

Sysmex Sustainability Data Book 2023

Fiscal 2022 (April 1, 2022 to March 31, 2023)

Together for a better
healthcare journey

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Disclosure System

| Financial Information | Non-Financial Information |
|---|--|
| Integrated Report: “Sysmex Report” (Annual report) | |
| 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 | Sustainability Site https://www.sysmex.co.jp/en/csr/index.html • https://www.sysmex.co.jp/en/csr/report/ |
| | Corporate Governance Report https://www.sysmex.co.jp/en/corporate/governance_e.pdf |

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 2022 (from April 1, 2022 to March 31, 2023). 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

November 2023

Organizations Covered

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

Independent Practitioner’s Assurance

We have obtained an Independent Practitioner's Assurance for environmental and social data reported in the Sysmex Sustainability Data Book 2023 in the Japanese version.

▶ [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.

Message from Leadership



The Sysmex Way—our Group’s Corporate Philosophy—defines Sysmex’s mission as “Shaping the advancement of healthcare.” Since our establishment in 1968, we have striven to contribute to resolving global medical challenges through our core business in laboratory testing of blood, urine, and other specimens, and today we support the health of people in more than 190 countries and regions around the world.

In recent years, healthcare needs are growing increasingly diverse and complex, such as delivering personalized medicine and containing soaring healthcare costs, primarily in developed countries. In emerging and developing countries, establishing infrastructure and improving access to healthcare are priorities.

In addition, the COVID-19 pandemic that spread from 2020 onward, straining medical systems in countries worldwide, served to reaffirm the importance of testing and diagnosis.

Furthermore, challenges such as global environmental issues, exemplified by climate change, and geopolitical risks that present urgent problems for the entire world, create an increasingly uncertain future.

At Sysmex, by working to address the numerous challenges facing society, we provide all stakeholders with the anshin that is the cornerstone of our Group’s Corporate Philosophy.

In our long-term corporate strategy that has started in FY2023, we have positioned human capital as the source of corporate value creation, and will move forward with building an organization that leverages diversity to create innovation. In addition, we have set new non-financial targets among our management goals, including goals for reducing environmental burdens, by working towards elimination of product loss and replacement of all materials with recycled and environmentally-friendly alternatives. We aim to continue growing as a sustainable company that creates both social and economic value, and will work Group-wide to realize a sustainable society.

In addition to generating further innovations in our core laboratory testing business, we will continue to pursue challenges in new fields such as surgical support robots, in order to enhance the “healthcare journey” —the life-long healthcare experience that each individual undergoes—based on our corporate message, “Together for a better healthcare journey.” We will also strive to deliver new value through our unique technologies and solutions as well as through creative collaborations with a variety of partners.

We at Sysmex are committed to contributing to the delivery of optimal healthcare for each and every individual, in line with the universal human desire to live a long and healthy life.

Hisashi Ietsugu
Chairperson and Group CEO

Kaoru Asano
President

Together for a better healthcare journey

Sustainability Management

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Sustainability Management

Corporate Strategy

Long-Term Corporate Strategy 2033

Systemex has formulated a Long-Term Corporate Strategy 2033 ending in fiscal 2033, based on the “Systemex Way,” the corporate philosophy for the Systemex Group. We aim to instill anshin, which lies at the core of our corporate philosophy, to all stakeholders in order to address diverse and complex healthcare needs and solve various social issues.

Long-Term Vision

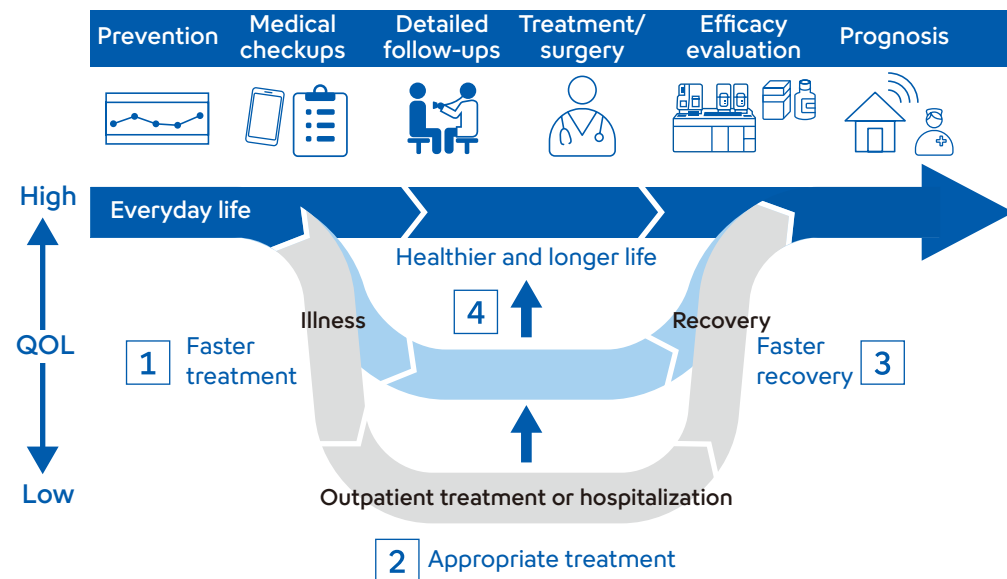
“Together for a better healthcare journey”

People universally desire to live long and healthy lives. Systemex aims to realize a society in which people can maintain lifelong health by accurately ascertaining each individual’s physical condition, allowing for the provision of treatment and services optimized for the individual.

Systemex is proposing the new concept of a “healthcare journey.” Through various collaborations, we aim to offer new value to make each individual’s healthcare journey better and grow as an essential presence in society.

Value Provided

We will help to improve the quality of life of people around the world at each stage of their healthcare journey and realize a fulfilling and healthy society by optimizing healthcare and healthcare costs.



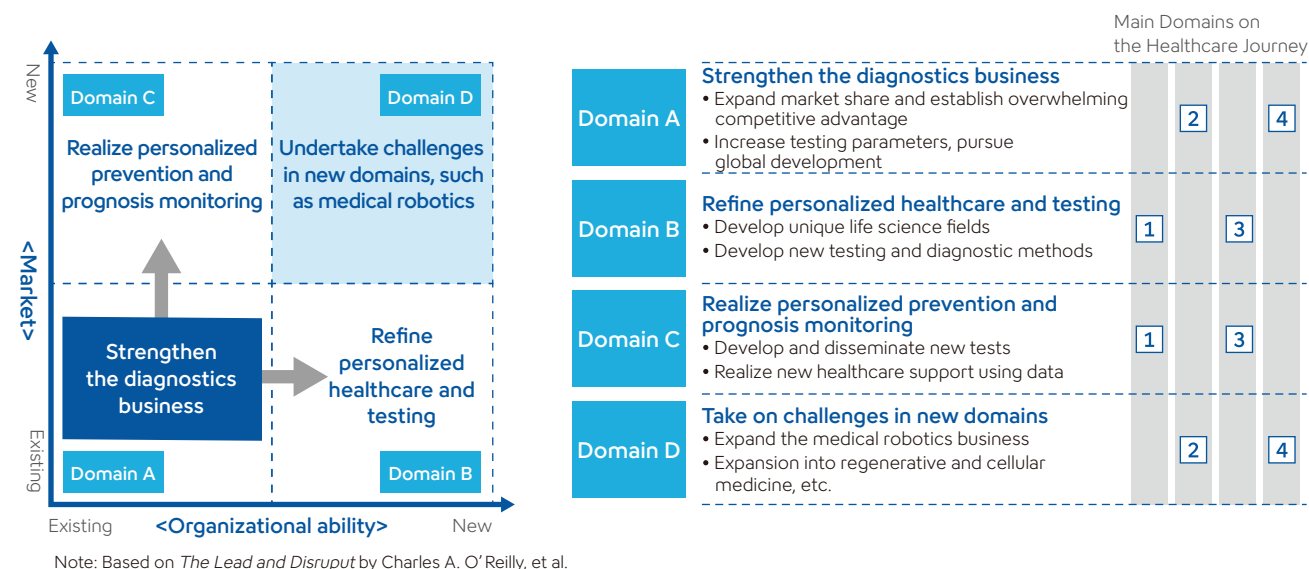
Value provided by Systemex

- 1 Provide tests and information to detect diseases at earlier and milder stages
- 2 Provide tests and information that allow for more precise diagnosis and personalized treatment options when illness strikes
- 3 Provide monitoring tests and information to facilitate faster and better recovery
- 4 Provide tests and information to contribute to people’s longer and healthier lives

Business Domain

Expand our business domain by strengthening existing businesses and creating new businesses

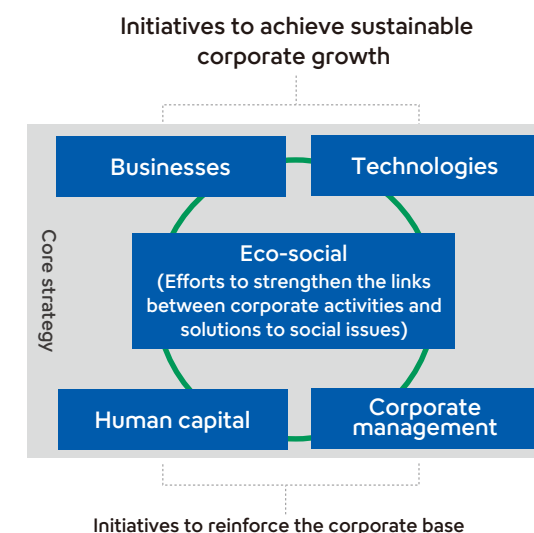
Moving from “diagnostics (healthcare testing)” to the “healthcare journey”



Note: Based on *The Lead and Disrupt* by Charles A. O’Reilly, et al.

Strategy and Targets

To reach our objectives, we will promote a core strategy consisting of five elements, in our aim to a ¥1 trillion company.



Financial targets

- Growth
Net sales: **¥1.0 trillion or more**
- Profitability
Operating margin: **20% or more**

Sustainability targets

- Achieve zero product losses
Percentage of unused waste: **0.1% or less**
- Switch to recycled and environmentally conscious materials
Rate of use in containers and packaging materials : **20% or more**

► Mid-Term Management Plan (Fiscal Years Ending March 31, 2024 to 2026)

Sustainability Management

Story of Value Creation

Our long-term vision: Together for a better healthcare journey

Input

(Management Resources)

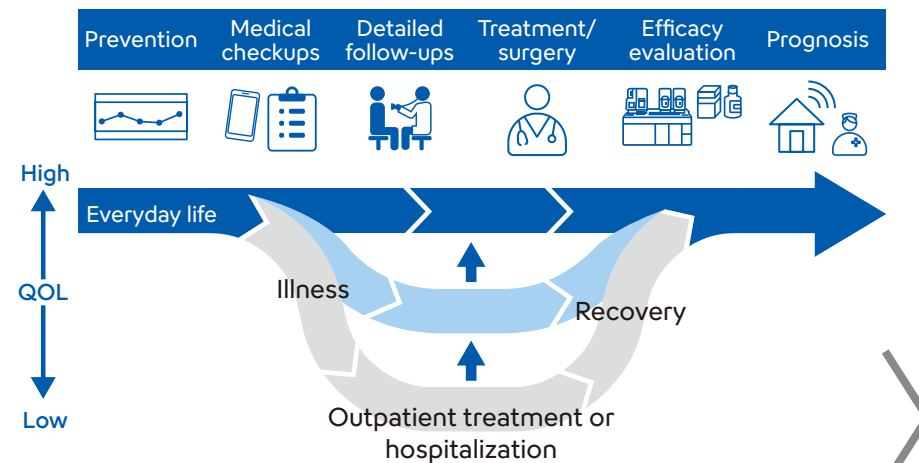
-  **Diverse Human Resources**
(Human Capital)
-  **R&D Capabilities Intellectual Property**
(Intellectual Capital)
-  **Production Structure**
(Manufactured Capital)
-  **Global Sales and Service Structure**
(Social and Relationship Capital)
-  **Stable Financial Foundation**
(Financial Capital)
-  **Environmental Resources**
(Natural Capital)
-  **Brand Strength**
(Brand Capital)

Business Domains

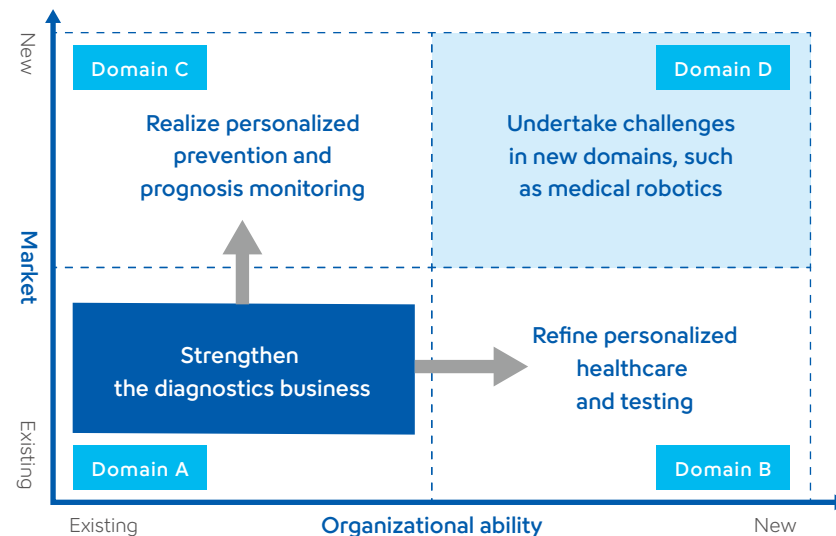
Domain Expansion

From "IVD" to "Healthcare Journey"

In response to the increasing diversification of healthcare needs in recent years, we will provide value at each stage of the healthcare journey, covering not only the conventional IVD field, but also extending our offerings to encompass everyday life (when in good health), periods of illness, and even prognosis.



Growth in Existing Domains + Taking on Challenges in New Domains



Value Creation Strategies/Outputs

(Materiality)

- Creating new value for a healthy society**
 - Resolution of medical issues through innovation
 - Improvement in accessibility to healthcare
- Providing responsible products, services, and solutions**
 - Pursuit of quality and trust
 - Strengthening supply chain management
- Reducing environmental impacts**
 - Resource circulation in product life cycle
 - Reduction in environmental burden through business activities
- Creating an attractive workplace**
 - Increasing engagement
 - Promotion of diversity, equity & inclusion
 - Development of human resources
 - Promotion of health and occupational safety
- Strengthening governance**
 - Strengthening corporate governance
 - Thorough compliance
 - Reinforcement of risk management
 - Respect for human rights

(Core Strategy/ Monitoring Indicators)

- Businesses and Technologies**
Taking on Challenges in New Domains, Such as Enhancing the Value of Testing, Developing Personalized Medicine and Prevention, and Treatment
 - Expanding the Value of Instruments, Reagents, and Solutions
 - Customer satisfaction indicator
 - Product lineup/product portfolio indicator
 - Customer access indicator
- Eco-social**
Establishing a Business Model Adapted to a Circular Resource Society
 - Evolving the Value Chain in Collaboration with Medical Institutions
 - Product loss index
 - Resource recycling index
- Human Capital**
Acquiring and Cultivating Talent from around the World in Line with Management Strategies
 - Building a Portfolio of Human Resources That Contributes to Advances in Healthcare
 - Value-added productivity indicator
 - Engagement indicator
 - DE&I indicator
- Corporate Management**
Building an Autonomous and Agile Organizational Management System
 - Creating a Resilient Global Management Structure
 - Evaluation of the Managing Board's effectiveness
 - Investment efficiency indicator
 - Brand penetration indicator
 - Financial indicators (net sales, operating profit, ROE)

Outcomes

(Value Provided)

- Extending Healthy Lifespans of People Around the World**
 - Realization of healthcare optimized for each individual
 - Contribution to the optimization of healthcare costs
 - Contribution to alleviating healthcare disparities by improvement in accessibility to healthcare
- Realizing a recycling-oriented society**
 - Response to climate change
 - Water resource countermeasures
 - Contribution to biodiversity
 - Establishment of a circular resource value chain
- Creating Social Value**
 - Enhancement of corporate value through dialogue with stakeholders
 - Realization of wellbeing through improvements in employee happiness
 - Creation of human resources that help resolve social issues
 - Return of value to shareholders, investors, employees and other stakeholders

Sustainability Management

Materiality

The Positioning and Process of Identifying Our Materiality

Systemex 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 Systemex. We first 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 Systemex 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.

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 Systemex 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, Systemex will continue to provide value by regularly verifying and reviewing materiality.

| Priority SDGs to Address | Materiality | |
|--|--|---|
| | Initiative | Theme |
| 3 Good Health and Well-Being  | <ul style="list-style-type: none"> Resolution of medical issues through innovation Improvement in accessibility to healthcare | Creating new value for a healthy society*² |
| 9 Industry, Innovation and Infrastructure  12 Responsible Consumption and Production  17 Partnerships for the Goals  | <ul style="list-style-type: none"> Pursuit of quality and trust Strengthening supply chain management | Providing responsible products, services, and solutions*² |
| 5 Gender Equality  8 Decent Work and Economic Growth  | <ul style="list-style-type: none"> Increasing engagement*¹ Promotion of diversity, equity & inclusion*² 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 cycle*² Reduction in environmental burden through business activities*² | Reducing environmental impacts*² |
| (Governance) | <ul style="list-style-type: none"> Corporate governance Compliance Risk management Respect for human rights*¹ | Strengthening governance |

*1 Newly added materiality item

*2 Item that have been reorganized, integrated and rewritten from the previous materiality items

