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August 4, 2023

Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

Company name: SHIMADZU CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 7701
 URL: <https://www.shimadzu.co.jp>
 Representative: Yasunori Yamamoto, President and Representative Director
 Inquiries: Koumei Arakane, Corporate Officer, General Manager, Finance and Accounting Dept.
 Telephone: +81-75-823-1128
 Scheduled date to file quarterly securities report: August 7, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

(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	%
Three months ended								
June 30, 2023	109,200	10.7	13,249	40.2	15,656	29.4	11,100	27.8
June 30, 2022	98,639	4.6	9,449	(23.9)	12,100	(4.9)	8,685	(0.5)

Note: Comprehensive income For the three months ended June 30, 2023: ¥20,965 million [26.9%]
 For the three months ended June 30, 2022: ¥16,526 million [60.9%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	37.67	–
June 30, 2022	29.48	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	610,106	434,894	71.3
March 31, 2023	618,869	423,499	68.4

Reference: Equity
 As of June 30, 2023: ¥434,891 million
 As of March 31, 2023: ¥423,499 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	22.00	–	32.00	54.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecast)		23.00	–	33.00	56.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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	179.85

Note: Revisions to the earnings forecast most recently announced: None

* For matters related to the above forecast, please refer to page 5, “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) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2023	296,070,227 shares
As of March 31, 2023	296,070,227 shares

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

As of June 30, 2023	1,372,203 shares
As of March 31, 2023	1,399,245 shares

(iii) Average number of shares outstanding during the period

Three months ended June 30, 2023	294,677,728 shares
Three months ended June 30, 2022	294,655,463 shares

* 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

1. No changes have been made to the consolidated forecasts for the fiscal year ending March 31, 2024 that were announced on May 10, 2023.
2. 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 5, "Consolidated Outlook."

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1. Qualitative Information on Quarterly Consolidated Financial Statements

(1) Operating Results

During the three months ended June 30, 2023, uncertainty remained in the global economy due to such factors as increasing economic downside risk hastened by various countries imposing austerity measures and the protracted situation in Russia and Ukraine.

Given such a business environment, Shimadzu Group's net sales increased due to an increase in sales of the key models of liquid chromatographs, mass spectrometer systems, and gas chromatographs in the Healthcare and Green domains and for the academic field, in addition to a recovery in production resulting from an easing of the impact of parts and materials shortages and a rebound from the impact of COVID-19-induced lockdowns imposed amid the pandemic in China in the previous year. Operating profit increased as a result of higher sales of key models and an improvement in profitability due to the implementation of price revisions, despite being adversely impacted by increased costs due to the implementation of growth investments including those in human resources, R&D, and capital equipment, and high prices for parts and materials.

During the three months ended June 30, 2023, given the above and the buoying effect of the increasingly weaker yen, on a consolidated basis, Shimadzu posted net sales of 109,200 million yen (a year-on-year increase of 10.7%), operating profit of 13,249 million yen (a year-on-year increase of 40.2%), ordinary profit of 15,656 million yen (a year-on-year increase of 29.4%), and profit attributable to owners of parent of 11,100 million yen (a year-on-year increase of 27.8%).

The results for reportable business segments were as follows.

I. Analytical & Measuring Instruments

In the Analytical & Measuring Instruments segment, sales increased both in Japan and outside Japan. In Japan, liquid chromatographs increased in the healthcare field, and outside of Japan, liquid chromatographs, mass spectrometer systems, and gas chromatographs increased in the Healthcare and Green domains and the academic field. There was also contribution from Shimadzu Diagnostics Corporation. In addition, there was a recovery in production due to an easing of the impact of parts and materials shortages and a reactionary increase from the impact of lockdowns in China in the previous year.

As a result, the Analytical & Measuring Instruments segment posted net sales of 71,380 million yen (a year-on-year increase of 15.5%), with operating profit of 10,828 million yen (a year-on-year increase of 29.5%) due to increased sales and other factors.

Net sales broken down by major regions are indicated below.

	Consolidated Results for First Quarter of FY 2022 (millions of yen)	Consolidated Results for First Quarter of FY 2023 (millions of yen)	Percent Increase/Decrease (%)	Overview
Japan	20,947	22,093	5.5	Liquid chromatographs for pharmaceutical applications increased. Shimadzu Diagnostics also contributed, despite a decrease in COVID-19-related products.
North America	7,138	7,235	1.4	Although sales of liquid chromatographs for pharmaceutical applications decreased due to restrained investment in the pharmaceuticals field, sales of gas chromatographs in the Green domain and mass spectrometer systems for the environment field increased.
Europe	7,097	8,487	19.6	Sales of liquid chromatographs for pharmaceutical applications and gas chromatographs in the Green domain increased.
China	14,502	19,063	31.5	Sales of liquid chromatographs and mass spectrometer systems to universities increased. Sales also increased due to a rebound from the impact of lockdowns in the previous year.
Other Asian countries	8,888	10,216	14.9	Liquid chromatographs and mass spectrometer systems increased in India due to strengthened domestic production of pharmaceuticals. In addition, mass spectrometer systems increased in Southeast Asia due to stricter pharmaceutical regulations.

