



Sysmex

Sustainability Report

2013



About this Report

Editorial policy

Sysmex publishes the annual “Sysmex Sustainability Report” in the hopes of communicating our approaches and activities concerning corporate social responsibility (CSR) to our stakeholders and facilitating dialogs with them.

In this, our seventh issue, we introduce a number of efforts we have been engaging outside Japan. We are also publishing two versions of the report this year—the full version, which provides comprehensive data, and the digest version, in which we have sought to make the information more accessible by including plentiful photos and illustrations.

We also regularly disclose policy, system and other CSR information on our website. In this way, we enable the reader to select the report format most appropriate to their level of specialization and interest.

Scope of this Report

Period reported

Fiscal 2012 (from April 1, 2012 to March 31, 2013). Some activities conducted outside of this period are also included.

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.

Guidelines referenced

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

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Cautionary statements

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



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Sysmex at a Glance

Sysmex is a Global Provider of Diagnostics Products and Services.

In-vitro diagnostic testing of patient blood and urine samples plays an important role in confirming a patient's state of health or determining a course of treatment. Sysmex supports healthy lives worldwide by providing a variety of in-vitro diagnostic instruments and reagents in more than 170 countries in an integrated system from research and development through production, sales and after-sales support.



Sysmex products are in use near you.

1 Hospitals

Our products are used in hematology and other fields in outpatient/in-hospital checkups and complete physical examinations to discover changes or abnormalities in organs and systems.



Automated Blood Coagulation Analyzer
CS-5100



Automated Hematology Analyzer
XN-Series XN-2000



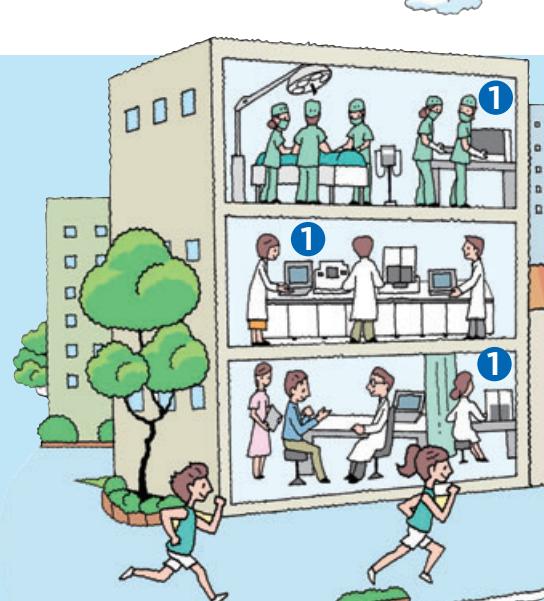
Gene Amplification Detector
RD-100i



Automated Immunoassay System
HISCL-5000



XN-Series Reagents



▼ Integrated System from R&D to Production, Sales and After-Sales Support



▼ Global Network Providing a Variety of Products and Services in More than 170 Countries

EMEA*

* Europe, the Middle East, Africa

Subsidiaries: 18

Number of employees: 1,149



China

Subsidiaries: 4

Number of employees: 293



Americas

Subsidiaries: 4

Number of employees: 775



Japan

Sysmex Corporation

Subsidiaries: 7

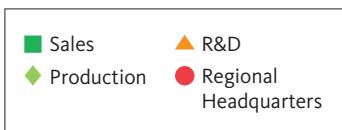
Number of employees: 2,282



Asia Pacific

Subsidiaries: 11

Number of employees: 349



② Animal Hospitals

Our products are useful in maintaining the health of dogs, cats and other pets, as well as aquarium dolphins and zoo animals.



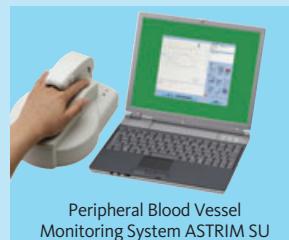
③ Pharmacies

Our system provides information on physical condition simply by entering anthropometric measurements and answers to questions about lifestyle and diet.



④ Sports Training

Our product is used for daily training programs and nutritional maintenance to regularly check the hemoglobin levels of athletes in training programs for gyms and school sports teams.



Message from the Chairman and CEO

Contributing to Health and Building Trust and Confidence among People Worldwide

Taking on the Evolution of Healthcare and Meeting Global Health Needs

Ever since its founding in 1968, Sysmex has created a wide spectrum of products and services in the diagnostics field based on advanced technologies. Diagnostics play a vital role in healthcare by enabling the early detection of disease, the determination of treatment and the prevention of illness.

The healthcare environment is currently undergoing dramatic changes due to shifting social structures. In emerging countries, economic development and population growth are rapidly increasing healthcare needs. On the other hand, advanced countries are facing declining birthrates and aging populations, and individual values for healthcare are increasingly diversifying. Sysmex's products are being used at healthcare facilities in over 170 countries around the world, and we are responding to these changes and striving to create innovative values with the aim of contributing to the advancement of healthcare. We want to respond to the desire of people across the globe: "to stay healthy".

In fiscal 2012, we acquired approval to provide our XN-Series, the flagship models in the hematology field, in the United States and China, and continued our global acceleration of sales where we had already obtained approval, such as in Japan, Europe and the Asia Pacific region. The XN-Series has been acclaimed for ease-of-use in the lab as well as functionality, resulting in its receiving Germany's iF Product Design Award 2013 after receiving the Good Design Gold Award 2011 in Japan.

We also launched the HISCL-5000 automated immunoassay system in Japan, a new model in the field of immunochemistry testing, which aids in the diagnosis of infectious diseases, cancer and heart diseases. The HISCL-5000 delivers rapid test results, realizes pre-examination testing for better patient service and improves clinical laboratory's testing efficiency.

In the life science field, we received approval from



Japan's Ministry of Health, Labour and Welfare of an additional indication of our lymph node metastasis rapid diagnosis system for stomach cancer, in addition to breast cancer and colon cancer. We are also working to standardize the rapid detection of lymph node metastasis in other types of cancer.

"Shaping the advancement of healthcare" is Sysmex's mission. Accordingly, we aim to create valuable healthcare testing technologies that contribute to patients' health and quality of life (QOL), and strive to improve the efficiency and quality of testing at healthcare facilities.

Building Trust and Confidence among Our Stakeholders

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

In fiscal 2012, Sysmex America, which is the regional headquarters for the Americas, relocated and expanded its corporate offices, offering new services and support to accommodate increased market demand. One of these is the streaming video service from the new studio featuring live broadcasts demonstrating, for example, instrument operation and emergency repair procedures. We will continue to expand these services to improve customer satisfaction.

We also rebuilt the reagent production factory in Jinan to accommodate the rapid growth of the Chinese market. The new plant was constructed with worker motivation and harmony with the global environment in mind.

Sysmex was also a special sponsor of the Kobe Marathon 2012, staged by the city of Kobe, for the second year in a row, because our policy is to contribute a healthy society through sports. We will offer encouragement to the approximately 20,000 runners and provide overall support as we participate in the event in 2013.

New Group Mid-Term Management Plan

Sysmex launched the new Group Mid-Term Management Plan in April 2013 with the goal of maintaining our high

level of growth and further enhancing profitability. The plan is aimed at building a foundation for future growth by reinforcing our business promotion structures in each field of testing, according to the business unit structure, continuously investing in R&D and strengthening production capacity by improving production bases. The plan represents our aim of being a company that generates new value through unique technologies and business models, and executes rapidly.

In April 2013, Sysmex established the Mid-Term CSR Plan (fiscal 2013–2015) based on the 10 Principles of the Global Compact, which Sysmex joined in 2011, and the ISO 26000 international standards for social responsibility. Based upon this plan, we will pursue CSR management aimed at resolving social issues.

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

August 2013



Hisashi Ietsugu
Chairman and CEO

Corporate Philosophy

Sysmex Way

Mission

Shaping the advancement of healthcare.

Value

We continue to create unique and innovative values, while building trust and confidence.

Mind

With passion and flexibility, we demonstrate our individual competence and unsurpassed teamwork.

Highlight 1



Sysmex America, Inc.

Sysmex Group's regional headquarters for the Americas
Location: Chicago, U.S.A.
Main business: Sales of in vitro diagnostic systems
and reagents



Entrance



Cafeteria



Collaboration area



Showroom

Regional Headquarters for the Americas Expands and Relocates its Office, Strengthening Customer Support Infrastructure

Sysmex America, which is the regional headquarters for North, South and Central America, has relocated and expanded its corporate offices, strengthening its service and support infrastructure to accommodate increased demand.

High-Quality Proprietary Services Making Sysmex No. 1 in Customer Satisfaction for 13 Consecutive Years

Sysmex first established a subsidiary in the United States in Chicago in 1979, and in 2003 began providing direct sales and support as Sysmex America, Inc. (SAI), which serves as our regional headquarters.

Since then SAI has sought to improve customer satisfaction and develop proprietary service and support. Sysmex Network Communication Systems (SNCS) is an online network support service used by numerous customers that monitors the performance of customers' analyzers in real time, contributing to stable operations.

Sysmex has received the top ranking among manufacturers of hematology analyzers in a survey of customer satisfaction^{*1} for 13 consecutive years for its efforts of service system and activities.



SAI's high service quality has also earned the MarketTools ACE (Achievement in Customer Excellence) Award^{*2} for two consecutive years.

^{*1} IMV Service Track US user survey

^{*2} The MarketTools ACE Award acknowledges companies for outstanding achievement in customer satisfaction, employee satisfaction and partner satisfaction.

Expanding and Relocating Corporate Offices to Accelerate Business Development

SAI relocated and increased the size of its corporate offices in September, 2012 to match the expansion of its business in the Americas and pursue its growth strategy.

Situated near the previous location, SAI's new offices are in Lincolnshire, Illinois, providing quick access to Chicago's O'Hare International Airport. SAI continues to use the former corporate campus for customer training on products. The new office has ample space for future expansion accompanying growth.

Opening Ceremony

The September 2012 opening ceremony was attended by more than 300 people, including the local mayor, customers and employees.



Strengthening Our Virtual Customer Training Services while Reducing Environmental Impact

SAI's sales and service coverage area is very broad, with the US area alone encompassing four time zones. SAI therefore began offering virtual training services to bring service and support to the customers in this broad region, including those in Canada.

The newly built virtual training studio broadcasts live streaming of diagnostic instrument handling for customers under contract, including training programs, such as instrument operation procedure and emergency repairs. These trainings are geared to the degree of experience and skill of the medical technologist.

The use of virtual training reduces the time and costs that were associated with visits to Chicago. Environmental impact is also reduced because the CO₂ emissions that accompany travel are eliminated.

Sysmex will continue to provide a full range of products, services and support that meet the needs

Video Streaming

Virtual Customer Training Service

Fully equipped studio for streaming videos of diagnostic instrument operating procedures



Sysmex America



of customers in the Americas and across the globe as we strive to contribute to the development of healthcare.

Words from an Employee

Making it Easier on Customers Located Far Away

Zach Siejka

Customer Training
Sysmex America



We recently opened a studio from which we provide high-quality online training.

The use of online streaming video training programs allows customers to take the training they want when they want it—"just in time"—at their own workplace. Our goal in establishing this online streaming video training system is to provide higher quality and value than our competitors.

Highlight 2



Jinan Factory
(Jinan Sysmex Medical Electronics Co., Ltd.)
Location: Jinan, Shandong, China
Business: Manufacture and sales of diagnostic reagents



Upgrade of Reagent Production Factory in Jinan: Better for People and the Environment

Sysmex has renovated its reagent production factory in Jinan, which commenced production in April 2012. This advanced reagent production factory takes into consideration the environment, people, quality and efficiency, and its future capacity will meet growing demand in China.

Stable Supply of Reagents to Meet Growing Demand for Laboratory Tests in China

Sysmex established its first Chinese reagent production factory in Jinan in 1995 and its second factory in Wuxi in 2003 to provide a stable supply of reagents to customers in the Chinese market.

China's recent economic development has spurred healthcare system reform and encouraged efforts to enhance the country's healthcare environment, causing demand for testing to expand. We therefore upgraded the reagent production factory in Jinan to meet growing demand in China, starting production at the new facility in April 2012.

Designing a Factory That is Good for People and the Environment

We built the new factory based on four concepts from a CSR perspective: ECO, Human, High Quality and Flexible.

Aiming for an eco-friendly factory, Sysmex

took such measures as using resources effectively and providing greenery around the factory. For example, we installed energy-conserving equipment such as high-efficiency air conditioning, automatic lighting controls and exterior lighting that relies in solar power.

We also designed the piping system to conserve energy in cleaning processes, and keep temperatures down inside the factory by maintaining greenery on the roof and in the exterior spaces.

