



Tokyo Stock Exchange
Company Code: 7701



Operating Results and Financial Position FY2006 Results & FY2007 Outlook

This document contains forward-looking statements. Forecasts of future business performance that appear in this document are predictions made by our management team and are based on information available when this material was prepared. They incorporate risks and uncertainties. For this reason, please recognize the possibility that actual results may differ significantly from the forecasts made here. Factors that may influence actual business performance include, but are not limited to, economic conditions in Japan and abroad, changes in technology markets, and fluctuations in exchange rates. We do not undertake to update our forward looking statements.

2007.5.21
Shigehiko Hattori
President & CEO
Shimadzu Corporation



Financial Highlights

Access to **your** success

Billion yen

	2006.3	2007.3	Change	% Change
Net sales	242.6	262.4	+19.8	+8.2%
Operating income	21.1	25.3	+4.2	+20.0%
Ordinary income	18.3	23.2	+4.9	+26.7%
Net income	11.3	13.4	+2.1	+18.2%

EPS: ¥45.30

Major Factors Behind Profit Changes

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Billion yen

Item	Changes
Gross profit: Up	+11.7
Impact of sales increase	+7.5
Impact of improved profitability	+4.3
SG&A: Up	-7.5
Operating income: Up	+4.2
Non-operating balance: Down	+0.7
Ordinary income: Up	+4.9

Sales by Industry Segment

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Billion yen

	2006.3	2007.3	Change	% Change
Analytical and Measuring Instruments	138.5	149.4	+10.9	+7.9%
Medical Systems	46.3	50.1	+3.8	+8.3%
Aircraft Equipment & Industrial Machinery	52.5	57.0	+4.6	+8.7%
Other	5.4	5.9	+0.4	+7.9%
Total	242.6	262.4	+19.8	+8.2%

Operating Income by Industry Segment

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Billion yen

	2006.3	2007.3	Change	% Change
Analytical and Measuring Instruments	21.9	26.1	+4.2	+19.3%
Medical Systems	2.1	2.1	-0	-0.1%
Aircraft Equipment & Industrial Machinery	3.9	4.2	+0.3	+7.7%
Other	1.5	1.8	+0.3	+22.4%
Eliminations/Corporate	-8.4	-9.0	-0.7	— — —
Total	21.1	25.3	+4.2	+20.0%

Sales Breakdown by Industry Segment <1>

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•Analytical and Measuring Instruments

Billion yen

	2006.3	2007.3	Change	% Change
Analytical Instruments ⇒ <i>pharmacy, food, (petro)chemical, paper/pulp, etc.</i> Products: Chromatographs, Spectrometers, Time-of-Flight Mass Spectrometers, Life Science-Related Equipment, etc.	80.4	85.4	+5.0	+6.3%
X-Ray/Surface Analyzers ⇒ <i>Semiconductor, electronics, etc.</i> Products: X-Ray Fluorescence Analyzers, etc.	11.1	15.1	+4.0	+36.0%
Testing and Non-Destructive Inspection Machines ⇒ <i>Steel/nonferrous, machinery, automobile, etc.</i> Products: Materials Testing Machines, Non-Destructive X-Ray Inspection Machines, etc.	14.6	17.0	+2.4	+16.4%
Environmental Analyzers ⇒ <i>Municipal governments (waterworks dept.)</i> Products: Total Organic Carbon Analyzers, etc.	7.3	8.1	+0.8	+12.2%
Other Products: Contractual Analytical Services and Other Businesses at Subsidiaries	25.1	23.7	-1.4	-5.4%
Total	138.5	149.4	+10.9	+7.9%

Sales Breakdown by Industry Segment <2>

Access to **your** success

• Medical Systems

Billion yen

	2006.3	2007.3	Change	% Change
X-Ray Systems Products: Angiography Systems, X-Ray TV Systems, General Radiographic Systems, Medical Information Systems	34.2	38.2	+3.9	+11.5%
Other Products: PET-CT scan, CT scan, Ultrasound Diagnostic Systems	12.0	11.9	-0.1	-0.9%
Total	46.3	50.1	+3.8	+8.3%

Sales Breakdown by Industry Segment <3>

Access to **your** success

• Aircraft Equipment & Industrial Machinery

Billion yen

	2006.3	2007.3	Change	% Change
Aircraft Equipment	25.8	28.2	+2.4	+9.4%
Industrial Machinery	26.7	28.8	+2.1	+8.1%
>Semiconductor and LCD Equipment, etc.	18.4	19.9	+1.5	+8.3%
>Hydraulic Equipment	8.3	8.9	+0.6	+7.4%
Total	52.5	57.0	+4.6	+8.7%

