

FY 2018 (Ended March 2019) Operating Results & Financial Position

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Content

1. FY 2018 Financial Position
2. FY 2018 Results by Business Segment
3. FY 2019 Forecast
4. Key Measures
5. Supplementary Materials

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2. FY 2018 Results by Business Segment
3. FY 2019 Forecast
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Financial Highlights



Record Business Results

- Sixth consecutive year of increased sales and income
- Fourth consecutive year of record results achieved for all key performance indicators—net sales, operating income, ordinary income, and profit.

Results Driven by Analytical & Measuring Instruments and Industrial Machinery Segments

- Analytical & Measuring Instruments and Industrial Machinery segments drove results.
- For the Analytical & Measuring Instruments segment, strategic mass spectrometer sales expanded in environmental measurement and food safety fields, and environmental measurement instrument sales expanded in China, mainly for water quality monitoring.
- For the Industrial Machinery segment, vacuum heat treatment furnace sales expanded significantly for ceramics and carbide tools, which compensated for the slowdown in turbomolecular pump sales resulting from semiconductor market conditions.

High Profitability Continued

- Profitability remained high, with 11.4 % operating margin (same as previous year).

Statement of Income

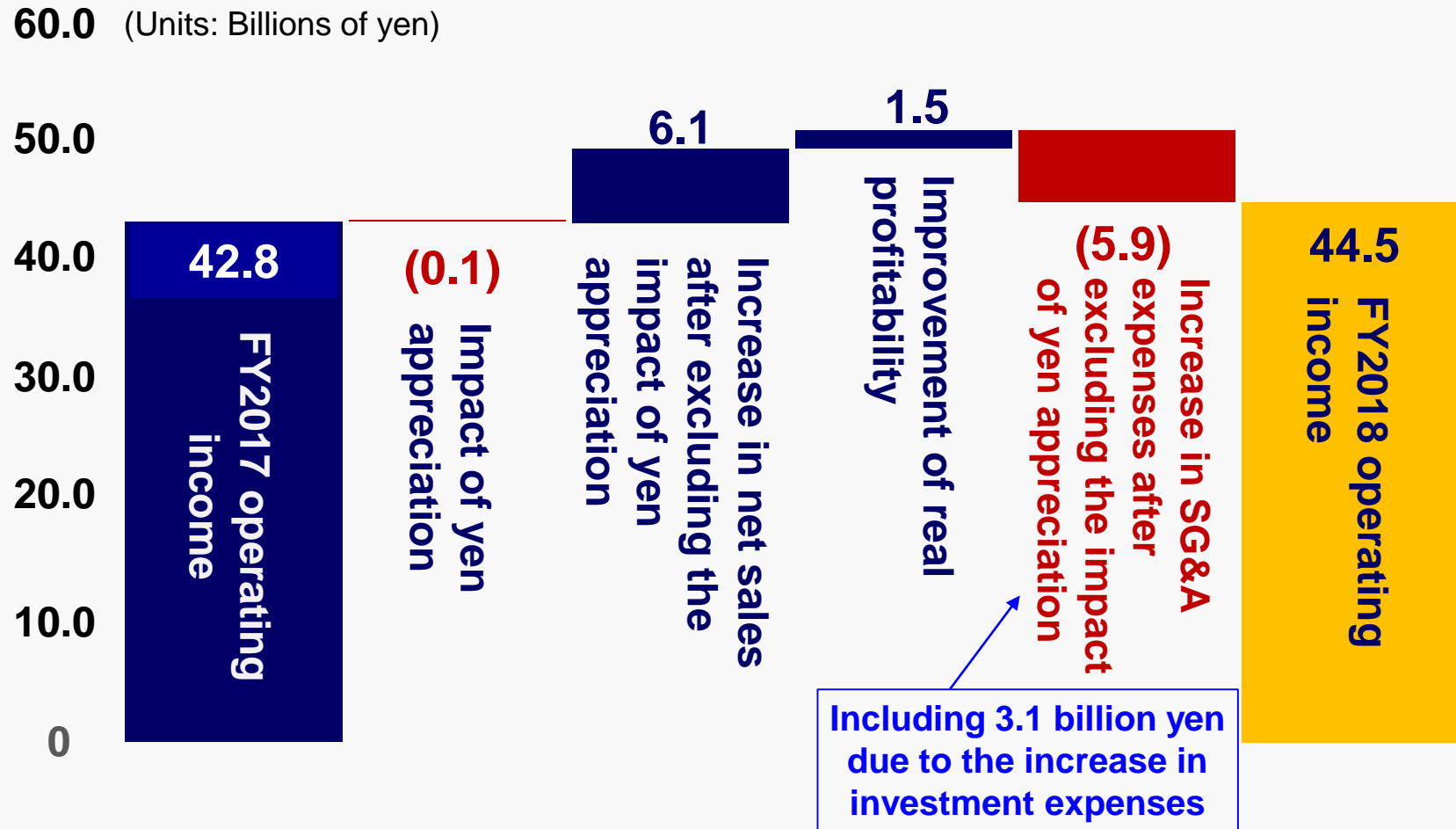
- ◆ Net sales increased +4 % (year-on-year) to 391.2 billion yen (14.7 billion yen year-on-year increase).
- ◆ Operating income increased +4 % (year-on-year) to 44.5 billion yen (1.7 billion yen year-on-year increase).

| | | Full-Year | | YoY | |
|------------------------|---|-----------|---------|---------|-------------------------------|
| Units: Billions of yen | | FY 2018 | FY 2017 | Changes | Percent Increase/ Decrease |
| Business Results | Net Sales | 391.2 | 376.5 | +14.7 | +4 % |
| | Operating Income | 44.5 | 42.8 | +1.7 | +4 % |
| | Operating Margin | 11.4 % | 11.4 % | — | |
| | Ordinary Income | 45.5 | 41.9 | +3.6 | +9 % |
| | Profit Attributable to Owners of Parent | 32.5 | 29.8 | +2.7 | +9 % |
| Exchange Rates | Average Rate: USD (Yen) | 110.96 | 110.91 | +0.05 | 0 % |
| | Euro (Yen) | 128.44 | 129.75 | -1.31 | -1 % |
| Major Investments | R&D Expenses | 16.6 | 15.5 | +1.1 | |
| | Capital Expenditures | 21.7 | 17.2 | +4.5 | |
| | (Depreciation and Amortization) | 11.5 | 10.6 | +0.9 | |
| Indices | EPS (Yen) | 110.41 | 101.26 | +9.15 | |
| | ROE (%) | 11.7 % | 11.7 % | — | |

- ◆ Exchange rate effect was very small.
- Net sales: -0.6 billion yen
- Operating Income: -0.1 billion yen

Analysis of Year-on-Year Increase/Decrease in Operating Income (2018.4-2019.3)

- Profits increased by +6.1 billion yen due to real sales increase and +1.5 billion yen due to improved profitability.
- Real increase in expenses was **5.9 billion yen**, including **3.1 billion yen** in investment expenses.