We have sought to create a safe and clean workplace where our employees would feel safe and comfortable. For example, by mechanizing the conveyance of heavy products we can reduce workplace accidents. We also use natural lighting in workplaces, which has a refreshing effect to create bright and healthy-feeling spaces. We 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.

The Environment

An Eco-Friendly Factory that Takes the Global Environment into Consideration

- Energy-conserving air conditioning and lighting installed
- Energy-conserving piping arrangement
- Solar power used for exterior nighttime lighting
- Rooftop gardens



Solar-powered lamps

Quality and Efficiency

Making Products that Assure Customer Satisfaction

- Process automation for preventing quality fluctuation
- Automated process recording strengthens quality checks
- The layout for a factory tour



New production line seen from a factory tour corridor

ECO

Human

High Quality

Flexible

Concept of the New Factory

Four Renewal Concepts

While the pursuit of quality and efficiency and the ability to expand in the future are givens, we take the global environment and our employees into consideration from a CSR perspective.

People

Enhanced Employee Productivity and Motivation

- Mechanized heavy-product conveyance
- Natural lighting in work areas
- Open terrace, biotope and walkways
- Open and airy dining and recreation rooms



Dining room with natural lighting

Future Capacity

Accommodating the Rapid Growth of the China Market

- Expansion of manufacturing area for mainstay product
- Installation of expandable production lines
- Additional production space available for products in different manufacturing processes



Expandable production area

Building a Highly Efficient and Flexible Production Space for the Future

Following concern for the environment and people, two other concepts are quality/efficiency and future capacity. The goal of the reagent production factory in Jinan is to make products that instill customer confidence and assure their satisfaction, so we have pursued quality and efficiency. Through this factory renewal, we have created new production lines that blend an automated line for the quality-assured manufacturing with well-trained human skills for flexible manufacturing. We also have incorporated a layout for a customer factory tour.

We anticipate population growth and rising demand for diagnostic testing in China, so we designed the new facilities to have the flexibility to meet increasing demand, enabling capacity in manufacturing area for mainstay products to approximately quintuple.

We will continue to improve our production structure so that we can accommodate future market environment and growth, allowing us

to meet rising testing demand in China as well as the rest of Asia while contributing to the improvement of regional healthcare and the QOL of patients.

Words from an Employee

Supplying Good Products from a New Factory with a Comfortable Working Environment



Liu Tong

Management Planning Department
Jinan Sysmex

The new factory has commenced operation, and work efficiency has improved by the streamlined production area. Automation has also reduced the burden on employees, which increases production capacity and creates a better working environment. The new factory has more greenery, so I can enjoy my lunch in natural, comfortable surroundings.

The pleasant work environment at the new factory inspires all of us to continue effort to provide customers with a stable supply of superior products.

Organizational Governance

Aiming to Be a Corporation Trusted by Society

To improve management efficiency and enhance transparency and management robustness, Sysmex is strengthening its corporate governance system. We pursue open and aboveboard business activities based on high ethics to protect our stakeholder's interests.

Corporate Philosophy

Sysmex Way

Mission

Shaping the advancement of healthcare.

Value

We continue to create unique and innovative values, while building trust and confidence.

Mind

With passion and flexibility, we demonstrate our individual competence and unsurpassed teamwork.

Core Behaviors

To our Customers

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

To our Employees

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

To our Business Partners

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

To our Shareholders

Our shareholders can rest assured that we will continue to improve the robustness 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.

Promotion of CSR Activities

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

Sysmex CSR builds trust and confidence to all our 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 Core Behaviors clarify provision of value to customers, employees, business partners, shareholders, society and all our stakeholders. At Sysmex, every Group employee shares the Sysmex Way, placing importance on practices throughout daily business activities.

To become more proactive in our CSR initiatives, Sysmex joined the United Nations Global Compact in February 2011. We practice the 10 principles related to human rights, labor, the environment and anti-corruption.



The UN Global Compact's Ten 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. |

Setting Mid-Term Objectives for CSR Activities

In April 2013, Sysmex established the Mid-Term CSR Plan (fiscal 2013–fiscal 2015) based on the 10 Principles of the Global Compact and ISO 26000 international standards for social

responsibility, to foster CSR efforts. Sysmex will contribute to the resolution of social issues by applying PDCA to its CSR efforts based on this plan.

Sysmex Mid-Term CSR Plan (Fiscal 2013–2015)

| Category | CSR Mid-Term objectives | Plan |
|---------------------------------------|---|--|
| Organizational governance | Reinforcement of the compliance system | <ul style="list-style-type: none"> Revision of Group compliance system |
| | Improvement of business continuity plan | <ul style="list-style-type: none"> Continuous improvement of business continuity plan |
| Human rights / Labour practices | Promotion of diversity | <ul style="list-style-type: none"> Promotion of female employee activity Making the workplace more motivating |
| The Environment | Promotion of Environmental activities based on the long-term environmental objectives, Sysmex Eco-Vision 2020 | <ul style="list-style-type: none"> Offering eco-friendly products and services Reduction of the environmental impact of our operations |
| Fair operating practices | Promotion of fair trade | <ul style="list-style-type: none"> Revision of Group compliance system concerning fair trade |
| | Promotion of CSR procurement | <ul style="list-style-type: none"> Establishment and notification of procurement policies from the CSR point of view |
| Consumer issues | Enhancement of information security | <ul style="list-style-type: none"> Shoring up the information security system |
| | Improvement of customer satisfaction | <ul style="list-style-type: none"> Enhancement of our Voice of the Customer (VOC)-based manufacturing and service structures |
| Community involvement and development | Promotion of corporate citizenship activities and philanthropy | <ul style="list-style-type: none"> Promoting activities based on the Policy on Corporate Citizenship Activities and Philanthropy |

Corporate Governance

Enhancing Management Robustness and Transparency to Improve Management Efficiency

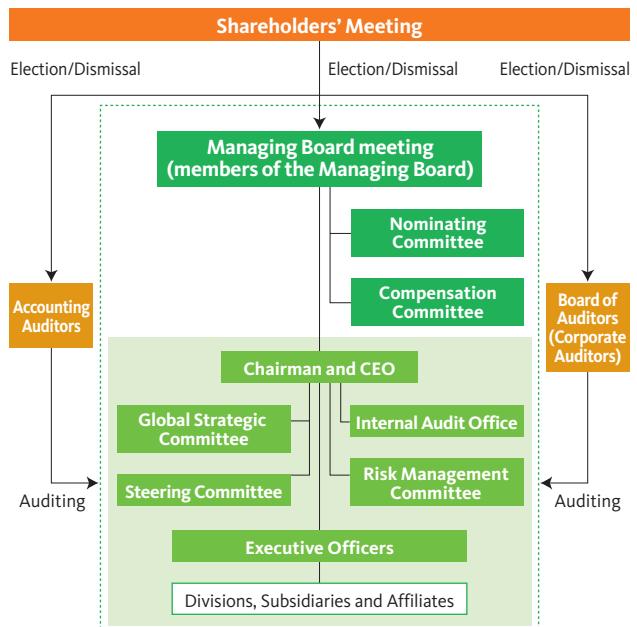
Sysmex considers reinforcing corporate governance to be among its most important management priorities. We believe that enhanced management robustness, better transparency, and improved management speed and efficiency will help us maximize the overall corporate value of the Group.

The Company's Managing Board consists of seven members, one of whom is an outside member, and deliberates on important management issues. The Company has adopted the corporate auditor system, and the Board of Auditors consists of four corporate auditors, two of whom are external auditors.

The corporate auditors supervise the members' business conduct objectively from an independent position. In April 2005, we adopted the executive officer system in order to increase the speed of decision making in the conduct of business and respond quickly to changes in the business environment.

A consultative body to the president, the Steering Committee deliberates on important matters concerning the Group's business. Five of the 17 executive officers are also members of the Managing Board. The Company has also established the Nominating Committee and the Compensation Committee, which have responsibilities in accordance with the "companies with committees" system.

Corporate Governance Structure



Internal Control

Internal Control System Improvements

Based on a Managing Board meeting resolution concerning internal control systems in fiscal 2006, Sysmex is engaged in the improvement and promotion of a system for compliance, information retention and management, risk management, efficient execution of professional duties, Group company management and auditing.

In fiscal 2008, Sysmex formulated Internal Control Regulations concerning Financial Statements and established an Internal Control Committee concerning Financial Statements, a consultative body to the chairman and CEO.

Compliance

Pursuing Open and Aboveboard Business Activities

Sysmex has defined its view of compliance as "respecting laws and regulations and going about our business boldly with a strong sense of ethics."

In accordance with this definition, we have established a Compliance Code, in which particularly important conformance rules for all executives and employees to abide by are compiled. We conduct training programs to ensure the thorough permeation of the code within the organization. The code also applies to overseas Group companies, constructing an integrated compliance structure for the entire Group.

Continuously Providing Education on Compliance

Compliance managers are in place at each Group company, and Sysmex provides compliance education for all employees. We have produced a Compliance Handbook and distributed a copy to each Group company employee in Japan to ensure that all employees are thoroughly compliance-aware. Furthermore, in addition to regular compliance training we set important themes for each year, and training is conducted at each department according to relevant themes. In fiscal 2012, the main themes included training related to revisions of internal regulations made to reflect trends in the medical industry, and training to prevent power harassment.

Overseas Group company compliance training is conducted according to the situation in each country.



Compliance Handbook

Sysmex Group Compliance Code*

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

We shall act in all of our corporate activities by making it a matter of priority to provide our customers with safety and security.

2. To Promote Fair Dealing and Free Competition

We shall deal with our customers and all partners having business relationships with us in a just and fair manner and shall conduct transactions under appropriate conditions. As regards our relation with other companies in the same line of business, we shall not do any dishonest act of unreasonably restricting business with each other or of defaming them.

3. To Make Fair and Proper Information Disclosure and to Exercise Complete Information Control

We shall disclose our corporate information such as our group's financial conditions and business activities in a fair, quick, correct and intelligible way in accordance with applicable laws and regulations, etc. and shall exercise strict control over confidential information collected through our business activities so as not to cause any disadvantage to third parties.

4. To Respect Intellectual Property

We shall respect any third party's intellectual property, and shall not attempt to obtain any third party's result of efforts or confidential information through an illegal method nor shall we use any third party's right for our own business without the rightful person's consent.

5. To Maintain International Peace and Safety

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

6. To Conduct Proper Accounting and Appropriate Tax Payment

We shall always conduct appropriate tax payment and proper accounting by complying with applicable laws and regulations related to taxes as well as other laws and regulations, etc. related to accounting.

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

We shall respect the fundamental human rights of each of the personnel and shall not do any infringing act thereon such as discrimination, harassment, etc. We shall also endeavor to improve occupational health and safety and shall not enforce any unfair labor practice on the personnel.

8. To Make Distinction between Public and Private Matters and Not to Do Any Act Involving Conflict of Interest

We shall be sure not to attempt to gain any personal profit in performance of duties, and shall not make any unauthorized use of our group's assets, goods and information nor shall do such personal act that might cause any disadvantage to our group's business activities.

9. To maintain sound relationship with society

We shall be always strict at the time of conducting business with public agencies and making political donations by complying with relevant laws, etc. We shall also maintain a dauntless attitude toward antisocial activities and groups and shall never be concerned with them.

10. To Preserve the Global Environment

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

Revised November 2009

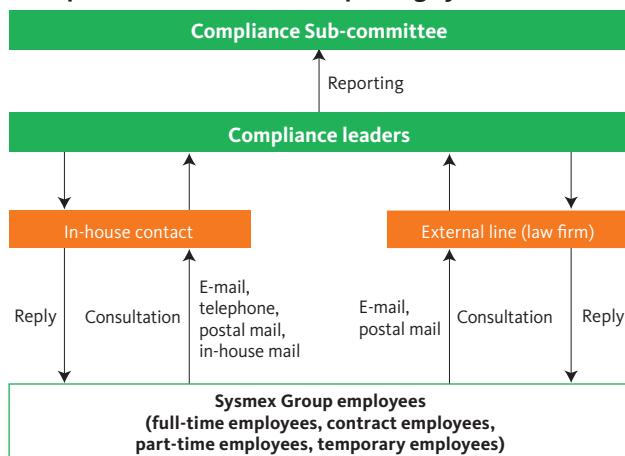
* Written above is the Sysmex Corporation Compliance Code. Our subsidiaries outside of Japan have established their own versions of the Compliance Code by reflecting the various differences in customs and practices of their respective regions.

Internal Reporting System

The “Campanula Lines,” an internal reporting system originally developed for Group companies in Japan, allows our employees to seek consultations and file reports via telephone, postal mail or e-mail through two lines (in-house and external).

Any information received is handled anonymously to protect those providing the information from any adverse reactions. Also, such internal reporting systems are in place at overseas Group companies.

