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May 10, 2023

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: SHIMADZU CORPORATION  
 Listing: Tokyo Stock Exchange  
 Securities code: 7701  
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 Scheduled date of annual general meeting of shareholders: June 28, 2023  
 Scheduled date to commence dividend payments: June 29, 2023  
 Scheduled date to file annual securities report: June 29, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	482,240	12.6	68,219	6.9	70,882	8.1	52,048	10.1
March 31, 2022	428,175	8.8	63,806	28.3	65,577	35.6	47,289	31.0

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥57,041 million [(0.2)%]  
 For the fiscal year ended March 31, 2022: ¥57,142 million [12.1%]

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	176.64	–	12.9	12.0	14.1
March 31, 2022	160.49	–	13.2	12.4	14.9

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	618,869	423,499	68.4	1,437.19
March 31, 2022	560,528	381,164	68.0	1,293.60

Reference: Equity  
 As of March 31, 2023: ¥423,499 million  
 As of March 31, 2022: ¥381,164 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	48,303	(34,509)	(19,418)	153,734
March 31, 2022	63,367	(6,044)	(15,658)	155,319

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	20.00	–	28.00	48.00	14,151	29.9	3.9
Fiscal year ended March 31, 2023	–	22.00	–	32.00	54.00	15,920	30.6	4.0
Fiscal year ending March 31, 2024 (Forecast)	–	23.00	–	33.00	56.00		31.1	

Note: For dividends, please refer to the “Notice Regarding Dividends of Surplus” announced today (May 10, 2023).

### 3. Consolidated earnings forecast for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	500,000	3.7	71,000	4.1	71,000	0.2	53,000	1.8	179.86

Note: For matters related to the above forecast, please refer to page 6, “Consolidated Outlook.”

\* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

Note: For details, please refer to page 18, “Notes on Consolidated Financial Statements (Accounting Policy Changes).”

- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	296,070,227 shares
As of March 31, 2022	296,070,227 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	1,399,245 shares
As of March 31, 2022	1,416,992 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	294,666,450 shares
Fiscal year ended March 31, 2022	294,651,283 shares

**[Reference] Overview of non-consolidated financial results**

**Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	244,955	9.1	39,010	11.7	50,524	11.5	40,543	12.4
March 31, 2022	224,608	7.8	34,909	46.7	45,311	45.4	36,065	33.8

Fiscal year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	137.59	—
March 31, 2022	122.40	—

**(2) Non-consolidated financial position**

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	394,866	264,614	67.0	898.00
March 31, 2022	368,433	239,413	65.0	812.52

Reference: Equity

As of March 31, 2023: ¥264,614 million  
As of March 31, 2022: ¥239,413 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

The above forecast was calculated based on information available on the date this report was released. Actual results may vary from forecast values, due to various factors in the future. For matters related to the above forecast, please refer to page 6, "Consolidated Outlook."

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# 1. Operating Results

## (1) Consolidated Overview

<Overview of FY 2022>

During FY 2022, uncertainty remained in the global economy due to factors that included increasing economic downside risk hastened by various countries imposing austerity measures to curb inflation, and the protracted situation in Russia and Ukraine despite progress in both measures to deal with the spread of the novel coronavirus disease (“COVID-19”) pandemic and socioeconomic activities as well as signs of gradual easing of supply chain disruptions.

Given such a business environment, Shimadzu worked under its medium-term management plan, aiming to become a “Company That Solves Challenges in Society in Collaboration with Partners All Around the World.” In infectious disease countermeasure projects, we promptly supplied novel coronavirus detection kits and fully automatic PCR testing systems. Furthermore, Shimadzu also focused on creating systems for fighting infectious diseases, partnering with companies, academia, and healthcare institutions, among others, promoting continuous initiatives to ensure a safe and secure society.

As the four Growth Strategies, Shimadzu strived to strengthen and expand its key businesses, businesses outside Japan, businesses with recurring revenues and businesses in the four growth fields. In key businesses, sales increased mainly for liquid chromatographs and mass spectrometer systems for pharmaceutical and food safety applications in the healthcare field. In businesses outside Japan, as a result of promoting solutions for issues together with our partners, sales increased in all major regions and the overseas sales ratio was 56.2% (a year-on-year increase of 3.2 points). For businesses with recurring revenues, in addition to expanding repair, maintenance and service contracts, we turned Nissui Pharmaceutical Co., Ltd. (name changed to Shimadzu Diagnostics Corporation from April 2023) into a consolidated subsidiary from October 2022, which increased the ratio of businesses with recurring revenues.

Among the businesses in the four growth fields, we promoted business expansion in each field, the healthcare field, the environmental/energy field, the materials field and the infrastructure field.

To create new technologies and innovation, Shimadzu opened the Shimadzu Tokyo Innovation Plaza in January 2023, aimed at enhancing the application development function. Utilizing the good location close to Haneda Airport, we strengthened R&D facilities with the aim of creating new value and solving societal challenges through joint research and open innovation with research institutions and customers throughout the world.

