

# **FY 2020-2022 Medium-Term Management Plan**

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# I. Review of the Previous Medium-Term Management Plan

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- Results from Previous Medium-Term Management Plan and FY 2019 Results
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- Collaborations with Research Institutions
- Investment in R&D and Capital Equipment
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## —Results from Previous Medium-Term Management Plan— (FY 2017 to FY 2019)

**Basic Policy: “Become a Company That Solves Challenges in Society in Collaboration with Partners All Around the World”**

Units: Billions of yen	FY 2016	FY 2019				
	Results	Medium-Term Targets	Results	Medium-Term Targets	Versus FY 2016	
				% of Target	Increase	Percent Increase
Net Sales	342.5	400.0	385.4	96%	43.0	12.5%
Operating Income	37.1	45.0	41.8	93%	4.8	12.8%
Operating Margin	10.8%	11.3%	10.9%			

Average Foreign Exchange Rate	US\$	¥108.43	¥100.00	¥108.86
	€	¥118.84	¥110.00	¥121.03

Record-breaking results were achieved through the end of the third quarter of FY 2019, but both net sales and operating income decreased (year-on-year) in the fourth quarter (January to March) due to the new coronavirus.

### Changes in the External Business Environment (Political and Economic)

- Uncertainties in the business environment increased, such as US-China trade frictions and Brexit.
- In China, demand subsided in the food safety field and special demand for environmental testing (water quality) was temporary.
- In the US, there was a reactionary decline after measures to stimulate transition to digital medical equipment.
- From January 2020, effects of the new coronavirus outbreak became prominent, especially in China. With travel restrictions and cities being locked down, limitations on business activities impacted business results.

### Key Measures

- Response to local needs was strengthened at the four Innovation Centers outside Japan.
- In China, products for new needs in pharmaceutical and chemical fields were strengthened.
- In North America, sales channels were strengthened by M&A and sales were improved with new medical products designed specifically for North America.
- The impact from the coronavirus was the greatest during the fourth quarter in China, but industrial machinery (turbomolecular pumps) sales were strong for 5G applications.

## —Results from Previous Medium-Term Management Plan (FY 2017 to FY 2019)— Net Sales by Business Segment

### Net Sales as Percent of Medium-Term Management Plan Final-Year (FY 2019) Target by Business Segment

- **Analytical & Measuring Instruments:** Net sales only reached 93 % of target, due to stagnating market conditions during the second half of the plan, the coronavirus pandemic, and other factors, but has increased 12.9 % since FY 2016 and been a driver of overall results.
- **Medical Systems:** Record net sales resulted in 99 % of target. Sales increased for mobile X-ray systems used to diagnose pneumonia caused by the coronavirus and also for angiography systems.
- **Industrial Machinery:** Given recovering capital investment levels for semiconductor manufacturing equipment, turbomolecular pump sales drove results to achieve 108 % of target, but industrial furnace sales for ceramic applications also increased.
- **Aircraft Equipment:** Commercial aircraft equipment sales increased in North America and Ministry of Defense aircraft equipment sales increased in Japan to achieve 104 % of target.

Units: Billions of yen	FY 2016	FY 2019				
		Medium-Term Targets	Results	Medium-Term Targets	Versus FY 2016	
	% of Target			Increase	Percent Increase	
Analytical & Measuring Instruments	209.2	253.0	236.2	93%	27.0	12.9%
Medical Systems	64.4	71.0	70.2	99%	5.8	9.0%
Industrial Machinery	36.2	40.0	43.0	108%	6.9	19.0%
Aircraft Equipment	26.7	29.0	30.0	104%	3.3	12.4%
Other	6.0	7.0	6.0	85%	0	-0.1%
<b>Total</b>	<b>342.5</b>	<b>400.0</b>	<b>385.4</b>	<b>96%</b>	<b>43.0</b>	<b>12.5%</b>

I. Review of the Previous Medium-Term Management Plan 3/5

## —Developing and Commercializing New Technologies through Stronger External Collaborations—

- Open innovation-based collaborations with advanced customers and key opinion leaders (KOLs) aimed at solving challenges in society were strengthened.
- Measures to create new technologies and businesses through joint research or investment involving academia or startup companies were accelerated.
- **The new medium-term management plan specifies establishing new businesses by creating new products, services, or applications based on the results achieved from such measures.**

### Examination/Improvement of Mild Cognitive Impairment: MCBI

#### Healthcare and Life Sciences



Blood Test for MCI LC/MS



Confirmation of Recovery Level from Cognitive Impairment NIRS

- Improve mild cognitive impairment (MCI) examination accuracy.
- Confirm efficacy for MCI recovery measures.

MCBI 

### Omics Applications: Osaka University Healthcare and Life Sciences



Established Osaka University Shimadzu Omics Innovation Research Laboratories (within the Osaka University campus in Suita, Osaka Prefecture)

- Create new products and businesses for omics applications and especially for metabolomics, which involves a comprehensive analysis of all molecules in biological organisms.



