

November 10, 2020

# **1st Half Results & Financial Position for the Fiscal Year Ended March 2021**

**Teruhisa Ueda**  
President & CEO  
Shimadzu Corporation

# **(1) FY 2020 1H Financial Position**

(2) FY 2020 1H Results by Business Segment

(3) FY 2020 Forecast

(4) Supplementary Materials

# Summary of First-Half Results



**Sales decreased and income increased**  
**Record operating income, ordinary income, and profit**

**Impacts of COVID-19 pandemic**

**Rapid recovery of Analytical & Measuring Instruments business in China**

**Recovery of Analytical key models and strong Industrial TMP sales**

- Due to impacts from the COVID-19 pandemic, overall sales decreased, but income increased (the first sales decrease in four years).
- Operating income, ordinary income, and profit all exceeded previous record levels.
- Operating income and profit exceeded previous record levels for the sixth consecutive year and operating income increased for the eighth consecutive year.

- Both sales and income increased for Industrial Machinery and Aircraft Equipment, sales decreased but income increased for Analytical & Measuring Instruments, and both sales and income decreased for Medical Systems.
- For the Analytical & Measuring Instruments segment, sales increased for novel coronavirus detection kits, but decreased for automotive and academia, due to school closures.
- For the Medical Systems segment, sales increased for mobile X-ray systems used for pneumonia examinations, but demand from healthcare institutions decreased due to worsening financial performance.

- In China, Analytical & Measuring Instruments sales were strong in pharmaceutical and food safety fields, due to pharmacopoeia revisions and stricter government regulations, resulting in the second consecutive quarter with double-digit sales growth (+10% in Q1, +16 % in Q2, and +13 % for the first half).
- Medical Systems sales also increased by 7 % and Industrial Machinery sales by 8 % in China.

- For the Analytical & Measuring Instruments segment, sales of key models (LC, MS, and GC) recovered, mainly for pharmaceuticals, food safety, and healthcare institutions, breaking previous records for total second-quarter sales and operating income levels for key models.
- For the Industrial Machinery segment, TMP sales continued to be strong due to expanded semiconductor demand, mainly for 5G and data center applications.

# Statement of Income

- Net sales: 178.8 billion yen (-7.7 billion yen or -4 % year-on-year)
- Operating income: 19.6 billion yen (+1.8 billion yen or +10 % year-on-year)
- Operating margin: 11.0 % (+1.4 points year-on-year)

Units: Billions of yen		1H		YoY	
		FY 2020	FY 2019	Changes	Percent Increase/Decrease
Business Results	Net Sales	178.8	186.5	-7.7	-4%
	Operating Income	19.6	17.9	+1.8	+10%
	Operating Margin	11.0%	9.6%	+1.4pt	—
	Ordinary Income	19.5	18.7	+0.8	+4%
	Profit Attributable to Owners of Parent	13.9	13.2	+0.7	+5%
Exchange Rates	Average Rate: USD (Yen)	107.0	108.7	-1.7	-1.6%
	Euro (Yen)	121.3	121.5	-0.1	-0.1%
Major Investments	R&D Expenses	7.1	8.5	-1.3	
	CAPEX	5.9	9.7	-3.8	
	Depreciation and Amortization	7.6	6.5	+1.0	

## Exchange Rate Effect

Net sales: -1.3 billion yen  
Operating income: -0.5 billion yen

## Foreign Exchange Sensitivity

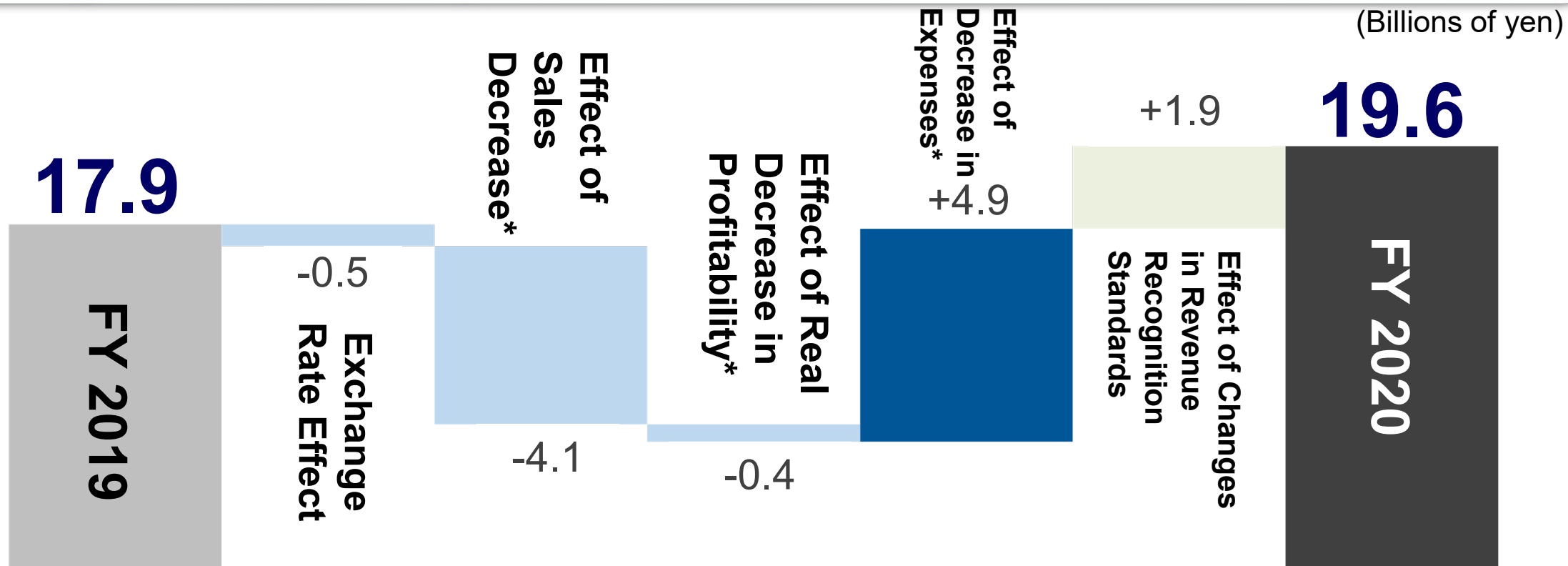
(Billions of yen)

	Net Sales	Operating Income
USD	1.2	0.4
EUR	0.2	0.07

- Revenue recognition standards changed, starting this year:  
→ The standard for posting sales changed from the point of shipment to the point of installation completion.  
(Sales are not posted unless installation is completed.)  
Yen impact: +4.1 billion yen in net sales and +1.9 billion yen in operating income
- Depreciation and amortization:  
0.9 billion yen higher due to changes in accounting standards  
(Lease standard changed from loan amount to depreciation and amortization expense.)