Given the above, Shimadzu achieved record results for the third consecutive year in FY 2022 in part because of the boost from the depreciation of the yen despite the shortages and soaring prices of components and materials and the impact of the spread of COVID-19 infections in China. Shimadzu posted net sales of 482,240 million yen (a year-on-year increase of 12.6%), operating profit of 68,219 million yen (a year-on-year increase of 6.9%), ordinary profit of 70,882 million yen (a year-on-year increase of 8.1%), and profit attributable to owners of parent of 52,048 million yen (a year-on-year increase of 10.1%).

In September 2022, Shimadzu announced that it been identified that its subsidiary, Shimadzu Medical Systems Corporation, had undertaken improper conduct relating to carrying out maintenance and inspection of X-ray equipment installed at client medical institutions, and in February 2023, Shimadzu announced that it would promptly formulate and implement specific measures to prevent recurrence based on the analysis of the cause and recommendations for measures to prevent recurrence from an external review panel. Shimadzu profoundly regrets this incident and is implementing measures to prevent recurrence at the overall Shimadzu Group. To prevent such incidents occurring a second time, we have sincerely accepted the recommendations from the external review panel and will work on strengthening group governance based on the philosophy that compliance should be prioritized above all else. Specifically, we aim to promote risk management, and to strengthen internal controls and monitoring, working to transform organizational culture and restore trust.

The results for reportable business segments were as follows.

<Sales by Business Segment>

I. Analytical & Measuring Instruments

In the Analytical & Measuring Instruments segment, sales increased both in Japan and outside Japan. In the Analytical & Measuring Instruments segment, sales increased for its mainstay liquid chromatographs for the healthcare field centered on pharmaceuticals amid progress globally in drug discovery and domestic production of pharmaceuticals. Furthermore, sales of mass spectrometer systems due to the enhancements to the regulatory response in the environmental field in North America and clinical field in Europe. In addition, Nissui Pharmaceutical Co., Ltd. (name changed to Shimadzu Diagnostics Corporation on April 1, 2023) becoming a consolidated subsidiary contributed to earnings.

Delays in production and installation of products arose due to shortages of components and materials such as semiconductors and the impact from the spread of COVID-19 infections in China, but signs of resolution have been seen since the beginning of 2023.

As a result, the Analytical & Measuring Instruments segment posted net sales of 314,668 million yen (a year-on-year increase of 13.4%), with operating profit of 57,615 million yen (a year-on-year increase of 8.8%) due to increased sales and other factors.

Net sales broken down by major regions are indicated below.

	FY 2021 (millions of yen)	FY 2022 (millions of yen)	Percent Increase/ Decrease (%)	Overview
Japan	113,631	121,137	6.6	Sales increased for mass spectrometer systems for the healthcare field and for gas chromatographs due to increased demand in the green innovation field. There was also contribution from Shimadzu Diagnostics, which became a consolidated subsidiary.
North America	29,465	33,292	13.0	Sales of liquid chromatographs for pharmaceutical applications and mass spectrometer systems for clinical applications and potable water related environmental regulation compliance increased despite decreased demand with respect to a certain major customer and decreased sales of novel coronavirus detection kits.
Europe	28,561	32,686	14.4	Sales of liquid chromatographs and mass spectrometer systems increased for responses to increasingly tighter regulations in the clinical discipline, in countries other than Russia.
China	63,248	74,103	17.2	Sales of liquid chromatographs increased for pharmaceutical applications, despite the impact of the spread of COVID-19 infections. Furthermore, demand for academic use increased due to the government's supplementary budget from the second half of the year.
Other Asian countries	31,283	39,134	25.1	Sales of liquid chromatographs increased in India and Southeast Asia due to increased domestic production of pharmaceuticals and other factors. Sales of gas chromatographs for the government sector increased in Southeast Asia while sales of mass spectrometer systems for food safety increased in South Korea.

II. Medical Systems

In the Medical Systems segment, sales increased both in Japan and outside Japan. There was increased sales of X-ray equipment such as the most compact fluoroscopy systems in the industry equipped with abundant functions, new products for the angiography systems equipped with the world's first AI-based image processing technology and general radiography systems equipped with power-assist functions in line with a recovery in capital equipment investment by healthcare institutions.

As a result, the Medical Systems segment posted net sales of 75,876 million yen (a year-on-year increase of 13.4%), but operating profit of 5,538 million yen (a year-on-year decrease of 8.9%) due to soaring prices of components and materials and other factors.

Net sales broken down by major regions are indicated below.

	FY 2021 (millions of yen)	FY 2022 (millions of yen)	Percent Increase/ Decrease (%)	Overview
Japan	37,969	40,600	6.9	Sales of fluoroscopy systems and angiography systems increased in line with a recovery in capital equipment investment by healthcare institutions. In PET systems, sales of the world's first dedicated head and breast TOF-PET system "BresTome" increased.
North America	8,495	10,714	26.1	Sales of patient-side operable fluoroscopy systems launched in the U.S. market and general radiography systems effective in diagnosis of respiratory diseases increased.
Europe	3,481	4,258	22.3	Sales of general radiography systems for the Eastern European market increased.
China	4,674	4,946	5.8	Sales of mobile X-ray systems increased with the increase in capital equipment investment by hospitals due to the government's supplementary budget during the second half of the year, despite the impact of the spread of COVID-19 infections.
Other Asian countries	6,230	7,048	13.1	Sales of fluoroscopy systems and general radiography systems increased in Southeast Asia. Furthermore, sales of angiography systems increased in India.

