

August 6, 2015

Operating Results and Financial Position **《For The Three Months ended June 30, 2015》**

1. Operating Results

(1) Consolidated Overview

In the three months ended June 30, 2015, while the U.S. economy continued to demonstrate stable recovery, European economies were at a standstill and China's pace of growth remained moderate. The Japanese economy continued to demonstrate a moderate recovery, as corporate earnings and employment conditions improved with the support of government economic and financial policies.

In this economic environment, the Shimadzu Group actively promoted growth-oriented measures in accordance with its medium-term management plan. These measures included launching "Number One/Only One" products, expanding into new fields through enhanced collaborative R&D with our leading-edge customers, strengthening our business base in emerging markets, and bolstering the aftermarket business.

As a result, for the first quarter, the Shimadzu Group posted consolidated net sales of 71,367 million yen (a year-on-year increase of 17.2%), operating income of 3,629 million yen (a year-on-year increase of 133.0%), ordinary income of 4,250 million yen (a year-on-year increase of 205.8%), and net income attributable to parent company shareholders of 2,829 million yen (a year-on-year increase of 164.4%).

Group sales tend to be concentrated in the second and fourth quarters.

The results for reportable business segments were as follows.

I. Analytical & Measuring Instruments

In Japan, sales of gas chromatographs, mass spectrometers, surface analyzers, and non-destructive inspection machines were robust owing to a recovery in private-sector demand in the chemical, food, ferrous and non-ferrous metals, and transportation industries, along with an expansion in public-sector demand.

Overseas, sales of liquid chromatographs and mass spectrometers grew in North America on demand in the healthcare, contract analysis, food, pharmaceuticals and other industries. In Europe, sales of liquid chromatographs and gas chromatographs rose on demand in the pharmaceutical industry and universities. Additionally, our mass spectrometers continued to be adopted by prominent medical institutions. In China, sales of liquid chromatographs, gas chromatographs, and surface analyzers grew on higher public-sector demand and private-sector demand in the pharmaceutical, contract analysis, petro- and coal-chemical industries. In Southeast Asia, sales of liquid chromatographs and mass spectrometers increased on demand

in the pharmaceuticals and food industries, while in India, sales of liquid chromatographs rose on demand in the pharmaceutical industry.

As a result, the Analytical & Measuring Instruments segment posted sales of 43,170 million yen (a year-on-year increase of 19.5%) for the first three months of the fiscal year.

II. Medical Systems

In Japan, sales of X-ray fluoroscopy systems were robust amid a rebound from the impact of the consumption tax hike in the previous year.

Overseas, sales rose in North America on strong demand for digital mobile X-ray systems. In Southeast Asia, sales of general radiography systems and angiography systems expanded. In China, sales were impacted by the prolongation of the bidding process.

As a result, the Medical Systems segment posted sales of 13,043 million yen (a year-on-year increase of 17.7%) for the first three months of the fiscal year.

III. Aircraft Equipment

In Japan, sales of aircraft components to Japan's Ministry of Defense increased. Sales in North America expanded with an increase in sales of passenger aircraft components to the Boeing Company.

Overall, the Aircraft Equipment segment posted sales of 5,936 million yen (a year-on-year increase of 28.5%) for the first three months of the fiscal year.

IV. Industrial Machinery

Sales of turbo-molecular pumps grew in Japan, North America, and Korea, mainly on stronger demand from semiconductor manufacturing equipment companies. Sales of hydraulic equipment increased on brisk sales for industrial vehicles (forklifts), specially equipped industrial vehicles, and other applications.

Overall, the Industrial Machinery segment posted sales of 7,548 million yen (a year-on-year increase of 3.6%) for the first three months of the fiscal year.

V. Other

Sales in the Other businesses segment amounted to 1,667 million yen (a year-on-year decrease of 6.0%) for the first three months of the fiscal year.

(2)Consolidated Outlook

Looking forward, although there are uncertainties surrounding the economic outlook for China, Europe, and some other regions, the global economy as a whole is expected to continue expanding, led by growth in the U.S. Japan's moderate economic recovery is expected to continue on the strength of new investments and upgrade demand accompanying higher corporate earnings.

Amid this business environment, the Shimadzu Group is accelerating various initiatives to accomplish the basic policy behind our medium-term management plan, which is to "Become an Innovative Company Contributing to the Growth of Customers around the World."

The Shimadzu Group will actively promote growth-oriented measures to further expand its business results, including the rapid development of global "Number One/Only One" products, development of new application systems and improved customer support functions through collaborative R&D with our leading-edge customers, strengthening our business base in emerging markets, and bolstering the aftermarket business.

Taking into account the progress in current first quarter results and the business circumstances described above, we have revised the forecast for consolidated results announced on May 12,2015.