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

- Exchange rate effect: -0.5 billion yen  
The yen value increased 2 %, year-on-year, against the US dollar and was almost unchanged against the euro.
- Effect of sales decrease: -4.1 billion yen
- Decrease in profitability: -0.4 billion yen  
Profitability decreased due to segment mix changes and other factors.
- Decrease in expenses: +4.9 billion yen  
Expenses decreased due to expense-reduction measures and restrictions on sales activities.
- Revenue recognition standards: +1.9 billion yen



# Sales and Income by Business Segment

• AMI: Analytical & Measuring Instruments, MED: Medical Systems, IM: Industrial Machinery, AE: Aircraft Equipment

**AMI: Sales decreased and income increased**

**MED: Sales and income decreased**

**IM: Sales and income increased**

**AE: Sales and income increased**

- Though overall sales decreased due to lower sales of non-key models, increased sales of key models resulted in record operating income, in terms of both yen value and percent.
- Sales of X-ray systems increased for pneumonia examinations, but demand stalled due to worsening financial performance of healthcare institutions impacted by COVID-19.
- Sales were strong, driven by TMP sales for semiconductor manufacturing equipment, with sales growth in Japan, North America, China, and other Asian countries.
- Large projects for the Ministry of Defense compensated for continuing severe business conditions in the commercial aircraft market.

Units: Billions of yen	Net Sales				Operating Income				Operating Margin		
	FY 2020	FY 2019	YoY		FY 2020	FY 2019	YoY		FY 2020	FY 2019	YoY
			Changes	Percent Increase/Decrease			Changes	Percent Increase/Decrease			Increase/Decrease
<b>AMI</b>	<b>109.8</b>	113.4	<b>-3.7</b>	<b>-3%</b>	<b>17.2</b>	15.6	<b>+1.5</b>	<b>+10%</b>	<b>15.6%</b>	13.8%	<b>+1.8pt</b>
<b>MED</b>	<b>30.6</b>	34.9	<b>-4.3</b>	<b>-12%</b>	<b>1.1</b>	1.4	<b>-0.3</b>	<b>-21%</b>	<b>3.6%</b>	4.0%	<b>-0.4pt</b>
<b>IM</b>	<b>20.5</b>	19.5	<b>+1.0</b>	<b>+5%</b>	<b>1.7</b>	1.1	<b>+0.6</b>	<b>+52%</b>	<b>8.3%</b>	5.8%	<b>+2.5pt</b>
<b>AE</b>	<b>16.0</b>	15.2	<b>+0.8</b>	<b>+5%</b>	<b>0.4</b>	0.3	<b>+0.1</b>	<b>+36%</b>	<b>2.6%</b>	2.0%	<b>+0.6pt</b>
<b>Other</b>	<b>1.9</b>	3.5	<b>-1.6</b>	<b>-47%</b>	<b>0.2</b>	0.6	<b>-0.4</b>	<b>-71%</b>	<b>6.5%</b>	13.7%	<b>-7.2pt</b>
<b>Adjustments</b>					<b>-0.9</b>	-1.2	<b>+0.2</b>	<b>—</b>			
<b>Total</b>	<b>178.8</b>	186.5	<b>-7.7</b>	<b>-4%</b>	<b>19.6</b>	17.9	<b>+1.8</b>	<b>+10%</b>	<b>11.0%</b>	9.6%	<b>+1.4pt</b>

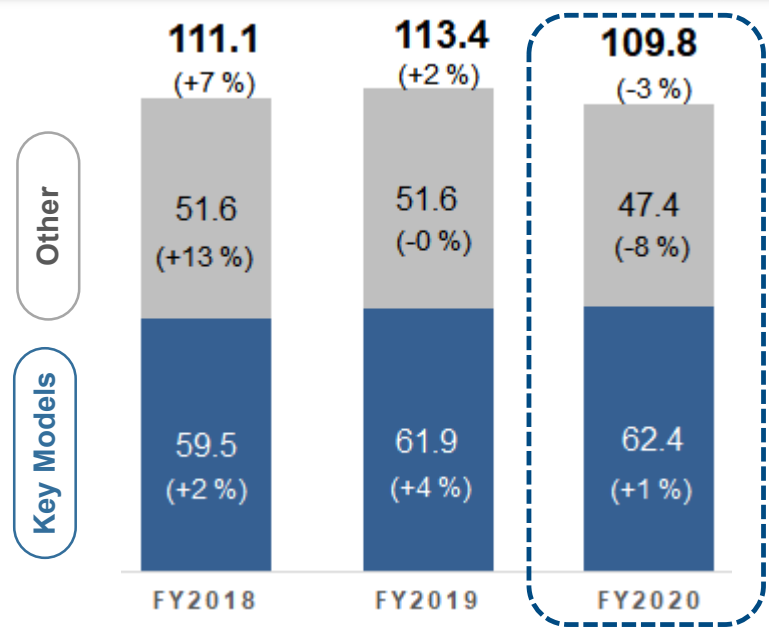
• Net sales are external sales and operating margins are calculated by dividing external plus internal sales by operating income.

- (1) FY 2020 1H Financial Position
- (2) FY 2020 1H Results by Business Segment**
- (3) FY 2020 Forecast
- (4) Supplementary Materials

# Analytical/Measuring Instrument Net Sales by Model

- **Key models:** 62.4 billion yen (+0.5 billion yen or +1 % year-on-year); Sales are recovering, with +1.7 billion yen and +5 % year-on-year increase in the second quarter.  
Sales increased for integrated LC products for pharmaceuticals, MS products for healthcare institutions, and GC products in the public health field.
- **Other models:** 47.4 billion yen (-4.2 billion yen or -8 % year-on-year)  
Sales of novel coronavirus detection kits are strong, but overall sales decreased 8 % due to slow recovery of capital equipment investment levels in transport equipment and other industrial fields.
- **Aftermarket (AM):** 37.2 billion yen (+1.0 billion yen or +3 % year-on-year) AM sales ratio: 34 % (+3 points)  
The novel coronavirus detection kits and LC products drove results.

