

1st Half Results & Financial Position, Ended March 2018

President & CEO Teruhisa Ueda
Shimadzu Corporation

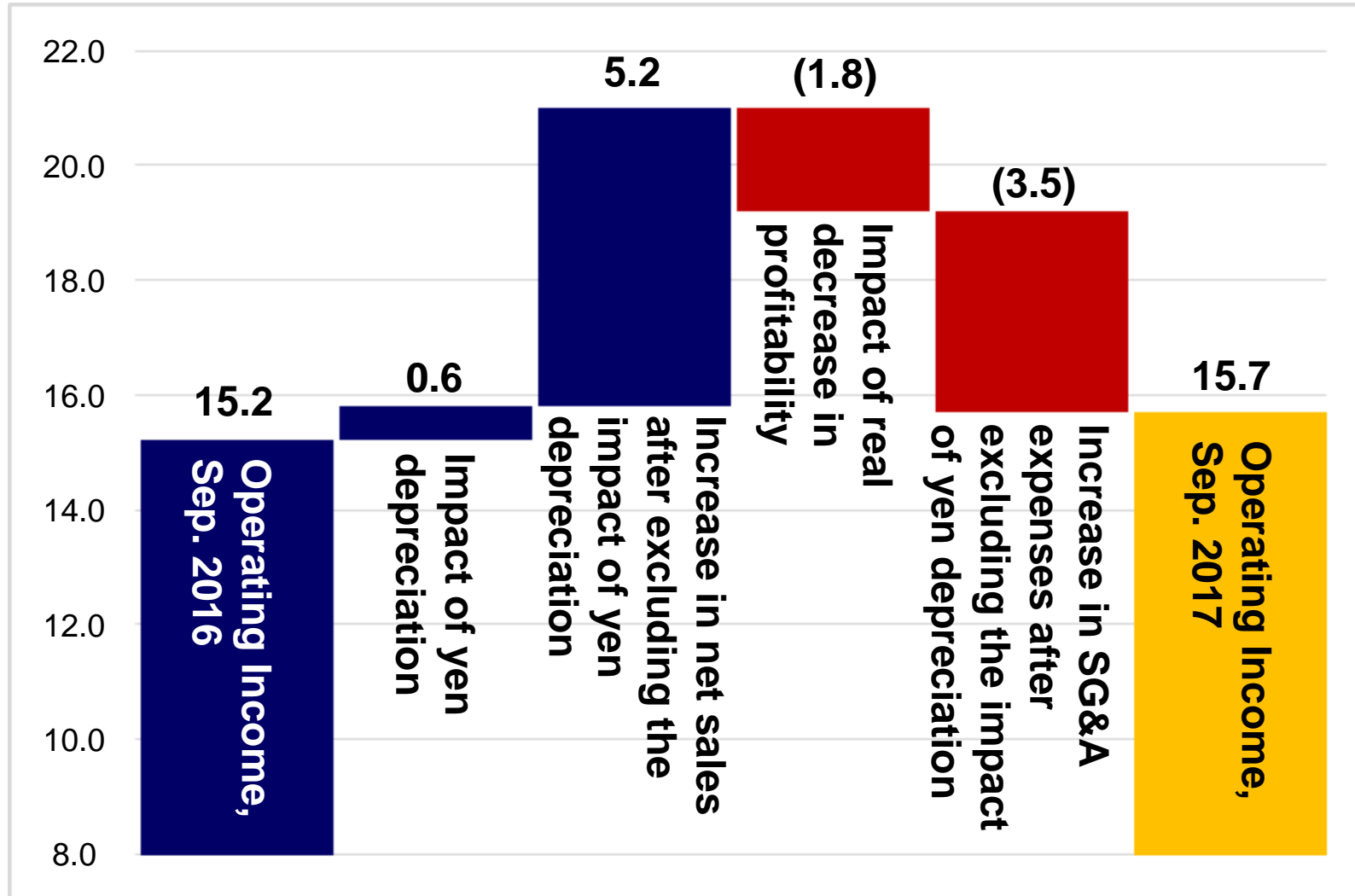
Statement of Income

- Net sales were 172.1 billion yen (YoY increase of 17.3 billion yen or 11.2 %) and operating income was 15.7 billion yen (increase of 0.5 billion yen or 3.3 %).
- Record results were achieved for all performance indicators from net sales to profit.
- Strategic investments were actively made according to the new medium-term management plan.

Units: Billions of yen, excluding EPS and percentages		First Half		YoY Increase/Decrease			
		FY2017	FY2016	Yen Basis		Local Currency Basis	
				Change	% Change	Change	% Change
Net Sales		172.1	154.8	17.3	11.2%	12.8	8.3%
Operating Income		15.7	15.2	0.5	3.3%	(0.1)	-0.6%
Operating Margin		9.2%	9.9%	0.7 point decrease			
Ordinary Income		15.6	14.6	1.0	7.1%		
Profit Attributable to Owners of Parent		11.3	10.3	1.0	9.6%		
EPS		¥38.41	¥35.03	¥3.38	9.6%		
First Half Average Foreign Exchange Rate	US\$	¥111.13	¥105.33	¥5.80	5.5%		
	€	¥126.33	¥118.20	¥8.13	6.9%		
Exchange Rate Effect							
Net Sales			4.5				
Operating Income			0.6				

Note: The "Exchange Rate Effect" and "Local Currency Basis" values for operating income include elimination of unrealized gains from inventories.

Analysis of Year-on-Year Increase/Decrease in Operating Income



Sales and Income by Business Segment

- Sales increased in all segments and income increased in Analytical & Measuring Instruments, Medical Systems, and Industrial Machinery segments.
- In particular, the Industrial Machinery segment achieved a significant increase in income and an operating margin over 9 %.
- The increase in operating income remained small in the Analytical & Measuring Instruments segment due to accelerated strategic investments specified in the new medium-term management plan, such as in healthcare.

