

Governance Report

To achieve sustained growth, increase medium- and long-term corporate value, and ensure effectiveness, we are engaged in building a system of governance.

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Governance Report



Policy on Corporate Governance

For more details, refer to the website.
<https://www.shimadzu.com/ir/governance/policy.html>



Corporate Governance Policy

Basic Policy

The Shimadzu Group will establish and enhance systems for corporate governance as a core basis for our business management practices used to earn the trust of our stakeholders, achieve sustained growth for the Shimadzu Group, increase the corporate value in the medium and long term, ensure management transparency and fairness, and promote management dynamism by increasing the speed and boldness of decision-making and by implementing measures.

Corporate Governance Policy

Corporate Governance Policy

1. Appropriate Cooperation with Stakeholders
2. Securing the Rights and Equal Treatment of Shareholders
3. Ensuring Appropriate Information Disclosure and Transparency
4. Dialogue with Shareholders
5. Responsibilities of the Board of Directors, etc.

▶ For more information about the Corporate Governance Policy, refer to the website indicated above.

The Corporate Governance Policy was established in December 2015 as a declaration of our stance regarding implementing the corporate governance codes in practice in concrete terms.

In addition to complying with corporate governance codes, we are also strengthening corporate governance by periodically reviewing the policy to expand and improve the measures that serve as core management practices.

Compliance with Corporate Governance Codes

To achieve sustained growth for the Shimadzu Group and increase the corporate value in the medium and long term, we intend to instill the spirit of the corporate governance codes within our corporate management practices.

Cross-Shareholdings

Policy on Cross-Shareholding

We believe having cooperative relationships with a variety of companies is necessary for achieving sustained growth. We will therefore determine our shareholdings based on a comprehensive consideration of factors such as our business strategies, strengthening relationships with suppliers, and maintaining relationships with local communities. Each year, the Board of Directors verify the appropriateness of holdings, by confirming whether the overall scale of cross-shareholdings is appropriate and then verifying whether the holdings of individual stocks are appropriate for the given objectives for holding the respective stocks and whether the benefits and risks from holding the stocks are commensurate with the corresponding cost of capital.

As a result of reviewing our cross-shareholdings, some stocks were sold in FY 2019, because we judged that holding the shares was not necessarily sufficiently meaningful.

Shareholder Voting Criteria

For all issues regarding cross-shareholdings that are subject to a vote, we will exercise our voting rights if we judge that it would increase shareholder value. To ensure we exercise our voting rights appropriately, we check the content of each proposal being voted on based on decision criteria specified for each proposal, such as appropriation of retained earnings, appointment of Directors or Audit & Supervisory Board Members, or establishment of measures to defend against a takeover. For issues involving particularly serious concerns, such as a social scandal, we consider our vote very carefully.

Corporate Governance

Corporate Governance System

More than one-third (three) of the eight members of the Board of Directors are outside directors, which increases management transparency and objectivity. Inside directors, familiar with business operations and circumstances within the company, and outside directors, who have extensive experience, knowledge, abilities, and insights, discuss issues from various perspectives, so that decisions can be appropriately made and monitored regarding strategies and policies for increasing medium- and long-term corporate value. The diverse composition of outside directors includes a lawyer, global business executive, and woman executive with extensive global marketing knowledge.

A system of corporate auditors is used to audit the legality and appropriateness of management operations, with two internal and two outside Audit & Supervisory Board members. The Audit & Supervisory Board and its members attend Board of Directors meetings, where they proactively execute auditing functions, such as by expressing their opinions or exchanging views with directors or administrative corporate executive officers.

The President, administrative corporate executive officers, and the Executive Committee are designated as the institutions for appropriately and quickly executing administrative processes based on decisions made by the Board of Directors.

Reasons for Appointing Outside Directors and Audit & Supervisory Board Members and Description of Main Activities