### III. Industrial Machinery

In the Industrial Machinery segment, sales increased both in Japan and outside Japan. The Industrial Machinery segment achieved increased sales of turbomolecular pumps for use in semiconductor manufacturing equipment and for use in thin-film manufacturing equipment for producing glass used in construction materials, thin-film solar cells and other products. Moreover, sales of glass winders increased amid growing demand for glass fiber used to reinforce plastics. There was robust demand for hydraulic equipment in the industrial vehicle and construction machinery fields, despite some customers having adjusted production.

As a result, the Industrial Machinery segment posted net sales of 62,982 million yen (a year-on-year increase of 11.0%), but operating profit of 5,422 million yen (a year-on-year decrease of 9.3%) due to soaring prices of components and materials and other factors.



Net sales broken down by major regions are indicated below.

	FY 2021 (millions of yen)	FY 2022 (millions of yen)	Percent Increase/ Decrease (%)	Overview
Japan	26,623	26,818	0.7	Sales of turbomolecular pumps for use in semiconductor manufacturing equipment increased. On the other hand, industrial furnace sales decreased due to a rebound from last year's large-volume projects, and hydraulic equipment sales decreased as a result of some customers having adjusted production.
North America	7,837	8,267	5.5	Sales of hydraulic equipment increased for industrial vehicles despite the decreased sales of turbomolecular pumps for use in semiconductor manufacturing equipment due to the decline in demand for semiconductors.
Europe	3,074	4,173	35.7	Sales of turbomolecular pumps for use in semiconductor manufacturing equipment increased, and sales of hydraulic equipment for use in industrial vehicles also increased.
China	13,536	17,662	30.5	Expansion of demand for turbomolecular pumps for use in manufacturing equipment for the production of semiconductors, glass used in construction materials and thin-film solar cells. In addition, sales of industrial furnaces for EV heat sink increased.
Other Asian countries	5,531	5,833	5.5	Sales of turbomolecular pumps for use in semiconductor manufacturing equipment increased in South Korea and Taiwan.

#### IV. Aircraft Equipment

In the Aircraft Equipment segment, sales in the defense field decreased in Japan. On the other hand, overseas, sales increased in the commercial aircraft equipment field in line with the increase in air passenger demand due to the abolition and easing of entry restrictions in each country.

As a result, the Aircraft Equipment segment posted net sales of 23,985 million yen (a year-on-year increase of 7.6%), with operating profit of 1,389 million yen (a year-on-year increase of 1,070.9%) due to increased sales and profitability improvement, thereby shifting back to an increase for the first time in two years and securing a profit.

Net sales broken down by major regions are indicated below.

	FY 2021 (millions of yen)	FY 2022 (millions of yen)	Percent Increase/ Decrease (%)	Overview
Japan	18,214	17,847	(2.0)	Repair project sales in the defense field decreased.
North America	3,822	5,346	39.9	Sales increased in the commercial aircraft equipment field in line with the increase in air passenger demand.

#### V. Other

Other business segments posted net sales of 4,726 million yen (a year-on-year decrease of 0.0%) and operating profit of 597 million yen (a year-on-year decrease of 52.4%).

## &lt;Consolidated Outlook&gt;

## 1) Business Environment and Medium-Term Growth Strategies

The business environment remains challenging due to factors including the increasing economic downside risk hastened by global high prices and monetary tightening, the protracted situation in Russia and Ukraine and the intensification of U.S.-China conflict.

COVID-19 has raised global awareness for human life and well-being. We have also seen accelerated moves to address the impact of climate change as a societal challenge. Shimadzu will strengthen business activities to contribute to solving these societal challenges with the pursuit of “Well-being of Mankind and the Earth” as our principle.

Our mission in our new 3-year medium-term management plan, which commenced this fiscal year, is “Contributing to Human Life & Well-Being,” “Contributing to Well-Being of the Earth,” and “Contributing to Industrial Development and a Safe & Secure Society,” and we define the business domains to fulfill that mission as Healthcare, Green, Material, and Industry. We aim to achieve sustainable growth, contributing to solving societal challenges with both our technology development and social implementation.

## 2) 2023-2025 Medium-Term Management Plan Initiatives

Under the new medium-term management plan, we aim for business growth and employee development while promoting the transformation to a customer-centric problem-solving oriented company. Taking the concept in our new medium-term management plan to “Be an innovative company that solves social issues with global partners,” we listen to the voices of our global customers, anticipate their challenges and establish a framework to solve them for achievement of their goals. Then, our basic policy is to aim for sustainable growth by providing our customers with total solutions through both technology development and social implementation. To be specific, we will implement the following five business strategies and seven measures to strengthen management foundations.

