>	<ul style="list-style-type: none"> <li>Completed a declaration of conformance with the RoHS Directive on target products</li> <li>Continued working to reduce electricity use and achieve better compactness in the development of new immunoassay and hemostasis analyzers</li> <li>Continued efforts to develop alternatives for animal-derived substances in reagents for immunoassay and hemostasis measurement</li> <li>Decreased reagent switching time and achieved reduction in waste</li> <li>To reduce waste, increased the number of instrument varieties employing reusable packaging materials</li> <li>Increased the percentage of customer inquiries and service requests resolved via telephone and network services (compatibility with remote connection) (thereby reducing CO<sub>2</sub> emissions by decreasing the number of visits made using vehicles)</li> </ul>
	<p>Reduce carbon dioxide emissions for logistics by 50% (per unit of non-consolidated sales)*<sup>1</sup></p> <p>Base year: FY2010</p>	<p>Reduce carbon dioxide emissions for logistics by 45% (per unit of non-consolidated sales)*<sup>1</sup></p> <p>Base year: FY2010</p>	<ul style="list-style-type: none"> <li>For exports, promoted shift from air to ocean transport</li> </ul> <p><b>Result (per unit of sales ):</b>  <b>Fiscal 2015: 3.794 (t-CO<sub>2</sub>/¥100 million)</b>  <b>Base year: 7.252 (t-CO<sub>2</sub>/¥100 million)</b>  <b>Against base year: Down 48%</b>  <b>(The rise in emissions was suppressed to a 1% increase, to 5,435 t-CO<sub>2</sub>, against base year amount of 5,400 t-CO<sub>2</sub>.)</b></p>

Environmental consciousness at business offices	<p>Reduce greenhouse gas emissions at business offices by 50%(per unit of consolidated sales)<sup>*2</sup></p> <p>Base year: FY2008</p>	<p>Reduce greenhouse gas emissions at business offices by 40% (per unit of consolidated sales)<sup>*2</sup></p> <p>Base year: FY2008</p>	<ul style="list-style-type: none"> <li>• Reduced consumption of electricity by improving production efficiency and installing an electricity monitoring system (Sysmex International Reagents)</li> <li>• Reduced consumption of electricity by installing LED lighting for approximately one-half of factory lighting. (Sysmex RA)</li> <li>• Reduced CO<sub>2</sub> emissions by using solar power (Reagent factory in Germany, i-Square)</li> <li>• Introduced an ice thermal storage system<sup>*5</sup>, a thermal-storage air conditioning system that uses natural energy, taking advantage of seasonal differences (Reagent factory in Germany)</li> </ul> <p><b>Result (per unit of sales ):</b>  <b>Fiscal 2015: 7.26 (t-CO<sub>2</sub>/¥100 million)</b>  <b>Base year: 10.07 (t-CO<sub>2</sub>/¥100 million)</b>  <b>Against base year: Down 28%</b></p>
	<p>Achieve a recycle rate of 93% or higher at all business offices<sup>*3</sup></p>	<p>Achieve a recycle rate of 92% or higher at all business offices<sup>*3</sup></p>	<ul style="list-style-type: none"> <li>• Achieved 100% recycling by reusing as a road paving material the glass waste formerly processed at landfills (Technopark)</li> <li>• Reused packaging material on purchased items (Sysmex Wuxi)</li> </ul> <p><b>Result:</b>  <b>Fiscal 2015 result: 89.0%</b></p>
	<p>Reduce water usage at reagent factories by 10% (per unit of amount of production)<sup>*4</sup></p> <p>Base year: FY2008</p>	<p>Reduce water usage at reagent factories by 7% (per unit of amount of production)<sup>*4</sup></p> <p>Base year: FY2008</p>	<ul style="list-style-type: none"> <li>• Installed water purifying equipment (Jinan Sysmex)</li> <li>• Reused industrial waste water after treatment (Sysmex India)</li> </ul> <p><b>Result (per unit of amount of production) :</b>  <b>Fiscal 2015: 25.9 (m<sup>3</sup>/thousand boxes)</b>  <b>Base year: 21.5 (m<sup>3</sup>/thousand boxes)</b>  <b>Against base year: Up 20%</b></p>

\*1 Scope of data: Sysmex Corporation

\*2 Scope of data: All factories and major business offices (13 factories, 7 business offices)

[Factories]

Sysmex Corporation (Kakogawa Factory, i-Square), Sysmex International Reagents (Ono Factory, Seishin Factory), Sysmex Medica, Sysmex RA, Reagent factory in Germany, Sysmex Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex, Sysmex Wuxi

[Major Business Offices]

Sysmex Corporation (head office, Technopark, Solution Center), Sysmex Europe, Sysmex America, Sysmex Shanghai, Sysmex Asia Pacific

\*3 Scope of data: All factories and major business offices where products and/or chemical substances are handled (13 factories, 3 business offices)

[Factories]

Systemex Corporation (Kakogawa Factory, i-Square), Systemex International Reagents (Ono Factory, Seishin Factory), Systemex Medica, Systemex RA, Reagent factory in Germany, Systemex Brazil, Systemex Reagents America, Systemex India, Systemex Asia Pacific, Jinan Systemex, Systemex Wuxi

[Major Business Offices]

Systemex Corporation (head office, Technopark, Solution Center)

\*4 Scope of data: Reagent factories (nine factories)

Systemex International Reagents (Ono Factory, Seishin Factory), Reagent factory in Germany, Systemex Brazil, Systemex Reagents America, Systemex India, Systemex Asia Pacific, Jinan Systemex, Systemex Wuxi

\*5 In this system, underground water is frozen using cold ambient winter air. In summer, this ice is used for cooling. In winter, geothermal water that is warmer than ambient temperatures is used for heating.

## Conducting Environmental Education and Training

To increase awareness of Group environmental activities and the environmental impact of individual operations, once each year Systemex conducts general education for all employees, including methods such as e-learning.

## Promoting the Acquisition of ISO 14001 Certification

Systemex is working toward the acquisition of ISO 14001, the international standard for environmental management, for the Group's principal affiliated companies. As of April 30, 2016, we had acquired 14 certifications (23 locations), and the percentage of employees at locations that had received certifications amounted to 67% of the total number of Group employees.

In fiscal 2013, we integrated our certifications for ISO 14001 in Japan, adding Systemex RA and Systemex Medica certifications to those for nine locations at Systemex Corporation and Systemex International Reagents. In fiscal 2014, we also added i-Square, our newly operational factory. By centralizing the environmental activities of Group companies in Japan and seeing the state of progress and issues as a Group, we aim to enhance our management.



## Status of ISO 14001 Certification

Company Name	Site	Acquired in
Sysmex Europe	Reagent factory in Germany	November 1999
	Head office	October 2011
Sysmex Corporation	Kakogawa Factory	April 2000
	Technopark	February 2002
	Head office	February 2002
	Solution Center	November 2005
	i-Square	February 2015
Sysmex International Reagents	Ono Factory	March 2001
	Seishin Factory	June 2007
Sysmex Medica	-	March 2001
Sysmex RA	-	June 2008
Sysmex Brazil	-	May 2006
Sysmex America	-	December 2009
Sysmex Reagents America	-	December 2009
Sysmex New Zealand	-	May 2011
Sysmex Deutschland	-	October 2011
Sysmex France	-	February 2012
Sysmex India	-	March 2012
Sysmex Asia Pacific	Head office, reagent factory	April 2012
Sysmex Spain	-	April 2012
Sysmex Middle East	-	March 2013
Sysmex Wuxi	-	June 2013

## Performing Environmental Risk Assessments

Within its risk management structure, Sysmex conducts risks assessments once every two years. As part of these efforts, we evaluate the impact of business activities on environmental problems, which are growing more severe on a global scale. We also endeavor to reduce risks and create business opportunities.

## Conducting Environmental Auditing

In fiscal 2015, nine locations of the four Group companies for which certification in Japan has been integrated conducted evaluation of compliance, internal audits and external audits by a third-party auditing organization.