Sales and Income by Business Segment

- Both sales and income increased for Analytical & Measuring Instruments and Industrial Machinery segments, sales increased, but operating income decreased for the Medical Systems segment, and both sales and income decreased for the Aircraft Equipment segment.
- For the Analytical & Measuring Instruments segment, both sales and income increased for the sixth consecutive year, with the operating margin increasing to 16.1 % (+0.1 pt year-on-year).
- For the Medical Systems segment, sales increased in Japan and Europe due to strong sales, but income decreased due to investments for the future in North America.
- For the Industrial Machinery segment, both sales and income increased for the fourth consecutive year, with operating margin increasing to 9.8 % (+0.6 pt year-on-year).

| Units: Billions of yen | Net Sales | | | | Operating Income | | | | Operating Margin | | |
|---|--------------|---------|--------------|---------------------------|------------------|-------------|-------------|---------------------------|------------------|---------|-------------------|
| | FY 2018 | FY 2017 | YoY | | FY 2018 | FY 2017 | YoY | | FY 2018 | FY 2017 | YoY |
| | | | Changes | Percent Increase/Decrease | | | Changes | Percent Increase/Decrease | | | Increase/Decrease |
| Analytical & Measuring Instruments | 241.4 | 231.6 | +9.8 | +4 % | 38.8 | 37.0 | +1.7 | +5 % | 16.1 % | 16.0 % | +0.1 pt |
| Medical Systems | 69.1 | 65.9 | +3.2 | +5 % | 2.3 | 2.7 | -0.4 | -14 % | 3.4 % | 4.1 % | -0.7 pt |
| Industrial Machinery | 45.4 | 44.2 | +1.2 | +3 % | 4.5 | 4.1 | +0.4 | +9 % | 9.8 % | 9.2 % | +0.6 pt |
| Aircraft Equipment | 27.3 | 27.6 | -0.3 | -1 % | 0.1 | 0.5 | -0.4 | -75 % | 0.4 % | 1.7 % | -1.3 pt |
| Other | 8.0 | 7.2 | +0.7 | +10 % | 1.4 | 0.9 | +0.5 | +54 % | 17.3 % | 12.3 % | +4.0 pt |
| Adjustments | | | | | -2.6 | -2.4 | -0.2 | | | | |
| Total | 391.2 | 376.5 | +14.7 | +4 % | 44.5 | 42.8 | +1.7 | +4 % | 11.4 % | 11.4 % | 0.0 pt |

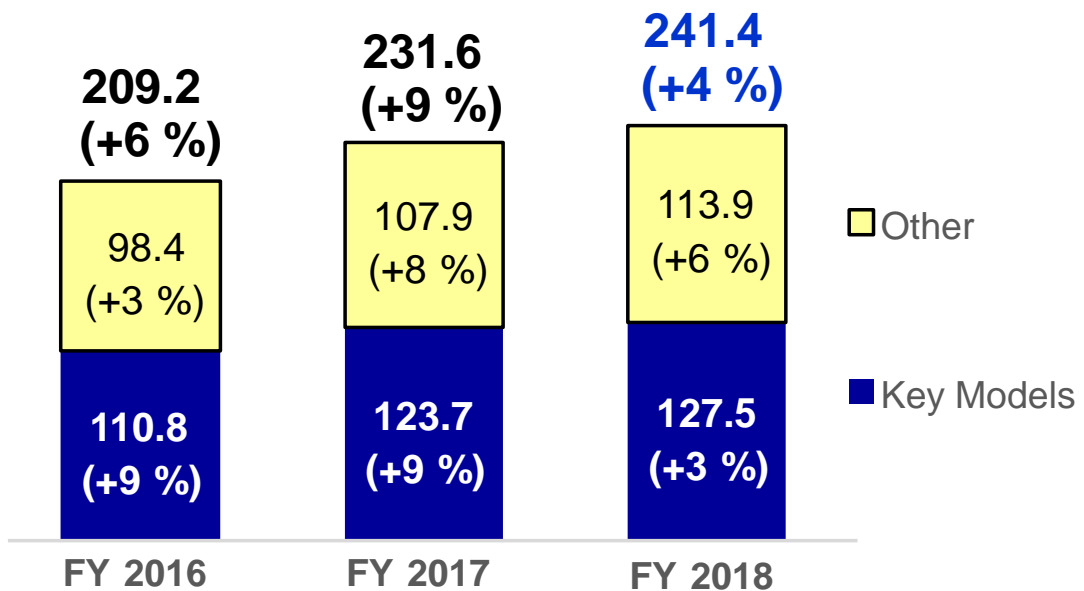
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- 2. FY 2018 Results by Business Segment**
3. FY 2019 Forecast
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5. Supplementary Materials

Analytical & Measuring Instruments

Net Sales by Sub-Segment

| | |
|---|---|
| Key models 127.5 billion yen: +3.8 billion yen (+3 %) | MS sales expanded in environmental measurement, food safety, and other fields, and new GC products also contributed, but LC sales were flat because new LC products have not been released yet. |
| Other 113.9 billion yen: +6.0 billion yen (+6 %) | Results were driven by environmental measurement instruments, mainly for water quality monitoring, due to demand resulting from stronger pollution countermeasures in China. |
| Overseas sales ratio 59 %: +2 points | 1 % increase in Japan. Overseas sales ratio increased, with 7 % increase outside Japan, and expansion in all regions except other regions. |
| Aftermarket sales of 73.3 billion yen: +9.2 billion yen (+14 %) Aftermarket ratio of 30 %: +2 points | Expanded/improved line of LC columns and other consumables to increase aftermarket ratio to 30 %. |

Net Sales (billion yen)



• Key models: Liquid chromatographs (LC), mass spectrometers (MS)
Gas chromatographs (GC)

Analytical & Measuring Instruments

| | | | | |
|-------------------|---|---|---|---|
| Other |  |  |  |  |
| | TOC Analyzer | Non-Destructive Inspection System | Infrared Spectrophotometer | X-Ray Fluorescence Spectrometer |
| Key Models |  |  |  |  |
| | New LC Nexera Series | LCMS-9030 | Nexis GC-2030 | GCMS-QP200 NX |

Analytical & Measuring Instruments

Net Sales by Region

- Net sales increased 1 % in Japan.
- Net sales increased 7 % outside Japan, with expansion in the Americas, Europe, China, and other Asian countries.
- The overseas sales ratio increased by 2 points (year-on-year) to 59 %.

