

3rd Quarter Results & Financial Position, Ended March 2018

Koji Furusawa
Director, Senior Managing Executive Officer
Shimadzu Corporation

3rd Quarter Financial Highlights



Record Results (Apr.-Dec.)

Record results were achieved for all key performance indicators—net sales, operating income, ordinary income, and profit.

Measuring and Industrial Sales Drive Results (Oct.-Dec.)

High growth was achieved, with Analytical & Measuring Instruments achieving 12 % growth (9 % excluding exchange rate effects) and Industrial Machinery 24 % growth (22 % excluding exchange rate effects).

Improved Profitability (Oct.-Dec.)

The overall operating margin improved by 2.4 points, for a 10.6 % increase. The double-digit operating margin for the second quarter (Jul.-Sep.) was followed by a double-digit operating margin for the third quarter (Oct.-Dec.) as well.

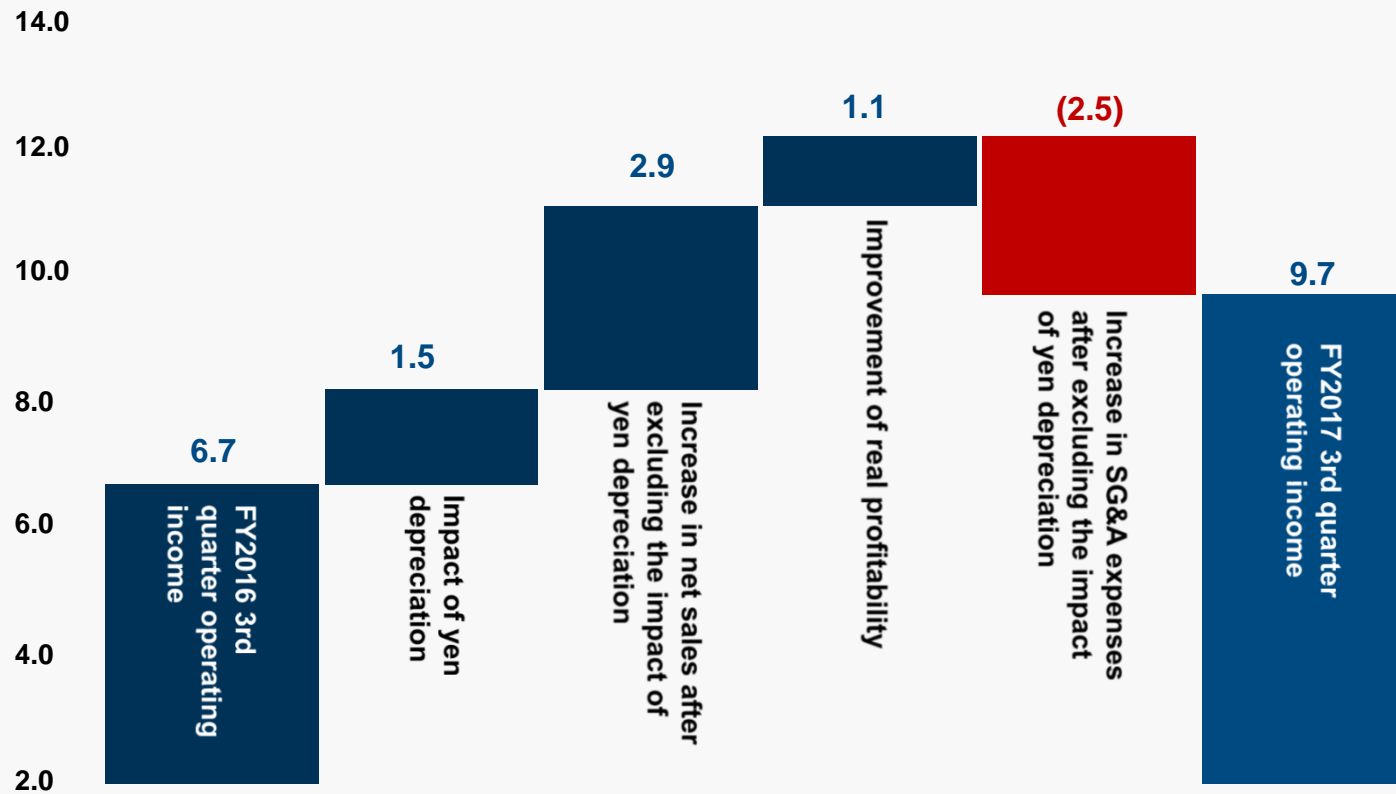
Statement of Income

Units: Billions of yen, excluding EPS and percentages		Oct.-Dec.		YoY Increase/Decrease		
		FY2017	FY2016	Yen Basis		Local Currency Basis
				Change	% Change	% Change
Net Sales		91.3	81.6	9.7	11.9%	9.2%
Operating Income		9.7	6.7	3.0	44.6%	22.1%
<i>Operating Margin</i>		<i>10.6%</i>	8.2%	<i>2.4 point increase</i>		
Ordinary Income		10.0	8.0	2.1	25.7%	
Profit Attributable to Owners of Parent		6.7	5.5	1.2	22.0%	
EPS		¥22.82	¥18.70	¥4.12	22.0%	
Q3 Average Foreign Exchange Rate	US\$	¥113.03	¥109.37	¥3.66	3.4%	
	€	¥133.07	¥117.83	¥15.24	12.9%	
Exchange Rate Effect						
Net Sales		2.2				
Operating Income		1.5				
				R&D Expenses	Capital Expenditures	Depreciation and Amortization
				3.9 billion yen	3.5 billion yen	2.7 billion yen

- The "Exchange Rate Effect" and "Local Currency Basis" values for operating income include elimination of unrealized gains from inventories.
- Sensitivity to Exchange Rates: US\$: 1.2 billion yen for net sales and 0.4 billion yen for operating income; € 0.2 billion yen for net sales and 0.07 billion yen for operating income

Analysis of Year-on-Year Increase/Decrease in Operating Income (Oct.-Dec.)

Units: Billions of yen



Sales and Income by Business Segment

Units: Billions of yen		Oct.-Dec.				YoY Increase/Decrease			
		FY2017		FY2016		Yen Basis		Local Currency Basis	
Analytical & Measuring Instruments	Net Sales	56.8	OPM	50.7	OPM	6.1	12.0%	OPM	8.8%
	Operating Income	8.6	15.1%	6.6	13.0%	2.0	30.6%	2.1 pt increase	12.7%
Medical Systems	Net Sales	14.9	OPM	13.9	OPM	0.9	6.7%	OPM	4.4%
	Operating Profit/Loss	0.0	0.1%	(0.6)	-4.6%	0.6	—	4.7 pt increase	—
Aircraft Equipment	Net Sales	6.2	OPM	6.1	OPM	0.1	1.1%	OPM	0.1%
	Operating Income	0.1	1.2%	0.3	4.6%	(0.2)	-72.3%	3.4 pt decrease	-79.5%
Industrial Machinery	Net Sales	12.0	OPM	9.6	OPM	2.4	24.4%	OPM	22.3%
	Operating Income	1.1	9.0%	0.7	7.5%	0.4	66.4%	1.5 pt increase	28.3%
Other	Net Sales	1.4	OPM	1.1	OPM	0.2	21.4%	OPM	21.4%
	Operating Income	0.4	26.7%	0.2	13.6%	0.2	× 2.4	13.1 pt increase	× 2.4
Operating Income Adjustments		(0.4)	—	(0.4)	—	(0.0)	—	—	—
Total	Net Sales	91.3	OPM	81.6	OPM	9.7	11.9%	OPM	9.2%
	Operating Income	9.7	10.6%	6.7	8.2%	3.0	44.6%	2.4 pt increase	22.1%

Note: The "Exchange Rate Effect" and "Local Currency Basis" values for operating income include elimination of unrealized gains from inventories.

