



Sysmex Sustainability Report 2017



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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.

Our Core Behaviors

To our Customers

We deliver reassurance to our customers, through unmatched quality, advanced technologies, superior support, and actions that consistently reflect the viewpoint of our customers. We constantly look out for our customers' true needs, and seek to generate new solutions to satisfy those needs.

To our Employees

We honor diversity, respect the individuality of each employee, and provide them with a workplace where they can realize their full potential. We value the spirit of independence and challenge, provide employees with opportunities for self-fulfillment and growth, and reward them for their accomplishments.

To our Business Partners

We deliver commitment to our client companies through broad-ranging partnerships. We strive to be a company that can grow in step with our trade partners, through respect and mutual trust.

To our Shareholders

Our shareholders can rest assured that we will continue to improve the soundness and transparency of our management policies, while promoting information disclosure and close communications. We commit ourselves to a consistent yet innovative style of management, in order to achieve sustainable growth and increased shareholder value.

To Society

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

By fulfilling the “Sysmex Way,” we are working to realize a sustainable society.

Aiming to Resolve the Healthcare Issues Society Faces

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, including personalized medicine, while emerging markets have been marked by medical infrastructure developments and a rising quality of healthcare in line with economic development and population growth. Meanwhile, in addition to being affected by the three leading infectious diseases—HIV/AIDS, tuberculosis and malaria—developing countries have been facing various other types of infectious diseases, such as Ebola hemorrhagic fever. As a result, the healthcare environment is undergoing dramatic changes. International institutions, governments and companies must work together to address these issues. The Sustainable Development Goals (SDGs), adopted by the United Nations in September 2015, set 17 common goals for the international community in relation to society, the economy and the environment. Companies are being asked to undertake aggressive action to reach these goals.

Since the time of its founding, Sysmex has been involved with testing, playing an important role in disease prevention, early detection and determining courses of treatment. We have created new clinical value to enhance

quality of life (QOL) among patients and other people who wish to be healthy, and we have striven to generate testing technologies to lighten the burden on professionals at medical institutions. In the field of *in vitro* diagnostics, we currently provide products, services and support in more than 190 countries and regions throughout the world.

With a view toward the realization of genomic medicine^{*1}, since fiscal 2016 RIKEN GENESIS CO., LTD., has been a consolidated subsidiary which possesses advanced technologies and expertise in areas such as the analysis of genetic information. We are also conducting R&D aimed at the creation of next-generation diagnostic drugs that will make possible the early diagnosis and selection of treatment methods for dementia—a pressing issue in aging societies—and regular confirmation of the effects of treatment. At the same time, we are performing R&D on new diagnostic drugs that employ glycosylation markers^{*2} for the early detection and treatment monitoring of diseases originating from chronic hepatitis. Furthermore, as a global company we are endeavoring to raise the level of healthcare in emerging markets and developing countries and develop technologies useful in diagnosing malaria—one of the three most deadly infectious diseases. We are also working on organizing the healthcare providing structure together with international institutions such as the World Health Organization (WHO), the Global Health Innovative Technology Fund (GHIT Fund) and the Asian Conference on Communicable Diseases.

By resolving healthcare issues, Sysmex will continue to address the shared desire of all people around the world:



to remain healthy.

*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 The linked monosaccharides that link to the surface of a cell or protein in the blood

Formulating a New Mid-Term Management Plan Aimed at Realizing Sustainable Growth

Testing is expected to play a growing role in responding to increasingly diverse healthcare needs and other changes in the healthcare environment. Among its long-term management targets, Sysmex has set the management vision for 2020 of being “A Unique & Global Healthcare Testing Company” and is working toward more sophisticated and diverse testing. In recent years, we have been moving forward on collaborative development with research institutions, universities, hospitals and companies to create advanced and high-value testing and diagnostic technologies with a view to realizing personalized medicine.

In May 2017, Sysmex formulated a Group mid-term management plan concluding in the fiscal year ending March 31, 2020, to achieve its long-term management targets. Under this plan, we are enhancing our product lineup, expanding our global sales and service structure, developing highly competitive products that leverage our unique technologies, accelerating global business development, and investing in human resources and an IT foundation aimed at sustainable growth. Of these, we

recognize that human resources are one of the most important drivers of corporate growth, so we are creating an environment designed to maximize and proactively develop each employee’s capabilities.

Identifying Priority Issues (Materiality)

In addition to contributing to the development of healthcare, Sysmex has engaged in a variety of CSR activities in accordance with its policy of building trust and confidence among stakeholders by fulfilling its corporate philosophy and core behaviors. We have recently identified priority issues aimed at realizing a sustainable society and sustainable growth for Sysmex. We have identified five priority domains through which we will instill trust and confidence in diverse stakeholders: “resolving healthcare issues through our products and services” as a company operating in the healthcare field; “providing responsible products and services,” which is important for our corporate activities; “realizing an attractive working environment,” “taking the environment into consideration,” and ensuring “governance.”

Sysmex will continue taking a proactive approach toward resolving the issues facing society through its business activities, aiming to contribute toward the realization of a sustainable society. I would like to ask for your continued support and understanding of our endeavors.

Hisashi Ietsugu
Chairman and CEO

Sysmex and Its Relations with Society

Sysmex's Businesses

By providing highly valuable testing and diagnostic technologies, the Sysmex Group strives to contribute toward the creation of fulfilling and healthy societies around the world.

■ Corporate Philosophy, Core Behaviors

- ▶ Please click here for information on the Sysmex Way, the corporate philosophy of the Sysmex Group, and our core behaviors.

■ Sysmex's Businesses

We provide products and services in more than 190 countries around the world.

Our Principal Diagnostics Fields

Hospitals

Hematology

Testing that measures and analyzes the number, type and size of red, white and other blood cells
[Anemia, leukemia, thrombocytopenia, etc.]



Hemostasis

Testing to determine the ability of blood to clot when injured and to dissolve clots
[Hemorrhagic diseases (hemophilia, etc.), thrombotic diseases (deep-vein thrombosis, etc.)]



Urinalysis

Testing for the presence of sugar, protein or blood in the urine, the presence of urinary tract stones, kidney function and signs of diabetes



Immunochemistry

Testing for the status of viruses, hormones and proteins, and to determine causes and types of disease
[Infectious diseases (hepatitis, AIDS), cancer, allergies, etc.]



Clinical Chemistry

Testing to determine the state of metabolism-related organs by studying sugars, lipids, proteins and other components
[Diabetes, arteriosclerosis, liver dysfunction, kidney dysfunction, etc.]



Life Science

- Gene testing
In this testing, we analyze genetic information to study the likelihood that cancer and other diseases will occur, as well as pharmaceutical compatibility
- Lymph node metastasis testing
Testing to determine the metastasis of cancer cells to the lymph nodes



Animal Hospitals

Our automated hematology analyzers for animals are useful in managing the health of dogs, cats and other pets, as well as aquarium dolphins and zoo animals.



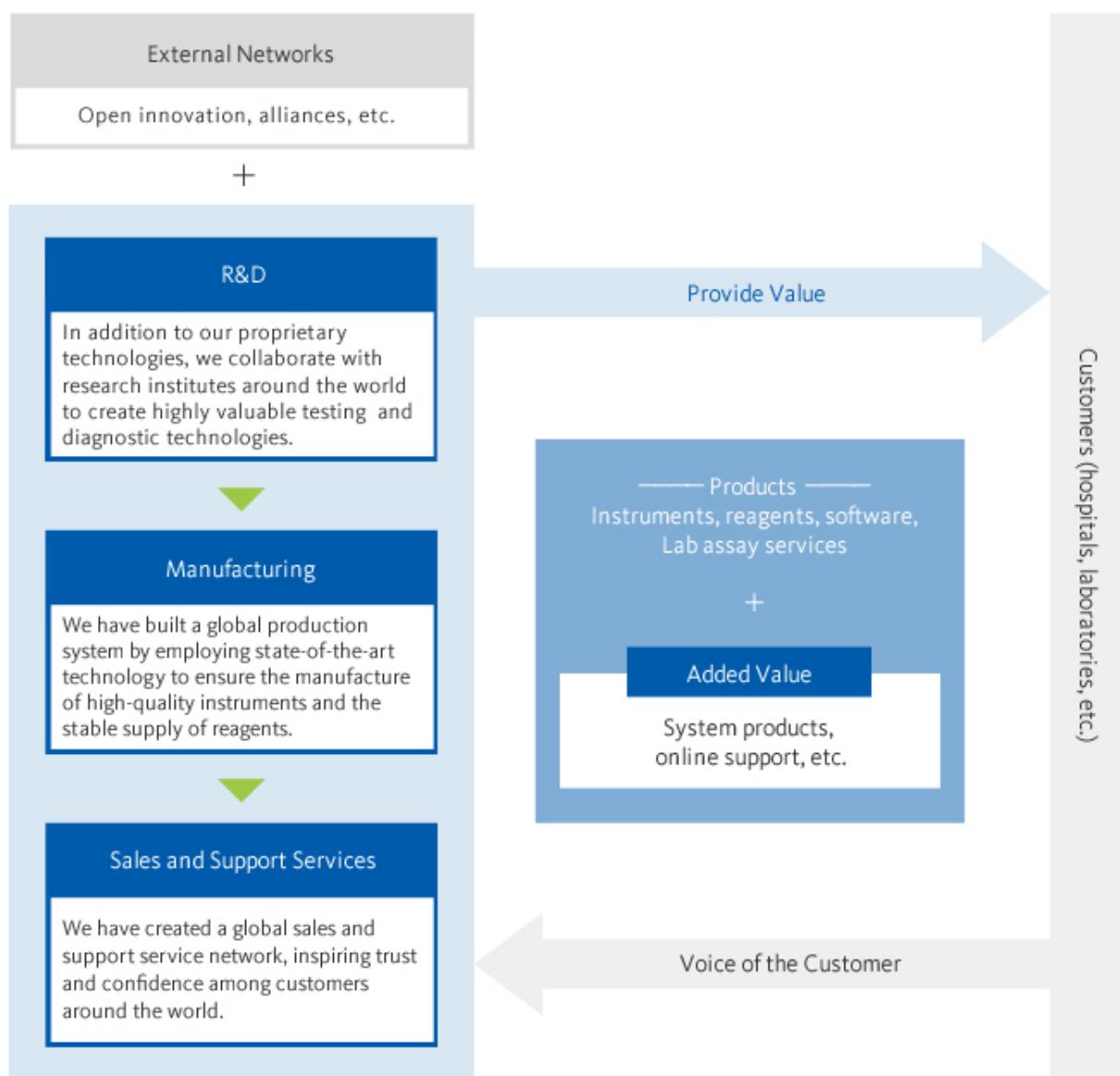
Sports Facilities

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



- Click here for “Sysmex Near You,” an introduction of some of the Sysmex products that are in use around you.

Sysmex's Business Processes



Sysmex Initiatives on Priority Issues

Sysmex identified priority issues (materiality items) and is pursuing related initiatives with a view to realizing a sustainable society and achieving sustainable growth for Sysmex.

- ▶ Click here for information on materiality.

Highlight

1

Resolving Healthcare Issues through Our Products and Services



Aiming for a Society in Which All People Receive Appropriate Health Care

Around the world, people are unable to receive appropriate health care for many reasons, including poverty and insufficient healthcare environments and systems. Access to healthcare is one item targeted in the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015. Being a healthcare company, Sysmex considers this an important issue. To ensure that as many people as possible have access to appropriate healthcare, we engage in healthcare enhancement initiatives by cooperating with local governments, international institutions, medical institutions, companies and other entities, and by promoting the provision of healthcare opportunities.

Relation to the SDGs

The Sustainable Development Goals (SDGs) adopted by the United Nations consist of 17 goals to be met by 2030. Goal 3, to "Ensure healthy lives and promote well-being for all at all ages," targets the following objectives.

- **Reduce maternal mortality**
- **Reduce the mortality of children under five years of age**
- **Eradicate AIDS, tuberculosis, malaria and tackle other communicable diseases**
- **Reduce premature mortality from non-communicable diseases**
- **Ensure access to essential healthcare services, medicines and vaccines**
- **Develop the skills of and conduct training for health workers in developing countries**

3 GOOD HEALTH AND WELL-BEING



Aiming to Improve Healthcare Levels in Emerging Markets and Developing Countries

Sysmex is leveraging its accumulated technologies and expertise to provide an external quality assessment service* aimed at delivering accurate test results. Through methods such as these to support quality control at clinical laboratories, we are working to enhance local levels of healthcare.

* 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 accuracy of individual laboratories' measurement results to be evaluated. The results are provided as feedback to these laboratories, helping to increase the quality of testing.



Kick-off ceremony for a collaborative operation with JICA (Namibia)



Operator training at a lab (Namibia)

Case study [Republic of Namibia]

Collaborating with the Japan International Cooperation Agency (JICA) to Promote Quality Control Support at Clinical Laboratories to Match International Standards

In Africa, the Republic of Namibia faces shortages of healthcare personnel and healthcare infrastructure. At the same time, ensuring the quality of healthcare is an issue.

For instance, although *in vitro* diagnostics involving the sampling and testing of blood and urine are essential to disease diagnosis and treatment, the environment required to conduct such testing is not in place, hindering the provision of appropriate test results to patients. To improve this situation, the Namibian government is introducing quality improvement measures based on the certification of clinical laboratories under the ISO 15189*¹ standard for quality management systems.

Under this operation, Sysmex is providing a mentorship*² program that makes use of the Sysmex Quality Guidance Manual—a quality control system operational manual for clinical laboratories—to facilities under the jurisdiction of the Namibia Institute of Pathology, which is overseen by the Namibian government.

To date in Africa, we have already been engaging in the same type of initiatives to support increases in laboratory quality by working with the health ministries of Zambia and Zimbabwe.

We aim to use our track record in Namibia, Zambia and Zimbabwe as a steppingstone to enhance the quality of testing in Africa and promote horizontal development into surrounding countries.

*¹ An international standard that ensures clinical laboratories are operating quality control systems, that they are technically competent and that they have the ability to deliver technically appropriate results. The standard requires all procedures within a laboratory related to testing and control to be documented and calls for evaluations of efficiency and ongoing improvements within the organization.

*² Rather than simply managing people, mentorship is the concept of seeking the growth and success of all people related to a business after making the organization's directions and values clear. This concept encompasses management that motivates people, provides guidance on position and skills that leads toward enhanced capabilities, and provides a framework to invigorate an organization.

Comment

Comment from a Member of Staff Affiliated with the Namibia Institute of Pathology

This was an effective program for achieving improvements in laboratory quality.

Under this program, training on laboratory quality enhancement was provided to us as members of staff at the Namibia Institute of Pathology. Our institute has been assigned by the Namibian government to control the management of clinical laboratory operations.

We had the opportunity to learn about quality control systems for clinical laboratories that match international standards, which was very meaningful. We also learned about accurate operations and applied knowledge, and reconfirmed the objectives and significance of testing, which raised the overall level of staff interest in hematology testing. I think this program will help raise the level of quality in clinical testing.

Aiming for a Society in Which All People Receive Appropriate Health Care

Case study [Various Asian Countries]

Conducting Scientific Support Activities to Standardize and Raise the Quality of Clinical Testing

To date, Sysmex has entered into agreements with government institutions in China, Mongolia and Cambodia to conduct scientific support activities aimed at enhancing the quality of clinical testing.

In Mongolia, we have conducted external quality assessments on testing in the fields of hematology and clinical chemistry and supported the configuration of a standard laboratory. In addition, in March 2016, we entered a new agreement to provide the same type of support activities on testing for infectious diseases, and as part of government-led efforts to put healthcare infrastructure in place we are setting up standard analyzers in national hospitals.

In Myanmar, we have been proposing scientific support activities since 2014. In October 2016, we signed an agreement with the National Health Laboratory (NHL), a Myanmar government institution, to conduct scientific support activities with the aim of enhancing the quality of clinical testing in the country. Under the agreement, we are providing control support to enhance the reliability of measurement values on Sysmex instruments that have already been delivered to the NHL. At the same time, we are supporting the configuration and operation of a national external quality assessment scheme for clinical laboratories within Myanmar. We are also providing technical and scientific expertise to local healthcare professionals. Going forward, Sysmex will continue with initiatives aimed at standardizing and increasing the quality of clinical testing in emerging markets and developing countries.



Explaining the operation of an automated immunoassay system (Mongolia)

Our Record of External Quality Assessment Services in Asia (Fiscal 2016)

Mongolia



- Conducted external quality assessments in the hematology and clinical chemistry fields
- Conducted an external quality assessment in the immunochemistry field

Myanmar



- Under the approval of Myanmar's Ministry of Health, entered an agreement with the national Health Laboratory to provide external quality control support

Philippines



- Conducted an external quality assessment in the hematology field

Thailand



- Conducted an external quality assessment in the hematology field

Cambodia



- Conducted an external quality assessment in the hematology field

Comment

Comment from an Employee Involved with Scientific Support Activities

I work with local people to help improve the quality of clinical testing.

Having actually been to developing countries and seen how clinical testing is performed locally, I was surprised by the differences compared with advanced countries. At the same time, I have understood how essential it is to increase the quality of clinical testing and to boost the level of knowledge about test reliability and the need for testing. The opportunities to meet people engaging in initiatives to increase the level of testing has given me a great deal of courage. I feel it is a great honor for us to support these activities, and I look forward to continuing to be involved in efforts to increase the quality of clinical testing.



Tetsuya Makino
Sysmex Corporation
Scientific Affairs Division

Aiming to Provide Healthcare in Regions with Underdeveloped Infrastructure

Sysmex provides products and services that take into account the world's various healthcare environments and are tailored to the needs of regions and their people. Through this approach, we endeavor to create opportunities for as many people as possible to receive proper medical care.

Case study ➤ [Kenya]

Providing Healthcare Opportunities through the Donation of Mobile Laboratories

Regions lacking electrical equipment and other infrastructure cannot make immediate use of the products and services provided in advanced countries, pointing to the need to provide products and services suited to the needs of those regions and their people. In some regions, knowledge of healthcare is insufficient, and there exists a lack of understanding about the effects of testing and treatment. Patient education and awareness are important issues in such areas.

In the past, Sysmex has provided CyLab mobile laboratories containing Sysmex instruments, primarily in Africa, and compact, portable and inexpensive products to facilitate testing in regions where healthcare instruments are sparse.

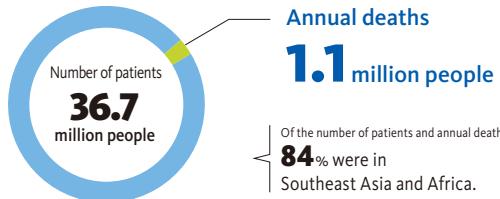
In August 2016, at the Tokyo International Conference on African Development (TICAD VI) in Kenya, we unveiled a mobile lab developed in collaboration with Toyota Tsusho Corporation and Hino Motors, Ltd., that contains Sysmex instruments for diagnosing and monitoring the treatment of infectious disease. We donated the vehicle to the Beyond Zero Campaign*, which is working to raise awareness of maternal and child health and measures to address infectious diseases. As part of an effort to eradicate the three leading infectious diseases (HIV/AIDS, tuberculosis and malaria), the project began with the concept of providing healthcare in areas where healthcare access is difficult. We saw introducing a mobile lab as a way to offer a regular traveling clinic, as well as to educate and promote awareness among patients. Through initiatives such as these, we are aiming to reduce the percentage of deaths from infectious diseases by contributing to their early detection and treatment.

Sysmex will continue working to provide appropriate healthcare to as many people as possible and aims to help resolve the world's healthcare issues by enhancing awareness of healthcare among patients.

Annual Deaths from the Three Major Infectious Diseases in 2015

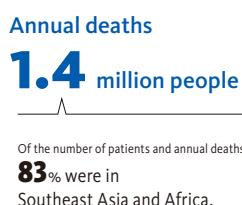
HIV / AIDS

Source: UNAIDS/GLOBAL AIDS UPDATE 2016



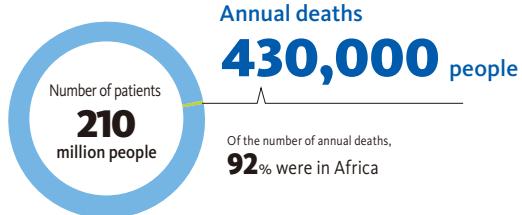
Tuberculosis

Source: WHO GLOBAL TUBERCULOSIS REPORT 2016



Malaria

Source: WHO/World Malaria Report 2016



Sysmex booth at the Tokyo International Conference on African Development



Mobile laboratory



Diagnostic medical instruments inside a mobile laboratory

*This awareness campaign on maternal and child health and measures to address infectious diseases was launched by the wife of Kenya's President Kenyatta in January 2014. In addition to spurring government efforts and raising awareness among the people, the campaign aims to distribute mobile laboratories throughout the country and includes such activities as a charity marathon supervised by Ms. Kenyatta.



Embracing Diversity and Creating a Culture of Innovation

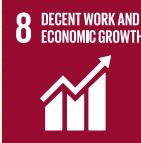
Efforts to promote diversity and initiatives aimed at making the workplace motivating and work meaningful have drawn increasing attention in recent years, and the United Nations' Sustainable Development Goals (SDGs) raise gender equality and decent work in their targets.

Sysmex considers human resources an important management resource for achieving sustainable growth, and we have 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 suitable for a wide variety of human resources. Through synergies arising from different values, perspectives, experiences and capabilities, we are working to create a culture of innovation and generate value.

Relation to the SDGs

The Sustainable Development Goals (SDGs) adopted by the United Nations are comprised of 17 goals to be met by 2030. Goal 5, to "Achieve gender equality and empower all women and girls," and Goal 8, to "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all," call for the realization of the following.

- **Eliminating discrimination against all women in its various forms**
- **Ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.**
- **Introducing and reinforcing appropriate policies and binding rules for promoting gender equality and enhancing the capabilities of all women**
- **Achieving full and productive employment and decent work for all people, and equal pay for work of equal value**



Working to Achieve Diversity and Inclusion

Sysmex conducts its business on a global basis, and Group employees number 7,930, more than 55% of whom are overseas (as of March 31, 2017). 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, perspectives, experiences and capabilities in order to foster flexible and innovative concepts and ideas and generate new value.

By promoting diversity and inclusion and introducing a variety of systems, we are striving to create a working environment that allows diverse human resources to maximize their skills.

Ratio of Female employees
(Sysmex)

40.6%

Percentage of
Female Managers
(Sysmex)

16.2%

Percentage of New Recruits
Who Are Not Japanese Nationals
(Sysmex Corporation)

22.1%

Fiscal 2016 Results

Initiatives to Promote Diversity

Promoting the Participation and Advancement of Women / Promoting Diverse Working Styles (Parenting, Nursing Care)

- Introduction of various leave systems (parental leave, leave for fertility treatment, etc.) and a flex-time system
- Establishment of an in-house daycare center at Technopark, our R&D hub
- Start of introducing a working-at-home system
- Formulation and announcement of action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and announcement of each year's achievements
- Provision of opportunities to listen to input from experienced employees and consider own careers and working styles (diversity round table)

Utilizing Diverse Human Resources (Non-Japanese Nationals, People with Disabilities, Seniors)

- Proactive recruiting of non-Japanese employees (Hiring foreign students studying in Japan and recruiting students directly from universities overseas.)
- Establishment of a support desk for non-Japanese employees
- Creation of round tables to improve the working environment for non-Japanese employees
- Establishment of Sysmex Harmony Co., Ltd., to further promote the employment of people with disabilities to realize an inclusive society
- The outsourcing of some work in Germany to organizations supporting people with disabilities
- The introduction of Ostomates (toilets for people who have had colostomies or urostomies) and other barrier-free facilities and ensuring that workplaces are easily navigable by wheelchair
- Ongoing re-employment

Receiving the Top-Level “Eruboshi” Mark for Promotion of Women’s Participation and Advancement in the Workplace

Sysmex Corporation has been an active proponent of diversity. In addition to respecting the individuality of our employees, we strive to provide them with a workplace where they can realize their full potential. One aspect of these activities involves establishing an in-house daycare center, providing childcare leave that exceeds statutory requirements. Also, based on the Act on Promotion of Women's Participation and Advancement in the Workplace, in April 2016 we formulated the “Action Plan Under the Act on the Promotion of Women's Active Participation,” to cultivate female leaders and promote diverse working styles.

As a positive evaluation of such initiatives, in 2016 we satisfied all five assessment criteria set by the Ministry of Health, Labour and Welfare for promoting the active involvement of women in the workplace. Accordingly, Sysmex Corporation was certified for excellence in this area, earning Level 3 “Eruboshi” certification—the highest level.



“Eruboshi” Certification as
an Excellent Company Based
on the Act on Promotion of Women's
Participation and Advancement
in the Workplace

Embracing Diversity and Creating a Culture of Innovation

Case study [Japan]

Understanding and Putting Diversity into Practice through Diversity Management Training

To promote diversity, we conducted diversity management training five times in fiscal 2016. Participants learned about the evolution of diversity at Sysmex Corporation and its current status, and we promoted understanding about the meaning of encouraging diversity. Attendees gained skills in controlling potential conflicts that could arise from greater levels of diversity, including women, non-Japanese nationals and seniors. Through this training, we aim to foster greater respect for diverse personalities and cultivate an organizational culture that generates ongoing innovation. We plan to develop and expand the scope of this training.

Training Structure



Case study [Japan]

Empathizing and Considering at the Diversity Round Table

We conduct two diversity round tables for people at various stages of life, providing opportunities to consider how to make the most of capabilities, maintain the motivation necessary to continue working enthusiastically in their careers, and think about diverse working styles.

Promotion of women's participation and advancement in the workplace: In this round table, guest speakers recount their experiences and encourage participants to engage in discussions with each other to promote empathy and understanding, providing an excellent first step with respect to their own future careers and working styles.

Improving the workplace environment for non-Japanese employees: Through this round table, we encourage exchanges of opinion on the different worries and needs faced by people from other cultures and identify measures for future improvement. In addition to considering dietary restrictions on religious grounds and promoting the translation of internal documents into English, we provide information about living in Japan and encourage language exchanges with Japanese employees.

Programs Implemented in Fiscal 2016 (Excerpt)

Career-Building for Women

- Considerations for women aiming to be active overseas
- Conversations with people who have overseas experience
- What sort of career suits me?
- Different working styles can successfully suit people differently

(Objective) Consider careers and working styles

Work-Life Balance / Balancing Work with Parenting and Nursing Care

- It's tough for parents with elementary school children!
- A conversation with three working mothers
- We welcome work and parenting!
- A record of our struggles with raising children

(Objective) Consider the balance between housework, parenting, nursing care and work

Comment

Comment from an Employee Who Participated in a Diversity Round Table

This was a good chance to re-evaluate and consider my future working style.

I took part in a round table for female employees with elementary school children. It was easy to relate to the accounts of experiences by other women working in the same company on topics such as how to find time for communication when parents' and children's lives are on different schedules, and mental attitudes and creative twists for working parents. Also, through the program related to the career experiences of female managers, I realized the importance to my own future career of being confident in myself, taking advantage of my own strengths, and not being afraid to charge ahead toward areas of interest even if I make mistakes. The people working in this company live in many different circumstances, and I look forward to participating again in this round table to think about my future working style and enjoy a situation that makes it easy to consider all sorts of things.



Naomi Ooi
Global Support Division
Sysmex Corporation

Case study [Japan]

Establishing Sysmex Harmony to Promote Employment of People with Disabilities

In April 2017, Sysmex Corporation established a new company in Kobe, Hyogo Prefecture, called Sysmex Harmony Co., Ltd., to promote the employment of people with disabilities with a view to realizing an inclusive society.

