

1st Half Results & Financial Position, Ended March 2016

President & CEO Teruhisa Ueda
Shimadzu Corporation

1st Half Financial Highlights

Billion of yen, except EPS and percentages

	Sep. 2015	Sep. 2014	Changes	% Changes
Net Sales	160.4	141.6	18.8	13.2%
Operating Income	14.5	10.0	4.4	43.9%
Operating margin	9.0%	7.1%	<i>improvement 1.9 %points</i>	
Ordinary Income	14.9	10.2	4.7	46.7%
Profit attributable to owners of parent	10.3	6.4	3.9	59.9%
EPS	¥34.92	¥21.83	¥13.09	59.9%

■ 1H Average foreign exchange rate

FY2015[1 Apr. 2015 - 30 Sep. 2015]: \$ 1 = ¥ 121.87 , € 1 = ¥ 134.35

FY2014[1 Apr. 2014 - 30 Sep. 2014]: \$ 1 = ¥ 102.28 , € 1 = ¥ 139.48

1st Half Major Factors Behind Profit Changes

Billion of yen

Items	Changes
Gross Profit	+9.3
Impact of Sales increase	+7.6
Impact of improvement of profitability	+1.7
SG & A	-4.9
Operating Income	+4.4
Non-operating balance	+0.3
Ordinary Income	+4.7

1st Half Sales Breakdown by Industry Segment (1)

Analytical & Measuring Instruments

Billion of yen, except percentages

	Sep.2015	Sep.2014	Changes	% Changes
Japan	37.2	35.5	1.7	4.7%
Overseas	60.4	50.1	10.3	20.5%
<i>Overseas sales ratio</i>	<i>61.9%</i>	<i>58.5%</i>	<i>increase 3.4% points</i>	
Total	97.6	85.6	12.0	13.9%
General Analytical Instruments	65.9	56.5	9.4	16.6%
>Chromatography (LC&GC) &MS	53.0	44.8	8.2	18.3%
<i>Overseas sales ratio of Chromatography (LC&GC) &MS</i>	<i>73.8%</i>	<i>70.6%</i>	<i>increase 3.2 %points</i>	
Surface Analyzers	4.8	4.6	0.2	3.1%
Environmental Monitors	5.4	4.9	0.5	11.1%
Testing Machines & Non-destructive Inspection Machines	9.1	8.7	0.4	5.1%
Other	12.4	10.9	1.5	12.9%
Total	97.6	85.6	12.0	13.9%

1st Half Sales Breakdown by Industry Segment (2)

Medical Systems

Billion of yen, except percentages

	Sep. 2015	Sep. 2014	Changes	% Changes
Japan	14.9	13.9	1.0	7.3%
Overseas	15.1	13.5	1.6	11.7%
<i>Overseas sales ratio</i>	<i>50.4%</i>	<i>49.4%</i>	<i>increase 1.0 %points</i>	
Total	30.0	27.4	2.6	9.5%

1st Half Sales Breakdown by Industry Segment (3)

Aircraft Equipment

Billion of yen, except percentages

	Sep. 2015	Sep. 2014	Changes	% Changes
Japan(⇒ aircraft components to Japan Ministry of Defense)	9.1	8.3	0.8	8.6%
Overseas(⇒ components for passenger aircraft)	3.1	2.2	0.9	44.9%
<i>Overseas sales ratio</i>	25.6%	20.5%	<i>increase 5.1 %points</i>	
Total	12.2	10.5	1.7	16.0%

1st Half Sales Breakdown by Industry Segment (4)

Industrial Machinery

Billion of yen, except percentages

	Sep. 2015	Sep. 2014	Changes	% Changes
Japan	9.0	7.7	1.3	18.2%
Overseas	8.3	7.1	1.2	16.5%
<i>Overseas sales ratio</i>	47.9%	48.3%	<i>decrease 0.4% points</i>	
Total	17.3	14.8	2.5	17.4%
Turbo-molecular pumps	5.4	4.7	0.7	14.3%
Hydraulic equipment	5.8	5.5	0.3	5.3%
Other	6.1	4.6	1.5	35.3%
Total	17.3	14.8	2.5	17.4%

1st Half Sales Breakdown by Regional Segment (1)