“Campanula Lines” Internal Reporting System



Risk Management

Promoting Risk Management by Establishing a Dedicated Committee

To control groupwide risk management activities, Sysmex established a Risk Management Committee, which is chaired by a Risk Management Officer, the Group's chief executive in charge of risk management. This committee continuously confirms results of monitoring and risk reduction countermeasures conducted by each division and consolidated subsidiary.

In addition, we have been working on a disaster response structure. In fiscal 2012, we established the Disaster Countermeasure Standards governing the companywide emergency communication structure. We also newly formulated the Disaster Prevention Manual, which lays out the required actions to be taken by each employee according to the circumstances, implemented safety confirmation tools for emergency communications, and conducted two rounds of companywide drills to make sure all are well-versed.

We have installed digital wireless as a means of communication among our offices, and have placed disaster prevention supplies at every office. We have also introduced fire escape equipment for employees who are unable to walk on their own due to injuries or disabilities.

Furthermore, we hold meetings on the Company's disaster countermeasures and the Company fire-fighting team conducts disaster drills so all employees can be thoroughly aware of the actions they must take during an emergency.

Information Disclosure

General Meeting and Informal Meetings for Shareholders

Valuing opportunities for direct dialogue with our shareholders, we make an effort to encourage the participation of as many shareholders as possible at the General Meeting of Shareholders. After the general meeting, we hold informal meetings to promote interaction with shareholders.

At the fiscal 2012 General Shareholders' Meeting, we used panels, images, and other tools to explain our R&D, our efforts to contribute to our local community, Kobe, and to society by helping solve healthcare issues, and the opinions of third parties concerning Sysmex's efforts. After that, we entertained questions and exchanged opinions.

At the same time, for shareholders who find it difficult to attend shareholder meetings, we use postal mail and the Internet to facilitate the exercise of voting rights. Furthermore, we contribute to the readability of convocation and resolution notices. We also prepare English-language versions for overseas shareholders, print color convocation notices and post the same information on our corporate website. In fiscal 2012, we increased the visual content of the convocation notices by using graphs, maps, etc.



Informal meeting after the General Shareholders' Meeting

Further Enhancing Information Disclosure

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

In addition to biannual briefings on financial results (after year-end and after the second quarter), since the third quarter of fiscal 2011 Sysmex has held a conference call following the announcement of business results in the first and third quarters in an effort to further enhance information disclosure.

Chosen for Excellence in Disclosure to Individual Investors

In the 2012 Awards for Excellence in Corporate Disclosure, sponsored by the Securities Analysts Association of Japan, Sysmex was selected for excellence in disclosure to individual investors.

We were given high marks for our chairman and CEO's explanations in his own words to individual investors at the Company's briefing meetings, as well as video distribution via our website. Other positive comments included that the structure of the "Investor Relations" section of our site was simple and elegant, and our shareholder newsletter was easy to read and extensive in its content.

* The Securities Analysts Association of Japan Corporate Disclosure Study Group was launched in 1995. It evaluates and selects for excellence based on criteria such as the quality, volume and timing of corporate information disclosure.



Award ceremony

External Evaluation

Sustainability Evaluation

Socially responsible investment (SRI), assessing and screening corporate performance in dimensions like environment and social fairness as well as economy for a sustainable society, is drawing attention.

In fiscal 2012, Sysmex Corporation was selected as a member of the Asia Pacific Index of the Dow Jones Sustainability Indexes (DJSI)*1, a leading global SRI index. Since 2008, we also has been included in the FTSE4Good Index*2, while for two years in a row we have been selected as the Ethibel Excellence*3 by Forum Ethibel, a Belgian SRI evaluation organization.

*1 Dow Jones Sustainability Indexes: SRI index developed through collaboration between S&P Dow Jones Indexes of the United States and Robeco SAM, a Swiss research specialist in the area of socially responsible investment.

*2 FTSE4Good Index: SRI index developed and managed by the U.K. FTSE Group, a joint venture between the Financial Times newspaper and the London Stock Exchange.

*3 Ethibel Excellence: Select stocks chosen for demonstrated performance above a certain level in terms of CSR issues related to observance of human rights and environmental contributions.



Dialogue with Stakeholders

Promoting Direct Dialogue with Various Stakeholders

Sysmex values opportunities for direct dialogue with stakeholders. We incorporate opinions and requests received into our business activities.

Main Dialogue Achievements in Fiscal 2012

Customers

- Conducted survey on degree of customer satisfaction in each region (Sysmex Corporation and overseas Group companies in each region)
- Held scientific seminars in each region (Sysmex Corporation and overseas Group companies in each region)
- Ongoing customer training program incorporating customer feedback in each region (Sysmex Corporation and overseas Group companies in each region)

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)
- Exchanged opinions through collective bargaining with the labor union concerning three themes, including personnel and business skill development, and dialog on workplace environment improvement. (Sysmex Corporation)

Business Partners

- Held an explanatory meeting on quality policies to introduce suppliers efforts to improve product quality and request supplier cooperation. Some 158 people from 74 companies participated. (Sysmex Corporation)

Shareholders and Investors

- Conducted individual interviews with over 300 domestic and foreign institutional investors and analysts (Sysmex Corporation)
- Held informational meeting for individual investors at Kobe Portopia Hall for 500 individual investors (Sysmex Corporation)

Communities

- Held event for local community interaction at R&D core Technopark (Sysmex Corporation)
- Participated in math and science education-focused "5th Science Fair in Hyogo" event for high school students (Sysmex Corporation)
- Participated in the "Aim High Urban Mentoring Initiative" conducted by a U.S. NPO and advised local high school students (Sysmex America)

Human Rights/Labor Practices

Providing a Workplace Environment Where Diverse Human Resources Are Invigorated

Sysmex's Compliance Code forbids discrimination and proscribes unjust working conditions. We strive to adhere thoroughly to these principles and work to ensure fair working conditions and treatment. We also seek to provide labor systems and a workplace environment in which diverse human resources can maximize their potential and be invigorated.

Respecting Human Rights and Diversity

Sysmex Group Compliance Code (Excerpt)

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

We shall respect the fundamental human rights of each of the personnel and shall not do any infringing act thereon such as discrimination, harassment, etc. We shall also endeavor to improve occupational health and safety and shall not enforce any unfair labor practice on the personnel.

7-1 Prohibition of discrimination and harassments

We must not conduct discriminatory behaviors with regard to a person's sex, age, nationality, race, origin, belief, religion, social status, lineage, illness or physical disability, nor must we take such behaviors as ignoring the dignity of other people, including such acts as giving sexual harassment, power harassment, etc.

7-2 Privacy protection

We must acknowledge diversified sense of values people have individually, and must respect privacy of each and every person. Also, we must not unnecessarily disclose private information we acquire in the course of work to any other third person and must not try to obtain private information unnecessarily.

7-3 Elimination of forced labor and child labor

We must not enforce unjust labor by detaining someone against his or her will. Also, we must not hire children of age below the minimum age of employment set forth by laws or regulations enforced in the country or region we operate.

7-4 Assurance of safety and health at workplaces

We must adhere to laws and regulations related to safety and health so that everyone may work with ease of mind, and must strive to maintain and enhance mental as well as physical health of everyone so that safe and comfortable working environment can be established.

Eliminating Discrimination and Unjust Working Conditions

Sysmex has formulated guidelines describing particularly important rules and behaviors for compliance with basic respect for human rights as indicated in "7. To Respect Human Rights and to Improve Occupational Health and Safety" of Sysmex's Compliance Code.

This code clarifies a variety of discriminatory actions that are not tolerated; prohibits sexual harassment, power harassment 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 also conduct training programs as needed to ensure the code is put into practice. In fiscal 2012, we held courses dealing with power harassment for supervisors at the manager level and above.

Training for power harassment performed in fiscal 2012

| Period | Subject | Participants |
|------------------|---|--------------|
| June, July | Executive Vice Presidents/Vice Presidents (Including those on loan to subsidiaries in Japan) | 106 |
| October-December | Directors/Managers (Including those on loan to subsidiaries in Japan) | 538 |

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 power harassment, among other topics. We also have internal reporting systems in place at Group companies overseas.

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.

As of March 2013, our ratio of employment of people with disabilities was 2.08%, exceeding the legal mandate of 1.8% as well as our own target of 2.0%. We will continue reinforcing our efforts in this area.

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.

During fiscal 2012, we rehired eight employees who had retired at the mandatory age according to the terms of our internal rules.

OHSAS 18001* Certification

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.

Employee 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.

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

Basic Principles of the Personnel Management System

1) Ensuring long-term employment

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

2) Promoting the development and cultivation of diverse human resources

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

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

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

Supporting Employee Career Design

Sysmex Corporation has in place a voluntary reporting system that employees can use to design their future careers. Approximately 95% of employees take advantage of this system. 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. In fiscal 2012, we provided an improved declaration sheet to gather more detailed information about employees' desires. For example, we added questions that encourage employees to consider their careers over the medium to long term, as well as questions related specifically to the desire to work overseas.

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. In fiscal 2012, this resulted in our hiring of 50 graduates and six potential candidates. We also use the internet to conduct web-based company briefings and web-based interviews, enabling us to recruit candidates throughout the world, including those who are living overseas or in rural parts of Japan. In fiscal 2012, we hired nine non-Japanese.

Hiring Contract and Temporary Employees to Full-Time Positions

Sysmex Corporation actively hires contract employees and temporary employees as full-time 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.

Through the ongoing application of these systems, in fiscal 2012 we promoted 17 contract and temporary employees to full-time positions.

Promotions to Full-Time Positions (Sysmex Corporation)

| | Fiscal 2011 | Fiscal 2012 | Fiscal 2013* |
|---------------------|-------------|-------------|--------------|
| Contract employees | 13 | 10 | 11 |
| Temporary employees | 10 | 7 | 1 |
| Total | 23 | 17 | 12 |

* As of April 1, 2013

Focus on Supporting a Work-Life Balance

Support for Childrearing

Sysmex Corporation offers a variety of systems, such as childcare leave and shorter work hour systems, to ensure that parents can spend as much time with their children as possible. In support of childrearing, we allow employees to take accumulated paid leave to care sick children in addition to offering a flex-time system.

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 fiscal 2012, we set up new systems to assist employees returning from childcare or nursing care leave. (See page 18 for details.) These support systems are explained in clear terms on the dedicated site on the Company intranet.

These efforts resulted in a 100% rate of return of employees after childcare leave in fiscal 2012.

Users of Systems to Support a Work-Life Balance (fiscal 2012)

| System | Description | Users |
|---|--|-------------|
| Shorter work hour system for child rearing | Until the end of third grade of elementary school | 42 |
| Leave of absence system (childcare leave, childbearing leave) | Child nursing leave prescribed by law, available after one year of age and up to two years | 60 |
| Accumulated paid leave system | Accumulated paid leave for up to 10 days of annual paid vacation from previous years can be taken for child nursing or short-term nursing purposes | 33 |
| Reemployment system | System to reemploy people who previously left the Company for childcare or nursing-related reasons | 1 |
| 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. | 40 children |

Establishment of In-House Daycare Center

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

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,



In-house daycare center,
Sysmex Kids Park

Implementation of New Support Systems

In February 2013, Sysmex Corporation implemented 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

Words from an Employee

My Return to Work was Worry-Free Thanks to the Return-to-Work Support System.

Rino Matsuzaki

Quality Management System Department
Sysmex Corporation



I used the return-to-work support system after taking 18 months of childcare leave. I was concerned after having been away from work for such a long time, but by using the PC loaned to me under the system I was able to view company information, and also was able to keep in touch with my colleagues via email. This allowed me to feel confident about returning to my job.

bereavement or other circumstances may also temporarily utilize the service.

Expanding Systems to Provide a Good Working Environment

In addition to a childcare support system, Sysmex Corporation has in place a number of other systems to help employees realize a work-life balance from various perspectives.

We allow employees to use accumulated paid leave to attend hospital consultations for parents and family members, as well as to accompany family during hospital stays. We also offer a reemployment system to assist employees resuming work after having been forced to suspend their careers due to nursing needs.

Furthermore, we have introduced a cafeteria-type plan that meets diverse employee needs by enabling them to choose from a menu of welfare options. We also encourage employees to take their paid leave so they can unwind.

In fiscal 2012, we attached a sample form with a paid leave requisition to clarify one of our measures to promote the taking of paid leave. We also posted a system guide on the intranet so employees could become acquainted with it.

Acquiring a Next-Generation Accreditation Mark

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



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

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.

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.



Cooperation between Labor and Management

Aligned to Create a Better Workplace

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. Sysmex Corporation and the Sysmex Union work together to develop systems that help employees to maintain work-life balance.

We conducted collective bargaining in May 2012, with opinions exchanged concerning the development of personnel and business skill, diversity promotion and the raising of health consciousness. We also held four council meetings between labor and management, covering topics such as managing working hours and improving the workplace environment.

