

1st Half Results & Financial Position, Ended March 2017

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Shimadzu Corporation

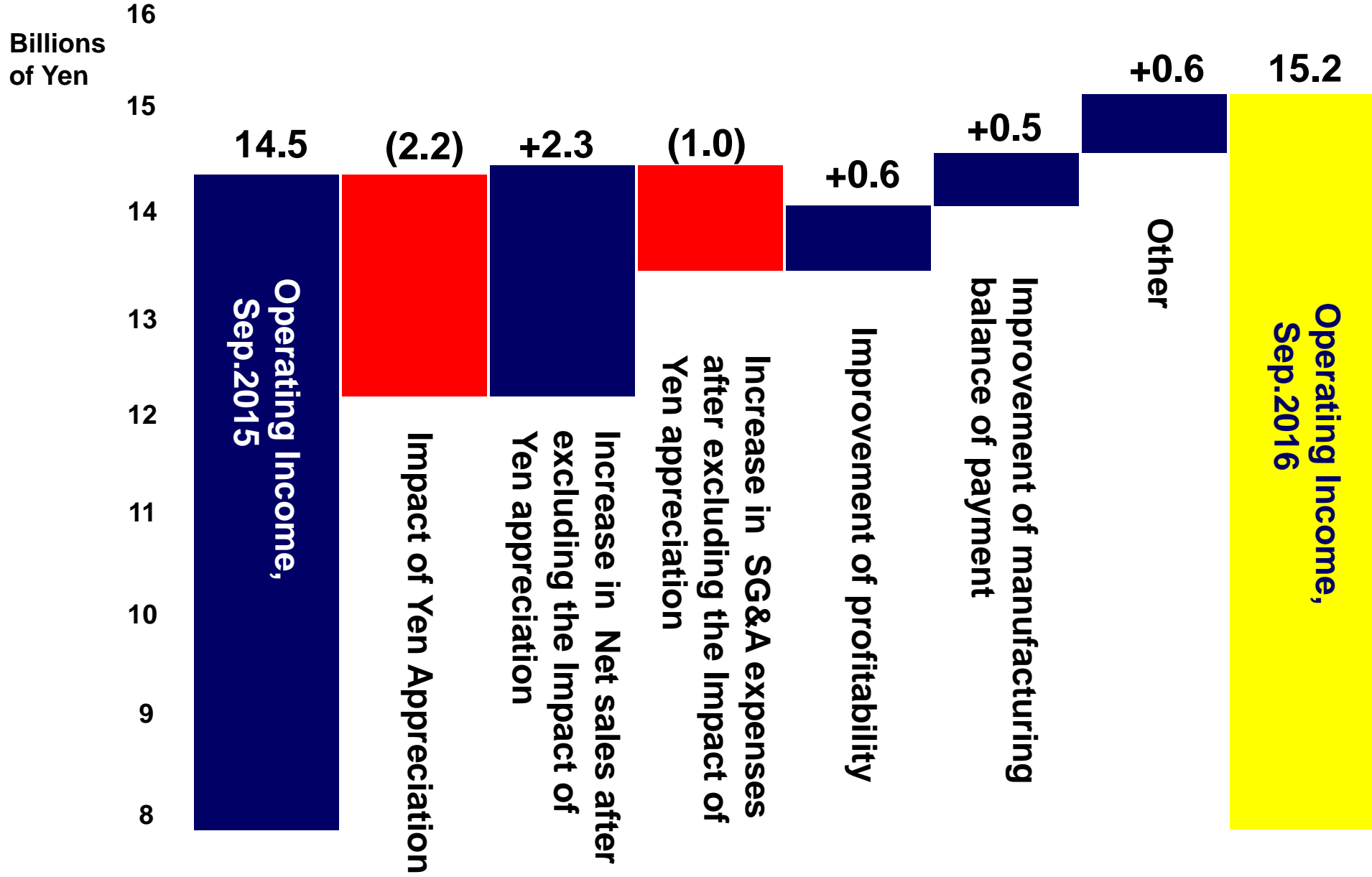
Statement of Income

- * Net sales decrease of 4% year on year; increase of approximately 3% after excluding the impact of yen appreciation
- * Operating income increase of 6% year on year; increase of approximately 31% after excluding the impact of yen appreciation
- * Operating margin increase to 9.9%, an improvement of 0.9 points year on year

