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November 7, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 7701
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 Scheduled date to file semi-annual securities report: November 8, 2024
 Scheduled date to commence dividend payments: December 3, 2024
 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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 | % |
| Six months ended | | | | | | | | |
| September 30, 2024 | 251,247 | 4.9 | 30,221 | (7.0) | 28,408 | (20.8) | 21,316 | (19.7) |
| September 30, 2023 | 239,514 | 7.9 | 32,505 | 12.4 | 35,851 | 8.2 | 26,550 | 8.4 |

Note: Comprehensive income For the six months ended September 30, 2024: ¥12,314 million [(68.8)%]
 For the six months ended September 30, 2023: ¥39,500 million [14.4%]

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Six months ended | Yen | Yen |
| September 30, 2024 | 72.38 | — |
| September 30, 2023 | 90.09 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|--------------------|-----------------|-----------------|-----------------------|
| As of | Millions of yen | Millions of yen | % |
| September 30, 2024 | 650,347 | 490,532 | 75.4 |
| March 31, 2024 | 673,962 | 492,335 | 73.1 |

Reference: Equity
 As of September 30, 2024: ¥490,525 million
 As of March 31, 2024: ¥492,331 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, 2024 | – | 24.00 | – | 36.00 | 60.00 |
| Fiscal year ending March 31, 2025 | – | 26.00 | | | |
| Fiscal year ending March 31, 2025 (Forecast) | | | – | 36.00 | 62.00 |

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

3. Consolidated earnings forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(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, 2025 | 540,000 | 5.5 | 76,000 | 4.5 | 77,000 | 0.1 | 58,000 | 1.7 | 197.25 |

Note: Revisions to the earnings forecast most recently announced: Yes

* For matters related to the above forecast, please refer to page 7, “Consolidated Outlook.”

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 3 companies (Zef Scientific, Inc. and others)

Excluded: – companies (–)

Note: For details, please refer to page 16, “(4) Notes on Semi-annual Consolidated Financial Statements (Significant Changes in the Scope of Consolidation) in 2. Semi-annual Consolidated Financial Statements and Significant Notes Thereto.”

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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: 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 14, “(4) Notes on Semi-annual Consolidated Financial Statements (Notes on Changes in Accounting Policies) in 2. Semi-annual Consolidated Financial Statements and Significant Notes Thereto.”

(4) Number of issued shares (common shares)

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

| | |
|--------------------------|--------------------|
| As of September 30, 2024 | 296,070,227 shares |
| As of March 31, 2024 | 296,070,227 shares |

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

| | |
|--------------------------|------------------|
| As of September 30, 2024 | 2,030,640 shares |
| As of March 31, 2024 | 1,348,202 shares |

(iii) Average number of shares outstanding during the period

| | |
|-------------------------------------|--------------------|
| Six months ended September 30, 2024 | 294,526,868 shares |
| Six months ended September 30, 2023 | 294,697,317 shares |

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

1. The consolidated earnings forecast for the fiscal year ending March 31, 2025 that was announced on May 10, 2024 has been revised in this report.

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 7, “(3) Consolidated Outlook in 1. Operating Results.”

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1. Operating Results

(1) Overview of Operating Results for the Period

During the six months ended September 30, 2024, the global economy remained uncertain due to geopolitical risks such as the Russian invasion of Ukraine and conflicts in the Middle East, the stagnation of the Chinese economy, and the increase in costs caused by inflation.

Given such a business environment, the Shimadzu Group has worked on five business strategies in the four domains of Healthcare, Green, Material, and Industry formulated in our Medium-Term Management Plan. Under the strategy of Reinforce Key Model Business, we have been working to expand our earnings by rolling out new products such as mass spectrometer systems that provide even higher sensitivity, stability, and convenient operability. Under the strategy of Strengthen Med-Tech Business, we have been making progress in building business foundations in expanding our range of products such as fully automated preprocessing equipment, reagents, and software for the clinical market. Under the strategy of Expand Overseas Business, we established an R&D center in North America and an Analytical and Measuring Instruments and Medical Systems business sales subsidiary in Mexico. Under the strategy of Reinforce Recurring Business, we acquired analytical instrument maintenance and service company Zef Scientific, Inc. in North America. Under the strategy of Develop & Create New / Future Business, we are moving ahead in acquiring innovative technologies and creating new businesses through a corporate venture capital fund.

