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## Annual Securities Report

Shimadzu Corporation

The 160<sup>th</sup> Business Term (April 1, 2022 to March 31, 2023)

### Part I Information of the Company

#### I. Overview of the Company

#### 5. Employees

#### (4) Percentage of female workers in managerial positions, percentage of male workers taking childcare leave, and wage differences between male and female workers

##### 1) Reporting company

Fiscal year ended March 31, 2023				
Percentage of female workers in managerial positions (%) (Note 1, 3, 5)	Percentage of male workers taking childcare leave (%) (Note 2, 6)	Wage differences between male and female workers (%) (Note 1, 4, 6)		
		All employees	Regular employees	Non-regular employees
4.8	56.7	63.4	70.7	43.8

Notes: 1 This is calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).

2 This is the percentage of employees taking childcare leave, etc. as stipulated in Article 71-4, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), which is calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

3 The Company appoints employees to managerial positions based on their abilities, regardless of their gender, nationality, or age.

4 The Company applies the same standards to the wages based on the employees' responsibilities, abilities, etc., regardless of their gender.

5 The aggregated targets for the percentage of female workers in managerial positions do not include those seconded from the reporting company but include those seconded from outside the company.

6 The aggregated targets for the percentage of male workers taking childcare leave and the wage differences between male and female workers are employees who were originally hired by the reporting company.

## 2) Consolidated subsidiaries

## • Consolidated subsidiaries in Japan with 301 or more employees

Fiscal year ended March 31, 2023					
Name	Percentage of female workers in managerial positions (%) (Note 1, 3, 5)	Percentage of male workers taking childcare leave (%) (Note 2, 6)	Wage differences between male and female workers (%) (Note 1, 4, 6)		
			All employees	Regular employees	Non-regular employees
Shimadzu Access Corporation	0.7	23.1	63.6	68.5	58.8
Shimadzu Medical Systems Corporation	2.0	0.0	65.1	65.8	41.4
Shimadzu Industrial Systems Co., Ltd.	0.0	0.0	61.6	72.5	43.9
Shimane Shimadzu Corporation	0.0	28.6	59.5	71.5	90.5
Shimadzu A-tech Manufacturing Corporation	5.6	66.7	78.5	78.7	87.2
Shimadzu Precision Technology, Ltd.	0.0	20.0	86.3	89.8	93.4
Shimadzu Trustech Corporation	8.6	80.0	88.3	84.3	60.9

Notes: 1 This is calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).

2 This is the percentage of employees taking childcare leave, etc. as stipulated in Article 71-4, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), which is calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

3 The Group appoints employees to managerial positions based on their abilities, regardless of their gender, nationality, or age.

4 The Group applies the same standards to the wages based on the employees' responsibilities, abilities, etc., regardless of their gender.

5 The aggregated targets for the percentage of female workers in managerial positions do not include those seconded from the company but include those seconded from outside the company.

6 The aggregated targets for the percentage of male workers taking childcare leave and the wage differences between male and female workers are employees who were originally hired by Group companies.

## • Consolidated subsidiaries in Japan with 101 to 300 employees

Fiscal year ended March 31, 2023	
Name	Percentage of female workers in managerial positions (%) (Note)
Shimadzu Science East Corporation	3.4
Nissui Pharmaceutical Co., Ltd.	13.1
Shimadzu Techno-Research, Inc.	16.3
Shimadzu Rika Corporation	0.0
Shimadzu System Solutions Co., Ltd.	0.0
Shimadzu General Services, Inc.	25.0
Shimadzu Business Systems Corporation	0.0
Shimadzu Logistics Service Corporation	0.0

Note: This is calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace

(Act No. 64 of 2015).

Fiscal year ended March 31, 2023	
Name	Percentage of male workers taking childcare leave (%) (Note)
Shimadzu Logistics Service Corporation	100.0

Note: This is the percentage of employees taking childcare leave, etc. as stipulated in Article 71-4, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), which is calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

### 3) Consolidated companies

Consolidated fiscal year ended March 31, 2023				
Percentage of female workers in managerial positions (%) (Note 2, 4, 6)	Percentage of male workers taking childcare leave (%) (Note 3, 7)	Wage differences between male and female workers (%) (Note 2, 5, 6)		
		All employees	Regular employees	Non-regular employees
10.9	45.1	67.5	70.6	55.3

- Notes: 1 Consolidated companies as stipulated in Article 2, item (v) of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976) are the subject of this item.
- 2 This is calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).
- 3 This is the percentage of employees taking childcare leave, etc. as stipulated in Article 71-4, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), which is calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
- 4 The Group appoints employees to managerial positions based on their abilities, regardless of their gender, nationality, or age.
- 5 Group companies apply the same standards to the wages within the Group based on the employees' responsibilities, abilities, etc., regardless of their gender.
- 6 Indicators for the percentage of female workers in managerial positions and the wage differences between male and female workers are aggregated including the subsidiaries outside Japan, and the definition and the calculation method are compliant with the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).
- 7 The indicator for the percentage of male workers taking childcare leave does not include the aggregated figure from consolidated subsidiaries outside Japan.

## II. Business Overview

### 2. Approach and initiatives toward sustainability

The Group’s approach and initiatives toward sustainability are as follows.

