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August 5, 2022

Consolidated Financial Results for the Three Months Ended June 30, 2022 (Under Japanese GAAP)

Company name: SHIMADZU CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 7701
 URL: <https://www.shimadzu.co.jp>
 Representative: Yasunori Yamamoto, President and Representative Director
 Inquiries: Koumei Arakane, General Manager, Finance and Accounting Dept.
 Telephone: +81-75-823-1128
 Scheduled date to file quarterly securities report: August 8, 2022
 Scheduled date to commence dividend payments:
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2022	98,639	4.6	9,449	(23.9)	12,100	(4.9)	8,685	(0.5)
June 30, 2021	94,298	17.6	12,418	104.1	12,727	105.6	8,726	109.7

Note: Comprehensive income For the three months ended June 30, 2022: ¥16,526 million [60.9%]
 For the three months ended June 30, 2021: ¥10,269 million [89.9%]

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
June 30, 2022	29.48	—
June 30, 2021	29.62	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2022	564,955	389,454	68.9
March 31, 2022	560,528	381,164	68.0

Reference: Equity
 As of June 30, 2022: ¥389,454 million
 As of March 31, 2022: ¥381,164 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	20.00	–	28.00	48.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecast)		22.00	–	28.00	50.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecast for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2023	455,000	6.3	68,000	6.6	68,000	3.7	49,000	3.6	166.30

Note: Revisions to the earnings forecast most recently announced: None

* For matters related to the above forecast, please refer to page 5, “Consolidated Outlook.”

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022	296,070,227 shares
As of March 31, 2022	296,070,227 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2022	1,407,981 shares
As of March 31, 2022	1,416,992 shares

(iii) Average number of shares outstanding during the period

Three months ended June 30, 2022	294,655,463 shares
Three months ended June 30, 2021	294,646,341 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

1. No changes have been made to the consolidated forecasts for the fiscal year ending March 31, 2023 that were announced on May 10, 2022.
2. The above forecast was calculated based on information available on the date this report was released. Actual results may vary from forecast values, due to various factors in the future. For matters related to the above forecast, please refer to page 5, "Consolidated Outlook."

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1. Qualitative Information on Quarterly Consolidated Financial Statements

(1) Operating Results

During the three months ended June 30, 2022, uncertainty remained in the global economy due to restrictions on supply and a sharp rise in prices resulting from shortages in components and materials such as semiconductors, as well as a prolonged situation between Russia and Ukraine, zero-COVID-policy in China, and other effects.

Given such a business environment, Shimadzu was affected by the lockdown measures in China, delayed production resulting from the restrictions on supply of components and materials, and other factors. However, our sales increased due to robust sales of liquid chromatographs and turbomolecular pumps in Europe and other Asian countries, foreign exchanges, and other factors.

Meanwhile, operating profit decreased due to soaring prices of components and materials and other factors.

During the three months ended June 30, 2022, given the above, Shimadzu posted net sales of 98,639 million yen (a year-on-year increase of 4.6%), operating profit of 9,449 million yen (a year-on-year decrease of 23.9%), ordinary profit of 12,100 million yen (a year-on-year decrease of 4.9%), and profit attributable to owners of parent of 8,685 million yen (a year-on-year decrease of 0.5%).

The results for reportable business segments were as follows.

I. Analytical & Measuring Instruments

In the Analytical & Measuring Instruments segment, sales of liquid chromatographs were strong for pharmaceutical applications in line with increased investment in the healthcare field. This segment was affected by the restrictions on supply of components and materials such as semiconductors as well as the lockdown measures in China. However, its sales outside Japan increased due to robust sales in Europe and other Asian countries and the effect of foreign exchanges. Meanwhile, sales in Japan decreased due to decreased sales of novel coronavirus detection kits.

As a result, the Analytical & Measuring Instruments segment posted net sales of 61,785 million yen (a year-on-year increase of 0.8%), with operating profit of 8,364 million yen (a year-on-year decrease of 23.7%) due to soaring prices of components and materials and other factors.

