

Operating Results & Financial Position, Ended March 2017

President & CEO Teruhisa Ueda
Shimadzu Corporation

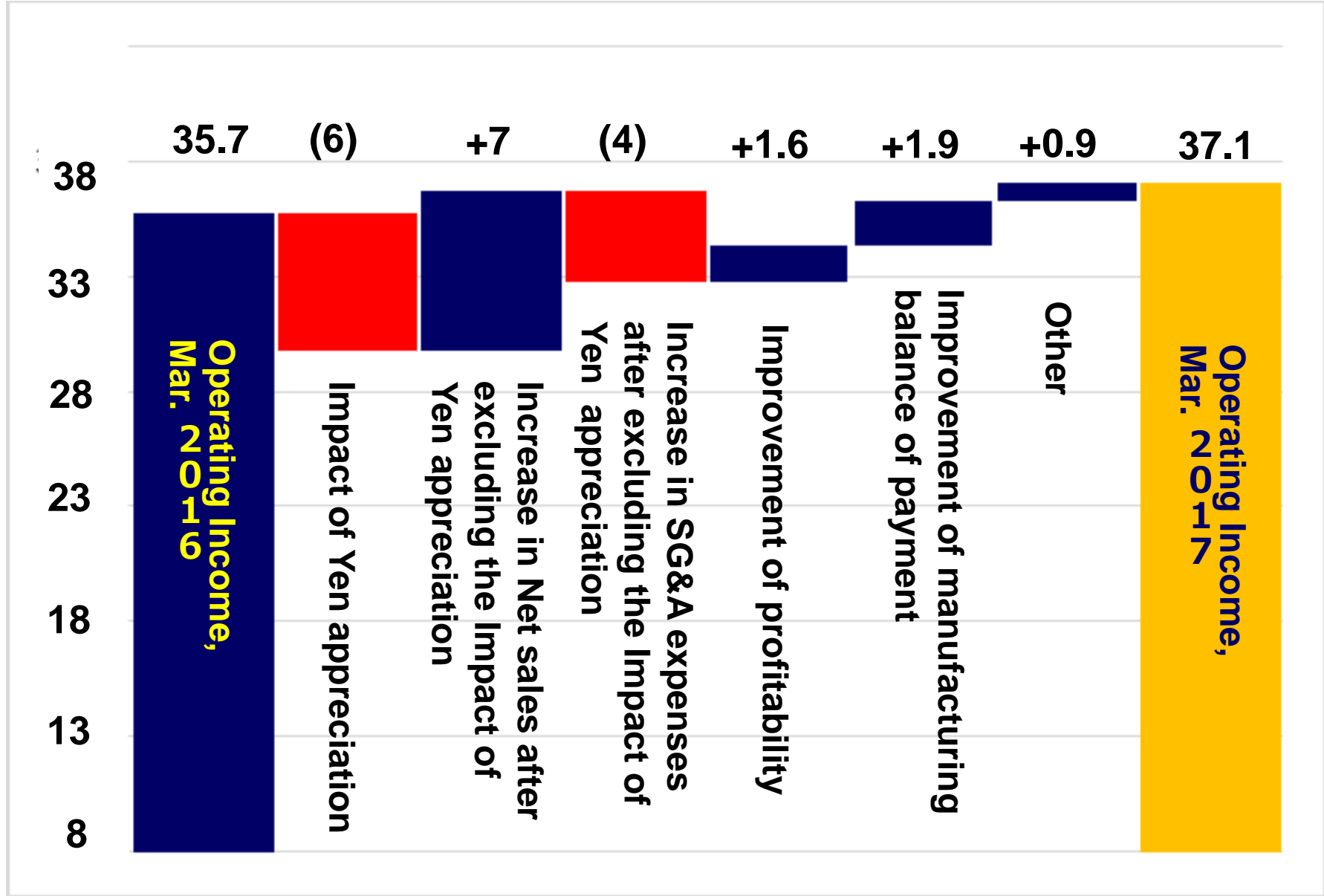
Statement of Income

- * Increases achieved for all financials from net sales to profit attributable to owners of parent for a fourth consecutive year
- * Net sales flat, increasing 0.1% YoY; effective increase of approx. 5% after excluding exchange rate impact
- * Operating income increase of 3.9% YoY; effective increase of approx. 21% after excluding exchange rate impact
- * Operating margin improvement of 0.4 points; effective improvement of 1.6 points after excluding exchange rate impact