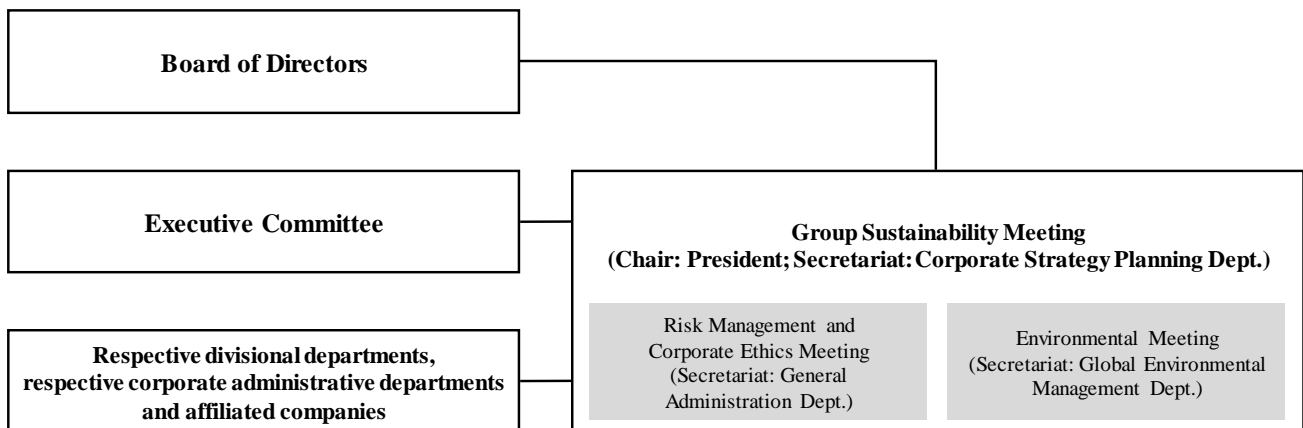
Note that matters concerning the future in the text are based on the judgment of the Group as of the end of the consolidated fiscal year ended March 31, 2023.

(Overall sustainability)

Based on the corporate philosophy “Contributing to Society through Science and Technology” and the management principle “Realizing Our Wishes for the Well-being of Mankind and the Earth,” the Company has established Shimadzu Group Sustainability Charter and implements sustainability management.

The Group conducts corporate activities as a unified group based on a two-pronged approach of “solving challenges in society through business operations” and “engaging in responsible activities as a member of society” and carries out sustainability management aiming for “sustainability of the global environment and society,” “sustainability and growth of Shimadzu Group business activities,” and “improvement of employees’ health and engagement.”

<Governance>



As an organization for implementing sustainability management in the Group, we have established the Group Sustainability Meeting chaired by the President, which convenes twice a year. The Meeting consists of the Chairman, President, administrative corporate executive officers, Audit & Supervisory Board members, divisional general managers, corporate administrative department general managers, representatives from Group companies in and outside Japan, and others, and the Corporate Strategy Planning Department acts as its secretariat. In the Meeting, important issues within and outside the Company regarding the Group’s sustainability management are shared, and implementation policies and plans for key initiatives and progress on KPIs are discussed and monitored. In addition, the Risk Management and Corporate Ethics Meeting and the Environmental Meeting have been established as specialized committees for governance, compliance, and risk management, and for overall environmental management, respectively, to discuss and report more specialized issues and topics.

The results of the Meetings are reported to the Board of Directors, and the directors and Audit & Supervisory Board members make recommendations on the implementation and further development of sustainability management.

<Strategy>

Since its founding, according to the corporate philosophy and the management principle, the Group is determined to engage in 1) “Contributing to Human Life & Well-Being,” 2) “Contributing to Well-Being of the Earth,” and 3) “Contributing to Industrial Development and a Safe & Secure Society” through business activities by utilizing science, technology, and know-how cultivated over many years.

To promote these three business contribution themes, we are required to create innovations while continuing to devote ourselves to our studies toward 4) “the advancement and sophistication of science and technology.” For that, we will work on the strategic use of intellectual properties and the establishment of systems and structures such as international standardization. We will also work on 5) “the increase of development and manufacturing capabilities” by understanding social challenges at a global level, rapidly developing new technology and businesses, establishing

a resilient supply chain that responds to geopolitical risks, and supplying products that are needed.

As the management base to support these business activities, we will strengthen the organizational structure such as the risk management system including corporate ethics and compliances and the monitoring structure, for 6) “the enhancement of the governance” in the Group. Furthermore, to support the above efforts, we will drive 7) “the development of human resources” that have leadership skills with a global perspective while expanding the diversity of our human resources.

To practice the Shimadzu Group Sustainability Charter, which sets the above seven key themes as materialities, we have formulated the Medium-Term Management Plan (FY 2023-2025) to work on these initiatives. We will transform into a company that not only conducts business activities centered in existing operational departments and products but provides total solutions that offer data customers need and expand our businesses through solving challenges in society. As a result of that, we will further improve our sustainability as an organization.

#### <Risk management>

The Group will organically and integrally function risk management (measures against business-related risks) and compliance and internal control (responses against risks associated with business executions) and achieve management strategies and business objectives to maximize corporate value.