## 3) 5 Business Strategies

## (1) Strengthen Key Model Businesses

In the Healthcare domain, aim to provide total solutions with liquid chromatographs (LC) and mass spectrometer systems (MS). We will reinforce the competitiveness of core products, while pursuing increased efficiency through the automation of overall analytical process undertaken by customers, utilization of AI, and fusion with informatics, and build a structure to provide the required data.

In the Green domain, we will realize high-speed analysis in bio-manufacturing, social implementation of hydrogen, alternative energies and fields utilizing CO<sub>2</sub>, contributing to the provision of total analytical solutions.

In the Material domain, we will contribute to the development and manufacture of innovative materials through complex measurement and analysis using automation and informatics of analytical & measuring instruments such as testing machines.

In addition, in these domains, we orient towards initiatives to develop products based on customer requests and standardization from the development stage. We aim to expand the market jointly with customers, particularly, overseas markets, through collaboration with industry, academia and government.

In the Industry domain, in addition to maintaining the top share in turbomolecular pump market for semiconductor field, we provide new value that contributes to improving the efficiency of production processes in combination with peripherals, combining hydraulic equipment with electrification technologies.

## (2) Strengthen Med-Tech Business

We have positioned the Med-Tech Business as a business that provides total solutions mainly using component analysis and image analysis technology in health management, testing, diagnosis, treatment,

and prognosis management for healthy longevity. In the Med-Tech Business, we aim to further contribute to the transformation of X-ray image analysis technology through AI and IoT and to healthcare with mechatronics technology. We will strengthen mass spectrometer systems, culture media related technologies, and microorganisms testing technologies and provided a wide range of products and services to the clinical examination domain. We will achieve ultra-early tests by improving analytical technologies, enabling the diagnosis using radiography systems when there is a possibility of disease. Using these as clinical platforms, we will aim to provide total solutions, further expanding products such as reagents.

### (3) Expand Overseas Business

We aim for business expansion around the world, particularly in North America as our most important region. We will open an R&D Center in North America to promote joint research and development with key customers with advanced LC and MS technologies. We will also establish development centers in the East and West coasts of the U.S., which will enhance the function for development of methods together with customers in fields such as pharmaceutical manufacturers. We will also strengthen and grow our capacity for application development as well as service response capabilities.

In other regions, we will establish a structure that can provide the best total support for the expanding business in alignment with market characteristics.

### (4) Reinforce & Expand Recurring Business

We will expand the business in a two-pronged approach of maintenance parts/maintenance and reagents/consumables. We will promote the merits to customers with the remote monitoring function using DX and IoT and a subscription service that provides software at a fixed price. We will also aim to expand the consumables business such as for reagents, culture media, and columns. We will collaborate with Group companies and reinforce our development capabilities in reagents and consumables. We will advance social implementation by strengthening our service structure and through partnerships with inspection agencies and others.

### (5) Develop & Create New / Future Business

We aim to develop and create new technologies and new business, developing one-of-a-kind technologies and No.1 solutions with customers in areas such as clinical laboratory platforms, autonomous experimental systems, support for cancer treatment, copper processing technology, and sensitivity measurement technology. We are engaged in the development and creation of future businesses from a long-term perspective such as new analytical & measuring instruments that use quantum technologies and optical technologies and material development support through the fusion with informatics.

## 4) Strengthen the 7 Management Foundations

We implement seven measures to strengthen the management foundations to underpin the realization of the business strategies: “Reinforcing the Corporate Governance,” “Accelerating R&D Activities,” “Strategizing International Standardization / Reinforcing Regulatory Response,” “Expanding Global Manufacturing Capabilities,” and “Propelling DX,” as well as “Human Resource Strategy: Realizing Leadership & Diversity” and “Financial Strategy: Executing Strategic Investments.”

Reinforcing the Corporate Governance is positioned as the most important issue for management, and will reinforce the Group’s corporate governance based on the philosophy that compliance should be prioritized above all else. We will reinforce internal controls, risk management and monitoring based on basic group management rules.

In Accelerating R&D Activities, we will introduce agile development methods, while reinforcing standardization and regulatory compliance through collaboration with public agencies. We will strengthen Business Continuity Management (BCM) through expansion of global manufacturing, implement process innovation through DX, and strengthen human resource development that underpins all business activities. In addition, we will formulate strategic investment and growth investment plans.

## 5) Environmental and Health Management

In Environmental Management, we are aiming to expand business activities and corporate value through the resolution of environmental issues, and working with the focus on five items: “Responding to Climate Change,” “Creating Circular Society,” “Developing Environmentally Friendly Products,” “Conserving Biodiversity,” and “Promoting Environmental Protection Activities of Each Employee.”

As Health Management initiatives, we will form an alliance that spans beyond industry, utilizing healthcare data to deal with the risk of diseases that can be predicted to progress to severe diseases such as cerebrovascular and cardiovascular diseases and kidney disorders, derived from life-style related diseases, and mental health disorders of employees (Health & Productivity Management Alliance). We will deploy success cases outside the alliance as well, and aim for social implementation and overseas developments, while collaborating with academia and government agencies.

