

Date: May 13, 2024

### **Full-year Forecast**

**Q1:** What will be a breakdown of YoY change in operating income in FY2024? Also, how much is the rise in raw materials expected?

**A1:** First, on the positive side, sales effort is expected to be more than 10 billion yen, which consists of gross profit increased by higher sales and greater value-added (price revision). Manufacturing effort such as improvement in plant balance, etc. is expected to double from FY2023. Second, on the negative side, soaring prices of parts/materials will remain at the similar level due to the rise in raw materials and outsourced processing costs.

**Q2:** In the Analytical & Measurement Instruments (AMI) segment, how did the order backlog progress?

**A2:** Order backlog for AMI decreased by about 10 billion yen at the end of March 2024 compared to the end of March 2023, as order backlog in China significantly decreased due to lower orders.

### **AMI Business / Business Environment and Outlook in China**

**Q3:** What is the full-year outlook for China?

**A3:** In AMI, China is expected to see a mid-single-digit decline YoY in net sales for FY2024. This outlook is based on conversation with customers, order trend, and the still-challenging Chinese market condition. However, there is also a positive news. Chinese government has announced several stimulus measures, and we expect demand to recover from the second half of FY2024, which is July 2024 to March 2025.

### **M&A**

**Q4:** There have been several M&A deals recently, but has there been a change in policy?

**A4:** We have been conducting strategic investment for future growth including M&A, and we continue to do so. In FY2022, we have acquired former Nissui Pharmaceutical Co., Ltd. (currently Shimadzu Diagnostics Corporation).

### **Shareholder Return**

**Q5:** You have announced the first share buyback. Is there any change in shareholder return policy?

**A5:** There is no change in the policy at this time. The shareholder return policy during the FY2023-2025 three-year medium-term management plan is to maintain a dividend payout ratio of at least 30% and to continue the dividend to increase. As indicated in that policy, we intend to use the profits from our business to invest in future growth, and by doing so, we would like to further grow our business and return to shareholders simultaneously.

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