### Oncogenomics Measures: iLAC

#### Healthcare and Life Sciences



Next-Generation Sequencer for Analyzing Whole Genomes



Metabolite/Protein Analysis Using MS

- Participate in next-generation genome information service business.
- Develop next-generation cancer diagnostic system using MS (multi-omic analysis).

### Development of Functionally-Enhanced Foods and Standardization of Testing Methods: NARO\*

#### Food Science



NARO Shimadzu Kyoto Laboratory for Food Innovation within Shimadzu Corporation (Kyoto)

- Joint development and standardization of new simple, quick, and accurate techniques for analyzing food components with functional benefits

\* NARO: National Agriculture and Food Research Organization





# —Investment in R&D and Capital Equipment—

- Three-year total of R&D expenses was 49.0 billion yen, with R&D expenses 4.4 % of sales in FY 2019 (4.3 % in FY 2017).
- Strengthened R&D base, mainly at the Healthcare R&D Center and other sites in Japan, and expanded/strengthened medical systems, hydraulic equipment, and other manufacturing capabilities.
- Made various capital equipment investments intended for future growth, with additional investments planned in the EU and the U.S. during the new medium-term management plan.

## R&D Investment

**3-year total: 49.0 billion yen  
(plan: 53.0 billion yen)**

## Ratio of R&D Expenses to Sales

**FY 2019: 4.4 % (plan: 5 %)**



## Capital Equipment Investment

**3-year total: 56.6 billion yen (plan: 70.0 billion yen)**

Research Support

**Healthcare R&D Center  
(New facility in Kyoto)**



- Investment: 9.3 billion yen
- Promote integrated Analytical and Medical solutions.

**Technology Research Laboratory  
(New building at Keihanna)**



- Investment: 8.6 billion yen
- Develop more sophisticated and diversified analytical/measuring technologies.

**Application Development Center  
(New facility in Kawasaki)**



- Investment: 0.7 billion yen per year
- Established facility for collaborating on innovation.

Manufacturing



**Shimane Shimadzu  
(new building)**

- Investment: 1.7 billion yen
- Expanded Medical Systems production capacity.



**Tianjin Plant in China  
(new building)**

- Investment: 2.2 billion yen
- Expanded hydraulic equipment production capacity.



**Philippines Plant  
(new building)**

- Investment: 0.37 billion yen
- Expanded plant and production lines.

Service



**Strengthened Operations in China  
(Beijing/Guangzhou/Xian)**

- Built new analysis center.
- Established new seminar room.



**Strengthened Industrial Machinery  
Service Business  
New Building at SKV in Korea**

- Investment: 0.55 billion yen
- Expanded/improved TMP maintenance.

## —Strengthening Business by M&A—

- Analytical & Measuring Instruments reagent/consumables product line expanded/improved and sales/service capabilities for products and consumables strengthened in Korea.
- Medical Systems and Industrial Machinery products/services outside Japan switched to direct sales model to improve profitability and expand businesses.

### Analytical & Measuring Instruments: Aftermarket Sales and Service

#### Acquired French Reagent Manufacturer

- Acquired Alsachim in France.
- Strengthened MS business in clinical fields by including stable isotope reagents.

**ALSA CHIM**  
a Shimadzu Group Company



#### Changed Consumables Sales Subsidiary in China to Wholly-Owned

- Changed consumables sales subsidiary to wholly-owned and established new company.
- Strengthened business for chromatography columns, vials, and other consumables in China.



#### Acquired Sales Subsidiary in Korea and Established New Company

- Established sales/service subsidiary.
- Expanded business in Korea, mainly for pharmaceuticals, life sciences, and academia.



### Medical Systems: Sales and Service

#### Acquired Sales Subsidiary in North America

- Acquired Core Medical Imaging, Inc. in the U.S.
- Strengthened sales and service in North America (Northwest region).



### Industrial Machinery: Sales and Service

#### Acquired Servicing Company in Germany

- Acquired Infracore in Germany.
- Strengthened turbomolecular pump service capabilities in Europe.
- Strengthened relationships with major semiconductor manufacturing equipment manufacturers.





## II. Overview of the New Medium-Term Management Plan

### II. Overview of the New Medium-Term Management Plan ..... p. 10-p. 16

- **Basic Concept**

**“Become a Company That Solves Challenges in Society in Collaboration with Partners All Around the World”**

Aim to create new markets and achieve growth by actively collaborating with outside entities and accelerating systems for solving challenges in society.

