

# FY2007 Operating Results and Financial Position

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# Financial Highlights



Unit: billion yen

Fiscal year ended:

	Mar. 2007	Mar. 2008	Change	% change
Net sales	262.4	290.0	+27.5	+10.5%
Operating income	25.3	27.6	+2.3	+9.2%
Ordinary income	23.2	23.9	+0.7	+2.8%
Net income	13.4	13.7	+0.3	+2.6%

EPS: ¥46.49

Average foreign exchange rates:

Year ended Mar. 2008: \$1=¥115.69, €1=¥161.48

Year ended Mar. 2007: \$1=¥117.08, €1=¥ 148.96

# Major Factors Behind Profit Changes



Unit: billion yen

Item	Change
<b>Gross profit: Up</b>	<b>+9.3</b>
Impact of sales increase	+10.8
Impact of deteriorating cost-to-sales ratio	-1.6
<b>SG&amp;A: Up</b>	<b>-7.0</b>
<b>Operating income: Up</b>	<b>+2.3</b>
Non-operating profit: Down	-1.7
<b>Ordinary income: Up</b>	<b>+0.7</b>

# Sales by Industry Segment



Unit: billion yen

	Fiscal year ended:		Change	% change
	Mar. 2007	Mar. 2008		
Analytical and Measuring Instruments	149.4	164.3	+14.9	+10.0%
Medical Systems	50.1	54.4	+4.3	+8.6%
Aircraft Equipment and Industrial Machinery	57.0	64.2	+7.1	+12.5%
Other	5.9	7.1	+1.2	+20.0%
<b>Total</b>	262.4	290.0	+27.5	+10.5%

# Operating Income by Industry Segment



Unit: billion yen

	Fiscal year ended:		Change	% change
	Mar. 2007	Mar. 2008		
Analytical and Measuring Instruments	26.1	26.2	+0.1	+0.3%
Medical Systems	2.1	2.7	+0.5	+25.2%
Aircraft Equipment and Industrial Machinery	4.2	6.4	+2.2	+51.5%
Other	1.8	1.8	-0.0	-0.2%
Eliminations/ Corporate	-9.0	-9.5	-0.5	—
<b>Total</b>	25.3	27.6	+2.3	+9.2%

# Sales Breakdown by Industry Segment (1)



## Analytical and Measuring Instruments

Unit: billion yen

	Fiscal year ended:		Change	% change
	Mar. 2007	Mar. 2008		
<b>General Analytical Instruments</b> → R&D and quality management for pharmaceuticals, food, (petro) chemicals, paper and pulp, etc. Main products: Chromatographs (LC, GC, MS), spectrometers, time-of-flight mass spectrometers, life science-related equipment.	85.4	94.2	+8.8	+10.3%
<b>Surface Analyzers</b> → R&D and quality management for semiconductors, electronics, etc. Main products: X-ray fluorescence analyzers (EDX)	15.1	14.8	-0.3	-1.8%
<b>Environmental Analyzers</b> → Water and atmospheric observations Main products: Total organic carbon analyzers (TOC)	8.1	10.2	+2.1	+24.9%
<b>Testing and Non-Destructive Inspection Machines</b> → R&D and quality management for steel/nonferrous, machinery, and automobile applications, etc. Main products: Materials testing machines, non-destructive X-ray inspection machines, etc.	17.0	18.3	+1.3	+7.5%
<b>Other</b> Contractual analytical services and other businesses at subsidiaries	23.7	26.9	+3.2	+13.1%
<b>Total</b>	149.4	164.3	+14.9	+10.0%

# Sales Breakdown by Industry Segment (2)



## Medical Systems

Unit: billion yen

Fiscal year ended:

	Mar. 2007	Mar. 2008	Change	% change
<b>X-Ray Systems</b> Main products: Angiography systems, X-ray TV systems, general radiographic systems	38.2	43.4	+5.2	+13.6%
<b>Other</b> Main products: PET/CT, CT, ultrasound diagnostic systems	11.9	11.0	-0.9	-7.5%
<b>Total</b>	50.1	54.4	+4.3	+8.6%

# Sales Breakdown by Industry Segment (3)



## Aircraft Equipment and Industrial Machinery

Unit: billion yen

Fiscal year ended:

	Mar. 2007	Mar. 2008	Change	% change
<b>Aircraft Equipment</b> Main products: Flight control systems, air conditioning equipment, head-up displays	28.2	31.1	+2.9	+10.1%
<b>Industrial Machinery</b> ★Turbo-molecular pumps, solar panel coating/CVD equipment, LCD array inspection devices ★Hydraulic equipment	28.8	33.1	+4.3	+14.8%
	19.9	23.7	+3.8	+18.8%
	8.9	9.4	+0.5	+6.0%
<b>Total</b>	57.0	64.2	+7.1	+12.5%