Billions of yen, except EPS and percentages	Sep. 2016	Sep. 2015	YoY		
			Changes	% Changes	% Changes in local currency
Net Sales	154.8	160.4	(5.7)	-3.5%	3.4%
Operating Income	15.2	14.5	0.8	5.5%	31.1%
<i>Operating margin</i>	9.9%	9.0%	<i>Inprovement 0.9%points</i>		
Ordinary Income	14.6	14.9	(0.3)	-2.1%	
Profit attributable to owners of parent	10.3	10.3	0.0	0.3%	
EPS	¥34.88	¥34.92	(¥0.04)	-0.1%	
1H Average foreign exchange rate	US\$105.33	US\$121.85	(US\$16.52)	-13.6%	
	€ 118.20	€ 135.12	(€ 16.92)	-12.5%	

Impact of Yen appreciation	
Net Sales	(11.1)
Operating Income	(3.7)

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



Sales and Income by Business Segment

- * Profitability improvement maintained in the Analytical & Measuring Instruments segment
- * Return to profitability in the Medical Systems segment
- * Steady decrease in losses in the Aircraft Equipment segment to near breakeven

Billions of yen, except percentages

Operating margin is listed in right-side column

		Sep.2016		Sep.2015		YoY		
						Changes	%Changes	
Analytical & Measuring Instruments	Net Sales	93.7	15.1%	97.6	14.6%	(3.8)	-3.9%	improve 0.5pt.
	Operating Income	14.2		14.2		(0.0)	-0.3%	
Medical Systems	Net Sales	29.5	1.8%	30.0	-0.5%	(0.5)	-1.6%	improve 2.3pt.
	Operating Income	0.5		(0.1)		0.7	—	
Aircraft Equipment	Net Sales	11.8	-0.3%	12.2	-4.6%	(0.4)	-3.2%	improve 4.3pt.
	Operating Income	(0.0)		(0.6)		0.6	—	
Industrial Machinery	Net Sales	16.5	6.8%	17.4	6.9%	(0.8)	-4.8%	deteriorate 0.1pt.
	Operating Income	1.1		1.2		(0.1)	-6.7%	
Other	Net Sales	3.2	8.9%	3.3	15.4%	(0.1)	-3.3%	deteriorate 6.5pt.
	Operating Income	0.3		0.6		(0.3)	-42.6%	
Operating Income Adjustments		(0.8)	—	(0.9)	—	0.0	—	
Total	Net Sales	154.8	9.9%	160.4	9.0%	(5.7)	-3.5%	improve 0.9pt.
	Operating Income	15.2		14.5		0.8	5.5%	

Analytical & measuring Instruments

Sub-segment Net Sales

- * Sales decrease of 4% year on year; increase of approximately 4% after excluding the ¥8.1 billion impact of yen appreciation
- * Increase in sales of mainstay LC and MS, after excluding the impact of yen appreciation
- * Increase in the ratio of aftermarket business sales to 28%

Billions of yen, except percentages Composition ratio is listed in right-side column		Sep. 2016		Sep. 2015		YoY		
						Changes	%Changes	%Changes in local currency
Break down	General Analytical Instruments	64.0	68%	65.9	68%	(1.9)	-2.9%	
	<i>Liquid Chromatographs</i>	26.9	29%	27.5	28%	(0.6)	-2.0%	
	<i>Mass Spectrometers</i>	15.7	17%	15.7	16%	(0.0)	-0.2%	
	Other	29.7	32%	31.6	32%	(2.0)	-6.2%	
Total		93.7	100%	97.6	100%	(3.9)	-4.0%	4.3%
Break down	Instruments	67.3	72%	70.8	73%	(3.5)	-4.9%	
	aftermarket business	26.4	28%	26.8	27%	(0.4)	-1.3%	
Total		93.7	100%	97.6	100%	(3.9)	-4.0%	4.3%
Impact of yen appreciation		(8.1)						