The internal audit found two nonconformities, and corrective actions for these nonconformities were completed. External audits found no nonconformities.

## Environmental Conservation Activities

# Environment Friendliness in Product and Service Life Cycles

## Eco-Friendly Products and Services

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### Response to Laws and Regulations on Harmful Substances

Application of the revised RoHS Directive\* (which was amended in July 2011) to Sysmex's diagnostic instruments and diagnostic instruments for animals begins from July 2016.

To conform with the revised RoHS Directive, we have completed the process of conducting parts surveys and shifting to alternatives on products shipped to Europe. Accordingly, we have declared our conformance with the revised RoHS directive from fiscal 2015.

\* 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).

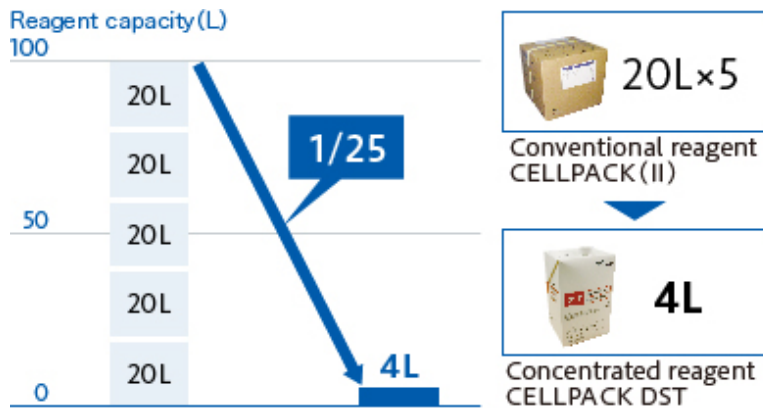
### Environment-Friendliness in Product Design

To help reduce energy consumption and waste for its customers, Sysmex undertakes technological developments aimed at reducing electricity used by its IVD instruments and lowering the amount of reagents used.

For example, our XN-Series multiparameter automated hematology analyzer was designed to use concentrated reagents. This concentration makes reagents more compact and reduces the volume of containers and packaging materials, which helps save resources and greatly decreases the amount of waste generated by laboratories. Also, this series is more lightweight and compact than conventional products, which improves transport efficiency, contributing to a reduction in CO<sub>2</sub> emissions over the product's life cycle. We have changed the material used in reagent packaging from polyethylene to paper packs, helping to preserve fossil fuels.

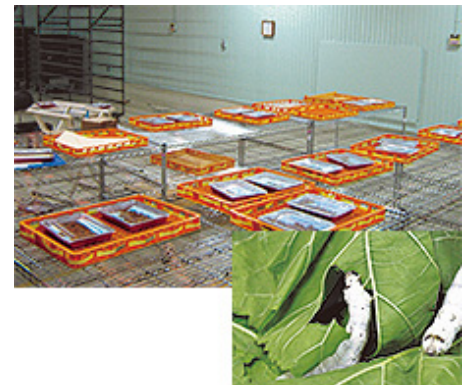
In addition, for our UF-5000/4000/3000 fully automated analyzers of formed elements in urine, launched in September 2015, we switched to more environment-friendly and safer reagents that eliminate the need for processing waste liquid with neutralizing agents.

### XN-Series Reagents Concentrated 25 Times Compared with Conventional Reagents



### Environmental Consideration in the Production of Raw Materials

Symex has established a production method using recombinant silkworms as an alternative to the use of animal-derived proteins in its reagents. Our protein production contracting service business using this technology has also been fully operational since fiscal 2012, and we are already taking orders from a number of pharmaceutical companies.



Silkworms to produce proteins

In the past, to maintain sterile condition these substances were cultivated with equipment such as tanks to control for environmental factors, including temperature and oxygen concentrations, using cells from mammals and other animals—an approach that consumed substantial energy. However, as recombinant silkworms can be cultivated at room temperature, simply by using shelves and breeding containers and providing them with food, we anticipate energy savings and waste reduction.

# Environment-Friendly Logistics Structure

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## Reducing Environmental Impact Associated with Human Transport through Better Service Efficiency

Sysmex is lowering environmental impact by making service more efficient. For example, in addition to expanding the functions of the Customer Support Center, we are minimizing downtime for diagnostic instruments in use by constructing the SNCS (Sysmex Network Communication Systems) to maintain interactive communication with customers.

We are using network and telephone services to offer advice and resolve issues in response to inquiries and service requests. Providing pre-diagnoses of instrument conditions enables Sysmex representatives to make customer visits that are regular and effective, reduce rates of automobile use for service and curtail CO<sub>2</sub> emissions.

## Efforts to Lower CO<sub>2</sub> Emissions in Japan-Domestic and Inter-Regional Transportation of Products

As Sysmex's global business continues to expand, it is reviewing its logistics processes and systems as distribution grows increasingly diverse and moving forward with packaging reforms. Such measures include shifting the overseas shipment of products from air to sea transport, optimizing product package sizes, conducting thorough loading simulations to increase container loading efficiency and working to reduce CO<sub>2</sub> emissions. In fiscal 2015, we shifted our mode of shipping immunochemistry reagents to China from aircraft to ship, using reefer containers<sup>\*1</sup>.



Reefer container

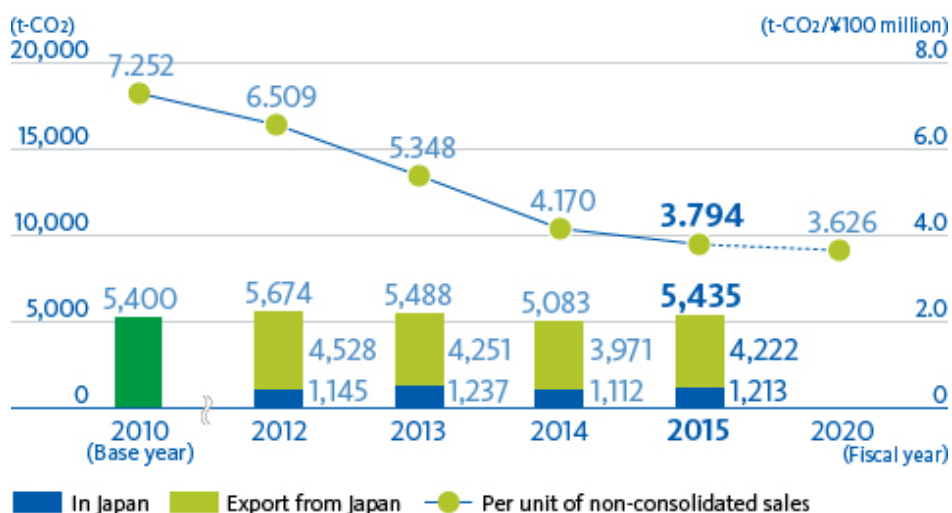
We have also introduced reusable packaging that can be reused repeatedly and enhanced loading simulations. These moves have succeeded in improving our container loading ratio to 71%, from 52% in fiscal 2013, thereby reducing transportation frequency.

Through initiatives such as these, we have reduced CO<sub>2</sub> emissions (per unit of sales)<sup>\*2</sup> by 48% compared with fiscal 2010, moving toward the figure targeted in Eco-Vision 2020.

<sup>\*1</sup> A container with equipment to maintain its internal temperature at a specified level

<sup>\*2</sup> In line with a revision in our base unit for CO<sub>2</sub> emissions (per unit of sales) for logistics, some of the figures reported for last fiscal year have been adjusted.

## CO<sub>2</sub> emissions from logistics



Notes: Range of calculation is CO<sub>2</sub> from warehouse in Japan to customers within Japan and that to overseas seaport or airport.

## Saving Resources by Revising Packaging Materials

Sysmex is revising its packaging materials in an effort to save resources. For example, we have introduced reusable packaging for shipments within Japan, reducing cardboard waste by 20 tons per year. In fiscal 2015, we began using reusable packaging for six new instrument categories.

In addition, for the steel materials introduced for shipping products overseas, we have increased transport strength and encouraged recycling at delivery locations, helping to reduce environmental impact.