Sysmex Harmony's main operation is support of production-related functions at the Group's instrument and reagent factories. By creating a workplace where people with various sorts of physical, intellectual and psychological disabilities can work in keeping with their characteristics and disabilities, we aim to foster an environment in which everyone, regardless of disability, can work and grow together enthusiastically and with peace of mind.

In fiscal 2017, we aim to apply for certification of the new company as a special subsidiary under the Act on Employment Promotion, etc. of Persons with Disabilities.

Working Structure Connected with the Local Community

Hyogo Prefecture

Regional organizations

- Public employment security office
- Social welfare corporations, etc.



Recruiting

Regular follow-up

Case study [Germany]

Subcontracting to an Organization That Supports People with Disabilities

For the past 15 years, Sysmex Europe has worked with an organization that endeavors to support the independence of people with disabilities. The company subcontracts packaging work at a manufacturing line of its reagent factory in Germany to people with disabilities.

We strive to maintain high levels of motivation among these workers through sharing our mission, as well as through periodic training and support from employees.

Going forward, we aim to continue providing an environment in which people can work enthusiastically.



Working on the manufacturing line

Sysmex Group

Group companies in Japan

▼ Subcontracting of production-related operation

Sysmex Harmony

▼ Creation of a workplace considering disabilities ▼

Instrument factory (Kakogawa Factory)



- Packing maintenance parts
- Processing waste material within the factory, etc.

Reagent factory (Seishin Factory)



- Folding package inserts
- Packaging, etc.

Comment

Comment from an Employee Involved with the Establishment of Sysmex Harmony

I aim to foster ties with the local community and create a pleasant workplace.

Sysmex Harmony was established with the aim of helping to realize an inclusive society in Hyogo Prefecture. Creating a workplace where people with disabilities could utilize their skills has been a long time issue for Sysmex Corporation. We didn't have the skill related to building such company, so there were many tasks to do. We had many things to consider, such as what types of work the employees could handle and what sort of care was needed. We were able to start preparing due to support from related departments, the people at Hyogo Prefecture's public employment security office and social welfare corporations. As we move forward, we will focus on the concept of realizing an environment in which everyone, regardless of disability, can work and grow together enthusiastically and with peace of mind.



Motohiko Nakano
Human Resources Division
Sysmex Corporation &
Sysmex Harmony Co., Ltd.

Management and CSR

Long-Term Management Targets, Mid-Term Management Plan



The corporate philosophy for the Sysmex Group, the “Sysmex Way,” defines its mission as “Shaping the advancement of healthcare.” On this basis, we have established a Long-Term Management Targets and a Mid-Term Management Plan aimed at contributing to the advancement of healthcare and a healthy life for people around the world.

Long-Term Management Targets (2020)

Sysmex’s Ideals for 2020



Positioning

An Undisputed Global Leader in Hematology, Hemostasis and Urinalysis (Including Alliances)

We will build the earnings foundation to support further Group growth in the Company's core businesses.

A Unique and Competitive Player in the Immunology Field

We will harness unique strengths that other companies cannot emulate and drive Group growth over the medium term.

An Attractive Company Providing Value and Confidence

We aim to become a highly attractive company to diverse stakeholders that offers value and reassurance.

A Leading Company in the Asian *In Vitro* Diagnostics (IVD) Market

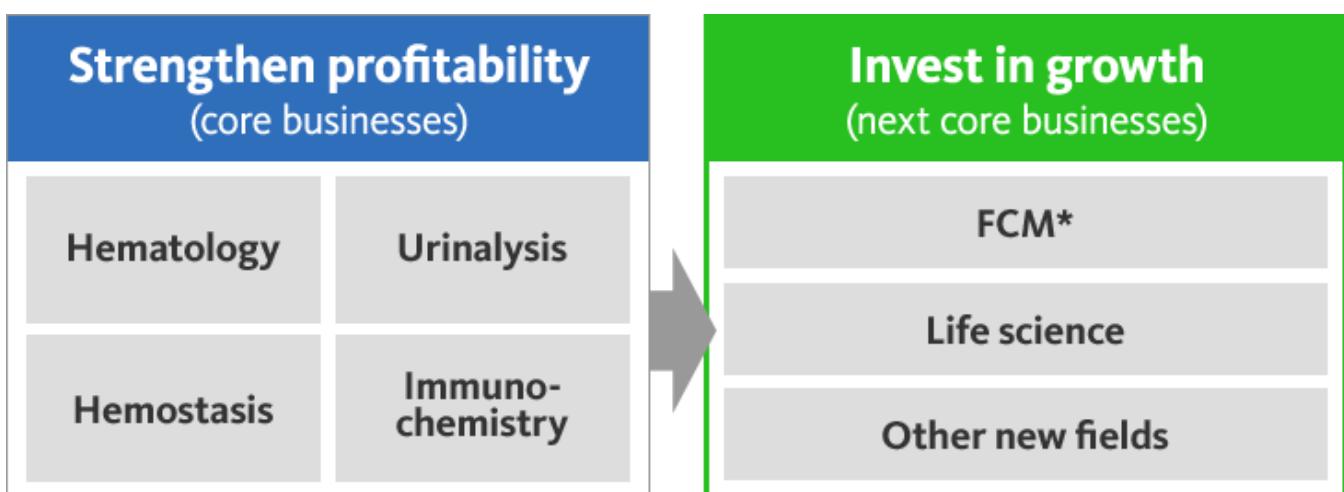
We will leverage our geographic advantage to build a solid position in the Asian market in immunochemistry and other growth fields, as well as hematology.

A Leading Global Player Making a Contribution to Personalized Medicine

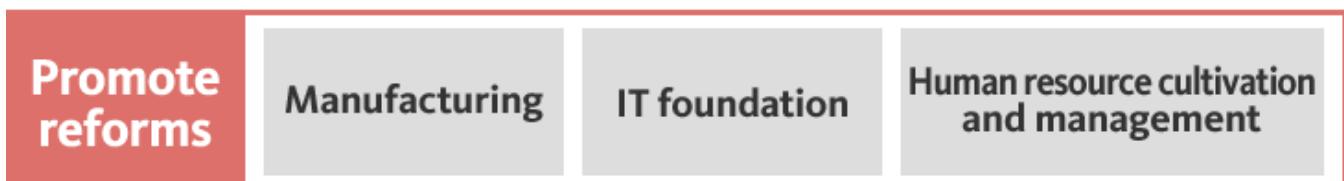
By augmenting value in testing (diagnostics) based on leading-edge technologies, we will accelerate Group growth and establish our global position.

One Sysmex Carrying Out High-Speed Management Through optimal teamwork throughout the Group, we aim to be a corporate entity that conducts highly efficient and swift management.

Mid-Term Management Plan (Fiscal Years Ending March 31, 2018 to 2020)



* Abbreviation for flow cytometry



Strengthen profitability
(core businesses)

- (1) Enhance profitability through market expansion in the hematology field**
- Achieve an undisputed No. 1 position in the United States
(strengthen sales promotion on the West Coast, introduction at prominent commercial labs)
 - Strengthen sales to second-tier and lower hospitals in China
 - Realize high rates of growth in emerging markets
- (2) Expand the urinalysis testing business by increasing new product sales**
- Realize an efficient work flow for urinalysis testing through a new concept
(Urine chemistry + sediment + imaging instrument + data management)
- (3) Bolster profitability by increasing our global share in the hemostasis field**
- Accelerate global development by leveraging our alliance with Siemens
 - Accelerate introduction of fibrin reagents* (China, Japan, etc.)
- * Used to test for clotting abnormalities and thrombosis
- (4) Expand business and improve profitability in the immunochemistry field in Japan, China and other parts of Asia**
- Expand business in the hepatic disease domain
 - Launch unique parameters in China and other parts of Asia
(hepatic fibrosis test reagents, such as the M2BPGiTM assay kit)
 - Improve profitability by reducing cost of sales and expand sales

Invest in growth
(next core businesses)

- (5) Establish a foundation for the FCM business**
- Launch clinical FCM products
 - Step up sales promotion for research and industry use
- (6) Increase the life science business**
- Promote the lab assay businesses of RIKEN GENESIS and Inostics
 - Enter the clinical PCR market, expand business related to gene testing
 - Expand the market for rapid detection of lymph node metastasis based on the OSNATM method
- (7) Commercialize business in other new fields**
- Generate business in ultrahigh-sensitivity HISCLTM, cervical cancer screening systems, glucose AUC (postprandial hyperglycemia monitoring system) and other new areas

Promote reforms

(8) Enhance manufacturing speed and quality

Strengthen development and production capacity by establishing a bio-diagnostic reagent base
Maintain customer trust through high levels of quality and an enhanced system for stable supply

(9) Reinforce IT platforms to optimize operating processes

Optimize supply chain processes
Optimize engineering chain processes

(10) Strengthen human resource cultivation and human resource management to support Group growth

Step up recruiting and cultivation of human resources who are next-generation leaders and who have advanced specialties
Foster a working environment that embraces diverse human resources
(Promote further diversity)

<Contribute to a sustainable society>

(11) In addition to efforts to resolve healthcare issues through our products and services, we will work to be environmentally considerate, reinforce corporate governance and promote diversity, thereby providing unique and new value to diverse stakeholders and contributing to the development of society.

Financial targets (Fiscal year ending March 31, 2020)

Net Sales	¥350.0 billion (CAGR* = 11.9%)
Operating income	¥72.0 billion (CAGR* = 11.7%) (Operating margin of 20.6%)
ROE	20% or more
Operating cash flow	¥55.0 billion
Free cash flow	¥30.0 billion

Exchange rate assumptions: 1USD=¥110, 1EUR=¥115, 1CNY=¥16

*CAGR (compound annual growth rate): For fiscal years ending March 31, 2018 to 2020

Basic Policy and Structure

Basic Policy and Structure

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.

► Please click here for our corporate philosophy and core behaviors.

CSR Promotion Structure

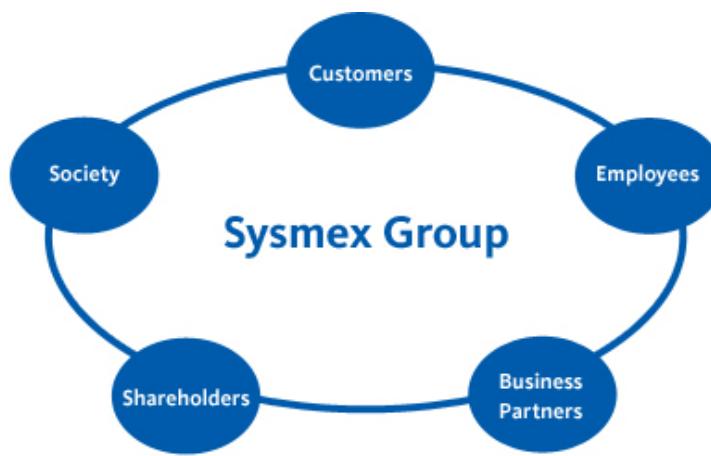
Based on the perspective outlined above, we have set up various committees, headed by executives, to promote activities according to key CSR-related themes, including compliance, risk management and the environment. We have also placed a member of the Managing Board in charge of CSR and established the 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.

Important CSR themes, such as identifying materiality and formulating mid-term CSR plans, are discussed and reported at management meetings attended by members of the Managing Board. We also analyze expectations and requests from society and extract our tasks from this information. Related departments then reflect the tasks in their execution plans and activities, resulting in a PDCA cycle.

Stakeholder Relations

Sysmex's Stakeholders

In line with its basic stance on CSR, Sysmex undertakes a variety of initiatives to instill confidence in its stakeholders.



Core Behaviors

To our Customers

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

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

To our Employees

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

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

To our Business Partners

We deliver commitment to our client companies through broad-ranging partnerships. We strive to be a company that can grow in step with our trade partners, through respect and mutual trust.

To our Shareholders

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

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

To Society

We carry out our business in strict compliance with laws and regulations, as well as in adherence to high ethical standards.

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

Stakeholder Engagement

Through communication with its stakeholders, Sysmex considers whether it responds to stakeholders' requests and expectations through its business activities. The results are reflected in various business activities.

Main Dialogue Achievements in Fiscal 2016

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
Held scientific seminars in each region	Sysmex Corporation and overseas Group companies
Held user group meetings to communicate accurate product knowledge	Sysmex Corporation and overseas Group companies
Ongoing customer training program incorporating customer feedback in each region	Sysmex Corporation and overseas Group companies



39th Sysmex Scientific Seminar (Japan)

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



Training underway at the Global Communication Center

Conducted collective bargaining with the labor union and held labor-management meetings on such topics as workplace environment improvement

Sysmex Corporation

Held briefings on the management policy by executives at each site

Sysmex Corporation

Held dialogues with labor unions

Sysmex Shanghai,
Jinan Sysmex,
Sysmex Wuxi,
Sysmex Vietnam,
Sysmex Thailand,
HYPHEN BioMed

Conducted employee questionnaires and interview

Sysmex Corporation
and overseas Group companies

Dialogue with Business Partners

Held briefings with business partners related to quality control on parts

Sysmex Corporation

Conducted meetings with distributors to explain the Sysmex business plan, among other matters

Sysmex Middle East

Held a business partner meeting

Sysmex Asia Pacific,
Sysmex Korea

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

Held Company tours for individual shareholders

Sysmex Corporation

Dialogue with Members of the Local Community

Held event for local community interaction at R&D core Technopark

Sysmex Corporation



Participated in math and science education-focused "Science Fair in Hyogo" event for high school students

Sysmex Corporation

Open to the public of gardens of Technopark

Engaged in dialogue with community residents through social contribution activities around the world

Group companies in overseas regions

Materiality

Considering Materiality

Sysmex has identified priority issues (materiality items) with a view to realizing a sustainable society and achieving sustainable growth for the Group. We are currently developing a specific action plan based on these identified materiality items and are taking actions accordingly.

Identifying Materiality

The Process of Identifying Materiality

STEP 1: Understand and Organize the Issues

We analyzed society's requirements based on international guidelines, such as the GRI Sustainability Reporting Guidelines (G4), the United Nations Sustainability Development Goals (SDGs) and ISO 26000, as well as screening content from SRI and other assessment bodies. We compared these requirements against the current state of the Sysmex's CSR activities, extracting and identifying related aspects.

STEP 2: Prioritize

We then conducted an overall assessment of the related aspects identified in STEP 1 along two axes: the degree of importance for stakeholders (size of impact on decision-making by stakeholders) and, from the perspective of risks and opportunities, the degree of importance for Sysmex (size of the Company's impact on the economy, environment and society). Through this process, we discovered the most important aspects requiring priority initiatives.

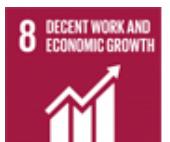
STEP 3: Confirm Suitability, Establish Materiality

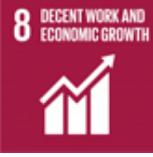
The materiality items organized as a result of STEP 2 were approved at a management meeting chaired by the chairman and CEO.

Sysmex's Materiality Matrix

Degree of importance for stakeholders (society)				
			Important	Very important
			Most important	
Degree of importance for the company				
				Resolution of medical issues through business activities
				Improvement in accessibility to medical services by means such as familiarizing products
				Securing of product quality and safety
				Appropriate disclosure of information regarding products and services
				Assessment and management of the supply chain
				Provision of a comfortable working environment
				Development of human resources
				Promotion of diversity
				Environmental consideration through the product lifecycle
				Reduction in environmental burden through activities at business offices
				Corporate Governance
				Compliance
				Risk Management

Sysmex's Materiality Items

Materiality	G4-Related Perspective	SDGs Targets
Resolution of medical issues through products and services <ul style="list-style-type: none"> Resolution of medical issues through business activities Improvement in accessibility to medical services by means such as familiarizing products 	<ul style="list-style-type: none"> Indirect economic impact Local communities 	  
Responsible provision of products and services <ul style="list-style-type: none"> Securing of product quality and safety Appropriate disclosure of information regarding products and services. Assessment and management of the supply chain 	<ul style="list-style-type: none"> Customer health and safety Product and service labeling Procurement practices Supplier environmental assessment Supplier assessment for labor practices 	 

	<ul style="list-style-type: none"> Supplier human rights assessment Supplier assessment for impact on society 	
Realization of an attractive workplace <ul style="list-style-type: none"> Provision of a comfortable working environment Development of human resources Promotion of diversity 	<ul style="list-style-type: none"> Employment Training and education Diversity and equal opportunity Equal compensation for men and women 	 
Environmental consideration <ul style="list-style-type: none"> Environmental consideration through the product lifecycle Reduction in environmental burden through activities at business offices 	<ul style="list-style-type: none"> Products and services Transport Raw materials Energy Water Emission into the atmosphere Effluents and waste 	   
Governance <ul style="list-style-type: none"> Corporate Governance Compliance Risk Management 	<ul style="list-style-type: none"> Governance Indirect economic impact Compliance (environment, society, responsibility for products) Anti-corruption Anti-competitive behavior 	 

Recognition of the Issues

Resolution of medical issues through products and services

<Recognition of the Issues>

In relation to aging populations in advanced countries, in recent years the need has been growing to reduce healthcare costs and extend healthy lifespans. At the same time, the establishment of medical infrastructure is unable to keep pace with growing populations in emerging markets and developing countries, and some 400 million people around the world are not receiving necessary levels of healthcare*. Boosting access to healthcare services is therefore an issue.

Meanwhile, the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015 set targets for human health and welfare, prompting growing expectations for global companies to undertake initiatives to resolve medical issues.

Under these conditions, the in vitro diagnostics (IVD) domain, which plays an important role in disease prevention, early detection and determining courses of treatment, is expected to contribute to a healthy society by creating new value and solving healthcare issues, including the three most deadly infectious diseases (HIV/AIDS, tuberculosis, malaria).

*Source: WHO “Universal Health Coverage”

- ▶ Please click here for information on Sysmex’s approach and activity results in relation to the resolution of medical issues through products and services.

Responsible provision of products and services

<Recognition of the Issues>

A recent spate of issues involving product quality and recalls have drawn attention to society's demands for product and service quality and safety. Furthermore, in recent years the scope of corporate responsibility has expanded to encompass the entire supply chain, including business partners.

Against this backdrop, it is growing ever more important for companies to build long-term trust-based customer relationships by complying with laws and regulations, paying thorough attention to product and service quality and safety, engaging in measures to enhance customer satisfaction and ensure appropriate disclosure, and supplying products in a stable manner. To achieve these aims, companies are being called upon to work with their business partners to provide responsible products and services that earn customers' trust.

- ▶ [Please click here for information on Sysmex's approach and activity results in relation to the responsible provision of products and services.](#)

Realization of an attractive workplace

<Recognition of the Issues>

In order to achieve sustainable growth, it is considered important for companies to promote diversity and create workplaces that are easy and comfortable to work in. Also, the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015 include goals pertaining to gender equality, decent work and reduced inequalities. In order to achieve these goals, companies are called on to create workplaces that promote work-life balance while helping diverse human resources realize their full potential, as well as for systematic and sustainable human resource cultivation.

- ▶ [Please click here for information on Sysmex's approach and activity results in relation to the realization of an attractive workplace.](#)

Environmental consideration

<Recognition of the Issues>

Global environmental problems are a pressing issue with respect to realizing a sustainable society. The Paris Agreement, which was adopted by the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), calls for all countries and regions of the world to set targets for reducing CO₂ emissions in order to prevent global warming, and mandated measures for reaching these targets. Furthermore, measures to become a recycling-oriented society are becoming an increasingly important topic as the depletion of natural resources grows more serious.

Against this backdrop, in September 2015 the United Nations adopted the Sustainable Development Goals (SDGs), which set numerous targets for addressing environmental issues. The SDGs call for companies, as well as governments, to take on certain responsibilities.

- ▶ [Please click here for information on Sysmex's approach and activity results in relation to environmental consideration.](#)

Governance

<Recognition of the Issues>

Numerous corporate scandals related to corporate governance, risk management and compliance have come to light in recent years, and their impact on society has increased.

In this environment, Japan's Corporate Governance Code came into effect in June 2015, calling on companies to take governance into consideration in non-financial areas, as well as on the financial front.

In addition to strengthening governance and internal control, companies are being called on to buttress their management foundations for promoting risk management and compliance.

- ▶ [Please click here for information on Sysmex's approach and activity results in relation to governance.](#)

Initiatives for Enhancing Effectiveness

Development of an Action Plan

For the identified materiality items, we will boost the effectiveness of the PDCA cycle by setting targets in specific action plans (such as KPIs) and rolling these out into the mid-term CSR plan.

On the environment-related front, based on the Sysmex Group Environmental Action Plan, "Sysmex Eco-Vision 2020" and the Sysmex Group mid-term environmental targets, we will undertake initiatives as a Group to reduce the environmental impact of our business activities.

- ▶ Please click here for details of the mid-term CSR plan (fiscal 2016 results).
- ▶ Please click here for information on the Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020) and the Sysmex Group mid-term environmental targets (Fiscal 2015–2017).

The UN Global Compact

Participation in the UN Global Compact

The Sysmex Group began participating in the United Nations Global Compact in February 2011 to proactively promote its CSR initiatives. Sysmex refers to the 10 principles of the Global Compact and the Sustainable Development Goals (SDGs), which the United Nations adopted in September 2015 in conducting our CSR activities.



- ▶ [Click here for information about the relationship between the Sustainable Development Goals \(SDGs\) and the priority issues to be addressed \(materiality\).](#)

The UN Global Compact's 10 Principles

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

Materiality

Resolution of Medical Issues through Products and Services

Recognition of the Issues

In relation to aging populations in advanced countries, in recent years the need has been growing to reduce healthcare costs and extend healthy lifespans. At the same time, the establishment of medical infrastructure is unable to keep pace with growing populations in emerging markets and developing countries, and some 400 million people around the world are not receiving necessary levels of healthcare*. Boosting access to healthcare services is therefore an issue.

Meanwhile, the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015 set targets for human health and welfare, prompting growing expectations for global companies to undertake initiatives to resolve medical issues.

Under these conditions, the in vitro diagnostics (IVD) domain, which plays an important role in disease prevention, early detection and determining courses of treatment, is expected to contribute to a healthy society by creating new value and solving healthcare issues, including the three most deadly infectious diseases (HIV/AIDS, tuberculosis, malaria).

* Source: WHO “Universal Health Coverage”

Sysmex's Approach

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, we are working to create new value in the IVD field. We believe our mission is to address the shared desire of people around the world to remain healthy.

In particular, resolving healthcare issues and improving access to healthcare through our business activities are linked with creating new technological and social value, thereby contributing to a sustainable society.

Since the time of our founding, we have expanded our product lineup and strengthened our services and support in response to testing needs, working to provide accurate test data swiftly. In recent years, we have been conducting research and development to create advanced, high-value testing and diagnosis technologies with a view to realizing personalized medicine. To boost access to healthcare in emerging markets and developing countries, we are promoting business activities aimed at raising local levels of healthcare.

By leveraging the unique technologies we have cultivated to date, as well as our global network, we will continue to contribute toward the development of healthcare and the healthy lives of people.

Resolution of Medical Issues through Business Activities

Innovation Management

Sysmex aims to provide advanced, high-value testing and diagnosis technologies. We have established an R&D vision, policies and promotion structure to foster innovation.

An R&D Structure That Generates Combinations of a Host of Technologies

The integration of different technologies employed in our instruments, reagents and software enables us to constantly incorporate voice of the customer into our product offerings. At Technopark, our hub for R&D, a congregation of researchers and engineers in a host of fields—electrical, mechanical, biological, chemical and IT, among others—encourages interaction and drives the creation and fusion of new technologies. We have built up a global R&D structure comprising R&D facilities in the United States, Germany, China and other countries.

In addition to expanding our own technology platforms, through open innovation we are pursuing collaboration with research institutes, universities and medical institutions in Japan and overseas. These efforts have led to the introduction of new candidates for diagnostic parameters and enable us to bring advanced and highly valuable diagnostic technologies and reagents to fruition more quickly.

► [Click here for details on the R&D structure.](#)

Promoting the Joint Development of Groundbreaking Testing and Diagnostic Technologies through Open Innovation

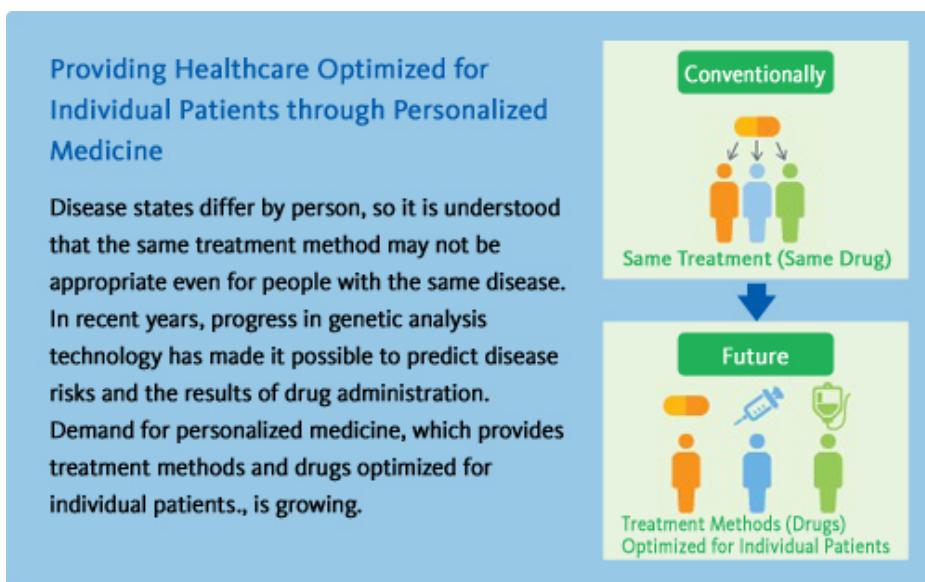
In recent years, expectations have grown for personalized medicine, which provides healthcare optimized to individual patients. To realize personalized medicine, Sysmex Corporation is promoting joint R&D (open innovation) aimed at creating new value. To this end, we have established the Sysmex Open Innovation Lab (SOLA) within Technopark to encourage fusion between our own technologies and those of Japanese and overseas research institutions.

By inviting researchers from outside the Company to SOLA, we promote communication with our researchers and seek to foster a “fusion of knowledge.” We are also increasing collaboration with companies regardless of industry.

In one example, we are collaborating with JVCKENWOOD Corporation to determine at a detailed level the status of individual patient tissues and disease states by measuring exosomes (capsule-shaped particles) in the blood. Through these efforts, we are aiming for the joint development of groundbreaking testing and diagnostic technologies connected with the optimal administration of drugs. It is expected that the many substances exosomes contain might be employed as biomarkers* for diseases including cancer and central nervous system disorders. We are also involved in numerous other projects, ranging from those at the early research stages to projects nearing commercialization.

* Substances that act as markers for certain diseases

► [Click here for information on open innovation.](#)



SOLA, a Place for Open Innovation

To accelerate R&D activities toward the realization of personalized medicine, in 2015 we opened the Sysmex Open Innovation Lab (SOLA) as a place for collaborative R&D with researchers outside the Company. Joint R&D is underway on our basic technology platforms: genes, cells, and proteins.

The Innovation Area, Replete with State-of-the-Art High-Performance Analyzers



The Communication Area, which encourages interaction among researchers, has spaces for free discussion and a book area to promote changes in perception.