Billions of Yen, except percentages and EPS		Mar. 2017	YoY			
			Yen Basis		Local Currency Basis	
			Changes	%Changes	Changes	%Changes
Net Sales		342.5	0.2	0.1%	17.2	5.0%
Operating Income		37.1	1.4	3.9%	7.4	20.6%
Operating Margin		10.8%	<i>Improvement of 0.4pt</i>		<i>Improvement of 1.6 pt</i>	
Ordinary Income		37.0	2.2	6.3%		
Profit attributable to owners of parent		26.5	2.6	10.8%		
EPS		¥89.79	¥8.74	10.8%		
Average Foreign Exchange Rate	US\$	¥108.43	(¥11.76)	-9.8%		
	€	¥118.84	(¥13.79)	-10.4%		
Impact of yen appreciation						
Net Sales			(16.9)			
Operating Income			(6.0)			

Analysis of Year-on-Year increase/Decrease In Operating Income

Billions of Yen



Sales and Income by Business Segment

- * Overall operating margin improvement of 0.4 points; effective improvement of 1.6 points after excluding exchange rate impact; profitability improvement steadily progressing
- * Analytical & Measuring Instruments: Operating margin flat YoY; effective improvement of 1.1 points after excluding exchange rate impact
- * Profitability improvement in the Medical Systems, Aircraft Equipment, and Industrial Machinery segments

Billions of yen, except percentages
Operating margin is listed in right-side column

		Mar. 2017		YoY					
				Yen Basis			Local Currency Basis		
				Changes	%Changes		Changes	%Changes	
Analytical & Measuring Instruments	Net Sales	209.2	15.8%	0.8	0.4%	±0pt.	13.2	6.3%	improve
	Operating Income	33.1		0.1	0.3%		4.4	13.4%	1.1pt.
Medical Systems	Net Sales	64.4	3.0%	(0.2)	-0.3%	improve	2.4	3.8%	improve
	Operating Income	1.9		0.9	83.9%	1.4pt.	1.7	x2.6	2.7pt.
Aircraft Equipment	Net Sales	26.7	2.9%	(2.1)	-7.3%	improve	(1.6)	-5.6%	improve
	Operating Income	0.8		0.4	x2.2	1.7pt.	0.2	51.7%	2.2pt.
Industrial Machinery	Net Sales	36.2	7.4%	2.7	7.9%	improve	4.1	12.1%	improve
	Operating Income	2.7		0.5	21.0%	0.8pt.	1.5	68.6%	1.8pt.
Other	Net Sales	6.0	11.8%	(0.9)	-13.0%	deteriorate	(0.9)	-13.0%	deteriorate
	Operating Income	0.9		(0.4)	-30.3%	3.6pt.	(0.4)	-30.3%	3.6pt.
Operating Income Adjustments		(2.3)	—	(0.2)	—				
Total	Net Sales	342.5	10.8%	0.2	0.1%	improve	17.2	5.0%	improve
	Operating Income	37.1		1.4	3.9%	0.4pt.	7.4	20.6%	1.6pt.

Analytical & Measuring Instruments

Sub-segment Net Sales

- * Sales increase of 0.4% YoY; effective increase of approx. 6% after excluding exchange rate impact of approx. ¥12.4 billion
- * Healthy increase of approx. 10% in liquid chromatograph and mass spectrometer sales after excluding exchange rate impact
- * Aftermarket business sales increase of ¥0.7 billion; 0.3 point increase in the ratio of aftermarket business sales to 27.8%

Billions of yen, except percenges		Mar.2017	YoY			
			Yen Basis		Local Currency Basis	
			Changes	%Changes	Changes	%Changes
Break down	Liquid Chromatographs	56.6	1.0	1.7%	5.3	9.6%
	Mass Spectrometers (MS)	33.9	1.0	2.9%	3.6	10.8%
	Gas Chromatographs(GC)	20.3	(0.0)	-0.2%	1.3	6.3%
	Other	98.4	(1.0)	-1.0%	3.0	3.1%
Total		209.2	0.8	0.4%	13.2	6.3%
Break down	Instruments	151.1	0.1	0.1%	9.8	6.5%
	Aftermarket business	58.1	0.7	1.3%	3.4	5.9%
Aftermarket business Sales ratio		27.8%	Increase by 0.3pt.		—	
Total		209.2	0.8	0.4%	13.2	6.3%

