Actual results may differ from forecasts about future performance indicated in this document, due to fluctuations in economic conditions, exchange rates, technologies, or a variety of other external factors.
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2. Shimadzu’s Science and Technology and R&D Organizations
3. Business Overview
4. Medium-Term Management Plan
5. ESG Initiatives
6. Other
Contents

1. Corporate Overview
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Corporate Overview

- Corporate Philosophy: Contributing to Society through Science and Technology
- Management Principle: Realizing Our Wishes for the Well-being of Mankind and the Earth
- Sustainability Charter: Create a Bright Future

SHIMADZU CORPORATION will engage in company activities and fulfill social responsibilities based on two principles—“solve the challenges of society through business operations” and “engage in activities as a responsible member of society”—while working towards harmony between the earth, society, and people.

- Company Name and Address: Shimadzu Corporation
  1 Nishinokyo Kuwabara-cho, Nakagyo-ku, Kyoto

- Foundation: March, 1875

- Capital: 26.6 billion yen

- Net Sales: 482.2 billion yen

- Number of Employees: Unconsolidated: 3,541; Consolidated: 13,898

- Number of Consolidated Subsidiaries: 23 in Japan, 55 overseas (as of March 31, 2023)

Head Office/Sanjo Works (Kyoto)
### Corporate Overview

#### History - Kyoto when Shimadzu was Founded

<table>
<thead>
<tr>
<th>Year</th>
<th>Meiji</th>
<th>History of Shimadzu</th>
<th>World Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>1868</td>
<td>1</td>
<td>Demand for Buddhist altar fittings decreased due to Meiji restoration, anti-Buddhist sentiments, and other factors.</td>
<td>Kyoto prefectural government office opens.</td>
</tr>
<tr>
<td>1869</td>
<td>2</td>
<td><strong>Core technologies</strong> Manufacturing technologies cultivated from manufacturing Buddhist altar fittings</td>
<td>Japan’s first elementary school established.</td>
</tr>
<tr>
<td>1870</td>
<td>3</td>
<td></td>
<td>The Physics and Chemistry Research Institute established. Masanao Makimura is appointed Governor of Kyoto Prefecture.</td>
</tr>
<tr>
<td>1875</td>
<td>8</td>
<td>Shimadzu Corporation founded (manufacturing physics and chemistry instruments).</td>
<td></td>
</tr>
<tr>
<td>1877</td>
<td>10</td>
<td>Launches a manned balloon in response to a request by Kyoto Governor Makimura.</td>
<td>Railway service started between Kyoto and Kobe (Kyoto Station opened).</td>
</tr>
</tbody>
</table>

### District with Concentration of Science and Technology

- Kawaramachi St.
- Nijo St.
- Oshikoji St.

---

**Successful Balloon Flight (1877)**

**Physics and Chemistry Instruments at the Time of Founding**

---

**Governor Makimura (1834-1896)**

**Founder Genzo Shimadzu, Sr. (1839-1894)**

---

**Head Office, Kiyamachi, Kyoto around 1895**

---

**Kyoto Prefectural Physics and Chemistry Research Institute**

---

**Educational Physics and Chemistry Instruments (collections of Shimadzu Foundation Memorial Hall)**
Corporate Overview

History—Foundation of Businesses

<table>
<thead>
<tr>
<th>Year</th>
<th>Meiji</th>
<th>History of Shimadzu</th>
<th>World Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>1895</td>
<td>28</td>
<td>Establishes new Scientific Specimen Department.</td>
<td>Dr. Roentgen discovers X-rays.</td>
</tr>
<tr>
<td>1896</td>
<td>29</td>
<td>Succeeds in producing an X-ray photograph (joint development with the Third Higher School (predecessor to Kyoto University)).</td>
<td>The first Olympic Games held (in Athens).</td>
</tr>
<tr>
<td>1897</td>
<td>30</td>
<td>Starts manufacturing storage batteries (GS batteries).</td>
<td>Kyoto Imperial University established.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Develops an educational X-ray apparatus.</td>
<td></td>
</tr>
<tr>
<td>1909</td>
<td>42</td>
<td>Develops Japan's first medical X-ray system.</td>
<td></td>
</tr>
</tbody>
</table>

Early Storage Batteries

Genzo Jr. (1869-1951)

GS Storage Batteries around 1904

The Third Higher School (predecessor to Kyoto University)
Professor Muraoka (1853-1929)

Early X-Ray Image (1896)
Educational X-Ray Apparatus (1897)
Radiography Using Medical X-Ray System

Year Meiji History of Shimadzu World Events
1895 28 Establishes new Scientific Specimen Department. Dr. Roentgen discovers X-rays.
1896 29 Succeeds in producing an X-ray photograph (joint development with the Third Higher School (predecessor to Kyoto University)). The first Olympic Games held (in Athens).
1897 30 Starts manufacturing storage batteries (GS batteries). Kyoto Imperial University established.
1909 42 Develops Japan's first medical X-ray system.
Genzo Shimadzu Jr. started businesses for a variety of things needed by society. Later, those businesses evolved into the current organization of four business segments.