Employee Opinions Reflected in Management

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

Similar efforts to create structures to reflect employee opinions in management are underway at other Group companies, such as Sysmex International Reagents, which introduced the Employee Proposal System.

Health and Safety Considerations

Maintaining and Improving Employees' Health

Sysmex Corporation encourages employees to undergo thorough physical examinations and cancer tests for women, in addition to regular health checkups, for the early detection of illness. 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 offer a dedicated channel for mental health consultations with specialized industrial physicians and have established an employee assistance program (EAP), enabling employees to seek help easily.

As part of our illness prevention initiatives, we provide specific insurance guidance within our head office, which helps to promote health and raise employee awareness.

We also believe it is important to support employees returning to work after having taken leave. For example, we have created a system for a gradual return to work that allows employees to take a step-by-step approach to returning after a long leave from work.

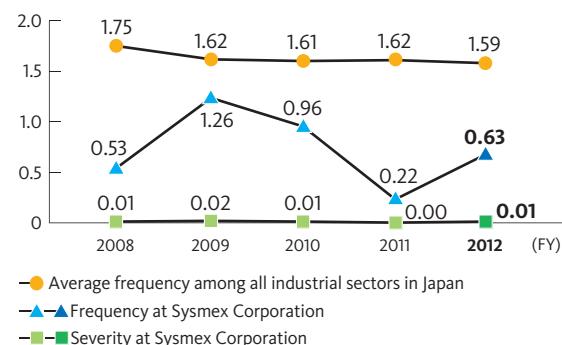
Occupational Health and Safety

To ensure the health and safety of its workers, Sysmex Corporation has formulated Safety and Health Regulations. We have also established a Safety and Health Committee at each of our offices to foster a safe and good working environment. 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, as well as how to use an automated external defibrillator (AED). We are also developing citizen emergency life-saving technicians.

Furthermore, as preparedness measures we conduct evacuation and fire-fighting drills, as well as on reporting earthquakes, fires and other disasters in cooperation with local fire stations. For example, we held large-scale disaster emergency response drills at Technopark in fiscal 2012.

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



Notes: Frequency of work-related injuries: the number of employee deaths or injuries resulting from work-related accidents per million work 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.

Human Resources Development

Focusing on HR Development on a Global Basis

Sysmex has in place systems designed to enable all employees to cultivate expertise and skills on a regular and planned basis. We also focus on developing global human resources, the core of our global business, for our management strength.

We introduced the Global Apprentice Program targeting younger employees in fiscal 2011. We solicit participants internally for this program, which offers employees the opportunity to work at overseas subsidiaries and is open to employees who aim to develop global careers. The objective of the program is to foster a core of global personnel within



Chiaki Takeuchi of the HU Business Management Dept., who was dispatched to Sysmex Asia Pacific through the Global Apprentice Program.

the Company. By the end of fiscal 2012, a total of seven employees had been transferred overseas through the program.

We promoted exchanges of Japanese and overseas personnel in fiscal 2012 by instituting the Global Personnel Exchange Program for strengthening ties through deeper mutual understanding. (See below for details.)



The global personnel exchange program

Introducing Extensive Training Programs

Sysmex America has been executing educational programs in coordination with outside institutions since 2005. We offer training programs covering 40 themes that are strongly connected to Sysmex's business, and have achieved a 90% satisfaction level among employees who have enrolled.

In addition to group training, we also have made approximately 180 types of e-learning program available. In addition, we have created a scholarship funding program for providing up to \$5,250 in financial support to employees pursuing self-directed study at outside institutions.

In addition to the above, Sysmex America is also cultivating business leaders through our Mini MBA Program, in which enrollees sharpen basic skills, such as finance and management, analyze Sysmex's issues and strengths over a period of three-months or more, and make recommendations.



Mini MBA Program graduates

Global Personnel Exchange Program

In November 2012, our Group companies in America, Canada, and Brazil dispatched eight employees to Japan for about two weeks, where they visited the Sysmex business offices and got to know their counterparts in Japan.



Global Personnel Exchange (office tour)



Global Personnel Exchange (experiencing a tea ceremony)

Creating an Open Corporate Culture

Sysmex Europe creates many opportunities for communication among employees, such as marketing meetings, function meetings, and unit meetings. Each season brings events in which all employees can participate, as well as a Christmas party, all of which constitute good chances for in-house communication.

Sysmex Europe has also adopted an open-door policy, and encourages employees to speak frankly with managers.



Employee event

High Marks in the Employee Satisfaction Survey

For the first time Sysmex Europe took part in a benchmark study on quality and attractiveness of workplace culture along with over 400 companies in the form of a survey by a German researcher. In the survey, 90 percent of our employees confirm that Sysmex Europe is a very good place to work, landing Sysmex Europe among Germany's Best Employers in 2012.



Employees of Sysmex Europe, selected as one of Germany's Best Employers in 2012

Promoting Environmental Activities to Reach Our Long-Term Environmental Objectives

In the Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020), we have set forth our long-term environmental objectives, including environmental consciousness in product life cycle processes and environmental consciousness at business offices. We have also established mid-term environmental objectives from fiscal 2013 to 2015 and we are working to achieve these goals.

Environmental Management

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

Promoting Environmental Activities

Sysmex Corporation and Sysmex International Reagents are establishing policies and plans, managing the progress of planned activities, and evaluating their results in the Environmental Management Committee chaired by a senior executive officer.

In fiscal 2012, while continuing to grapple with the fundamental issues of the Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020), we consolidated the issues categorized as “environmentally conscious products and services” and “environmentally conscious operations” and revised the targets. We also established mid-term environmental objectives (fiscal 2013–2015), and made possible mid-term evaluation of the degree of achievement of these goals.

Sysmex has also appointed an environmental manager in each Group company in Japan and overseas, thus establishing a system to collect groupwide activity information and environmental performance data.

Acquiring ISO 14001 Certification

Sysmex is working toward the acquisition of ISO 14001, the international standard for environmental management, for the Group as a whole. Sysmex Asia Pacific acquired this certification in April 2012. As a result, all Sysmex factories in Japan as well as five of seven overseas locations have received ISO 14001 certification, bringing the total to 17 sites. We are moving forward with efforts to acquire certification at Sysmex Wuxi and Jinan Sysmex, as well.



ISO 14001 certificate
(Sysmex Asia Pacific)

ISO 14001 Certified Sites

| Company Name | Site | Acquired in |
|-------------------------------|--------------------|---------------|
| Sysmex Corporation | Kakogawa Factory | April 2000 |
| | Technopark | February 2002 |
| | Head office | February 2002 |
| | Solution Center | November 2005 |
| Sysmex International Reagents | Ono Factory | March 2001 |
| | Seishin Factory | June 2007 |
| Sysmex Medica | — | March 2001 |
| Sysmex RA | — | June 2008 |
| Sysmex Europe | Neumünster Factory | November 1999 |
| | Head office | October 2011 |
| Sysmex Deutschland | — | October 2011 |
| Sysmex Brazil | — | May 2006 |
| Sysmex America | — | December 2009 |
| Sysmex Reagents America | — | December 2009 |
| Sysmex New Zealand | — | May 2011 |
| Sysmex India | — | March 2012 |
| Sysmex Asia Pacific | — | April 2012 |

Conducting Environmental Auditing

In fiscal 2012, Sysmex Corporation and Sysmex International Reagents evaluated overall compliance through a series of self-assessments conducted by individual divisions themselves and internal environmental auditing performed by auditors in other divisions. External environmental auditing was also carried out by a third-party auditing organization.

The internal environmental audits found five nonconformities, while the external environmental audits discovered two. Corrective actions for these nonconformities were promptly completed.

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

| | Sysmex Eco-Vision 2020 Long-term Environmental Objectives (FY2020) (Revised Edition) | Mid-term Environmental Objectives (FY 2013 – 2015) | Activities/Achievements in FY 2012 |
|---|--|--|---|
| Environment 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"> Promoted efforts toward RoHS directive compliance Promoted product development for reduced power consumption Promoted a switchover of protein raw materials used in reagents from animal derivatives to artificially synthesized protein Promoted reduction in materials used in product containers and packaging Promoted expansion of remote service in Asian regions for CO₂ emissions reduction through improved service efficiency |
| | Reduce carbon dioxide emissions for logistics by 50% (per unit of freight ton-km: Japan domestic and inter-regional transportation)*1 Base year: FY2010 | Reduce carbon dioxide emissions for logistics by 30% (per unit of freight ton-km: Japan domestic and inter-regional transportation)*1 Base year: FY2010 | <ul style="list-style-type: none"> Promoted modal shift from air to ocean transport for exports to Indonesia and other countries |
| Environment consciousness at business offices | Reduce greenhouse gas emissions at business offices by 50% (per unit of consolidated sales)*2 Base year: FY2008 | Reduce greenhouse gas emissions at business offices by 25% (per unit of consolidated sales)*2 Base year: FY2008 | <ul style="list-style-type: none"> Installed equipment (including thorough air conditioning controls, installation of energy efficient fluorescent and LED lighting, placement of occupancy sensors in the toilets) as measures against global warming (each business office) Reduced the number of production line processes through automation (Sysmex International Reagents) Purchased electricity from power companies using renewables (Sysmex Europe) Reduced CO₂ emissions by using solar power (Sysmex Europe Neumünster Factory) |
| | Achieve a recycle rate of 93% or higher at all business offices*3 | Achieve a recycle rate of 90% or higher at all business offices*3 | <ul style="list-style-type: none"> Conducted review of waste disposal companies (Solution Center) Began recycling contracting for fluorescent tubes, etc. (Solution Center) |
| | 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 3% (per unit of amount of production)*4 Base year: FY2008 | <ul style="list-style-type: none"> Installed water purifying equipment (Jinan Sysmex) Reused industrial waste water after treatment (Sysmex India) |

*1 Sysmex Corporation

*2 Business offices: All Factories and major business sites

Twelve domestic and overseas Group factories (five in Japan; one each in Germany, the United States and Brazil; two in China; one each in India and Singapore)
Seven domestic and overseas Group offices (four in Japan; one each in Germany, the United States, China and Singapore)

*3 Business offices: All Factories and major business sites that product and/or chemical substances are handled

Twelve domestic and overseas Group factories (five in Japan; one each in Germany, the United States and Brazil; two in China; one each in India and Singapore)
Six domestic and overseas Group offices (two in Japan; one each in Germany, the United States, China and Singapore)

*4 Reagent factories (nine sites)

Reducing the Use of Substances with Environmental Impact

Conforming with Regulations

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

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

Developing Smaller, More Energy-Efficient Products

To help our customers save energy, we are pursuing efforts to develop diagnostic instruments that are smaller and use even less electricity.

We are also reducing packaging weight and using efficient packing methods to reduce environmental impact when products are shipped.

Establishing Eco-Friendly Diagnostic Reagent Raw Material Production

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

In the past, proteins were cultivated with equipment such as tanks to control for environmental factors (such as sterility, temperature and oxygen concentrations), using cells from mammals and other animals; the new approach reduces energy consumption substantially. As 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.



Silkworms to produce proteins



Eco-Friendly Service

Promoting Eco-Friendly Service Models

Sysmex is lowering environmental impact by making service more efficient.

For example, in addition to expanding the functions of the Customer Support Center, we are minimizing downtime for diagnostic instruments in use by constructing the Sysmex Network Communication System (SNCS, see page 32 for details) to maintain interactive communication with customers.

This system leads to reduced visits to customer sites by our employees, allowing reductions in the amounts of gasoline used by company cars and the amounts of CO₂ emitted by them.

Reducing Domestic CO₂ Emissions for Logistics

We are also promoting efforts to reduce CO₂ emissions generated in logistics processes. For logistics operations in Japan, we revised transportation routes to make them more efficient, and as a result, CO₂ emissions from transportation within Japan were down approximately 9% in fiscal 2012 compared with the previous fiscal year.

To reduce emissions resulting from exports from Japan, we conducted a modal shift from air to sea freight for instruments shipped to Indonesia. As a result, CO₂ emissions generated through transportation to the Asia-Pacific region were down approximately 29% year on year. In contrast, air shipments to Europe increased due to a sudden increase in demand, resulting in an approximately 38% increase in CO₂ emissions year on year for exports overall.

Nonetheless, due to our efforts to make packaging more efficient, when viewed in terms of ton-kilometer* units our domestic and intra-regional logistics CO₂ emissions were down approximately 7% year on year.

*Ton-kilometer: A unit of freight carriage equal to the transportation of one metric ton of freight one kilometer. For example, one metric ton of freight transported one kilometer is expressed as "one ton-kilometer."

| | FY2011 | FY2012 |
|--------------|------------------------|------------------------|
| Within Japan | 1,256t-CO ₂ | 1,145t-CO ₂ |
| Exports | 3,279t-CO ₂ | 4,528t-CO ₂ |

Environment consciousness at business offices

Reducing Greenhouse Gas Emissions at Business Offices

We are promoting various measures at each site, in order to reduce greenhouse gas emissions at our business offices.