Outside Director and Audit & Supervisory Board Member	Category	Independent Director and Audit & Supervisory Board Member	Name	Reasons for Appointment and Description of Main Activities	Attendance during FY 2019
Outside Directors	Reappointed	—	Minoru Sawaguchi	Appointed due to his extensive experience related to corporate law and corporate governance and his significant ability to offer insights and oversee business management. At Board of Directors meetings and Appointment and Compensation Committee meetings, he has actively offered his opinions and suggestions and has been instrumental in increasing the transparency and fairness of director appointment/removal and compensation decisions.	• Attended 12 of 13 Board of Directors meetings
	Reappointed	Independent director	Hiroko Wada	Appointed due to diverse management experience, such as from being a corporate director of a multinational company and a chief executive officer of a Japanese subsidiary of a foreign company, and broad knowledge about global marketing. At Board of Directors meetings and Appointment and Compensation Committee meetings, she has actively offered her opinions and suggestions from a perspective of marketing and promoting women's initiatives.	• Attended 13 of 13 Board of Directors meetings
	Newly appointed	Independent director	Nobuo Hanai	Appointed due to his extensive management experience and broad knowledge acquired through many years as a researcher and manager involved in research and development of pharmaceuticals and corporate management at a leading pharmaceutical company in Japan.	—
Outside Audit & Supervisory Board Members	Retained	Independent Audit & Supervisory Board member	Masahiro Nishio	Appointed due to his extensive accounting experience and insight acquired through many years as a certified public accountant and accounting auditor for publicly listed companies, and also due to his experience as an outside corporate auditor for other companies. He has been fulfilling his role and responsibilities as an Audit & Supervisory Board member by actively offering his opinions from an accounting perspective and frequently exchanging views with internal control departments at Board of Directors and other committee meetings.	• Attended 13 of 13 Board of Directors meetings • Attended 17 of 17 Audit & Supervisory Board meetings
	Newly appointed	Independent Audit & Supervisory Board member	Tsuyoshi Nishimoto	Appointed due to his highly specialized knowledge and extensive experience as a lawyer in corporate law in general and particularly in fields such as foreign law, company acquisition, system development, and crisis management.	—

Notes: 1 Shimadzu did not notify the Tokyo Stock Exchange when Director Sawaguchi was appointed as an independent director, but he satisfies all requirements for independent directors specified by the stock exchange and the independent standards specified by Shimadzu, so we are confident there are no problems with his independence.

2 The above information represents the status of outside directors and Audit & Supervisory Board members after the Annual Shareholders' Meeting in June 2020. However, the reasons for appointing the outside directors and Audit & Supervisory Board members that resigned during the June 2020 meeting and a description of their main activities are provided below.

Outside Director and Audit & Supervisory Board Member	Name	Reasons for Appointment and Description of Main Activities	Attendance during FY 2019
Outside Director	Taketsugu Fujiwara	Appointed due to extensive management experience and broad knowledge acquired through many years of managing a global company. At Board of Directors meetings and Appointment and Compensation Committee meetings, he actively offered his opinions and suggestions regarding the CEO succession plan, CEO compensation, and other issues from a management perspective.	• Attended 13 of 13 Board of Directors meetings
Outside Audit & Supervisory Board Member	Takashi Iida	Appointed due to extensive specialized knowledge and experience from practicing law for many years, from managing a law office, and from serving as an outside director or outside corporate auditor for various companies. He fulfilled his role and responsibilities as an Audit & Supervisory Board member by actively offering his opinions regarding risk management, compliance, and other issues at Board of Directors Meetings and other committee meetings.	• Attended 13 of 13 Board of Directors meetings • Attended 17 of 17 Audit & Supervisory Board meetings

For more details, refer to the website.
<https://www.shimadzu.com/ir/governance/organization.html>



Establishment, Membership, and Activities of Appointment and Compensation Committee

Appointment and Compensation Committee

Shimadzu established the Appointment and Compensation Committee as an optional advisory body to the Board of Directors for the purpose of strengthening the independence, objectivity, and accountability of the Board of Directors. Through the activities indicated below, the committee strengthens governance by increasing the transparency and objectivity of processes involved in appointing and compensating directors and Audit & Supervisory Board members.

