

May 12, 2015

## **Operating Results and Financial Position**

### **《For fiscal year ended March 31, 2015》**

#### **1. Operating Results**

##### **(1) Consolidated Overview**

In the fiscal year, the Japanese economy continued to demonstrate a moderate recovery, as corporate earnings and employment improved with the support of government economic and financial policies. Overseas, while the U.S. economy maintained stable growth, the European economy stagnated and the pace of growth in China continued to slow.

In this economic environment, the Shimadzu Group launched a new three-year medium-term management plan in April 2014. Under this plan, we are actively promoting a number of measures targeting further corporate growth, including introducing global strategic products, strengthening application development and customer support functions, expanding our business base in emerging markets, and bolstering the aftermarket business.

As a result, in the fiscal year, the Shimadzu Group posted consolidated net sales of 314,702 million yen (a year-on-year increase of 2.3%), operating income of 27,189 million yen (a year-on-year increase of 13.2%), ordinary income of 28,377 million yen (a year-on-year increase of 14.4%), and net income of 18,445 million yen (a year-on-year increase of 89.7%).

**The results for reportable business segments were as follows .**

##### **I. Analytical & Measuring Instruments**

In Japan, overall sales decreased slightly due to lower demand from universities and other institutions dependent on subsidies from government supplementary budget. Amid the decline, sales of mass spectrometers rose on steady demand from government agencies and pharmaceutical companies. Demand for non-destructive inspection machines from customers in the transportation equipment, electronics, and other industries also increased.

Overseas, overall sales grew. Sales of mass spectrometers, liquid chromatographs and other new products increased, while the yen depreciation also boosted sales. In North America, demand for mass spectrometers was robust among food safety and clinical trial agencies, while demand for liquid chromatographs was strong among healthcare companies. In Europe, demand for mass spectrometers increased across a wide range of industries, including environmental and food safety. In China, although business was impacted by the prolongation of the bidding process for government projects, sales of liquid and gas chromatographs to the pharmaceutical and other industries were strong. In the recovering Indian market, demand for fully integrated liquid chromatographs from pharmaceutical manufacturers rebounded strongly.

As a result, the Analytical & Measuring Instruments segment posted sales of 192,607 million yen (a year-on-year increase of 5.7%) for the fiscal year.

## **II. Medical Systems**

In Japan, we continued to see strong demand for our angiography systems featuring a newly developed image processing engine. Overall sales declined, however, amid a reactionary decline in demand following a spending surge prior to the consumption tax hike.

Overseas, in North America, sales of such new products as digital mobile X-ray systems and X-ray fluoroscopy systems were strong. In Latin America, sales of general radiography systems increased, while in Southeast Asia, sales of angiography systems grew. Despite the increases, overseas sales declined slightly overall due to the prolongation of the bidding process in China and other factors.

As a result, the Medical Systems segment posted sales of 59,411 million yen (a year-on-year decrease of 5.3%) for the fiscal year.

## **III. Aircraft Equipment**

In Japan, sales to Japan's Ministry of Defense declined in the period due to large projects booked in the same period of the previous year. Sales in North America expanded with an increase in sales of passenger aircraft components to the Boeing Company.

Overall, the Aircraft Equipment segment posted sales of 24,848 million yen (a year-on-year decrease of 6.5%) for the fiscal year.

## **IV. Industrial Machinery**

Sales of turbo-molecular pumps grew overall, as weak demand from glass coating equipment manufacturers in China was outweighed by strong demand from semiconductor manufacturing equipment companies in Japan, North America and Korea amid the industry's recovery. Sales of hydraulic equipment increased on brisk sales for industrial vehicles (forklifts), specially equipped vehicles, and other applications.

Overall, the Industrial Machinery segment posted sales of 30,966 million yen (a year-on-year increase of 5.0%) for the fiscal year.

## **V. Other**

Sales in the Other businesses segment amounted to 6,868 million yen (a year-on-year increase of 6.3%) for the fiscal year.

