



Sysmex Sustainability Data Book 2024

Fiscal 2023 (April 1, 2023 to March 31, 2024)

Together for a better
healthcare journey

Contents

- Sustainability Management** 3
 - Materiality 4
 - Stakeholder Engagement 14

- Society** 15
 - Creating New Value for a Healthy Society** 16
 - Resolution of Medical Issues through Innovation 16
 - Improvement in Accessibility to Healthcare
—Approaches to Global Health and Universal Health Coverage— 19
 - Providing Responsible Products, Services,
and Solutions** 26
 - Pursuit of Quality and Trust 26
 - Strengthening Supply Chain Management 33
 - Creating an Attractive Workplace** 36
 - Development of Human Resources
—Employee Journey— 36
 - Promotion of Diversity, Equity & Inclusion 41
 - Increasing Engagement 44
 - Promotion of Health and Occupational Safety:
Wellbeing 50
 - Corporate Citizenship Activities** 54
 - Corporate Citizenship Activities 54

- Environment** 59
 - Environmental Management 60
 - Resource Circulation in Product Lifecycle 66
 - Reduction in Environmental Burden
through Business Activities 71

- Governance** 77
 - Compliance** 78
 - Compliance Management 78
 - Compliance Promotion Initiatives 80
 - Risk Management** 83
 - Risk Management Structure 83
 - Operating Risks 84
 - Response to Risks
Related to Business Continuity 93
 - Enhancing Information Security 94
 - Respect for Human Rights** 95
 - Respect for Human Rights 95

- External Evaluation** 97
 - External Evaluation** 98
 - Evaluations and Results
Related to Sustainability 98

- Performance Data /
Independent
Practitioner’s Assurance** 101
 - Social Data 101
 - ISO 304141 Certification 105
 - Environmental Data 106
 - Independent Practitioner’s Assurance 110

Disclosure System

Financial Information	Non-Financial Information
Integrated Report: “Sysmex Report” (Annual report)	
<p>IR Information Site https://www.sysmex.co.jp/en/ir/index.html This site discloses details of financial, stock, and shareholder information. • Financial Reports & Presentations</p>	<p>Sustainability Site https://www.sysmex.co.jp/en/csr/index.html • https://www.sysmex.co.jp/en/csr/report/</p> <p>Corporate Governance Report https://www.sysmex.co.jp/en/corporate/governance_e.pdf</p>

Editorial Policy

Sysmex publishes the Sysmex Report, an integrated report that provides a concise summary of financial and non-financial information in terms of value creation over the medium- to long-term. The Sustainability page on our website serves as a reporting tool to complement the Sysmex Report. It presents all our specific efforts to address priority issues (materiality) in sustainability and is periodically updated. We also publish an annual report titled Sustainability Data Book, which summarizes the details provided on our website. The website and Data Book serve as engagement tools for all stakeholders, and thus they refer to disclosure items specified by the GRI Sustainability Reporting Standards in order to ensure exhaustive disclosure. Regarding climate change, we disclose various types of information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Guidelines Referenced

- GRI (Global Reporting Initiative) “GRI Sustainability Reporting Standards”
- SASB (Sustainability Accounting Standards Board) “SASB Standards”
- The Japanese Ministry of the Environment’s Environmental Reporting Guidelines (2018 ed.)

Period Covered

Primarily fiscal 2023 (from April 1, 2023 to March 31, 2024). Some activities conducted outside this period are also included.

* For the most recent information, we keep information on our sustainability site updated as it becomes available.

Date of Publication

October 2024

Organizations Covered

Sysmex Corporation and consolidated subsidiaries
 In this report, “Sysmex” refers to the Sysmex Group as a whole. “Sysmex Corporation” refers to the Company on a stand-alone basis.

Independent Practitioner’s Assurance

We obtained an Independent Practitioner’s Assurance for observation, as well as environmental and social data.

► [Independent Practitioner’s Assurance](#)

Note on the Forecasts

Statements in this report pertaining to Sysmex’s future plans, forecasts, and other items are based on currently available information and involve uncertainties. Actual results may differ materially from those planned or forecasted in these statements.

Together for a better healthcare journey

Sustainability Management

Materiality 4

Stakeholder Engagement 14

Sustainability Management

Materiality

The Positioning and Process of Identifying Our Materiality

Sysmex identifies materiality (priority issues) with a view to realizing a sustainable society and achieving its own sustainable growth. We verify this content on a regular basis.

Conventionally, materiality is an analysis along two axes of items of importance to stakeholders and to Sysmex. We identified this materiality in 2017. To make progress more visual and effective, we set specific targets and KPIs in line with the mid-term management plan as “non-financial targets” (renamed “sustainability targets” in fiscal 2021). We also developed action plans and activities for responsible divisions. We reviewed this content in 2021 in tandem with the formulation of our mid-term management plan.

In formulating a new long-term vision and corporate strategy, we have determined that it is important to design a strategy that is consistent with our long-term corporate strategy, mid-term management plan, and materiality, to accelerate our sustainability management, when taking into account the expansion of our business domains and the increasingly diverse and complex social environment we face. We believe that this will help improve our execution capabilities, promote dialogue, and facilitate understanding both within and outside the Company.

As an approach to re-identifying materiality, we took a backcast design based on conventional materiality. First, along with the long-term management strategy, we analyzed social and environmental trends and industry trends up to 2033, organized them as challenges for achieving our long-term vision, and identified the SDGs that Sysmex should prioritize from the perspective of their impact on social and corporate value. Based on these prioritized SDGs, we identified 14 material items in five fields with the approval of the Managing Board.

Furthermore, we have utilized the new materiality as a basis for basic strategy and to set key performance indicators in our long-term corporate strategy. We have also integrated our basic strategy with our mid-term management plan and sustainability targets, creating a style for the value creation that Sysmex aims to achieve.

The results of each strategy’s execution and sustainability targets are periodically reported by each division to the Managing Board and at management meetings twice per year, and progress is checked by the board.

In line with the progress of our strategies and changes in the environment, Sysmex will continue to provide value by regularly verifying and reviewing materiality.

Priority SDGs	Materiality
3 Good Health and Well-being 	<ul style="list-style-type: none"> Resolution of medical issues through innovation Improvements in accessibility to healthcare Creating New Value for a Healthy Society²
9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production 17 Partnership for Targets   	<ul style="list-style-type: none"> Pursuit of quality and trust Strengthening supply chain management Providing Responsible Products, Services, and Solutions²
5 Gender Equality 8 Decent Work and Economic Growth  	<ul style="list-style-type: none"> Increasing engagement¹ Promotion of diversity, equity & inclusion² Development of human resources Promotion of health and occupational safety Creating an Attractive Workplace
13 Climate Action 	<ul style="list-style-type: none"> Resource circulation in product life cycle² Reduction in environmental burden through business activities² Reducing Environmental Impacts²
(Governance)	<ul style="list-style-type: none"> Corporate governance Compliance Risk management Respect for human rights¹ Strengthening Governance

*1 Newly added item

*2 Items that have been reorganized, integrated, or changed from the previous materiality

Status of Sustainability Targets

Materiality	KPI*1	Target			Fiscal 2033 (Eco-Vision)	
		Fiscal 2023	Fiscal 2025	Fiscal 2033		
Creating new value for a healthy society	Resolution of medical issues through innovation	Number of hematology tests	Number of CBC tests (based on the number of reagents)	—	—	—
	Hematology market share*2	Percentage of consolidated sales to the market size of instruments, reagents, and services in a single year in the field of hematology	—	—		
	Number of cases with surgical support robot	Number of cases with surgical robot system (manufactured by Mediaroid Corporation)	—	—		
	Number of patents	Total number of patents, utility model rights and design rights obtained	—	—		
	Number of new patents	Total number of patents, utility model rights and design rights applied for	—	—		
	Number of cancer genomes Analyzed*3	Number of cancer genomes analyzed by the NCC OncoPanel	—	—		
	Number of breast cancer tests using the OSNA method	Number of breast cancer tests using the OSNA method	—	—		
Improvement in accessibility to healthcare	Sales in emerging and developing markets	Consolidated sales in emerging and developing markets	—	—	—	
Providing responsible products, services, and solutions	Pursuit of quality and trust	Number of recalls*3	Number of voluntary recalls/repairs for products sold (instruments and reagents)	—	—	—
		Number of FDA warning letters	Number of FDA warning letters issued to Sysmex	—	—	
	Strengthening supply chain management	CSR survey response rate (primary suppliers in Japan and overseas)	Percentage of raw material suppliers that responded to CSR surveys (primary suppliers in Japan and overseas)	90%	90%	
		Number of training sessions for suppliers (Japan)*4	Number of briefings, training, and other training sessions for domestic suppliers (single year)	5	5	
		Third-party certification rate of suppliers (primary, Japan)*4	Percentage of primary raw material suppliers (domestic) obtaining third-party certification for manufacturing or product quality	—	—	
Reducing environmental impacts	Resource circulation in product life cycle	Zero product loss	Unused disposal rate of in-house manufactured goods, raw materials and spare parts (cost/sales percentage)	0.22%	0.18%	Less than 0.1%
		Recycling of containers and packing and utilization of environment compliance materials	Rate of recycled or environmentally conscious materials used in containers and packaging/labeling materials	30.0%	60.0%	100%
		Reduction of greenhouse gas emissions (Scope 3)	Percentage of reduction of greenhouse gas emissions (Scope 3) with FY2022 as the base year	Cut 3%	Cut 10%	Cut 35%
		Reduction of packaging and labeling materials	Percentage reduction of total packaging material weight with FY2019 at the base year	—	—	—

*1 The shaded KPIs were added in April 2023. The items whose targets are displayed as "—" are monitoring items for which no targets are set.

*2 Source: Clearstate and Sysmex estimates

*3 Target: Sysmex Group in Japan

*4 Target: Sysmex Corporation on a non-consolidated basis

Fiscal 2019	Fiscal 2020	Results			Fiscal 2023	Progress and Future Initiatives
		Fiscal 2021	Fiscal 2022	Fiscal 2023		
—	—	2,971 million	2,977 million	3,325 million	Looking at market share in fiscal 2023, we saw higher reagent sales in all regions, due to an expansion of the installed instrument base. In Japan, the introduction of new high-end models proceeded well. However, due to the impact of government procurement policies in China, our share of the mid/low-end market temporarily decreased there, resulting in a slight decline compared to the previous year. However, our measures to transfer production to local facilities in China is on track. Installation progressed smoothly, concluding in fiscal 2023 (hematology field).	
54.7%	55.6%	54.6%	54.0%	53.0%	The number of surgeries performed using our robotic-assisted surgery system increased substantially, owing to an increase in the number of units installed and expansion in the types of medical procedures for which the system can be used.	
—	—	—	1,323	2,903	The number of cancer genomes analyzed and the number of breast cancer tests using the OSNA method remained at the same level as in the previous fiscal year.	
3,143	3,485	3,680	3,832	3,868	The number of patent applications decreased, as we grew more stringent in our selection of patents that would deliver future value and filed more strategic patent combinations.	
306	287	298	257	200	We will continue to monitor the social impact of both our existing diagnostics business and our new medical robotics business.	
—	1.6 thousand	1.6 thousand	1.7 thousand	1.6 thousand	Sales in emerging markets and developing countries grew by around ¥8.0 billion year on year, due to our enhanced sales and service structure in emerging markets, including India, Brazil, the Middle East, Turkey, and Saudi Arabia. One of our growth strategies is to expand our business in emerging markets, and accordingly we are working to support improvements in accessibility to healthcare and quality.	
—	46 thousand	54 thousand	52 thousand	52 thousand	In fiscal 2023, we had two recalls, the same number as in the previous fiscal year, without receiving any health hazard reports, and received no FDA warning letters, as in the previous fiscal year. We successfully prevent defective products from entering the market by establishing a system that ensures compliance with the regulations of each country, conducting regular quality audits, timely collecting information from the market through our global quality complaint handling system, and thoroughly investigating the causes of defective products. We will continue our efforts to maintain and improve the safety and quality of our products.	
—	¥122.0 billion	¥143.0 billion	¥156.7 billion	¥164.6 billion	The CSR survey response rate for fiscal 2023 was 95%, meeting our 90% target. In addition to working toward improvement of initiatives based on the results of the CSR survey, we conducted six training sessions on CSR survey and BCP response items. We also procurement policy briefings to explain our supply chain management policy and eco-social strategy, which was attended by approximately 250 suppliers. We will continue to promote sustainable procurement and ensure a stable supply of our products and services.	
—	4	2	2	2	As part of our efforts towards achieving zero product loss, we have implemented a recycling program for discontinued equipment and parts. However, waste was generated as a result of our discontinuation of supplying hemostasis reagents in Russia. As a result, the rate of unused Sysmex products discarded as waste in fiscal 2023 was 0.4%, falling short of our target.	
—	0	0	0	0	Regarding the adoption of environmentally conscious materials in containers and packaging, we have made progress in the transition to cardboard incorporating recycled paper and reagent boxes made from FSC-certified materials. In fiscal 2023, our rate of use reached 43%, meeting our target.	
85%	89%	90%	94%	95%	In addition to promoting a modal shift during product shipment and selling products with enhanced energy-saving features, we have succeeded in reducing Scope 3 emissions. In fiscal 2023, we achieved a 4% reduction, meeting our target.	
—	2	5	5	6	We will collaboratively create innovative solutions that will advance the realization of a circular society by taking on the challenge of green innovation with stakeholders and utilizing Sysmex's strengths.	
—	86%	88%	86%	88%		
—	—	—	—	0.40%		
—	—	—	—	43%		
—	—	—	—	Cut 4%		
—	Cut 4%	Up 9%	Cut 7%	Cut 9%		

Materiality	KPI*1	Target			
		Fiscal 2023	Fiscal 2025	Fiscal 2033 (Eco-Vision)	
Reducing environmental impacts	Reduction of greenhouse gas emissions (Scopes 1, 2)	Reduction rate of GHG emissions (Scope 1, 2) from fiscal 2022	Cut 30%	Cut 40%	Cut 55%
	Ratio of renewable energy	Percentage of using renewable energy	65%	75%	90% or higher
	Reduction of using energy per employee	Percentage of reduction of using energy per employee with FY2022 as the base year	Cut 1%	Cut 3%	—
	Reduction of water consumption (main reagent factories)	Percentage of reduction of water consumption per production of reagents with FY2022 as the base year	Cut 4pt	Cut 23pt	Cut 90pt
	Reduction of total waste	Percentage of reduction waste generated by business activities per consolidated sales	Cut 1%	Cut 5%	Cut 15%
	Ratio of product waste to sales	Ratio of products waste caused by expiry and other reasons to consolidated sales	—	—	—
Strengthening governance	Corporate governance	Number of meetings with investors and analysts*2	Number of meetings with institutional investors and securities analysts	—	—
	Compliance	Number of internal reports	Number of internal reports of incidents received	—	—
		Number of unethical incidents	Total number of incidents in which the violations the law were found, and disciplinary actions were taken for the violation of the Global Compliance Code	—	—
	Risk management	Number of information security trainees*3	Number of participants in information security training (gross)	—	—
Participation rate in disaster drills*3		Percentage of participants in training using safety confirmation tool assuming a disaster, etc. (including employees on long-term leave)	—	—	

*1 The shaded KPIs were added in April 2023. The items whose targets are displayed as "—" are monitoring items for which no targets are set.

*2 Target: Sysmex Corporation on a non-consolidated basis

*3 Target: Sysmex Group in Japan

Results					Progress and Future Initiatives
Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	
—	—	—	—	Cut 29%	We have been promoting the transition to renewable energy and the installation of energy-saving equipment. Despite an increase in corporate vehicle usage after the easing of COVID-19, the reduction rates for Scope 1 and Scope 2 emissions in fiscal 2023 were generally in line with our targets. Additionally, thanks to a significant reduction in the heat conversion value of electricity through the introduction of renewable energy, energy use per employee decreased by 8%, surpassing our target. We will continue to promote operational efficiency and energy-saving measures. We have completed the transition to renewable energy at major domestic locations, and we will extend these efforts to our overseas locations. We remain committed to reducing greenhouse gas emissions.
—	—	—	—	69%	
—	—	—	—	Cut 8%	
—	—	—	—	Cut 2pt	
—	Cut 8%	Cut 15%	Cut 27%	Cut 32%	
—	0.6%	0.6%	0.5%	0.4%	
—	506	485	597	723	The waning impact of the COVID-19 pandemic increased in-person meetings, including visits by overseas investors to Japan and overseas roadshows. We effectively utilized conferences hosted by securities firms and other opportunities to hold individual and group meetings with a wide array of investors. Consequently, in fiscal 2023 the number of companies we met with increased by more than 100 from the previous fiscal year.
11	12	28	21	26	In fiscal 2023, we had 15 unethical incidents, none of which was a serious violation. A total of 26 internal reports were received in Japan and from overseas. We investigated and appropriately handled each incident.
7	5	14	9	15	Considering training and awareness-raising activities for employees as the foundation for promoting and ensuring compliance, we will continue to provide periodic training opportunities for employees to ensure that they will act in accordance with the Global Compliance Code.
—	2,720	3,601	4,900	11,097	In fiscal 2023, we conducted online cyber security training in multiple languages for all our Group employees as well as temporary employees and independent contractors. We also provided training in handling of spear phishing (BEC and phishing scams) and held seminars on handling of emails to raise employees' awareness of information security. We will continue to conduct regular employee training and strengthen the Group's information security management system.
—	98.7%	98.7%	99.4%	99.4%	In fiscal 2023, we conducted disaster drills and training. We will continue to enhance our response to risks associated with business continuity by conducting regular drills and training, introducing a system to check employees' safety and creating rules and manuals related to disaster response. The percentage of participants in training using safety confirmation tool exceeds 99%. To strengthen our disaster response capabilities further, from next fiscal year we will set the rate of participation in disaster prevention training as a KPI.

Materiality	KPI*1	Target			Fiscal 2033 (Eco-Vision)
		Fiscal 2023	Fiscal 2025	Fiscal 2033 (Eco-Vision)	
Increased engagement	Engagement score	Percentage of positive responses to engagement in the corporate culture survey	75%	75%	—
	Turnover ratio	Turnover rate of regular employees (Ratio for people who have left the organization for any reason, including layoffs, job cuts, job changes, retirement age, etc.)	10% or less	10% or less	
	Self-turnover rate	Annual retirement rate for personal reasons	—	—	
	Return rate from parental leave*2	Return to work after parental leave	—	—	
	Percentage of men taking childcare leave*2	Percentage of male employees (including part-time workers) taking childcare leave after their spouse bears a child	60% or higher	65% or higher	
Promotion of diversity, equity & inclusion	Female managers ratio	Ratio of women at director level or above	18% or higher	20% or higher	
	Female next generation managers ratio	Percentage of women in the manager position	—	—	
	Female associates, employees ratio	Female associates, employees ratio	—	—	
	Percentage of mid-career recruitment in managerial and professional positions*2	Percentage of mid-career recruitment employees in managerial and professional positions	—	—	
	Male/female percentage among recruits (new graduates and mid-career)*2	Female ratio in new graduates recruitment, mid-career recruitment	—	—	
	Percentage of women and non-Japanese nationals in management*2	Ratio of women in the managements, ratio of foreigners in the managements	—	—	
	Percentage of women in management	Ratio of women in management of group companies including the head office	—	—	
	Salary inequality in managerial and professional positions (total compensation)*2	Gender ratio in average total compensation value (managerial and professional positions)	—	—	
	Salary inequality general employees (total compensation)*2	Gender ratio in average total compensation value (general employees)	—	—	
Percentage of employees with disabilities*3	Percentage of employees with physical, intellectual, or mental disabilities	2.35% or higher	2.65% or higher		

*1 The shaded KPIs were added in April 2023. The items whose targets are displayed as "—" are monitoring items for which no targets are set.

*2 Target: Sysmex Corporation on a non-consolidated basis

*3 Target: Sysmex Group in Japan

Results					Progress and Future Initiatives
Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	
—	66% (except EMEA)	65% (except EMEA)	71%	75%	<p>The engagement score for fiscal 2023 improved by an additional 4 percentage points from the previous year, reaching 75% for the Group. This score is on par with those of Fortune 500 companies, and high employee engagement is a key driver for the Group's growth. By reviewing certain items, as well as through initiatives such as dissemination of the Sysmex Way, implementation of safety measures and flexible work arrangements during the COVID-19 pandemic, promotion of DE&I, and the realization of attractive rewards, the engagement score improved particularly for Japan, leading to increased satisfaction in working for Sysmex. For example, the Company received high scores in areas such as "I believe this is a company where I can work safely" and "Opportunities for growth are provided." However, the score for "Knowledge and information is shared across departments" was low, highlighting the need to strengthen collaboration between departments as one of our challenges moving forward.</p> <p>The turnover rate for fiscal 2023 dropped by 0.7 percentage points from the previous fiscal year as a result of our initiatives to enhance human resource development and review compensation systems in each region. In particular, we saw substantial improvements in turnover in the Americas and China.</p> <p>We will continue to improve employee engagement by recruiting and training talented people, creating a comfortable working environment and promoting labor-management dialogues.</p> <p>The percentage of male employees taking childcare leave in fiscal 2023 was 61% of eligible employees, meeting our target of 60%. This significant increase was attributable to various initiatives. These included setting targets in our action plans under the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on the Promotion of Women's Active Engagement in Professional Life, helping employees balance parenting and work, conducting continuous awareness-raising activities to establish a comfortable working environment, such as holding round-table discussions for all domestic employees and conducting seminars by internal and external lecturers and creating a guidebook for male employees, and encouraging managers to understand various work styles. We will continue to take actions to increase the percentage of male employees taking childcare leave.</p> <p>In fiscal 2023, our female managers ratio remained at around 19%. The ratio has trended upward over the past five years, with the previous four years at 15%, 16%, 17%, and 19%. Our female managers ratio is high overseas, at more than 30%, led by the Americas. We attribute this result to the early promotion of women in management positions. In Japan region, we have seen an increase in the number of female managers, owing to the implementation of revised personnel systems that have provided more diverse career options. As a result, since fiscal 2022 we have maintained a female managers ratio of 10% in Japan, surpassing the Japanese manufacturing industry average of 8%. Furthermore, the ratio of women among the Group's next-generation management increased 1.9 percentage points year on year. This increase is attributable to the promotion of women in management positions, primarily overseas.</p> <p>In addition to management ratios, we will continue to monitor diversity indices and gender pay ratios among our executive team, as part of our efforts to promote a diverse workplace and foster the integration of diversity, equity, and inclusion. We will also work on creating a work environment that is conducive to various workstyles.</p> <p>Although the number of employees with disabilities increased (mainly at Sysmex Harmony Co., Ltd., a special subsidiary of Sysmex), the percentage of employees with disabilities remained rose slightly in fiscal 2023 in line with the increase in total employees resulting from our business expansion. We will continue to create and identify tasks suitable for persons with disabilities and consolidate such tasks to provide more employment opportunities to those with disabilities. We will also remain committed to creating roles and a working environment that enable all employees with disabilities to use their unique traits as strengths.</p>
10.1%	7.5%	10.9%	8.4%	7.7%	
—	—	—	6.8%	5.6%	
—	—	—	100%	99%	
—	31%	53%	62%	61%	
15.5%	16.2%	17.3%	19.5% (except Russia)	19.2%	
—	—	—	32.1%	34.0%	
—	—	—	41.8%	41.5%	
—	—	—	41.7%	39.8%	
—	—	—	Newly graduated: 35.9% Mid-career: 27.0%	Newly graduated: 45.2% Mid-career: 25.8%	
—	—	—	Women: 8.3% Non-Japanese: 16.7%	Women: 8.3% Non-Japanese: 16.7%	
—	—	—	9.4%	13.5%	
—	—	—	93.1%	94.0%	
—	—	—	80.1%	82.1%	
2.30%	2.30%	2.31%	2.31%	2.38%	

Materiality	KPI*1	Target			
		Fiscal 2023	Fiscal 2025	Fiscal 2033 (Eco-Vision)	
Development of human resources	Training time per employee	Average training time per employee for training provided by HR and each division (including online training)	40.0 hours	40.0 hours	—
	Value-added productivity (non-consolidated)*2	Value added per time	—	—	
	Value-added productivity (Group)	Value added per capita	¥19.38 million	¥22.50 million	
	Human resources development investment (non-consolidated)*2	Total investment in human resources development and training	¥234 million	¥252 million	
	Human resources development investment (Group)	Total investment in human resources development and training	—	—	
	Participation rate in training (non-consolidated)*2	Total number of associates who took training each year divided by total number of employees	90% or higher	90% or higher	
	Participation rate in training (Group)	Total number of associates who took training each year divided by total number of employees	—	—	
	Success plan effectiveness Rate*2	Rate of transfer to key positions	—	—	
	Succession coverage Rate*2	Percentage of key positions that have a successor candidate	—	—	
Promotion of health and occupational safety	Total annual working hours*3	Total annual hours worked per regular employee	2,000 hours	1,980 hours	—
	Percentage of days of paid leave taken*3	Percentage of days of annual paid leave taken per regular employee	70% or higher	75% or higher	
	Lost-term injuries frequency rate*3	Number of employee death or injuries resulting from work-related accidents per million hours actually worked	Less than 0.5	Less than 0.5	
	Lost work days rate*3	Number of days absent from work due to work-related injuries per 1,000 hours actually worked	Less than 0.05	Less than 0.05	

*1 The shaded KPIs were added in April 2023. The items whose targets are displayed as "—" are monitoring items for which no targets are set.

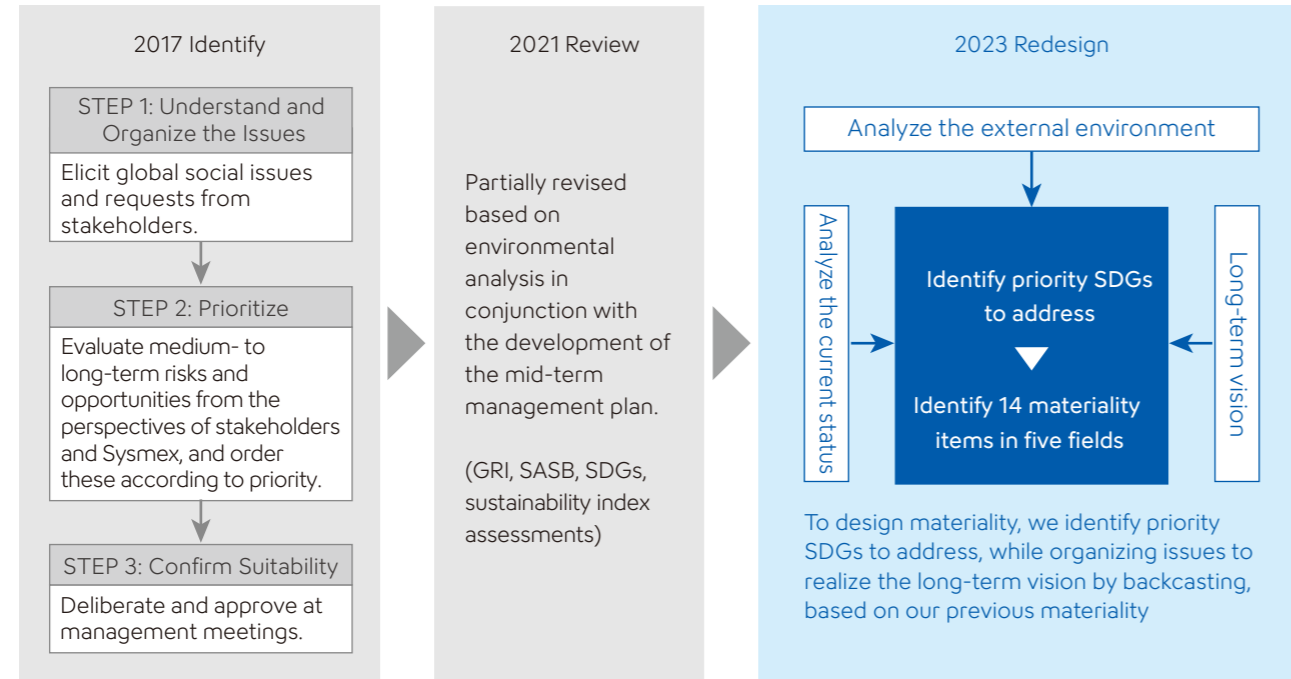
*2 Target: Sysmex Corporation on a non-consolidated basis

*3 Target: Sysmex Group in Japan

Results					Progress and Future Initiatives
Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	
—	24.5 hours	31.4 hours	30.0 hours	24.4 hours	<p>The average number of training hours per employee across the Group amounted to 24.4 hours in fiscal 2023, representing a year-on-year decrease and falling short of our target. This was mainly due to an increase in the number of Group companies included in the calculation, resulting in differences in the implementation of training at overseas locations and variations in data aggregation processes. We recognize this as a significant challenge going forward. On the other hand, in Japan, the average number of training hours per employee was significantly higher than the Group average, at approximately 50 hours. While increasing opportunities for employee development, we have also made progress in leveraging online content and internalizing training programs across the Group, thereby keeping costs from escalating excessively.</p> <p>We met our target for value-added productivity (Group), improving by 6.6% year on year. Key factors included appropriately controlling the rate of increase in headcount in relation to growth in sales and operating profit, actively investing in human capital and digital transformation (DX), and the impact of yen depreciation. Investment in human resource training (Group) increased 3% year on year, ¥369 million. We expanded onboarding initiatives for young employees and individual programs for succession planning. Additionally, we resumed global training programs that were temporarily suspended due to the COVID-19 pandemic.</p> <p>The rate of participation in training (Group) remained high, at 97%. Notably, we achieved high attendance rates for compliance training based on the revised Global Compliance Code we implemented in 2023, as well as programs related to security trade control.</p>
—	—	—	¥13,230	¥14,760	
—	—	—	¥18.74 million	¥19.97 million	
—	—	—	¥266 million	¥241 million	
—	—	—	¥356 million	¥369 million	
—	—	—	100%	100%	
—	—	—	100%	97%	
—	—	—	100%	100%	
—	—	—	218.9%	311.0%	
—	2,030 hours	2,045 hours	2,022 hours	2,017 hours	<p>In fiscal 2023, annual working hours decreased by 5 hours year on year, but we fell short of our target. In Sysmex Corporation, efforts to achieve innovations in technology and transform the business structure, along with proactive recruitment, have alleviated the shortage of personnel. By implementing value-added productivity indicators, we have adopted a more efficient way of working, leading to a decrease in overtime hours. Additionally, an increase in the number of paid leave days taken has resulted in 10 hours less compared to the previous fiscal year.</p> <p>We will continue to reduce working hours by optimizing assignment through enhanced recruitment efforts and actively conducting training and awareness-raising activities for employees in cooperation with the labor union</p>
—	61.3%	62.4%	66.5%	74.6%	<p>In fiscal 2023, the percentage of days of paid leaves taken rose 8 percentage points from the previous fiscal year. To increase use of paid leave, we set recommended dates for paid leave, shared paid leave days actually taken by each employee with their department heads, and actively encouraged employees to take paid leave. Furthermore, we introduced a welfare program that subsidizes the cost of travel, leisure, and culture school use when employees take at least five consecutive days of paid leave.</p> <p>Going forward, we will continue to set a target percentage of days of paid leave taken. To increase the percentage, we will improve productivity as well as raise employees' awareness of the benefits of taking paid leave.</p>
—	0.78	0.91	0.81	0.78	<p>The lost-time injury frequency rate for fiscal 2023 decreased by 0.03 percentage points, but fell short of our target. The lost work days rate rose by 0.018 percentage points, also coming in below our target. There were six work-related accidents, including injuries in factories (eight accidents in the previous fiscal year). As a measure to reduce work-related accidents, employment health advisors gave employees guidance about how to prevent injuries.</p> <p>We will continue to bolster and enhance our workplace safety and health management system under the leadership of the Central Health and Safety Committee, which supervises our Group companies in Japan. In the event of a work-related accident, the Health and Safety Committee of the business site involved will investigate the causes, take necessary actions, and share the causes and actions within the Group to prevent its recurrence.</p>
—	0.05	0.04	0.05	0.07	

The Flow of Identifying Materiality

The Flow of Identifying Materiality



Priority SDGs to Address



Sustainability Management

Stakeholder Engagement

Communication with Stakeholders

Through proactive dialogue with stakeholders, we strive to forge better relations. In addition, by incorporating their expectations and requirements into our business activities we will enhance the effectiveness of our strategy and strive to realize a sustainable society.

