

1st Half Results & Financial Position, Ended March 2015

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1st Half Financial Highlights

Billion of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
Net Sales	141.6	138.2	3.4	2.5%
Operating Income	10.0	7.9	2.1	27.4%
Ordinary Income	10.2	8.7	1.5	16.5%
Net Income	6.4	7.2	(0.8)	(10.2)%

■ 1H EPS

FY2014: ¥ 21.83 , FY2013: ¥ 24.32

■ 1H Average foreign exchange rate

FY2014[1st Apr. 2014 - 30th Sep. 2014]: \$ 1 = ¥ 102.28 , € 1 = ¥ 139.48

FY2013[1st Apr. 2013 - 30th Sep. 2013]: \$ 1 = ¥ 98.15 , € 1 = ¥ 128.50

1st Half Major Factors Behind Profit Changes

Billion of yen

Items	Changes
Gross Profit	+4.0
Impact of Sales increase	+1.3
Impact of improvement of profitability	+2.7
SG & A	-1.9
Operating Income	+2.1
Non-operating balance	-0.6
Ordinary Income	+1.5

1st Half Results by Business Segment

Billion of yen, except percentages

		Sep. 2014	Sep. 2013	Changes	% Changes
Analytical & Measuring Instruments	Net Sales	85.6	81.5	4.1	5.1%
	Operating Income	10.5	8.2	2.3	28.6%
Medical Systems	Net Sales	27.4	28.3	(0.9)	(3.2)%
	Operating Income	0.4	0.9	(0.5)	(56.0)%
Aircraft Equipment	Net Sales	10.5	10.6	(0.1)	(0.8)%
	Operating loss	(1.2)	(1.4)	0.2	—
Industrial Machinery	Net Sales	14.8	14.7	0.1	0.5%
	Operating Income	0.9	1.0	(0.1)	(5.6)%
Other	Net Sales	3.3	3.1	0.2	5.3%
	Operating Income	0.6	0.8	(0.2)	(29.1)%
Operating Income Adjustments		(1.2)	(1.6)	0.4	—
Total	Net Sales	141.6	138.2	3.4	2.5%
	Operating Income	10.0	7.9	2.1	27.4%

1st Half Sales Breakdown by Industry Segment (1)

Analytical & Measuring Instruments

Billion of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
General Analytical Instruments	56.5	52.4	4.1	8.0%
>Chromatography (LC,GC) & MS	44.8	40.8	4.0	10.0%
Surface Analyzers	4.6	5.2	(0.6)	(10.5)%
Environmental Monitors	4.9	4.5	0.4	7.0%
Testing Machines & Non-destructive Inspection Machines	8.7	7.3	1.4	19.0%
Other	10.9	12.1	(1.2)	(10.0)%
Total	85.6	81.5	4.1	5.1%

1st Half Sales Breakdown by Industry Segment (2)

Medical Systems

Billion of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
X-ray Systems	24.2	24.5	(0.3)	(1.0)%
Other	3.2	3.8	(0.6)	(17.0)%
Total	27.4	28.3	(0.9)	(3.2)%

1st Half Sales Breakdown by Industry Segment (3)

Aircraft Equipment

Billion of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
Aircraft Equipment	10.5	10.6	(0.1)	(0.8)%

1st Half Sales Breakdown by Industry Segment (4)

Industrial Machinery

Billion of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
Turbo-molecular pumps, CVD equipment for Solar-cell etc.	9.3	9.8	(0.5)	(5.6)%
Hydraulic equipmqt	5.5	4.9	0.6	12.9%
Total	14.8	14.7	0.1	0.5%

1st Half Sales Breakdown by Regional Segment (1)

Billions of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
Japan	68.7	68.4	0.3	0.5%
Overseas	72.9	69.8	3.1	4.4%
North & South America	19.9	17.7	2.2	12.6%
Europe	12.4	11.6	0.8	6.6%
China	23.9	24.3	(0.4)	(1.6)%
Other Asian countries	11.3	11.1	0.2	1.1%
Other	5.4	5.1	0.3	6.9%
Total	141.6	138.2	3.4	2.5%