- **Structure of Plan**

- **Top Priority Measure: Promoting Infectious Disease Countermeasure Projects**

- **Four Growth Strategies**

- **Investment in Capital Equipment and R&D**

- **FY 2022 Performance Targets**

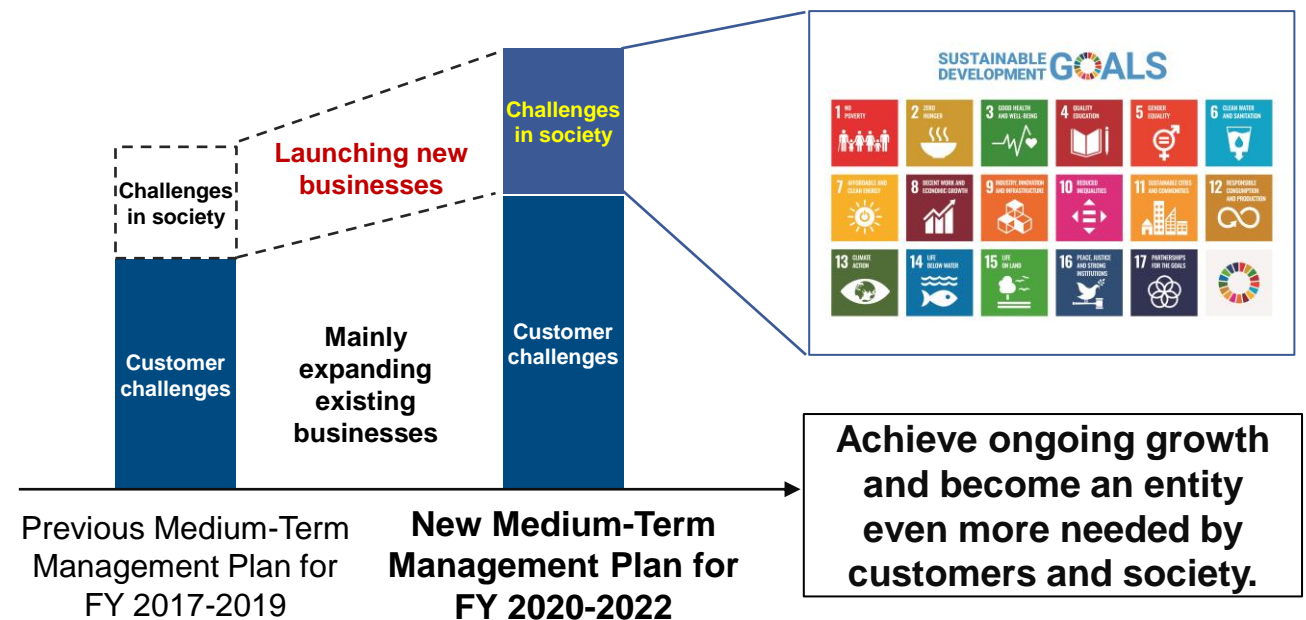
- **Capitalization Policy**

II. Overview of the New Medium-Term Management Plan 1/7

# Basic Concept: Become a Company That Solves Challenges in Society in Collaboration with Partners All Around the World

- During the previous medium-term management plan, we started initiatives to “become a company that solves challenges in society in collaboration with partners all around the world” and deployed necessary investments and joint research accordingly.
- Based on those initiatives, the new medium-term management plan specifies creating systems for using Shimadzu products and services to solve challenges in society, commercializing businesses based on promoting those solutions in society, and thereby creating new markets.

## Become a Company That Solves Challenges in Society in Collaboration with Partners All Around the World —Creating and Implementing Systems for Solving Challenges in Society—



Previous Plan

New Plan

**Engage in Solving Challenges in Society**

**Shimadzu**      **R&D partners**

Jointly develop and release new products.

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**Create Systems for Solving Challenges in Society**

**Establish businesses based on new products, technologies, or services.**

**Strategic Partners**  
Partners for strategically promoting solutions in society

**Business Partners**  
Partners that actually use the new systems

# —Key Points of the New Medium-Term Management Plan—

Slogan



**Become a Company That Solves Challenges in Society in Collaboration with Partners All Around the World**  
**—Creating and Implementing Systems for Solving Challenges in Society—**

FY 2022 Performance Targets



**Net sales: At least 400.0 billion yen; Operating income: At least 46.0 billion yen**  
**Operating margin: At least 11.5 %**

Measures for Important Emergency Challenges



**Promote infectious disease countermeasure projects**

Four Growth Strategies



**Strengthen/expand key businesses**

**Strengthen/expand businesses outside Japan**

**Strengthen businesses with recurring revenues**

**Expand businesses in four growth fields**

Strengthen the Foundation for Growth



- Strengthen business portfolios.
- Strengthen finance and development functions.

- Develop human resources and reform human resource systems.
- Strengthen governance.

**II. Overview of the New Medium-Term Management Plan 3/7**

Important  
Emergency  
Challenges

**—Promoting Infectious Disease Countermeasure Projects—**



- Given that fighting the infectious disease pandemic is a critical challenge for society, we will strengthen measures to **offer solutions for analyzing viral, bacterial, and other pathogens** by developing new products, in addition to offering our current line of instruments and reagents.
- We will contribute to society by actively collaborating with academic institutions, hospitals, healthcare institutions, and others to “create systems for fighting infectious diseases,” rather than simply offering physical products. Collaborations will be focused on two perspectives. One is to **prevent the spread of the new coronavirus**, which is currently a serious problem for society. The other perspective is for developing **countermeasures for infectious diseases in general**.