Medical Systems Sub-segment Net sales

- * Sales decrease of 2% year on year; increase of approximately 5% after excluding the ¥1.8 billion impact of yen appreciation
- * Favorable sales of X-ray fluoroscopy systems and angiography systems
- * Increase in the ratio of aftermarket business sales to 32%

Billions of yen, except percentages Composition ratio is listed in right-side column		Sep. 2016		Sep. 2015		YoY		
						Changes	%Changes	%Changes in local currency
Break down	X-ray Systems	21.7	73%	22.2	74%	(0.6)	-2.5%	
	<i>X-ray fluoroscopy Systems</i>	8.4	28%	8.0	27%	0.4	5.3%	
	<i>angiography Systems</i>	3.3	11%	3.1	10%	0.3	8.1%	
	<i>general radiography systems</i>	9.9	34%	11.2	37%	(1.2)	-11.1%	
	Other	7.9	27%	7.8	26%	0.1	1.1%	
Total		29.5	100%	30.0	100%	(0.5)	-1.6%	4.6%
Break down	Instruments	20.1	68%	20.8	69%	(0.7)	-3.4%	
	aftermarket business	9.4	32%	9.2	31%	0.2	2.6%	
	Total	29.5	100%	30.0	100%	(0.5)	-1.6%	4.6%
Impact of yen appreciation		(1.8)						

Aircraft Equipment Sub-segment Net Sales

- * Sales decrease of 3% year on year; a slight decrease after excluding the approximately ¥0.3 billion impact of yen appreciation
- * Increase in sales from the domestic defense business due to factors including the supply of parts for new aircraft models for which mass production is proceeding
- * Decrease in sales in the commercial aircraft equipment business due to factors including lower production of the Boeing B747-8

Billions of yen, except percentages Composition ratio is listed in right-side column	Sep.2016		Sep. 2015		YoY		
					Changes	%Changes	%Changes in local currency
Defense Agency	9.6	82%	9.1	75%	0.6	6.3%	
Commercial Aircraft	2.2	18%	3.1	25%	(1.0)	-30.9%	
Total	11.8	100%	12.2	100%	(0.4)	-3.2%	-0.5%
Impact of yen appreciation	(0.3)						

Industrial Machinery Sub-segment Net Sales

- * Sales decrease of 5% year on year; sales at the prior-year level after excluding the approximately ¥0.9 billion impact of yen appreciation
- * Higher sales of turbo-molecular pumps, mainly for use in semiconductor and flat panel manufacturing
- * Lower sales of hydraulic equipment due to factors including stagnant market conditions

Billions of yen, except percentages Composition ratio is listed in right-side column		Sep.2016		Sep. 2015		YoY		
						Changes	%Changes	%Changes in local currency
Break down	Turbo-molecular pumps	6.0	36%	5.4	31%	0.6	10.6%	
	Hydraulic equipment	5.6	34%	5.8	34%	(0.2)	-3.3%	
	Glass winders etc.	1.9	11%	2.7	15%	(0.8)	-30.9%	
	Other	3.1	19%	3.5	20%	(0.4)	-11.1%	
Total		16.5	100%	17.4	100%	(0.8)	-4.8%	0.1%
Break down	Instruments	14.2	86%	15.0	86%	(0.8)	-5.2%	
	aftermarket business	2.3	14%	2.4	14%	(0.1)	-2.2%	
Total		16.5	100%	17.4	100%	(0.8)	-4.8%	0.1%
Impact of yen appreciation		(0.9)						