Units: Billions of yen

		First Half				YoY Increase/Decrease				
		FY2017		FY2016		Yen Basis			Local Currency Basis	
		Change	OPM	Change	OPM	Change	% Change	OPM	Change	% Change
Analytical & Measuring Instruments	Net Sales	104.0	13.8%	93.7	15.1%	10.3	11.0%	1.3 pt decrease	7.2	7.7%
	Operating Income	14.4		14.2		0.2	1.3%		(0.1)	-0.8%
Medical Systems	Net Sales	30.6	2.2%	29.5	1.8%	1.1	3.7%	0.4 pt increase	0.4	1.3%
	Operating Income	0.7		0.5		0.1	27.0%		0.1	10.0%
Aircraft Equipment	Net Sales	13.2	-1.7%	11.8	-0.3%	1.4	11.7%	1.4 pt decrease	1.2	9.8%
	Operating Income	(0.2)		(0.0)		(0.2)	—		(0.0)	—
Industrial Machinery	Net Sales	20.5	9.1%	16.5	6.8%	3.9	23.8%	2.3 pt increase	3.5	21.1%
	Operating Income	1.9		1.1		0.7	66.4%		0.4	34.3%
Other	Net Sales	3.8	2.8%	3.2	8.9%	0.6	18.2%	6.1 pt decrease	0.6	18.2%
	Operating Income	0.1		0.3		(0.2)	-63.6%		(0.2)	-63.6%
Operating Income Adjustments		(1.0)	—	(0.9)	—	(0.1)	—	—	—	—
Total	Net Sales	172.1	9.2%	154.8	9.9%	17.3	11.2%	0.7 pt decrease	12.8	8.3%
	Operating Income	15.7		15.2		0.5	3.3%		(0.1)	-0.6%

Note: The "Exchange Rate Effect" and "Local Currency Basis" values for operating income include elimination of unrealized gains from inventories.

Analytical & Measuring Instruments

Net Sales by Sub-Segment

- Net sales increased 11.0 % (YoY) to a record 104.0 billion yen.
- Net sales increased by over 10 % (YoY) for all LC, MS, and GC sub-segments.
- Net sales increased by over 10 % both for instruments and aftermarket businesses.
- The aftermarket business sales ratio increased by 0.3 points to 28.5 %.

Units: Billions of yen		First Half		YoY Increase/Decrease			
		FY2017	FY2016	Yen Basis		Local Currency Basis	
				Change	% Change	Change	% Change
Breakdown	Liquid Chromatographs (LC)	30.2	26.9	3.2	12.0%	2.0	7.6%
	Mass Spectrometers (MS)	18.1	15.7	2.4	15.3%	1.8	11.3%
	Gas Chromatographs (GC)	10.3	9.4	1.0	10.6%	0.6	6.8%
	Other	45.5	41.8	3.7	8.9%	2.7	6.5%
Total		104.0	93.7	10.3	11.0%	7.2	7.7%
Breakdown	Instruments	74.4	67.3	7.1	10.5%		
	Aftermarket Business	29.7	26.4	3.2	12.2%		
Aftermarket Business Sales Ratio		28.5%	28.2%	0.3 point increase			
Total		104.0	93.7	10.3	11.0%		

Medical Systems

Net Sales by Sub-Segment

- Net sales increased 3.7 % (YoY) to a record 30.6 billion yen.
- Sales of general radiography systems, the division's strongest product line, expanded in Japan, North America, China, and Southeast Asia due to strong sales trends within and outside Japan.
- Net sales increased by about 4 % both for instruments and aftermarket businesses and the aftermarket business sales ratio remained over 30 %.

Units: Billions of yen		First Half		YoY Increase/Decrease			
		FY2017	FY2016	Yen Basis		Local Currency Basis	
				Change	% Change	Change	% Change
Breakdown	X-Ray Systems	22.0	21.7	0.4	1.7%	(0.2)	-1.0%
	General Radiography Systems	11.7	9.9	1.8	17.9%	1.4	14.5%
	X-Ray Fluoroscopy Systems	7.4	8.4	(1.0)	-12.0%	(1.2)	-14.3%
	Angiography Systems	2.9	3.3	(0.4)	-11.7%	(0.4)	-13.4%
	Other	8.6	7.9	0.7	9.2%	0.6	7.7%
Total		30.6	29.5	1.1	3.7%	0.4	1.3%
Breakdown	Instruments	20.9	20.1	0.8	3.7%		
	Aftermarket Business	9.8	9.4	0.3	3.7%		
Aftermarket Business Sales Ratio		31.8%	31.8%	No increase/decrease			
Total		30.6	29.5	1.1	3.7%		

Aircraft Equipment Net Sales by Sub-Segment

- Net sales increased 11.7 % (YoY) to 13.2 billion yen.
- In the Japanese defense business, aircraft equipment sales increased as production approaches for the new P-1 patrol aircraft and new C-2 transport aircraft.
- In the commercial aircraft equipment business, however, sales decreased due to temporarily lower production volumes of the Boeing 777 and other models.

Units: Billions of yen	First Half		YoY Increase/Decrease			
	FY2017	FY2016	Yen Basis		Local Currency Basis	
			Change	% Change	Change	% Change
Defense Agency	11.1	9.6	1.5	15.6%	1.4	14.3%
Commercial Aircraft	2.0	2.2	(0.1)	-5.4%	(0.2)	-10.5%
Total	13.2	11.8	1.4	11.7%	1.2	9.8%

Industrial Machinery

Net Sales by Sub-Segment

- Net sales increased 23.8 % (YoY) to 20.5 billion yen.
- Net sales were driven by turbomolecular pump sales, which continued to increase for semiconductor and flat panel display manufacturing applications.
- Hydraulic equipment sales followed a trend towards recovery.

Units: Billions of yen		First Half		YoY Increase/Decrease			
		FY2017	FY2016	Yen Basis		Local Currency Basis	
				Change	% Change	Change	% Change
Breakdown	Turbomolecular Pumps	8.9	6.0	3.0	50.1%	2.7	45.3%
	Hydraulic Equipment	6.3	5.6	0.6	11.3%	0.6	10.0%
	Other	5.3	4.9	0.3	6.4%	0.1	1.9%
Total		20.5	16.5	3.9	23.8%	3.5	21.1%
Breakdown	Instruments	18.2	14.2	4.0	28.3%		
	Aftermarket Business	2.2	2.3	(0.1)	-3.8%		
Aftermarket Business Sales Ratio		10.9%	14.0%	3.1 point decrease			
Total		20.5	16.5	3.9	23.8%		

Net Sales by Region

- Net sales increased 7.2 % in Japan and 15.1 % outside Japan. Overall sales were driven by sales outside Japan.
- Net sales expanded a significant 28.5 % in China, where demand is strong in both public and private sectors.
- The overseas sales ratio increased by 1.8 points (YoY) to 51.9 %.