Net Sales by Region

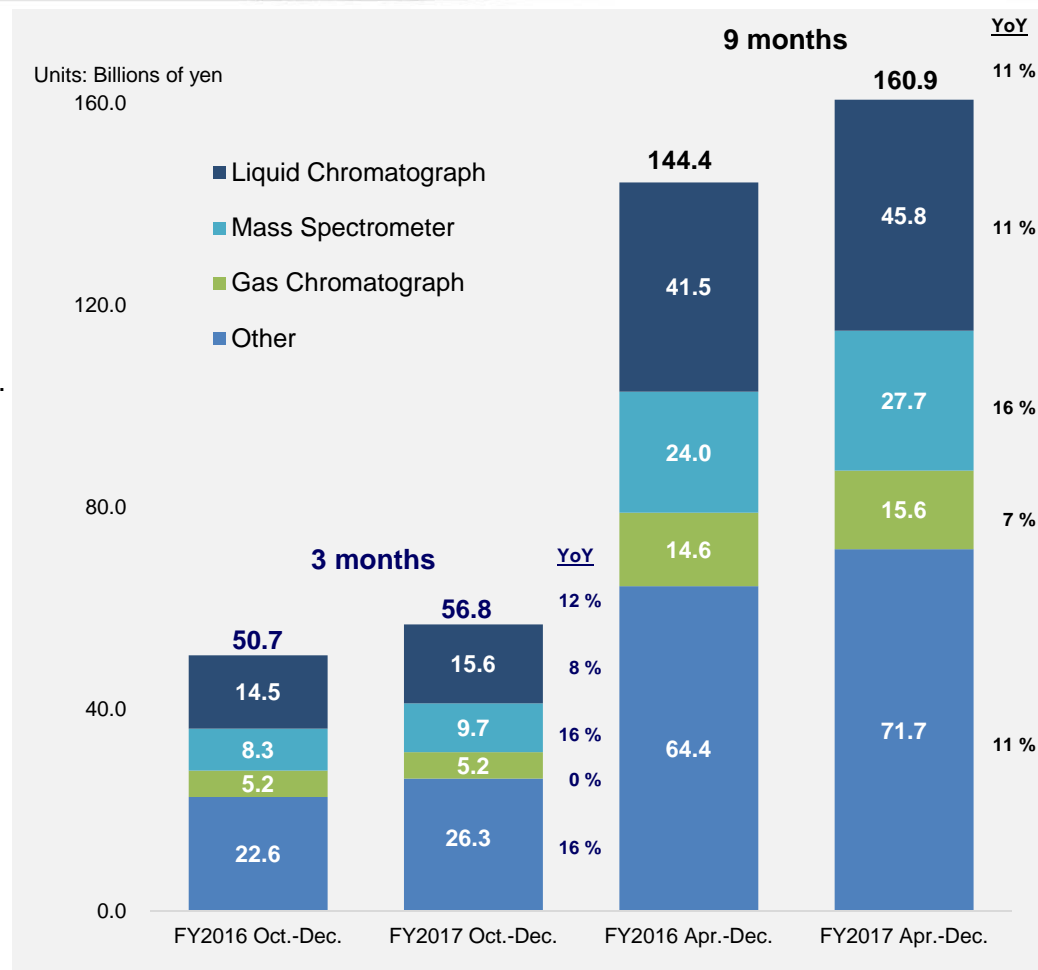
Units: Billions of yen	Oct.-Dec.		YoY Increase/Decrease			
	FY2017	FY2016	Yen Basis		Local Currency Basis	
Japan	41.7	37.6	4.2	11.1%	11.0%	
Americas	11.9	10.6	1.4	12.8%	8.7%	
<i>North America</i>	10.7	9.3	1.3	14.1%	9.8%	
<i>Europe</i>	7.4	6.4	1.0	14.9%	3.0%	
China	19.2	15.6	3.6	23.2%	19.2%	
Other Asian Countries	8.4	9.1	(0.7)	-7.8%	-10.6%	
Other*	2.6	2.3	0.3	13.7%	8.6%	
Total	91.3	81.6	9.7	11.9%	9.2%	
Sales Outside Japan	49.5	44.0	5.5	12.6%	7.6%	
Overseas Sales Ratio	54%	54%				

*Other: Australia, Middle East, and Africa

Analytical & Measuring Instruments 1/3

Net Sales by Sub-Segment

- » **+12 %:** **Oct.-Dec. Net Sales**
Driven by mass spectrometers and environmental measurement instruments, sales expanded and exceeded the 11 % increase of the first half to maintain high growth.
- » **+16 %:** **Mass Spectrometers**
Sales of mass spectrometers, which is a strategic product, grew significantly in Japan, the U.S., and China, mainly in food safety and environmental testing fields.
- » **+16 %:** **Other**
Expanded, mainly for environmental analysis and ICP-MS systems.
- » **28 %:** **Aftermarket Business Sales Ratio**
Ratio decreased by one point, but aftermarket business expanded by 8 %.