# Sales by Region



Unit: billion yen

Fiscal year ended:

	Mar. 2007	Mar. 2008	Change	% change
Japan	168.0	172.1	+4.1	+2.5%
Overseas	94.4	117.9	+23.4	+24.8%
North and south America	25.7	30.6	+4.9	+19.1%
Europe	17.9	22.7	+4.8	+26.6%
Asia-Oceania	50.8	64.5	+13.7	+27.0%
<b>Total</b>	262.4	290.0	+27.5	+10.5%

# Overseas Sales Breakdown (1)



## North and South America

Unit: billion yen

*\*Figures in ( ) denote sales in North America.*

	Fiscal year ended:		Change	% change
	Mar. 2007	Mar. 2008		
Analytical and Measuring Instruments	13.2(10.2)	15.2(11.7)	+2.1(+1.4)	+15.5%(+14.0%)
Medical Systems	7.2(4.2)	8.5(5.9)	+1.3(+1.7)	+17.8%(+42.0%)
Aircraft Equipment and Industrial Machinery	5.3(5.3)	6.9(6.8)	+1.6(+1.5)	+29.6%(+28.6%)
<b>Total</b>	25.7(19.7)	30.6(24.4)	+4.9(+4.7)	+19.1%(+23.8%)

# Overseas Sales Breakdown (2)



## Europe

Unit: billion yen

Fiscal year ended:

	Mar. 2007	Mar. 2008	Change	% change
Analytical and Measuring Instruments	15.0	18.2	+3.2	+21.6%
Medical Systems	2.5	3.8	+1.3	+50.1%
Aircraft Equipment and Industrial Machinery	0.4	0.7	+0.3	+64.4%
<b>Total</b>	<b>17.9</b>	<b>22.7</b>	<b>+4.8</b>	<b>+26.6%</b>

# Overseas Sales Breakdown (3)



## Asia-Oceania

\*Figures in ( ) denote sales in China.

Unit: billion yen

Fiscal year ended:

	Mar. 2007	Mar. 2008	Change	% change
Analytical and Measuring Instruments	34.0(17.0)	41.2(18.9)	+7.2(+1.8)	+21.3% (+10.7%)
Medical Systems	11.0(3.2)	12.5(3.7)	+1.5(+0.5)	+13.6% (+14.5%)
Aircraft Equipment and Industrial Machinery	5.8(2.9)	10.8(7.4)	+5.0(+4.5)	+86.5% (2.5 times)
<b>Total</b>	50.8(23.2)	64.5(29.9)	+13.7(+6.7)	+27.0% (+29.1%)

# Balance Sheet – Current Assets



Unit: billion yen

As of the end of

	Mar. 2007	Mar. 2008	Change	% change
Trade notes and accounts receivable (turnover in months)	89.2 (4.1)	87.2 (3.6)	-1.9	-2.1%
Inventories (turnover in months)	64.0 (2.9)	66.0 (2.7)	+2.0	+3.1%

# SHIMADZU Balance Sheet – Liabilities and Net Assets



Unit: billion yen

As of the end of

	Mar. 2007	Mar. 2008	Change	% change
Short-term loans	7.5	5.2	-2.2	-29.7%
Long-term loans	3.1	2.6	-0.5	-17.4%
Bonds	25.0	35.0	+10.0	+40%
<b>Total debt</b>	<b>35.6</b>	<b>42.8</b>	<b>+7.2</b>	<b>+20.4%</b>

As of the end of

	Ma.r 2007	Mar. 2008	Change	%change
Net assets	142.2	150.7	+8.5	+6.0%
<b>Total</b>	<b>295.1</b>	<b>303.8</b>	<b>+8.7</b>	<b>+3.0%</b>
Equity ratio	48.0%	49.5%	+1.5pp	—————

# Highlights for FY2007 (1)



## Analytical and Measuring Instruments

### Continued global expansion of mainstay product chromatographs

Overall sales of chromatographs grew 10% on year.

Especially, significant growth of 18% in overseas markets.

Sales of LC (picture) to major pharmaceutical and generic drug companies grew with the new high-pressure type LC also showing robust growth.

Continued strong sales of high-resolution LCMS-IT-TOF, mainly to research institutes.

Sales company for consumables such as columns started operations in China.

### Success in winning major overseas orders and sales

Delivered a batch of environmental monitoring devices to Zhejiang Province in China.

Delivered a batch of GC and associated equipment and materials to Petro Rabigh in Saudi Arabia.