Cardboard packaging



Reusable packaging

## Promoting Green Procurement

### Cooperating with Business Partners to Promote Environmentally Conscious Procurement

Sysmex has formulated green procurement standards, and works with business partners to promote environmentally conscious procurement. Furthermore, we aim to procure environmentally conscious parts and materials, and publish on our website the chemical substances we are reducing or eliminating the use of in our products.



## Environmental Conservation Activities

# Environmentally Conscious Operation

## Reducing Greenhouse Gas Emissions

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### Efforts to Reduce Greenhouse Gas Emissions at Business Offices

We are undertaking a variety of efforts to reduce direct and indirect greenhouse gas emissions by business offices during their operations.

At our business offices including factories, we are implementing energy-saving measures to meet each office's characteristics, such as thoroughly monitoring room temperatures in summer and winter,



LED lighting (Ono Factory)

installing moving detectors to activate staircase lighting, upgrading to energy-saving air conditioning equipment and introducing LED lighting. We have installed demand monitoring functions<sup>\*1</sup> to control overall electricity use in some business offices. In fiscal 2015, Sysmex International Reagents' Ono Factory revised its method of operating prefabricated refrigerators, reducing the number in regular use from four to two and lowering annual CO<sub>2</sub> emissions by 39 tons as a result. Also, Group company Sysmex RA has decreased electricity consumption by converting approximately half its factory illumination to LED lighting, lowering CO<sub>2</sub> emissions by 7 tons per year.

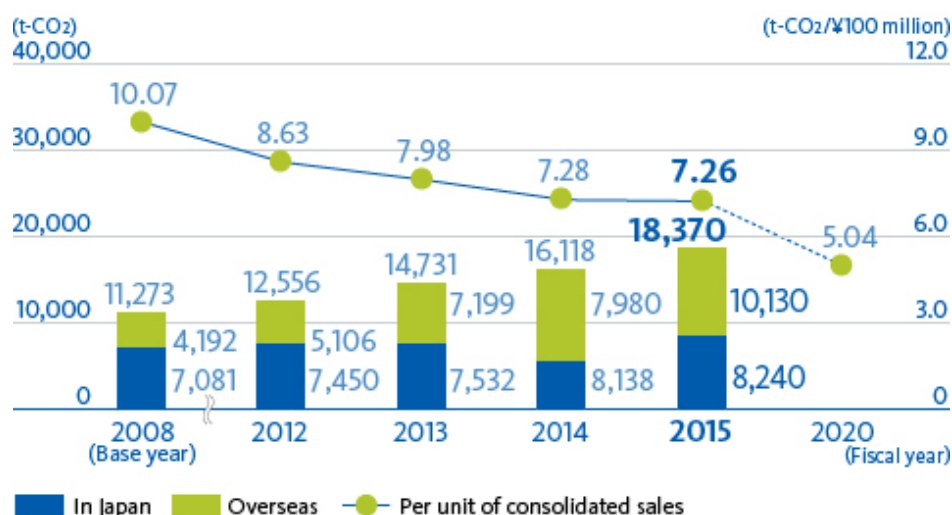
At our reagent factory in Germany, which we expanded in fiscal 2015 in line with rising demand, we have installed solar panels and an ice thermal storage system<sup>\*2</sup>. This thermal-storage air conditioning system uses natural energy, taking advantage of seasonal differences. Through these moves, we are working to lower energy use and reduce CO<sub>2</sub> emissions.

As a result of these initiatives, unit greenhouse gas emissions in fiscal 2015 were down 0.2% year on year. Regarding our target under Eco-Vision 2020, emissions (unit per consolidated sales) were down by 28% compared with the base year (fiscal 2008).

<sup>\*1</sup> Functions for continuously measuring maximum electrical demand (demand value) for 24-hour periods and sounding an alarm if the level exceeds target values, as well as reporting on electricity use on a daily and monthly basis.

<sup>\*2</sup> In this system, underground water is frozen using cold ambient winter air. In summer, this ice is used for cooling. In winter, geothermal water that is warmer than ambient temperatures is used for heating.

## Greenhouse gas emissions at business offices



Notes: Scope of the data: Factories and major business offices

[Factories]

Systemex Corporation (Kakogawa Factory, i-Square), Systemex International Reagents (Ono Factory, Seishin Factory), Systemex Medica, Systemex RA, Reagent factory in Germany, Systemex Brazil, Systemex Reagents America, Systemex India, Systemex Asia Pacific, Jinan Systemex, Systemex Wuxi

[Major Business Offices]

Systemex Corporation (head office, Technopark, Solution Center), Systemex Europe, Systemex America, Systemex Shanghai, Systemex Asia Pacific

## Decreasing CO<sub>2</sub> Emissions from Domestic Company's Cars

To reduce CO<sub>2</sub> emissions from some 400 company cars in Japan, we are working to visualize travel distances and fuel used by each Company car and heighten driver awareness. We are also introducing fuel-efficient vehicles and hybrid cars.

At branches and sales offices in Japan, we are improving fuel efficiency by conducting eco-driving courses and introducing fuel-efficient vehicles. Such measures have helped to reduce gasoline consumption by 3% year on year, but the number of truck deliveries handled by Systemex Medica increased substantially in line with an increase in the number of parts assembled, leading to a 68% rise in diesel fuel consumption. As a result, fiscal 2015 CO<sub>2</sub> emissions by Company cars in Japan were up approximately 1% from their level one year earlier.

## Complying with Related Laws and Regulations

Sysmex endeavors to comply with environment-related laws and regulations, both from a compliance perspective and from the standpoint of environmental preservation.

As one aspect of these efforts, based on the Energy Conservation Act, Sysmex Corporation has submitted to the Ministry of Economy, Trade and Industry a medium- to long-term plan that summarizes its regular reports aggregating annual energy usage amounts and its energy reduction plan. Going forward, we will continue promoting energy conservation activities throughout the Company to achieve these non-binding targets. In response to the Fluorocarbons Emission Control Law, a revised version of which went into effect on April 1, 2015, based on the response procedures manuals of Group companies in Japan we clarified instruments covered by the law, conducted inspections and worked to determine calculated leakages.

## Managing Chemical Substances

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### Determining the Status of Storage and Use and Managing Harmful Substances

To reduce the risk of accidents stemming from the management of chemical substances as our business domain expands and organization changes, in fiscal 2013 we established the Chemical Substance Management Committee at Technopark, our R&D hub, reinforcing our structure for managing chemical substances. We are conducting thorough training at related divisions under this committee's management.

Meanwhile, the Solution Center's Scientific Laboratory is conducting thorough chemical substance management based on the Scientific Affairs Division Standards for Laboratory Management.

## Reducing Paper Use

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### Promoting Digital Data

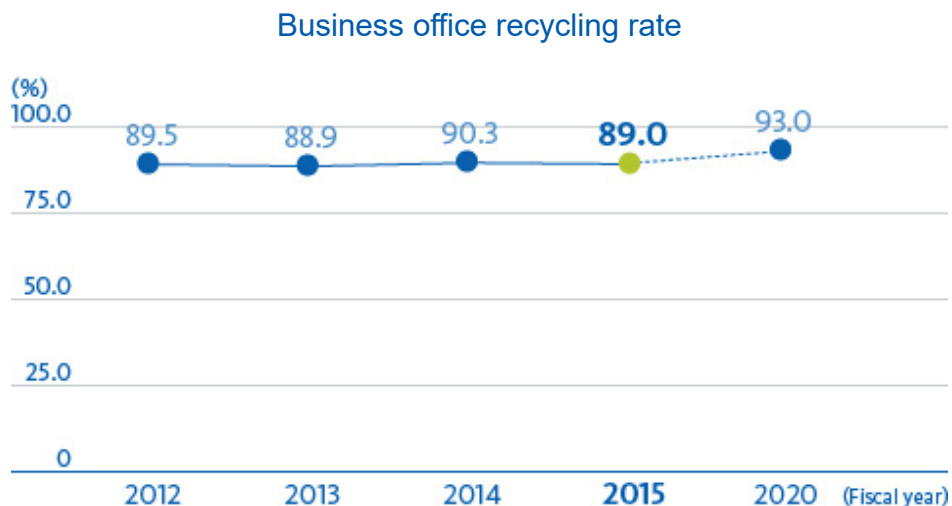
Sysmex Corporation has introduced tablet computers to promote paperless meetings. This approach reduces paper use and waste volumes, as well as eliminating such processes as printing and distributing documents prior to meetings. Meeting efficiency is also improved, as data can be distributed digitally to meeting participants beforehand. We have also reduced paper use by using digital data rather than paper when presenting drawings of product parts to suppliers.