## < Consolidated Outlook >

Regarding the outlook for the fiscal year ending March 31, 2016, Japan's moderate economic recovery is expected to continue owing to an improving employment and income environment and higher corporate earnings. Overseas, although there are uncertainties surrounding the economic outlook for Europe and some other regions, in general markets are expected to continuing posting moderate growth, driven by the U.S. and other economies.

	(In million yen)	
	Outlook	
	Year ended March 31, 2016	Year on Year increase or decrease, %
Net sales		
1 <sup>st</sup> . half	¥152,000	7.3%
Year	¥330,000	4.9%
Operating income		
1 <sup>st</sup> . half	¥12,000	19.4%
Year	¥32,000	17.7%
Ordinary income		
1 <sup>st</sup> . half	¥11,500	13.2%
Year	¥31,000	9.2%
Net income		
1 <sup>st</sup> . half	¥7,500	16.5%
Year	¥20,000	8.4%

### I .Analytical & Measuring Instruments

In the Analytical & Measuring Instruments segment, we will aim to expand our share of global markets by enhancing the Shimadzu Group brand and overcoming global competition. To achieve this, we will combine our technologies with external technologies to develop new “Number One/Only One” products and systems. Additionally, we plan to open innovation centers in North America, China, Europe, and Singapore to pursue collaborative R&D with leading-edge customers. These centers will develop unique application systems to strengthen our responsiveness to local customer needs. These measures will enable the Group to further raise its ability to make new proposals to customers as well as its brand strength. In terms of new business areas, we will pursue initiatives for commercialization of products in molecular diagnosis, cellular analysis and other fields. In the aftermarket business, in order to raise customer satisfaction, we will offer such new services as cloud networks enabling customers to monitor the operational condition of equipment at sites around the world as well as remote services.

### II .Medical Systems

In the Medical Systems segment, we aim to continually launch new products which incorporate customer needs and offer unique value, while expanding our business sphere. We are responding to the growing digitalization of X-ray system in both developed and newly emerging countries by launching new products with enhanced added value and improving our offerings of new clinical applications. For radiation treatment support systems, dedicated PET mammography systems, near-infrared imaging systems, we will actively develop business in the new “diagnosis-to-treatment” field.

### **III. Aircraft Equipment**

In the Aircraft Equipment segment, we will continue to promote appropriate and sound business operations in the defense business. In the commercial aircraft equipment business, we will aim to improve earnings and expand business rapidly. Specific measures include ramping up operations at the new U.S. plant and raising its production capacity, while practicing thorough cost-reduction measures at plants both in the U.S. and Japan. We will also strive to win new orders from Boeing and other aircraft manufacturers while expanding our aftermarket business.

### **IV. Industrial Machinery**

In the Industrial Machinery segment, we will develop new markets for turbo-molecular pumps and improve the business's profitability. To achieve this, we will expand sales of newly developed small turbo-molecular pumps and other new products to open new markets for general industrial equipment and other fields. In the aftermarket business, we will establish service sites in China and Europe to expand globally and stabilize our business performance.

In the hydraulic equipment business, we will expand business outside Japan. In Europe and the U.S., for example, we will actively promote marketing strategies to expand our customer base, while seeking to expand in China and other new geographic regions.

## **(2) Financial Conditions**

### **<Assets at March 31, 2015>**

Over the course of the fiscal year ended March 31, 2015, total assets decreased by 883 million yen to 339,832 million yen, reflecting decreases of 8,988 million yen in trade notes and accounts receivable and 4,668 million yen in cash and time deposits, and increases of 6,615 million yen in buildings and structures, net, and 5,262 million yen in merchandise and products.

Net assets increased by 28,022 million yen to 210,017 million yen due to increases of 15,504 million yen in retained earnings, 6,731 million yen in foreign currency translation adjustments, 3,553 million yen in cumulative adjustments to retirement benefits, and 2,205 million yen in unrealized gain on available-for-sale securities.