This integrated risk management structure consists of the following four efforts:

(1) Risk management (measures against business-related risks)	As an activity to properly manage business-related risks, we have established and practice the Shimadzu Group Risk Management Regulation that stipulates preventing risks before they occur, resolving a crisis event quickly, minimizing a loss and impact due to it, and laterally spreading the investigation of the cause and the prevention measures.
(2) Compliance	As the Group operates a variety of businesses globally, we are subject to approvals, licenses, and regulations by laws and regulations and governments of countries and regions around the world including security export control, anti-bribery, and competition laws, and we are striving to respect such regulations. We not only comply with such laws and regulations but also act in accordance with international norms, stipulate the Shimadzu Group Corporate Code of Ethics under the corporate philosophy, the management principle, and the Shimadzu Group Sustainability Charter as the ethical standard officers and employees should share and respect, and practice “compliance takes precedence over everything.”
(3) Internal control (responses against risks associated with business executions)	We have established an internal control system to ensure business executions by officers and employees are compliant with laws and regulations and the Articles of Incorporation and such operations are conducted properly and efficiently. In case of a violation, the Group promptly shares its details and disciplinary action to hold back the occurrence of similar acts. In addition, under the protection of personal information and strict management of confidential information, we properly disclose and offer information to external parties as appropriate through PR and IR activities and websites. As for the establishment of internal control regarding financial reporting, we have stipulated a basic framework for internal control under the Regulation for Establishing Internal Control over Financial Reporting based on the practice standard of the Financial Services Agency to achieve the objectives of business activities by improving the effectiveness and efficiency of operations, securing credibility of financial reporting, promoting compliance with laws and regulations regarding business activities, and preserving assets.
(4) Monitoring	We organizationally and continuously review and evaluate whether risk management, internal control, and compliance are all functioning effectively at each stage of the three lines of business, administrative, and audit divisions. From FY 2023, we will formulate an operational audit policy and conduct audits in each global region (Europe, Americas, China, and Asia). We will increase the frequency of audits and encourage business divisions (the first line) and administrative divisions (the second line) of each Group company to conduct daily and proper monitoring.

## &lt;Indicators and targets&gt;

The Group stipulates key topics in the Shimadzu Group Sustainability Charter and their responsible departments in subordinate rules and sets specific KPIs to carry out sustainability management. In the Medium-Term Management Plan (FY 2023-2025), we set the following indicators and goals as especially important and will implement sustainability management step by step while monitoring their progress under the Group Sustainability Meeting with other KPIs.

Contributing to well-being of the Earth	<Climate change measures> <ul style="list-style-type: none"> <li>• Reduction of CO2 emissions from business activities and product specifications              Direct emissions: FY 2025: 10,000 tons-CO2, In 2050: Net zero              Avoided emissions (*1): FY 2025: 12,000 tons-CO2 (exceeding direct emissions)</li> </ul> <Sustainable resource use> <ul style="list-style-type: none"> <li>• Adoption of sustainable materials (*2) to products              FY 2025: 10 products or more</li> <li>• Resource circulation among production and development sites in Japan              FY 2023-2025: Maintaining a recycling rate of 99.6% or more</li> </ul>
Enhancement of the governance	<Promotion of CSR procurement> <ul style="list-style-type: none"> <li>• Increase of suppliers that implement self-assessment of CSR              FY 2025: 100% (percentage in the value of orders to subcontractors)</li> </ul> <Enhancement of the Group's governance> <ul style="list-style-type: none"> <li>• Implementation of global and exhaustive internal audit (operational audit)              FY 2025: 100% (percentage of coverage for internal audits in Group companies)</li> </ul>
Development of human resources	<Further promotion of women's participation and advancement> <ul style="list-style-type: none"> <li>• Percentage of female employees in managerial positions (consolidated)              FY 2025: 12%, FY 2030: 15%</li> </ul>

\*1 CO2 emissions reduced by customers using Eco-Products Plus products of the Company

\*2 Bio-derived or recycle-derived resin materials

Among these, details of the measures for addressing climate change and human capital are provided below.

## (Measures for addressing climate change)

Under the Shimadzu Group Sustainability Charter, the Group works on the measures for addressing climate change through business activities to “Contributing to Well-Being of the Earth.”

The Group considers environmental problems as one of the most important management challenges, and to address the problems of climate change in particular, we are engaged in reducing CO<sub>2</sub> emissions generated from business activities throughout the value chain and offering products and solutions that contribute to creating innovations in the environmental, so-called green area. We also endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and have remained committed to disclosing relevant information.

## &lt;Governance&gt;

The Group’s measures for climate-related risks and opportunities and for solving management challenges are discussed by the Environmental Meeting (chaired by the President and convenes twice a year), which is the specialized committee for environmental problems.

The content of discussions is reported to the Executive Committee and reported to and discussed by the Board of Directors to ensure appropriate monitoring and supervision capabilities by the Board of Directors. Important matters relevant to the Group’s environmental management are also deliberated and decided by the Board of Directors.

## &lt;Strategy&gt;

## 1. Identifying climate-change risks and opportunities

When identifying climate-related risks and opportunities that could affect the Group’s businesses, strategies, or finances, the driving factors of climate change expected to have a large impact on the Company’s businesses are identified and organized in two global scenarios; one where carbon reduction efforts result in a 1.5°C temperature increase, and the other where current global warming trends increase temperatures by 4°C.

	Drivers of climate change relevant to the “social value creation areas” of the Company				Other drivers of climate change
	Healthcare	Green	Materials	Industries	
1.5°C increase in global temperature		<ul style="list-style-type: none"> <li>Widespread adoption of fossil-free and CO<sub>2</sub>-free fuels</li> <li>Increased renewable energy usage rate</li> <li>Shift to electric vehicles</li> <li>CO<sub>2</sub> recovery/reuse adopted in actual practice</li> <li>Expanded utilization of biomass resources</li> </ul>	<ul style="list-style-type: none"> <li>Lighter and stronger materials</li> <li>Expanded demand for batteries and electric power storage systems</li> </ul>	<ul style="list-style-type: none"> <li>Modal shift, decarbonization of logistics</li> <li>Achieving carbon neutrality of society by electrification and strengthening digital infrastructure resilience</li> </ul>	<ul style="list-style-type: none"> <li>Introduction and strengthening of carbon pricing systems</li> <li>Sharp price increases for products in industries with high energy intensity</li> <li>Increased market penetration and demand for environmentally friendly products</li> <li>Intensified R&amp;D competition</li> </ul>
4°C increase in global temperature	<ul style="list-style-type: none"> <li>Increase in infectious diseases due to higher air temperatures</li> </ul>			<ul style="list-style-type: none"> <li>More resilient public infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>More frequent and severe wind and water disasters</li> </ul>

Using this as a starting point, we have organized major risks and opportunities related to the Company’s businesses and analyzed scenarios based on the climate change scenarios, etc. offered by the IEA (International

Energy Agency) while research and technological development related to carbon neutrality is expected to progress in various industrial fields.