In addition, in seeking organizational change toward focusing on customers (domains), we transitioned to a Sales & Marketing Division-based organization based on domains in April. We have promoted sales activities providing optimal end-to-end solutions through a one-stop service to customers by enhancing cooperation across divisions.

Given the above, with the tailwind of the weaker yen, Shimadzu posted net sales for the six months ended September 30, 2024 of 251,247 million yen (a year-on-year increase of 4.9%). Meanwhile, operating profit was 30,221 million yen (a year-on-year decrease of 7.0%) due to advancing growth investments including R&D and human resources for the future, as well as the impact of production suppression. Ordinary profit was 28,408 million yen (a year-on-year decrease of 20.8%), and profit attributable to owners of parent was 21,316 million yen (a year-on-year decrease of 19.7%).

The operating results for reportable business segments were as follows.

From the six months ended September 30, 2024, the results related to marine devices, previously included in Aircraft Equipment, have been transferred to Industrial Machinery. In the year-on-year comparisons below, figures for the same period of the previous fiscal year have been restated to reflect the reorganized segments for comparison analysis.

I. Analytical & Measuring Instruments

In the Analytical & Measuring Instruments segment, sales of liquid chromatographs for pharmaceuticals and clinical examination increased in the Healthcare domain. In the Green domain, gas chromatographs increased, in the development of new energy sources such as hydrogen and ammonia, etc. In addition, testing machines increased in the Material domain based on the need to develop new materials for hydrogen storage and lithium-ion batteries.

Sales increased in the major regions other than China, including Japan, Europe, North America, and other Asian countries, despite incurring the impact of delay in market recovery in China.

As a result, the Analytical & Measuring Instruments segment posted net sales of 160,587 million yen (a year-on-year increase of 1.2%). Operating profit was 21,303 million yen (a year-on-year decrease of 19.9%) due to advancing growth investments for the future and the impact of production suppression.

Net sales broken down by major regions are indicated below.

| | Consolidated Results for Six Months of FY 2023 (millions of yen) | Consolidated Results for Six Months of FY 2024 (millions of yen) | Percent Increase/Decrease (%) | Overview | |
|---------------|--|--|-------------------------------|---|---|
| Japan | 54,218 | 55,896 | 3.1 | Sales of liquid chromatographs and mass spectrometer systems for pharmaceutical applications, gas chromatographs for new energy development, and testing machines for new material development increased. | |
| Outside Japan | 104,509 | 104,691 | 0.2 | The overseas sales ratio was 65.2%, down 0.6 pt. | |
| Major regions | North America | 16,286 | 18,454 | 13.3 | Sales of mass spectrometer systems for clinical examination and contract analysis, and sales of liquid chromatographs for a specific customer increased. There was a contribution from the results of Zef Scientific, Inc., which became a consolidated subsidiary. |
| | Europe | 17,932 | 18,952 | 5.7 | Sales of liquid chromatographs and mass spectrometer systems for clinical examination increased. |
| | China | 39,665 | 34,814 | (12.2) | Sales of liquid chromatographs, mass spectrometer systems and others decreased due to the decrease in demand of the pharmaceutical market and a reaction caused by government support measures in the previous fiscal year. |
| | Other Asian countries | 21,818 | 22,563 | 3.4 | Sales of liquid chromatographs for pharmaceutical applications and contract analysis increased in India. |

II. Medical Systems

In the Medical Systems segment, results were impacted by delay in market recovery in China and Japan. Meanwhile, sales of fluoroscopy systems increased in North America amid improvement in hospital business environment, and sales of angiography systems increased in other Asian countries due to heightened awareness through technology sharing sessions held in the Philippines and other locations. In addition, sales in the service business increased in Japan, North America, and other Asian countries.