Analytical & Measuring Instruments 2/3

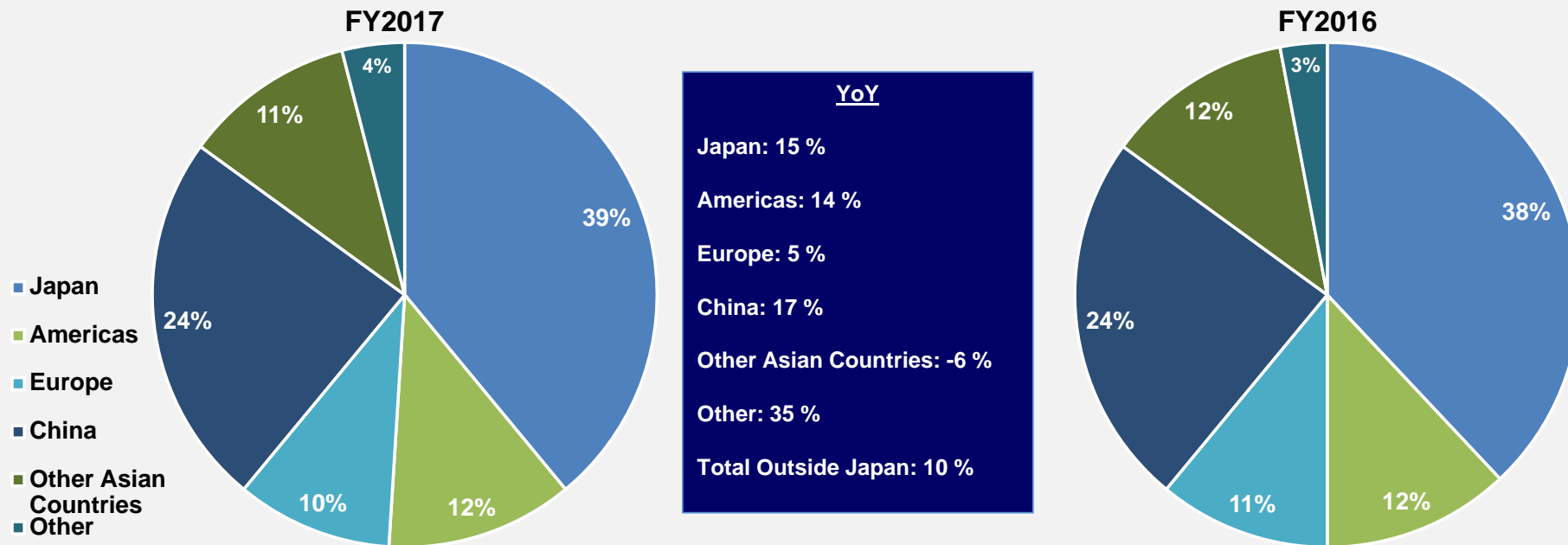
Net Sales by Region

» Overseas Ratio 61 %

Double-digit global increase in Oct.-Dec. quarter, with 61 % overseas ratio.

Significant growth in Japan and U.S., where economic recovery continues, and in China, where demand is expanding for environmental and food safety testing.

Oct.-Dec. Analytical & Measuring Instruments Net Sales by Region



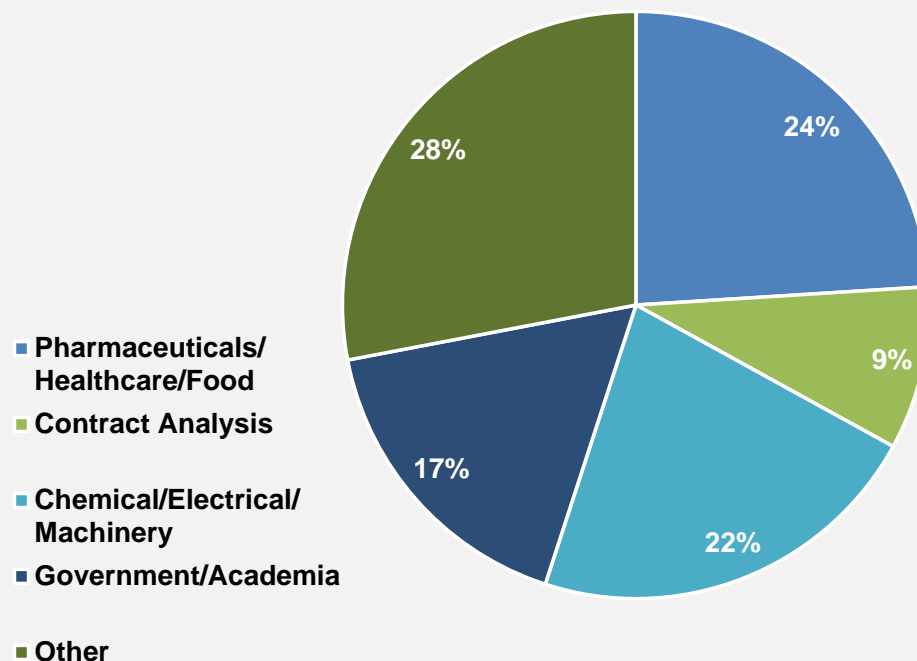
Analytical & Measuring Instruments 3/3

End Market Information

- Pharmaceutical, environmental, and other contract analysis expanded, mainly in China
- No significant changes in breakdown by field
- Breakdown of customer fields is well-balanced between pharmaceuticals/healthcare and electrical/machinery in the private sector and between government and academia in the public sector.



**Apr.-Dec. Analytical & Measuring Instruments
Net Sales by Field**



Medical Systems 1/2

Net Sales by Sub-Segment

» **+7 %:** **Oct.-Dec. Net Sales**
Driven by angiography and fluoroscopy, sales expansion accelerated to 7 %, from 4 % in the first half.

» **+33 %:** **Angiography Systems**
Sales of angiography systems, which is a strategic product, grew significantly due to new products and strong sales/service.

» **31 %:** **Aftermarket Business Sales Ratio**
Aftermarket sales ratio remained above 30 %, but decreased due to factors such as expanded sales of high-value angiography systems.