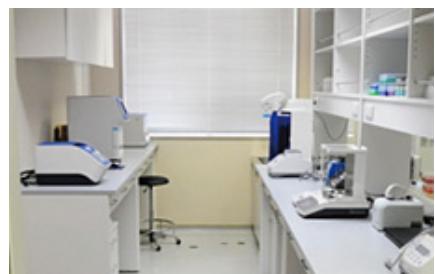


The ICT Area provides supercomputer access and can be used for the analysis of medical big data.



Establishing a Joint Research Lab within the National Cancer Center Japan

In September 2013, Sysmex Corporation 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 10 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



Sysmex Cancer Innovation
Laboratory (SCI-Lab)

genomic medicine^{*1}. This lab meets ISO15189^{*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.

Development with the National Institute of Advanced Industrial Science and Technology of a Reagent to Test for Hepatic Fibrosis

Sysmex Corporation worked with the National Institute of Advanced Industrial Science and Technology (AIST) to develop the HISCL M2BPGi® Assay Kit, a reagent for testing for hepatic fibrosis through blood sampling alone. This was the world's first practical application of technology employing a glycosylation marker^{*} to test hepatic fibrosis.

Left untreated, viral hepatitis, one of Japan's leading infectious diseases, can progress from chronic hepatitis and liver cirrhosis to hepatocellular carcinoma. To treat this disease, determining the degree of hepatic fibrosis due to the hepatitis virus is key. At present, the typical testing process involves living tissue diagnosis, or taking a biopsy of the liver tissue. This method requires hospitalization, placing a substantial burden on the patient on both the physical and economic fronts. The introduction of the HISCL M2BPGi® Assay Kit enables the rapid measurement of the progression of hepatic fibrosis solely through blood testing, reducing the burden on patients and contributing to testing efficiency.

In the aim of providing new reagents using glycosylation markers, in 2016 we also began working with AIST and GlycoBiomarker Leading Innovation Co. Ltd. (GL-i) on joint research into reagents as biomarkers for bile duct cancer.

^{*} Sugar chains are linked monosaccharides that bind the surface of a cell or a protein in the blood. A glycosylation marker is a biomarker that targets structural changes in sugar chains arise from disease.

Sysmex Receives Merit Award from the Minister of Economy, Trade and Industry for the Practical Realization of a System for Diagnosing Hepatic Fibrosis Using Glycosylation Markers

In August 2016, Sysmex Corporation received the 14th Annual Merit Award from the Minister of Economy, Trade and Industry for Collaborative Achievement Between Industry, Academia and Government for the practical realization of a system for diagnosing hepatic fibrosis using glycosylation, developed in collaboration with Advanced Industrial Science and Technology (AIST).

The Annual Merit Award for Collaborative Achievement between Industry, Academia and Government was introduced in 2003 to recognize major success in industry–academia–government collaboration among companies, universities and public-sector research institutions successfully demonstrating examples of substantial contribution through leading-edge initiatives to help promote further industry–academia–government collaboration in Japan. The award received was one of 12 awards bestowed in the current Minister of Economy, Trade and Industry Awards, including the Prime Minister's Award.

[Overview of the 14th Annual Merit Award from the Minister of Economy, Trade and Industry for Collaborative Achievement Between Industry, Academia and Government](#)

Received for:	World's first practical realization of a system for diagnosing hepatic fibrosis using glycosylation
Reason for award:	AIST has a global lead in glycosylation research, and collaboration with Sysmex has resulted in the world's first commercialization of this research. This development enables the status of the entire liver (such as oncogenic risk) to be determined through blood testing only, enabling same-day testing (within 20 minutes) of chronic hepatitis patients.

Contributing to the Early Detection and Treatment of Cancer

As of 2015, there were some 17.5 million cancer patients around the world, with deaths from cancer numbering an estimated 8.7 million. Between 2005 and 2015, the number of cases increased by 33%. Of this figure, 16.4% was attributable to society's aging, 12.6% to population increases and 4.1% to changes in age-specific rates of cancer. Although varying widely by country and region, around the world it is said that one in three men and one in four women will contract cancer at some point in their lives, making cancer one of the most prevalent diseases.*

Through genetic testing and other technologies, Sysmex Corporation is working to contribute to the early detection and treatment of cancer, helping to improve the quality of life of individual patients.

* Source: Global Burden of Cancer 2015

Developing a Lab Assay Service for Research^{*1}, with a View toward the Realization of Personalized Medicine

Sysmex Corporation has begun a lab assay service for research related to genetic testing.

In 2016, the Company began offering the Curebest® 95GC Breast assay service^{*2}, which provides research data to predict recurrence by analyzing breast cancer tissue, and the number of institutions under contract and orders have been rising steadily. In addition, we are currently preparing to launch a lab assay service using BEAMing technology for detecting 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

*1 Provision of laboratory testing results as services

*2 An analysis service for measuring the expression amounts of 95 genes related to breast cancer prognosis

The Spread of Testing Having a Low Physical and Economic Impact

Testing and treatment can place a substantial physical and economic burden on patients. In some cases, patients choose not to undergo testing and treatment for that reason. In others, they face the dilemma of undertaking treatment that comes at a reduced economic cost but carries a higher physical burden.

In an effort to change this situation, Sysmex is working to develop and popularize testing methods that have low physical and economic impact, so that more patients will undergo testing.

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 Corporation 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)

Other Product and Service Topics (From Sysmex Corporation's News Releases in Fiscal 2016)

- Sysmex Receives CE Marking (European Conformity) for Liquid Biopsy RAS Testing for Metastatic Colorectal Cancer -Now Available for Clinical Practices-
- Sysmex's Automated Blood Coagulation Analyzer Certified Under the 5th Heritage Program of Legacy Analytical Instruments/Scientific Instruments
- Sysmex, Astellas and Daiichi Sankyo Sign Memorandum of Understanding on the Creation of a Method for Analyzing Circulating Tumor Cells -Engaging in Joint Research to Create New Cancer Diagnostic Value and Applying It to Drug Research-
- Sysmex Enters into Research Collaboration Agreement in Relation to Cancer and Rare Diseases with the University of Tokyo -Aiming for the Clinical Application of Genomic Medicine-
- Cancer-Related Gene Panel Testing System Designated Under the Ministry of Health, Labour and Welfare's Sakigake Designation System
- Medicaroid Launches the SOT-100 Vercia, Operating Table with the Function to Move Patients Widely

Resolution of Medical Issues through Products and Services

Improvement in Accessibility to Medical Services by Means such as Familiarizing Products

People in some parts of the world have difficulty in receiving appropriate healthcare due to poverty or because healthcare environments and systems and frameworks for providing healthcare are underdeveloped.

Sysmex is taking on the challenge of making advances in the healthcare domain in the aim of helping as many people as possible to live long, healthy lives. We believe that improving access to healthcare is an important theme in resolving healthcare issues. For this reason, in emerging markets and developing countries, we are helping to raise laboratory and other healthcare quality, supporting the education of healthcare professionals and working to develop more inexpensive products. Through these efforts, we are striving to ensure that as many people as possible have access to appropriate healthcare.

Initiatives Targeting the Three Major Infectious Diseases

Known as the three major infectious diseases, HIV/AIDS, tuberculosis and malaria claim about 3 million lives each year. Of the many infectious diseases that exist, these three have long existed on a global scale. In recent years, the spread of therapeutic drugs and vaccines has helped to stem the scale of infection, but economic, social and cultural factors also come into play, and the medical services required for treatment have not yet reached many poor and socially disadvantaged people. Impaired health can also affect economic growth, as it lowers labor capabilities, reduces labor productivity and leads to rising healthcare costs.*

By leveraging the detection technologies it has accumulated in the area of clinical testing, Sysmex Corporation is moving forward with the development of products that assist in diagnosing disease. We are also collaborating with government and academia on initiatives to address the three major infectious diseases.

* Source: "Knowing the Three Major Infectious Diseases", Friends of the Global Fund, Japan

Initiatives to Eradicating Malaria

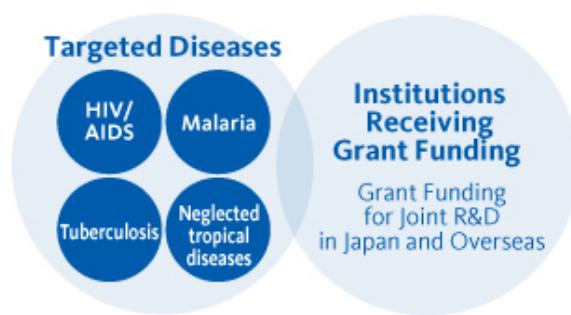
In testing for malaria, in terms of diagnosis and treatment it is extremely important to distinguish between the types of malaria—whether tropical malaria, which can become severe and lead to death, and other types of malaria. Current testing methods, however, involve microscope testing conducted by trained and experienced professionals. Determining and diagnosing the type of malaria in this way takes time, leading to calls for the development of new technology that can distinguish and diagnose the types of malaria simply and quickly.

Using its existing automated hematology analyzer technology, Sysmex Corporation has developed the XN-30, an automated multiparameter hematology analyzer capable of measuring in around one minute red blood cells affected by the malaria plasmodium. This instrument determines the quantity of red blood cells infected by malaria plasmodia and provides information on the type of malarial infection quickly and simply. This product is currently limited to research use, but as the instrument need not be operated by people who are experienced in working with microscopes, we have hopes that the instrument will find a broad range of uses, from basic research to clinical applications.

Each year since 2014, Nikkei Inc. has sponsored the Nikkei Asian Conference on Communicable Diseases. Since 2016, Sysmex has become a special sponsor, taking part in a malaria working group to formulate and implement specific action plans for eradicating malaria. The conference, consisting of government institutions, other organizations, academia and companies around the world, is working on eradicating malaria altogether.

Participating in the Global Health Innovative Technology Fund (GHIT Fund)

Sysmex Corporation is working on development of testing technologies targeting malaria, dengue fever, HIV and other diseases, as well as developing products to contribute to the diagnosis of infectious diseases in emerging markets and developing countries. For three years, since 2015, we have also participated in the Global Health Innovative Technology Fund (GHIT Fund) which states its vision for action 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.” In June 2017, we decided to continue our participation for



GHIT Fund

Global Health Innovative Technology Fund

GHIT Fund Framework

another five years from 2018, aiming to contribute to healthcare in developing countries through direct Japanese technological innovation.

Helping to Raise Local Healthcare Levels

As one of its initiatives to help the development of healthcare infrastructure and raise healthcare levels in Asia, Sysmex has supported efforts to raise the quality of healthcare testing in six countries: China, Mongolia, Cambodia, Myanmar, Thailand and the Philippines. We also support laboratory quality control in Africa, in Namibia, Zambia and Zimbabwe, and have contributed mobile laboratories in Kenya.

- ▶ [Click here for our activity highlight on Aiming for a Society in Which All People Receive Appropriate Health Care.](#)

Supporting the Education of Healthcare Professionals

In addition to preparing healthcare infrastructure in place, having in place appropriately trained healthcare professionals is an essential part of improving access to healthcare. To assist, Sysmex conducts seminars and study sessions for healthcare professionals and disseminates state-of-the art scientific information.

- ▶ [Click here for information on Customer Relations](#)

Popularizing Stable and Inexpensive Healthcare by Making Use of iPS Cells

iPS cells^{*1}, which are capable of differentiation into many types of cells in tissues and organs, play a vital role in the realization of regenerative medicine, and are expected to find application on a variety of fronts. One such use is in allogenic transplantation, which uses cells derived from a donor who meets certain criteria. By standardizing the processes, this method is considered to have the potential for enabling production in a planned manner, providing cells of high quality in a stable and inexpensive manner.

Sysmex Corporation, HEALIOS K.K. and Sumitomo Dainippon Pharma Co., Ltd., have commenced joint R&D on pre-transplant immune reaction testing for a regenerative medicine containing RPE cells^{*2} derived from allogenic iPS cells, which have been jointly

developed in Japan by Heelios and Sumitomo Dainippon Pharma, targeting age-related macular degeneration^{*3} and other ocular diseases. Sysmex will use its proprietary technologies to develop a pre-transplant immune reaction testing method. It is anticipated that testing results can be reflected in optimizing immunosuppressive agent administration frequency and dosages for patients following allogeneic cell transplantation.

*1 An abbreviation for induced pluripotent stem cells, iPS cells that are produced from human skin cells or others by transfection of several factors are capable of differentiation into many types of cells organizing

*2 These cells form the tissue on the outermost layer of the retina. Including melanin pigment, they absorb excess light entering the retina, prevent scattering and perform other functions. They also serve as a control gate to regulate the flow of substances between the exterior choroid and the internal retina.

*3 Retinal maculae play an important role in the ability to see, but damage due to advancing age can cause degeneration, resulting in illness in which the eyesight is impaired. In one type of age-related macular degeneration, the macular structure takes on an “atrophic form” along with advancing age. In another, the “exudative form,” new vessels form just below the retina (neovascularity), causing damage to the maculae.

Materiality

Responsible Provision of Products and Services

Recognition of the Issues

A recent spate of issues involving product quality and recalls have drawn attention to society's demands for product and service quality and safety. Furthermore, in recent years the scope of corporate responsibility has expanded to encompass the entire supply chain, including business partners.

Against this backdrop, it is growing ever more important for companies to build long-term trust-based customer relationships by complying with laws and regulations, paying thorough attention to product and service quality and safety, engaging in measures to enhance customer satisfaction and ensure appropriate disclosure, and supplying products in a stable manner. To achieve these aims, companies are being called upon to work with their business partners to provide responsible products and services that earn customers' trust.

Sysmex's Approach

Since establishment, Sysmex has made it a priority to instill trust and confidence among its various stakeholders, including customers and business partners. As a company whose business is in the healthcare sector and is thus closely linked with human life and health, we recognize that ensuring product and service quality and safety and providing appropriate disclosure are of utmost importance.

Specifically, we have created a global quality management system, through which we are consistently striving to maintain or increase quality levels. As initiatives to enhance customer satisfaction, we offer services and support that are closely tailored to customers' needs, employ a framework we call "Voice of Customer (VOC)" to incorporate customer input into our product development and quality improvements, and provide the most recent scientific information. Furthermore, as a company developing its business globally we are reinforcing our systems for delivering a stable supply of products, promoting CSR-

considerate procurement activities and aiming to grow in a sustainable manner in tandem with our business partners.

Going forward, we will continue striving to earn the trust of our stakeholders and instilling confidence by offering responsible products and services.

Responsible Provision of Products and Services

Securing of Product Quality and Safety

Product Quality and Safety Policies

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

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

Quality Management

Building a Global Quality Management System

With regard to our quality management system, at Group companies all production sites and nearly all development sites have put in place management systems following either the ISO 9001 or ISO 13485^{*} international standards. Of our 65 Group companies, 32 have obtained ISO 9001 certification and 19 have received ISO 13485 certification in the aim of reinforcing their quality management systems.

Sysmex also conducts management reviews and audits of quality activities at its principal Group companies to confirm that the management system is operating properly.



Global RAQA Meeting

To share quality-related information throughout the Group, we regularly hold the Global RAQA (regulatory affairs/quality assurance) Meeting, at which Quality Assurance Department managers from Group companies in Japan and overseas gather.

* Quality management system for the design and manufacture of medical devices

Sustainable Improvement Programs

Reinforcing Structures for Maintaining and Enhancing 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.

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.

On factory floors, we introduced clean rooms into our flow cell parts manufacturing process in fiscal 2016. Increasing the cleanliness of the working environment led to higher quality and yields. To reinforce quality at suppliers, efforts to improve process change management and factory audits led to a reduction of around half in the rate of nonconforming parts year on year.

In addition, our global quality complaint processing system 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. Sharing information globally about bugs and malfunctions, as well as corrective and preventive actions, helps us maintain and enhance product quality.

Employee Training

Focusing on Specialized Quality Training

In addition to quality policy training for all employees, we conduct specialized quality education targeting specific departments and job types. Being a company that provides products and services in more than 190 countries and regions around the world, we conduct education on individual countries' regulatory systems for engineers in development divisions, making a thorough effort to develop products in accordance with laws and regulations.

In fiscal 2016, we conducted training related to quality system regulations on requirements for ensuring the quality and safety of medical instruments in the United States. We also conducted training on regulations requiring unique device identification for medical instruments (UDI). At our Ono Factory, we held workshop-style quality training for people responsible for Good Manufacturing Practice (GMP), increasing quality awareness through an exchange of opinions based on case studies.



Group training

Responsible Provision of Products and Services

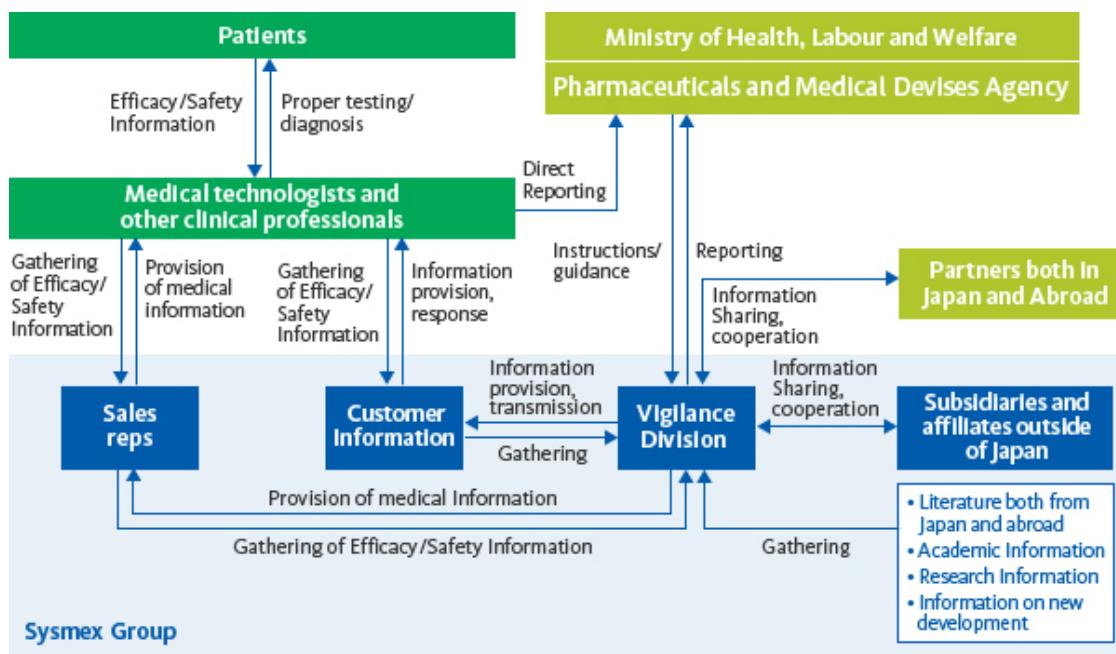
Appropriate Disclosure of Information Regarding Products and Services

Quality and Safety Information

Sharing Customer Feedback on Product Quality and Safety within the Group

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".

- ▶ Please click here for important product notices. (Information for Japanese market)

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.

Responsible Provision of Products and Services

Assessment and Management of the Supply Chain

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.

Supply Chain Management

Promoting CSR Procurement in the Supply Chain

Sysmex 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.

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

- ▶ [Click here for information on green procurement.](#)
- ▶ [Click here for information on the U.K. Modern Slavery Act \(Sysmex UK website\).](#)

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

Conducting CSR Surveys

To confirm 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; preventing bribery of officials in Japan and overseas; and engaging in environmental management. In fiscal 2016, we conducted such surveys at approximately 280 existing business partners. We have a policy of not dealing with new business partners who have problems with their CSR initiatives, so in fiscal 2016 we conducted CSR surveys of seven new business partners and interviewed their managers to check the status of their CSR activities. Our people in charge of procurement visited 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. In addition, in fiscal 2016 we started to confirm whether business partners use metals in their production for us that are subject to conflict mineral disclosure regulations.

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.

Relations in the Supply Chain

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

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

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.

- ▶ [Click here for information about our compliance system and initiatives.](#)

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 2016, 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 manufacturing divisions and 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.

Responsible Provision of Products and Services

Customer Relations

Enhancing Customer Satisfaction

Conducting Customer Satisfaction Surveys in Japan and Overseas

Sysmex takes advantage of its opportunities to contact customers in areas around the world and conduct customer satisfaction surveys. The opinions and requests are communicated to each division and used for product improvement and other efforts.

Customer Satisfaction Surveys Conducted in Fiscal 2016 (Japan)

Target	People attending customer training
Number of responses	294 people
Level of satisfaction with customer training	98.3%

Target	Visitors to Sysmex's booth with the JAMT Congress
Number of responses	1,204 people
Level of satisfaction	98.3% (Up 1.1 percentage point from fiscal 2015)

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. In February 2016, Sysmex launched a new educational support site for healthcare professionals, providing recent clinical information to aid in patient diagnosis and treatment.

Receiving high marks for such initiatives, Sysmex ranked top among manufacturers of hematology analyzers in an IMV ServiceTrak survey (sponsored by IMV) of customer satisfaction for 17 consecutive years.

- ▶ See “Fiscal 2016 Performance Data” for results over the past three years.

Customer Satisfaction Survey Ranks Sysmex America

No.1 for 17 Consecutive Years



Educational support site for healthcare professionals: Clinical Education for Clinicians

Overseas Example (China): Striving to Boost Customer Satisfaction

In fiscal 2016, Sysmex Shanghai conducted customer satisfaction surveys across China. More than 2,000 people took part, awarding the company high marks in multiple categories, including after-sales service quality and response speed. Through the survey, we learned that customers had high expectations for Sysmex’s periodic maintenance and scientific support. Learning from these survey results, we will engage in efforts to enhance customer satisfaction further.

In March 2016, we ranked second in the 2015 China Medical Devices industrial Data & After-sales Service Investigation*, conducted by third-party institutions.



Sysmex Shanghai's customer support center



2015 China Medical Devices industrial Data & After-sales Service Investigation

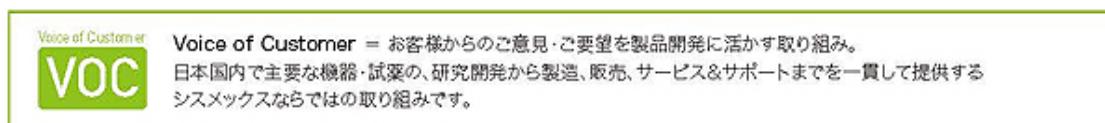
* The investigation was conducted by six organizations, the Magazine of the China Medical Devices, the Medical Engineering Society of Chinese Medical Association, the Clinical Engineers Society of Chinese Medical Doctor Association, the Clinical Medicine Engineering branch of Chinese Society of Biomedical Engineering, the Health Newspaper and the People's Medical Publishing House.

After-Sales Support

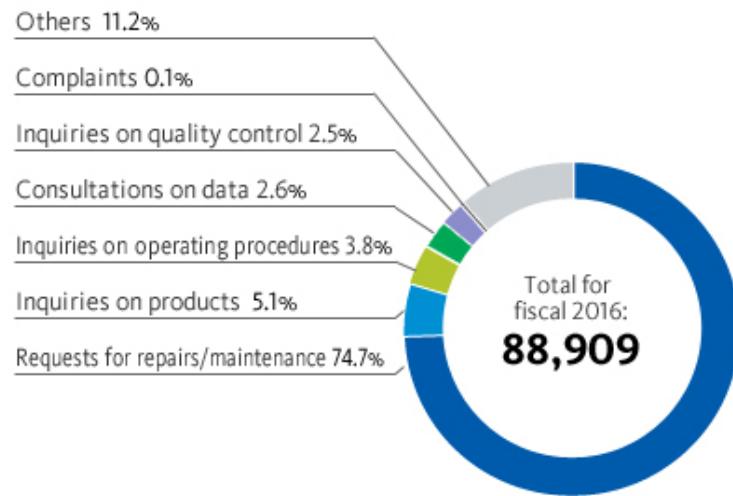
Responding to Inquiries Rapidly and Responsibly

In Japan, Sysmex 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. In fiscal 2016, we gathered some 16,000 customer comments in the Japanese market. We have received a positive response to the VOC mark we use in our product catalog to indicate instruments with new functions and instruments that we have added as a result of customer input.



Inquiries to Customer Support Center



Responding to inquiries at the Customer Support Center

- ▶ See “Fiscal 2016 Performance Data” for results over the past three years.

Utilizing Networks to Provide Customer Support

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 substances” with reference values and results on a daily basis. Sysmex

supports customers' quality control by providing control substances in various fields. Customer instruments are connected to the Customer Support Center via our online Sysmex Network Communication Systems (SNCS).

Measured values of control substances 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, such as the number of operations, maintenance periods, and log and temperature information.



Customer Support Center

Disseminating Information That Is Useful for Customers

As part of our customer support activities, we disseminate information on the “Support Information” section of our website.

In addition to scientific and technical information that is helpful when using our products, we provide videos* covering routine maintenance and methods for addressing error messages.

Up-to-date information is sent out using an e-mail magazine distribution service. We also offer a “personal page” function for managing content and viewing histories. In these ways, we are consistently enhancing functionality to facilitate customer use.



“Support Information” site

* Certain videos can only be viewed by members that subscribe to the Sysmex Network Communication Systems (SNCS).

Holding a Global Meeting on After-Sales Support

In October 2016, 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 37 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 information on recent scientific trends in various regions and engaged in multifaceted consideration of the clinical value of Sysmex products from a scientific perspective, discussing how best to appeal to customers. In the technology session, we focused on the launch timing for new products and took a workshop-type discussion approach on requested themes as service training and training materials. 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

Recently, the field of clinical testing has met with strong demand for improvement in the quality of test results, and awareness of international standards is increasing around the world. One such standard is ISO 15189 (Medical laboratories—Requirements for quality and competence). The number of clinical laboratories that have obtained this certification is increasing, with the certification having become obligatory in some countries.

Sysmex has received certification under the ISO/IEC 17025 international standard for clinical testing calibration institutions and the ISO 15195 standard, verifying that Sysmex meets the international standards for the quality of the calibration service it provides on its automated hematology analyzers. We are the first company in Japan to receive the accreditation in the field.

A calibration certificate that Sysmex issues is accepted as a globally recognized document that ISO 15189 requires to ensure traceability and traceable calibration. As of December 31, 2016, Sysmex had issued such certificates on more than 1,750 instruments.

Furthermore, SNCS/eQAPi^{*1}, an external quality assessment service Sysmex provides, is the first in Japan in any industry to receive certification under ISO/IEC 17043^{*2} (Conformity

assessment—General requirements for proficiency testing).

*¹ 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.

*² International standard on conformity assessment—general requirements for proficiency testing.

	ISO/IEC 17025: International standard on general requirements for the competence of testing and calibration laboratories	ISO/IEC 15195: International standard on laboratory medicine – requirements for reference measurement laboratories	ISO/IEC 17043: International standard for conformity assessment – proficiency testing
Name of Entity	Reference Measurement Laboratory, Sysmex Corporation	Reference Measurement Laboratory, Sysmex Corporation	Quality Control Services Center, Sysmex Corporation
Certification date	February 14, 2014	March 17, 2015	February 12, 2014
Certification number	RNL00440	PTP00010	PTP00010
Scope of certification	M19 Mass concentration (red blood cell count, white blood cell count, platelet count, hematocrit value, hemoglobin concentration)	M51 Clinical testing (general testing, hematology, clinical chemistry , immunology, other testing)	M51 Clinical testing (general testing, hematology, clinical chemistry , immunology, other testing)
Remarks	First accreditation in Japan in the area of blood cell count	First accreditation in Japan in the area of blood cell count	First accreditation in Japan in all industries

Overseas Example (EMEA^{*}): 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

- ▶ [Click here for information about aiming to improve healthcare levels in emerging markets and developing countries](#)

Scientific Activities

Sysmex holds seminars targeting healthcare professionals in Japan and other Asian countries to provide them with most up-to-date medical information. We also work with various countries' ministries of health, other national institutions and major academic societies on scientific activities aimed at helping to increase the level of healthcare.