# Managing and Recycling Waste

## Reducing Waste and Promoting a Stable Recycling Rate

Sysmex engages in ongoing efforts to reduce waste and increase the recycling rate. For instance, Sysmex Wuxi is using the polyethylene bags from packaging purchased products at its manufacturing and development locations, reusing them as bags for household trash and taking other measures to reduce waste. Jinan Sysmex, meanwhile, is making inroads on lowering waste emissions through the automation of its production lines. In Japan, we are using garbage disposal units at locations that generate substantial amounts of garbage, such as company cafeterias, converting the garbage to fertilizer. In fiscal 2015, we began recycling glass waste—previously disposed of in landfills—in road paving materials.

These initiatives have boosted the Group's recycling rate to 89%. We will continue stepping up our efforts as we work toward achieving the goals outlined in Eco-Vision 2020.



Scope of data: All factories and major business offices where products and/or chemical substances are handled

[Factories]

Sysmex Corporation (Kakogawa Factory, i-Square), Sysmex International Reagents (Ono Factory, Seishin Factory), Sysmex Medica, Sysmex RA, Reagent factory in Germany, Sysmex Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex, Sysmex Wuxi

[Major Business Offices]

Sysmex Corporation (head office, Technopark, Solution Center)

## Managing and Processing Harmful Substances

Sysmex International Reagents uses biological substances as raw materials of products, and Technopark uses them as experimental materials for research and development. As these substances have infection potential, as a measure of precaution, they are managed strictly such as limit of location to storage and use them according to the manual, and furthermore, these substances are carefully segregated from general waste for proper disposal.

For other harmful substances, we work to prevent aerial drift, dispersion and groundwater permeation through countermeasures addressing both facilities and management methods. In these ways, we endeavor to keep emissions below statutory standard values. In fiscal 2014, we refurbished waste drop-off sites at the Seishin Factory and introduced new biochemical oxygen demand (BOD) alarm equipment at the Ono Factory. These systems aim to prevent the emissions of liquids containing organic matter.

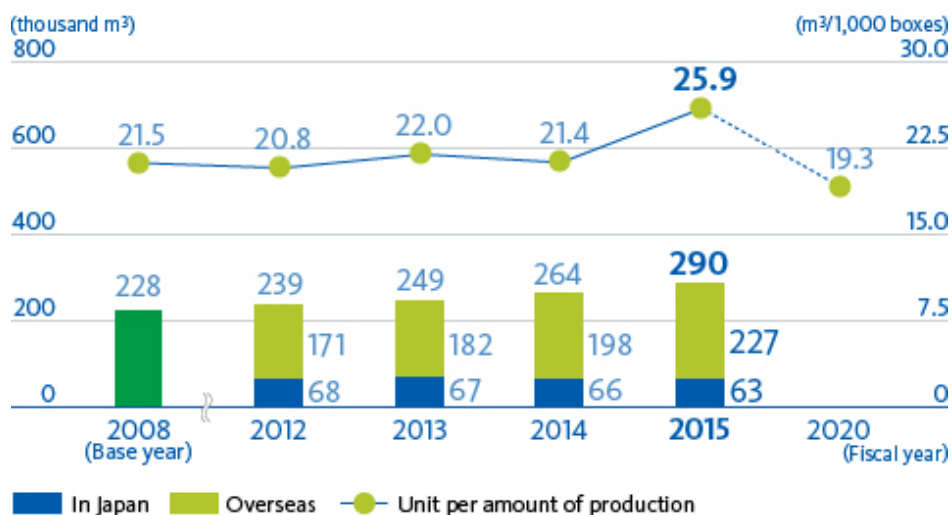
## Using Water Resources Effectively

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### Reducing Water Use and Appropriately Processing Wastewater

Sysmex is promoting initiatives at various locations to increase the efficiency of water use and reduce the amount of water used. At its reagent factories in Japan, Sysmex is improving production efficiency, working to reduce man-hours and lowering water usage. At Sysmex India, factory wastewater is purified and used to water the green spaces within the facility. In fiscal 2015, we expanded the reagent factory in response to rising production volumes. This expansion, plus an increase in the number of personnel, resulted in a 20% increase against our Eco-Vision 2020 targets for water usage (per unit of production volume).

## Water Use at Reagent Factories



Scope of data: Reagent factories (nine locations)

Systemex International Reagents (Ono Factory, Seishin Factory), Reagent factory in Germany, Systemex Brazil, Systemex Reagents America, Systemex India, Systemex Asia Pacific, Jinan Systemex, Systemex Wuxi



## Environmental Conservation Activities

# Other Environmental Conservation Activities

## Forest Conservation Activities

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### Contributing to the Preservation of Biodiversity through Afforestation and Other Activities in Various Locations

Systemex, which uses water in its core reagent production activities, recognizes that contributing to local watershed protection is an important social responsibility. The Company also aims to contribute to the preservation of biodiversity.

For these reasons, in fiscal 2013 we began taking part in forest maintenance activities based on the "Enlist the Participation of All Citizens in Creating Woodland" project being promoted by the Hyogo Prefectural Government. To this end, we took responsibility for a two-hectare portion of the 17-hectare Kawai Kaiteki Forest near our reagent factory in the city of Ono, Hyogo Prefecture. We dubbed this portion the "Systemex Forest" and set about making the Satoyama (a human-influenced natural environment) a place of tranquility for people and wildlife. In fiscal 2015, a total of 239 people participated in these activities, which took place nine times.

We encourage employees and their families to participate in these maintenance activities. We offer special programs for children, giving them the opportunity to come into contact with nature. For example, by hand-painting houses for small birds, cultivating plant cuttings, vegetables and *shiitake* mushrooms, and taking part in other activities, we provide the children who will shoulder the responsibilities of the future with opportunities to learn about the relationship between people and nature.

From a biodiversity perspective, these activities focus on protecting species that are threatened with extinction and rare wild plants. For example, having discovered a clouded salamander\* in fiscal 2013, we protected its habitat and confirmed that it had produced egg sacs for two consecutive years. We are also cultivating the Japanese lily, which is being found increasingly infrequently in many regions, helping it to stage a comeback.

Overseas, as well, various companies affiliated with Sysmex are taking part in forest preservation activities in nearby regions. In fiscal 2015, for example, volunteers from Sysmex New Zealand planted 902 seedlings of a species native to Motutapu Island. Located in the north of the country, this island is known for the natural abundance that remains there. Last year, the company also conducted a clean-up activity on Motutapu Island as part of its ongoing efforts to protect the nature there.

\* These small *Cryptobranchioidea* (primitive salamanders) are designated as Vulnerable II in the Ministry of the Environment's Red Data Book.



Sysmex Forest (participants in forest maintenance activities)



Sysmex Forest (kids' program)



Participants in forest preservation activities in New Zealand

## Clean-up Activities

### Clean-up Activities Near Business Offices

Employee volunteers from Sysmex's business offices around Japan take part in efforts to clean areas around their business offices. In fiscal 2015, 778 employees at 29 locations took part in these activities.



Employees participating in clean-up activities (head office)



Employees participating in clean-up activities (i-Square)



Employees participating in clean-up activities (Sysmex Medica)

# Green Procurement

## Promoting Green Procurement

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### Formulating Green Procurement Standards

We have formulated green procurement standards, which describe our fundamental stance on environmental considerations in our procurement activities.