Major Products and Services



Trinias C12/F12
Angiography System



SONIALVISION G4
R/F System

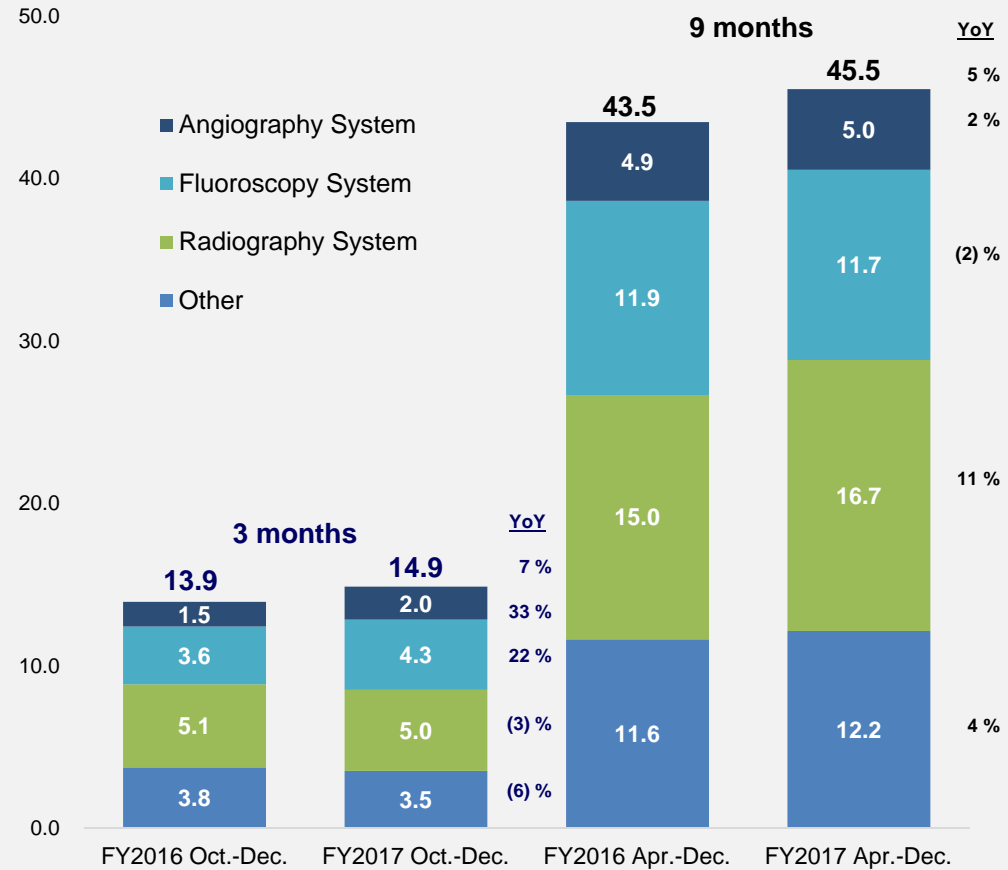


Mobile DaRt Evolution
Mobile X-Ray System



Breast PET System

Units: Billions of yen



Medical Systems 2/2

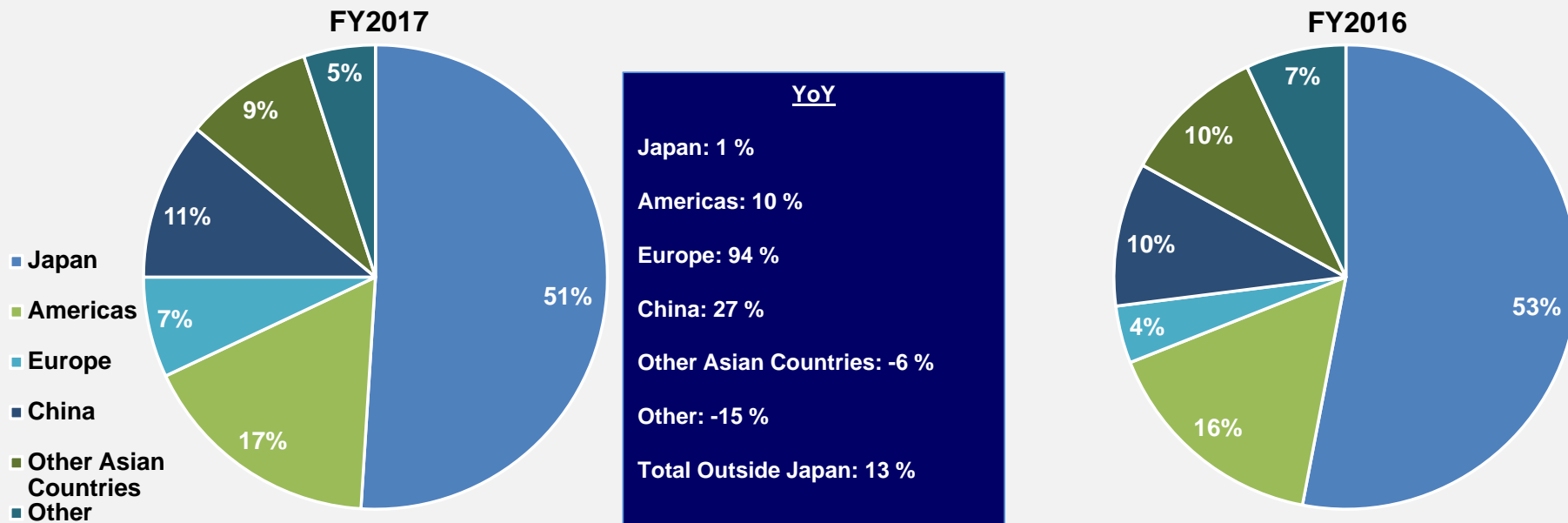
Net Sales by Region

» Overseas Ratio 49 %

During Oct.-Dec., a double-digit sales increase outside Japan drove results and increased the overseas ratio by two points to 49 % (YoY).

Sales expanded in North America, Europe, and China, mainly for high-end products.


Oct.-Dec. Medical Systems Net Sales by Region



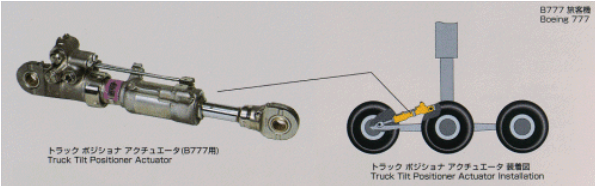
Aircraft Equipment Net Sales by Sub-Segment

- » **+1 %:** **Oct.-Dec. Net Sales**
Sales increased slightly due to a temporary decrease in Boeing production.
- » **+6 %:** **Defense Business**
Component sales were strong for the new transport aircraft (C-2).
- » **-20 %:** **Commercial Aircraft Business**
Sales decreased due to a temporary decrease in production of B-777 and other large commercial aircraft.

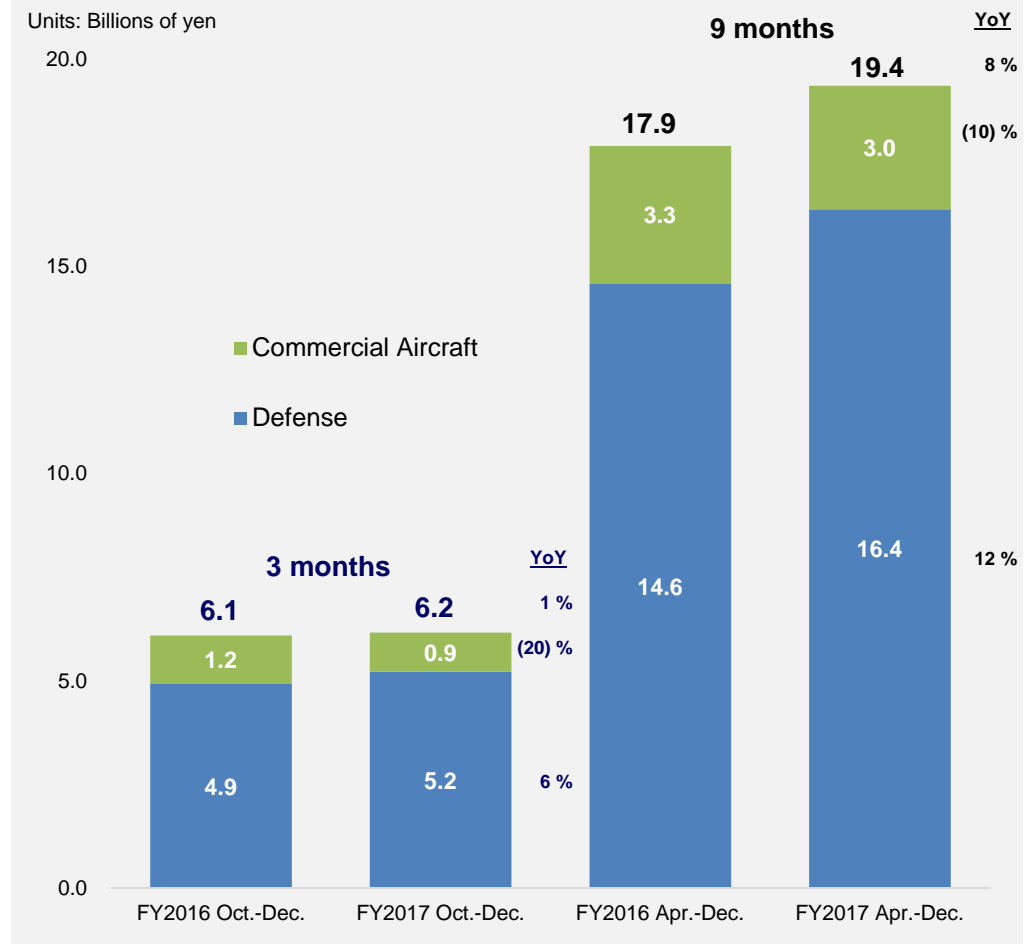
Aircraft Components



Shimadzu Head-Up Display (HUD)
Installed on new C-2 transport aircraft for Japan Air Self-Defense Force



Actuators for Landing Gear
Installed on Boeing B-777 aircraft



Industrial Machinery 1/2

Net Sales by Sub-Segment

» **+24 %:**

Oct.-Dec. Net Sales

Driven by turbomolecular pump sales, sales expanded by double digits for hydraulic equipment and other products as well.