Net Sales by Region

- * Sales increase in Japan centered on high-end products in the Analytical & Measuring Instruments and Medical Systems segments
- * Decrease of 11% in overseas sales year on year; increase of approximately 2% after excluding the ¥11.1 billion impact of yen appreciation
- * Japan, China, Southeast Asia, India, and other Asian markets drove sales

Billions of yen, except percentages
Composition ratio is listed in right-side column

	Sep. 2016		Sep. 2015		Changes	YoY	
						%Changes	
						Yen	Local currency
Japan	77.2	50%	73.5	46%	3.7	5.0%	5.0%
North & South America	20.7	13%	24.3	15%	(3.7)	-15.1%	-2.3%
<i>>North America</i>	18.5	12%	21.7	14%	(3.2)	-14.6%	-1.3%
<i>>South America</i>	2.1	1%	2.6	3%	(0.5)	-18.7%	-10.7%
Europe	11.4	7%	12.7	8%	(1.4)	-10.7%	2.1%
China	25.6	17%	28.7	18%	(3.1)	-10.9%	3.1%
Other Asian Countries	15.3	10%	15.3	10%	0.0	0.3%	11.0%
Other	4.7	3%	5.9	4%	(1.2)	-20.3%	-7.8%
Total	154.8	100%	160.4	100%	(5.7)	-3.5%	3.4%
Overseas	77.6	50%	86.9	54%	(9.3)	-10.7%	2.1%

Net Sales by Region-Japan

- * Analytical & Measuring Instruments: Sales increase, mainly from sales of LC and MS in the pharmaceuticals and chemicals sectors
- * Medical Systems: Substantial increase in sales of angiography systems, a strategic product
- * Aircraft Equipment: Increase in sales of parts for new aircraft models
- * Industrial Machinery: Sales decrease, reflecting the impact of large deliveries in the previous fiscal year

Billions of yen, except percentages	Sep. 2016	Sep. 2015	YoY	
			Changes	%Changes
Analytical & Measuring Instruments	38.9	37.2	1.7	4.5%
Medical Systems	16.5	14.9	1.7	11.1%
Aircraft Equipment	9.6	9.1	0.6	6.3%
Industrial Machinery	8.9	9.0	(0.1)	-1.4%
Other	3.2	3.3	(0.1)	-3.3%
Total	77.2	73.5	3.7	5.0%

Net Sales by Region-North America

- * Sales decrease of 15% year on year; decrease of approximately 1% after excluding the ¥2.9 billion impact of yen appreciation
- * Analytical & Measuring Instruments: Sales decrease of 15% year on year; decrease of approximately 1% after excluding the ¥1.6 billion impact of yen appreciation
- * Medical Systems: Sales decrease of 10% year on year; increase of approximately 4% after excluding the ¥0.7 billion impact of yen appreciation

Billions of yen, except percentages	Sep. 2016	Sep. 2015	Changes	YoY	
				%Changes	
				Yen	Local currency
Analytical & Measuring Instruments	10.4	12.1	(1.8)	-14.5%	-1.0%
Medical Systems	4.2	4.7	(0.5)	-9.9%	4.2%
Aircraft Equipment	2.0	2.7	(0.7)	-26.1%	-14.5%
Industrial Machinery	1.9	2.1	(0.2)	-11.4%	2.4%
Total	18.5	21.7	(3.2)	-14.6%	-1.3%

Impact of yen appreciation	(2.9)
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Net Sales by Region- Europe

- * Sales decrease of 11% year on year; increase of approximately 2% after excluding the ¥1.6 billion impact of yen appreciation
- * Analytical & Measuring Instruments: Sales decrease of 14% year on year; decrease of approximately 1% after excluding the ¥1.3 billion impact of yen appreciation
- * Medical Systems: Sales decrease of 4% year on year; increase of approximately 10% after excluding the ¥0.2 billion impact of yen appreciation