1875: Foundation
- Physics and chemistry instruments
- Analytical and measuring instruments
- Contributed to improvement of education level in Japan, and industrial development through R&D and quality control.

1891
- Scientific specimens
- Storage batteries
- Laid the foundation for the mannequin industry in Japan and contributed to its growth and development.

1896
- Medical X-ray systems
- Using X-ray image processing technology, enabled early diagnosis and treatment and contributed to managing the health of people.

1897
- Japan Storage Battery Co., Ltd. (currently GS Yuasa Corporation)

1899
- Gears and hydraulic equipment
- Vacuum pumps

1914
- Aircraft equipment
- With highly reliable materials processing technologies, achieved safe and secure flight.

1919
- Supported industry with cost-effective key components used in production equipment and vehicles.

1925
- 1925
- 1925

1929
- Dai Nippon Toryo Co., Ltd.

1936
- 1936
- 1936

1937
- Nippon Yusoki Co., Ltd. (currently Mitsubishi Logisnext Co., Ltd.)

1948
- Kyoto Kagaku (currently Kyoto Kagaku Co., Ltd.)

Note: GS Yuasa Corporation, Mitsubishi Logisnext Co., Ltd., Dai Nippon Toryo Co., Ltd., and Kyoto Kagaku Co., Ltd. are not Shimadzu Group companies.
Corporate Overview

Global Business Deployment

Operating sites established in 25 countries to serve different needs of each region. (Overseas sales ratio in FY 2022 was 56 %.)

Number of consolidated subsidiaries: 55 overseas, 23 in Japan
Corporate Overview

Changes in Net Sales and Operating Income

- The ten-year (FY2012 to FY2022) CAGR has been 6% for Net Sales and 19% for Operating Income.
- Net Sales and Operating Income hit record high for 3rd consecutive year.
- Record-breaking Net Sales and Operating Income levels are being targeted for FY 2023.

(Billion yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010</td>
<td>252.7</td>
<td>16.3</td>
</tr>
<tr>
<td>FY 2011</td>
<td>266.3</td>
<td>19.4</td>
</tr>
<tr>
<td>FY 2012</td>
<td>264.0</td>
<td>12.1</td>
</tr>
<tr>
<td>FY 2013</td>
<td>307.5</td>
<td>24.0</td>
</tr>
<tr>
<td>FY 2014</td>
<td>314.7</td>
<td>27.2</td>
</tr>
<tr>
<td>FY 2015</td>
<td>342.2</td>
<td>35.7</td>
</tr>
<tr>
<td>FY 2016</td>
<td>342.5</td>
<td>37.1</td>
</tr>
<tr>
<td>FY 2017</td>
<td>376.5</td>
<td>42.8</td>
</tr>
<tr>
<td>FY 2018</td>
<td>391.2</td>
<td>44.5</td>
</tr>
<tr>
<td>FY 2019</td>
<td>385.4</td>
<td>41.8</td>
</tr>
<tr>
<td>FY 2020</td>
<td>393.5</td>
<td>49.7</td>
</tr>
<tr>
<td>FY 2021</td>
<td>428.2</td>
<td>63.8</td>
</tr>
<tr>
<td>FY 2022</td>
<td>482.2</td>
<td>68.2</td>
</tr>
<tr>
<td>FY 2023 (forecast)</td>
<td>510.0</td>
<td>73.0</td>
</tr>
</tbody>
</table>
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1. Corporate Overview
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Shimadzu’s Science and Technology and R&D Organizations

Shimadzu’s Corporate Culture and Strengths

Initiatives for Implementing the Corporate Philosophy “Contributing to Society through Science and Technology”

- Despite changing times, Shimadzu remains steadfastly committed to the corporate philosophy “Contributing to Society through Science and Technology.”
- Even for niche markets, Shimadzu serves the needs of all customers.
- Shimadzu constantly strives to increase technology development capabilities for contributing to the advancement and growth of industry.