** Other Asian countries: Taiwan, Korea, South Asia, and India*

** Other: Middle East, Oceania, and Africa*

1st Half Sales Breakdown by Regional Segment (2)

Japan

Billion of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
Analytical & Measuring Instruments	35.5	35.9	(0.4)	(0.8)%
Medical Systems	13.9	14.2	(0.3)	(2.6)%
Aircraft Equipments	8.4	8.5	(0.1)	(2.1)%
Industrial Machinery	7.6	6.7	0.9	15.1%
Other	3.3	3.1	0.2	5.3%
Total	68.7	68.4	0.3	0.5%

1st Half Sales Breakdown by Regional Segment (3)

North & South America

Billion of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
Analytical & Measuring Instruments	11.7<9.4>	10.1<8.1>	1.6<1.3>	15.9<16.2>%
Medical Systems	4.8<3.4>	4.5<3.5>	0.3 <(0.1)>	7.4<(4.1)>%
Aircraft Equipment	2.0<2.0>	1.9<1.9>	0.1<0.1>	5.1<5.1> %
Industrial Machinery	1.4<1.4>	1.2<1.2>	0.2<0.2>	16.4<16.0> %
Total	19.9<16.2>	17.7<14.7>	2.2<1.5>	12.6<9.9>%

** Figure in < > show net sales for North America alone*

1st Half Sales Breakdown by Regional Segment (4)

Europe

Billion of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
Analytical & Measuring Instruments	9.8	8.3	1.5	18.5%
Medical Systems	1.9	1.9	0.0	(0.6)%
Industrial Machinery	0.7	1.4	(0.7)	(54.9)%
Total	12.4	11.6	0.8	6.6%

1st Half Sales Breakdown by Regional Segment (5)

China

Billion of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
Analytical & Measuring Instruments	17.6	16.6	1.0	6.4%
Medical Systems	3.0	3.8	(0.8)	(22.6)%
Industrial Machinery	3.3	3.9	(0.6)	(15.6)%
Total	23.9	24.3	(0.4)	(1.6)%

1st Half Sales Breakdown by Regional Segment (6)

Other Asian Countries

Billion of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
Analytical & Measuring Instruments	8.0	7.8	0.2	1.9%
Medical Systems	1.6	1.8	(0.2)	(13.0)%
Industrial Machinery	1.7	1.5	0.2	17.1%
Total	11.3	11.1	0.2	1.1%

** Other Asian countries: Taiwan, Korea, South Asia, and India*

1st Half Sales Breakdown by Regional Segment (7)

Other

Billion of yen, except percentages

	Sep. 2014	Sep. 2013	Changes	% Changes
Analytical & Measuring Instruments	3.0	2.9	0.1	2.8%
Medical Systems	2.3	2.1	0.2	12.2%
Industrial Machinery	0.1	0.1	0.0	30.9%
Total	5.4	5.1	0.3	6.9%

** Other: Middle East, Oceania, and Africa*

1st Half ended Current asset on Balance Sheet

Billion of yen, except percentages & months
1st half ended

	30 Sep. 2014	31 Mar. 2014	30 Sep. 2013	Changes	% Changes
Trade Notes & Accounts receivable	88.9	112.2	85.1	3.8	4.5%
Turnover in months	3.8	4.4	3.7	deterioration	0.1 mos
Inventories	76.5	70.7	76.1	0.4	0.5%
Turnover in months	3.2	2.8	3.3	improvement	0.1 mos

** Changes and % changes are toward the corresponding period last year.*

1st Half ended Liabilities & Net Assets on Balance Sheet

** Changes and % changes are toward the corresponding period last year.*

Billion of yen, except percentages
1st half ended

	30 Sep. 2014	31 Mar. 2014	30 Sep. 2013	Changes	% Changes
Short-term loans	11.5	37.1	29.2	(17.7)	(60.4)%
Commercial paper	0.0	16.0	0.0	0.0	—
Long-term loans	0.7	0.8	1.3	(0.6)	(49.6)%
Bonds	15.0	0.0	0.0	15.0	—
Total debt	27.2	53.9	30.5	(3.3)	(10.8)%