As a result, the Medical Systems segment posted net sales of 34,026 million yen (a year-on-year increase of 1.9%), with operating profit of 1,594 million yen (a year-on-year decrease of 2.3%) along with ongoing growth investments for the future.

Net sales broken down by major regions are indicated below.

| | Consolidated Results for Six Months of FY 2023 (millions of yen) | Consolidated Results for Six Months of FY 2024 (millions of yen) | Percent Increase/Decrease (%) | Overview | |
|---------------|--|--|-------------------------------|---|---|
| Japan | 15,900 | 15,529 | (2.3) | Although sales of PET systems specialized for head and breast examinations and also real-time tumor-tracking systems for radiation therapy equipment increased, sales of X-ray systems decreased due to delay in market recovery. | |
| Outside Japan | 17,499 | 18,496 | 5.7 | The overseas sales ratio was 54.4%, up 2.0 pt. | |
| Major regions | North America | 5,005 | 5,387 | 7.6 | Sales of radiography systems and patient-side fluoroscopy systems for North America increased. |
| | Europe | 2,004 | 1,773 | (11.5) | Although sales of angiography systems increased in Eastern Europe, sales decreased due to a reactionary decline from large-volume projects of mobile X-ray systems in the previous year. |
| | China | 3,044 | 2,064 | (32.2) | Although sales of angiography systems increased, sales of fluoroscopy systems and radiography systems decreased due to delays in bidding projects resulting from the strengthening of anti-corruption measures. |
| | Other Asian countries | 3,224 | 4,250 | 31.8 | Sales of angiography systems increased as a result of having heightened awareness through technology sharing sessions held in the Philippines and other locations. |

III. Industrial Machinery

In the Industrial Machinery segment, although there was a decrease in sales in China of turbomolecular pumps for use in thin-film manufacturing equipment for producing solar cells and environmentally friendly glass, sales of turbomolecular pump products and services for semiconductor manufacturing equipment increased in Japan, Europe, North America, and other Asian countries accompanying expansion in semiconductor demand. Although sales of hydraulic equipment decreased due to effects of deteriorating market conditions, industrial furnaces for automotive ceramic manufacturing have encountered persisting demand in China.

As a result, the Industrial Machinery segment posted net sales of 36,037 million yen (a year-on-year increase of 16.3%), and operating profit of 5,297 million yen (a year-on-year increase of 60.2%) due to the increase in net sales, each reaching a new record high.

Net sales broken down by major regions are indicated below.

| | Consolidated Results for Six Months of FY 2023 (millions of yen) | Consolidated Results for Six Months of FY 2024 (millions of yen) | Percent Increase/Decrease (%) | Overview | |
|---------------|--|--|-------------------------------|--|--|
| Japan | 12,686 | 15,209 | 19.9 | Sales of turbomolecular pumps for use in semiconductor manufacturing equipment increased, both in products and services. | |
| Outside Japan | 18,294 | 20,827 | 13.8 | The overseas sales ratio was 57.8%, down 1.3 pt. | |
| Major regions | North America | 4,058 | 4,481 | 10.4 | Sales of turbomolecular pumps for use in semiconductor manufacturing equipment increased, both in products and services. |
| | Europe | 2,318 | 2,448 | 5.6 | Sales of turbomolecular pumps for use in semiconductor manufacturing equipment increased, both in products and services. |
| | China | 9,196 | 9,662 | 5.1 | Sales of industrial furnaces for automotive ceramic manufacturing increased, despite being affected by a reactionary decline in turbomolecular pumps for thin-film manufacturing equipment for solar cells following an increase in the previous year. |
| | Other Asian countries | 2,563 | 4,151 | 61.9 | Sales of turbomolecular pumps for use in semiconductor manufacturing equipment increased, both in products and services. Sales of glass winder for use in glass fiber applications for producing electronic circuit boards increased in Taiwan. |

IV. Aircraft Equipment

In the Aircraft Equipment segment, demand in the defense field expanded, driven by a government policy of strengthening defense in Japan. Sales outside of Japan decreased due to circumstances of customers in North America, despite increased demand in the commercial aircraft equipment field overseas, particularly for items installed on commercial aircraft and spare parts for airline companies, aligned with the rise in air passenger demand.