Status of Sustainability Targets

| Materiality | KPI*1 | Target | | | | |
|---|--|--|--|--------------------------|---------|----------------|
| | | Fiscal 2023 | Fiscal 2025 | Fiscal 2033 (Eco-Vision) | | |
| 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 robots | Number of cases using hinotori | — | — | | |
| | 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 | 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) | 6 | 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) | — | 0.18% | 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 | — | 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 10% | Cut 35% |
| | | Reduction of CO ₂ emissions (instruments) | Reduction rate of CO ₂ emissions per instrument unit with FY2016 as the base year | Cut 20% | — | — |
| | | Reduction of water consumption (instruments) | Reduction rate of waster discharge per instrument unit with FY2016 as the base year | Cut 10% | — | — |
| | | Reduction of CO ₂ emissions (shipping) | Reduction rate of CO ₂ emissions generated by shipping per non-consolidated sales unit with FY2016 as the base year | Cut 20% | — | — |
| | | Reduction of packaging and labeling materials | Percentage reduction of total packaging material weight with FY2019 at the base year | — | — | — |

| Results | | | | | | Progress and Future Initiatives |
|-------------|-------------|-------------|----------------|----------------|----------------|--|
| Fiscal 2017 | Fiscal 2018 | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | |
| — | — | — | — | 2,971 million | 2,977 million | The market share in fiscal 2022 remained at the same level as the previous fiscal year, due to Chinese government's procurement policy and restrictions to control the COVID-19 pandemic, though reagent sales grew in each region due to an increase in installed instruments, and new high-end models enjoying brisk sales in Japan. The number of cancer genomes analyzed and the number of breast cancer tests using the OSNA method also remained at the same level as the previous fiscal year. The number of patents held and patent applications have been steady, in line with our business performance. Adding the number of hematology tests and the number of surgeries performed using our robotic-assisted surgery system, we will monitor the impact on society of our existing diagnostics business and our new medical robotics business. |
| 52.7% | 53.8% | 54.7% | 55.6% | 54.6%*5 | 54.0% | |
| — | — | — | — | — | 1,323 | |
| 2,709 | 2,987 | 3,143 | 3,485 | 3,680 | 3,832 | |
| 301 | 346 | 306 | 287 | 298 | 257 | |
| — | — | — | 1.6 thousand | 1.6 thousand | 1.7 thousand | |
| — | — | — | 46 thousand | 54 thousand | 52 thousand | |
| — | — | — | ¥122.0 billion | ¥143.0 billion | ¥156.7 billion | The sales in emerging and developing markets increased by more than 10 billion yen from the previous fiscal year partially because we bolstered our marketing and service provision structure in Brazil, Saudi Arabia and other emerging countries. We will work to improve healthcare access and quality in emerging and developing countries, continuing cooperation with international organizations, such as the WHO and JICA. |
| — | — | — | 4 | 2 | 2 | In fiscal 2022, we had only two recalls, the same number as 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. |
| — | — | — | 0 | 0 | 0 | |
| 81% | 84% | 85% | 89% | 90% | 94% | The CSR survey response rate for fiscal 2022 was 94%, higher than the rate for the previous fiscal year. As part of our follow-up, we urged suppliers to identify low-score items and high-risk items and make necessary improvements based on the results of the previous year's CSR survey. We held five training sessions for suppliers as in the previous fiscal year. In fiscal 2022, we held BCP training sessions and seminars on promotion of sustainability and green procurement, in which a total of 431 business partners participated. We will continue to strengthen our relationship with business partners. |
| — | — | — | 2 | 5 | 5 | |
| — | — | — | 86% | 88% | 86% | |
| — | — | — | — | — | — | The reduction rate of CO ₂ emissions per instrument further improved in fiscal 2022 from the previous fiscal year (by 5 percentage points). This reduction was mainly due to increased sales of power-saving products and global improvement in our CO ₂ emissions coefficient. The reduction rate of CO ₂ emissions generated by shipping in fiscal 2022 improved by 24 percent points from the previous fiscal year. We promoted supply management replacing air transport with sea transport. |
| Cut 12% | Cut 10% | Cut 2% | Cut 8% | Cut 22% | Cut 27% | |
| Cut 8% | Cut 2% | Cut 4% | Cut 6% | Cut 13% | Cut 7% | As new targets to achieve Sysmex Eco-Vision 2033, we have set "zero product losses," "complete switch to recycled or environmentally conscious materials," and "reduction of GHG emissions (Scope 3)." We will find innovative solutions toward a circular-oriented society in cooperation with our stakeholders by pursuing green innovation and leveraging our unique strengths. |
| Cut 17% | Up 1% | Cut 17% | Cut 25% | Cut 1% | Cut 25% | |
| — | — | — | Cut 4% | Up 9% | Cut 7% | |

| 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 40% | Cut 55% |
| | Reduction of CO ₂ emissions (business activities) | Percentage reduction of CO ₂ emissions generated from business activities per consolidated sales with FY2016 at the base year | Cut 40% | — | — |
| | Ratio of renewable energy | Percentage of using renewable energy | — | 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 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 23pt | Cut 90pt |
| | Reduction of water consumption (business activities) | Percentage reduction of water consumption from business activities per consolidated sales with FY2016 at the base year | Cut 5% | — | — |
| | Recycling rate | Resources recycled per total waste generated | 85% or higher | — | — |
| | Reduction of total waste | Percentage of reduction waste generated by business activities per consolidated sales*6 | Cut 10% | 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*4 | 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) | — | — | — |

| Results | | | | | | Progress and Future Initiatives |
|-------------|-------------|-------------|-------------|-------------|-------------|--|
| Fiscal 2017 | Fiscal 2018 | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | |
| — | — | — | — | — | — | The reduction rate of CO ₂ emissions generated by business activities (at the business offices covered by Sysmex Eco-Vision 2025) in fiscal 2022 improved by 11 percentage points from the previous fiscal year. This substantial reduction was attributable to the progress of our switch to renewable energy. |
| Cut 14% | Cut 17% | Cut 35% | Cut 35% | Cut 44% | Cut 55% | Sysmex Eco-Vision 2033, starting in fiscal 2023, has set a target reduction rate of CO ₂ emissions for more business offices than those covered by the previous vision, as well as has introduced the reduction rate of energy use per employee and the ratio of renewable energy as new targets to raise each employee's environmental awareness, reinforcing our efforts to achieve carbon neutrality. |
| — | — | — | — | — | — | The rate of reduction in water consumption and the rate of reduction in total waste (for the business sites covered by Sysmex Eco-Vision 2025) in fiscal 2022 improved from the previous fiscal year by 18 percentage points and by 12 percentage points, respectively, due to increased sales. |
| Cut 8% | Cut 7% | Up 6% | Cut 7% | Cut 19% | Cut 37% | As a water consumption reduction target, we have newly introduced the reduction of water consumption at main reagent factories, taking into account factors such as the uneven geographical distribution of water risks and the fact that the water consumption of product use is affected by our product portfolio more than by product improvement. |
| 89% | 76% | 67% | 78% | 79% | 80% | To achieve the targets of Sysmex Eco-Vision 2033, we will work on the reduction of water consumption by reviewing production processes of each business site and introducing new equipment for more efficient water use, as well as by using recycled water. |
| — | — | — | Cut 8% | Cut 15% | Cut 27% | The waning impact of the COVID-19 pandemic increased in-person meetings, including visits by overseas investors to Japan and overseas briefings. We effectively utilized conferences hosted by securities firms and other opportunities to hold individual and group meetings with a wide array of investors. Consequently, the number of companies we met with increased by more than 100 from the previous fiscal year. |
| — | — | — | 0.6% | 0.6% | 0.5% | In fiscal 2022, we had nine unethical incidents, none of which was a serious violation. A total of 21 internal reports were received in Japan and from overseas. We investigated and appropriately handled each incident. 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. |
| — | — | — | 506 | 485 | 597 | In fiscal 2022, 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. |
| 32 | 14 | 11 | 12 | 28 | 21 | In fiscal 2022, 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. |
| — | 9 | 7 | 5 | 14 | 9 | |
| — | — | — | 2,720 | 3,601 | 4,900 | |
| — | — | — | 98.7% | 98.7% | 99.4% | |

| Materiality | KPI ^{*1} | Target | | | |
|---|---|---|-----------------|--------------------------|---|
| | | 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 ^{*4} | Return to work after parental leave | — | — | |
| | Percentage of men taking childcare leave ^{*4} | 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 | 20% or higher | 20% or higher | — |
| | Female next generation managers ratio | Percentage of women in the manager position in the Sysmex Group | — | — | |
| | Female associates, employees ratio | Female employees ratio in the Sysmex Group | — | — | |
| | Percentage of mid-career recruitment in managerial and professional positions ^{*4} | Percentage of mid-career recruitment employees in managerial and professional positions | — | — | |
| | Male/female percentage among recruits (new graduates and mid-career) ^{*4} | Female ratio in new graduates recruitment, mid-career recruitment | — | — | |
| | Percentage of women and non-Japanese nationals in management ^{*4} | 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) ^{*4} | Gender ratio in average total compensation value (managerial and professional positions) | — | — | |
| | Salary inequality general employees (total compensation) ^{*4} | 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 | | |

| Results | | | | | | Progress and Future Initiatives |
|-------------|-------------|---------------------|--------------------|---------------------|---|--|
| Fiscal 2017 | Fiscal 2018 | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | |
| 72% | — | — | 66% (except EMEA) | 65% (except EMEA) | 71% | The Group's engagement index of employees for fiscal 2022 rose by 6 percentage points from the previous fiscal year to 71%, matching the average engagement score of Fortune 500 companies. High engagement is a key driver of the Group's growth. Our activities to instill the Sysmex Way in employees, and safety measures and work style arrangements during the COVID-19 pandemic, have boosted employee engagement in each region, achieving a 3 percentage point increase in China. The turnover rate for fiscal 2022 dropped by 2.5 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. We will continue to improve employee engagement by recruiting and training talented people, creating a comfortable working environment and promoting labor-management dialogues. |
| — | — | 10.1% ^{*5} | 7.5% ^{*5} | 10.9% ^{*5} | 8.4% | |
| — | — | — | — | — | 6.8% | |
| — | — | — | — | — | 100% | |
| — | — | — | 31% ^{*5} | 53% ^{*5} | 62% | |
| 15.2% | 15.2% | 15.5% | 16.2% | 17.3% | 19.5% (except Russia) | The percentage of men taking childcare leave in fiscal 2022 increased by 9 percentage points from the previous fiscal year. This significant increase was attributable to our various initiatives: 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 (holding round-table discussions for all domestic employees and conducting seminars by internal and external lecturers and creating a guidebook for male employees), encouraging managers to understand various work styles, and changing employees' awareness of working styles by introducing the smart work system. We will continue to take actions to increase male employees taking childcare leave. |
| — | — | — | — | — | 32.1% | |
| — | — | — | — | — | 41.8% | |
| — | — | — | — | — | 41.7% | |
| — | — | — | — | — | Newly graduated: 35.9% Mid-career: 27.0% | |
| — | — | — | — | — | Women: 8.3% Non-Japanese: 16.7% | |
| — | — | — | — | — | 9.4% | |
| — | — | — | — | — | 93:100 | |
| — | — | — | — | — | 80:100 | |
| 2.04% | 2.21% | 2.30% | 2.30% | 2.31% | 2.31% | 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 at the same level due to 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 every employees with disabilities to use their unique traits as strengths. |

| 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) ^{*4} | Value added per time | — | — | |
| | Value-added productivity (Group) | Value added per capita | ¥19.38 million | ¥22.50 million | |
| | Human resources development investment (non-consolidated) ^{*4} | 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) ^{*4} | 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 ^{*4} | Rate of transfer to key positions | — | — | |
| Succession coverage rate ^{*4} | Percentage of key positions that have a successor candidate | — | — | | |
| Creating an attractive workplace | 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 | |
| Promotion of health and occupational safety | | | | | |

*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

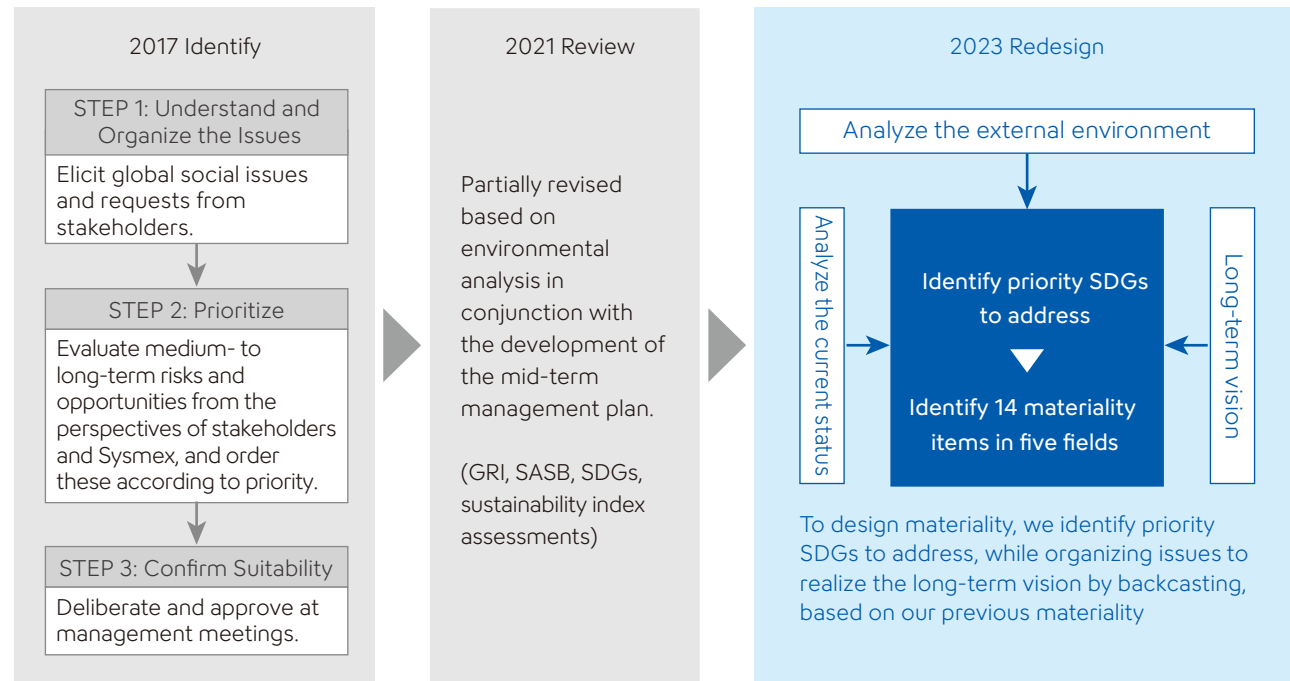
*5 The figure disclosed in the previous fiscal year has been revised due to a change in the calculation method.

*6 Fiscal year for comparison: Fiscal 2019 for the fiscal 2023 targets and the results of each fiscal year, and fiscal 2022 for the fiscal 2025 and fiscal 2033 targets

| Results | | | | | | Progress and Future Initiatives |
|-------------|-------------|-------------|-------------|-------------|----------------|---|
| Fiscal 2017 | Fiscal 2018 | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | |
| — | — | — | 24.5 hours | 31.4 hours | 30.0 hours | The training time per employee in fiscal 2022 decreased by 1.4 hours from the previous fiscal year (95.5% of the training time per employee in the previous fiscal year). On the other hand, our Group companies in Japan achieved a 100% training participation rate and invested 92,000 yen in training per employee. We will promote the development of human resources, including next-generation global leaders, by adding value-added productivity, investment in human resource training, the rate of participation in training, and other indicators to the monitored items, and by setting the rate of internal transfers to new positions . |
| — | — | — | — | — | ¥13,230 | |
| — | — | — | — | — | ¥18.74 million | |
| — | — | — | — | — | ¥266 million | |
| — | — | — | — | — | ¥356 million | |
| — | — | — | — | — | 100% | |
| — | — | — | — | — | 100% | |
| — | — | — | — | — | 100% | |
| — | — | — | — | — | 218.9% | |
| — | — | — | 2,030 hours | 2,045 hours | 2,022 hours | The annual working hours in fiscal 2022 decreased by 23 hours from the previous fiscal year. The main factors in this decrease include alleviated staff shortages as a result of aggressive recruiting activities, coupled with innovation and business structure transformation efforts, reduced overtime hours resulting from a shift to more efficient work styles through the adoption of value-added productivity indicators, and an increase in the number of paid leave days taken. 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. |
| — | — | — | 61.3% | 62.4% | 66.5% | The percentage of days of paid leave taken in fiscal 2022 increased by 4.1 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. For fiscal 2023, we have introduced 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. |
| — | — | — | 0.78 | 0.91 | 0.81 | The lost-time injury frequency rate and the lost work days rate for fiscal 2022 decreased by 0.1 percentage points and increased by 0.01 percentage points, respectively. There were six work-related accidents, including injuries in factories (seven 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. 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. |
| — | — | — | 0.05 | 0.04 | 0.05 | |

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"> Setting Employee Engagement as an Important Indicator of Our Corporate Strategy 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)



Society

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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 130 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.

Sysmex 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, Sysmex 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, Sysmex 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, Sysmex launched diagnostic reagents in Japan that aids determination of Aβ accumulation in the brain by measuring Aβ levels in the blood. These reagents will be used with our automated immunoassay systems based on the chemiluminescence enzyme immunoassay (CLEIA) principle. 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.

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 the Dementia Executive Summary (Sep. 2, 2021, World Health Organization)



Contribution to Healthcare through Surgical Support Robots

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 size* 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 surgical support robots to the Japanese market in 2021. Urological, gastroenterological, and gynecological surgery utilizing these robots are now covered by insurance in Japan, and the cumulative number of such surgery cases had exceeded 1,800 as of the first quarter of the fiscal year ended March 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 addition, Systemex is currently promoting efforts to add functionalities and to develop guidelines that meet the needs of worksites in collaboration with multiple medical institutions, academic societies, telecommunications service companies, etc. to enable the early clinical implementation of telesurgery, in which a surgeon performs surgery at a distance from the patient.

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 testing and treatment during and after surgery, by combining skills and knowledge developed through testing and diagnostics as well as surgical support robots.

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

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.



Yuuki Hata, Manager in the MR Business Division

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](#)

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 AMR (antimicrobial resistance) are not taken, the number of annual deaths due to AMR is expected to exceed 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 a variety of other groups as a social issue 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,*5 the system delivers the results of the antimicrobial susceptibility testing (AST)*4 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, etc. in primary care.

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 Antimicrobial Susceptibility Testing (AST):

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

*5 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>

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.



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)

Click here for details:

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

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 minute*¹ with a high degree of accuracy.*² In addition, since our hematology analyzer calculates eight CBC parameters*³ 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 9th NIKKEI FT Communicable Disease Conference held in November 2022.

- *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

Conventional malaria tests take time, and their accuracy is low; however, using a Sysmex analyzer has made faster and more accurate diagnoses possible. The analyzer is easy to operate and can measure samples one by one or automatically measure multiple samples. With the analyzer, you can select an appropriate measurement method according to the purpose of use. It also enables you to acquire a great deal of information from a wide range of measurement targets, including hemoglobin levels, which will contribute to the management of malaria disease.



Interview with a Medical Professional in Burkina Faso

In areas where malaria is endemic, such as Burkina Faso, Sysmex analyzers are in high demand and greatly help with the treatment of children. I hope these analyzers will be introduced in many medical institutions in the fight against malaria.

Our Contributions to the Quality of HIV Testing Diagnosis and Treatment

Sysmex provides a system to test for CD4+ lymphocytes developed and produced by Sysmex Partec in emerging and developing countries. It has provided approximately 3,000 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, demanding only simple maintenance. It supports simple, rapid, and stable testing, aiming to ensure everyone can be tested equally.

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

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

Technical Support to Provide High-quality Test Data

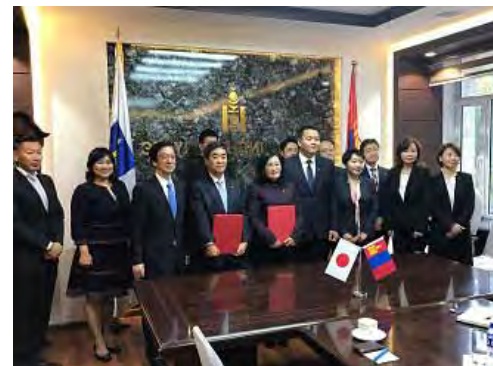
Sysmex has been engaged in support activities in Asian countries including China, Mongolia, Cambodia, Myanmar, Thailand, and the Philippines to improve the quality and accuracy of clinical tests.

In Mongolia, Sysmex expanded its support activities to the hemostasis field in 2022. It has continued such activities in addition to working in the hematology, clinicalchemistry, and immunchemistry fields in which it had already carried out support activities. Sysmex provides technical and academic knowhow to local clinical laboratory technicians and supports the establishment and operation of a system of external quality assessments of blood morphology tests conducted nationally, thereby contributing to improving healthcare in Mongolia. In Cambodia, it also carries out similar activities for the external quality assessments of hematology testings, helping to boost the quality of clinical testing.

In China, its reference counter has been employed as a National Standard* for Blood Cell Count in China 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



Signing ceremony with Mongolia's Ministry of Health

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

Sysmex Corporation has worked with JICA in providing training in areas such as analyzer maintenance and management, and hospital management since 1994 to improve healthcare workers' knowledge and skills. The training had been offered online due to COVID-19, but it resumed in a face-to-face format in 2022. The number of trainees who visited Sysmex has exceeded 1,000.

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.