Diverse component assembly technology and precision machining technology/equipment

Core technologies
Analytical technologies, measuring technologies, X-ray technologies, vacuum technologies, etc. Development of operating principles/techniques is critical

Prioritizing development of original technologies

Appreciating unique ideas and creativity

Culture of Shimadzu
Shimadzu’s Science and Technology and R&D Organizations

R&D Organizations

- Build integrated capabilities for functions ranging from R&D to product/application development.
- Establish Innovation Centers to strengthen partnerships with research, corporate, and academic institutions.

Application and Technology Development

Supply products and services

Shimadzu Tokyo Innovation Plaza (Open in Oct. 2022)

Basic Technology Research

Number of Patents Held
7,275
(4,181 in Japan; 3,094 overseas)

R&D Expenses
19.0 billion yen
Ratio of net sales 3.9%

Products and Services Development

Healthcare R&D Center

Shimadzu China R&D Division

Koichi Tanaka Mass Spectrometry Research Laboratory

Research laboratories

SHIMADZU Future Collaboratory

Kratos in UK

Innovation Centers

Application Development Center

Needs
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Business Overview

Four Business Segments

- Businesses deployed in four business segments: Analytical & Measuring Instruments, Medical Systems, Industrial Machinery, and Aircraft Equipment.

Analytical and Measuring Instruments
- Contribute to research, technology development, and quality control functions by supplying analytical and measuring instruments in a wide variety of fields.

Medical Systems
- Contribute to maintaining and improving the health of people by offering X-ray diagnostic imaging systems.

Industrial Machinery
- Support cutting-edge manufacturing by offering high-performance key components.

Aircraft Equipment
- Contribute to safety, comfort, and reducing stress on passengers by offering cutting-edge aircraft equipment.
Business Overview

Analytical & Measuring Instruments Segment

- Cutting-edge analytical technologies are used for research and development or quality control in a wide variety of fields, including pharmaceuticals, environmental testing, and life sciences.

Challenges in Society

Advanced Healthcare

- Healthcare and social welfare costs will increase as birth rates decline and aging populations increase.
- Offer solutions for ultra-early and preventive diagnosis of diseases and infectious disease countermeasures (preventive and rapid diagnosis).

Materials

- Support improving the reliability of functionally-engineered materials for automobiles, aircraft, and other transport equipment.

Environmental/Energy

- Expand use of renewable energies for achieving carbon-neutrality.

Value Provided

- We contribute to maintaining people’s health by developing technologies for the early diagnosis of diseases, such as dementia, cancer, and lifestyle diseases.
- We contribute to new drug development and productivity improvements by offering advanced analytical technologies.
- We help ensure the safety and security of food by testing for residual pesticides and water quality, evaluating the presence of regulated substances contained in packaging, and ensuring regulatory compliance.
- We contribute to developing new materials, mainly for improving fuel efficiency and ensuring the safety of transport equipment, such as by testing the strength or non-destructively analyzing the internal status of various materials.
- We contribute to achieving a carbon-free society by supplying systems and application software that are useful for developing clean energy technologies.

We contribute to preventing the spread of infections by developing infection testing technologies, such as the novel coronavirus detection kits, and managing data, virus monitoring, and other solutions.

- Liquid Chromatograph Mass Spectrometer System
- Gas Chromatograph
- Precision Universal Testing Machine
- Nondestructive Inspection System
- Online Total Nitrogen and Total Phosphorus Analyzer
- Fully Automatic PCR Testing System
- Novel Coronavirus Detection Kit
- EDX-LE Energy Dispersive X-Ray Fluorescence Spectrometer
Net Sales and operating income exceeded previous record levels for 3rd consecutive years in FY2022.
Aiming for record high for 4th consecutive years in FY2023.

**Customers**
Pharmaceutical, food, automotive, and chemical companies, healthcare institutions, contract analysis companies, academic/government research institutions

**Markets**
Market size of about 7 trillion yen. Annual growth rate of 3 to 4 %. 5:5 ratio of instrument vs aftermarket (maintenance/service, etc.) as market size.