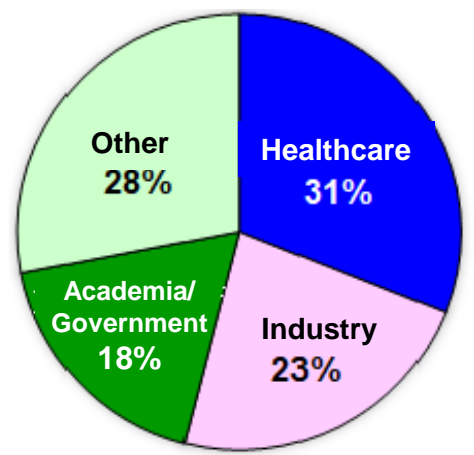
| | FY 2018 | FY 2017 | Increase/ Decrease | Percent Increase/ Decrease | Overview |
|-----------------------|---------|---------|-----------------------|----------------------------------|---|
| Japan | 99.7 | 98.6 | +1.1 | +1 % | • Sales of key models decreased from the previous year, but overall sales were flat due to strong sales of nondestructive inspection systems for machinery and transport equipment. |
| China | 55.5 | 51.9 | +3.6 | +7 % | • Sales increased significantly for environmental monitoring systems. • MS sales were strong to academic/research institutions and for contract analysis. |
| North America | 25.6 | 23.2 | +2.4 | +10 % | • Results were driven by healthcare and food fields, with double-digit growth in LC and MS sales. |
| Europe | 25.0 | 22.7 | +2.3 | +10 % | • MS sales were strong in food, contract analysis, and clinical fields. |
| Other Asian Countries | 25.7 | 24.7 | +1.0 | +4 % | • India: 2 % decrease, due to lower capital investment by small-medium generic drug companies and other factors • Southeast Asia: 14 % increase, due to strong sales of key models for pharmaceuticals and environmental regulation compliance |

Analytical & Measuring Instruments

Ratio of Net Sales by Market

- **Healthcare:** +4 % **High growth in health-related markets**
- **Industry:** +2 % **Growth in new-materials development markets**
- **Academia/government:** -4 % **Impacted by delays in implementing budgets in certain regions.**
- **Other:** +5 % **Expanded scope of analytical instrument market.**

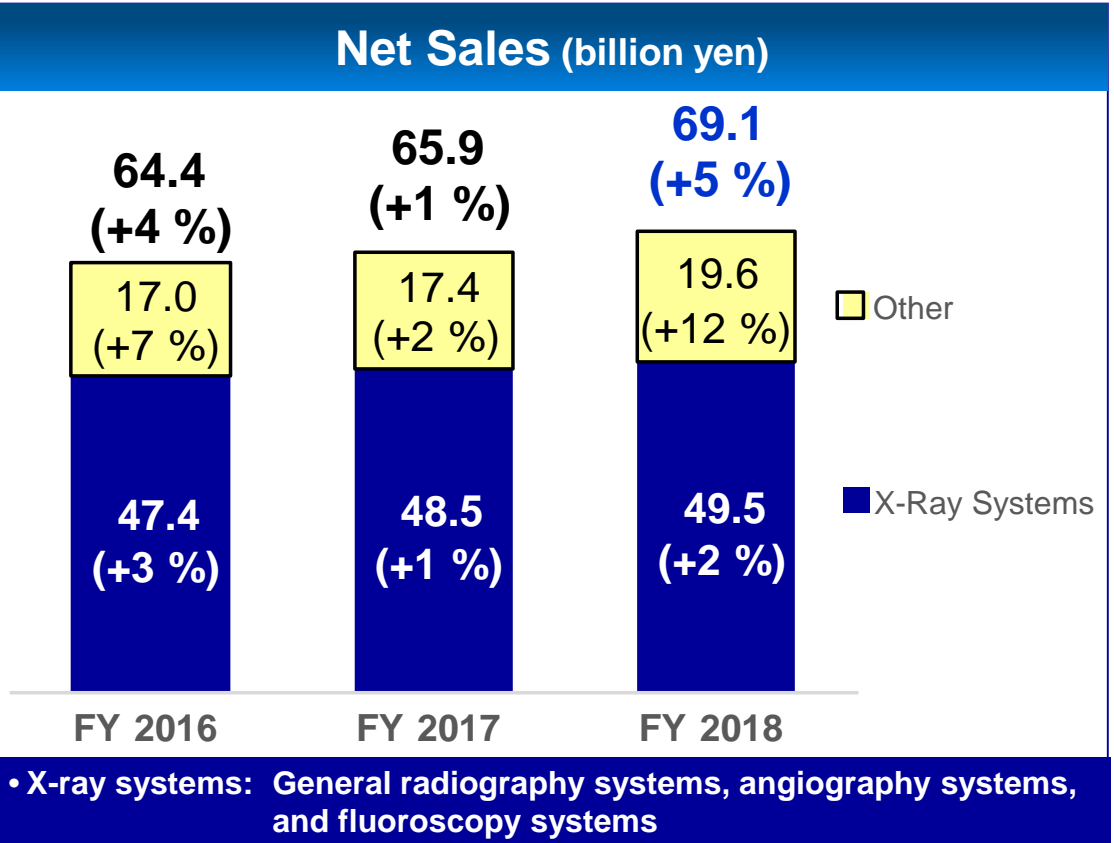
Ratio of Net Sales by Market











| Market | Main Industries | Ratio (FY 2018) | YoY | Overview |
|---------------------|--|-----------------|------|---|
| Healthcare | Pharmaceuticals, foods, healthcare institutions, contract analysis | 31 % | +4 % | <ul style="list-style-type: none"> • Market expansion for food safety, environmental regulation, drug test, cannabis, etc. • In pharmaceuticals field, the degree of interest varies depending on region. |
| Industry | Chemicals, materials, electrical, automotive | 23 % | +2 % | <ul style="list-style-type: none"> • Strong sales in new-materials field • Effects of new GC products in petrochemical markets • Effects of U.S.-China trade frictions starting to be felt in electrical/electronic and other fields, with slowdown in second half |
| Academia/Government | | 18 % | -4 % | <ul style="list-style-type: none"> • Delays in implementing budgets at academic institutions in Japan |
| Other | | 28 % | +5 % | <ul style="list-style-type: none"> • Expanded scope of analytical instrument customers. |

Medical Systems Net Sales by Sub-Segment

| | |
|--|--|
| X-ray systems 49.5 billion yen: +1.0 billion yen (+2 %) | Sales increased for all three model lines—general radiography, angiography, and fluoroscopy systems. |
| Other 19.6 billion yen: +2.2 billion yen (+12 %) | Sales of tumor-tracking systems for radiotherapy systems expanded significantly in Japan. |
| Overseas sales ratio 42 %: -3 points | Increased 10 % in Japan and decreased 2 % outside Japan, with strong sales in Europe, but stagnation in North America and China. |
| Aftermarket sales of 20.5 billion yen: +0.4 billion yen (+2 %) Aftermarket sales ratio 30 %: Constant | Service contracts increased for angiography and other high-end systems. |



Medical Systems

| | | | | |
|----------------------|---|--|---|---|
| Other |  Dedicated Breast PET System |  Fluorescence Imaging System |  Near-Infrared Imaging System |  Radiation Therapy System |
| X-Ray Systems |  General Radiography System |  Mobile System |  Angiography System |  Fluoroscopy System |

Medical Systems

Net Sales by Region

- Net sales increased 10 % in Japan.
- Sales outside Japan increased 7 %, with sales in Europe and other Asian countries compensating for weak sales in North America and China.
- The overseas sales ratio decreased by 3 points (year-on-year) settling at 42 %.