II. Medical Systems

In the Medical Systems segment, sales decreased in Japan, but increased outside Japan. In Japan, sales of fluoroscopy systems and angiography systems increased centering on new products, but were affected by a reactionary decline from the previous year's sales of tumor-tracking systems for radiation therapy and restrained investment by medical institutions. Outside Japan, sales of angiography systems increased in the U.S. and India, and so did those of new fluoroscopy systems manufactured locally for the Chinese market.

As a result, the Medical Systems segment posted net sales of 14,384 million yen (a year-on-year decrease of 12.5%), with operating profit of 39 million yen (a year-on-year decrease of 83.8%) due to decreased sales and other factors.

Net sales broken down by major regions are indicated below.

	Consolidated Results for First Quarter of FY 2022 (millions of yen)	Consolidated Results for First Quarter of FY 2023 (millions of yen)	Percent Increase/Decrease (%)	Overview
Japan	9,385	7,091	(24.4)	Although sales of fluoroscopy systems and angiography systems increased centering on new products, sales decreased due to a rebound from sales of tumor-tracking systems for radiation therapy in the previous year.
North America	2,105	1,725	(18.1)	Although the number of surgeries, which had been stagnant due to the COVID-19 pandemic, recovered and angiography systems increased, overall sales decreased as medical institutions restrained investment due to rising prices and other factors.
Europe	778	900	15.8	Sales of angiography systems for the Eastern European market increased.
China	1,114	1,382	24.0	Sales of new fluoroscopy systems manufactured locally for the Chinese market increased.
Other Asian countries	1,292	1,555	20.4	Sales of angiography systems increased in India.

III. Industrial Machinery

In the Industrial Machinery segment, sales decreased in Japan, but increased outside Japan.

In Japan, demand for semiconductors was in a slump and sales of turbomolecular pumps for semiconductor manufacturing equipment decreased despite an increase in hydraulic equipment for the industrial vehicles, construction machinery, and agricultural equipment field. Overseas, sales of highly energy efficient construction glass and turbomolecular pumps for thin-film manufacturing equipment such as that for thin-film solar cells increased due to a rising consciousness toward the environment.

As a result, the Industrial Machinery segment posted net sales of 14,732 million yen (a year-on-year increase of 0.5%), with operating profit of 1,947 million yen (a year-on-year increase of 50.0%) due to improved profitability.

Net sales broken down by major regions are indicated below.

	Consolidated Results for First Quarter of FY 2022 (millions of yen)	Consolidated Results for First Quarter of FY 2023 (millions of yen)	Percent Increase/Decrease (%)	Overview
Japan	6,128	6,003	(2.0)	Industrial furnace sales increased due to increased EV-related demand, but turbomolecular pumps for use in semiconductor manufacturing equipment decreased.
North America	2,095	1,601	(23.6)	Sales of turbomolecular pumps for use in semiconductor manufacturing equipment decreased.
Europe	933	1,202	28.8	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 increased.
China	4,334	4,634	6.9	Sales of turbomolecular pumps for use in thin-film manufacturing equipment for producing glass used in construction materials, thin-film solar cells and other products increased, offsetting a reactionary decline in sales of glass winders.
Other Asian countries	1,136	1,271	11.9	Although sales of turbomolecular pumps for use in semiconductor manufacturing equipment decreased, sales of industrial furnaces increased due to an increase in EV-related facilities, among others.

IV. Aircraft Equipment

In the Aircraft Equipment segment, sales increased both in Japan and outside Japan. In Japan, sales of items loaded onto aircraft increased significantly in the defense field, and outside Japan, so did those of such items in the commercial aircraft equipment field, where production is increasing in response to rising airline passenger demand.

As a result, the Aircraft Equipment segment posted net sales of 6,192 million yen (a year-on-year increase of 30.0%), with operating profit of 590 million yen (a year-on-year increase of 416.1%) due to improved profitability in the commercial aircraft equipment field and other factors in addition to increased sales.

Net sales broken down by major regions are indicated below.

	Consolidated Results for First Quarter of FY 2022 (millions of yen)	Consolidated Results for First Quarter of FY 2023 (millions of yen)	Percent Increase/Decrease (%)	Overview
Japan	3,250	4,536	39.6	Items loaded onto aircraft increased in the defense field.
North America	1,292	1,502	16.2	Items loaded onto aircraft increased in the commercial aircraft equipment field due to increased production by aircraft manufacturers.

