SHIMADZU
Excellence in Science

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Operating Results & Financial Position, Ended March 2014

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Shimadzu Corporation

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Financial Highlights

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Changes
Net Sales	307.5	264.0	43.5	16.5
Operating Income	24.0	12.1	11.9	98.2
Ordinary Income	24.8	13.5	11.3	84.1
Net Income	9.7	7.6	2.1	28.3

■EPS

FY2013:¥ 32.97, FY2012:¥ 25.69

■Average foreign exchange rate

FY2013〔1 Apr. 2013 – 31 Mar. 2014〕 : $ 1 = ¥99.66, € 1 = ¥132.88

FY2012〔1 Apr. 2012 – 31 Mar. 2013〕 : $ 1 = ¥82.12, € 1 = ¥106.03

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Major Factors Behind Profit Changes

Billion of yen

Items	Changes
Gross Profit	**+21.9**
Impact of Sales increase	+15.8
Impact of improvement of profitability	+6.1
SG & A	-10.0
Operating Income	**+11.9**
Non-operating balance	-0.6
Ordinary Income	**+11.3**

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Results by Business Segment

Billion of yen, except percentages

		Mar. 2014	Mar. 2013	Changes	% Changes
Analytical & Measuring Instruments	Net Sales	182.2	153.9	28.3	18.4
	Operating Income	23.3	12.6	10.7	83.9
Medical Systems	Net Sales	62.7	55.1	7.6	13.9
	Operating Income	2.5	1.9	0.6	31.0
Aircraft Equipment	Net Sales	26.6	23.1	3.5	14.9
	Operating Income	-2.4	-1.4	-1.0	—
Industrial Machinery	Net Sales	29.5	24.4	5.1	20.7
	Operating Income	2.0	0.2	1.8	x 11.3
Other	Net Sales	6.5	7.5	-1.0	-13.2
	Operating Income	1.8	1.5	0.3	21.3
Operating Income Adjustments		-3.2	-2.7	-0.5	—
Total	Net Sales	307.5	264.0	43.5	16.5
	Operating Income	24.0	12.1	11.9	98.2

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Sales Breakdown by Industry Segment (1)

Analytical & Measuring Instruments

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Changes
General Analytical Instruments	113.1	93.9	19.2	20.5
>Chromatography（LC,MS & GC）	87.9	70.2	17.7	25.3
Surface Analyzers	10.2	8.9	1.3	15.0
Environmental Monitors	9.9	8.1	1.8	21.8
Testing Machines & Non-destructive Inspection Machines	18.7	16.6	2.1	12.7
Other	30.3	26.4	3.9	14.7
Total	182.2	153.9	28.3	18.4

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Sales Breakdown by Industry Segment (2)

Medical Systems

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Changes
X-ray Systems	54.3	47.8	6.5	12.5
Other	8.4	7.3	1.1	23.5
Total	62.7	55.1	7.6	13.9

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Sales Breakdown by Industry Segment (3)

Aircraft Equipment

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Changes
Aircraft Equipment	26.6	23.1	3.5	14.9

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Sales Breakdown by Industry Segment (4)

Industrial Machinery

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Changes
Turbo-molecular pumps, CVD equipment for Solar-cell etc.	19.4	15.4	4.0	26.0
Hydraulic equipmqnt	10.1	9.0	1.1	11.6
Total	29.5	24.4	5.1	20.7

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Sales Breakdown by Regional Segment (1)

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Changes
Japan	164.4	150.6	13.8	9.2
Overseas	143.1	113.4	29.7	26.1
North & South America	37.1	27.5	9.6	34.9
Europe	23.8	17.6	6.2	35.7
China	48.9	39.0	9.9	25.2
Other Asian countries	22.1	19.8	2.3	11.6
Other	11.2	9.5	1.7	17.2
Total	307.5	264.0	43.5	16.5

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

∗ Other: Middle East, Oceania, and Africa

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Sales Breakdown by Regional Segment (2)

Japan

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Changes
Analytical & Measuring Instruments	86.3	78.1	8.2	10.6
Medical Systems	34.3	30.4	3.9	12.7
Aircraft Equipments	22.4	20.2	2.2	10.6
Industrial Machinery	15.0	14.5	0.5	4.0
Other	6.4	7.4	-1.0	-13.3
Total	164.4	150.6	13.8	9.2