**Analytical & Measuring Instruments Net Sales (billion yen)**



Analytical & Measuring Instruments				
<b>Other</b>				
	Novel Coronavirus Detection Kit	Testing Machine	TOC Analyzer	Spectrophotometer
<b>Key Models</b>				
	i-Series Integrated Liquid Chromatograph	Gas Chromatograph	MALDI 8020	Liquid Chromatograph Mass Spectrometer



# Analytical & Measuring Instruments

## Net Sales by Region

**Japan:** -8 % Sales of novel coronavirus detection kits are strong, but sales decreased for testing machines, nondestructive inspection machines, and other products for transport equipment.

**Outside Japan:** Flat Recovery trend continued in China and sales to healthcare institutions in North America also increased, driven by mass spectrometer systems, but sales continued to decrease in Europe and other Asian countries, due to impacts from the COVID-19 pandemic.

**Overseas sales ratio: 61.7 % (59.7 % or +2 points year-on-year)**

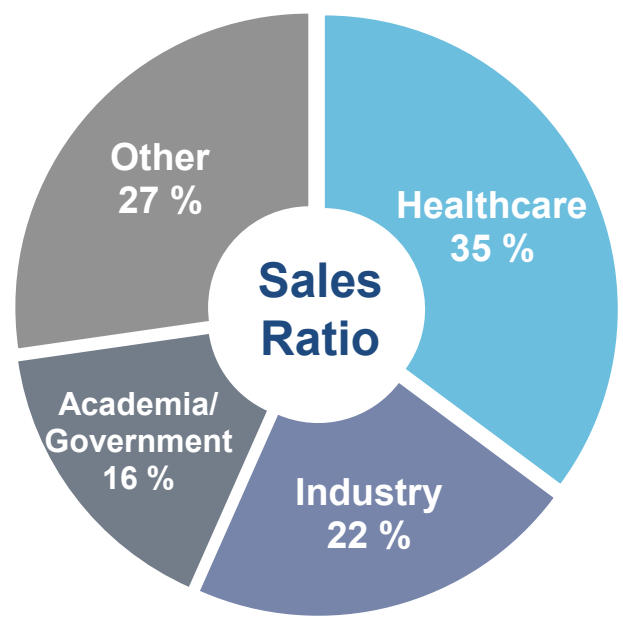
	FY 2020	FY 2019	Increase/ Decrease	Percent Increase/ Decrease	Overview
Japan	42.1	45.7	-3.6	-8 %	<ul style="list-style-type: none"> <li>Sales of novel coronavirus detection kits increased.</li> <li>Sales of testing machines, nondestructive inspection machines, and other products decreased in transport equipment, chemical, and electrical fields.</li> <li>Sales decreased due to a reactionary decline after the temporary demand increase before the consumption tax rate increased in Japan the previous year.</li> </ul>
Outside Japan	67.7	67.7	-0.1	-0 %	<ul style="list-style-type: none"> <li>Recovery continued in China.</li> <li>Sales increased in North America, driven by mass spectrometer systems for healthcare institutions.</li> <li>Sales decreased in Europe and other Asian countries.</li> </ul>
China	28.1	25.0	+3.1	+13 %	<ul style="list-style-type: none"> <li>Liquid chromatograph and mass spectrometer system sales were strong in pharmaceutical and food safety fields, due to active government investments in fighting the pandemic and the announcement of the 2020 Chinese Pharmacopoeia scheduled for release in December.</li> </ul>
North America	12.3	12.1	+0.3	+2 %	<ul style="list-style-type: none"> <li>The first quarter was impacted by lockdowns, but increased public health control measures at healthcare institutions resulted in strong sales of MALDI-MS systems for identifying microorganisms inside hospitals.</li> </ul>
Europe	11.3	12.0	-0.7	-6 %	<ul style="list-style-type: none"> <li>In Russia, sales of liquid chromatographs and mass spectrometer systems increased in the food safety field, due to measures for promoting agricultural and food exports to Europe and other factors.</li> <li>Sales to academia decreased due to temporary university closures throughout Europe.</li> </ul>
Other Asian Countries	12.1	13.8	-1.7	-12 %	<ul style="list-style-type: none"> <li>In India, sales of liquid chromatographs for pharmaceuticals increased, due to a return to manufacturing drug substances domestically after bottlenecks occurred in imports from China.</li> <li>Sales decreased during the first quarter due to impacts from lockdowns, but are recovering in the second quarter.</li> </ul>

# Analytical & Measuring Instruments

## Ratio of Net Sales by Market

- **Healthcare:** Sales of key models and novel coronavirus detection kits were strong for pharmaceuticals and healthcare institutions.
- **Industry:** Market conditions are recovering in China, but sales decreased in other regions.
- **Academia/government:** Academia sales decreased due to temporary closures and government sales decreased due to bidding postponements.