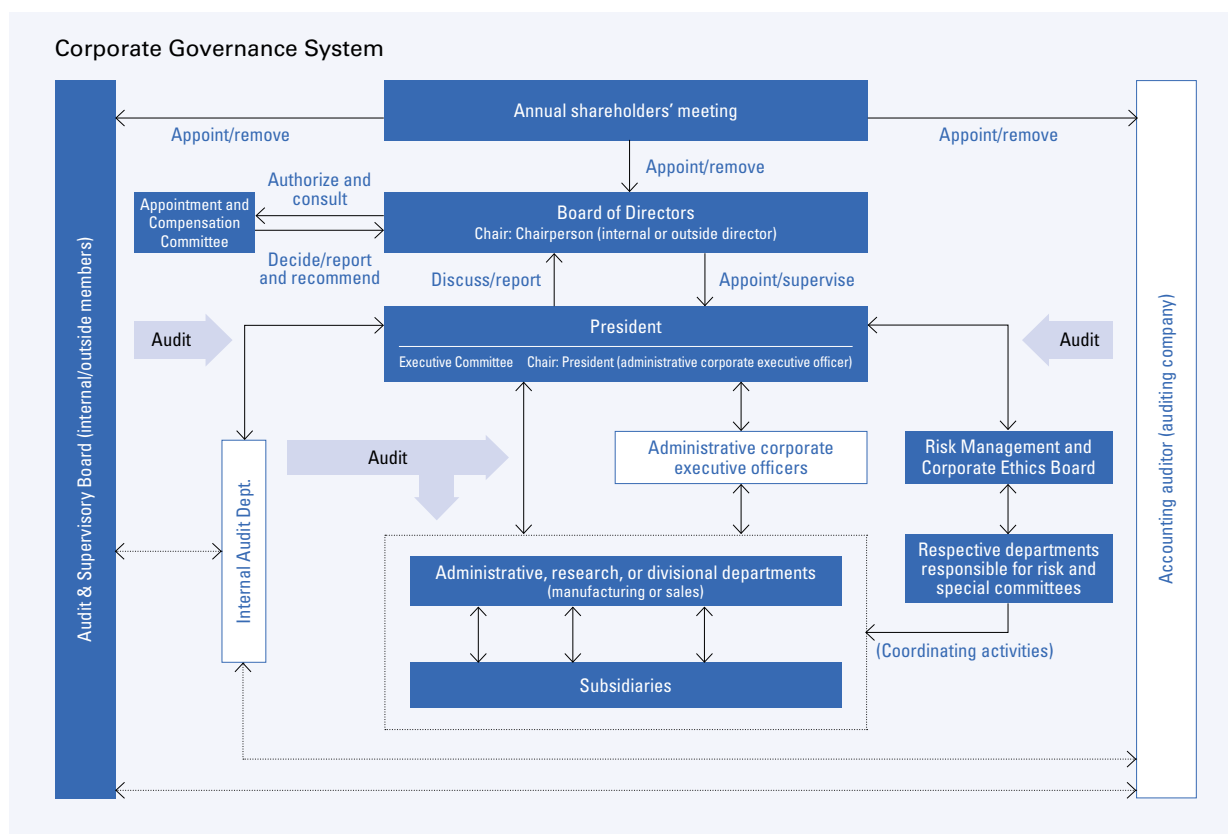
The committee met six times during the year since June 2019.

Composition of Appointment and Compensation Committee

Name	Appointment and Compensation Committee
Outside Directors	3
Internal Directors	2
Members	5
Chairperson	Internal director

Main Activities of the Appointment and Compensation Committee during the Last 12 Months

Appointment Activities	<ul style="list-style-type: none"> Deliberated transfers of directors and Audit & Supervisory Board members Deliberated candidates for outside directors and Audit & Supervisory Board members Confirmed the progress of identifying candidates for the next president and CEO
Compensation Activities	<ul style="list-style-type: none"> Decided individual compensation amounts, such as short-term performance-linked compensation Deliberated and recommended policies for deciding compensation and other amounts for directors and Audit & Supervisory Board members or calculation methods Deliberated and offered recommendations regarding continuity of the medium/long-term performance-linked stock compensation system Deliberated issues regarding director and Audit & Supervisory Board member compensation system



Corporate Governance

Policy on Method for Deciding Director and Audit & Supervisory Board Member Compensation

Shimadzu has specified director and Audit & Supervisory Board member compensation regulations that govern the procedure for deciding compensation amounts, the compensation system, and other related issues regarding compensating directors, Audit & Supervisory Board members, and executive officers with specific duties. Furthermore, the Policy on Method for Deciding Director and Audit & Supervisory Board Member Compensation is decided by deliberation by the Board of Directors based on the deliberation and recommendations of the Appointment and Compensation Committee. In April 2020, the above policy was reviewed, so that compensation amounts for directors and executive officers with specific duties were decided by the Appointment and Compensation Committee, authorized by the decision made by the Board of Directors

and with outside directors comprising a majority of the committee, and reported to the Board of Directors. Compensation amounts for Audit & Supervisory Board members are decided through discussion with the Audit & Supervisory Board members.

Director and Audit & Supervisory Board Member Compensation System

Compensation for directors (excluding outside directors) and executive officers with specific duties (collectively referred to as "Director or Officer" below) comprises a fixed base compensation amount plus a variable amount linked to variations in short-term performance and stock compensation linked to variations in medium/long-term performance, while also taking into consideration the management duties of the Director or Officer with respect to expanding our business results during each fiscal year and increasing medium- and long-term corporate value.

Director and Audit & Supervisory Board Member Compensation System and Method for Deciding Compensation

Classification	Compensation System and Decision Method
Directors (Excluding Outside Directors) Executive Officers with Specific Duties	1. Fixed Compensation From the perspective of deciding compensation based on objective information, while also providing a level that is sufficient to enable recruiting talented human resources, compensation is decided based on the candidate's current position and intended role, using the compensation offered by similar companies (group of benchmark companies of a similar size and in a similar type of business), to be determined by a survey performed by an outside specialist company, as an important reference level.
	2. Short-Term Performance-Linked Compensation Compensation is decided based on overall consideration of the year-on-year growth rate of consolidated net sales and operating income, an evaluation of the performance of the specific department the executive officer with specific duties is in charge of, and a personal evaluation.
	3. Medium/Long-Term Performance-Linked Stock Compensation For directors, for example, the number of shares provided is decided based on the degree to which performance targets specified for the final year of the medium-term management plan were achieved. Compensation can vary within the 50 to 200% range, given the target achievement degree is determined based on target values for consolidated net sales and operating income as performance indicators.
Outside Directors and Audit & Supervisory Board Members	Fixed compensation only Considers their role in supervising and auditing the execution of duties in the overall Shimadzu Group.