Medical Systems Sub-segment Net Sales

- * Sales decrease of 0.3% YoY; effective increase of approx. 4% after excluding exchange rate impact of approx. ¥2.7 billion
- * Substantial increase of 11.2% YoY in sales of high-priority angiography system models
- * Aftermarket business sales increase of ¥0.6 billion; 0.9 point increase in the ratio of aftermarket business sales to 30.3%

Billions of yen, except percenges		Mar. 2017	YoY			
			Yen Basis		Local Currency Basis	
			Changes	%Changes	Changes	%Changes
Break down	X-ray Systems	47.4	(1.0)	-2.0%	1.3	2.7%
	<i>general radiography systems</i>	23.3	(1.3)	-5.4%	(0.1)	-0.3%
	<i>X-ray fluoroscopy Systems</i>	17.5	(0.3)	-1.7%	0.5	2.9%
	<i>angiography systems</i>	6.6	0.7	11.2%	0.8	14.0%
	Other	16.9	0.8	4.7%	1.1	7.1%
Total		64.4	(0.2)	-0.3%	2.4	3.8%
Break down	Instruments	44.8	(0.8)	-1.7%	1.3	2.9%
	Aftermarket business	19.5	0.6	3.0%	1.1	5.9%
	Aftermarket business Sales ratio	30.3%	Increase by 0.9pt.		—	
Total		64.4	(0.2)	-0.3%	2.4	3.8%

Aircraft Equipment Sub-segment Net Sales

- * Sales decrease of 7.3% YoY; sales result at the announced level
- * Sales decrease in the commercial aircraft business due to the impact of factors including a decline in production of the B747-8

Billions of yen, except percenges	Mar. 2017	YoY			
		Yen Basis		Local currency Basis	
		Changes	%Changes	Changes	%Changes
Defense Agency	22.1	(0.8)	-3.4%	(0.8)	-3.4%
Commercial Aircraft	4.6	(1.3)	-22.4%	(0.8)	-14.1%
Total	26.7	(2.1)	-7.3%	(1.6)	-5.6%

Industrial Machinery Sub-segment Net Sales

- * Sales increase of 7.9% YoY; effective increase of approx. 12% after excluding exchange rate impact of approx. ¥1.4 billion
- * Industrial Machinery segment sales driven by a sharp increase of 34.1% in sales of turbo molecular pumps for semiconductor and flat panel manufacturing

Billions of yen, except percenges		Mar. 2017	YoY			
			Yen Basis		Local currency Basis	
			Changes	%Changes	Changes	%Changes
Break down	Turbo-molecular pumps	14.3	3.6	34.1%	4.3	39.9%
	Hydraulic equipment	11.6	0.2	1.5%	0.6	4.9%
	Other	10.2	(1.2)	-10.2%	(0.8)	-7.4%
Total		36.2	2.7	7.9%	4.1	12.1%
Break down	Instruments	31.6	2.9	10.2%	4.3	14.8%
	aftermarket business	4.5	(0.3)	-5.9%	(0.2)	-4.3%
	Aftermarket business Sales	12.5%	Decrease by 1.8pt.		—	
Total		36.2	2.7	7.9%	4.1	12.1%

Net Sales by Region

- * Decrease of 4.4% in overseas sales; increase of approx. 5% after excluding exchange rate impact. Sales growth of approx. 5% in Japan. Effective combined growth of 5% in Japan and overseas sales secured
- * Strong sales in Japan, China, and other Asian countries in particular

Billions of yen, except percentages	Mar.2017	YoY			
		Yen Basis		Local currency Basis	
		Changes	%Changes	Changes	%Changes
Japan	175.9	8.0	4.7%	8.0	4.7%
North & South America	42.5	(3.5)	-7.6%	1.0	2.1%
>North America	38.0	(3.1)	-7.4%	1.1	2.6%
>South America	4.5	(0.4)	-8.9%	(0.1)	-2.3%
Europe	24.9	(2.4)	-8.9%	0.5	1.7%
China	56.1	0.0	0.0%	6.1	10.9%
Other Asian	33.0	0.6	1.9%	3.1	9.7%
Other*	10.1	(2.4)	-19.5%	(1.4)	-11.5%
Total	342.5	0.2	0.1%	17.2	5.0%
Overseas	166.6	(7.7)	-4.4%	9.2	5.3%

*"Other" : Austraria, Middle East and Africa

Net Sales by Region - Japan

- * **Analytical & Measuring Instruments:** Sales increase of 5.0% YoY; higher liquid chromatograph and mass spectrometer sales in the pharmaceuticals, analysis, food, and other sectors
- * **Medical Systems:** Sales increase of 13.0% YoY; substantial increase driven by sales of high-priority angiography system models
- * **Industrial Machinery:** Sales increase of 5.6% YoY; higher sales of turbo-molecular pumps