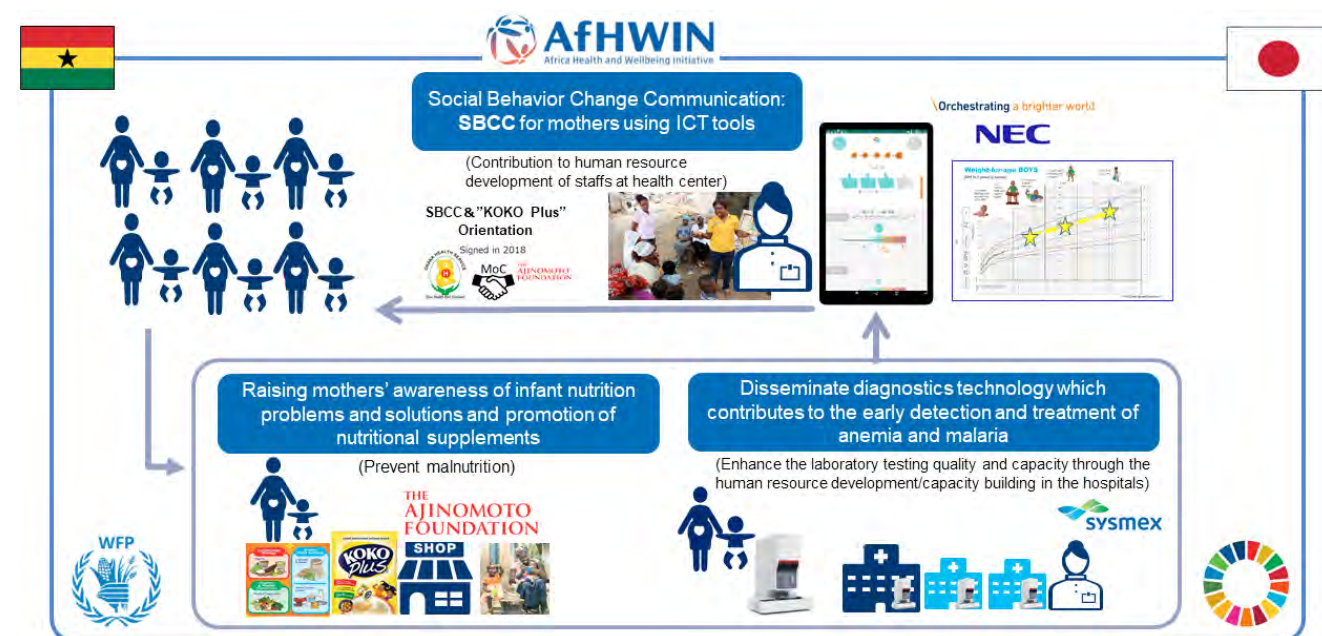
Cross-Industry Collaborative Co-creation Project: Contributing to Universal Nutrition Health Coverage

In Ghana, serious healthcare problems include malnutrition - greatest risk factor for death and disability - and malaria, 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 malaria,^{*2} 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

In April 2022, 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, delivered a written request titled "Global Health as a New Growth Industry for Japan: Global Development of a Virtuous Circle for Growth and Distribution" to Japanese Prime Minister Fumio Kishida. Hisashi Ietsugu, Chairperson and Group CEO of Sysmex Corporation, participates in the initiatives of this coalition.

This written request asked the government to take various actions: double ODA in the global health area, position global health as a principle growth strategy for "New Capitalism," and strengthen initiatives enabling Japanese companies to contribute in this area.

In August of the same year, 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 2nd Global Health Academy podium stressed the significance of public-private partnerships in the global health field, and is continuing similar initiatives.

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



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

Since 2015, Sysmex Corporation has participated in the Global Health Innovative Technology Fund (GHIT Fund), which states its vision for action as "one in which the crushing burden of infectious disease no longer prevents billions of people in the developing world from seeking the level of prosperity and longevity now common in the industrialized world." In the second phase of operations (2018-2022), the GHIT Fund shifted its activities from the initial product development to activities to deliver the products to the people who need them. Sysmex will continue to participate in the Fund's second-phase operations. By promoting initiatives to develop and provide new reagents for infectious diseases through Japanese technological innovation, it will contribute to eradicating infectious diseases in developing countries.

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 certification. Of the 84 companies in the Sysmex Group, 34 have been ISO 9001 certified, and 21 have been ISO 13485 certified. In fiscal 2022, two 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 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 during a new product's design and development phases, as well as when changes are made to the design of an existing product. If a high-risk event is noted, we act to eliminate it. Also, when marketing products manufactured by other companies, we verify their quality by conducting audits of the manufacturers and meticulously inspecting their products. In addition to these efforts, in the unlikely event of a product defect, we have systems in place to quickly identify and respond to any problems.

At factory sites, each month we monitor manufacturing processes and the status of supplier conformity. We instruct suppliers with high nonconformity rates to improve quality as needed, and we have a system to ensure quality through regular quality audits. In addition, our global quality complaint processing system allows us to gather quality information in a timely manner from markets around the world. 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 started to utilize the Global Positioning System (GPS) and temperature data loggers^{*2} for the transportation of some reagents used in testing. In the future, we will sequentially expand the use of these methods to diagnostic reagents that require high quality assurance.

* 1 Product design assessment, process design assessment, evaluation by 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

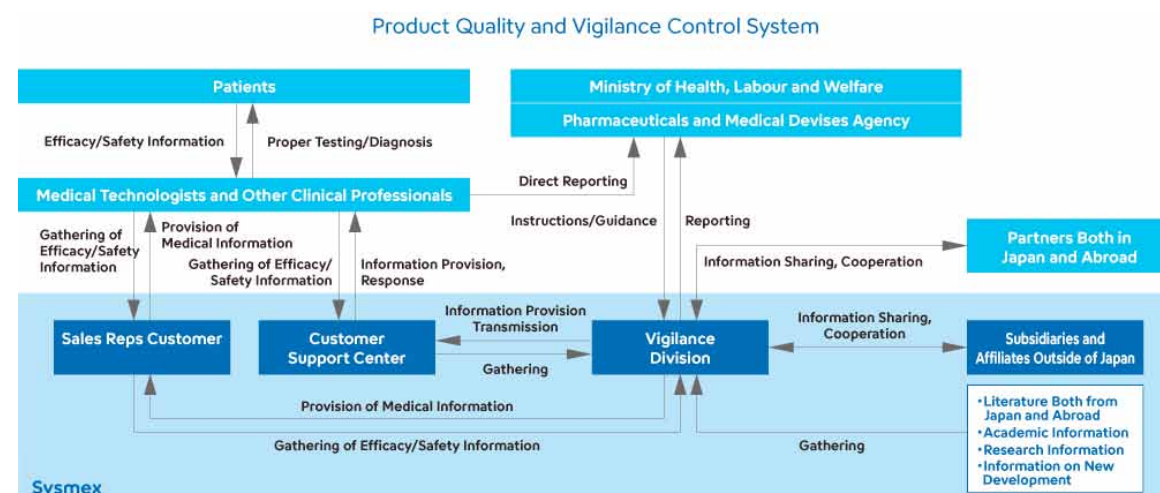
Focusing on Specialized Quality and Safety Training

In addition to Quality Policy training, Sysmex provides regular quality management training for related departments, as well as specialized training on laws and regulations for employees in specific departments or job categories. In fiscal 2022, we provided quality training 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 quality training at all production facilities for final products and ISO-certified business offices managed by our Group companies overseas.

Quality and Safety Information

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."

Working Aggressively to Stamp Out 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 in circulation in some areas. The use of such reagents endangers the reliability of testing results and, in some cases, can be harmful to patients' health. For this reason, Sysmex continuously monitors markets for counterfeit reagents. When they are discovered, we work with local government institutions and judicial bodies to ensure the swift and thorough enforcement of our intellectual property rights.

▶ Intellectual-Property-related Activities to Protect Business Models (Japanese)

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.

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, among the IMV ServiceTrak Awards organized by IMV, a specialist provider of market research to the medical imaging processing and the laboratory diagnostic industries. 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 won several awards for excellence at the Chinese Medical Device Industry Conference in recognition of superior product quality and after-sales service.

* Europe, the Middle East, and Africa



Customer satisfaction rating in the United States

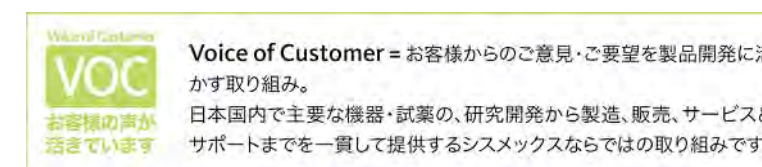
(On a scale of 1 to 10)

| Fiscal 2020 | Fiscal 2021 | Fiscal 2022 |
|-------------|-------------|-------------|
| 9.28 | 9.27 | 9.4 |

* Research by IMV ServiceTrak

Efforts to Incorporate Customer Feedback in Our Products and Services

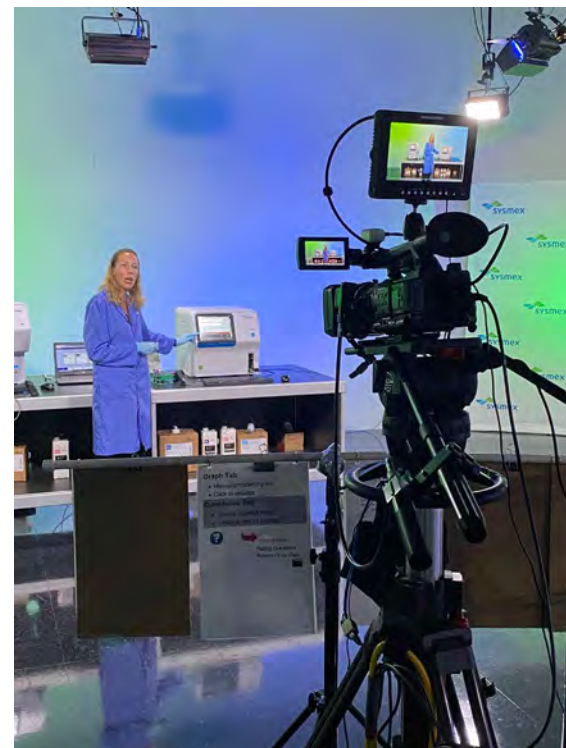
Requests and comments from customers are gathered by Sysmex's Voice of the Customer (VOC) Team. After analyzing this information from various perspectives, the results are provided as feedback to related divisions to utilize them in new product development and operational improvements. In fiscal 2022, we gathered feedback from some 13,600 customers in the Japanese market, and from many customers in 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

Systemex provides training on instrument operation and maintenance for customers in each region as part of customer support. In response to the “new normal”, we have provided an online training system in various parts of the world in recent years, by which training can be live-streamed or attended on demand.

In addition, we have globally integrated, and begun providing, user training programs offered by Systemex America and Systemex Europe in a single training program under the brand name “Caresphere™ Academy”.



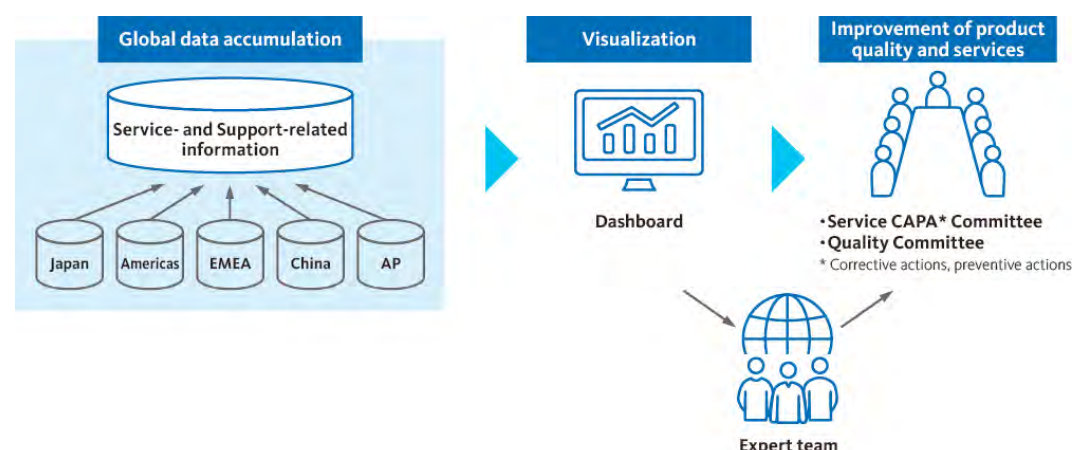
Online Training

Project for Promoting Digitalization

- Product Quality Improvement Activities Based on Reforming Services and Support -

Systemex 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, in 2019, people involved in services and support at different regional headquarters came together and started a project for restructuring these business areas.

In this project, we began accumulating global data on instrument failures and service status through common global codes created for service- and support-related information in each region. At the same time, we formed a team of experts to monitor data, speed up the quality and service improvement process, and proactively detect defects, 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, Systemex introduced a virtual training space to train its technical service engineers and scientific support personnel across 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 can share the operation of the software in a virtual space, all the participants can learn how to operate the software irrespective of where they are, even without physical terminals. We will continuously offer training in which the participants can effectively learn to provide high-quality technical services and scientific support across the world.



Disseminating Useful Information

Systemex disseminates valuable information to its customers in the Support Information section of its website in Japan. Systemex continually expands the functionalities of the website to ensure that customers can use the website to a greater extent, such as by adding an email magazine distribution service, which communicates the latest information, and “My Page” functionality, which enables users to manage content and their browsing history.



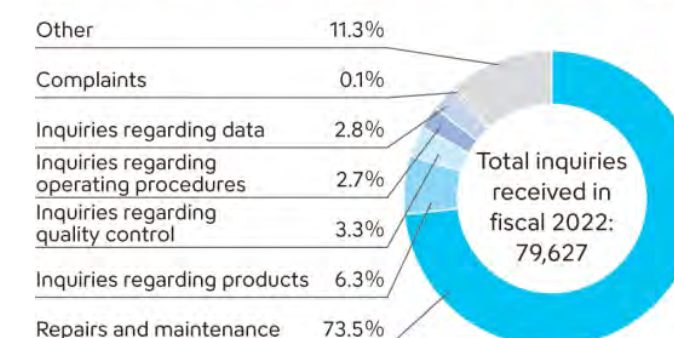
Support Information website (Japan)

Responding to Inquiries Rapidly and Responsibly

The Systemex 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 range of medical research areas and to provide opportunities to share the latest information and knowledge. In 2022, a seminar on the theme of hematologic diseases was held in hybrid form, with both online and onsite participation, and around 3,500 people from all over the world attended. We globally distributed videos of the lectures after the seminar. We also conduct participant surveys in each country in order to determine medical issues and interests specific to countries and regions. This information is utilized to determine themes for future seminars or Group initiatives.

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

► 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)?



Sysmex Scientific Seminar 2022



Scientific Information Website: “Medicine meets Technology”

Society

Strengthening supply chain management

Supply Chain Management

Stable Supply of Products

In Japan, Sysmex has developed an efficient production system for instruments by utilizing ICT to overcome global cost competition and ensure high quality for our products. The production of reagents, which are essential for daily testing carried out by medical institutions, has been expanded globally.

In order to ensure a stable supply of our products, we procure key raw materials from multiple sources and select production locations in accordance with the concept of “local production for local consumption”, thereby spreading out any risks. In addition, for emergencies, we have created mutual supply systems among factories and secured alternative transportation routes.

The resurgence of novel coronavirus infections has affected our business in many ways in recent years. In a tight supply situation for various raw materials, we obtained the cooperation of suppliers in prioritizing materials intended for healthcare. As a result, we could secure the purchase quantities of materials and increase inventories, enabling us to maintain a stable supply of our products. We also managed to maintain stable supplies during the prolonged disruption of global distribution by such measures as using new sea routes. In addition, in Japan, we’ve promoted initiatives for business continuity in an emergency. For example, January 2023 we started operations of new warehouses with a base-isolated structure resistant to various disasters.

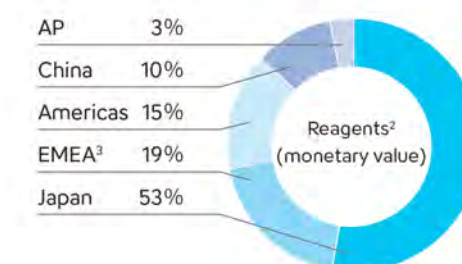
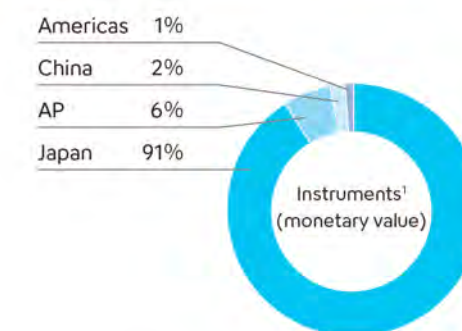
► Establishment of a Business Continuity Plan (BCP)

Conducting CSR Surveys

Sysmex conducts CSR surveys of its business partners. For surveys of existing business partners, we use the CSR/Sustainable Procurement Self-Assessment Tool Set developed by Global Compact Network Japan, which covers a wide range of issues such as human rights, labor practices (including health and safety of employees), corruption, and the environment. We do not conduct business with new partners with inadequate CSR initiatives. In addition to CSR surveys, we hold management interviews with new business partners. 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.

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

Procurement Region Analysis (Fiscal 2022)



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

Fiscal 2022 Results

The response rate for surveys of primary raw material suppliers conducted in fiscal 2022 was 90%, maintaining the previous fiscal year's high response. Based on the results of the CSR surveys in the previous fiscal year, we identified items with low scores or high risks and followed up with our business partners with suggestions for improvement.

We are also considering measures to strengthen suppliers' risk management. In FY2022, we conducted on-site verification of three primary suppliers on a trial basis, in addition to the CSR surveys. Continuing from the prior year, we expanded the CSR surveys of secondary suppliers, conducting CSR surveys of 69 secondary suppliers jointly with 13 primary suppliers.

- ▶ [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.

Relations in the Supply Chain

At Systemex, we strive to strengthen our relationships with trading partners by holding annual briefing sessions for our suppliers to ensure their understanding of our business and procurement policies.

In fiscal 2022, we held BCP training for our primary suppliers, as well as explanatory meetings on the promotion of sustainability and green procurement, in which 431 business partners in total participated.

We also hold regular meetings with overseas business partners to strengthen collaboration. Systemex Europe periodically holds meetings with all of its business partners, checking 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.

Conducting Internal Awareness Activities to Ensure Compliance with Legislation

Systemex uses an electronic procurement system to prevent undue reduction in payments and return of products. In addition, all members of Systemex Corporation's Procurement Department and relevant members of Systemex's domestic Group companies undergo training on the Subcontract Act. For people newly assigned, we also provide training on our procurement policy, CSR, and procurement risks.

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

Society

Creating an Attractive Workplace

Development of Human Resources —Employee Journey—

Global HR Policy

Systemex believes allowing every employee to 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 Systemex to retiring or leaving Systemex to find a new employer. We help diverse individuals working at Systemex build their own 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 personal 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 universities*¹ and set hiring targets by gender*² 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 (28 million yen per employee in fiscal 2022) and total labor cost.

*¹ Proportion of employees with foreign citizenship, hired directly from overseas universities, among all new graduates hired: about 10% in fiscal 2022

*² Proportion of female employees among all new graduates hired: 35.9% in fiscal 2022 and 40% as a target for fiscal 2023

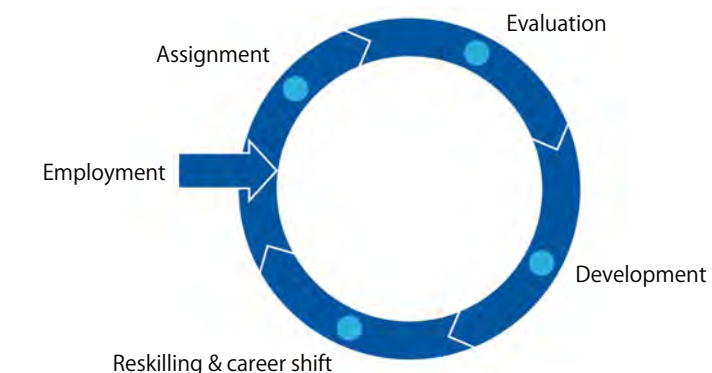
Assignment According to the Needs of Employees and Teams

At Systemex 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* whereby our employees can undertake new roles. This offers them opportunities to develop their career prospects by broadening their expertise.