### Green Procurement Standards

Through our global corporate activities in the healthcare field, we are contributing to the creation of a fulfilling and healthy society.

#### 1. Objectives

In accordance with its environmental policy, the Sysmex Group strives to fulfill its corporate social responsibility by promoting global environment conservation. Accordingly, we endeavor to promote the manufacture of environmentally friendly products by encouraging the procurement of raw materials and parts that have low impact on the global environment. Sysmex aims to cultivate motivated environmental conservation activities among our suppliers and enable us to work together toward the development of a sustainable society.

#### 2. Green Procurement Initiatives

The Sysmex Group practices "green procurement" to ensure that its procurement activities promote a reduction in the environmental impact of the Company's products and reduce the environmental impact of all production activities, including those of our suppliers. We promote the two items below as specific green procurement initiatives.

- 1) Promote the procurement of raw materials and parts that have lower environmental impact.
- 2) Expand business with suppliers that take a proactive approach toward environmental conservation.

#### 3. Scope of Application

These standards apply to the procurement of raw materials, parts and products by Sysmex Group companies.

#### 4. Control of Chemical Substances in Products

The Sysmex Group requires the selection of materials and parts for the products it develops and produces to be based not only on the requisite quality, performance and economic feasibility, but also on the minimization of environmental impact. Therefore, raw materials and parts that do not employ the chemical substances described below shall be adopted:

- 1) Substances prohibited according to restrictions on chemical substances contained in products shall not be contained.
- 2) Those in which the chemical substance amounts defined under restrictions on chemical substances contained in products shall be monitored.
- 3) Those for which the environmental impact of the chemical substance in terms of atmospheric pollution, water contamination, soil pollution, etc. shall be low.
- 4) Environmental impact data for materials shall be disclosed.
- 5) In relation to packaging materials, when all of the aforementioned factors are identical, that with the lowest volume of contained chemical substances shall be selected.

Revised November 2014

## Working with Suppliers

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### According High Evaluations to Procurement Partners Undertaking Motivated Environmental Conservation Activities

Sysmex is working proactively to address the important societal issue of environmental protection. We ask our business partners to fully understand the importance of our activities and cooperate with green procurement. Based on its green procurement standards, in addition to quality, price, delivery schedules and technological development capabilities, Sysmex accords high evaluations to suppliers that undertake motivated environmental conservation activities. We ask our suppliers for their cooperation on the following points.

## **1. Configuration and Operation of Environmental Management Systems**

When commencing transactions with business partners, the Sysmex Group indicates clearly the importance it places on motivated environmental conservation activities. To this end, we confirm whether potential suppliers have in place environmental management systems certified by third parties.

- 1) ISO 14001 certification
- 2) Simplified environmental management system certification

## **2. Provision of Environmental Information on Raw Materials and Parts**

The Sysmex Group asks suppliers to provide the following environmental reports in cooperation with Sysmex's environmental conservation activities.

- 1) Data on harmful chemical substances contained in raw materials and parts
- 2) Certification against the use of substances targeted by European RoHS regulations
- 3) Information on raw materials and parts compliant with European RoHS regulations

## **3. Environmental Measures by Suppliers to Their Outsourcing Partners**

The Sysmex Group also asks suppliers to request that their outsourcing partners configure environmental management systems and cooperate in providing environmental information.

We ask suppliers to take responsibility for managing their outsourcing partners in this respect.

Revised November 2014

# Limiting the Use of Chemical Substances in Products

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## Specifying Prohibited Substances, Substances to Be Reduced and Target Countries

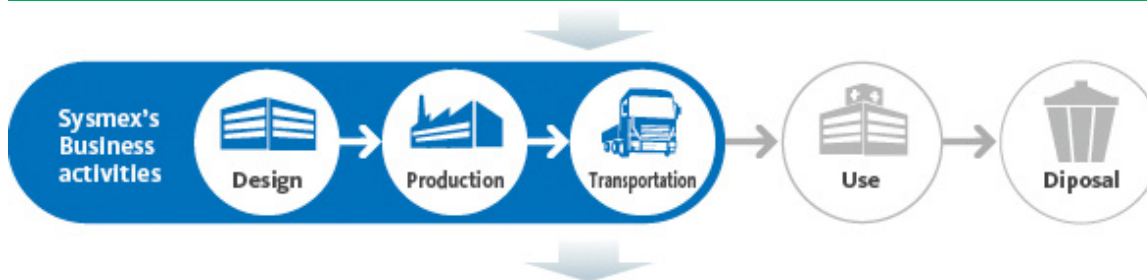
Based on its green procurement standards, Sysmex publishes on our website the dealing with chemical substances (substances with environmental impact) contained in the products it manufactures and sells, as well as their constituent parts, devices and materials.







## Environmental Conservation Activities

# Performance Data

## Environmental Impact of Business Activities

INPUT			
		Fiscal 2014	Fiscal 2015
1	 Electricity use (thousands kWh)	35,988	<b>37,476</b>
1	 City gas (thousands m <sup>3</sup> )	852	<b>1,544</b>
1	 LPG (t)	15.1	<b>19.4</b>
1	 LNG (m <sup>3</sup> )	0	<b>0</b>
1	 Heavy oil (kL)	0	<b>0</b>
1	 Kerosene (kL)	70	<b>35</b>
1	 Diesel oil (kL)	19	<b>19</b>
4	 Gasoline for domestic fleet (kL)	778	<b>750</b>
4	 Diesel for domestic fleet (kL)	19.7	<b>23.5</b>
3	 Water use (thousands m <sup>3</sup> )	368	<b>391</b>
5	 Office paper (t)	49	<b>44</b>
4	 PRTR (t)	0.15	<b>0.13</b>



OUTPUT			
		Fiscal 2014	Fiscal 2015
1	 Greenhouse gas emissions from business offices (t-CO <sub>2</sub> )	21,431	<b>24,035</b>
4	 CO <sub>2</sub> emissions from domestic company cars (t-CO <sub>2</sub> )	1,856	<b>1,802</b>
6	 Total waste emissions (t)	1,557	<b>1,701</b>
2	 Recycling rate (%)	90.4	<b>91.9</b>
3	 Wastewater volume (thousands m <sup>3</sup> )	164	<b>192</b>
4	 PRTR (t)	0	<b>0</b>



- 1➤ Main business offices in Japan, Instrument factories in Japan, Reagent factories in Japan, Sales offices in Japan, Other offices in Japan, Main overseas locations, Overseas reagent factories  
 [Main business offices in Japan] Sysmex Corporation (head office, Technopark, Solution Center)  
 [Instrument factories in Japan] Sysmex Corporation (Kakogawa Factory, i-Square, Sysmex Medica, Sysmex RA)  
 [Reagent factories in Japan] Sysmex International Reagents (Ono Factory, Seishin Factory)  
 [Sales offices in Japan] Sysmex Corporation  
 1 office (Tokyo), 6 branches (Sendai, Kita Kanto, Nagoya, Osaka, Hiroshima, Fukuoka), 13 sales offices (Sapporo, Morioka, Nagano, Niigata, Chiba, Yokohama (included in scope from fiscal 2015), Shizuoka, Kanazawa, Kyoto, Kobe, Takamatsu, Okayama, Kagoshima), 1 service center (Metropolitan Area Service Center), Sysmex CNA  
 [Other offices in Japan] Sysmex Corporation (R&D Center, Protein Development Center, BMA Laboratory, Global Communication Center (included in scope from fiscal 2015), Soushin dormitory (included in scope from fiscal 2015))  
 [Main overseas locations] Sysmex Europe, Sysmex Deutschland, Sysmex America, Sysmex Shanghai, Sysmex Asia Pacific  
 [Overseas reagent factories] Sysmex Europe, Sysmex Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex, Sysmex Wuxi
- 2➤ Main business offices in Japan, Instrument factories in Japan, Reagent factories in Japan, Other offices in Japan, Overseas reagent factories  
 (Refer to 1)
- 3➤ Main business offices in Japan (excluding head office), Instrument factories in Japan, Reagent factories in Japan, Other offices in Japan, Overseas reagent factories  
 (Refer to 1)
- 4➤ Main business offices in Japan, Instrument factories in Japan, Reagent factories in Japan, Sales offices in Japan, Other offices in Japan  
 (Refer to 1)
- 5➤ Main business offices in Japan, Instrument factories in Japan, Reagent factories in Japan  
 (Refer to 1)
- 6➤ Main business offices in Japan, Instrument factories in Japan, Reagent factories in Japan, Sales offices in Japan, Other offices in Japan, Overseas reagent factories  
 (Refer to 1)