Billions of yen, except percenges

	Mar. 2017	YoY	
		Changes	%Changes
Analytical & Measuring Instruments	91.4	4.3	5.0%
Medical Systems	37.3	4.3	13.0%
Aircraft Equipment	22.1	(0.8)	-3.4%
Industrial Machinery	19.2	1.0	5.6%
Other	6.0	(0.9)	-12.9%
Total	175.9	8.0	4.7%

Net Sales by Region – North America

- * Sales decrease of 7.4% YoY; effective increase of approx. 3% after excluding exchange rate impact of approx. ¥4.1 billion
- * Analytical & Measuring Instruments: Sales decrease of 6.7%; effective increase of approx. 3% after excluding exchange rate impact of approx. ¥2.2 billion.
Continued increase in liquid chromatograph sales
- * Industrial Machinery: Sales increase of 8.3%; substantial effective increase of approx. 20% after excluding exchange rate impact of approx. ¥0.5 billion.
Increase in the supply of turbo-molecular pumps to major semiconductor manufacturers

Billions of yen, except percentages	Mar. 2017	YoY			
		Yen Basis		Local currency Basis	
		Changes	%Changes	Changes	%Changes
Analytical & Measuring Instruments	20.6	(1.5)	-6.7%	0.7	3.4%
Medical Systems	8.6	(0.7)	-8.0%	0.2	2.0%
Aircraft Equipment	4.3	(1.2)	-21.3%	(0.7)	-12.7%
Industrial Machinery	4.5	0.3	8.3%	0.8	20.1%
Other	38.0	(3.1)	-7.4%	1.1	2.6%

Net Sales by Region - Europe

- * Sales decrease of 8.9% YoY; effective increase of approx. 2% after excluding exchange rate impact of approx. ¥2.9 billion
- * Analytical & Measuring Instruments: Sales decrease of 6.7%; effective increase of approx. 4% after excluding exchange rate impact of approx. ¥2.4 billion. Strong sales in the environmental and food safety sectors in Germany, France, and other markets, especially for mass spectrometers
- * Industrial Machinery: Sales increase of 65.2%. Increase in sales of turbo-molecular pumps for use in semiconductor manufacturing and glass coating

Billions of yen, except percentages	Mar. 2017	YoY			
		Yen Basis		Local currency Basis	
		Changes	%Changes	Changes	%Changes
Analytical & Measuring Instruments	20.9	(1.5)	-6.7%	0.9	4.1%
Medical Systems	2.5	(1.2)	-33.2%	(1.0)	-25.5%
Industrial Machinery	1.3	0.5	65.2%	0.6	84.3%
Total	24.9	(2.4)	-8.9%	0.5	1.7%

Net Sales by Region - China

- * Sales flat YoY; effective increase of approx. 11% after excluding exchange rate impact of approx. ¥6.1 billion
- * Analytical & Measuring Instruments: Sales increase of 1.4%; effective increase of approx. 12% after excluding exchange rate impact of approx. ¥4.8 billion.
Sales driven by liquid chromatographs and mass spectrometers, with strong sales to both the public sector and private sector
- * Medical Systems: Sales decrease of 1.7%; effective increase of approx. 9% after excluding exchange rate impact of approx. ¥0.7 billion.
Strong sales of multipurpose X-ray fluoroscopy systems and angiography systems

Billions of yen, except percentages	Mar.2017	YoY			
		Yen Basis		Local currency Basis	
		Changes	%Changes	Changes	%Changes
Analytical & Measuring Instruments	44.1	0.6	1.4%	5.4	12.4%
Medical Systems	6.0	(0.1)	-1.7%	0.6	9.0%
Industrial Machinery	6.0	(0.5)	-7.5%	0.2	2.5%
Total	56.1	0.0	0.0%	6.1	10.9%