These actions yielded significant results in fiscal 2022. The three-year turnover rate for new graduates was 0%, and the voluntary turnover rate was 2.7%, achieving our target of less than 3.0%.

* 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 an agile response to changes in the internal and external environment in times of drastic change. This system encourages employees to take on challenges by flexibly reviewing their targets and actions in response to changes, without sticking to their original targets set at the beginning of the term, and evaluating them based on a point-addition system. Employees regularly have one-on-one meetings with their supervisors throughout the year. These meetings provide opportunities to them to discuss day-to-day operations and career development, as well as goal setting and evaluation, helping them to grow and to build trust in leadership. 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, through our Group CEO Award, a system to recognize divisions and teams, we annually select and honor individuals and teams that contribute significantly to enhancing corporate value or addressing social issues by practicing the Sysmex Way, our Group corporate philosophy, and to share their achievements across the organization.

To motivate R&D engineers and heighten awareness of intellectual property, we have also introduced the Patent Grand Prize/Patent Prize of Distinction, the Patent Meister, and the Filing Commemoration Prize. In addition, we present the Quality Award for achievements in quality improvements.

Training Programs Tailored to Individuals

To respect diverse working styles and values, Sysmex offers a wide range of learning programs on business skills and career design that employees can voluntarily take based on their career aspirations.

Employees can even join some of the programs across national borders through the availability of online courses for learning from home. In fiscal 2022, all employees participated in one of these conducted training programs. The benefits include not only the growth of individual employees, but also enhanced productivity through skill improvement and exchanges between participants, which have, in turn, resulted in better mutual understanding and cross-functional networks. (Investment in training in fiscal 2022: 92,000 yen per employee.)

Our Corporate Culture Survey indicates that most of the employees support these training programs; 65% 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, which is intended to facilitate diverse working styles, encourages employees to spend 15 minutes of their working hours per day on self-study. During fiscal 2022, our employees spent an average of 42.8 hours on learning.

► Promotion of Diverse Working Styles and "Smart Work"

Development of Next-Generation Leaders

Developing next-generation leaders is a crucial component of Sysmex's human capital strategy to achieve sustainable corporate value enhancement. 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 and 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 "ready to be a successor" provides them with opportunities to think from a leader's perspective, facilitating their promotion to higher positions. In fiscal 2022, on-board training (for promoted employees) was attended by a total of 4,308 employees, while selective training (for candidates chosen as successors) was attended by 91 employees.

In fiscal 2023, we restarted global training, which had been suspended due to the COVID-19 pandemic, promoting our investment in the development of global leaders.

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 an apprentice 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.

Training for Research and Development Personnel

Sysmex Corporation holds a Sysmex Innovation Forum annually to present research results and initiatives, with the aim of enhancing the skills and motivation of personnel working in research and development.

We also conduct specialized training for research and development personnel. In fiscal 2022, in order to create and stimulate innovation, some of our employees participated in external programs. This included the Japan Biodesign Fellowship Program, whose objective is to cultivate individuals who can provide solutions to issues. Involvement begins in product development from the initial stage, starting from the needs of clinical settings. We also offer the Female Participation and Advancement in Innovation Program organized by Osaka University.

We have conducted a wide range of measures for project development personnel, including programs to learn international standard project management methods and lectures by external experts intended to foster awareness of value delivery to patients.

Sysmex EMEA* Campus

For all employees in the EMEA region, Sysmex has established EMEA Campus, a training space offering various online and offline training programs. 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.



* Europe, the Middle East, and Africa

Other Human Resource Development Programs

| Company | Program/Measure | Objectives/Overview |
|-------------------------------|---|--|
| Sysmex Corporation, Sysmex RA | "Monozukuri" Professional Training Activities | Promotes development of human resources for manufacturing as one of our production reforms. Provides training for new employees, training in skills needed to become multi-functional workers, and technical knowledge needed for <i>monozukuri</i> (manufacturing). |
| | DX Literacy Education | 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 | A training program for all employees in the United States, Canada, and Latin America that combines online and offline sessions. Offers courses focusing on wide-ranging subjects, including business skills (e.g., leadership skills and project management), specialized skills, and mentoring. |
| | Sysmex Management Academy | Six-month training for selected personnel, including newly appointed managers. Aims to strengthen management skills by providing insight into the roles and responsibilities of Sysmex management. |
| Sysmex Europe | Sysmex Academy | Offers programs in which trainees acquire product-related and medical knowledge. Aims to increase trainees' specialized knowledge and develop trainers for customer training. |
| Sysmex Shanghai | Sysmex Shanghai University | Online training for all employees started in fiscal 2019 to support employees' professional growth. |
| Sysmex Asia Pacific | LinkedIn Learning | Offers around 100 online training courses using a social media platform (LinkedIn) for all employees. Designed for trainees to acquire and improve skills such as management, leadership, critical thinking, business analysis, and data analysis. |
| | Sysmex Academy | Offers online programs in which trainees acquire medical and product-related knowledge. |

HR Tech

Sysmex centrally manages human resource information for the entire Group. This personnel information is strategically used to promote DX and promote job satisfaction. To prevent leakage of critical personal information, this data is subject to access restriction in accordance with our global data management rules, in addition to being protected with the data management function of the computer systems used. This scheme ensures that we can use data securely and in a timely manner.

By offering remote working options and online training, we have created an environment in which employees can work flexibly based on their job duties and personal lifestyles. We also leverage advanced technologies for talent management, such as using matching algorithms to support autonomous career development and providing real-time feedback from employee engagement surveys.

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 where a wide variety of people can comfortably work and receive equal opportunities.

Sysmex Corporation has a diversity promotion function that delivers related information and advocates diversity. We also conduct internal opinion surveys to incorporate the views of employees into the measures we implement. Measures implemented in fiscal 2022 included holding a seminar on unconscious bias, giving employees access to "FemTech" services* and other relevant programs, and organizing dialogues between external experts and the Company's chairperson.

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

* The term "FemTech" refers to technologies designed to solve health issues specific to women, as well as to products and services based on such technologies.

Stakeholder Dialogue

We organized a dialogue between Sputniko!, a person continuously active on a global level as an artist, university associate professor, and entrepreneur, and Hisashi Ietsugu, the Company's chairperson, in which they talked about diversity management.



Sputniko!: Is Sysmex prioritizing diversity in the sense of promoting open innovation and creating innovation through integration of various fields?

Ietsugu: Yes. It is important how you integrate diversity. In an age of uncertainty, integrating individuality and strengths will make faster growth possible and increase a company's competitive advantage. Integrating people with various cultures, beliefs, values, and work backgrounds is not easy. Appreciating others is extremely important and I think that this is the foundation of diversity.

[Please click here for details:](#)

HIRE Vets Medallion Award Received

Systemex America promotes the employment of veterans. In 2022, the company received a gold medallion in the HIRE Vets Medallion Award, a program related to veteran hiring that is operated by the United States Department of Labor. It recognizes companies for their commitment to recruiting, hiring, and retaining veterans.

Through employment of veterans, Systemex America supports long-term career development based on diverse skills.



Andy Hay, CEO of Systemex America, and George Johnson, a Navy veteran and currently Senior Specialist, Talent Acquisitions at Systemex America



Supporting Women's Career Activities

Systemex Corporation works 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 targets a proportion of at least 15% female managers among all managers (10.1% in fiscal 2022), with less than 1,950 annual working hours (2,020 hours in fiscal 2022) by fiscal 2024.* We have also set targets for the percentage of next-generation female managers and the rate of childcare leave taken by male employees to address both career development and working style issues. We are determined to continue actions to empower women in the workplace.

Our initiatives in fiscal 2022 included a seminar on unconscious bias, 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 Groupwide HR policy. At Systemex America, we conduct monitoring and external audits of employee categorization by both ethnicity and gender, to ensure that there are no unfair pay gaps related to either.

* Excluding some Group companies



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



Fiscal 2022 Mimosa Company certification based on the Hyogo/Kobe program to recognize companies empowering women.

▶ [Action Plan under the Act on the Promotion of Women's Active Participation \(Systemex Corporation\) \(113KB\)](#)

▶ [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

Systemex incorporates a rainbow flag in the profile images of the official social media account for each Systemex Group company during Pride Month in June to demonstrate the Groupwide understanding of, and support for, LGBTQ+*¹ people.

In fiscal 2020, Systemex Corporation established a partnership registration system, under which partners in same-sex relationships are recognized as spouses. In 2022, the Company also announced its endorsement of "Business for Marriage Equality (BME)" to support the legalization of same-sex marriage (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 are also given access to e-learning materials and can borrow an introductory textbook to learn how to improve the working environment in the context of SOGI. Our other efforts include holding diversity roundtable discussions*² on the theme of "LGBTQ+ and Gender."

Through these activities, in fiscal 2022 we earned the highest rating of Gold in the "PRIDE Index 2022," which evaluates companies and organizations based on their commitment to LGBTQ+ and other sexual minority issues.

*¹ General acronym whose letters refer to sexual minorities regarding orientation/gender identification (lesbian, gay, bisexual, transgender, questioning/queer; the "+" represents other diverse sexualities).

*² 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, Systemex aims to foster an environment in which everyone in the Group, regardless of disability, can work and grow together enthusiastically and comfortably.

Systemex 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, Systemex 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 2.31% in Japan for fiscal 2022. 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.

Systemex 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 such persons.

* 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 more 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.

Seniors in the Workforce

In March 2021, Systemex 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 for shorter 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 consultations to support participants in their autonomous career planning and specific work behavior changes.

※ Each employee can choose his/her retirement age between 60 and 65.

Diversity Education

Systemex Corporation publishes a monthly in-house magazine called the “Diversity Newsletter”

to share information with employees and promote their understanding of diversity issues. In fiscal 2022, we organized diversity roundtable discussions on topics such as LGBTQ+, support for people with disabilities, health and productivity management (e.g., mental care), paternal parenting and the revision of the systems under the Act on Childcare Leave, generation-related issues (i.e., understanding Generation Z), and the working styles of seniors. Training that encourages awareness and action to address unconscious bias was also provided. With regard to childcare, we particularly emphasize programs that encourage involvement of men in parenting. Specifically, we have organized seminars where male employees spoke about the importance of paternal parenting and how to balance work and life. We have also introduced an online seminar service focused on gender-specific healthcare (including FemTech and infertility treatment). Employees can attend seminars on the topics of their choice.

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

Society

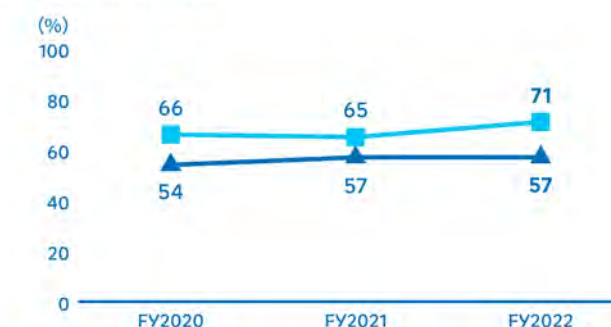
Increasing Engagement

Setting Employee Engagement as an Important Indicator of Our Corporate Strategy

Every year, Systemex conducts a Corporate Culture Survey of all employees across the Group. The survey found the Group’s engagement score for fiscal 2022 was 71%. This score is at 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 will promote innovation and improve productivity across the Group.

The engagement score of Systemex Corporation for fiscal 2022 was 57%. 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 (69% in fiscal 2022) and their satisfaction with well-being (56% in fiscal 2022). Pulse surveys, which cover a shorter period, have also been introduced to determine the progress status of the measures undertaken and to allow rapid incorporation of the opinions of employees.

Engagement score



■ Systemex Group ▲ Systemex Corporation on a non-consolidated basis
* FY2020 and 2021 of Systemex Group: Except EMEA (Europe, the Middle East, and Africa)



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

► Status of Sustainability Targets

Monitoring the Effects of Human Capital Investment

Indicators of the Effects of Human Capital Investment – “Value-Added Productivity” and “Engagement”

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

The value-added productivity per employee of Systemex Corporation for fiscal 2022 reached a record high of 28 million yen, 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 155.7%. These achievements are attainable only when employees maintain a high level of engagement and willingly take on new challenges. 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 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.) working. In addition, we promote time management to realize a good 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 reached 62% in fiscal 2022, achieving the target of 60% for fiscal 2023 ahead of schedule.

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



Encouraging Paid Leave and Ensuring Continuous Employment

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 paid leave for travel, leisure, or courses at culture centers. 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.

* The Cafeteria Plan provides Cafeteria Points, which entitle employees to select and sign up for certain programs (e.g., parenting support, care assistance, health improvement, and certification) on their own.

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 fertility treatment or morning sickness, a spouse’s childbirth, and nursing 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. To support employees returning to work after childcare leave, we hold seminars before their return. We also send out newsletters to employees currently on childcare leave to keep them informed of work issues. 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 a next-generation support certification logo (nicknamed “Kurumin”*) as a “company that supports child-rearing” from the Ministry of Health, Labour and Welfare.

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



Systemex Kids Park (Japan)



Next-generation support certification logo (Kurumin)

Stakeholder’s Voice

Having returned to work from childcare leave, I work full time while using Systemex Kids Park. I decided to use the daycare center because it has a large playground and offers a superb environment in which in-house meals are cooked. In addition, because it is located within the company premises, I can run to the center immediately in the event my child becomes ill. So, I can leave my child in the care of the center with peace of mind. And on top of that, systems to allow me to work flexibly, including the “smart work” system, as well as gain support from others around me, enable me to achieve a balance between child-rearing and work.



Saya Yamashita, Next Generation Medical Business Development Office

Encouraging Male Employees to Take Childcare Leave

Systemex Corporation implements measures to increase the number of male employees taking childcare leave. We have distributed a booklet, “Guidebook for Fathers on Childcare Leave”, and held seminars with external lecturers for male employees and their supervisors to explain the present status of childcare by men, 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 child care leave, and we have held discussions on these issues. We also held a seminar in collaboration with our labor union, Systemex Union, to raise awareness of childcare leave for male employees.



Systems to Support Work-Life Balance

Supporting Nursing Care, Corporate Citizenship Activities, and Others

Sysmex Corporation has introduced a program that allows employees who need to attend to family members in the hospital to take short-term nursing care leave and accumulated paid leave for up to 40 days in half-day increments. We also have a work-at-home system that enables employees to care for 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 explanatory sessions on nursing care every year to explain important points when a family member requires care, and to hear the experience of the people who have used the system.

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 region^{※1} have all received the Great Place to Work^{※2} award for their excellent workplace environments and employee satisfaction. In the engagement survey, over 95% of employees of Sysmex Turkey gave positive answers to the question of whether they were “employed fairly regardless of gender, nationality, ethnicity, etc.” At Sysmex 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. Sysmex South Africa is expanding systems to support a balance between work and child-rearing. The efforts include incorporation of a maternity policy into its human resources policies and a guarantee of four months of paid maternity leave.

※ 1 Sysmex EU: Sysmex Deutschland, Sysmex Belgium, Sysmex Netherland, Sysmex Turkey, Sysmex Austria, Sysmex UK, and Sysmex 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 Sysmex Belgium and Sysmex Netherlands

Other Activities at Group Companies

| Company | Initiatives |
|---------------------|--|
| Sysmex RA | <ul style="list-style-type: none"> • Use of company-led nursery facilities • Received the next-generation support certification logo (nicknamed “<i>Kurumin</i>”[※]) as a “company that supports child-rearing” from the Ministry of Health, Labour and Welfare |
| Sysmex 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) |
| Sysmex 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) |
| Sysmex Shanghai | <ul style="list-style-type: none"> • Introduction of a flextime system • Introduction of various working arrangements in response to the COVID-19 pandemic |
| Sysmex 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: Wellbeing

Declaration of a Healthy Company and Materiality

Systemx Declaration of a Healthy Company

Systemx regards the promotion of a healthy company to be a management issue. Our goal is that our employees, who are the foundation for the practice of the Group's corporate philosophy, will have fulfilling lives both physically and mentally. The Systemx 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 (materiality of health and productivity management). This has prompted Systemx to make continuous efforts toward employee health enhancement, create working environments where diversity is valued, and provide workplaces that make employees proud.

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

* Target: Systemx Corporation

Materiality of Health and Productivity Management:



► Systemx Declaration of a Healthy Company

Our Efforts towards Health Enhancement

Efforts towards Employees' Health Enhancement

Systemx 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 necessary. If an employee needs to receive long-term medical examinations and/or treatment, we make work-at-home arrangements for them among our efforts 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.

Systemx 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, Systemx 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 seminars.*

* Employees can apply for allowances that cover medical consultation or health-related seminars from the "Cafeteria Plan" welfare program.

► Cancer Screening Corporate Action (Japanese)

► Learn about Hepatitis Project (Japanese)



Efforts to Ensure Employees' Mental Health

Systemx 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 2022, we had industrial physicians conduct several seminars on mental health issues to raise employee awareness of the need for self-care. In addition, we have provided management training on improving organizational psychological safety for employees in managerial positions.

Systemx CNA concluded a service agreement with an external specialized institution, effective from 2021, as part of its mental health care initiative. In fiscal 2022, it offered a counseling service for employees with poor mental health and a reinstatement support service for employees on temporary leave. We conducted seminars on self-care, anger management, women's active participation, and other topics.

Efforts towards Employees' Active and Healthy Lives

Systemx Corporation has welfare 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, where 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)

Recognition as a Company that Excels in Health and Productivity Management

Systemx Corporation undertakes various initiatives for health and productivity management, and we have an established framework for our activities that encompasses Group companies in Japan. These efforts have received positive responses, and in March 2023 we were recognized for the seventh time by the Ministry of Economy, Trade and Industry as a "company that excels in health and productivity management."



Activities at Other Group Companies

Systemex Group companies also engage in various initiatives to promote employee health.

Our Group company, HITADO, has created an in-house fitness center to provide various fitness programs for all employees, such as yoga and Pilates. It also provides COVID-19 self-tests at any time free of charge at an in-house test center.



In-house fitness center (HITADO)

| Company | Initiatives |
|-----------------------|--|
| Systemex 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 |
| Systemex Brazil | <ul style="list-style-type: none"> • Registration as a member company of a sports gyms that company employees can use |
| Systemex Europe | <ul style="list-style-type: none"> • Installation of an in-house fitness room • Provision of health management programs with sports and nutrition management professionals 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 |
| Systemex Shanghai | <ul style="list-style-type: none"> • Introduction of equipment to reduce CO₂ and PM2.5 in the office |
| Systemex 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

Systemex 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 aims to reinforce and enhance Group companies' occupational health and safety systems. To this end, the committee formulates policies and targets, ascertains the status of occupational health at individual business sites, and considers measures for improvement. It will further clarify the roles of its industrial physicians and nurses and work closer with employees to engage in 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, and we report on the status of these initiatives to the Managing Board semiannually.

* 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 Systemex Union, and industrial physicians and health nurses.