» **+33 %:**

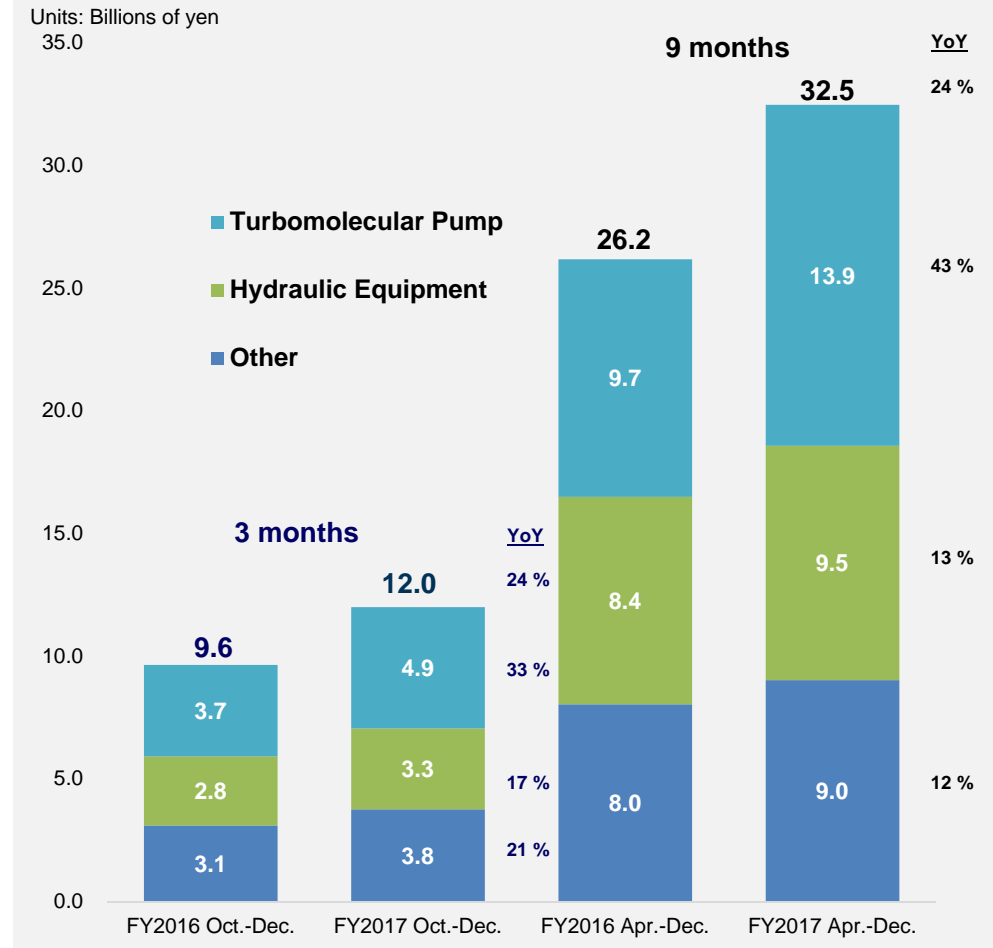
Turbomolecular Pumps

Significant sales growth continues, with steady supply to semiconductor manufacturing and other fields enjoying favorable conditions.

» **+17 %:**

Hydraulic Equipment

Sales were strong for forklift and construction machinery applications.



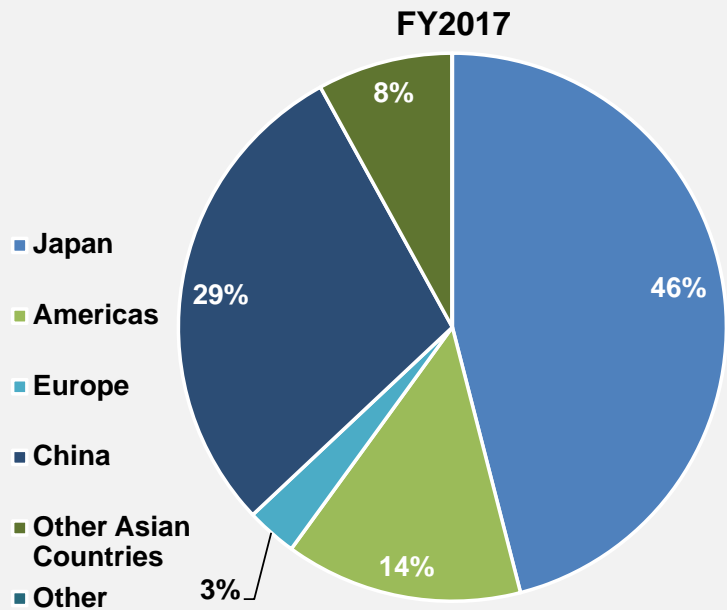
Industrial Machinery 2/2

Net Sales by Region

» Overseas Ratio 54 %

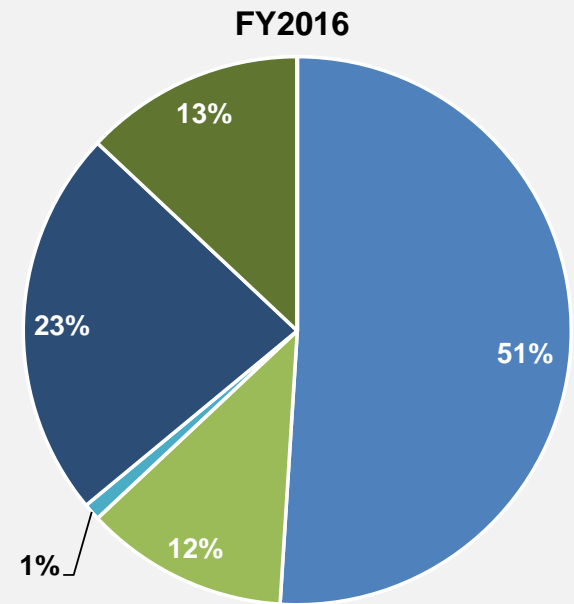
Double-digit global increase in first half continued in Oct.-Dec. quarter. Overseas ratio increased to 54 %. High growth achieved Oct.-Dec., mainly in semiconductor fields, especially in North America and China.