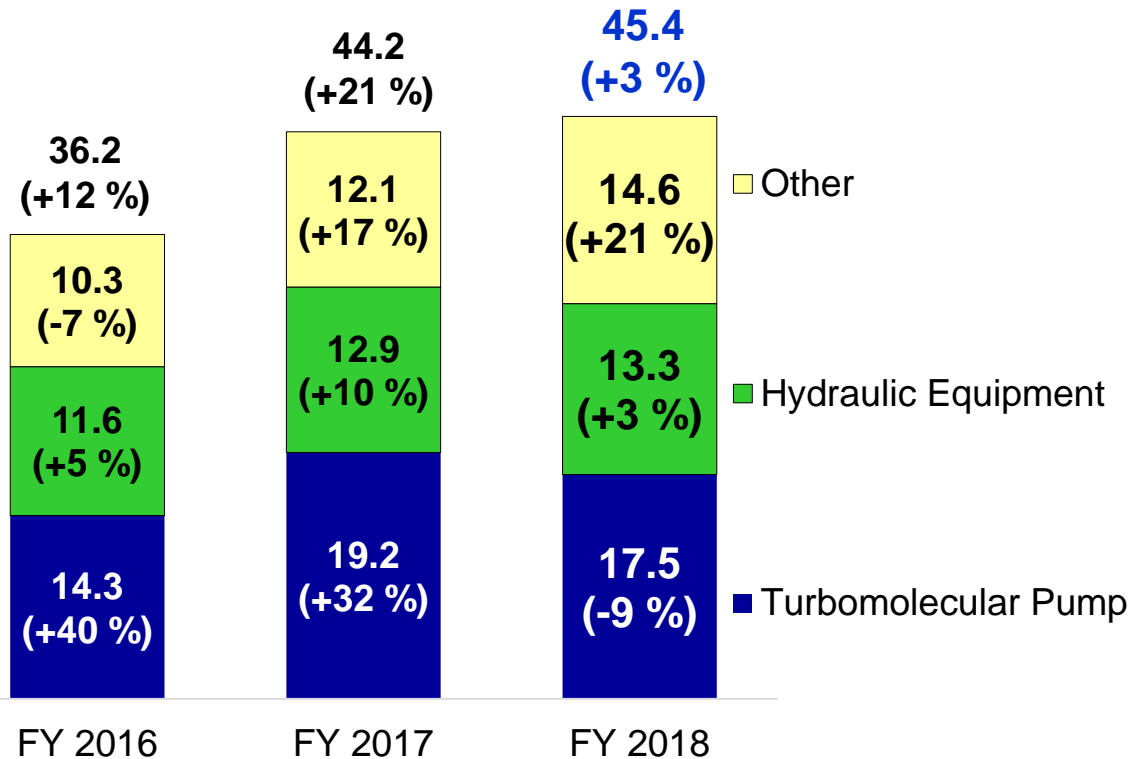
| | FY 2018 | FY 2017 | Increase/ Decrease | Percent Increase /Decrease | Overview |
|-----------------------|---------|---------|-----------------------|----------------------------------|---|
| Japan | 40.2 | 36.6 | +3.6 | +10 % | <ul style="list-style-type: none"> • General radiography system sales were strong to clinics. • Sales of tumor-tracking system for radiotherapy systems expanded. |
| Europe | 4.3 | 3.2 | +1.1 | +33 % | <ul style="list-style-type: none"> • Sales increased for all three model lines—general radiography, angiography, and fluoroscopy systems. |
| Other Asian Countries | 5.3 | 5.0 | +0.3 | +6 % | <ul style="list-style-type: none"> • Due to large projects, angiography system sales were strong. |
| China | 5.8 | 6.4 | -0.6 | -9 % | <ul style="list-style-type: none"> • Sales decreased due to preferential policies for domestic products and growing regional government debt resulting in less capital equipment investment. • Sales decreased due to bidding delays and other factors. |
| North America | 8.1 | 9.2 | -1.1 | -12 % | <ul style="list-style-type: none"> • Demand for general radiography systems decreased due to a reactionary decline following measures in the previous year for promoting adoption of digital technology. |

Industrial Machinery







Net Sales by Sub-Segment

| | | |
|-----------------------------|--------------------------|---|
| TMP 17.5 billion yen: | -1.7 billion yen (-9 %) | Sales decreased for semiconductor manufacturing equipment, but increased for coating systems and service. |
| Hydraulic 13.3 billion yen: | +0.4 billion yen (+3 %) | Sales increased in Japan and China due to highly regarded low-noise characteristics. |
| Other 14.6 billion yen: | +2.5 billion yen (+21 %) | Strong growth in vacuum heat treatment furnace sales, due to increased demand for machine tools. |

Net Sales (billion yen)



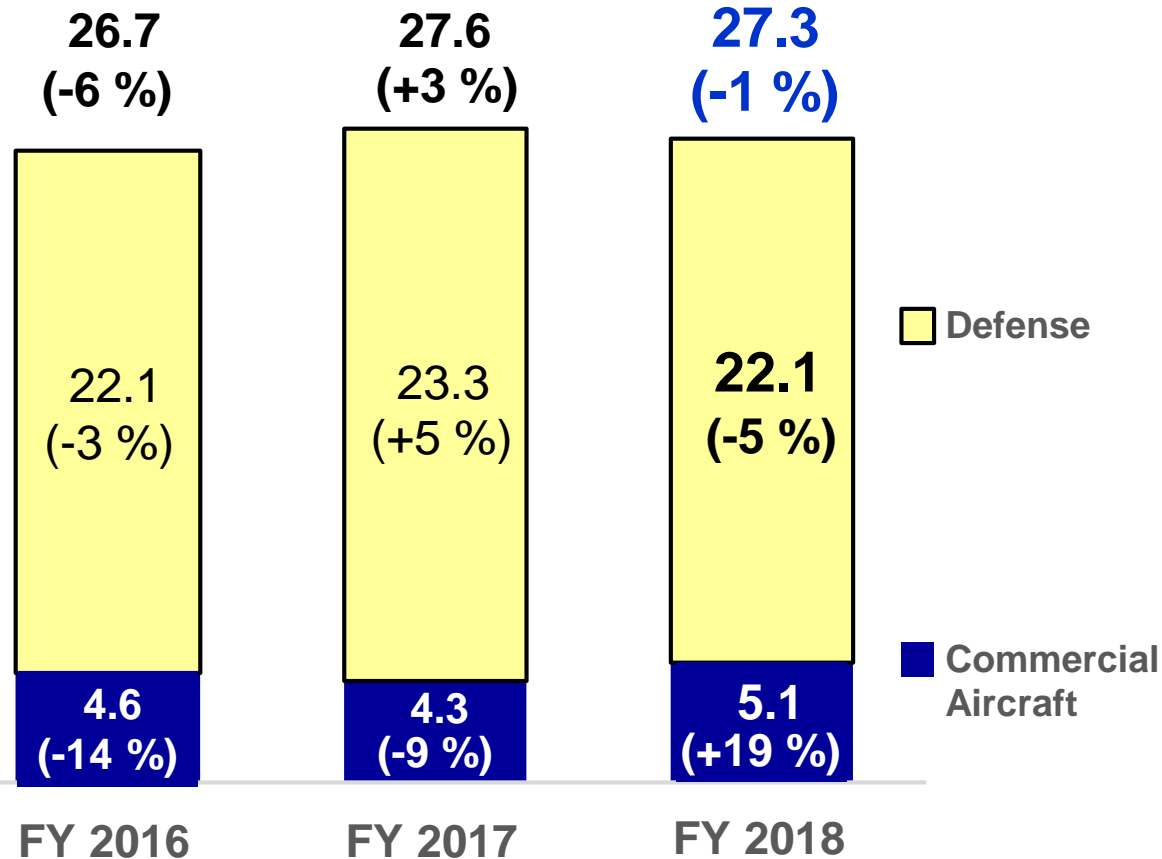
Industrial Machinery

| | | | | |
|---------------------|---------------------|---|---|---|
| Turbomolecular Pump | Other |  |  |  |
| | | Vacuum Heat Treatment Furnace | High-Speed Sputtering System | Balancer |
| | Hydraulic Equipment |  |  |  |
| | | Turbomolecular Pump | Hydraulic Gear Pump | Control Valve |