Director and Audit & Supervisory Board Member Compensation Status (FY 2019)

Classification	Number of Applicable Directors and Audit & Supervisory Board Members	Fixed Compensation (million yen)	Compensation Linked to Performance (million yen)		Total (million yen)
			Compensation Linked to Short-Term Performance	Stock Compensation Linked to Medium/Long-Term Performance* Recorded as Expense	
Directors (Internal)	6	220	99	1	321
Audit & Supervisory Board Members (Internal)	3	54	—	—	54
Outside Directors and Audit & Supervisory Board Members	5	56	—	—	56
Total	14	331	99	1	432

Note: The system for stock compensation linked to medium/long-term performance is intended to provide a quantity of stock based on the extent to which the performance targets for the final year of the medium-term management plan were achieved. However, implementing the system requires recording that stock compensation as an expense each year. Furthermore, for the final year of the plan, it requires recording an expense amount that is the remainder after subtracting the first and second-year expense amounts from the total compensation amount calculated based on the extent to which the performance targets were achieved. Given that performance targets for the final year of the 2017 to 2019 medium-term management plan were not achieved and after subtracting the expenses that were recorded for the first and second years, calculated when performance was projected to reach target values, the expense recorded for the current fiscal year is small in value.



For more details, refer to the website.
<https://www.shimadzu.com/ir/governance/code.html>

Compliance with Governance Codes

Evaluating the Effectiveness of the Board of Directors

Shimadzu analyzes and evaluates the effectiveness of the Board of Directors for the purpose of making continuous organizational or operational improvements and to ensure it functions properly.

The fifth such evaluation involved conducting a survey in FY 2020 about the Board of Directors' effectiveness. An analysis and evaluation of the survey results were then deliberated at a Board of Directors meeting. An overview of that process is provided in the Corporate Governance Report.

Results from Evaluating the Effectiveness of the Board of Directors

Criteria for Evaluating Effectiveness	FY 2019 (Applicable Year: FY 2018)	FY 2020 (Applicable Year: FY 2019)
Composition of the Board of Directors	Evaluation results for the current Board of Directors' size and composition were positively high, similar to the previous year. A new director that is knowledgeable about technology research and development will be added with anticipation this year.	Evaluation results for the current size and composition were positively high, similar to the previous year.
Operation of Board of Directors Meetings	The frequency and length of each meeting were considered appropriate and an atmosphere and environment that allowed all members to freely express their views were maintained, which were positive evaluation results similar to the previous year. On the other hand, we will continue to implement improvements in terms of providing time for discussions by operating the meetings more efficiently and achieving deeper discussions by improving the content of documents submitted and method of reporting.	A positive evaluation result was received again this year in terms of meeting frequency, length of individual meetings, and ensuring an atmosphere/ environment where all members can freely express their views. The evaluation also indicated an improvement in ensuring adequate discussion time. On the other hand, to promote deeper discussions, we will make additional improvements to how reports are presented and the content of materials submitted.
Roles and Responsibility of the Board of Directors	We received positive evaluation results for spending significant discussion time at Board of Directors meetings following up on important issues from the medium-term management plan. On the other hand, we will engage in deeper discussions about important management issues, such as about business strategies and our business portfolio.	We received a positive evaluation regarding the high number of meetings and hours the Board of Directors spent actively discussing preparation of the medium-term management plan. On the other hand, we will implement measures to ensure more extensive discussions about important management issues regarding medium/long-term business strategies and business portfolios.
Support for and Cooperation with Directors and Audit & Supervisory Board Members	Necessary information was exchanged and shared appropriately among outside directors, and between outside directors and Audit & Supervisory Board members.	The evaluation was generally positive regarding improvements achieved in methods for explaining the proposals to be discussed to outside directors and Audit & Supervisory Board members in advance. Nevertheless, we will implement measures to further improve/increase opportunities to exchange information between outside directors and outside Audit & Supervisory Board members and measures to provide all necessary information to outside directors and Audit & Supervisory Board members more appropriately.
Self-Assessment by Directors	All directors adequately understood the basic philosophy of the company, endeavored to achieve that philosophy, and had spent adequate time and effort fulfilling their roles and responsibilities as directors, which is a better result than the previous year.	All directors adequately understood the basic philosophy of the company, endeavored to achieve that philosophy, and had spent adequate time and effort fulfilling their roles and responsibilities as directors, which is a better result than the previous year.
Status of Measures to Address Issues Identified in the Effectiveness Evaluation Results Last Year	Evaluation results indicated improvements in the operating efficiency of Board of Directors meetings and explaining issues in advance, but additional improvements will be made for providing appropriate feedback about the content of discussions at Board of Directors meetings to administrative corporate executive officers.	Positive evaluations were received regarding improvements achieved with respect to feedback about the content of discussions at Board of Directors meetings to administrative corporate executive officers, having discussed competitive strategies as an important management issue, and so on.