Ratio of Net Sales by Market

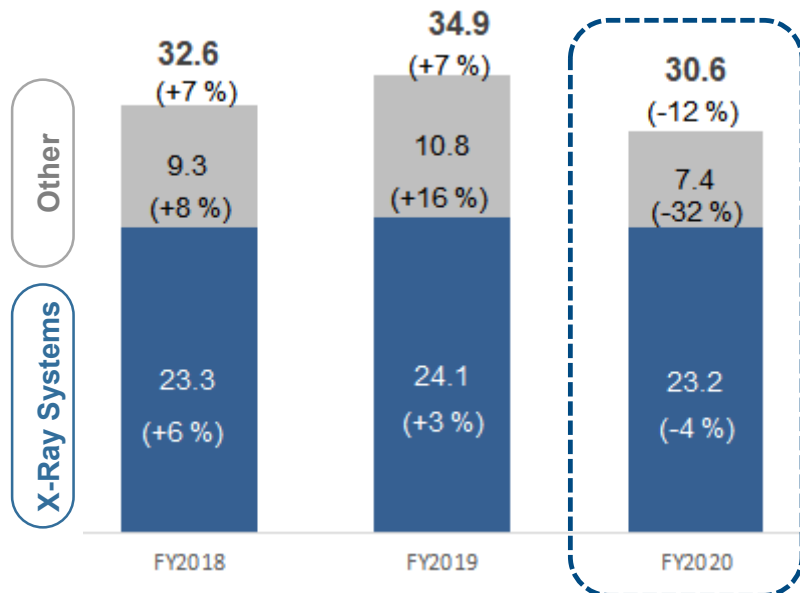










Markets and Main Industries	Year-on-Year Change in Net Sales	Overview
<b>Healthcare</b> <ul style="list-style-type: none"> <li>• Pharmaceuticals and foods</li> <li>• Healthcare institutions</li> <li>• Contract analysis laboratories</li> </ul>	<b>+8 %</b>	<ul style="list-style-type: none"> <li>• Pharmaceutical and healthcare institution sales increased globally.</li> </ul>
<b>Industry</b> <ul style="list-style-type: none"> <li>• Chemicals and materials</li> <li>• Electrical</li> <li>• Automotive</li> </ul>	<b>-5 %</b>	<ul style="list-style-type: none"> <li>• Sales increased in China, but decreased in other regions.</li> <li>• Automotive sales decreased significantly.</li> </ul>
<b>Academia/Government</b>	<b>-10 %</b>	<ul style="list-style-type: none"> <li>• Academia sales decreased due to temporary closures.</li> <li>• Government sales decreased due to bidding postponements.</li> <li>• Sales are recovering due to release of government funding and resumption of bidding.</li> </ul>

# Medical Systems Net Sales by Model

- **X-ray systems:** 23.2 billion yen (-0.9 billion yen or -4 % year-on-year)  
Sales of mobile X-ray systems used for COVID-19-related pneumonia examinations increased.  
Sales of angiography and fluoroscopy systems decreased due to stagnation in market conditions.
- **Other:** 7.4 billion yen (-3.4 billion yen or -32 % year-on-year)
- **Aftermarket (AM):** 10.3 billion yen (-0.4 billion yen or -4 % year-on-year) AM sales ratio: 34 % (+3 points)

Medical Systems Net Sales (billion yen)



Medical Systems					
Other					
	Dedicated Breast PET System	Near-Infrared Fluorescence Imaging System	Near-Infrared Imaging System	Radiotherapy-Related System	
	X-Ray Systems				
		Mobile System	General Radiography System	Angiography System	Fluoroscopy System

# Medical Systems Net Sales by Region

- **Japan:** - 29 % Sales decreased due to worsening financial performance of healthcare institutions impacted by the COVID-19 pandemic, delays in capital equipment investments, and a reactionary decline after demand temporarily increased before the consumption tax rate increased in Japan last year.
- **Outside Japan:** +17 % Sales of mobile X-ray systems increased in major regions outside Japan.
- **Overseas sales ratio:** 48.1 % (36.0 % or +12 points year-on-year)

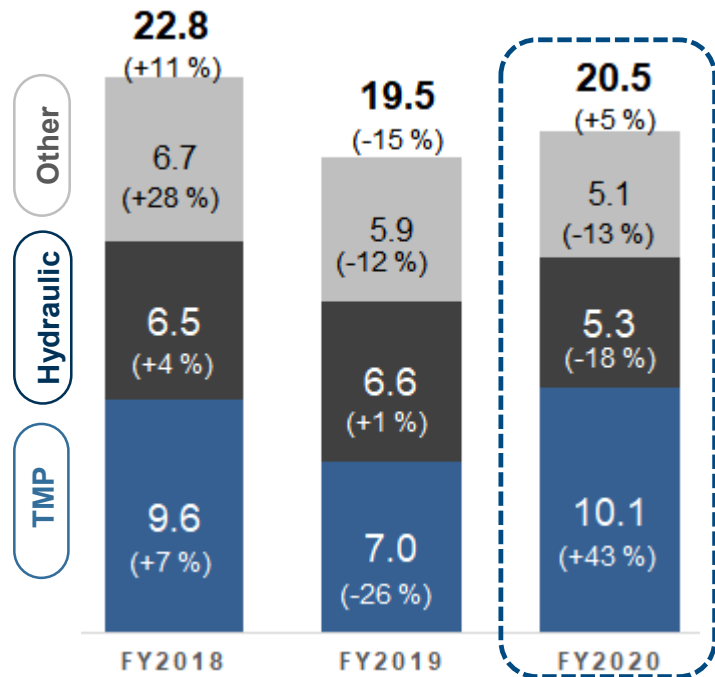
	FY 2020	FY 2019	Increase/ Decrease	Percent Increase/ Decrease	Overview
<b>Japan</b>	<b>15.9</b>	22.3	-6.4	-29 %	<ul style="list-style-type: none"> <li>• Capital equipment investment plans were postponed or frozen by healthcare institutions due to impacts from the COVID-19 pandemic.</li> <li>• Sales decreased due to a reactionary decline after the temporary demand increase before the consumption tax rate increased in Japan the previous year.</li> </ul>
<b>Outside Japan</b>	<b>14.7</b>	12.5	+2.2	+17 %	<ul style="list-style-type: none"> <li>• Sales of mobile X-ray systems for diagnosing pneumonia increased in major regions outside Japan.</li> </ul>
<b>North America</b>	<b>4.3</b>	3.6	+0.7	+20 %	<ul style="list-style-type: none"> <li>• Sales of mobile X-ray systems increased.</li> <li>• Results were affected by the acquisition of a sales subsidiary (CMI) last year.</li> </ul>
<b>Other Asian Countries</b>	<b>2.9</b>	2.2	+0.6	+29 %	<ul style="list-style-type: none"> <li>• Mobile X-ray system sales drove results.</li> </ul>
<b>Europe</b>	<b>2.1</b>	1.7	+0.4	+25 %	<ul style="list-style-type: none"> <li>• Mobile X-ray system sales increased.</li> <li>• General radiography system sales increased in Eastern Europe and Russia.</li> </ul>
<b>China</b>	<b>2.7</b>	2.5	+0.2	+7 %	<ul style="list-style-type: none"> <li>• Mobile X-ray system sales increased.</li> <li>• Sales were impacted by postponed bidding and worsening profitability at healthcare institutions.</li> </ul>

# Industrial Machinery Net Sales by Model








- **TMP:** 10.1 billion yen (+3.1 billion yen or +43 % year-on-year)
- **Hydraulic:** 5.3 billion yen (-1.3 billion yen or -18 % year-on-year)
- **Other:** 5.1 billion yen (-0.8 billion yen or -13 % year-on-year)
- **TMP aftermarket (AM):** 1.9 billion yen (+0.1 billion yen or +7 % year-on-year)      **AM sales ratio:** 18 % (-6 points)

TMP sales were strong for semiconductor manufacturing equipment, with record first-half sales. Demand decreased for forklifts and small construction machinery. Glass winder sales decreased due to capital equipment investment reluctance and other factors.