### **<Cash Flows>**

Cash and cash equivalents decreased 5,506 million yen, versus March 31, 2014, to 38,422 million yen.

The cash flow status for FY 2014 is described below.

#### **I. Cash Flow from Operating Activities**

Cash flow from operating activities resulted in an inflow of 40,245 million yen, which is a 46,116 million yen increase from the previous year. The primary cash flows from operating activities include a 34,563 million yen inflow due to trade receivable increases/decreases and a 13,118 million yen inflow due to income before income taxes and minority interests.

#### **II. Cash Flow from Investing Activities**

Cash flow from investing activities resulted in an outflow of 15,678 million yen, which is a 16,069 million yen decrease from the previous year. The primary cash flows from investing activities include a 14,489 million yen outflow from capital investment, and a 1,223 million yen outflow from acquisition of investment securities.

#### **III. Cash Flow from Financing Activities**

Cash flow from financing activities resulted in an outflow of 33,197 million yen, which is a 48,561 million yen decrease from the previous year. The primary cash flows from financing activities include a 28,275 million yen outflow (net) from repayment of short-term loans, a 16,000 million yen outflow (net) from repayment of commercial paper, a 2,802 million yen outflow from cash dividends paid, and a 14,920 million yen inflow from issuance of unsecured bonds.

### < Trend in Cash Flow Indices >

(In million yen)

	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2015
Equity Ratio (%)	54.9	55.5	57.7	53.4	61.7
Equity Ratio on a Market Value Basis (%)	76.5	75.8	65.9	79.4	116.4
Years of Debt Redemption	1.2	3.3	2.5	—	0.6
Interest Coverage Ratio	67.5	17.1	33.3	—	142.9

Note: Equity Ratio = (net assets - shares held by minority shareholders) / total assets

Equity Ratio on a Market Value Basis (%) = Total market value of shares / total assets

Years of Debt Redemption = Interest bearing debt / cash flow from operating activities

Interest Coverage Ratio = Cash flow from operating activities / interest payments

1. All indices were calculated on a consolidated basis.
2. The total market value of shares was calculated as the product of year-end share price and the number of year-end outstanding shares (after deduction of treasury stock).
3. The cash flow from operating activities indicated on the consolidated statements of cash flows was used as the cash flow from operating activities. Interest bearing debt includes short-term loans, long-term debt, and unsecured bonds, from liabilities indicated in the consolidated balance sheet. Interest payments indicates the interest paid, as reported in consolidated statements of cash flows.

### (3) Dividend Policy and Dividends for the Fiscal Years Ended March 31, 2015 and 2016

Shimadzu views the return of profits to shareholders as a key management objective.

We aim to maintain a stable dividend while taking ongoing earnings performance into account. We will diligently continue making every effort to improve earnings, strengthen profitability and financial health, and improve return on equity.

We will also maintain sufficient internal reserves to fund capital expenditures and R&D to provide a platform for future growth.

We paid a year-end dividend of 4.50 yen per share for the fiscal year ended March 31, 2014. For the fiscal year ended March 31, 2015, we plan to pay common dividend of 5 yen per share and an additional commemorative dividend of 3 yen per share to mark our 140th anniversary, for a total year-end dividend of 8 yen per share, an increase of 3.50 yen per share. Combined with the interim dividend of 5 yen per share, the total annual dividend will be 13 yen per share, an increase of 4 yen from the previous fiscal year.

For the fiscal year ending March 31, 2016, we currently plan to pay an interim dividend of 7 yen and a year-end dividend of 7 yen per share, for a total annual dividend of 14 yen per share, which is an increase of 1 yen a share compared to the previous year.

## **2. Management Policies**

### **(1) Fundamental Policy for Corporate Management**

Shimadzu has maintained "Contributing to Society through Science and Technology" as its corporate philosophy ever since its foundation. In 1992, "Realizing Our Wishes for the Well-being of both Mankind and the Earth," was established as Shimadzu's management principle. Since then, this management principle has represented Shimadzu's fundamental policy for corporate management.

