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.
1. Corporate Overview
2. Shimadzu’s Science and Technology and R&D Organizations
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4. Medium-Term Management Plan
5. ESG Initiatives
6. Other
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6. Other
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>Core technologies <strong>Manufacturing technologies cultivated from manufacturing Buddhist altar fittings</strong></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.</td>
</tr>
<tr>
<td>1875</td>
<td>8</td>
<td>Shimadzu Corporation founded (manufacturing physics and chemistry instruments).</td>
<td>Masanao Makimura is appointed Governor of Kyoto Prefecture.</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.
- Nijyo St.
- Oshikoji St.

- The Physics and Chemistry Research Institute
- Kyoto Prefectural Physics and Chemistry Research Institute
- Governor Makimura (1834-1896)
- Founder Genzo Shimadzu, Sr. (1839-1894)
- Successful Balloon Flight (1877)

Excellence in Science & Best for Our Customers
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). Develops an educational X-ray apparatus.</td>
<td>Kyoto Imperial University established.</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
History - Transition of Businesses

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

1891

- 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)

1914

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

1917

- Medical Systems Segment

1919

- Gears and hydraulic equipment
- With highly reliable materials processing technologies, achieved safe and secure flight.

1925

- Aircraft equipment

1929

- Dai Nippon Toryo Co., Ltd.

1936

- Industrial Machinery Segment

1937

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

1948

- Kyoto Kagaku (currently Kyoto Kagaku Co., Ltd.)
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.
- Record-breaking net sales and operating income levels are being targeted for FY 2023.
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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.

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

Culture of Shimadzu:
- Prioritizing development of original technologies
- Appreciating unique ideas and creativity
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

**Products and Services Development**

- **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%

**Innovation Centers**

- Application Development Center
- Research laboratories
- Koichi Tanaka Mass Spectrometry Research Laboratory
- Kratos in UK
- Shimadzu China R&D Division

**Needs**

**Supply**

- Healthcare R&D Center
- SHIMADZU Future Collaboratory

**Application and Technology Development**

- **Shimadzu Tokyo Innovation Plaza** (Open in Oct. 2022)
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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.

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

FY 2022 Net Sales by Business Segment

Net Sales
482.2 billion yen

Analytical 65%
Medical 16%
Industry 13%
Aircraft 5%
Other 1%

63.0 bn yen
24.0 bn yen
75.9 bn yen
314.7 bn yen
36.0 bn yen

Control valve modules
Power drive unit gearboxes
Flap actuators
Stabilizer trim actuator
Flight Control System

LCMS-8060NX

Turbomolecular Pump (Vacuum Pump)

Liquid Chromatograph Mass Spectrometer

Hydraulic Gear Pump

Trinias Angiography System

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

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.

Materials

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

Environmental/Energy

- Expand use of renewable energies for achieving carbon-neutrality.
- 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.
Net sales and operating income exceeded previous record levels for 3 consecutive years (up to FY2022).
Sales of Key model such as liquid chromatographs, mass spectrometers increased. Also, a highly profitable recurring businesses expanded through the new consolidation with Nissui Pharmaceutical and an increase in service/maintenance.

**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)**
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.

**Catheterization support for cardiovascular or cerebrovascular diseases**

Catheterization systems support cardiovascular or cerebrovascular diseases, which are increasing due to aging populations.

**SCORE PRO Advance**

Improving the visibility of medical devices

**SCORE RSM**

Minimally affected by movement. Imaging with low radiation dose levels

**Used to diagnose mental disorders or for stroke rehabilitation**

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.

**World’s first TOF-PET system dedicated for heads and breasts**

TOF-PET System

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.

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.
Business Overview

Medical Systems Segment

- Net sales exceeded previous record levels in FY 2022.
- In FY 2023, aim to strengthen recurring business by deploying subscription-based software business such as image processing and AI technologies.

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

Changes in Results

Sales Ratio by Region

- Pie chart outer rings indicate FY 2022 results and inner rings FY 2021 results.

Sales Ratio by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>57%</td>
<td>54%</td>
</tr>
<tr>
<td>North America</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Europe</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Other Asian Countries</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Other Countries</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>China</td>
<td>9%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Net Sales (Billion yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2017</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></td>
<td>2.7</td>
<td>2.3</td>
<td>3.2</td>
<td>5.0</td>
<td>6.1</td>
<td>5.5</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Operating Income (Billion yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2017</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></td>
<td>65.9</td>
<td>69.1</td>
<td>70.2</td>
<td>66.9</td>
<td>66.9</td>
<td>75.9</td>
<td>77.0</td>
</tr>
</tbody>
</table>
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

- Turbomolecular Pump
  - High-performance pumps used to create vacuum environments.
  - Mainly installed in semiconductor manufacturing equipment.