Compliance

The following web page includes information about the topics listed below.
<https://www.shimadzu.com/ir/governance/social/compliance.html>



Shimadzu Corporate Ethics/Compliance and Corporate Ethics

Basic Policy

The Shimadzu Group is committed to obtaining applicable permits and licenses and complying with applicable laws and regulations, such as security trade controls, anti-bribery laws, and competition laws, established by governments in respective regions and countries for Shimadzu's various businesses deployed around the world. In addition to compliance with laws and regulations, Shimadzu is also committed to behavior consistent with international norms. We have established a Corporate Code of Ethics that specifies guidelines for ethics that should be shared and complied with by directors and employees, in accordance with Shimadzu's corporate philosophy, management principle, and CSR charter, and we practice a policy of prioritizing compliance above all else.

Promoting Compliance

The Shimadzu Group has created a Corporate Ethics and Code of Conduct Handbook that summarizes the essential elements of the Corporate Code of Ethics in an easy-to-understand form and prevents compliance problems through group training, e-learning, and other teaching activities to teach and instill the content of the handbook. We also ensure the implementation of corporate compliance within the Shimadzu Group by monitoring compliance with laws, regulations, and other requirements whenever appropriate through the activities of the Export Controls Committee and the Official Approval Committee, or internal audits. We have also established a system for reporting any problems, with contact points established within and outside the company for consultation and notification regarding compliance issues.

Provision of a Corporate Ethics Consultation and Notification Contact Points

To prevent corporate ethics problems, or identify and address them as early as possible, all Shimadzu Group employees, temporary personnel, and contractor personnel working within the company have been informed that contact points are established within and outside the company for consultation and notification regarding corporate ethics issues. In addition to preparing measures for investigating, remedying, and preventing recurrence, as necessary, rules are also established to protect personnel that contact the contact points for consultation or notification, such as rules that prohibit treating them unfavorably. In FY 2019, there were forty cases of the contact points being contacted for consultation or notification.

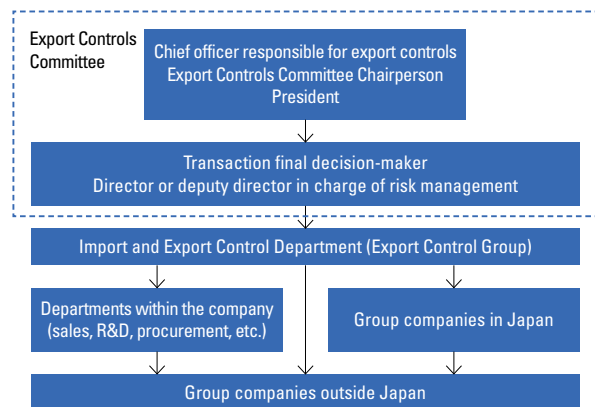
Security Trade Controls

The Shimadzu Group has established a security trade control policy and implements appropriate import/export

controls from a perspective of maintaining international peace and security.

Export Control System

Internal export control regulations (compliance program, abbreviated "CP") were established, with the President as the chief officer responsible for export controls, to ensure the Security Trade Control Policy is implemented. Based on these regulations, we conduct strict applicability reviews, transaction reviews, and so on, in compliance with the Japanese Foreign Exchange and Foreign Trade Act and other applicable laws and regulations. Furthermore, the Export Controls Committee conducts periodic audits to confirm exports are being controlled appropriately in accordance with the CP.



Preventing Bribery and Anti-Competitive Practices

The CSR charter and corresponding policies for activities specify conducting activities in an open and fair manner and forbid offering bribes to public officials or offering inappropriate entertainment or gifts to suppliers or others in the private sector in order to prevent receiving or giving of bribes. We also forbid obtaining profit through improper means, are committed to competing fairly, and engaging only in fair transactions.

Ensuring Transparency of Relationships with Medical and Other Institutions

To be a company that can obtain the trust of society, we have increased the transparency of relationships with medical institutions and others whose cooperation is essential for developing, manufacturing, importing, and selling medical systems by publishing a Guideline for Transparency of Relationships with Medical and Other Institutions and disclosing all funds provided to medical institutions or other relevant parties.