	30 Sep. 2014	31 Mar. 2014	30 Sep. 2013	Changes	% Changes
Net assets	190.7	181.8	177.7	13.0	7.3%
Total assets	315.8	340.7	311.6	4.2	1.3%
Equity ratio	60.4%	53.4%	57.0%	improvement 3.4 point	

1st Half Cash Flow

Billion of yen

	Sep. 2014	Sep. 2013	Changes
CF-Operating activities	20.7	5.8	14.9
CF-Investing activities	(5.9)	(4.5)	(1.4)
Free Cash Flows	14.8	1.3	13.5
CF-Financial activities	(28.6)	(1.9)	(26.7)

Market Outlook for Second Half of FY2014

<Market Outlook of Major Regions>

* Japan

Increase in capital and R&D investment at companies

* U.S.

Private-sector demand in healthcare, energy, etc., robust R&D investment in advanced fields at universities and national and public research institutions

* Europe

While there are concerns of stagnation due to the impact of the economic sanctions against Russia, demand is increasing in the healthcare and food fields in Germany, U.K., etc.

* China

Demand recovery in government projects such as food safety, etc. and increase in demand due to revision of Pharmacopoeia of the People's Republic of China, etc.

* ASEAN, India

Economic stabilization in Thailand and Indonesia and demand recovery is accelerating in Indian pharmaceutical fields



FY 2014 Year Forecast

Billion of yen, except percentages

	Mar. 2015 Forecast	Mar. 2014	Changes	% Changes
Net Sales	312.0	307.5	4.5	1.5%
Operating Income	26.0	24.0	2.0	8.2%
Ordinary Income	25.0	24.8	0.2	0.8%
Net Income	15.5	9.7	5.8	59.4%

■ Year EPS

FY2014 forecast: ¥ 52.56, FY2013: ¥ 32.97

■ Year Average foreign exchange rate

FY2014[1st Apr. 2014 - 30th Sep. 2014] forecast: \$ 1 = ¥ 104.00, € 1 = ¥ 137.00

FY2013[1st Apr. 2013 - 30th Sep. 2013] : \$ 1 = ¥ 99.66, € 1 = ¥ 132.88

FY 2013 Year Forecast by Industrial Segment

Billion of yen, except percentages

		Mar. 2015 Forecast	Mar. 2014	Changes	% Changes
Analytical & Measuring Instruments	Net Sales	190.5	182.2	8.3	4.5%
	Operating Income	26.2	23.3	2.9	12.7%
Medical Systems	Net Sales	61.0	62.7	(1.7)	(2.8)%
	Operating Income	2.2	2.5	(0.3)	(12.0)%
Aircraft Equipment	Net Sales	24.0	26.6	(2.6)	(9.7)%
	Operating loss	(2.8)	(2.4)	(0.4)	—
Industrial Machinery	Net Sales	30.0	29.5	0.5	1.7%
	Operating Income	2.0	2.0	0.0	(1.8)%
Other	Net Sales	6.5	6.5	0.0	0.6%
	Operating Income	1.2	1.8	(0.6)	(33.5)%
Operating Income Adjustments		(2.8)	(3.2)	0.4	—
Total	Net Sales	312.0	307.5	4.5	1.5%
	Operating Income	26.0	24.0	2.0	8.2%

Topics: Analytical & Measuring Instruments <1>

《Roll out of Strategic New Products (1)》

■ Liquid Chromatography “i-Series”

Fully integrated LC that can be operated with ease, and which deliver high throughput and stability

- * Sales expansion towards QA/QC of pharmaceuticals and chemicals
- * Expand to wide-ranging fields as an exclusive analyzer for specialized applications
 - ✓ Simplified operations realized by packaging of software and column
 - ✓ Deployed in numerous fields including pharmaceuticals, food, materials, environment, energy, etc.