Support advancements in next-generation mobility fields

- Industrial Furnace
  - Used to sinter ceramic materials for automotive parts

- Hydraulic Gear Pump
  - Hydraulic gear pumps that achieve low noise and low vibration levels

- Hydraulic Control Valve
  - Regulate the direction, pressure, and flowrate of hydraulic oil flow from hydraulic gear pumps.

For manufacturing semiconductors and displays

- Turbomolecular Pump
  - High-performance pumps used to create vacuum environments.
  - Mainly installed in semiconductor manufacturing equipment.

For manufacturing semiconductors and displays

- Turbomolecular Pump
  - High-performance pumps used to create vacuum environments.
  - Mainly installed in semiconductor manufacturing equipment.

For manufacturing semiconductors and displays

- Turbomolecular Pump
  - High-performance pumps used to create vacuum environments.
  - Mainly installed in semiconductor manufacturing equipment.
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

Turbo molecular pump sales have increased, led by demand from semiconductor manufacturing equipment and coating equipment for low-emission architectural glass.
Hydraulic equipment sales increased due to the growth in overseas demand.
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**
- High-quality mechanical technology and highly reliable electronic control technology help ensure flight safety.

---

### 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.

- **Power drive unit gearboxes**
- **Control valve modules**
- **Flap actuators**
- **Stabilizer trim actuator**
- **Angle gearbox**

---

### 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.

- **Helmet Mounted Display**
- **Head Down Display**
Business Overview

Aircraft Equipment Segment

Business is split between the Ministry of Defense (74 %) and the commercial aircraft equipment market (26 %).

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

(Billion yen)

Net Sales
Operating Income

FY 2017
FY 2018
FY 2019
FY 2020
FY 2021
FY 2022
FY 2023 forecast

0
10
20
30

0.5
1.4
1.7
1.0
0.9
0.1
0.8
0.1
0.5
27.7
27.3
30.0
28.6
22.3
1.4
1.7
28.0

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**What’s Our “Purpose”?**

- 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.

---

Corporate Philosophy: Contributing to Society through Science and Technology
Management Principle: Realizing Our Wishes for the Well-being of Mankind and the Earth
Change for the Better

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

- FY2022
- New Medium-Term Management Plan FY2023-2025

Develop Social Value Creation Business Based on Customer and Domain Axis

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

Sustainable Growth with Customers

FY2026-

- 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

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—
**Basic Policy**

**Concept:**

Be an Innovative Company that solves social issues with global partners!
- Achieve Sustainable Growth by Technology Development & Social Implementation -

<table>
<thead>
<tr>
<th>5 Business Strategies</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinforce Key Model Business - LC, MS, GC, Testing Machine, and TMP -</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strengthen 7 Management Foundations</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerate R&amp;D Activities</td>
<td></td>
</tr>
</tbody>
</table>

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

### Financial KPI

<table>
<thead>
<tr>
<th>KPI</th>
<th>FY2025 Value</th>
<th>FY2050 Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>550.0 bn yen</td>
<td>800 bn yen</td>
</tr>
<tr>
<td>Operating Income</td>
<td>800 bn yen</td>
<td></td>
</tr>
<tr>
<td>OPM</td>
<td>14.5%</td>
<td></td>
</tr>
</tbody>
</table>

### Capital Efficiency

- **ROE**: >12.5%
- **ROIC**: >11.0%

### Non-Financial KPI

#### Climate Action
- Reducing CO₂ emissions associated with business activities and product use
  - Corporate Emissions: 10,000 t-CO₂ ⇒ Zero
  - Reduction Contribution*: 12,000 t-CO₂ (FY2025) 12,000 t-CO₂ (FY2050)
  - *Reduction in customers' CO₂ emissions by using products certified under our company Eco Products Plus system

#### Women Empowerment
- Ratio of female managers (Consolidated)
  - Maintaining Payout Ratio > 30.0%
  - FY2025: 12%  
  - FY2030: 15%
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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.