Information Security

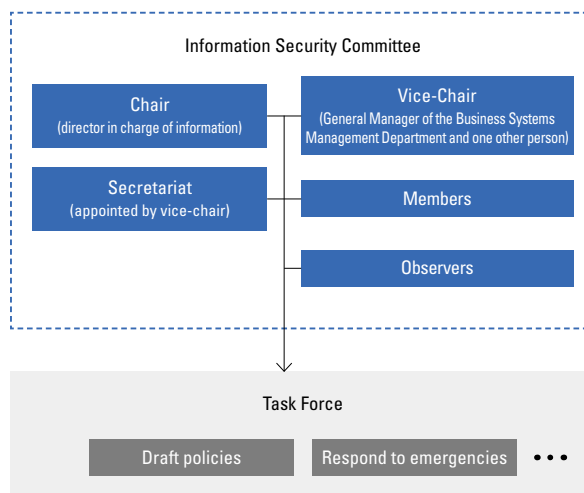
The following web page includes information about the topics listed below.
https://www.shimadzu.com/sustainability/approach/social/information_security/index.html



Basic Policies and Measures

Systems for Improving Information Security

The Shimadzu Group periodically conducts Information Security Committee meetings chaired by the director in charge of information security and has established systems for deploying committee decisions throughout Shimadzu Corporation and Group companies. At the meetings, the committee discusses the direction and content of measures, creates relevant regulations that incorporate human, organizational, and technical countermeasures, and makes decisions regarding introducing new information management methods and tools. To minimize the damage from any accidents, we established a communication tree system for sharing information with subsidiaries in and outside Japan and specified a protocol for responding to accidents. Global security meetings are periodically held with Group companies outside Japan.



The following web page includes information about the topics listed below.
https://www.shimadzu.com/ir/governance/risk_management.html



Shimadzu Risk Management, Assessment Methods for Risk Management, and Risk Management Activities

Risk Management

The following web page includes information about the topics listed below.
<https://www.shimadzu.com/ir/strategy/risk.html>



Business Risks

Risk Management System

The president is the chief officer responsible for risk management. Below the president, a Risk Management and Corporate Ethics Board meets twice a year as a deliberative body to confirm and decide policies regarding company-level risks that require prioritized measures (priority risks) and compliance risks. Those activities are coordinated by the director in charge of risk management and are deployed in a top-down manner to other respective departments and Group companies, primarily by departments specifically responsible for the respective risks or special committees in charge of company-wide risk management issues.

Business Continuity Plan (BCP)

The Shimadzu Group has established a business continuity plan to fulfill our responsibility to supply products to our customers by ensuring the safety of personnel, minimizing damage, and recovering quickly.

To coordinate business continuity activities in an emergency, a head office task force will be established for coordinating company-level activities and, below that task force, five divisional task forces will be established to coordinate activities within each division. As the head of respective task forces, the president directs the business continuity and recovery activities of the head office task force and respective divisional general managers direct the activities of the divisional task forces.

Priority Risk

1	Violations of the Pharmaceutical and Medical Device Act	<ul style="list-style-type: none"> Due to the deployment of businesses in the healthcare field, a new organization will be established within the company to prevent lost opportunities resulting from risks of legal/regulatory violations or delays in submitting paperwork.
2	BCP Response	<ul style="list-style-type: none"> Given the global spread of the COVID-19 pandemic, we will implement reforms that enable us to successfully work from home or telework, such as from the perspective of systems, security, infrastructure, and adoption of digital technologies.

Profiles of Directors and Audit & Supervisory Board Members

(As of June 25, 2020)

Directors



Akira Nakamoto
Representative Director,
Chairman of the Board

Chair of the Board of Directors
Outside Director of
Furukawa Electric Co., Ltd.

Apr. 1969 Joined Shimadzu Corporation
Jun. 2001 Director, Member of the Board
Jun. 2005 Managing Director
Jun. 2007 Senior Managing Director
Jun. 2009 President and Director
Jun. 2013 CEO
Jun. 2015 Chairman and Representative Director (current)
Jun. 2015 Chairman of the Board (current)



Teruhisa Ueda
Representative Director, President

CEO

Apr. 1982 Joined Shimadzu Corporation
Jun. 2007 Corporate Officer
Jun. 2007 Deputy General Manager, Analytical & Measuring Instruments Division
Jun. 2011 Director, Member of the Board
Jun. 2011 General Manager, Analytical & Measuring Instruments Division
Jun. 2013 Managing Executive Officer
Jun. 2014 Senior Managing Executive Officer
Jun. 2015 President and Representative Director (current)
Jun. 2015 CEO (current)



Yasuo Miura
Director, Senior Corporate
Executive Officer

In charge of CFO and accounting
and marketing
General Manager, Tokyo Office

Apr. 1980 Joined Shimadzu Corporation
Apr. 2005 General Manager, Corporate Strategy Planning Department
Jun. 2007 Corporate Officer
Jun. 2009 President, Shimadzu Europa GmbH (Germany)
Jun. 2013 Director, Member of the Board (current)
Jun. 2013 Managing Executive Officer
Jun. 2013 In charge of finance (currently finance/accounting)
Jun. 2013 In charge of marketing (current)
Jun. 2015 General Manager, Tokyo Office (current)
Jun. 2017 Senior Managing Executive Officer
Apr. 2019 Senior Corporate Executive Officer (current)
Apr. 2020 CFO (current)