Units: Billions of yen	First Half		YoY Increase/Decrease			
	FY2017	FY2016	Yen Basis		Local Currency Basis	
			Change	% Change	Change	% Change
Japan	82.7	77.2	5.6	7.2%	5.5	7.1%
Americas	22.5	20.7	1.8	8.9%	0.8	3.9%
<i>North America</i>	19.7	18.5	1.2	6.3%	0.3	1.4%
Europe	12.5	11.4	1.1	9.9%	0.4	3.6%
China	32.9	25.6	7.3	28.5%	5.7	22.1%
Other Asian Countries	16.4	15.3	1.1	7.3%	0.4	2.5%
Other*	5.1	4.7	0.4	7.9%	0.1	1.8%
Total	172.1	154.8	17.3	11.2%	12.8	8.3%
Sales Outside Japan	89.3	77.6	11.7	15.1%	7.3	9.5%

*Other: Australia, Middle East, and Africa

Net Sales by Region—Japan

- Net sales increased in all business segments.
- **Analytical & Measuring Instruments:** Sales expanded mainly for LC products in pharmaceutical and chemical fields, testing machine products in automotive fields, and GC products to the public sector.
- **Medical Systems:** Sales of general radiography systems expanded to clinics.
- **Aircraft Equipment:** Aircraft equipment sales increased as production approaches for the Japanese Ministry of Defense's new P-1 patrol aircraft and new C-2 transport aircraft.
- **Industrial Machinery:** Turbomolecular pump sales continued to expand and hydraulic equipment sales also improved.

Units: Billions of yen	First Half		YoY Increase/Decrease	
	FY2017	FY2016	Change	% Change
Analytical & Measuring Instruments	40.7	38.9	1.8	4.7%
Medical Systems	17.1	16.5	0.6	3.6%
Aircraft Equipment	11.1	9.6	1.5	15.6%
Industrial Machinery	10.0	8.9	1.1	11.9%
Other	3.8	3.2	0.6	18.2%
Total	82.7	77.2	5.6	7.2%

Net Sales by Region—North America

- **Analytical & Measuring Instruments:** MS sales were strong in clinical, chemical, and government fields, but decreased slightly overall (in local currencies) due to delays in certain projects and other factors.
- **Medical Systems:** Boosted by the shift to digital technology stimulated by a revision of medical service fees, sales were strong for digital mobile X-ray systems.
- **Industrial Machinery:** Turbomolecular pump sales to large semiconductor manufacturers expanded significantly.

Units: Billions of yen	First Half		YoY Increase/Decrease			
	FY2017	FY2016	Yen Basis		Local Currency Basis	
			Change	% Change	Change	% Change
Analytical & Measuring Instruments	10.8	10.4	0.4	3.7%	(0.1)	-0.7%
Medical Systems	4.3	4.2	0.0	1.0%	(0.2)	-4.3%
Aircraft Equipment	1.8	2.0	(0.2)	-9.8%	(0.3)	-14.6%
Industrial Machinery	2.8	1.9	0.9	49.9%	0.8	42.6%
Total	19.7	18.5	1.2	6.3%	0.3	1.4%

Net Sales by Region—Europe

- **Analytical & Measuring Instruments:** LC and MS sales were strong in pharmaceutical and food fields.
- **Medical Systems:** Sales of angiography systems were strong in Eastern Europe, but markets slowed in Western Europe.
- **Industrial Machinery:** Sales of turbomolecular pumps were strong, but glass winder and other large-project sales decreased.

Units: Billions of yen	First Half		YoY Increase/Decrease			
	FY2017	FY2016	Yen Basis		Local Currency Basis	
			Change	% Change	Change	% Change
Analytical & Measuring Instruments	10.4	9.1	1.4	15.3%	0.8	8.7%
Medical Systems	1.2	1.5	(0.3)	-21.7%	(0.4)	-26.7%
Industrial Machinery	0.8	0.8	0.0	0.4%	(0.0)	-4.5%
Total	12.5	11.4	1.1	9.9%	0.4	3.6%

Net Sales by Region—China

- **Analytical & Measuring Instruments:** Food safety, contract analysis, and environmental regulatory testing fields were very active, with double-digit increases in sales of LC, MS, GC, and environmental testing products.
- **Medical Systems:** Sales of general radiography systems expanded, due to the shift to digital technology.
- **Industrial Machinery:** TMP sales continued to expand significantly, and hydraulic equipment sales also expanded.

Units: Billions of yen	First Half		YoY Increase/Decrease			
	FY2017	FY2016	Yen Basis		Local Currency Basis	
			Change	% Change	Change	% Change
Analytical & Measuring Instruments	25.2	20.4	4.7	23.2%	3.4	16.8%
Medical Systems	3.1	2.9	0.2	7.2%	0.0	1.6%
Industrial Machinery	4.6	2.2	2.3	x2.0	2.2	97.0%
Total	32.9	25.6	7.3	28.5%	5.7	22.1%