Stakeholder	Society's Requirement Related to Business	Main Dialogue with Stakeholders	Related Articles
Customers	<ul style="list-style-type: none"> Ensuring the quality and safety of products and services Enhancing customer satisfaction through products and services Stable supply Creating innovative products and services 	<ul style="list-style-type: none"> Customer Support Center (for inquiries) Customer Satisfaction Survey Collection of the voice of the customer (VOC) Customer training/user meetings Scientific seminars Website/social media 	<ul style="list-style-type: none"> Quality and Safety Information Enhancing Customer Satisfaction Scientific Activities
Employees	<ul style="list-style-type: none"> Ensuring long-term employment Fair treatment in accordance with employees' achievements A workplace that enables employees to fulfill their potential Accepting diversity Providing opportunities for self-fulfillment and personal development 	<ul style="list-style-type: none"> Corporate Culture Survey Mental health checkup Voluntary reporting system (survey on employee's visions of career design) Diversity roundtable discussions Internal reporting system Labor and management council 	<ul style="list-style-type: none"> Increasing Engagement Promotion of Diversity, Equity, and Inclusion Our Efforts toward Health Enhancement Compliance Promotion Structure Labor-Management Dialogue
Business Partners	<ul style="list-style-type: none"> Fair and equitable dealing Synergistic growth through mutual trust and dedicated work 	<ul style="list-style-type: none"> CSR surveys of suppliers Supplier visits Meetings with/visits to distributors Training sessions for suppliers 	<ul style="list-style-type: none"> Supply Chain Management
Shareholders and Investors	<ul style="list-style-type: none"> Ensuring sound and transparent management Commitment to reliable and innovative management Maintaining sustainable growth potential Finding a balance between the sustainability of the company and society Active information disclosure (transparency) 	<ul style="list-style-type: none"> General meetings of shareholders and social events for shareholders Technology presentation for institutional investors and analysts Orientation briefings/company tours for individual investors Business results briefings Conference calls Investor visits 	<ul style="list-style-type: none"> IR Information
Society	<ul style="list-style-type: none"> Contributing to advances in the field of healthcare and the development of a healthy society Helping resolve issues facing local communities Reducing environmental burdens through business activities Encouraging employees to get involved in corporate citizenship activities 	<ul style="list-style-type: none"> Collaboration with government agencies and international organizations (Sysmex Corporation signed the United Nations Global Compact) Participation in industry groups Participation in local communities 	<ul style="list-style-type: none"> Improvement in Accessibility to Healthcare Transparency in Relationships with Medical Institution Corporate Citizenship Activities



- ▶ Corporate Philosophy
- ▶ Sysmex Report (Stakeholder Engagement)
- ▶ Multi-Stakeholder Policy (Japanese)



Society

- Creating New Value for a Healthy Society 16
 - Resolution of Medical Issues through Innovation 16
 - Improvement in Accessibility to Healthcare
 - Approaches to Global Health and Universal Health Coverage — 19
- Providing Responsible Products, Services, and Solutions 26
 - Pursuit of Quality and Trust 26
 - Strengthening Supply Chain Management 33
- Creating an Attractive Workplace 36
 - Development of Human Resources — Employee Journey — 36
 - Promotion of Diversity, Equity & Inclusion 41
 - Increasing Engagement 44
 - Promotion of Health and Occupational Safety: Wellbeing 50
- Corporate Citizenship Activities 54
 - Corporate Citizenship Activities 54

Society

Creating New Value for a Healthy Society

Resolution of Medical Issues through Innovation

Initiatives for Dementia

There are currently over 55 million people worldwide who live with dementia, and the number of dementia patients is expected to reach 140 million by 2050 as life expectancy increases globally.*

Alzheimer’s disease, which accounts for 60% to 70% of all dementia cases, is thought to be triggered by an accumulation of plaque consisting of a protein called amyloid beta (Aβ) in the brain, causing cognitive impairment. Therefore, early diagnosis and interventions are considered to enhance effectiveness of treatment targeting Aβ. However, at present, imaging test of the brain (PET imaging) and cerebrospinal fluid testing to identify the accumulation of Aβ are only available at a limited number of institutions, and their high costs and invasiveness impose a burden on patients.

Systemex has been engaged in the development of technology to identify the accumulation of Aβ in the brain more easily and rapidly in order to help resolve issues in diagnosing Alzheimer’s disease. In February 2016, Systemex and Eisai Co., Ltd. entered into a comprehensive, non-exclusive collaboration agreement for the creation of new diagnostic reagents in the field of dementia. By utilizing each other’s technologies and knowledge, Systemex has been engaged in the development of next-generation diagnostic reagents that will enable the early diagnosis of dementia, the selection of treatment methods, and the monitoring of the resulting effects.

In June 2023, Systemex launched an assay kit in Japan that aids determination of Aβ accumulation in the brain by measuring Aβ levels in the blood using our automated immunoassay system. This enables easy and quick testing and reduces physical, emotional, and financial burdens on patients with a suspected Aβ accumulation in the brain. It is expected to contribute to early diagnosis and early determination of optimal treatment for patients.

As a further initiative, the development of a biomarker panel is underway to indicate pathological changes at each stage of Alzheimer’s disease, from pre-onset to cognitive dysfunction.

Going forward, we will continue to create new diagnostic technologies for the prevention and treatment of dementia, aiming to contribute to improving the quality of life (QOL) of patients and their families.

* Source: Global status report on the public health response to dementia. Geneva: World Health Organization; 2021.

The Quest for a More Accessible Dementia Diagnosis

“It is a huge step for Systemex’s product to be approved first in Japan as a diagnostic that can measure Aβ accumulation in the brain by using blood,” says Yoshida, looking back on the road to regulatory approval in Japan. “This really embodies how testing leads to appropriate treatment and increases the value of the treatment.”

“I am hoping that the blood Aβ test reagent will be a model case for future collaborations with a range of partners to generate new patterns of healthcare from the standpoint of testing,”

Click here for details:

[The Quest for a More Accessible Dementia Diagnosis](#)



Member of the Managing Board and Senior Executive Officer Managing Director, CTO, Tomokazu Yoshida

Contribution to Healthcare through Surgical Support Robots¹

In recent years, there have been demands for solutions to social issues such as reducing physical burdens on patients, improving their QOL, the early detection of lesions, providing environments in which healthcare professionals can concentrate on treatment with a sense of security, and equalizing the provision of medical care, such as by rectifying medical disparities among regions. Surgical support robots are utilized in laparoscopic surgery, which aims to reduce the physical burden on patients. These robots support healthcare professionals in performing more precise operations. The market size² of the surgical support robot industry is expected to expand at a compound annual growth rate (CAGR) of 13%, reaching approximately 2 trillion yen on a global basis by 2030.

Systemex began the full-scale introduction of the surgical support robot to the Japanese market in 2021. Urological, gastroenterological, gynecological, and respiratory surgical fields utilizing the robot are now covered by insurance in Japan, and the cumulative number of cases has reached 4,225 (As of March 31, 2024). These surgical support robots, equipped with operation arms that move smoothly like a human arm, and the capacity to project high-definition images that vividly display even the smallest details with a full high-definition 3D system, were developed with the aim of contributing to the evolution of medicine. In the future, AI will learn surgeons' advanced skills and achieve a feedback functionality for surgical procedures, assisting functionality with intraoperative navigation, remote guidance, and remote training. These prospective advancements in AI capabilities are expected to contribute to the improvement of skills and knowledge of healthcare professionals.

In 2023, a demonstration of remote surgery using the surgical robot system was successfully conducted between Singapore and Aichi, which are approximately 5,000 km apart. This was Japan's first remote surgery demonstration conducted between Singapore and Japan.

Systemex will continue to proceed with its surgical intelligence initiatives and promote digital transformation (DX) to ensure a successful healthcare journey for each patient, including pre-surgery testing and treatment during and after surgery, by combining skills and knowledge developed through testing and diagnostics as well as surgical support robots.

*1 The surgical support robotic system was developed by Medicaoid Corporation, a joint venture between Systemex Corporation and Kawasaki Heavy Industries, Ltd.

*2 The market size is indicated on a customer-purchase-price basis. Source: TechSci Research. The figure for 2030 is Medicaoid's projection.

Award Links

- ▶ [Notice of Receiving the Minister of Health, Labour and Welfare Award at the 6th Japan Medical Research and Development Awards \(medicaoid.com, in Japanese\)](#)
- ▶ [Notice of Receiving the "MM Research Institute Awards 2023" Grand Prize \(medicaoid.com, in Japanese\)](#)
- ▶ [Notice of Receiving the Selection Committee's Special Award at the 11th Technology Management & Innovation Awards \(medicaoid.com, in Japanese\)](#)
- ▶ [Notice of Receiving the Ninth Monodzukuri Nippon Grand Awards, Prime Minister's Award \(medicaoid.com, in Japanese\)](#)

Stakeholder's Voice

We hope to create a workflow that reduces the burdens on healthcare professionals while also providing higher-quality and more appropriate medical care to patients. We hope to help create a world in which all people involved in medical care can work with ease and patients feel less stressed about going to hospitals. This is an ambitious dream, and our mission to realize it acts as a driving force in our daily work.

Click here for details:

[Contributing to DX in Surgery and Equalization of Medical Care in Order to Provide Greater Peace of Mind and Safety for Healthcare Professionals, Patients, and Their Families](#)



Yuuki Hata, Manager in the MR Business Division

Contribution to Countermeasures against Antimicrobial Resistance (AMR)¹

If antimicrobials, which are used to treat infections, are inappropriately used, bacteria in the body may not be terminated sufficiently, and the surviving bacteria may become drug resistant. If drug-resistant bacteria proliferate, antimicrobials will become less effective, making it difficult to treat infections that would otherwise be mild and reversible. If countermeasures against antimicrobial resistance (AMR) are not taken, the number of annual deaths due to AMR is expected to reach 10 million by 2050.² This is a high figure, estimated to surpass the number of deaths from cancer. For this reason, AMR is recognized by the World Health Organization (WHO) and various other organizations as a social challenge that must be addressed worldwide.

As a company involved in healthcare, Systemex is working to establish new testing technologies and to develop products that can resolve this issue. In June 2023, we launched a testing system for rapid detection of antimicrobial susceptibility in Europe, which detects the presence or absence of bacteria and assesses the effectiveness of antimicrobials using urine samples from patients suspected of having urinary tract infections.³ Using a unique and proprietary microfluidic technology,⁴ the system delivers the results of the antimicrobial susceptibility testing (AST)⁵ in as little as 30 minutes from the start of measurement, a significant reduction compared to the several days required for conventional AST, thereby helping ensure that appropriate antimicrobials are prescribed at first visits to clinics and other primary care settings.

Eventually, in 2024, the system won the Longitude Prize on AMR, the UK's most prominent scientific prize. The award recognizes and supports the team of developers who have made the most significant contribution toward combating AMR through the development of an affordable, rapid, accurate, and easy-to-use POCT⁶ system that is necessary for appropriate antimicrobial prescribing in the medical field. Since the award's launch in November 2014, more than 250 development teams worldwide have submitted entries.

Systemex will continuously commit itself to tackling the universal threat of AMR by developing and delivering innovative testing and diagnostic technologies.

*1 Antimicrobial Resistance (AMR): This phenomenon occurs when living organisms develop resistance to a drug whose efficacy is decreased or neutralized as a result. Bacteria that have developed antimicrobial resistance are known as antimicrobial-resistant bacteria.

*2 Source: "Antimicrobial Resistance: Tackling a Crisis for the Health and Wealth of Nations." The Review on Antimicrobial Resistance, Chaired by Jim O'Neill.

*3 Urinary tract infections (UTIs): UTIs are caused by bacteria that proliferate in the urinary tract, spanning from the kidneys to the urethral outlet, resulting in inflammation. These infections can lead to cystitis in the bladder and pyelonephritis in the kidneys. They are among the most commonly encountered bacterial infections in daily clinical practice, with approximately 60% of women experiencing this at least once in their lifetime.

*Source: American Urological Association Website "Urinary Tract Infections in Adults".

<https://www.urologyhealth.org/urology-a-z/u/urinary-tract-infections-in-adults> (Referred on June 20, 2023)

*4 Microfluidic technology:

Systemex Astrego's unique proprietary technology that involves creating microchannels at the micrometer or nanometer level. This allows individual bacteria from a fluid sample to be captured and cultured unidirectionally within these microchannels, thereby enabling rapid detection of antimicrobial susceptibility.

<https://www.systemex-astrego.se/technology.html>

*5 Antimicrobial Susceptibility Testing (AST):

This is a test to determine the efficacy of various antimicrobial drugs against pathogenic bacteria detected in a sample.

*6 Point-of-Care Testing (POCT):

A generic term for simple clinical testing methods that healthcare professionals perform in close proximity to patients, such as in medical and nursing care, and offer the advantages of reduced testing time and enhanced visibility to patients.

Stakeholder's Voice

Umeno: Being able to conduct testing easily at any time and see the results quickly not only improves the efficiency of medical care and the patient's QOL, but also results in a sense of ease for both healthcare professionals and patients.

Olsson: The product we have developed uses a basic platform for testing. By varying the application, we can develop products that can be used for a variety of diseases. Believing in our potential, we will continue working toward a world in which less people have a negative experience due to AMR.

Click here for details:

[Tackling the Universal Threat of Antimicrobial Resistance \(AMR\) with New Testing Technology](#)



Tetsuji Umeno, Director in the HUP Business Division (one on the left in the photo)
Mikael Olsson, CEO of Systemex Astrego AB (on the right in the photo)

Society

Improvements in Accessibility to Healthcare

— Approaches to Global Health and Universal Health Coverage —

Today, many global health issues affect health worldwide and require international collaboration to be solved. Many of these issues are threatening the health of people who cannot access proper medical care due to inadequate healthcare environments and systems.

In the field of global health, Sysmex works to solve issues in testing and diagnosis, the core of its business. As one of our responsibilities as a global company, we will contribute to Universal Health Coverage (UHC)* by promoting quality testing in emerging and developing countries so that as many people as possible can receive appropriate medical care.

* UHC: A condition in which all people have access to affordable and proper services to improve their health, prevent or treat illnesses, and recover.

Contribution to Malaria Elimination

Transmitted by mosquitoes, malaria is one of three major infectious diseases defined by the World Health Organization (WHO) and is prevalent mainly in tropical and subtropical regions. As blood samples are used in testing for malaria, applying technology accumulated in the hematology area, Sysmex developed an automated hematology analyzer to support standardization and optimization of malaria testing. The number of deaths caused by malaria can be reduced through early detection and treatment. By providing an instrument for use in clinical settings that can swiftly and conveniently produce useful results for diagnosis, Sysmex is contributing to the elimination of malaria.

Innovation in Testing for Malaria

The current mainstream method of testing for malaria uses a rapid diagnostic kit or a microscope. However, both options pose problems such as the time required, ranging from 15 to 30 minutes, including pretreatment, and the requirement for skilled techniques in microscopic testing. In contrast, our hematology analyzer identifies red blood cells infected with the malaria parasite and determines the percentage of infected cells without pretreatment, automatically performing both processes in about one minute¹ with a high degree of accuracy.² In addition, since our hematology analyzer calculates eight CBC parameters³ that are measured at the same time in normal hematology testing, it can provide clinicians with data on other issues, such as anemia and nutrition status, in addition to detecting malaria. Through the use of this technology and product, Sysmex is supporting clinical settings in areas where malaria is endemic.

Since 2016, Sysmex Corporation has been involved in the initiatives of the Malaria Consortium, which consists of research institutes and enterprises combating malaria, and contribute to project activities in the field of testing and diagnosis conducted through industry-government-academia partnerships in Asia and Africa.

Sysmex reported on its activities related to a cross-industry co-creation project in the Republic of Ghana at the 10th NIKKEI FT Communicable Diseases Conference held in October 2023.

*1 Time from the start of measurement to the determination of test results.

*2 Testing by the analyzer does not mean that malaria diagnosis will replace microscopic testing. Nor does it mean a diagnosis can be made based on the outcome of analyzer testing alone. Diagnostic confirmation is based on a doctor's comprehensive judgment, which includes other clinical information.

*3 Red blood cell count (RBC), white blood cell count (WBC), hemoglobin volume (Hb), hematocrit value (Ht), mean corpuscular volume (MCV), mean corpuscular hemoglobin (MCH), mean corpuscular hemoglobin concentration (MCHC), and platelet count (PLT).



Stakeholder's Voice

In response to the increasing demand for malaria testing, we opted to install Sysmex's analyzers. With the introduction of this instrument, accurate and prompt diagnosis has been realized, leading to increased patient satisfaction.

We are grateful for the way Sysmex analyzers have revolutionized our laboratory with their performance and efficiency.



Interview with Medical Professionals in Cote d'Ivoire

11th Zero Malaria Award Received

Sysmex Corporation was honored with the 11th Zero Malaria Award by the non-profit organization Malaria No More Japan, in recognition of its contribution to malaria elimination. This accolade highlights Sysmex's achievements in developing and disseminating innovative malaria diagnostic devices. Since its launch by Malaria No More Japan in 2014, this award has recognized individuals and organizations actively contributing to the international community's goal of achieving zero malaria by 2030.



▶ Click here for details: <https://malarianomore.jp/archives/13709> (Japanese)

Our Contributions to the Quality of HIV Testing Diagnosis and Treatment

In emerging and developing countries, Sysmex Partec provides a testing system for CD4+ lymphocytes to assist in diagnosing HIV-infected individuals and monitoring their immunological status. It has provided approximately 30 million tests since 2011 on a cumulative basis. The system measures the number and proportion of CD4+ lymphocytes in the blood in just three minutes and is inexpensive, small, and portable, requiring only simple maintenance. Through these features, it aims to ensure everyone has equal access to simple, rapid, and stable testing.

In addition, this system has acquired prequalification* by the WHO and has been promoted for introduction in countries and regions in which medical resources are limited. It improves the quality of HIV diagnosis and treatment in emerging and developing countries.



System to Test for CD4+ Lymphocytes

* Certification system under which the WHO guarantees quality, safety and efficacy, with the aim of ensuring that health care products, including pharmaceuticals, testing, and vaccines, can be used with a sense of security in countries lacking in resources. The system was launched in 2001 for pharmaceuticals for HIV/AIDS and is now used as a reference list for procurement in emerging and developing countries. The Global Fund to Fight AIDS, Tuberculosis, Malaria, and other funding organizations preferentially choose products that have acquired prequalification.

Contribution to Strengthening Healthcare Systems

Emerging and developing countries need to develop the abilities of medical professionals (capacity building) to solve health and medical issues. Sysmex continuously provides products, services, and support to medical institutions while increasing opportunities to provide training and scientific information to medical professionals. It contributes to the early detection and treatment of diseases, as well as improving diagnoses and treatment methods by emphasizing the significance and clinical value of testing and the dissemination of diagnostic technology.

Training for Medical Professionals

Sysmex has established an in-house training center called Sysmex Academy. In addition, it provides globally unified educational content and skill management tools through the Caresphere™ Academy for online training. This enables us to conduct educational programs on clinical value and training sessions on instrument maintenance for sales distributors and medical professionals. In Africa, Sysmex offers mentorship training that it developed to ensure that laboratories' quality management systems conform to the international ISO 15189 standard.

► Pursuit of Quality and Trust

Initiative for Digital Transformation (DX) in Ghana

In fiscal 2023, Sysmex Corporation introduced an application (Caresphere™ XQC) for real-time external quality assessment in clinical laboratories on a trial basis in Ghana through the Ministry of Economy, Trade and Industry's "Feasibility Study Project on Emerging Business Opportunities in the African Market (AfDX)," to investigate local needs and issues related to the diffusion of services. Training on Caresphere™ XQC was provided to six medical facilities participating in the trial, allowing them to experience firsthand the value of the service offered. Seminars and other activities were also held to promote understanding of quality improvement in clinical testing among local governments, industry associations, and medical institutions. By leveraging not only digital solutions but also Sysmex's expertise in supporting the spread of external quality assessments in Asian countries over the years, and the public-private partnership scheme for this project, we will contribute to the improvement of local medical standards by promoting the understanding of external quality assessments, and by developing human resources through operational training provided to the Ghanaian Ministry of Health, as well as medical institutions in Ghana.



Seminar in Ghana

Technical Support to Provide High-quality Test Data

Sysmex has been engaged in support activities to improve the quality and accuracy of clinical tests in Asian countries.

In Mongolia, Sysmex has continued its support activities, expanding its focus to the urinalysis field in 2023, in addition to its existing activities in the hematology, clinical chemistry, immunochemistry, and hemostasis fields. At a survey report meeting attended by approximately 250 laboratory physicians, the largest number ever, Sysmex provides technical and academic knowhow to local clinical laboratory technicians and supports the establishment and operation of a system of external quality assessments for urinalysis field tests conducted nationally, thereby contributing to improving healthcare in Mongolia.



Survey Report Meeting in Mongolia

In China, its hematology reference counter has been employed as a National Standard* for Blood Cell Count since 2002, and the registration inspections and external quality assessments for all blood cell counters in China have been conducted using the reference counter provided by Sysmex as a standard. In addition, Sysmex has been providing continuous support, such as technology transfer and exchange for hematology and reference measurement procedures, while also assisting in the creation of national clinical laboratory guidelines. Since 2019, it has leased the latest standard blood cell counters, contributing to improving the accuracy and standardization of hematology tests in China.

* Analyzer with which to assign the values for the national standard of hematology (number of red blood cells and white blood cells)

► Scientific Activities

Public-Private Partnership Project with JICA

Sysmex Corporation conducted the Project for the Dissemination of Automated Urinalysis Diagnosis Technology between 2018 and 2022 as part of the Japan International Cooperation Agency (JICA) Collaboration Program with the Private Sector for Disseminating Japanese Technology for the Social and Economic Development of Developing Countries. We installed a fully automated urinalysis testing system in Ghana's national Komfo Anokye Teaching Hospital (KATH), and we organized seminars and symposiums that have been attended by 860 local healthcare professionals. This project was recognized as an effort toward the attainment of the Sustainable Development Goals (SDGs), and Sysmex was certified as a "JICA-SDGs Partner."* We will remain committed to educating local healthcare professionals on the clinical value and effectiveness of automated urinalysis testing technology in our efforts toward high quality clinical testing in Ghana and other developing countries.

* From August 2020 to February 2022



Presentation of JICA's collaboration program



Equipment installed at KATH

Public-Private Partnership with Japanese Embassies Abroad

In 2022, Sysmex Corporation provided analyzers for hematology and urinalysis to local hospitals through the "Project For Provision of Medical Equipment and Ambulances In North Central Timor Regency, Nusa Tenggara Timur" as part of the "Grant Assistance Grass-roots Human Security Project."

Through these efforts, Sysmex works to improve the local medical environment and contributes to the provision of appropriate treatment opportunities for leprosy patients.

Acceptance of JICA Trainees

Since 1994, Sysmex Corporation has worked with JICA in providing training to JICA trainees, in areas such as maintenance and management of analyzers and hospital management, aiming to improve healthcare workers' knowledge and skills. The number of trainees who visited Sysmex has exceeded 1,000.

Participation in a Nationwide Screening Program for Colorectal Cancer

With the goal of improving people's quality of life, Sysmex Egypt participated in a nationwide screening program for colorectal cancer organized by the Egyptian Ministry of Health. Through sharing case studies from other countries and collaborating on screening programs, the company contributed to shaping a culture for colorectal cancer awareness and prevention in Egypt. Furthermore, through awareness-raising activities for patients and joint advertising, the company aims to encourage patients to reflect on their own health, contributing to improving the survival rate through the early detection and early treatment of the disease.

Partnership

At present, establishing medical infrastructures in response to issues at each stage of economic development is a major task for developing countries, but their healthcare markets are expected to see growth in the future. As accurate test results are a starting point for proper healthcare, Sysmex has been building relationships with the health ministry and medical institutions in each country and region, as well as creating systems for promoting high-quality testing and establishing testing environments. It has also been making efforts to create new value by utilizing international cooperation and public-private partnership frameworks and collaborating with other companies.

Cross-Industry Collaborative Co-creation Project: Contributing to Universal Nutrition Health Coverage

In Ghana, serious healthcare problems include malnutrition - the greatest risk factor for death and disability - and malaria, which is the leading cause of death.¹ Malnutrition inhibits growth, delays the development of the body and brain in fetuses and infants, and causes anemia, increasing the severity risk for malaria. In addition, since the health of children under the age of five years and pregnant women is particularly impacted by malaria² an integrated approach for nutrition, anemia, and malaria is required.

Sysmex has initiated a co-creation project for improving the health and nutrition of mothers and children in Ghana in collaboration with the Ajinomoto Foundation and NEC Corporation. This project is based on existing activities of the Ajinomoto Foundation together with the Ghana Health Service, which includes behavior modification for mothers and the recommendation of nutritional supplements. By combining high-quality testing with ICT from Japan, we aim to create a system for improving the health and nutrition of mothers and children. Sysmex will be responsible for installing diagnostic instruments for malaria in medical institutions and personnel development and education activities for medical professionals.

*1 The Institute for Health Metrics and Evaluation (IHME)
<https://www.healthdata.org/ghana>

*2 Children under five years old are particularly vulnerable to malaria and malnutrition. Malnourished children may develop more severe cases of malaria. Additionally, malaria increases the risk of poor outcomes for mothers and newborns, such as anemia and death in pregnant women, miscarriages, stillbirths, low-birthweight infants, and newborn and infant death.
[Nutrition and Malaria: Integrated approach for effective case management](#)



Initiatives of the Business Leader's Coalition for Global Health

Hisashi Ietsugu, Chairperson and Group CEO of Sysmex Corporation, participates in the Business Leader's Coalition for Global Health, a group of volunteers consisting of Japanese business leaders which aims to contribute to the global health* area. In August 2022, 11 companies participating in the coalition announced "Global Health Actions" at an official side event of the 8th Tokyo International Conference on African Development (TICAD 8), with special guest Mr. Bill Gates. Sysmex made a presentation titled "Fighting malaria with diagnostics" and expressed its intention to aim for a malaria-free world. In March 2023, the Company also took the stage at the 2nd Global Health Academy to convey the significance of public-private-academic partnerships in the global health field.

In May 2024, this coalition requested Foreign Minister Kamikawa that the government position global health as a strategic area of diplomatic policy through collaboration with Global South countries. It also called for increased funding for international organizations such as Gavi, the alliance aiming to improve the global vaccine gap, as well as the resulting promotion of procurement expansion for Japanese companies' products and services.

* Support and business development in healthcare globally, particularly in public health and measures against infectious diseases.



▶ [Related Websites: Business Leaders' Coalition for Global Health \(in Japanese\)](#)

Society

Providing Responsible Products, Services, and Solutions

Pursuit of Quality and Trust

Quality Management

Group Quality Management System

At Sysmex, under the supervision and management of the President, the Quality Assurance Department leads our quality management efforts. More specifically, we hold a monthly quality meeting where the managers of our Development, Production, Marketing, and Service Departments explore what we can do to monitor the quality, effectiveness, and safety of our products and services, along with improvement measures. We also hold Quality System Committee meetings regularly to review quality targets, responses to inspections by regulatory bodies, and a management review of instructions for output. This is part of our efforts to maintain the Group's quality management system and promote activities for improvement.

All our production facilities for final products* have obtained ISO 9001 or ISO 13485 certifications. Of the 79 companies in the Sysmex Group, 34 have been ISO 9001 certified and 21 have been ISO 13485 certified. In fiscal 2023, four cases of nonconformity were identified in an internal quality audit and five cases during an external quality audit. Remedial action is being taken. In addition, we have been making efforts to improve quality by setting the numbers of recalls and FDA warning letters as indicators for monitoring the progress of sustainability targets.

* Wholly owned subsidiaries

▶ Status of Sustainability Targets



For details, refer to ID 0910589004 on www.tuv.com. (The applicable scope of activities and websites vary in accordance with the standard.)

▶ <https://www.tuv.com/japan/en/>

▶ [Quality Policy](#)

▶ [Product Security Policy](#)

Sustainable Improvement Programs

Compliance with Related Laws and Regulations in Each Country

Used in laboratory testing, Sysmex's products play a vital role in protecting human life and health. Sysmex has created a system that allows us to thoroughly comply with regulations worldwide, including the Japanese Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices, the In Vitro Diagnostic Medical Devices Regulation in the EU, the U.S. FDA's Quality System Regulation, and the Regulations on the Supervision and Administration of Medical Devices in China, as well as maintaining and improving the safety and quality of our products.

► Chemical Substance Management of Products

Reinforcing Structures for Maintaining and Enhancing Quality

In the product development process leading up to market launch, Sysmex verifies product quality by setting up five "quality gates."^{*1} We also conduct quality and safety-related risk assessments when designing and developing new products, as well as when changes are made to the designs of existing products. If a high-risk event is noted, we act to eliminate it. In addition, when marketing products manufactured by other companies, we verify their quality by conducting audits of the manufacturers and meticulously inspecting their products. Moreover, in the unlikely event that a product defect occurs, we have systems in place to quickly identify the details and respond to any problems.

At factory sites, we conduct regular quality audits and monthly monitoring of manufacturing processes and supplier conformity to ensure quality. We appropriately instruct and support suppliers with high nonconformity rates to improve their quality. Our global quality complaint processing system allows us to gather quality information from markets around the world in a timely manner. When we receive information about a problem or malfunction, we immediately investigate the cause and cease distributing the product in question. If we need to take any corrective or preventive actions regarding a problem or malfunction, we promptly plan such actions in accordance with the Group's regulations, carry out the plan, and later verify the validity and effectiveness of the actions taken.

In 2021, in order to ensure the quality and traceability of our products, we began to utilize a Global Positioning System (GPS) and temperature data loggers² for the transportation of some reagents used in testing. In the future, we will sequentially expand the use of these methods to include the transportation of diagnostic reagents that require high-quality assurance.

*1 Product design assessment, process design assessment, evaluation by the Product Quality Control Department, quality management system (QMS) checks during the manufacturing process, and inspections for mass-produced items

*2 A measurement device equipped with a thermometer and a data logger

► Product Quality and Vigilance Control System

► Project for Promoting Digitalization: Product Quality Improvement Activities Based on Reforming Services and Support

Providing High Quality Products and Services through Third-Party Certification

To enhance its credibility, Sysmex is strengthening its quality assurance system regarding product inspection results.

Our Ono Factory is ISO 17034 certified. This international standard relates to the competence of reference material producers. This was the first such certification granted in the hematology field in Japan. It recognizes a manufacturer's ability to provide reference materials of the proper quality. This certification strengthens our credibility concerning the quality of data of our products and services, enabling our customers in global clinical laboratories to verify their own competence to provide proper test data.

Employee Training

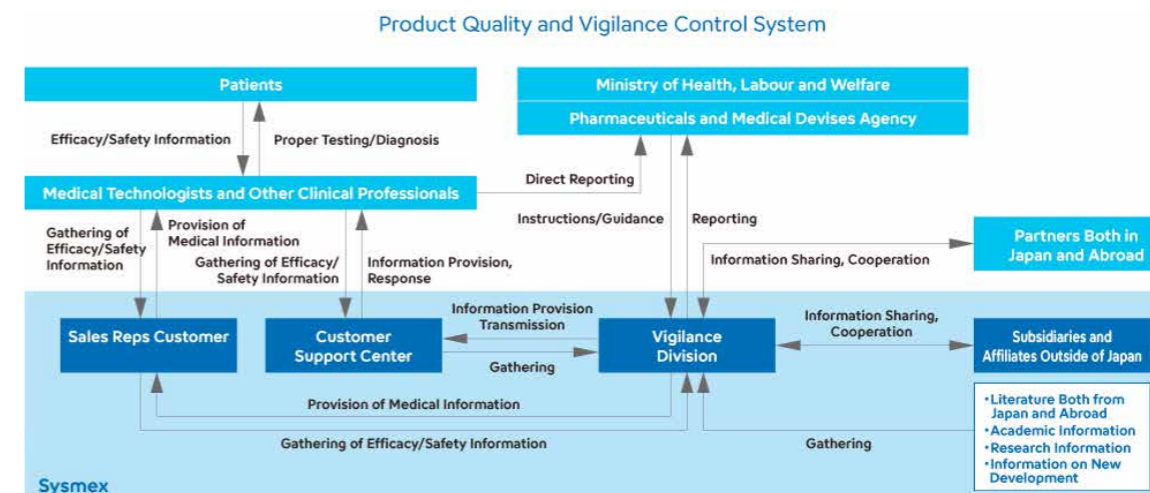
Focusing on Specialized Quality and Safety Training

In addition to Quality Policy training, Sysmex provides regular quality management training to the relevant departments, as well as specialized training on laws and regulations for employees in specific departments or job categories. In fiscal 2023, we provided training on the topic of quality to a total of about 2,800 employees across Japan in the Group companies' various development, production, and marketing and service departments, as well as in ISO-certified business offices. We also held training regarding quality at all production facilities for final products and ISO-certified business offices managed by our Group companies overseas.