Lost-Time Injuries Frequency Rate/Lost Work Day Rate



Legend:
 ● Average frequency among all industrial sectors in Japan¹
 ▲ Lost-time injuries frequency rate² ■ Lost work day rate²

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

Initiatives for Occupational Health and Safety

Health and Safety Committee meetings are held regularly at each Systemex business office, and preemptive measures are taken 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 Systemex 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 measures to ensure 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 these to the Central Health and Safety Committee, which 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 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, which involve quickly confirming and ensuring employee safety and sharing information on the damage status at business offices. Systemex also conducts labor compliance training, seminars by industrial physicians on the importance of taking secondary medical checkup 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, training for emergency situations in accordance with the laws and regulations of specific regions and in accordance with the characteristics of each facility. Systemex 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. 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. As for managing working hours, we log employees' hours with an IC card that they use to enter and leave the office, and with the times at which they start and shut down their computers. 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 2022 was 2,020 hours,*¹ 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 rate labor productivity index*² prompted a change to a more efficient way of working and has caused the reduction in actual work hours. The number of paid leave days taken has also increased.

Systemex will continue to proceed with appropriate personnel allocation through the strengthening of recruiting activities, proactively educate employees, and carry out awareness-raising activities in alliance with the Systemex 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

Systemex contributes to the creation of a healthy society and the establishment of a vibrant community by practicing the Systemex 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”, Systemex 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 2022, we offered our Group-wide program, the Systemex 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 more than 7,000 employees worldwide participated in our corporate citizenship activities through these programs. We will continue our Groupwide efforts to promote a healthy and fulfilling society.

Our Contributions to Healthcare through Blood Donation Campaigns

Systemex 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, and about 600 employees throughout the Group donated blood during fiscal 2022.



Social Contribution Point Program

Systemex 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 2022, around 965 employees of Japanese Group companies (24.4% of the total) participated in this program.

Around **965** employees of Group companies in Japan participated in the program

Educational support for economically challenged children (Ashinaga Foundation)
Vaccine kits for children in developing countries (UNICEF)

Support for pediatric cancer patients and their families (Japan Heart)

One of the recipients of the donations under our “Social Contribution Points Program” is International Medical Volunteers Japan Heart, an incorporated nonprofit organization. In support of their “SmileSmilePROJECT,” our employees provide assistance to pediatric cancer patients and their families through volunteer activities. In fiscal 2022, our employees voluntarily participated in several events, such as an invitation event at KidZania Koshien and a coffee seminar for children and parents. Our volunteers accompanied the children and their families and took photographs for them.

The employees of each business office planned corporate citizenship activities, which included donating used goods and clothes to NPOs.



SmileSmilePROJECT
(Invitation event at KidZania Koshien in Japan)



Coffee seminar for children and parents (Japan)

Visiting Lectures in Collaboration with the Kobe City Board of Education

As part of its contribution to the local community, Systemex Corporation has been working to expand 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.

Systemex 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. We have also delivered lectures together with our employees who have registered for the voluntary Partnership System. In fiscal 2022, we visited 17 elementary schools in Kobe and presented lectures to a total of 1,176 students.

By leveraging our characteristics of carrying out business in the healthcare field, we will continuously contribute to the realization of a vibrant local community through the education of children who will lead the next generation.



Visiting lectures (Japan)



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.

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



Sysmex Forest (forest maintenance activities in Japan)



Corporate Citizenship Activities in Other Countries

| Theme | Activity | Country/Region |
|------------|---|--|
| 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 | Japan, the United States, Germany, Poland, Switzerland, Austria, Turkey, Ghana, Taiwan, South Korea, Australia, India, and Indonesia |
| | <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 | Japan |
| | <ul style="list-style-type: none"> Holding and participating in events to support breast cancer patients | The United States, Germany, Belgium, Netherlands, New Zealand, France, and Republic of South Africa |
| | <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 | Japan |
| | <ul style="list-style-type: none"> Donating virus transportation media (VTM) and thermometers to hospitals | Taiwan |

| Theme | Activity | Country/Region |
|---------------------------------------|--|--|
| Healthcare | <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 | Thailand, New Zealand, United Arab Emirates, and Malaysia |
| 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 | Japan, Ghana, Turkey, Malaysia, Thailand, and New Zealand |
| Welfare | <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 | Countries around the world including Japan, the United States, Germany, France, Brazil, Mexico, Chile, Colombia, India, and the United Arab Emirates |
| Disaster recovery assistance | <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 | Japan, the United States, and Europe |
| The environment | <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 | Countries around the world including Japan, the United States, Germany, Spain, Portugal, Switzerland, Malaysia, Turkey, Slovak Republic, Austria, the Republic of South Africa, Burkina Faso, the United Arab Emirates, China, Ghana, and the Czech Republic |
| Local communities | <ul style="list-style-type: none"> Supporting the safety of communities by participating in police events | Malaysia |



Participating in charity events to support cancer research (the United States)



Participating in charity events to support patients (Thailand)



Donating prosthetic hands (Australia)



Making donations to children in orphanages (Ghana)



Charity events to raise awareness of breast cancer (South Africa)



Expenditures for corporate citizenship activities

Unit: billion yen

| Fiscal 2020 | Fiscal 2021 | Fiscal 2022 |
|-------------|-------------|-------------|
| 3.03 | 7.8 | 2.89 |

*Scope: Sysmex Corporation

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Environment

Environmental Management

Systemx Eco-Vision 2033

“Systemx Eco-Vision 2033” Formulated

In May 2023, Systemx formulated “Systemx Eco-Vision 2033.” 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 Systemx’s strengths. Furthermore, we have set targets for reducing our own greenhouse gas emissions to become carbon neutral by 2040. The targets also include reducing water consumption, waste, as well as for increasing the recycling rate.

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.



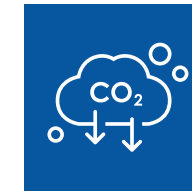
We will encourage local environmental conservation activities and contribute to a recycling-oriented society as Systemx Group.



*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

Declaration of Achieving Carbon Neutrality by 2040

Sysmex 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 Sysmex Group by 2040.*1 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.*2

In addition, we will set targets for 2033 based on SBT (Science Based Targets),*3 and engage in activities to reduce greenhouse gas emissions from supply chains in addition to those from our business offices.

*1 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)

*2 Excluding small business locations such as properties rented for sales offices

*3 Targets for reduction of greenhouse gas emissions with a scientific evidence, consistent with levels set out in the Paris Agreement. We will set targets in fiscal 2023.

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, Sysmex expressed its support for the TCFD recommendations. We carry out information disclosure based on the TCFD framework.



1. Governance

Sysmex understands that global environmental issues such as climate change require a high-priority response. We drew up Global Environmental Management Regulations to clarify the responsibilities and roles of each Group company. Under the oversight and management of the environmental management officer (a senior executive officer), appointed by the CEO, we engage in environmental management initiatives as a Group, centered on the Environmental Management Committee. The Committee supervises environmental activities within the Group, among them reducing CO₂ emissions, and discusses environmental issues including climate change. The Committee reports and makes proposals at Managing Board meetings. We have integrated environmental objectives into the Group Management Plan as sustainability targets, and report to the Managing Board meetings semiannually on the progress made.

2. Strategy

Adding to the 2-degree scenario implemented in 2020, Sysmex has upgraded the strategy to incorporate a 1.5-degree scenario*1 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 group*2, 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 scenario*3, the impacts of physical risks such as natural disasters were seen as relatively high, and regarding opportunities, resource efficiency, products and services and resilience were analyzed as having relatively high impacts.

*1 IEA 1.5DS Scenario, 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 Group overall, we conduct an exhaustive assessment of risks every year, which includes environment- and climate change-related risks, to identify those with a significant impact on the business of the Group. We have created a structure for devising measures for dealing with these risks.

In addition, the Environmental Management Committee reviews environment-related risks and opportunities, including those arising from climate change, twice a year, with the Committee and respective departments playing leading roles in taking necessary actions in response.

► Risk Management Structure

4. Metrics & Targets

Sysmex 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. Sysmex 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.

► Status of Sustainability Targets

► Environmental Data

Eco-Vision 2033

| KPI | Target | | | | |
|--|--|-------------|-------------|--------------------------|---------|
| | Fiscal 2023 | Fiscal 2024 | Fiscal 2025 | Fiscal 2033 (Eco-Vision) | |
| Reduction of CO ₂ emissions | Greenhouse gas emissions GHG Scope 1+2 | Cut 30% | Cut 35% | Cut 40% | Cut 55% |
| | Greenhouse gas emissions GHG Scope 3 | Cut 3% | Cut 5% | Cut 10% | Cut 35% |
| | Renewable energy rate | 65% | 70% | 75% | 90% |

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 |
| Physical risks | • 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 |
| | • 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Digitization of global logistics processes and promote CO₂ 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> Energy saving measures and greater efficiency of equipment have been introduced. We have introduced renewable energy. |
| Products and Services | <ul style="list-style-type: none"> Changes in customers' environmental awareness will promote the purchasing of environmentally friendly products. | 1.5°C | Medium-to long-term | M | <ul style="list-style-type: none"> We continue to promote environmentally friendly product development such as energy-saving and smaller-sized products |
| | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> We undertake new product development, such as products contributing to the eradication of malaria and other infectious diseases. |
| Market | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> We support the TCFD and disclose environmental data via the Sysmex Sustainability Data Book and other means. |
| Resilience | <ul style="list-style-type: none"> A stable supply of products and services in the event of a natural disaster improves customer trust. | 4°C | Medium-to long-term | M | <ul style="list-style-type: none"> 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](#)

Promoting the Acquisition 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, 2023, 19 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.

Status of ISO 14001 Certification

| 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/](http://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 2022, no nonconformities were found in internal environmental audits at our domestic Group locations with integrated certification, and 1 case of nonconformity in an external environmental audit. We have taken appropriate measures to address the nonconformities.

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.

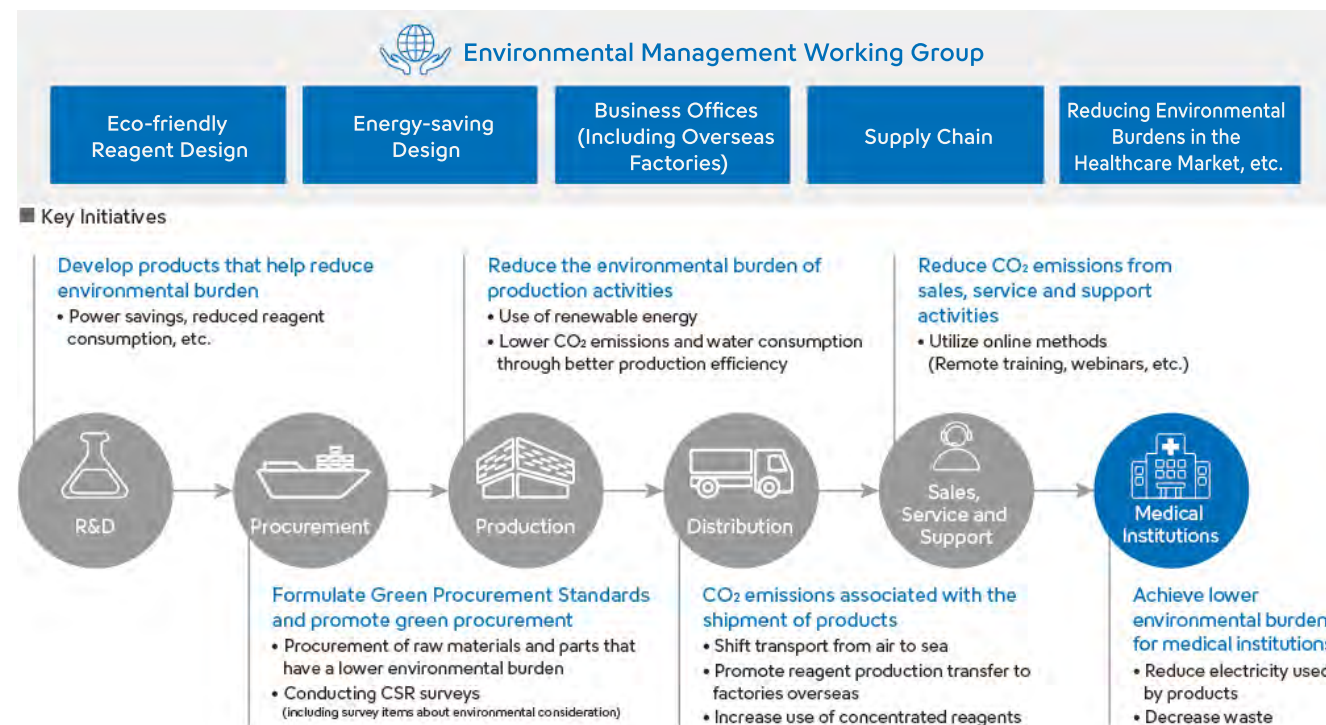
In fiscal 2022, we provided general environmental e-learning training for all employees at our business offices with integrated ISO certification, and for staff members in charge of environmental matters at our overseas offices. We also held seminars on laws and regulations for staff members in charge of business offices and those in the product lifecycle departments.

Environment

Resource Circulation in Product Life Cycle

Product Lifecycle and Initiatives at Each Stage

Systemx undertakes a variety of initiatives at different stages of its business activities toward reducing environmental impact throughout product lifecycles. As one of the activities of the Environment Management Committee, we set up Group-wide working groups with different objectives, including “eco-friendly product design” and “reduction in CO₂ emissions in transportation”, to facilitate further activities.



Environmental Friendliness in Product Design

Development of Smaller, Power-saving Products

In our global regulations concerning product lifecycle management, Systemx specifies efforts to protect the environment at each stage of the product lifecycle that it believes appropriate in terms of its business. Our goal is to help reduce the energy needed by our customers to use our products and to reduce waste from their use. Accordingly, we strive to develop products designed to save electricity and reduce reagent use.

Our fully automated urine particle analyzer launched in 2022 is 30% smaller and uses 10% less cleaning solution per measurement than conventional ones. Its electricity consumption is also 30% less, realizing an eco-friendly design.



► Status of Sustainability Targets

Biodiversity Considerations in the Production of Raw Materials

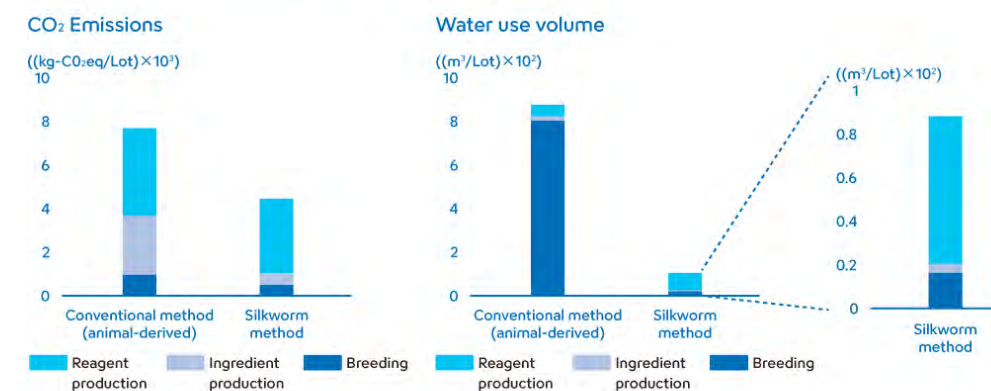
To reduce the use of natural resources, Systemx Corporation has established a method to produce recombinant proteins using silkworms, for animal-derived proteins for use in diagnostic agents. In the past, producing these substances consumed a great deal of energy. However, as silkworms can be raised indoors and only need to be fed artificial food in containers, we can establish a stable supply and achieve energy savings and waste reduction.

We also use recombinant proteins produced from silkworms as ingredients for a reagent, launched in fiscal 2017, for hemostasis tests. This is the first reagent in Japan to obtain manufacturing and marketing approval using recombinant proteins as ingredients. We also offer protein production contracting services using this technology and provide ingredients to pharmaceutical companies, universities, research institutions, and other entities.



Production of ingredients using silkworms

Comparison of Reagent Production Using Silkworm Proteins to Conventional Methods (Reagents for Hemostasis Tests)



* Comparison of in-house product (through joint research with Tokyo City University)

Environmentally Conscious Procurement

Promoting Green Procurement

Systemx 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 our business partners to confirm that they have environmental management policies in place, as well as targets and plans for CO₂ reduction and energy conservation.

- Procurement Policy
- Green Procurement Standards
- Supply Chain Management

Chemical Substance Management of Products

Systemex 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, Systemex discloses actions it is taking regarding any regulated substances, or substances that are to be reduced (environmentally hazardous substances), contained in the parts, devices and materials constituting manufactured products and products for sale.

- ▶ Prohibited Substances (products)
- ▶ Substances Scheduled to be Prohibited (products)
- ▶ Controlled Substances (products)
- ▶ Prohibited Substances (materials for reagent)
- ▶ Reduced Substances (materials for reagent)

Environmental Considerations in Product Transportation

Efforts to Lower CO₂ Emissions in Domestic and Inter-regional Transportation of Products

Systemex has switched its means of transportation from air to sea or rail (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 working to reduce CO₂ emissions by recycling and lightening transportation and packing materials used for parts procurement and product transportation.

- ▶ Status of Sustainability Targets

Realization of Ultralow Temperature Transportation Without Dry Ice

Systemex Corporation had used charter and other private delivery services to transport reagents for genetic testing, which requires strict quality and thermal control, thereby facing issues of transportation costs, distribution flexibility, and convenience. In addition, the dry ice needed for cold storage is made from CO₂ emitted in the oil refining process. We explored measures to improve this situation from an environmental perspective.

In fiscal 2021, we developed, together with Yamato Transport Co., Ltd., a dry ice-free transportation system for reagents for genetic testing in consolidated cargo at an ultralow temperature (-70°C). In fiscal 2022, we started using completely dry ice-free transportation for biochemical system-controlled substances in collaboration with Toho Pharmaceutical Co., Ltd.

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

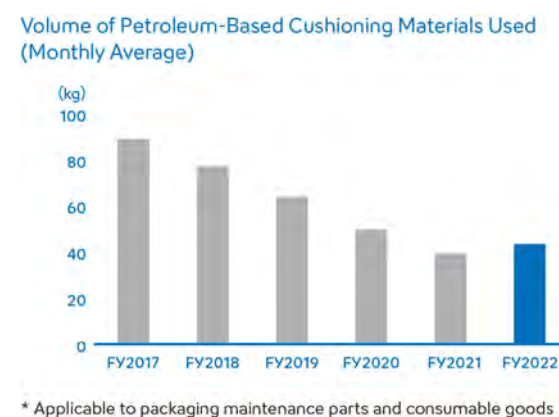
Environmental Considerations for Distribution Packaging

With growing exports of bio-diagnostic reagents from Japan, we began the reuse of cold storage materials necessary for transportation globally, and we are working toward reusing plastic cold storage materials to reduce waste. In fiscal 2022, we implemented such reuse in transportation between Japan, China, and Singapore, reducing waste by approximately six tons.

We are also working with our suppliers to promote a transition from cardboard to returnable boxes (plastic containers) for transporting materials, and 30% of packing materials were successfully switched to returnable boxes.

Saving Resources by Revising Packaging Materials

Systemex is continuing to work on reducing packing materials to conserve natural resources. We have downsized our packaging boxes through optimization and steadily changed part cushioning materials from vinyl to bogus paper. We have also switched from bag-shaped cushioning materials to plastic film for packaging. Through these measures, in fiscal 2022, we were able to reduce the amount of petroleum-based cushioning materials by approximately 51% compared to fiscal 2017. In addition, Systemex Deutschland uses recyclable materials for all its packaging.