■ Advanced MS with supercritical chromatographies (SFE/SFC/MS)

Realize high-speed, high-isolation mass spectrometry with fully automated analysis system using supercritical fluid in mobile phase and simple pre-treatment, and contribute to food safety and early diagnosis

- * Introduce the products into the food safety field for applications such as residual agrochemical analysis and food composition analysis
- * Expand into the healthcare field in products such as metabolic substance / disease biomarker analysis

Topics: Analytical & Measuring Instruments <2>

《Roll out of Strategic New Products (2)》

■ Triple Quad LC/MS: LCMS-8050, LCMS-8040, LCMS-8030

Accelerate global expansion of high-end LC/MS, which have both high-sensitivity and high-speed



- * Respond even more meticulously to market needs through relentless promotion of enhancement of lineup by pursuing higher sensitivity and expansion of applications
- * Accelerate development in the healthcare field
 - ✓ Promote joint research with university hospitals for realizing ultra-early diagnosis of cancers, etc.
 - ✓ Promote practical application in administration of medication, etc.
 - ✓ Develop in a multifaceted manner in the healthcare field, such as scanning probe microscope (SPM), cell culture system, etc.

Topics: Analytical & Measuring Instruments <3>

《North American Business (1)》



■ Business performance trend

- * Continued double-digit growth with chromatographies and mass spectrometers, whose profitability is high
- * Ratio of net sales of chromatographies and mass spectrometers to overall net sales significantly increased from 65.8% in Mar. 2011 to 76.5% in Mar. 2014
- * Profitability of the North American business is expected to continue improving, through expansion of scale that comes along with improvement in product mix.

<Changes in North American net sales >

(Billions of yen, except percentages)

	Mar. 2011		Mar. 2012		Mar. 2013		Mar. 2014		Mar. 2015 est.	
	Changes	YoY	Changes	YoY	Changes	YoY	Changes	YoY	Changes	YoY
Analytical and measuring instruments	9.0	10.0%	10.3	13.7%	11.8	14.8%	16.8	42.8%	18.5	9.8%
LC·GC·MS	5.9	7.9%	7.5	26.6%	8.8	16.4%	12.9	47.1%		

《North American Business (2)》

■ Growth strategies

* Focus on the markets where expansion and development of the Analytical & Measuring Instruments is expected

- Clinical/health care
- Pharmaceutical
- Food
- Environment

* Strengthen large-scale projects targeting universities and business targeting public offices

* Implement activities that closely reflect the needs of local customers and the requirements unique to the region with the “Innovation Center ” in North America as the base

⇒ Explore cutting-edge technologies, grasp the needs unique to North America, promote joint development with local clients (analytical methods, analytical applications, clinical applications, product development, etc.)



Topics: Analytical & Measuring Instruments <5>

《Chinese Business》

■ Key measures

- * Promote capturing of public demand projects
 - China Food and Drug Administration (CFDA) “Food Safety Project”
 - Ministry of Agriculture “Agricultural Product Testing Project”
 - General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) “Food Safety Project”
- * Promote capturing of demand resulting from revision of Pharmacopoeia of the People’s Republic of China
- * Accelerate expansion of products developed in China
 - LC “Essentia” (launched Jul. 2014) ,
 - GC-2018 (launched Aug. 2014),
 - Optical emission Spectrometer PDA-5000 (launched Oct. 2014) , etc.



Topics: Medical Systems

《Implement growth measures globally》

■ Promote boosting added value to “Digital Radiography(DR)” products

- * Developed countries: Offer sophisticated applications, improve test efficiency
- * Emerging countries: Introduce general X-ray systems that are compatible with DR method
- * Implement activities to expand sales via reference websites
- * Introduction of DR-type mobile devices with enhanced functions



■ Expansion in treatment areas

- * “SyncTraX” tumor-tracking system: introduce radiation treatment device / win orders based on replacement demand
- * Fluoroscopy system for ion beam radiotherapy: promote it as a standard feature of ion beam radiotherapy

■ New business: enhance dedicated PET mammography system

Developed with grant from New Energy and Industrial Technology Development Organization

- * Promote creation of a PET market for specific body part within the breast cancer testing market in Japan
- * Consider joint research with foreign universities and research institutes for overseas expansion



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