Billions of yen, except percentages	Sep. 2016	Sep. 2015	Changes	YoY	
				%Changes	
				Yen	Local currency
Analytical & Measuring Instruments	9.1	10.5	(1.4)	-13.7%	-1.4%
Medical Systems	1.5	1.5	(0.1)	-3.6%	10.2%
Aircraft Equipment	0.1	0.3	(0.2)	-77.6%	-74.4%
Industrial Machinery	0.8	0.4	0.4	x2.0	x2.3
Total	11.4	12.7	(1.4)	-10.7%	2.1%
Impact of yen appreciation	(1.6)				

Net Sales by Region-China

- * Sales decrease of 11% year on year; increase of approximately 3% after excluding the ¥4.0 billion impact of yen appreciation
- * Analytical & Measuring Instruments: Sales decrease of 6% year on year; increase of approximately 9% after excluding the ¥3.2 billion impact of yen appreciation
- * Medical Systems: Sales decrease of 4% year on year; increase of approximately 12% after excluding the ¥0.5 billion impact of yen appreciation

Billions of yen, except percentages	Sep. 2016	Sep. 2015	Changes	YoY	
				%Changes	
				Yen	Local currency
Analytical & Measuring Instruments	20.4	21.8	(1.4)	-6.2%	8.5%
Medical Systems	2.9	3.0	(0.1)	-3.6%	11.5%
Industrial Machinery	2.2	3.9	(1.7)	-42.4%	-33.3%
Total	25.6	28.7	(3.1)	-10.9%	3.1%
Impact of yen appreciation	(4.0)				

Net Sales by Region-Other Asian Countries

- * Sales at the prior-year level; increase of approximately 11% after excluding the ¥1.6 billion impact of yen appreciation
- * Analytical & Measuring Instruments: Sales increase of 4% year on year; increase of approximately 17% after excluding the ¥1.4 billion impact of yen appreciation
- * Industrial Machinery: Sales increase of 41%; substantial increase in sales of turbo-molecular pumps in the semiconductor and flat panel manufacturing sectors

Billions of yen, except percentages	Sep. 2016	Sep. 2015	YoY		
			Changes	%Changes	
				Yen	Local currency
Analytical & Measuring Instruments	11.2	10.7	0.5	4.4%	17.3%
Medical Systems	1.7	2.8	(1.1)	-40.0%	-32.6%
Industrial Machinery	2.4	1.7	0.7	40.8%	43.5%
Total	15.3	15.3	0.0	0.3%	11.0%
Impact of yen appreciation	(1.6)				

Balance Sheet

- * Inventories is decrease from the prior-year level
- * Interest-bearing liabilities is decrease from the prior-year level
- * Increase in the equity ratio to 64.8%, representing improvement of 0.3 points from the previous fiscal year-end

Billions of yen, except percentages

	2016.9.30	2016.3.31	2015.9.30	YoY	
				Changes	%Changes
《Assets》					
Current assets	230.0	241.7	228.7	1.3	0.6%
<i>Inventories</i>	78.2	73.7	79.3	(1.2)	-1.5%
Noncurrent assets	106.5	108.1	106.5	0.1	0.1%
Total assets	336.5	349.8	335.2	1.3	0.4%

	2016.9.30	2016.3.31	2015.9.30	YoY	
				Changes	%Changes
《Liabilities》					
Current liabilities	88.2	97.6	90.4	(2.2)	-2.4%
Long-term liabilities	29.8	32.2	28.1	1.7	6.0%
<i>Interest-bearing liabilities</i>	18.3	19.2	21.3	(3.0)	-13.9%
Total liabilities	118.1	129.8	118.6	(0.5)	-0.4%
《Net Assets》					
Equity capital	218.1	219.7	216.3	1.8	0.8%
Non-controlling interests	0.3	0.3	0.3	0.0	3.5%
Total net assets	218.4	220.0	216.6	1.8	0.8%
Total liabilities and net assets	336.5	349.8	335.2	1.3	0.4%