Net Sales by Region – Other Asian countries

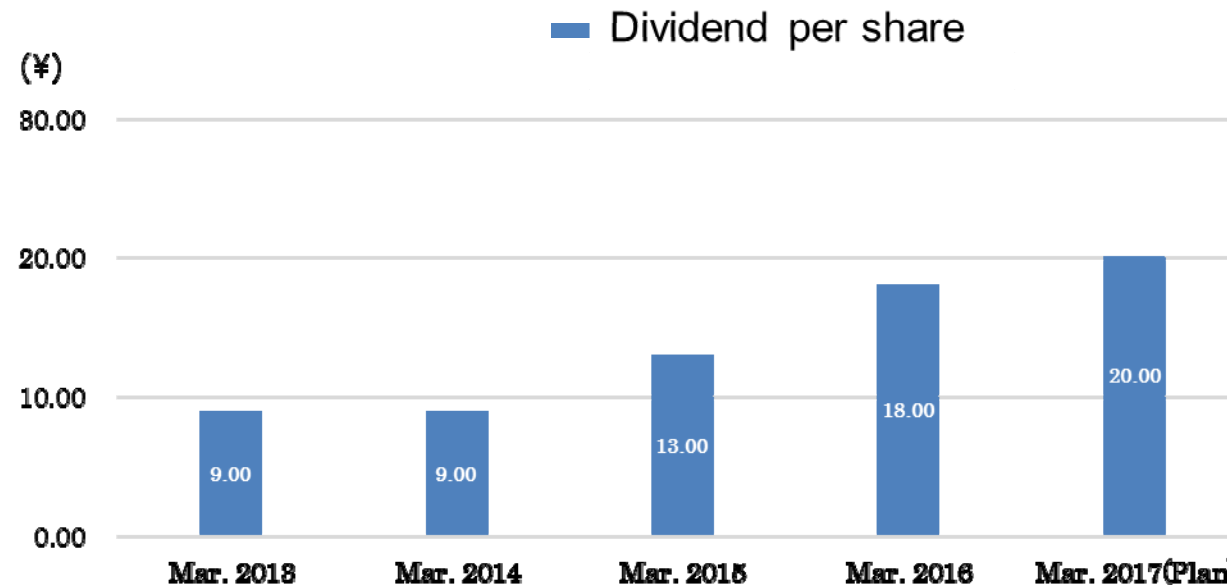
- * Sales increase of 1.9% YoY; effective increase of approx. 10% after excluding exchange rate impact of approx. ¥2.5 billion
- * Analytical & Measuring Instruments: Sales increase of 2.2%; effective increase of approx. 11% after excluding strong yen's impact of approx. ¥2.0 billion.
Higher sales of liquid chromatographs in the pharmaceuticals, CRO, and other sectors in India and of testing machines in the automotive sector in Southeast Asia
- * Industrial Machinery: Sharp sales increase of 34.0%. Higher sales of turbo-molecular pumps in the semiconductor and flat panel display manufacturing sectors in Korea

Billions of yen, except percentages	Mar. 2017	YoY			
		Yen Basis		Local currency Basis	
		Changes	%Changes	Changes	%Changes
Analytical & Measuring Instruments	23.7	0.5	2.2%	2.5	10.9%
Medical Systems	4.3	(1.1)	-20.4%	(0.7)	-13.5%
Industrial Machinery	4.8	1.2	34.0%	1.3	36.0%
Total	33.0	0.6	1.9%	3.1	9.7%

Cash Dividend and Payout Ratio

- * Plan to pay a year-end dividend of ¥10 per share
- * Plan to pay an annual dividend of ¥20 per share for the fiscal year ended March 31, 2017, an increase of ¥2 from the previous fiscal year

	Mar. 2017		Mar. 2016		YoY
	interim dividend	year-end dividend (Plan)	interim dividend	year-end dividend	
Dividend per share	¥10.00	¥10.00	¥9.00	¥9.00	¥2.00
Payout ratio	22.3%		22.2%		Increase by 0.1pt.



Business Environment Outlook

<p>Japan +0.8%</p>	<p>Strong demand in the public and private sectors, including investment for broad-based reinforcement of social infrastructure, such as measures to cope with acceleration of population aging and updating of aging facilities, and corporate investment pertaining to productivity improvement 〈Risks〉 Decline in corporate investment sentiment due to tensions in East Asia and yen appreciation</p>
<p>United States +2.3%</p>	<p>Expansion of domestic demand due to investment in social infrastructure, the energy sector, and other areas by the new administration and demand related to high R&D levels in leading-edge sectors 〈Risks〉 Government policy paralysis, protectionist policies, driving down of the dollar exchange rate</p>
<p>Europe +1.6%</p>	<p>Strong underlying demand in Germany, France, and other Western European countries, but continued economic stagnation in Russia 〈Risks〉 Destabilization resulting from Middle Eastern refugees and changes of government</p>
<p>China +6.5%</p>	<p>Robust demand due to factors such as the full-scale start of the 13th Five Year Plan, investment for a safe and secure society, and R&D investment for academic and industrial advancement 〈Risks〉 Stagnation in capital spending accompanying adjustment of fixed assets, such as excess facilities resulting from over-investment</p>
<p>Asia ASEAN +4.9% India +7.2%</p>	<p>Economic stimulus and medical welfare investment by governments in Southeast Asia, facilities expansion investment by foreign companies in the electrical machinery, automotive, and other sectors 〈Risks〉 Effects of currency weakness accompanying U.S. interest rate hikes</p>