Net Sales by Region—Other Asian Countries

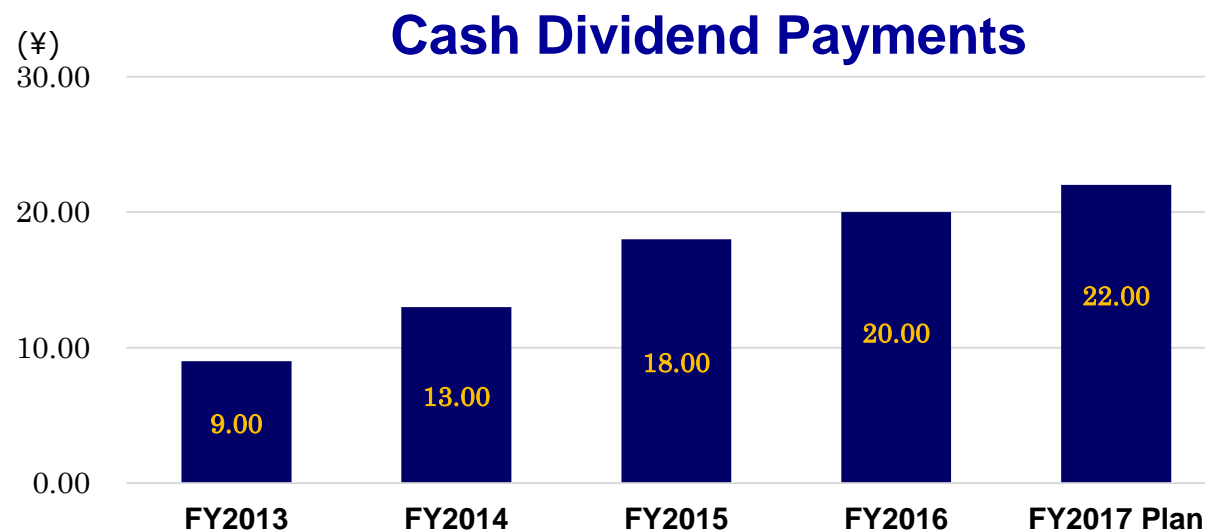
- **Analytical & Measuring Instruments:** LC and GC sales expanded in food safety and other fields. MS sales expanded in Southeast Asia and Korea.
- **Medical Systems:** Sales of general radiography systems expanded. Sales of angiography systems also expanded in Southeast Asia.
- **Industrial Machinery:** Sales stagnated in Taiwan due to a transfer of production to the mainland and other factors.

Units: Billions of yen	First Half		YoY Increase/Decrease			
	FY2017	FY2016	Yen Basis		Local Currency Basis	
			Change	% Change	Change	% Change
Analytical & Measuring Instruments	11.8	11.2	0.7	6.0%	0.1	1.2%
Medical Systems	2.2	1.7	0.6	33.1%	0.5	28.0%
Industrial Machinery	2.2	2.4	(0.1)	-5.4%	(0.2)	-9.9%
Total	16.4	15.3	1.1	7.3%	0.4	2.5%

Cash Dividend and Payout Ratio

- The interim dividend payment of 11 yen per share was 1 yen higher than the previous year.
- The planned year-end dividend payment is also 11 yen per share, which is 1 yen higher than the previous year.
- The payout ratio for 2017 is projected to increase (YoY) by 0.4 points to 22.7 %.

	FY2017		FY2016		YoY
	Sep. 2017	Mar. 2018 (Plan)	Sep. 2016	Mar. 2017	Full Year
Dividend per Share	¥11.00	¥11.00	¥10.00	¥10.00	¥2.00
Payout Ratio	22.7%		22.3%		0.4 point increase



Business Environment Outlook

<p>Japan 1.3 % (+0.5 pt)</p> 	<p>Steady demand is expected in both private and public sectors, due to corporate investment in R&D and capital investment to develop new materials or high-capacity batteries, for example, or to improve productivity, and due to investment in improving public infrastructure, such as to replace aging equipment.</p> <p>Risks: Increased tensions in conditions in East Asia</p>
<p>United States 2.1 % (-0.2 pt)</p> 	<p>Demand is expected to be stable, with an accelerated pace of R&D in biotechnology, healthcare, and other advanced fields and new government policies resulting in investment in public infrastructure and alternative energy, for example.</p> <p>Risks: Increasingly conservative policies result in a lower dollar value.</p>
<p>Euro Area 1.9 % (+0.3 pt)</p> 	<p>Given the improving economic conditions in Germany, France, and other Western European regions, active demand is expected in fields such as healthcare, environmental testing, and food safety.</p> <p>Risks: Expanding European political instability, such as Brexit or Catalonia</p>
<p>China 6.7 % (+0.2 pt)</p> 	<p>Vigorous demand is expected, due to full-scale start of the government's 13th Five-Year Plan, investment in regulation and other measures for ensuring a safer and more secure society, investments in R&D aimed at achieving more sophisticated academia and industry, expansion in private sector demand for pharmaceutical manufacturing and CROs, and other factors.</p> <p>Risks: Problems with excessive debt and increasingly intense competition from Chinese products</p>
<p>Asia ASEAN 5.1 % (+0.2 pt) India 7.2 % (no change)</p> 	<p>Governments in respective Southeast Asian countries are expected to make public investments in medical, welfare, and other fields and foreign companies are expected to invest in increasing/improving capital equipment in electrical, automotive, and other fields.</p> <p>Risks: Destabilization of governments in Southeast Asia</p>

Note: The values shown in the left column are IMF estimated 2017 GDP growth rates published in July 2017. The increase/decrease since the beginning-of-year forecast is indicated in parentheses.

Earnings Forecast

- Respective values published at the beginning of the year were adjusted upward, with net sales increased by 10 billion yen, operating income by 2 billion yen, ordinary income by 1.5 billion yen, and profit by 1.5 billion yen.
- Sales and income are predicted to increase for a fifth consecutive year.
- Good results will be reliably achieved in the second half as well, while also investing in growth fields, in order to steadily achieve the results specified for the first year of the new medium-term management plan.

Units: Billions of yen, excluding EPS and percentages		FY2017 Plan	FY2016	YoY Increase/Decrease			
				Yen Basis		Local Currency Basis	
				Change	% Change	Change	% Change
Net Sales		365.0	342.5	22.5	6.6%	22.0	6.4%
Operating Income		40.0	37.1	2.9	7.8%	2.9	7.8%
Operating Margin		11.0%	10.8%	<i>0.2 point increase</i>			
Ordinary Income		39.5	37.0	2.5	6.6%		
Profit Attributable to Owners of Parent		28.5	26.5	2.0	7.7%		
EPS		¥96.75	¥89.79	¥6.96	7.8%		
First Half Average Foreign Exchange Rate	US\$	¥108	¥108.43	(¥0.43)	-0.4%		
	€	¥123	¥118.84	¥4.16	3.5%		
Exchange Rate Effect							
Net Sales		0.5					
Operating Income		0.0					

Earnings Forecast by Business Segment

- Net sales and operating income for the Analytical & Measuring Instruments, Medical Systems, and Industrial Machinery segments have all been adjusted upward from the values published at the beginning of the year, both for the second half and full year.
- Analytical & Measuring Instruments profitability is expected to improve in the second half. (The estimated operating margin was increased 1.3 points (YoY) to 17.6 % for the second half.)