# Main Indicators and Results Related to Environmental Impact<sup>(\*1)</sup>

## Data Related to the Sysmex Group Environmental Action Plan, Eco-Vision 2020

Aspect	Content		Unit	Scope <sup>(*3)</sup>	Base Year		
					Fiscal Year	Data	
Environment consciousness in product life cycle process	Greenhouse gas emissions GHG Scope 3 <sup>(*2)</sup>	Product logistics within Japan	t-CO <sub>2</sub>	Sysmex Corporation	2010	5,399.84	
		CO <sub>2</sub> emissions from logistics			2010		
		Product logistics to overseas locations	t-CO <sub>2</sub> / ¥100 million		2010	7.252	
		Unit CO <sub>2</sub> emissions in logistics	Sysmex Corporation, non-consolidated net sales		¥100 million	2010	744.60
Environment consciousness at business offices	Greenhouse gas emissions GHG Scope 1 + Scope 2 <sup>(*2)</sup>	Total emissions	t-CO <sub>2</sub>	Main business offices, instrument factories and reagent factories in Japan	2008	7,080.93	
				Main overseas locations and reagent factories	2008	4,191.63	
		Total unit emissions	t-CO <sub>2</sub> / ¥100 million	Main business offices, instrument factories and reagent factories in Japan, as well as main overseas locations and reagent factories	2008	10.079	
		Unit denominator	¥100 million	Consolidated net sales	2008	1,118.42	
	Waste emissions	Total emissions		t	Main business offices, instrument factories and reagent factories in Japan, as well as overseas reagent factories	2008	872.28
		Waste recycling (including energy recovery)				2008	670.78
		Recycling rate for waste (including energy recovery)		%		2008	76.90
Water use	Groundwater		thousands m <sup>3</sup>	Reagent factories in Japan	2008	-	
				Overseas reagent factories	2008	-	
	Municipal supply water		thousands m <sup>3</sup>	Reagent factories in Japan	2008	-	
				Overseas reagent factories	2008	-	
	Total water usage				2008	228.35	
	Total amount used per unit		m <sup>3</sup> /thousand boxes	Reagent factories in Japan and overseas	2008	21.490	
Unit denominator	Boxes manufactured	thousand boxes		2008	10,625.87		

2012	2013	2014	2015		Population of Coverage Ratio(*5)	Calculation Method	G4 Indicator No.
Data	Data	Data	Data	Coverage Ratio(*4)			
1,145.00	1,237.00	1,112.00	1,213.00	-	-	CO <sub>2</sub> emissions from logistics from factories to warehouses in Japan and from warehouses to customers in Japan (including branches and sales offices). Calculated as ton-kilometers traveled (amount transported times distance traveled) times CO <sub>2</sub> conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO <sub>2</sub> Emissions in the Logistics Field"	G4-EN17 G4-EN18
4,528.00	4,251.00	3,971.00	4,222.00	-	-	CO <sub>2</sub> emissions from logistics (including to overseas customers) from warehouses to ports (airports) in Japan and CO <sub>2</sub> emissions from logistics from Japanese ports (airports) to ports (airports) in overseas regions. Calculated as ton-kilometers traveled (amount transported times distance traveled) times CO <sub>2</sub> conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO <sub>2</sub> Emissions in the Logistics Field"	
6.508	5.348	4.170	3.794	-	-		
871.71	1,026.17	1,218.94	1,432.43	-	-		
7,450.00	7,532.00	8,138.00	8,240.00	35.85%	7,909	The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factors (sources): (Fossil fuels) CO <sub>2</sub> emission factors for fiscal 2008 are based on the Act on Promotion of Global Warming Countermeasures. The conversion factor for city gas (13A) assumes gas provided by Osaka Gas. (The same factor is used for overseas business offices.) (Electricity) CO <sub>2</sub> emission factors for fiscal 2008 (before adjustments for credits) are based on the Act on Promotion of Global Warming Countermeasures, using information announced by the power companies that supply individual factories and business offices.	G4-EN15 G4-EN18
5,106.00	7,199.00	7,980.00	10,130.00	28.08%	7,909	The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factors (sources): (Fossil fuels) CO <sub>2</sub> emission factors for fiscal 2008 are based on the Act on Promotion of Global Warming Countermeasures. The conversion factor for city gas (13A) assumes gas provided by Osaka Gas. (The same factor is used for overseas business offices.) (Electricity) Country-specific emission factors (2005) are listed in the GHG Protocol (WBCSD/WRI).	
8.625	7.983	7.281	7.256	63.93%	7,909		
1,455.77	1,845.38	2,213.76	2,531.57	-	-		
962.60	1,056.90	1,341.20	1,502.80	40.97%	7,909		G4-EN23
863.50	941.60	1,212.60	1,338.00			Of waste, the amount reused or used for material recycling or heat recovery (thermal recycling).	
89.70	89.09	90.41	89.03			Recycling rate (%) = (amount of waste reused + amount of valuable substances sold) ÷ (industrial waste + general waste + amount of valuable substances sold) × 100(%)	
0.00	0.00	0.00	0.00	28.77%	949		G4-EN8
9.37	8.46	9.25	9.70	42.68%	949	The amount of groundwater used.	
67.89	66.72	66.00	63.00	28.77%	949		
161.88	174.02	188.56	216.90	42.68%	949	The amount of clean water and industrial water used.	
239.14	249.20	263.81	289.60	71.44%	949		
20.814	22.044	21.401	25.910				
11,489.00	11,305.00	12,327.00	11,177.00	-	-	Boxes of the Company's reagents manufactured per year at reagent factories.	

## Data Related to Environmental Performance

Aspect	Content		Unit	Scope (*3)	
INPUT	Energy consumption	Consumption of non-renewable energy	Electricity (non-renewable)	thousands kWh	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as main overseas locations and reagent factories
			City gas	thousands m <sup>3</sup>	
			LPG	t	
			LNG	t	
			Heavy oil	kL	
			Kerosene	kL	
			Diesel oil	kL	
		Consumption of renewable energy	Electricity (renewable)	kwh	
		Total consumption		GJ	
		Consumption of other non-renewable energy	Gasoline (Company cars)	kL	
	Diesel oil (Company cars)				
	Unit consumption of non-renewable energy	Unit consumption of non-renewable energy	Electricity (non-renewable)	thousands kWh/ ¥100 million	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as major overseas locations and reagent factories
			City gas	thousands m <sup>3</sup> / ¥100 million	
			LPG	t/¥100 million	
			LNG	t/¥100 million	
			Heavy oil	kL/¥100 million	
			Kerosene	kL/¥100 million	
			Diesel oil	kL/¥100 million	
		Unit consumption of renewable energy	Electricity (renewable)	kwh/ ¥100 million	
		Total unit consumption		GJ/¥100 million	
Unit denominator		Consolidated net sales	¥100 million		
Reduction in energy consumption	Non-renewable energy consumption	City gas, LPG, LNG, heavy oil, kerosene, diesel oil and electricity	GJ	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as major overseas locations and reagent factories	
	Renewable energy consumption	Electricity			
	Total consumption				
	Unit consumption of non-renewable energy	City gas, LPG, LNG, heavy oil, kerosene, diesel oil and electricity	GJ/¥100 million		
	Unit consumption of renewable energy	Electricity			
	Total unit consumption				