At all our business offices, including our factories, we have introduced thorough building temperature controls, insulated and applied reflective coatings to the roof, and installed energy-efficient fluorescent and LED lighting. Sysmex International Reagents has also reduced its production line processes through automation.

While production area expansion has in some cases caused a large increase in power used, the efforts described above have resulted in a year-on-year reduction in greenhouse gas emissions (per unit of consolidated sales) of approximately 0.2%.



LED lighting (Ono Factory)

Reducing Waste at Business Offices

We are continuously making efforts to increase our recycling rate, such as by reviewing waste disposal companies.

We proceeded with efforts at each site in fiscal 2012, such as reviewing waste disposal companies at the Solution Center and initiating recycling of fluorescent lighting and other items.

Also, Sysmex Wuxi made efforts to reduce waste, for example, by reusing the PE bags used for materials packaging in the production and development process, and reusing them as household trash bags.

Through such efforts, the Group's recycling rate for fiscal 2012 rose to 89.5% from 87.9% last year.

Reducing Water Use and Processing Wastewater Appropriately at Business Offices

We are working to improve efficiency and reduce water use volume.

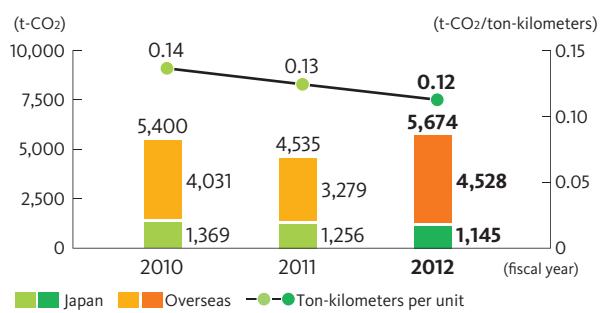
Jinan Sysmex installed new, high-efficiency water purifying equipment. At Sysmex India, all factory wastewater is purified and used to water the greenery around the facility.

As a result of such efforts, water use (per unit of output) in fiscal 2012 was down approximately 3% year on year.



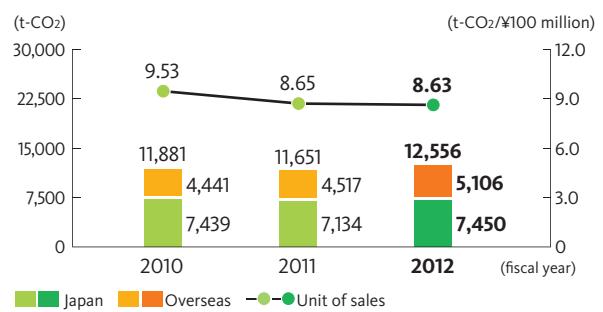
Using post-treatment factory wastewater to water the greenery (Sysmex India)

CO₂ emissions from logistics



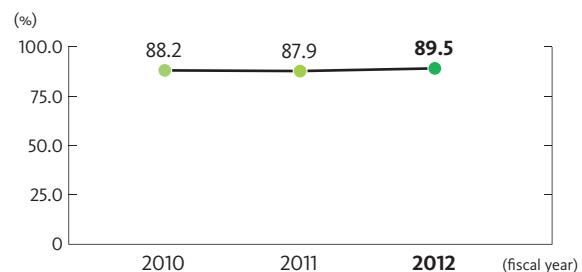
Note: Range of calculation is CO₂ from Japanese factory to Japanese customer and that to overseas seaport or airport

Greenhouse gas emissions at business offices



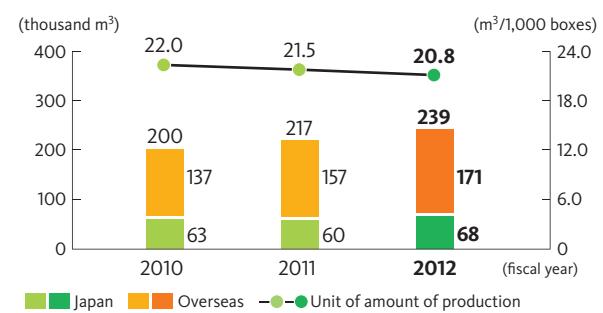
Note: Range of calculation is as described on page 22.

Business office recycling rate



Note: Range of calculation is as described on page 22.

Water use at reagent factories



Note: Range of calculation is as described on page 22.

Others

Reducing CO₂ Emissions from Domestic Company Cars

To reduce CO₂ emissions from some 400 company cars in Japan, we are engaged in efforts such as using the intranet to make the distance traveled by each car and the amount of gas used “visible,” while seeking to raise driver consciousness. We are also introducing eco-cars and hybrid cars into the fleet.

These efforts resulted in an approximately 3% year-on-year reduction in CO₂ emissions from our domestic fleet of company cars in fiscal 2012.

Supporting Establishment of Environmental Management Systems by Suppliers

Sysmex has formulated green procurement standards designed to raise the environmental consciousness of its suppliers. We also disclose on our website the chemical substances that we limit or reduce in our products. We ask our suppliers of parts and raw materials for their cooperation in this regard.

In fiscal 2012 we conducted a survey of 302 suppliers to inquire their status of chemical substances management. We confirmed that no major environmental issues had arisen.

Reducing Materials for Containers

We are working to reduce the amounts of materials for containers for instruments, reagents and repair parts in an effort to reduce the weight of materials used. In fiscal 2012, we revised the packing containers for nine types of reagent,

resulting in a reduction in packing material volume for those products of approximately 26%. Sysmex Wuxi has taken steps to reduce packing materials, such as changing the material used for clinical chemistry product boxes and eliminating shrink wrap.

Carefully Managing and Appropriately Disposing of Substances with Infection Potential

Sysmex International Reagents uses bio-based materials for the manufacture of products, and such materials are used at Technopark as experimental materials for research and development. As these substances have infection potential, all appropriate precautions are taken in their handling. Our instruction manuals call for strict management of these materials, and restrict the means of storage and locations where they are used. Furthermore, these substances are carefully segregated from general waste for proper disposal.

Using Tablets to Reduce Paper Use

Sysmex Corporation has introduced tablet computers to promote paperless meetings. This approach reduces paper use and waste volumes, as well as eliminating such processes as printing and distributing documents prior to meetings.

Meeting efficiency is also improved, as data can be distributed digitally to meeting participants beforehand.

Green Procurement Standards

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. These standards have been formulated to cultivate proactive environmental conservation activities among our suppliers and enable us to work together toward the development of a sustainable society.

2. Green Procurement Initiatives

We practice “green procurement” to ensure that our 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 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, 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.

Actively Using Natural Energy to Reduce CO₂ Emissions

A strong sense of environmental awareness exists in Europe, so Sysmex Group companies in Europe engage in eco-friendly efforts in response to community demand.

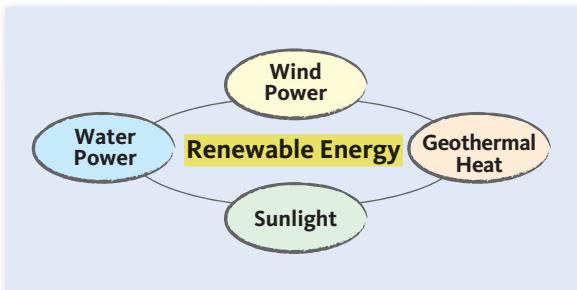
Reducing Environmental Impact

More than anything else, Europe today demands companies reduce environmental impact across the entire range of their business. Sysmex Group companies in Europe are giving their all to meet the expectations of the community.

Efforts in Germany

Sysmex Europe is making all efforts to switch to renewable forms of energy, such as water, wind, geothermal heat, and sunlight. Photovoltaic systems are being installed at our own factories, and we are entering into renewable energy power supply agreements with power companies in an effort to increase our ratio of renewables-derived power purchased.

We have been actively implementing effective power use measures, such as the full-scale launch of a heat recovery system, since fiscal 2012. We are also using eco-cars in our company fleet. Another way we broadly reduced CO₂ emissions was to move the reagent warehouse closer to the Neumünster factory, cutting the distance by around 90 km.



Photovoltaic System (Sysmex Europe Neumünster factory)



Eco-car using natural gas
(Sysmex Europe)

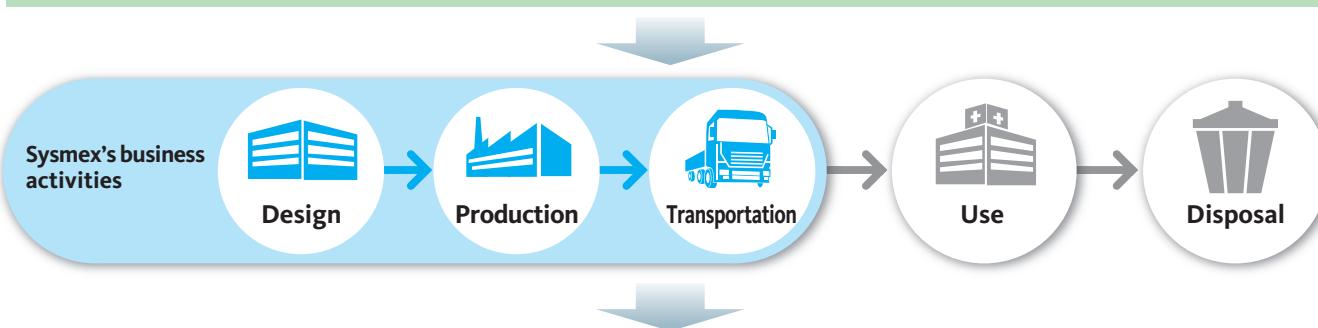
Efforts in France

Sysmex France operates an ISO 14001-based environmental management system to reduce environmental impact. In addition to curbing waste emissions and practicing waste separation, the company has reduced annual per-vehicle fuel consumption by 5%, and promotes "eco-driving."

Sysmex France has also succeeded in reducing used paper volume by switching to a lighter gauge of paper and encouraging two-sided printing.

Environmental Impact of Business Activities

| | | INPUT | | |
|----|---------------------------------------|-------------|---------------|--|
| | | Fiscal 2011 | Fiscal 2012 | |
| 1> | Electricity use (thousands kWh) | 26,643 | 28,154 | |
| 1> | City gas (thousands m ³) | 801 | 956 | |
| 1> | LPG (m ³) | 8,317 | 5,337 | |
| 1> | LNG (m ³) | — | 0 | |
| 1> | Heavy oil (kL) | — | 0 | |
| 1> | Kerosene (kL) | 58 | 62 | |
| 1> | Diesel (kL) | 59 | 19 | |
| 4> | Gasoline for domestic fleet (kL) | 775 | 748 | |
| 4> | Diesel for domestic fleet (kL) | 2.6 | 3.3 | |
| 3> | Water use (thousands m ³) | 315 | 332 | |
| 5> | Office paper (t) | 52 | 49 | |
| 4> | PRTR (t) | 9.1 | 7.2 | |



| | | OUTPUT | |
|----|---|-------------|---------------|
| | | Fiscal 2011 | Fiscal 2012 |
| 1> | Greenhouse gas emissions from business offices (t-CO ₂) | 11,979 | 15,988 |
| 4> | CO ₂ emissions from domestic company cars (t-CO ₂) | 1,806 | 1,746 |
| 2> | Total waste emissions (t) | 1,184 | 1,164 |
| 2> | Recycling rate (%) | 87.2 | 89.2 |
| 3> | Wastewater volume (thousands m ³) | 128 | 144 |
| 4> | PRTR (t) | 0.6 | 0.7 |

- 1> All Sysmex Corporation business offices, subsidiaries in Japan, factories and regional headquarters
- 2> All Sysmex Corporation business offices (excluding branches and sales offices in recycling rate) and factories
- 3> Sysmex Corporation business offices and factories handling products and chemical substances
- 4> All Sysmex Corporation business offices and factories in Japan
- 5> Sysmex Corporation and Sysmex International Reagents offices that have acquired ISO 14001 certification

* Note: We have revised the scope of data in fiscal 2012, as indicated at left. We have revised the data for fiscal 2011 according, and as a result figures in some categories will differ from those contained in the Sysmex Sustainability Report 2012. Also, emission factors for the volume of greenhouse gases emitted employ emissions factors announced annually by electricity providers, so emission factors used in fiscal 2012 differ from those used for fiscal 2011.

Pursuing Fair Business Practices with Business Partners

To ensure the fairness of its business activities, Sysmex makes a thorough effort to work against corruption such as extortion and bribery and ensure ethics compliance. We also strive to promote CSR activities throughout the entire value chain, as we strive to maintain favorable relationships with suppliers, distributors and other business partners.