Based on the above, the consolidated earnings forecast for the fiscal year ending March 2024 is indicated below.

(Millions of yen)

	FY 2023 Consolidated Earnings Forecast	Year-on-Year Percent Increase/Decrease
Net sales	500,000	3.7%
Operating Profit	71,000	4.1%
Ordinary Profit	71,000	0.2%
Profit Attributable to Owners of Parent	53,000	1.8%

Note: The forecasted results above were calculated based on information available on the date this report was released. Actual results may vary from forecast values, due to various factors in the future.

## (2) Overview of Financial Status

### <Assets as of March 31, 2023>

As of March 31, 2023, inventories increased by 21,447 million yen, notes and accounts receivable - trade, and contract assets increased by 9,311 million yen, and property, plant and equipment increased by 8,562 million yen compared to the end of the previous year. Consequently, total assets increased by 58,341 million yen to 618,869 million yen. Net assets increased by 42,335 million yen to 423,499 million yen due to a 37,307 million yen increase in retained earnings.

### <Cash Flows>

Cash and cash equivalents as of March 31, 2023 decreased by 1,584 million yen, compared to the end of the previous year, to 153,734 million yen.

The cash flow status for FY 2022 is described below.

#### I. Cash Flows from Operating Activities

Cash flow from operating activities resulted in an inflow of 48,303 million yen, which is a 15,064 million yen decrease from the previous year. The primary cash flows include a 10,938 million yen decrease from changes in inventories and a 5,078 million yen increase of income taxes paid.

#### II. Cash Flows from Investing Activities

Cash flow from investing activities resulted in an outflow of 34,509 million yen, which is a 28,464 million yen increase from the previous year. The primary cash flows include a 16,838 million yen outflow from capital equipment investment and an outflow of 13,996 million yen from purchase of shares of subsidiaries.

#### III. Cash Flows from Financing Activities

Cash flow from financing activities resulted in an outflow of 19,418 million yen, which is a 3,760 million yen increase from the previous year. The primary cash flows include an 14,745 million yen outflow from dividends paid and a 4,528 million yen outflow from repayments of lease liabilities.

## &lt;Trend in Cash Flow Indices&gt;

	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023
Equity Ratio (%)	65.9	69.2	67.4	68.0	68.4
Equity Ratio on a Market Value Basis (%)	215.6	191.5	237.2	222.6	197.1
Years of Debt Redemption (years)	0.6	0.1	0.0	0.0	0.0
Interest Coverage Ratio	236.9	382.9	353.3	336.3	171.7

Note: Equity Ratio = (Net assets – Non-controlling interests)/Total assets

Equity Ratio on a Market Value Basis (%) = Total market value of shares/Total assets

Years of Debt Redemption = Interest bearing debt/Cash flow from operating activities

Interest Coverage Ratio = Cash flow from operating activities/Interest payment

1. All indices were calculated on a consolidated basis.
2. The total market value of shares was calculated as the product of year-end share price and the number of year-end outstanding shares (after deduction of treasury stock).
3. The cash flow from operating activities indicated on the consolidated statements of cash flows was used as the cash flow from operating activities. Interest bearing debt includes short-term loans, long-term debt, commercial paper, and unsecured bonds, from liabilities indicated on the consolidated balance sheet. Interest payment indicates the interest paid, as reported in consolidated statements of cash flows.

### (3) Dividend Policy and Dividends for the Fiscal Years Ended March 31, 2023 and 2024

Shimadzu views the return of profits to shareholders as a key management objective.

We intend to keep dividends stable, while also taking into account earnings performance and cash flows. We will also maintain sufficient internal reserves to fund capital equipment investments, R&D, strategic investments, and human resources for increasing business growth and profitability in the medium and long term. We will continue making every effort to maintain stable financial conditions, while strengthening earnings and raising our return on equity.

A year-end dividend of 28 yen per share was paid for the fiscal year ended March 31, 2022, but we plan to pay a year-end dividend of 32 yen per share for the fiscal year ended March 31, 2023. Combined with the interim dividend of 22 yen per share, that will result in a total annual dividend of 54 yen per share, which is an increase of 6 yen compared to the previous year.

For the fiscal year ending March 31, 2024, we currently plan to pay an interim dividend of 23 yen and a year-end dividend of 33 yen per share, for a total annual dividend of 56 yen per share, an increase of 2 yen from the previous fiscal year.

## 2. Basic Stance on Selecting Accounting Standards

The Shimadzu Group currently presents its consolidated financial statements based on Japanese accounting standards to facilitate comparison with results from other years and comparison with the results of other companies.