2012	2013	2014	2015		Population of Coverage Ratio <sup>(*)5</sup>	Calculation Method	G4 Indicator No.
Data	Data	Data	Data	Coverage Ratio <sup>(*)4</sup>			
27,573.43	31,525.65	35,779.00	37,233.00	74.41%	7,909	The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	G4-EN3
1,043.92	1,185.34	851.98	1,543.97				
11.65	12.38	15.11	19.39				
0.00	0.00	0.00	0.00				
0.00	0.00	0.00	0.00				
62.44	67.60	70.17	35.02				
19.04	18.72	18.91	18.84				
81.88	100.46	209.42	243.00				
322,405.78	368,227.36	395,042.86	439,653.70	43.66%	7,909	Gasoline consumed by Company cars in Japan. Diesel oil consumed by Company cars in Japan.	
748.47	794.69	777.51	749.86				
3.34	11.72	19.68	23.53	74.41%	7,909		G4-EN5
18.941	17.084	16.162	14.707				
0.717	0.642	0.385	0.610				
0.008	0.007	0.007	0.008				
0.000	0.000	0.000	0.000				
0.000	0.000	0.000	0.000				
0.043	0.037	0.032	0.014				
0.013	0.010	0.009	0.007				
0.056	0.054	0.095	0.096	-	-		
221.468	199.540	178.449	173.668				
1,455.77	1,845.38	2,213.76	2,531.57	74.41%	7,909	(Energy consumed in the current fiscal year) – (energy consumed in the previous fiscal year) ▲ indicates an increase from the previous fiscal year. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	G4-EN6
-	▲ 45,821.58	▲ 26,815.50	▲ 44,610.84				
-	▲ 0.07	▲ 0.39	▲ 0.12				
-	▲ 45,821.58	▲ 26,815.50	▲ 44,610.84	74.41%	7,909	(Energy consumed in the current fiscal year) – (energy consumed in the previous fiscal year) ▲ indicates an increase from the previous fiscal year. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	
-	1.942	1.185	1.248				
-	0.002	▲ 0.040	▲ 0.001				
-	21.927	21.091	4.780				

Aspect	Content		Unit	Scope (*3)			
INPUT	Water use	Groundwater	thousands m <sup>3</sup>	Main business offices in Japan (excluding head office) and instrument factories, reagent factories and other offices in Japan, as well as overseas reagent factories			
		Municipal supply water					
		Total amount used					
		Total amount used per unit			m <sup>3</sup> /¥100 million		
		Unit denominator	Consolidated net sales		¥100 million		
OA paper use		t	Main business offices, instrument factories and reagent factories in Japan				
PRTR input		Handling volume	t	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan			
OUTPUT	Greenhouse gas emissions GHG Scope 1 (*2)	Japan	t-CO <sub>2</sub>	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan			
		Overseas		City gas, LPG, LNG, heavy oil, kerosene, diesel oil	Main overseas locations and reagent factories		
		Total emissions		t-CO <sub>2</sub> /¥100 million	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as major overseas locations and reagent factories		
		Total unit emissions					
		Unit denominator				Consolidated net sales	¥100 million
	Greenhouse gas emissions GHG Scope 2 (*2)	Japan	Electricity	t-CO <sub>2</sub>	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan		
		Overseas			Main overseas locations and reagent factories		
		Total emissions			t-CO <sub>2</sub> /¥100 million	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as major overseas locations and reagent factories	
		Total unit emissions					
		Unit denominator					Consolidated net sales
	Greenhouse gas emissions GHG Scope 3 (*2)	CO <sub>2</sub> emissions from logistics	Product logistics within Japan	t-CO <sub>2</sub>	Sysmex Corporation		
			Product logistics to overseas locations	t-CO <sub>2</sub>			
		Unit CO <sub>2</sub> emissions from logistics	Product logistics within Japan and to overseas locations	t-CO <sub>2</sub> /¥100 million			
		Unit denominator	Sysmex Corporation, non-consolidated net sales	¥100 million			



2012	2013	2014	2015		Population of Coverage Ratio(*5)	Calculation Method	G4 Indicator No.
Data	Data	Data	Data	Coverage Ratio(*4)			
48.86	44.47	51.24	50.29	37.96%	7,909	The amount of groundwater used.	G4-EN8
281.68	299.94	316.97	340.80			The amount of clean water and industrial water used.	
330.54	344.40	368.21	391.09				
227.054	186.630	166.329	154.486				
1,455.77	1,845.38	2,213.76	2,531.57	-	-		
53.14	50.46	48.79	44.48	35.85%	7,909		
7.16	7.88	0.15	0.13	46.33%	7,909	PRTR handling volume at business offices in Japan that handle chemical substances.	
917.40	1,096.70	806.50	865.00	46.33%	7,909	The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	G4-EN15 G4-EN18
1,613.90	2,147.70	1,430.20	2,892.10	28.08%	7,909	The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	
2,531.30	3,244.40	2,236.70	3,757.10	74.41%	7,909		
1,739	1,758	1,010	1,484				
1,455.77	1,845.38	2,213.76	2,531.57	-	-		
9,915.80	11,869.90	12,635.30	13,040.60	46.33%	7,909	The amount of each business office electricity is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	G4-EN16 G4-EN18
3,540.40	5,099.30	6,559.20	7,237.50	28.08%	7,909	The amount of each business office electricity is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): Country-specific emission factors (2005) are listed in the GHG Protocol (WBCSD/WRI).	
13,456.20	16,969.20	19,194.50	20,278.10	74.41%	7,909		
9,243	9,196	8,671	8,010				
1,455.77	1,845.38	2,213.76	2,531.57	-	-		
1,145.00	1,237.00	1,112.00	1,213.00	-	-	CO <sub>2</sub> emissions from logistics from factories to warehouses in Japan and from warehouses to customers in Japan (including branches and sales offices). Calculated as ton-kilometers traveled (amount transported times distance traveled) times CO <sub>2</sub> conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO <sub>2</sub> Emissions in the Logistics Field"	G4-EN17 G4-EN18
4,528.00	4,251.00	3,971.00	4,222.00	-	-	CO <sub>2</sub> emissions from logistics (including to overseas customers) from warehouses to ports (airports) in Japan and CO <sub>2</sub> emissions from logistics from Japanese ports (airports) to ports (airports) in overseas regions. Calculated as ton-kilometers traveled (amount transported times distance traveled) times CO <sub>2</sub> conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO <sub>2</sub> Emissions in the Logistics Field"	
6.508	5.348	4.170	3.794	-	-		
871.71	1,026.17	1,218.94	1,432.43	-	-		

Aspect	Content		Unit	Scope (*3)	
OUTPUT	Greenhouse gas emissions GHG Scope 3 (*2)	Total CO <sub>2</sub> emissions from Company cars	t-CO <sub>2</sub>	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan	
		Total unit CO <sub>2</sub> emissions from Company cars	t-CO <sub>2</sub> / ¥100 million		
		Unit denominator	Systemex Corporation, non-consolidated net sales	¥100 million	Systemex Corporation
	Waste emissions	Total emissions		t	Main business offices, instrument factories, reagent factories and other offices in Japan, as well as overseas reagent factories
		Total emissions (excluding sales offices in Japan)		t	
		Material recycling waste			
		Recycling waste (including energy recovery)			
		Material recycling rate			
		Recycling rate (including energy recovery)			
	Wastewater volume	Total emissions		thousands m <sup>3</sup>	Main business offices in Japan (except head office) and instrument factories, reagent factories and other offices in Japan, as well as overseas reagent factories
	PRTR Output	Emissions		t	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan
		Travel			
Compliance	Violations of environmental regulations	Total amount of large fines	¥100 million	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as major overseas locations and reagent factories	
		Number of sanctions other than fines	cases		
	Significant spills and losses of chemical substances	Total number of cases			cases
		Total leakage volume			t

(\*1) Some disparities exist from data disclosed in the previous fiscal year, due to the revision of performance figures for some offices.