Anti-Corruption

Encouraging Fair Transactions in Accordance with Promotion Codes

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."

Sysmex Corporation has established a Sysmex Promotion Code (SPC), which stipulates the core behaviors for preventing bribery and other inappropriate acts and maintaining fair trade. The Fair Trade Promotion Committee, established in fiscal 2008, oversees training and conducts surveys on an ongoing basis in an effort to bolster employee awareness of SPC compliance.

We revised the SPC in April 2012, adding operational rules on providing food, drinks and entertainment to clinical professionals.

We also conducted training sessions concerning the new operating rules and SPC-related case studies, and tested employee understanding of the SPC in October.

Anti-Corruption Education Conducted in Fiscal 2012

Theme: "New operational rules on providing food, drinks and entertainment" and "Transparency guidelines"
* e-learning

Period: July–August

Subject: Employees involved in product promotions (about 1,600 employees)

Theme: SPC case studies

Period: Throughout the year

Subject: Departments involved in product promotion

Security Export Control

Establishing a Security Export Control Structure

Sysmex strives to reinforce its security export control system based on the Security Export Control Regulations, thoroughly verifying the destinations and purposes of our exports.

At each department in Japan, a security export control manager is appointed to take responsibility for ensuring security export control and employee training on the issue at his or her department. In fiscal 2012, we implemented a companywide e-learning program on the themes of Security Export Control Regulations and Export Administration Regulations in the United States.

We are also making progress in implementing systems for cooperation with regional headquarters and make our controls more efficient to strengthen the groupwide control structure.

Respecting Property Rights

Preventing Infringement of Other Companies' Intellectual Property Rights

Dedicated to intellectual property management, Sysmex strives to protect and utilize its own intellectual property rights, as well as to prevent infringements on the intellectual property rights of other companies.

Each new product development project involves a patent review to decide what patents to apply for to protect our own intellectual property and review third parties' intellectual property information. As a part of this review, a patent application study committee is convened, where Intellectual Property members and R&D engineers draw up patent application policies and plans for technologies under development. At the same time, the committee investigates the status of third-party intellectual property rights, thereby minimizing any risks associated with intellectual property.

In fiscal 2012 we implemented patent reviews even after product launch, and we are using the results of such reviews in subsequent product concepts.

In fiscal 2012, we filed 100 patent applications in Japan and 195 overseas. As of March 31, 2013, patent holdings in Japan totaled 624, with 899 overseas. Six of our patent applications were environment-related.

R&D Ethics Compliance

Establishing a Committee Including Outside Members

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 of 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.

CSR Promotion throughout the Value Chain

Procurement Policies

- To contribute to healthcare through the supply of superior products
- To achieve mutual growth and development based on mutual trust with business partners
 - Better partnerships
 - Fair, transparent procurement
 - Compliance with applicable laws, confidentiality
 - Environmental considerations

Holding Quality Policy Briefings

We create opportunities to meet with suppliers and brief them on the course of our business and purchasing policy, thereby forging even stronger relationships with them.

In August 2012, we held a Quality Policy Briefing that was attended by 158 people from 74 companies. We introduced our businesses and quality improvement efforts at the briefing, and asked for their cooperation.



Quality policy briefing

Aiming to Improve the Quality of Supplied Parts and Raw Materials

To supply products with reliable quality to customers in a stable manner, it is essential to maintain and improve the quality of supplied parts and raw materials. 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 also provide suppliers with a checklist that allows them to self-check their quality management system, and we conduct new transaction inspections and audits to help them improve quality. We audited 19 instrument parts suppliers and 15 reagent materials suppliers in fiscal 2012.

Fostering Compliance Awareness in the Procurement Process

In order to comply with the Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors, Sysmex provides education through companywide e-learning. In addition, we established the Sysmex Trade Mission (STM), an electronic purchasing system for prevention of unreasonable payment reductions and refunds. Each year, we also provide training on the system. In fiscal 2012, 29 people underwent this training, including new employees assigned to R&D departments.

In Distributor Relationships, Focusing on the Key Issue of Compliance

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. At the same time, we take advantage of opportunities presented by product briefings, which are held on occasions such as new launches, to share our policies and activities with our distributors, helping them to deepen their understanding of the importance of compliance.

We engage in continuous communications with our overseas distributors through regular meetings at their locations as well as teleconferencing and meetings.

Consumer Issues

Pursuing Quality and Satisfaction That Exceed Expectations

While attending to constant improvement of the quality of our products and services, Sysmex is endeavoring to create a system that allows us to ensure that customers can confidently use such products with safety and ease. We aim to provide satisfaction that exceeds expectations by deepening our understanding of "what customers truly want."

Quality Assurance

Quality Policy

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

Core behavior

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

Revised in May 2007

Building a Global Quality Management System

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

All Group companies involved in development and production have acquired certifications for ISO 9001 and ISO 13485^{*1} quality management system. As of March 31, 2013, 28 of the 46 Sysmex Group companies had acquired ISO 9001 certification, with 14 Group companies also having acquired ISO 13485 certification.

Sysmex also conducts management reviews and quality audits of quality activities at its principal Group companies to confirm that the management system is operating properly. We have established quality policy training for all employees, as well as quality training matching departmental work type/level and regional needs.

In addition, once a year we hold the Global RAQA (regulatory affairs/quality assurance) Meeting, at which Quality Assurance Department managers from Sysmex Corporation, the regional headquarters in the Americas, EMEA^{*2}, China, and the Asia Pacific region, and affiliates gather to share information,

strengthening our response to product regulations and the quality assurance system.

^{*1} ISO 13485: Quality management system for the design and manufacture of medical devices

^{*2} EMEA: Europe, the Middle East, Africa



Global RAQA Meeting

Ensuring Product Quality

Used in clinical 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.

The Sysmex global quality complaint processing system, which was implemented in April 2011, allows us to gather quality information in a timely way from markets around the world. When we receive information about a bug or malfunction, we immediately look into the cause and cease distribution of the product. We are also constructing an e-document control system that will be useful in responding to regulations and improving work quality.

Furthermore, in fiscal 2012 we strengthened the Group's structures for dealing with pharmaceutical laws and regulations to respond to the pharmaceutical-related regulatory systems of all countries, such as the U.S. Food and Drug Administration (FDA^{*}), and expanded our product lineup.

^{*}FDA: This U.S. government agency is dedicated to the approval and regulation of food products, pharmaceuticals, cosmetics, medical instruments and other items. It evaluates product safety and efficacy, regulates clinical trials and performs other similar functions.

Safety and Quality Information

Collection and Repair Information Posted on Our Website

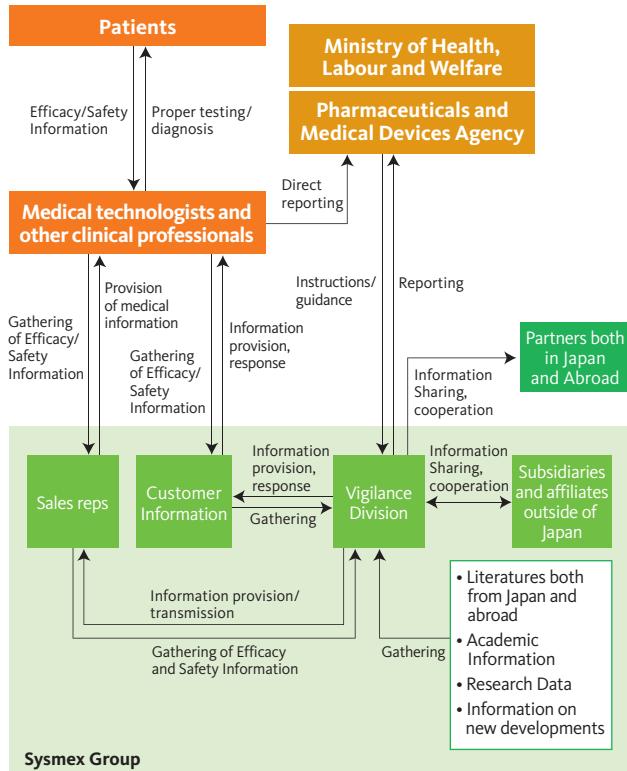
Sysmex posts information about product collection and repair on its website under "Important Product Notices." No voluntary collection and repair occurred in fiscal 2012.

Sharing Customer Feedback on Product Quality and Safety within the Company

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

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

Product Quality and Vigilance Control System



Calling Attention to 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 Asian countries. 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 seek cooperation from local governments and, when necessary, we bring cases to court.

After-Sales Support

Responding to Inquiries Rapidly and Responsibly

In Japan, Sysmex Corporation maintains a Customer Support Center, where experienced staff members with expert knowledge cater to customers 24 hours a day, 365 days a year (separate agreement required). By creating a database containing maintenance histories and the details of past inquiries from customers to ensure quick reference, the center responds to inquiries and requests both quickly and carefully.

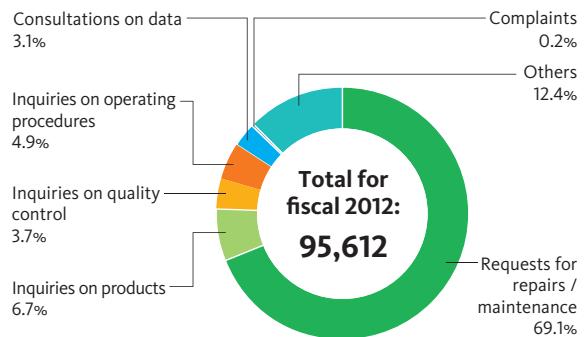
We also maintain customer service contacts at our regional headquarters in the Americas, EMEA*, China and the Asia Pacific region.

* EMEA: Europe, the Middle East, Africa



Customer Support Center

Inquiries to Customer Support Center



Supporting Customers' Quality Control on a Daily Basis

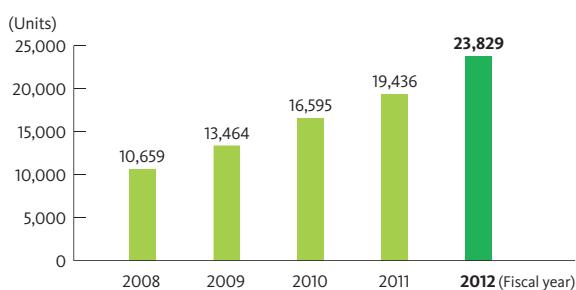
At hospitals and other healthcare facilities, instrument precision is controlled to maintain consistent testing data reliability. In most cases, the condition of instruments is checked by comparing the measurement results of materials known as "control samples" with reference values and results on a daily basis.

Sysmex supports quality control by providing control materials. Customer instruments are connected to the Customer Support Center via our online Sysmex Network Communication Systems (SNCS). Measured values of control samples sent via

the SNCS from customer instruments are received by the Customer Support Center, which detects signs of abnormalities and returns the analysis results to the customer.

As with quality control, SNCS also contributes to instrument failure prediction and preventive maintenance. We will continue to strengthen our remote maintenance support by utilizing this “predict and prevent” support service and network.

Instruments Registered with the On-Line Quality Control Service (worldwide)



Selected as No. 1 in Customer Satisfaction Survey

In the IVD Service Monitor 2012, an annual survey of five major companies handling hematology analyzers in Germany, Sysmex Europe was chosen No. 1 in customer satisfaction survey for the second year in a row.

Providing Products and Services with Increasing Customer Satisfaction

Sysmex distributes questionnaires to attendees at the symposiums and exhibitions it participates in throughout Japan, in which the Company asks about dissatisfaction or suggestions for improvement in dealing with customers. We also conduct surveys about the functions and operating procedures of our new products. The results of these surveys are provided as feedback to the relevant departments, and are used to improve products and customer relations.

In addition to such efforts, we are also creating a customer relationship management (CRM) system that can comprehensively manage a variety of data about each customer, to enable a more individualized approach to customer service.

Customer Satisfaction Surveys in Each Region

Sysmex Group companies in each region are also focused on understanding customer needs.

For example Sysmex Shanghai, the subsidiary in China, conducts an annual customer satisfaction survey, and Sysmex Wuxi also conducts a similar survey in the support of Sysmex Shanghai's service department. The information acquired through these surveys is shared with all the departments within the companies, and is used to improve products and services.

Jinan Sysmex was commended as a Grade A Trusted Medical Device Manufacturer by the Jinan Food & Drug Administration in June 2012. The Food & Drug Administration surveys all companies involved in medical device manufacturing in Shandong Province and evaluates factors such as treatment of employees and compliance with standards and regulations. A total of 10 companies received the commendation.

Stable Supply of Reagents

Ensuring Accurate In Vitro Diagnostics, Which Is Indispensable to Treatment

Sysmex is expanding support structures and facilities to ensure stable product supplies. In fiscal 2012, we completed upgrades to the Ono Factory, increasing the factory's production capacity to 1.5 times its previous level. We also rebuilt the reagent production factory in Jinan, enabling it to respond flexibly to demand for greater production.