Coronavirus  
Countermeasures

**Virus Testing**

**New Coronavirus Detection Reagent Kit**  
Enables PCR test in only 70 minutes using simple pretreatment

A review of the reagent kit is posted on the National Institute of Infectious Diseases website.

**Simultaneous Multi-Pathogen Genetic Detection System**  
Simultaneously detects multiple genes involved in viruses and bacteria that can cause infectious diseases

Product line of about 20 types of kits for detecting respiratory infectious diseases, etc.

**Pathological Diagnosis**

**Mobile X-Ray System (Pneumonia Examination)**

Patients can be examined for pneumonia from their bedside in a patient room or ICU.

**New Measures**

- Improve image resolution.
- Strengthen network systems.
- Develop virus elimination systems based on optical or other technologies.

**Testing Accuracy Control and Infection Prevention**

**Network of Infectious Disease Countermeasures**

Virus Testing Pathogen Testing

**Data management network**

Mobile X-Ray System Microorganism Identification MS

**Therapeutic Drug Development Support**

**System for Measuring Blood Concentration of Candidate Therapeutic Drugs for the Coronavirus**

ALSACHIM  
a Shimadzu Group Company

Using a stable isotope reagent (standard substance), an LCMS system can be used to monitor the concentration of candidate coronavirus therapeutic drugs measured in the bloodstream.

**New Therapeutic Drug Development Support System**

Joint development with outside entities globally

- Analysis of metabolic changes associated with viral infections, for example

## —Four Growth Strategies—

Four Growth Strategies	Key Measures
<b>Strengthen/expand key businesses</b>	<ul style="list-style-type: none"> <li>➤ <b>Strengthen competitiveness of key product lines</b>, mainly liquid chromatographs (LC) and mass spectrometers (MS). In particular, <b>strengthen measures necessary for increasing market share outside Japan.</b></li> <li>➤ <b>Strengthen high-end products with higher resolution and/or sensitivity.</b></li> <li>➤ <b>Expand/improve product line</b> of fully automatic pretreatment systems and other products based on technologies such as AI, IoT, or robotics.</li> </ul>
<b>Strengthen/expand businesses outside Japan</b>	<ul style="list-style-type: none"> <li>➤ <b>Strengthen businesses outside Japan and expand businesses especially in pharmaceutical, chemical, healthcare, environmental testing, and government/academia fields.</b></li> <li>➤ <b>Offer various kinds of solutions globally by strengthening partnerships with strong partners in various regions of the world and by strengthening measures in pharmaceutical, food science, environmental, or other regulatory compliance fields.</b></li> </ul>
<b>Strengthen businesses with recurring revenues</b>	<ul style="list-style-type: none"> <li>➤ <b>Strengthen the product line of consumables and offer a diverse variety of solutions, such as new service packages.</b></li> <li>➤ <b>Also develop business models based on new billing systems, attract new customers, and develop new fields.</b></li> </ul>
<b>Expand businesses in four growth fields</b>	<ul style="list-style-type: none"> <li>➤ <b>Advanced healthcare</b> Accelerate commercializing businesses in dementia testing, cancer treatment, and other fields.</li> <li>➤ <b>Materials, infrastructure, and environmental/energy</b> Develop businesses that combine existing seeds with new technologies.</li> <li>➤ <b>Launch the startup incubation center and accelerate commercializing businesses in the four growth fields.</b></li> </ul>



## —Investment in Capital Equipment and R&D—

- **Capital equipment investment:** Expand/improve the business base mainly outside Japan, such as by strengthening sales bases and Innovation Centers.
- **R&D:** Develop technologies and strengthen the competitiveness of key businesses, mainly for liquid chromatographs and mass spectrometers.  
Accelerate R&D in advanced fields, such as infectious disease countermeasures, advanced healthcare, and innovative biotechnologies.

### Capital equipment investment: 54.0 billion yen

- **Strengthening the business base outside Japan**

**North America**    **Sales/service:** Expand laboratory training center.; **Manufacturing:** Expand analytical instrument manufacturing capacity.

**Europe**            **Sales/service:** Expand/improve clinical laboratory and establish new branch.

**China**             **Development:** Establish joint laboratory for clinical software, etc.; **Manufacturing:** Expand analytical instrument manufacturing capacity.

**Other Asia**        **Manufacturing:** Strengthen in-house manufacturing of analytical instruments.

- **Other investments**

New research building at Technology Research Laboratory (continued from previous medium-term management plan), strengthen manufacturing function (at Sanjo Works, etc.), and so on

### R&D investment: 53.0 billion yen

- **Key businesses: LC and MS**

- **Key topics:**        Infectious disease countermeasures, advanced healthcare, food science, advanced analysis, the brain and the five senses, innovative biotechnology, AI, etc.



“Shimadzu, Society and Innovation” describes our involvement with customers and partners and describes, in terms of Shimadzu engineers, how Shimadzu technologies and products help solve challenges in society and generate innovation for achieving a better society.