※The figures on the lower line for the countries and regions are IMF 2017 GDP growth rate forecasts (announced January 2017)

Earnings Forecast

- * Expectation of active R&D investment and capital spending and plan for steady business performance
- * Aim for sales and income increases for a fifth consecutive year

Billions of yen, except EPS and percentages		Mar. 2018 Forecast	Mar. 2017	YoY	
				Yen Basis	
				Changes	%Changes
Net Sales		355.0	342.5	12.5	3.7%
Operating Income		38.0	37.1	0.9	2.5%
Operating Margin		10.7%	10.8%	<i>deterioration of 0.1pt.</i>	
Ordinary Income		38.0	37.0	1.0	2.6%
Profit attributable to owners of parent		27.0	26.5	0.5	2.0%
EPS		¥91.58	¥89.79	¥1.79	2.0%
Average foreign exchange rate	US\$	¥105.00	¥108.43	(¥3.43)	-3.2%
	€	¥115.00	¥118.84	(¥3.84)	-3.2%

Earnings Forecast by Business Segment

- * Plan for sales and income increases in the Analytical & Measuring Instruments, Medical Systems, and Industrial Machinery segments
- * Ensure stable profitability and undertake profit structure improvement in the Aircraft Equipment segment

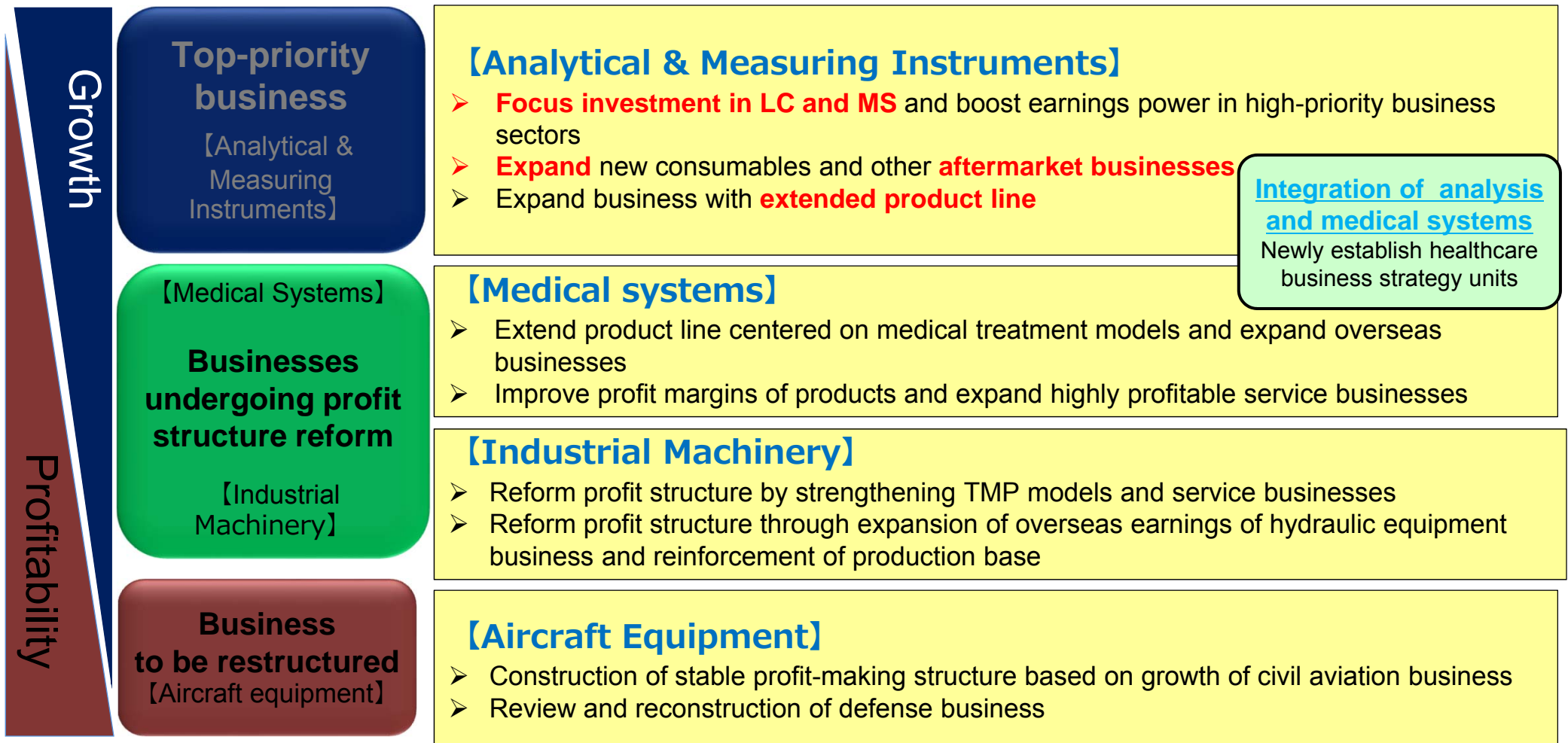
Billions of yen, except percentages

Operating margin is listed in right-side column

		Mar. 2018 Forecast		YoY		
				Changes	%Changes	