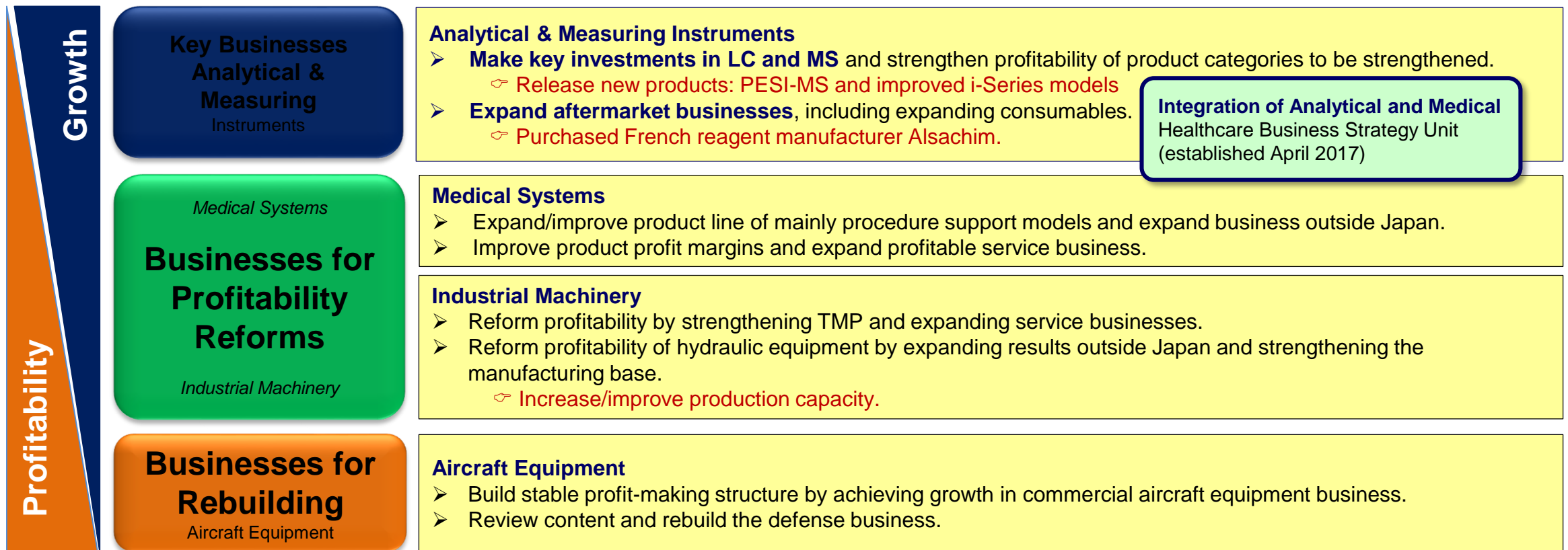
Units: Billions of yen

		FY2017 Plan		FY2016		YoY Increase/Decrease		
		Change	OPM	Change	OPM	Change	% Change	
Analytical & Measuring Instruments	Net Sales	224.5	15.8%	209.2	15.8%	15.3	7.3%	No change
	Operating Income	35.5		33.1		2.4	7.4%	
Medical Systems	Net Sales	66.0	3.6%	64.4	3.0%	1.6	2.5%	0.6 pt increase
	Operating Income	2.4		1.9		0.5	24.9%	
Aircraft Equipment	Net Sales	26.5	1.1%	26.7	2.9%	(0.2)	-0.9%	1.8 pt decrease
	Operating Income	0.3		0.8		(0.5)	-61.3%	
Industrial Machinery	Net Sales	41.0	8.5%	36.2	7.4%	4.8	13.4%	1.1 pt increase
	Operating Income	3.5		2.7		0.8	31.1%	
Other	Net Sales	7.0	11.4%	6.0	11.8%	1.0	17.1%	0.4 pt decrease
	Operating Income	0.8		0.9		(0.1)	-9.3%	
Operating Income Adjustments		(2.5)	—	(2.2)	—	(0.3)	—	
Total	Net Sales	365.0	11.0%	342.5	10.8%	22.5	6.6%	0.2 pt increase
	Operating Income	40.0		37.1		2.9	7.8%	

Medium-Term Management Plan—Basic Strategies

Business Strategies: Accelerate Growth of Analytical & Measuring Instruments Segment, Strengthen Profitability of Medical Systems and Industrial Machinery Segments, and Improve Financial Health of Aircraft Equipment Segment

- **Growth strategies:**
 - Use AI, IoT, robot, 3D printing, and other technologies to offer more advanced products and services.
 - Strengthen investment in technology and product development from both a short-term and medium/long-term perspective.
 - Established a new Healthcare Business Strategy Unit to accelerate business by integrating analytical and medical technologies.
- **Strengthen profitability:** Target medium and long-term operating margins of at least 20 % for Analytical & Measuring Instruments segment and at least 10 % for other segments.
- **Optimize business operations:** Review businesses and products, with priority given to strengthening the profitability of each business.



Strategies for Key Businesses: Progress in 2017

1. Deploying Businesses Globally

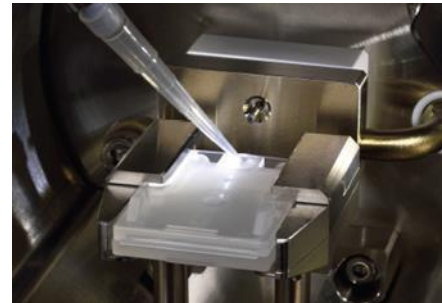
- (1) Strengthen business capabilities in Chinese markets.
- (2) Strengthen global manufacturing capabilities.