<Consolidated outlook of this fiscal year>

(In million yen)

	1 st Half outlook			Year outlook		
	New announcement	Increase, YoY	Last announcement	New announcement	Increase, YoY	Last announcement
Net Sales	158,000	11.5%	152,000	336,000	6.8%	330,000
Operating income	13,000	29.4%	12,000	33,000	21.4%	32,000
Ordinary income	13,000	28.0%	11,500	32,500	14.5%	31,000
Net income	8,500	32.0%	7,500	21,000	13.8%	20,000

Notice: This outlook is based on information available when Shimadzu is prepared. They are subject to risks and uncertainties. Factors that may influence are fluctuation of economic conditions change mainly in Japan, US, Europe and Asia, products demand, and foreign exchange rates.

2. Other Information

(1) Changes in the consolidation status (scope of consolidation) of material subsidiaries during the period
Not applicable

(2) Use of simplified accounting procedures and/or accounting procedures specific to the preparation of quarterly consolidated financial statements

Not applicable

(3) Changes in Accounting Policy, Changes in Accounting Estimates, and Retrospective Restatements

(Changes in accounting policy)

Effective from the first quarter of the current consolidated fiscal year, “Accounting Standard for Business Combinations” (ASBJ Statement No. 21 of September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 of September 13, 2013), “Accounting Standard for Business Divestiture” (ASBJ Statement No. 7 of September 13, 2013), etc. have been applied. As a result, differences caused by change in the Company’s equity in the subsidiaries with controlling interests shall now be adjusted in additional paid-in capital, and acquisition-related expenses shall now be changed to be reported as expenses incurred during the consolidated fiscal year in which said acquisition takes place. Furthermore, as to business combinations taking place since the beginning of the first quarter of the current fiscal year and onwards, finalization of the provisional accounting treatment of the amount of the acquisition cost allocation shall now be changed to be reflected in the relevant quarterly consolidated fiscal period where the date of said business combination actually falls. Additionally, the presentation has been changed in the net income, etc. and also from minority interests to non-controlling interests. For the sake of reflecting this change in the said presentation, restatement has been made in the consolidated financial statements of the first quarter of the previous fiscal year and of the previous full fiscal year.

The implementation of Accounting Standard for Business Combinations and its related standards is subject to the transitional treatments stipulated in the provisions of Article 58-2 (4) of Accounting Standard for Business Combinations, Article 44-5 (4) of Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of Accounting Standard for Business Divestiture, and has been and will be under way since the beginning of the first quarter of the current fiscal year and going forward.

There is no impact of this change on the profit and loss statement.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(In million yen)

	As of June 30, 2015	As of March 31, 2015
Assets		
Current assets:		
Cash and time deposits	¥41,008	¥41,360
Trade notes and accounts receivable	86,325	103,205
Merchandise and products	44,724	41,535
Work in process	18,312	16,193
Raw materials and supplies	18,873	17,137
Deferred tax assets	8,567	9,492
Other	6,274	6,998
Allowance for doubtful receivables	(1,083)	(1,106)
Total current assets	¥223,004	¥234,817
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures, net	¥40,011	¥38,749
Machinery, equipment and vehicles, net	6,291	5,344
Land	18,692	18,243
Leased assets, net	2,475	2,399
Construction in progress	323	1,558
Other, net	9,415	9,134
Net property, plant and equipment	¥77,210	¥75,430
Intangible fixed assets	¥7,222	¥7,298
Investments and other assets:		
Investment securities	14,697	13,761
Long-term receivables	190	177
Deferred tax assets	5,287	5,195
Other	3,636	3,606
Allowance for doubtful receivables	(455)	(454)
Total investments and other assets	¥23,356	¥22,286
Total noncurrent assets	¥107,789	¥105,015
Total assets	¥330,793	¥339,832

(In million yen)

	As of June 30, 2015	As of March 31, 2015
Liabilities		
Current liabilities		
Trade notes and accounts payable	¥50,168	¥51,596
Short-term loans	7,550	8,738
Lease obligations	971	897
Accounts payable	10,293	12,034
Income taxes payable	901	5,056
Allowance for employees' bonuses	2,637	7,268
Allowance for director's bonuses	94	306
Other	16,782	14,737
Total current liabilities	¥89,400	¥100,635
Long-term liabilities		
Unsecured bonds	¥15,000	¥15,000
Long-term debt	853	930
Lease obligations	1,707	1,698
Liability for directors' retirement benefits	182	187
Liability for retirement benefits	10,405	10,563
Other	686	800
Total long-term liabilities	¥28,833	¥29,179
Total liabilities	¥118,234	¥129,815
Net assets		
Shareholders' capital		
Common stock	¥26,648	¥26,648
Additional paid-in capital	35,188	35,188
Retained earnings	135,342	134,871
Treasury stock	(809)	(796)
Total shareholders' capital	¥196,369	¥195,912
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities	¥5,493	¥5,200
Foreign currency translation adjustments	8,679	6,816
Cumulative adjustments to retirement benefits	¥1,741	¥1,839
Total valuation and translation adjustments	¥15,914	¥13,856
Non-controlling interests	¥275	¥248
Total net assets	¥212,559	¥210,017
Total liabilities and net assets	¥330,793	¥339,832