Analytical & Measuring Instruments	Net Sales	218.0	15.9%	8.8	4.2%	improve
	Operating Income	34.6		1.5	4.7%	0.1pt.
Medical Systems	Net Sales	65.0	3.5%	0.6	1.0%	improve
	Operating Income	2.3		0.4	19.7%	0.5pt.
Aircraft Equipment	Net Sales	26.0	1.2%	(0.7)	-2.7%	deteriorate
	Operating Income	0.3		(0.5)	-61.3%	1.7pt.
Industrial Machinery	Net Sales	39.0	7.7%	2.8	7.9%	improve
	Operating Income	3.0		0.3	12.4%	0.3pt.
Other	Net Sales	7.0	10.0%	1.0	17.1%	deteriorate
	Operating Income	0.7		(0.2)	-20.6%	1.8pt.
Operating Income Adjustments		(2.9)	—	(0.6)	—	
Total	Net Sales	355.0	10.7%	12.5	3.7%	deteriorate
	Operating Income	38.0		0.9	2.5%	0.1pt.

Business Strategy ~ Business Strategy / Business Portfolio

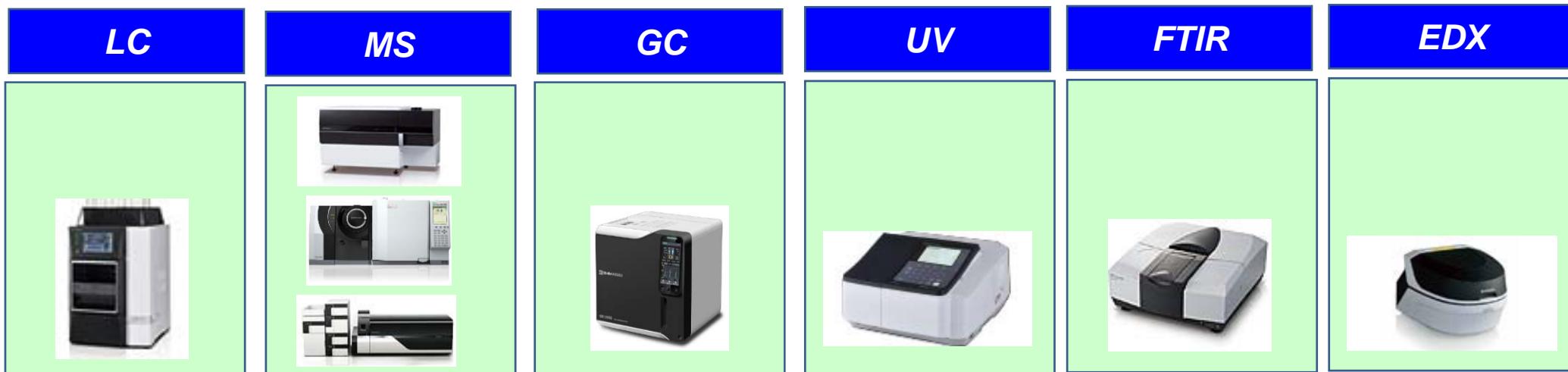
- Growth strategy: Target further growth in Analytical & Measuring Instruments business.
Establish healthcare business strategy unit to accelerate integration of analysis and medical systems business
- Improve profitability: Achieve operating margin of 20% or more in Analytical & Measuring Instruments segment and 10% or more in other segments in the medium to long term
- Business to be restructured: Select and concentrate on products, strengthen application development capabilities for expanding uses etc.