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Sales Breakdown by Regional Segment (3)

North & South America

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Changes
Analytical & Measuring Instruments	21.4(16.8)	15.5(11.8)	5.9(5.0)	38.1(42.8)
Medical Systems	9.1(7.2)	7.4(6.1)	1.7(1.1)	22.5(18.2)
Aircraft Equipment	3.9(4.0)	2.7(2.7)	1.2(1.3)	45.2(45.2)
Industrial Machinery	2.7(2.7)	1.9(1.9)	0.8(0.8)	42.5(44.6)
Total	37.1(30.7)	27.5(22.5)	9.6(8.2)	34.9(36.6)

∗ Figure in ( ) show net sales for North America alone

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Sales Breakdown by Regional Segment (4)

Europe

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Changes
Analytical & Measuring Instruments	18.1	13.4	4.7	35.2
Medical Systems	3.5	3.0	0.5	16.8
Aircraft Equipment	0.1	0.1	0.0	46.9
Industrial Machinery	2.1	1.1	1.0	94.3
Total	23.8	17.6	6.2	35.7

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Sales Breakdown by Regional Segment (5)

China

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Changes
Analytical & Measuring Instruments	34.2	27.9	6.3	22.5
Medical Systems	7.4	6.1	1.3	22.0
Aircraft Equipment	0.0	0.0	0.0	—
Industrial Machinery	7.3	5.0	2.3	44.3
Total	48.9	39.0	9.9	25.2

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Sales Breakdown by Regional Segment (6)

Other Asian Countries

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Chemges
Analytical & Measuring Instruments	16.2	15.0	1.2	7.7
Medical Systems	3.5	2.9	0.6	22.2
Aircraft Equipment	0.1	0.1	0.0	46.6
Industrial Machinery	2.3	1.8	0.5	24.8
Total	22.1	19.8	2.3	11.6

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

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Sales Breakdown by Regional Segment (7)

Other

Billion of yen, except percentages

	Mar. 2014	Mar. 2013	Changes	% Changes
Analytical & Measuring Instruments	6.1	4.1	2.0	49.8
Medical Systems	5.0	5.3	-0.3	-6.9
Aircraft Equipment	0.0	0.0	0.0	—
Industrial Machinery	0.1	0.1	0.0	-14.8
Total	11.2	9.5	1.7	17.2

∗ Other: Middle East, Oceania, and Africa

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Current asset on Balance Sheet

Billion of yen, except percentages & months

2nd half ended

	Mar. 2014	Mar. 2013	Changes	% Changes
Trade Notes & Accounts receivable	112.2	88.8	23.4	26.4
Turnover in months	4.4	4.0	deterioration of 0.4mos	
Inventories	70.7	69.6	1.1	1.6
Turnover in months	2.8	3.2	improvement 0.4mos	

∗ Changes and % changes are toward the core4sponding period last year.

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Liabilities & Net Assets on Balance Sheet

Billion of yen, except percentages
2nd half ended

	Mar. 2014	Mar. 2013	Changes	% Changes
Short-term loans	37.1	18.9	18.2	96.3
Commercial paper	16.0	0.0	16.0	—
Long-term loans	0.8	11.6	-10.8	-93.1
Bonds	0.0	0.0	0.0	0.0
Total debt	53.9	30.5	23.4	76.5

	Mar. 2014	Mar. 2013	Changes	% Changes
Net assets	181.8	173.3	8.5	4.9
Total assets	340.7	300.3	40.4	9.3
Equity ratio	53.4	57.7	deterioration 4.3% point	

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Cash Flow

Billion of yen, except percentages

	Mar. 2013	Mar. 2013	Changes
CF-Operating activities	-5.8	12.0	-17.8
CF-Investing activities	0.4	-7.9	8.3
Free Cash Flows	-5.4	*4.1*	-9.5
CF-Financial activities	-15.4	-2.4	13.0

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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

■ EPS

FY2014 forecast：¥ 52.56, FY2013：¥ 32.97

■ Average foreign exchange rate

FY2014〔1 Apr. 2014 - 31 Mar. 2015〕forecast: $ 1 = ¥ 100.00, € 1 = ¥ 135.00

FY2013〔1 Apr. 2013 - 31 Mar. 2014〕: $ 1 = ¥ 99.66, € 1 = ¥ 132.88

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FY 2014 Year Forecast by Industrial Segment