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 2016, we held a scientific seminar targeting healthcare professionals (such as doctors and medical technologists) in Japan and other parts of Asia that was attended by approximately 1,000 people. Themed "Searching for the Roots of Disease—Preclinical Stage," the seminar covered clinical basics to applications, providing the most recent information useful in clinical settings.



39th Sysmex Scientific Seminar (Japan)

In October 2016, we held a Sysmex Scientific Seminar in Yangon, Myanmar. Some 170 clinicians and other people attended the seminar, which provided the most recent information pertaining to urinalysis and hemostasis. In addition, in November 2016 we held the 19th Sysmex Scientific Seminar in China, in Shanghai. Around 1,500 people from across China attended the seminar, where physicians active at the forefront provided information about recent trends in clinical testing.

Scientific Seminars for Healthcare Professionals

Date	Region	Theme	Attendees
June 2016	Japan and other parts of Asia	Searching for the Roots of Disease—Preclinical Stage	Approximately 1,000 people
October 2016	Myanmar (Yangon)	The most recent information pertaining to urinalysis and hemostasis	Approximately 170 people
November 2016	China (Shanghai)	Recent trends in clinical testing	Approximately 1,500 people

Overseas Case Study (Asia Pacific): Conducting Support Activities to Raise the Quality of Clinical Testing

Sysmex is working with governments and academic societies in Asia's emerging markets and developing countries to support the standardization of through external quality control program. In fiscal 2016, we provided external quality control in Mongolia, Thailand, the Philippines and Cambodia. We also signed an agreement related to scientific support in Myanmar. Through these efforts, we are working to raise the quality of clinical testing in various countries.

- ▶ [Click here for information on activity highlights.](#)

Overseas Case Study (China): Cooperating on Authorship of a Specialized Text for the Chinese Laboratory Medicine

In June 2016, a specialized Chinese-language text entitled “Encyclopedia of Clinical Examination Equipment” was published. Sysmex’s Regulatory Affairs Division cooperated on the writing of the first chapter, “Standardization and Regulations.” More than 700 specialists were involved in creating the text, which was produced during a three-year period. The text earned high marks from academic societies for being both practical and forward-looking in its multifaceted coverage of such themes as basic theory, testing technologies, clinical applications, quality control, recent progress and standard guidelines.



Encyclopedia of Clinical
Examination Equipment

Responsible Provision of Products and Services

Stable Supply

Establishing a Stable Supply Structure

Being a manufacturer of healthcare products, Sysmex sees its mission as providing a stable supply of indisputably high-quality products and services. To fulfill this mission, we pay careful attention to quality control at every stage, from raw material procurement to final inspection when products are shipped.

We operate four instrument factories in Japan (i-Square, Kakogawa Factory, Sysmex RA and Sysmex Medica) and one overseas (Sysmex Partec), as well as two domestic reagent factories (Ono Factory and Seishin Factory) and eight in other countries (Sysmex Reagents America, Sysmex Europe, Jinan Sysmex, Sysmex Wuxi, Sysmex Brazil, Sysmex France, Sysmex Asia Pacific and Sysmex India). With these facilities, we have created a supply structure to meet customer needs. Furthermore, we use multiple business partners for procurement, a proactive approach both for pursuing cost efficiencies and providing a backup system.

Response in Times of Disaster (BCP)

Almost every year, disasters hit worldwide and great many people were killed and a huge damage on the local and world economies were experienced. In the past 30 years, (1984 – 2013), more than 247 million people were killed and more than US\$2.4 trillion was lost in damages. Earthquakes and other large-scale natural disasters occur frequently in Asia, a situation that calls for disaster preparedness and quick response when disaster strikes.

Our disaster preparedness measures related to reagents include stepping up overseas production and hedging risk by diversifying our suppliers of key raw materials. We have also set up a mutual supply system between our factories to use in times of emergency and secured alternative transportation routes. We have created an internal BCP manual on product supply and conduct simulation training.

Just after the earthquakes in Kumamoto occurred in April 2016, we set up a product supply countermeasures headquarters that quickly ascertained the status of all suppliers, determined the degree of impact on our product suppliers and worked rapidly to select alternative products. As a result, there was no impact on our production plan.

* Source: Ministry of the Cabinet, website page on "Disaster Management in Japan"

- ▶ [Click here for information on disaster countermeasures.](#)

Responding to Demand Increases

Expanding Factories and Installing Equipment in Preparation for a Rise in 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 equipments in anticipation of further demand growth. The reagent factory in the United States we are currently expanding is scheduled to commence full-scale production in fiscal 2017, expanding production capacity to around 1.8 times its former level. We are also setting Sysmex Asia Pacific as our regional distribution hub, in a further effort to ensure stable supply.

We will continue improving production lines and logistics to ensure a stable supply of products to meet global demand.

Materiality

Realization of an Attractive Workplace

Recognition of the Issues

In order to achieve sustainable growth, it is considered important for companies to promote diversity and create workplaces that are easy and comfortable to work in. Also, the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015 include goals pertaining to gender equality, decent work and reduced inequalities. In order to achieve these goals, companies are called on to create workplaces that promote work-life balance while helping diverse human resources realize their full potential, as well as for systematic and sustainable human resource cultivation.

Sysmex's Approach

Sysmex recognizes human resources as an important management resource in order to realize sustainable growth, and therefore encourages the recruiting of diverse human resources and taking advantage of their abilities.

Specifically, we have in place a human resource development system that develops capabilities in an ongoing and systematic manner. We promote diversity and inclusion and have introduced various systems to create a workplace that provides peace of mind and enables diverse employees to maximize their skills.

As we strive toward sustainable growth, we will continue in our efforts to build a workplace in which diverse human resources can maximize their potential and provide opportunities for their individual growth.

Realization of an Attractive Workplace

Provision of a Comfortable Working Environment

Fair Evaluation and Treatment

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. We remunerate employees appropriately, according to factors such as their occupations and qualifications, and base salaries are the same, regardless of gender.

Based on the principle of fair treatment, our 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

Sysmex 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 2016 hearing included reporting by 90.3% of employees.

Promoting and Improving the Treatment of Contract and Temporary Employees

Sysmex 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 2016 11 contract and temporary employees were promoted to full-time positions.

In 2016, we introduced a system for managing temporary employees, systematizing contract signing and attendance management. Managing conflicting dates and attendance strengthens our compliance, and we have increased efficiency by making the start-of-work and contract renewal procedures paperless. Coinciding with this introduction, we conducted training on the revised Worker Dispatching act 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.

To provide a more comfortable working environment, we extended the flex-time system for regular employees to apply to contract employees, as well. This system enables employees to efficiently arrange their own working hours to suit individual circumstances, such as visiting the hospital or raising children. Going forward, we will revise our systems as appropriate to enhance our treatment of employees.

► See “Fiscal 2016 Performance Data” for results over the past three years.

Introducing Internal Awards Systems to Motivate Employees

In fiscal 2011, Sysmex introduced the Group CEO Award system for recognizing individuals, divisions or groups that contribute most significantly to the realization of the Sysmex 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 in Japan to promote global personnel intercourse and training.

* EMEA: Europe, the Middle East and Africa

Efforts to Enhance Employee Satisfaction

Sysmex conducts "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.

Sysmex Corporation is striving to improve the working environment by providing opportunities to hear requests from non-Japanese 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 we have identified, so we plan to accelerate such initiatives going forward.

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

Employee-Related Data

- ▶ [Click here for employee-related data.](#)

Development of Human Resource

Human Resource Development

Promoting Global Human Resource Development

Throughout the Group, Sysmex has more than 7,930 employees (as of March 31, 2017) building its business globally, with overseas employees accounting for more than 55% of this total. In order to put into practice the “Sysmex Way,” our Group corporate philosophy, under these circumstances and instill confidence in people around the world, augmenting the skills of individuals is important. We believe it is also essential to foster communication among diverse human resources, encouraging the mutual sharing of values and fostering new insights that will lead to new values and deepen cultural awareness through the joining of creative forces.

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.

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 2016, on average each employee underwent 19.4 hours of training, and average per-employee expenditure amounted to ¥108,000*.



New employee training

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. The center has a discussion area whose layout can be flexibly arranged to meet use requirements, and open spaces where people can sit and chat. At the center, we conduct training for new and other

employees based on Sysmex's human resource development system, in addition to cross-divisional study sessions and training camp for global personnel. We also invite people from outside the Company with a diverse range of values to the center, so as to enhance communication and promote mutual understanding.

* 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.

▶ See “Fiscal 2016 Performance Data” for results over the past three years.

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

Outline of the Global Communication Center

Location :	Ashiya, Hyogo Prefecture
Site area :	33,399m ²
Floor space :	2,914m ²
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

Sysmex 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 2016, in November 20 employees from 11 countries in the EMEA*, Asia Pacific and China regions took part in training through this program. We held a session on the Sysmex Way, discussions with the executives at our headquarters in Kobe, internships, customer visits and other exchange programs. Through these programs, attendees could deepen their understanding of Japanese culture and Sysmex's various functions. In June, September and December 2016, Japanese employees visited Sysmex America, Sysmex Asia Pacific and Sysmex Europe, touring facilities and meeting customers there, taking part in internships and exchanging perspectives with local employees. This exchange helped the Japanese employees learn about the functions and operations of overseas regional headquarters and their understanding of different cultures.



Cross-cultural experience training



Interacting with employees in other regions through operational experiences

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

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 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 35 people had taken part in this program as of March 31, 2017.

* EMEA: Europe, the Middle East and Africa

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 Sysmex instruments.

In fiscal 2016, we broke down training content into smaller segments to help employees in manufacturing workplaces gain accurate knowledge and skills more rapidly. This training was attended by 699 employees.



Training at the Monozukuri Training Center

R&D Innovation Activity to Promote the Growth of Researchers

Sysmex Corporation inaugurated the R&D Innovation Activity in September 2013 to strengthen researchers' teambuilding and proposal-making capabilities.

In addition to individual growth, this activity is people-focused, to foster high levels of technical and applied skills through a self-directed R&D organization in which people independently consider their own objectives, results and roles.

Managers, team leaders, and people in charge of projects help each other through a process in which participants recognize their own roles. Exchange meetings and results presentations were held at the end of the first and second half of the fiscal year, where teams and R&D personnel reported their results, confirming their mutual growth. Leaders from divisions that have taken part in the activity since its start pass on their learnings to the next generation of leaders, further reinforcing the R&D innovation activity.



Presentation of results

Overseas Example (EMEA): Actively Supporting Employees' Personal Growth

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



Training underway

For example, Sysmex Europe conducts "Sysmex 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.

* An internal training method used to help newly hired employees to fit in organization's environment quickly

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 such as 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.

Realization of an Attractive Workplace

Promotion of Diversity

Ensuring Diverse Human Resources

Embracing Diverse Personnel through Diversity and Inclusion

Sysmex 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 disability. We also aim to foster new innovations and create value through the synergistic effects of diverse values, perspectives, experiences and skills.

Aiming to Equalize Employment Opportunities

Sysmex 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. As in the previous year, we continued to host interns in fiscal 2016, strengthening our measures to help overseas human resources gain a better knowledge of Sysmex. Due to such efforts, foreign nationals accounted for 13.8%* of new graduates hired in fiscal 2016.

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

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 2016, employment of people with disabilities amounted to 1.94%.

In a further effort to promote the employment of people with disabilities, in April 2017 we established Sysmex Harmony Co., Ltd., in Kobe, Hyogo Prefecture, as a new company to realize an inclusive society.

In addition, we are introducing Ostomates (toilets for people who have had colostomies or urostomies) and other barrier-free facilities, and 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 employees with disabilities.

► [Click here for highlights of detailed activities involving Sysmex Harmony Co., Ltd.](#)

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 2016, 22 people who had reached the mandatory retirement age were rehired according to internal rules. We have also begun offering a flex-time system, facilitating diversity in working hours.

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 19.9% in fiscal 2005 to 28.8% in fiscal 2016*. The percentage of female managers has also increased over that period, from 2.4% to 8.8%. Also, the percentage of female managers for the Sysmex Group as a whole was 16.2% in fiscal 2016.

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.

* Based on the number of people employed. (Last fiscal year, the percentage was based on the number of people registered; results have been updated accordingly.)

Sysmex Corporation Receives the Highest-Level “Eruboshi” Certification as an Excellent Company Based on the Act on Promotion of Women’s Participation and Advancement in the Workplace

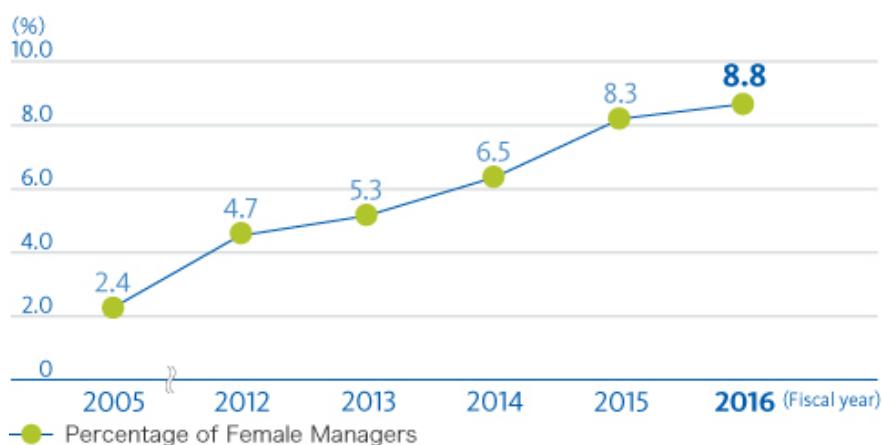
Sysmex Corporation honors the individual of each employee and provides them with a workplace where they can realize their full potential. In 2016, we met all five criteria set by the Ministry of Health, Labour and Welfare for the promotion of women’s participation and received the highest ranking, Level 3, as an “Eruboshi” company, indicating superior initiatives to promote the active participation of women.



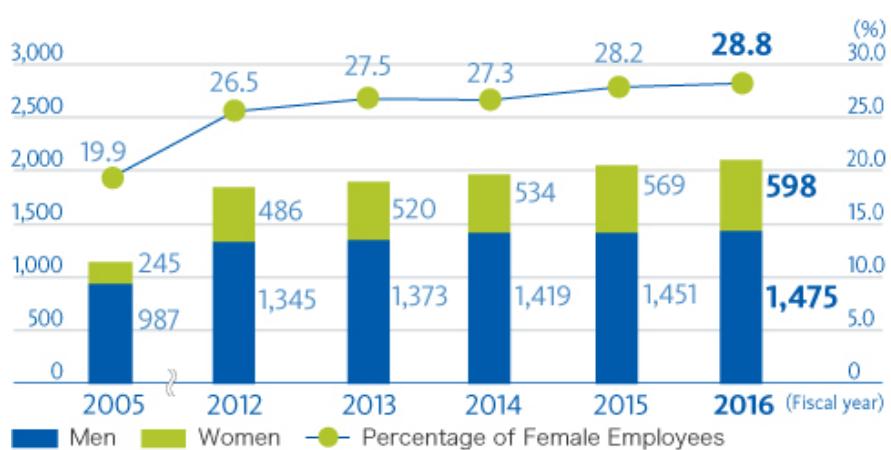
“Eruboshi” mark

- ▶ Click here for activity highlights, which provide details on our Action Plan for the Promotion of Women’s Active Participation and on receiving the “Eruboshi” certification.
- ▶ Act on the Promotion of Women’s Participation and Advancement in the Workplace (Ministry of Health, Labour and Welfare)

Percentage of Female Managers (Sysmex Corporation)



Percentage of Female Employees* (Sysmex Corporation)



* Based on the number of people employed. (Last fiscal year, the percentage was based on the number of people registered; results have been updated accordingly.)

Diversity Round Table

We conduct diversity round tables for people at various stages of life, providing opportunities to consider how to realize their capabilities, maintain the motivation necessary to continue working enthusiastically in their careers, and think about diverse working styles.

- ▶ [Click here for the activity highlight 2 “Embracing Diversity and Creating a Culture of Innovation”](#)

Overseas Example (Americas): 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

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.



In-house daycare center, Sysmex Kids Park



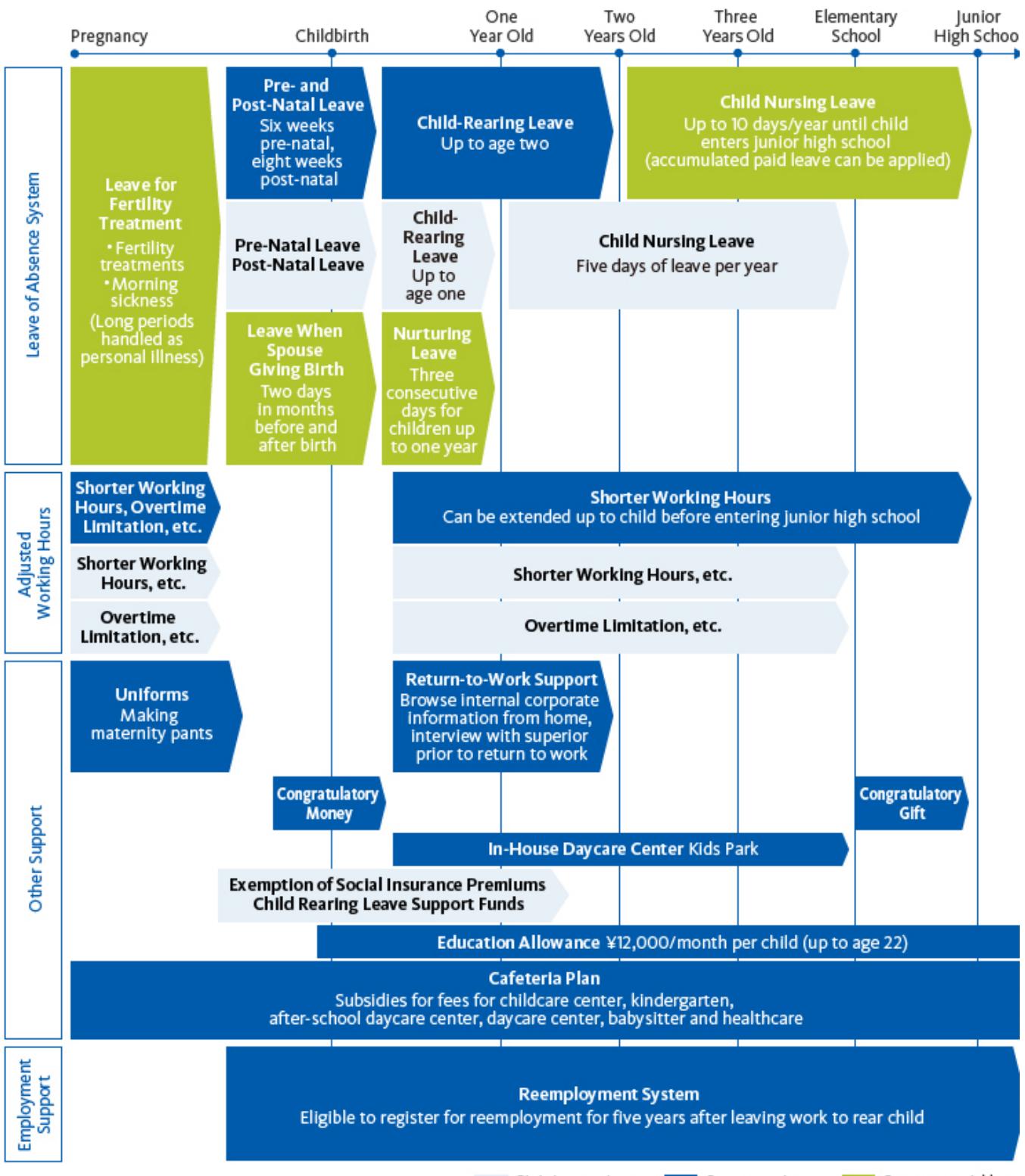
Next-generation support certification logo (nicknamed "Kurumin")

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.

* Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, companies that formulate business plans as general business operators, meet the targets designated by these plans, and meet certain standards may receive "Kurumin" certification as "companies that support child-rearing" by the Minister of Health, Labour and Welfare.

Systems Related to Children



Use of Principal Support Systems (Fiscal 2016)

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)	47 ^{*1}
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)	59 ^{*1}
Accumulated paid leave system ^{*2}	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)	78 ^{*3}
Reemployment system	System to reemploy people who previously left the Company for childcare or nursing-related reasons	5 enrollment ^{*3}
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.	32 children ^{*1}

*1 Regular employees, contract employees, senior contract employees and part-time employees at Sysmex Corporation (excluding people continuing from the previous fiscal year)

*2 In December 2016, we changed the unit of leave time that could be taken from one day to half day, morning or afternoon.

*3 Regular employees at Sysmex Corporation

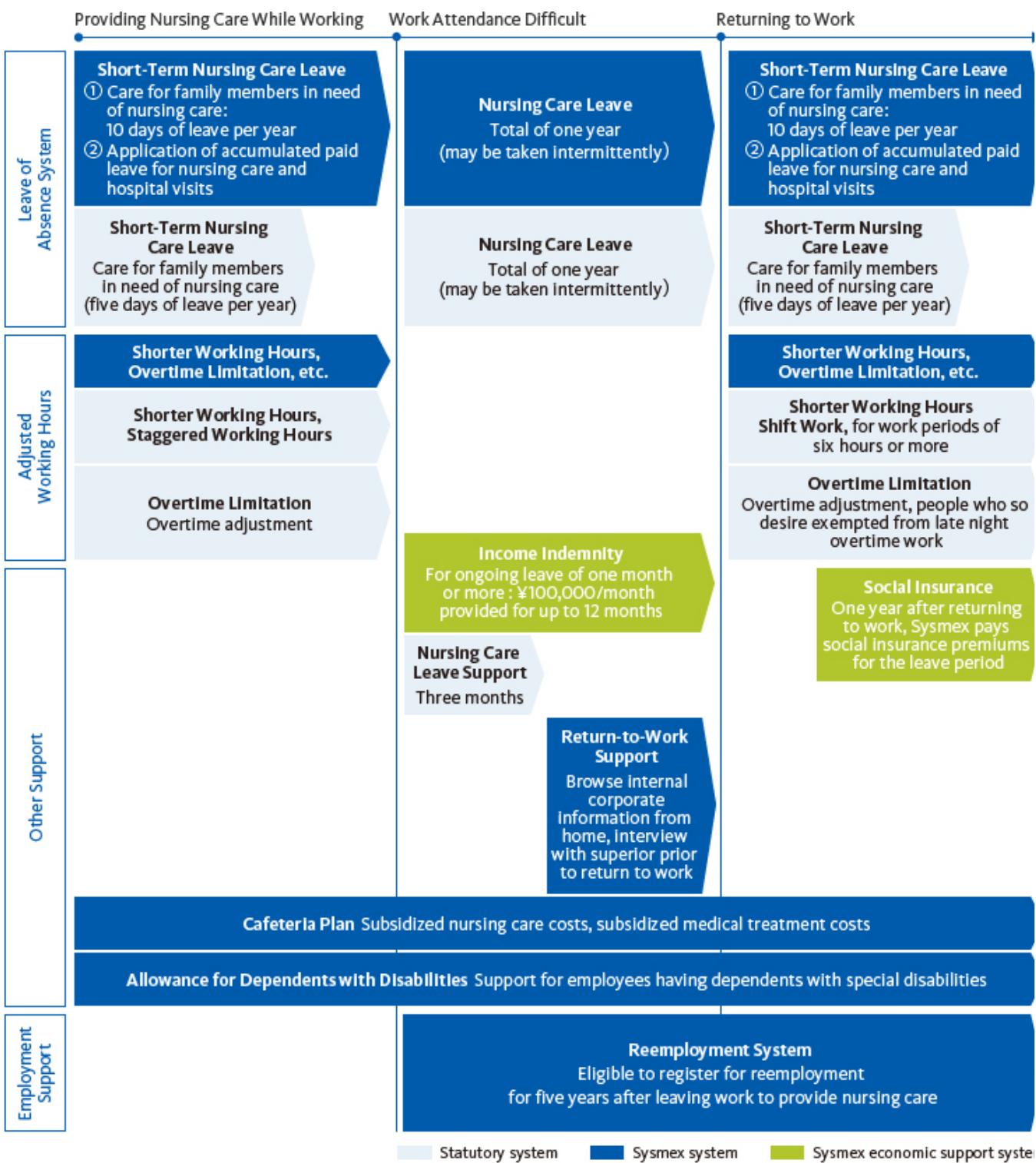
Other Programs to Support a Work-Life Balance

[Supporting Nursing Care, Corporate Citizenship Activities and Others](#)

As one of our systems to realize a work-life balance among its employees, Sysmex Corporation 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 leave in half-day increments, up to 40 days. (In December 2016, we changed the unit of leave time that could be taken from one day to half day, morning or afternoon.) 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, we work to support a work-life balance.

Systems Related to Nursing Care



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. We are gradually expanding the scope of application of our flex-time system, which enables employees to work flexible hours. In fiscal 2016, we extended the system to contract and senior contract employees. We also recommend taking advantage of flex-time on "Premium Fridays."^{*} In our leave system, employees can take paid leave and accumulated paid leave in half day, making the system easier to use. In addition, employees receive e-mail notifications about systems that the company particularly wish to encourage.

* Initiative of the government-business to have workers leave the office early on the last Friday

Overseas Example (Americas): Operating Numerous Systems to Help Manage Work-Life Balance

Sysmex 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, Sysmex 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 Sysmex America in order to facilitate a balance between childcare, nursing care and work.

In recognition of the company's efforts to provide a comfortable workplace, in fiscal 2016 Sysmex America was selected for the Companies that Care Honor Roll for the ninth



Employees of Sysmex Brazil

consecutive year. Also in the Americas, subsidiary Sysmex Brazil was named under Great Place to Work Brazil, establishing its reputation as good company to work for.

- ▶ [Click here for information on selection for the Companies that Care Honor Roll.](#)

Overseas Example (EMEA)*: Promoting a Comfortable Working Environment

Sysmex Europe supports various employee working styles, such as flex-time 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 provides a spacious café area within its office where employees can meet informally and provides lunches free of charge. The company provides relaxing spaces for employees to work, as well. Offices are designed for one to three people, and employees have individual spaces where they can store personal items. As a result of these initiatives, Sysmex Europe has been named a “Great Place to Work” for three consecutive years.

* Europe, the Middle East and Africa



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

Overseas Example (Asia Pacific): Named HR Asia Best Companies to Work for In Asia 2016

Sysmex Asia Pacific and Sysmex Malaysia were both named HR Asia Best Companies to Work for In Asia 2016. This award was based on evaluations of results of an employee survey sponsored by HR Asia on working environments and fulfilling work.

- ▶ See “Fiscal 2016 Performance Data” for results over the past three years.



Sysmex Malaysia receiving award

Realization of an Attractive Workplace

Occupational Safety and Health

Assurance of Safety and Health at Workplaces

Explicitly Ensuring Occupational Health and Safety in the Global Compliance Code

Sysmex'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.

Sysmex Group Global Compliance Code (Excerpt)

8-4 Assurance of safety and health at workplaces

We shall comply with laws and regulations related to workplace safety and health to ensure every Officer/Employee works with peace of mind, and shall maintain and enhance the mental as well as the physical health of every Officer/Employee in a safe and comfortable working environment.