As a result, the Aircraft Equipment segment posted net sales of 18,028 million yen (a year-on-year increase of 38.6%), and operating profit of 2,391 million yen (a year-on-year increase of 84.5%) due to the increase in net sales and profitability improvement, achieving an increase in both sales and profit.

Net sales broken down by major regions are indicated below.

| | Consolidated Results for Six Months of FY 2023 (millions of yen) | Consolidated Results for Six Months of FY 2024 (millions of yen) | Percent Increase/Decrease (%) | Overview |
|-----------------------------|--|--|-------------------------------|--|
| Japan | 9,045 | 14,233 | 57.3 | In the defense field, sales of items installed on aircraft increased due to a government policy of strengthening defense. |
| Outside Japan | 3,959 | 3,794 | (4.2) | The overseas sales ratio was 21.0%, down 9.4 pt. |
| Major regions North America | 3,713 | 3,474 | (6.4) | Sales decreased due to customer's circumstances despite increased demand for items installed on commercial aircraft and spare parts for airline companies. |

V. Other

Other business segments posted net sales of 2,568 million yen (a year-on-year decrease of 24.5%) and operating profit of 153 million yen (a year-on-year decrease of 62.2%).

(2) Overview of Financial Status for the Period

As of September 30, 2024, notes and accounts receivable - trade, and contract assets decreased by 19,015 million yen, and cash and deposits decreased by 8,153 million yen compared to the end of the previous year. Consequently, total assets decreased by 23,614 million yen to 650,347 million yen. Liabilities decreased by 21,811 million yen to 159,815 million yen, reflecting decreases of 12,557 million yen in notes and accounts payable - trade, 3,577 million yen in contract liabilities, and 2,394 million yen in accounts payable - other. Net assets decreased by 1,803 million yen to 490,532 million yen, reflecting an increase of 10,501 million yen in retained earnings, offset by decreases of 6,773 million yen in foreign currency translation adjustment and 1,620 million yen in valuation difference on available-for-sale securities, and 3,304 million yen in purchase of treasury shares.

(3) Consolidated Outlook

We have revised our consolidated earnings forecast announced on May 10, 2024, taking into consideration the progress of operating results in the six months ended September 30, 2024 and other factors.

(Millions of yen)

| | Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025 | Percent Increase/Decrease Year-on-Year | (Reference) Previous Forecast |
|--|--|---|----------------------------------|
| Net sales | 540,000 | 5.5% | 525,000 |
| Operating Profit | 76,000 | 4.5% | 76,000 |
| Ordinary Profit | 77,000 | 0.1% | 77,000 |
| Profit Attributable to Owners of Parent | 58,000 | 1.7% | 58,000 |

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. Semi-annual Consolidated Financial Statements and Significant Notes Thereto

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 165,285 | 157,132 |
| Notes and accounts receivable - trade, and contract assets | 144,808 | 125,793 |
| Merchandise and finished goods | 83,333 | 78,373 |
| Work in process | 26,021 | 29,359 |
| Raw materials and supplies | 32,418 | 32,746 |
| Other | 17,119 | 18,176 |
| Allowance for doubtful accounts | (2,049) | (1,778) |
| Total current assets | 466,936 | 439,802 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 55,326 | 54,591 |
| Machinery, equipment and vehicles, net | 9,305 | 9,231 |
| Land | 22,408 | 21,969 |
| Leased assets, net | 1,951 | 1,744 |
| Construction in progress | 4,284 | 4,981 |
| Other, net | 25,287 | 25,802 |
| Total property, plant and equipment | 118,564 | 118,320 |
| Intangible assets | | |
| Goodwill | 5,220 | 9,442 |
| Other | 12,793 | 12,808 |
| Total intangible assets | 18,013 | 22,250 |
| Investments and other assets | | |
| Investment securities | 17,621 | 15,613 |
| Long-term loans receivable | 205 | 209 |
| Retirement benefit asset | 36,247 | 36,488 |
| Deferred tax assets | 10,946 | 11,455 |
| Other | 5,498 | 6,257 |
| Allowance for doubtful accounts | (71) | (49) |
| Total investments and other assets | 70,447 | 69,974 |
| Total non-current assets | 207,025 | 210,545 |
| Total assets | 673,962 | 650,347 |