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

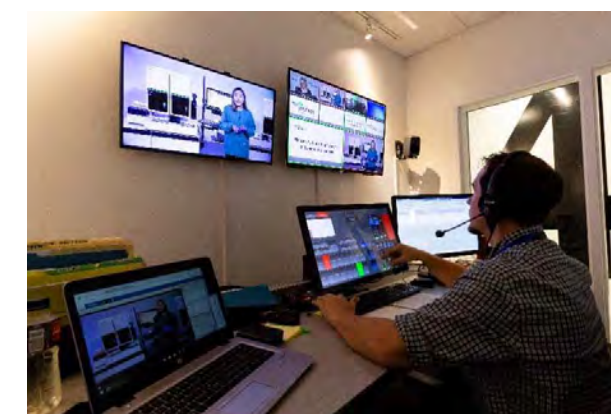
In its selection criteria for distribution partners, Systemex Europe includes a certified environment management system and use of green distribution. HITADO, a Systemex Group company, selects distribution partners who proactively use renewable energy and electric vehicles, while Systemex Malaysia uses reusable vacuum insulation boxes for product transportation requiring thermal management, reducing CO₂ emissions by saving electricity and generating less polystyrene box waste. In addition, Systemex 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 |
|--|--|
| Systemex Reagents America | <ul style="list-style-type: none"> • Replace equipment disposal containers with ones that are six times larger and reduce the frequency of transportation • Replace ingredient transportation boxes with reusable containers |
| Systemex 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 |
| Systemex 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 Sales and Support Services Activities

Systemex reduces CO₂ emissions associated with travelling by providing online systems for instrument maintenance, user training, and scientific seminars in each region of the world.

In 2019, we initiated a project for reforming support services worldwide, and have been working on increasing the online rate user training through e-learning and virtual training. In fiscal 2022, we provided 60% of user training online.

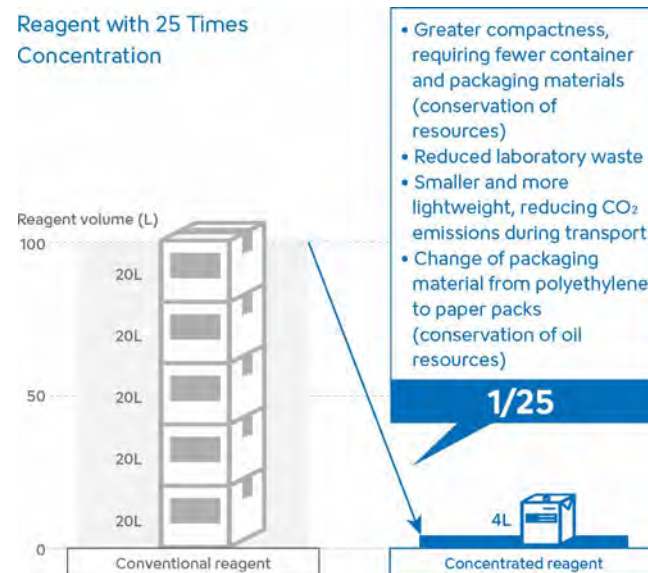


- ▶ Pursuit of Quality and Trust > Enhancing Customer Satisfaction

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 can be used. Such concentrated reagents not only contribute significantly to improving usability by reducing the frequency of reagent replacement in laboratories and saving warehouse space, but also enable us to reduce the amount of disposed containers and packing materials and CO₂ emissions during transportation. Sysmex has set a concentrated agent penetration rate as a sustainability target, working to reduce 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.

▶ [Click here for details:](#)



Takahito Mihara, Manager in the System Engineering Division

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.

i-Square, an equipment production factory, switched all the electricity it uses to electricity derived from renewable energy sources as of fiscal 2022. From fiscal 2023, Sysmex will switch the electricity used by all its facilities, including domestic production factories and R&D centers, to renewable electricity.

Sysmex Europe's reagent production factories have introduced ice thermal storage air conditioning systems,^{*1} in addition to the installation of solar panels, covering approximately 35% of energy requirements for reagent production. In addition, Sysmex business locations in EMEA^{*2} 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 certification^{*3} for its head office. It has also installed charging ports for electric vehicles, improved LED lighting and installed solar panels as well as continuing to undertake various initiatives to acquire the certification.

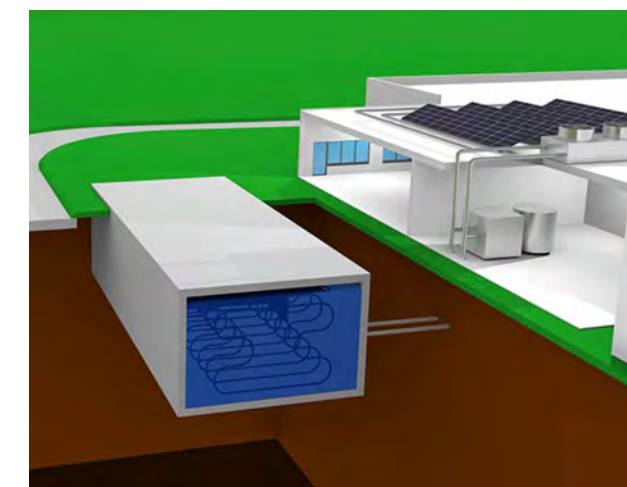
※ 1 Thermal energy storage technology using ice

※ 2 Europe, the Middle East, and Africa

※ 3 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.



Solar panels (i-Square)



Air conditioning system using ice thermal storage (Sysmex Europe)

Major Initiatives at Each Business Site

| Initiative | Company | Description |
|---|---|--|
| Increase the efficiency of equipment and facilities | Systemex Corporation | Switch to highly efficient air conditioning and LED lighting Increase productivity through a production optimization initiative |
| | Systemex RA | Introduce power-saving air conditioning equipment with timers |
| | Systemex America | Use LEDs for all lighting |
| | Systemex Europe | Use LEDs for lighting in major reagent filling rooms and introduce motion sensors |
| | Systemex Asia Pacific | 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 |
| | Systemex India | Use LEDs for lighting in factories |
| | Jinan Systemex | Use natural gas boilers (switching from oil boilers) |
| Introduce renewable energy | Systemex Corporation | Install solar panels and save energy by bringing in natural light (i-Square) |
| | Systemex America Systemex Reagents America | Ensure that 50% of energy used is derived from renewable energy sources |
| | Systemex Europe | Ensure that 100% of energy used is derived from renewable energy sources and install solar panels |
| Raise employee awareness | Systemex Europe | Provide incentives for using trains for business trips, establish an inhouse website for car sharing, and provide bikes for commuting |
| | Systemex Malaysia | Provide incentives to employees who use hybrid vehicles for commuting |
| | Systemex India | Ensure that all personal vehicles used by employees to commute are PUC certified* |
| | Systemex Brazil | Switch to biofuel for company vehicles |

* PUC is an acronym for Pollution Under Control, which certifies that vehicle emissions are below pollution regulation standards. Indian law requires vehicle owners to take a PUC test every six months to obtain PUC certification (PUC certification is valid for one year for a new vehicle).

Decreasing CO₂ Emissions from Fleet

In order to control fuel consumption and reduce CO₂ emissions for the approximately 400 company vehicles in Japan, Systemex Corporation has installed telematics in each of them to be able to visualize driving quality by assigning scores for distances traveled, fuel consumption, and driving behavior. It also conducts eco-driving training for all the employees to improve the environmental awareness of each driver. With these activities being evaluated highly, Systemex received a certificate of excellence in the fiscal 2022 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 more fuel-efficient ones. In fiscal 2022, approximately 30% of all our vehicles were replaced with hybrid vehicles.

Systemex Brazil started switching fuel for its company vehicles to sugarcane-derived biofuel from fiscal 2022, while Systemex UK proceeded with the removal of diesel vehicles and the replacement of all company vehicles with hybrid vehicles, and added charging points at the company sites.



Charging point (Systemex UK)

Using Water Resources Efficiently

Reducing Water Consumption

Systemex 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, Systemex has set targets for decreasing water use in our Eco-Vision 2033, and 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. At the Seishin Factory, we also changed the lot size, which contributed to an improvement of the yield. These measures reduced product liquid loss, decreased water use, and lessened the environmental burden of waste liquid. Systemex Brazil reduced water consumption and costs by changing programs so that the cleaning system for purified water manufacturing equipment, which used to operate 24 hours a day, operates only on weekdays.

Major Initiatives at Business Activities

| Company | Initiatives |
|-----------------------|--|
| Systemex 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 |
| Systemex 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 for washing production facilities after the reagent production |
| Systemex India | <ul style="list-style-type: none"> Introduce a waste water processing system to purify water discharged during reagent production, and use the purified water to irrigate green areas around the factory Reduce water consumption per reagent production by improving the production efficiency Reduce consumption of water used to wash production facilities after reagent production |
| Systemex Brazil | <ul style="list-style-type: none"> Recycle water generated in the production process for use as domestic water |
| Systemex Wuxi | <ul style="list-style-type: none"> Set a target for reducing water consumption and assign an officer dedicated to environmental, health, and safety issues. Conduct periodic environmental, health, and safety inspections. |

Water Risk Assessments

Systemex 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

Systemex 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 Business Activities

| Company | Initiative |
|-----------------------|---|
| Systemex Corporation | • 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 |
| Systemex RA | • Introduce waste fluid processing equipment, making infectious waste fluid harmless by heat sterilization, and discharge the harmless fluid directly into the sewage system |
| Systemex America | • Introduce a wastewater processing system to remove boron-containing substances from waste fluid generated during reagent production |
| Systemex Asia Pacific | • Introduce a wastewater processing system to purify waste fluid generated during reagent production before discharging it to the sewage system |
| Jinan Systemex | • Commission third-party institutions to appropriately process recyclable waste such as waste drums and waste paper generated during the production process |

Global Kaizen Activities at Reagent Production Factories

Systemex has initiated a “Kaizen Activity” project for all global reagent production facilities to promote Group-wide initiatives to reduce environmental impacts.

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 2022, cardboard waste was reduced by 30 tons from the previous fiscal year. Systemex aims to achieve zero cardboard waste by fiscal 2025. In addition, it continuously works to save energy by repeatedly designing and prototyping “Karakuri” devices that utilize gravity, natural energy, and the principles of leverage, and solving issues at production sites. Since 2021, we have exhibited at the Karakuri Kaizen Kufu Exhibition and have received the Institute Special Prize and other awards.

Systemex Reagents America replaced packages for ingredients with recyclable containers in collaboration with its business partners.

Systemex Asia Pacific successfully reduced waste and costs by recycling containers made from chemical ingredients that were previously discarded. We will continue to promote activities to reduce environmental burdens.



* Target: Domestic reagent production factories
 * Amount of cardboard waste:
 Amount of waste(ton)÷Number of in-house product boxes(thousand boxes)



Photo taken at the Karakuri Kaizen Exhibition

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 analyze our interaction with nature, and the results suggested that our production process depends on water and impacts water quality and soil to a relatively large extent.

Each production facility strives to reduce its water risks by effectively using water resources and minimizing its impact on nature through measures such as environmental considerations in product design, appropriate management of waste, and forest conservation activities. Thus we make efforts to protect biodiversity.

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*, 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.

Each reagent factory engages in various initiatives, including reducing consumables used in production and reducing defective products to minimize the use of packaging material. At Kakogawa Factory, an equipment production facility, we review packaging and cushioning materials used to provide materials to production lines, reducing annual waste. In order to reduce food waste from its in-house canteen, Kakogawa Factory uses a specialized garbage disposal system to convert food waste to organic fertilizer for farmers. The factory purchases agricultural produce grown by the farmers who use this fertilizer, contributing to realizing a recycling-oriented society. At Technopark, we introduced polystyrene foam melting machines and large shredders for confidential paper in fiscal 2023, converting all the used polystyrene foam (PS) from the office into recycled plastic materials and selling them as a valuable resource, and processing waste from the shredders to be reused as toilet paper, thereby contributing to the reduction of waste.

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 |
|---------------------|--|
| System Corporation | • Reduce waste by introducing food waste processors in its in-house canteen |
| System Asia Pacific | • Replace aluminum foil used for weighing drums with reusable materials |
| System Malaysia | • Recycle or donate to charities cardboard boxes and plastic materials |
| System Canada | • Improve recyclable products |
| System Brazil | • Use chemical waste in clinker kilns instead of having sanitary landfills saturated (this contributes to the reuse of energy and improvement of recycling rate) |

▶ Status of Sustainability Targets

▶ Environmental Consideration in Product Transportation

Managing Harmful Substances

Managing Chemical Substances

System 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, “System” refers to the System Group as a whole. “System Corporation” refers to the Company on a stand-alone basis.



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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

At Sysmex, compliance violations are considered the most serious risk that could damage our social trust. 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 promotes compliance throughout the Group as the Chief Compliance Officer. Each Group company has appointed its own compliance officer. The Compliance Committee monitors the Group-wide compliance promotion activities and their progress. The compliance promotion structure is checked by a third party from the perspective of internal control.

If there is a major compliance violation that has a significant impact on the Group or a Group company, or an event that could cause a similar impact, it will be immediately reported by the compliance officer of the relevant company to the Chief Compliance Officer. After receiving the report, the Chief Compliance Officer will 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 regarding events for which disclosure is required in accordance with information disclosure regulations.

There were nine ethics incidents in FY2022, but none of them were deemed significant.

► Corporate Governance Structure

► Corporate Governance Report

Internal reporting system

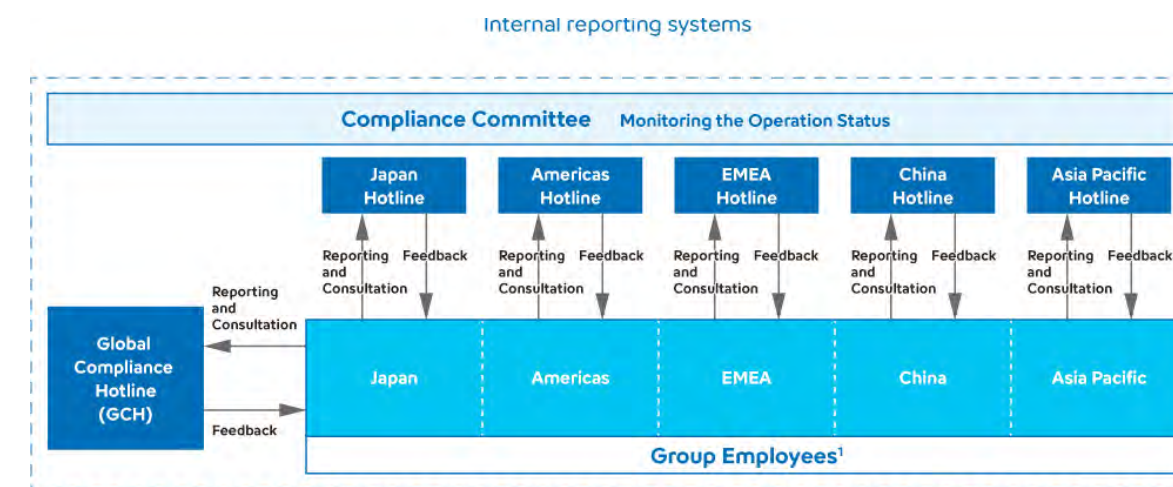
Sysmex has established a global system whereby all the employees of the Group can consult or report on compliance issues, including bribery and human rights abuses. Specifically, it has in place internal reporting desks operated by respective regional headquarters to provide consultation to, and receive 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 Sysmex Corporation. In fiscal 2022, Sysmex integrated platforms of regional internal reporting desks and the GCH platform, which had been separately operated, to further strengthen governance.

In the Japanese region, we separately operate an internal reporting system called the "Campanula Line", which is shared by domestic Group companies and complies with Japan's Whistleblower Protection Act. The Campanula Line offers three routes to seek consultation or make a report: in-house, external, and directly to Audit and Supervisory Committee members. Going through the route of such members, employees can seek consultation about or make reports on compliance issues involving management.

Employees seeking consultation or making a report can remain anonymous through any of these 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.

Information about these systems is disseminated to all the Group employees through the intranet and training to promote the early detection of compliance violations. In addition, the Compliance Committee monitors the operational status of the internal reporting system. In fiscal 2022, the number of internal reports received from Japan and overseas was 21. We conducted investigations regarding these reports and dealt with each of them appropriately.

※ Excluding the Japanese region



1 All employees (including contract employees and temporary employees)
2 The diagram above is an overview of our internal reporting system.

Compliance Education

Providing Education on Compliance

Sysmex 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 2022, 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 reactions when becoming aware of compliance violations, and other necessary matters.

► Education regarding Fair Marketing Activities

► Education and Training on Understanding Respect for Human Rights

► Diversity Education

Governance

Compliance Promotion Initiatives

Anti-Corruption

In accordance with the spirit of the UN Global Compact, Sysmex 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. Additionally, the “Corruption and Bribery” Chapter of the Global Compliance Code clearly prohibits acts of corruption, and the global anti-bribery regulations applicable to all Group companies cover topics such as banned activities, due diligence, the provision of education, and management systems. In these ways, we promote initiatives for Group-wide compliance.

- ▶ [Global Compliance Code](#)
- ▶ [Anti-Bribery Regulations \(Summary\)](#)

Transparency in Relationships with Medical Institutions

Sysmex has increased opportunities for collaboration with medical institutions and professionals at every stage of its operations through research and development, production, sales, and 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.

In Japan, Sysmex 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 Sysmex 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](#)
- ▶ [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](#)
- ▶ [Activities of the Research Ethics Examination Committee](#)

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.

We have formulated the Sysmex Promotion Code for activities in Japan, and in fiscal 2022, we held promotion code-based online training sessions for employees of sales divisions, which included a study of specific cases of misconduct. We also implemented training for managers and e-learning for general employees.

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

Tax Strategy

Sysmex has established a “Tax Strategy” in the Global Compliance Code with the aim of increasing tax-related transparency. In the text setting forth the strategy, Sysmex stipulates that it will comply with the OECD Transfer Pricing

Guideline and all tax laws in the countries and regions in which it conducts business. It will not transfer created value to lower tax jurisdictions only to gain a tax advantage.

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.

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

Tax Strategy in the United Kingdom

- ▶ [UK Tax Strategy \(97KB\)](#)

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

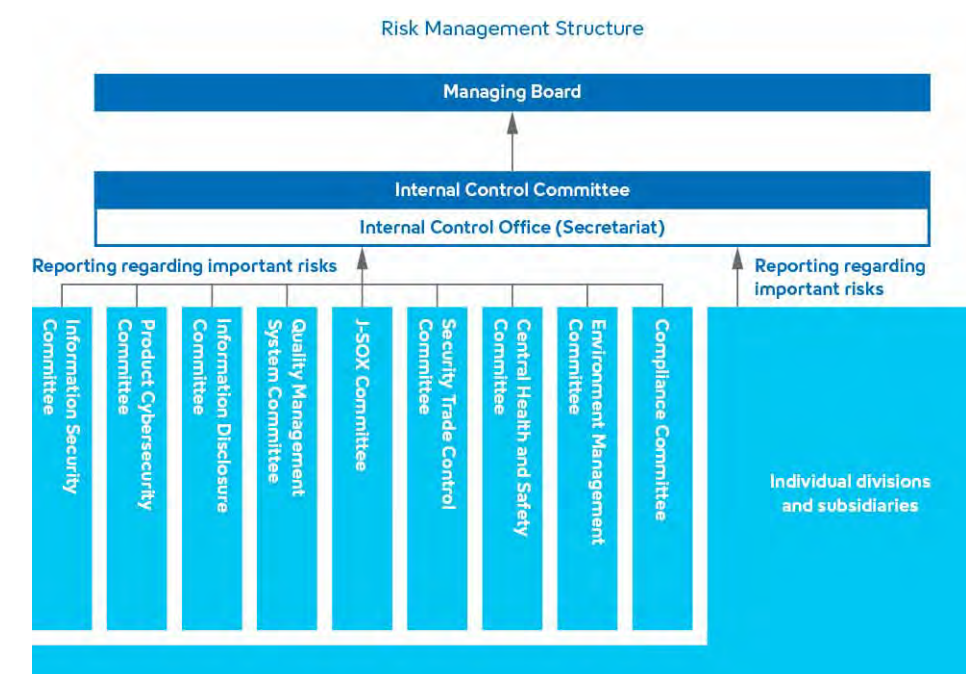
Risk Management Structure

Risk Management Structure

Promoting Risk Management by Establishing a Dedicated Committee

Sysmex established the Internal Control Committee to supervise risk management of the Group as a whole, and promotes all risk management activities, including those regarding strategic risks. The Committee is chaired by the President and its members include relevant executive officers and Audit and Supervisory Committee members (excluding outside members of the Managing Board, who act as observers).