# —Performance Targets—

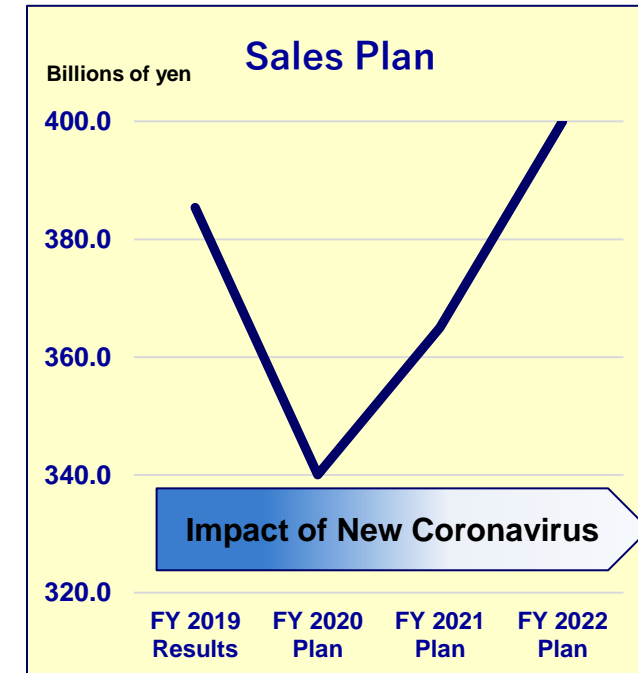
**FY 2022 performance targets: Net sales of at least 400.0 billion yen, operating income of at least 46.0 billion yen, and operating margin of at least 11.5 %**

- In FY 2020, the first year of the plan, both sales and income are expected to decrease despite emergency management measures deployed in response to business activity restrictions resulting from the coronavirus.
- By steadily implementing strategic measures specified in the new medium-term management plan, we plan to restore a growth trend by the second and third years (2021 and 2022, respectively).

Units: Billions of yen	FY 2019 Results	FY 2022 Targets	Increase	Percent Increase
Net Sales	385.4	At least 400.0	14.6	3.8%
Operating Income	41.8	At least 46.0	4.2	9.9%
Operating Margin	10.9%	At least 11.5%		

ROE	10.8%	At least 10%
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Average Foreign Exchange Rate	US\$	¥108.78	¥105.00
	€	¥120.86	¥115.00



## —Capitalization Policy—

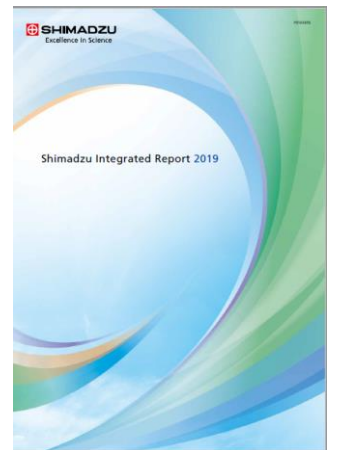
- In addition to maintaining an ROE of 10 % or higher, strengthen/reassess each business portfolio in terms of investment effectiveness.
- Provide value to stakeholders and contribute to society in balance with investing for future growth, mainly in R&D and capital equipment.
- We will continue to maintain stable dividends based on a target 30 % total shareholder return.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>ROE</b>	<b>5.5%</b>	<b>9.4%</b>	<b>11.1%</b>	<b>11.5%</b>	<b>11.7%</b>	<b>10.8%</b>
<b>Total Shareholder Return</b>	<b>20.8%</b>	<b>22.2%</b>	<b>22.3%</b>	<b>23.7%</b>	<b>25.4%</b>	<b>27.8%</b>