2. Releasing New Products

- (1) Analytical & Measuring Instruments
- (2) Medical Systems and Industrial Machinery

3. Environmental, social, and governance (ESG) measures

4. Measures to increase corporate value



Strategies for Key Businesses: 1. Deploying Businesses Globally

(1) Strengthen Business Capabilities in Chinese Markets

- Build capabilities at seven locations in China.
- Establish a new analysis center in Xian for providing technical support to customers (Aug. 2018).

- Strengthen business capabilities in China, where high market growth is expected to continue, by building capabilities at seven locations.

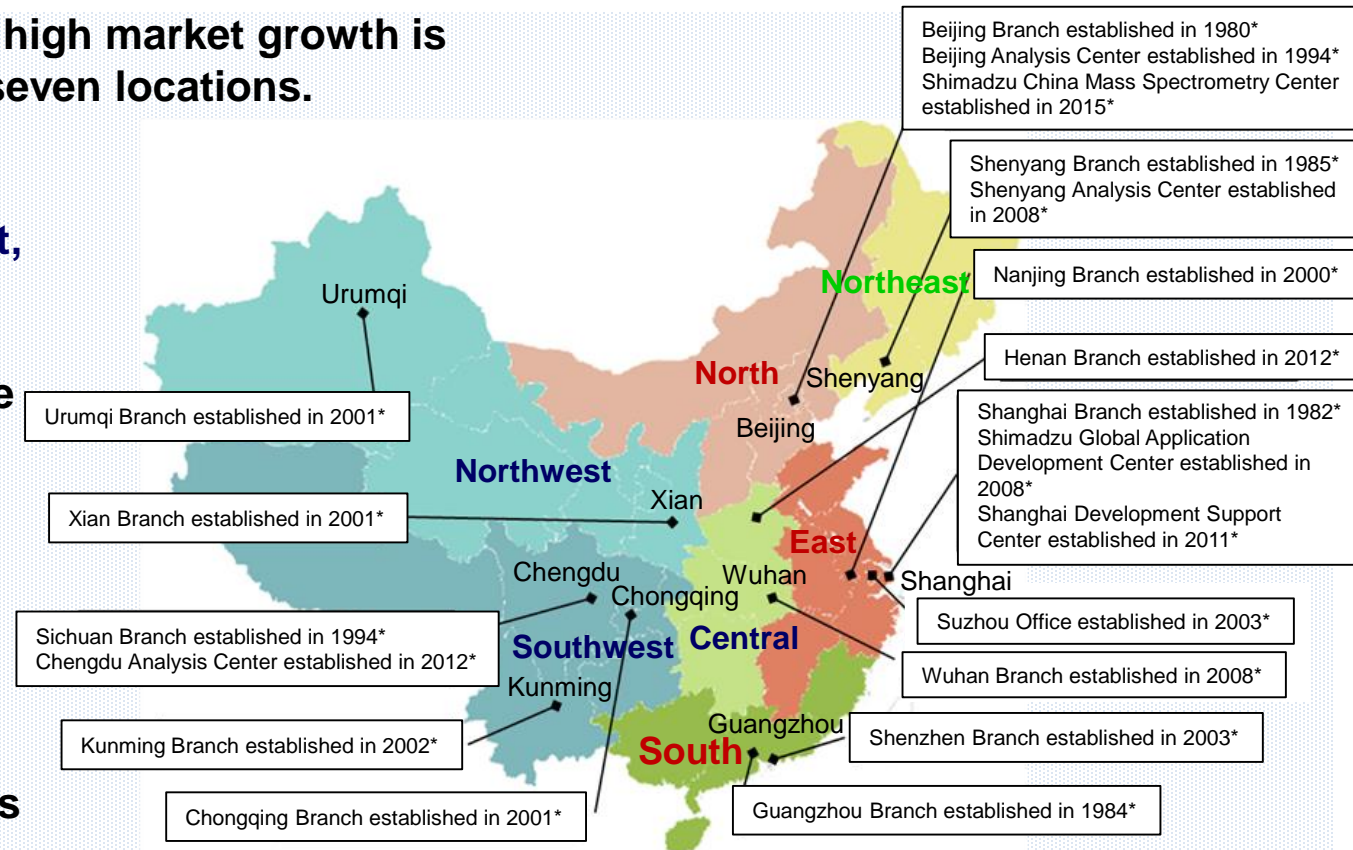
- 1) Capital and coastal regions: North, East, and South China
- 2) Interior and West regions: Central, Northwest, and Southwest China
- 3) Northeast region

- Establish a new sixth analysis center, which serve an important customer support function for the Analytical & Measuring Instruments business, in Xian city of Shaanxi Province (scheduled for construction in Aug. 2018).

Existing analysis centers:

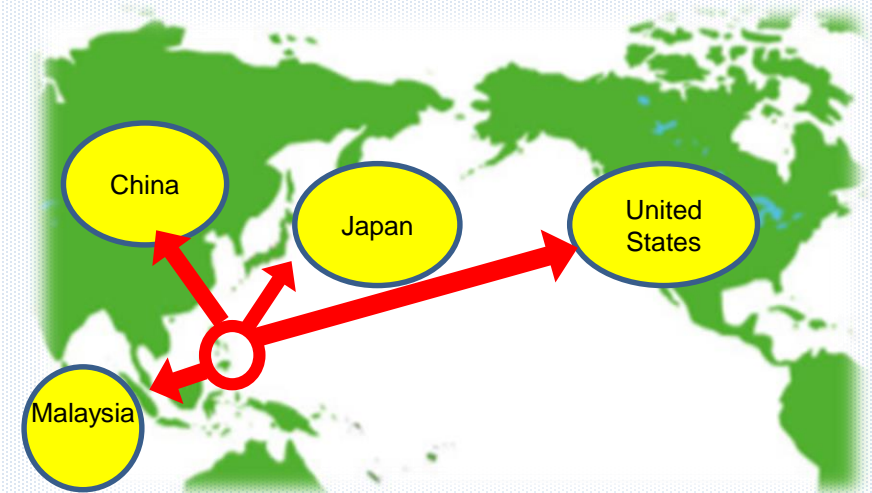
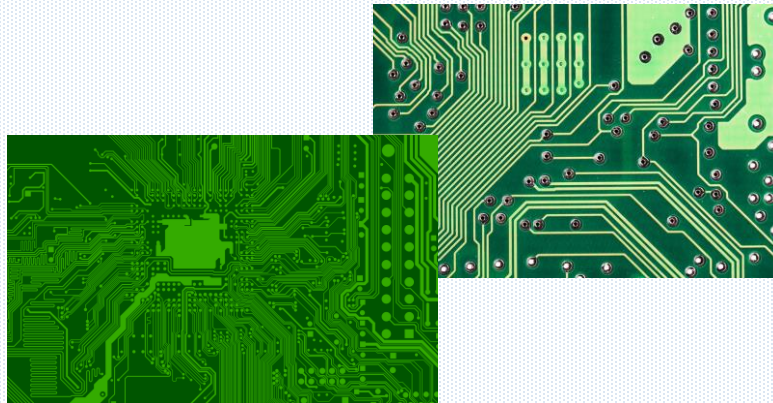
Shanghai, Beijing, Guangzhou, Shenyang, and Chengdu