Management of Information Regarding Quality and Safety

Sharing Customer Feedback within the Group

Sysmex established the Quality Assurance Department, which controls information regarding the quality and safety of our products. Its function is to handle inquiries it receives from outside the Company, as well as to investigate and analyze the information it receives; to share this information with the Design, Manufacturing, and other divisions, and to improve quality. In addition, we have established a structure for incorporating this information in the next generation of products.



Product Recall and Repair Information Posted on Our Website

Sysmex posts information about product recalls and repairs on its website under "Important Product Notices."

Response to the Circulation of Counterfeit Reagents

To assure accurate testing results, Sysmex asks its customers to use Sysmex-branded instruments and reagents together. In recent years, however, counterfeit Sysmex reagents have been found to be in circulation in some instances. The use of such counterfeit reagents endangers the reliability of testing results, and in some cases, they can be harmful to patients' health. For this reason, Sysmex continuously monitors markets for counterfeit reagents. When they are discovered, we exercise our intellectual property rights and work with local government institutions and judicial bodies to ensure swift and thorough responses.

► Intellectual-Property-Related Activities to Protect Business Models

Enhancing Customer Satisfaction

Conducting Customer Satisfaction Surveys in Japan and Overseas

Sysmex conducts customer satisfaction surveys in various countries and regions, including China and Japan as well as major countries in the Americas, EMEA,* and the Asia Pacific region. These surveys use indices customized for each country and region in accordance with the products and services offered in them.

* Europe, the Middle East, and Africa

External Evaluation of Customer Satisfaction

Sysmex America has received the Best Customer Satisfaction award for 16 consecutive years, as well as the Best System Performance and the Best Service awards in the hematology system manufacturer category. These accolades are among the IMV ServiceTrak™ Awards organized by IMV, a specialist provider of market research to the medical imaging processing and the laboratory diagnostic fields. In addition, it has received a Supplier Legacy Award from its business partner Premier Inc. for its long-term contribution to the provision of products and services that help improve operational efficiencies in clinical settings at low cost.

Sysmex Shanghai received the highest excellence award in the 2024 China Medical Device Industrial Data Survey. The company received top honors in all five categories evaluated by the survey: market share, overall customer satisfaction, retention, NPS (a customer loyalty index), and training satisfaction. The company has received recognition as a result of this survey for three consecutive years.

Customer satisfaction rating in the United States

(On a scale of 1 to 10)

Fiscal 2021	Fiscal 2022	Fiscal 2023
9.27	9.4	9.42

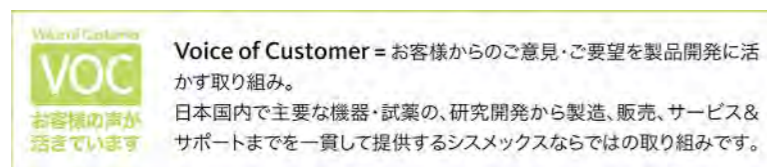
* Research by IMV ServiceTrak



China Medical Device Industrial Data Survey Award

Efforts to Incorporate Customer Feedback in Our Products and Services

Requests and comments from customers are gathered by Sysmex's Voice of the Customer (VOC) Team. After analyzing this information from various perspectives, the results are provided as feedback to related divisions in order to utilize them in the development of new products and in operational improvements. In fiscal 2023, we gathered approximately 13,500 customer feedback responses from the Japanese market and many from Europe and other foreign markets. We have received a positive response to instruments with new functions and equipment that we have added as a result of customer input, which is indicated by the VOC mark in our product catalog.



Providing Highly Satisfying User Training

Sysmex provides training for instrument operation and maintenance for customers in each region as part of our customer support. In recent years, to respond to a sustainable society, we have provided an online training system in different parts of the world by which training can be live-streamed or attended on demand.

We established a training center for technical services and application support in Brazil and Turkey to serve as a new base. In addition, the user training program provided is a globally integrated program under the name "Caresphere™ Academy."



Training Center in Brazil



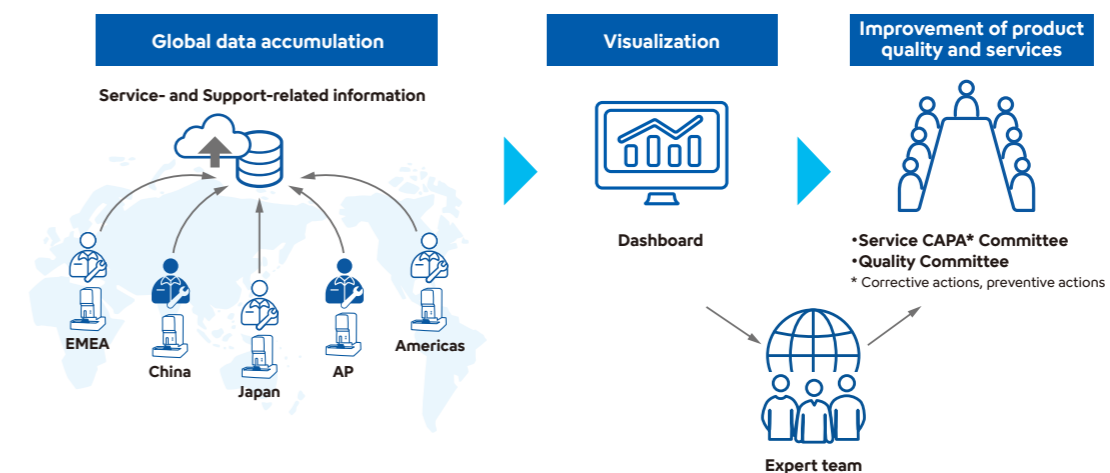
Turkey

Project for Promoting Digitalization

Product Quality Improvement Activities Based on the Restructuring of Technical Services and Application Support

Sysmex supplies its products to over 190 countries and regions around the world. However, in the past, it has been difficult to obtain accurate information on instrument failures and service status. To address this issue, people involved in technical services and application support at different regional headquarters came together and initiated a restructuring project.

In addition to accumulating global data on instrument failures and service status through common global codes created for service-related information in each region, this project reformed the market support escalation system and promoted the digitalization of data. A global team of experts periodically monitors this data to speed up the quality and service improvement process while also proactively detecting defects and reducing instrument failure rates.



Activities to Improve the Quality of Technical Services and Scientific Support Based on Training Reforms

As part of its training reform, Sysmex introduced a virtual training space to train its technical service engineers and application support personnel around the world. This virtual training space enables them to participate in training and to experience and learn, through their avatars, about new software products from anywhere in the world. As they are able to operate the software together in a virtual space, all participants can learn how to use the software, irrespective of where they are—and even if they are without physical terminals. We will continuously offer training that enables the participants to effectively learn to provide high-quality technical services and application support around the world.



Disseminating Useful Information

Sysmex Corporation disseminates valuable information to its customers in Japan through the Support Information section of its website. Sysmex continually expands the functionalities of the website to ensure that customers have the ability to use the website to a greater extent. Examples include adding an email magazine distribution service, which communicates the latest information, and “My Page” functionality, which allows users to manage content and their browsing histories.



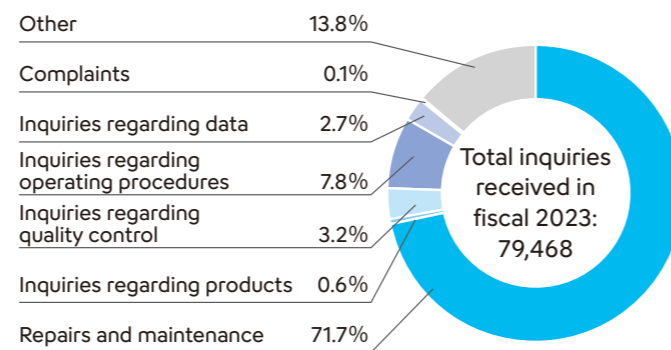
Support Information website (Japan)

Responding to Inquiries Rapidly and Responsibly

The Sysmex Group has established regional customer support centers to reply quickly and carefully to inquiries, as well as to respond promptly to customer requests.

In Japan, we have established a Customer Support Center, where experienced staff members with expert knowledge respond to customer inquiries 24 hours a day, 365 days a year (separate agreement required for use). By creating a database containing maintenance histories and the details of past inquiries from customers for quick reference, the center responds to inquiries and requests rapidly and carefully.

Responding to Inquiries at the Customer Support Center



Scientific Activities

Sysmex holds scientific seminars to impart the latest information about clinical testing in various countries and regions across the world. In Asia, we work with government agencies, including national health ministries and major academic societies, to conduct scientific activities designed to help improve the quality of clinical testing.

Holding Scientific Seminars for Medical Professionals

Sysmex has held annual Scientific Seminars since 1978 to discuss topics selected from a wide range of medical research areas and to provide opportunities to share knowledge from the latest information and research. The topic in 2023 was clonal hematopoiesis, and the seminar was held in an onsite and an online hybrid format. The lectures in Kobe and Tokyo were streamed not only domestically but also internationally. The seminar was conducted primarily in English, with simultaneous interpretation offered in Chinese, Indonesian, Thai, and Vietnamese. We were pleased to be able to welcome participants from 21 countries worldwide. After the seminar, videos of the lectures were distributed globally. We also conducted country-specific participant surveys to identify medical issues and interests that differed depending on country and region. We utilize such information for future seminar theme setting and the Group’s initiatives.

In addition, we have held many other seminars globally with a wide range of attendees. Through these initiatives, we aim to build trust-based relationships with medical professionals and help improve healthcare quality globally.



Sysmex Scientific Seminar 2023

▶ Scientific Support Activities to Standardize and Increase the Quality of Clinical Testing

Activities for Patients and the General Public

Sysmex set up the online scientific information website “Medical meets Technology” to provide information on the varied roles of technology in healthcare from a scientific viewpoint in an easy-to-understand format.

In addition, from the viewpoint of informed consent, product information for the NCC Oncopanel™, a testing system for cancer genome profiling, has been newly developed with easy-to-understand explanations for patients and their families. Such information was previously only available to medical professionals. In response to issues related to antimicrobial resistance (AMR), we are conducting a variety of initiatives, which include the global implementation of “#AMRfighter”, an awareness-raising activity, and widely distribute a scientific booklet titled “Proper Use of Antibiotics” directed at patients and the general public.

- ▶ Medical meets Technology (Japanese)
- ▶ Things You Should Know about Testing Using the NCC Oncopanel System (Japanese)
- ▶ What Is Antimicrobial Resistance (AMR)?



Scientific Information Website: “Medicine meets Technology”

Society

Strengthening Supply Chain Management

Various Policies Regarding Supply Chain Management

- ▶ [Procurement Policy](#)
- ▶ [Procurement Policy Guidelines](#)
- ▶ [Green Procurement Standards](#)
- ▶ [Anti-Slavery and Human Trafficking Policy](#)

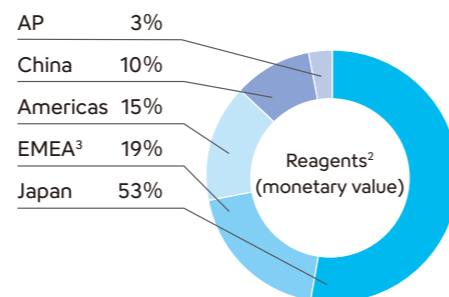
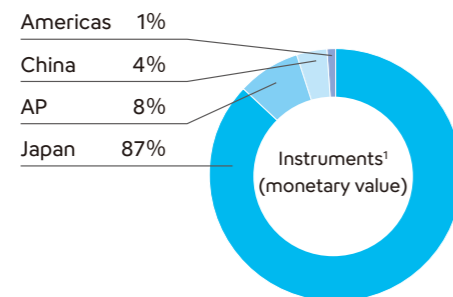
Supply Chain Management

Sustainable Procurement Structure

Systemex provides accurate test results and sound security by delivering high-quality products to the world. We ensure a stable supply of products and services based on our social mission to support healthcare. Strengthening supply chain management has been identified as a materiality, and Senior Executive Officer Mitsuhsa Kanagawa has been placed in charge of overseeing risk management for the entire supply chain. He has been promoting sustainable procurement, beginning with supplier evaluations and the drafting of remedial plans. Furthermore, CSR survey response rates, the number of training sessions for suppliers, and other factors were set as sustainability targets, and the status of their related initiatives is reported to the Managing Board semiannually.

▶ [Establishment of a Business Continuity Plan \(BCP\)](#)

Procurement Region Analysis (Fiscal 2023)



¹ Analysis of procurement regions for parts

² Regional analysis of Group companies that purchase raw materials (excluding purchased products)

³ Europe, the Middle East, and Africa

Supplier Screening and CSR Surveys

At Systemex, taking into account the importance of sustainable procurement, we identify significant suppliers through desk assessments on supplier risk. For significant suppliers that have been identified, we conduct a CSR survey annually and monitor their status of sustainability-related initiatives.

In addition to procurement costs and difficulties in substitution with alternatives, desk assessments also take into account geopolitical risks, manufacturing country risks, and competing risks in securing raw materials for the production of healthcare products* as well as CSR and environmental risks (i.e., human rights, labor practices, management of chemical substances in products, and GHG emission responses). In particular, by rapidly identifying high-risk materials, we avoided major supply issues amidst the COVID-19 pandemic from 2020 to 2023 and the dispute in Ukraine, providing a stable supply of diagnostic reagents to our customers.

For CSR surveys, we use the CSR/Sustainable Procurement Self-Assessment Tool Set developed by Global Compact Network Japan. This covers a wide range of issues such as human rights, labor practices (including the health and safety of employees), corruption, and

the environment. We do not conduct business with new partners having inadequate CSR initiatives. In addition to CSR surveys, we hold management interviews with new business partners, and we undertake the same sort of initiatives for overseas partners. In particular, personnel in charge of procurement make local visits to determine the status of child labor and workplace environments in order to confirm that no problems exist. Furthermore, we review CSR survey results with buyers during the annual evaluation of business partners and ensure that supplied parts come from business partners with low-risk levels in the CSR surveys. We have been implementing CSR surveys of business partners since 2013 and of secondary business partners since 2021 with the support of our primary business partners.

Each Group company also conducts regular surveys of its business partners. Systemex Europe implements CSR surveys of all new business partners regarding human rights and green procurement. Jinan Systemex Medical Electronics holds quarterly meetings with its business partners to assess risks, in addition to environmental and occupational health and safety surveys. Systemex Wuxi encourages its business partners to strengthen their environmental and safety management when carrying out periodic risk assessments.

* Responses for Each Type of Risk:

Geopolitical risks: Surveys were conducted for products manufactured in Europe at the onset of the dispute in Ukraine and for products manufactured in South Korea and northern China when North Korean risk was rising.

Manufacturing country risk: Surveys were conducted for diagnostic agent containers and disposables, leading to procurement from various countries.

Competing risks in securing raw materials for producing healthcare products: Surveys were conducted for glass bottles, rubber stoppers, biochemical buffering agents, raw materials for PCR, and raw materials for cultivation.

▶ [Undertaking the Never-Ending Mission of “Creating a Stable Supply of Reagents”](#)

▶ [Flowchart of New Supplier Assessment](#)

▶ [KPIs for Supplier Screening](#)

Results of CSR Surveys

The response rate for surveys of primary raw material suppliers conducted in FY2023 was 95%, meaning that the previous fiscal year's high response was maintained. We also analyze the results of the CSR surveys from the previous fiscal year and provide feedback to our business partners included in the surveys. We disclose the average scores of the companies in the same raw materials category to our business partners to identify their strengths and weaknesses. For items with existing risks, we encourage corrective actions and carry forward improvement activities together.

CSR On-Site assessment and Cooperation for Supplier's CSR Initiatives

Systemex conducted on-site assessments of four primary suppliers in FY2023 to further strengthen suppliers' risk management. In addition, with cooperation from Tier 1 suppliers, we expanded our CSR surveys of Tier 2 suppliers. During the four years since FY2020, we have conducted CSR surveys of 96 Tier 2 suppliers.

In conducting these surveys, we shared our knowledge regarding our survey format and aggregation tools with Tier 1 suppliers. Using the same format, we seek to reduce the burden on the Tier 1 suppliers through our CSR surveys.

▶ [Global Compact Network Japan Common version of CSR survey form “CSRProcurement Self-Assessment Toolset”](#)

▶ [Status of Sustainability Targets](#)

Improving the Quality of Supplied Parts and Raw Materials

Systemex provides a quality assurance agreement that clearly states our requirements for the quality of goods and concludes agreements with business partners after confirming their understanding of our procurement policy. We perform quality assessments of supplied goods and audits of business partners regularly to ensure that proper quality control is being carried out.

Conducting Briefing Sessions and Meetings for Suppliers

Systemex strives to strengthen its relationships with trading partners by holding annual briefing sessions for our suppliers to ensure their understanding of our business and procurement policies. At the FY2022 CSR briefing session, we introduced examples of CSR initiatives of other companies to encourage initiatives that are in line with a single company's size. In FY2023, we hosted a briefing session for suppliers to explain our newly formulated long-term corporate vision, supply chain policies, and eco-social strategies. The session was well attended, with approximately 250 companies and 500 people.

We also hold regular meetings with overseas business partners to strengthen collaboration. Systemex Europe periodically holds meetings with all of its business partners to check their compliance with Systemex's environmental and social responsibilities, as well as details of business activities. Systemex Malaysia holds monthly meetings with local distributors to discuss customers' needs and issues, aiming to improve product quality and customer satisfaction.

Compliance with Procurement-Related Legislation and Training for Persons in Charge of Procurement

Systemex uses an electronic procurement system to prevent undue price reductions and product returns. In October 2020, we announced a declaration of partnership building and have been working to increase added value across the entire supply chain. Additionally, in observance of desirable transaction practices between large procuring enterprises and subcontractors (promotion standards based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises), we are proactively taking initiatives to correct transaction and business practices that hinder the building of partnerships with business partners.

To enable this, the procurement departments at our domestic Group companies receive training related to the declaration of partnership building, the Subcontract Act, and the roles of companies placing orders in CSR activities. For new employees in the department, we conduct training on procurement policies, CSR procurement, and procurement risk.

Initiatives for the Optimization of Working Hours for Transportation and Logistics Work

In response to the Work Style Reform Law for transportation and logistics work, which comes into effect on April 1, 2024, we have stopped same-day shipping of normal temperature reagents and consumable goods and have changed to shipping the day after the order is received.* Through these efforts, we proactively address the so-called "2024 problem in logistics," such as eliminating the cargo waiting time that leads to overwork by truck drivers.

* We have been offering same-day order placement and next-day shipping for refrigerated reagents, equipment, and other products as before.

Society

Creating an Attractive Workplace

Development of Human Resources —Employee Journey—

Global HR Policy

Systemex believes an environment in which every employee can develop a fulfilling career is essential to sustainably enhance its corporate value and create a highly engaged organization. An "employee journey" encompasses all stages of an employee's career, from joining, retiring, or leaving Systemex to building a second career. We help diverse individuals at Systemex build their careers and learn continuously and independently.

To support a self-driven career, we have a job-based personnel system in place across the Group. We have implemented various measures in accordance with defined duties and personnel requirements. These human resource management activities follow our Global HR Policy as their fundamental principle.

▶ Global HR Policy

Diverse Talent Acquisition

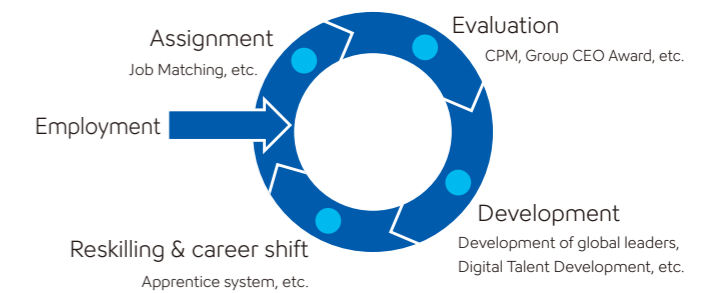
Recognizing that innovation comes from diversity in talent, Systemex Corporation hires people with different experiences and values. Under the slogan of "anywhere, anytime, and anyone," we hire people throughout the year based on their character, regardless of nationality, race, gender, age, employment history, or disability.

Our recruitment is based on job type and position, allowing applicants to apply in accordance with their specializations or work preferences. We also monitor our efforts to hire job applicants directly from overseas universities¹ and set hiring targets by gender² to actively promote the recruitment of diverse individuals.

Hiring and developing human resources who support our growth strategy is an important aspect of our human capital strategy. We have been investing in human capital, maintaining a balance between the sustainable improvement of value-added productivity (14,760 yen per hour in fiscal 2023) and total labor cost.

*1 The proportion of employees with foreign citizenship, hired directly from overseas universities, among all new graduates hired: about 13.5% in fiscal 2023

*2 The proportion of female employees among all new graduates hired: 45.2% in fiscal 2023 and 40% as a target for fiscal 2024



Assignment According to the Needs of Employees and Teams

At Sysmex Corporation, employees are assigned jobs by matching their desires with the requirements of divisions to promote their self-driven career development.

A matching algorithm is used to determine the divisions that new recruits should be assigned to, ensuring that both the recruit's desires and the requirements of the divisions are considered. As a foundation for self-driven career development, we have also introduced an apprentice system* that allows our employees to undertake new roles. This offers them opportunities to develop their career prospects by broadening their expertise.

These actions yielded significant results in fiscal 2023. The three-year turnover rate for new graduates was 6.5%, and the voluntary turnover rate was 2.6%, achieving our target of less than 3.0%.

► Selection and being selected—transforming the assignment process for new recruits through our job matching system | Sysmex

* When there is a vacant position, a specified trial period is set for an apprentice so that the employee's potential for both the position and the team can be determined before formal assignment.

Evaluations and Commendations to Encourage New Attempts and Recognize Achievements

At Sysmex Corporation, we have introduced an evaluation system incorporating the concept of continuous performance management (CPM) to achieve agile responses to changes in the internal and external environment in times of drastic transformation. This system encourages employees to take on challenges by flexibly reviewing their targets and actions in response to changes, without sticking to the original targets that they set at the beginning of the term. We evaluate them based on a point-addition system. It assesses not only individual performance but also organizational culture, human resource development, and team performance, aiming to promote both employee contributions to our business and the growth of individuals and teams. Employees regularly have one-on-one meetings with their supervisors throughout the year. These meetings provide them with opportunities to discuss day-to-day operations and career development, as well as goal setting and evaluation. They assist with individual growth and build mutual trust. In our semiannual Corporate Culture Survey, we assess our employees' level of confidence in leadership to develop future leaders and improve our organizational culture.

Additionally, our Group CEO Award is given to recognize divisions and teams. It annually honors individuals and teams that contribute significantly to the enhancement of corporate value and that address social issues by practicing the Sysmex Way, our Group corporate philosophy. In line with the establishment of our long-term corporate strategy VA33 and the refinement of our corporate philosophy, we launched the "Challenge & Anshin Award" in fiscal 2023. This award recognizes excellent contributions in five categories (IP·Idea, Eco-Social, Sales & service, Quality, and Operation). To motivate R&D engineers and heighten awareness of intellectual property, we have also introduced the Patent Grand Prize, the Patent Meister designation and the Filing Commemoration Prize.

Training Programs Tailored to Individuals

Sysmex Corporation has a human resource development division in the corporate management domain managed by the members of the Managing Board, senior executive officers, and senior managing directors. To respect diverse working styles and values, this division offers a wide range of learning programs that help employees develop business skills and build career plans based on their aspirations.

Employees can even join some of the programs across national borders through the availability of online courses for learning from home. In fiscal 2023, all employees participated in one of these conducted training programs. The benefits include the growth of individual employees and enhanced productivity through skill improvement and exchanges between participants, resulting in better mutual understanding and cross-functional networks. (Investment in training in fiscal 2023: 83,000 yen per employee.)

Our Corporate Culture Survey indicates that most of the employees support these training programs; 64% of them provided positive responses, noting that they were offered opportunities for growth through such programs. Sysmex Corporation also supports continuous learning by employees of all ages and ranks. Our "smart work" system, intended to facilitate diverse working styles, encourages employees to spend 15 minutes of their daily working hours on self-study. During fiscal 2023, our employees spent an average of 55.3 hours on learning.

► Promotion of Diverse Working Styles and "Smart Work"

Development of Next-Generation Leaders

Developing next-generation leaders is crucial to Sysmex's human capital strategy for enhancing sustainable corporate value. Since the introduction of a job-based personnel system, we have conducted talent reviews to measure differences between the desired and actual roles of each position. We have also regularly monitored the sufficiency of our talent pool and the availability of successors for senior positions.

For the candidates chosen as successors, we formulate development plans to address individual issues and offer necessary leadership development programs. Among these programs, a selective leadership program for employees with the status of being "ready to be a successor" provides them with opportunities to think from a leader's perspective, facilitating their promotion to higher positions. In fiscal 2023, on-board training* was undertaken by a total of 2,662 employees, while selective training (for candidates chosen as successors) was undertaken by a total of 157 employees.

In fiscal 2023, we restarted global training, which had been suspended due to the COVID-19 pandemic, promoting our cross-regional and cross-border efforts to develop global leaders.

* This program aims to retain new members, including recent graduate hires and mid-career hires, and to develop them as valuable members.

Reskilling & Career Shifts

To help employees broaden their career horizons, Sysmex supports employees' reskilling and career shifts based on their experience in current jobs or relevant fields rather than through input-driven learning.

For example, for reskilling in digitalization, we have systematized knowledge and skill sets needed for digital transformation (DX) and offer programs at different levels.

To support those who are to be reassigned at their request, our apprentice system provides a six-month trial period during which such employees can work as apprentices so that their suitability for the position and the team can be determined before formal assignment.

After the expansion of our job-based personnel system to the Group's affiliated companies, positions in different divisions or Group companies have become more easily comparable based on common grades. Matching employees' expertise with their preferred areas of work has effectively helped them not only pursue and establish their careers but also build their second careers through reskilling efforts and work experience.

Development of digital human resources

Sysmex started to provide digital human resources development programs for employees in fiscal 2023. These programs define types of digital human resources and level hierarchy for Sysmex based on the digital skill standards (DSS) created by the Ministry of Economy, Trade and Industry and the Information-technology Promotion Agency (IPA). It provides development programs suitable for each combination. In addition, we put forward the idea of cross-reskilling ("experience and knowledge cultivated to date" x "digital technology and knowledge") and have increased opportunities and options for employees to be widely active in corporate activities. We aim to achieve specific results in active work beyond the learning, such as problem-solving, social contribution, and the like.

As one of the features of this program, we have established a digital human resource type called "Digital Rookie" and provide curricula that allow employees to start learning digital literacy widely without being tied to a specific digital human resource type. Then, we allow employees to choose digital human resource types with which they can make the most of their expertise according to their preferences and skills. In an attempt to improve digital literacy and skills, we have also introduced mechanisms to encourage mutual learning by employees by establishing a community in which employees can teach and help each other. Through these initiatives, a cumulative total of 2,500 employees participated in digital human resources development programs in fiscal 2023.

As part of our human development efforts, we also dispatched employees to our joint research partner, the University of Tokyo Market Design Center (UTMD), providing them with the opportunity to participate in studies on matching theory and market design.

Sysmex is developing an environment in which employees who have learned digital literacy and employees with advanced expertise have a common language, and digital transformation (DX) initiatives are spontaneously undertaken.

► University of Tokyo Market Design Center—Upgrading Your Organization, the Scientific Way (u-tokyo.ac.jp)



Global Leaders Training

Training for Research and Development Personnel

Sysmex has hosted the Sysmex Innovation Forum for research and development personnel for more than 40 years. This forum aims to share the results of advanced R&D activities and foster creativity with more than 1,000 participants from around the world every year. This initiative supports our technology-oriented technology base and drives new product development to shape the evolution of healthcare.

In addition, as educational programs for R&D personnel, we also provide a wide range of curricula, including specialized engineer education programs in which participants inherit our unique technology and acquire new technology, integral training so that participants can learn the essence of technology for coordinating diagnostic agents and detection devices, and educational programs in which participants study international standard project management methods, and the like. We are committed to the development of all R&D personnel.

Sysmex EMEA Campus

For all employees in the EMEA region*, Sysmex has established the EMEA Campus, a training space offering various online and offline training programs. The EMEA Campus plans lectures and workshops on various themes, including skills for general business and technical abilities, with the goal of developing future leaders, enhancing skills, and creating internal networks. For managers, “Ready to Lead,” a customized leadership training program, was set up to help them master team management skills. Other diverse programs are available on such subjects as human resource development, coaching, and reverse mentoring to support the acquisition of skills needed for leadership.



* EMEA: Europe, the Middle East, and Africa

Other Human Resource Development Programs

Company	Program/Measure	Objectives/Overview
Sysmex Corporation	“Monozukuri” Professional Training Activities	They promote the development of human resources for manufacturing as one of our production reforms. They provide training for new employees and develop human resources with the ability to guide the next generation of those engaged in <i>monozukuri</i> (manufacturing). Training offers necessary skills for those who will become multifunctional workers, as well as technical knowledge necessary for <i>monozukuri</i> .
	DX Literacy Education	It offers DX literacy training to develop skills to effectively use AI and other emerging technologies for the purpose of developing new ways to use data, increasing operational efficiency, and implementing innovations.
Sysmex America	Sysmex University	It is a training program for all employees in the United States, Canada, and Latin America that combines online and offline sessions. It offers courses focusing on wide-ranging subjects, including business skills (e.g., leadership skills and project management), specialized skills, and mentoring.
	Sysmex Management Academy	It is a six-month training for selected personnel, including newly appointed managers. It aims to strengthen management skills by providing insight into the roles and responsibilities of Sysmex management.
Sysmex Europe	Sysmex Academy	It offers programs in which trainees acquire product-related and medical knowledge. It aims to increase trainees’ specialized knowledge and develop trainers for customer training.
Sysmex Shanghai	Sysmex Shanghai University	Online training is provided for all employees. The initiative started in fiscal 2019 to support professional employee growth.
Sysmex Asia Pacific	LinkedIn Learning	It offers around 100 online training courses using a social media platform (LinkedIn) for all employees. It is designed for trainees to acquire and improve skills such as management, leadership, critical thinking, business analysis, and data analysis.
	Sysmex Academy	It offers online programs in which trainees acquire medical and product-related knowledge.

Talent Management Utilizing Advanced Technology

Sysmex manages human resources information held by the entire Group in a centralized manner and works on promoting digital transformation (DX) and generating job satisfaction. To prevent information leakage, in addition to the data management feature of the system, we have established global data management rules to restrict access to data. This scheme ensures that we can use data securely and in a timely manner.

Specifically, we promote talent management by developing an environment in which employees can work flexibly in accordance with the nature of their work and their lifestyles (such as by introducing a remote work plan and providing online training), assisting their autonomous career formation through the utilization of matching algorithms, providing real-time feedback on employee engagement surveys, and utilizing other advanced technologies.

Sysmex Receives “Human Capital Leaders 2023” and “Human Capital Management Quality 2023 Gold” Awards for its Commitment to Excellent Human Capital Management and Information Disclosure

Sysmex Corporation received “Human Capital Leaders 2023” and “Human Capital Management Quality 2023 Gold” awards at the “Human Capital Survey 2023*,” which was organized and implemented jointly by HR Technology Consortium, GIA., HR Research Institute, and MS&AD InterRisk Research & Consulting, Inc. Sysmex has thus been highly praised for proceeding with initiatives that view human capital investment as a medium- to long-term investment and implementing scientific approaches, such as setting indicators for investment and returns and verifying them using in-house data.



人的資本リーダース
2023



人的資本経営品質
2023

* Special website for Human Capital Leaders 2023: https://www.hrpro.co.jp/human_capital_survey/2023/

Society

Promotion of Diversity, Equity & Inclusion

Promotion of Diversity, Equity & Inclusion

Supporting Diverse Human Resources in Pursuing Careers

Throughout the Sysmex Group, human resources are considered an important management resource for achieving sustainable growth. We strive to realize diversity, equity, and inclusion (DE&I), an approach that involves creating an inclusive working environment in which a wide variety of people can comfortably work and receive equal opportunities.

Sysmex Corporation has a diversity promotion function in the corporate management domain led by the members of the Managing Board, senior executive officers, and senior managing directors. This function delivers diversity-related information and advocates diversity. It also conducts internal opinion surveys to incorporate the views of employees into the measures we implement. In fiscal 2023, we held talk sessions between management and employees on the themes of inclusive leadership, mental and physical health, and the well-being of employees, which are foundational for energetic activity by diverse human resources.