Billion of yen, except percentages

	Sep. 2015	Sep. 2014	Changes	% Changes
Japan	73.5	68.7	4.8	7.0%
Overseas	86.9	72.9	14.0	19.2%
Overseas sales ratio	54.2%	51.5%	<i>increase 2.7% points</i>	
North & South America	24.3	19.9	4.4	22.4%
Europe	12.7	12.4	0.3	2.8%
China	28.7	23.9	4.8	19.8%
Other Asian countries	15.3	11.3	4.0	35.3%
Other	5.9	5.4	0.5	8.9%
Total	160.4	141.6	18.8	13.2%

** Other Asian countries: Taiwan, Korea, South Asia, and India*

** Other: Middle East, Oceania, and Africa*

1st Half Sales Breakdown by Regional Segment (2)

Japan

Billion of yen, except percentages

	Sep. 2015	Sep. 2014	Changes	% Changes
Analytical & Measuring Instruments	37.2	35.5	1.7	4.7%
Medical Systems	14.9	13.9	1.0	7.3%
Aircraft Equipment	9.1	8.4	0.7	8.6%
Industrial Machinery	9.0	7.6	1.4	18.2%
Other	3.3	3.3	0.0	0.0%
Total	73.5	68.7	4.8	7.0%

1st Half Sales Breakdown by Regional Segment (3)

North & South America

Billion of yen, except percentages

	Sep. 2015	Sep. 2014	Changes	% Changes
Analytical & Measuring Instruments	13.9[12.2]	11.7[9.4]	2.2[2.8]	19.6% [29.7%]
Medical Systems	5.5[4.7]	4.8[3.4]	0.7 [1.3]	14.3% [38.3%]
Aircraft Equipment	2.7[2.7]	2.0[2.0]	0.7 [0.7]	35.6% [35.6%]
Industrial Machinery	2.2 [2.1]	1.4[1.4]	0.8 [0.7]	53.5% [51.6%]
Total	24.3[21.7]	19.9[16.2]	4.4 [5.5]	22.4% [34.2%]

** Figure in [] show net sales for North America alone*

1st Half Sales Breakdown by Regional Segment (4)

Europe

Billion of yen, except percentages

	Sep. 2015	Sep. 2014	Changes	% Changes
Analytical & Measuring Instruments	10.5	9.8	0.7	7.3%
Medical Systems	1.5	1.9	-0.4	-17.4%
Aircraft Equipment	0.3	0.0	0.3	x3.5
Industrial Machinery	0.4	0.7	-0.3	-41.9%
Total	12.7	12.4	0.3	2.8%

1st Half Sales Breakdown by Regional Segment (5)

China

Billion of yen, except percentages

	Sep. 2015	Sep. 2014	Changes	% Changes
Analytical & Measuring Instruments	21.8	17.6	4.2	23.3%
Medical Systems	3.0	3.0	0.0	0.8%
Industrial Machinery	3.9	3.3	0.6	18.4%
Total	28.7	23.9	4.8	19.8%

1st Half Sales Breakdown by Regional Segment (6)

Other Asian Countries

Billion of yen, except percentages

	Sep. 2015	Sep. 2014	Changes	% Chaneges
Analytical & Measuring Instruments	10.7	8.0	2.7	33.8%
Medical Systems	2.8	1.5	1.2	81.8%
Aircraft Equipment	0.1	0.02	0.08	x2.8
Industrial Machinery	1.7	1.7	0.0	-1.7%
Total	15.3	11.3	4.0	35.3%

** Other Asian countries: Taiwan, Korea, South Asia, and India*

1st Half Sales Breakdown by Regional Segment (7)

Other

Billion of yen, except percentages

	Sep. 2015	Sep. 2014	Changes	% Changes
Analytical & Measuring Instruments	3.4	3.0	0.4	14.4%
Medical Systems	2.3	2.3	0.0	-2.8%
Industrial Machinery	0.2	0.1	0.1	x2.6
Total	5.9	5.4	0.5	8.9%

** Other: Middle East, Oceania, and Africa*

1st Half ended Current asset on Balance Sheet

Billion of yen, except percentages & months

	30 Sep. 2015	31 Mar. 2015	30 Sep. 2014	Changes	% Changes
Trade Notes & Accounts receivable	91.0	103.2	88.9	2.1	2.3%
Turnover in months	3.4	3.9	3.8	improvement 0.4 months	
Inventories	79.3	74.9	76.5	2.8	3.7%
Turnover in months	3.0	2.9	3.2	improvement 0.2 months	