Billion of yen, except percentages

		Mar. 2015 Forecast	Mar. 2014	Changes	% Changes
Analytical & Measuring Instruments	Net Sales	189.5	182.2	7.3	4.0
	Operating Income	24.7	23.3	1.4	6.3
Medical Systems	Net Sales	62.0	62.7	-0.7	-1.2
	Operating Income	2.5	2.5	0.0	0.0
Aircraft Equipment	Net Sales	23.5	26.6	-3.1	-11.6
	Operating Income	-1.3	-2.4	1.1	—
Industrial Machinery	Net Sales	30.5	29.5	1.0	3.4
	Operating Income	2.2	2.0	0.2	8.1
Other	Net Sales	6.5	6.5	0.0	0.6
	Operating Income	1.2	1.8	-0.6	-33.5
Operating Income Adjustments		-3.3	-3.2	-0.1	—
Total	Net Sales	312.0	307.5	4.5	1.5
	Operating Income	26.0	24.0	2.0	8.2

Topics: Key Measures for FY 2014

I. Analytical & Measuring Instruments (Part 1 of 3)

1) Promote multifaceted measures for continued expansion of MS.

* Develop high-end models.
  High resolution LC/MS/MS
* Develop business in clinical diagnostics, food and environmental testing, and other fields where demand is expected to increase.
  <Clinical Diagnostics>
  High-sensitivity high-speed triple quadrupole LC/MS/MS, improved iMScope model, protein quantitation software for clinical diagnostics, etc.
  <Food, Environmental, and Other Regulations>
  High-sensitivity high-speed triple quadrupole GC/MS/MS, regulatory compliance software, etc.
* Promote commercialization of products resulting from joint research and increase product competitiveness.
  Multi-marker software for diabetes, forensic and toxicology-related compounds screening software, etc.

Topics: Key Measures for FY 2014

I. Analytical & Measuring Instruments (Part 2 of 3)

2) Introduce two new LC models designed for the volume zone.

- New LC models "Nexera-i" and "Prominence-i"
  Offers high-speed performance due to automation (autosampler) and high durability to meet the needs of quality control and other workplace environments.
- LC developed in China
  Designed for small and medium-sized pharmaceutical manufacturers who seek for conformity to the Chinese Pharmacopoeia, it achieves low price by offering selected functionality without compromising high fundamental performance.

3) Multifaceted deployment of aftermarket businesses

- Service: service contract, multi-vendor offerings, and asset management
- Expand consumables business.

Topics: Key Measures for FY 2014

I. Analytical & Measuring Instruments (Part 3 of 3)

4) Promote advanced joint research and take on the challenge of achieving truly unique products and developing new fields.

The program of "Japan Science and Technology Agency (JST)–Development of Systems and Technology for Advanced Measurement and Analysis"

- **Development of online system for supercritical fluid extraction, separation, and MS**

  ⇒ **Ensure food safety and extract functional components.**

  Joint research partners: Shimadzu, Osaka University, Kobe University, and Miyazaki Agricultural Research Institute

- **Development of cancer diagnostic system based on probe ESI-mass spectrometry**

  ⇒ **Develop a rapid pathologic diagnosis system for supporting pathologists.**

  Joint research partners: Shimadzu, University of Yamanashi, Yokohama City University, and Japanese Red Cross Medical Center

- **Development of ultra-early colon cancer screening diagnostic system (GC/MS/MS)**

  ⇒ **Achieve ultra-early cancer screening**

  Joint research partners: Shimadzu and Kobe University

Topics: Key Measures for FY 2014

II. Medical Systems

1) Pursue high value-added DR technology.

- Supply high value-added products designed for high cost effectiveness by combining the optimal FPD units with Shimadzu radiography systems.
- Develop an image processing engine that dramatically improves image quality for fluoroscopy and radiography.

2) Implement measures for medical treatment fields.

- Deploy "SyncTraX" tumor-tracking system and fluoroscopy system for ion beam radiotherapy.

3) Promote new businesses.

- Develop dedicated PET mammography system (4000 points remuneration for medical services)

  Developed using grant from New Energy and Industrial Technology Development Organization (NEDO).
  Currently applying for approval under Japanese Pharmaceutical Affairs Law.

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