In addition to respecting and accepting diversity, it is essential to provide equal opportunities at work. We are committed to gender equity, which aims to eliminate inequalities between men and women, as well as to fostering an understanding of sexual minorities and empowering employees with disabilities and senior employees.

Stakeholder Dialogue

We held a talk session between employees and President Asano on the theme of Sysmex's well-being as part of efforts to create a workplace in which everyone can play an active role.



Click here for details:

[Dialogue between Employees and the President: Advancement of Well-Being Management](#)

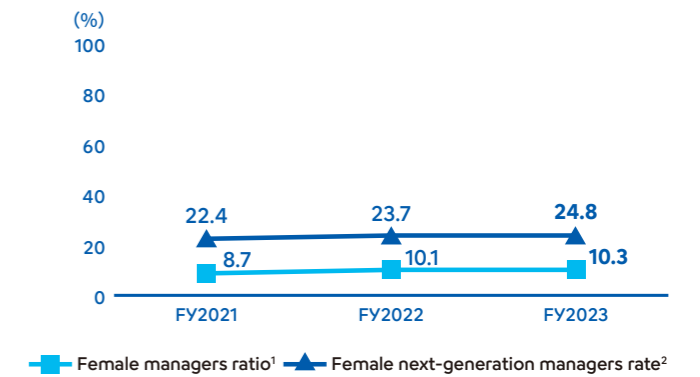
Supporting Women's Career Activities

Sysmex Corporation has worked to provide a comfortable working environment by establishing a system to support employees in pursuing their careers while raising children, among other supportive actions. This plan aims for a target* of at least 15% female managers among all managers (10.3% in fiscal 2023), with less than 1,950 annual working hours (2,010 hours in fiscal 2023) by fiscal 2024. In addition, we will set as KPIs the percentage of female managers, the percentage of next-generation female managers, and the rate of childcare leave taken by male employees. Our aim is to take into consideration both career formation and workstyle perspectives, thereby further promoting measures to encourage active female participation.

Our initiatives in fiscal 2023 included an inclusive leadership training program, a training program to support career motivation, and a training program to promote understanding of the empowerment of women in the workplace for newly appointed managers.

In terms of remuneration, we are working to eliminate the pay gap between male and female employees by determining their pay based on their duties and roles under our Group-wide HR policy. Sysmex America conducts monitoring and external audits of employee categorization by both ethnicity and gender to ensure that there are no unfair pay gaps related to either.

Female managers ratio (Sysmex Corporation)



- 1 Percentage of women at director level or above
2 Percentage of women in managerial posts in the Group



Eruboshi certification is given to excellent companies based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace. Sysmex received Level-3 certification, the highest grade.



Sysmex was designated a "Mimosa Company," meaning a company promoting active female participation, under the certification system of Kobe, Hyogo Prefecture (fiscal 2022).

▶ [Action Plan under the Act on the Promotion of Women's Active Participation \(Sysmex Corporation\)](#)

▶ [Act on the Promotion of Female Participation and Career Advancement in the Workplace \(Ministry of Health, Labour and Welfare\) \(Japanese\)](#)

Understanding of Sexual and Gender Minorities and Our Response

Sysmex incorporates a rainbow flag in the profile images of the official social media account for each Sysmex Group company during Pride Month in June to demonstrate the Group-wide understanding of and support for LGBTQ+¹ persons.

In fiscal 2020, Sysmex Corporation established a partnership registration system under which partners in same-sex relationships are recognized as spouses. The Company also announced its endorsement of "Business for Marriage Equality (BME)" to support the legalization of same-sex marriage (that is, marriage equality) in Japan. Since 2022, we have been involved in Tokyo Rainbow Pride, the biggest LGBTQ+ event in Japan.

We have an intranet site dedicated to this topic to deepen understanding among employees by disseminating information to broaden their knowledge about sexual minorities. Employees can access e-learning materials and borrow an introductory textbook to learn how to improve the working environment in the context of SOGI² and receive Ally stickers. Our other efforts include holding diversity roundtable discussions³ on the theme of "LGBTQ+ and Gender."



Through these activities, in fiscal 2023, we earned the highest rating (Gold) in the “PRIDE Index 2023,” which evaluates companies and organizations based on their commitment to LGBTQ+ and other sexual minority issues for the second year in a row.

*1 A general acronym whose letters refer to sexual minorities in terms of orientation/gender identification (lesbian, gay, bisexual, transgender, questioning/queer; with “+” representing other sexualities)

*2 Acronym for Sexual Orientation and Gender Identity

*3 Roundtable discussions are held to exchange opinions on a wide range of topics, including work-life balance and cross-cultural understanding, as well as to provide opportunities for interdepartmental community building.

Supporting People with Disabilities

By creating a workplace in which people with various physical, intellectual, and psychological disabilities can work in keeping with their abilities, Sysmex aims to foster an environment in which everyone, regardless of disability, can work and grow together enthusiastically and comfortably.

Sysmex Harmony, a special subsidiary*, provides manufacturing support for our instruments and reagents, including packaging for instrument accessories and parts and the folding of reagent package inserts. This company is also responsible for packaging PCR test kits, which saw an increase in demand due to the COVID-19 pandemic. To help employees with disabilities continue to work for many years, Sysmex Harmony carries out various retention initiatives, such as assigning them to work based on their individual abilities and ensuring that they can closely communicate with their instructors through regular interviews. The percentage of our employees with disabilities was 2.38% in Japan for fiscal 2023. We are committed to continuing our efforts to increase the roles of employees with disabilities by improving their working environment and fostering a better understanding of their needs within their workplaces.

Sysmex Europe works with an organization that endeavors to support the independence of people with disabilities. The company subcontracts packaging work on the manufacturing line of its reagent factory in Germany to them.

* A subsidiary that has been certified by the director of a Public Employment Security Office for special consideration in the employment of people with disabilities. Subsidiaries with labor regulations different from those of the parent company can give greater consideration to the work capabilities and labor conditions of people with disabilities in their labor regulations and workplace environment, which makes it easier to increase the employment of such workers.

Support of Active Participation of Seniors

In March 2021, Sysmex Corporation raised the retirement age from 60 to 65* following the introduction of our job-based personnel system. As we have corrected the age-related treatment gap and promoted various working styles, senior employees can now work fewer hours and have side jobs. After retirement at 65, our employees are also entitled to work as senior contract employees until they turn 70.

We implement a Career Development Support Program as one of our efforts to assist senior employees in career development. This program is designed to provide basic knowledge and promote understanding of the views needed for career planning. It combines e-learning, group training, and individual consultation to support participants in their autonomous career planning and specific work behavior changes.

* Employees can choose their retirement age between 60 and 65 in one-year increments.

Diversity Education

Sysmex Corporation publishes a monthly in-house magazine called the “Diversity Newsletter” to share information with employees and promote their understanding of diversity issues. We regularly hold diversity roundtables on themes such as gender, LGBTQ+, nursing care, support for the retention of people with disabilities, universal etiquette, mental health in the workplace, women’s health, wellbeing, and men taking childcare leave. We conduct unconscious bias e-learning to recognize and deal with this issue. With regard to childcare, we particularly emphasize programs that encourage men’s involvement in parenting. Specifically, we organize a yearly seminar at which external male lecturers speak about the importance of paternal parenting and how to balance work and life. We also organize online lunch seminars on DE&I and male- and female-specific healthcare (including FemTech* and infertility treatment) with leading experts from various industries on stage.

Such diversity education is provided globally in line with the culture and characteristics of each region. In the EMEA region, we have conducted training to prevent discrimination and facilitate cross-cultural communication, considering local workplaces as characterized by employees who are diverse in terms of nationality, ethnicity, and culture.

* The term “FemTech” refers to products and services that use technology to solve health issues specific to women.

Society

Increasing Engagement

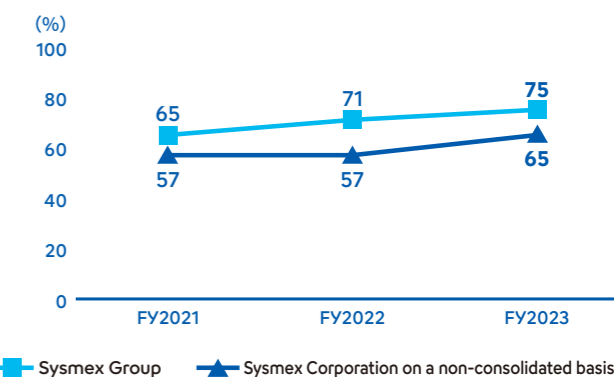
Setting Employee Engagement as an Important Indicator of Our Corporate Strategy

Every year, Sysmex conducts a Corporate Culture Survey of all employees across the Group. The survey found the Group’s engagement score for fiscal 2023 was 75%. This score is on par with those of the Fortune 500 companies, and high employee engagement is a key driver for the Group’s growth. Having set employee engagement as an important indicator in our “Long-Term Corporate Strategy 2033,” initiated in fiscal 2023, we promote innovation and improve productivity across the Group.

The engagement score of Sysmex Corporation for fiscal 2023 was 65%. To improve the engagement of employees in Japan, who account for about 40% of the Group’s employees, we have been implementing and monitoring action plans to improve employees’ support of the corporate philosophy (70% in fiscal 2023) and their satisfaction in terms of well-being (57% in fiscal 2023). We have also introduced pulse surveys conducted in shorter intervals to understand the progress of measures and promote initiatives to incorporate employee input rapidly.

In fiscal 2023, as a new measure to promote in-house communication, we introduced a web service called Sysmex Peer Bonus, through which employees can mutually send messages of gratitude, encouragement, greetings, etc., with tips and receive rewards in points. We strive to create an attractive workplace in which everyone can work comfortably, based on the concept of “making work more enjoyable.”

Engagement score



* FY2021 of Sysmex Group: Except EMEA (Europe, the Middle East, and Africa)



* Percentage of positive responses in the FY2022 Sysmex Corporate Culture Survey

► Status of Sustainability Targets

Monitoring the Effects of Human Capital Investment

Systemex aims to balance value-added productivity* and employee engagement. As indicators of the effects of human capital investment, we set value-added productivity and employee engagement scores and monitor them continually.

The value-added productivity per employee of Systemex Corporation for fiscal 2023 reached a record high of 14,800 yen per hour, which demonstrates the effectiveness of our human capital investment. The return on human capital investment (operating profit divided by labor cost) also reached a record high of 167.9%. These results are accomplished as high levels of employee engagement are maintained and employees are willing to take on new tasks. Our action plans to foster an organizational culture that balances value-added productivity and employee engagement have been producing consistent outcomes.

* (Operating profit + labor cost + human capital depreciation)/working hours

Joint Achievement of Comfortable Working and Productivity Enhancement

Systemex Corporation has introduced a “smart work” system to respect the diversity of individual employees, as well as to respond to the “new normal” business environment and realize productivity enhancement.

It adopts a hybrid workstyle combining onsite (office) and remote (from home, etc.) work. In addition, we promote time management to realize a strong work-life balance by allowing our employees to combine flextime, staggered office hours, and “stepping out from work” according to their business duties and individual lifestyles. As a result of these efforts, the percentage of fathers taking childcare leave was 62% in fiscal 2022 and 61% in fiscal 2023, meaning that we achieved our target of 60% for two consecutive years.



▶ Introducing the “Smart Work” System (Sustainability Topics)

Promotion of taking paid leave and financial well-being

Systemex Corporation uses various measures to encourage employees to take paid leave. They include the introduction of recommended dates for paid leave and a half-day paid leave system. Other measures include allowances paid under the “Cafeteria Plan” (our welfare program) to employees who take consecutive paid leave days for travel, leisure, or courses at culture centers. In fiscal 2023, in consideration of recent price increases, we strengthened investment in human resources that support the improvement of employee wellbeing engagement and continuous corporate growth pursuant to the Multi-Stakeholder Policy. When paying winter bonuses, we implemented a special payment² in the form of employee stock ownership, separately from regular bonuses.

*1 The Company provides employees with cafeteria points every year. Employees can select and use the benefits they prefer from a menu of various benefits (childcare and nursing care support, health support, self-development, etc.) depending on their lifestyle and needs.

*2 The Company expended incentives to contributions as part of the Systemex Employee Stock Ownership Plan to support employees in building assets. For the special winter bonus in fiscal 2023, each employee was given the right to choose between stock and cash.

▶ Multi-Stakeholder Policy (Japanese)

▶ Strengthened Investment in Human Resources that Support the Improvement of Employee Wellbeing Engagement and Continuous Corporate Growth (Japanese)

Supporting a Balance between Work and Child-Rearing

Systemex Corporation has introduced several programs to provide family support, from prenatal care to child-rearing. These programs include leave for parenting, fertility treatment or morning sickness, a spouse’s childbirth, and the nursing of children. When childcare leave expires after an employee’s child turns two years of age, employees are entitled to reduced working hours and a work-from-home program until the child enters junior high school. We support employees returning to work after childcare leave, including with seminars before their return, as well as distribution of newsletters (including the Diversity Newsletter) to employees on childcare leave. Technopark, our R&D site, has an in-house daycare center called Systemex Kids Park. It is also available for temporary use when employees’ spouses work part-time, children’s guardians are sick, or an employee is arranging a funeral. Through such support, we encourage all employees who desire to return to work after childcare leave to do so.

In recognition of such initiatives, we have received next-generation support certification (with a logo nicknamed “Kurumin”*) as a “company that supports child-rearing” from the Ministry of Health, Labour and Welfare. In fiscal 2023, we were also selected as a “Next Nadeshiko: Companies Supporting Dual-career and Co-parenting” by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. This program recognizes companies that make particularly outstanding efforts to support dual-career and co-parenting.

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



The “Systemex Kids Park” in-house childcare center



The “Kurumin” next-generation support certification logo



Granted “Next Nadeshiko: Companies Supporting Dual-career and Co-parenting” awarded (fiscal 2023)

Stakeholder’s Voice

Wonderful Moments: Connecting the Past and the Future
Kids Park Director, Ms. Kyotani

As part of Hyogo Prefecture’s “Try-Yaru Week”*, we welcomed junior high school students for a childcare experience. We were extremely delighted to have the graduates of Kids Park return to our facility. Over the past 14 years, various staff members have spent time with the children, and we are honored to have shared such wonderful moments. It was a moment that made us feel the connection between the past and the future.

On the final day, we saw off the two students with cheers, as if it were their second graduation ceremony, celebrating their new journey. As childcare providers, we hope that the time spent at Kids Park will be a source of strength for all those who have graduated.

We also hope that this experience serves as a good opportunity for the parents of our current children to imagine the future growth of their own children.



* This is part of an educational program that helps junior high school students in Hyogo Prefecture find their own way of life through various experiential activities in the community, such as work experience and welfare experience

Encouraging Male Employees to Take Childcare Leave

Systemex Corporation implements measures to increase the number of male employees taking childcare leave. These measures include the distribution of Dad's Childcare Leave Guidebook and the organization of seminars for male employees and their supervisors, inviting external lecturers. At the seminar, lectures were given and opinions were exchanged about the importance of men being involved in parenting, work-life balance, and the essentials of childcare, in addition to appropriate support by supervisors to allow male employees to take childcare leave.



Stakeholder's Voice

At the time I took childcare leave, I was a development leader. In addition to two months of childcare leave, I took more than three months off in total, including paid leave and special leave for events such as weddings and funerals. By participating in childcare, I was able to experience my child's growth, and at home, the bond of cooperative parenting was strengthened. After taking childcare leave, I encouraged my colleagues to take childcare leave as well, based on my own experience. Recently, there has been an increase in the number of men in our department taking childcare leave.



Hayato Aoki, Reagent Engineering

Systems to Support Work-Life Balance

Support for continuing employment and promoting social contribution activities

Systemex Corporation has introduced a program where employees can take up to 40 days of short-term nursing care leave and accumulated paid leave in half-day increments when they need to accompany family members who are hospitalized. We also have a work-at-home system that enables employees to care for their family members who require nursing care or other types of support. In addition, we have an income indemnity system for employees on nursing care leave lasting one month or longer and a program for re-employment of those whose careers have been interrupted by nursing care. In order to promote our nursing care systems, we hold seminars on nursing care every year to explain how to prepare when a family member requires care and to hear the experiences of the employees who have used the system.

In addition, we have a leave of absence and re-employment program designed to offer a wide range of opportunities for employees who leave our employment due to their spouses' overseas assignments or for other personal reasons so that they can return to work.

Volunteer leave and donor leave programs are also available as support systems intended to make it easier for employees to take leave for particular purposes.

Activities at Group Companies

Our Group companies also engage in various initiatives to provide a comfortable working environment.

The companies in the EMEA region¹ have all received the Great Place to Work² award for their excellent workplace environments and employee satisfaction. At Systemex UK, all managers have completed training on well-being so that emphasis is placed on the health of each and every employee and a positive work-life balance is ensured for all employees. Systemex South Africa is expanding systems to support a balance between work and child-rearing. The efforts include the incorporation of a maternity policy into its human resources policies and a guarantee of four months of paid maternity leave. Additionally, Systemex Spain and Systemex Portugal have been selected by EI Mundo as two of the "100 Best Companies to Work For."

*1 Systemex EU: Systemex Deutschland, Systemex Belgium, Systemex Netherland, Systemex Turkey, Systemex Austria, Systemex UK, and Systemex France

*2 Rankings of companies announced by Great Place to Work (GPTW), a research institute that specializes in studies and analyses of corporate employee job satisfaction. GPTW publishes in influential media the names of companies and organizations in about 60 countries that have been judged to meet certain standards.



Employees of Systemex Belgium and Systemex Netherlands

Other Activities at Group Companies

Company	Initiatives
System RA	<ul style="list-style-type: none"> Use of company-led nursery facilities Received the next-generation support certification logo (nicknamed “Kurumin”) as a “company that supports child-rearing” from the Ministry of Health, Labour and Welfare Certified as one of the “Excellent Corporations for Health Management” by the Ministry of Economy, Trade and Industry 
System America	<ul style="list-style-type: none"> Introduction of a flextime system and work-at-home system Introduction of a childcare leave system exceeding statutory requirements (for both fathers and mothers) Introduction of a family support system (parenting support, family holiday, and allowances for use of external support systems when family members become ill)
System Europe	<ul style="list-style-type: none"> Introduction of a flextime system and work-at-home system Provision of onsite rooms for parents and children Introduction of a childcare leave system (for both fathers and mothers) Childcare support system (allowances for use of external support systems)
System Shanghai	<ul style="list-style-type: none"> Introduction of a flextime system Introduction of various working arrangements in response to the COVID-19 pandemic
System Asia Pacific	<ul style="list-style-type: none"> Introduction of a flextime system and work-at-home system Childcare support system (childcare leave extension system, subsidies for medical insurance, and provision of scholarships) Introduction of a family care leave system for nursing and child care Medical insurance for all employees covering 37 diseases Introduction of a welfare system for contract employees Introduction of a volunteer leave system

Society

Promotion of Health and Occupational Safety: Well-being

Declaration of a Healthy Company and Materiality

System Declaration of a Healthy Company

System has been promoting health management as one of its management issues to ensure that our employees, who are the foundation for the practice of the Group’s corporate philosophy, can lead fulfilling lives both physically and mentally. The System Declaration of a Healthy Company, drawn up in April 2020, specifies matters of critical importance regarding such aspects as occupational health and safety, as well as mental and physical health (i.e., materiality of health and productivity management). This has prompted System to make continuous efforts toward employee health enhancement, create working environments in which diversity is valued, and to have workplaces that make employees proud.

Materiality of Health and Productivity Management:



▶ System Declaration of a Healthy Company

Our Efforts towards Health Enhancement

Efforts towards Employees’ Health Enhancement

System Corporation provides regular medical checkups for its employees, together with complete physical examinations and health screenings for female-specific cancers. It also encourages each employee who has received thorough examination results to undergo a secondary examination when necessary¹. In fiscal 2023, the rate of undergoing medical examinations is increasing due to system reinforcement, such as increasing the number of in-house public health nurses and proactive health guidance by them.

If an employee requires long-term medical examinations and treatment, we make work-at-home arrangements for them, and we exert effort to help them continue to work. Moreover, in addition to mandatory semi-annual medical checkups, we provide our own biannual checkups that include tests for hepatitis B and C for employees engaging in work involving infectious substances. This is to ensure early detection and treatment of illnesses.

System is registered as a partner company in the Ministry of Health, Labour and Welfare’s “Cancer Screening Corporate Action” and “Know about Hepatitis Project.” We have also signed the “Agreement to Promote an Increase in the Rate of Cancer Screening” with Hyogo Prefecture. These are some of our activities to educate employees about diseases and increase the rate of employees taking medical checkups. As a measure against passive smoking, System removed smoking areas at business offices retained by its Group companies in Japan. We also provide allowances to cover services for quitting tobacco use and attendance at smoking-cessation seminars².

^{*1} Rate of undergoing secondary medical examination: 53.2% in fiscal 2023 (actual)

^{*2} Employees can apply for allowances that cover medical consultation or health-related seminars from the “Cafeteria Plan” welfare program.

▶ Corporate Action for Cancer Screening (Japanese)

▶ Learn about the Hepatitis Project (Japanese)



Initiatives to Solve Female-Specific Health Issues

To solve female-specific health issues and social issues and increase its corporate value, Sysmex Corporation launched an inter-divisional FemTech working group. This working group works to improve employee well-being. By understanding the worries and concerns of different genders, we aim to promote mutual understanding and active participation of diverse human resources, as well as to revitalize long-term in-house innovation.

In fiscal 2023, we held a workshop to increase understanding of women's wellness issues, and we created a wellness issue map regarding menstruation. We will hold lectures and carry out in-house surveys to increase interest in and attract attention to FemTech based on this issue map.



Workshop to Create a Wellness Issue Map

Efforts to Ensure Employees' Mental Health

Sysmex Corporation performs "Kokoro no Health Checks" annually to confirm employees' mental health and uncover any harassment-related situations. We track results over time and strive to make workplace improvements. We also provide channels for health consultation with industrial physicians and public health nurses, together with an Employee Assistance Program (EAP) for mental health, to ensure that external professionals are available to our employees when they need help.

In fiscal 2023, we had industrial physicians conduct several seminars on themes of mental health, women's health, male menopause, and the like to raise employee awareness of the need for self-care. We also provided management training for those in managerial positions to improve psychological safety in organizations. From fiscal 2023, we newly provided training on "Workplace Psychological Safety and Individual Psychological Flexibility," utilizing external consulting services mainly for production divisions.

Sysmex CNA concluded a service agreement with an external specialized institution, effective from 2021, as part of its mental health care initiative. In fiscal 2023, it offered a counseling service for employees with poor mental health and a reinstatement support service for employees on temporary leave, provided training for young employees on self-care, training on harassment prevention, psychological safety, etc.

Efforts for Active and Healthy Employee Lives

Sysmex Corporation has facilities to encourage employees to stay healthy. These include sports grounds, tennis courts, and a gymnasium with fitness equipment on the premises of our Solution Center, which provides customer service and support. It also holds events and seminars to raise employee awareness of physical health maintenance, offers a "Cafeteria Plan" welfare program, including health promotion schemes such as sports facility use allowances, and provides healthy menu options at employee cafeterias. At some offices without cafeterias, healthy canteen services, at which dishes made with additive-free domestic ingredients are sold, have been launched with the aim of refreshing employees and improving their eating habits. Moreover, we have organized initiatives such as walking events and consultation services for specific forms of health guidance during working hours in collaboration with our corporate health insurance society.



Tennis courts, gymnasium (Solution Center)

Implementation of Engagement Survey

We conduct well-being research in our annual engagement survey. More than 80% of employees* have given positive answers to the questions about "a safe workplace" for three consecutive years.

* Scope: Sysmex Corporation

Recognition as a Company that Excels in Health and Productivity Management

Sysmex Corporation undertakes a variety of initiatives for health and productivity management, and we have an established a framework for our activities that encompasses Group companies in Japan. These efforts have received positive responses, and in March 2024, we were recognized for the eighth time by the Ministry of Economy, Trade and Industry as a "company that excels in health and productivity management."



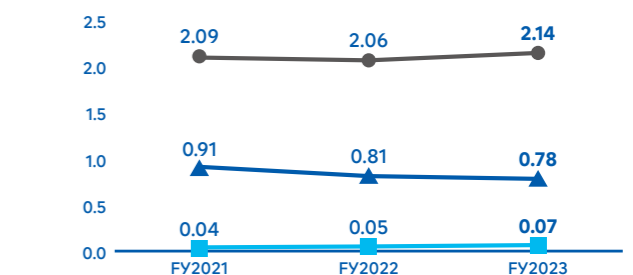
Company	Initiatives
Sysmex America	<ul style="list-style-type: none"> Installation of an in-house fitness room and provision of sports programs such as yoga and weight training Provision of fitness and health allowances Subsidies for health checkups and influenza vaccination costs
Sysmex Brazil	<ul style="list-style-type: none"> Registration as a member company of a sports gym that company employees can use
Sysmex Europe	<ul style="list-style-type: none"> Installation of an in-house fitness room Provision of health management programs with guidance from sports and nutrition management professionals such as instructors, online sports programs including yoga, bike lease programs, and health check-ups Provision of stress management training Provision of counseling services for mental and social care from external experts Provision of free lunches and fruit at the in-house cafeteria
Sysmex Shanghai	<ul style="list-style-type: none"> Introduction of equipment to reduce CO₂ and PM2.5 in the office
Sysmex Asia Pacific	<ul style="list-style-type: none"> Provision of sports programs, including yoga and health checkups Placement of indoor plants in the office Provision of free fruit at the in-house cafeteria

Framework and Promotion of Occupational Health and Safety

Framework for Promoting Occupational Health and Safety

Sysmex promotes occupational health and safety management in accordance with its Regulations on Safety and Health, which were formulated under the responsibility of members of the Management Board, a senior executive officer, and a senior managing director. A Central Health and Safety Committee* was established for Group companies in Japan. The committee formulates policies and targets to reinforce and enhance Group companies' occupational health and safety systems. In addition, we keep watch over the safety management status of each office and consider any measures for improvement. We will further enhance the roles of industrial physicians and nurses and work in locations close to employees to proactively carry out health promotion, disease prevention, and health education activities. We have also set targets for lost-time injury frequency rates and lost workday rates as sustainability targets. We report on the status of these initiatives to the Managing Board semiannually.

Lost-Time Injuries Frequency Rate/Lost Work Day Rate



Note: Lost-time injuries frequency rate: number of employee deaths or injuries resulting from work-related accidents per million hours actually worked Lost work day rate: number of days absent from work due to work-related injuries per 1,000 hours actually worked
 1 Source: "Survey on Industrial Accidents," Ministry of Health, Labour and Welfare
 2 Target: Group companies in Japan

* The Central Health and Safety Committee consists of members, including the HR & General Affairs divisions, chairpersons of the Health and Safety Committees of various business offices, persons recommended by the Sysmex Union, and industrial physicians and health nurses.

► Status of Sustainability Targets

Initiatives for Occupational Health and Safety

Health and Safety Committee meetings are held regularly at each Sysmex business office, and preemptive measures are implemented from both short- and long-term perspectives based on a risk management concept, which includes eliminating risks identified through walk-around checks. In addition, the Central Health and Safety Committee, which monitors Sysmex Group companies in Japan, introduces measures and targets for health and safety and health management of domestic Group companies, monitors their progress, and deliberates on a variety of items ranging from measures against workplace risks and overwork to ensuring the safe handling of chemicals used in research. In the event of an industrial accident, the Health and Safety Committee of the relevant business office will deliberate on the causes of, and countermeasures against, the accident and report on such matters to the Central Health and Safety Committee. This body will share the reported contents within the entire Group with the objective of preventing a recurrence of the accident.

In addition, employees are given safety training on emergency and evacuation measures to be taken in the event of an accident or an employee suddenly falling ill, on handling potentially dangerous machinery and raw materials, and on safe driving. We hold comprehensive fire drills based on hypothetical large-scale disaster scenarios and conduct training on the use of automated external defibrillators (AEDs). We also offer courses to train citizen emergency medical technicians on a regular basis. We hold initial-response drills in the event of a disaster, such as quickly confirming and ensuring employee safety and sharing information on the damage status at business offices. Sysmex also conducts labor compliance training, seminars by industrial physicians on the importance of taking secondary medical checkups and the aftereffects of COVID-19 infections, and seminars by external experts on women's health.

Group companies also promote occupational health and safety management by carrying out workplace patrols and surveys, risk assessments, and training for emergency situations in accordance with the laws and regulations of specific regions and the characteristics of each facility. Sysmex Brazil has acquired ISO 45001 certification, the international standard for Occupational Health and Safety management systems.

Preventing Overwork

To prevent overwork, we focus on reducing long working hours, which can impair physical and mental health. As for managing working hours, we log employees' hours with an IC card that they use to enter and leave the office and when they start and shut down their computers. In addition to complying with relevant laws and regulations, we have established internal standards that are more rigorous than the guidelines issued by the Ministry of Health, Labour and Welfare. When an employee exceeds the specified limits set in accordance with internal standards, we communicate this fact to their superior and ask the employee to submit a self-check form so that improvements can be made to their work situation. Employees are also offered opportunities to see industrial physicians when necessary. Time management training by external lecturers for executives and e-learning programs for employees are continuously conducted to enhance understanding of the need for improvement regarding overwork.

The average total annual working hours per person for fiscal 2023 was 2,010 hours¹, a decrease of 10 hours from the previous fiscal year. Proactive recruiting activities have allowed progress in solving the shortage of personnel against a backdrop of increased initiatives for technological innovation and business structure transformation. The introduction of a value-added labor productivity index² prompted a change to a more efficient way of working and has caused a reduction in actual work hours. The number of paid leave days taken has also increased.

Sysmex will continue to proceed with appropriate personnel allocation through the strengthening of recruiting activities, proactively educating employees, and carrying out awareness-raising activities in alliance with the Sysmex Union, with the aim of reducing working hours.

*1 Full-time employees in Group companies in Japan

*2 (Operating profit + labor cost + depreciation)/working hours

Society

Corporate Citizenship Activities

Corporate Citizenship Activities

Sysmex contributes to the creation of a healthy society and the establishment of a vibrant community by practicing the Sysmex Way and engaging in activities based on its "Policy on Corporate Citizenship Activities and Philanthropy".

▶ Corporate Philosophy

▶ Policy on Corporate Citizenship Activities and Philanthropy

Our Group-wide Contributions to Healthcare

Based on our "Policy on Corporate Citizenship Activities and Philanthropy", Sysmex actively engages in corporate citizenship activities that lead to the creation of a prosperous, healthy society and vibrant communities, and promotes corporate citizenship activities undertaken by employees independently. In fiscal 2023, we offered our Group-wide program, the Sysmex Gives Back Campaign, twice from June to September and from October to January. As part of these programs, in addition to blood donations and environmental activities, we also conducted corporate citizenship activities related to health and medical care, development of the next generation, disaster aid, and the like. A total of approximately 6,000 employees worldwide participated in our corporate citizenship activities through these programs. We will continue our Group-wide efforts to promote a healthy and fulfilling society.

Activities to Promote Breast Cancer Awareness

Sysmex Corporation actively participates in the Pink Ribbon Movement, a global campaign dedicated to raising awareness of breast cancer. During October, the designated month for intensifying the campaign, Sysmex promoted a variety of PINKTOBER* activities. These included donating to the Pink Ribbon Foundation through the purchase of related goods, participating in charity walks to support cancer patients, installing Pink Ribbon vending machines in company facilities, and encouraging employee-initiated activities and volunteer participation. Employees enthusiastically engaged in these initiatives, demonstrating their commitment to the cause.

* PINKTOBER is a unique name created in-house by combining "Pink Ribbon" with "October," the designated month for the Pink Ribbon campaign.



PINKTOBER activities

Our Contributions to Healthcare through Blood Donation Campaigns

Sysmex Corporation registered as a "Blood Donation Supporter Company" in fiscal 2014 and has actively led blood donation campaigns since.

We also conduct regular blood donation campaigns in other parts of the world, with many employees throughout the Group donating their blood.



Social Contribution Point Program

Sysmex has declared its support for employee volunteer activities in our “Policy on Corporate Citizenship Activities and Philanthropy” and established a volunteer leave system. It has also introduced a program to encourage employees to participate in volunteer activities on their own initiative.

Under this program, employees earn points for social contribution activities in local communities, as well as social contribution events sponsored by the company, and we make donations based on the number of points accumulated. In fiscal 2023, the points accumulated by approximately 1,000 individuals were utilized to make donations to three organizations: the Japanese Red Cross Society, the NPO Japan Heart, and the Mirai Kodomo Foundation.