Oct.-Dec. Industrial Machinery Net Sales by Region



YoY

Japan: 13 %
Americas: 32 %
Europe: ×3
China: 55 %
Other Asian Countries: -21 %
Other: ×4
Total Outside Japan: 36 %



Business Environment Outlook

 <p>Japan 1.2 % (+0.5 pt)</p>	<p>Demand is expected to expand in both private and public sectors, due to active corporate investment in R&D for developing new materials and high-capacity batteries, for improving productivity, and for replacing aging equipment, and due to public infrastructure improvements.</p> <p>Risks: Increased tensions in conditions in East Asia</p>
 <p>United States 2.7 % (+0.4 pt)</p>	<p>R&D is expected to accelerate in biotechnology, healthcare, and other advanced fields and corporate capital equipment investment is expected to accelerate due to lower corporate taxes.</p> <p>Risks: Increasingly conservative policies result in a lower dollar value.</p>
 <p>Euro Area 2.2 % (+0.3 pt)</p>	<p>Domestic demand is expected to expand, mainly in Germany, Italy, and the Netherlands, and economic recovery is expected in Russia. Demand is projected to expand in fields such as healthcare, environmental testing, food safety, and energy.</p> <p>Risks: Repercussions from tensions in the Middle East</p>
 <p>China 6.5 % (no change)</p>	<p>Vigorous demand is expected, due to full-scale start of the government's 13th Five-Year Plan, investment related to environmental and other regulations for ensuring a safer and more secure society, expanded/improved research intended to improve the level of academic institutions, expansion in private sector demand for pharmaceutical manufacturing and CROs, and other factors.</p> <p>Risks: Problems with excessive debt and changes in government policies</p>
 <p>ASEAN 5.3 % (+0.1 pt) India 7.4 % (no change)</p>	<p>Governments in respective Southeast Asian countries are expected to make public investments in medical, welfare, and other fields and foreign companies are expected to invest in increasing/improving capital equipment in electrical, automotive, and other fields.</p> <p>Risks: Political instability in Southeast Asia</p>

Note: The values shown in the left column are IMF estimated 2018 GDP growth rates published in January 2018. The increase/decrease since the previous forecast is indicated in parentheses.

Earnings Forecast

- Respective values published at the beginning of the year were adjusted upward, with net sales increased by 10 billion yen, operating income by 1 billion yen, ordinary income by 1 billion yen, and profit by 0.5 billion yen.
- Sales and income are predicted to increase for a fifth consecutive year.

Units: Billions of yen, excluding EPS and percentages		FY2017 Plan	FY2016	YoY Increase/Decrease			
				Yen Basis		Local Currency Basis	
				Change	% Change	Change	% Change
Net Sales		375.0	342.5	32.5	9.5%	28.5	8.3%
Operating Income		41.0	37.1	3.9	10.5%	2.6	7.0%
Operating Margin		10.9%	10.8%	0.1 point increase			
Ordinary Income		40.5	37.0	3.5	9.3%		
Profit Attributable to Owners of Parent		29.0	26.5	2.5	9.5%		
EPS		¥98.45	¥89.79	¥8.66	9.6%		
Q3 Average Foreign Exchange Rate	US\$	¥110	¥108.43	¥1.57	1.4%		
	€	¥130	¥118.84	¥11.16	9.4%		
Exchange Rate Effect							
Net Sales		4.0					
Operating Income		1.3					
				R&D Expenses	Capital Expenditures	Depreciation and Amortization	
				16.0 billion yen	17.0 billion yen	11.0 billion yen	

- Sensitivity to Exchange Rates: US\$: 1.2 billion yen for net sales and 0.4 billion yen for operating income; €: 0.2 billion yen for net sales and 0.07 billion yen for operating income

Earnings Forecast by Business Segment

Units: Billions of yen

		FY2017 Plan		FY2016		YoY Increase/Decrease		
		Amount	Operating Margin	Amount	Operating Margin	Change	% Change	
Analytical & Measuring Instruments	Net Sales	232.0	15.7%	209.2	15.8%	22.8	10.9%	0.1 pt decrease
	Operating Income	36.5		33.1		3.4	10.4%	
Medical Systems	Net Sales	66.0	3.2%	64.4	3.0%	1.6	2.5%	0.2 pt increase
	Operating Income	2.1		1.9		0.2	9.3%	
Aircraft Equipment	Net Sales	27.0	1.9%	26.7	2.9%	0.3	1.0%	1.0 pt decrease
	Operating Income	0.5		0.8		(0.3)	-35.5%	
Industrial Machinery	Net Sales	43.0	8.4%	36.2	7.4%	6.8	18.9%	1.0 pt increase
	Operating Income	3.6		2.7		0.9	34.8%	
Other	Net Sales	7.0	11.4%	6.0	11.8%	1.0	17.1%	0.4 pt decrease
	Operating Income	0.8		0.9		(0.1)	-9.3%	
Operating Income Adjustments		(2.5)	—	(2.2)	—	(0.3)	—	
Total	Net Sales	375.0	10.9%	342.5	10.8%	32.5	9.5%	0.1 pt increase
	Operating Income	41.0		37.1		3.9	10.5%	

Supplementary Materials—Net Sales by Segment/Region 1/4 Analytical & Measuring Instruments

Units: Billions of yen	Oct.-Dec.		YoY Increase/Decrease		
	FY2017	FY2016	Yen Basis		Local Currency Basis
			Change	% Change	% Change
Japan	22.1	19.2	2.9	15.0%	15.0%
Americas	7.0	6.1	0.8	13.7%	9.0%
<i>North America</i>	6.0	5.2	0.8	16.3%	11.3%
Europe	5.9	5.7	0.3	4.9%	-6.5%
China	14.1	12.0	2.0	16.8%	12.8%
Other Asian Countries	6.1	6.4	(0.4)	-5.5%	-8.3%
Other*	1.7	1.3	0.4	34.6%	28.7%
Total	56.8	50.7	6.1	12.0%	8.8%
Sales Outside Japan	34.8	31.5	3.2	10.2%	5.0%

*Other: Australia, Middle East, and Africa

Supplementary Materials—Net Sales by Segment/Region 2/4 Medical Systems

Units: Billions of yen	Oct.-Dec.		YoY Increase/Decrease		
	FY2017	FY2016	Yen Basis		Local Currency Basis
			Change	% Change	% Change
Japan	7.5	7.4	0.1	1.4%	1.4%
Americas	2.5	2.3	0.2	10.0%	6.4%
<i>North America</i>	2.2	2.0	0.3	13.4%	9.7%
<i>Europe</i>	1.0	0.5	0.5	94.6%	74.6%
China	1.6	1.3	0.3	26.6%	22.4%
Other Asian Countries	1.4	1.4	(0.1)	-5.5%	-7.8%
Other*	0.8	1.0	(0.2)	-15.4%	-19.5%
Total	14.9	13.9	0.9	6.7%	4.4%
Sales Outside Japan	7.3	6.5	0.8	12.7%	7.9%