## 2. Impacts on businesses, strategies, and finances based on climate change scenarios

Results of the analysis of the impacts on the Company's businesses, strategies, and finances for a carbon-free scenario (1.5°C increase) and the current scenario (4°C increase) are evaluated and organized as follows.

1.5°C increase in global temperature	Demand for the Company's products might decrease if energy, power generation, transport equipment, and other industries that use fossil fuels transition to a carbon-free society. On the other hand, demand for the Company's products such as analytical and measuring instruments related to research and development is expected to increase in a wide variety of industries due to advancements in research and development related to clean energy, batteries, and new materials and investments in production facilities and infrastructures.
4°C increase in global temperature	Larger impacts from physical risks are expected to result in a more urgent need to increase the resilience of public infrastructure, which will presumably increase market needs for developing and supplying various testing machines used to reinforce and replace public infrastructure. Changes are also expected in medical market conditions, such as the spread of vector-borne infectious diseases over larger regions due to higher air temperatures. On the other hand, supply chain interruptions caused by physical risks could result in circumstances with negative impacts, such as being forced to stop the Company's business activities.

- Impacts on businesses, strategies, and finances of the Company based on climate change scenarios

The Company is striving to reduce CO<sub>2</sub> emissions from business activities by actively promoting energy efficiency and energy reuse and has signed up with RE100, an international environmental initiative aiming for 100% renewable energy for electricity used. In addition, due to the products and services being supplied to a wide variety of industries, such as pharmaceuticals, healthcare, environmental, energy, semiconductors, and materials, the collective scope of customer industries is particularly broad. Consequently, we think it is very unlikely that a contraction in any particular industry would cause a significant impact on the Company's finances.

In terms of opportunities resulting from climate change, a wide variety of opportunities are expected to emerge in various industries and fields for both 1.5°C and 4°C global warming scenarios. Assuming measures to achieve 1.5°C global warming will reduce overall risks for society, the Company is also engaged in business practices intended to achieve a target 1.5°C temperature increase. Specifically, the Company designs all products to be environmentally friendly, such as by making them more energy efficient, and continues to increase the percentage of Eco-Products Plus products that offer particularly high environmental performance. We also continue to supply and invest in developing products that contribute to mitigating or accommodating climate change.

Overall, we think we can maintain the Company's business, strategy, and financial resilience with respect to climate change by responding to climate change and implementing measures in accordance with the transition plan indicated in the next section to appropriately identify climate change opportunities and achieve sustained growth.

## 3. Transition plan for achieving a carbon-free society

- Mitigation of climate change (achieving target 1.5°C increase)

In an effort to help achieve the 1.5°C temperature increase target specified by the Paris Agreement, the Group set a target of achieving net-zero CO<sub>2</sub> emissions from business activities by 2050 and is actively engaged in reducing CO<sub>2</sub> emissions accordingly. To reduce CO<sub>2</sub> emissions from our supply chain, we have specified a target for reducing CO<sub>2</sub> emissions from customers using products of the Company.

- Capturing and maximization of opportunities

We will achieve sustained growth by strategically developing and supplying products for mitigating and accommodating climate change to help customers achieve carbon-free businesses. We will also make efforts to strengthen development bases and supply systems to respond to the changing demand for the Company's products.



## &lt;Risk management&gt;

The Global Environmental Management Department is the main body that identifies climate change risks in each business that could affect the Group's businesses, strategies, or finances and identifies risks with high importance based on climate change scenarios. Results of identification and evaluation are discussed and confirmed by the Environmental Meeting.

## &lt;Indicators and targets&gt;

(1) Reduction of CO2 emissions	<p>The Group intends to reduce CO2 emissions from business activities to net zero (carbon neutral) by 2050.</p> <ul style="list-style-type: none"> <li>• FY 2050 targets           <ul style="list-style-type: none"> <li>Reduce CO2 emissions from business activities to net zero.</li> <li>Increase the percentage of renewable energy use to 100%.</li> </ul> </li> <li>• FY 2040 target           <ul style="list-style-type: none"> <li>Reduce CO2 emissions from business activities by at least 90% (vs FY 2017).</li> </ul> </li> <li>• FY 2030 targets           <ul style="list-style-type: none"> <li>Reduce CO2 emissions from business activities by at least 85% (vs FY 2017). (*)</li> <li>Reduce CO2 emissions from customers using the products sold by the Group by at least 30% (vs FY 2020).</li> </ul> </li> </ul>
(2) Development of certified environmentally friendly products and promotion of their widespread use	<p>The Group is committed to improving the environmental friendliness of products in an effort to minimize our impact on the global environment. We have specified a target of generating 30% of net product sales from "Eco-Products Plus" products by FY 2030, which are products certified to offer significantly higher environmental performance than previous models.</p>

\* The Shimadzu Group's CO2 emission reduction targets for FY 2030 are certified as "targets that are consistent with the standard to limit the temperature increase to 1.5°C above pre-industrial levels" in the Paris Agreement by SBT (Science Based Targets), an international initiative that encourages reductions based on scientific evidence.