By regularly assessing 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), the Committee identifies risks significantly affecting the Group’s operations and takes necessary countermeasures. In addition, it monitors the status of risk management by relevant committees, including the Compliance Committee, as well as individual divisions and subsidiaries, and periodically reports to the Managing Board. When a major risk that has a significant impact on the Group’s business arises, the Internal Control Committee also reports to the Managing Board to discuss how to respond, following the PDCA cycle.



- ▶ [Corporate Governance](#)
- ▶ [Sysmex Report \(Risk Management\)](#)

Governance

Response to Risks Related to Business Continuity

Establishment of a Business Continuity Plan (BCP)

Response to Major Disasters

Sysmex 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.

In addition, we relocated our distribution center to an inland location with less risk of flooding so we can reinforce our system for stable supply even further. We also strengthened the facility with a quake-absorbing structure, private power generation system, and fire shutters.

Main BCP Approaches:

- Decentralization of main raw material procurement (selection of production locations based on the concept of local production for local consumption)
- Establishment of a mechanism for procurement of parts such as semiconductors with long lead times to register raw material ordering plans for such parts in a system based on our medium-term production plan
- Decentralization of product storage according to storage function (instruments, maintenance parts, room temperature storage reagents, cold storage reagents, and hazardous reagents)
- Creating mutual supply systems within the factories, and securing alternative routes for transportation of products
- Prioritizing important products for supply to medical institutions
- Introduction of a tool (cloud system for disaster prevention information) 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
- Providing 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 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

Sysmex 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 Cyber Security Initiatives

We formulated the Global Information Security Regulations (Information Security Policy) to establish a Groupwide information security management framework. This creates an information security management system for the entire Group under the supervision and management of a Member of the Management Board, a senior executive officer, and a senior managing director, who acts as Information Security Officer, with the DX Strategy Development Division at its core. We established a Sysmex Computer Security Incident Response Team (Sysmex-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) and threat information (threat intelligence) received from external parties (JPCERT/CC).

Regarding collaboration with external organizations, we participate in the Medical Device Cyber Security Council, whose members include representatives from the Ministry of Health, Labour and Welfare, hospitals, and domestic medical device manufacturers. We have also 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, we have implemented specific measures including rigorous management and regular review of access to information, regular updates to security patches, login restrictions by biometric authentication (facial and fingerprint recognition) for laptop computers and mobile devices on loan from the Company, and reviews of installed applications. In addition to these operational and control measures, we also installed endpoint detection and response (EDR) for PCs and server devices as part of our ransomware countermeasures.

Information and Cyber Security Education

At Sysmex, we provide annual e-learning on information security for all our Group employees, as well as temporary employees and independent contractors. In fiscal 2022, we held cyber security training in multiple languages for all employees in the Group. We are also implementing initiatives to raise employee awareness of information security, such as seminars concerning how emails should be handled, as well as drills for targeted email attacks (BEC and phishing).

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

Acquiring Information Security Certification

Sysmex 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 Sysmex CNA has obtained the same certification. Sysmex 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

- [Overview of Global Information Security Regulations \(Information Security Policy\)](#)
- [Product Security Policy](#)

Governance

Respect for Human Rights

Respect for Human Rights

Policies and Initiatives Related to Human Rights

Participating in the UN Global Compact and Adhering to the Universal Declaration of Human Rights and the International Labour Organization (ILO) Core Labour Standards

Systemex strongly advocates respect for human rights and the elimination of discrimination in its Global Compliance Code, and works to create corporate management and workplace environments that respect all employees' human rights. This code is in keeping with the UN's Universal Declaration of Human Rights provision that "All human beings are born free and equal in dignity and 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. Systemex joined in the UN Global Compact in 2011 and clarified its corporate stance in relation to the Compact's Ten Principles regarding human rights, labor, the environment, and anti-corruption.

► Global Compliance Code

Identifying Risks to Human Rights(Human Rights Due Diligence)

Systemex stipulates the implementation of human rights due diligence in the Global Compliance Code and works to identify the impact on human rights of business activities within the Company and across the supply chain and 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 and eliminating discrimination due to gender, disability, race, or other factors. To ensure that Systemex is not involved or complicit in human rights abuses, 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 statement on its website and operates in full compliance with the act.

► Strengthening Supply Chain Management

► Anti-Slavery and Human Trafficking Policy

Consultation and Reporting Systems Related to Human Rights

Systemex has established internal reporting hotlines in Japan and overseas for handling consultations on human rights, including those related to discrimination and harassment. Information received through these hotlines is handled appropriately and confidentially, and counselees and reporters are protected from any negative consequences caused by seeking consultation or making a report. We confirm the facts of the events consulted or reported, and if a compliance violation is found, we will impose a penalty on the violator and take corrective and preventive measures.

► Internal Reporting System

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.

FY2022 Results

- Harassment and labor management training for newly appointed supervisors and new employees
- Unconscious bias^{*1} training for all employees^{*2}
- Management training to improve psychological safety (for supervisors)
- Psychological safety seminar by an industrial physician for all employees^{*2}
- Global compliance training on harassment for all Group employees

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

*2 Participation is voluntary

► 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 2023, 61% of Systemex Corporation employees are members of the Systemex Union, our in-house labor union. Systemex Corporation engages in collective bargaining with the Systemex Union every year. In FY2022, 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

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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.

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index



2023 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

- **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.

2023 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).

- **“Prime” status given by ISS ESG** (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 evaluated from ESG perspectives are recognized as “Prime”.



- **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.



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

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.

- **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.



- **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 Activities toward a Better Society



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 2022, for its efforts related to sexual and gender minorities (Fiscal 2022)

For IR Activities

- **Named “Most Honored Company” in “2021 All-Japan Executive Team” by Institutional Investor**

Institutional Investor, a major U.S. investment magazine, names Japanese companies that conduct excellent investor relations activities, based on voting by institutional investors and security analysts around the world.

Performance Data

Social Data

Employees

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

Human Capital

1. Ethics and Compliance

| | Item | Unit | Scope | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 |
|--|--|-------|--------------------|---------------|---------------|---------------|
| Types and number of complaints made | Number of internal reports of incidents received | Cases | Group | 12 | 28 | 21 |
| Types and number of disciplinary actions | Number of unethical incidents | Cases | Group | 5 | 14 | 9 |
| Percentage of employees receiving ethics and compliance training * | | % | Sysmex Corporation | 90% or higher | 90% or higher | 90% or higher |

* Global compliance training is provided to all employees

2. Cost

| | Item | Unit | Scope | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 |
|--------------------|------|-------------|--------------------|-------------|-------------|-------------|
| Total labor cost * | | million yen | Sysmex Corporation | 26,639 | 29,083 | 32,697 |

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

3. Diversity

| | Item | Unit | Scope | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 |
|--------------------------|---|------|--------------------------|-------------|-------------|-------------|
| Age | 60 or older | % | Sysmex Corporation | 5.6 | 6.0 | 6.8 |
| | 50 to 59 | % | Sysmex Corporation | 20.6 | 21.2 | 23.2 |
| | 40 to 49 | % | Sysmex Corporation | 34.4 | 32.9 | 31.9 |
| | 30 to 39 | % | Sysmex Corporation | 27.0 | 27.9 | 26.9 |
| | 20 to 29 | % | Sysmex Corporation | 12.5 | 11.9 | 11.1 |
| | 15 to 19 | % | Sysmex Corporation | 0.0 | 0.1 | 0.1 |
| Gender | Percentage of female employees | % | Sysmex Corporation | 41.7 | 41.7 | 42.2 |
| People with disabilities | Percentage of employees with disabilities | % | Group companies in Japan | 2.3 | 2.3 | 2.3 |
| Function | Sales | % | Sysmex Corporation | 14.8 | 14.5 | 13.3 |
| | Service | % | Sysmex Corporation | 7.4 | 7.2 | 6.9 |
| | SCM | % | Sysmex Corporation | 2.0 | 2.0 | 1.9 |
| | R&D | % | Sysmex Corporation | 33.7 | 34.3 | 32.7 |
| | Business Development | % | Sysmex Corporation | 11.1 | 10.0 | 8.3 |
| | Corporate | % | Sysmex Corporation | 12.7 | 12.0 | 11.1 |
| | RA/QA | % | Sysmex Corporation | 2.8 | 2.9 | 2.6 |
| Nationality | Manufacturing | % | Sysmex Corporation | 15.6 | 17.1 | 23.2 |
| | Percentage of employees with foreign citizenship | % | Sysmex Corporation | 3.5 | 3.3 | 2.8 |
| Type of recruitment | Newly graduated recruits | % | Sysmex Corporation | 53.7 | 52.3 | 49.1 |
| | Mid-career hires | % | Sysmex Corporation | 35.0 | 36.8 | 37.7 |
| | Others (reemployed workers, employees on loan, employees whose status has been changed, and employees transferred to other Group companies) | % | Sysmex Corporation | 11.3 | 10.9 | 13.2 |
| | Percentage of female executives | % | Sysmex Corporation | 4.3 | 8.7 | 8.3 |
| Management diversity | Percentage of executives with foreign citizenship | % | Sysmex Corporation | 13.0 | 13.0 | 16.7 |
| | Percentage of executives who joined as mid-career hires | % | Sysmex Corporation | 47.8 | 52.2 | 54.2 |

| | Item | Unit | Scope | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | |
|--|---|---------------------|--------------------|--------------------|-------------|-------------|------|
| Percentage of female/male new employees | Newly graduated recruits | Men | % | Sysmex Corporation | 67.3 | 63.0 | 62.0 |
| | | Women | % | Sysmex Corporation | 32.7 | 37.0 | 38.0 |
| | Mid-career hires | Men | % | Sysmex Corporation | 86.0 | 74.0 | 75.0 |
| | | Women | % | Sysmex Corporation | 14.0 | 26.0 | 25.0 |
| Female manager ratio *1 | | % | Sysmex Corporation | 7.9 | 8.7 | 10.1 | |
| Female next-generation manager rate *2 | | % | Sysmex Corporation | 21.8 | 22.4 | 23.7 | |
| Rate of mid-career hires in managerial posts | | % | Sysmex Corporation | 40.0 | 40.0 | 41.7 | |
| Salary comparison between men and women *3 | All employees | Total annual salary | % | Sysmex Corporation | 54.7 | 54.8 | 56.2 |
| | Regular employees (employees in managerial posts and general employees) | Total annual salary | % | Sysmex Corporation | 69.5 | 71.4 | 72.1 |
| | | Total annual salary | % | Sysmex Corporation | 40.2 | 37.0 | 39.6 |
| | Nonregular employees (contract and part-time employees) | Total annual salary | % | Sysmex Corporation | 40.2 | 37.0 | 39.6 |
| | | Total annual salary | % | Sysmex Corporation | 40.2 | 37.0 | 39.6 |
| | Employees in managerial posts | Base salary | % | Sysmex Corporation | 95.7 | 97.7 | 94.9 |
| | | Total annual salary | % | Sysmex Corporation | 95.6 | 95.8 | 93.1 |
| General employees | Base salary | % | Sysmex Corporation | 85.5 | 88.5 | 88.7 | |
| | Total annual salary | % | Sysmex Corporation | 76.3 | 79.5 | 80.1 | |

*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 2020 | Fiscal 2021 | Fiscal 2022 |
|--------------------------|--|------|--------------------|-------------|-------------|-------------|
| Confidence in leadership | Percentage of positive responses to confidence in leadership in the corporate culture survey * | % | Sysmex Corporation | 54.0 | 57.0 | 58.0 |

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

5. Organizational Culture

| | Item | Unit | Scope | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 |
|--|---|------|--------------------|-------------|-------------|-------------|
| Engagement | Percentage of positive responses to engagement in the corporate culture survey *1 | % | Sysmex Corporation | 54.0 | 57.0 | 57.0 |
| | Percentage of positive responses to the Sysmex Way in the corporate culture survey *2 | % | Sysmex Corporation | 71.0 | 68.0 | 69.0 |
| | Percentage of positive responses to well-being in the corporate culture survey *3 | % | Sysmex Corporation | 53.0 | 56.0 | 56.0 |
| | Corporate culture survey response rate | % | Sysmex Corporation | 86.0 | 89.0 | 92.0 |
| Promotion of diverse working styles and “smart work” | Percentage of employees returning after childcare leave | % | Sysmex Corporation | 100.0 | 100.0 | 100.0 |
| | Percentage of men taking childcare leave | % | Sysmex Corporation | 33.0 | 57.1 | 62.0 |

*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 2020 | Fiscal 2021 | Fiscal 2022 |
|--|-------|--------|--------------------|-------------|-------------|-------------|
| Lost work day rate *1 | | — | Sysmex Corporation | 0.06 | 0.05 | 0.06 |
| Lost-time injuries frequency rate *2 | | — | Sysmex Corporation | 0.67 | 0.49 | 0.75 |
| Work-related deaths *3 | | people | Sysmex Corporation | 0 | 0 | 0 |
| Work-related injuries and illnesses | | people | Sysmex Corporation | 2 | 4 | 5 |
| Participation rate in disaster drills | | % | Sysmex Corporation | 98.4 | 98.6 | 99.4 |
| Total annual working hours *4 | | hours | Japan | 2,030 | 2,034 | 2,020 |
| Total workdays lost | | days | Sysmex Corporation | 336 | 326 | 377 |
| Total actual number of working hours | | hours | Sysmex Corporation | 5,987,268 | 6,125,461 | 6,624,722 |
| Employees taking childcare leaves | Women | people | Sysmex Corporation | 32 | 36 | 31 |
| | Men | people | Sysmex Corporation | 27 | 36 | 49 |
| Employees working shorter hours for childcare | Women | people | Sysmex Corporation | 129 | 138 | 148 |
| | Men | people | Sysmex Corporation | 1 | 1 | 5 |
| Percentage of employees returning after childcare leaves | Women | % | Sysmex Corporation | 100.0 | 100.0 | 100.0 |
| | Men | % | Sysmex Corporation | 100.0 | 100.0 | 100.0 |

| Item | Unit | Scope | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 |
|--|----------------------|--------------------|-------------|-------------|-------------|
| Employees taking accumulated paid leave | people | System Corporation | 84 | 106 | 123 |
| Children in in-house daycare center | Total during year | people | 17 | 25 | 21 |
| | At fiscal year-end | people | 17 | 25 | 19 |
| Reemployment of personnel leaving for reasons of childcare or nursing care | New registrants | people | 3 | 0 | 0 |
| | Employees reemployed | people | 0 | 0 | 1 |
| Percentage of reemployment | % | System Corporation | 0.0 | 0.0 | 0.0 |
| Percentage of employees having regular health checkups | % | System Corporation | 100.0 | 100.0 | 100.0 |
| Percentage of employees having thorough examinations through regular health checkups (i.e., percentage of employees having secondary examinations) | % | System Corporation | 25.5 | 39.1 | 39.4 |
| Percentage of employees receiving specific health guidance (i.e., percentage of employees with high health risks receiving health guidance) | % | System Corporation | 10.4 | 8.6 | 7.9 |
| Percentage of employees taking sick leaves (mental or physical) ^{*5} | % | System Corporation | 1.8 | 2.9 | 2.5 |

*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 Total annual hours worked per employee

*5 Excluding employees under maternity health management

7. Productivity

| Item | Unit | Scope | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | |
|---|---|-------------|--------------------|-------------|-------------|--------|
| EBIT (Earnings Before Interest and Taxes), sales, and profit per employee | Value-added productivity per employee ^{*1} | million yen | System Corporation | 22 | 25 | 28 |
| EBIT, sales, and profit per employee | Sales per employee ^{*2} | million yen | System Corporation | 52 | 60 | 58 |
| | EBIT per employee ^{*3} | million yen | System Corporation | 9 | 11 | 14 |
| | Operating profit per employee ^{*5} | million yen | System Corporation | 9 | 11 | 14 |
| RoI of human capital | Added value | million yen | System Corporation | 65,879 | 76,438 | 97,920 |
| | Rate of increase or decrease in real human capital investment ^{*6} | % | System Corporation | 2.0 | 1.1 | 4.7 |
| | RoI of human capital ^{*7} | % | System Corporation | 109.8 | 123.2 | 155.7 |

*1 Value-added productivity per employee = Added value/average number of employees

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

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

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

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

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

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

*Systemex 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 RoI of human capital = Operating profit/labor cost

Labor cost = Prime cost + sales and administration cost

8. Employment, Transfer, and Turnover

| Item | Unit | Scope | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | |
|--|--|--------------------|--------------------|-------------|-------------|-------|
| Average days necessary for employment | Average days necessary for employment of newly graduated recruits | days | System Corporation | 32 | 32 | 38 |
| | Average days necessary for employment of mid-career hires | days | System Corporation | — | — | 161 |
| Days necessary to fill important positions | days | System Corporation | — | 0 | 0 | |
| Percentage of internal appointments | Percentage of internal appointments ^{*1} | % | System Corporation | 68.3 | 71.8 | 66.6 |
| Percentage of internal appointments to important positions | Percentage of internal appointments to GG4 or higher positions ^{*2} | % | System Corporation | 62.5 | 100.0 | 100.0 |
| Turnover ratio | % | System Corporation | 2.9 | 3.2 | 3.4 | |
| Turnover | people | System Corporation | 55 | 72 | 71 | |
| Newly graduated recruits | Total | people | System Corporation | 52 | 63 | 104 |
| | Men | people | System Corporation | 35 | 40 | 64 |
| | Women | people | System Corporation | 17 | 23 | 40 |
| | Non-Japanese | people | System Corporation | 3 | 8 | 13 |
| Mid-career hires | Total | people | System Corporation | 76 | 85 | 108 |
| | Men | people | System Corporation | 65 | 65 | 81 |
| | Women | people | System Corporation | 11 | 20 | 27 |
| | Non-Japanese | people | System Corporation | 7 | 5 | 1 |

| Item | Unit | Scope | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | |
|---------------------------------|---------------------|--------|--------------------|-------------|-------------|-----|
| Promotions to regular employees | Total | people | System Corporation | 21 | 33 | 31 |
| | Contract employees | people | System Corporation | 18 | 18 | 16 |
| | Temporary employees | people | System Corporation | 3 | 15 | 15 |
| Number of interns accepted | Total | people | System Corporation | 594 | 952 | 811 |
| | Non-Japanese | people | System Corporation | 0 | 0 | 5 |

*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)

9. Skills and Competence

| Item | Unit | Scope | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | |
|---|---|--------------|--------------------|-------------|-------------|-----|
| Total human resources development and training cost | Total human resources development and training cost | million yen | System Corporation | 161 | 202 | 266 |
| | Training cost per employee | thousand yen | System Corporation | 63 | 77 | 92 |