Mitsuo Kitaoka
Director, Senior Managing
Executive Officer

CTO

Apr. 1982 Joined Shimadzu Corporation
Jan. 2007 General Manager, Research & Development Department, Analytical & Measuring Instruments Division
Jun. 2011 Deputy General Manager of Analytical & Measuring Instruments Division and concurrently General Manager of Research & Development Department, Analytical & Measuring Instruments Division
Jun. 2015 Corporate Officer
Jun. 2015 General Manager, Technology Research Laboratory
Jun. 2017 Managing Executive Officer
Jun. 2017 In charge of R&D
Jun. 2019 Director, Member of the Board (current)
Apr. 2020 Senior Managing Executive Officer (current)
Apr. 2020 CTO (current)

Audit & Supervisory Board Members



Hiroyuki Fujii
Senior Audit &
Supervisory Board Member

Outside Corporate Auditor of
Dai Nippon Toryo Co., Ltd.

Apr. 1981 Joined Shimadzu Corporation
Apr. 2005 General Manager, Human Resources Department
Jun. 2007 Corporate Officer
Jun. 2009 Director
Jun. 2013 Senior Audit & Supervisory Board Member (current)



Makoto Koyazaki
Audit &
Supervisory Board Member

Jan. 1991 Joined Shimadzu Corporation
Apr. 2011 General Manager, Business Planning Department, Shimadzu International Trading (Shanghai) Co., Ltd. (currently Shimadzu (China) Co., Ltd.)
Jun. 2012 General Manager, Corporate Strategy Planning Department
Apr. 2016 President and CEO, Shimadzu GLC Ltd.
Apr. 2019 Senior Manager, Audit & Supervisory Board Members' Office
Jun. 2019 Audit & Supervisory Board Member (current)



Yasunori Yamamoto

Director,
Managing Executive Officer

In charge of corporate strategy planning
and corporate communications

- Apr. 1983 Joined Shimadzu Corporation
- Oct. 2003 Coordination Manager, Testing Machines Business Unit, Analytical & Measuring Instruments Division
- Jun. 2013 President, Shimadzu Europa GmbH (Germany)
- Jun. 2014 Corporate Officer
- Jun. 2017 Managing Executive Officer (current)
- Jun. 2017 In charge of manufacturing, information system, and CS management
- Jun. 2017 Deputy director in charge of technology research
- Apr. 2020 In charge of corporate strategy planning and corporate communications (current)
- Jun. 2020 Director, Member of the Board (current)



Minoru Sawaguchi

Outside Director

Partner of Mori,
Hamada & Matsumoto Law Offices

- Apr. 1993 Registered as attorney-at-law
- Apr. 1993 Joined Mori Sogo Law Office (currently Mori Hamada & Matsumoto) (current)
- Jun. 2013 Director, Shimadzu Corporation (current)



Hiroko Wada

Outside Director

Representative of Office WaDa
Outside Director of
Coca-Cola Bottlers Japan Holdings Inc.
Outside Director,
Audit & Supervisory Committee Member
of Unicharm Corporation

- Apr. 1977 Joined Procter & Gamble Sunhome Co., Ltd. (currently Procter & Gamble Japan)
- Jan. 1998 Vice President, Procter & Gamble U.S., responsible for corporate new venture Asia
- Mar. 2001 President, Dyson Limited
- Apr. 2004 President and CEO, Toys "R" Us, Japan
- Nov. 2004 Established Office WaDa (current)
- May 2009 Outside Director, Aderans Holdings Company (currently Aderans Company Limited)
- Apr. 2016 Advisor, Nutraceutical Business, Otsuka Pharmaceutical Co., Ltd.
- Jun. 2016 Director, Shimadzu Corporation (current)



Nobuo Hanai

Outside Director

- Apr. 1976 Joined Kyowa Hakko Kogyo Co., Ltd. (currently Kyowa Kirin Co., Ltd.)
- Oct. 2008 Executive Officer, Kyowa Hakko Kirin Co., Ltd.
- Apr. 2009 Managing Executive Officer, Kyowa Hakko Kirin Co., Ltd.
- Jun. 2009 Director of the Board, Managing Executive Officer, Kyowa Hakko Kirin Co., Ltd.
- Mar. 2010 Director of the Board, Senior Managing Executive Officer, Kyowa Hakko Kirin Co., Ltd.
- Mar. 2012 Executive Director of the Board, President and Chief Executive Officer, Kyowa Hakko Kirin Co., Ltd.
- Mar. 2018 Executive Director of the Board, Chairman and Chief Executive Officer, Kyowa Hakko Kirin Co., Ltd.
- Mar. 2019 Director of the Board, Chairman, Kyowa Hakko Kirin Co., Ltd.
- Jun. 2020 Director, Shimadzu Corporation (current)



Masahiro Nishio

Outside Audit &
Supervisory Board Member

Director, Nishio Certified Public
Accountant Firm
External Audit & Supervisory Board
Member of Mandom Corporation
Outside Auditor of Samco Inc.