*Other: Australia, Middle East, and Africa

Supplementary Materials—Net Sales by Segment/Region 3/4 Aircraft Equipment

Units: Billions of yen	Oct.-Dec.		YoY Increase/Decrease		
	FY2017	FY2016	Yen Basis		Local Currency Basis
			Change	% Change	% Change
Japan	5.2	4.9	0.3	6.0%	5.3%
Americas	0.9	1.0	(0.2)	-15.3%	-18.1%
<i>North America</i>	<i>0.9</i>	1.0	(0.2)	-15.3%	-18.1%
Total	6.2	6.1	0.1	1.1%	0.1%
Sales Outside Japan	0.9	1.2	(0.2)	-19.6%	-22.2%

*Other: Australia, Middle East, and Africa

Supplementary Materials—Net Sales by Segment/Region 4/4 Industrial Machinery

Units: Billions of yen	Oct.-Dec.		YoY Increase/Decrease		
	FY2017	FY2016	Yen Basis		Local Currency Basis
			Change	% Change	% Change
Japan	5.5	4.9	0.6	13.1%	13.1%
Americas	1.6	1.1	0.5	39.6%	35.6%
<i>North America</i>	1.5	1.1	0.4	32.3%	28.6%
<i>South America</i>	0.1	0.0	0.1	938.7%	894.6%
Europe	0.4	0.1	0.3	219.3%	204.5%
China	3.5	2.2	1.3	55.3%	51.1%
Other Asian Countries	1.0	1.2	(0.3)	-21.4%	-25.0%
Other*	0.0	0.2	(0.2)	287.5%	287.5%
Total	12.0	9.6	2.4	24.4%	22.3%
Sales Outside Japan	6.5	4.8	1.7	36.0%	31.7%

*Other: Australia, Middle East, and Africa

Supplementary Materials—Apr.-Dec. 9-Month Total 1/6

Statement of Income

Units: Billions of yen, excluding EPS and percentages	Apr.-Dec.		YoY Increase/Decrease		
	FY2017	FY2016	Yen Basis		Local Currency Basis
			Change	% Change	% Change
Net Sales	263.3	236.3	27.0	11.4%	8.6%
Operating Income	25.4	21.9	3.5	15.9%	6.5%
Operating Margin	9.7%	9.3%	<i>0.4 point decrease</i>		
Ordinary Income	25.7	22.6	3.1	13.7%	
Profit Attributable to Owners of Parent	18.0	15.8	2.2	13.9%	
EPS	¥61.19	¥53.68	¥7.51	14.0%	
Q3 Average Foreign Exchange Rate	US\$	¥111.77	¥106.68	¥5.09	4.8%
	€	¥128.58	¥118.08	¥10.50	8.9%
Exchange Rate Effect					
Net Sales	6.8		R&D Expenses	Capital Expenditures	Depreciation and Amortization
Operating Income	2.1		11.0 billion yen	10.4 billion yen	7.9 billion yen

- The "Exchange Rate Effect" and "Local Currency Basis" values for operating income include elimination of unrealized gains from inventories.
- Sensitivity to Exchange Rates: US\$: 1.2 billion yen for net sales and 0.4 billion yen for operating income; €: 0.2 billion yen for net sales and 0.07 billion yen for operating income

Supplementary Materials—Apr.-Dec. 9-Month Total 2/6

Sales and Income by Business Segment

Units: Billions of yen		Apr.-Dec.				YoY Increase/Decrease				
		FY2017		FY2016		Yen Basis			Local Currency Basis	
Analytical & Measuring Instruments	Net Sales	160.9	OPM	144.4	OPM	16.4	11.4%	OPM	11.6	8.0%
	Operating Income	22.9	14.3%	20.7	14.4%	2.2	10.6%	0.1 pt decrease	0.7	3.4%
Medical Systems	Net Sales	45.5	OPM	43.5	OPM	2.0	4.7%	OPM	1.0	2.3%
	Operating Income	0.7	1.5%	(0.1)	-0.3%	0.8	27.0%	1.8 pt increase	0.4	—
Aircraft Equipment	Net Sales	19.4	OPM	17.9	OPM	1.5	8.1%	OPM	1.2	6.5%
	Operating Income	(0.2)	-0.8%	0.2	1.4%	(0.4)	—	2.2 pt decrease	(0.5)	—
Industrial Machinery	Net Sales	32.5	OPM	26.2	OPM	6.3	24.0%	OPM	5.6	21.6%
	Operating Income	2.9	9.0%	1.8	7.0%	1.1	66.4%	2.0 pt increase	0.9	48.8%
Other	Net Sales	5.1	OPM	4.3	OPM	0.8	19.0%	OPM	0.8	19.0%
	Operating Income	0.5	7.8%	0.5	9.2%	(0.0)	-1.0%	1.4 pt decrease	(0.0)	-1.0%
Operating Income Adjustments		(1.5)	—	(1.3)	—	(0.2)	—	—	—	—
Total	Net Sales	263.3	OPM	236.3	OPM	27.0	11.4%	OPM	20.3	8.6%
	Operating Income	25.4	9.7%	21.9	9.3%	3.5	15.9%	0.4 pt increase	1.4	6.5%

Note: The "Exchange Rate Effect" and "Local Currency Basis" values for operating income include elimination of unrealized gains from inventories.

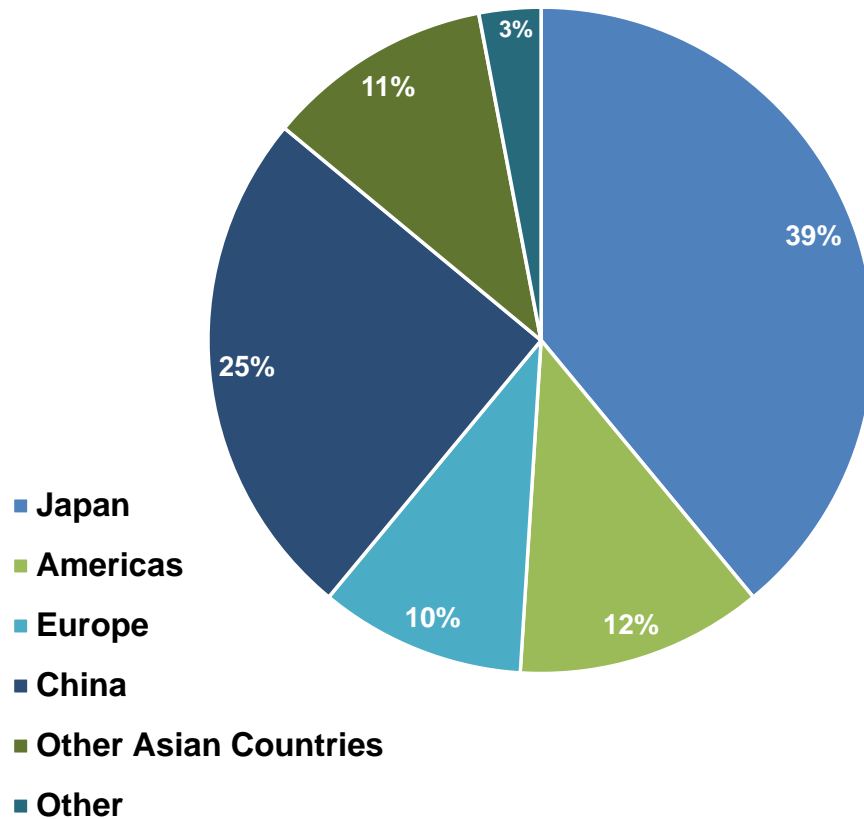
Supplementary Materials—Apr.-Dec. 9-Month Total 3/6