Net sales broken down by major regions are indicated below.

	Consolidated Results for First Quarter of FY 2021 (millions of yen)	Consolidated Results for First Quarter of FY 2022 (millions of yen)	Percent Increase/Decrease (%)	Overview
Japan	21,564	20,947	(2.9)	Sales of products related to novel coronavirus disease (“COVID-19”) decreased in line with reduced number of COVID-19 patients, despite increased sales of mass spectrometer systems for the healthcare field and of gas chromatographs for chemical applications.
North America	7,283	7,138	(2.0)	Sales of liquid chromatographs were strong for pharmaceutical applications, with increased sales of testing machines for transport equipment applications. Meanwhile, sales of COVID-19-related products and an OEM supply for other companies decreased significantly.
Europe	6,294	7,097	12.8	Sales of liquid chromatographs and mass spectrometer systems increased for clinical applications, covering the decreased sales resulting from the Russia-Ukraine situation.
China	16,936	14,502	(14.4)	Sales of liquid chromatographs, gas chromatographs, and mass spectrometer systems decreased significantly due to the effect of lockdown measures.
Other Asian Countries	6,488	8,888	37.0	Sales of liquid chromatographs and mass spectrometer systems were strong due to increased demand for pharmaceutical applications and the rebound from last year’s lockdown measures.

II. Medical Systems

The Medical Systems segment increased both in Japan and outside Japan in line with a recovery of capital equipment investment by healthcare institutions. This segment was affected by the restrictions on supply of components and materials such as semiconductors and the lockdown measures in China, but the sales of fluoroscopy systems and angiography systems increased. Furthermore, real-time tumor-tracking systems for radiation therapy and others contributed to results.

As a result, the Medical Systems segment posted net sales of 16,434 million yen (a year-on-year increase of 13.4%), with operating profit of 245 million yen (a year-on-year decrease of 72.3%) due to soaring prices of components and materials and other factors.

Net sales broken down by major regions are indicated below.

	Consolidated Results for First Quarter of FY 2021 (millions of yen)	Consolidated Results for First Quarter of FY 2022 (millions of yen)	Percent Increase/Decrease (%)	Overview
Japan	8,286	9,385	13.3	Sales of angiography systems, tumor-tracking systems for radiation therapy, and others increased.
North America	2,022	2,105	4.1	Sales of patient-side operable fluoroscopy systems were strong, which were developed for the U.S. market.
Europe	741	778	5.0	General radiography systems sales increased.
China	997	1,114	11.7	The sales of angiography systems and general radiography systems increased due to the rebound from last year’s stagnant capital equipment investment, despite the effect of lockdown measures.
Other Asian Countries	1,172	1,292	10.2	Fluoroscopy systems sales increased in Southeast Asia.

III. Industrial Machinery

In the Industrial Machinery segment, sales decreased in Japan, but increased outside Japan. Looking at results by product, sales of turbomolecular pumps were strong for semiconductor manufacturing equipment, accompanying the increase in semiconductor demand due to the response to 5G communication networks and promotion of DX. Demand also increased for glass construction materials and thin-film manufacturing equipment, such as that for thin-film solar cells. In addition, demand for hydraulic equipment were robust in the industrial vehicles, construction machinery, and agricultural equipment field, but sales were affected by production adjustment resulting from difficulty procuring materials on a certain customer side.

As a result, the Industrial Machinery segment posted net sales of 14,653 million yen (a year-on-year increase of 13.1%), with operating profit of 1,298 million yen (a year-on-year decrease of 5.4%) due to soaring prices of components and materials and other factors.

Net sales broken down by major regions are indicated below.