Aircraft Equipment

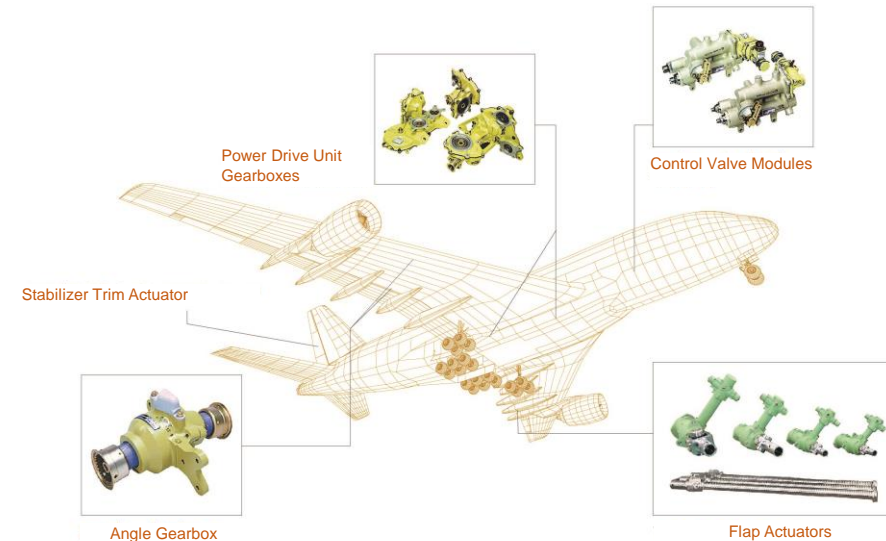
- **Commercial aircraft: +19 %** Sales increased due to new part sales and other factors.
- **Defense: -5 %** Previous year included one-time deliveries in addition to normal deliveries. Sales decreased this year due to reactionary decline.

Net Sales (billion yen)



Aircraft Equipment

- **Defense**
FY 2017 included one-time deliveries for P-1, C-2, etc.
- **Commercial Aircraft**
Aircraft Components (Commercial Aircraft)



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FY 2019 Earnings Forecast

- Plan is to achieve additional sales and income increases (seventh consecutive year) and achieve record business results (fifth consecutive year) by expanding investment for achieving growth, such as by strengthening R&D and expanding capital investment.

| Units: Billions of yen | | Full-Year | | YoY | | | |
|------------------------|---|-----------|---------|---------|---------------------------|---------------------------------|-------|
| | | FY 2019 | FY 2018 | Changes | Percent Increase/Decrease | Excluding Exchange Rate Effects | |
| Business Results | Net Sales | 410.0 | 391.2 | +18.8 | +5 % | +25.8 | +7 % |
| | Operating Income | 47.0 | 44.5 | +2.5 | +6 % | +4.8 | +11 % |
| | Operating Margin | 11.5 % | 11.4 % | +0.1 pt | - | | |
| | Ordinary Income | 47.0 | 45.5 | +1.5 | +3 % | | |
| | Profit Attributable to Owners of Parent | 34.0 | 32.5 | +1.5 | +5 % | | |
| Exchange Rates | Average Rate: USD (Yen) | 105.0 | 111.0 | -6.0 | -5.4 % | | |
| | Euro (Yen) | 130.0 | 128.4 | 1.6 | +1.2 % | | |
| Major Investments | R&D Expenses | 19.0 | 16.6 | +2.4 | | | |
| | Capital Expenditures | 24.0 | 21.7 | +2.3 | | | |
| | (Depreciation and Amortization) | 13.0 | 11.5 | +1.5 | | | |

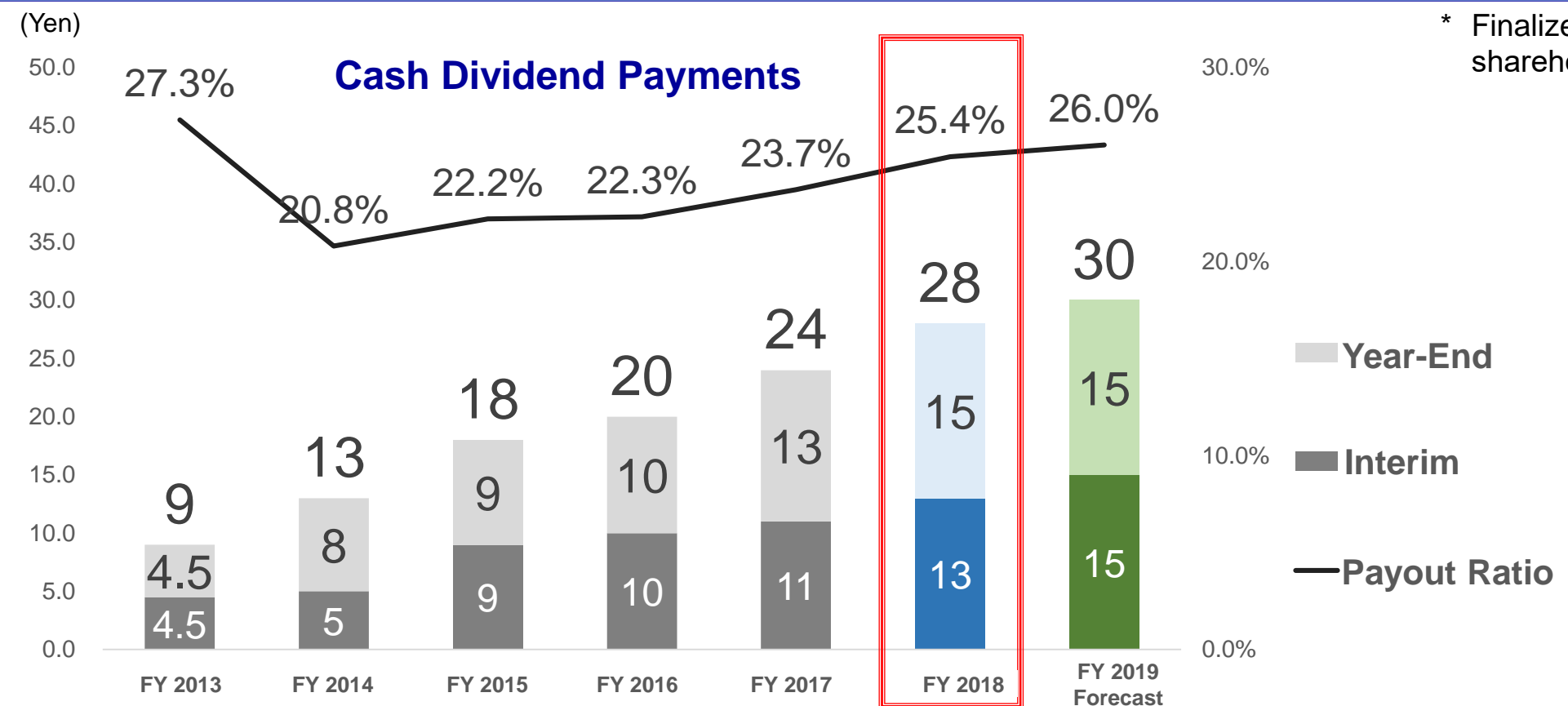
FY 2019 Forecast by Business Segment

- Aim to increase sales and income in all major segments.
- Aim to increase sales and income for a seventh consecutive year for the Analytical & Measuring Instruments segment and for a fifth consecutive year for the Industrial Machinery segment.
- Plan to exceed 10 % Industrial Machinery operating margin specified in the medium-term management plan.