Educational Initiatives for the Next Generation

As part of its contribution to the local community, Sysmex Corporation has been working to enhance local school education. Since fiscal 2022, it has delivered visiting lectures to elementary school students in collaboration with the Kobe City Board of Education, with the aim of promoting health education. Sysmex has created original content that provides opportunities for students to become interested in the human body and think about the importance of health through learning about the functions of blood, among other topics. We have also delivered lectures together with our employees who have registered for the voluntary Partnership System.

Since fiscal 2023, we have been participating in the Kobe SDGs Exploration Program organized by the Kobe Tourism Bureau to provide educational support for junior and senior high school students. With the objectives of thinking about “Exploration, the SDGs, and Careers” and providing opportunities to consider their future course, in November 2023, we invited senior high school students from Tokyo to give them a presentation on Sysmex’s sustainability activities toward achieving the SDGs, a tour of our showroom, and a career orientation workshop in which they could interact with employees. Furthermore, at our research and development bases, Sysmex has been providing educational support to schools designated by the Ministry of Education, Culture, Sports, Science and Technology as Super Science High Schools, which offer advanced education in science and mathematics. As part of our activities to cultivate the next generation of scientists and engineers who can play an active role internationally, Sysmex has been providing educational support at our research and development bases for their students. This involves lectures on our company’s research and technologies, tours of R&D facilities, and opportunities for interaction with Sysmex researchers.



Classes

Contributing to Biodiversity Preservation through the “Sysmex Forest”

As part of the “Enlist the Participation of All Citizens in Creating Woodland” project promoted by the Hyogo Prefectural Government, Sysmex Corporation took responsibility for a two-hectare portion of the 17-hectare Kawai Kaiteki Forest near our reagent factory in the city of Ono, Hyogo Prefecture. We dubbed this portion the “Sysmex Forest” and aim to make it a place of tranquility for people and wildlife, through employee volunteer activities including tree thinning.



Sysmex Forest (forest maintenance activities in Japan)



Sponsorship of the “Public-Private Partnership Project to Invite Hyogo’s Students to EXPO 2025”

Sysmex Corporation, in cooperation with Kawasaki Heavy Industries, Ltd. and Kobe Steel, Ltd., is a sponsor of the Public-Private Partnership Project to Invite Hyogo’s Students to EXPO 2025, organized by Hyogo Prefecture. This project invites elementary, junior high, and senior high school students from Hyogo Prefecture to the 2025 World Exposition in Japan (Expo 2025 Osaka, Kansai, Japan) to be held in Osaka. The goal of this project is to provide children with unique experiences and opportunities, only available “here” and “now,” to contemplate future societies and their own futures, while also raising awareness of the Sustainable Development Goals (SDGs).

As a Silver Partner, Sysmex sponsors one of the “Signature Pavilions*,” “Amplification of Lives,” a thematic project managed by its producer Mr. Ishiguro.

* The thematic projects are the symbolic and representative projects of the Expo 2025, and the pavilions created by the eight specialists are named the “Signature Pavilions” as they are also “signature works” that express and deepen the themes from their own respective philosophical perspectives. The eight thematic project producers will interpret and develop the theme of the Expo 2025, “Designing Future Society for Our Lives,” from their own unique perspectives, and construct pavilions that will be handed down to the future generations.

► Sponsorship of the Thematic Project “Amplification of Lives” of Expo 2025, Osaka, Kansai, Japan

Other Activities at Group Companies

Theme	Activity
Healthcare	<ul style="list-style-type: none"> Supporting cancer centers and pediatric cancer research through charity events Donating prosthetic hands for patients Blood donation activities Making donations to blood donation institutions Providing COVID-19 vaccines to communities Making donations to medical school funds Providing massages in cooperation with a visually impaired people's association
	<ul style="list-style-type: none"> Collecting used clothes and old post cards and exchanging them for money, which is donated to developing countries to cover the cost of vaccinations Collecting goods and exchanging them for money, which is donated for community medicine (use-first pay-later drug) businesses in Africa
	<ul style="list-style-type: none"> Holding and participating in events to support breast cancer patients
	<ul style="list-style-type: none"> Installing vending machines on Company premises to enable donations to be made for malaria elimination, and promoting their use among employees
	<ul style="list-style-type: none"> Donating virus transportation media (VTM) and thermometers to hospitals
	<ul style="list-style-type: none"> Providing support for costs of medical treatment for patients requiring treatment and economically challenged patients through sports charity events Supporting diabetes patients through charity events Making donations to projects supporting medical care of cancer patients
Welfare to foster the next generation	<ul style="list-style-type: none"> Participating in "Onigiri Action," a food support activity for needy children Providing support for school meals for indigenous children Donating personal computers to villages in Sri Lanka Donating to an association that supports teenage girls Spending time with children in an orphanage and providing dinners and movies Holding an event to provide dinner to orphans and single mothers Donating daily living necessities and food to orphanages Donating of books Manufacturing bicycles for children Donating to children's hospices
	<ul style="list-style-type: none"> Donating to support organizations for homeless people Donating to day care centers Donating furniture to refugee facilities Donating goods and items to facilities for low-income workers Holding charity events to support the independence of homeless women and children Participating in volunteer activities to provide free meals Constructing houses for people in need by raising donations Donating daily necessities to retired military personnel Donating goods and items to Ronald McDonald House, where families of hospitalized persons live Conducting education to eradicate sexual discrimination in workplaces
	<ul style="list-style-type: none"> Making donations to activities to support recovery from the Turkey-Syria earthquake Making donations to Médecins Sans Frontières (Doctors Without Borders) in Ukraine
	<ul style="list-style-type: none"> Recycling activities Tree planting Neighborhood cleaning activities Activities to reduce food loss Promoting environmentally friendly means of transportation Participating in events to interact with living things Reducing the use of plastics by distributing reusable stainless steel bottles Environmental conservation activities Providing support and making donations to environmental conservation organizations
	<ul style="list-style-type: none"> Supporting the safety of communities by participating in police events



Helping a food bank (Egypt)



Making clothing donations through charity (The U.S.)



Cleanup activities for environmental conservation (Malaysia)



(Tentative) Blood donation drive (Indonesia)



Tree planting activities for forest conservation (Europe)



Volunteering at a water station on the Kobe Marathon course (Japan)

Expenditures for corporate citizenship activities

Unit: billion yen

Fiscal 2021	Fiscal 2022	Fiscal 2023
7.8	2.89	3.09

*Scope: Sysmex Corporation



Environment

Environmental Management 60

Resource Circulation in Product Lifecycle 66

Reduction in Environmental Burden through Business Activities 71

Environment

Environmental Management

Systemx Eco-Vision 2033

“Systemx Eco-Vision 2033” Formulated

In May 2023, Systemx formulated “Systemx Eco-Vision 2033.” This is the long-term environmental vision that the Systemx Group strives to achieve by 2033, in which we will take on the challenges of green innovation together with our stakeholders and utilize Systemx’s unique strengths to co-create new common standard toward the realization of a circular society. Furthermore, Systemx has set new “Carbon Neutral Targets” with the aim of achieving zero emissions of greenhouse gases in real terms from the offices of the entire Systemx Group by 2040.* We will continue to promote optimization of our operations and energy-saving measures. At the same time, we will implement measures to reduce greenhouse gas emissions, including a gradual switching to renewable energy-sourced electricity at our business offices.

* Applies to direct greenhouse gas emissions due to use of fuel by the company (Scope 1) and indirect greenhouse gas emissions arising from the use of electricity and heat purchased by the company (Scope 2)

Long-Term Environmental Vision

Long-Term Environmental Vision

Recognizing the relationship between the environment and health, we will collaboratively create innovative solutions that will advance the realization of a circular society.



We will transform the value chain into a resource-recycling one by utilizing our strengths to have both instruments and reagents.



We will develop and provide products, services, and solutions to reduce environmental impact.



We will collaborate with stakeholders and take on the challenge of green innovation. We will reduce product loss to zero and promote significant adoption of recycled and environmentally friendly materials.



We will promote CO₂ reduction to achieve carbon neutrality by 2040*. We will work on resource recycling and biodiversity preservation in a unique way, and significantly improve the efficiency of water use and expand the use of raw materials derived from non-animal sources.



We will encourage local environmental conservation activities and contribute to a recycling-oriented society as Systemx Group.



*Applies to Scope 1 emissions, which are direct emissions of greenhouse gases from the consumption of fuel that the company owns or controls; and Scope 2 emissions, which are indirect emissions of greenhouse gases from the consumption of electricity and heat purchased by the company

Long-Term Environmental Objectives

Long-Term Environmental Objectives



climate change

We will reduce our own **greenhouse gas emissions (Scope 1,2)** by **55%*** by reducing energy consumption per capita and increasing the **ratio of renewable energy** to total energy consumption to over **90%**.

We will reduce our **supply chain greenhouse gas emissions (Scope 3)** by **35%*** by making our products more energy efficient and compact and by innovating our supply chain management.



water

We will reduce **water consumption** by **90 point*** per reagent **production volume** at our major reagent production sites through more efficient water use.

We will also work to reduce water consumption during instrument use.



resource circulation

We will achieve zero waste of unused in-house products. We will also reduce **total waste per net sales** by **15%.***

We will achieve **use rate of recycling and environmentally friendly materials for containers and packaging** by **100%**.

We will also reduce plastic consumption by revising product packaging and utilizing alternative raw materials.



biodiversity

We will expand our lineup of products made from non-animal-derived raw materials.

* The targets of fiscal 2033, taking fiscal 2022 as the base year

Accreditation of near-term target from SBTi

Systemex Corporation has been approved by the Science Based Targets initiative (SBTi), an international initiative working to overcome the environmental crisis on the basis of climate science, for the Group's FY2033 greenhouse gas reduction target.

As part of the "Systemex Eco-Vision 2033," Systemex has set reduction targets for its own GHG emissions (Scope 1 and 2) and its supply chain GHG emissions (Scope 3). Among these targets, the Company's target to reduce its Scope 1 and 2 emissions by 55% was found to be based on scientific evidence in line with a 1.5°C trajectory, while its target to reduce GHG emissions from use of sold products under Scope 3 by 35% was found to be well below the 2.0°C level. Furthermore, our newly established engagement goal was recognized as promoting 60% of our business partners in purchased goods and services, capital goods, and upstream and downstream transportation and distribution under Scope 3 to have a science-based GHG reduction targets within five years.

With the gap between the global GHG emissions reduction and the 1.5°C target of the Paris Agreement, it is expected that further changes in social demands are to come. Seizing the SBTi certification as an opportunity, Systemex will continue pursuing CO₂ emission reductions by changing energy procurement at business locations and how sales and services are performed while promoting resource recycling by adopting environmentally friendly materials for products. We will further promote its decarbonization efforts by implementing green innovation based on the ingenuity built by combining the wisdom of the entire Group.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

<https://sciencebasedtargets.org/>

Information Disclosure Based on TCFD



In recent years, climate change has begun to pose a major risk to financial markets. In December 2015, the Financial Stability Board, an international organization tasked with fostering financial system stability, established the Task Force on Climate-related Financial Disclosures (TCFD). In June 2017, the TCFD issued final recommendations for companies to follow in disclosing the impact of climate-related risks and opportunities on their corporate finances.

In January 2021, Systemex expressed its support for the TCFD recommendations. We carry out information disclosure based on the TCFD framework.

1. Governance

Systemex has established the Internal Control Committee as a governing body responsible for overseeing sustainability-related risks and opportunities. At the same time, the Internal Control Office, an organization independent from the business divisions and directly supervised by the President, serves as the secretariat of the Committee. The Internal Control Committee deliberates and decides on response plans for each risk area, while the Environmental Management Committee meets regularly to promote plans for environmental issues under the management and supervision of the Environmental Management Officer (Takashi Ono, a Member of the Managing Board and Senior Executive Officer). Furthermore, the Internal Control Committee monitors the status of activities in accordance with the plan and reports to the Managing Board meetings.

► Risk Management Structure

2. Strategy

Adding to the 2-degree scenario implemented in 2020, Systemex has upgraded the strategy to incorporate a 1.5-degree scenario¹ and re-evaluated the associated risks and opportunities. Regarding the financial impact of identified climate-related risks and opportunities on the business of the whole group², we have evaluated according to 3 grades based on the impact on operating profit in FY2033. For the 1.5-degree scenario, the impacts of market risk and reputational risk were evaluated as relatively high. For the 4-degree scenario³, the impacts of physical risks such as natural disasters were seen as high, and regarding opportunities, resource efficiency, products and services and resilience were analyzed as having relatively high impacts.

*1 IEA NZE2050, IPCC RCP2.6, etc. Scenarios assuming that increase in global average temperature will be kept below 1.5°C compared to pre-industrial levels by taking strict measures against climate change.

*2 The analysis was conducted not only for the Group but for the entire supply chain including upstream (raw materials, distribution, etc.) and downstream (use of products, etc.)

*3 IPCC-RCP8.5, etc. Scenarios assuming that increase in global average temperature will be kept below 4°C compared to pre-industrial levels by maintaining present measures against climate change.

3. Risk Management

Within the risk management system for the overall Group, the Internal Control Committee conducts an annual assessment of all risks and opportunities, including environmental and climate change risks, to identify risks and opportunities that may significantly impact the Group's business, thereby establishing a structure for formulating measures to deal with such risks. To ensure that risks are extracted accurately, the committees and respective departments responsible for major risk areas, along with affiliated companies, identify these risks, and the level of importance is analyzed and evaluated in terms of their level of impact and likelihood of occurrence.

In addition, the Environmental Management Committee extracts environment-related risks and opportunities, including those related to climate change, twice a year, whereupon the Committee and respective departments take the lead in implementing the necessary actions.

4. Metrics & Targets

Systemex has issued a "Carbon Neutral Declaration" with the aim of achieving zero emissions of greenhouse gases in real terms from the Group's business locations by 2040. Systemex Eco-Vision 2033, the long-term environmental vision drawn up in May 2023, sets targets for reducing greenhouse gas emissions and increasing the percentage of renewable energy. To this end, we will continually make various efforts at every stage of the product lifecycle, from research and development through manufacturing and distribution to disposal.

▶ See Status of Sustainability Targets "Reducing Environmental Impact"

▶ Environmental Data

Risks and Opportunities

	Risks ¹	Scenario	Impact period ²	Financial effect ³	Initiatives ¹
Transition risks	• Product supply will become difficult as a result of the prohibition of certain substances and technologies due to regulatory changes.	1.5°C	Medium-to long-term	L	• RA/QA divisions have been established at each regional headquarters, and dedicated staff respond to the laws and regulations of each country.
	• Transition to materials and technologies with low environmental impact, including a reduction in the use of plastics, will add to R&D costs and CapEx.	1.5°C	Medium-to long-term	L	• Product and technology development is being pursued based on hospital laboratory requirements as well as market and industry trends.
	• Energy and raw material costs, as well as global logistics costs, will increase	1.5°C	Short-to long-term	H	• Energy saving measures and greater efficiency of equipment have been introduced. • We have introduced renewable energy. • Reduced cross-border transportation and more efficient logistics through wider use of concentrated reagents which has better transport efficiency, as well as transfer of production
	• Changes in customers' environmental awareness will lead to criticism of the environmental impact of our products and reduce demand.	1.5°C	Medium-to long-term	H	• We have established a system that utilizes customer feedback for product development and quality improvement (VOC: Voice of the Customer). • Development of environmentally-friendly products such as energy-saving and smaller-size products
Physical risks	• Large natural disasters will make it difficult to provide a stable supply of products and services.	4°C	Short-to long-term	H	• We have formulated a business continuity plan (BCP) to disperse risks such as those associated with raw material supply, supply systems, transportation routes, and securing safety stocks.
	• Regional shortages of water due to drought will disrupt the stable supply of products.	4°C	Medium-to long-term	M	• We are reducing the risk by periodically monitoring water-related risks and establishing BCPs.

	Opportunities	Scenario	Impact period ²	Financial effect ³	Initiatives ¹
Resource Efficiency	• Optimization of use of transportation methods and operations using IoT. • Review of packaging and product design will lower raw materials costs and waste.	1.5°C	Short-to long-term	H	• Digitization of global logistics processes and promote CO ₂ reduction through remote services. • We will save resources and shift to plastic-free materials by reviewing material and packaging options. • Dry ice-free, ultra-low temperature transport
Energy Source	• Reduction of energy costs through energy saving and shifting to low-carbon energy, which will improve social evaluation.	1.5°C	Medium-to long-term	L	• Energy saving measures and greater efficiency of equipment have been introduced. • We have introduced renewable energy.
Products and Services	• Changes in customers' environmental awareness will promote the purchasing of environmentally friendly products.	1.5°C	Medium-to long-term	M	• We continue to promote environmentally friendly product development such as energy-saving and smaller-sized products
	• There will be creation of new testing opportunities and expansion of demand due to long-term disease-trend changes.	4°C	Medium-to long-term	M	• We undertake new product development, such as products contributing to the eradication of malaria and other infectious diseases.
Market	• Our initiatives for climate change and disclosures will earn us a greater reputation and higher expectations in financial markets.	1.5°C	Short-to long-term	L	• We support the TCFD and disclose environmental data via the Systemex Sustainability Data Book and other means.
Resilience	• A stable supply of products and services in the event of a natural disaster improves customer trust.	4°C	Medium-to long-term	M	• We implement a global supply system and backup system through multiple raw material procurement measures.

*1 Bold font: Changes from evaluation in 2020

*2 Short-term: 1 year; Medium-term: ~3 years; Long-term: ~10 years

*3 H: high; M: middle; L: low

Environmental Initiatives to Realize a Sustainable Society

I'm of the opinion that environmental initiatives are sources of innovation for businesses. If each business starts to think more flexibly, firmly determined to change the approaches they have been taking, I expect new technologies to develop one after another, which will drastically alter the ways we do business or manage companies, eventually changing the shape of countries and the world as a whole. After all, we all live under the same sky. I will be delighted if we can help to shape a future where businesses network with each other beyond organizational boundaries and join hands in creating a sustainable society.



Takashi Ono, Environmental Management Officer

▶ Environmental Initiatives to Realize a Sustainable Society

Environmental Management System

Group Environmental Management System

► “1. Governance” of Information Disclosure Based on TCFD

Status of ISO 14001 Certification

Sysmex is working toward the acquisition of ISO 14001, the international standard for environmental management systems, by the Group’s principal affiliated companies.

As of March 31, 2024, 20 Group companies had acquired ISO 14001 certification, and these companies account for approximately 70% of the net sales of the Group.

By centralizing the environmental activities of certain Group companies, we are working to ascertain the state of progress on activities and issues as well as reinforcing management activities, and three companies (Sysmex Corporation, Sysmex RA, and Sysmex Medica), accounting for nine locations, have obtained integrated certification. As a result, we are now able to systematically share information related to environmental management.

List of ISO14001 Certified Locations

Region	Company
Japan	Sysmex Corporation, Sysmex Medica, Sysmex RA
Americas	Sysmex America, Sysmex Reagents America, Sysmex Brazil
EMEA*	Sysmex Europe, Sysmex Deutschland, Sysmex France, Sysmex Espana, Sysmex UK, Sysmex Belgium, Sysmex Nederland, Sysmex Hungaria
China	Sysmex Wuxi, Jinan Sysmex
AP	Sysmex Asia Pacific, Sysmex India, Sysmex Australia

* EMEA: Europe, the Middle East, and Africa



► For details, refer to ID 0910589004 on www.tuv.com/japan/en/
The applicable scope of activities and website vary according to the standard.

Conducting Environmental Auditing

In line with environmental management system requirements, we perform regular internal and external environmental audits at locations that have obtained ISO 14001 certification. In fiscal 2021, neither internal nor external environmental audits at our domestic Group locations (for which certification has been integrated) revealed any cases of nonconformity. In fiscal 2023, there were zero cases of nonconformities in both internal environmental audits and external environmental audits at our domestic Group locations with integrated certification.

Environmental Education

Conducting Environmental Education and Training

Sysmex conducts general education for all employees to foster an awareness of the impact of the Group’s environmental activities and individual operations. We conduct specialized training to raise operational knowledge for individuals designated by their divisions as personnel responsible for environmental management system promotion. We also conduct specialized and emergency response training for each division, as necessary.

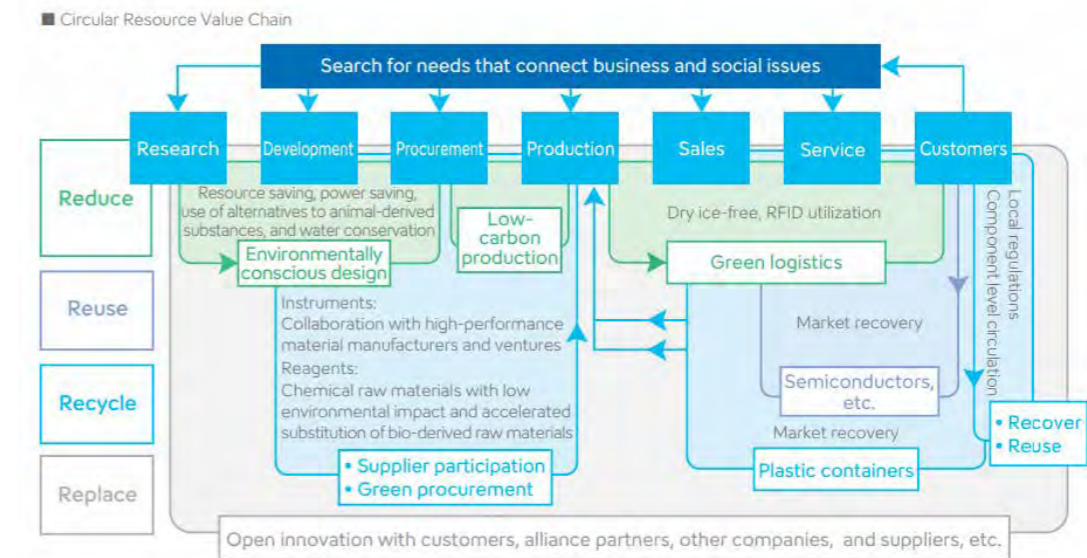
In fiscal 2023, we provided general environmental e-learning training for all employees at our business offices with integrated ISO certification. We also held seminars on laws and regulations for staff members in charge of business offices and those in the product lifecycle departments.

Environment

Resource Circulation in Product Lifecycle

Product Lifecycle and Initiatives at Each Stage

Sysmex undertakes a variety of initiatives at different stages of its business activities to reduce environmental impact throughout product lifecycles. From fiscal 2023, in addition to our activities to date, we are promoting activities to realize a resource circulation value chain based on our eco-social strategy, which has been outlined as one of our core strategies in the long-term management plan.



Environmentally Conscious Research and Development

Creating Smaller, Energy-Saving Products

Sysmex’s product lifecycle management regulation specifies environmental considerations at each stage of the lifecycle. Following this guideline, we develop products that help reduce energy use and waste for our customers, such as energy-efficient analyzers and concentrated reagents.

Compared to previous products with similar functions, the sample transportation system modules for the hematology analyzer released in 2021 are smaller in width by 15% and use 40% less electricity. Our fully automated urine particle analyzer launched in 2022 is 30% smaller and uses 10% less of the required cleaning solution per measurement than conventional units. It also consumes 30% less electricity, realizing an eco-friendly design.

► Status of Sustainability Targets

Downsizing
height -24cm , depth -28cm
Footprint
30% reduction
Electricity consumption
30% reduction
Cleaning solution
10% reduction

* Comparison with previous instruments



Development of Non-Animal-Derived Products (Biodiversity Considerations)

To reduce the use of natural resources, Sysmex Corporation has established a method of producing animal-derived proteins that can be deployed for diagnostic agents. The technique uses silkworms or cultured cells. In the past, producing these substances consumed a great deal of energy. However, as silkworms can be raised indoors and only need to be fed artificial food in containers, we can ensure a stable supply and quality of the substances. We are also able to save energy and reduce carbon dioxide emissions, water consumption, and waste.

We use genetically modified proteins produced from silkworms as ingredients for a reagent for hemostasis tests launched in fiscal 2017. This reagent, which uses genetically modified proteins as ingredients, is the first in Japan to obtain manufacturing and marketing approval.

To quantify the environmental impact of the change in the production method, we conducted a lifecycle assessment jointly with Professor Norihiro Itsubo of Tokyo City University (currently of Waseda University). The assessment confirmed that the new process reduces carbon dioxide emissions by more than 50 percent compared with conventional methods.

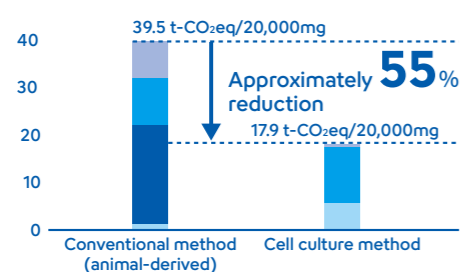


Production of ingredients using silkworms

Environmental Impact of Switching from Conventional Method to Cell Culture Method

【CO₂ Emissions】

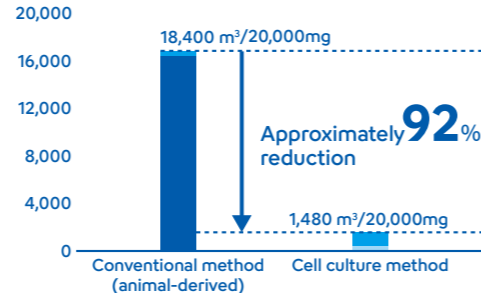
(t-CO₂eq/20,000mg)



■ Breeding ■ Culturing process ■ Refinement and production ■ Disposal process

【Water Resource Consumption】

(m³/20,000mg)



Environmentally Conscious Procurement

Promoting Green Procurement

Sysmex has established Green Procurement Standards, which set out the Company's fundamental stance on environmental considerations in procurement activities. We promote the procurement of raw materials and parts that have a low environmental impact. We are expanding our business with suppliers who act to protect the environment. We also conduct annual CSR surveys of each supplier to confirm that they have environmental management policies in place, as well as targets and plans for CO₂ reduction and energy conservation.

At the 2023 procurement policy briefing, we introduced our Company's eco-social strategy and asked for the cooperation of our suppliers with regard to various environmental considerations such as reducing carbon dioxide emissions. We also awarded suppliers that showed improvement in terms of environmental consciousness. In addition, to achieve a reduction in Scope 3 emissions, we asked suppliers to submit SBT applications or to set engagement targets, which require targets to be set according to SBT and obtained SBTi approval. In addition to holding briefings for suppliers, we will work with the suppliers to achieve the targets.

- ▶ Procurement Policy
- ▶ Green Procurement Standards
- ▶ Supply Chain Management

Chemical Substance Management of Products

Sysmex complies with the laws and regulations of individual countries and the EU, such as the RoHS Directive. At the same time, based on its Green Procurement Standards, Sysmex classifies and manages the chemical substances (i.e., environmentally hazardous substances) contained in the parts, devices, and materials that make up the products manufactured and sold into those that contain prohibited and controlled substances.

- ▶ Containing Prohibited Substances (Products)
- ▶ Containing Substances Scheduled to be Prohibited (Products)
- ▶ Containing Controlled Substances (Products)
- ▶ Containing Prohibited Substances (Chemicals)
- ▶ Containing Substances Scheduled to be Prohibited (Chemicals)
- ▶ Containing Controlled Substances (Chemicals)

Environmental Consideration in Product Transportation, Sales, and Services

CO₂ Reduction Through Modal Shifts and Manufacturing Transfer

Sysmex has switched its means of transportation from air to sea or rail (entailing a modal shift), improved container loading rates for more efficient transportation, and reduced transportation between regions by transferring the production of reagent products to local areas. In addition, we are promoting the recycling of materials for transportation and packing used in parts procurement and product transportation, as well as lightening the load. Through these initiatives, we are reducing CO₂ emissions in domestic and inter-regional transportation of products.

CO₂ Reduction with Dry-Ice-Free and Consolidated Cargo Transportation

Sysmex Corporation previously used chartered planes and other private delivery services to transport reagents for genetic testing and biochemical system-controlled substances, as they required strict quality and thermal control. However, transportation costs, distribution flexibility, and convenience became issues. Additionally, the dry ice needed for cold storage also created a safety issue due to the risk of frostbite from ultralow temperatures and poisonous carbon gases.

In fiscal 2021, together with Yamato Transport Co., Ltd., we developed a consolidated cargo transportation system at an ultra-low temperature of -70° C for reagents for genetic testing that was dry-ice-free. Furthermore, in fiscal 2022, we realized completely dry-ice-free transportation for biochemical system-controlled substances in collaboration with Toho Pharmaceutical Co., Ltd. We are currently expanding this initiative to distributors across a large area and deliver to users at over 200 facilities. Through such initiatives, we have successfully reduced CO₂ emissions and improved safety.

We will continue working to popularize high-quality and eco-friendly cold chains.

Saving Resources by Reviewing Distribution Packaging

With growing exports of bio-diagnostic reagents from Japan, Sysmex Corporation began the reuse of plastic cold storage materials necessary for transportation globally, and we are working toward reducing waste. In fiscal 2023, we implemented such reuse in transportation between Japan, China, and Singapore, reducing waste by approximately eight tons. In addition, switching the wooden pallets used when transporting instruments to recyclable cardboard pallets made of less environmentally impactful materials enabled us to reduce packing material waste as well as CO₂ emissions due to the lightened load during transportation.

Saving Resources by Recycling Parts

Sysmex began a new initiative with regard to the maintenance parts of instruments that were no longer sold or supported and had previously been discarded. Parts that were no longer necessary were collected and separated by raw material, and by selling them as valuables, we have reduced waste. As a result of such zero waste efforts, we successfully reduced waste in fiscal 2023 by 34 tons*.

* Calculated by assuming all waste as plastic and using the industrial waste conversion factor set forth by the Ministry of the Environment

Saving Resources by Revising Packaging Materials

Sysmex is continuing to work on reforming packing materials to conserve natural resources. We have downsized our packaging boxes through size optimization and switched cushioning materials for parts from vinyl to paper. We are also promoting alternative product packaging that uses recycled and less environmentally impactful materials by switching to cardboard made from recycled used paper and reagent boxes that use FSC-certified materials.

Initiatives at Group Companies: Collaboration with Distribution Partners Considering the Environment

In its selection criteria for distribution partners, Sysmex Europe includes a certified environment management system and the use of green distribution. HITADO, a Sysmex Group company, selects distribution partners who proactively use renewable energy and electric vehicles, while Sysmex Malaysia uses reusable vacuum insulation boxes for product transportation requiring thermal management, reducing CO₂ emissions by saving electricity and generating less polystyrene box waste. In addition, Sysmex Turkey stores products in external warehouses with solar panels installed and undertakes other initiatives to reduce environmental impact in collaboration with its partners.

Company	Initiatives
Sysmex Reagents America	<ul style="list-style-type: none"> Replace ingredient transportation boxes with reusable containers Work with business partners to change packaging for raw materials to recyclable containers
Sysmex Europe Other affiliates in the EMEA region	<ul style="list-style-type: none"> Consider consolidation and combination of shipment/transportation to reduce the frequency of transportation Use recyclable vegetable fiber for reagent containers Consider the use of alternatives to polystyrene foam boxes for cold storage Replace polystyrene foam cushioning materials with paper scrap Replace plastic packing tapes with paper-based tapes Reuse packages and cushioning materials Use electric forklifts Reduce the quantity of paper cartons by promoting the use of concentrated reagents Use electric vehicles and expand the charging infrastructure
Sysmex Australia	<ul style="list-style-type: none"> Utilize reusable insulated containers which enable management at the recommended cooling temperature when transporting products requiring thermal control

Environmental Considerations in Services and Support Activities

Sysmex reduces CO₂ emissions associated with traveling by providing instrument maintenance, user training, and scientific seminars online in each region of the world.

In 2019, we initiated a project to reform support services worldwide and have been working on increasing the online rate of user training through e-learning and virtual training. In the newly opened training center, in fiscal 2023, we created an online studio to provide even more enriched user training.