Regarding International Financial Reporting Standards (IFRS), we will take appropriate measures based on various circumstances in and outside Japan.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	157,966	158,847
Notes and accounts receivable - trade, and contract assets	121,931	131,242
Securities	–	425
Merchandise and finished goods	61,386	72,332
Work in process	20,777	26,505
Raw materials and supplies	24,484	29,257
Other	9,984	15,115
Allowance for doubtful accounts	(2,167)	(2,217)
Total current assets	394,363	431,509
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	52,902	54,954
Machinery, equipment and vehicles, net	7,261	8,823
Land	19,053	22,040
Leased assets, net	1,910	2,108
Construction in progress	992	2,124
Other, net	22,310	22,942
Total property, plant and equipment	104,430	112,992
Intangible assets		
Goodwill	2,283	4,947
Other	8,868	12,015
Total intangible assets	11,151	16,963
Investments and other assets		
Investment securities	13,496	15,145
Long-term loans receivable	156	174
Retirement benefit asset	20,665	21,818
Deferred tax assets	12,606	15,692
Other	4,003	4,941
Allowance for doubtful accounts	(345)	(368)
Total investments and other assets	50,583	57,403
Total non-current assets	166,164	187,360
Total assets	560,528	618,869

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	66,538	66,713
Short-term borrowings	1,504	1,400
Lease liabilities	3,458	3,237
Accounts payable - other	13,760	15,928
Income taxes payable	10,944	10,320
Contract liabilities	40,347	50,158
Provision for bonuses	11,657	13,627
Provision for bonuses for directors (and other officers)	355	366
Provision for share awards	38	115
Provision for loss on orders received	10	-
Other	10,126	10,519
Total current liabilities	158,743	172,387
<b>Non-current liabilities</b>		
Long-term borrowings	205	132
Lease liabilities	6,422	6,499
Provision for retirement benefits for directors (and other officers)	144	141
Retirement benefit liability	12,994	14,222
Provision for share awards	92	-
Other	759	1,986
Total non-current liabilities	20,620	22,982
Total liabilities	179,363	195,370
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	26,648	26,648
Capital surplus	34,910	34,910
Retained earnings	298,758	336,066
Treasury shares	(1,244)	(1,210)
Total shareholders' equity	359,073	396,415
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,471	5,829
Foreign currency translation adjustment	10,093	15,656
Remeasurements of defined benefit plans	5,525	5,597
Total accumulated other comprehensive income	22,090	27,084
Total net assets	381,164	423,499
Total liabilities and net assets	560,528	618,869

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**Consolidated Statement of Income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	428,175	482,240
Cost of sales	249,559	281,280
Gross profit	178,615	200,959
Selling, general and administrative expenses	114,809	132,739
Operating profit	63,806	68,219
Non-operating income		
Interest income	287	562
Dividend income	228	242
Insurance claim income	261	260
Subsidy income	1,058	506
Foreign exchange gains	1,139	1,295
Other	689	773
Total non-operating income	3,665	3,640
Non-operating expenses		
Interest expenses	188	281
Donations	1,063	96
Other	642	600
Total non-operating expenses	1,894	978
Ordinary profit	65,577	70,882
Extraordinary income		
Insurance claim income	–	901
Gain on sale of investment securities	146	103
Gain on sale of non-current assets	170	79
Gain on transfer of investment securities	812	–
Gain on liquidation of investment securities	2	–
Total extraordinary income	1,133	1,083
Extraordinary losses		
Loss on liquidation of business	–	613
Loss on special investigation	–	351
Loss on disposal of non-current assets	200	166
Loss on valuation of investment securities	13	2
Loss on fire	549	–
Total extraordinary losses	763	1,133
Profit before income taxes	65,947	70,832
Income taxes - current	19,438	21,466
Income taxes - deferred	(780)	(2,682)
Total income taxes	18,657	18,783
Profit	47,289	52,048
Profit attributable to owners of parent	47,289	52,048



**Consolidated Statement of Comprehensive Income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	47,289	52,048
Other comprehensive income		
Valuation difference on available-for-sale securities	(107)	(641)
Foreign currency translation adjustment	9,975	5,563
Remeasurements of defined benefit plans, net of tax	(14)	71
Total other comprehensive income	9,853	4,993
Comprehensive income	57,142	57,041
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	57,142	57,041
Comprehensive income attributable to non-controlling interests	—	—

**(3) Consolidated Statement of Changes in Equity**  
**Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,648	34,910	262,966	(1,259)	323,267
Changes during period					
Dividends of surplus			(11,497)		(11,497)
Profit attributable to owners of parent			47,289		47,289
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares				18	18
Net changes in items other than shareholders' equity					
Total changes during period	–	–	35,791	14	35,806
Balance at end of period	26,648	34,910	298,758	(1,244)	359,073

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	6,579	118	5,540	12,237	335,504
Changes during period					
Dividends of surplus					(11,497)
Profit attributable to owners of parent					47,289
Purchase of treasury shares					(4)
Disposal of treasury shares					18
Net changes in items other than shareholders' equity	(107)	9,975	(14)	9,853	9,853
Total changes during period	(107)	9,975	(14)	9,853	45,659
Balance at end of period	6,471	10,093	5,525	22,090	381,164

**Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,648	34,910	298,758	(1,244)	359,073
Changes during period					
Dividends of surplus			(14,740)		(14,740)
Profit attributable to owners of parent			52,048		52,048
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares				38	38
Net changes in items other than shareholders' equity					
Total changes during period	–	–	37,307	34	37,341
Balance at end of period	26,648	34,910	336,066	(1,210)	396,415