### Shimadzu Integrated Report

<https://www.shimadzu.com/ir/library/annual.html>



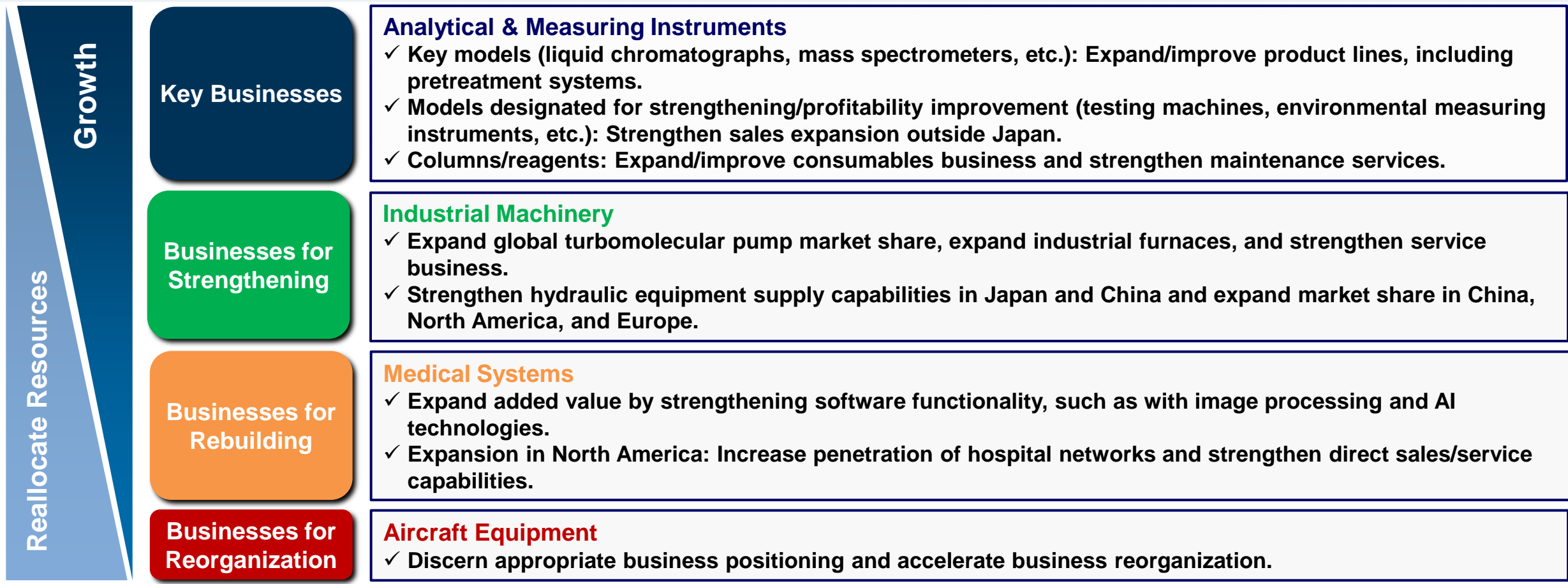
# III. Strategic Measures in the New Medium-Term Management Plan

## III. Strategic Measures in the New Medium-Term Management Plan . . . p. 18-p. 25

- **Strengthening the Foundation for Growth: Reforming Business Portfolios**
- **Sales Plan by Business Segment**
- **Strengthening Key Businesses for Analytical & Measuring Instruments Segment**
  - (1) **Liquid Chromatographs (LC)**
  - (2) **Mass Spectrometers (MS)**
- **Strengthening Businesses outside Japan**
- **Strengthening Businesses with Recurring Revenues**
- **Expanding Businesses in Growth Fields: Startup Incubation Center**

# —Strengthening the Foundation for Growth— Reforming Business Portfolios

- Improve the profitability of current businesses and reassess the future growth potential of each business and business category.
- Create new businesses based on synergies between different business segments.





## —Net Sales by Business Segment—

- **Analytical & Measuring Instruments:** Given investment activity in pharmaceuticals and life sciences, expand key models, such as liquid chromatographs and mass spectrometers, and businesses with recurring revenues.
- **Industrial Machinery:** Given investment in semiconductor field due to 5G, for example, expand TMP business, and expand market share especially at major semiconductor manufacturing equipment manufacturers.
- **Medical Systems:** Strengthen software and expand business in North America (where sales decreased due partly to changes in criteria for recognizing income).
- **Aircraft Equipment:** Reassess the overall business.

Units: Billions of yen	FY 2019 Results	FY 2022 Plan	Increase	Percent Increase
<b>Analytical &amp; Measuring Instruments</b>	236.2	254.0	17.8	7.5%
<b>Industrial Machinery</b>	43.0	50.0	7.0	16.2%
<b>Medical Systems</b>	70.2	66.0	-4.2	-6.0%
<b>Aircraft Equipment</b>	30.0	25.0	-5.0	-16.7%
<b>Other</b>	6.0	5.0	-1.0	-16.6%
<b>Total</b>	385.4	400.0	14.6	3.8%

III. Strategic Measures in the New Medium-Term Management Plan 3/7

—Strengthening Key Businesses for Analytical & Measuring Instruments Segment (1)—  
Liquid Chromatographs (LC)

**Policies:** Expand business by (1) expanding pretreatment, detector, and other product lines, (2) strengthening core products, and (3) expanding/improving specialized systems and consumables.

Units: Billions of yen	FY 2019 Results	FY 2022 Plan	Increase	Percent Increase
LC Net Sales	63.9	73.0	9.1	14.3%

**Points for Strengthening**

- Expand/Improve Product Lines**
  - Pretreatment
  - Detector
- Increase MS Efficiency**
- Compliance with Regulations**
- Utilize AI Technology**

**Expand New Pretreatment System Product Line**

- Improve line of specialized pretreatment units
- Strengthen multi-analyte pretreatment systems
- Develop robotic pretreatment systems

**Strengthen Core Products**

- High-end LC (UHPLC and new detectors)
- Standard and all-in-one LC models
- Supercritical SFC
- Preparative LC

**Expand/Improve Specialized Systems**

- Specialized analyzers
- Application systems
- Columns and consumable parts

**SHIMADZU LabTotal**

**Networking with IoT/AI Compatibility**

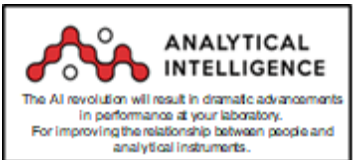
**ANALYTICAL INTELLIGENCE**  
The AI revolution will result in dramatic advancements in performance at your laboratory. For improving the relationship between people and analytical instruments.