** Changes and % changes are toward the corresponding period of last year.*

1st Half ended Liabilities & Net Assets on Balance Sheet

Billion of yen, except percentages

	30 Sep. 2015	31 Mar. 2015	30 Sep. 2014	Changes	% Changes
Short-term loans	5.1	8.7	11.5	−6.4	−55.7%
Long-term loans	1.1	0.9	0.7	0.4	70.0%
Bonds	15.0	15.0	15.0	0.0	0.0%
Total debt	21.2	24.6	27.2	−6.0	−21.9%
	30 Sep. 2015	31 Mar. 2015	30 Sep. 2014	Changes	% Changes
Net assets	216.3	209.8	190.7	25.6	13.4%
Total assets	335.2	339.8	315.8	19.4	6.1%
Equity ratio	64.5%	61.7%	60.4%	improvement 4.1% points	

* Changes and % changes are toward the corresponding period of last year.

1st Half Cash Flow

Billion of yen, except percentages

	Sep. 2015	Sep. 2014	Changes	%Changes
CF-Operating activities	17.1	20.7	-3.6	-17.2%
CF-Investing activities	-6.2	-5.9	-0.3	-
<i>Free Cash Flows</i>	10.9	14.8	-3.9	-25.9%
CF-Financial activities	-6.4	-28.6	22.2	-

Market Outlook for Second Half of FY2015

<Market Outlook of Major Regions>

- ***Japan:** Stable domestic economy in general amid gradual recovery
Concerns over diminished investment mindset in Japan due to worsening condition of some of overseas markets
- ***U.S.:** Stable growth to continue; strong investments in advanced fields such as pharmaceuticals and health care
Paying attention to the slowing pace of expansion of production activities
- ***Europe:** Brisk demand in Western and Eastern Europe
Concerns rising over demands from government and other public agencies caused by the stagnant Russian economy and the impact of migrants on national finances
- ***China:** Demand increase both in public and private sectors in the pharmaceuticals, food and environmental fields
Paying attention to the impact of the slowdown in economic growth on the market
- ***Asia, Oceania:** Continued active capital investment in the pharmaceutical field in Southwest Asia. Also, expecting expansion of analysis demand related to strengthening of quality and safety of food and pharmaceuticals based on the TPP agreement
Paying attention to the impact of the U.S. financial policy on economy of each country



FY 2015 Year Forecast

Billion of yen, except EPS and percentages

	Mar. 2016 Forecast	Mar. 2015	Changes	% Changes
Net Sales	340.0	314.7	25.3	8.0%
Operating Income	34.5	27.2	7.3	26.9%
Operating margin	10.1%	8.6%	Improvement 1.5%points	
Ordinary Income	34.0	28.4	5.6	19.8%
Profit attribute to owners of parent	23.0	18.4	4.6	24.7%
EPS	¥78.00	¥62.55	¥15.45	24.7%

■ Year Average foreign exchange rate

FY2015[1 Apr. 2015 - 31 Mar. 2016] forecast: \$ 1 = ¥ 120.00, € 1 = ¥ 132.00

FY2014[1 Apr. 2014 - 31 Mar. 2015] : \$ 1 = ¥ 108.47, € 1 = ¥ 139.71

FY 2015 Year Forecast by Industrial Segment

Billion of yen, except percentages

		Mar. 2016 Forecast	Mar. 2015	Changes	% Changes
Analytical & Measuring Instruments	Net Sales	208.5	192.6	15.9	8.3%
	Operating Income	32.0	26.8	5.2	19.4%
Medical Systems	Net Sales	63.5	59.4	4.1	6.9%
	Operating Income	1.6	1.4	0.2	11.3%
Aircraft Equipment	Net Sales	28.0	24.8	3.2	12.7%
	Operating Income	0.0	-2.3	2.3	—
Industrial Machinery	Net Sales	33.5	31.0	2.5	8.2%
	Operating Income	2.1	2.0	0.1	6.8%
Other	Net Sales	6.5	6.9	-0.4	-5.4%
	Operating Income	1.3	1.3	0.0	-1.2%
Operating Income Adjustments		-2.5	-2.0	0.5	—
Total	Net Sales	340.0	314.7	25.3	8.0%
	Operating Income	34.5	27.2	7.3	26.9%