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	6,471	10,093	5,525	22,090	381,164
Changes during period					
Dividends of surplus					(14,740)
Profit attributable to owners of parent					52,048
Purchase of treasury shares					(4)
Disposal of treasury shares					38
Net changes in items other than shareholders' equity	(641)	5,563	71	4,993	4,993
Total changes during period	(641)	5,563	71	4,993	42,335
Balance at end of period	5,829	15,656	5,597	27,084	423,499

**(4) Consolidated Statement of Cash Flows**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	65,947	70,832
Depreciation	16,205	17,524
Loss on liquidation of business	–	613
Loss on special investigation	–	351
Insurance claim income	–	(901)
Loss on fire	549	–
Increase (decrease) in allowance for doubtful accounts	(135)	(104)
Increase (decrease) in provision for bonuses	96	1,503
Increase (decrease) in provision for bonuses for directors (and other officers)	59	(6)
Increase (decrease) in net defined benefit asset and liability	(134)	(17)
Interest and dividend income	(515)	(804)
Interest expenses	188	281
Donations	948	–
Foreign exchange losses (gains)	(1,062)	(1,043)
Loss (gain) on sale and valuation of investment securities	(133)	(100)
Loss (gain) on transfer of investment securities	(812)	–
Loss (gain) on liquidation of investment securities	(2)	–
Loss (gain) on sale and retirement of property, plant and equipment	30	86
Decrease (increase) in trade receivables	(220)	(1,052)
Decrease (increase) in inventories	(5,252)	(16,190)
Increase (decrease) in trade payables	2,255	(4,228)
Increase (decrease) in contract liabilities	1,427	6,830
Other, net	554	(4,023)
<b>Subtotal</b>	<b>79,992</b>	<b>69,549</b>
Interest and dividends received	517	774
Interest paid	(188)	(281)
Loss on special investigation paid	–	(289)
Proceeds from insurance income	–	350
Loss on fire paid	(232)	–
Income taxes paid	(16,721)	(21,799)
<b>Net cash provided by (used in) operating activities</b>	<b>63,367</b>	<b>48,303</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	(10,131)	(16,838)
Proceeds from sale of non-current assets	555	515
Purchase of investment securities	(347)	(1,865)
Proceeds from sale of investment securities	302	182
Proceeds from liquidation of investment securities	22	–
Loan advances	(50)	(67)
Proceeds from collection of loans receivable	40	56
Purchase of shares of subsidiaries	–	(13,996)
Other, net	3,563	(2,494)
<b>Net cash provided by (used in) investing activities</b>	<b>(6,044)</b>	<b>(34,509)</b>

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Repayments of short-term borrowings	–	(100)
Repayments of long-term borrowings	(34)	(78)
Dividends paid	(11,490)	(14,745)
Repayments of lease liabilities	(4,148)	(4,528)
Decrease (increase) in treasury shares	14	34
Net cash provided by (used in) financing activities	(15,658)	(19,418)
Effect of exchange rate change on cash and cash equivalents	6,799	4,040
Net increase (decrease) in cash and cash equivalents	48,463	(1,584)
Cash and cash equivalents at beginning of period	106,855	155,319
Cash and cash equivalents at end of period	155,319	153,734

**(5) Notes on Consolidated Financial Statements****Notes on Going-Concern Assumptions**

Not applicable.

**Accounting Policy Changes**

Application of Implementation Guidance on Accounting Standard for Fair Value Measurement  
Shimadzu has decided to apply the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021, hereinafter the “Guidance for Application of Fair Value Measurement”) beginning with this fiscal year, and to implement the new accounting policy stipulated in the Guidance for Application of Fair Value Measurement in the future, in accordance with the transitional methods stipulated in Article 27-2 of the Guidance for Application of Fair Value Measurement. The change has no effect on consolidated financial statements for this fiscal year.

**Segment Information**

## 1 Information on net sales and operating profit (loss) by reportable segment

From April 1 to March 31 of fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the consolidated financial statements
	Analytical & Measuring Instruments	Medical Systems	Industrial Machinery	Aircraft Equipment	Total				
Net sales									
Sales to customers	277,515	66,894	56,736	22,301	423,447	4,727	428,175	–	428,175
Inter-segment sales	8	70	150	19	249	2,205	2,455	(2,455)	–
Total	277,524	66,965	56,887	22,320	423,697	6,932	430,630	(2,455)	428,175
Operating profit	52,956	6,083	5,978	118	65,137	1,256	66,393	(2,586)	63,806

From April 1 to March 31 of fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the consolidated financial statements
	Analytical & Measuring Instruments	Medical Systems	Industrial Machinery	Aircraft Equipment	Total				
Net sales									
Sales to customers	314,668	75,876	62,982	23,985	477,513	4,726	482,240	–	482,240
Inter-segment sales	54	46	66	37	205	2,423	2,629	(2,629)	–
Total	314,723	75,923	63,049	24,023	477,719	7,150	484,870	(2,629)	482,240
Operating profit	57,615	5,538	5,422	1,389	69,966	597	70,564	(2,344)	68,219

&lt;Related Information&gt;

## Information on the Amount of Net Sales by Geographical Segment

From April 1 to March 31 of fiscal year ended March 31, 2022

(Millions of yen)						
Japan	The Americas	Europe	China	Other Asian countries	Other	Total
201,164	55,378	35,297	81,469	43,109	11,754	428,175

From April 1 to March 31 of fiscal year ended March 31, 2023

(Millions of yen)						
Japan	The Americas	Europe	China	Other Asian countries	Other	Total
211,124	65,441	41,684	96,747	52,202	15,040	482,240

Note: Main countries and regions included in the geographical segments other than Japan

The Americas: U.S.A.