- Accelerate business expansion in China by means of an extensive network.



Strategies for Key Businesses: 1. Deploying Businesses Globally (2) Strengthen Global Manufacturing Capabilities






- Build manufacturing capacity globally, toward achieving the over 400 billion yen in net sales specified for 2019 in the new medium-term management plan.
- Expand/improve printed circuit board manufacturing line at the Philippines plant.
- Expand the printed circuit board manufacturing line for respective instruments in the Analytical & Measuring Instruments, Medical Systems, and Industrial Machinery segments at the Philippines plant.
- Provide a reliable supply of printed circuit boards to respective plants in Japan, China, North America, Malaysia, and other regions.
- Production quantities are expected to double current levels.



Strategies for Key Businesses: 2. Releasing New Products

(1) Analytical & Measuring Instruments

- (1) New products: Improve and expand product line (fully automated models, new pretreatment systems, dedicated analyzers, etc.).
- (2) Existing products: Expand the range of application fields. (Promote joint development with outside partners, mainly at innovation centers.)
- (3) Network systems: (Implement the concept of integrated network systems.)
- (4) Aftermarket business: Expand reagent and consumables businesses and strengthen service business (multi-vendor services, etc.).

LC	MS	MS	GC	FTIR
				
i-Series Plus Released Aug. 31	DPiMS-2020 Released Sep. 1	MALDI-8020 Released Oct. 30	Nexgen GC Released Sep. 6	IRSpirit Released Oct. 5

Network System LabSolutions

- Improve data integrity of spectrophotometers (released Aug. 9)




分析データシステム ERVES関連規制対応
Progress Configuration of LabSolutions System
LabSolutions
ネットワーク時代の革新的な分析操作環境
における情報の保全と共有を目的した
完全なデータ管理システムを提供します。







Aftermarket Business LabTotal

- Strengthen/expand/improve reagent and consumables businesses, including by M&A.
- Alsachim reagents, reagent kits, LC columns, and blood pretreatment devices



ALSACHIM





Microsampling Wing Microsampling Windrill
MSW²™ Type Udck™

Strategies for Key Businesses: 2. Releasing New Products

(2) Medical Systems and Industrial Machinery

- New products: Expand/improve product line and develop new fields. → Mammography PET and high-speed sputtering systems
- Existing products: Increase market share and develop new application fields. → Trinias Unity and FLEXAVISION eXceed systems
- Aftermarket business: Expand/improve maintenance services (such as for industrial machinery TMPs or 24 hr/365 days per year response for medical systems).

Medical Systems—CVS



Trinias Unity

From the heart to lower extremities, provides powerful support for interventional procedures using real time image processing technology.

Released Oct. 25

Medical Systems—XTV



FLEXAVISION eXceed

Offers improved high image quality and network functionality and also connects smoothly to hospital LANs.

Released Jul. 26

Medical Systems—Mammography PET



Elmammo Avant Class

Enables pain-free high precision breast cancer examinations and improves image quality and patient-friendliness. Developed jointly with the Kyoto University Hospital

Released Sep. 4

Industrial Machinery—Sputtering



High-Speed Sputtering System

Efficiently and inexpensively applies electromagnetic wave transparent films that are even transparent to millimeter waves, which are used to avoid collision.

Released Jul. 24



Awarded Frost & Sullivan
2017 Global General Radiography Product Line Strategy
Leadership Award

Awarded the 15th Industry-Academia-Government Collaboration Contributors Award by the Minister of the Japanese Ministry of Health, Labour and Welfare (received Sep. 1)

Developed jointly with JCU, Kimoto, and Kanto Gakuin University

Strategies for Key Businesses: 3. Environmental, Social, and Governance (ESG) Measures

Deploying a **Creating Shared Value** program based on the corporate philosophy and management principle



Measures are prioritized based on solving societal challenges through business operations (CSV) as a responsible member of society (CSR).

E: Environmental CSV

CSR

- Uses analytical instruments to comply with regulations for effluent water, environmental waters, and environmental air/exhaust gases.
- Reduces CO₂ emissions (2019)
CO₂ reduction due to energy saving products ≥ CO₂ emissions from business activities
- Activities to preserve regional ecosystems and forests

Liquid Chromatograph Liquid Chromatograph Mass Spectrometer VOC Online Analyzer

S: Social CSV

CSR

- Quality control for ensuring food safety and security (analysis of hazardous components and food additives, identification of production region/variety, etc.)
- Early diagnosis (breast cancer, etc.)
- Women's initiatives
- Health management

Gas Chromatograph Mass Spectrometer Liquid Chromatograph Mass Spectrometer Liquid Chromatograph Elmammo Dedicated Breast PET System

G: Governance

Board of Directors: Eight members (including 3 outside directors) → Deeper and faster management

Strategies for Key Businesses: 4. Measures to Increase Corporate Value

"White 500" Company with Superior Health Management

Health management

Recognized as "White 500" company with superior health management (Feb. 2017)



Women's initiatives

Share price index

Selected as a 2016 Nadeshiko Brand (Mar. 2017)

Selected as a brand in the MSCI Japan Empowering Women Index (Jun. 2017)



Japan Habitat Evaluation and Certification

Environmental management

Obtained highest AAA rank from Habitat evaluation (May 2015)