| Units: Billions of yen | Net Sales | | | | Operating Income | | | | Operating Margin | | |
|---|--------------|---------|--------------|---------------------------|------------------|-------------|-------------|---------------------------|------------------|---------|-------------------|
| | FY 2019 Plan | FY 2018 | YoY | | FY 2019 Plan | FY 2018 | YoY | | FY 2019 Plan | FY 2018 | YoY |
| | | | Changes | Percent Increase/Decrease | | | Changes | Percent Increase/Decrease | | | Increase/Decrease |
| Analytical & Measuring Instruments | 256.5 | 241.4 | +15.1 | +6 % | 41.5 | 38.8 | +2.7 | +7 % | 16.2 % | 16.1 % | +0.1 pt |
| Medical Systems | 72.0 | 69.1 | +2.9 | +4 % | 2.9 | 2.3 | +0.6 | +25 % | 4.0 % | 3.4 % | +0.7 pt |
| Industrial Machinery | 48.0 | 45.4 | +2.6 | +6 % | 4.9 | 4.5 | +0.4 | +10 % | 10.2 % | 9.8 % | +0.4 pt |
| Aircraft Equipment | 28.5 | 27.3 | 1.2 | +4 % | 0.7 | 0.1 | +0.6 | +448 % | 2.5 % | 0.4 % | +2.0 pt |
| Other | 5.0 | 8.0 | -3.0 | -37 % | 0.7 | 1.4 | -0.7 | -49 % | 14.0 % | 17.3 % | -3.3 pt |
| Adjustments | | | | | -3.7 | -2.6 | -1.1 | | | | |
| Total | 410.0 | 391.2 | +18.8 | +5 % | 47.0 | 44.5 | +2.5 | +6 % | 11.5 % | 11.4 % | +0.1 pt |

Dividends

- **Policy:** We will provide steady returns to shareholders, in balance with aggressive R&D and other investment for achieving growth.
- **Dividend:** **FY 2018** Increased by 2 yen from the value forecasted at the beginning of the year, to 28 yen (13 yen interim and 15 yen year-end*).
- **FY 2019 forecast** 15 yen interim and 15 yen year-end, or 30 yen for the year (sixth consecutive dividend increase)



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FY 2019 Key Business Strategies

Analytical & Measuring Instruments

1. Deploy new products (LC and high-resolution MS).
2. Strengthen IT solutions and aftermarket.
3. Promote R&D collaborations.
4. Expand business in China.



New Nexera Series

Medical Systems

1. Strengthen aftermarket business.
2. Strengthen North American business.



Industrial Machinery

1. Strengthen TMP business.
2. Expand vacuum heat treatment furnace, etc.



Aircraft Equipment

1. Launch new businesses.



Healthcare R&D Center

Achieve the medium-term management plan and sustained growth during the next medium-term management plan.



Shimadzu Future Collaboratory

Analytical & Measuring Instruments: Deploy New LC Products

- Dramatically improve convenience and analysis assistance functionality.
- Achieve significantly smaller space requirements.
- Update product line as next-generation LC products.



New Nexera Series

■ Advanced analytical assistance functionality

- Advanced sensor-based self-diagnostic functionality (temperature control, mobile phase volume, etc.)
- Remote monitoring from smart device
- Use of large touch panels

■ Reduced space and power requirements

- Narrowest instrument width (390 mm) of equivalent competitor models
- Also achieve significantly improved power efficiency (26 % lower power consumption than previous models, when operated for 12 hours of analysis and 12 hours of standby).

■ Large-volume automatic analysis: Autosampler

- Shorten cycle time for automatic analysis.
- Minimize sample carryover from previous analysis.
- Increase data reliability.

■ Expand line of consumables and software applications

- Develop systems for biopharmaceutical development applications, such as UHPLC system for analyzing biological samples.
- Also expand/improve line of specialized consumables (columns) and software applications.

Analytical & Measuring Instruments: Deploy New MS Products

- Strengthen product line and deploy system products.
- Achieve sophisticated AI-based data processing.
- Use Direct MS to develop business in new fields, such as drug discovery, medical, and biology fields.

■ Quadrupole Time-of-Flight LCMS

- Expand/improve line of application software and develop new business in high-end fields, such as:
 - Detection of unknown components
 - Metabolic analysis
 - Protein analysis



LCMS-9030

■ Quadrupole LCMS

- Further increase speed, improve operability, and increase added value.
- Use AI technology and offer more precise data processing.



LCMS-8060

■ Quadrupole GCMS

- Expand/improve line of pretreatment systems and other peripheral equipment.
- Use expanded/improved line of application software to strengthen deployment, including for regulatory compliance, and expand business to the next level in fields such as foods, environmental measurement, fragrances, and chemicals.



GCMS-TQ8050NX

■ Direct MS

- Deploy faster screening with DPiMS probe electrospray ionization mass spectrometers.
- Improve mass spectrometry performance and imaging performance of iMScope imaging mass microscopes.



DPiMS-2020

Analytical & Measuring Instruments: Strengthen IT Solutions and Aftermarket

- **Established new IT Solutions Business Unit.**
Promote use of IoT technologies in analytical and measuring instruments by centralizing marketing and development of software products, such as network systems.
- **Established new Labo Consumable Business Unit.**
Promote expansion of reagent/consumables business, conduct marketing, and expand/improve line of unique products through new product development.

◆ IT Solutions Business Unit



分析データシステム ER/ES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
保全と共有を目指した完全なデータ管理システムを提供します。



- Build a network for tying together diverse instruments.
- Offer validation support.
- Strengthen and accelerate software development.
- Utilize new IT technologies.

■ Labo Consumable Business Unit



ALSACHIM
a Shimadzu Group Company

Label Your Life

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- Expand/improve reagent/consumables product line.
- Develop new reagents and consumables for LC, MS, GC, etc.

Note: Accelerate reagent kit development at Alsachim (acquired June 2017) in France.