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 52,400 | 39,842 |
| Short-term borrowings | 1,552 | 1,504 |
| Lease liabilities | 3,478 | 3,636 |
| Accounts payable - other | 17,100 | 14,706 |
| Income taxes payable | 8,008 | 6,743 |
| Contract liabilities | 50,221 | 46,643 |
| Provision for bonuses | 13,577 | 12,591 |
| Provision for bonuses for directors (and other officers) | 435 | 244 |
| Provision for share awards | – | 17 |
| Other | 11,735 | 11,377 |
| Total current liabilities | 158,511 | 137,310 |
| Non-current liabilities | | |
| Long-term borrowings | 66 | 34 |
| Lease liabilities | 6,818 | 6,529 |
| Provision for retirement benefits for directors (and other officers) | 161 | 120 |
| Retirement benefit liability | 14,158 | 14,369 |
| Provision for share awards | 35 | 53 |
| Other | 1,874 | 1,396 |
| Total non-current liabilities | 23,115 | 22,504 |
| Total liabilities | 181,626 | 159,815 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 26,648 | 26,648 |
| Capital surplus | 34,910 | 34,910 |
| Retained earnings | 376,400 | 386,901 |
| Treasury shares | (1,109) | (4,413) |
| Total shareholders' equity | 436,850 | 444,047 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 8,203 | 6,583 |
| Foreign currency translation adjustment | 31,441 | 24,668 |
| Remeasurements of defined benefit plans | 15,834 | 15,225 |
| Total accumulated other comprehensive income | 55,480 | 46,478 |
| Non-controlling interests | 4 | 6 |
| Total net assets | 492,335 | 490,532 |
| Total liabilities and net assets | 673,962 | 650,347 |

(2) Semi-annual Consolidated Statement of Income and Semi-annual Consolidated Statement of Comprehensive Income**Semi-annual Consolidated Statement of Income**

(Millions of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|--|--|--|
| Net sales | 239,514 | 251,247 |
| Cost of sales | 135,117 | 142,316 |
| Gross profit | 104,397 | 108,931 |
| Selling, general and administrative expenses | 71,891 | 78,709 |
| Operating profit | 32,505 | 30,221 |
| Non-operating income | | |
| Interest income | 659 | 726 |
| Dividend income | 194 | 214 |
| Insurance claim income | 73 | 69 |
| Foreign exchange gains | 2,580 | – |
| Subsidy income | 60 | 25 |
| Other | 584 | 328 |
| Total non-operating income | 4,153 | 1,364 |
| Non-operating expenses | | |
| Interest expenses | 141 | 154 |
| Foreign exchange losses | – | 2,405 |
| Other | 665 | 618 |
| Total non-operating expenses | 806 | 3,177 |
| Ordinary profit | 35,851 | 28,408 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 118 | 127 |
| Gain on change in equity | – | 47 |
| Gain on sale of investment securities | 49 | – |
| Total extraordinary income | 167 | 174 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 116 | 156 |
| Loss on valuation of investment securities | – | 2 |
| Total extraordinary losses | 116 | 158 |
| Profit before income taxes | 35,903 | 28,423 |
| Income taxes - current | 8,590 | 7,259 |
| Income taxes - deferred | 763 | (152) |
| Total income taxes | 9,353 | 7,107 |
| Profit | 26,549 | 21,316 |
| Loss attributable to non-controlling interests | (0) | (0) |
| Profit attributable to owners of parent | 26,550 | 21,316 |

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|--|--|--|
| Profit | 26,549 | 21,316 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 494 | (1,620) |
| Foreign currency translation adjustment | 12,667 | (6,773) |
| Remeasurements of defined benefit plans, net of tax | (211) | (609) |
| Total other comprehensive income | 12,951 | (9,002) |
| Comprehensive income | 39,500 | 12,314 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 39,501 | 12,314 |
| Comprehensive income attributable to non-controlling interests | (0) | (0) |