- Nov. 1974 Joined Daiwa Accounting Office (current KPMG AZSA LLC)
- Mar. 1978 Became a chartered accountant
- Jan. 2015 Established Nishio Certified Public Accountant Firm (current)
- Jun. 2015 Audit & Supervisory Board Member, Shimadzu Corporation (current)



Tsuyoshi Nishimoto

Outside Audit &
Supervisory Board Member

Partner of Hibiya Park Law Offices
Statutory Auditor of Enigmo Inc.
Statutory Auditor of Broadleaf Co., Ltd.

- Oct. 2000 Registered as attorney-at-law
- Dec. 2002 Joined Hibiya Park Law Offices (current)
- Jun. 2020 Audit & Supervisory Board Member, Shimadzu Corporation (current)

Messages from Outside Directors

To achieve sustained growth for the Shimadzu Group and increase the corporate value in the medium and long term, we have used the establishment of the Corporate Governance Codes as an opportunity to implement a wide variety of governance reforms. We asked the three Outside Directors currently working with Shimadzu to provide their frank comments about future issues they may have noticed as business conditions have changed for the Board of Directors or hopes they have for Shimadzu.



Minoru Sawaguchi

Outside Director,
Member of the Board

Corporate Governance of Shimadzu Corporation

My evaluation of Shimadzu's corporate governance remains unchanged.

Rather than making drastic changes within a short time, my impression is that Shimadzu is continuing to make steady incremental changes to reliably achieve corporate governance changes in the long term. Unlike regular business operations, corporate governance is provided to support business, so I can understand the decision to choose steady progress while monitoring effectiveness, rather than simply focusing on speed.

Even very recently, the authority of the Appointment and Compensation Committee established in 2018 was strengthened based on a trial period of a little over one year.

As exemplified by trends in sustainability, I feel the corporate governance requirements of publicly listed companies are changing. I suspect that the COVID-19 pandemic this year will result in even more changes.

Therefore, I think the approach of continuously reassessing corporate governance requirements is an even more valid policy under the current circumstances. Given Shimadzu's long history, I hope Shimadzu will continue to reassess requirements in order to continuously increase and sustain corporate value.

Becoming a True Global Business



Hiroko Wada

Outside Director,
Member of the Board

Shimadzu Corporation achieves their corporate philosophy and management principle by using science to protect mankind and the global environment. The globalization of Shimadzu businesses is a natural strategy consistent with the corporate philosophy. However, globalization is only possible if the company prioritizes offering products and services that satisfy the needs of major markets outside Japan, rather than being fixated only on Japanese markets. So, what should Shimadzu do to capitalize on this enormous opportunity? Simply relying on the same approaches that resulted in current achievements will not be enough. Shimadzu needs to also focus on globalizing all the management resources available in order to progress to the next level. I want all Shimadzu employees, both those that have experienced success and those that have not, to break out of their personal shell to become a new type of Shimadzu employee that continues to achieve personal growth. They should exchange views with others outside their normal national or organizational boundaries, so that their accomplishments are based on satisfying more global needs. I look forward to helping the company create a new Shimadzu.

Pursuing Solutions for Challenges in Society, Especially when Business Conditions are Difficult to Predict



Nobuo Hanai

Outside Director,
Member of the Board

I have been serving as an Outside Director for Shimadzu Corporation since being appointed in 2020. I intend to help Shimadzu achieve sustained growth based on solving challenges in society, by using my experience from many years of being involved in R&D and global business deployment at a pharmaceutical company to actively exchange views at Shimadzu Board of Directors Meetings and other venues.

Given my experience as a manager implementing management practices based on CSV, I think it is wonderful that Shimadzu has specified a CSR charter in addition to a corporate philosophy and management principle. The addition of the COVID-19 pandemic just as Shimadzu was making progress toward rapid globalization has made it much more difficult to predict future business conditions. The pandemic has also created new challenges in society. Deciding how to utilize the wonderful science and technology owned by Shimadzu for solving challenges in society will be important for determining future growth. Given that Outside Directors offer more diverse perspectives, I intend to serve that role and responsibility.

In addition to globalizing the company, corporate governance needs to be strengthened as well. As an independent Director, I intend to also serve a constructive role for ensuring governance from an unbiased perspective.