(2) Consolidated Statements of Operations & of Comprehensive Income

Consolidated Statements of Operations

	(In million yen)	
	Three months June 30, 2015	Three months June 30, 2014
Net sales	¥71,367	¥60,885
Cost of sales	42,463	36,521
Gross profit	¥28,903	¥24,363
Selling, general and administrative expenses	25,274	22,805
Operating income	¥3,629	¥1,557
Other income:		
Interest income	¥43	¥36
Dividend income	126	126
Insurance payments received	30	62
Foreign exchange profit	204	0
Other	334	250
Total other income	¥740	¥475
Other expenses:		
Interest expense	¥40	¥56
Foreign exchange loss	0	168
Other	79	418
Total other expenses	¥119	¥643
Ordinary income	¥4,250	¥1,389
Extraordinary income:		
Gain on sale of property, plant and equipment	¥11	¥23
Total extraordinary income	¥11	¥23
Extraordinary losses:		
Loss on disposal of property, plant and equipment	¥40	¥49
Loss on sales of investment securities	7	0
Total extraordinary losses	¥47	¥49
Income before income taxes and minority interests	¥4,213	¥1,362
Income taxes	¥626	¥506
Income taxes adjustments	731	(230)
Total income taxes and income taxes adjustments	¥1,357	¥275
Profit	¥2,855	¥1,087
Profit attributable to non-controlling interests	¥26	¥16
Profit attributable to owners of parent	¥2,829	¥1,070

Consolidated Statements of Comprehensive Income

	(In million yen)	
	Three months June 30, 2015	Three months June 30, 2014
Profit	¥2,855	¥1,087
Other Comprehensive income		
Unrealized gain on available-for-sale securities	¥293	¥370
Foreign currency translation adjustments	1,863	(742)
Retirement benefit adjustments	(98)	101
Total other comprehensive income	¥2,058	¥(270)
Comprehensive income	¥4,914	¥816
Comprehensive income attribute to owners of the parent	¥4,887	¥801
Comprehensive income attributable to non-controlling interests	¥26	¥15

5. Segment Information

Segment information for the three months ended June 30, 2015

(1) Income by Business Segment

From April 1st to June 30th of Fiscal year ended March 31, 2016

(In million yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the quarterly statements of income
	Analytical & Measuring Instruments	Medical Systems	Aircraft Equipment	Industrial Machinery	Total				
Net Sales									
(1) Sales to customers	¥ 43,170	¥ 13,043	¥ 5,936	¥ 7,548	¥ 69,699	¥ 1,667	¥ 71,367	¥ 0	¥ 71,367
(2) Inter-segment sales	14	2	18	17	52	301	353	(353)	0
Total Sales	¥ 43,185	¥ 13,046	¥ 5,954	¥ 7,566	¥ 69,752	¥ 1,969	¥ 71,721	¥ (353)	¥ 71,367
Operating income (loss)	¥ 4,679	¥ (596)	¥ (613)	¥ 456	¥ 3,925	¥ 150	¥ 4,075	¥ (446)	¥ 3,629

From April 1st to June 30th of Fiscal year ended March 31, 2015

(In million yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the quarterly statements of income
	Analytical & Measuring Instruments	Medical Systems	Aircraft Equipment	Industrial Machinery	Total				
Net Sales									
(1) Sales to customers	¥ 36,125	¥ 11,081	¥ 4,619	¥ 7,283	¥ 59,110	¥ 1,774	¥ 60,885	¥ 0	¥ 60,885
(2) Inter-segment sales	5	11	15	15	48	279	328	(328)	0
Total Sales	¥ 36,131	¥ 11,093	¥ 4,635	¥ 7,298	¥ 59,159	¥ 2,054	¥ 61,213	¥ (328)	¥ 60,885
Operating income (loss)	¥ 2,867	¥ (478)	¥ (924)	¥ 520	¥ 1,986	¥ 164	¥ 2,150	¥ (593)	¥ 1,557

(2) Income by Geographic Segment

From April 1st to June 30th of Fiscal year ended March 31, 2016

(In million yen)

Japan	The Americas	Europe	China	Other Asian countries	Other	Total
¥ 30,635	11,450	5,989	13,165	7,435	2,690	¥ 71,367

From April 1st to June 30th of Fiscal year ended March 31, 2015

(In million yen)

Japan	The Americas	Europe	China	Other Asian countries	Other	Total
¥ 27,771	8,979	5,450	11,354	4,979	2,349	¥ 60,885