Net Sales by Region

Units: Billions of yen	Apr.-Dec.		YoY Increase/Decrease		
	FY2017	FY2016	Yen Basis		Local Currency Basis
Japan	124.4	114.7	9.7	8.5%	8.4%
Americas	34.4	31.3	3.2	10.2%	5.5%
<i>North America</i>	30.4	27.9	2.5	8.9%	4.2%
<i>Europe</i>	19.8	17.8	2.1	11.7%	3.4%
China	52.1	41.2	10.9	26.5%	21.0%
Other Asian Countries	24.8	24.4	0.4	1.7%	-2.4%
Other*	7.7	7.0	0.7	9.8%	4.0%
Total	263.3	236.3	27.0	11.4%	8.6%
Sales Outside Japan	138.9	121.6	17.3	14.2%	8.8%
Overseas Sales Ratio	53%	51%			

*Other: Australia, Middle East, and Africa

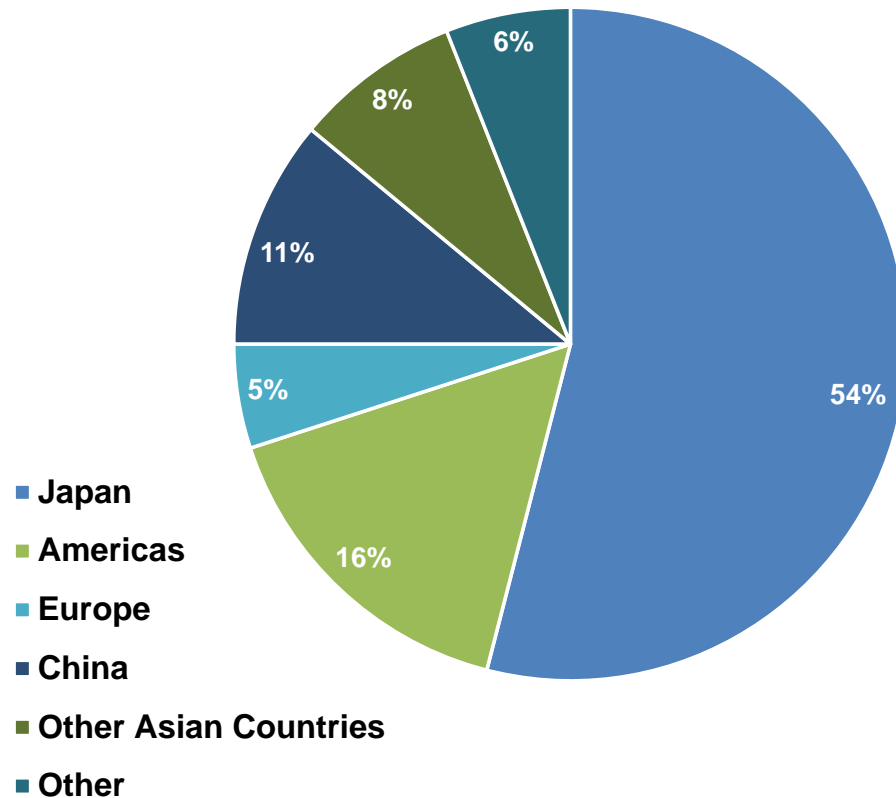
Supplementary Materials—Apr.-Dec. 9-Month Total 4/6 Analytical & Measuring Instruments Sales by Region



<u>YoY</u>
Japan: 8 %
Americas: 11 %
Europe: 11 %
China: 21 %
Other Asian Countries: 2 %
Other: 26 %
Total Outside Japan: 14 %

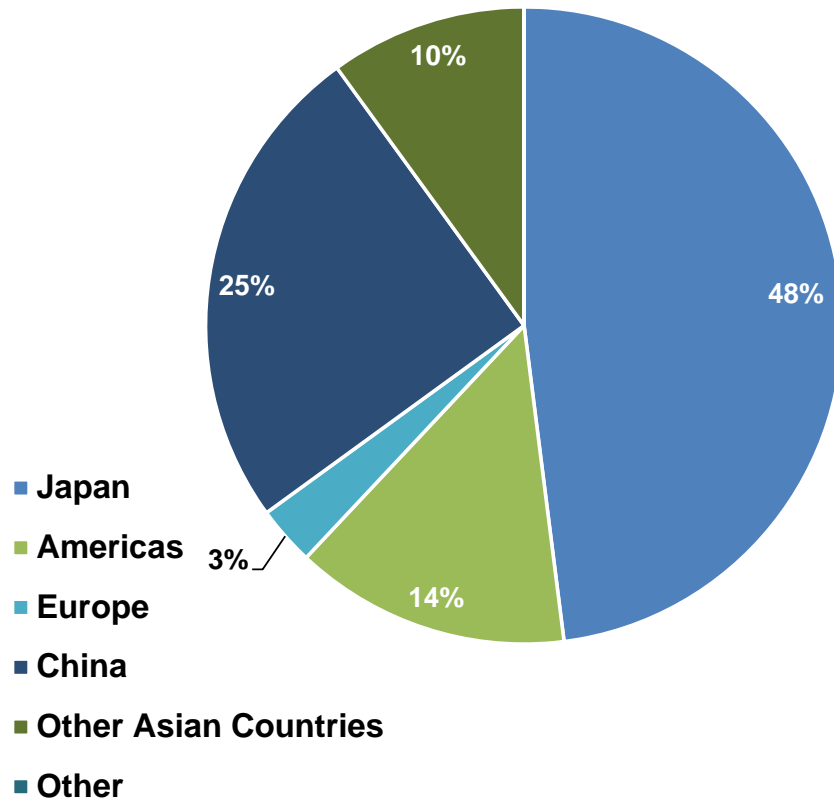
Supplementary Materials—Apr.-Dec. 9-Month Total 5/6

Medical Systems Sales by Region



<u>YoY</u>
Japan: 3 %
Americas: 2 %
Europe: 8 %
China: 13 %
Other Asian Countries: 15 %
Other: -1 %
Total Outside Japan: 7 %

Supplementary Materials—Apr.-Dec. 9-Month Total 6/6 Industrial Machinery Sales by Region



<u>YoY</u>	
Japan:	12 %
Americas:	46 %
Europe:	30 %
China:	80 %
Other Asian Countries:	-11 %
Other:	-81 %
Total Outside Japan:	37 %



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 that are based on information available when these materials were prepared and are subject to risks and uncertainties. Consequently, actual results may differ materially from the forecasts indicated above. Factors that may influence actual business performance include, but are not limited to, economic conditions within and outside Japan, changes in technologies in markets, and fluctuations in exchange rates.