**Competitors (Mainly U.S. companies)**

---

**Sales Ratio by Region**
- Japan: 38%
- China: 24%
- North America: 10%
- Europe: 10%
- Other Asian Countries: 12%
- Other Countries: 11%

**Sales Ratio by Market**
- Healthcare: 36%
- Industry: 20%
- Academia/ Gov.: 18%
- Other 25%

*Pie chart outer rings indicate FY 2022 results and inner rings FY 2021 results.*
Business Overview

Medical Systems Segment

- Offer healthcare systems with advanced imaging technologies, that cause minimal burden on patients and are easy to use.
- Contribute to the early detection and treatment of infectious diseases, brain/heart diseases, cancers, and other various diseases.

Challenges in Society

Provide more advanced examination technologies that can detect physical disorders as early as possible and identify the causes of diseases in more detail.

Value Provided

- Used for whole-body diagnostic imaging of bone fractures and pneumonia
  General radiography systems are used for whole-body diagnostic imaging of bone fractures and pneumonia. Being applied in image processing technologies in recent years, the range of applications is expanding.

- Used for diagnostic imaging of internal organs and bone disorders, which are increasing due to aging populations
  The ability to perform radiography at the patient bedside or various other hospital locations enables rapid on-the-spot assessment of patient condition. Can also be used for diagnostic X-ray imaging in infections or emergencies.

- Catheterization support for cardiovascular or cerebrovascular diseases
  Catheterization support for cardiovascular or cerebrovascular diseases

- SCORE PRO Advance
  Improving the visibility of medical devices
  Minimally affected by movement. Imaging with low radiation dose levels

- Used to diagnose mental disorders or for stroke rehabilitation

- Used for whole-body diagnostic imaging of bone fractures and pneumonia
  General radiography systems are used for whole-body diagnostic imaging of bone fractures and pneumonia. Being applied in image processing technologies in recent years, the range of applications is expanding.

- World’s first TOF-PET system dedicated for heads and breasts
  Enables examinations of not only the head and breast areas but also cancer (head and breast) and dementia more accurately by using this system itself.

- TOF-PET System
  PET Scan Images of Beta-Amyloid Plaques
  Without amyloid - With amyloid
  Large accumulations of beta-amyloid

- Near-Infrared Imaging System
  Assist in diagnosing depression by using near-infrared light to measure brain activity. Support rehabilitation applications with visualization of brain activity.
Net sales exceeded previous record levels in FY 2022.

Customers
Hospitals and other healthcare institutions

Markets
Market for diagnostic imaging systems is about 3 trillion yen. Of that, global market size for diagnostic X-ray systems is about 700 billion yen. Systems must be approved as a medical device separately in each country. Therefore, regions that are unitary states with large populations are especially important, such as the United States, China, and Japan.

Competitors
Koninklijke Philips N.V., Siemens Healthineers AG, GE Healthcare, Canon, Fujifilm

Sales Ratio by Region

Changes in Results

- Pie chart outer rings indicate FY 2022 results and inner rings FY 2021 results.
Business Overview
Industrial Machinery Segment

Contribute to industrial development by supplying high-quality and high-performance key components, such as turbomolecular pumps and equipment and parts equipped with sophisticated hydraulic technology.

Challenges in Society
Develop sustainable and resilient infrastructure. Implement global initiatives to achieve a carbon-free society.

Value Provided

For manufacturing semiconductors and displays
High-performance pumps used to create vacuum environments. Mainly installed in semiconductor manufacturing equipment.

Turbomolecular Pump

Support advancements in next-generation mobility fields
Used to sinter ceramic materials for automotive parts

Industrial Furnace

Hydraulic motive power sources for industrial vehicles, construction machinery, and agricultural equipment
Hydraulic gear pumps that achieve low noise and low vibration levels

Hydraulic Gear Pump

Regulate the direction, pressure, and flowrate of hydraulic oil flow from hydraulic gear pumps.

Hydraulic Control Valve

Electric motor

Tilting cylinder

Control valve

Gear pump

Lifting cylinder
Business Overview
Industrial Machinery Segment

- Aiming to achieve a new record high for record high in FY2023.