Sales by Region

Access to **your** success

Billion yen

	2006.3	2007.3	Change	% Change
Japan	163.5	168.0	+4.5	+2.7%
Overseas	79.1	94.4	+15.3	+19.4%
North and South America	20.2	25.7	+5.6	+27.6%
Europe	15.3	17.9	+2.6	+16.9%
Asia-Oceania	43.6	50.8	+7.2	+16.4%
Total	242.6	262.4	+19.8	+8.2%

Overseas Sales Breakdown <1>

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•North and South America

Billion yen

	2006.3	2007.3	Change	% Change
Analytical and Measuring Instruments	11.4(9.5)	13.2(10.2)	+1.8(+0.8)	+15.7%(+8.2%)
Medical Systems	4.8(3.2)	7.2(4.2)	+2.4(+1.0)	+50.0%(+30.3%)
Aircraft Equipment & Industrial Machinery	3.9(3.9)	5.3(5.3)	+1.4(+1.4)	+34.5%(+35.9%)
Total	20.2(16.5)	25.7(19.7)	+5.6(+3.1)	+27.6%(+19.0%)

** Figures in () are sales in North America*

Overseas Sales Breakdown <2>

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•Europe

Billion yen

	2006.3	2007.3	Change	% Change
Analytical and Measuring Instruments	11.7	15.0	+3.3	+28.1%
Medical Systems	3.2	2.5	-0.7	-21.5%
Aircraft Equipment & Industrial Machinery	0.5	0.4	+0	-1.7%
Total	15.3	17.9	+2.6	+16.9%

Overseas Sales Breakdown <3>

Access to **your** success

•Asia-Oceania

Billion yen

	2006.3	2007.3	Change	% Change
Analytical and Measuring Instruments	28.4(13.4)	34.0(17.0)	+5.6(+3.7)	+19.7%(+27.4%)
Medical Systems	10.1(3.0)	11.0(3.2)	+1.0(+0.2)	+9.6%(+8.1%)
Aircraft Equipment & Industrial Machinery	5.2(2.7)	5.8(2.9)	+0.6(+0.2)	+11.7%(+7.3%)
Total	43.6(19.1)	50.8(23.2)	+7.2(+4.1)	+16.4%(+21.5%)

**Figures in () are sales in China*

Balance Sheets – Current assets

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Billion yen

	2006.3	2007.3	Change	% Change
Trade notes and accounts receivable	79.4 (3.9 months)	89.2 (4.1 months)	+9.7	+12.3%
Inventories	60.1 (3.0 months)	64.0 (2.9 months)	+3.9	+6.6%

**Figures in () are turnover period*

Balance Sheet – Liabilities and Net Assets

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Billion yen

	2006.3	2007.3	Change	% Change
Short-term loans	15.6	7.5	-8.1	-52.2%
Long-term debt	2.0	3.1	+1.1	+51.6%
Bonds	25.0	25.0	0	0%
Total debt	42.6	35.6	-7.1	-16.6%
	2006.3	2007.3	Change	% Change
Net assets	129.7	142.2	+12.5	+9.7%
Total	277.1	295.1	+18.0	+6.5%
Equity ratio	46.8%	48.0%	+1.2point	————

Highlights for the Fiscal Year Ended March 31, 2007 <1>

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- **Highlights for Analytical and Measuring Instruments**

- **Bolstered chromatograph business: Made capital investments in companies and launched competitive products**

Invested capital in GL Sciences Inc., a company with strengths in consumables.

Launched sales of Ultra-Fast Liquid Chromatographs (UFLC).

Launched sales of high-sensitivity, energy-efficient Gas Chromatograph Mass Spectrometers.

- **Towards increased production efficiency: Put new assembly plant into operation**

Significant advances in production efficiency through a production-to-order system.

UFLC: Ultra-Fast Liquid Chromatograph



Consumables (columns)
for liquid chromatographs



Highlights for the Fiscal Year Ended March 31, 2007 <2>

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• Highlights for Medical Systems

- Launched sales of high-speed FPD X-ray systems for digestive and circulatory organs.
- Concentrated efforts in X-ray systems also paid off internationally, with overseas sales expanding.

• Highlights for Aircraft Equipment & Industrial Machinery

Aircraft Equipment

- Completed development of equipment to be installed aboard the Ministry of Defense's C-X (next model transport aircraft) and P-X (next model maritime patrol aircraft).
- Orders confirmed for equipment to be installed aboard the state-of-the-art Boeing 747-8 passenger aircraft.

Industrial Machinery

- Turbo-molecular pumps exhibited strong growth in Japan and the U.S.