Equity ratio | **64.8%** | 62.8% | 64.5% improvement of 0.3 points

Statement of Cash Flows

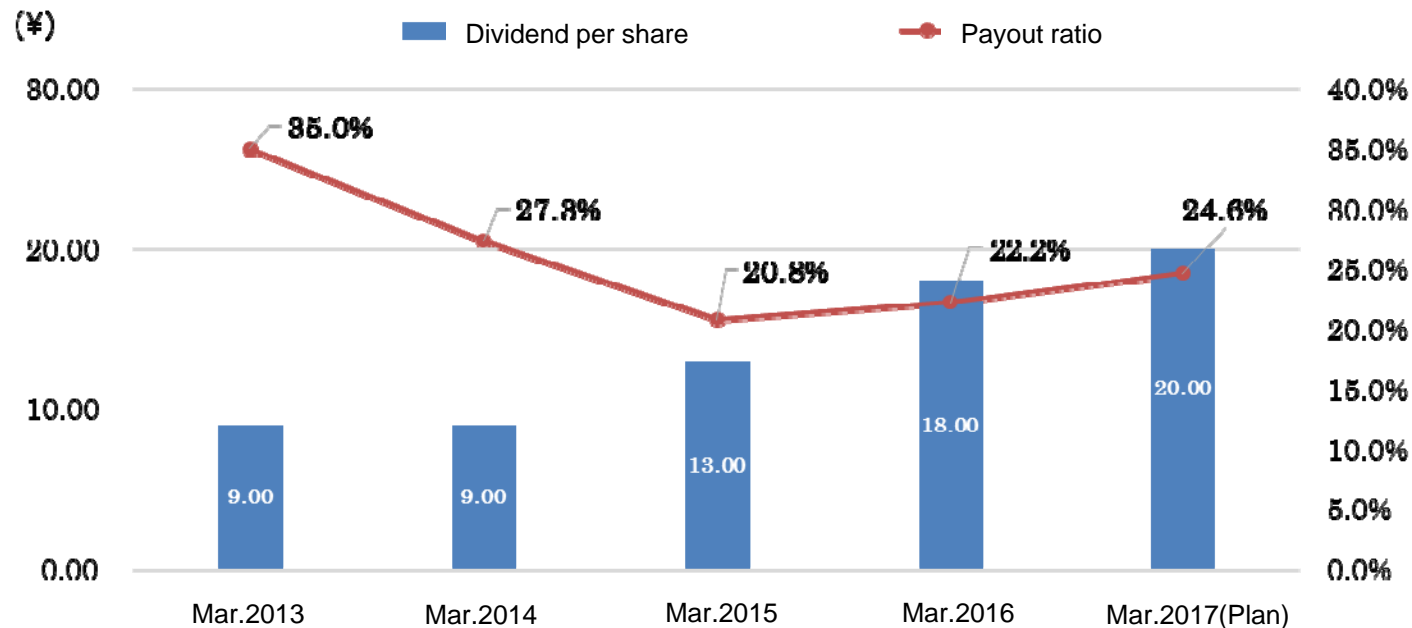
- * Free cash flow of positive ¥9.3 billion
- * Increase of ¥2.9 billion in cash and cash equivalents at the first half-end from the previous first half-end to ¥45.3 billion

Billions of yen	Sep. 2016	Sep. 2015	YoY
			Changes
Cash flows from operating activities	15.6	17.1	(1.6)
Cash flows from investing activities	(6.3)	(6.2)	(0.1)
<i>Free cash flow</i>	9.3	11.0	(1.7)
Cash flows from financing activities	(4.0)	(6.4)	2.3
Foreign currency translation adjustments on cash and cash equivalents	(4.0)	(0.6)	(3.3)
Net increase in cash and cash equivalents	1.3	4.0	(2.7)
Cash and cash equivalents, beginning of year	43.5	38.4	5.1
Increase in cash and cash equivalents due to inclusion of subsidiaries in consolidation	0.5	0.0	0.5
Cash and cash equivalents, end of 1H	45.3	42.4	2.9