Industrial Machinery Net Sales (billion yen)



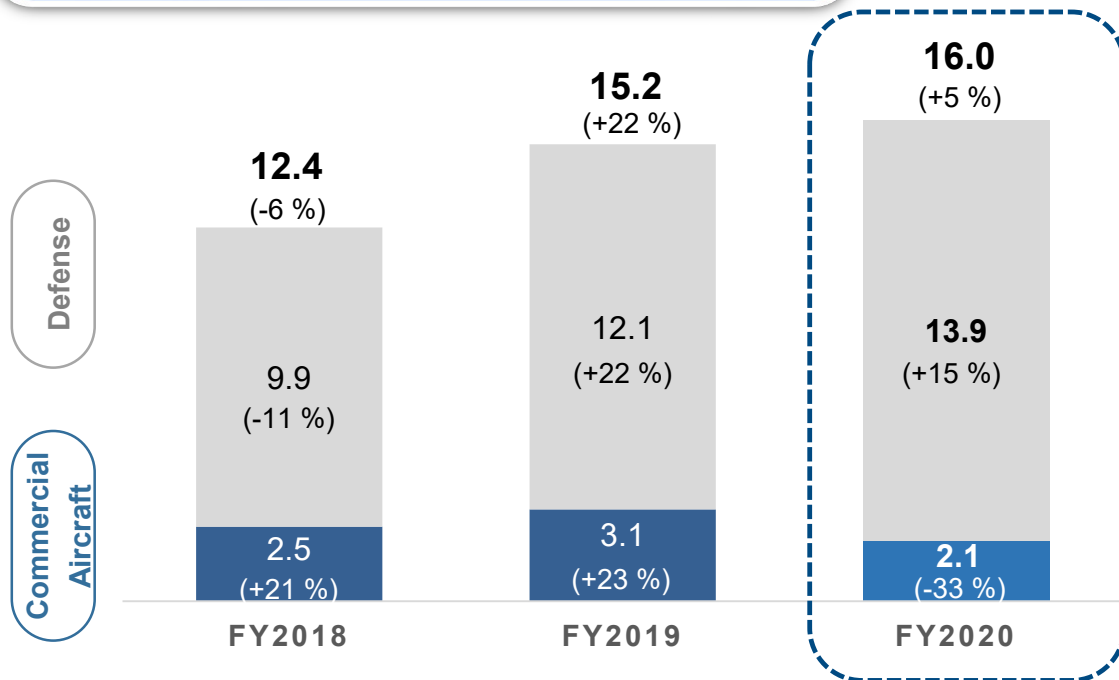
## Industrial Machinery

<b>Other</b>	 <b>Industrial Furnace</b>	 <b>Glass Winder</b>	 <b>Balancer</b>	
<b>TMP</b>	 <b>Model with Integrated Power Supply</b>	 <b>Model with Standalone Power Supply</b>	<div style="background-color: #003366; color: white; padding: 5px; writing-mode: vertical-rl; transform: rotate(180deg);"><b>Hydraulic Equipment</b></div>  <b>Gear Pump</b>	 <b>Control Valve</b>

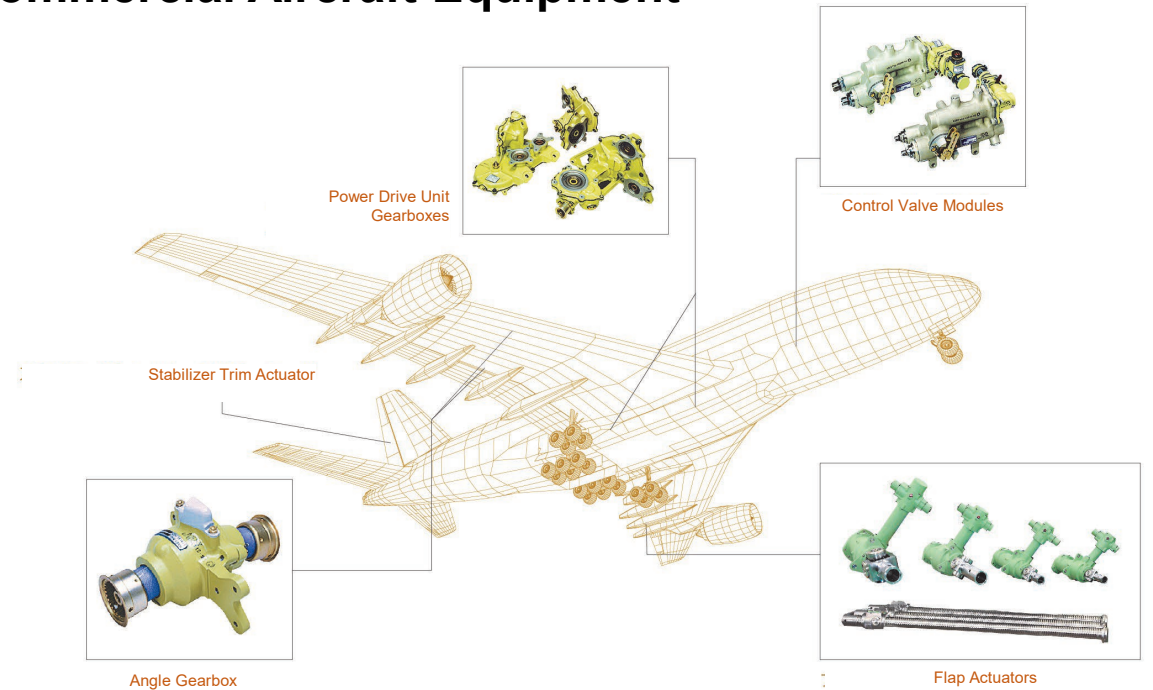
# Aircraft Equipment

- **Commercial aircraft: 2.1 billion yen (-1.0 billion yen or -33 % year-on-year)**  
Sales decreased due to a major decrease in commercial aircraft production, mainly by Boeing.
- **Defense: 13.9 billion yen (+1.8 billion yen or +15 % year-on-year)**  
Sales increased due to large projects for the Ministry of Defense.