Then, in April 2012, Shimadzu established a brand statement for the entire Shimadzu Group—"Excellence in Science." This brand statement expresses our core attitude and strong dedication to continuously embrace new challenges in our pursuit of achieving excellence in science.

The Shimadzu Group is committed to achieving our social mission by relentlessly striving to use our various core technologies, such as chromatography, mass spectrometry, spectrophotometry, X-ray imaging, image processing, high speed rotation, hydraulics, precision machining and fabrication, and nanotechnology, to supply products and services that satisfy the needs of customers in a wide range of fields, such as advanced devices for supporting R&D, inspection devices for ensuring safety and peace of mind, diagnostic imaging devices for supporting clinical diagnostics, quality control devices vital for a wide range of industrial applications, and other fields involving parts or systems with high functionality, such as precision machinery parts and high-functionality devices.

### **(2) Medium-Term Corporate Management Strategy and Issues to be Resolved**

Based on our long-term vision "Toward Becoming a True Global Business," the Shimadzu Group launched a three-year medium-term management plan in April 2014. The basic policy behind the plan is to "Become an Innovative Company Contributing to Growth of Global Customers," and our key objectives are to increase Shimadzu's corporate value by implementing growth strategies and reforming the profit structure, while strengthening our global organization and capabilities necessary to achieve these goals.

In fiscal 2014, the first year of the medium-term management plan, we achieved our targeted increases in consolidated net sales, operating income, and overseas sales, due to the launch of new products, the benefit of exchange rates, and other factors.

We view fiscal 2015, the second year of the plan, as a key period for achieving the final targets in the third year, and we are actively tackling various issues facing the Group.

In terms of our growth strategy, we are promoting the following measures to provide innovative solutions which can expand and revitalize customers' markets and create entirely new markets. This strategy will lead to a major leap ahead for the Group.

Specifically, we are improving our ability to grasp our customers' latent needs and raise our technologies to an even higher level. The achievement of these initiatives will enable us to timely develop "Number One/Only One" products which can expand and energize our customers' markets globally, while strengthening our initiatives to become a leading global company.

Additionally, we are accelerating collaborative R&D with advanced research institutions and universities to develop excellent new technologies, products, applications, and systems which can generate new business and business models.

In the growing ASEAN region, we are ramping up activities at the newly established sales site in Malaysia and improving our sales structure through strengthening sales support and planning. At the new Malaysian

production site, we are taking measures to reduce costs and lead times while ensuring stable product quality. Additionally, we are making gradual progress on optimizing our global logistics network and building a business foundation which can support growth in ASEAN.

In China, where the market environment is changing significantly, we are introducing locally developed products to respond to changes in the demand structure, thereby meeting major volume zone demand.

In the aftermarket business, we are leveraging our accumulated customer data and enhancing our data analysis to propose new service plans meeting our customers' needs. In this way, we are generating new demand for maintenance contracts and parts and services.

Our efforts to improve the profit structure are focused on reducing costs by expanding overseas production, raising the ratio of local production, and standardizing and unifying specifications for parts. We are also lowering inventory assets.

Furthermore, we are thoroughly implementing global compliance programs, while actively strengthening our organizations and structures through such measures as nurturing personnel and Group management candidates with the ability to thrive in global business and making optimal personnel assignments.

By steadily implementing the above measures, the Shimadzu Group will aim to achieve further expansion as a global enterprise and accelerate its growth.

### **(3) Targets and Management Indices**

Under the current three-year medium-term management plan, the Shimadzu Group aims to achieve consolidated net sales of 350.0 billion yen, operating income of 35.0 billion yen and an overseas sales ratio of 50% or more.

### **3. Policy on Adoption of Accounting Standards**

The Shimadzu Group currently creates its financial documents in accordance with Japanese accounting standards in view of the ease of comparability of fiscal year results and comparability with other companies. Regarding the adoption of IFRS, the Group will appropriately consider the standard by taking into account various business conditions in and outside of Japan.



## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(In million yen)

	As of March 31, 2015	As of March 31, 2014
<b>Assets</b>		
Current assets:		
Cash and time deposits	¥ 41,360	¥ 46,028
Trade notes and accounts receivable	103,205	112,193
Marketable securities	0	20
Merchandise and products	41,535	36,273
Work in process	16,193	16,934
Raw materials and supplies	17,137	17,509
Deferred tax assets	9,492	7,973
Other	6,998	5,624
Allowance for doubtful receivables	(1,106)	(1,218)
Total current assets	¥ 234,817	¥ 241,338
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	¥ 38,749	¥ 32,133
Machinery, equipment and vehicles	5,344	4,470
Land	18,243	18,195
Leased assets	2,399	2,365
Construction in progress	1,558	4,817
Other	9,134	7,423
Net property, plant and equipment	¥ 75,430	¥ 69,405
Intangible fixed assets	¥ 7,298	¥ 6,958
Investments and other assets:		
Investment securities	13,761	10,345
Long-term receivables	177	171
Deferred tax assets	5,195	9,462
Other	3,606	3,482
Allowance for doubtful receivables	(454)	(449)
Total investments and other assets	¥ 22,286	¥ 23,012
Total noncurrent assets	¥ 105,015	¥ 99,376
Total assets	¥ 339,832	¥ 340,715

(In million yen)

	As of March 31, 2015	As of March 31, 2014
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	¥51,596	¥51,662
Short-term loans	8,738	37,055
Commercial papers	0	16,000
Lease obligations	897	842
Accounts payable	12,034	12,074
Income taxes payable	5,056	1,715
Allowance for employees' bonuses	7,268	6,770
Allowance for director's bonuses	306	265
Other	14,737	12,272
Total current liabilities	¥100,635	¥138,659
Long-term liabilities		
Unsecured bonds	¥15,000	¥0
Long-term debt	930	805
Lease obligations	1,698	1,688
Liability for directors' retirement benefits	187	174
Liability for retirement benefits	10,563	16,699
Other	800	693
Total long-term liabilities	¥29,179	¥20,061
Total liabilities	¥129,815	¥158,720
<b>Net assets</b>		
Shareholders' capital		
Common stock	26,648	¥26,648
Additional paid-in capital	35,188	35,188
Retained earnings	134,871	119,367
Treasury stock	(796)	(755)
Total shareholders' capital	¥195,912	¥180,449
Valuation and translation adjustments		
Net unrealized gain on available-for-sale securities	5,200	2,994
Foreign currency translation adjustments	6,816	85
Cumulative adjustments to retirement benefits	1,839	(1,714)
Total valuation and translation adjustments	¥13,856	¥1,365
Minority interests	¥248	¥180
Total net assets	¥210,017	¥181,994
Total liabilities and net assets	¥339,832	¥340,715

## (2) Consolidated Statements of Operations & of Comprehensive Income

### Consolidated Statements of Operations

	(In million yen)	
	Year ended March 31, 2015	Year ended March 31, 2014
Net sales	¥ 314,702	¥ 307,532
Cost of sales	187,674	189,572
Gross profit	¥ 127,028	¥ 117,959
Selling, general and administrative expenses	99,838	93,940
Operating income	¥ 27,189	¥ 24,018
Other income:		
Interest income	198	194
Dividend income	188	175
Insurance payments received	304	239
Foreign exchange profit	673	552
Subsidy received	423	410
Other	904	1,019
Total other income	¥ 2,692	¥ 2,592
Other expenses:		
Interest expense	¥ 224	¥ 389
Other	1,279	1,416
Total other expenses	¥ 1,504	¥ 1,806
Ordinary income	¥ 28,377	¥ 24,804
Extraordinary income:		
Gain on sale of property, plant and equipment	¥ 34	¥ 8,735
Gain on sales of investment securities	9	115
Gain on contribution of securities to retirement benefit trust	0	3,012
Total extraordinary income	¥ 44	¥ 11,862
Extraordinary losses:		
Settlement of contract amendment	¥ 1,444	¥ 0
Loss on disposal of property, plant and equipment	171	172
Loss on sales of investment securities	1	118
Loss on defense equipment	0	21,644
Retirement benefit cost	0	343
Impairment loss	0	263
Other	0	439
Total extraordinary losses	¥ 1,617	¥ 22,981
Income before income taxes and minority interests	¥ 26,803	¥ 13,685
Income taxes	8,076	5,026
Refund of income taxes for past fiscal years	0	(1,317)
Income taxes adjustments	209	209
Total income taxes and income taxes adjustments	¥ 8,286	¥ 3,917
Net income before minority interests	¥ 18,517	¥ 9,767
Minority interests in net income	72	43
Net income	¥ 18,445	¥ 9,724