10. Workforce

| Item | Unit | Scope | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | | |
|---|-------------------------|--------------------|--------------------|-------------|-------------|-------|--------|
| Total number of employees ^{*1} | people | System Corporation | 2,740 | 2,804 | 3,168 | | |
| Total number of employees (full-time and part-time employees) | Full-time employees | people | System Corporation | 2,419 | 2,493 | 2,822 | |
| | Part-time employees | people | System Corporation | 321 | 311 | 346 | |
| Full-time equivalent (FTE) | FTE | System Corporation | 2,674 | 2,750 | 3,079 | | |
| Average age | years old | System Corporation | 41.9 | 41.7 | 42.3 | | |
| Average number of years of employment | years | System Corporation | 13.0 | 12.6 | 12.6 | | |
| Average annual salary | thousand yen | System Corporation | 7,390 | 8,355 | 8,432 | | |
| Number of Group employees | Japan | Men | people | — | 2,180 | 2,220 | 2,323 |
| | | Women | people | — | 1,646 | 1,668 | 1,750 |
| | | Total | people | — | 3,826 | 3,888 | 4,073 |
| | Americas | Men | people | — | 769 | 846 | 934 |
| | | Women | people | — | 488 | 495 | 574 |
| | | Total | people | — | 1,257 | 1,341 | 1,508 |
| | EMEA ^{*2} | Men | people | — | 1,446 | 1,526 | 1,598 |
| | | Women | people | — | 1,227 | 1,294 | 1,341 |
| | | Unaggregated | people | — | — | — | 118 |
| | Total | Men | people | — | 2,673 | 2,820 | 2,941 |
| | | Women | people | — | 520 | 514 | 516 |
| | | Total | people | — | 262 | 265 | 284 |
| | China | Men | people | — | 782 | 779 | 800 |
| | | Women | people | — | 602 | 619 | 683 |
| | | Total | people | — | 370 | 365 | 401 |
| | Asia Pacific | Men | people | — | 972 | 984 | 1,084 |
| | | Women | people | — | — | — | — |
| | | Total | people | — | 9,510 | 9,812 | 10,522 |
| Percentage of men and women in the Group | Japan | Men | % | — | 57.0 | 57.1 | 57.0 |
| | | Women | % | — | 43.0 | 42.9 | 43.0 |
| | Americas | Men | % | — | 61.2 | 63.1 | 61.9 |
| | | Women | % | — | 38.8 | 36.9 | 38.1 |
| | EMEA ^{*3} | Men | % | — | 54.1 | 54.1 | 54.3 |
| | | Women | % | — | 45.9 | 45.9 | 45.6 |
| | China | Men | % | — | 66.5 | 66.0 | 64.5 |
| | | Women | % | — | 33.5 | 34.0 | 35.5 |
| | Asia Pacific | Men | % | — | 61.9 | 62.9 | 63.0 |
| | | Women | % | — | 38.1 | 37.1 | 37.0 |
| | Overseas employee ratio | % | Group | — | 59.8 | 60.4 | 61.3 |

*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



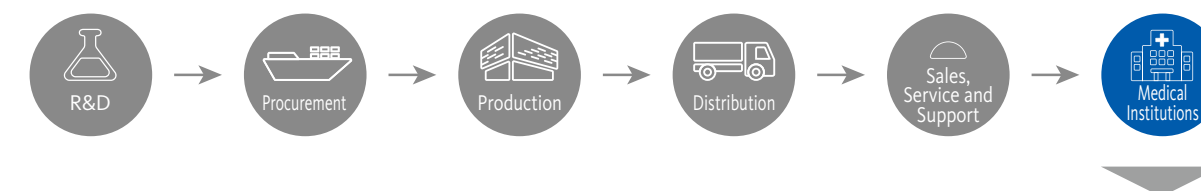
Performance Data

Environmental Data

Material Balance[※]

| INPUT | | | |
|---|-------------|-------------|-------------|
| | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 |
| Electricity (thousand kWh) | 48,158 | 49,055 | 53,877 |
| City gas (thousand m ³) | 1,212 | 1,238 | 1,542 |
| LPG (t) | 16 | 19 | 17 |
| LNG (t) | 0 | 0 | 0 |
| Heavy oil (kL) | 0 | 0 | 0 |
| Kerosene (kL) | 1 | 1 | 1 |
| Diesel oil (kL) | 13 | 0 | 19 |
| Gasoline for fleet in Japan (kL) | 518 | 502 | 3,116 |
| Diesel for fleet in Japan (kL) | 10 | 8 | 809 |
| Water use volume (thousand m ³) | 452 | 487 | 501 |
| Office paper (t) | 30 | 28 | 34 |
| PRTR (t) | 0 | 0 | 0 |

Sysmex's Business Activities



| OUTPUT | | | |
|---|-------------|-------------|-------------|
| | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 |
| Greenhouse gas emissions (Scope 1) (t-CO ₂) | 4,034 | 4,023 | 12,888 |
| Greenhouse gas emissions (Scope 2) (t-CO ₂) | 15,476 | 15,901 | 15,017 |
| Greenhouse gas emissions (Scope 3) (t-CO ₂) | — | 412,714 | 437,714 |
| Waste emissions (t) | 2,529 | 2,796 | 3,646 |
| Recycling rate (%) | 78 | 79 | 80 |
| Wastewater volume (thousand m ³) | 270 | 273 | 303 |
| PRTR (t) | 0 | 0 | 0 |

※ The scope of target business sites expanded in fiscal 2022.

Performance Data

Environmental Performance Data

| Item | Content | | Unit | Fiscal 2016 | Fiscal 2017 | Fiscal 2018 | |
|---|---|--|-----------------------------|----------------------|-------------|-------------|--------|
| INPUT | Energy consumption | Consumption of non-renewable energy | Electricity (non-renewable) | 1,000 kWh | 37,193 | 38,399 | 40,670 |
| | | | City gas | 1,000 m ³ | 1,474 | 600 | 1,097 |
| | | | LPG | t | 21 | 24 | 19 |
| | | | LNG | t | 0 | 0 | 57 |
| | | | Heavy oil | kL | 0 | 35 | 0 |
| | | | Kerosene | kL | 31 | 29 | 29 |
| | | | Diesel oil | kL | 21 | 17 | 38 |
| | Consumption of renewable energy | Electricity (renewable) | 1,000 kWh | 210 | 1,302 | 1,288 | |
| | Consumption of other non-renewable energy | Gasoline (fleet) | kL | 734 | 689 | 619 | |
| | | Diesel oil (fleet) | | GJ | 23 | 18 | |
| Total consumption | | | GJ | 467,211 | 443,548 | 488,089 | |
| Water use volume | Groundwater | 1,000 m ³ | 58 | 53 | 65 | | |
| | Purchased water | | 348 | 365 | 384 | | |
| | Total volume | | 406 | 418 | 449 | | |
| Amount of office paper used | | | t | 42 | 45 | 38 | |
| PRTR input | | | t | 0 | 0 | 0 | |
| OUTPUT | Greenhouse gas emissions Scope 1 ^{**3} | CO ₂ emissions of energy consumption from stationary combustion sources | t-CO ₂ | 3,559 | 1,749 | 2,964 | |
| | | CO ₂ emissions from fleet | | 1,768 | 1,661 | 1,483 | |
| | | Total emissions | | 5,327 | 3,410 | 4,447 | |
| | Greenhouse gas emissions Scope 2 ^{**3} | Total emissions | t-CO ₂ | 19,201 | 20,438 | 19,385 | |
| | Scopes 1 + 2 | Total emissions | t-CO ₂ | 24,528 | 23,848 | 23,832 | |
| Greenhouse gas emissions Scope 3 ^{**3} | CO ₂ emissions of Upstream transportation and distribution | t-CO ₂ | 19,573 | 16,711 | 21,571 | | |
| Waste emissions | Total emissions | | t | 2,106 | 1,482 | 2,255 | |
| | Total emissions (excluding sales offices in Japan) | | t | 1,436 | 1,361 | 2,117 | |
| | Waste used for material recycling | | | 814 | 1,044 | 1,264 | |
| | Recycled waste (including energy recovery) | | | 1,309 | 1,213 | 1,617 | |
| | Total amount of waste disposal | | | 128 | 148 | 500 | |
| | Material recycling rate | | | % | 57 | 77 | 60 |
| | Recycling rate (including energy recovery) | | % | 91 | 89 | 76 | |

| Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | Fiscal 2022 Coverage ^{**2} | Scope ^{**1} | Calculation Method and Other Note |
|-------------|-------------|-------------|-------------|-------------------------------------|---|---|
| 44,551 | 42,287 | 42,970 | 45,188 | 95% | Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan; major business locations, factories, and other business sites in other countries | |
| 1,108 | 1,212 | 1,238 | 1,542 | | | |
| 19 | 16 | 19 | 17 | | | |
| 0 | 0 | 0 | 0 | | | |
| 0 | 0 | 0 | 0 | | | |
| 24 | 1 | 1 | 1 | | | |
| 24 | 13 | 0 | 19 | | | |
| 6,704 | 5,871 | 6,085 | 8,688 | | | |
| 604 | 518 | 502 | 3,116 | | | |
| 10 | 10 | 8 | 809 | | | |
| 542,184 | 516,936 | 524,686 | 688,589 | | Total consumption = Σ (consumption by energy type × conversion factor ^{**4}) | |
| 75 | 86 | 96 | 90 | 72% | Major business locations, instrument factories, reagent factories in Japan; major business locations, factories, and other business sites in other countries | Groundwater intake |
| 437 | 366 | 391 | 410 | | | |
| 512 | 452 | 487 | 501 | | | |
| 36 | 30 | 28 | 34 | 30% | Major business locations, instrument factories, reagent factories in Japan | |
| 0 | 0 | 0 | 0 | 37% | Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan | The amount of PRTR substances handled at business sites that handle chemicals in Japan |
| 2,665 | 2,807 | 2,836 | 3,560 | 95% | Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan; major business locations, factories, and other business sites in other countries | Emissions = Σ (fuel consumption × CO ₂ emission factor ^{**4}) |
| 1,428 | 1,227 | 1,187 | 9,328 | | | |
| 4,093 | 4,034 | 4,023 | 12,888 | | | |
| 21,710 | 15,476 | 15,901 | 15,017 | | | Emissions = Σ (purchased electricity consumption × CO ₂ emission factor ^{**5}) + Σ (purchased steam consumption × CO ₂ emission factor ^{**4}) |
| 25,803 | 19,510 | 19,924 | 27,905 | | | |
| 18,547 | 16,691 | 26,033 | 21,698 | — | Sysmex Corporation | Emissions = Σ (freight weight × transport distance × CO ₂ emissions intensity ⁶) Shipment in Japan: CO ₂ emissions due to physical distribution from warehouses in Japan to customers and others in Japan (including branches and sales offices) Overseas shipment: CO ₂ emissions due to physical distribution from warehouses in Japan to ports and airports in other countries ※ Excludes domestic shipments from headquarters parts centers (to ports and airports) |
| 2,722 | 2,529 | 2,796 | 3,646 | 79% | Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan; major business locations, factories, and other business sites in other countries | Waste emissions = general waste emissions + industrial waste emissions |
| 2,591 | 2,411 | 2,689 | 3,537 | | | |
| 1,560 | 1,711 | 1,929 | 2,445 | | | Amount of waste converted into valuables as a result of a third-party process. Includes waste converted into fuel (such as RPF) |
| 1,744 | 1,884 | 2,130 | 2,838 | | | Amount of waste reused, used for material recycling, or used for energy recovery (thermal recycling) |
| 847 | 527 | 559 | 699 | | | Total amount of waste disposal = total emissions - recycled waste (including energy recovery) |
| 60 | 71 | 72 | 69 | | | |
| 67 | 78 | 79 | 80 | | | |

| Item | Content | | Unit | Fiscal 2016 | Fiscal 2017 | Fiscal 2018 |
|------------|---|--------------------------------------|----------------------|-------------|-------------|-------------|
| OUTPUT | Wastewater volume | Total emissions | 1,000 m ³ | 189 | 273 | 292 |
| | PRTR output | Emissions | t | 0 | 0 | 0 |
| | | Transfers | | 0 | 0 | 0 |
| Compliance | Violations of environmental regulations (e.g., air and water pollution) | Total amount of large fines | 100 million yen | 0 | 0 | 0 |
| | | Number of sanctions other than fines | Cases | 0 | 0 | 0 |
| | Significant spills and losses of chemical substances | Total number of cases | Cases | 0 | 0 | 0 |
| | | Total leakage volume | t | 0 | 0 | 0 |

- ※ 1 The results for each fiscal year represent the total results of the target business sites for the fiscal year. The scope of target business sites expanded in fiscal 2022. Listed below are the target business sites for fiscal 2022.
 Major business locations in Japan: Sysmex Corporation (Head Office, Technopark, and Solution Center)
 Instrument factories in Japan: Sysmex Corporation (Kakogawa Factory and i-Square), Sysmex Medica, and Sysmex RA
 Reagent factories in Japan: Sysmex Corporation (Ono Factory and Seishin Factory)
 Sales offices in Japan: Sysmex Corporation (Tokyo Office and other 20 branches)
 Other business sites in Japan: Sysmex Corporation (Research and Development Center and 6 other sites)
 Major business locations in other countries: Sysmex Europe, Sysmex Deutschland, Sysmex America, Sysmex Shanghai, and Sysmex Asia Pacific
 Major factories in other countries: Sysmex Europe, Sysmex do Brazil, Sysmex Reagents America, Sysmex India, Sysmex Asia Pacific, Jinan Sysmex Medical Electronics, Sysmex Wuxi, Sysmex Partec, Sysmex Inostics, HYPHEN BioMed, Oxford Gene Technology and Sysmex Production RUS
 Other business sites in other countries: Sysmex UK, and 29 other sites
- ※ 2 Coverage is calculated based on the number of employees.

Greenhouse gas emissions (Scope 3)

| Scope3 | FY2022 (t-CO ₂) | Boundary |
|---|-----------------------------|--|
| Category 1: Purchased goods and services | 143,375 | Sysmex major instruments, reagents, and office supplies |
| Category 2: Capital goods* | 103,273 | Entire Group |
| Category 3: Fuel- and energy-related activities (excluded from Scope 1 and 2) | 6,422 | Entire Group |
| Category 4: Upstream transportation and distribution | 21,698 | Domestic transportation and transportation from Japan to other countries |
| Category 5: Waste generated in operations | 4,456 | Entire Group |
| Category 6: Business travel | 1,368 | Entire Group |
| Category 7: Employee commuting | 2,352 | Entire Group |
| Category 11: Use of sold products | 140,724 | Sysmex major instruments |
| Category 12: End-of-life treatment of sold products | 14,046 | Sysmex major instruments, reagents, and containers |
| Total emissions | 437,714 | — |

- ※ Acquisition cost of fixed assets (tangible and intangible) x CO₂ emissions intensity (the emissions intensity calculated based on [6] Emissions Unit Value by Price of Capital Goods – Secretariat in the “Emissions Unit Value Database for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain Ver. 3.3”)

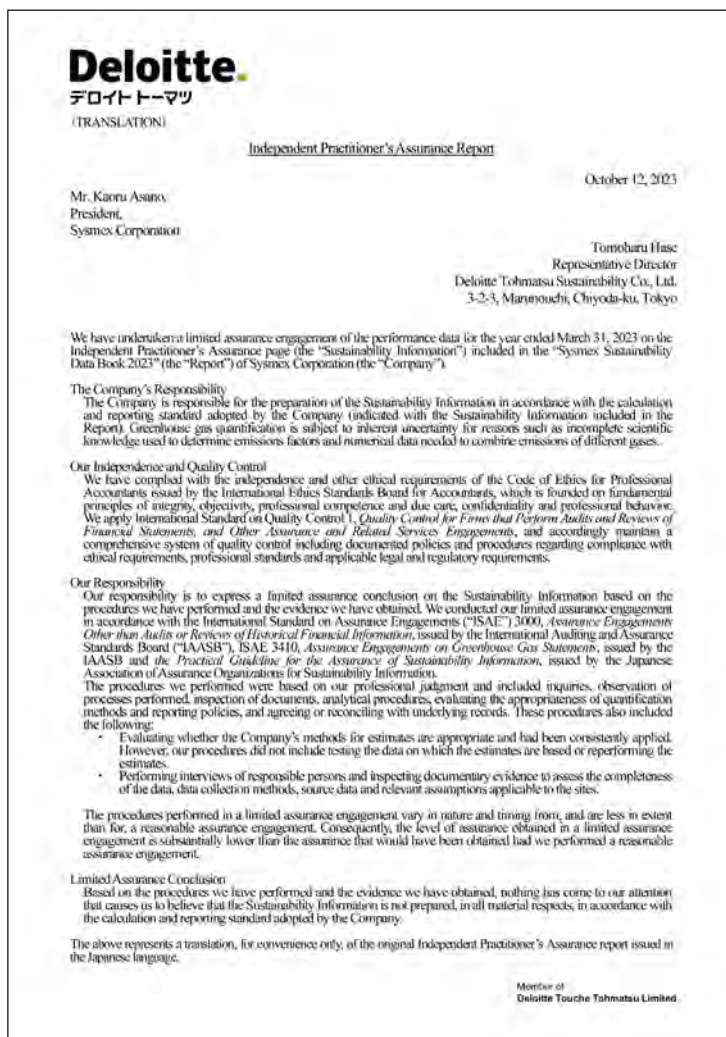
| Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | Fiscal 2022 Coverage*2 | Scope*1 | Calculation Method and Other Note |
|-------------|-------------|-------------|-------------|------------------------|---|---|
| 287 | 270 | 273 | 303 | 72% | Major business locations, instrument factories, reagent factories in Japan; major business locations, factories, and other business sites in other countries | |
| 0 | 0 | 0 | 0 | 37% | Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan | Amount of PRTR emitted from business sites that handle chemicals in Japan |
| 0 | 0 | 0 | 0 | | | Amount of PRTR transferred from business sites that handle chemicals in Japan |
| 0 | | | 0 | 100% | Major business locations, instrument factories, reagent factories, sales offices, and other business sites in Japan; major business locations, factories, and other business sites in other countries | |
| 0 | | | 0 | | | |
| 0 | | | 0 | | | |
| 0 | | | 0 | | | |

- ※ 3 Scope 1: GHG emitted directly by company facilities, factories, and fleet
 Scope 2: GHG emitted indirectly by the company due to energy use
 Scope 3: GHG emitted throughout the group of businesses related to the company's products and services (the supply chain) other than Scope 1 and Scope 2 emissions
- ※ 4 Conversion factors and emission factors are based on the “Act on Promotion of Global Warming Countermeasures”.
- ※ 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 2023)
 Other countries: 2020 emission factors from the IEA Emission Factors 2022, IEA
 In fiscal 2020, calculation methodology changed to the latest emission factors. The following emission factors were used previously.
 • Japan (fiscal 2016–2019): 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 2016–2017): GHG Protocol 2005
 • Other countries (fiscal 2018–2019): 2016 emission factors from the Emissions from Fuel Combustion 2018, IEA
- ※ 6 Emissions intensity is based on the “Common Guidelines for the Method of Calculating CO₂ Emissions in the Logistics Field Ver. 3.1.”

Performance Data

Independent Practitioner's Assurance

In order to improve the reliability of data disclosed, Sysmex Corporation has obtained an Independent Practitioner's Assurance from Deloitte Tohmatsu Sustainability Co., Ltd. for the performance data (table below) reported in the Sysmex Sustainability Data Book 2023 in the Japanese version.



Scope of Assurance:

| | Performance data | FY2022 results | | Scopes and calculation methods |
|-------------|---|----------------|-------------------------|--|
| Society | Female managers ratio | 10.1 | % | Sysmex Corporation Percentage of women at director level or above (as of March 31, 2023) |
| Environment | Greenhouse gas emissions Scope 1 (CO ₂ emissions of energy consumption from stationary combustion sources, and CO ₂ emissions from domestic fleet) | 4,931 | t-CO ₂ | For scopes and calculation methods, refer to page 99–page 102 |
| | Greenhouse gas emissions Scope 2 | 15,017 | t-CO ₂ | |
| | Greenhouse gas emissions Scope 3 (Category 2, Capital goods) | 103,273 | t-CO ₂ | |
| | Water use volume | 501 | thousand m ³ | |
| | Industrial waste emissions in Japan | 574 | t | Major business locations, instrument factories, and reagent factories in Japan Emissions based on the "Waste Management and Public Cleansing Law" |