	Consolidated Results for First Quarter of FY 2021 (millions of yen)	Consolidated Results for First Quarter of FY 2022 (millions of yen)	Percent Increase/Decrease (%)	Overview
Japan	6,484	6,128	(5.5)	Turbomolecular pump sales were strong for use in semiconductor manufacturing equipment, but industrial furnace sales decreased.
North America	1,602	2,095	30.8	Turbomolecular pump sales were strong for use in semiconductor manufacturing equipment, and hydraulic equipment sales were also strong for use in industrial vehicles, construction machinery, and agricultural equipment.
Europe	715	933	30.4	Turbomolecular pump sales were strong for use in semiconductor manufacturing equipment.
China	2,662	4,334	62.8	Industrial furnace sales increased in addition to increased sales of glass winders due to demand for capital equipment investment. Turbomolecular pump sales were strong for use in semiconductor manufacturing equipment, glass construction materials, and thin-film solar cell coating applications.
Other Asian Countries	1,455	1,136	(21.9)	Turbomolecular pump sales were strong for use in semiconductor manufacturing equipment, but the overall sales decreased due to the rebound from last year's large-volume glass winder projects.

IV. Aircraft Equipment

In the Aircraft Equipment segment, sales in Japan remained unchanged because repair project sales decreased in the defense field, but aircraft equipment sales increased. Sales outside Japan increased significantly due to a recovery trend in demand for the commercial aircraft equipment field.

As a result, the Aircraft Equipment segment posted net sales of 4,764 million yen (a year-on-year increase of 15.0%), with operating profit of 114 million yen (operating loss of 359 million yen during the same period last year) due to a recovery in the aftermarket business such as spare components in addition to improved profitability in the commercial aircraft equipment field.

Net sales broken down by major regions are indicated below.

	Consolidated Results for First Quarter of FY 2021 (millions of yen)	Consolidated Results for First Quarter of FY 2022 (millions of yen)	Percent Increase/Decrease (%)	Overview
Japan	3,243	3,250	0.2	Sales remained unchanged because repair project sales decreased in the defense field, but aircraft equipment sales increased.
North America	863	1,292	49.6	In addition to increased equipment sales for small and midsize aircrafts, aftermarket business sales increased due to a recovery trend in demand for commercial aircrafts equipment.

V. Other

Other business segments posted net sales of 1,001 million yen (a year-on-year decrease of 28.6%), with operating loss of 52 million yen (operating loss of 33 million yen during the same period last year).

(2) Consolidated Outlook

In terms of future outlook, the Analytical & Measuring Instruments segment, our mainstay, is expecting growing demand in the healthcare field, and we forecast the depreciation of yen will accelerate above our assumptions in foreign exchange markets. However, the economic outlook will remain uncertain due to zero-COVID-policy in China, restrictions on supply of components and materials, and other factors. Taking into account these situations, we leave the full-year consolidated earnings forecast unchanged from our announcement on May 10, 2022.

To achieve the goal of becoming a “Company That Solves Challenges in Society in Collaboration with Partners All Around the World” for the final fiscal year of its three-year medium-term management plan, the Shimadzu group (the “Group”) will strive to steadily strengthen and expand its key businesses, businesses outside Japan, businesses with recurring revenues, and businesses in the four growth fields.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	157,966	158,758
Notes and accounts receivable - trade, and contract assets	121,931	105,532
Merchandise and finished goods	61,386	70,867
Work in process	20,777	23,432
Raw materials and supplies	24,484	27,747
Other	9,984	12,951
Allowance for doubtful accounts	(2,167)	(2,274)
Total current assets	394,363	397,016
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	52,902	54,259
Machinery, equipment and vehicles, net	7,261	7,473
Land	19,053	19,471
Leased assets, net	1,910	2,138
Construction in progress	992	1,406
Other, net	22,310	22,578
Total property, plant and equipment	104,430	107,327
Intangible assets	11,151	11,542
Investments and other assets		
Investment securities	13,496	12,713
Long-term loans receivable	156	177
Retirement benefit asset	20,665	20,896
Deferred tax assets	12,606	11,469
Other	4,003	4,155
Allowance for doubtful accounts	(345)	(345)
Total investments and other assets	50,583	49,068
Total non-current assets	166,164	167,939
Total assets	560,528	564,955