Topics I: Analytical & Measuring Instruments “Innovation Center”

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<Establishment of Innovation Center>

- To take on the challenge of exploring new fields through joint research with advanced researchers in health care, pharmaceuticals, food, environment, etc.
- To promote the development of application base reflecting unique local needs
- To be launched in the four locations in the U.S., Europe, China and Southeast Asia
- The centers were opened in the U.S. in July 2015 and in China in October. Opening of the ones in Europe and Southeast Asia are planned in fiscal year 2016
- To lead to introduction of products and services with even higher added value and pursue improvement of customer satisfaction and brand attractiveness globally



The laboratory of Associate Professor Kevin Schug (right) of the University of Texas at Arlington, one of joint research partners of the U.S. Innovation Center

Topics I: Analytical & Measuring Instruments “Innovation Center”

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<Global expansion of Innovation Center>

Base	Research overview	Main joint research partners	Key fields
<i>Colombia, Maryland, the U.S.</i>	Launched 4 functions of software development, customization, application development and strategic collaboration. Promoting development of clinical test kit, automatic preprocessing technology, various applications and specialized machines with selected functions	Johns Hopkins University University of Texas at Arlington	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; justify-content: space-around; width: 100%;"> <div style="background-color: #00FF00; padding: 5px; border-radius: 5px;">Health care</div> <div style="background-color: #FFFF00; padding: 5px; border-radius: 5px;">Pharmaceuticals Foods</div> </div> <div style="background-color: #00FFFF; padding: 5px; border-radius: 5px; margin-top: 5px;">Environment Energy</div> </div>
<i>Beijing, China</i>	Launched research function specialized in mass spectrometry analysis. Promoting development of advanced application methods as well as of data base in the fields of pharmaceuticals, food, health care and environment	Peking University National Institutes for Food and Drug Control, Ministry of Agriculture/ Ministry of Environmental Protection, China	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; justify-content: space-around; width: 100%;"> <div style="background-color: #00FF00; padding: 5px; border-radius: 5px;">Health care</div> <div style="background-color: #FFFF00; padding: 5px; border-radius: 5px;">Pharmaceuticals Foods</div> </div> <div style="background-color: #00FFFF; padding: 5px; border-radius: 5px; margin-top: 5px;">Environment Energy</div> </div>
<i>Duisburg, Germany Europe</i>	Based on the existing joint development with prominent universities in Western and Eastern Europe, considering development of application and methods as well as of database in the fields of pharmaceuticals, food, health care and materials	Preparations underway	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; justify-content: space-around; width: 100%;"> <div style="background-color: #00FF00; padding: 5px; border-radius: 5px;">Health care</div> <div style="background-color: #FFFF00; padding: 5px; border-radius: 5px;">Pharmaceuticals Foods</div> </div> <div style="background-color: #FF00FF; padding: 5px; border-radius: 5px; margin-top: 5px;">Materials</div> </div>
<i>Singapore Southeast Asia</i>	Considering pharmaceuticals quality control software with enhanced functions and methods to strengthen safety of processed food	Preparations underway	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: #FFFF00; padding: 5px; border-radius: 5px; width: 100%;">Pharmaceuticals Foods</div> </div>



Topics I: Analytical & Measuring Instruments “Innovation Center”

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<Profile of Shimadzu China Mass Spectrometry Center>

- Established Shimadzu China Mass Spectrometry Center, an innovation center specialized in mass spectrometry
- Started research using latest mass spectrometers primarily with Chinese researchers with high-level specialist knowledge
- To contribute with excellent research results to initiatives in China for strengthening of food and pharmaceuticals safety, strengthening of environmental regulations and improvement in quality of neonatal care



Health care

Peking University First Hospital

Research on MS screening of new born babies



Pharmaceuticals

National Institutes for Food and Drug Control

Development of database on substances controlled by Pharmacopoeia of the People's Republic of China



Food

Ministry of Agriculture Beijing Vegetable Research Center

Development of automated analysis method for residual agrochemicals, development of database