**Turbomolecular Pump**
- **Customers**
  Semiconductor production equipment makers and flat panel display manufacturers
- **Markets**
  Linked to demand for semiconductor manufacturing equipment

**Hydraulic Equipment**
- **Customers**
  Manufacturers of forklifts, small construction machinery, and agricultural equipment
- **Markets**
  Linked to logistics (industrial vehicles), construction machinery, and agricultural equipment markets

---

**Changes in Results**

<table>
<thead>
<tr>
<th></th>
<th>Net Sales</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018</td>
<td>45.4</td>
<td>4.5</td>
</tr>
<tr>
<td>FY 2019</td>
<td>43.0</td>
<td>3.7</td>
</tr>
<tr>
<td>FY 2020</td>
<td>45.1</td>
<td>3.4</td>
</tr>
<tr>
<td>FY 2021</td>
<td>56.7</td>
<td>6.0</td>
</tr>
<tr>
<td>FY 2022</td>
<td>63.0</td>
<td>5.4</td>
</tr>
<tr>
<td>FY 2023 forecast</td>
<td>64.0</td>
<td>6.5</td>
</tr>
</tbody>
</table>
Business Overview

Aircraft Equipment Segment

- Contribute to ensuring a safe and secure society by offering components, parts, and systems that integrate advanced technologies with sophisticated precision machining technologies.

Challenges in Society

Tougher public infrastructure. Improve safety, environmental conservation, and comfort in the mobility field.

Value Provided

Air Management System

Air management systems are used to adjust the air temperature and pressure levels inside aircraft. They contribute to ensuring a comfortable environment based on analysis and evaluation technology that continuously optimizes the onboard environment.

Flight Control System

High-quality mechanical technology and highly reliable electronic control technology help ensure flight safety.

Air Management System Components:
- Air conditioning system
- Ventilation system
- Dehumidification system

Flight Control System Components:
- Flap actuators
- Stabilizer trim actuator
- Angle gearbox
- Power drive unit gearboxes
- Control valve modules

Cockpit Display System

System that projects flight information, such as altitude, speed, and direction in the visual field. It uses sophisticated electronic and optical technologies to minimize the burden on pilots and contribute to flight safety.

Cockpit Display System Components:
- Helmet Mounted Display
- Head Down Display
Business Overview
Aircraft Equipment Segment

- Business is split into Defense Field and Commercial Aircraft Field. (Defense: Commercial Aircraft =3:1)
- Improve operating margin due to higher gross margin, etc.

**Defense Field**
- **Customers**
The Ministry of Defense, aircraft manufacturers, and engine manufacturers
- **Markets**
Due to business linked to national security, sales do not fluctuate with economic conditions.

**Commercial Aircraft Field**
- **Customers**
Non-Japanese aircraft manufacturers, aircraft engine manufacturers, airlines, etc.
- **Markets**
  - Increased demand due to the recovery of passengers needs
  - Sophisticated technological capabilities are required for development and manufacturing due to certification requirements based on international standards and high-quality control levels required.

**Changes in Results**

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023 forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong> (Billion yen)</td>
<td>27.3</td>
<td>30.0</td>
<td>28.6</td>
<td>22.3</td>
<td>24.0</td>
<td>29.0</td>
</tr>
<tr>
<td><strong>Operating Income</strong> (Billion yen)</td>
<td>0.1</td>
<td>0.8</td>
<td>0.9</td>
<td>0.1</td>
<td>1.4</td>
<td>2.6</td>
</tr>
</tbody>
</table>
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COVID-19 raised the awareness of the importance of Human Life & Well-Being.
Due to the global Climate Change, the Well-Being of the Earth is now our common concern.
Change for the Better

Business Expansion and Transformation into a Company That Provides Total Solutions Across Divisions

- Best for Our Customers -
  How to Transform into the Customer-Centric Business Structure?

Provide the “DATA” needed by customers by

- Establishing closer relationships
- Communicating in their language of choice

Deliver the “PRODUCTS” based on customer request

FY2026-

Sustainable Growth with Customers

Develop Social Value Creation Business Based on Customer and Domain Axis

New Medium-Term Management Plan FY2023-2025

Business Expansion and Organizational Change to Focus on Customers (Domain)

FY2022

Become a Company That Solves Challenges in Society in Collaboration with Partners All Around the World
—Creating and Implementing Systems for Solving Challenges in Society—

- Establishing closer relationships
- Communicating in their language of choice

DELIVER THE “PRODUCTS” BASED ON CUSTOMER REQUEST
Concept: Be an Innovative Company that solves social issues with global partners!