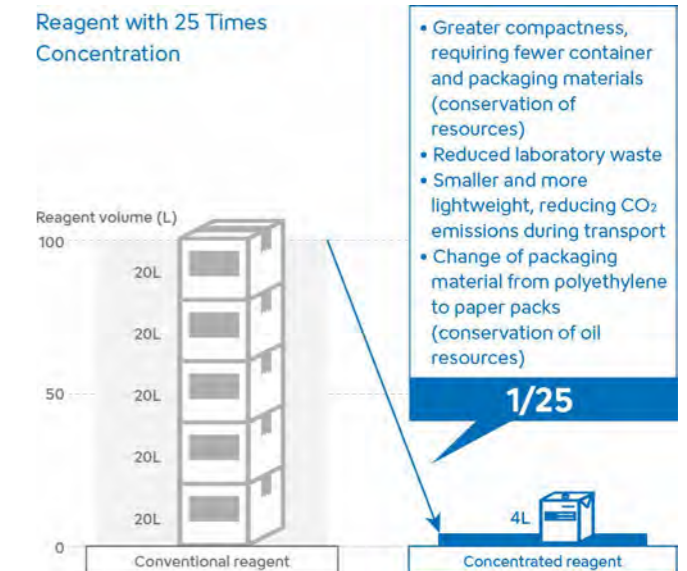


► Pursuit of Quality and Trust > Enhancing Customer Satisfaction

Environmentally Conscious Use and Disposal of Products

Use of Concentrated Reagents

For some analysis devices in the hematology field, reagents that are 25 times more concentrated than traditional reagents are used at Sysmex. Employing these concentrated reagents contributes significantly to improving usability by reducing the frequency of reagent replacement in laboratories and saving warehouse space. Additionally, concentrated reagents enable us to care for the environment by not only reducing the amount of disposed containers and packing materials but also reducing CO₂ emissions during transportation. Lastly, we have set a concentrated agent penetration rate as a sustainability target and will work on initiatives to reduce the environmental impact.



Stakeholder's Voice

Developing new products means understanding what customers want and creating high-quality products that satisfy customer needs. As a leading company in the hematology field, Sysmex is committed to high quality and high goals. Because of this, we will continue to be close to our customers and their patients and deliver products they can use with peace of mind. Environment-friendly medical instruments with high quality and usability provide added value that can satisfy the needs of medical institutions and society around the world. We will continue to work on product development that incorporates such sustainability perspectives.



Takahito Mihara, Manager in the System Engineering Division

Click here for details:

[Ensuring People's Health and Preserving the World's Environment for the Future through Sustainable Product Development](#)

Environment

Reduction in Environmental Burden through Business Activities

Initiatives to Reduce Greenhouse Gas Emissions

Efforts to Reduce Greenhouse Gas Emissions at Business Sites

Sysmex is working on energy conservation through the introduction of equipment such as highly efficient air conditioning systems, LED lighting, and motion sensors, as well as demand-control systems for measuring and monitoring the amount of electricity needed to reduce direct and indirect greenhouse gas emissions from our business sites.

In fiscal 2023, all the electricity used by major domestic facilities, including domestic reagent production factories and R&D facilities, was switched to electricity derived from renewable energy sources. Sysmex RA, one of the Group's key factories, is expanding with a new facility set to operate in April 2025. This new factory has received Net Zero Energy Building (ZEB)¹ certification under the Building-Housing Energy-efficiency Labeling System (BELS²). The new factory is expected to become operational in April 2025.

Sysmex Europe's reagent production factory has introduced ice thermal storage air conditioning systems³, in addition to having solar panels installed, covering approximately 35% of energy requirements for reagent production. In addition, Sysmex business locations in EMEA⁴ and the Americas have been increasing their usage of electricity derived from renewable energy.

Sysmex America has formed a cross-departmental Green Team to promote environmental activities with a view to obtaining LEED certification⁵ for its head office. It has also installed charging ports for electric vehicles, improved LED lighting, and installed solar panels, continuing to undertake various initiatives to acquire certification.

*1 ZEB (Net Zero Energy Building): A building that aims to achieve a net zero annual volume of primary energy consumed and generated by installing highly efficient facilities systems to realize significant energy savings (energy conservation) while still maintaining the quality of the indoor environment and introducing renewable energy (energy creation)

*2 BELS (Building-Housing Energy-efficiency Labeling System): A system to label energy saving efforts of buildings in accordance with the Act on the Improvement of Energy Consumption Performance of Buildings (Buildings Energy Efficiency Act)

*3 Thermal energy storage technology using ice

*4 Europe, the Middle East, and Africa

*5 LEED evaluates the environmental performance of a building from the viewpoints of environmental burden reduction and the health of its users. Evaluation items include the efficiency of water usage, optimization of energy use, conservation of resource materials, and building air quality.



Image of the New Factory Exterior (Sysmex RA)



Major Initiatives at Each Business Site

Initiative	Company	Description
Increase the efficiency of equipment and facilities	Sysmex Corporation	<ul style="list-style-type: none"> Switch to highly efficient air conditioning and LED lighting Increase productivity through a production optimization initiative
	Sysmex RA	<ul style="list-style-type: none"> Use LEDs for all lighting
	Sysmex America	<ul style="list-style-type: none"> Use LEDs for all lighting
	Sysmex Europe	<ul style="list-style-type: none"> Use LEDs for lighting in major reagent-filling rooms Introduce motion sensors
	Sysmex Asia Pacific	<ul style="list-style-type: none"> Use LEDs for lighting in factories and warehouses Introduce a control panel that puts the equipment to sleep to save energy when the air compressor is not in use
	Sysmex India	<ul style="list-style-type: none"> Use LEDs for lighting in factories
	Jinan Sysmex	<ul style="list-style-type: none"> Use natural gas boilers (switching from oil boilers) Switch from gas boilers to air-source heat pumps for indoor heating during the winter and to heat purified and raw water
Introduce renewable energy	Sysmex Wuxi	<ul style="list-style-type: none"> Save energy with restrictions to air conditioning temperature settings
	Sysmex Corporation	<ul style="list-style-type: none"> Install solar panels Save energy by bringing in natural light (i-Square) and use electricity from renewable energy sources
	Sysmex America Sysmex Reagents America	<ul style="list-style-type: none"> Use electricity from renewable energy sources Switch to 100% carbon-neutral natural gas
	Sysmex Europe	<ul style="list-style-type: none"> Install solar panels Use electricity from renewable energy sources (all electricity)
	Sysmex UK	<ul style="list-style-type: none"> Install solar panels
Raise employee awareness	Jinan Sysmex	<ul style="list-style-type: none"> Install solar panels
	Sysmex Europe	<ul style="list-style-type: none"> Provide incentives for using trains for business trips, establish an in-house website for car sharing, and provide bikes for commuting
	Sysmex Malaysia	<ul style="list-style-type: none"> Provide incentives to employees who use hybrid vehicles for commuting
	Sysmex India	<ul style="list-style-type: none"> Ensure that all personal vehicles used by employees to commute are PUC certified*
	Sysmex Brazil	<ul style="list-style-type: none"> Switch to biofuel for company vehicles

* Acronym for "Pollution Under Control," which certifies that vehicle emissions are below pollution regulation standards.

Decreasing CO₂ Emissions from Company Vehicles

In order to control fuel consumption and reduce CO₂ emissions for the approximately 400 company vehicles in Japan, Sysmex Corporation has installed telematics in the form of drive recorders in each vehicle to enable visualization of driving quality, such as each car's eco-drive status and compliance with laws. It also conducts eco-driving training for all the employees to improve the environmental awareness of each driver. With these activities being evaluated highly, Sysmex received a certificate of excellence in the fiscal 2023 Eco-Driving Activity Contest sponsored by the Foundation for Promoting Personal Mobility and Ecological Transportation. It has also promoted the replacement of its company vehicles with those that have greater fuel efficiency. In fiscal 2023, approximately 50% of all our vehicles were replaced with hybrid vehicles.

Sysmex Brazil started switching fuel for its company vehicles to sugarcane-derived biofuel, while Sysmex UK proceeded with removing diesel vehicles, replacing all company vehicles with hybrid vehicles, and installing charging points at the company sites.



Charging point (Sysmex UK)



Eco-Driving Activity Contest Award Ceremony

Using Water Resources Efficiently

Reducing Water Consumption

Sysmex uses water as a raw material in reagent production. Both tap water and groundwater are used. Recognizing that reducing water use is an important issue, Sysmex has set targets for decreasing water use in our Eco-Vision 2033, and it is making efforts to improve the efficiency of water use at reagent production sites.

At the Ono Factory, a reagent production factory, cleaning used to be conducted with some liquid remaining in part of the piping of the production line after the production of reagents. However, we revised the production process and acquired the technology to commercialize the reagents without discarding remained liquid in the piping. These measures reduced product liquid loss, decreased water use, and lessened the environmental burden of waste liquid.

Major Initiatives at Each Business Office

Company	Initiatives
Sysmex Corporation	<ul style="list-style-type: none"> Reduce water consumption by improving the production efficiency at each factory Use water taken from wells as water for green belt irrigation and toilet flushing at Technopark.
Sysmex Asia Pacific	<ul style="list-style-type: none"> Improve its ultrapure water plant to recycle RO water (purified water), utilizing times when the plant is not in operation Reduce water consumption by monitoring efficiency of purified water production equipment Reduce consumption of water used to wash production facilities after reagent production
Sysmex India	<ul style="list-style-type: none"> Recycle water generated in the production process for use as irrigation water Install at the new factory a zero liquid discharge system* that aims to eliminate water discharge outside the factory site
Sysmex Brazil	<ul style="list-style-type: none"> Recycle water generated in the production process for use as domestic water Modify cleaning system for purified water production equipment that operates 24 hours a day to operate only on weekdays.
Sysmex Wuxi	<ul style="list-style-type: none"> Set a target for reducing water consumption, assign an officer dedicated to environmental, health, and safety issues, and conduct periodic environmental, health, and safety inspections.

* A strategic wastewater treatment solution used for the treatment of industrial wastewater that reduces water pollution risk and recycles and reuses water discharge



New Production Base in India

Water Risk Assessments

Sysmex assesses risks related to water stress. Through analysis using Aqueduct, an assessment tool provided by the World Resource Institute (WRI), we identified China, Brazil, and India, where we have reagent production sites, as countries with relatively high water stress. Although water risk is not yet evident at our production sites in these countries, we continually monitor their situation. In the meantime, we are taking measures against risks by optimizing water usage in our production processes and reducing supply risks by securing safety stocks.

Wastewater Management and Processing

Sysmex prioritizes the protection of water quality. We have created our own emission standards that we use to manage the wastewater from development centers and factories that use chemical substances, ensuring that waterways and groundwater are not affected.

Major Initiatives at Each Business Office

Company	Initiative
Sysmex Corporation	<ul style="list-style-type: none"> Introduce a system to set off an alarm in the event that BOD (Biochemical Oxygen Demand) standards are exceeded at the Ono Factory, a diagnostic reagent production plant, preventing waste fluid containing organic matter from spilling out
Sysmex RA	<ul style="list-style-type: none"> Introduce waste fluid processing equipment, making infectious waste fluid harmless by heat sterilization, and discharge the harmless fluid directly into the sewage system
Sysmex America	<ul style="list-style-type: none"> Introduce a wastewater processing system to remove boron-containing substances from waste fluid generated during reagent production
Sysmex Asia Pacific	<ul style="list-style-type: none"> Introduce a wastewater processing system to purify waste fluid generated during reagent production before discharging it to the sewage system
Jinan Sysmex	<ul style="list-style-type: none"> Commission third-party institutions to appropriately process recyclable waste, such as waste drums and waste paper generated during the production process

Involvement with Biodiversity

Interfacing with Nature and Protecting Biodiversity

Systemex understands that it receives a host of benefits from the world's living things as it conducts its business activities. We use a tool called ENCORE, which was developed by the United Nations and financial institutions, to conduct a simple risk analysis. The results have suggested that our production process depends on water and impacts water quality and soil to a relatively large extent. Based on the results, we will identify our business risks and opportunities and take necessary actions.

Forest Conservation Activities

Systemex Corporation regards the conservation of forests that contribute to water resource protection as an important social responsibility. Since 2013, Systemex has been leasing part of the Kawai Kaiteki Forest in Ono in Hyogo Prefecture, where its reagent production factory is located. Named the "Systemex Forest," this is a place where we practice forest conservation through activities such as planting trees, weeding the undergrowth, and thinning the forest.

In addition, HITADO, a Group company in Germany, has been participating since fiscal 2021 in a local forest conservation project called "Waldlokal" and providing support through voluntary tree planting by employees and through donations.



Tree planting by HITADO employees (1,300 trees planted)

▶ Contributing to Biodiversity Preservation through the "Systemex Forest"

▶ The "Waldlokal" Project

Managing and Recycling Waste

Reducing Waste and Promoting a Stable Recycling Rate

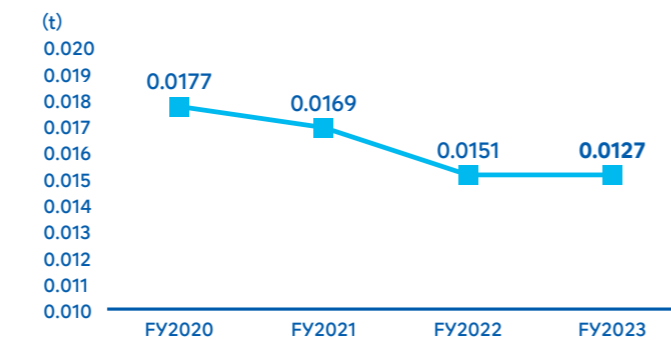
Systemex carries out initiatives to reduce waste and increase recycling rates. At our research and development base, Technopark, we introduced polystyrene foam melting machines and large shredders for confidential paper in fiscal 2023. With this equipment, we can convert all used polystyrene foam generated from the office into recycled plastic materials and sell them as valuable resources. We also process the shredded wastepaper from large shredders to be reused as toilet paper. By doing this, we can significantly reduce the volume of waste.

In its domestic reagent production factories, Systemex promotes environmental initiatives in collaboration with its business partners and has successfully reduced the waste of packing materials for delivery by reusing cardboard and changing the practice of over-packaging. In fiscal 2023, cardboard waste was reduced by approximately 15 tons from the previous fiscal year. Systemex aims to achieve zero cardboard waste by fiscal 2025.

At Kakogawa Factory, our domestic equipment production facility, food waste from its in-house canteen is reduced using a specialized garbage disposal system that converts food waste into organic fertilizer for farmers. The factory purchases agricultural produce grown by the farmers who use this fertilizer, contributing to the realization of a recycling-oriented society.

▶ Regarding the reduction of waste through the recycling of packing materials and parts, etc., please see "Environmental Consideration in Product Transportation, Sales, and Services."

Amount of cardboard waste



* Target: Domestic reagent production factories

* Amount of cardboard waste:

Amount of waste(ton) ÷ Number of in-house product boxes(thousand boxes)

Promoting Digital Data

Systemex works to reduce its use of paper by utilizing personal computers, tablets, and smartphones to send and receive data. These efforts have reduced paper use and waste. Our manufacturing facilities are also working to switch to electronic production records and manuals, promoting our paperless initiative.

Major Initiatives at Each Business Office

Company	Initiative
Systemex America	• Switching the reagent waste processing method from landfill to energy-from-waste treatment (During the three years to 2025, 50 to 100 tons of waste is expected to be recycled.)
Systemex Medica	• Switched 100% of copier paper from plain paper to environmentally friendly paper
Systemex Asia Pacific	• Replace aluminum foil used for weighing drums with reusable materials • Recycle containers made from chemical ingredients that were previously discarded
Systemex Malaysia	• Recycle or donate to charities cardboard boxes and plastic materials
Systemex Jinan	• Replace sludge filter press equipment and conduct QC activities to lower the water content of the sludge and reduce emissions of harmful substances

▶ Status of Sustainability Targets

Managing Harmful Substances

Managing Chemical Substances

Systemex uses chemical substances in its R&D and manufacturing processes. In addition to preventing losses or leaks, we strive to manage chemical substances appropriately to prevent damage to the health of our employees working onsite.

Managing and Processing Harmful Substances

As a precaution against the danger of infection by biological substances, we strictly control the locations in which such substances are stored and used. These substances are carefully segregated from general waste for proper disposal. For other harmful substances, we work to prevent aerial drift, dispersion, and groundwater permeation through countermeasures that address both facilities and management methods. In these ways, we endeavor to keep emissions below standard statutory levels.

Managing and Processing Atmospheric Emissions

In response to the Fluorocarbons Emission Control Law, a revised version of which went into effect in 2015, each Group company in Japan established a response manual, identifying and appropriately using fluorocarbon-containing equipment owned or managed by it, conducting inspections, and monitoring calculated leakages.

* In this report, "Systemex" refers to the Systemex Group as a whole. "Systemex Corporation" refers to the Company on a stand-alone basis.



Governance

Compliance	78
Compliance Management	78
Compliance Promotion Initiatives	80
Risk Management	83
Risk Management Structure	83
Operating Risks	84
Response to Risks Related to Business Continuity	93
Enhancing Information Security	94
Respect for Human Rights	95
Respect for Human Rights	95

Governance

Compliance

Compliance Management

Group Policy

Pursuing Open and Aboveboard Business Activities

Based on our Group's corporate philosophy, the Sysmex Way, and our Shared Values, we define compliance as "the conduct of open and aboveboard business activities based on the observance of laws and regulations and high ethical standards". In accordance with this definition, we have established a Global Compliance Code, in which conformance rules and behavioral guidelines for all Group executives and employees are detailed. This code, written in Japanese, was translated into many languages so all Group executives and employees would be able to understand and adhere to it.

▶ [Full text of the Global Compliance Code](#)

Compliance Promotion Structure

Sysmex considers compliance violations to be the most serious type of risk that could damage the trust that society places in us. Under the Group-wide risk management structure, we have established a Compliance Committee as an umbrella organization to promote and enhance compliance.

The chairperson of the Compliance Committee works to ensure compliance throughout the Group as the Chief Compliance Officer. Under the Group-wide policy, each Group company has appointed its own compliance officer to uphold compliance. The Compliance Committee monitors Group-wide compliance promotion activities and their progress. We also conduct an annual internal audit of compliance based on risk assessment results. In fiscal 2023, we audited our compliance with the Subcontract Act, the Labor Standards Act, and other laws and regulations. Furthermore, our compliance promotion structure is annually assessed by a third party as part of our internal controls.

In the event of a major or potential compliance violation that would significantly affect the Group or a Group company, the compliance officer of the relevant company will immediately notify the Chief Compliance Officer. After receiving this report, the Chief Compliance Officer will proceed to report on the event to the Internal Control Committee, chaired by the President, and members of the Managing Board and Audit & Supervisory Committee. We will also disclose information on events that require it in accordance with information disclosure regulations.

There were 15 ethics incidents in FY2023, but no serious violations.

▶ [Corporate Governance Structure](#)

▶ [Corporate Governance Report](#)

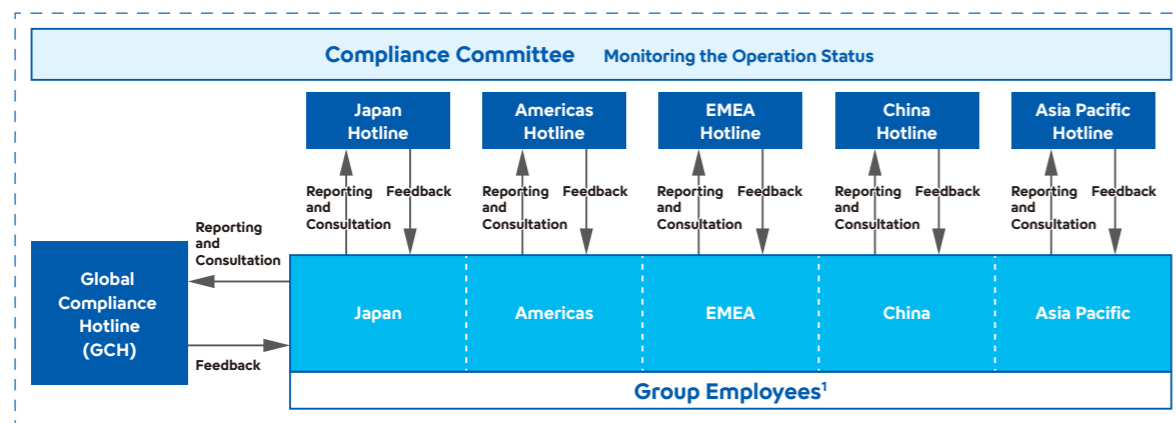
Whistleblowing System

Systemex has built a global system whereby all the employees of the Group can consult or report on compliance issues, including bribery and human rights abuses. Specifically, we place whistleblowing desks operated by respective regional headquarters to provide consultation to and receive reports from Group employees in each region. We have also established a Group Compliance Hotline (GCH), where all Group employees can directly consult with or report to the Systemex Corporation. In the Japan region, consultations and reporting on compliance issues related to the management team can be handled by the Audit and Supervisory Committee members who serve as a whistleblowing desk.

Employees seeking consultation or making reports can remain anonymous through any of these whistleblowing routes. Information received through these routes is handled confidentially, and employees seeking consultation or making reports are protected from any negative consequences caused by doing so.

We promote the early detection of compliance violations by disseminating information about such systems to all the Group employees via the intranet and through training. In addition, the Compliance Committee monitors the operational status of the whistleblowing system. In fiscal 2023, there were 26 internal reports received from Japan and elsewhere. We conducted investigations regarding these reports and dealt with each of them appropriately.

Whistleblowing System



1 All employees (including contract employees and temporary employees)

2 The diagram above is an overview of our whistleblowing system.

Compliance Education

Providing Education on Compliance

Systemex views employee education and awareness activities as the foundation of promoting and ensuring compliance, and regularly offers training. During new employee and rank-based training, we take the opportunity to foster an understanding of the Global Compliance Code.

In fiscal 2023, we conducted multilingual global compliance training for all Group employees in accordance with the compliance education policy shared within the Group. This ensures that employees thoroughly understand and consider the importance of compliance, the Global Compliance Code, appropriate responses when a compliance violation is discovered, and other necessary matters.

- ▶ Education regarding Fair Marketing Activities
- ▶ Education and Training on Respect for Human Rights
- ▶ Diversity Education

Governance

Compliance Promotion Initiatives

Anti-Corruption

In accordance with the spirit of the UN Global Compact, Systemex undertakes thorough efforts to prevent bribery, in line with Principle 10, which states: “Businesses should work against corruption in all its forms, including extortion and bribery.”

For risk assessments conducted periodically by the Internal Control Committee, compliance violations, including acts of corruption, are recognized as risks, and we are working to reduce them. Per the Corruption and Bribery section of the Global Compliance Code, giving or offering bribes or providing inappropriate entertainment or gifts to public officials, customers, or business partners, or any other practices that may appear to be corrupt, and accepting entertainment, gifts or other things from business partners that go beyond moderation are clearly prohibited. Additionally, the Global Anti-Bribery Regulations applicable to all Group companies cover topics such as specific banned activities (including bribes, facilitation payments, inappropriate entertainment, gifts, benefits, or donations), due diligence for mergers and acquisitions, the provision of education, and management systems. In these ways, we promote initiatives for Group-wide compliance.

The Managing Board monitors the compliance status and periodically receives reports from the Internal Control Committee regarding initiatives based on the Global Compliance Code and Global Anti-Bribery Regulations.

- ▶ Global Compliance Code
- ▶ Anti-Bribery Regulations (Summary)

Transparency in Relationships with Medical Institutions

Systemex has increased opportunities for collaboration with medical professionals and other professionals at medical institutions at every stage of its operations through research and development, production, sales, services and support. Transactions with them must be conducted with high ethical standards. The “Transparency in Relationships with Medical Professionals and Medical Institutions” Chapter of the Global Compliance Code stipulates that appropriate relationships with medical professionals and medical institutions must be established and maintained, and transparency in these relationships must be ensured. Additionally, the Global Regulations on Ethical and Transparent Interactions with Healthcare Professionals and Healthcare Organizations provide for topics such as specific banned activities, collaboration with Group Companies, provision of education, and management systems. We promote initiatives to ensure compliance Group-wide.

In Japan, Systemex Corporation, a member of the Japan Association of Clinical Reagents Industries, concurs with the philosophy outlined in the association’s “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions” and discloses information regarding funding to medical institutions.

Countries other than Japan have implemented laws that require companies to ensure transparency in their relations with medical institutions (“Sunshine Acts”) and regulations for the medical device industry. In compliance with these laws and regulations, the Systemex Group reports to government authorities on funding to medical institutions and industry organizations in relevant countries and regions, as follows:

- ▶ Japan
- ▶ U.S.
- ▶ France
- ▶ Belgium
- ▶ Netherlands
- ▶ Portugal
- ▶ Europe
- ▶ UAE
- ▶ Global Regulations on Ethical and Transparent Interactions with Healthcare Professionals and Healthcare Organizations (Summary)
- ▶ Japan Association of Clinical Reagents Industries “Guidelines on Transparency of Relationships between Corporate Activities and Medical Institutions” (Japanese)

Research Ethics

Implementation of Appropriate Research and Development Activities

In the “Appropriate Research and Development Activities” Chapter of the Global Compliance Code, Sysmex stipulates that it must be engaged in appropriate research and development activities while protecting the dignity and human rights of test subjects and complying with relevant laws, regulations, and ethical guidelines in the relevant countries and regions. In accordance with these stipulations, Sysmex conducts R&D activities with high ethical standards. Sysmex has established the “Group Ethics Regulations on Clinical Research and Development” and a Research Ethics Examination Committee, which includes outside members, including legal and scientific experts, to review research content. The list of committee members and deliberation results are disclosed on our website to ensure transparency.

- ▶ [Global Compliance Code](#)
- ▶ [Group Ethics Regulations on Clinical Research and Development](#)
- ▶ [Responses to and Reporting of Unfair Practices in Research \(Japanese\)](#)

Considerations for Animal Experiments

In accordance with the “Appropriate Research and Development Activities” Chapter of the Global Compliance Code, Sysmex complies with applicable laws and regulations concerning animal welfare in each country and region, minimizes the use of animal experiments by using of alternative methods when available, and takes care to alleviate pain when conducting animal experiments. We conduct animal experiments in line with internal regulations that conform to public guidelines. Our Testing Control Committee rigorously considers testing plans to ensure regulatory conformance.

Laws and guidelines observed by Sysmex: Act on Welfare and Management of Animals (Ministry of the Environment), Standards Relating to the Care and Management of Laboratory Animals and Relief of Pain (Ministry of the Environment), Basic Policies for the Conduct of Animal Experiments in Institutions Regulated by the Ministry of Health, Labour and Welfare (Ministry of Health, Labour and Welfare), and Guidelines for Proper Conduct of Animal Experiments (Science Council of Japan)

- ▶ [Global Compliance Code](#)
- ▶ [Biodiversity Consideration in the Production of Raw Materials](#)

Fair Marketing Activities

In order to regulate our global promotional activities, we have included an ethics code for marketing in the “Anti-monopoly and Anti-competitive Behavior” Chapter of the Global Compliance Code. We have also established Global Regulations for Compliance with Competition Laws. Additionally, we provide guidance on competition laws in our global compliance training.

For activities in Japan, we have formulated the Sysmex Promotion Code. In fiscal 2023, we held training sessions using case studies regarding the promotion code for sales divisions at 36 locations and also conducted compliance training for general employees.

- ▶ [Global Compliance Code](#)
- ▶ [Sysmex Promotion Code](#)

Tax Strategy

Sysmex has established a “Tax Strategy” in the Global Compliance Code approved by the President with the aim of increasing tax-related transparency. We will appropriately pay taxes according to the spirit of the law and contribute to the economic development of each country and region where we pay taxes. In transactions with foreign affiliates, we appropriately calculate transfer prices and pay taxes in the relevant countries in accordance with the OECD Transfer Pricing Guidelines and the transfer pricing laws of such countries. We will not transfer created value to lower tax jurisdictions, such as tax havens, only to gain a tax advantage or engage in inappropriate tax planning that is not consistent with our business purposes by abusing a tax system that lacks substance.

In addition, we disclose Group payments of taxes in our securities reports and other documents, as well as the reasons for any discrepancies from relevant statutory tax rates.

The Internal Control Committee, chaired by the President, is our governance body responsible for monitoring sustainability risks and opportunities, including tax risks. Important matters related to such risks and opportunities are reported to and, if necessary, discussed by the Managing Board.

- ▶ [Global Compliance Code](#)
- ▶ [Sysmex Report \(Operating Results and Financial Analysis\)](#)
- ▶ [Securities Report](#)

Tax Strategy in the United Kingdom

- ▶ [UK Tax Strategy](#)

Respect for Intellectual Property

In the “Intellectual Property” Chapter of the Global Compliance Code, Sysmex stipulates that all the officers and employees of the Group must respect the intellectual property of third parties as much as the Group’s intellectual property, and handle such intellectual property appropriately. We ensure that all the officers and employees are well informed of this rule and strictly comply with it. When developing new products, Intellectual Property, R&D, and Business Development Department members conduct and discuss global patent reviews for each new project.

- ▶ [Global Compliance Code](#)
- ▶ [Intellectual Property \(Japanese\)](#)

Promotion of Security Trade Control

In the “Security Trade” Chapter of the Global Compliance Code, Sysmex stipulates that it will comply with the export laws and regulations of individual countries and regions and will not be engaged in transactions likely to impede the maintenance of international peace and safety. Sysmex has established the Security Trade Control Committee, which is under the direct control of the President, to prevent illegal exports. It has also assigned people at overseas regional headquarters to oversee security trade control, bolstering our global operational structure. In addition, it provides annual basic e-learning for all employees, as well as lectures on the latest world affairs and laws and regulations, as well as a variety of other types of training, to raise awareness of security trade control.

- ▶ [Global Compliance Code](#)

Governance

Risk Management

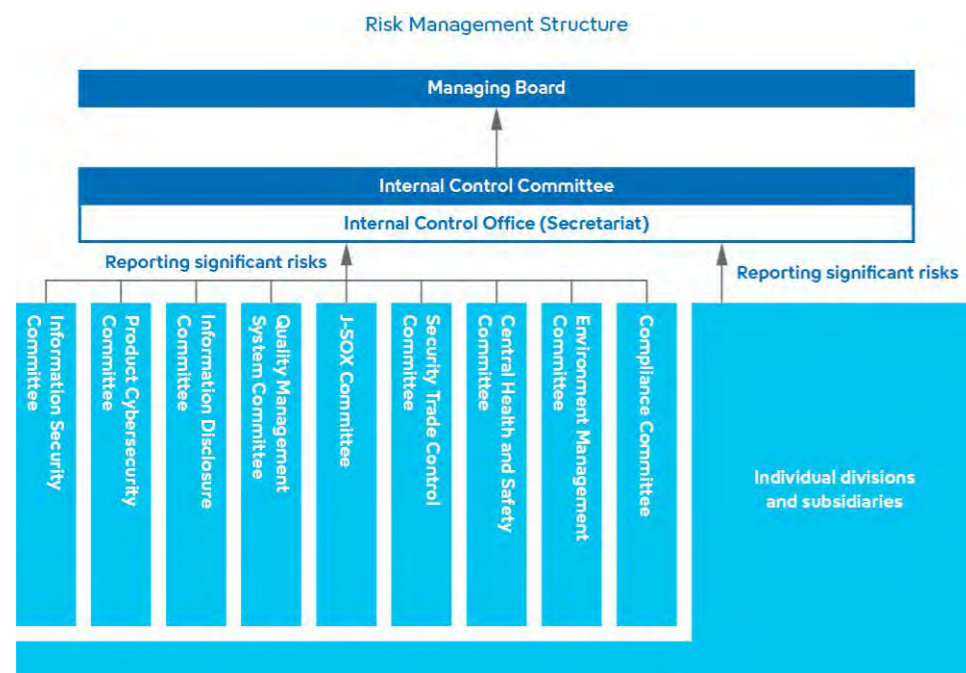
Risk Management Structure

Risk Management Structure

Promoting Risk Management by Establishing a Dedicated Committee

Systemex established the Internal Control Committee to supervise the Group's risk management as a whole. The Internal Control Office, an organization independent of business divisions and under the President's direct control, functions as the Committee's secretariat. Chaired by the President, the Committee consists of the Chairperson, relevant executive officers, and full-time Audit and Supervisory Committee members. There are also outside members of the Managing Board who serve as observers.

The Committee analyzes and assesses the levels of risks involved in such areas as fair trade, compliance (including corruption and business ethics), human resources, occupational health and safety, the environment, and accounting and finance (including tax payments), from such viewpoints as possible impacts and likelihoods. By annually assessing such risks, the Committee identifies those significantly affecting the Group's operations and implements necessary countermeasures. In addition, relevant committees, including the Compliance Committee as well as individual divisions and subsidiaries, manage operational risks and periodically report on them to the Managing Board. When a major risk that has a significant impact on the Group's business arises, they also report it to the Managing Board to discuss how to respond, following the PDCA cycle. The Internal Audit Office conducted an internal audit of Group-wide risk management in fiscal 2023. Furthermore, our risk management structure is annually assessed by a third party as part of our internal controls.