Europe: U.K., Germany

China: China

Other Asian countries: India, Southeast Asia, South Korea, Taiwan

Other: Australia, Middle East, Africa

**Per-Share Information**

	(Yen)	
	From April 1 to March 31 of fiscal year ended March 31, 2022	From April 1 to March 31 of fiscal year ended March 31, 2023
Net assets per share	1,293.60	1,437.19
Earnings per share	160.49	176.64

Note: The basis for calculating the earnings per share is indicated below.

	From April 1 to March 31 of fiscal year ended March 31, 2022	From April 1 to March 31 of fiscal year ended March 31, 2023
Profit attributable to owners of parent (millions of yen)	47,289	52,048
Value not attributable to shareholders of common shares (millions of yen)	–	–
Earnings allocable to common shares (millions of yen)	47,289	52,048
Average number of common shares outstanding during the year (thousand shares)	294,651	294,666

**Events after the Reporting Period**

Not applicable.

#### 4. Supplemental Information

### Overview of Financial Results for the Fiscal Year Ended March 2023

#### Consolidated Results

Row No.			FY 2021	FY 2022	Year-on-Year		FY 2023
			Results	Results	Increase/ Decrease	Percent Increase/ Decrease	Forecast
1	Net Sales	millions of yen	428,175	482,240	54,065	12.6%	500,000
2	Net Sales (Analytical & Measuring Instruments)	millions of yen	277,515	314,668	37,152	13.4%	—
3	Net Sales (Medical Systems)	millions of yen	66,894	75,876	8,981	13.4%	—
4	Net Sales (Industrial Machinery)	millions of yen	56,736	62,982	6,245	11.0%	—
5	Net Sales (Aircraft Equipment)	millions of yen	22,301	23,985	1,684	7.6%	—
6	Net Sales (Other)	millions of yen	4,727	4,726	(0)	(0.0%)	—
7	Net Sales by Region (Japan)	millions of yen	201,164	211,124	9,960	5.0%	—
8	Net Sales by Region (Outside Japan)	millions of yen	227,010	271,115	44,105	19.4%	—
9	Net Sales (The Americas)	millions of yen	55,378	65,441	10,062	18.2%	—
10	Net Sales (Europe)	millions of yen	35,297	41,684	6,386	18.1%	—
11	Net Sales (China)	millions of yen	81,469	96,747	15,277	18.8%	—
12	Net Sales (Other Asian Countries)	millions of yen	43,109	52,202	9,092	21.1%	—
13	Net Sales (Other)	millions of yen	11,754	15,040	3,285	27.9%	—
14	Operating Profit	millions of yen	63,806	68,219	4,412	6.9%	71,000
15	Ordinary Profit	millions of yen	65,577	70,882	5,304	8.1%	71,000
16	Profit Attributable to Owners of Parent	millions of yen	47,289	52,048	4,758	10.1%	53,000
17	Ratio of Operating Profit to Net Sales	%	14.9	14.1	—	—	14.2
18	Earnings per Share	Yen	160.49	176.64	—	—	179.86
19	Dividend per Share	Yen	48.00	54.00	—	—	56.00
20	Capital Equipment Investment	millions of yen	16,357	22,512	6,155	37.6%	25,000
21	Depreciation and Amortization	millions of yen	16,205	17,524	1,318	8.1%	17,000
22	Cash Flows from Operating Activities	millions of yen	63,367	48,303	(15,064)	—	—
23	Cash Flows from Investing Activities	millions of yen	(6,044)	(34,509)	(28,464)	—	—
24	Cash Flows from Financing Activities	millions of yen	(15,658)	(19,418)	(3,760)	—	—
25	Cash and Cash Equivalents, End of Period	millions of yen	155,319	153,734	(1,584)	—	—
26	Total Assets	millions of yen	560,528	618,869	58,341	10.4%	—
27	Net Assets	millions of yen	381,164	423,499	42,335	11.1%	—
28	Equity Ratio	%	68.0	68.4	—	—	—
29	Return on Equity	%	13.2	12.9	—	—	—



30	Ratio of Ordinary Profit to Total Assets	%	12.4	12.0	—	—	—
31	Net Assets per Share	Yen	1,293.60	1,437.19	—	—	—
32	Number of All Group Employees	Employees	13,499	13,898	399	—	—
33	Number of Consolidated Subsidiaries	Companies	76	78	—	—	—
34	Japan	Companies	23	23	—	—	—
35	Outside Japan	Companies	53	55	—	—	—