We are moving forward with revising the materials procurement process as part of our disaster response. For example, we are seeking to disperse risk by enabling our overseas factories to manufacture the products that have been made in Japan, which allows for delivery to our overseas customers without delay. We are also proceeding to specify the materials that are a procurement risk and find alternatives for them.



Completion ceremony at the Ono Factory

Scientific Activities

Sysmex Journal International Available in More than 100 Countries

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

In fiscal 2012, we newly published a Chinese edition in addition to Japanese and English editions.

Publishing Picture Books Explaining Diseases and Healthcare Testing

Sysmex compiles educational picture books on diseases and healthcare testing, which we distribute to hospitals, clinics and other healthcare facilities to keep in their waiting rooms.

Introducing the characteristics of diseases and procedures of healthcare testing and treatment in an easy-to-understand way, the picture books present stories that hold the interest of children and other readers who may lack medical knowledge.

Seminars in China

Sysmex keeps clinical professionals updated on scientific information by sponsoring seminars and study sessions for doctors and medical technologists. In fiscal 2012, Sysmex Shanghai held the 15th Scientific Seminar and XN launch event after receiving approval in China for the XN-Series, our flagship model in the hematology field.

We held lectures by specialists and information sessions on themes such as clinical testing in the medical system reform currently underway in China, as well as an XN-Series introductory presentation. These were attended by 1,200 clinical professionals from around China.



15th Sysmex Scientific Seminar in China



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 2012, five venues in Kobe, Tokyo, Sendai, Nagoya and Fukuoka were linked by satellite relay in conducting the 35th Sysmex Scientific Seminar under the theme of "New Aspects in Hemostasis and Platelet Studies—for Controlling Thrombosis"

We also hold seminars in China, Taiwan and Thailand.
(See below for details.)

Training Program Aimed at Standardization of Clinical Testing Technologies

In July 2012, we held a training program in Jinan, Shandong Province, to provide technical support for clinical technologists concerning clinical testing standardization in cooperation with the Chinese Society of Laboratory Medicine and the Chinese Hospital Information Management Association. Around 150 clinical technologists attended. As the sole sponsor of this public clinical technologist program, in addition to participating Sysmex Shanghai spent around two months preparing it.

This program constituted the largest-scale training project in Shandong, and everyone, including the public agencies, showed great appreciation for Sysmex's support.



Training program aimed at testing standardization

Community Involvement and Development

Contributing to a Global Society

Sysmex is aware of the responsibilities as a good corporate citizen, and actively contributes to society across a broad range of fields, including healthcare. As a global company, we are developing these activities from Kobe, Japan, our home base, to the rest of the world.

Basic Policy

Sysmex established its Policy on Corporate Citizenship Activities and Philanthropy in May 2012, indicating how the Company will pursue behaviors and commitment as a good corporate citizen.

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

Funding of University Courses

Since fiscal 2004, Sysmex Corporation has contributed funds to a course at the Kobe University Graduate School of Medicine. The course, entitled "Assessment of Clinical Testing (Sysmex)," consists in research into new clinical testing technologies, including the research and study of autoimmune diseases such as connective tissue disease and rheumatism. Advances will continue to be made in the development and verification of the utility of new clinical testing methods, bringing about the realization of personalized medicine, which is one of the challenges of recent years. In addition to achieving accuracy in diagnoses, this research also contributes to the establishment of methodologies that can provide patients with efficient treatment with few side effects, and we expect the research to make significant contributions to society.

In addition, Sysmex promotes advances in electronic measuring technology through the Nakatani Foundation, which was founded in 1984 and changed its name in 2012 to the Nakatani Foundation for Advancement of Measuring Technologies in Biomedical Engineering. This foundation provides awards and research grants for research in the field of in vivo measuring and related technologies. In fiscal 2012, 11 grants totaling ¥16 million were awarded, bringing the total since the foundation was launched to 300 grants and total amount of ¥554.79 million.

Endorsing "Pink Ribbon" to Support Breast Cancer Patients

Since 2004, Sysmex has continuously supported the Pink Ribbon Campaign, which promotes the early detection and treatment of breast cancer, by sponsoring symposiums and through other activities. We also actively support Pink Ribbon Campaign awareness such as by placing "Pink Ribbon vending machines"^{*1} at our offices.

^{*1} Pink Ribbon vending machine: A vending machine from which 1% of the drink sale proceeds is donated to the Pink Ribbon Smile Fund^{*2}.

^{*2} Pink Ribbon Smile Fund: A Japan Cancer Society fund for the placement of diagnostic equipment at medical institutions as well as patient support.

Participation in the Ecocap Movement

Sysmex has participated in the Ecocap Movement since 2008. PET bottle caps are sent in, and donations corresponding to the number of caps are then sent to developing countries to pay for vaccinations for children. The number of caps sent in fiscal 2012 corresponded to about 300 vaccinations.

Japan

Participation in the Kobe Medical Industry Development Project

The Kobe Medical Industry Development Project aims to create a focal point among healthcare industries in Kobe through industry-government-academia cooperation. Sysmex established the Sysmex Asano Laboratory at the Translational Research Informatics Center (TRI), one of the core facilities of this project. Under the direction of Dr. Shigetaka Asano (Professor Emeritus, University of Tokyo), a leading expert on hematology, we are conducting research toward development of immunodiagnostics technologies for proper diagnosis of autoimmune disorders and improved cell therapy efficacy and safety.

Supporting Youth Education

Sysmex Corporation accepts ambitious students on internship programs every year. In fiscal 2012, we provided work experience opportunities to 15 interns, three of whom were our first from India, in research and other departments.

In addition to accepting students from local communities, we also cooperate in the Try-yaru Week workplace experience program held annually for Hyogo Prefecture junior high school students.

In addition to these efforts, in fiscal 2012 we held workplace tours for children in August. Some 18 children of Group employees were given showroom and office tours and took part in activities making crafts and picking bitter gourds planted as "green curtains."

We also took part in the Science Fair in Hyogo, an event participated in by companies, universities and research institutions, at which Hyogo Prefecture math and science high school students annually present their research results.



Science Fair in Hyogo

Special Sponsorship of the Kobe Marathon 2012

Sysmex Corporation was a special sponsor of the Kobe Marathon 2012, held in November 2012, for the second year in a row. In addition to providing the bib numbers to be worn by the approximately 20,000 runners, we exhibited at the Kobe Marathon EXPO 2012, and Sysmex employee volunteers provided comprehensive event support by supplying water and other efforts.



Accepting JICA Trainees

Every year, Sysmex Corporation provides training on the use of instruments to researchers from developing countries who visit Japan on a program offered by the Japan International Corporation Agency (JICA).

In fiscal 2012, Sysmex on three occasions accepted trainees from Africa, who toured plants and offices and received technical instruction.



JICA trainees

Support for the Letters for the Future Project

Sysmex Corporation is a corporate supporter of the Letters for the Future Project sponsored by the non-profit Japan Philanthropy Association. Through this project, derivation of a name and stories of family members associated with the birth of a child are put in a letter for future viewing. In January 2013, we held an event related to this project at the Sysmex in-house daycare center, at which parents put their thoughts and feelings in letters to their children, strengthening family ties.

Words from an Employee

Our Support Helped the Runners Participate with Confidence.

Kozue Nagai

IR & Corporate Communication Department
Sysmex Corporation



Sysmex was a special corporate sponsor of the 2nd Kobe Marathon, and I took part in a company project to help make the event a success. The goal of the project was to develop the marathon's theme of "Thanks and Friendship," so employees formed teams to provide water and encouragement to the runners, and also provided information at the EXPO and through the Sysmex Kobe Marathon Special Website. This made for a livelier meet and inspired confidence in the runners. I believe that the 3rd Kobe Marathon, to be held in November 2013, will contribute to the enlivening of our home-base of Kobe.

Community Events

Every year, Sysmex Corporation invites community residents to its offices to strengthen its relationship with the local community.

We opened the Japanese garden at Technopark to the public in May 2012, and had about 500 visitors. In November, we held an exhibition of our collection oil paintings by Isao Nishimura, who is associated with Kobe, at the Solution Center.



Open house event at the Technopark garden

Local Community Development Support

Sysmex Corporation supports local development through donations and sponsorship.

• Kobe Luminarie

Sysmex is a regular sponsor of Kobe Luminarie, an annual illumination event that originated as a memorial for the victims of the 1995 Great Hanshin-Awaji Earthquake and which is held in the hopes of reconstructing/restoring Kobe and all of Hyogo Prefecture.

• The Kobe Oji Zoo Animal Sponsor Program

The program invites individuals and businesses to support the zoo by sponsoring particular species of animal at the institution. We elected to support the giant pandas, among the most popular of the zoo's inhabitants.

• Sponsorship of the Kobe Flower Picture Blanket Event

We sponsored the Kobe Flower Picture Blanket Event to bring attention to flowers, one of Kobe's famous products. Flower beds were arranged using flowers produced in Kobe to form a large flower picture tens of meters across.

• Sponsorship of Construction of Dedicated Training Facilities for a Women's Soccer Team

Securing a training ground is a big concern for women's soccer teams, the INAC Kobe Leonessa Soccer club included. Sysmex Corporation sought to provide support by sponsoring construction of the Kobe Ladies Football Center, Japan's first training facility dedicated to women's soccer, which had been proposed by the city and two related organizations.

Environmental Contribution

An Eco Team formed by Sysmex Corporation employees who are interested in environmental preservation activities has been conducting various activities since fiscal 2008.

As it did in the previous year, in fiscal 2012 the Eco Team carried out a cleaning operation at Suma Beach in Hyogo Prefecture and an afforestation project in the Tsurukabuto Forest on Mt. Rokko, which is also located in Hyogo Prefecture. The family members of employees also participated in these activities.

Group companies also continued with environmental efforts. For example, Sysmex RA participated in the Clean Shiojiri Partner System run by Shiojiri City in Nagano Prefecture. More than 80 employees actively took part in Satoyama preservation, eco-work and other activities.



Tsurukabuto Forest
afforestation project



Eco-work (Sysmex RA)

Post-Earthquake Reconstruction Support through Our Products

In July 2012, Sysmex Corporation loaned diagnostic instruments and provided the advisory services of our in-house dieticians to the Akita Association of Medical Technologists for use in the health checkups it provides free-of-charge to victims of the Great East Japan Earthquake. On the date of the health checkups, it provides ranging in age from young children to the elderly were provided services such as hematology testing, urinalysis and measurements of visceral fat.



Health checkups for Great East Japan Earthquake victims

Relocation of Sysmex Women's Track & Field Team

Sysmex Corporation operates the Sysmex Women's Track & Field Team with members such as world-class runner Mizuki Noguchi and other top young athletes.

Up to now the Sysmex Women's Track & Field Team had been based in Ukyo Ward, Kyoto, but in April 2013 the team moved to practice facilities in Kobe, Hyogo Prefecture, where Sysmex's head office is located, to further energize interactions with the local community in Kobe and create a spirit of oneness with the employees.

The Americas (North, Central and South America)

Events for Children

Sysmex America invites children to visit its workplaces every year, offering them a variety of experiences.

In fiscal 2012, the children formed teams and engaged in a variety of activities and games. Afterward everyone had lunch together, helping to deepen the bonds between parents and children.



Children who participated in the event

Sysmex Named to Companies That Care Honor Roll for its Corporate Citizenship Activities

Sysmex America was selected for 2013 Honor Roll status by an NPO in the United States. Sysmex has been awarded this honor for five consecutive years since 2009 in recognition of the company's efforts to encourage corporate citizenship activities create a motivating workplace, and other practices.



Supporting Local High School Students

Sysmex America is an active member of the "Aim High Urban Mentoring Initiative," a program organized by the non-profit organization "Center for Companies That Care," which was established to inspire employers to encourage volunteer activities among their employees. Sysmex America's employees serve as advisors to three students at Chicago public high schools and also provide ongoing financial support.

Donating Diagnostic Instruments to Healthcare Institutions

Central and South America face many healthcare issues. In fiscal 2012, Sysmex Brazil provided a hematology analyzer to a hospital in the city of Apurimac, Peru, with the aim of boosting healthcare in the local community. The hospital is managed by Diospi Suyana, an NPO that aims to establish medical infrastructure in the Peruvian Andes.



Hematology analyzer donated to Diospi Suyana

Support for NPO Engaged in Blood Cancer Research Grants and Patient Support

Sysmex America continuously supports the Leukemia & Lymphoma Society (LLS), which provides funding for blood cancer research and patient support.

Volunteers from Sysmex America joined in LLS's fundraising "Illinois Man & Woman of the Year" campaign. Participants in the campaign planned and executed fundraising activities, with the monies raised donated to LLS. During this year's campaign, volunteer employees invited employees, their families, friends, and local residents to a dance event, beach party, and golf event, to gather money for donations totaling \$78,803.