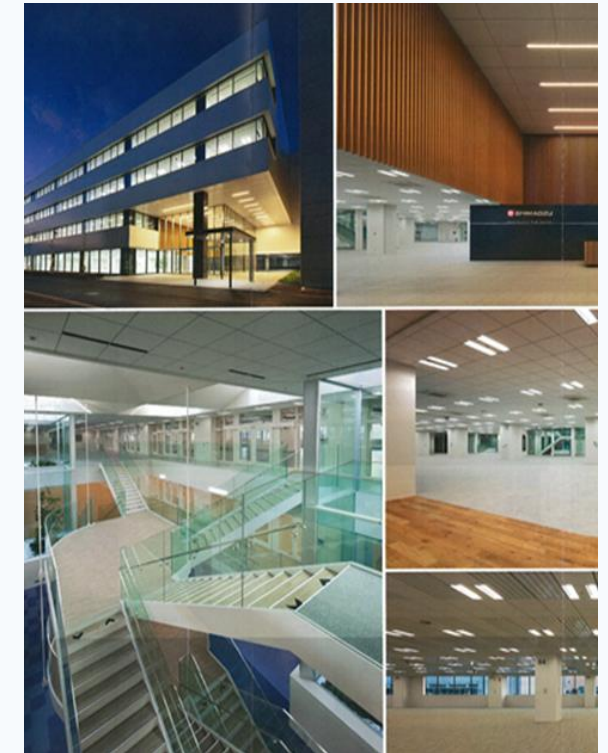


Analytical & Measuring Instruments: Promote Collaboration

- Construction of Healthcare R&D Center was completed in February 2019 to consolidate life science engineering units in one location.
- Prepare an environment for conducting joint research (Joint Research Laboratory) at the center.
- Promote collaboration with academia, corporations, or other advanced partners in various different fields and accelerate the creation of new businesses.
- Develop closer cooperation between Analytical & Measuring Instruments and Medical Systems segments and pursue new added value in the healthcare field.

Examples of Advanced Research in the Joint Research Laboratory at the Healthcare R&D Center

| Research Topic | Field | Joint Research Organization |
|---|------------------------|---|
| More advanced early-stage cancer screening analysis | Medical care Cancer | Kobe University National Cancer Center, etc. |
| Development of automatic pretreatment system | Foods | EU contract analysis companies |
| Evaluation to demonstrate the potential of a next-generation cellular laboratory business | Bio | iPS Portal, Inc. |



Analytical & Measuring Instruments: Measures in China

- Strengthen deployment in growth markets, such as academia, clinical, contract analysis, and environmental measurement.
- Expand pharmaceuticals business with an updated LC product line.
- Increase GC market share in petrochemical field.
- Expand/improve analysis centers and strengthen offering of detailed services to customers.

■ Strengthen deployment in growth markets (such as academia, clinical, contract analysis, and environmental measurement).

- Academia: Expand high-end products, such as for the Double First-Class University Plan.
- Contract analysis: Disease screening testing and evaluating the safety of food
- Evaluating the safety of pharmaceuticals, and so on.
- Environmental measurement: Expand for VOC or heavy metal analysis.
- Petrochemicals: Strengthen deployment of GC systems.



■ Expand/improve analysis centers.

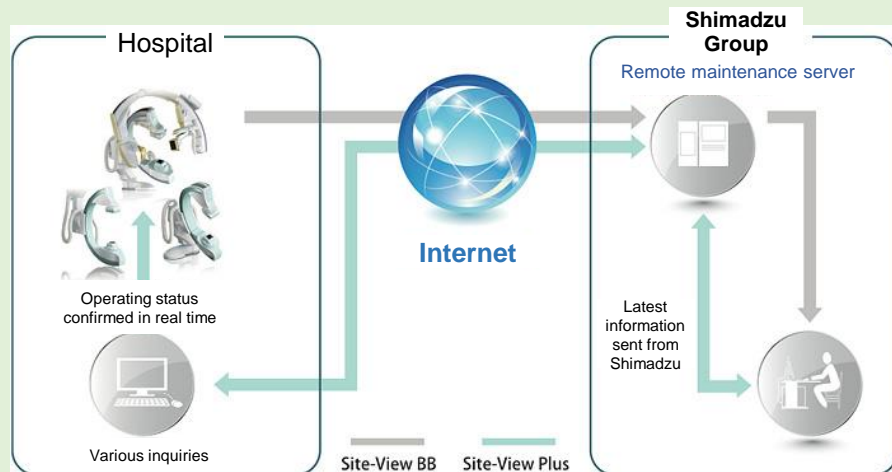
- Establish a new analysis center at Wuhan in Hubei province and improve offering of support services for inland customers.
- Expand/improve (to four times the current size) the analysis center at Guangzhou in Guangdong province and strengthen support offered to startup companies in Shenzhen, for example.
- With seven analysis centers now established in China, promote offering more detailed support services to customers.

Medical Systems: Strengthen Measures to Improve Profitability

- Expand aftermarket business. (Strengthen deployment outside Japan.)
- Strengthen business in North America (by switching to direct sales/service and expanding/improving product line).

■ Expand the aftermarket business.

- Strengthen support for users of diagnostic/treatment support systems
- Deploy customer support center in China.
- Expand/improve parts supply from Global Parts Center.
- Use AI and IoT technologies for failure prediction function.



■ Strengthen North American business.

- Strengthen direct sales/service capabilities.
- Expand angiography system business.
- Release new products in market for table-side operated fluoroscopy systems, which accounts for 70 % of the fluoroscopy market.
- Expand sales of general radiography systems in the clinic market.



Industrial Machinery: Strengthen Measures to Improve Profitability

- Strengthen TMP business.
- Release new products for the vacuum heat treatment furnace business and deploy them in new fields.

➤ Expand market share of turbomolecular pumps (TMP).

- Strengthen measures at major semiconductor manufacturing equipment manufacturers in Europe and the United States.
- Expand/improve product line, such as with small capacity TMPs for analytical instruments.
- Expand overhauling and aftermarket business outside Japan (infraserv Vakuum Service of Germany acquired June 2018).



◆ Expand vacuum heat treatment furnace business.

- Increase functionality of vacuum heat treatment furnaces and develop new fields.



Aircraft Equipment: Rebuild Businesses (Launch New Businesses and Expand Commercial Aircraft Equipment Business)

- Start a testing and inspection business that helps ensure the safety of aircraft (by integrating measuring technology and image processing technology).
- Expand commercial aircraft equipment business by winning new projects and cultivating closer collaborative relationships.

■ Testing and inspection business

- Offer testing and inspection systems.
Help strengthen quality control and increase testing/inspection efficiency.
- Offer new inspection technologies.



■ Expand the commercial aircraft equipment business.

- Win new projects.
Market is expanding, due to increasing production of small and medium aircraft.
- Improve profitability by strengthening aftermarket business.