Promoting Cooperation between Executives and Employees on Safety and Health

To ensure the health and safety of its employees, Sysmex Corporation has formulated Safety and Health Regulations and strives to create a safe working environment. In fiscal 2016, we established the Central Safety and Health Committee, which targets Group companies in Japan and meets twice each year. This committee aims to reinforce and enhance domestic Group companies' occupational safety and health systems. To this end, the committee formulates policies and targets, ascertains the status of occupational health at individual business sites, considers improvement measures and reports its results to executives via the Risk Management Committee. The committee has set companywide safety and health targets for fiscal 2017: zero work-related injuries and the promotion of health management for an increase in employee vitality and productivity through investment in improving employee health. Initiatives are to be carried out mainly by Safety and Health Committees at each of our companies and offices.

Health and Safety Committee meetings are held regularly at each office. In addition to examples of near misses and occupational accidents, the committee tours workplaces to

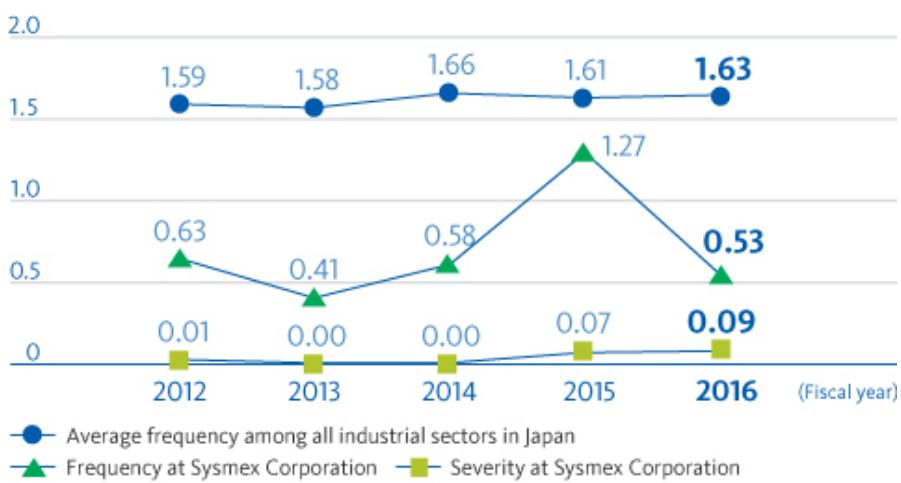
identify risks and, from a risk management perspective, determine causes and deliberate short- and long-term countermeasures.

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 training on the use of AEDs and hold regular courses to train citizen emergency response personnel. In addition, we hold initial-response drills that involve checks to be performed in the event of a disaster— ensuring and confirming employees' safety, checking the disaster status of offices and customers, and sharing information on the status of product supplies.

In fiscal 2016, the frequency of work-related injuries was 0.53 (3 injuries, 0 deaths) and the severity rate was 0.09.

► [Click here for information on training citizen emergency response personnel.](#)

Frequency of Work-Related Injuries / Severity Rate (Sysmex Corporation)



Notes: Frequency of work-related injuries: the number of employee deaths or injuries resulting from work-related accidents per million hours.
Severity of work-related injuries: the ratio of the number of days absent from work due to work-related injuries per thousand hours worked.

Preventing Overwork

Sysmex 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 (Americas): Obtaining Certification under OHSAS 18001*

Sysmex 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 Sysmex Wuxi, one of two reagent factories in China, we have introduced personnel management based on OHSAS 18001. In 2016, to ensure employee safety we introduced an arrangement whereby employees wear safety belts when placing raw materials in factory tanks. We also established a Health and Safety Committee, worked to ascertain the status of work-related injuries and engaged in numerous initiatives, including operational improvements and disaster drills.



Left: Wearing a safety belt while working
Right: Placing raw materials in a tank while wearing a safety belt

At our other Chinese regent factory, Jinan Sysmex, 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

Maintaining and Improving Employees' Health

Sysmex Corporation believes that maintaining and improving employees' physical and mental health is an essential part of creating a safe and comfortable workplace. We encourage 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 infectious substances 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



"White 500" logo for the companies that excel in health management"

include testing for hepatitis B and C. In December 2015, we registered as a partner company in the Cancer Screening Corporate Action^{*1} and Know about Hepatitis^{*2} projects. In November 2016, we signed the Agreement to Promote an Increase in the Rate of Cancer Screening with Hyogo Prefecture.

Ahead of amendments to the Industrial Safety and Health Law requiring stress tests, since fiscal 2009 employees have undergone annual Kokoro no Health Checks to confirm mental health, uncover any harassment-related situations and determine changes over time. Results are reported to executives via the Human Resources Committee and provided as feedback to vice presidents and executive vice presidents, helping to improve divisional operations and the workplace environment. . In fiscal 2015, we expanded the scope of these initiatives to 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.

For newly appointed managers, we conduct training on such topics as harassment—including LGBT^{*3}, personnel administration and the Workers Dispatch Act. We have set up an internal and external reporting desk (Campanula Lines) as a system that anyone can use to make a report. Kokoro no Health Checks are also performed annually to confirm mental health and to uncover any power harassment or sexual harassment-related situations. Feedback is provided to management, and this information is used for training vice presidents, so it can be reflected by them and their divisions.

Should long-term leave become necessary, we have as safety nets leave systems that can be used on an intermittent basis and a long-term leave system. We also 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 provides sports grounds and tennis courts, as well as a gymnasium with training equipment, along with systems for ongoing assistance in using sports facilities. We hold events and seminars to raise employee awareness of physical health maintenance, and employee cafeterias offer healthy menu options.

As a result of these activities, in February 2017 we were recognized by the Ministry of Economy, Trade and Industry for excellence in health management of “companies that excel in health management” (White 500).

▶ [Click here for details of activities related to Cancer Screening Corporate Action.](#)

- *¹ 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 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.
- *³ Acronym referring to sexual minorities (lesbian, gay, bisexual and transgender)

Holding Health Events

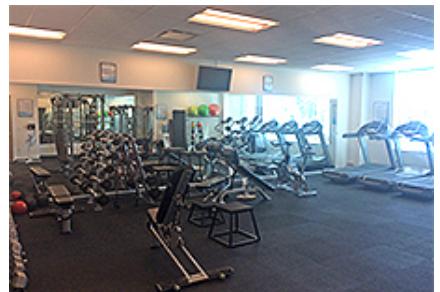
Sysmex promotes campaigns aimed at heightening employee awareness of health. In fiscal 2016, Sysmex conducted a health campaign in which fresh vegetables from a JA Vegetable Event were provided to employee cafeterias (five times). Between April and June, the Company provided menus designed to reduce stress, as well as menus considered to be effective at preventing lifestyle diseases. The Company's cafeteria operator and employees hold cafeteria committee meetings each quarter in an effort to maintain and enhance employee health.

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 (Americas): 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 (EMEA*): 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

* Europe, the Middle East and Africa

Overseas Examples (Other): Examples of Initiatives

Overseas Group companies are also involved in a variety of other initiatives to contribute to employee health, in addition to those outlined above.

Company	Activity
Sysmex UK	Establishment of a 24-hour counseling system Stress risk assessment performed by third parties
Sysmex Shanghai	New establishment of an internal training room
Sysmex Vietnam	Conducting sports activities targeting all employees
Sysmex Korea	New establishment of an internal training room and “refresh” room
Sysmex Partec	Provision of sports courses that employees can participate in during lunch or after work

Realization of an Attractive Workplace

Respecting Workers' Rights

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

Participating in the Global Compact and Supporting Core Labour Standards

Sysmex is a member of the United Nations 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 Sysmex Corporation, except those holding managerial posts and some in back-office operations, are members of the Sysmex Union, the in-house labor union. In fiscal 2016, membership accounted for 60.6% of employees. Jinan Sysmex and Sysmex Wuxi in China, Sysmex Thailand, Sysmex Vietnam and HYPHEN BioMed have also formed labor unions that regularly conduct collective bargaining and other activities.

Labor–Management Dialogue

Engaging in Dialogue with Labor Unions at Group Companies

Sysmex Corporation engaged in collective bargaining with the Sysmex Union in April 2016, with labor and management agreeing on measures to prevent overwork and encourage health-enhancing activities.

We held 13 council meetings between labor and management in fiscal 2016, discussing such topics as measures to encourage better health, the management of working hours and welfare systems. 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 find the organization's unspoken rules, values and the effectiveness of various measures. This is useful in discovering and resolving the issues surrounding the Group.

Respect for Human Rights

Policies Related to Respect for Human Rights

Adhering to the Universal Declaration of Human Rights, ILO's Core Labour Standards, and the UN Global Compact

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.

Sysmex also began participating in the United Nations Global Compact in February 2011, pledging to support and respect the protection of human rights and not be complicit in human rights abuses.

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.

Sysmex Group Global Compliance Code (Excerpt)

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

We shall support the Universal Declaration of Human Rights and Core Labour Standards, and respect fundamental human rights, and shall not commit acts such as discrimination or harassment. We shall also comply with applicable laws and regulations and endeavor to improve occupational health and safety. Further, we shall not commit any unfair labor practices against the personnel of the company.

8-1 Prohibition of discrimination and harassment

We shall not discriminate regarding a person's sex, age, nationality, race, origin, beliefs, religion, social status, lineage, illness, physical disability, sexual orientation, or gender identity, nor shall we behave in a manner that violates the dignity of any person, such as sexual or power harassment.

8-2 Privacy protection

We acknowledge the diverse values of people as individuals and shall respect their privacy. We shall not unnecessarily disclose private information we acquire in the course of our business to any third party, and shall not seek to unnecessarily obtain private information.

8-3 Prohibition of forced labor and child labor

We shall not detain any person against his or her will. We shall not hire persons below the minimum age of employment set forth by applicable laws or regulations.

8-4 Assurance of safety and health in the workplace

We shall comply with laws and regulations related to workplace safety and health to ensure every Officer/Employee works with peace of mind, and shall maintain and enhance the mental as well as the physical health of every Officer/Employee in a safe and comfortable working environment.

- ▶ [Click here for information on research ethics.](#)

Identifying Risk to Human Rights (Human Rights Due Diligence)

According to item “8. To Respect Human rights ant to Improve Occupational Health and Safety” of the Sysmex Global Compliance Code, we believe it is necessary to conduct “human rights due diligence,” which involves identifying negative impacts on human rights, and preventing or reducing them through our business activities throughout the entire supply chain. One measure we have implemented is to conduct CSR surveys of our business partners. Survey topics include prohibiting forced and child labor and eliminating discrimination due to gender, disability, race or other factors. To ensure that Sysmex’s activities are not involved or complicit in human rights abuses, we ascertain impacts on human rights in advance and put in place measures to ensure prevention. At the same time, in response to the U.K. Modern Slavery Act, Sysmex has publicized its statement on the Sysmex UK website.

- ▶ [Click here for information on the U.K. Modern Slavery Act \(Sysmex UK website\).](#)
- ▶ [Click here for information about procurement policies that take into consideration human rights in the supply chain.](#)

Consultation and Reporting Systems Related to Human Rights

Sysmex 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 Sysmex 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.

- ▶ [Click here for information on “Campanula Lines,” our internal reporting system.](#)

Education and Training On Understanding Respect for Human Rights

Conducting Training to Prevent Human Rights Abuses

Sysmex strives to prevent human rights abuses by conducting training on prevention of harassment and regulations related to labor standards.

In fiscal 2016, we conducted training for 113 newly appointed managers on such topics as harassment, including LGBT*, personnel administration and the Workers Dispatch Act. We also held training for new employees and mid-career hires.

* Acronym referring to sexual minorities (lesbian, gay, bisexual and transgender)

Corporate Citizenship Activities

Policy on Corporate Citizenship Activities and Philanthropy

Sysmex 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**

Sysmex 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**

Sysmex 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**

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

Established May 2012

Creation of a Healthy Society

In Japan and overseas, Sysmex works toward the creation of a fulfilling and healthy society by promoting cooperation among industry, government and academia and conducting educational and awareness activities in the healthcare field, providing educational and research grants and taking part in social contribution activities.

Activities in Japan

Participation in the Kobe Medical Industry Development Project

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

Sysmex has set up labs within the Translational Research Informatics Center (TRI), one of the project's core facilities, and the Center for Biomedical Research Activities (BMA), where we promote clinical research and collaborative research with a variety of healthcare institutions and other companies.

▶ [Click here for information on Resolution of medical issues through products and services.](#)

Contributing to Healthcare by Funding University Courses

Since fiscal 2004, Sysmex Corporation 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 high-density lipoproteins.

In fiscal 2017, we established two new funded courses in the field of international clinical cancer research. The courses aim to apply leading-edge technologies, such as artificial intelligence and robotics technology, to the surgical domain and establish surgical treatment methods for cancer that are minimally invasive and offer complete cures. In collaboration with these funded courses, Sysmex will promote R&D of next-generation

medical care and new medical devices by utilizing its liquid biopsy technologies and Medicaroid's robotics technologies.

Contributing to Healthcare through Foundations

In 1984, Taro Nakatani, the founder of TOA MEDICAL ELECTRONICS CO., LTD. (current Sysmex Corporation) established the Nakatani Foundation of electronic Measuring Technology Advancement. In 2012, the foundation changed its name to the Nakatani Foundation for Advancement of Measuring Technologies in Biomedical Engineering. The foundation's core activity is to provide grants for leading-edge technology development in the field of biomedical engineering measurement, providing awards to researchers and offering technology exchange grants.

Since the 30th anniversary of its founding in fiscal 2014, the foundation has broadened its target, commencing grant activities to promote science education at junior and senior high schools. The foundation also set up an international exchange program for university students in the sciences aimed at cultivating researchers who can be active globally. In 2016, the exchange program was conducted between Japan and the United States.

From the time of its launch through fiscal 2016, the foundation has provided 407 grants amounting to a cumulative^{*} ¥1,150 million.

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

Continuing to Cooperate with Blood Donation

At Sysmex, which provides the testing instruments used for blood donations, employees are also active participants in blood donations. In fiscal 2016, some 300 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."

- ▶ [Click here for information on systems to promote employee volunteers.](#)



Blood donation activity (Sysmex RA)



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. Sysmex Corporation took part in a seminar held in Okayama in November 2016 where the Japanese government and companies introduced recent information involving cancer countermeasures being undertaken as part of their work, introducing its own initiatives to address cancer.

In fiscal 2016, we signed the Agreement to Promote an Increase in the Rate of Cancer Screening with Hyogo Prefecture. The prefecture and private companies are conducting grass-roots movements to promote awareness of and encourage screenings. Our efforts will help realize one pillar of the Hyogo Prefecture Cancer Countermeasure Promotion Plan, to promote early detection.

As one aspect of its efforts to foster health awareness, we actively promote education within the Company about cervical cancer examinations. We also participate proactively in related events outside the Company. In April 2017, we participated in the LOVE49 in KOBE project designating Uterus Day in fiscal 2017. We interacted with healthcare professionals, local university students and other participants, gaining valuable information that would be helpful for our future initiatives.

- ▶ [Click here for details on Sysmex’s internal awareness activities.](#)



Certificate of registration for Cancer Screening Corporate Action



Signing ceremony for the Agreement to Promote an Increase in the Rate of Cancer Screening

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 the head office, Technopark and 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.

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



Training course for citizen emergency life-saving technicians

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 participating in official development assistance (ODA), by extending yen credit or through outright donation, aimed at raising the level of healthcare in emerging and developing countries.

Every year, we host trainees visiting Japan through JICA programs at its facilities, conducting training on the use of medical instruments. In fiscal 2016, we conducted training seven times at i-Square and other facilities for 75 participants from 62 countries in Africa, the Middle East, Central Asia and Southeast Asia.



JICA trainees

Holding an Open Lecture on Hepatitis Treatment

To foster a deeper understanding of hepatitis and help create an environment in which hepatitis patients can go about their lives with peace of mind, in November 2016 Sysmex Corporation sponsored the Lecture on Treating Hepatitis (Shonan Region) "Treating Type C Hepatitis Early before It Becomes Hepatic Cancer" as an open lecture for residents held by the Liver Society Kanagawa, a patients' association.



Open lecture

On the day, we invited lecturers from the Shonan Tobu General Hospital, who spoke on the effectiveness of oral drugs on type C hepatitis and issues happened after showing

complete virological response. The lecture was attended by 20 local residents, including patients.

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

Overseas Example (Americas): Making Ongoing Contributions to Organizations That Support Cancer Prevention and Research

To achieve its goal of contributing to a healthy society, Sysmex America regularly donates to organizations that support cancer prevention and research. In fiscal 2014–2016, the company donated more than US\$175,000* 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.

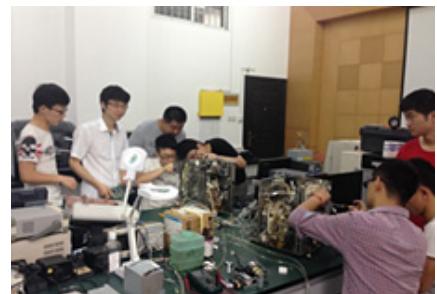
Overseas Example (EMEA)*: “Sysmex Against Cancer” Campaign

From fiscal 2014 to fiscal 2015, 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 ¥31.5 million 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

Overseas Example (China): Collaborating with a College to Cultivate Engineers

China, where testing demand is growing at a rapid pace, faces an urgent need to provide laboratory testing instrument engineers with the requisite specialized knowledge and technological skills. To address this need, Sysmex Shanghai and the Shanghai Medical Instrumentation College (SMIC) together operate a training center for engineers. We conducted training three times in fiscal 2016, for 68 people.



Engineers in training

Overseas Example (Asia Pacific): Providing Free Urinalysis Testing

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, employees at Sysmex Group participated actively in blood donations.

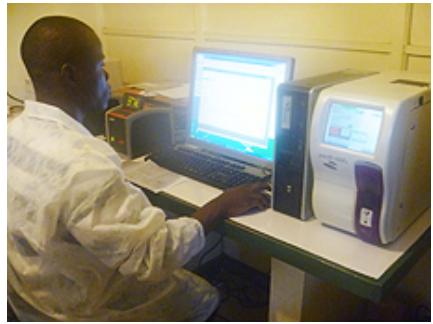
- In April 2016, at Sysmex New Zealand
- In June 2016, at Sysmex Indonesia
- In July 2016, at Sysmex Malaysia

Overseas Example (Asia Pacific): Providing Support for Children with Heart Disease

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

Support for Non-profit Organization Building Medical Infrastructure

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 fiscal 2016, the organization provided free screening for around 3,800 people. In fiscal 2016, Sysmex made a donation to ILFAR corresponding to the screening costs for 1,100 people.



Hematology analyzer donated by Sysmex

Corporate Citizenship Activities

Establishment of a Vibrant Community

To create vibrant local communities with vigorous residents, Sysmex cooperates with local government entities and organizations in Japan and overseas, supporting culture and sports, providing support for disaster-affected areas, contributing to the education of the next generation and taking part in environmental preservation activities. In these ways, we contribute to confidence and vigor in local communities.

Activities in Japan

Sponsorship of the Kobe Marathon 2016

Sysmex 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.

As a special sponsor of the sixth Kobe Marathon, held in November 2016, we provided runners’ bib numbers and exhibited at the Kobe Marathon EXPO. We also fielded volunteers who provided operational support.

The economic impact of this event is calculated to be approximately ¥7 billion in Hyogo Prefecture alone.



Employee volunteers handing out water

Holding Events for Communication with the Local Community

Every year, Sysmex Corporation invites community residents to its offices to strengthen its relationship with the local community. In May 2016, we opened the gardens at Technopark for an event in which some 700 members of the local community joined and strolled about the grounds. On the day, we held a lecture themed on “recommending



Open gardens at Technopark

cervical cancer screening.” Participants also took part in a health check using ASTRIM FIT, our product for checking estimated blood hemoglobin levels without sampling.

At the Solution Center, a community exchange event was held via the Kobe High-Tech Park Association. In fiscal 2016, we participated in and exhibited at a summer festival sponsored by the association, lending space for an AED training session.



Open 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. A record 368 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, we support 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

- 46th Kobe Festival
- Kobe Seaside Bon Odori
- 89th Hyogo Prefectural Elementary, Junior High and High School Art Show
- Fifth Hyogo Concert by the Japan Virtuoso Symphony Orchestra
- Hyogo KOBE Medical Health Fair
- Kobe/Hyogo Youth Meeting the World, 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
- Foundation for Computational Science
- Save the Children
- Nakatani Foundation for Advancement of Measuring Technologies in Biomedical Engineering

▶ See “Fiscal 2016 Performance Data” for expenditure on corporate citizenship activities.

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 we aim to contribute to a healthy community through sports.

Overseas Activities

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 2016, they engaged in the following efforts in various regions.

- Donated 600 gift bags containing snacks and tissues to homeless people together with the PERTIWI Soup Kitchen Project (Sysmex Malaysia)
- Participated in the Kmart Wishing Tree Appeal project to distribute 420,000 Christmas presents to children in need in New Zealand (Sysmex New Zealand)



Donated gift bags to the homeless (Sysmex Malaysia)

Overseas Example (Americas): Selected for the Companies That Care Honor Roll for the Ninth Consecutive Year

Sysmex America was selected for the Companies That Care Honor Roll 2017, sponsored by Companies That Care, a U.S. nonprofit organization. For nine consecutive years, 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 (Americas): Helping to Repair Homes for Low-Income People

Sysmex America supports divisional activities in the Lake County, Illinois conducted by Habitat for Humanity, an international NGO. This organization takes part in efforts to provide homes for low-income people in more than 70 countries around the world. Habitat for Humanity Lake County, the division Sysmex America supports, provides housing so that 214 families (around 900 people) can live with peace of mind. Sysmex America contributes to the cost of repairs for these houses and provides people to assist. In September 2016, the organization handed over homes at which repairs had been conducted from spring through autumn.



Habitat for Humanity Activities

Overseas Example (Americas): Participating in Red Nose Day (A Charity Event to End Child Poverty)

Sysmex America employees organize the Sysmex Care committee, whose activities include participating in the Red Nose Day* charity event to end child poverty. More than 400 employees don red noses and support fund-raising activities.



Red Nose Day activities

* Red Nose Day is a charity activity by Comic Relief, a US NPO, raising money through the Red Nose day Fund in the aim of ending child poverty. Charity activities are characterized by the red noses participants wear. This program supports efforts to help children and young people be safe and healthy and receive an education.

Overseas Example (EMEA)*: Donating to Homes for Children and the Elderly

Sysmex Partec actively supports children in need and the elderly in its community. In fiscal 2016, the company supported children's participation in a summer camp and music and sports classroom. For people in homes for the elderly, it supported a Christmas party.

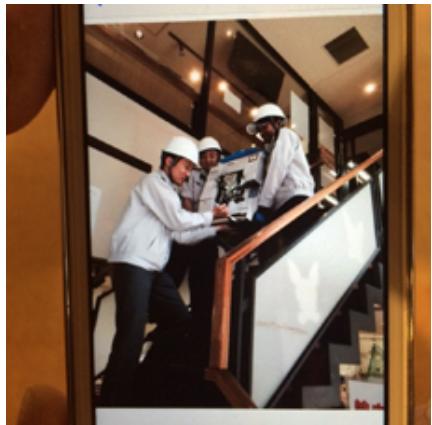
* Europe, the Middle East and Africa

Support for Disaster-Affected Areas

Providing Support for the Region Affected by the Kumamoto Earthquake

In April 2016, a magnitude 7 earthquake hit Kumamoto Prefecture. Since then, large-scale quakes have continued to affect Kumamoto and Oita prefectures. Promptly after the earthquake, Sysmex Corporation set up a disaster response headquarters, supplying mineral water, freeze-dried food, blankets and other support items to hospitals and commercial labs, its customers.

Through the Japanese Red Cross Society, we donated ¥10 million in fiscal 2016 to provide relief to people in the stricken area and to aid in reconstruction of the affected region. Our employees also conducted fundraising activities, donating approximately ¥1.3 million.



Providing support for the region affected by the Kumamoto earthquake

Contributing to the Education of the Next Generation

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.

Hosting Internships and Company Tours

Sysmex Corporation takes a proactive stance toward hosting overseas students. In fiscal 2016, the Company provided internships for four students from the Indian Institute of Technology. We also hosted two students, from the University of Hong Kong and the Hong

Kong University of Science and Technology, providing them an opportunity to learn about Sysmex's unique technologies. We accepted six students for high school internships at i-Square. We also offered hands-on local internships, hosting a total of 25 students in the R&D and scientific affairs divisions and sponsored long-term internships targeting post-doc students.

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.

Nature Preservation and Clean-up Activities

Forest Conservation Activities

Sysmex promotes forest conservation in an aim to contribute to local watershed and biodiversity protection.

- ▶ [Click here for details on forest conservation 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 2016, 800 employees at 20 locations took part in these activities.



Sendai Branch



Sysmex Medica



i-Square

Corporate Citizenship Activities

Employee Volunteer Activities

Encourage Employee Volunteer Activities

Social Contribution Point Program

Sysmex 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 2016, Sysmex made donations to children in developing countries, as well as childhood cancer patients and their families. Some 32% of Sysmex employees in Japan, or 1,074 people, participated in this program, resulting in around ¥1.37 million in donations. A total of ¥3.62 million has been donated through this program in the three years from fiscal 2014.



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**Around 32% of Sysmex employees in Japan participated,
leading to total donations of ¥1,371,400.**

**Antimalarial drugs: 55,800 tablets (UNICEF), support for healthcare-equipped travel
and excursions for children affected by childhood cancer and their parents (Japan Heart)**

In fiscal 2016, employees at each business site conducted cleaning activities and collected such items as used books, stamps, miswritten postcards, second-hand clothes and other items for donation to NGOs and other organizations. In addition, more than 100 picture books and some stationery items collected from employees were donated to institutions for children in the city of Kobe.



Donation ceremony



Donated items

Materiality

Environmental Consideration

Recognition of the Issues

Global environmental problems are a pressing issue with respect to realizing a sustainable society. The Paris Agreement, which was adopted by the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), calls for all countries and regions of the world to set targets for reducing CO₂ emissions in order to prevent global warming, and mandated measures for reaching these targets. Furthermore, measures to become a recycling-oriented society are becoming an increasingly important topic as the depletion of natural resources grows more serious.

Against this backdrop, in September 2015 the United Nations adopted the Sustainable Development Goals (SDGs), which set numerous targets for addressing environmental issues. The SDGs call for companies, as well as governments, to take on certain responsibilities.

Sysmex's Approach

As a company developing its operations globally, Sysmex recognizes increasingly serious environmental issues as a topmost priority. Accordingly, we have formulated long-term environmental objectives in the Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020), which call for environment-friendliness in the product life cycle and efforts to reduce the environmental impact of operational activities. In particular, by targeting environment-friendliness in the product life cycle we expect to reduce costs and secure our competitive advantage in the market. At the same time, we believe we will be able to reduce the environmental impact that results when customers use our products.

With respect to the product life cycle, we are developing environmentally conscious products, reducing CO₂ emissions in our logistics processes and decreasing amounts of packaging materials, among other initiatives. We are also rolling out global measures aimed at lowering CO₂ emissions at business offices and bolstering the recycling ratio.

Going forward, along with the pursuit of sustainable growth we will continue striving to reduce environmental impact—a vital social issue.

Environmental Consideration

Environmental Management

Environmental Policy

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

Group Environmental Management System

Sysmex has formulated Global Environmental Management Regulations to clarify the responsibilities and roles of each Group company. We have assigned a managing director, a member of the Managing Board, 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, makes decisions related to environmental activities. Activities include deliberating on important matters such as Group environmental objectives and conducting management reviews. Within the Environmental Management Committee, we have established the Environmental Management System Promotion Section (chaired by the head of the CSR Promotion Division and membered by people in charge of environmental management system promotion in individual operating divisions) as the organization for executing environmental management. Each operating division promotes environmental activities in line with its function, centered on the person responsible for environmental management system promotion and the person in charge of environmental management system promotion.