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 35,903 | 28,423 |
| Depreciation | 9,171 | 9,668 |
| Increase (decrease) in allowance for doubtful accounts | (538) | (204) |
| Increase (decrease) in provision for bonuses | (765) | (923) |
| Increase (decrease) in provision for bonuses for directors (and other officers) | (108) | (189) |
| Increase (decrease) in net defined benefit asset and liability | (487) | (625) |
| Interest and dividend income | (853) | (940) |
| Interest expenses | 141 | 154 |
| Foreign exchange losses (gains) | (2,485) | 814 |
| Loss (gain) on sale and valuation of investment securities | (49) | 2 |
| Loss (gain) on sale and retirement of property, plant and equipment | (2) | 29 |
| Decrease (increase) in trade receivables | 13,601 | 17,078 |
| Decrease (increase) in inventories | (9,873) | (2,343) |
| Increase (decrease) in trade payables | (16,343) | (10,787) |
| Increase (decrease) in contract liabilities | (4,918) | (2,282) |
| Other, net | 295 | (1,785) |
| Subtotal | 22,684 | 36,088 |
| Interest and dividends received | 890 | 942 |
| Interest paid | (139) | (154) |
| Income taxes paid | (11,631) | (8,667) |
| Net cash provided by (used in) operating activities | 11,804 | 28,209 |
| Cash flows from investing activities | | |
| Purchase of non-current assets | (7,415) | (7,511) |
| Proceeds from sale of non-current assets | 218 | 592 |
| Purchase of investment securities | (323) | (1,252) |
| Proceeds from sale of investment securities | 74 | 18 |
| Loan advances | (30) | (47) |
| Proceeds from collection of loans receivable | 29 | 38 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | – | (6,546) |
| Other, net | 285 | 439 |
| Net cash provided by (used in) investing activities | (7,161) | (14,269) |

(Millions of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|--|--|--|
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 237 | – |
| Repayments of short-term borrowings | – | (48) |
| Repayments of long-term borrowings | (36) | (32) |
| Dividends paid | (9,421) | (10,586) |
| Repayments of lease liabilities | (2,380) | (2,445) |
| Decrease (increase) in treasury shares | 106 | (3,304) |
| Other, net | 4 | 2 |
| Net cash provided by (used in) financing activities | (11,488) | (16,414) |
| Effect of exchange rate change on cash and cash equivalents | 9,965 | (5,223) |
| Net increase (decrease) in cash and cash equivalents | 3,118 | (7,696) |
| Cash and cash equivalents at beginning of period | 153,734 | 159,234 |
| Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries | 441 | 444 |
| Cash and cash equivalents at end of period | 157,295 | 151,982 |

(4) Notes on Semi-annual Consolidated Financial Statements**Notes on Changes in Accounting Policies**

(Application of “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the six months ended September 30, 2024.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Guidance on the Revised Accounting Standard of 2022”). There is no effect on the semi-annual consolidated financial statements from this change in accounting policy.

With regard to the revision related to review of treatment in the consolidated financial statements of when deferring tax on gains or losses on sale arising from the sale of shares of a subsidiary between consolidated companies, the Revised Accounting Standard of 2022 has been adopted from the beginning of the six months ended September 30, 2024. This change in accounting policy has been applied retrospectively to the semi-annual consolidated financial statements and consolidated financial statements for the same period of the previous fiscal year and the previous fiscal year. There is no effect on the semi-annual consolidated financial statements for the same period of the previous fiscal year or the consolidated financial statements for the previous fiscal year from this change in accounting policy.

Notes on Segment Information, Etc.