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	66,538	64,389
Short-term borrowings	1,504	1,505
Lease liabilities	3,458	3,554
Accounts payable - other	13,760	13,896
Income taxes payable	10,944	2,507
Contract liabilities	40,347	48,404
Provision for bonuses	11,657	5,109
Provision for bonuses for directors (and other officers)	355	112
Provision for loss on orders received	10	16
Provision for share awards	38	38
Other	10,126	14,421
Total current liabilities	158,743	153,956
Non-current liabilities		
Long-term borrowings	205	186
Lease liabilities	6,422	6,559
Provision for retirement benefits for directors (and other officers)	144	134
Retirement benefit liability	12,994	13,803
Provision for share awards	92	61
Other	759	798
Total non-current liabilities	20,620	21,544
Total liabilities	179,363	175,501
Net assets		
Shareholders' equity		
Share capital	26,648	26,648
Capital surplus	34,910	34,910
Retained earnings	298,758	299,189
Treasury shares	(1,244)	(1,226)
Total shareholders' equity	359,073	359,522
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,471	5,945
Foreign currency translation adjustment	10,093	18,486
Remeasurements of defined benefit plans	5,525	5,499
Total accumulated other comprehensive income	22,090	29,932
Total net assets	381,164	389,454
Total liabilities and net assets	560,528	564,955

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	94,298	98,639
Cost of sales	54,981	58,480
Gross profit	39,316	40,159
Selling, general and administrative expenses	26,897	30,710
Operating profit	12,418	9,449
Non-operating income		
Interest income	46	57
Dividend income	141	156
Insurance claim income	19	46
Foreign exchange gains	51	2,275
Subsidy income	157	189
Other	119	164
Total non-operating income	535	2,889
Non-operating expenses		
Interest expenses	40	61
Donations	63	48
Other	122	127
Total non-operating expenses	227	237
Ordinary profit	12,727	12,100
Extraordinary income		
Gain on sale of investment securities	–	19
Gain on sale of non-current assets	66	8
Total extraordinary income	66	28
Extraordinary losses		
Loss on disposal of non-current assets	16	31
Loss on valuation of investment securities	13	–
Total extraordinary losses	29	31
Profit before income taxes	12,764	12,098
Income taxes - current	2,288	1,846
Income taxes - deferred	1,749	1,565
Total income taxes	4,038	3,412
Profit	8,726	8,685
Profit attributable to owners of parent	8,726	8,685

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	8,726	8,685
Other comprehensive income		
Valuation difference on available-for-sale securities	900	(525)
Foreign currency translation adjustment	641	8,393
Remeasurements of defined benefit plans, net of tax	1	(26)
Total other comprehensive income	1,543	7,841
Comprehensive income	10,269	16,526
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,269	16,526
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes on Consolidated Financial Statements**Notes on Going-Concern Assumptions**

Not applicable.

Notes on the Event of Significant Fluctuations in Shareholders' Capital

Not applicable.

Segment Information

1 Information on net sales, operating profit, assets and other items by reportable segment

From April 1 to June 30 of fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the quarterly statements of income
	Analytical & Measuring Instruments	Medical Systems	Industrial Machinery	Aircraft Equipment	Total				
Net sales									
Sales to customers	61,305	14,487	12,960	4,141	92,894	1,403	94,298	–	94,298
Inter-segment sales	1	5	19	0	26	431	457	(457)	–
Total	61,306	14,492	12,979	4,142	92,920	1,834	94,755	(457)	94,298
Operating profit (loss)	10,957	887	1,373	(359)	12,858	(33)	12,824	(405)	12,418

From April 1 to June 30 of fiscal year ending March 31, 2023

(Millions of yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the quarterly statements of income
	Analytical & Measuring Instruments	Medical Systems	Industrial Machinery	Aircraft Equipment	Total				
Net sales									
Sales to customers	61,785	16,434	14,653	4,764	97,637	1,001	98,639	–	98,639
Inter-segment sales	22	8	9	9	49	547	596	(596)	–
Total	61,807	16,443	14,662	4,774	97,687	1,549	99,236	(596)	98,639
Operating profit (loss)	8,364	245	1,298	114	10,022	(52)	9,969	(520)	9,449