Promoting the Acquisition of ISO 14001 Certification

Sysmex is working toward the acquisition of ISO 14001, the international standard for environmental management, for the Group's principal affiliated companies, and Jinan Sysmex was newly certified in fiscal 2016. As of April 30, 2017, we had acquired certifications at 24 locations, and the percentage of employees at locations that had received certifications amounted to 69% of the total number of Group employees. Each location is also promoting transitional activities in line with amendments to ISO 14001.

By centralizing the environmental activities of the Group's activities in Japan, we are working to ascertain the state of progress on activities and any issues, as well as to reinforce management activities. To this end, four companies (Sysmex Corporation, Sysmex International Reagents, Sysmex RA and Sysmex Medica) comprising nine locations have obtained integrated certification. In fiscal 2016, we completed the transition to the amended ISO standards (ISO 14001: 2015).

Status of ISO 14001 Certification

Company Name	Scope	Site	Acquired in
Sysmex Europe (Newly acquired ISO 50001 certification)	Manufacture of reagents for clinical testing	Reagent factory in Germany	November 1999
Sysmex Deutschland	Sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software	Head office	October 2011
Sysmex Corporation	Development, design, manufacture, sale and after-sale service of clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software	Kakogawa Factory	April 2000
		Technopark	February 2002
		Head office	February 2002
		Solution Center	November 2005
		i-Square	February 2015
Sysmex International Reagents	as well as sale of custom proteins	Ono Factory	March 2001
Sysmex Medica		Seishin Factory	June 2007
Sysmex RA		-	March 2001
Sysmex Brazil	Manufacture and sale of reagents for clinical testing	-	June 2008
		-	February 2009

Company Name	Scope	Site	Acquired in
Sysmex America	Sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software, as well as manufacture of testing reagents	-	
Sysmex Reagents America		-	December 2009
Sysmex New Zealand	Design, development, installation and support of healthcare information systems and services, as well as sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software	-	May 2011
Sysmex France	Sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software	-	February 2012
Sysmex India	Manufacture of reagents for clinical testing	-	March 2012
Sysmex Asia Pacific	Sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing	Head office	April 2012

Company Name	Scope	Site	Acquired in
	information systems and healthcare-related software, as well as manufacture and sale of reagents for clinical testing	Reagent factory	
Sysmex Espana	Sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software	-	April 2012
Sysmex Middle East	Sales and after-sales services for clinical testing instruments, various types of analyzers, testing reagents, testing information systems and healthcare-related software	-	March 2013
Sysmex Wuxi	Development and manufacture of clinical testing reagents	-	June 2013
Jinan Sysmex	Development and manufacture of clinical testing reagents	-	January 2016

Conducting Environmental Auditing

In line with environmental management system requirements, we perform regular internal and external environmental audits at locations that have obtained ISO 14001 certification.

In fiscal 2016, three nonconformities were found during internal environmental audits of the four Group companies and nine locations for which certification in Japan has been integrated. One slight nonconformity was found in external environmental audits. Corrective measures have been completed.

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 CO₂ emissions from Japan-domestic and interregional transportation from "per unit of freight ton-km" to "per unit of non-consolidated sales" to reflect the effects of improved loading efficiency. We have also set mid-term objectives toward our environmental action plan objectives. We are currently undergoing initiatives aimed at meeting the targets of the Sysmex Group Environmental Action Plan (Fiscal 2015–2017).

In the new Group mid-term management plan from fiscal 2017, we have also established Group environmental objectives for the companies in Japan. The plan sets three-year environmental objectives for product and service life cycles and operational activities for each division in Japan. On this basis, we have rolled out action plans and are moving forward with initiatives to meet these targets.

Long-Term Environmental Objectives of the Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020) and Sysmex Group Medium-Term Environmental Objectives and Results

	Sysmex Eco-Vision 2020 Long-term Environmental Objectives (Revised Edition)	Mid-term Environmental Objectives (FY2015 – 2017)	Activities/Achievements in FY2016
Environmental consciousness in product life cycle process	Promote eco-friendly products and service models	Promote eco-friendly products and service models	<ul style="list-style-type: none"> • Continued working to reduce electricity use and achieve better compactness in the development of new products • Continued efforts to develop alternatives for animal-derived substances in reagents • By adopting concentrated reagents, decreased reagent switching time and achieved reduction in waste • To reduce waste, increased the number of instrument varieties employing reusable packaging materials • Increased the percentage of customer inquiries and service requests resolved via telephone and network services (compatibility with remote connection) (thereby reducing CO₂ emissions by decreasing the number of visits made using vehicles) <p style="text-align: right;">▶ Click here for details</p>

	Sysmex Eco-Vision 2020 Long-term Environmental Objectives (Revised Edition)	Mid-term Environmental Objectives (FY2015 – 2017)	Activities/Achievements in FY2016
	<p>Reduce carbon dioxide emissions for logistics by 50% (per unit of non-consolidated sales)^{*1}</p> <p>Base year: FY2010</p>	<p>Reduce carbon dioxide emissions for logistics by 45% (per unit of non-consolidated sales)^{*1}</p> <p>Base year: FY2010</p>	<ul style="list-style-type: none"> For exports, promoted shift from air to ocean transport Optimized product package sizes and conducted loading simulations to increase container loading efficiency <p>Results (per unit of non-consolidated sales): Fiscal 2016: 4.937 (t-CO₂/hundred million yen) Base year: 7.252 (t-CO₂/hundred million yen) Against base year: Down 32%</p> <p>▶ Click here for details</p>

	Sysmex Eco-Vision 2020 Long-term Environmental Objectives (Revised Edition)	Mid-term Environmental Objectives (FY2015 – 2017)	Activities/Achievements in FY2016
Environmental consciousness at business offices	<p>Reduce greenhouse gas emissions at business offices by 50%(per unit of consolidated sales)^{*2}</p> <p>Base year: FY2008</p>	<p>Reduce greenhouse gas emissions at business offices by 40% (per unit of consolidated sales)^{*2}</p> <p>Base year: FY2008</p>	<ul style="list-style-type: none"> • Reduced use of electricity by improving production efficiency (Sysmex International Reagents) • Reduced CO₂ emissions by using solar power (Sysmex Europe(Reagent factory in Germany) , i-Square) • Switched to high-efficiency air conditioning units (Solution Center) • Converted to the use of renewable energy for electricity (Sysmex Europe, Sysmex Deutschland, Sysmex Europe (reagent factory in Germany)) <p>Results (per unit of consolidated sales): Fiscal 2016: 7.36 (t-CO₂/ hundred million yen) Base year: 10.07 (t-CO₂/ hundred million yen) Against base year: Down 27%</p> <p>► Click here for details</p>

	Sysmex Eco-Vision 2020 Long-term Environmental Objectives (Revised Edition)	Mid-term Environmental Objectives (FY2015 – 2017)	Activities/Achievements in FY2016
	Achieve a recycle rate of 93% or higher at all business offices ^{*3}	Achieve a recycle rate of 92% or higher at all business offices ^{*3}	<ul style="list-style-type: none"> • Reused as a road paving material the glass waste formerly processed at landfills (Technopark, Solution Center) • Reused packaging material on purchased items (Sysmex Wuxi) <p>Results: Fiscal 2016: 91.8%</p> <p>► Click here for details</p>
	Reduce water usage at reagent factories by 10% (per unit of amount of production) ^{*4} Base year: FY2008	Reduce water usage at reagent factories by 7% (per unit of amount of production) ^{*4} Base year: FY2008	<ul style="list-style-type: none"> • Reused reverse-osmosis (pure) wastewater through improvement of ultrapure water plant (Sysmex Asia Pacific) • Reused industrial waste water after treatment (Sysmex India) <p>Results (per unit of production): Fiscal 2016: 25.4 (m³/thousand boxes) Base year: 21.5 (m³/thousand boxes) Against base year: Up 18%</p> <p>► Click here for details</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, Sysmex Europe(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]

Sysmex Corporation (Kakogawa Factory, i-Square), Sysmex International Reagents (Ono Factory, Seishin Factory), Sysmex Medica, Sysmex RA, Sysmex Europe(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)

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

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

Environmental Risk Assessments

Performing Environmental Risk Assessments

As part of the Group's risk management, Sysmex assesses the impact of business activities on increasingly severe environmental issues from the perspectives of compliance and environmental impact, in an effort to reduce risk and create business opportunities. We conduct risk assessments once every two years under its risk assessment system.

Environmental Education

Conducting Environmental Education and Training

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

Furthermore, for divisions with deep involvement in business activities or requiring specialized knowledge and skills, we conduct specialized training for individuals designated by their divisions as people responsible for and in charge of environmental management system promotion. This training includes regulatory system seminars to gain working knowledge and seminars to cultivate internal environmental auditors. In fiscal 2016, we conducted awareness education about the transition to ISO 14001: 2015. We also conduct specialized and emergency response training for each division, as necessary.

People Undergoing Environmental Education and Training (Fiscal 2016)

Name	Target	Number of People Undergoing Training
General environmental education	Total number of employees at business sites having integrated ISO certification	1,786 people
Regulatory system seminar	People in charge of business sites and development	52 people
Seminar to cultivate internal environmental auditors	Internal environmental auditors (people in charge of environmental management system promotion)	19 people

Environmental Consideration

Environmental Consideration through the Product Lifecycle

Eco-friendly products and services

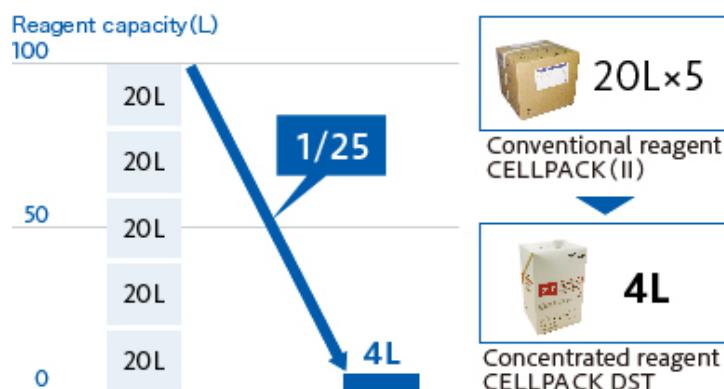
Environment-Friendliness in Product Design

Sysmex has formulated regulations related to product life cycle management in an effort to contribute to energy conservation and waste reduction when customers use our products. These guidelines, aimed at conserving IVD instruments' use of electricity and lowering reagent quantities, are incorporated into technical development.

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 CO₂ 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 Using Reagent Concentrated 25 Times Compared with Conventional Reagents



Environmental Consideration in the Production of Raw Materials

To curtail the use of natural resources, the Sysmex Group 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.

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).

Reducing Environmental Impact Associated with Human Transport through Better Service Efficiency

Sysmex is lowering environmental impact by making service more efficient.

For example, by expanding the functions of the Customer Support Center, we are responding to customer inquiries and service requests so that employees in charge of their customers can visit in a better-planned and more-efficient manner.

Also, instruments operated by customers are connected to the Customer Support Center via our online Sysmex Network Communication Service (SNCS). Through remote support and by making use of accumulated data, we can determine the status of instruments before issues arise, thereby helping to minimize instrument downtime.

By reinforcing system functions in this manner and introducing new service schemes, we are reducing the number of times service personnel use vehicles to visit customers, cutting down on CO₂ emissions. In fiscal 2016, our rate of failure resolution using SNCS increased approximately 7.5%.

- ▶ [Click here for information about SNCS.](#)

Environmentally Conscious Procurement (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.

In our procurement policy, which expresses Sysmex's basic considerations on selecting suppliers and conducting procurement transactions, we ask for business partners' cooperation in promoting CSR-conscious activities.

- ▶ [Click here for information on our procurement policy.](#)

Formulating Green Procurement Standards

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

- ▶ [History of Revisions and Updates of Disclosure Information Related to Green Procurement \(PDF: 36.6KB\)](#)

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

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 be fully aware of and 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

Specifying Prohibited Substances, Substances to Be Reduced and Target Countries

Based on its green procurement standards, Sysmex discloses the following items in 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.

1. Prohibited substances (substances whose use is prohibited), revised on June 30, 2017

- ▶ [Prohibited substances \(PDF/391KB\)](#) 

2. Substances to be reduced (substances whose use must be reduced) , revised on June 30, 2017

- ▶ [Substances to be reduced \(PDF/850KB\)](#) 

3. List of target countries (countries and regions whose environmental laws and regulations provide the basis for prohibited substances and substances to be reduced), revised on June 30, 2017

- ▶ [List of target countries \(PDF/156KB\)](#) 

Environment-Friendly Logistics

Efforts to Lower CO₂ 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 CO₂ emissions. In fiscal 2016, we shifted our mode of transporting reagents, which are considered hazardous materials, to the United States from aircraft to ship, using reefer containers^{*1}. We also made this shift when transporting new products to Germany. This move reduced the annual aircraft transport volume by around 360 tons.



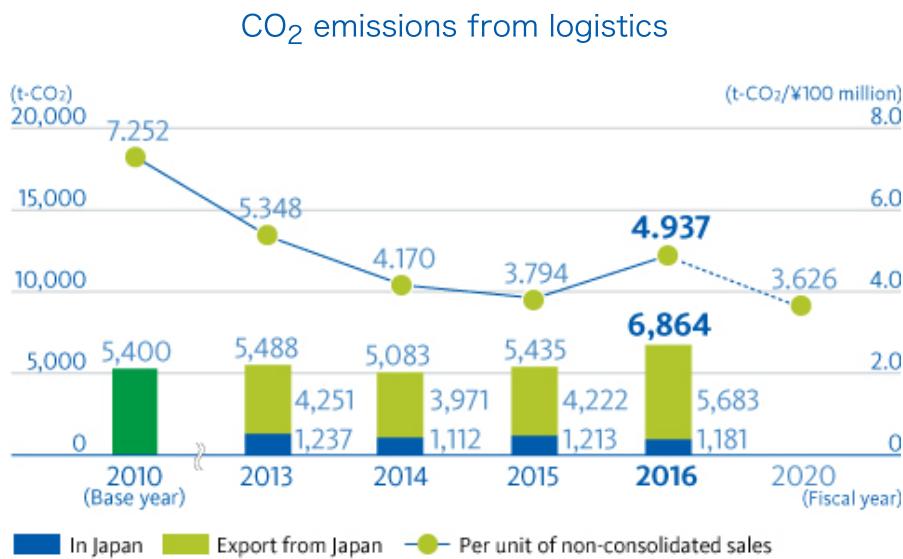
Reefer container

To reduce transport frequency, we have stepped up loading simulations. As a result, we improved our container loading ratio from 52% in fiscal 2013 to more than 70% in fiscal 2015, a level we currently maintain.

In fiscal 2016, the bankruptcy of a shipping company we had used necessitated a sudden increase in air transportation. This resulted in CO₂ emissions (per unit of sales)^{*2} increased from the previous year, but decreased 32% from fiscal 2010, the base year in Sysmex Eco-Vision 2020.

*1 A container with equipment to maintain its internal temperature at a specified level

*2 The base unit for CO₂ emissions (per unit of sales) of logistics was revised in fiscal 2015.



Notes: Range of calculation is CO₂ 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 instruments shipped within Japan, which has reduced our volume of cardboard waste. In fiscal 2016, we adopted reusable packaging for six models, successfully reducing cardboard waste by approximately 18.6 tons per year.

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.

Introduction of Reusable Packaging Materials That Can Be Folded up When Returning



Environmental Consideration

Reduction in Environmental Burden through Activities at Business Offices: Responding to Climate Change

Sysmex Group Global Compliance Code (Excerpt)

11-2 Environmentally-friendly business operations

When engaged in business operations, every Officer/Employee shall pay attention to the impact on the environment based on environment-related international standards, and shall promote activities that address such issues as reduction of greenhouse gas, recycling, and waste reduction, in an endeavor to enhance the global environment through activities to address global climate change.

Basic Perspective on Responding to Climate Change

Climate change due to global warming is becoming increasingly severe, prompting global calls to reduce CO₂ emissions. At the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), held in Paris, France, in 2015, 196 countries and regions adopted a new regulatory framework under the Paris Agreement. Japan publicly committed to reducing greenhouse gas emissions by 26% compared with 2013 levels by 2030.

Sysmex believes that resolving the climate change issue is necessary for a sustainable global environment, and is contributing to the creation of a fulfilling and healthy society. To this end, in 2010 we formulated the Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020), and are involved in ongoing initiatives to reduce CO₂ emissions during the product life cycle and in our operational activities. In formulating Eco-Vision 2020, 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 our corporate environmental policy and long-term environmental targets. Taking global trends into consideration, in 2017 we will formulate the following environmental action plan and are pursuing activities aimed at contributing further to reducing environmental impact.

Reducing Greenhouse Gas Emissions

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.

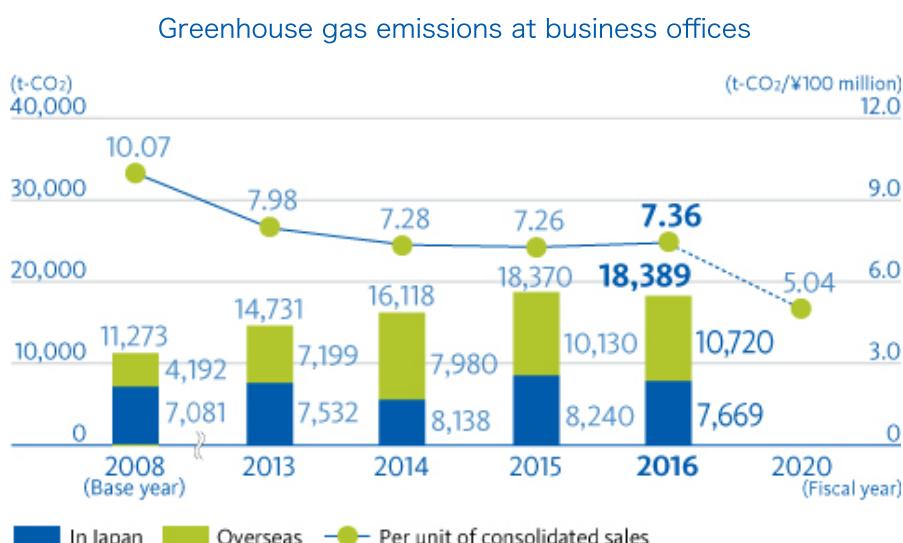


LED Lighting(Ono Factory)

We are implementing energy-saving measures to meet each office's characteristics, such as thoroughly monitoring room temperatures in summer and winter, installing moving detectors to activate staircase lighting, upgrading to energy-saving air conditioning equipment and introducing LED lighting. At our principal business offices, we have installed demand monitoring functions* to control overall electricity use. At the Solution Center, in fiscal 2016 we switched to a high-efficiency air conditioning system that does not use gas, reducing annual CO₂ emissions by around 36%. In Sysmex Malaysia, we conducted a Greener Sysmex Point campaign, awarding points to employees using hybrid vehicles in their work commute, in an effort to lower energy use and CO₂ emissions.

In fiscal 2016, unit greenhouse gas emissions rose approximately 1.1% year on year, affected by an increase in production volumes and our efforts to reinforce overseas bases and augment personnel numbers. Against our Eco-Vision 2020 targets, however, emissions (unit per consolidated sales) were down 27% compared with our base year (fiscal 2008).

* 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.



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

[Factories]

Sysmex Corporation (Kakogawa Factory, i-Square), Sysmex International Reagents (Ono Factory, Seishin Factory), Sysmex Medica, Sysmex RA, Sysmex Europe(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

Decreasing CO₂ Emissions from Domestic Company's Cars

To curtail fuel use and reduce CO₂ emissions from some 400 company cars in Japan, we are making use of our intranet to visualize travel distances and gasoline used by each Company car and heighten driver awareness. We are also introducing fuel-efficient vehicles and hybrid cars. In fiscal 2016, CO₂ emissions by Company cars in Japan were down approximately 2% year on year.

We hold eco-driving courses at branches and sales offices in Japan, with courses held at nine locations in fiscal 2016. As a result of this initiative, gasoline use was down by around 2% year on year. However, the number of truck deliveries handled by Sysmex Medica rose in line with an increase in the number of parts assembled, leading to a 7% rise in diesel fuel consumption.

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 Japan.

Environmental Consideration

Reduction in Environmental Burden through Activities at Business Offices: Resource Circulation

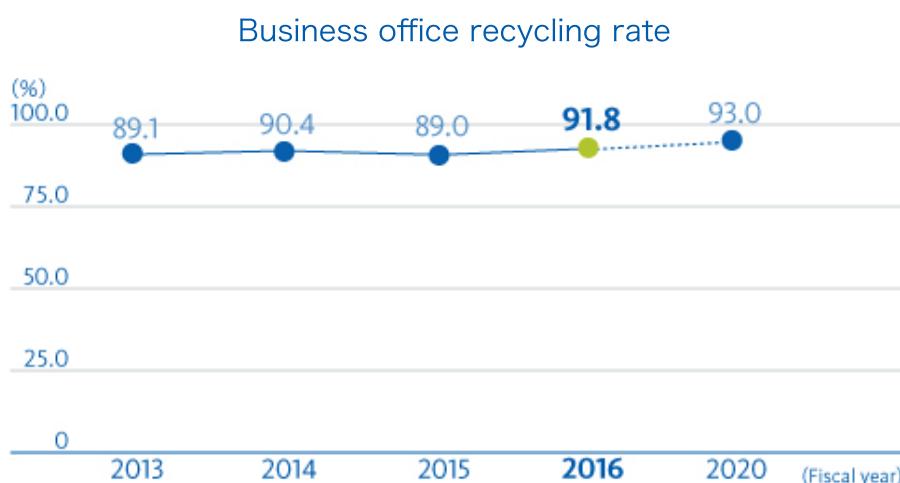
Managing and Recycling Waste

Reducing Waste and Promoting a Stable Recycling Rate

Sysmex engages in ongoing initiatives to reduce waste and increase the recycling rate to decrease its consumption of limited resources and contribute toward the creation of a sustainable society. For instance, Sysmex Wuxi is reusing the polyethylene bags from packaging purchased products as bags for household trash and taking other measures to reduce waste. Jinan Sysmex, meanwhile, has reduced waste generation 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 at Technopark. At the Solution Center, in fiscal 2016 we also began recycling glass waste as a road paving material.

As our business grows, our total amount of waste increases due to the establishment and expansion of new locations and to a rising number of employees. However, as a result of these initiatives our Group recycling rate remains high, at 91.8%. We will continue stepping up our efforts as we work toward achieving the goals outlined in Sysmex 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, Sysmex Europe(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)

* Some figures have been modified from the previous year.

Using Water Resources Effectively

Reducing Water Use and Appropriately Processing Wastewater

Sysmex uses water, both above-ground and underground water, in its business activities, such as its core reagent production. Recognizing the reduction of water use as an important social responsibility, Sysmex sets targets for the reduction of water use in Sysmex Eco-Vision 2020, and is working to improve the efficiency of water use at individual sites. At its reagent factories in Japan, Sysmex is improving production efficiency, working to reduce man-hours and lowering water usage. At Sysmex Asia Pacific, the ultrapure water plant has been improved so that reverse osmosis can be used to recycle wastewater into pure water when the factory is not in operation, a measure that is reducing water use by approximately 19% year on year. At Sysmex India, factory wastewater is purified and used to water the green spaces within the facility. Owing to these measures, in fiscal 2016 our water usage (per unit of production volume) improved approximately 2% year on year, resulting in an 18% increase against our Eco-Vision 2020 targets for water usage.

Water Use at Reagent Factories



Scope of data: Reagent factories (nine locations)

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

Reducing Paper Use

Promoting Digital Data

By using PCs, tablet devices and smartphones and holding paperless meetings, Sysmex Corporation strives to conduct business activities efficiently, with as little use of printed matter as possible. These efforts have led to a decrease in the volume of paper used and waste produced, while also curtailing the number of preparatory processes, such as printing and distribution. Sending materials to meeting participants as data ahead of time has helped save time and make meetings more efficient. We have also begun cutting down on paper use by providing suppliers with product drawings as electronic data rather than on paper.

Environmental Consideration

Reduction in Environmental Burden through Activities at Business Offices: Preventing Pollution

Managing Chemical Substances

Determining the Status of Storage and Use and Managing Harmful Substances

Sysmex uses chemical substances in its R&D and manufacturing processes. We strive to manage chemical substances appropriately to prevent losses, leaks and damage to employee health. 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.

Emission of Harmful Substances and Management and Processing with Regard to Their Release into the Water and Atmosphere

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.

Wastewater Management and Processing

Sysmex has set its own standards for development locations and factories that handle chemical substances, managing wastewater to ensure these levels are not exceeded. In fiscal 2015, we introduced new biochemical oxygen demand (BOD) alarm equipment at the Ono Factory. These systems aim to prevent the release of liquids containing organic matter.

Management Related to Atmospheric Emissions

In response to the Fluorocarbons Emission Control Law, a revised version of which went into effect on April 1, 2015, Sysmex in Japan established response manuals for individual companies. We clarified fluorocarbon-containing equipment we own or manage and worked to determine appropriate use, conducted inspections and determined calculated leakages.

Environmental Consideration

Biodiversity Protection

Involvement with Biodiversity

Sysmex uses water in its core reagent production and understands that it receives a host of benefits from the world's living things as part of its business activities. Accordingly, we recognize that preserving the forests that contribute to local watershed protection is an important social responsibility. We also aim to contribute to the preservation of biodiversity.

Forest Conservation Activities

Contributing to Biodiversity Preservation through the "Sysmex Forest"

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 "Sysmex Forest" and set about making the Satoyama (a human-influenced natural environment) a place of tranquility for people and wildlife. In fiscal 2016, a total of 215 people participated in these activities, which took place 10 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 2014, we protected its habitat and confirmed that it had produced egg sacs for three consecutive years. The first adults were seen in 2016, confirming that we had created a comfortable environment for them to live in. We are also cultivating the Japanese lily, which is being found increasingly infrequently in many regions, helping it to

stage a comeback. Invited by the United Nations to take part in the International Day for Biological Diversity (May 22) in 2017, we registered for the Green Wave, a program being promoted by Japan's Ministry of the Environment, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism. Going forward, through "Sysmex Forest" activities we will continue addressing the issue of biodiversity and promoting understanding and awareness activities.

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

- ▶ [Click here for information on our system for promoting employee volunteers.](#)
- ▶ [Click here for information on the "Sysmex Forest."](#)



Sysmex Forest
(participants in forest
maintenance activities)



Sysmex Forest (protecting
scarce wildlife)

Forest Preservation Activities Overseas (Asia Pacific Region)

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. In fiscal 2016, Sysmex New Zealand participated in the Motutapu Island Restoration Project, sponsored by the country's Department of Environment Protection and the Motutapu Restoration Trust, planting native nursery-trees and tree seedlings. Through this project, Sysmex members will continue supporting efforts to restore the island to its state when it was occupied by the Maori people, with the kiwi and other native flora and fauna that were threatened with extinction as a result of cultivation by European settlers.

As part of its CSR activities in the region where its reagent factory operates, Sysmex India assembled an afforestation team in July 2016. All employees participated in afforestation activities, planting 125 seedlings. The company has earned accolades from a local government development board for its activities.

Sysmex India's reagent factory also received a corporate award in 2014, placing first, for its environmental activities in the Baddhi industrial zone. The company plans to continue environmental activities centered on the region.