(Human resources)

<Strategy>

1. Shimadzu's human resources strategy

People are the greatest asset of a company, and the Shimadzu Group's source of competitiveness is the power of human resources.

We intend to sustainably increase corporate value by having our employees implement the corporate philosophy "Contributing to Society through Science and Technology" and work to solve challenges in society with our partners around the world based on a two-pronged approach of technology development and social implementation capabilities. In our human resources strategy, we intend to develop and attract human resources that lead innovations toward solving challenges in society with diverse partners under the slogan of Leadership & Diversity.

- We educate all employees about the mindset we want them to have and foster a corporate culture where employees work autonomously, take on challenges, and constantly learn and grow.
- We define the human resources we need to strengthen our business strategies and management base and develop them by preparing the environment that supports their learning and experiences toward growth.
- We attract diverse human resources and promote a personnel system that helps individuals demonstrate their own capabilities, working environment, and DE&I.

2. Human resources development policy

We define the human resources the Company seeks as those who have a high sense of ethics, utilize diverse perspectives and expertise, take on challenges, accomplish them, and grow autonomously, and work to develop such human resources. As a way of training, we have established "Shimadzu Academy" as a place to promote the development of management executive candidates, highly-specialized human resources, and business leaders and put learning and experiences into practice, to realize business strategies and strengthen the management base.

<p>Corporate culture fostering</p>	<p>The Company is engaged in corporate culture fostering by providing opportunities for our employees to learn about our businesses, culture, and history. In the future, we will offer Shimadzu Leadership &amp; Diversity training so that all employees will have the mindset needed as a Shimadzu person, understand diversity, and display their leadership in various scenes. In addition, we will implement measures for them to acquire necessary skills such as strategic thinking and analytical skills.</p> <div data-bbox="758 190 1444 660" style="text-align: center;"> <p><b>Human resources needed by Shimadzu</b></p> <p>Boldly take on new challenges</p> <p>Never give up Persevere through</p> <p>Learn from success and failure Grow on their own</p> <p>Ability to challenge</p> <p>Growth potential</p> <p>Leadership &amp; Diversity</p> <p>Strategic thinking Depict scenarios for achievement</p> <p>Analytical ability Grasp the essence from thorough analysis</p> <p>Power to complete</p> <p>Expertise In pursuit of uniqueness, increase one's expertise</p> <p>Diversity Understand diversity Try to communicate</p> <p>Integrity</p> <p>With a high sense of ethics and morality, live up to expectations of others Realize a work climate that thoroughly carries out compliance</p> </div>
<p>Human resources development to strengthen business strategies and management base</p>	<ul style="list-style-type: none"> <li>• Development of management executive candidates Developing management executive candidates is a key topic of the Company when promoting the strengthening of business strategies and management base. Since 1997, the Company has held management training and has been engaged in developing management executive candidates who lead the growth of the Shimadzu Group. In the future, we will update existing programs and promote the development of management executive candidates through practice such as experiences in Group companies in and outside Japan, outside the Company, or cross-departmentally, in addition to the acquisition of knowledge.</li> <li>• Development of highly-specialized human resources We require daily improvement in technical skills and high expertise for the growth of the Company and need to develop specialized human resources that work with outstanding experts around the world to create new technology and business opportunities, specialized human resources that have development and design capabilities to create new high-quality products, specialized human resources that conduct highly demanding administrative tasks, and human resources specialized in digital transformation. The Company is working with universities to help employees obtain a doctoral degree as represented in the REACH project and is engaged in developing specialized human resources through a qualification incentive scheme and educational training. In the future, we will expand the activities globally and develop specialized human resources around the world.</li> <li>• Development of business leaders To implement advanced technology in society, developing business leaders who solve business challenges, lead members, and drive businesses is gaining importance in the Company. We have conducted situational leadership training for managers in the Head Office and Group companies outside Japan, and in the future, we will be engaged in developing in-house trainers and expand it to Group companies in Japan. In addition, we are engaged in developing a wide range of business leaders including junior staff by offering overseas on-site training, dispatching to ministries, and global manager training.</li> </ul>

### 3. Internal environmental improvement policy

The Company defines a “well-being workplace” as a place where diverse human resources are healthy, feel job satisfaction, and can take on new challenges to realize their dream and growth. To create the workplace we aim for, we promote an organizational culture that leverages diversity, a personnel system that fosters a challenging mindset, a healthy and safe workplace, and measures to realize thorough compliance.