Aircraft Equipment Net Sales (billion yen)



## Commercial Aircraft Equipment



- (1) FY 2020 1H Financial Position
- (2) FY 2020 1H Results by Business Segment
- (3) FY 2020 Forecast**
- (4) Supplementary Materials

# Business Environment (Second Half)

- With no sign of impacts from the COVID-19 pandemic diminishing, economic environments are expected to remain severe throughout the world.

## Year-on-Year Comparison

• AMI: Analytical & Measuring Instruments, MED: Medical Systems, IM: Industrial Machinery, AE: Aircraft Equipment

Segment			Overview
AMI	Healthcare	Good	<ul style="list-style-type: none"> <li>■ With measures to deploy businesses outside Japan more fully underway, sales will expand for in vitro diagnostic drugs for detection of COVID-19.</li> <li>■ Sales will increase in pharmaceutical and virus research fields.</li> <li>■ In China, demand will increase due to release of a new pharmacopoeia edition (scheduled in December).</li> </ul>
	Academia/government	Fair	<ul style="list-style-type: none"> <li>■ Academic institutions will successively resume operations and bidding for government projects will also start.</li> <li>■ Demand will expand due to strengthened efforts by governments in various countries to research and develop infectious disease countermeasures.</li> </ul>
	Industry	Poor	<ul style="list-style-type: none"> <li>■ Though there are indications of a recovery trend in some areas, decreased capital equipment investment levels and other severe conditions will remain in a wide range of fields, such as automotive, steel and chemical materials, and machinery.</li> </ul>
MED	Public hospitals	Fair	<ul style="list-style-type: none"> <li>■ Demand for mobile X-ray systems is expected to remain strong to a certain level in the second half as well.</li> <li>■ Conditions for operating businesses will remain severe, but capital equipment investment levels are expected to increase, due to government grants.</li> </ul>
	Private sector hospitals	Poor	<ul style="list-style-type: none"> <li>■ Demand for mobile X-ray systems is expected to remain strong to a certain level in the second half as well.</li> <li>■ New installations and replacements of existing medical equipment not related to the coronavirus will remain stalled.</li> </ul>
IM	TMP	Good	<ul style="list-style-type: none"> <li>■ Sales for semiconductor manufacturing equipment will remain strong.</li> </ul>
	Hydraulic	Fair	<ul style="list-style-type: none"> <li>■ Sales will remain strong in China, with demand recovering for forklifts and small construction machinery.</li> </ul>
	Industrial furnaces and glass winders	Fair	<ul style="list-style-type: none"> <li>■ Sales are recovering, mainly in China.</li> </ul>
AE	Commercial aircraft	Poor	<ul style="list-style-type: none"> <li>■ Commercial aircraft production will continue to decrease, with the business environment remaining severe.</li> </ul>



# FY 2020 Earnings Forecast

- Considering first-half results and the future business environment, net sales and operating income were adjusted upward to 365 billion yen and 38 billion yen, respectively.
- The interim dividend was increased to 15 yen, 2 yen higher than estimated at the beginning of the year, and the annual dividend was adjusted upward to 28 yen.

	Full-Year			Beginning-of-Year Estimate Vs. Actual		YoY		
	FY 2020	Beginning-of-Year Estimate	FY 2019	Changes	Percent Increase/Decrease	Changes	Percent Increase/Decrease	
Units: Billions of yen								
Business Results	Net Sales	365.0	340.0	385.4	+25.0	+7.4%	-20.4	-5.3%
	Operating Income	38.0	22.0	41.8	+16.0	+38.2%	-3.8	-9.2%
	Operating Margin	10.4%	6.5%	10.9%	+3.9pt	—	-0.4pt	—
	Ordinary Income	37.5	22.0	42.7	+15.5	+36.3%	-5.2	-12.1%
	Profit Attributable to Owners of Parent	27.0	16.0	31.8	+11.0	+34.6%	-4.8	-15.0%
Exchange Rates	Average Rate: USD (Yen)	106	105	109	+1	+0.9%	-3	-2.6%
	Euro (Yen)	118	115	121	+3	+2.5%	-3	-2.4%
Major Investments	R&D Expenses	16.0	16.0	16.9	+0	+0.0%	-0.9	-5.3%
	CAPEX	12.0	12.0	17.7	+0	+0.0%	-5.7	-32.1%
	(Depreciation and Amortization)	15.0	15.0	13.3	+0	+0.0%	+1.7	+13.2%

## Exchange Rate Effect

Net sales: -3.9 billion yen  
 Operating income: -1.3 billion yen

## Dividends

Interim dividend: 15 yen  
 (13 yen in beginning-of-year estimate and 15 yen the previous year)  
 Year-end dividend: 13 yen  
 (13 yen in beginning-of-year estimate and 15 yen the previous year)  
 Annual dividend: 28 yen  
 (26 yen in beginning-of-year estimate and 30 yen the previous year)

- Depreciation and amortization: 1.7 billion yen higher due to changes in accounting standards (Lease standard changed from loan amount to depreciation and amortization expense.)