▶ Corporate Governance

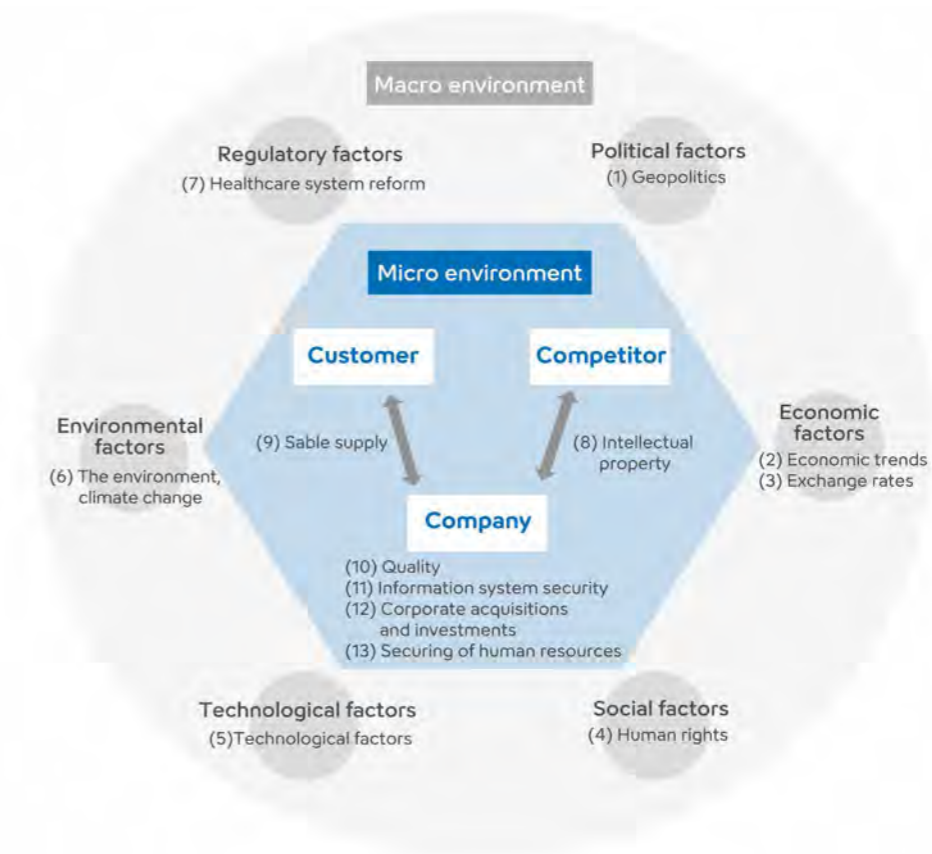
▶ Systemex Report (Risk Management)

Governance

Operating Risks

We believe that 13 items related to the Systemex Group's operational and accounting conditions could have a significant impact on investors' decisions. Below, we have classified these items as macro-environmental risks and micro-environmental risks. Forward-looking statements contained in this document are based on the judgment of the Systemex Group and are not all-inclusive; the Group may be affected by risks other than those described herein.

In addition, on June 4, 2024, Systemex Corporation has been subjected to an on-site inspection by the Japan Fair Trade Commission on suspicion of violations of the Antimonopoly Act (Tie-in sales, etc.) in relation to the transactions of blood coagulation analyzers and reagents (reagents for measuring FDP and reagents for measuring D-dimer) in Japanese market. We will fully cooperate with the inspection by the Japan Fair Trade Commission.



1. Geopolitical risks

Threats and opportunities

<Threats> Impact on operations of rising geopolitical tensions

The Sysmex Group engages in global manufacturing, sales and service, R&D and other activities, and we have locations around the world. Increased geopolitical tensions, such as inter-country conflicts and trade friction, could lead to stricter import/export regulations or further protection of local industries in the countries where the Sysmex Group has its bases of operations or in neighboring regions, which may restrict its sales, procurement, and other business activities.

Disputes between countries could limit the business activities as described above, as well as affecting the safety of employees and others.

<Opportunities> Enhance reliability through an ongoing supply of products and services

Promoting the local production of reagents on a global scale and reinforcing our stable supply system could enhance our reliability and competitiveness from the customer perspective. In addition, having bases of operations in various regions allows us to accurately ascertain local needs and provide products and services that closely meet these needs.

Responses

The Sysmex Group uses its global network to continuously monitor the situation in each country and region. In countries that are working to protect domestic industries, we may be required to engage in the local production and procurement of parts and raw materials, and we strive to remain abreast of the latest information. Meanwhile, we are working to transition to local production, particularly of reagents.

In the event of an emergency, such as a conflict between countries, the Group promotes measures to ensure against interruptions in the supply of its products, which contribute to humanitarian aid and medical care, while placing the highest priority on protecting human life and complying with import/export regulations and other regulations related to security.

We will continue to respond appropriately to the ever-changing global situation, taking into consideration its impact on the Group's business.

2. Economic trends

Threats and opportunities

<Threats> Decline in sales opportunities due to deteriorating economic conditions

The Sysmex Group operates primarily in the healthcare sector, which is relatively stable. However, if a global economic downturn causes governments to tighten their healthcare finances or medical institutions to reduce their budgets, capital investment could decline, affecting our operating results and financial position.

In addition, significant changes in the economic environment, such as rapid inflation and soaring energy prices, could significantly increase the cost of raw materials, transportation, and other items, which could affect our operating results.

<Opportunities> Increased investment in healthcare infrastructure due to favorable economic conditions

When the global economy is strong, increased investment in medical infrastructure and other factors may provide additional sales opportunities for the Sysmex Group's products.

In particular, in emerging markets that are slated for population and economic growth, the need for improved medical standards is increasing, and further market expansion can be expected.

Responses

The Sysmex Group monitors changes in market conditions globally through its bases in various countries and regions. We are also working to standardize and streamline testing by providing solutions that help medical institutions improve profitability through the use of robotics, AI, and other technologies. Furthermore, in emerging markets where economic and population growth is expected to spur

investment in medical infrastructure, we are contributing to Universal Health Coverage* by developing and introducing products that meet a wide variety of market needs and improving access to and quality of healthcare. In particular, we have positioned India, which has high growth potential, as one of our key markets, and we are accelerating the development and launch of our products to expand our market share in the country. The entire Group will continue working to create further added value.

* A condition in which all people have access to affordable and proper services to improve their health, prevent or treat illnesses, and recover

3. Impact of exchange rate fluctuations

Threats and opportunities

<Threats> Negative impact on consolidated results, including decreases in overseas sales and assets due to yen appreciation

<Opportunities> Positive impact on consolidated results, including increases in overseas sales and assets due to yen depreciation

The Sysmex Group sells to customers in other countries and regions through its overseas affiliates and distributors. Overseas sales account for a high proportion of consolidated net sales: 85.4% in the fiscal year ended March 31, 2023 and 86.5% in the fiscal year ended March 31, 2024. The line items in the local-currency financial statements of overseas affiliates are affected by fluctuations in exchange rates when converted into yen, thereby affecting the Sysmex Group's operating results and financial statements. Yen appreciation could have an adverse effect on operating results. Conversely, yen depreciation causes SG&A and other expenses at overseas affiliates to increase in yen terms, but higher sales tend to overshadow these increases, which can have a positive impact on consolidated operating results.

In the fiscal year ended March 31, 2024, a ¥1 change in exchange rates had the following impacts on net sales and operating profit.

	Net sales	Operating profit
USD	¥735 million	¥127 million
EUR	¥511 million	¥91 million
CNY	¥5,330 million	¥3,888 million

Responses

The Group hedges its foreign currency-denominated receivables and payables, including foreign currency-denominated trade receivables, loans to affiliated companies, and borrowings, mainly by entering into forward exchange rate contracts.

In addition, we are taking measures to mitigate the impact of exchange rates by diversifying our reagent production sites globally.

4. Human rights

Threats and opportunities

<Threats> Loss of public trust due to inadequate response to human rights

Respect for human rights is one of the most important elements of our corporate activities, and we are undertaking a number of measures in this regard in various countries. If the Sysmex Group's efforts to respect human rights are inadequate or tardy, and human rights violations such as discrimination based on race, gender, or other factors, or if forced labor or child labor occur, we could experience a deterioration of trust among our business partners, investors, and other stakeholders.

<Opportunities> Improving reliability through appropriate human rights measures

Promoting fair and sustainable corporate management and responding appropriately to human rights, such as by fostering DE&I* that creates and embraces a comfortable working environment for diverse human resources, and eliminating discrimination in the supply

chain, may lead to increased reliability among stakeholders and ultimately to the creation of competitive advantage.

* Diversity, equity, and inclusion

Responses

The Sysmex Group has announced a global compliance code that outlines its commitment to respecting human rights and eliminating discrimination, and is committed to creating a corporate management and work environment that respects the human rights of all stakeholders. In addition, our human rights policy stipulates the implementation of human rights due diligence and promotes efforts to prevent and mitigate negative impacts on human rights, not only within the Group but also with external partners involved in the supply chain. We have put in place preventive measures to ensure that our business activities are not involved in or complicit with violations of human rights. These measures prohibit forced labor and child labor and counter discrimination based on gender, disability status, or racial group.

Systemex has established internal reporting hotlines in Japan and overseas for handling consultations on human rights, including those related to discrimination and harassment. Furthermore, we provide training to prevent harassment and disseminate accurate labor-related information to prevent human rights infringements.

5. Technological innovation

Threats and opportunities

<Threats> Decline in competitive advantage due to delayed response to technological innovation

Recent technological innovations have led to the emergence of new technologies in the healthcare field, and business models are likely to change substantially as a result. Operating in this environment, delays by the Sysmex Group's in responding to this situation may reduce its competitive advantage.

<Opportunities> Enhanced added value through innovation

The creation and active use of innovative technologies will facilitate further innovation and the provision of high-value-added products and services that improve the efficiency of healthcare, including laboratory operations.

In addition, we have the potential to expand sales opportunities by adapting quickly to changes in business models that accompany the spread of innovative technologies.

Responses

Based on the "Sysmex Way," the corporate philosophy of the Sysmex Group, we strive to create innovation through the development of various technologies and provide products and services that help to address social issues. The Group continues to invest aggressively in the development of new technologies and is committed to open innovation that effectively creates new clinical value by integrating the Group's technologies with those of universities, research institutions, and other companies. We have established R&D sites around the world to facilitate these activities and are working to contribute not only to the conventional *in vitro* diagnostics but also to personalized medicine and preventive medicine.

We will continue to contribute to extending healthy life expectancies and aim for sustainable growth by working to solve medical issues through the creation of new technologies and innovations.

6. Climate change and other environmental risks

Threats and opportunities

<Threats> Impact on business due to inadequate environmental response or natural disasters

The sustainability of the global environment has become an urgent issue, and environmental regulations are being tightened in Europe, the United States, and other countries. Violations of or delays in responding to regulatory or other requirements by the Sysmex Group may result in penalties, bidding restrictions, or other actions.

In addition, natural disasters caused by climate change may affect the supply of products to customers around the world and the safety of our employees.

<Opportunities> Improving reliability and competitive advantage by addressing environmental issues

By obtaining information on environmental laws and regulations in each country as appropriate, and by proactively responding to such laws and regulations, we can improve the reliability of our products among stakeholders and expand sales opportunities.

In addition, providing added value on the eco-social front, such as environmentally friendly product development and production activities, and establishing a competitive advantage in this area, may contribute to business growth.

Responses

The Sysmex Group has established an Environmental Management Committee as an organization to promote environmental management. The Group is committed to the realization of a circular-oriented society and aims to provide sustainable value to the environment and society both by resolving social issues and by achieving business growth through the Group's products and services.

We have formulated the Sysmex Eco-Vision 2033 and are working to reduce environmental impact through environmentally friendly products and services that take CO₂ reduction and biodiversity into consideration. For example, we are promoting the use of concentrated reagents, introducing dry ice-free transportation, and developing products using non-animal derived raw materials in all value chains, including production, development, sales, and services. In addition, we endorse the recommendations of the TCFD¹ and are striving to enhance information disclosure based on its framework. Furthermore, we have set targets based on carbon neutrality² and the SBTs³ by 2040, and we are accelerating our efforts to address environmental issues.

*1 Task Force on Climate-related Financial Disclosures

*2 Carbon neutral: Targeting Scope 1 and Scope 2

*3 Science Based Targets (Corporate greenhouse gas emission reduction targets consistent with the levels required under the Paris Agreement)

7. Healthcare system reform

Threats and opportunities

<Threats> Decreased sales opportunities due to inadequate or delayed response to healthcare system reforms

The marketing of the Sysmex Group's instruments and reagent products generally requires regulatory approval, but the requirements for obtaining such approval are becoming increasingly complex and sophisticated in each country. This trend may increase the cost of compliance, and delays in responding to such requirements may result in lost opportunities to acquire markets, including an impact on new product launches.

In addition, if individual countries review their insurance coverage systems or reduce health insurance compensation, sales opportunities for the Group's products could decrease.

<Opportunities> Improved competitive advantage through rapid response to regulations and needs

In the healthcare industry, compliance with increasingly strict regulatory requirements, including the IVDR* in Europe, may create barriers for new entrants and reinforce the Sysmex Group's competitive advantage. In addition, we could see an increase in sales opportunities if the budgets of medical institutions grow due to improved healthcare finances in various countries. Furthermore, demand is expected to grow due to the expansion of healthcare systems in emerging markets and increased investment in medical infrastructure.

* *In Vitro* Diagnostic Medical Devices Regulation

Responses

We strive to remain abreast of the latest regulatory information by participating in industry associations in various countries, and we work to obtain and maintain regulatory approvals in a timely and accurate manner by utilizing the Sysmex Group's global network. We are promoting the development of new diagnostic technologies that contribute to personalized healthcare, based on an accurate understanding of increasingly diverse and sophisticated needs amid changing environments in various countries and regions. In addition,

we will continue to leverage our strengths in IVD instruments, reagents, IT, service, and support to address medical issues. These include improving the efficiency of medical workflows, enabling the early detection of diseases, and improving accessibility to healthcare in emerging markets.

8. Intellectual property

Threats and opportunities

<Threats> Impact on business due to infringement or violation of intellectual property rights

The Sysmex Group applies for patents, trademarks, and design rights on a global basis, but such rights may not be granted in some or any countries. Furthermore, if counterfeit products that infringe on the intellectual property rights of the Sysmex Group are distributed, the reliability of test results may not be ensured, and medical institutions and patients may be affected.

In addition, disputes over intellectual property rights may arise, such as lawsuits for infringement of intellectual property rights of third parties or demands for payment of royalties, despite the legitimacy of the Sysmex Group claims.

<Opportunities> Provide unique products and services by acquiring intellectual property rights

The appropriate protection of the intellectual property rights held by the Sysmex Group should strengthen its independence and competitiveness and enhance its brand image.

The Sysmex Group also has the potential to further accelerate innovation through the appropriate use of third-party licenses as well as intellectual property rights owned by the Sysmex Group.

Responses

The Sysmex Group respects the intellectual property rights of the Group and third parties, and seeks to establish a global competitive advantage by proactively seeking rights to valuable intellectual property created in all of its business activities, and by responding appropriately to the intellectual property rights of third parties. Through internal training, employees are made aware of the importance of respecting the intellectual property rights of the Sysmex Group and third parties in the conduct of business. Furthermore, we have established an award system to motivate employees to acquire intellectual property rights.

In addition, as a countermeasure against infringement of the Sysmex Group's intellectual property rights, we have obtained patents in countries around the world and are working to thoroughly eliminate counterfeit products so that our customers can use our products with confidence. We are working to secure intellectual property rights for important brands globally, including in emerging markets and developing countries. Notably, we have applied for trademark rights in 195 countries and regions for our corporate brands. As a result, overseas holdings account for 85% of our total intellectual property rights.

9. Stable supply

Threats and opportunities

<Threats> Impact on product supply due to interruptions or delays in procurement or production

The Sysmex Group supplies IVD instruments and reagents, which are essential for medical institutions to perform daily testing, to customers all over the world. Although we make every effort to ensure an uninterrupted supply of products to our customers, stable product supply may be disrupted in the event of difficulties in procuring parts or raw materials, owing to sudden changes in market conditions or the suspension of suppliers' operations, or in the event of a major natural disaster, fire, or other serious accident or pandemic at supply chain locations including production plants and warehouses, or if distribution routes are blocked due to interstate conflict or trade friction.

<Opportunities> Provide peace of mind and improve reliability through efforts to ensure a stable supply of products and services

In the event of a natural disaster, serious accident, or other contingency, our ability to provide a stable supply of products necessary for testing and avoid interruptions in medical operations, and the establishment of a system to prepare for such contingencies may help us

earn trust in our ability to continue supplying products in emergencies and further enhance our brand image.

Responses

The Sysmex Group is committed to the stable supply of products and services on a global basis, in line with its social mission of supporting medical care by providing accurate test results and ensuring confidence through the delivery of high-quality products around the world. In addition to securing inventories of parts and raw materials and purchasing from multiple suppliers, we are working to enhance prevention and recovery measures to address large-scale disasters such as earthquakes, windstorms, and floods at our factories and warehouses. Reagents account for 60.8% of the Sysmex Group's sales (fiscal year ended March 31, 2024). For reagents, we secure inventory quantities that take into consideration the period required to ensure business continuity. In addition, we produce reagents at multiple locations. In particular, we have established a mutual supply network among major bases to ensure a stable supply of reagents in our mainstay hematology field.

In addition, the Sysmex Group as a whole has a business continuity plan in place, and through daily training we prepare to restore operations quickly in the event of an emergency so that medical institutions can continue their testing operations.

We will continue to reinforce our efforts to ensure that our customers can use our products with confidence.

10. Quality

Threats and opportunities

<Threats> Reduced reliability due to poor quality of products and services

The products the Group manufactures and procures must be high-quality and safe. If the products we manufacture or procure are found to be of poor quality, this could result in delays or errors in testing at medical institutions, which could affect customers and patients. This could reduce trust in our products and of the Sysmex Group as a whole, and may also affect operating results.

<Opportunities> Improvement of reliability and competitive advantage through quality improvement

By further improving quality through the development and operation of a quality control system that complies with the laws and regulations of each country and international standards, we have the potential to win the trust of customers and expand sales opportunities.

Since our founding, the corporate philosophy of the Sysmex Group, has called on us to instill confidence in our customers through reliable quality. The brand image we have built up to date could help to maintain and enhance our corporate value and competitive advantage.

Responses

The Sysmex Group is committed to group-wide management to maintain quality in compliance with the laws and regulations of each country and international standards. We have established a quality policy to monitor and improve the quality and safety of our products and services. In addition, all of our production bases have acquired ISO 9001 or ISO 13485 certification, the international standards for quality management systems. Furthermore, we collect and analyze information on product reliability and safety from a wide range of domestic and overseas sources, and utilize this information to improve product quality.

The Sysmex Group will continue to instill confidence among its customers through its high-quality products and services.

11. Information system security

Threats and opportunities

<Threats> Impact on customers and business due to cyber-attacks

The Sysmex Group's products are equipped with network-based service capabilities. In the unlikely event that the Group's products are compromised by cyberattacks targeting medical institutions, testing operations could be suspended, and third parties could gain unauthorized access to personal information.

In addition, we have introduced various information systems within the Group to support information communication, core business

operations, and approval procedures to improve operational efficiency, and much of the business information is managed and operated via networks. In the event of system outages or leaks of confidential information due to failures in these systems or networks or cyberattacks, or in the event of the provision of false information or infringement of third-party rights due to the misuse of generative AI and other technologies that the Sysmex Group has been promoting in recent years, the efficiency and reliability of its operations may be impaired.

<Opportunities> Improved reliability of products and services by strengthening security support

By enhancing the security of our products and services, we can further enhance the trust customers place in our products and provide our customers with network-based services that they can use with confidence.

In addition, through the promotion of DX, including security enhancement, and the appropriate use of generative AI, we can expect to further improve business efficiency and productivity by strengthening information collaboration within the Group while managing information appropriately.

Responses

The Sysmex Group is promoting cybersecurity measures for its products and services, led by the Product Cybersecurity Committee, in order to reliably ensure confidence among customers and patients. In line with these efforts, we have established a Product Security Policy and set up a PSIRT¹ to design and manufacture products in accordance with the security policy and to manage after-sales vulnerabilities in cooperation with product security managers in each region.

Furthermore, to minimize the operational impact of information system or network line failures, computer viruses, or external intrusions into information systems, we are working to tighten information management by introducing mechanisms to detect unauthorized communications and isolate malware, conducting 24-hour monitoring, establishing a CSIRT², and developing security measures such as joining external organizations to quickly obtain information in case of emergencies or major incidents, as well as developing systems related to business continuity.

In addition, we are promoting efforts to inform employees of the rules for the use of AI technologies in general, taking security into consideration, and to accelerate innovation through proactive use of AI technologies.

*1 Product Security Incident Response Team

*2 Computer Security Incident Response Team

12. Corporate acquisitions and investments

Threats and opportunities

<Threats> Delay in achieving strategic goals due to lack of investment effectiveness

The Sysmex Group is working to expand its R&D, production, and other bases. At the same time, the Group is accelerating its growth through proactive investment in IT infrastructure and leading-edge technologies, as well as through acquisitions and capital tie-ups. Amid these initiatives, changes in the business environment or exposure to unpredictable risks could prevent the full realization of the expected impacts and affect the achievement of our strategic goals.

<Opportunities> Accelerate business by maximizing investment effectiveness

Based on our management strategy, active investment from a long-term, global perspective may generate even higher investment impacts and allow us to realize our strategies even more swiftly.

Responses

The Sysmex Group aims to maximize the effectiveness of its investments by strengthening its systems for reviewing and making decisions on investments and monitoring PMI*. Investment decisions are made after thorough advance investigation and deliberation at management meetings as to the purpose, impacts, and potential risks of such investments. Even after making a decision, we believe it is important to respond to changes and make course corrections flexibly. We are working to strengthen the investment management process through regular monitoring.

We will continue to accelerate the growth of the Sysmex Group by making appropriate decisions, actively taking risks on investments necessary for business growth, and continuing to provide high-value-added products and services by expanding our business and acquiring new technologies.

* Post-merger integration

13. Securing of human resources

Threats and opportunities

<Threats> Decline in competitiveness due to intensifying competition for human resources and outflow of human resources

Global competition for human resources is intensifying, and an inability to secure the human resources needed to promote business may affect operating results.

In addition, inadequate assurance of health and safety in the workplace environment can damage the mental and physical health of employees and lead to low morale and prompt an exodus of human resources.

<Opportunities> Strengthen management foundation by realizing attractive workplaces

Under the “Sysmex Way,” the corporate philosophy of the Sysmex Group, we have established a workplace environment in which a diverse workforce can safely demonstrate their abilities. We expect to achieve further corporate growth through both employee engagement and value-added productivity as we attract and retain talent through attractive personnel systems and a distinctive corporate culture.

Responses

The Sysmex Group believes that human resources are a key management resource to ensure sustainable growth. The Sysmex Way, the corporate philosophy of the Sysmex Group, promises employees that Sysmex “honors diversity, respects the individuality of each employee, and provides them with a workplace where they can realize their full potential.” We provide an environment that enables employees to take the initiative in shaping their own careers, such as by offering educational programs based on the career paths envisioned by each employee.

In addition, the Group as a whole has adopted a job-based personnel system as a foundation to help employees shape their own careers. We are also promoting the introduction of attractive systems such as a stock-granting compensation plan that helps employees build assets.

Furthermore, we are the first manufacturing company in Asia to acquire certification under ISO 30414, the international guideline for disclosure of information related to human capital. We will continue striving for transparent disclosure of human capital-related information and enhance our human resource system to facilitate the sustainable growth of our human resources and the Group.

Governance

Response to Risks Related to Business Continuity

Establishment of a Business Continuity Plan (BCP)

Response to Major Disasters

Systemex has formulated Group-wide business continuity plans (BCPs) for production, procurement, and other functions to ensure the continuity of important operations in the event of an earthquake, storm, or flood damage, and other large-scale disasters, as well as rapid recovery from such disasters.

Main BCP Approaches:

- Decentralization of main raw material procurement (selection of production locations based on the concept of local production for local consumption)
- Securing safety stock of important raw materials that are difficult to substitute
- Decentralization of product storage in accordance with storage function (instruments, maintenance parts, room temperature storage reagents, cold storage reagents, and hazardous reagents)
- Creation of mutual supply systems within the factories, and securing alternative routes for transportation of products
- Prioritization of important products for supply to medical institutions
- Introduction of a structure to share crisis information between the Company and raw material suppliers so the Company can promptly take measures against highly urgent risks such as a natural disaster, fire, or accident occurring on the supplier side
- Provision of rules and manuals for disaster response and conducting regular disaster drills
- Introduction of an employee safety confirmation system
- Installation of digital radios in each business office
- Provision of emergency supplies and items to support employees temporarily staying at business offices and returning home after a disaster
- Establishment of basic IT systems (assignment to an external data center and creation of a system infrastructure that is quickly transferable to a backup system in emergencies)

► Undertaking the Never-Ending Mission of “Creating a Stable Supply of Reagents”

Governance

Enhancing Information Security

Enhancing Product Security and Cyber Security

Product Security Initiatives

Systemex Corporation has established a Product Security Policy for our products and services and has established a Product Security Incident Response Team (PSIRT) to manage product design and manufacturing, as well as post-marketing vulnerabilities. Sensitive information (including individual, patient, and test subject information) obtained from our customers and those who have participated in research and development and experiments, as well as advanced, original technology regarding products and intellectual property, are considered important assets for management, and necessary measures are taken to prevent information leaks and internal fraud.

Information and Cybersecurity Initiatives

Systemex established the Global Information Security Committee in May 2023 to further enhance Group-wide information security management. We have formulated the Information Security Policy and established a Group-wide information security management framework as well as protect our information assets from threats and work to ensure our business continuity under the supervision and management of the Information Security Officer, Kenji Tachibana, a member of the Managing Board, a senior executive officer, and a senior managing director. Specifically, we established a Systemex Computer Security Incident Response Team (Systemex-CSIRT) to bolster our initiatives, such as prevention and early response to incidents and pre- and post-response to information leaks and data breaches based on such information as alerts received from the managed SOC (security operations center), in addition to threat information (threat intelligence) received from external parties (JPCERT/CC).

Regarding collaboration with external organizations, we have joined the Nippon CSIRT Association and Forum of Incident Response and Security Teams (FIRST) to share information regarding threats from emergencies and other significant incidents.

Internally, specific measures include rigorous management and regular review of access to information, regular updates to security patches, login restrictions using biometric authentication (facial and fingerprint recognition) for laptop computers and mobile devices on loan from the Company, and reviews of installed applications to ensure continuous operational and control measures. We have also installed endpoint detection and response (EDR) for PCs and server devices as part of our ransomware countermeasures (endpoint technology countermeasures).

Information and Cyber Security Education

At Systemex, in addition to the e-learning program on information security and drills for targeted email attacks (BEC and phishing), we are also implementing initiatives to raise employee awareness of information security, such as seminars concerning how emails should be handled.

We recommend that Systemex-CSIRT members obtain international qualifications (ISC2 CISSP, SANS GIAC, CompTIA) to reinforce our response to security incidents.

Acquiring Information Security Certification

Systemex Corporation has obtained ISO 27001 certification for our Information Security Management System (ISMS), and we are enhancing our information security management for research involving gene sequencing and other personal information. The service and support division of Systemex CNA has obtained the same certification. Systemex UK and Oxford Gene Technology have obtained Cyber Essentials* certification as well as ISO 27001 certification, and undergo a surveillance review every six months.

* Certification system initiated in 2014 by the UK government to improve corporate cyber security

► [Information Security Policy](#)

► [Product Security Policy](#)

Governance

Respect for Human Rights

Respect for Human Rights

Policies and Initiatives Related to Human Rights

Supporting the United Nations Guiding Principles on Business and Human Rights and Participating in the UN Global Compact

Systemex strongly advocates respect for human rights and the elimination of discrimination in its Global Compliance Code, has established Human Rights Policy, and works to create corporate management and workplace environments that respect all employees' human rights. This code and policy are in keeping with the UN's Guiding Principles on Business and Human Rights, as well as the spirit of the ILO's Core Labor Standards, which define the minimum labor standards that must be preserved in the workplace.

To ensure that these principles are effectively put into practice, Systemex has clarified its zero-tolerance policy regarding discrimination, harassment, forced labor, and child labor, and conducts various types of training to ensure employee awareness of these matters. We joined the UN Global Compact in 2011 and clarified our corporate stance in relation to the Compact's Ten Principles regarding human rights, labor, the environment, and anti-corruption.

▶ [Global Compliance Code](#)

▶ [Human Rights Policy](#)

Identifying Risks to Human Rights (Human Rights Due Diligence)

Systemex stipulates the implementation of human rights due diligence in the Global Compliance Code and the Human Rights Policy. Systemex identifies the impact on human rights of business activities within the Company and across the supply chain, and it works to prevent or mitigate any negative impacts. Specifically, we have incorporated into CSR surveys of our business partners such topics as the prohibition of forced and child labor, elimination of discrimination due to gender, disability, race, or other factors, the prohibition of human trafficking, the freedom of association, and the right to collective bargaining. To ensure that Systemex is not involved or complicit in human rights abuses through our business activities or transactions with business partners, we ascertain impacts on human rights in advance and put in place measures to prevent any abuses. With the UK Modern Slavery Act having gone into effect in 2015, Systemex UK has published a related statement on its website and operates in full compliance with the act.

▶ [Strengthening Supply Chain Management](#)

▶ [Anti-Slavery and Human Trafficking Policy](#)

Grievance Mechanism Related to Human Rights

Systemex receives consultation and reporting from suppliers, partners, customers, and members of the local community in order to recognize any adverse human rights impact caused by our business activities and to enable us to take immediate corrective action when necessary. We have a system in place to appropriately handle information received, protect anyone who consults with us or reports to us from being disadvantaged, and to take necessary corrective and remedial measures if an adverse human rights impact is identified.

▶ [JaCER Report Form](#)

* JaCER (Japan Center for Engagement and Remedy on Business and Human Rights) is an organization that accepts human rights complaints/reports through the "Engagement and Remedy Platform" and aims to support and promote the handling of complaints for its member companies from a professional standpoint.

Education and Training on Respect for Human Rights

Systemex strives to prevent human rights abuses by conducting training with the purpose of preventing harassment and ensuring that employees have a correct knowledge of labor matters.

FY2023 Results

- Harassment and labor management training for newly appointed supervisors and new employees
- Unconscious bias¹ training (for all employees²)
- Training regarding sexual diversity (for all employees²)
- Management training to improve psychological safety (for supervisors)
- Psychological safety seminar conducted by an industrial physician (for all employees²)
- Global compliance training including the respect for human rights (for all employees)

*1 Seeing things in a biased way due to unconscious prejudices or preconceptions

*2 Scope: Systemex Corporation

▶ [Compliance Education](#)

Labor-Management Dialogue

Systemex respects employee rights, such as the right to form a union and the right to collective bargaining, based on its participation in the UN Global Compact and support for the ILO's Core Labor Standards.

As of March 2024, 63% of Systemex Corporation employees were members of the Systemex Union, our in-house labor union. We conduct annual collective bargaining with the Systemex Union. In FY2023, in addition to regular meetings, labor and management met to discuss productivity improvement through optimization of working hours and streamlining operations; working environments having diverse employees and the personnel system; responses to working environment changes, and the promotion of a "healthy company". Such meetings are also held at Group companies. Labor unions have been formed at overseas Group companies including Jinan Systemex, Systemex Vietnam, and HYPHEN BioMed, and hold regular dialogues with respective Group companies. In addition, Systemex CNA has formed an employee group consisting of departmental representatives for quarterly labor-management discussions on topics such as work environments, management of work hours, and the amount of paid leave days taken. Systemex TMC also holds quarterly labor-management meetings.

* In this report, "Systemex" refers to the Systemex Group as a whole. "Systemex Corporation" refers to the Company on a stand-alone basis.



External Evaluation

External Evaluation 98
 Evaluations and Results Related to Sustainability 98

External Evaluation

External Evaluation

Evaluations and Results Related to Sustainability

Selection for Global Sustainability Indices

A growing number of investors are evaluating companies' sustainability not only from a financial perspective, but also from non-financial environmental, social, and governance (ESG) perspectives, with the goal of making responsible investments from a long-term viewpoint. Around the world, a number of sustainability indices are used to benchmark responsible investment. Sysmex has been selected for numerous sustainability indices and rankings.

- **Dow Jones Sustainability World Index** (Fiscal 2016–)
- **Dow Jones Sustainability Asia Pacific Index** (Fiscal 2012–)

An ESG investment index published by the S&P Dow Jones Indices in the U.S. This index evaluates corporate sustainability from the perspectives of “economy, environment, and society”, and is used to select companies expected to achieve long-term sustainable growth based on progressive, comprehensive initiatives.