- Achieve Sustainable Growth by Technology Development & Social Implementation -

5 Business Strategies

- Reimburse Key Model Business - LC, MS, GC, Testing Machine, and TMP -
- Strengthen Med-Tech Business
- Expand Overseas Business & Operation
- Reinforce & Expand Recurring Business

Develop & Create New / Future Business

Reinforce the Corporate Governance

- Accelerate R&D Activities
- Strategize International Standardization / Reinforce Regulatory Response
- Expand Global Manufacturing Capabilities
- Propel DX (Digital Transformation)

Human Resource Strategy: Realizing “Leadership & Diversity”

Financial Strategy: Executing Strategic Investments

Medium-Term Management Plan/ Business Briefing | SHIMADZU CORPORATION
# KPI in FY2025

<table>
<thead>
<tr>
<th>Financial KPI</th>
<th>Non-Financial KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td><strong>Climate Action</strong></td>
</tr>
<tr>
<td>550.0 bn yen</td>
<td>Reducing CO2 emissions associated with business activities and product use</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>• Corporate Emissions: <strong>10,000 t-CO₂ ⇒ Zero</strong></td>
</tr>
<tr>
<td>800 bn yen</td>
<td>• Reduction Contribution*: <strong>12,000 t-CO₂</strong></td>
</tr>
<tr>
<td><strong>OPM</strong></td>
<td>(FY2025) (FY2050)</td>
</tr>
<tr>
<td>14.5%</td>
<td>*Reduction in customers' CO2 emissions by using products certified under our company Eco Products Plus system</td>
</tr>
</tbody>
</table>

## Capital Efficiency

<table>
<thead>
<tr>
<th>ROE</th>
<th>ROIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;12.5%</td>
<td>&gt;11.0%</td>
</tr>
</tbody>
</table>

## Shareholder Return

**Maintaining** Payout Ratio > 30.0%

**Women Empowerment**

<table>
<thead>
<tr>
<th>Ratio of female managers (Consolidated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12% ⇒ 15%</td>
</tr>
<tr>
<td>(FY2025) (FY2030)</td>
</tr>
</tbody>
</table>
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Ever since the company was founded, it has been the aim of Shimadzu to contribute to drug development, water and atmospheric monitoring, healthcare, and public infrastructure.

In 1992, Shimadzu established the management principle “Realizing Our Wishes for the Well-being of Mankind and the Earth.”

Key Concepts of Sustainability Management

**Contributing to the Well-Being of Mankind and the Earth (E + S)**
- Initiatives to Achieve Advancements in Science and Technology
- Contributing to People’s Health, Fighting Infectious Diseases, and Managing Employee Health
- Initiatives for Achieving Carbon-Neutrality
- Consistent with Circular Economy
- Contributing to Conservation of Biodiversity

**Contributing to Industry and Society (S)**
- Contributing to Advancements in Industry
- Contributing to Realizing Safe and Secure Society
- Strengthening Intellectual Property Strategies
- Responsible Member of Society

**Corporate Governance (G)**
- Strengthening Corporate Governance
- Building the Group Governance
- Strengthening Compliance and Building Risk Management System
- Mitigating Risks of Natural Disasters
Develop and supply products and services that promote global environmental conservation.

- Striving to Minimize Shimadzu’s Global Environmental Impact—Eco-Products Plus

1. At least 25% lower energy consumption
2. At least 25% smaller (in terms of weight, volume, and/or footprint)
3. At least 25% reduction in use of gases, solvents, or other consumables

Eco-Products Plus products must satisfy one of the above criteria compared to the previous Shimadzu model.

Shimadzu Group CO2 Emissions and Contribution to Reduction in CO2 Emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>CO2 Emissions (t-CO2)</th>
<th>Contribution level of reduction in CO2 emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>40,000</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>60,000</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>70,000</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>80,000</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>90,000</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>100,000</td>
<td></td>
</tr>
</tbody>
</table>

Balance the trade-off between the quantity of CO2 emitted by Shimadzu and quantity reduced due to Shimadzu contributions by offering Eco-Products Plus certified environmentally-friendly models.
ESG- Environmental Management
Reducing CO₂ Emissions to Reduce Environmental Impact of Shimadzu Businesses

- Set new CO₂ emission reduction goals in March 2022. We intend to achieve net-zero CO₂ emissions by 2050 (vs FY 2017).
- As a medium-term target, reduce CO₂ emissions by at least 85% by 2030 and by at least 90% by 2040.

May 2019: Endorsed TCFD declaration
March 2021: Endorsed RE100 initiative
February 2022: Selected as Supplier Engagement Leader
October 2022: Obtained SBT certification
Promoting Diversity Management

Diversity is a source of science and technology

Shimadzu Corporation continues to embody its corporate philosophy of "Contributing to Society through Science and Technology" by positively embracing the diverse thoughts and differences of each employee, and maximizing their talents.