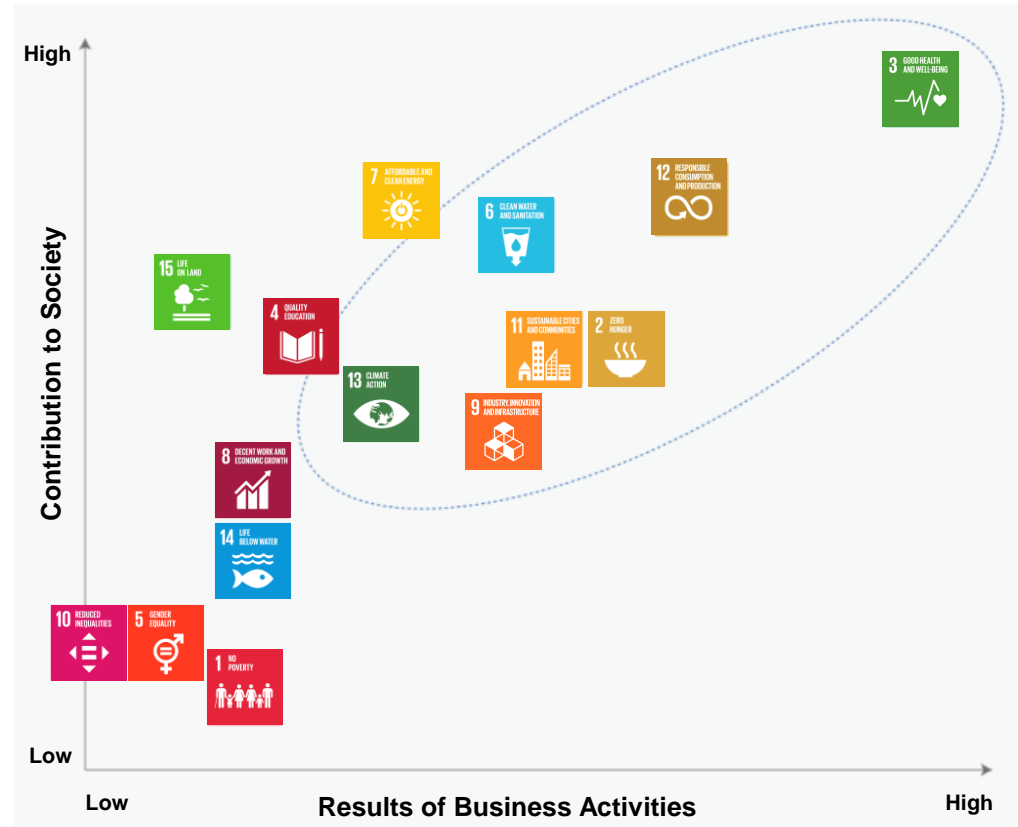
Contribution to SDGs Through Business Activities

- ◆ Promote creating shared value (CSV) that both solves challenges of society and also contributes to business.
- ◆ Clarify materiality using SDGs.

Business Measures Organized Based on SDGs

Specific Future Measures

Distribution of Business Contribution to SDGs



3 GOOD HEALTH AND WELL-BEING

- Promote individualized/preemptive medicine.
- Analysis of biological components and treatment plan for preventive medicine
- Support the development of functionally-enhanced foods.

7 AFFORDABLE AND CLEAN ENERGY

- Support the development of more efficient renewable energy generation.
- Support developing new materials for weight reduction of transport equipment.
- Support the development/manufacturing of fuel cells.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Infrastructure structural member inspection using sound and light waves
- Development of new sensors based on quantum science
- Development of materials informatics technologies

Contents

1. FY 2018 Financial Position
2. FY 2018 Results by Business Segment
3. FY 2019 Forecast
4. Key Measures
- 5. Supplementary Materials**

Net Sales by Region (Consolidated)

| Units: Billions of yen | Full-Year | | Yen Basis | | Excluding Exchange Rate Effects | |
|------------------------|---------------|---------|-----------|----------|---------------------------------|----------|
| | FY 2018 | FY 2017 | YoY | | YoY | |
| | | | Changes | % Change | Changes | % Change |
| Japan | 193.9 | 187.7 | +6.2 | +3 % | +6.2 | +3 % |
| Americas | 48.9 | 48.1 | +0.8 | +2 % | +0.8 | +2 % |
| North America | 43.6 | 42.5 | +1.0 | +2 % | +1.1 | +3 % |
| Europe | 31.3 | 27.6 | +3.7 | +13 % | +4.0 | +14 % |
| China | 71.9 | 68.4 | +3.4 | +5 % | +3.4 | +5 % |
| Other Asian Countries | 35.3 | 34.1 | +1.1 | +3 % | +1.2 | +4 % |
| Other* | 9.9 | 10.5 | -0.6 | -6 % | -0.3 | -3 % |
| Total | 391.2 | 376.5 | +14.7 | +4 % | +15.4 | +4 % |
| Sales Outside Japan | 197.3 | 188.9 | +8.4 | +4 % | +9.1 | +5 % |
| Overseas Sales Ratio | 50.4 % | 50.2 % | +0.3 pt | | +0.3 pt | |

Net Sales by Region (Analytical & Measuring Instruments)

| Units: Billions of yen | Full-Year | | Yen Basis | | Excluding Exchange Rate Effects | |
|------------------------|---------------|---------|-----------|----------|---------------------------------|----------|
| | FY 2018 | FY 2017 | YoY | | YoY | |
| | | | Changes | % Change | Changes | % Change |
| Japan | 99.7 | 98.6 | +1.1 | +1 % | +1.1 | +1 % |
| Americas | 29.2 | 27.1 | +2.2 | +8 % | +2.2 | +8 % |
| North America | 25.6 | 23.2 | +2.4 | +10 % | +2.4 | +10 % |
| Europe | 25.0 | 22.7 | +2.4 | +11 % | +2.6 | +12 % |
| China | 55.5 | 51.9 | +3.6 | +7 % | +3.6 | +7 % |
| Other Asian Countries | 25.7 | 24.7 | +1.0 | +4 % | +1.0 | +4 % |
| India | 9.8 | 10.0 | -0.2 | -2 % | -0.2 | -3 % |
| Other* | 6.2 | 6.6 | -0.4 | -7 % | -0.3 | -5 % |
| Total | 241.4 | 231.6 | +9.8 | +4 % | +10.2 | +4 % |
| Sales Outside Japan | 141.7 | 132.9 | +8.7 | +7 % | +9.2 | +7 % |
| Overseas Sales Ratio | 58.7 % | 57.4 % | +1.3 pt | | +1.3 pt | |

Net Sales by Region (Medical Systems)

| Units: Billions of yen | Full-Year | | Yen Basis | | Excluding Exchange Rate Effects | |
|------------------------|---------------|---------|-----------|----------|---------------------------------|----------|
| | FY 2018 | FY 2017 | YoY | | YoY | |
| | | | Changes | % Change | Changes | % Change |
| Japan | 40.2 | 36.6 | +3.6 | +10 % | +3.6 | +10 % |
| Americas | 9.8 | 10.9 | -1.1 | -10 % | -1.1 | -10 % |
| North America | 8.1 | 9.2 | -1.1 | -12 % | -1.1 | -12 % |
| Europe | 4.3 | 3.2 | +1.1 | +33 % | +1.1 | +34 % |
| China | 5.8 | 6.4 | -0.6 | -9 % | -0.6 | -9 % |
| Other Asian Countries | 5.3 | 5.0 | +0.3 | +6 % | +0.3 | +6 % |
| Other* | 3.7 | 3.9 | -0.1 | -3 % | -0 | -0 % |
| Total | 69.1 | 65.9 | +3.2 | +5 % | +3.4 | +5 % |
| Sales Outside Japan | 28.9 | 29.4 | -0.4 | -2 % | -0.3 | -1 % |
| Overseas Sales Ratio | 41.9 % | 44.5 % | -2.6 pt | | -2.6 pt | |



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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.

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