Cash Dividend and Payout Ratio

- * Payment of an interim dividend of ¥10 per share as announced at the beginning of the fiscal year
- * Plan to pay a year-end dividend of an annual dividend of ¥10 per share as announced at the beginning of the fiscal year
- * Provision of reliable shareholder returns through payment of stable cash dividends

	Sep. 2016	Mar.2017(Plan)	Sep.2015	Mar.2016	YoY
Dividend per share	¥10.00	¥10.00	¥9.00	¥9.00	¥2.00
Payout ratio	24.6%		22.2%		Increase by 2.4pt.



Business Environment Outlook

<p>Japan</p>	<p>Upward trend in corporate capital investment in the pharmaceuticals, CRO, and other sectors; expansion of demand from government offices and universities; new demand, mainly from clinics (Risks) Decline in corporate investment sentiment due to yen appreciation</p>
<p>United States</p>	<p>Strong demand from the pharmaceuticals, food safety, and environmental sectors and medical institutions (Risks) Stagnant capital investment resulting from an interest rate hike</p>
<p>Europe</p>	<p>Strong demand from the pharmaceuticals, food safety, environmental, and other sectors (Risks) After-effects of Brexit, the economic downturn in Russia, and other factors on the European economy</p>
<p>China</p>	<p>Progress in government projects in the food safety, environmental, and other sectors, robust capital investment in the CRO and other sectors, and continuation of the upward trend in bidding projects at medical institutions (Risks) Prolonged adjustment of excess facilities, temporary disruption accompanying liquidation of poorly performing state-owned companies</p>
<p>Asia</p>	<p>Higher demand due to government economic stimulus measures in Southeast Asia, continuing investment in the pharmaceuticals and CRO sectors in India (Risks) Anxiety about an economic downturn in China; the impact of currency depreciation accompanying an interest rate hike in the U.S.</p>

Earnings Forecast

- * Annual plan unchanged from the announcement at the beginning of the fiscal year
- * Pursue business performance improvement centered on high-end products and aim to achieve the medium-term management plan at a time of comparatively stable market conditions.

Billions of yen, except EPS and percentages	Mar. 2017 Forecast	Mar. 2016	YoY	
			Changes	%Changes
Net Sales	350.0	342.2	7.8	2.3%
Operating Income	36.0	35.7	0.3	0.8%
Operating Margin	10.3%	10.4%	<i>deterioration of 0.1%pt.</i>	
Ordinary Income	34.5	34.8	(0.3)	-1.0%
Profit attributable to owners of parent	24.0	23.9	0.1	0.4%
EPS	¥81.40	¥81.05	¥0.35	0.4%
Average foreign exchange rate	US\$105	US\$120.19	(US\$15.19)	-12.64%
	€ 117	€ 132.63	(€ 15.63)	-11.78%

Earnings Forecast by Business Segment

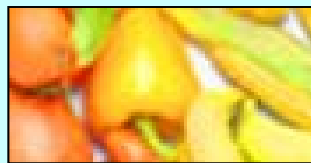
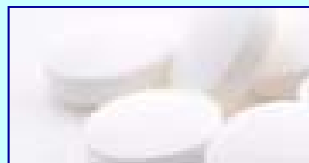
- * Analytical & Measuring Instruments and Medical Systems: Aim for sales and income increases centered on expansion of high-end products
- * Industrial Machinery: Plan to achieve sales and income increases after excluding the impact of yen appreciation