### Consolidated Statements of Comprehensive Income

	(In million yen)	
	Year ended March 31, 2015	Year ended March 31, 2014
Net income before minority interests	¥ 18,517	¥ 9,767
Other Comprehensive income		
Unrealized gain/loss on available-for-sale securities	¥ 2,205	¥ (549)
Foreign currency translation adjustments	6,700	5,424
Retirement benefit adjustments	3,553	1,598
Total other comprehensive income	¥ 12,460	¥ 6,472
Comprehensive income	¥ 30,977	¥ 16,240
Total comprehensive income attribute to		
Owners of the parent	¥ 30,897	¥ 16,190
Minority interests	¥ 79	¥ 50

### (3) Consolidated Statements of Cash Flows

	(In million yen)	
	Year ended March 31, 2015	Year ended March 31, 2014
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	¥26,803	¥13,685
Depreciation and amortization	7,951	8,050
Impairment loss	0	263
Increase (decrease) in allowance for doubtful receivables	(217)	308
Increase (decrease) in allowance for employees' bonuses	467	1,145
Increase (decrease) in allowance for director's bonuses	44	74
Increase (decrease) in liability for retirement benefits	(799)	(256)
Loss (gain) on contribution of securities to retirement benefit trust	0	(3,012)
Interest and dividends income	(386)	(370)
Interest expense	224	389
Bonds issue expenses	79	0
Foreign exchange (gain) loss, net	(134)	(39)
Net (gain) loss on sale and valuation of investment securities	(8)	3
Net (gain) loss on sale and disposal of property, plant and equipment	137	(8,562)
(Increase) decrease in trade receivables	12,130	(22,433)
(Increase) decrease in inventories	(1,039)	5,040
Increase (decrease) in trade payables	(2,843)	1,085
Other, net	2,295	2,502
Subtotal	¥44,705	¥(2,124)
Interest and dividends received	387	¥363
Interest paid	(281)	(384)
Income taxes paid	(4,566)	(3,726)
Net cash provided by (used in) operating activities	¥40,245	¥(5,870)
<b>Cash flows from investing activities</b>		
Withdrawal of cash for redemption of securities	¥20	¥0
Purchase of property, plant and equipment	(14,489)	(12,465)
Proceeds from sale of property, plant and equipment	400	13,693
Purchase of investment securities	(1,223)	(793)
Proceeds from sales of investment securities	13	122
Increase in long term receivables	(32)	(23)
Decrease in long term receivables	185	243
Other, net	(552)	(387)
Net cash provided by (used in) investing activities	¥(15,678)	¥390
<b>Cash flows from financing activities</b>		
Borrowing of short-term loans	¥993	¥8,410
Repayment of short-term loans	(18,595)	(535)
Borrowing of long-term debt	650	474
Repayment of long-term debt	(11,323)	(887)
Issuance of commercial paper	11,000	24,000
Repayment of commercial paper	(27,000)	(8,000)
Issuance of unsecured bonds	14,920	0
Cash dividends paid	(2,802)	(2,654)
Dividends payments to minority shareholders	(13)	(5)
Repayment of financial lease	(21)	(4,560)
Payment of finance lease obligations	(964)	(836)
Other, net	(41)	(39)
Net cash provided by (used in) financing activities	¥(33,197)	¥15,363
Foreign currency translation adjustments on cash and cash equivalents	¥2,431	¥1,504
Net increase (decrease) in cash and cash equivalents	¥(6,199)	¥11,387
Cash and cash equivalents, beginning of period	¥43,929	¥33,842
Increase in cash and cash equivalents due to inclusion of subsidiaries in consolidation	692	0
Net increase/ (decrease) in cash and cash equivalents due to unify subsidiaries' fiscal term with parent company	0	(1,300)
Cash and cash equivalents, end of period	¥38,422	¥43,929