V. Other

Other business segments posted net sales of 2,510 million yen (a year-on-year increase of 150.6%), mainly due to an increase in sales at a subsidiary construction company, and operating profit of 179 million yen (operating loss of 52 million yen during the same period last year).

(2) Consolidated Outlook

We leave the consolidated earnings forecast for the fiscal year ending March 31, 2024 unchanged from the full-year consolidated earnings forecast announced on May 10, 2023.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	158,847	149,467
Notes and accounts receivable - trade, and contract assets	131,242	112,389
Securities	425	420
Merchandise and finished goods	72,332	83,853
Work in process	26,505	26,996
Raw materials and supplies	29,257	32,162
Other	15,115	19,716
Allowance for doubtful accounts	(2,217)	(2,331)
Total current assets	431,509	422,675
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	54,954	55,408
Machinery, equipment and vehicles, net	8,823	8,878
Land	22,040	22,313
Leased assets, net	2,108	2,156
Construction in progress	2,124	2,216
Other, net	22,942	24,184
Total property, plant and equipment	112,992	115,158
Intangible assets		
Goodwill	4,947	4,885
Other	12,015	12,104
Total intangible assets	16,963	16,989
Investments and other assets		
Investment securities	15,145	15,618
Long-term loans receivable	174	200
Retirement benefit asset	21,818	21,962
Deferred tax assets	15,692	12,339
Other	4,941	5,536
Allowance for doubtful accounts	(368)	(374)
Total investments and other assets	57,403	55,283
Total non-current assets	187,360	187,431
Total assets	618,869	610,106

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	66,713	55,070
Short-term borrowings	1,400	1,398
Lease liabilities	3,237	3,489
Accounts payable - other	15,928	14,846
Income taxes payable	10,320	3,072
Contract liabilities	50,158	51,868
Provision for bonuses	13,627	5,808
Provision for bonuses for directors (and other officers)	366	122
Provision for share awards	115	–
Other	10,519	15,514
Total current liabilities	172,387	151,192
Non-current liabilities		
Long-term borrowings	132	116
Lease liabilities	6,499	7,336
Provision for retirement benefits for directors (and other officers)	141	134
Retirement benefit liability	14,222	14,986
Provision for share awards	–	8
Other	1,986	1,438
Total non-current liabilities	22,982	24,020
Total liabilities	195,370	175,212
Net assets		
Shareholders' equity		
Share capital	26,648	26,648
Capital surplus	34,910	34,910
Retained earnings	336,066	337,537
Treasury shares	(1,210)	(1,155)
Total shareholders' equity	396,415	397,942
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,829	6,500
Foreign currency translation adjustment	15,656	24,970
Remeasurements of defined benefit plans	5,597	5,478
Total accumulated other comprehensive income	27,084	36,949
Non-controlling interests	–	2
Total net assets	423,499	434,894
Total liabilities and net assets	618,869	610,106

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	98,639	109,200
Cost of sales	58,480	60,654
Gross profit	40,159	48,545
Selling, general and administrative expenses	30,710	35,296
Operating profit	9,449	13,249
Non-operating income		
Interest income	57	299
Dividend income	156	187
Insurance claim income	46	40
Foreign exchange gains	2,275	1,979
Subsidy income	189	31
Other	164	204
Total non-operating income	2,889	2,743
Non-operating expenses		
Interest expenses	61	70
Donations	48	27
Other	127	239
Total non-operating expenses	237	336
Ordinary profit	12,100	15,656
Extraordinary income		
Gain on sale of investment securities	19	49
Gain on sale of non-current assets	8	23
Total extraordinary income	28	72
Extraordinary losses		
Loss on disposal of non-current assets	31	59
Total extraordinary losses	31	59
Profit before income taxes	12,098	15,669
Income taxes - current	1,846	1,852
Income taxes - deferred	1,565	2,717
Total income taxes	3,412	4,569
Profit	8,685	11,100
Loss attributable to non-controlling interests	-	(0)
Profit attributable to owners of parent	8,685	11,100

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	8,685	11,100
Other comprehensive income		
Valuation difference on available-for-sale securities	(525)	670
Foreign currency translation adjustment	8,393	9,313
Remeasurements of defined benefit plans, net of tax	(26)	(118)
Total other comprehensive income	7,841	9,865
Comprehensive income	16,526	20,965
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,526	20,965
Comprehensive income attributable to non-controlling interests	-	(0)

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

Not applicable.

Notes on the Event of Significant Fluctuations in Shareholders' Capital

Not applicable.