Billions of Yen		Mar. 2017 Forecast	Mar.2016	YoY	
				Changes	%Changes
Analytical & Measuring Instruments	Net Sales	218.0	208.4	9.6	4.6%
	Operating Income	33.5	33.0	0.5	1.6%
Medical Systems	Net Sales	65.3	64.6	0.7	1.1%
	Operating Income	2.0	1.0	1.0	×2.4
Aircraft Equipment	Net Sales	25.9	28.8	(2.9)	-10.2%
	Operating Income	0.3	0.3	(0.0)	-13.3%
Industrial Machinery	Net Sales	34.2	33.5	0.7	2.0%
	Operating Income	2.0	2.2	(0.2)	-9.3%
Other	Net Sales	6.6	6.9	(0.3)	-3.9%
	Operating Income	0.7	1.3	(0.6)	-44.7%
Operating Income Adjustments		(2.5)	(2.1)	(0.4)	—
Total	Net Sales	350.0	342.2	7.8	2.3%
	Operating Income	36.0	35.7	0.3	0.8%

Key Second-Half Initiatives (Analytical & Measuring Instruments)

— Accelerated Business Development of High-End Products

- *Expansion of LC and LCMS for advanced R&D centered on pharmaceuticals
- *Strengthening of the response to demand for safety and security in the food, environmental, and other sectors



Advanced R&D sectors centered on pharmaceuticals

- *Expansion of LC and LCMS in the drug discovery, pharmacokinetics, antibody drugs, and other fields

Food analysis, environmental analysis

- *Response to increased safety and security-related demand in Europe, China, and other markets (GCMS)

Enhancement of the LCMS product line

- *Response to strong demand in China in contract analysis, government projects, and other sectors

Key Second-Half Initiatives (Network Applications)

— Pursuit of Synergy with Systems

- *Reinforcement of initiatives to capture demand related to pharmaceutical regulatory compliance in China and India
- *Differentiation through powerful applications for MS



“LabSolutions CS” network system

- *Differentiation by means of excellent features that have realized an integrated platform, reinforcement of initiatives to capture demand through compliance with new FDA regulations (Data Integrity)
- *Promotion of purchasing of various analyzers by customers who introduce “LabSolutions”, pursuit of synergies between products and networks

Application software

- *Promotion of sales expansion of systems incorporating powerful applications for residual agrochemicals (Japan and U.S. regulatory compliance), metabolites, functional foods, etc.

Key Second-Half Initiatives (Medical Systems)

— Reinforcement of business development for X-ray diagnosis systems

- *Expansion of business development for high-end X-ray fluoroscopy and angiography system models
- *Recovery in North America and China through introduction of new general radiography systems



SONIALVISION G4



Trinias

MobileDart
Evolution MX7

X-ray fluoroscopy systems

- *Acceleration of global business development of “SONIALVISION G4.” Expansion in wide-ranging sectors, including diagnosis in the fields of gastroenterology, orthopedics, and urology and bone density testing

Angiography systems

- *Sales channel reinforcement and expansion and aftermarket expansion

General radiography systems

- *North America: Introduction of two new high-end models
- *China: Introduction of new locally manufactured mid-range products

Key Second-Half Initiatives (Aftermarket)

— Promotion of multi-vendor and remote maintenance services

- *Analytical & Measuring Instruments: Expansion of the “LabTotal” business, which provides multifaceted services
- *Medical Systems: Promotion of the angiography systems remote maintenance service
- *Industrial Machinery: Expansion of the overhaul turbo-molecular pumps business

Analytical & Measuring Instruments

- *Expansion of the “LabTotal” business, including proactive services (maintenance and inspection) and multi-vendor service
- *Operation of an LC monitoring service utilizing M2M



Medical Systems

- *Promotion of the remote maintenance service for angiography systems

Industrial Machinery (TMP)

- *Expansion of the regular overhaul service for turbo-molecular pumps at semiconductor and flat panel plants





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 and are based on information available when these materials were prepared; they are subject to risks and uncertainties. For this reason, actual results may differ materially from the forecasts made here. Factors that may influence actual business performance include, but are not limited to, economic conditions in Japan and abroad, changes in technologies in markets, and fluctuations in exchange rates. The Company does not undertake to update its forward-looking statements.