#### (4) Note on the going-concern assumption

Not applicable.

#### (5) Changes in accounting policy, changes in accounting estimates, and retrospective restatement

(Changes in accounting policy not easily distinguished from changes in accounting estimates)

Effective the fiscal year ended March 31, 2015, the depreciation method for property, plant and equipment (excluding leased assets) of Shimadzu Corporation and its consolidated subsidiaries in Japan was changed to the straight-line method from the declining-balance method except for buildings, which were depreciated by the straight line method.

This change was decided as a result of reviewing the depreciation methods when we were rebuilding the head office building and manufacturing plants and acquiring associated production equipment as part of production reforms entitled the Sanjo Works in Kyoto city rearrangement plan, which were primarily aimed at promoting in-house manufacturing within the Group. The new depreciation method is more consistent with how noncurrent assets are used in the future.

Consequently, compared to the previous accounting method, the operating income, ordinary income and income before income taxes and minority interests for the fiscal year ended March 31, 2015 increased by 1,052 million yen respectively.

#### (6) Segment Information

##### 1) Income by Business Segment

From April 1st to March 31st of Fiscal year ended March 31, 2015

(In million yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the quarterly statements of income
	Analytical & Measuring Instruments	Medical Systems	Aircraft Equipment	Industrial Machinery	Total				
Net Sales									
(1) Sales to customers	¥192,607	¥59,411	¥24,848	¥30,966	¥307,833	¥6,868	¥314,702	¥0	¥314,702
(2) Inter-segment sales	42	29	64	92	228	1,346	1,575	(1,575)	0
Total Sales	¥192,650	¥59,441	¥24,913	¥31,058	¥308,062	¥8,215	¥316,278	¥(1,575)	¥314,702
Operating income (loss)	¥26,795	¥1,438	(2,289)	¥1,966	¥27,911	¥1,316	¥29,227	¥(2,037)	¥27,189

From April 1st to March 31st of Fiscal year ended March 31, 2014

(In million yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the quarterly statements of income
	Analytical & Measuring Instruments	Medical Systems	Aircraft Equipment	Industrial Machinery	Total				
Net Sales									
(1) Sales to customers	¥182,222	¥62,760	¥26,580	¥29,504	¥301,068	¥6,463	¥307,532	¥0	¥307,532
(2) Inter-segment sales	51	8	69	72	202	1,247	1,499	(1,499)	0
Total Sales	¥182,274	¥62,769	¥26,650	¥29,577	¥301,270	¥7,710	¥308,981	¥(1,449)	¥307,532
Operating income (loss)	¥23,246	¥2,500	¥(2,388)	¥2,036	¥25,395	¥1,805	¥27,200	¥(3,181)	¥24,018

2) Income by Geographic Segment

From April 1st to March 31th of Fiscal year ended March 31, 2015

(In million yen)

Japan	The Americas	Europe	China	Other Asian countries	Other	Total
¥157,860	42,752	26,215	50,915	25,497	11,640	¥314,702

From April 1st to March 31th of Fiscal year ended March 31, 2014

(In million yen)

Japan	The Americas	Europe	China	Other Asian countries	Other	Total
¥164,417	37,120	23,822	48,880	22,136	11,154	¥307,532