[Location of revisions] Input > Energy consumption > Consumption of non-renewable energy > LPG

Output > Greenhouse gas emissions, GHG Scope 1 > Total emissions; Greenhouse gas emissions, GHG Scope 2 > Total Emissions

Output > Waste emissions > Total emissions, recycling rate for waste (including energy recovery)

(\*2) GHG Scope 1: Standard for calculating and reporting GHGs emitted directly by Company facilities and factories. (Excluding from use of Company cars.)

GHG Scope 2: Standard for calculating and reporting GHGs emitted indirectly by the Company due to energy use.

GHG Scope 3: Standard for calculating and reporting GHGs emitted throughout the corporate group (supply chain) in relation to products and services. (Including from use of Company cars.)

2012	2013	2014	2015		Population of Coverage Ratio(*5)	Calculation Method	G4 Indicator No.
Data	Data	Data	Data	Coverage Ratio(*4)			
1,746.58	1,830.26	1,856.25	1,802.01	46.33%	7,909	The amount of gasoline and diesel oil for each Company car is multiplied by the emission factor and the sum of the amounts is calculated. Conversion factor (source): According to the Calculation and Reporting Manual for Greenhouse Gas Emissions (using the most recent factors for each fiscal year, Ministry of the Environment, Ministry of Economy, Trade and Industry)	G4-EN17 G4-EN18
2.004	1.784	1.523	1.258				
871.71	1,026.17	1,218.94	1,432.43	-	-		
1,163.91	1274.16	1,556.76	1,701.35	48.78%	7,909		
1,018.74	1,109.82	1,419.19	1,534.63	44.70%	7,909		
536.02	600.51	788.13	986.44	42.03%	7,909	Of waste, the amount of valuable substances resulting from third-party processing. Includes substances converted to fuel (such as RPF).	G4-EN23
907.96	988.45	1,282.60	1,410.97			Of waste, the amount reused or used for material recycling or heat recovery (thermal recycling).	
52.62	54.11	55.53	64.28				
89.13	89.06	90.38	91.94				
145.11	144.36	163.83	191.66	39.02%	7,909		G4-EN22
0.00	0.00	0.00	0.00	46.33%	7,909	PRTR emissions for business offices in Japan that handle chemical substances.	
0.70	4.84	0.00	0.00			PRTR travel at business offices in Japan that handle chemical substances.	
0.00	0.00	0.00	0.00	74.41%	7,909		G4-EN29
0	0	0	0				
0	1	0	0				
0.00	0.00	0.00	0.00				G4-EN24

(\*3) Main business offices in Japan: Sysmex Corporation (head office, Technopark, Solution Center)

Instrument factories in Japan: Sysmex Corporation (Kakogawa Factory, i-Square), Sysmex Medica, Sysmex RA

Reagent factories in Japan: Sysmex International Reagents (Ono Factory, Seishin Factory)

Sales offices in Japan: Sysmex Corporation (1 office (Tokyo), 6 branches (Sendai, Kita Kanto, Nagoya, Osaka, Hiroshima, Fukuoka), 13 sales offices (Sapporo, Morioka, Nagano, Niigata, Chiba, Yokohama (included in scope from fiscal 2015), Shizuoka, Kanazawa, Kyoto, Kobe, Takamatsu, Okayama, Kagoshima), 1 service center (Metropolitan Area Service Center)), Sysmex CNA

Other offices in Japan: Sysmex Corporation (R&D Center, Protein Development Center, BMA Laboratory, Global Communication Center (included in scope from fiscal 2015), Soushin dormitory (included in scope from fiscal 2015))

Main overseas locations: Sysmex Europe, Sysmex Deutschland, Sysmex America, Sysmex Shanghai, Sysmex Asia Pacific

Overseas reagent factories: Sysmex Europe, Sysmex Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex, Sysmex Wuxi

(\*4) The coverage ratio calculation is based on the number of employees.

(\*5) The coverage ratio population is Group employees. However, for Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020) > Environment consciousness at business offices > Water usage, the population is the number of employees at Group reagent factories.

# Corporate Information

## Corporate Overview

(As of March 31, 2016)

**Company name** Sysmex Corporation

**Established** February 20, 1968

**Paid-in capital** ¥11,016 million

**Representative** Hisashi Ietsugu, Chairman and CEO

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

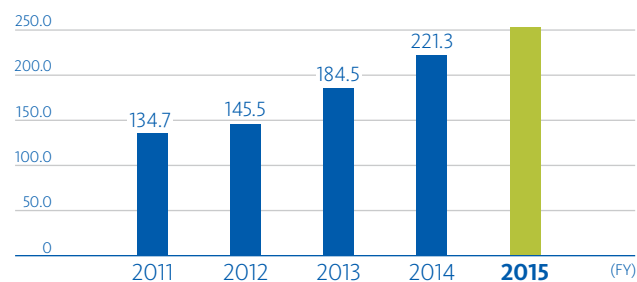
**Line of business** Development, manufacture, sales, and export/import of laboratory testing instruments, reagents, and related software

### Net sales

(¥ billion)

300.0

¥253.1 billion

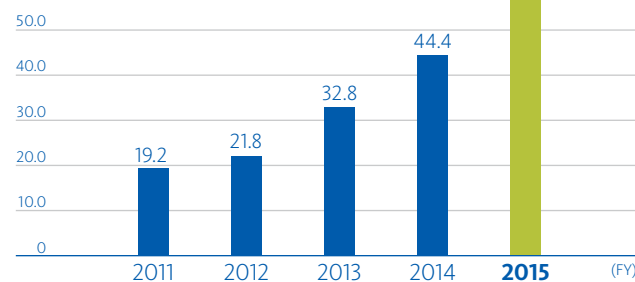


### Operating income

(¥ billion)

60.0

¥56.9 billion

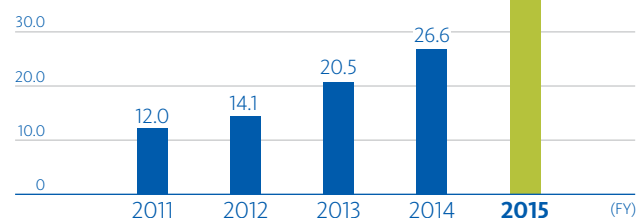


### Net income

(¥ billion)

50.0

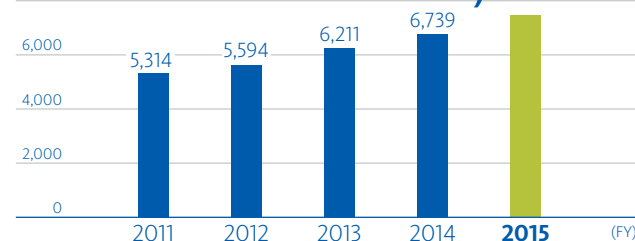
¥36.2 billion



### Number of employees

10,000

7,446



Note: Including contract workers and part-time employees

## Information Available on the Website

Comprehensive Information Provided on the CSR Site

Systemex CSR

Search



### Message from the Chairman and CEO

#### Systemex's CSR Activities

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

#### Corporate Governance

#### Compliance

#### Risk Management

#### 2016 CSR Activity Highlights

- Highlight 1** Accelerating the Advancement of Healthcare by Gathering Knowledge and Technologies from Both Inside and Outside the Company
- Highlight 2** Creating New Value through Global Human Resource Development and Exchange

### 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
  - Employee Evaluation, Treatment, and Human Resource Development
  - Promoting Diversity
  - 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



Japan



¥39.8 billion  
10 companies



3,339



Americas



¥59.8 billion  
9 companies



1,029



EMEA\*

\*Europe,  
the Middle East  
and Africa



¥68.2 billion  
27 companies



2,006



China



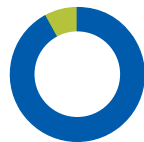
¥65.1 billion  
4 companies



492



Asia Pacific



¥20.1 billion  
13 companies



580

### Environmental Conservation Activities

- Environmental Management Initiatives
- Environment Friendliness in Product and Service Life Cycles
- Environmentally Conscious Operation
- Other Environmental Conservation Activities
- Green Procurement
- Performance Data

### Systemx Sustainability Report

### Guideline Comparative Table



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