P-X (next model
maritime patrol aircraft)
First flight scheduled for
September 2007

FPD X-ray system for circulatory organs



Turbo-molecular
pumps



FY2006 Full Year Forecast <1>

Access to **your** success

Billion yen

	2007.3	2008.3 Forecast	Change	% Change
Net sales	262.4	270.0	+7.6	+2.9%
Operating income	25.3	27.0	+1.7	+6.8%
Ordinary income	23.2	24.0	+0.8	+3.4%
Net income	13.4	14.4	+1.0	+7.6%

EPS: ¥48.76

FY2006 Full Year Forecast <2>

Access to **your** success

•Sales Forecast by Industry Segment

Billion yen

	2007.3	2008.3 Forecast	Change	% Change
Analytical and Measuring Instruments	149.4	156.4	+7.0	+4.7%
Medical Systems	50.1	52.2	+2.1	+4.2%
Aircraft Equipment & Industrial Machinery	57.0	55.8	-1.2	-2.2%
Other	5.9	5.6	-0.3	-4.7%
Total	262.4	270.0	+7.6	+2.9%

FY2006 Full Year Forecast <3>

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•Operating Income Forecast by Industry Segment

Billion yen

	2007.3	2008.3 Forecast	Change	% Change
Analytical and Measuring Instruments	26.1	27.2	+1.1	+4.1%
Medical Systems	2.1	2.7	+0.6	+26.3%
Aircraft Equipment & Industrial Machinery	4.2	4.4	+0.2	+4.5%
Other	1.8	1.7	-0.1	-7.0%
Elimination/Corporate	-9.0	-9.0	+0	— — —
Total	25.3	27.0	+1.7	+6.8%

Key Topics <Final Year of the Medium-Term Management Plan 1>

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Billion yen

•Financial performance

	2005.3	2006.3	2007.3	2008.3 Forecast	Medium-Term Management Plan
Net sales	233.6	242.6	262.4	270.0	270.0
Operating income	20.6	21.1	25.3	27.0	27.0
Operating margin	8.8%	8.7%	9.6%	10.0%	Above 10 %
Overseas sales	73.3	79.1	94.4	99.8	94.0
Overseas sales ratio	31.4%	32.6%	36.0 %	37.0%	Above 35 %

← Medium-Term Management Plan (2006.3–2008.3) →

•Major undertaking over the past 2 years

Global growth:

*Established new sales subsidiaries in the U.K., Germany, the Netherlands and India.
Established a new analytical services company in China, and expanded local plants.
Implemented major expansions in Europe, Asia and Oceania, mainly in our leading analytical and measuring instruments.*

⇒ Achieved target overseas sales ratio ahead of schedule

Business restructuring:

Constructed a new plant for analytical and measuring instruments. Currently putting together a production-to-order system with the aim of realizing significant cost reductions.

Key Topics <Final Year of the Medium-Term Management Plan 2>

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•Final Year of the Medium-Term Management Plan

Analytical and Measuring: Bolster alliances in chromatographs, and expand strategic products

- **Bolster alliances**

Establish a chromatograph consumables (columns, etc.) manufacturing company in China in conjunction with GL Sciences Inc.

Agreement with the U.S. based Waters Corporation to link their data processing software with Shimadzu's liquid chromatographs.

- **Expand strategic products**

Global expansion of Ultra-Fast Liquid Chromatographs (UFLC)

Expand the LCMS-IT-TOF (liquid chromatograph mass spectrometer) business. Revitalize the material strength testing equipment product lineup.

Medical: Bolster the FPD and PET/CT businesses

- **Bolster alliances**

Begin OEM supply of FPD equipment to Hitachi Medical Corporation and Fuji Film.

Receive supply of multislice CT scanners from Toshiba Medical Systems and develop PET/CT system.

- **Continuously introduce new FPD products**

X-ray mammography equipment (April), general imaging equipment (May), vascular imaging equipment (July), C-arm-type X-ray TV equipment (July).

Key Topics <Final Year of the Medium-Term Management Plan 3>

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Aircraft: Bolster competitiveness

Expect mass production and delivery of components for the Ministry of Defense's C-X (next model transport aircraft) and P-X (next model maritime patrol aircraft), as well as the Boeing 747-8. Begin the introduction of new production equipment, and bolster cost competitiveness.

Industrial: Bolster the turbo-molecular pumps business

- **Turbo-molecular pumps**

Aim to make significant advances in the turbo molecular-pumps business. Integrated manufacturing plant under construction (in the City of Kyoto), and will significantly improve production efficiency and increase cost competitiveness.

- **Hydraulic equipment**

Given the prosperous business conditions enjoyed by our construction machinery and forklift manufacturer clients, strengthen this business by introducing new products as early as possible, accelerating overseas expansions, implementing comprehensive cost reductions and so forth.



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