Participants in forest
preservation activities in New
Zealand



Afforestation activities in India 1



Afforestation activities in India 2

Materiality

Governance

Recognition of the Issues

Numerous corporate scandals related to corporate governance, risk management and compliance have come to light in recent years, and their impact on society has increased.

In this environment, Japan's Corporate Governance Code went into effect in June 2015, calling on companies to take governance into consideration in non-financial areas, as well as on the financial front.

In addition to strengthening governance and internal control, companies are being called on to buttress their management foundations for promoting risk management and compliance.

Sysmex's Approach

Sysmex recognizes reinforcing corporate governance as a priority management issue. By shoring up our business foundation, we are endeavoring to earn the trust of our stakeholders and enhance corporate value over the medium to long term.

To this end, we made the transition into a company with an Audit and Supervisory Committee and strengthen the supervisory function by external members of the Managing Board, as well as enhancing the Managing Board's effectiveness and reinforcing governance in other ways. In line with these changes, we are putting in place systems to fortify the groupwide risk management function and have established a Compliance Committee and an internal reporting system as initiatives to strengthen our base with a view to sustainable growth.

We will continue aiming to maximize the overall corporate value of the Group through management robustness, better transparency and improved management speed and efficiency.

- ▶ [Click here for information on corporate governance.](#)

Compliance Management

Compliance Structure

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.

In May 2017, we brought into effect a revised version of the Sysmex Global Compliance Code, which we revise periodically in response to changes in our internal and external environments.

Sysmex Group Global Compliance Code

1. Ensuring the Safety of Our Products and Services to Customers

In all our corporate activities, we shall make it a matter of priority to provide our customers with safety and security in the operation and use of our products and services.

2. Promoting Fair Dealing and Free Competition

We shall comply with the laws and regulations of each country and region concerning the promotion of fair and free competition, deal fairly with all our customers and other business partners and conduct transactions under appropriate conditions. In addition, in relation to other companies in the same business, we shall not illegally, dishonestly or unreasonably restrict their business, nor shall we defame them.

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

Our corporate information, such as our Group's financial condition and business activities, shall be disclosed in a fair, prompt, correct, and clear manner in accordance with applicable laws and regulations, and we shall exercise strict control over confidential information collected through our business activities so as not to

infringe the rights of third parties.

4. Implementation of Appropriate Research and Development Activities

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

5. To Respect Intellectual Property

We respect both the rights of our Group's intellectual property and the intellectual property of others.

We shall not unlawfully acquire or use any confidential business information or the proprietary assets of others.

6. To Maintain International Peace and Safety

We shall comply with export- and import-related laws and regulations, and shall not engage in any transaction which may impede the maintenance of international peace and safety.

7. To Conduct Proper Accounting and Appropriate Tax Payments

We shall always apply the appropriate accounting measures and recognize the 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 shall support the Universal Declaration of Human Rights and Core Labour Standards, and respect fundamental human rights, and shall not commit acts such as discrimination or harassment.

We shall also comply with applicable laws and regulations and endeavor to improve occupational health and safety.

Further, we shall not commit any unfair labor practices against the personnel of the company.

9. Prohibition of Conflicts of Interest

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

10. To Maintain Sound Relationships with Society

We shall comply with applicable laws and regulations related to anti-bribery statutes and comply strictly with applicable laws regarding making political donations. The company shall not be intimidated by antisocial activities, behavior and groups, nor maintain any relationship with them.

11. To Preserve the Global Environment

We shall comply with environment-related laws and regulations, and respect the environment throughout our business activities, based on applicable laws and international standards, in an endeavor to preserve and improve the global environment.

Revised May 2017

- ▶ [Click here for the full text of the Sysmex Group Global Compliance Code.](#)

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. In fiscal 2015, we conducted an external assessment on our structure to promote compliance and the status of its operation, in the aim of reinforcing the structure for promoting Group compliance.

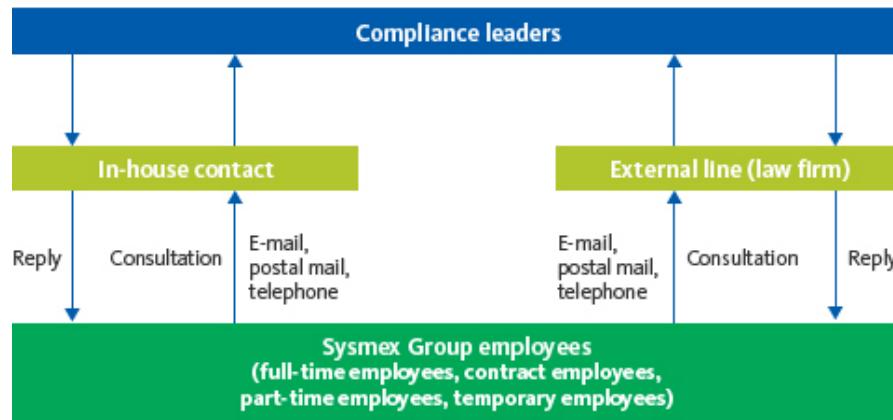
Based on these results, in fiscal 2016 we improved and enhanced our internal reporting system, mainly at Sysmex Group companies overseas. Going forward, we will continue to reinforce our overall structure for promoting compliance.

Establishment of an Internal Reporting System

Sysmex has established and operates an internal reporting system in Japan and overseas.

We have set up “Campanula Lines” as an internal reporting system in Japan. Through this system, we field consultations about compliance-related problems and seek to resolve them quickly. “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. In fiscal 2016, we fielded 13 consultations. We conducted factual inquiries for consultations and dealt with each of them appropriately.

The “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. In addition to educating each employee about the Group's perspectives on compliance and the Sysmex Global Compliance Code, we conduct training for managers and e-learning on specific individual themes, thereby instilling thorough compliance awareness.

Main Compliance Education in Fiscal 2016 (Japan)

- Conducted compliance training for new employees entering Sysmex
- Conducted compliance training for all section newly appointed managers
- Conducted compliance training for newly appointed executives at Sysmex CNA
- Conducted e-learning at Group companies related to bribery prevention laws
- Conducted e-learning at Group companies related to anti-competition laws
- Conducted e-learning on the revised Sysmex Promotion Code
- Conducted training on the Sysmex Promotion Code for R&D divisions

▶ [Click here for information on the Sysmex Promotion Code.](#)

Main Compliance Education in Fiscal 2016 (Overseas)

- Conducted training on the Sysmex Global Compliance Code
- Conducted e-learning related to bribery prevention laws
- Conducted e-learning related to anti-competition laws
- Conducted education related to sunshine laws

Security Export Control

Structure

Putting in Place a Management Structure

The Global Compliance Code establishes compliance with export- and import-related laws and regulations of each country and region. Based on this content, we formulate internal control regulations and register for approval with the regulatory authorities at the Ministry of Economy, Trade and Industry.

We have also established the Security Export Control Committee, an organization that oversees security trade management and reports directly to the president, which conducts management and operations to prevent illegal exports. We have also put in place managers and people in charge of security trade management at regional headquarters overseas, thereby establishing a global structure.

Initiatives

Ensuring Thorough Management and Promoting Efficiency

Recent years have seen an increase in the number of opportunities for Sysmex Corporation to export products between its overseas locations, presenting the need to reform and systematize our processes and respond to increasingly complex logistics in order to ensure thorough trade management and promote efficiency.

In fiscal 2016, we introduced an electronic approval system as a catch-all regulatory check (customer confirmation). Through this system, combined with the classification system (confirming regulated items) we put in place in fiscal 2015, we have completed the introduction of mutual systems for classification and catch-all regulatory checks as basic security trade management processes.

Conducting Ongoing Education

Once each year, Sysmex Corporation conducts e-learning on the fundamentals of security trade management for all employees. We also hold workshops on the recent global situation and regulatory systems, briefing sessions on newly introduced systems and offer various other types of education on an ongoing basis to increase awareness of security trade management.



Training

Intellectual Property Management

Policy on Respect for Intellectual Property

Sysmex accords third-party intellectual property rights the same level of respect as it does its own. As stated in item "5. To Respect Intellectual Property" of the Sysmex Global Governance Code, we will not unlawfully acquire or utilize any confidential business information or the proprietary assets of others. We promote a thorough understanding of these rules for compliance by all executives and employees throughout the Group.

- ▶ [Click here for the Sysmex Group Global Compliance Code.](#)

Structures

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.

Initiatives

To ensure that employees understand the importance of intellectual property activities for our R&D and business, we conduct level-based trainings for beginner, intermediate, advanced and senior management on intellectual property for R&D and business planning divisions. In fiscal 2016, approximately 200 people attended this training, raising awareness of our intellectual property activities.

Research Ethics

Research Ethics

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.

- ▶ [Click here for information on the activities of the Research Ethics Examination Committee.](#)

Consideration for Animal Experiments

Sysmex Group Global Compliance Code (Excerpt)

4-4 Animal experiments

When conducting animal experiments, we shall comply with applicable laws and regulations related to animal protection, and we shall limit such experiments to a minimum by studying the use of alternative methods. When animal experiments are necessary, we shall take all reasonable steps to minimize the animals' pain.

Item "4.4 Animal experiments" of the Global Compliance Code states that when conducting animal experiments, we shall comply with applicable laws and regulations related to animal protection, and we shall limit such experiments to a minimum by studying the use of alternative methods. When animal experiments are necessary, we shall take all reasonable steps to minimize the animals' pain. Animal experiments are performed in accordance with internal operational standards, which are in conformance with publicized animal experiment guidelines. We conform with the following guidelines.

- Act on Welfare and Management of Animals
- Standards Relating to the Care and Management of Laboratory Animals and Relief of Pain
- Fundamental Guidelines for Proper Conduct of Animal Experiment and Related Activities in Academic Research Institutions
- Guidelines for Proper Conduct of Animal Experiments

Anti-Corruption

Anti-Corruption Policy

Sysmex Group Global Compliance Code (Excerpt)

10. To Maintain Sound Relationships with Society

We shall comply with applicable laws and regulations related to anti-bribery statutes and comply strictly with applicable laws regarding making political donations. The company shall not be intimidated by antisocial activities, behavior and groups, nor maintain any relationship with them.

10-1 Prohibition of bribery and excessive entertainment

In giving or accepting entertainment or gifts, we shall limit such activities to the scope of socially accepted practices and comply with applicable anti-bribery and other laws and regulations.

10-2 Prohibition of inappropriate political donations

When making political donations to politicians or political bodies, all Officers/Employees shall comply with applicable laws and regulations. Further, no Officer/Employee may make a political donation in anticipation of any benefit or quid pro quo, including the acquisition or maintenance of a business opportunity or an opportunity to access unpublicized information.

Sysmex Promotion Code

Item “2. Promoting Fair Dealing and Free Competition” of the Sysmex Group Global Compliance Code sets forth our code of ethics for marketing as part of our global promotion activities. Furthermore, we have formulated the Sysmex Promotion Code, which establishes more detailed and specific guidelines for activities in Japan. In fiscal 2016, we established detailed core behaviors related to appropriate clinical research in line with voluntary industry standards.

Creating Regulations and Conducting Training on Bribery Prevention

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, and various countries are enacting laws and stepping up enforcement on the prevention of bribery. Against this backdrop, in April 2016 Sysmex formulated Global Anti-Bribery Regulations, which apply to all Group companies. In April 2017, we also formulated Group Anti-Bribery Regulations targeting Group companies in Japan. These regulations cover such topics as banned items, due diligence and management systems.

In fiscal 2016, we conducted education on bribery prevention targeting all Sysmex Group employees.

Transparency in Relationships with Medical Institutions

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.

- ▶ [Click here for information on Japan Association of Clinical Reagents Industries “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions” \(Japanese only\) \(PDF/1.07MB\)](#) 
- ▶ [Click here for Funding details](#)

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.

- ▶ [Click here for Funding details](#)

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

Tax Strategy

Tax Transparency

Appropriate Tax Payments and Disclosure

Sysmex Group Global Compliance Code (Excerpt)

7. To Conduct Proper Accounting and Appropriate Tax Payments

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

7-1 Appropriate tax return procedures

We shall comply with tax laws and regulations applicable to jurisdictions both domestic and foreign, as well as international standards such as the OECD Guidelines.

7-2 Proper accounting procedures

We shall comply with global, regional and local tax laws, external accounting standards, and internal accounting procedures related to accounting entries of transactions such as sales and expenditures. Further, we shall maintain accurate and complete records of all slips, invoices, receipts, books, records, and other documents material to financial transactions.

7-3 Preparation of fair and transparent financial statements

We shall prepare and distribute financial statements that fairly and accurately reflect the financial performance of the company, and fully comply with International Financial Reporting Standards, applicable laws, regulations and accepted accounting standards.

Sysmex has established item “7. To conduct Proper Accounting and Appropriate Tax Payments” in the Sysmex Group Global Compliance Code to heighten tax transparency. 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.

Tax Payments

- ▶ See our integrated report for information on tax payments.

Promoting Accountability

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.

Basic Policy on Accountability

The basic policy of Sysmex in IR activities is to disclose corporate information on performance, financial position, forecast of the future and management strategies in a fair, prompt, accurate and easy-to-understand manner, to ensure accountability to shareholders and other investors and gain proper understanding about management and business activities.

Information Disclosure

General Meeting and Informal Meetings for Shareholders

Valuing opportunities for direct dialogue with our shareholders, Sysmex makes 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. In fiscal 2016, too, after using panels to explain our R&D topics, social contribution initiatives, sports activities and third-party evaluations of Sysmex, we answered opinions and questions from the shareholders.



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.

In September 2016, we hosted the IR Day 2016 in Okuike at the Global Communication Center, our training center in the city of Ashiya, Hyogo Prefecture, holding an IR event for 40 institutional investors and analysts. This event enabled us to give fuller explanations that we are able to provide thorough typical IR interviews and business results presentations. We explained and responded to questions on such topics as our unique corporate culture, the invisible value generated by our human resources and the business strategy for personalized medicine, which we are focusing on. The event helped to deepen understanding about Sysmex's growth vision from a medium- to long-term perspective. As part of the event program, we held a meeting in which participants and Sysmex executives exchanged information through direct dialogue. Comments in a questionnaire completed after the event indicated that participants had found the exchange of opinions meaningful.

Going forward, we plan to continue engaging in IR activities aimed at enhancing corporate value through dialogue with shareholders, institutional investors and analysts.

► [Click here for IR information](#)

[Further Enhancing Information Disclosure](#)

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

Risk Management Structure

Risk Management Structure

Promoting Risk Management by Establishing a Dedicated Committee

To control groupwide risk management activities, Sysmex has established a Risk Management Committee (RM Committee). The committee is chaired by a risk management officer, a senior managing director. Committee members include some members of Managing Board, as well as executive officers.

The RM Committee regularly assesses various risk, such as bribery and other aspects of compliance, occupational safety and health, and accounting and finance, including tax payments. The committee identifies major risks affecting the Group's operations and prepares countermeasures.

The RM Committee monitors the status of risk management being conducted by the Compliance Committee and other related committees and individual divisions and affiliated companies. The committee also deliberates responses to any emerging risks that have a major impact on Group management.

- ▶ [Click here for information on corporate governance.](#)
- ▶ [Click here for information on environmental risk assessments.](#)

Disaster Response

Structure

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. Our BCPs identify products to be given provision priority so that our instruments can continue to function in a stable manner at healthcare institutions even in crisis situations. We have also prepared disaster-response regulations and manuals, including basic disaster-response regulations, putting in place systems that enable us to respond swiftly in emergencies. During the earthquakes that occurred in Kumamoto prefectures in April 2016, we set up an actual crisis response headquarters based on these manuals, enabling us to respond logically and get instruments back into operation.

We have introduced safety confirmation tools at Group companies in Japan as a means of emergency communication. This system allows us to quickly determine the safety of members across the Group. Sysmex has also 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 2016, we conducted e-learning on disaster prevention and response, BCP awareness education, as well as safety confirmation training and other initial response-related simulation training, to augment BCP effectiveness.

The groupwide backbone IT system that Sysmex 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.

- ▶ [Click here for details on response in times of disaster \(BCP\).](#)
- ▶ [Click here for information about support for disaster areas.](#)

Risk Management

Information Security

Training

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.

To clarify our policies on ensuring information safety and security, in fiscal 2016 we formulated consistent a global regulation for information security for all Group companies, reinforcing organizational countermeasures to information leaks and cyber threats. We also formulated a global regulation for managing corporate secrecy to apply consistently to all Group companies. We held group training on the management of corporate secrets for executives of all affiliated companies in Japan. Also we conducted e-learning related to the management of corporate secrets for all members of the Sysmex Group in Japan.

External Evaluation

Incorporation in Sustainability and Other Indices

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 has been selected for numerous sustainability indexes.

- Dow Jones Sustainability World Index^{*1} (Selected for the first time in fiscal 2016)
- Dow Jones Sustainability Asia Pacific Index^{*1} (from fiscal 2012)
- FTSE4Good Index^{*2} (from fiscal 2008)
- FTSE Blossom Japan Index^{*3} (from fiscal 2017)
- MSCI Global Sustainability Index^{*4} (from fiscal 2011)
- MSCI Global Socially Responsible Indexes^{*4} (from fiscal 2013)
- MCSI Japan ESG Select Leaders Index^{*5} (from fiscal 2017)
- MSCI Japan Empowering Women Index^{*6} (WIN) (from fiscal 2017)
- Ethibel Excellence^{*7} (from fiscal 2011)
- Ethibel Pioneer^{*7} (from fiscal 2014)
- Ethibel Sustainability Index(ESI)^{*8} (from fiscal 2015)
- Global 100 (100 most sustainable companies in the world)^{*9} (Third time in fiscal 2016)

*1 An ESG investment index developed through collaboration between S&P Dow Jones Indices of the United States and Robeco SAM of Switzerland. This index evaluates corporate sustainability through the perspectives of the economy, the environment and society, and selects companies that are expected to achieve long-term sustainable growth based on comprehensive and advanced initiatives. The World Index targets the world's listed companies, while the Asia Pacific Index targets listed companies in the Asia-Pacific region.

*2 An ESG investment index announced by FTSE Russel, of the London Stock Exchange Group of the United Kingdom. Excellent companies are selected, based on an evaluation of ESG (environment, society, governance) information disclosed to the general public by the world's leading companies.

*3 FTSE Russell of the United Kingdom selects Japanese companies based on superior response on ESG (environment, society, governance) matters. The index uses FTSE4Good standards derived from international standards, such as the United Nations' Sustainable Development Goals (SDGs).

*4 An ESG investment index developed by MCSI Inc. (Morgan Stanley Capital International), of the U.S. Morgan Stanley Group. Companies are selected based on an evaluation that includes ESG issues considered important by various indices based on the industry characteristics of the companies it targets.

- *⁵ An ESG investment index of MSCI of the United States. The index selects companies with relatively high ESG ratings in individual sectors from among the top 500 Japanese stocks by market capitalization.
- *⁶ An ESG investment index by MSCI of the United States. The index selects companies in various sectors that excel in gender diversity from among the top 500 Japanese stocks by market capitalization.
- *⁷ An index developed by Forum Ethibel, a Belgian non-profit organization. Companies are selected that exhibit high performance from the perspective of corporate social responsibility. The index includes two sub-indices, Pioneer and Excellence. Companies in the Pioneer index are selected from among those in the Excellence index as being particularly excellent.
- *⁸ This index comprises companies selected for Ethibel Excellence, based on such limiting conditions as floating market capitalization.
- *⁹ 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



MSCI

2016 Constituent
MSCI Global
Sustainability Indexes

Recognition and Commendation by Third Parties

From fiscal 2014 to 2016

2017

- | | |
|----------|--|
| February | <ul style="list-style-type: none"> • Recognized by the Ministry of Economy, Trade and Industry for excellence in health management in the first year of “companies that excel in health management” (White 500) |
| February | <ul style="list-style-type: none"> • Receive the Award for Excellence at the 20th Environmental Communication Awards (Jury Awards) for the Sysmex Sustainability Report 2016 |
| January | <ul style="list-style-type: none"> • Selected for the 2017 Global 100 (100 most sustainable companies in the world), the third time |

2016

- November • At the fiscal 2016 Kinki Local Commendation for Inventions, received the Minister of Education, Culture, Sports, Science and Technology Prize for one invention and the Encouragement Prize for Inventions for three inventions
- November • Sysmex Asia Pacific and Sysmex Malaysia selected for HR Asia Best Companies to Work for in Asia 2016
- October • Ranked 27th of 462 Companies in the Nikkei ranking of “Companies that Motivate People”
- September • Received the highest ranking, level 3, as an “Eruboshi” company, based on the Act on the Promotion of Women’s Participation and Advancement in the Workplace
- September • Selected for the first time for inclusion in the Dow Jones Sustainability World Index
- September • Sysmex’s automated blood coagulation analyzer certified under the 5th Heritage Program of Legacy Analytical Instruments/Scientific Instruments
- September • Ranked fifth in Forbes Japan’s “Managers that Move Japan” and 28th on the Forbes 2016 List of the World’s Most Innovative Companies
- August • Won the 14th Annual Merit Award from the Minister of Economy, Trade and Industry for Collaborative Achievement Between Industry, Academia and Government for the world’s first practical realization of a system for diagnosing hepatic fibrosis using glycosylation
- June • Sysmex International Reagents’ Ono Factory received the City of Ono Firefighting Society Excellent Business Site Award
- 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 Confirmit (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 Confirmit (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
 - Baddhi Factory wins local environmental award (Sysmex India)
 - Selected for the Companies That Care Honor Roll 2014 (Sysmex America)
 - Named a Great Place to Work, ranking 50th out of 100 companies (Sysmex Europe)

Mid-Term CSR Plan (Fiscal 2016 Results)

Category	Mid-Term CSR Issues	Measures	Fiscal 2016 Plans
Organizational Governance	Reinforcement of our global risk management structure	Deploy a global risk management system	<ul style="list-style-type: none"> Evaluate and revised the global risk management system
		Strengthen measures to counter significant Group risks	<ul style="list-style-type: none"> Continue responding to significant Group risks (information leaks, fair trade, business continuity) Through risk assessments, identify and promote countermeasures for new significant risks
	Reinforcement of the compliance system	Ensure thorough compliance and expand application	<ul style="list-style-type: none"> Expand scope of contract including compliance provisions
		Reinforce the global compliance structure	<ul style="list-style-type: none"> Draft and implement improvement measures based on results of fiscal 2015 evaluations by external specialists
Human Rights / Labor Practices	Cultivation and promotion of diverse human resources	Promote an active role for women	<ul style="list-style-type: none"> 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.)
		Recruit diverse global human resources	<ul style="list-style-type: none"> Continue to recruit non-Japanese human resources (maintain fiscal 2015 hiring ratio)
		Promote global talent management	<ul style="list-style-type: none"> Continue implementing programs to cultivate global human resources
	Maintenance or improvement of an attractive and pleasant working environment	Increase employee satisfaction	<ul style="list-style-type: none"> Draft and implement measures based on results of Corporate Culture Survey
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"> Continue promoting reductions in greenhouse gas emissions of products and services
		Reduce the environmental impact of business activities	<ul style="list-style-type: none"> Continue reducing energy, waste and water resource use
Fair Operating Practices	Promotion of CSR procurement	Continue to promote CSR procurement	<ul style="list-style-type: none"> Conduct business partner survey on conflict minerals
Consumer Issues	Improvement of customer satisfaction	Create a global customer satisfaction evaluation system	<ul style="list-style-type: none"> Conduct global integrated customer satisfaction survey in China Respond based on the results of customer satisfaction surveys conducted in fiscal 2015
Community Involvement and Development	Promotion of corporate citizenship activities	Conduct corporate citizenship activities based on the Policy on Corporate Citizenship Activities and Philanthropy	<ul style="list-style-type: none"> Continue to conduct corporate citizenship activities Increase the number of employee volunteers by promoting a Social Contribution Point Program

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 the Sysmex Group in Japan and overseas. The target scope of the other mid-term CSR issues is Sysmex Corporation and the Sysmex Group in Japan.