<p>Creating an organizational culture that leverages diversity (promotion of DE&amp;I)</p>	<ul style="list-style-type: none"> <li>Attracting diverse human resources and their participation and advancement The Company intends to attract diverse and talented human resources regardless of their nationality, gender, or experiences and realize their participation and advancement. We are dedicated to not only hiring new graduates but also mid-career personnel and have introduced various recruitment methods to secure talented human resources such as job-based research internships and technical internships for doctoral students. We are also engaged in increasing the percentage of female employees in managerial positions by actively hiring female employees and offering career-design training. The Company has also established an acceptance program from many countries and regions where we operate to the Head Office to take in more overseas human resources.</li> </ul> <table border="1" data-bbox="427 696 1423 1263"> <thead> <tr> <th>Items</th> <th>Targets</th> <th>FY 2022 Results</th> </tr> </thead> <tbody> <tr> <td>Percentage of female employees in regular employees</td> <td>-</td> <td>20.8%</td> </tr> <tr> <td>(Percentage of female employees in employees younger than the age of 30)</td> <td>-</td> <td>(31.6%)</td> </tr> <tr> <td>Percentage of female employees in newly-hired graduates</td> <td>30% or more every year</td> <td>26.9%(*)</td> </tr> <tr> <td>Percentage of female employees taking childcare leave</td> <td>100% every year</td> <td>100%</td> </tr> <tr> <td>Percentage of female employees returning from childcare leave</td> <td>100% every year</td> <td>100%</td> </tr> <tr> <td>Percentage of female employees in managerial positions</td> <td>12% (in 2030)</td> <td>4.8%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>* Results of recruitment activities in FY 2022</li> <li>Flexible working system The Company has introduced a flexible working system such as flexible working hours and working from home to improve productivity and realize a work style that meets the circumstances of each employee such as childcare and nursing care. In the future, we will expand the flexible working system to Group companies to attract and retain diverse human resources in the Group.</li> </ul>	Items	Targets	FY 2022 Results	Percentage of female employees in regular employees	-	20.8%	(Percentage of female employees in employees younger than the age of 30)	-	(31.6%)	Percentage of female employees in newly-hired graduates	30% or more every year	26.9%(*)	Percentage of female employees taking childcare leave	100% every year	100%	Percentage of female employees returning from childcare leave	100% every year	100%	Percentage of female employees in managerial positions	12% (in 2030)	4.8%
Items	Targets	FY 2022 Results																				
Percentage of female employees in regular employees	-	20.8%																				
(Percentage of female employees in employees younger than the age of 30)	-	(31.6%)																				
Percentage of female employees in newly-hired graduates	30% or more every year	26.9%(*)																				
Percentage of female employees taking childcare leave	100% every year	100%																				
Percentage of female employees returning from childcare leave	100% every year	100%																				
Percentage of female employees in managerial positions	12% (in 2030)	4.8%																				
<p>Creating a personnel system that fosters a challenging mindset</p>	<ul style="list-style-type: none"> <li>Transformation of personnel and evaluation systems The Company promotes employees to take on challenges autonomously through various commendation systems such as an in-house competition system and company-wide performance awards. In the future, we will work on the transformation of personnel and evaluation systems to increase challenging mindsets and job satisfaction of employees.</li> </ul>																					

<p>Creating a healthy and safe workplace with thorough compliance</p>	<ul style="list-style-type: none"><li>• Health management The Company is engaged in health management measures such as health promotion events and offering our technology to employees through breast PET scans and mild cognitive impairment (MCI) screening tests and was selected as a Health &amp; Productivity Management Stock for three years in a row up to 2023. In the future, we will work with overseas sites for global health promotion activities such as an event utilizing health promotion apps to increase the well-being of our employees.</li><li>• Health and safety In addition to safety training designated by law, the Company is engaged in cultivating safety awareness through safety training using videos at team learning in each workplace and hazard experience training, and reducing safety risks through workplace patrol activities. In the future, we will expand these activities to Group companies to realize zero accidents that require time off from work.</li><li>• Compliance To promote a deeper awareness of corporate ethics, the Company has created the Shimadzu Group Corporate Ethics Code of Conduct Handbook, which provides detailed explanations of the Shimadzu Group Corporate Code of Ethics, which serves as a guideline for employee behavior, in more easily understandable terms. In addition, we also conduct corporate ethics training at the Head Office and Group companies in Japan using annual e-learning classes or educational booklets and compliance training and harassment prevention training through group training sessions.</li></ul>
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## &lt;Indicators and targets&gt;

(1) Indicators and targets related to human resources development policy	Indicators		Targets (FY 2025)		Results (FY 2022)
	1) Shimadzu Leadership & Diversity training		Deployed to all Group companies		–
	2) Number of participants in the management executive candidate development program		130		98 (*1) (former program)
	3) Number of highly-specialized human resources (holders of doctoral degrees or advanced qualifications (*3))		500		324 (*1)
	4) Number of employees who have completed business leader development training		1,000		559 (*1)
	5) Number of employees who have completed DX training		3,000		725 (*2)
*1 The figure is based on the employees who belong to the Company					
*2 The figure is based on the employees who belong to the Company and Group companies in Japan					
*3 Holders of doctoral degrees or other highly difficult national certifications, etc. (professional engineers, patent attorneys, 1st-grade mechanical design engineers, class-1 or class-2 chief electrical engineers, level-4-equivalent IT qualification holders, attorneys-at-law, certified public accountants, certified tax accountants, MBA holders, and others)					
(2) Indicators and targets related to internal environmental improvement policy	Indicators		Targets		Results (FY 2022)
	1) Percentage of female employees in managerial positions	The Company and the Group companies	FY 2030	15% or more	10.9%
		The Company	FY 2030	12% or more	4.8%
	2) Percentage of the internships conducted for recruitment purposes in the hiring of new graduates for career positions (*1)		FY 2025	20% (30)	10% (12)
	3) Number of Group companies having introduced a flexible working system		FY 2025	24 companies in Japan (100%)	12 companies in Japan (50%)
	4) Percentage of positive feedback for employee engagement (*1)		FY 2025	85% or more	82.7%
	5) Number of annual participants in health promotion events		FY 2025	5,000 or more	3,237
	6) Number of accidents that require time off from work		FY 2025	0	15
	7) Percentage of employees who have taken corporate ethics compliance training (*2)		FY 2025	100%	97.4% in Japan
	8) Percentage of employees who have taken harassment prevention training (*2)		FY 2025	100%	98.6% in Japan
*1 This is the status of the Company.					
*2 This is the status of the Company and Group companies in Japan.					
*3 Others are the status of the Company and Group companies.					