# FY 2020 Earnings Forecast by Business Segment

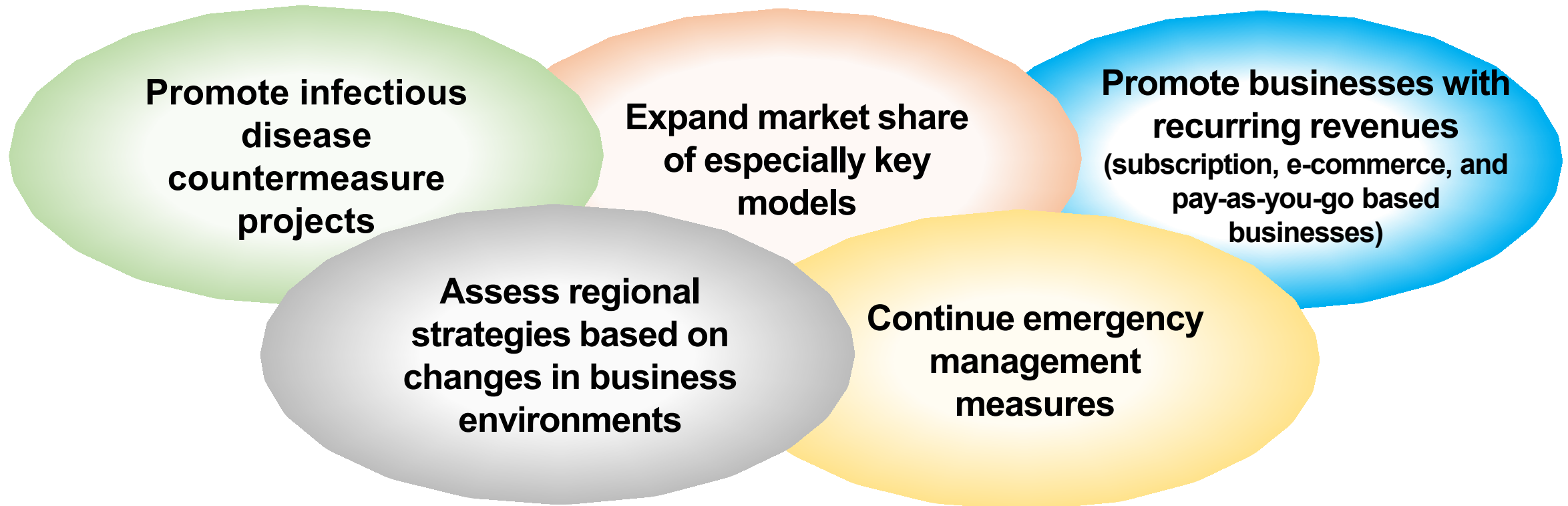
• AMI: Analytical & Measuring Instruments, MED: Medical Systems, IM: Industrial Machinery, AE: Aircraft Equipment

- AMI: ■ Recovery trend in China. Severe conditions will continue in regions other than China, due to COVID-19.
- MED: ■ Markets will stagnate globally due to severe management conditions for medical institutions.
- IM: ■ TMP sales for semiconductor manufacturing equipment will be strong. Recovery of industrial furnace and glass winder sales will take time in regions other than China.
- AE: ■ Severe conditions will continue for both the defense and commercial aircraft equipment businesses.

Units: Billions of yen	Net Sales				Operating Income				Operating Margin		
	FY 2020	FY 2019	YoY		FY 2020	FY 2019	YoY		FY 2020	FY 2019	YoY
			Changes	Percent Increase/Decrease			Changes	Percent Increase/Decrease			Increase/Decrease
<b>AMI</b>	<b>228.0</b>	236.2	<b>-8.2</b>	<b>-3%</b>	<b>33.5</b>	35.8	<b>-2.3</b>	<b>-6%</b>	<b>14.7%</b>	15.1%	<b>-0.4pt</b>
<b>MED</b>	<b>62.0</b>	70.2	<b>-8.2</b>	<b>-12%</b>	<b>2.4</b>	3.2	<b>-0.8</b>	<b>-25%</b>	<b>3.9%</b>	4.5%	<b>-0.7pt</b>
<b>IM</b>	<b>42.5</b>	43.0	<b>-0.5</b>	<b>-1%</b>	<b>3.7</b>	3.7	<b>+0</b>	<b>+1%</b>	<b>8.7%</b>	8.5%	<b>+0.2pt</b>
<b>AE</b>	<b>28.5</b>	30.0	<b>-1.5</b>	<b>-5%</b>	<b>0.6</b>	0.8	<b>-0.2</b>	<b>-24%</b>	<b>2.1%</b>	2.6%	<b>-0.5pt</b>
<b>Other</b>	<b>4.0</b>	6.0	<b>-2.0</b>	<b>-33%</b>	<b>0.5</b>	1.2	<b>-0.7</b>	<b>-58%</b>	<b>8.6%</b>	15.4%	<b>-6.8pt</b>
<b>Adjustments</b>					<b>-2.7</b>	-2.8	<b>+0.1</b>	<b>—</b>			
<b>Total</b>	<b>365.0</b>	385.4	<b>-20.4</b>	<b>-5%</b>	<b>38.0</b>	41.8	<b>-3.8</b>	<b>-9%</b>	<b>10.4%</b>	10.9%	<b>-0.4pt</b>

# Key Measures for the Second Half

- Given ongoing COVID-19 impacts, accurately identify market trends, such as growing or shrinking markets, and ensure they are reflected in business strategies.
- Implement the emergency management measures started in April.



# Key Second-Half Measures for Each Business Segment

## ■ Analytical and Measuring Instruments

- Accelerate deployment of all infectious disease countermeasure businesses.
- Expand sales of key models (LC, MS, and GC) and develop new fields.
- Release new products, such as the new i-series, and expand sales.
- Expand the aftermarket business, such as for columns and stable isotope reagents.



## ■ Medical Systems

- Expand new solution-based businesses, such as for subscription services or software with advanced functionality.
- Continue to satisfy increased global demand for mobile X-ray systems.
- Promote cost and expense reductions based on using IoT or other digital technologies for business processes.

## ■ Industrial Machinery

- Expand market share by promoting differentiation based on technical capabilities.
- Provide a timely supply of TMPs for increasing production quantities of semiconductor manufacturing equipment due to expanding demand for semiconductors used for 5G or data center applications.



Turbomolecular Pump with Magnetic Bearings



Turbomolecular Pump with Composite Bearings

## ■ Aircraft Equipment

- Continue reducing costs/expenses and optimizing the allocation of personnel.
- Select and focus on target products.