Segment Information

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

From April 1 to June 30 of fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the quarterly statements of income
	Analytical & Measuring Instruments	Medical Systems	Industrial Machinery	Aircraft Equipment	Total				
Net sales									
Sales to customers	61,785	16,434	14,653	4,764	97,637	1,001	98,639	–	98,639
Inter-segment sales	22	8	9	9	49	547	596	(596)	–
Total	61,807	16,443	14,662	4,774	97,687	1,549	99,236	(596)	98,639
Operating profit (loss)	8,364	245	1,298	114	10,022	(52)	9,969	(520)	9,449

From April 1 to June 30 of fiscal year ending March 31, 2024

(Millions of yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the quarterly statements of income
	Analytical & Measuring Instruments	Medical Systems	Industrial Machinery	Aircraft Equipment	Total				
Net sales									
Sales to customers	71,380	14,384	14,732	6,192	106,689	2,510	109,200	–	109,200
Inter-segment sales	11	6	7	7	32	633	666	(666)	–
Total	71,391	14,390	14,739	6,199	106,722	3,144	109,866	(666)	109,200
Operating profit	10,828	39	1,947	590	13,406	179	13,585	(336)	13,249

<Related Information>

Information on the Amount of Net Sales by Geographical Segment

From April 1 to June 30 of fiscal year ended March 31, 2023

(Millions of yen)						
Japan	The Americas	Europe	China	Other Asian countries	Other	Total
40,711	14,193	9,010	19,956	11,334	3,434	98,639

From April 1 to June 30 of fiscal year ending March 31, 2024

(Millions of yen)						
Japan	The Americas	Europe	China	Other Asian countries	Other	Total
42,234	14,159	10,686	25,101	13,079	3,939	109,200

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

3. Supplemental Information

Overview of Financial Results for the First Quarter of the Fiscal Year Ending March 2024

Row No.			Consolidated Results for First Three Months of FY 2022	Consolidated Results for First Three Months of FY 2023	Year on Year		FY 2022	FY 2023
			Results	Results	Increase/Decrease	Percent Increase/Decrease	Results	Forecast
1	Net Sales	millions of yen	98,639	109,200	10,560	10.7%	482,240	500,000
2	Net Sales (Analytical & Measuring Instruments)	millions of yen	61,785	71,380	9,594	15.5%	314,668	–
3	Net Sales (Medical Systems)	millions of yen	16,434	14,384	(2,050)	(12.5)%	75,876	–
4	Net Sales (Industrial Machinery)	millions of yen	14,653	14,732	79	0.5%	62,982	–
5	Net Sales (Aircraft Equipment)	millions of yen	4,764	6,192	1,427	30.0%	23,985	–
6	Net Sales (Other)	millions of yen	1,001	2,510	1,508	150.6%	4,726	–
7	Net Sales by Region (Japan)	millions of yen	40,711	42,234	1,523	3.7%	211,124	–
8	Net Sales by Region (Outside Japan)	millions of yen	57,928	66,966	9,037	15.6%	271,115	–
9	Net Sales (The Americas)	millions of yen	14,193	14,159	(33)	(0.2)%	65,441	–
10	Net Sales (Europe)	millions of yen	9,010	10,686	1,675	18.6%	41,684	–
11	Net Sales (China)	millions of yen	19,956	25,101	5,145	25.8%	96,747	–
12	Net Sales (Other Asian Countries)	millions of yen	11,334	13,079	1,744	15.4%	52,202	–
13	Net Sales (Other)	millions of yen	3,434	3,939	505	14.7%	15,040	–
14	Operating Profit	millions of yen	9,449	13,249	3,800	40.2%	68,219	71,000
15	Ordinary Profit	millions of yen	12,100	15,656	3,555	29.4%	70,882	71,000
16	Profit Attributable to Owners of Parent	millions of yen	8,685	11,100	2,414	27.8%	52,048	53,000
17	Earnings per Share (FY 2023 Q1)	Yen	29.48	37.67	–	–	14.1	179.85
18	Dividend per Share	Yen	–	–	–	–	176.64	56.00
19	Capital Equipment Investment	millions of yen	5,769	5,701	(68)	(1.2)%	22,512	25,000
20	Depreciation and Amortization	millions of yen	4,241	4,510	269	6.4%	17,524	18,000
21	Total Assets	millions of yen	564,955	610,106	45,151	8.0%	618,869	–
22	Net Assets	millions of yen	389,454	434,894	45,439	11.7%	423,499	–
23	Equity Ratio	%	68.9	71.3	–	–	68.4	–
24	Number of All Group Employees	Employees	13,658	14,181	523	–	13,898	–
25	Number of Consolidated Subsidiaries	Companies	76	79	–	–	78	–
26	Japan	Companies	22	24	–	–	23	–
27	Outside Japan	Companies	54	55	–	–	55	–