The World Index covers listed companies worldwide. The Asia Pacific Index covers listed companies in the Asia-Pacific region.

- **FTSE4Good Index Series** (Fiscal 2008–)

An ESG investment index announced by FTSE Russel, of the London Stock Exchange Group of the United Kingdom. Companies deemed to be excellent are selected based on an evaluation of ESG information disclosed by such companies to the general public.

- **FTSE Blossom Japan Index** (Fiscal 2017–)

FTSE Russell of the United Kingdom selects Japanese companies based on superior responses related to ESG matters. The index uses FTSE4Good standards derived from international standards such as SDGs.

- **FTSE Blossom Japan Sector Relative Index** (Fiscal 2022–)

FTSE Russell of the United Kingdom selects Japanese companies with relatively superior ESG initiatives in each sector, utilizing the selection criteria for FTSE4Good. For companies with high emissions of greenhouse gasses, it selects only those highly evaluated for contributing to a transition toward a low-carbon economy.

- **MSCI ESG Leaders Indexes** (Fiscal 2011–)

- **MSCI SRI Indexes** (Fiscal 2013–)

An ESG investment index developed by MCSI Inc. of the U.S.

Morgan Stanley Group. Companies are selected based on an evaluation that focuses on ESG issues considered important by various indices, based on the industry characteristics of the companies it evaluates.

- **MSCI Japan ESG Select Leaders Index** (Fiscal 2017–)

An ESG investment index of MSCI of the United States. This index selects companies with relatively high ESG ratings in individual sectors from among the top 500 Japanese companies by market capitalization.



- **MSCI Japan Empowering Women Index (WIN)** (Fiscal 2017, 2019-)

An ESG investment index of MSCI of the United States. This index selects companies that excel in gender diversity from among the top 500 Japanese companies by market capitalization in various sectors.

2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



- **S&P/JPX Carbon Efficient Index** (Fiscal 2018-)

This index, developed by the S&P Dow Jones Indices of the United States, determines investment weights for companies in the TOPIX (Tokyo Stock Price Index) universe, based on their level of environmental information disclosure and carbon efficiency (carbon emissions per unit of revenue).

- **Ethibel Excellence** (Fiscal 2011-)

- **Ethibel Pioneer** (Fiscal 2014-)

An index developed by Forum Ethibel, a Belgian non-profit organization.

Companies are selected that exhibit high performance from the perspective of corporate social responsibility. This index includes two sub-Indices, Excellence and Pioneer. Companies in the Pioneer index are selected from among those deemed best in the Excellence index.



- **Ethibel Sustainability Index (ESI)** (Fiscal 2015-)

This index comprises companies selected for Ethibel Excellence, based on conditions such as floating market capitalization.



- **Euronext Vigeo Eiris World 120 Index** (Fiscal 2018-)

This is a stock price index developed by Euronext, which operates several security exchanges in Europe, and Vigeo Eiris, an ESG research company. It lists the top 120 companies demonstrating superior ESG initiatives, selected from 1,500 major corporations in Europe, North America, and the Asia-Pacific region.



- **Morningstar Japan ex-REIT Gender Diversity Tilt Index** (Fiscal 2023-)

An index developed by an American company, Morningstar, Inc., to select companies based on evaluation of their initiatives for gender equality using the Equileap Gender Scorecard. Companies are categorized according to their scores into one of five groups, and Sysmex has been placed in Group 1, the highest tier.



- **SOMPO Sustainability Index** (Fiscal 2018-)

This index was established by Sompo Asset Management Co., Ltd. The index selects approximately 300 companies that excel in environmental, social, and governance (ESG) initiatives.



- **iSTOXX MUTB Japan Platinum Career 150 Index** (Fiscal 2023-)

An index consisting of 150 Japanese companies that are actively and continuously engaged in employee career development. Mitsubishi UFJ Trust and Banking and STOXX (an affiliate of Deutsche Börse Group) select the companies based on platinum career scores and financial data.



Recognition and Awards from External Organizations

For Sustainability Activities

- **ISS ESG “Prime” status** (Fiscal 2019-)

Assessment of sustainability ratings provided by ISS ESG (ESG investment solutions unit of the U.S. company Institutional Shareholder Services, the world’s leading proxy advisory firm). Companies that are highly rated from ESG perspectives are recognized as “Prime”.



- **Global 100 (100 most sustainable corporations in the world)** (2012, 2016, 2017, 2021 and 2024)

The 100 Most Sustainable Corporations in the World, selected by the Canada-based Corporate Knights. The selections are announced during the World Economic Forum held in Davos, Switzerland.

- **THE TIME’s World’s Most Sustainable Companies of 2024**

The World’s Most Sustainable Companies of 2024, selected by TIME of the U.S. and Statista of Germany. The World’s Most Sustainable Companies of 2024 evaluates companies on more than 20 key performance indicators related to ESG, such as sustainability commitments and transparency, and selects the top 500 most sustainable companies.



Selected as a Winner of New Diversity Management Selection 100 (Fiscal 2020)



Received “Kurumin” - Next-generation Support Certification Logo (Fiscal 2011-)



Recognized as a Company Excelling in Health and Productivity Management (Fiscal 2017-)



Received Level-3 Eruboshi Certification as an Excellent Company Based on the Act on Promotion of Women’s Participation and Advancement in the Workplace (Fiscal 2016-)



Received the highest rating of GOLD in the Pride Index, for its efforts related to sexual and gender minorities (Fiscal 2022-)



Selected as a “Leaders of Human Capital” (Fiscal 2022-)



Selected as a “Next Nadeshiko: Companies Supporting Dual-career and Co-parenting” in 2023

Achievement in IR Activities

- **Selected as a “Greatest IR Improvement Premium Company” and “Best Continual IR Efforts Premium Company” under the 2023 IR Award.**

These awards were established as part of the activities to celebrate the Japan Investor Relations Association’s 30th anniversary.

The “Greatest IR Improvement Premium Companies” are distinguished by consistently high evaluations from judges and notable efforts to improve their investor relations (IR) from 2007 to 2023. The “Best Continual IR Efforts Premium Companies” are recognized for their persistent dedication to IR, having continuously applied for the IR Award during this period and demonstrated sustained IR activities over the medium to long term.



Performance Data

Social Data

Human Capital

▶ “Creating an Attractive Workplace” Based on the Status of Sustainability Targets

1. Ethics and Compliance

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023	
Types and number of complaints made	Number of internal reports of incidents received	Cases	Group	28	21	26
Types and number of disciplinary actions	Number of unethical incidents	Cases	Group	14	9	15
Percentage of employees receiving ethics and compliance training*	%	System Corporation	90% or higher	90% or higher	90% or higher	

* Global compliance training is provided to all employees

2. Cost

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023
Total labor cost*	million yen	System Corporation	29,083	32,697	34,360

* Total cost allocated by the Company for the workforce (including employees, executives, and temporary employees)

3. Diversity

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023		
Age	60 or older	%	System Corporation	6.0	6.8	7.3	
	50 to 59	%	System Corporation	21.2	23.2	23.8	
	40 to 49	%	System Corporation	32.9	31.9	31.0	
	30 to 39	%	System Corporation	27.9	26.9	25.8	
	20 to 29	%	System Corporation	11.9	11.1	12.1	
	15 to 19	%	System Corporation	0.1	0.1	0.1	
Gender	14 or younger	%	System Corporation	0	0	0	
Gender	Percentage of female employees	%	System Corporation	41.7	42.2	41.8	
People with disabilities	Percentage of employees with disabilities	%	Group companies in Japan	2.31	2.31	2.38	
Function	Sales	%	System Corporation	14.5	13.3	13.6	
	Service	%	System Corporation	7.2	6.9	6.9	
	SCM	%	System Corporation	2.0	1.9	1.8	
	R&D	%	System Corporation	34.3	32.7	33.4	
	Business Development	%	System Corporation	10.0	8.3	8.3	
	Corporate	%	System Corporation	12.0	11.1	11.1	
	RA/QA	%	System Corporation	2.9	2.6	2.8	
	Manufacturing	%	System Corporation	17.1	23.2	22.2	
Nationality	Percentage of employees with foreign citizenship	%	System Corporation	3.3	2.8	2.9	
Type of recruitment	Newly graduated recruits	%	System Corporation	52.3	49.1	48.8	
	Mid-career hires	%	System Corporation	36.8	37.7	39.0	
	Others (reemployed workers, employees on loan, employees whose status has been changed, and employees transferred to other Group companies)	%	System Corporation	10.9	13.2	12.1	
Management diversity	Percentage of female executives	%	System Corporation	8.7	8.3	8.3	
	Percentage of executives with foreign citizenship	%	System Corporation	13.0	16.7	16.7	
	Percentage of executives who joined as mid-career hires	%	System Corporation	52.2	54.2	54.2	
Percentage of female/male new employees	Newly graduated recruits	Men	%	System Corporation	60.3	64.9	61.3
		Women	%	System Corporation	39.7	35.1	38.7
	Mid-career hires	Men	%	System Corporation	74.4	74.5	83.0
		Women	%	System Corporation	25.6	25.5	17.0
Female manager ratio* ¹	%	System Corporation	8.7	10.1	10.3		
Female next-generation manager rate* ²	%	System Corporation	22.4	23.7	24.8		
Rate of mid-career hires in managerial posts	%	System Corporation	40.0	41.7	39.8		

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023		
Salary comparison between men and women* ³	All employees	Total annual salary	%	System Corporation	54.8	56.2	58.4
	Regular employees (employees in managerial posts and general employees)	Total annual salary	%	System Corporation	71.4	72.1	74.2
	Nonregular employees (contract and part-time employees)	Total annual salary	%	System Corporation	37.0	39.6	35.9
	Employees in managerial posts	Base salary	%	System Corporation	97.7	94.9	94.7
		Total annual salary	%	System Corporation	95.8	93.1	94.0
	General employees	Base salary	%	System Corporation	88.5	88.7	88.6
Total annual salary		%	System Corporation	79.5	80.1	82.1	

*¹ Ratio of women at director level or above

*² Ratio of women at subsection chief or leader level

*³ Proportion of women's salary to men's salary

4. Leadership

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023	
Confidence in leadership	Percentage of positive responses to confidence in leadership in the corporate culture survey*	%	System Corporation	57	58	60

* Percentage having a confidence score in executives and managerial posts of 4 or 5

5. Organizational Culture

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023	
Engagement	Percentage of positive responses to engagement in the corporate culture survey* ¹	%	System Corporation	57	57	65
	Percentage of positive responses to the Sysmex Way in the corporate culture survey* ²	%	System Corporation	68	69	70
	Percentage of positive responses to well-being in the corporate culture survey* ³	%	System Corporation	56	56	57
	Corporate culture survey response rate	%	System Corporation	89	92	92
Promotion of diverse working styles and “smart work”	Percentage of employees returning after childcare leave	%	System Corporation	100	100	99
	Percentage of men taking childcare leave	%	System Corporation	53	62	61

*¹ Percentage having an engagement score of 4 or 5

*² Percentage having a Sysmex Way score of 4 or 5

*³ Percentage having a well-being score of 4 or 5

6. Health, Safety, and Well-being

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023	
Lost work day rate* ¹	—	System Corporation	0.05	0.06	0.07	
Lost-time injuries frequency rate* ²	—	System Corporation	0.49	0.75	0.44	
Work-related deaths* ³	people	System Corporation	0	0	0	
Work-related injuries and illnesses	people	System Corporation	3	5	3	
Rate of attendance of health and safety training* ⁴	%	System Corporation	—	—	93.3	
Total annual working hours* ⁵	hours	System Corporation	2,034	2,020	2,010	
Total workdays lost	days	System Corporation	326	377	443	
Total actual number of working hours	hours	System Corporation	6,125,460	6,624,722	6,859,072	
Employees taking childcare leaves	Women	people	System Corporation	36	31	43
	Men	people	System Corporation	36	49	53
Employees working shorter hours for childcare	Women	people	System Corporation	138	148	153
	Men	people	System Corporation	1	5	3
Percentage of employees returning after childcare leaves	Women	%	System Corporation	100	100	97
	Men	%	System Corporation	100	100	100
Employees taking accumulated paid leave	people	System Corporation	106	123	153	
Children in in-house daycare center	Total during year	people	System Corporation	25	21	30
	At fiscal year-end	people	System Corporation	25	19	26
Reemployment of personnel leaving for reasons of childcare or nursing care	New registrants	people	System Corporation	0	0	1
	Employees reemployed	people	System Corporation	0	1	0
	Percentage of reemployment	%	System Corporation	0	0	0
Percentage of employees having regular health checkups	%	System Corporation	100	100	100	
Percentage of employees having thorough examinations through regular health checkups (i.e., percentage of employees having secondary examinations)	%	System Corporation	39.1	39.4	53.2	

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023
Percentage of employees receiving specific health guidance (i.e., percentage of employees with high health risks receiving health guidance)	%	System Corporation	7.7	7.9	7.3
Percentage of employees taking sick leaves (mental or physical)*6	%	System Corporation	2.9	2.5	1.4

*1 Hours lost due to work-related accidents (lost work day rate) = (Total hours lost due to injuries and illnesses during the period/total working hours expected for the period) × 1,000 hours

*2 Incidence of work-related accidents (lost-time injuries frequency rate) = (number of work-related accidents during the period/total working hours of employees during the period) × 1 million hours

*3 Work-related death rate = (number of fatal work-related accidents/total number of employees) × 100

*4 Rate of attendance of training for new appointees to those in managerial positions (i.e., health and safety training), rate of attending safety and health training

*5 Total annual hours worked per employee

*6 Excluding employees under maternity health management

7. Productivity

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023	
EBIT (Earnings Before Interest and Taxes), sales, and profit per employee	Value-added productivity*1	thousand yen	System Corporation	12.1	13.6	14.8
EBIT, sales, and profit per employee	Sales per employee*2	million yen	System Corporation	60	58	60
	EBIT per employee*3	million yen	System Corporation	11	14	11
	Operating profit per employee*5	million yen	System Corporation	11	14	16
Rol of human capital	Added value	million yen	System Corporation	76,438	97,920	108,809
	Rate of increase or decrease in real human capital investment*6	%	System Corporation	1.1	4.7	1.0
	Rol of human capital*7	%	System Corporation	123.2	155.7	167.9

*1 Value-added productivity = Added value/average number of employees during the period × average total annual working hours per employee

*2 System monitors value-added productivity to quantitatively track value created by human capital.

*3 Sales per employee = Sales/average number of employees during the period

*4 EBIT per employee = Current net income before tax + interest paid - interest received/average number of employees during the period

*5 Operating profit per employee = operating profit/average number of employees during the period

*6 Added value = Operating profit + total labor cost + depreciation

*7 Rate of increase or decrease in real human capital investment = rate of increase in employees × labor share

* System monitors the rate of increase or decrease in real human capital investment to track real investment in human capital to balance the number of employees and their pay.

*7 Rol of human capital = Operating profit/labor cost

Labor cost = Prime cost + sales and administration cost

8. Employment, Transfer, and Turnover

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023	
Average days necessary for employment	Average days necessary for employment of newly graduated recruits	days	System Corporation	32	38	48
	Average days necessary for employment of mid-career hires	days	System Corporation	—	161	155
Days necessary to fill important positions	days	System Corporation	0	0	0	
Percentage of internal appointments	Percentage of internal appointments*1	%	System Corporation	71.8	66.6	67.5
Percentage of internal appointments to important positions	Percentage of internal appointments to GG4 or higher positions*2	%	System Corporation	100	100	100
Turnover ratio	%	System Corporation	3.2	3.4	2.8	
Turnover	people	System Corporation	79	90	80	
Newly graduated recruits*3	Total	people	System Corporation	63	104	124
	Men	people	System Corporation	40	64	68
	Women	people	System Corporation	23	40	56
	Non-Japanese	people	System Corporation	8	13	15
	Total	people	System Corporation	86	109	102
Mid-career hires*3	Men	people	System Corporation	64	81	86
	Women	people	System Corporation	22	28	16
	Non-Japanese	people	System Corporation	4	1	3
	Total	people	System Corporation	33	31	31
Promotions to regular employees	Contract employees	people	System Corporation	18	16	16
	Temporary employees	people	System Corporation	15	15	15
Number of interns accepted	Total	people	System Corporation	952	811	970
	Non-Japanese	people	System Corporation	0	5	3

*1 Proportion of internal appointments = (number of internally appointed employees/total number of appointed employees) × 100

Internal appointments (number of transferred employees) = Number of transferred employees = Number of employees transferred between divisions + number of employees transferred between functions + total number of employees promoted and demoted

* Counting employees internally transferred as appointments to necessary positions.

Total number of appointments = number of transferred employees + number of mid-career hires + number of newly graduated recruits

*2 GG4 or higher positions: Global key positions (GG: Abbreviation for global grade, a globally unified grade)

*3 Recruitment Results: Number of new hires from May 1st of the current year to April 30th of the following year.

9. Skills and Competence

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023	
Total human resources development and training cost	Total human resources development and training cost	million yen	System Corporation	202	266	241
	Training cost per employee	thousand yen	System Corporation	77	92	83

10. Workforce

Item	Unit	Scope	Fiscal 2021	Fiscal 2022	Fiscal 2023			
Total number of employees*1	people	System Corporation	2,804	3,168	3,286			
Total number of employees (full-time and part-time employees)	Full-time employees	people	System Corporation	2,493	2,822	2,946		
	Part-time employees	people	System Corporation	311	346	340		
Full-time equivalent (FTE)	FTE	System Corporation	2,750	3,079	3,198			
Average age	years old	System Corporation	41.7	42.3	42.4			
Average number of years of employment	years	System Corporation	12.6	12.6	12.7			
Average annual salary	thousand yen	System Corporation	8,355	8,432	8,743			
Number of Group employees	Japan	Men	people	2,220	2,323	2,426		
		Women	people	1,668	1,750	1,787		
		Total	people	3,888	4,073	4,213		
	Americas	Men	people	846	934	972		
		Women	people	495	574	621		
		Total	people	1,341	1,508	1,593		
	EMEA*2	Men	people	1,526	1,598	1,754		
		Women	people	1,294	1,341	1,472		
		Unaggregated	people	—	118	—		
		Total	people	2,820	2,941	3,229		
	China	Men	people	514	516	529		
		Women	people	265	284	281		
		Total	people	779	800	810		
	Asia Pacific	Men	people	619	683	758		
		Women	people	365	401	409		
		Total	people	984	1,084	1,167		
	Total*2	Men	people	5,725	6,054	6,439		
		Women	people	4,087	4,350	4,570		
		Total	people	9,812	10,522	11,012		
	Percentage of men and women in the Group	Japan	Men	%	—	57.1	57.0	57.6
			Women	%	—	42.9	43.0	42.4
		Americas	Men	%	—	63.1	61.9	61.0
			Women	%	—	36.9	38.1	39.0
		EMEA*3	Men	%	—	54.1	54.3	54.3
Women			%	—	45.9	45.6	45.6	
China		Men	%	—	66.0	64.5	65.3	
		Women	%	—	34.0	35.5	34.7	
Asia Pacific		Men	%	—	62.9	63.0	65.0	
		Women	%	—	37.1	37.0	35.0	
Total*3		Men	%	—	60.6	60.1	60.6	
		Women	%	—	39.4	39.8	39.3	
Overseas employee ratio		%	Group	60.4	61.3	61.7		

*1 Excluding temporary employees

*2 The total of male and female employees may not equal the total number of employees because the number of employees by gender is based on the aggregation of employees who reported their gender.

*3 The total of the percentages of male and female employees may not equal 100% because the number of employees by gender is based on the aggregation of employees who reported their gender.

Performance Data

ISO 30414 Certification

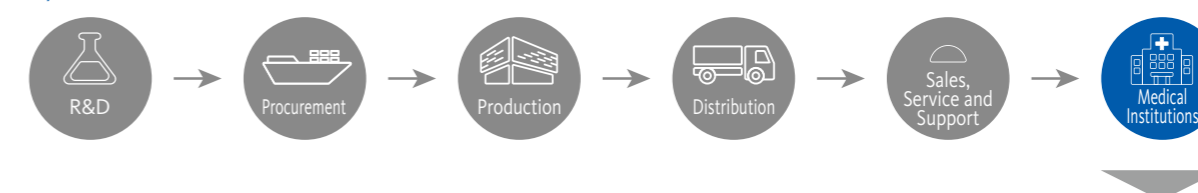


Performance Data

Environmental Data

INPUT			
	Fiscal 2021	Fiscal 2022	Fiscal 2023
Electricity (thousand kWh)	49,055	54,466*	52,965
City gas (thousand m ³)	1,238	1,585*	1,415
LPG (t)	19	17	15
LNG (t)	0	0	0
Heavy oil (kL)	0	0	0
Kerosene (kL)	1	1	1
Diesel oil (kL)	0	19	19
Gasoline for fleet in Japan (kL)	502	3,116	3,432
Diesel for fleet in Japan (kL)	8	1,200*	1,172
Water use volume (thousand m ³)	487	501	542
Office paper (t)	28	34	22
PRTR (t)	0	0	0

Sysmex's Business Activities



OUTPUT			
	Fiscal 2021	Fiscal 2022	Fiscal 2023
Greenhouse gas emissions (Scope 1) (t-CO ₂)	4,023	13,986*	13,925
Greenhouse gas emissions (Scope 2) (t-CO ₂)	15,901	15,200*	6,706
Greenhouse gas emissions (Scope 3) (t-CO ₂)	—	587,575*	564,191
Waste emissions (t)	2,796	3,682*	2,832
Recycling rate (%)	79	80	80
Wastewater volume (thousand m ³)	273	303	254
PRTR (t)	0	0	0

* Change from last year's disclosed figures (change of baseline year figures to meet SBTi certification requirements)

Item	Content		Unit	Fiscal 2019	
INPUT	Energy consumption	Electricity (non-renewable)	1,000 kWh	44,551	
		City gas	1,000 m ³	1,108	
		LPG	t	19	
		LNG	t	0	
		Heavy oil	kL	0	
		Kerosene	kL	24	
		Diesel oil	kL	24	
	Consumption of renewable energy	Electricity (renewable)	1,000 kWh	6,704	
	Consumption of other non-renewable energy	Gasoline (fleet)	kL	604	
		Diesel oil (fleet)		10	
Total consumption		GJ	542,184		
Water use volume	Groundwater	1,000 m ³	75		
	Purchased water		437		
	Total volume		512		
Amount of office paper used		t	36		
PRTR input		t	0		
OUTPUT	Greenhouse gas emissions Scope 1* ³	CO ₂ emissions of energy consumption from stationary combustion sources	t-CO ₂	2,665	
		CO ₂ emissions from fleet		1,428	
		Total emissions		4,093	
	Greenhouse gas emissions Scope 2* ³	Total emissions	t-CO ₂	21,710	
	Scopes 1 + 2	Total emissions	t-CO ₂	25,803	
	Greenhouse gas emissions Scope 3* ³	Total emissions	t-CO ₂	—	
	Waste emissions	Total emissions	t	2,722	
		Total emissions (excluding sales offices in Japan)	t	2,591	
		Waste used for material recycling		1,560	
		Recycled waste (including energy recovery)		1,744	
		Total amount of waste disposal		847	
		Material recycling rate		%	60
		Recycling rate (including energy recovery)		67	
Wastewater volume	Total emissions	1,000 m ³		287	
PRTR output	Emissions	t	0		
	Transfers		0		
Compliance	Violations of environmental regulations (e.g., air and water pollution)	Total amount of large fines	100 million yen	0	
		Number of sanctions other than fines	Cases	0	
	Significant spills and losses of chemical substances	Total number of cases	Cases	0	
		Total leakage volume	t	0	

*1 Change from last year's disclosed figures (change of baseline year figures to meet SBTi certification requirements)

*2 Coverage is calculated based on the number of employees.

*3 The boundary of GHG emissions for entities consolidated under the financial control criterion.

*4 Conversion factors and emission factors are based on the "Act on Promotion of Global Warming Countermeasures".

Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2023 Coverage* ²	Calculation Method and Other Note		
42,287	42,970	45,778* ¹	16,787	99%* ³	Total consumption = Σ (consumption by energy type \times conversion factor* ⁴)		
1,212	1,238	1,585* ¹	1,415				
16	19	17	15				
0	0	0	0				
0	0	0	0				
1	1	1	1				
13	0	19	19				
5,871	6,085	8,688	36,178				
518	502	3,116	3,432				
10	8	1,200* ¹	1,172				
516,936	524,686	711,139* ¹	683,731	71%	Groundwater intake		
86	96	90	103				
366	391	410	439				
452	487	501	542				
30	28	34	22				
0	0	0	0				
2,807	2,836	3,649* ¹	2,994			99%* ³	Emissions = Σ (fuel consumption \times CO ₂ emission factor* ⁴)
1,227	1,187	10,337* ¹	10,931				
4,034	4,023	13,986* ¹	13,925				
15,476	15,901	15,200* ¹	6,706				
19,510	19,924	29,186* ¹	20,632				
—	—	587,575* ¹	564,191				
2,529	2,796	3,682* ¹	2,832	79%	Waste emissions = general waste emissions + industrial waste emissions		
2,411	2,689	3,537	2,690				
1,711	1,929	2,445	1,777				
1,884	2,130	2,838	2,145				
527	559	699	545				
71	72	69	66				
78	79	80	80				
270	273	303	254				
0	0	0	0			37%	Amount of PRTR emitted from business sites that handle chemicals in Japan
0	0	0	0				
	0	0	0	100%			
	0	0	0				
	0	0	0				
	0	0	0				

*5 Japan: Adjusted emission factors from the list of emission factors for each electric power company released in accordance with the "Act on Promotion of Global Warming Countermeasures" (For submission in 2024)

Other countries: 2021 emission factors from the IEA Emission Factors 2023, IEA

In fiscal 2020, calculation methodology changed to the latest emission factors. The following emission factors were used previously.

- Japan (fiscal 2019): Adjusted emission factors from the list of emission factors for each electric power company released in accordance with the "Act on Promotion of Global Warming Countermeasures" (For submission in 2017)


- Other countries (fiscal 2019): 2016 emission factors from the Emissions from Fuel Combustion 2018, IEA

Scope3	FY2022 (t-CO ₂)	FY2023 (t-CO ₂)
Category 1: Purchased goods and services	202,046	190,948
Category 2: Capital goods*	103,273	124,569
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	9,734	7,699
Category 4: Upstream transportation and distribution	87,270	69,164
Category 5: Waste generated in operations	4,588	5,648
Category 6: Business travel	1,084	1,197
Category 7: Employee commuting	2,352	2,595
Category 8: Upstream leased assets	0	0
Category 9: Downstream transportation and distribution	6,911	6,916
Category 10: Processing of sold products	0	0
Category 11: Use of sold products	154,796	139,649
Category 12: End-of-life treatment of sold products	15,491	15,795
Category 13: Downstream leased assets	0	0
Category 14: Franchises	0	0
Category 15: Investments	31	10
Total emissions	587,575	564,191

* Change from last year's disclosed figures (change of baseline year figures to meet SBTi certification requirements)

Performance Data

Independent Practitioner's Assurance



CERTIFICATION INTERNATIONAL
SOCOTEC

Independent Assurance Report


Mr. Kaoru Asano
President
SYSMEX CORPORATION

We, SOCOTEC Certification Japan (hereafter "SOCOTEC"), have performed a limited assurance engagement, in response to the entrustment from SYSMEX CORPORATION (hereafter "the Company") in order to provide an opinion as to whether the subject matter information ("FY2023 GHG Emissions, Environmental and Social Performance Data" (period: 1 April 2023 to 31 March 2024)) of the Company meets the criteria in all material respects.

1 Subject Matter Information and Criteria
The subject matter information for our assurance is "a report on GHG Emissions, Environmental and Social Performance Data (shown in APPENDIX)" covering the operations and activities of the Company and its consolidated companies in Japan and overseas (7 domestic subsidiaries and 44 overseas subsidiaries) described in "FY2023 GHG Emissions, Environmental and Social Performance Data" (period: 1 April 2023 to 31 March 2024).
The criteria for preparing subject matter information is "Environmental Performance Data Calculation Standards (Ver.13)".

2 Management Responsibility
"FY2023 GHG Emissions, Environmental and Social Performance Data" (period: 1 April 2023 to 31 March 2024) was prepared by the management of the Company, who is responsible for the integrity of the assertions, statements, and claims made therein (including the assertions over which we have been engaged to provide limited assurance), the collection, quantification and presentation of all data and information in the report, and applied criteria, analysis and publication.
The management of the Company is responsible for maintaining adequate records and internal controls that are designed to support the reporting process and ensure that "FY2023 GHG Emissions, Environmental and Social Performance Data" (period: 1 April 2023 to 31 March 2024) is free from material misstatement whether intentional or negligent.

3 Assurance Practitioner's Responsibility
The responsibility of SOCOTEC is to express a limited assurance conclusion as to whether the subject matter information has been prepared in compliance with the criteria in all material respects.
SOCOTEC performed limited assurance engagement in accordance with the verification procedures stipulated by SOCOTEC and "JIS Q 14064-3:2023 (ISO14064-3:2019) Specification with guidance for the verification and validation of greenhouse gas statements" and the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" of International Auditing and Assurance Standards Board (IAASB).
The procedures implemented in the limited assurance engagement are limited in their type, timing and scope as compared to the procedures implemented in the reasonable assurance engagement. As a result, our limited assurance engagement does not provide as high assurance as reasonable assurance engagement.
Our procedures performed depend on the assurance professional practitioner's judgement, including the risk of material misstatement, whether due to fraud or error. Our conclusion was not designed to provide assurance on internal controls. We believe that we have obtained the evidence to provide a basis for the conclusion for limited assurance.



ミックス
FSC® C005004

1/2



4 Assurance Procedures

The procedures that SOCOTEC has conducted are based on professional judgment and include, but are not limited to:

- Evaluation of policies and procedures created by the Company in relation to subject matter information
- Questions to the Company personnel to understand the above policies and procedures
- Verification that the target project meets eligibility requirements
- Matching with the basis data by trial calculation and recalculation
- Obtaining and collating material for important assumptions and other data
- Sites visited to confirm the calculation structure and procedures, data collection and implementation status of record control:
Head Office / Technopark / Seishin Factory

5 Statement of Our Independence, Quality Control and Competence

SOCOTEC has introduced and maintained a comprehensive management system that conforms to the accreditation requirements of "ISO17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems". In addition, we have also established a management system according to "ISO14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition". These meet the requirements of International Standard on Quality Control 1 by the International Auditing and Assurance Standards Board and Code of Ethics for Professional Accountants by International Ethics Standards Board for Accountants. We maintain a comprehensive quality control system that includes ethical rules, professional standards and documented policies and procedures for compliance with applicable laws and regulations.

The SOCOTEC Group is a comprehensive third-party organisation in inspection, testing and certification operations, and conducts management system certification services and training services related to quality, environment, labour and information security in countries around the world. Engaged in performance data and sustainability report assurance of environmental and social information, SOCOTEC affirms that it is independent of the organisation that has ordered the assurance engagement, its affiliated companies, and stakeholders, and that there is no possibility of impairing impartiality or conflict of interest.

We assure that the team engaged in the assurance is selected based on knowledge, experience in the relevant industry, and the competence requirements for this assurance engagement.

6 Use of Report

Our responsibility in performing our limited assurance activities is to the management of the company only in accordance with the terms for this engagement as agreed with the Company. We do not therefore assume any responsibility for any other purpose or to any other person or organisation.

7 Our Conclusion


On the basis of our procedures performed and evidence obtained nothing has come to our attention that causes us to believe that the subject matter information is not, in all material respects, prepared and reported in accordance with the stated criteria.

SOCOTEC Certification Japan


Seigo Futaba
Managing Director
24 September 2024



2/2



APPENDIX to Independent Assurance Report
**GHG Emissions,
Environmental and Social Performance Data**

Table1 GHG Emissions Data

Item	Figure	Unit
Scope 1	12,790	t-CO2
Scope 2: Market-based	6,607	t-CO2
Scope 3 Category 2 Capital goods	124,569	t-CO2e

Table2 Environmental Performance Data

Item	Figure	Unit
Water withdrawals	542	thousand m ³
Domestic industrial Wastes Emissions	457	t

Table3 Social Performance Data

Item	Figure	Unit
Female managers ratio (Sysmex Corporation)	10.3	%

SOCOTEC Certification Japan: This appendix is a valid document as an appendix to the independent assurance report issued to SYSMEX CORPORATION Limited on September 24, 2024. APPENDIX 1 / 1