Note: This document has been extracted and translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

#### IV. Information of the Company

##### 4. Corporate Governance, etc.

##### (5) Status of shareholding

###### 1) Standards and approach to investment stock classification

The Company classifies the stocks, which are held for the movement of stock value or dividend income, as pure investment, whereas classifying other investment stocks as investment stocks held for purposes other than pure investment.

###### 2) Investment stocks held for purposes other than pure investment

###### (i) Verification of policies and reasonableness of shareholding and the Board of Directors' examination on the appropriateness of shareholding of individual stocks

From the viewpoint of business strategy, the Company holds stocks deemed as contributing to the enhancement of its corporate value in the medium- to long-term. After examining whether the size of cross-shareholdings is appropriate, the Board of Directors will verify the appropriateness of its holdings of each stock every year by examining whether each holding is aligned with the shareholding purposes and whether the benefits and risks of the holdings are worth the capital costs and others. The Board of Directors will consider the reduction of holdings if the holdings do not match the holding policy.

During the fiscal year ended March 31, 2023, the Board of Directors verified, for each stock, the qualitative significance of holding and quantitative matters including the comparison between total shareholder return and capital costs. As a result of this verification, the Company sold the stocks for which the significance of holding was deemed as not necessarily sufficient during the fiscal year ended March 31, 2023.

###### (ii) Number of stocks and carrying amount on balance sheet

	Number of stocks (Stocks)	Total carrying amount on balance sheet (Millions of yen)
Unlisted stocks	30	1,530
Stocks other than unlisted stocks	22	10,426

###### (Stocks increasing the number of shares during the fiscal year ended March 31, 2023)

	Number of stocks (Stocks)	Total acquisition cost for increased shares (Millions of yen)	Reason for increase in number of shares
Unlisted stocks	1	939	Strengthening business collaborations
Stocks other than unlisted stocks	-	-	-

###### (Stocks decreasing the number of shares during the fiscal year ended March 31, 2023)

	Number of stocks (Stocks)	Total sales amount for decreased shares (Millions of yen)
Unlisted stocks	1	41
Stocks other than unlisted stocks	2	140

## (iii) The number of shares and carrying amount on balance sheet by stock of specified investment stocks and deemed shareholdings, and other information

## Specified investment stocks

Stock names	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Purpose of shareholding, an overview of business alliances, etc., quantitative effects of shareholding, and reasons for increase in number of shares (Note 1)	Whether issuing company holds the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount on balance sheet (Millions of yen)	Carrying amount on balance sheet (Millions of yen)		
Ono Pharmaceutical Co., Ltd.	583,000	583,000	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding measuring instruments.	Yes
	1,611	1,787		
GL Sciences Inc.	580,000	580,000	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding measuring instruments.	Yes
	1,338	1,470		
Murata Manufacturing Co., Ltd.	145,200	145,200	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding measuring instruments and material procurement.	Yes
	1,167	1,178		
Nippon Shinyaku Co., Ltd.	181,080	181,080	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding measuring instruments.	Yes
	1,055	1,508		
JEOL Ltd.	214,500	214,500	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding measuring instruments.	Yes
	910	1,473		
Mitsubishi Electric Corporation	548,000	548,000	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding aircraft equipment and measuring instruments.	Yes
	865	772		
Dai Nippon Toryo Co., Ltd.	1,000,288	1,000,288	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding measuring instruments.	Yes
	847	784		



Stock names	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Purpose of shareholding, an overview of business alliances, etc., quantitative effects of shareholding, and reasons for increase in number of shares (Note 1)	Whether issuing company holds the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount on balance sheet (Millions of yen)	Carrying amount on balance sheet (Millions of yen)		
OXIDE Corporation (Note 3)	200,000	100,000	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding measuring instruments.	None
	797	581		
SCREEN Holdings Co., Ltd.	47,484	47,484	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding measuring instruments.	Yes
	553	586		
GS Yuasa Corporation	225,795	225,795	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding measuring instruments.	None (Note 4)
	537	528		
Nissha Co., Ltd.	247,079	247,079	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding material procurement.	Yes
	459	359		
SINFONIA TECHNOLOGY CO., LTD.	59,600	59,600	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding aircraft equipment.	Yes
	93	79		
Osaka Gas Co., Ltd.	24,600	24,600	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding material procurement.	Yes
	53	51		
Marubun Corporation	34,848	34,848	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding material procurement.	Yes
	47	24		
Mitsubishi Heavy Industries, Ltd.	8,497	8,497	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding aircraft equipment and measuring instruments.	Yes
	41	34		
Mitsubishi UFJ Financial Group, Inc.	26,270	26,270	Shares are held for the purpose of enhancing financial stability in financing and other fields by maintaining/strengthening financial transactions and related activities.	None (Note 5)
	22	19		