Developing Women Leaders and Supporting Their Careers

- Shimadzu Women Next Career Design training for women close to being promoted to manager
- Establishment of an environment in which women can play an active role, including flexible work systems and a wide range of support systems related to childcare

<table>
<thead>
<tr>
<th>Percentage of female managers (Consolidated)</th>
<th>FY2022</th>
<th>FY2030</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.9%</td>
<td>15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of female employees taking childcare leave</th>
<th>FY2020</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>for 5th consecutive years</td>
<td>for 2nd consecutive years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rate of female employees returning from childcare leave</th>
<th>FY2020</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>for 2nd consecutive years</td>
<td>for 2nd consecutive years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of female employees taking childcare leave</th>
<th>FY2020</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22.7%</td>
<td>56.7%</td>
</tr>
</tbody>
</table>

→ Indicates expected progress by FY2030
Diversity within the Board of Directors enables discussions from various perspectives, which results in appropriate decision-making and supervision.

**Corporate Governance System**

**Composition of the Board of Directors**

- **Half** of the eight members of the Board of Directors are outside directors.
  - Two of the four outside directors are women.

**Appointment and Compensation Committee**

- The Chairman is an outside director.
  - 2/3 of members are outside directors.
  - Four of the six members are outside directors.

**Skill Matrix**

Candidates for membership are nominated from those with appropriate levels of knowledge and experience considered currently important in members of the board. The areas of knowledge and experience expected will continue to be reassessed based on external business conditions and company circumstances.

- For a description of the skill matrix concept, click the following link.
  - [https://www.shimadzu.com/ir/governance/skill_matrix.html](https://www.shimadzu.com/ir/governance/skill_matrix.html)
ESG Recognition from Outside Shimadzu

- Selected for inclusion in the ESG index used by the Government Pension Investment Fund (GPIF).
- Recognized for various environmental initiatives and an approach of maintaining dialogues with stakeholders.

Included in ESG Index Used by GPIF

Shimadzu is included in the following four indexes used by the GPIF:
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index
- S&P/JPX Carbon Efficient Index
- FTSE Blossom Japan Sector Relative Index

Recognized for Environmental Initiatives

CDP scores: B for climate change and B for water security

Eco-First Company

In recognition of advanced environmental conservation initiatives, Shimadzu is the first company in the precision equipment industry to be certified by the Minister of the Environment.

Acquisition of Japan Habitat Evaluation Program (JHEP) Certification

Shimadzu has established a "Shimadzu Forest" (8,000 m²) within the Head Office/Sanjo Works grounds. Consequently, Shimadzu earned a AAA Japan Habitat Evaluation Program Certification score, the highest available, from the Ecosystem Conservation Society-Japan.

Recognized for an Approach of Maintaining Dialogues with Stakeholders

In 2021, Shimadzu received the IR Prime Business Award from the Japan Investor Relations Association for the first time.
Contents

1. Corporate Overview
2. Shimadzu’s Science and Technology and R&D Organizations
3. Business Overview
4. Medium-Term Management Plan
5. ESG Initiatives
6. Other
Excellence in Science & Best for Our Customers

Other

Changes in Stock Prices

- Tokyo Stock Exchange (Prime market)
- Market capitalization: 1,135.7 billion yen (as of December 8, 2023)

Status of Stocks (as of September 30, 2023)

Total number of common stock authorized: 800,000,000
Total number of common stock issued: 296,070,227
Number of shareholders: 38,880

Ratio of Shares by Shareholder Type

Medium-term Management Plan
(FY 2014-FY 2016)
Mar. 31, 2014 917 yen
Price 1.9x

Medium-term Management Plan
(FY 2017-FY 2019)
Mar. 31, 2017 1,769 yen
Price 1.6x

Medium-term Management Plan
(FY 2020-FY 2022)
Mar. 31, 2023 4,140 yen
Price 1.5x

Dec. 8, 2023 3,836 yen
**Policy:** Maintain an payout ratio >30% and continuously return profits to shareholders.