Strategy for Analytical & Measuring Instruments

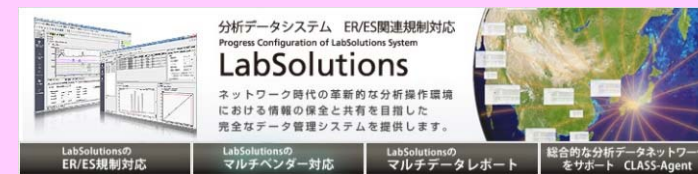
– High-priority models, aftermarket business

- Policies**
- (1) **New products:** Strengthening and expansion of product line
(full automation, new preprocessing system, exclusive analyzers, etc.)
 - (2) **Existing products:** Expansion of applied fields
(promotion of joint development with external partners primarily at innovation center)
 - (3) **Network system:** (promotion of the concept of the integrated network system)
 - (4) **Aftermarket:** Expansion of the reagent and consumables businesses and strengthening of service businesses
(multi-vendor services and others)



Network System *LabSolutions*

*Promotion of concept of integrated network system



Aftermarket Business *LabTotal*

*Strengthening and expansion of the reagent and consumables business, including M&As

*Expansion of multi-vendor services



ESG Measures

- Select themes from among “UN Sustainable Development Goals (SDGs)” that are high priority, from the perspective of “Shimadzu’s corporate philosophy and strengths”, for the company, as well as work toward achieving sustainable growth with its stakeholders (clients, shareholders/investors, business partners, employees, local community, etc.).

Contribute to sustainable development of society that is based on Shimadzu’s corporate philosophy and strengths



Environmental management: Simultaneous realization of environmental conservation and income creation

- Targets for the final fiscal year in the medium-term management plan
Contribution amount of CO2 emission reduction by environment-conscious products*1

$$\geq \text{Global CO2 emissions}$$
- To generate more than ¥50 billion in sales of environment-conscious products Plus*2
- Expansion of green innovation business*3
 - *1: Environment-conscious products
 - *2: Among environment-conscious products, products that drastically reduce environmental impacts because they save energy, are smaller in size, reduce consumables, etc.
 - *3: Environmental measurement, environmental analysis services and other environment-related businesses in the Analytical & Measuring Instruments segment

Work-style reforms and diversity

- Introduce telecommuting system to support employee nursing-care and child-rearing activities
- Promote initiatives to enable female employees to play an active role in the workplace (At least 2.5-fold increase in current number of female managers)

Health-oriented management: “Shimadzu Healthcare Club”

- Provide free health checkups for our employees through use of the Company’s molecular diagnosis and medical technology (colorectal and breast cancer, etc.)
- Reduce risk of acquiring various diseases by employees thanks to health management system using wearable devices

Measures to Improve Corporate Values

JPX-Nikkei Index 400

Corporate values

Selected to JPX-Nikkei Index 400

(August 2016)

→ JPX Nikkei Index 400, which was calculated from 2014, is comprised of companies that have fulfilled various conditions required to meet global investment standards.



Nadeshiko Brand in FY2016

Career support for female employees

Named “Nadeshiko Brand” in FY2016

(March 2017)

→The METI and Tokyo Stock Exchange (TSE) named Shimadzu a “Nadeshiko Brand” for actively encouraging their female employees to play an active role in the workplace through such measures as the development of an environment where they can continue to work. Those given the designation are selected from among roughly 3,500 listed companies on an industry basis.



Excellent Enterprise of Health and Productivity Management - White 500

Health-oriented management

Certified as an Excellent Enterprise of Health and Productivity Management - White 500 (February 2017)

→The Excellent Enterprise of Health and Productivity Management - White 500 program, jointly operated by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi, certifies large corporations that practice excellent health-oriented management.



Japan Habitat Evaluation and Certification Program (JHEP)

Environmental management

Awarded top AAA rating from JHEP

(May 2015)

→ “Shimadzu Forest” acquired an AAA rating, the highest possible under the JHEP, which objectively evaluates initiatives that contribute to the preservation or restoration of biodiversity.





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 and are based on information available when these materials were prepared; they are subject to risks and uncertainties. For this reason, actual results may differ materially 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 technologies in markets, and fluctuations in exchange rates. The Company does not undertake to update its forward-looking statements.