- 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

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

Nadeshiko Brand (Tokyo Stock Exchange and Ministry of Economy, Trade and Industry)

For six consecutive years, Shimadzu Corporation has been selected as a Nadeshiko brand in recognition of being a publicly listed company that actively promotes the role of women in the workplace.

New “Diversity Management Selection 100” Company (Ministry of Economy, Trade and Industry)

24 companies that use capabilities of diverse human resources to increase corporate value in the medium and long term are selected.

KPIs for Diversity

April 1, 2021 to March 31, 2026

<table>
<thead>
<tr>
<th>FY 2020 Data</th>
<th>Target Value (FY 2025)</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Women in Management Positions</td>
<td>At least 6%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Ratio of female full-time employees</td>
<td>At least 30%</td>
<td>20.4%</td>
</tr>
<tr>
<td>Percentage of Childcare Leave Used by Men</td>
<td>At least 30%</td>
<td>20.8%</td>
</tr>
</tbody>
</table>

Note: The values above are for Shimadzu Corporation alone.
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
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

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- Tokyo Stock Exchange (Prime market)
- Market capitalization: 1,225.7 billion yen (as of March 31, 2023)

Other Changes in Stock Prices

Status of Stocks (as of March 31, 2022)
- Total number of common stock authorized: 800,000,000
- Total number of common stock issued: 296,070,227
- Number of shareholders: 38,941

Ratio of Shares by Shareholder Type

- Securities companies (Number of shareholders: 60) 2,955 thousand shares (1.0%)
- General corporations (Number of shareholders: 318) 12,649 thousand shares (4.3%)
- Individuals, etc. (Number of shareholders: 37,719) 34,241 thousand shares (11.6%)
- Foreign investors (Number of shareholders: 750) 102,349 thousand shares (34.6%)
- Financial institutions, etc. (Number of shareholders: 91) 142,616 thousand shares (48.2%)
- Other (Number of shareholders: 3) 1,255 thousand shares (0.4%)

Total 296,070,227 shares

2023 Year-to-Date
- High: 4,470 yen (May 22, 2023)
- Low: 3,570 yen (January 5, 2023)

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

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

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

May. 22, 2023
4,470 yen

0 1000 2000 3000 4000 5000 6000
(Yen)

Price 1.9×
Price 1.6×
Price 1.5×
Policy: Actively invest in growth, such as R&D, and provide steady returns to stakeholders.

Dividends: FY 2022 22 yen interim, 32 yen year-end, and 54 yen full-year, which is 4 yen higher than the forecast. FY 2023 23 yen interim, 33 yen year-end, and 56 yen full-year, consecutive 10-year increase planned.

Shareholder Returns

FY 2022 values will be finalized at the annual shareholder’s meeting. FY 2023 values are estimates.
## Major Management Indicators (1)

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY2022</th>
<th>FY 2023 (Forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>393.5</td>
<td>428.2</td>
<td>482.2</td>
<td>500.0</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>49.7</td>
<td>63.8</td>
<td>68.2</td>
<td>71.0</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>12.6%</td>
<td>14.9%</td>
<td>14.1%</td>
<td>14.2%</td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td>36.1</td>
<td>47.3</td>
<td>52.0</td>
<td>53.0</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>122.52 yen</td>
<td>160.49 yen</td>
<td>176.64 yen</td>
<td>179.86 yen</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>11.3%</td>
<td>13.2%</td>
<td>12.9%</td>
<td>—</td>
</tr>
<tr>
<td><strong>PER</strong></td>
<td>32.69 ×</td>
<td>26.39 ×</td>
<td>23.44 ×</td>
<td>—</td>
</tr>
<tr>
<td><strong>PBR</strong></td>
<td>3.52 ×</td>
<td>3.27 ×</td>
<td>2.88 ×</td>
<td>—</td>
</tr>
<tr>
<td><strong>R&amp;D Expenses</strong></td>
<td>15.7</td>
<td>16.3</td>
<td>19.0</td>
<td>22.0</td>
</tr>
<tr>
<td><strong>Dividend</strong></td>
<td>34 yen</td>
<td>48 yen</td>
<td>54 yen</td>
<td>56 yen</td>
</tr>
<tr>
<td><strong>Payout Ratio</strong></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.
## 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>Cash Flows from Operating Activities</td>
<td>39.5</td>
<td>63.8</td>
<td>63.4</td>
<td>48.3</td>
</tr>
<tr>
<td>Cash Flows from Investing Activities</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>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.