**Dividends:** 58 yen per share, up for 10 consecutive years (expected payout ratio of 31.1% in FY2023).

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### Shareholder Returns

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payout Ratio</strong></td>
<td>35.0%</td>
<td>27.3%</td>
<td>20.8%</td>
<td>22.2%</td>
<td>22.3%</td>
<td>23.7%</td>
<td>25.4%</td>
<td>27.8%</td>
<td>27.8%</td>
<td>29.9%</td>
<td>30.6%</td>
<td>31.1%</td>
<td>31.1%</td>
</tr>
<tr>
<td><strong>Annual Dividend</strong></td>
<td>4.5</td>
<td>4.5</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>13</td>
<td>15</td>
<td>15</td>
<td>19</td>
<td>20</td>
<td>22</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td><strong>Year-end Dividend</strong></td>
<td>4.5</td>
<td>4.5</td>
<td>5</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>13</td>
<td>15</td>
<td>15</td>
<td>20</td>
<td>22</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td><strong>Interim Dividend</strong></td>
<td>4.5</td>
<td>4.5</td>
<td>5</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>13</td>
<td>15</td>
<td>15</td>
<td>20</td>
<td>22</td>
<td>24</td>
<td></td>
</tr>
</tbody>
</table>

*FY 2022 values will be finalized at the annual shareholder’s meeting. FY 2023 values are estimates.*
Other

Major Management Indicators (1)

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>393.5</td>
<td>428.2</td>
<td>482.2</td>
<td>510.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>49.7</td>
<td>63.8</td>
<td>68.2</td>
<td>73.0</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>12.6%</td>
<td>14.9%</td>
<td>14.1%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Profit</td>
<td>36.1</td>
<td>47.3</td>
<td>52.0</td>
<td>55.0</td>
</tr>
<tr>
<td>EPS</td>
<td>122.52 yen</td>
<td>160.49 yen</td>
<td>176.64 yen</td>
<td>—</td>
</tr>
<tr>
<td>ROE</td>
<td>11.3%</td>
<td>13.2%</td>
<td>12.9%</td>
<td>—</td>
</tr>
<tr>
<td>PER</td>
<td>32.69 ×</td>
<td>26.39 ×</td>
<td>23.44 ×</td>
<td>—</td>
</tr>
<tr>
<td>PBR</td>
<td>3.52 ×</td>
<td>3.27 ×</td>
<td>2.88 ×</td>
<td>—</td>
</tr>
<tr>
<td>R&amp;D Expenses</td>
<td>15.7</td>
<td>16.3</td>
<td>19.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Dividend</td>
<td>34 yen</td>
<td>48 yen</td>
<td>54 yen</td>
<td>58 yen</td>
</tr>
<tr>
<td>Payout Ratio</td>
<td>27.8%</td>
<td>29.9%</td>
<td>30.6%</td>
<td>31.1%</td>
</tr>
</tbody>
</table>

*Indicated PER and PBR are for the last business day of each fiscal year.
### Other Major Management Indicators (2)

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td>437.6</td>
<td>497.5</td>
<td>560.5</td>
<td>618.9</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>302.8</td>
<td>335.5</td>
<td>381.2</td>
<td>423.5</td>
</tr>
<tr>
<td><strong>Equity Ratio</strong></td>
<td>69.2%</td>
<td>67.4%</td>
<td>68.0%</td>
<td>68.4%</td>
</tr>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td>39.5</td>
<td>63.8</td>
<td>63.4</td>
<td>48.3</td>
</tr>
<tr>
<td><strong>Cash Flows from Investing Activities</strong></td>
<td>-16.1</td>
<td>-13.9</td>
<td>-6.0</td>
<td>-34.5</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>23.4</td>
<td>49.9</td>
<td>57.3</td>
<td>13.8</td>
</tr>
<tr>
<td><strong>Cash Flows from Financing Activities</strong></td>
<td>-26.2</td>
<td>-13.0</td>
<td>-15.7</td>
<td>-19.4</td>
</tr>
<tr>
<td><strong>Capital Equipment Investment</strong></td>
<td>17.7</td>
<td>14.5</td>
<td>16.4</td>
<td>22.5</td>
</tr>
<tr>
<td><strong>Depreciation and Amortization</strong></td>
<td>13.3</td>
<td>15.5</td>
<td>16.2</td>
<td>17.5</td>
</tr>
</tbody>
</table>
Brand Statement “Excellence in Science”
The Shimadzu Group supplies products and services used by customers throughout the world to develop a wide variety of new products, protect or improve the environment, or to improve the health or lives of people. This brand statement expresses our pride in that fact and serves as a pledge to society and ourselves that Shimadzu will remain dedicated to the pursuit of improving technology and accumulating knowledge, so that we can continue to offer outstanding technologies, products, and services and strengthen our reputation for excellence in science.

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E-Mail: ir@group.shimadzu.co.jp