<Related Information>

Information on the Amount of Net Sales by Geographical Segment

From April 1 to June 30 of fiscal year ended March 31, 2022

(Millions of yen)						
Japan	The Americas	Europe	China	Other Asian countries	Other	Total
40,980	13,016	7,775	20,597	9,123	2,804	94,298

From April 1 to June 30 of fiscal year ending March 31, 2023

(Millions of yen)						
Japan	The Americas	Europe	China	Other Asian countries	Other	Total
40,711	14,193	9,010	19,956	11,334	3,434	98,639

Note: Main countries and regions included in the geographical segments other than Japan

The Americas: U.S.A.

Europe: U.K., Germany

China: China

Other Asian countries: India, Southeast Asia, South Korea, Taiwan

Other: Australia, Middle East, Africa

3. Supplemental Information

Overview of Financial Results for the First Quarter of the Fiscal Year Ending March 2023

Row No.			Consolidated Results for First Quarter of FY 2021	Consolidated Results for First Quarter of FY 2022	Year on Year		FY 2021	FY 2022
			Results	Results	Increase/Decrease	Percent Increase/Decrease	Results	Forecast
1	Net Sales	millions of yen	94,298	98,639	4,341	4.6%	428,175	455,000
2	Net Sales (Analytical & Measuring Instruments)	millions of yen	61,305	61,785	480	0.8%	277,515	—
3	Net Sales (Medical Systems)	millions of yen	14,487	16,434	1,946	13.4%	66,894	—
4	Net Sales (Industrial Machinery)	millions of yen	12,960	14,653	1,692	13.1%	56,736	—
5	Net Sales (Aircraft Equipment)	millions of yen	4,141	4,764	622	15.0%	22,301	—
6	Net Sales (Other)	millions of yen	1,403	1,001	(401)	(28.6)%	4,727	—
7	Net Sales by Region (Japan)	millions of yen	40,980	40,711	(269)	(0.7)%	201,164	—
8	Net Sales by Region (Outside Japan)	millions of yen	53,317	57,928	4,611	8.6%	227,010	—
9	Net Sales (The Americas)	millions of yen	13,016	14,193	1,176	9.0%	55,378	—
10	Net Sales (Europe)	millions of yen	7,775	9,010	1,235	15.9%	35,297	—
11	Net Sales (China)	millions of yen	20,597	19,956	(641)	(3.1)%	81,469	—
12	Net Sales (Other Asian Countries)	millions of yen	9,123	11,334	2,211	24.2%	43,109	—
13	Net Sales (Other)	millions of yen	2,804	3,434	629	22.4%	11,754	—
14	Operating Profit	millions of yen	12,418	9,449	(2,969)	(23.9)%	63,806	68,000
15	Ordinary Profit	millions of yen	12,727	12,100	(626)	(4.9)%	65,577	68,000
16	Profit Attributable to Owners of Parent	millions of yen	8,726	8,685	(40)	(0.5)%	47,289	49,000
17	Earnings per Share (FY 2022 Q1)	Yen	29.62	29.48	—	—	160.49	166.30
18	Dividend per Share	Yen	—	—	—	—	48.00	50.00
19	Capital Equipment Investment	millions of yen	2,127	5,769	3,641	171.1%	16,357	24,000
20	Depreciation and Amortization	millions of yen	4,034	4,241	206	5.1%	16,205	17,000
21	Total Assets	millions of yen	488,590	564,955	76,365	15.6%	560,528	—
22	Net Assets	millions of yen	340,183	389,454	49,270	14.5%	381,164	—
23	Equity Ratio	%	69.6	68.9	—	—	68.0	—
24	Number of All Group Employees	Employees	13,517	13,658	141	—	13,499	—
25	Number of Consolidated Subsidiaries	Companies	76	76	—	—	76	—
26	Japan	Companies	23	22	—	—	23	—
27	Outside Japan	Companies	53	54	—	—	53	—