Sysmex America also provides support to the American Cancer Society and the American Heart Association.



Presentation of donation to the Leukemia & Lymphoma Society

Sysmex employee volunteer
(with a child receiving support through the campaign)



Contributing to Local Communities from a Variety of Perspectives

Sysmex Brazil engages in diverse corporate citizenship activities by supporting culture, sports and healthcare.

Principal activities for fiscal 2012 are as follows:

- Sponsorship of Christmas events, such as daily musicals (São Paulo/São José dos Pinhais)
- Sponsorship of environmental event featuring exhibition of art based on photos of natural scenes (São Paulo/San Jose dos Campos)
- Donations to the Development of High Performance Athletes Project supporting over 1,000 young tennis and soccer players as well as other athletes (Minas Gerais/Belo Horizonte)
- Five years of continuous support for pediatric healthcare projects executed by hospitals in the state of Paraná (Paraná/Curitiba)



Christmas event in São José dos Pinhais

Hosting University Students for Company Visits

Sysmex Brazil invited students of pharmacology and biomedicine at two Brazilian universities to tour the company in April 2012. On the day of the visit, the students heard lectures on quality control for ensuring the reliability of testing data as well as the latest information on hematology testing. They also observed the reagent manufacturing process.



Observing the manufacturing process

Europe and Africa

Contracting out Work to Organizations Supporting People with Disabilities

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

Donating PC Monitors to Local Schools

Sysmex Deutschland initiated the "Sysmex Helps Children" project for donating used PC monitors to local schools in fiscal 2009. In November 2012, the company collected 40 company monitors for donation to two elementary schools and three high schools.



Children with donated monitors

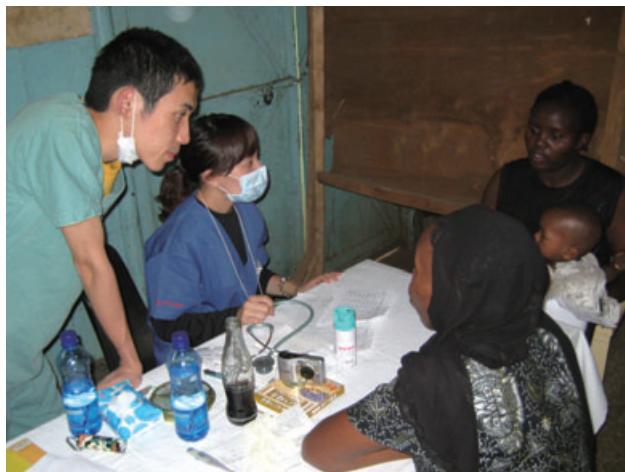
Donation to a Cancer Wing

Sysmex Europe holds in-house Christmas charity events annually. In fiscal 2012 employees gathered 1,500 euros, which when combined with the company contribution came to a total of 6,000 euros, and donated this amount to the cancer wing of a hospital in Karlsruhe, Germany.

Support for NPO Building Medical Infrastructure in Kenya

Sysmex Corporation supports ILFAR, an NPO dedicated to building HIV/AIDS treatment infrastructure in Kenya.

ILFAR conducts regular free testing to prevent the spread of HIV. More than 2,000 people took part in such a program conducted in the village of Pumwani, Kenya, in September 2012.



Free testing to prevent the spread of HIV

China and Asia Pacific

Conducting Beach Cleanups

In July 2012, Sysmex Asia Pacific executed a cleanup of the eastern shore of Singapore, where the company is based. Volunteers collected 20 bags of trash in about three hours.

Participating in a Family Run

Sysmex Malaysia employees and their families participated in the Family Run event in October 2012.

Eight orphans from a local child welfare facility were also invited to participate on the day of the event, and they joined the employees and their families to form 17 teams, deepening ties of friendship. We also presented the children with new running shoes as mementos.

Visiting a Children's Self-Reliance Support Facility

In October 2012, 50 Sysmex Asia Pacific employees visited a children's self-reliance support facility in Singapore. In addition to playing games and conducting activities, they donated S\$5,000 as well as daily necessities, games and other items.

Visiting a Child Welfare Facility

In January 2013, employees of Sysmex Malaysia paid a visit to a local welfare facility for children with disabilities. The children had fun playing games that had been planned for them.



Visit to a child welfare facility

Providing Relief to Flood Victims

Flooding due to heavy rains forced the evacuation of over 30,000 people in the Indonesian capital of Jakarta in January 2013. Sysmex Indonesia sought to provide material and emotional support to the victims, particularly in the poorer areas of the city.

The company provided water, food, baby supplies and other items to evacuation shelters. Volunteers from the company also worked to keep victims' spirits up. They also set up a "massage corner" at a shelter in the Penjaringan district, as well as engaging in recreational activities such as sing-alongs and games for kids.



Loading up supplies

Taking on Interns from India

Sysmex accepts students seeking work experience as part of our support for employment in the regions where we conduct business.

While up to now we had taken on interns from South Korea, China, Russia, and other countries, in May 2012 we invited three Indian students to Japan, where they toured plants and got experience in instrument maintenance. This was the first time Indian students had done internships at Sysmex.

These efforts provide opportunities for Sysmex to gain the interest of students overseas. We will continue such internship programs as part of our efforts to foster regional development in tandem with the growth of our business.



Work experience of interns from India

Support for a Sewing Learning Center in Malaysia

Sysmex Malaysia donated RM3,000 toward the establishment of a sewing center operated by Jumble Station, a community outreach initiative of Parents without Partners Bhd, an NGO created to gather donations to assist single parents.

22 representatives of Sysmex Malaysia and two from Sysmex Asia Pacific attended the center's opening ceremony in May 2012.

The center is offering training of sewing classes



Jumble Station Sewing Learning Center

by well-known local designers at a low cost for housewives and single mothers who need income-producing skills. The women are able to cover living expenses once they can take dressmaking orders.

In the future the center plans to hold English class as well as arts and crafts classes for children, along with sewing classes. Sysmex Malaysia will continue to support the center, to assist community development.



On Reading the Sysmex Sustainability Report 2013

ISO 26000-Based Editing

As it did last year, Sysmex has focused the construction of its sustainability report on the seven ISO 26000 core subjects, again this year producing a report that is comprehensive and easy to understand. During the fiscal year covered in this report, Sysmex established a Mid-Term CSR Plan, creating a structure for activating the PDCA cycle for CSR activities and resolving social issues. I give them high marks for this effort. I believe the report can be enhanced and taken to the next level by specifically describing achievements and issues that remain to reach the objectives. Clearly showing the relevance of the Company's efforts to the newly launched Mid-Term Management Plan is also important.

Revision of Sysmex Group Environmental Action Plan (Sysmex Eco-Vision 2020) and Establishment of Mid-Term Environmental Objectives

Sysmex has revised the long-term objectives in Eco-Vision 2020 by consolidating the issues categorized as "environmental consciousness in product life cycle process" and "environmental consciousness at business offices," revising the objectives and setting forth mid-term objectives. These have made the environmental objectives more concrete and management easier. There is considerable difference in terms of environmental conservation activities between the product life cycle process and activities in the business offices, so this is a reasonable approach. There is a worldwide trend toward companies addressing environmental issues across their supply chains. I believe that the next issue for Sysmex to consider is the possibility of a supply chain-oriented environmental response.

Katsuhiko Kokubu

Professor, Graduate School of
Business Administration,
Kobe University



Enhancement of Global CSR Information

Sysmex provides extensive information in this report about the CSR efforts it conducts outside Japan. I believe that this projects Sysmex's attitude of placing importance on its overseas efforts. CSR efforts at the global level are extremely significant, so I give the Company high marks in this area. I hope Sysmex will continue to make progress on systematic and effective CSR activities by analyzing the significance of CSR in each of the regions in which it operates. For example, conducting materiality analyses in each region would, I believe, make it easier to gain local understanding and cooperation. Furthermore, I hope the Company will continue to enhance CSR efforts that are prevailing globally, such as the trend toward integrated reporting. To enhance its reporting in this way, I believe the next step is for Sysmex to establish key performance indicators (KPIs) to evaluate CSR progress. I look forward to observing the Company's future CSR developments.

Corporate Data

Corporate Overview

| | | | |
|------------------------|---|----------------------------|--|
| Company name | SYSMEX CORPORATION | Line of business | Development, manufacture, sales, and export/import of laboratory testing instruments, reagents, and related software |
| Established | February 20, 1968 | | |
| Paid-in capital | ¥9,711 million (As of March 31, 2013) | Main customers | National and other public hospitals, private hospitals, universities, research laboratories, other healthcare facilities, etc. |
| Representative | Hisashi Ietsugu, Chairman and CEO | | |
| Head Office | 1-5-1, Wakinohama-Kaigandori, Chuo-ku, Kobe 651-0073, Japan | Export destinations | More than 170 countries |
| | | Subsidiaries | 44 (7 in Japan, 37 abroad) |

Business Activities

Diagnostics field

The diagnostics field involves instruments, reagents, and software for analyzing samples of blood, urine, and cells. Our instruments for measuring the number and functions of blood cells (hematology) and determining the activity of blood hemostasis (hemostasis) enjoy a high reputation with customers, who place us as the number one brand in each market segment. By combining quality instruments with a broad range of other products and services, such as reagents, software, instrument maintenance services, and academic support, we are offering solutions that increase the efficiency

and quality of laboratory operations.

Life sciences field

Tapping into the wealth of technological know-how that we have amassed in the diagnostics business, Sysmex applies the latest technologies for gene and protein analysis to the creation of innovative testing and diagnosis technologies. Our priority R&D area here is the definitive diagnosis and recurrence prevention of cancer, and we are currently introducing technologies for rapid detection of cancer cell metastasis in lymph nodes to markets around the world. We are also involved in

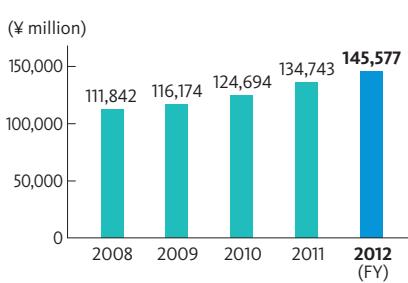
R&D of technologies for predicting the effects of anti-cancer drugs slated for commercial launch. Our ultimate goal is to contribute to better patient QOL.

Other fields (Healthcare, etc.)

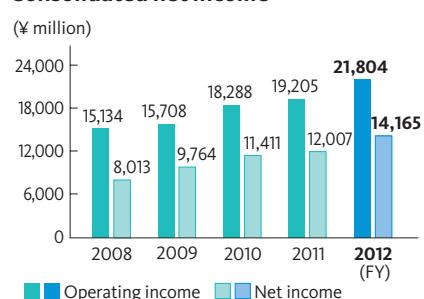
We commercialize and sell devices that can estimate hemoglobin levels without blood sampling, and a series of support software for health management and childcare services. We are also involved in the development of particle measuring analyzers for industrial field, utilizing the particle analysis technology that was originally developed in the diagnostics field.

Financial Data

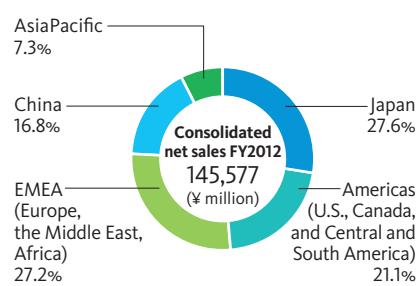
Consolidated net sales



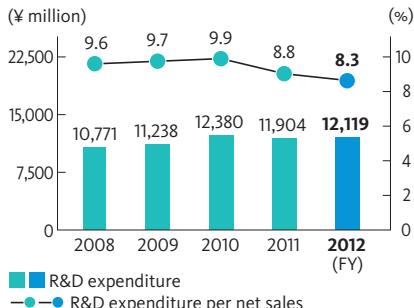
Consolidated operating income / Consolidated net income



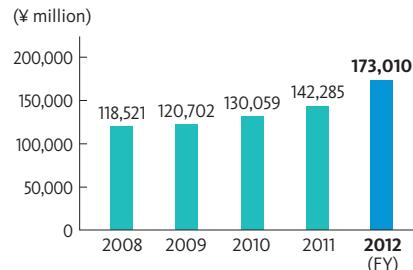
Net sales by destination



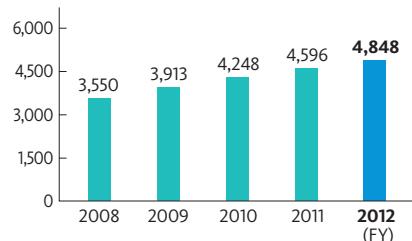
R&D expenditure



Consolidated total assets



Number of employees (consolidated)





We Believe the Possibilities.

Sysmex Corporation

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