Environment

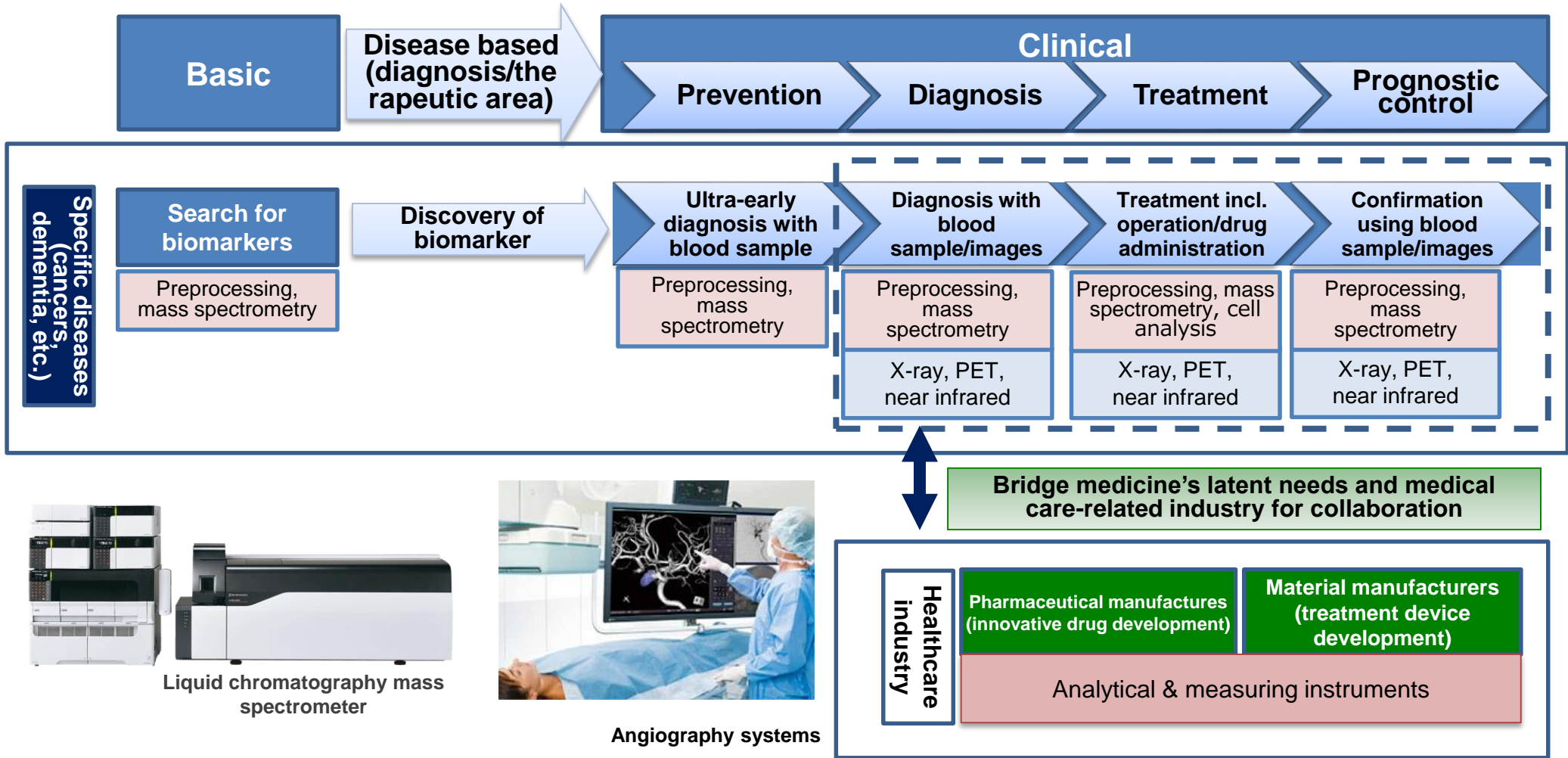
Ministry of Environmental Protection National Research Center for Environmental Analysis and Measurement

Development of persistent organic pollutants (POP₃) analysis method



Topics II: Healthcare Strategy for New Growth

Aim to build a business model by disease (diagnosis/therapeutic area) overseeing the entire process starting from prevention, diagnosis and treatment to prognostic control





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