**LabSolutions**  
Progress Configuration of LabSolutions System  
Analytical Network Data System Compliant with EU/ES Regulations

III. Strategic Measures in the New Medium-Term Management Plan 4/7

**—Strengthening Key Businesses for Analytical & Measuring Instruments Segment (2)—  
Mass Spectrometers (MS)**

**Policies: Expand business by (1) expanding product lines, (2) strengthening application systems, and (3) strengthening databases.**



Units: Billions of yen	FY 2019 Results	FY 2022 Plan	Increase	Percent Increase
<b>MS Net Sales</b>	<b>40.4</b>	<b>51.0</b>	<b>10.5</b>	<b>26%</b>

**Points for Strengthening MS**

**Improve Basic Performance**

**Utilize AI Technology**

**Smaller Size**

**Compliance with Regulations**

**Expand/Improve Product Lines**

**Increase Competitiveness and Expand Market Share**

**LCMS      GCMS**

**Expand Application Fields**

**MALDI MS      Direct MS**

**Develop New Fields**

**Imaging Mass Spectroscopy      Compact MS**

**Strengthen Application Systems**

**Toxicological drugs: GCMS/LCMS; Residual pesticides: GCMS/LCMS; Fully-automated clinical: LCMS; Dementia: Amyloid MS; Microorganism identification: MALDI**

**Strengthen Databases**

**Metabolites, lipids/disease markers, forensics, environmental pollutants, functionally-enhanced foods, residual pesticides, and infectious diseases**