# Key Models: Liquid Chromatographs

## Strengthen and Expand Product Line

- **Strengthen functionality for working remotely:**  
**Advance i-Series**—new products for a “new normal” living with or after the COVID-19 virus
- **Expand line of new products:**  
 Expand the scope of application fields for liquid chromatographs and develop new fields.

### New i-Series

#### ■ Advanced i-Series

- Includes functionality for remote operation and monitoring.
- Unique analysis functionality enables data analysis that is not operator proficiency-dependent.
  - Installed touch panel is pretreated with antibacterial treatment.
  - Stable baselines are less affected by room temperature variations.



#### ■ LC-2030C NT Model Compatible with Slide-In Columns

- Includes on-chip LC column capability.
- Slide-in columns require no tools.
  - Process steps through to the end of analysis can be automated using intuitive operations.
  - Intended as dedicated analyzer.



#### ■ Multiplexing LCMS

- Two flow channels included in the same autosampler increases the utilization ratio.
- Unique injection/rinsing mechanism efficiently eliminates residual components.



Nexera MX

#### ■ Nanomaterial Fractionation System

- Selectively and accurately fractionates 10 nm-class nanoparticles.
- Helps improve the performance of electronic components.



FFF-C8030

# Key Models: Mass Spectrometer Systems

## Strengthen and Expand Product Line

➤ **Release two high-end models:**

Expand market share in medical, drug discovery, clinical, and other markets and develop new fields.

➤ **Offer comprehensive mass spectrometer solutions:**

Also release data analysis software and pretreatment systems.

■ **LCMS System with World-Class High Sensitivity**

- Achieves reliable high-sensitivity analysis by eliminating contaminants.
- Develop broader applicability within medical, drug discovery, food, and other fields.



LCMS-8060NX

■ **Imaging Mass Microscope**

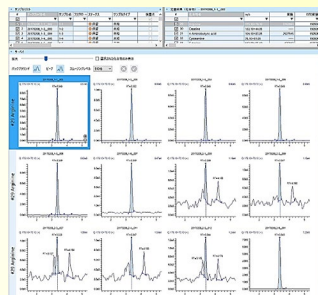
- Acquires sample positional information with world-class sensitivity by integrating optical imaging with MS imaging.
- Develop medical, drug discovery, and other fields.



iMScope™ QT

■ **Released Peakintelligence Ver. 2 AI Software for High-Sensitivity LCMS Analysis**

- Significantly shortens time required for data analysis work.
- Offered as a subscription service.



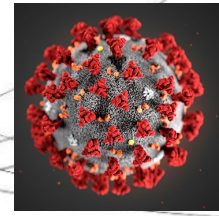
■ **Sample Pretreatment System (Class I Medical Device)**

- Fully automates all steps, from pretreatment to analysis, for blood, urine, and other samples.



CLAM-2030CL/LCMS

Manufacturing and sales notification No. (for healthcare use)  
26B1X00003900003



# Infectious Disease Countermeasure Projects:

## (1) Family of Products Involved in Contributing to Business Performance

- Strengthen measures to offer solutions for analyzing viruses, bacteria, and other pathogens.
- Collaborate with universities, healthcare institutions, and others based on two perspectives—preventing the spread of the COVID-19 pandemic and preparing countermeasures for infectious diseases in general, which is a new challenge for the future.

### Virus Testing

Reagents

- **Novel Coronavirus Detection Kit**  
Simplify pretreatment to enable PCR testing in 70 minutes, half the time previously required. Obtain approval to manufacture/sell as drug for in vitro diagnostics by saliva test.
- **Measuring Blood Concentration of Candidate Therapeutic Drugs for COVID-19**  
With stable isotope reagents, LCMS can be used to monitor the concentration of therapeutic drugs measured in the bloodstream.



Instruments

- **Test for Ethanol in Disinfectants**  
Analyze ethanol concentration by test methods specified in Japanese, US, and European Pharmacopoeias.



FTIR



UV



GC

### Pathological Diagnosis and Infection Prevention

Instruments

- **Mobile X-Ray System**  
Quickly diagnose pneumonia from bedside in patient rooms.
- **Self-Patient Interview System**  
System screens patients at healthcare institutions without human intervention to reduce infection risk.



Shimadzu mobile X-ray system used to fight pandemic



Instruments

Reagents

### Therapeutic Drug Development Support

- **New Therapeutic Drug Development Support**  
Supply analytical instruments and reagents mainly for mass spectrometers used for developing therapeutic drugs for infectious diseases at pharmaceutical companies and academic institutions.



LCMS



Imaging Mass Microscope



Stable Isotope Reagent

# Infectious Disease Countermeasure Projects:

## (2) Deploy Reagent Kits

- Accelerate business deployment, such as by releasing reagent kits and expanding applicability.
- Start service with healthcare institutions that issues proof of negative test results for overseas business travelers.
- Also contribute to preventing infection by ongoing testing in cooperation with academic institutions and companies.

### First-Half Results: Released Reagent Kits and Expanded Applicability

**April**

- Released reagent kits for research.

**May**


- Confirmed efficacy of saliva testing.


**July**


- Started PCR testing service.

**September**

- Obtained approval to manufacture/sell as in vitro diagnostic drug.
- Started sales outside Japan.







In vitro diagnostic drug  
Manufacturing and sales approval No.: 30200EZX00065000

### Future Measures: Collaborate with Government, Academic, and Corporate Organizations

**July**

- Started PCR testing service.
- Issued proof of negative test results for overseas business travelers.


**September**

- Engaged in broad partnership with **Kyoto Sangyo University**.
- Prevented spread of infection by infected people without symptoms.
- Provided support for safe on-campus activities.

President Akira Kurosaka of Kyoto Sangyo University (right) with Shimadzu President Teruhisa Ueda (left)

**October**

- Entered business partnership with **Canon Medical Systems Corporation**.
- Offered specimen treatment solutions (**Ampdirect**) developed by Shimadzu.
- Provided support for development of fluorescent lamp method.









**SHIMADZU**  
Excellence in Science



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.

Contact: Investor Relations Group  
Corporate Communication Department  
Shimadzu Corporation  
Phone: +81-75-823-1673      E-Mail: [ir@group.shimadzu.co.jp](mailto:ir@group.shimadzu.co.jp)