Fiscal 2016 Results	Progress*1	Corresponding Categories and Aspects of G4*2
<ul style="list-style-type: none"> Determined risk management issues at companies in Japan and overseas regional headquarters and proposed improvements Conducted group training for people responsible for risk management and personnel in charge of these activities 	○	
<ul style="list-style-type: none"> Formulated a global regulation on information security Reinforced information security measures and conducted educational and awareness activities related to information management Conducted education related to anti-competition laws and anti-bribery at companies in Japan and overseas regional headquarters Conducted risk assessments and finished identifying significant new risks 	○	Indirect Economic Impacts Anti-corruption
<ul style="list-style-type: none"> Increase the number of Group companies adopting agreements with compliance covenants when they close contracts with their business partners (Sysmex Europe, Sysmex Brazil, Sysmex Wuxi) 	○	Anti-corruption Compliance Grievance Mechanisms for Impacts on Society
<ul style="list-style-type: none"> Provided multilingual interface for the internal reporting system in the Americas and Asia Pacific Introduced a tool for assessing legislative trends for Group companies in Japan Conducted an assessment by outside specialists of the compliance structure 	○	
<ul style="list-style-type: none"> Trialed a working from home system Conducted diversity management training companywide Held diversity round tables to encourage dialogue with experienced people 	○	
<ul style="list-style-type: none"> Achieved an 18.5% employment ratio of non-Japanese nationals 	○	Employment Training and Education Diversity and Equal Opportunity
<ul style="list-style-type: none"> Conducted management enhancement training Commenced systematic English skills training Continued to conduct overseas training for young and mid-level employees 	○	
<ul style="list-style-type: none"> Based on results of Corporate Culture Survey results, formulated and implemented action plan targeting improvement item 	○	Employment
<ul style="list-style-type: none"> By increasing transportation efficiency, reduced CO₂ emissions from transportation by 33% (per unit of non-consolidated sales) against base year; up year on year, however, due to urgent transportation Promoted making more energy-saving and compact instruments under new product development Continued to augment capabilities to respond remotely and via telephone to service requests (to reduce amount of service involving vehicle dispatch) 	△	Energy Emissions Products and Services Transport
<ul style="list-style-type: none"> Through measures to improve productivity, switch to high-efficiency air conditioning equipment, shift to renewable energy and utilize solar generation, reduced greenhouse gas emissions by 27% (per unit of consolidated sales) against base year By revising waste disposal methods, maintained recycling rate (91.8%) Performed reverse osmosis of waste water (pure water); however, owing to increase in reagent production volumes, volume of water resource use was up 18% (per unit of production) against base year, falling short of target 	△	Energy Water Emissions Effluents and Waste
<ul style="list-style-type: none"> Conducted business partner survey on conflict minerals Performed CSR survey of business partners (target: about 280 existing business partners in Japan) 	○	Procurement Practices Supplier Environmental Assessment Supplier Assessment for Labor Practices Supplier Human Rights Assessment Supplier Assessment for Impacts on Society
<ul style="list-style-type: none"> Completed customer satisfaction survey in China Based on results of customer satisfaction surveys conducted in fiscal 2015, created systems at each regional overseas headquarters to monitor customer satisfaction levels 	○	Product and Service Labeling
<ul style="list-style-type: none"> Conducted corporate citizenship activities (Sysmex Forest, opening the Minato Ijinkan, Kobe Marathon sponsorship, blood donations, community cleanups, etc.) Rate of employee participation in Social Contribution Point Program was 32%, and program resulted in ¥1.37 million in donations to organizations supporting children in developing countries and patients with childhood cancer and their parents 	○	Local Communities

*1 "Progress" indicates the state of progress toward fiscal 2016 plans (○: according to plan; △: partially not achieved)

*2 Fourth Edition of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

Fiscal 2016 Performance Data

Social Data

Customers

Category	Fiscal 2014	Fiscal 2015	Fiscal 2016	Related Articles
People undergoing training at the Sysmex Corporation Monozukuri Training Center (cumulative)	942	1,031	699	Details
Inquiries received by the Sysmex Customer Support Center	95,767	95,929	88,909	Details
Customer satisfaction rating with the Sysmex Customer Support Center* (%) <small>* Research by Sysmex Corporation</small>	91.6	93.7	98.3	Details
Customer satisfaction rating in the United States* (out of 10 possible points) <small>* Research by Sysmex America</small>	9.1	9.1	9.2	Details
Customer satisfaction rating in the United States* (out of 10 possible points) <small>* Research by IMV ServiceTrack</small>	9.18	9.09	9.32	Details

Employees (All figures are results for Sysymex Corporation)

Category		Fiscal 2014	Fiscal 2015	Fiscal 2016	Related Articles
New-graduate recruits	Total	61	59	68	Details
	Of which, men	40	40	38	
	Of which, women	21	19	30	
	Of which, non-Japanese	12	12	15	
Mid-career recruits	Total	69	70	73	Details
	Of which, men	47	50	56	
	Of which, women	22	20	17	
	Of which, non-Japanese	1	1	4	
Turnover [*] * Regular employees only, excluding people who have reached the mandatory retirement age	Turnover (people)	42	40	74	-
	Turnover (%)	1.96	1.97	3.22	
Employment of people with disabilities	Number of people	47	50	54	Details
	Percentage	1.86	1.82	1.94	
Reemployment of workers after the mandatory retirement	Applicants	20	25	22	Details
	People reemployed	20	25	22	
	Percentage reemployment	100	100	100	
Reemployment of personnel leaving for reasons of childcare or nursing care	New registrants	5	6	5	Details
	People reemployed	1	1	0	
	Percentage reemployment	20	17	0	
Promotion to regular employees	Contract employees	15	17	7	Details
	Temporary	4	2	4	

	employees				
	Total	19	19	11	
Industrial accidents	Work-related deaths	0	0	0	Details
	Work-related injuries	3	7	3	
	Frequency of work-related injuries	0.58	1.27	0.53	
	Severity of work-related injuries	0.00	0.07	0.09	
	Total work days lost	20	386	494	
	Total actual number of working hours	5,129,491.25	5,499,593.25	5,641,249.00	
Paid leave	Days granted	47,000	49,534	51,667	Details
	Days taken	22,255.5	27,605.5	31,305.0	
	Percentage of days taken	47.4	55.7	60.6	
People taking pre-and post-maternity leave		48	39	48	
People taking childcare leave	Women	41	32	56	
	Men	3	2	3	
People taking shorter work hours for childcare	Women	50	50	47	
	Men	0	0	0	
People taking nursing care leave	Women	1	1	2	
	Men	0	1	0	
Percentage of people returning after childcare leave	Women (%)	100	100	98	
	Men (%)	100	100	100	
People taking accumulated paid leave		26	77	78	

People on flex-time arrangement		1,678	1,742	1,949	
Children in in-house daycare center	Total during year	34	33	32	
	At fiscal year-end	23	28	26	
Training results*	Training expenditure per employee (yen)	157,789	179,000	108,000	Details
	Training time per employee (hours)	28.2	22.6	19.4	
	Number of training programs	22	23	23	
Number of interns accepted	Total	124	157	135	Details
	Of which, non-Japanese	3	5	1	

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

	Totals
(1) Employees (people)	2,083
(2) Average age (years old)	40.5
(3) Average years of employment (years)	11.6
(4) Average annual salary (thousands of yen)	7,853

Notes: Data is disclosed in our annual financial report (actual figures as of March 31, 2017).

All figures are calculated based on regular employees and employees on loan except executives, secondees working at other companies, contract employees and temporary employees.

The average annual salary amount includes wages outside basic wages, as well as bonuses.

Employees (All figures are results for Sysymex)

Category	Fiscal 2014	Fiscal 2015	Fiscal 2016	Related Articles
Female managers (%) (Director level or above)	Sysymex Corporation (%)	6.5	8.3	Details
	Overall Group (%)	11.6	14.3	

Category			Fiscal 2016	
Percentage of men and women in the Group	Japan	Men (%)	59.8	Regular employees, employees on loan, and contract employees (except executives and temporary employees)
		Women (%)	40.2	
	Americas	Men (%)	62.4	
		Women (%)	37.6	
	EMEA*	Men (%)	55.7	
		Women (%)	44.3	
	China	Men (%)	65.2	Regular employees, employees on loan, contract employees and executives
		Women (%)	34.8	
	Asia Pacific	Men (%)	59.9	
		Women (%)	40.1	

Category			Fiscal 2016	
Number of the Group employees	Japan	Men	2,079	Regular employees, employees on loan, and contract employees (except executives and temporary employees)
		Women	1,398	
	Americas	Men	670	
		Women	404	
	EMEA*	Men	1,214	
		Women	966	
	China	Men	359	Regular employees, employees on loan, contract employees and executives
		Women	192	
	Asia Pacific	Men	388	
		Women	260	

* Europe, the Middle East and Africa

Corporate Citizenship Activities

Category	Fiscal 2016
Expenditures for corporate citizenship activities (Sysmex Corporation, yen)	About 290,000,000

Category	Fiscal 2014 - 2015
Donations to the World Cancer Research Fund (Group companies in EMEA*, yen) * Europe, the Middle East and Africa	About 31,500,000

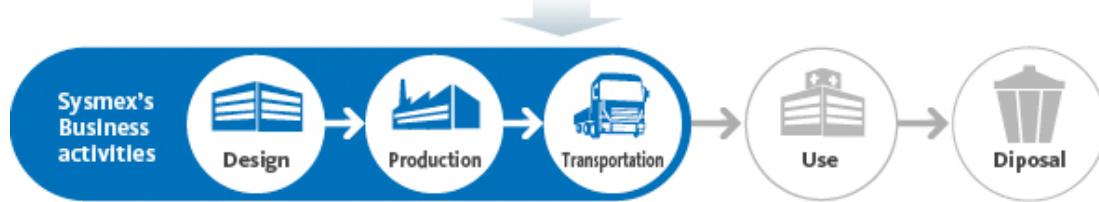
Category	Fiscal 2014 - 2016	Related Articles
Donations to cancer-related organizations (Sysmex America, US dollars)	About 175,000	Details

Fiscal 2016 Performance Data

Environmental Data

Material Balance

INPUT				
		Fiscal 2014	Fiscal 2015	Fiscal 2016
1	Electricity use (thousands kwh)	35,988	37,476	37,403
1	City gas (thousands m ³)	852	1,544	1,474
1	LPG (t)	15.1	19.4	21.1
1	LNG (m ³)	0	0	0
1	Heavy oil (kL)	0	0	0
1	Kerosene (kL)	70	35	31
1	Diesel oil (kL)	19	19	21
4	Gasoline for domestic fleet (kL)	778	750	734
4	Diesel for domestic fleet (kL)	19.7	23.5	25.1
3	Water use (thousands m ³)	368	391	406
5	Office paper (t)	49	44	42
4	PRTR (t)	0.15	0.13	0.06



OUTPUT				
		Fiscal 2014	Fiscal 2015	Fiscal 2016
1	Greenhouse gas emissions from business offices (t-CO ₂)	21,431	24,035	22,760
4	CO ₂ emissions from domestic company cars (t-CO ₂)	1,856	1,802	1,768
6	Total waste emissions (t)	1,557	1,701	2,106
2	Recycling rate (%)	90.4	91.9	91.1
3	Wastewater volume (thousands m ³)	164	192	189
4	PRTR (t)	0	0	0.02

- 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), Soshin 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(Reagent factory in Germany), 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)

Results for the Sysmex Group Environmental Action Plan
 (Sysmex Eco-Vision 2020) (Related articles indicate the scope of calculation.)

Category	Fiscal 2014	Fiscal 2015	Fiscal 2016	Related Articles
CO ₂ emissions from logistics per unit of non-consolidated sales(t-CO ₂ /¥100 million)	4.170	3.794	4.937	Details
Greenhouse gas emissions at business offices per unit of consolidated sales (t-CO ₂ /¥100 million)	7.28	7.26	7.36	Details
Business office recycling rate (%)	90.4	89.0	91.8	Details
Water use at reagent factories per unit of amount of production (m ³ / thousand boxes)	21.4	25.9	25.4	Details

Main Indicators and Results Related to Environmental Impact^{(*)1}

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

Aspect	Content	Unit	Scope ^{(*)3}	Base Year				
				Fiscal Year	Data			
Environment consciousness in product life cycle process	Greenhouse gas emissions GHG Scope 3 ^{(*)2}	CO ₂ emissions from logistics	Product logistics within Japan	t-CO ₂	Sysmex Corporation	2010		
			Product logistics to overseas locations			2010	5,399.84	
		Unit CO ₂ emissions in logistics	Product logistics within Japan and to overseas locations	t-CO ₂ / ¥100 million		2010	7.252	
		Unit denominator	Sysmex Corporation, non-consolidated net sales	¥100 million		2010	744.60	
Environment consciousness at business offices	Greenhouse gas emissions GHG Scope 1 + Scope 2 ^{(*)2}	Total emissions	City gas, LPG, LNG, heavy oil, kerosene, diesel oil and electricity	t-CO ₂	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	City gas, LPG, LNG, heavy oil, kerosene, diesel oil and electricity	t-CO ₂ / ¥100 million	Main business offices, instrument factories and reagent factories in Japan, as well as main overseas locations and reagent factories	2008	10.7	
		Unit denominator	Consolidated net sales	¥100 million	-	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	76.9	
Water use	Groundwater	Groundwater		thousands m ³	Reagent factories in Japan	2008	-	
		Municipal supply water			Overseas reagent factories	2008	-	
		Total water usage			Reagent factories in Japan	2008	-	
		Total amount used per unit			Overseas reagent factories	2008	-	
		Unit denominator	Boxes manufactured	thousand boxes	Reagent factories in Japan and overseas	2008	228.35	
	Water use				Reagent factories in Japan and overseas	2008	21.5	
					Reagent factories in Japan and overseas	2008	10,625.87	

2012 Data	2013 Data	2014 Data	2015 Data	2016		Population of Coverage Ratio ^(*)4)	Calculation Method	G4 Indicator No.
2012 Data	2013 Data	2014 Data	2015 Data	Data	Coverage Ratio ^(*)4)			
1,145.00	1,237.00	1,112.00	1,213.00	1,181.51	-	-	CO ₂ 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 ₂ conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO ₂ Emissions in the Logistics Field"	G4-EN17 G4-EN18
4,528.00	4,251.00	3,971.00	4,222.00	5,682.54	-	-	CO ₂ emissions from logistics (including to overseas customers) from warehouses to ports (airports) in Japan and CO ₂ 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 ₂ conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO ₂ Emissions in the Logistics Field"	
6.508	5.348	4.170	3.794	4.937	-	-		
871.71	1,026.17	1,218.94	1,432.43	1,390.40	-	-		
7,450.00	7,532.00	8,138.00	8,240.00	7,669.30	34.54%	8,217	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 ₂ 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 ₂ 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	10,719.50	28.32%	8,217	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 ₂ 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).	
8.63	7.98	7.28	7.26	7.36	62.86%	8,217		
1,455.77	1,845.38	2,213.76	2,531.57	2,498.99	-	-		
962.60	1,056.90	1,341.20	1,502.80	1,347.08	39.97%	8,217		G4-EN23
863.50	941.60	1,212.60	1,338.00	1,237.12			Of waste, the amount reused or used for material recycling or heat recovery (thermal recycling).	
89.7	89.1	90.4	89.0	91.8			Recycling rate (%) = (amount of waste reused + amount of valuable substances sold) ÷ (industrial waste + general waste + amount of valuable substances sold) x 100(%)	
0.00	0.00	0.00	0.00	0.00	24.87%	1,122	The amount of groundwater used.	G4-EN8
9.37	8.46	9.25	9.70	12.70	75.13%	1,122		
67.89	66.72	66.00	63.00	66.11	24.87%	1,122	The amount of clean water and industrial water used.	
161.88	174.02	188.56	216.90	223.41	75.13%	1,122		
239.14	249.20	263.81	289.60	302.23	100%	1,122		
20.8	22.0	21.4	25.9	25.4				
11,489.00	11,305.00	12,327.00	11,177.00	11,905.80	-	-	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 ³		
			LPG	t		
			LNG	t		
			Heavy oil	kL		
			Kerosene	kL		
			Diesel oil	kL		
		Consumption of renewable energy	Electricity (renewable)	thousands kwh (*1)		
		Total consumption		GJ		
		Consumption of other non-renewable energy	Gasoline (Company cars)	kL	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan	
			Diesel oil (Company cars)			
		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 ³ / ¥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)	thousands kwh/ ¥100 million (*1)		
		Total unit consumption		GJ/¥100 million		
		Unit denominator	Consolidated net sales	¥100 million	-	
Reduction in energy consumption		Non-renewable energy consumption (*1)	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 (*1)	City gas, LPG, LNG, heavy oil, kerosene, diesel oil and electricity			
		Unit consumption of renewable energy (*1)	Electricity	GJ/¥100 million		
		Total unit consumption				

2012	2013	2014	2015	2016		Population of Coverage Ratio ^(*)5)	Calculation Method	G4 Indicator No.	
Data	Data	Data	Data	Data	Coverage Ratio ^(*)4)				
27,573.43	31,525.65	35,779.00	37,233.00	37,193.25	73.42%	8,217	<p>The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated.</p> <p>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)</p>	G4-EN3	
1,043.92	1,185.34	851.98	1,543.97	1,473.61					
11.65	12.38	15.11	19.39	21.09					
0.00	0.00	0.00	0.00	0.00					
0.00	0.00	0.00	0.00	0.00					
62.44	67.60	70.17	35.02	30.65					
19.04	18.72	18.91	18.84	21.17					
81.88	100.46	209.42	243.00	210.01					
322,405.78	368,227.36	395,042.86	439,653.70	440,124.47					
748.47	794.69	777.51	749.86	733.66	45.10%	8,217	Gasoline consumed by Company cars in Japan.	G4-EN5	
3.34	11.72	19.68	23.53	25.10			Diesel oil consumed by Company cars in Japan.		
18.941	17.084	16.162	14.707	14.883			<p>The amount of each type of energy is multiplied by the emission factor and the sum of the amounts is calculated.</p> <p>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)</p>		
0.717	0.642	0.385	0.610	0.590					
0.008	0.007	0.007	0.008	0.008					
0.000	0.000	0.000	0.000	0.000					
0.000	0.000	0.000	0.000	0.000					
0.043	0.037	0.032	0.014	0.012					
0.013	0.010	0.009	0.007	0.008					
0.056	0.054	0.095	0.096	0.084					
221.468	199.540	178.449	173.668	176.121					
1,455.77	1,845.38	2,213.76	2,531.57	2,498.99	-	-	<p>(Energy consumed in the current fiscal year) – (energy consumed in the previous fiscal year)</p> <p>▲ indicates an increase from the previous fiscal year.</p> <p>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)</p>	G4-EN6	
-	▲ 45,821.51	▲ 26,815.11	▲ 44,610.71	▲ 470.89	73.42%	8,217			
-	▲ 0.07	▲ 0.39	▲ 0.12	0.12		<p>(Energy consumed in the current fiscal year) – (energy consumed in the previous fiscal year)</p> <p>▲ indicates an increase from the previous fiscal year.</p> <p>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)</p>			
-	▲ 45,821.58	▲ 26,815.50	▲ 44,610.84	▲ 470.77					
-	21.927	21.091	4.780	▲ 2.453	73.42%	8,217	▲ indicates an increase from the previous fiscal year.		
-	0.000	0.000	0.000	0.000			▲ indicates an increase from the previous fiscal year.		
-	21.927	21.091	4.780	▲ 2.453			▲ indicates an increase from the previous fiscal year.		

Aspect	Content			Unit	Scope ^{(*)3}	
INPUT	Water use	Groundwater		thousands m ³	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 ³ /¥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	
	Greenhouse gas emissions GHG Scope 1 ^{(*)2}	Japan	City gas, LPG, LNG, heavy oil, kerosene, diesel oil	t-CO ₂	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan	
		Overseas			Main overseas locations and reagent factories	
		Total emissions			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		t-CO ₂ /¥100 million		
		Unit denominator	Consolidated net sales	¥100 million	-	
OUTPUT	Greenhouse gas emissions GHG Scope 2 ^{(*)2}	Japan	Electricity	t-CO ₂	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan	
		Overseas			Main overseas locations and reagent factories	
		Total emissions			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		t-CO ₂ /¥100 million		
		Unit denominator	Consolidated net sales	¥100 million	-	
	Greenhouse gas emissions GHG Scope 3 ^{(*)2}	CO ₂ emissions from logistics	Product logistics within Japan	t-CO ₂	Sysmex Corporation	
			Product logistics to overseas locations	t-CO ₂		
		Unit CO ₂ emissions from logistics	Product logistics within Japan and to overseas locations	t-CO ₂ /¥100 million		
		Unit denominator	Sysmex Corporation, non-consolidated net sales	¥100 million		

2012	2013	2014	2015	2016		Population of Coverage Ratio ^(*)5)	Calculation Method	G4 Indicator No.
Data	Data	Data	Data	Data	Coverage Ratio ^(*)4)			
48.86	44.47	51.24	50.29	58.30	38.52%	8,217	The amount of groundwater used.	G4-EN8
281.68	299.94	316.97	340.80	347.79			The amount of clean water and industrial water used.	
330.54	344.40	368.21	391.09	406.09				
227.054	186.630	166.329	154.486	162.502				
1,455.77	1,845.38	2,213.76	2,531.57	2,498.99	—	—		
53.14	50.46	48.79	44.48	41.69	34.54%	8,217		
7.16	7.88	0.15	0.13	0.06	45.10%	8,217	PRTR handling volume at business offices in Japan that handle chemical substances.	
917.40	1,096.70	806.50	865.00	501.00	45.10%	8,217	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	3,057.60	28.32%	8,217	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	3,558.60	73.42%	8,217		
1.739	1.758	1.010	1.484	1.424				
1,455.77	1,845.38	2,213.76	2,531.57	2,498.99				
9,915.80	11,869.90	12,635.30	13,040.60	11,915.90	45.10%	8,217	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	7,285.40	28.32%	8,217	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	19,201.30	73.42%	8,217		
9.243	9.196	8.671	8.010	7.684				
1,455.77	1,845.38	2,213.76	2,531.57	2,498.99				
1,145.00	1,237.00	1,112.00	1,213.00	1,181.51	—	—	CO ₂ 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 ₂ conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO ₂ Emissions in the Logistics Field"	G4-EN17 G4-EN18
4,528.00	4,251.00	3,971.00	4,222.00	5,682.54	—	—	CO ₂ emissions from logistics (including to overseas customers) from warehouses to ports (airports) in Japan and CO ₂ 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 ₂ conversion factor. Conversion factor (source): In accordance with "Common Guidelines for the Method of Calculating CO ₂ Emissions in the Logistics Field"	
6.508	5.348	4.170	3.794	4.937	—	—		
871.71	1,026.17	1,218.94	1,432.43	1,390.40	—	—		

Aspect	Content		Unit	Scope (*3)		
OUTPUT	Greenhouse gas emissions GHG Scope 3 (*2)	Total CO ₂ emissions from Company cars		t-CO ₂	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan	
		Total unit CO ₂ emissions from Company cars		t-CO ₂ / ¥100 million		
		Unit denominator	Sysmex Corporation, non-consolidated net sales	¥100 million	Sysmex Corporation	
	Waste emissions	Total emissions		t	Main business offices, instrument factories, reagent factories, sales offices and other offices in Japan, as well as overseas reagent factories	
		Total emissions (excluding sales offices in Japan)		t		
		Material recycling waste			Main business offices, instrument factories, reagent factories and other offices in Japan, as well as overseas reagent factories	
		Recycling waste (including energy recovery)		%		
		Material recycling rate				
		Recycling rate (including energy recovery)				
	Wastewater volume	Total emissions		thousands m ³	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) Figures have been revised from those shown in the report for the previous fiscal year, owing to certain mistakes in making calculations, and units shown.

(*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 Data	2013 Data	2014 Data	2015 Data	2016		Population of Coverage Ratio ^(*)4)	Calculation Method	G4 Indicator No.
2012 Data	2013 Data	2014 Data	2015 Data	Data	Coverage Ratio ^(*)4)			G4-EN17 G4-EN18
1,746.58	1,830.26	1,856.25	1,802.01	1,768.43	45.10%	8,217	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	1.272				
871.71	1,026.17	1,218.94	1,432.43	1,390.40	-	-		
1,163.91	1274.16	1,556.76	1,701.35	2,105.50	48.02%	8,217		
1,018.74	1,109.82	1,419.19	1,534.63	1,436.45				
536.02	600.51	788.13	986.44	814.25	44.06%	8,217	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	1,308.91			Of waste, the amount reused or used for material recycling or heat recovery (thermal recycling).	
52.62	54.11	55.53	64.28	56.68				
89.13	89.06	90.38	91.94	91.12				
145.11	144.36	163.83	191.66	188.75	38.52%	8,217		G4-EN22
0.00	0.00	0.00	0.00	0.02	45.10%	8,217	PRTR emissions for business offices in Japan that handle chemical substances.	
0.70	4.84	0.00	0.00	0.00			PRTR travel at business offices in Japan that handle chemical substances.	
0.00	0.00	0.00	0.00	0.00	73.42%	8,217		G4-EN29
0	0	0	0	0				
0	1	0	0	0				
0.00	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 (Reagent factory in Germany), 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.

Fiscal 2016 Performance Data

Governance Data

Information on Funding Provided to Medical Institutions*

Japan

Category	Details		2015
		Amount (1,000JPY)	
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.		233,911
Academic research support	Expenses for scholarships, general and academic conference donations, as well as academic conference co-sponsoring expenses		121,520
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.		43,264
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.		162,654
Other expense	Expenses for receptions and social courtesy		37,144
Total amount			598,493

US

Category		2014	2015	2016
Relevant payments or transfer of value	Number	450	443	242
	Amount	US \$186,645	US \$190,638	US \$137,658
Research	Number	8	7	21
	Amount	US \$194,150	US \$76,061	US \$209,370

France

Category		2014	2015	2016
Relevant payments or transfer of value	Number	365	226	223
	Amount	€ 42,856	€ 14,367	€ 29,542
Contracts	Number	3	4	11

Contract amounts are not required under the French Sunshine Act.

* This information might be modified after our disclosure according to review by government authorities or medical institutions.

► [Click here for information on corporate governance.](#)

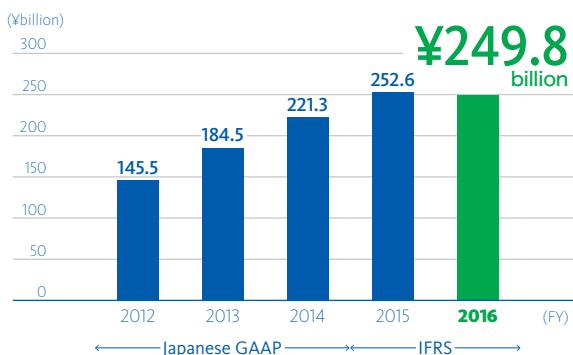
Corporate Overview

(As of March 31, 2017)

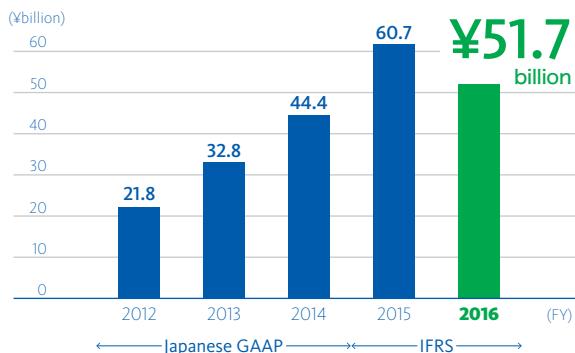
Company name	Sysmex Corporation
Established	February 20, 1968
Paid-in capital	¥11,611 million
Representative	Hisashi Ietsugu, Chairman and CEO

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

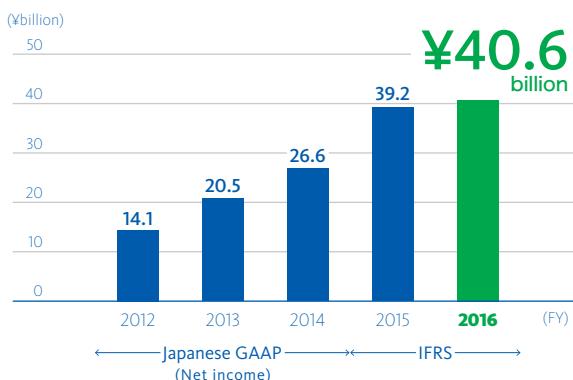
Net sales



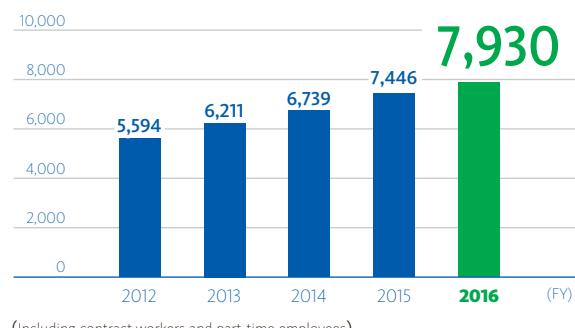
Operating income



Profit attributable to owners of the parent



Number of employees



(Including contract workers and part-time employees)

Editorial Policy

Sysmex publishes the annual "Sysmex Sustainability Report" to communicate to stakeholders our approaches and activities concerning corporate social responsibility (CSR), and to enhance understanding of and trust in us.

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

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

Period covered

Primarily fiscal 2016 (from April 1, 2016 to March 31, 2017). Some activities conducted outside this period are also included. The most recent information is provided on our CSR news on the CSR site.

Date of publication

August 2017
Previous version: August 2016

Inquiries about this report

CSR Promotion Department, Sysmex Corporation
1-5-1, Wakinohama-Kaigandori, Chuo-ku, Kobe, Hyogo, 651-0073, Japan
Tel +81-78-265-0500, Fax +81-78-265-0524

Cautionary Statements

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

Information Available on the Website



Message from the Chairman and CEO

Sysmex and Its Relations with Society

Highlight 1 :

Resolution of Medical Issues through Products and Services

Aiming for a Society
in Which All People Receive
Appropriate Health Care

Highlight 2 :

Realization of an Attractive Workplace

Embracing Diversity and Creating a
Culture of Innovation

Management and CSR

Corporate Philosophy, Core Behaviors

Long-Term Management Targets, Mid-Term Management Plan

CSR Management

The UN Global Compact

Comprehensive Information Provided on the CSR Site

Sysmex CSR

Search

Society

Resolution of Medical Issues through Products and Services

Responsible Provision of Products and Services

Realization of an Attractive Workplace

Respect for Human Rights

Corporate Citizenship Activities

Environment

Environmental Consideration

Governance

Corporate Governance

Compliance

Risk Management

External Evaluation

Fiscal 2016 Performance Data

Mid-Term CSR Plan (Fiscal 2016 Results)

Social Data

Environmental Data

Governance Data

Editorial Policy

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ISO 26000/GRI Sustainability Reporting Guidelines

CSR Sitemap

Sysmex Corporation

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

Tel +81-78-265-0500 Fax +81-78-265-0524

www.sysmex.co.jp