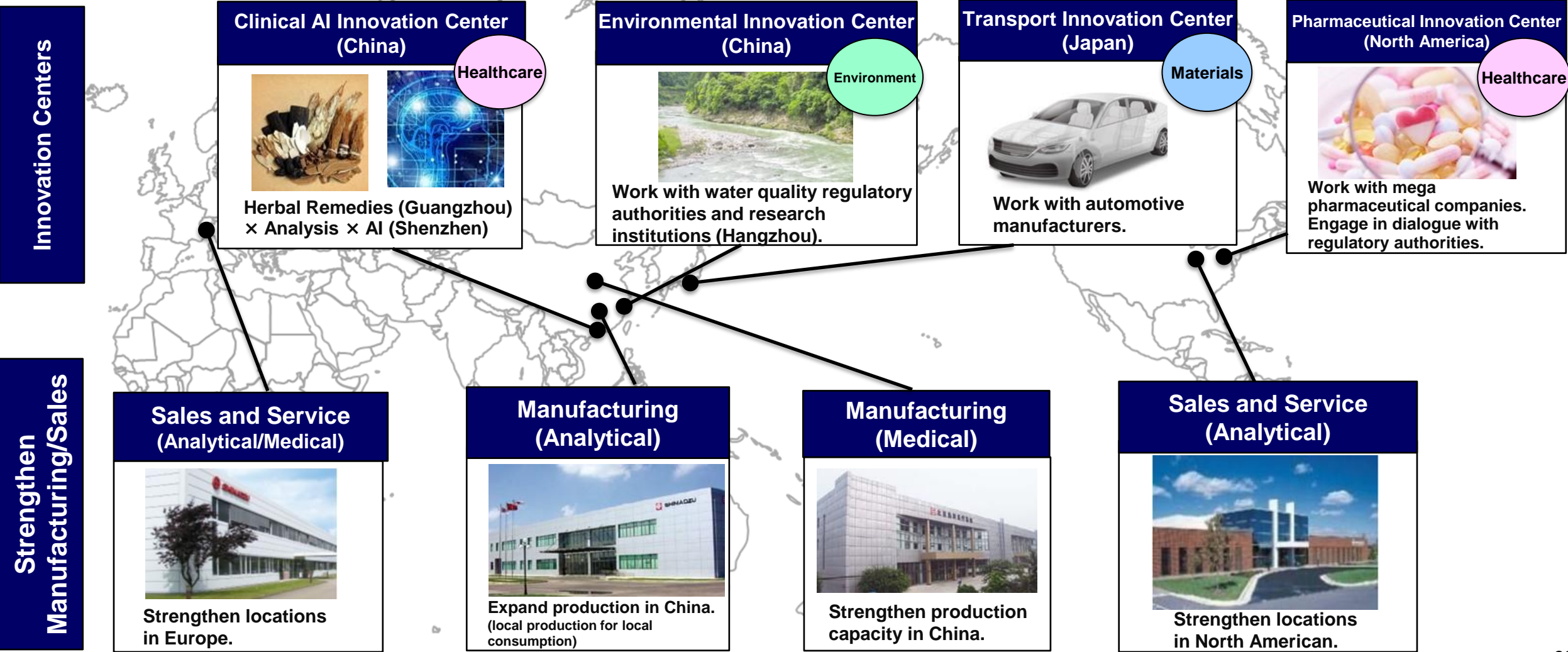


**III. Strategic Measures in the New Medium-Term Management Plan 5/7**

**—Strengthening Businesses outside Japan—**

**Strengthening Innovation Centers and Manufacturing/Sales Functions**

- **Innovation Centers:** Create new value that can be offered by working together with customers to help improve understanding and solve customer challenges.
- **Strengthen manufacturing and sales:** Build the foundation for additional business growth by strengthening production locations in China and sales bases in North America and Europe.





III. Strategic Measures in the New Medium-Term Management Plan 6/7

**—Strengthening Businesses with Recurring Revenues—  
Deploying New Businesses with Recurring Revenues Using AI/IoT Technologies**

- Use AI, IoT, or other technologies to launch new forms of business that generate subscription income or other recurring revenues.
- Also build and maintain a foundation of data platforms necessary for such businesses.

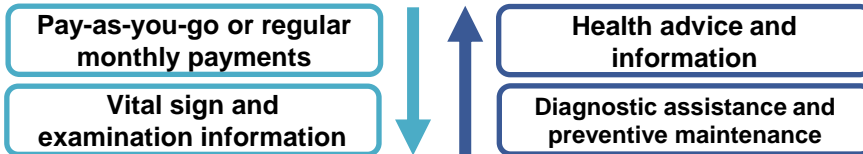
Improve quality of life using body data or other medical information

Reduce labor requirements and improve productivity of development, manufacturing, and inspection processes.



Individuals, healthcare institutions, etc.

Companies and research institutions  
(measurement technicians, operators, etc.)



**Start Businesses with Recurring Revenues**

**Data Platform**  
—Use IoT/AI to collect/analyze data, expand customer contacts, and establish closer relationships—

**Aim to offer consumables, software, and services optimized for the actual customer objectives and usage conditions.**

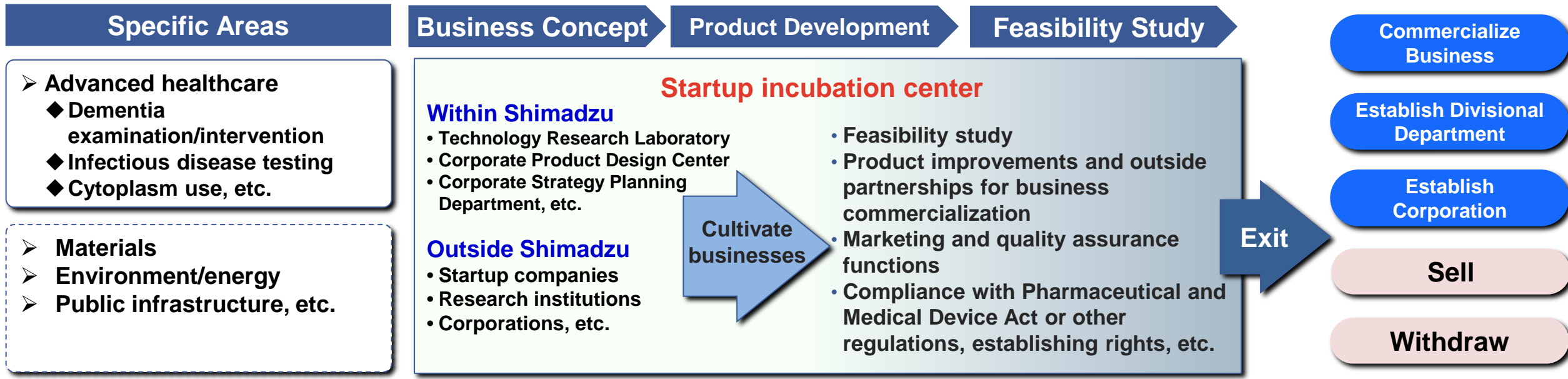
- Expand/improve consumables product lines and services.
- Build infrastructure, such as an **e-Shop**.

**Strengthen partnerships with strategic and business partners.**



**—Expanding Business in Growth Fields— Promoting Solutions in Society**

- Specify specific areas to target for creating new businesses, such as dementia examinations/interventions or infectious disease testing, develop products and perform feasibility studies involved in those target areas, and transfer the businesses to one of the business segments. Alternatively, also function as a gatekeeper that reviews exit strategies, such as selling or withdrawing from the business.
- Engage in open innovation intended to commercialize the business and create systems for actually solving challenges in society.



**Accelerate Open Innovation**  
 Work together with strategic partners, business partners, or startups to ensure the products/technologies that solve challenges in society are actually implemented in society.





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, disasters, economic conditions within and outside Japan, changes in technologies in markets, and fluctuations in exchange rates.