Stock names	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Purpose of shareholding, an overview of business alliances, etc., quantitative effects of shareholding, and reasons for increase in number of shares (Note 1)	Whether issuing company holds the Company's shares
	Number of shares (Shares)	Number of shares (Shares)		
	Carrying amount on balance sheet (Millions of yen)	Carrying amount on balance sheet (Millions of yen)		
Tokio Marine Holdings, Inc. (Note 3)	2,955	985	Shares are held for the purpose of enhancing financial stability in the nonlife insurance and other fields by maintaining/strengthening financial transactions and related activities.	None (Note 6)
	7	7		
T&D Holdings, Inc.	3,530	3,530	Shares are held for the purpose of enhancing financial stability in financing and other fields by maintaining/strengthening financial transactions and related activities.	None (Note 7)
	5	5		
THE SHIGA BANK, LTD.	2,000	2,000	Shares are held for the purpose of enhancing financial stability in financing and other fields by maintaining/strengthening financial transactions and related activities.	Yes
	5	4		
The Bank of Kyoto, Ltd.	395	395	Shares are held for the purpose of enhancing financial stability in financing and other fields by maintaining/strengthening financial transactions and related activities.	Yes
	2	2		
Daikin Industries, Ltd.	100	100	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding industrial machinery and measuring instruments.	Yes
	2	2		
Mitsubishi Logisnext Co., Ltd.	1,750	1,750	Shares are held for the purpose of enhancing medium- to long-term corporate value by engaging in transactions and maintaining/strengthening cooperative relationships regarding industrial machinery.	Yes
	1	1		
Takara Holdings Inc.	–	87,000	None as of the filing date.	None
	–	95		
Kyokuto Kaihatsu Kogyo Co., Ltd.	–	32,670	None as of the filing date.	None
	–	45		

Notes: 1 The Company confirmed a certain effect of shareholding in light of its holding criteria after verifying the purpose of its shareholding by individual stocks, an overview of business alliances, etc., and whether the benefits and risks of the holdings are worth the capital costs on basis of March 31, 2022. However, the Company does not state the results in light of a consequential effect on business relations with those companies and other matters.

2 “–” represents the Company does not have the stocks.

3 Those are the stocks whose number of shares has increased due to stock split during the fiscal year ended March 31, 2023.

4 GS Yuasa International Ltd., a subsidiary of GS Yuasa Corporation, owns the shares of the Company.

5 MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., each of which are subsidiaries of Mitsubishi UFJ Financial Group, Inc., own the shares of the Company.

6 Tokio Marine & Nichido Fire Insurance Co., Ltd., a subsidiary of Tokio Marine Holdings, Inc., owns the shares of the Company.

7 Taiyo Life Insurance Company, a subsidiary of T&D Holdings, Inc., owns the shares of the Company.

## Deemed shareholdings

Stock names	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2022	Purpose of shareholding, an overview of business alliances, etc., quantitative effects of shareholding, and reasons for increase in number of shares (Note 5)	Whether issuing company holds the Company's shares
	Number of shares (Shares) (Note 3)	Number of shares (Shares) (Note 3)		
	Carrying amount on balance sheet (Millions of yen) (Note 4)	Carrying amount on balance sheet (Millions of yen) (Note 4)		
Mitsubishi UFJ Financial Group, Inc.	5,595,000	5,595,000	Retaining the authority to give instructions on the exercise of voting rights based on the retirement benefit trust arrangement	None (Note 6)
	4,744	4,253		
The Bank of Kyoto, Ltd.	557,000	557,000	Retaining the authority to give instructions on the exercise of voting rights based on the retirement benefit trust arrangement	Yes
	3,481	2,979		
Tokio Marine Holdings, Inc. (Note 7)	1,119,000	373,000	Retaining the authority to give instructions on the exercise of voting rights based on the retirement benefit trust arrangement	None (Note 8)
	2,850	2,658		
Daikin Industries, Ltd.	91,900	91,900	Retaining the authority to give instructions on the exercise of voting rights based on the retirement benefit trust arrangement	Yes
	2,173	2,059		
Mitsubishi Electric Corporation	900,000	900,000	Retaining the authority to give instructions on the exercise of voting rights based on the retirement benefit trust arrangement	Yes
	1,420	1,269		
OMRON Corporation	170,000	170,000	Retaining the authority to give instructions on the exercise of voting rights based on the retirement benefit trust arrangement	None
	1,310	1,396		
Mitsubishi Logisnext Co., Ltd.	1,369,000	1,369,000	Retaining the authority to give instructions on the exercise of voting rights based on the retirement benefit trust arrangement	Yes
	1,288	1,275		
THE SHIGA BANK, LTD.	476,000	476,000	Retaining the authority to give instructions on the exercise of voting rights based on the retirement benefit trust arrangement	Yes
	1,275	1,052		
GS Yuasa Corporation	406,200	406,200	Retaining the authority to give instructions on the exercise of voting rights based on the retirement benefit trust arrangement	None (Note 9)
	967	950		
T&D Holdings, Inc.	472,000	472,000	Retaining the authority to give instructions on the exercise of voting rights based on the retirement benefit trust arrangement	None (Note 10)
	774	788		
Dai Nippon Toryo Co., Ltd.	409,800	409,800	Retaining the authority to give instructions on the exercise of voting rights based on the retirement benefit trust arrangement	Yes
	347	321		

Notes: 1 Specified investment stocks and deemed shareholdings are not combined in calculating the number of shares and carrying amount on balance sheet.

2 “-” represents the Company does not have the stocks.

3 The number of shares subject to the right to exercise voting rights is stated.

4 The amount is stated after multiplying the fair value of deemed shareholdings as of the end of the fiscal year, by the number of shares subject to the right to exercise voting rights.

5 Purpose of shareholding states the nature of the authority held by the Company.

6 MUFG Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., each of which are subsidiaries of Mitsubishi UFJ Financial Group, Inc., own the shares of the Company.

7 Those are the stocks whose number of shares has increased due to stock split during the fiscal year ended March 31, 2023.

8 Tokio Marine & Nichido Fire Insurance Co., Ltd., a subsidiary of Tokio Marine Holdings, Inc., owns the shares of the Company.

9 GS Yuasa International Ltd., a subsidiary of GS Yuasa Corporation, owns the shares of the Company.

10 Taiyo Life Insurance Company, a subsidiary of T&D Holdings, Inc., owns the shares of the Company.

3) Investment stocks held for pure investment

Not applicable.