JPX-Nikkei Index 400

Share price index

Selected as a brand in the JPX-Nikkei Index 400 (Aug. 2016)



FTSE Blossom Japan Index

Share price index

Selected as a brand in the FTSE Blossom Japan Index (Jun. 2017)



MSCI Japan ESG Select Leaders Index

Share price index

Selected as a brand in the MSCI Japan ESG Select Leaders Index (Jun. 2017)



Reference

—Analytical & Measuring Instruments Net Sales by Region

Units: Billions of yen	Second Quarter (Jul.-Sep.)				YoY Increase/Decrease			
	FY2017		FY2016		Yen Basis		Local Currency Basis	
					Change	% Change	Change	% Change
Japan	23.9	41.3%	23.8	46.4%	0.2	0.7%	0.2	0.7%
Americas	7.3	12.7%	5.9	11.5%	1.4	24.2%	1.0	16.3%
North America	6.0	10.3%	5.2	10.2%	0.8	14.7%	0.4	6.9%
South America	1.4	2.3%	0.7	1.3%	0.7	95.5%	0.6	86.8%
Europe	5.7	9.8%	4.7	9.1%	1.0	21.3%	0.4	8.0%
China	12.8	22.1%	9.8	19.2%	3.0	30.1%	2.0	20.1%
Other Asian Countries	6.7	11.5%	5.7	11.2%	0.9	16.1%	0.5	9.1%
Other[*]	1.5	2.6%	1.3	2.6%	0.2	14.7%	0.1	5.4%
Total	57.9	100.0%	51.3	100.0%	6.7	13.0%	4.1	7.9%
Sales Outside Japan	34.0	58.7%	27.5	53.6%	6.5	23.7%	3.9	14.2%

*Other: Australia, Middle East, and Africa

Reference—Medical Systems Net Sales by Region

Units: Billions of yen	Second Quarter (Jul.-Sep.)				YoY Increase/Decrease			
	FY2017		FY2016		Yen Basis		Local Currency Basis	
					Change	% Change	Change	% Change
Japan	9.5	54.3%	9.5	56.8%	(0.0)	-0.3%	(0.0)	-0.3%
Americas	2.8	15.9%	3.0	17.7%	(0.2)	-6.5%	(0.4)	-13.2%
<i>North America</i>	2.3	13.4%	2.4	14.2%	(0.0)	-1.7%	(0.2)	-9.0%
<i>South America</i>	0.4	2.5%	0.6	3.5%	(0.2)	-25.9%	(0.2)	-30.4%
Europe	0.8	4.7%	0.8	4.6%	0.1	6.6%	(0.0)	-3.2%
China	2.0	11.3%	1.8	10.6%	0.2	10.8%	0.1	3.4%
Other Asian Countries	1.2	7.0%	0.9	5.2%	0.4	42.1%	0.3	34.3%
Other*	1.2	6.8%	0.9	5.1%	0.3	38.9%	0.2	27.3%
Total	17.4	100.0%	16.7	100.0%	0.7	4.3%	0.1	0.9%
Sales Outside Japan	7.9	45.7%	7.2	43.2%	0.7	10.3%	0.2	2.4%

*Other: Australia, Middle East, and Africa

Reference—Aircraft Equipment Net Sales by Region

Units: Billions of yen	Second Quarter (Jul.-Sep.)				YoY Increase/Decrease			
	FY2017		FY2016		Yen Basis		Local Currency Basis	
					Change	% Change	Change	% Change
Japan	6.2	85.1%	5.5	83.8%	0.6	11.4%	0.5	9.7%
Americas	0.9	12.7%	1.0	15.0%	(0.1)	-7.2%	(0.1)	-14.5%
<i>North America</i>	<i>0.9</i>	<i>12.6%</i>	<i>1.0</i>	<i>15.0%</i>	<i>(0.1)</i>	<i>-7.5%</i>	<i>(0.1)</i>	<i>-14.8%</i>
Total	7.2	100.0%	6.6	100.0%	0.6	9.7%	0.5	7.0%
Sales Outside Japan	1.1	14.9%	1.1	16.2%	0.0	0.7%	(0.1)	-7.1%

*Other: Australia, Middle East, and Africa

Reference—Industrial Machinery Net Sales by Region

Units: Billions of yen	Second Quarter (Jul.-Sep.)				YoY Increase/Decrease			
	FY2017		FY2016		Yen Basis		Local Currency Basis	
					Change	% Change	Change	% Change
Japan	5.4	48.5%	4.6	51.1%	0.8	16.7%	0.2	16.7%
Americas	1.5	13.1%	0.9	10.4%	0.5	54.9%	1.0	44.0%
<i>North America</i>	<i>1.4</i>	<i>13.0%</i>	<i>0.9</i>	<i>10.3%</i>	<i>0.5</i>	<i>54.7%</i>	<i>0.4</i>	<i>43.7%</i>
<i>South America</i>	<i>0.0</i>	<i>0.1%</i>	<i>0.0</i>	<i>0.1%</i>	<i>0.0</i>	<i>95.5%</i>	<i>0.6</i>	<i>92.5%</i>
Europe	0.4	3.8%	0.4	4.6%	0.0	0.5%	0.4	-6.7%
China	2.7	24.4%	1.4	15.3%	1.3	96.7%	2.0	86.1%
Other Asian Countries	1.1	10.1%	1.4	16.0%	(0.3)	-22.4%	0.5	-26.0%
Other*	0.0	0.1%	0.2	2.6%	(0.2)	-93.2%	0.1	-92.8%
Total	11.1	100.0%	9.1	100.0%	2.1	23.1%	4.1	19.4%
Sales Outside Japan	5.7	51.5%	4.4	48.9%	1.3	29.8%	3.9	22.2%

*Other: Australia, Middle East, and Africa



This document contains forward-looking statements. Forecasts of future business performance that appear in this document are predictions made by the company's management team that are based on information available when these materials were prepared and are subject to risks and uncertainties. Consequently, actual results may differ materially from the forecasts indicated above. Factors that may influence actual business performance include, but are not limited to, economic conditions within and outside Japan, changes in technologies in markets, and fluctuations in exchange rates.