## Highlights for FY2007 (2)



### Medical Systems

Delivery of direct-conversion type FPD X-ray imaging systems (picture) surpasses 400 units

Enhanced product line-up.

Promotion of alliances.

Continued increase in acceptance by major domestic medical college hospitals.



### Aircraft Equipment and Industrial Machinery

Active promotion of measures to enhance turbo-molecular pumps business

Acquisition of turbo-molecular pumps business of Mitsubishi Heavy Industries completed and consolidated with the Company's business.

New plant with integrated production started operating in anticipation of future growth in production.



# FY2008 Full-Year Forecast (1)



Unit: billion yen

Fiscal year ending:

	Mar. 2008	Mar. 2009 Forecast	Change	% change
Net sales	290.0	295.0	+5.0	+1.7%
Operating income	27.6	28.0	+0.4	+1.5%
Ordinary income	23.9	25.5	+1.6	+6.9%
Net income	13.7	16.0	+2.3	+16.6%

EPS: ¥54.20

Average exchange rate during the period

Estimate for FY2008: \$1 = ¥105, €1 = ¥160

Average for FY2007: \$1 = ¥ 115.69, €1 = ¥161.48



## Sales Forecast by Industry Segment

Unit: billion yen

Fiscal year ending:

	Mar. 2008	Mar. 2009 Forecast	Change	% change
Analytical and Measuring Instruments	164.3	168.5	+4.2	+2.5%
Medical Systems	54.4	54.5	+0.1	+0.1%
Aircraft and Industrial Machinery	64.2	65.5	+1.3	+2.1%
Other	7.1	6.5	-0.6	-7.8%
<b>Total</b>	<b>290.0</b>	<b>295.0</b>	<b>+5.0</b>	<b>+1.7%</b>

# FY2008 Full-Year Forecast (3)



## Operating Income Forecast by Industry Segment

Unit: billion yen

	Fiscal year ending:		Change	% change
	Mar. 2008	Mar. 2009 Forecast		
Analytical and Measuring Instruments	26.2	27.4	+1.2	+4.6%
Medical Systems	2.7	2.0	-0.7	-25.3%
Aircraft and Industrial Machinery	6.4	6.2	-0.2	-3.1%
Other	1.8	1.9	+0.1	+4.2%
Elimination/ Corporate	-9.5	-9.5	0	—
<b>Total</b>	<b>27.6</b>	<b>28.0</b>	<b>+0.4</b>	<b>+1.5%</b>



## Analytical and Measuring Instruments

### Bolstering the Mass Spectrometer (MS) Business

#### Background

Businesses and institutions around the world are striving to develop new drugs, preserve the environment and enhance food safety.

Rapid increase in investments in research and development of new drugs and early diagnosis methods in the pharmaceutical and life science sectors.

Demand for advanced analytical devices having high-sensitivity, high-precision and high throughput expected to grow further in the future.

#### Strategy

Mainstay chromatographs, especially mass spectrometers, enable highly precise qualitative and quantitative analysis of compounds.

Further acceleration expected in user diversification along with expansion in market size.

Shimadzu's proprietary LCMS-IT-TOF (picture) allows precise structural analysis at the molecular level and has been maintaining robust sales ever since its launch in 2004. Further sales expansion are expected with added applications in the future.

New MS such as microscopic MS that can analyze minute quantities are under development. The microscopic MS is expected to be launched by the end of 2009.

Joint development with pharmaceutical giants of automated, high-throughput LC system.





## Medical Systems

### Expansion of FPD (flat panel detector) business

#### Strategy

The FPD X-ray system's lineup was enhanced in the previous fiscal year to include circulatory, digestive and general imaging equipment.

Aims to differentiate its products from the competition by boosting added value through development of cutting-edge digital applications such as tomosynthesis (three-dimensional imaging) and slot-scan (broad spectrum) imaging.

Implementing measures to drastically cut production cost, such as upgrade of production facilities and review of design.

To pursue sales volume expansion by actively promoting alliances.

## Regarding Forward-Looking Statements



This document contains forward-looking statements. Forecasts of future business performance that appear in this document are predictions made by the Company's management team and are based on information available when these materials were prepared; they are subject to risks and uncertainties. For this reason, actual results may differ significantly from the forecasts made here. Factors that may influence actual business performance include, but are not limited to, economic conditions in Japan and abroad, changes market technologies, and fluctuations in exchange rates. The Company does not undertake to update its forward-looking statements.

[Abbreviations appearing on p.20]

LC: Liquid Chromatography, MS: Mass Spectrometry, IT-TOF: Ion-Trap and Time-of-Flight

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Access to **your** success

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