1) Segment Information

I From April 1 to September 30 of fiscal year ended March 31, 2024

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

(Millions of yen)

| | Reportable segment | | | | | Other (Note 1) | Total | Adjust- ments (Note 2) | Amounts reported on the semi- annual statements of income (Note 3) |
|---------------------|---|--------------------|-------------------------|-----------------------|---------|-------------------|---------|------------------------------|---|
| | Analytical & Measuring Instruments | Medical Systems | Industrial Machinery | Aircraft Equipment | Total | | | | |
| Net sales | | | | | | | | | |
| Sales to customers | 158,728 | 33,399 | 30,981 | 13,005 | 236,114 | 3,399 | 239,514 | – | 239,514 |
| Inter-segment sales | 14 | 11 | 34 | 16 | 77 | 1,244 | 1,322 | (1,322) | – |
| Total | 158,742 | 33,411 | 31,015 | 13,022 | 236,192 | 4,644 | 240,836 | (1,322) | 239,514 |
| Operating profit | 26,611 | 1,632 | 3,307 | 1,296 | 32,848 | 405 | 33,254 | (748) | 32,505 |

- Notes: 1. The “Other” category is a business segment that is not included in the reportable segments. It includes businesses such as real estate rental, real estate management, and construction flooring.
2. An adjustment to segment operating profit of (748) million yen consists primarily of testing and research expenses of (748) million yen that are not allocated to the reportable segments.
3. Segment operating profit is reconciled to operating profit in the semi-annual consolidated statement of income.

II From April 1 to September 30 of fiscal year ending March 31, 2025

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

(Millions of yen)

| | Reportable segment | | | | | Other (Note 1) | Total | Adjust- ments (Note 2) | Amounts reported on the semi- annual statements of income (Note 3) |
|---------------------|---|--------------------|-------------------------|-----------------------|---------|-------------------|---------|------------------------------|--|
| | Analytical & Measuring Instruments | Medical Systems | Industrial Machinery | Aircraft Equipment | Total | | | | |
| Net sales | | | | | | | | | |
| Sales to customers | 160,587 | 34,026 | 36,037 | 18,028 | 248,679 | 2,568 | 251,247 | – | 251,247 |
| Inter-segment sales | 19 | 7 | 34 | 18 | 80 | 1,179 | 1,259 | (1,259) | – |
| Total | 160,606 | 34,034 | 36,072 | 18,047 | 248,760 | 3,747 | 252,507 | (1,259) | 251,247 |
| Operating profit | 21,303 | 1,594 | 5,297 | 2,391 | 30,588 | 153 | 30,741 | (519) | 30,221 |

- Notes: 1. The “Other” category is a business segment that is not included in the reportable segments. It includes businesses such as real estate rental, real estate management, and construction flooring.
2. An adjustment to segment operating profit of (519) million yen consists primarily of testing and research expenses of (519) million yen that are not allocated to the reportable segments.
3. Segment operating profit is reconciled to operating profit in the semi-annual consolidated statement of income.

2. Matters concerning changes in reportable segments, etc.

From the six months ended September 30, 2024, having reviewed the results management categories, the results related to marine devices, previously included in Aircraft Equipment, have been transferred to Industrial Machinery.

Segment information for the six months ended September 30, 2023 presented here has been prepared according to the reporting segment categories after this change.

3. Information regarding impairment losses on non-current assets or goodwill, etc. for each reportable segment

(Significant changes in amount of goodwill)

In the Analytical & Measuring Instruments segment, Zef Scientific, Inc., whose shares were newly acquired, has been included in the scope of consolidation. The resulting increase in goodwill for the six months ended September 30, 2024 was 5,280 million yen.

The amount of goodwill was calculated on a provisional basis because the allocation of acquisition cost was not completed as of September 30, 2024.

2) Related Information

Information on the Amount of Net Sales by Geographical Segment

From April 1 to September 30 of fiscal year ended March 31, 2024

| | | | | | | (Millions of yen) | |
|--------|--------------|--------|--------|-----------------------|-------|-------------------|--|
| Japan | The Americas | Europe | China | Other Asian countries | Other | Total | |
| 95,247 | 33,543 | 22,397 | 51,929 | 27,686 | 8,710 | 239,514 | |

From April 1 to September 30 of fiscal year ending March 31, 2025

| | | | | | | (Millions of yen) | |
|---------|--------------|--------|--------|-----------------------|-------|-------------------|--|
| Japan | The Americas | Europe | China | Other Asian countries | Other | Total | |
| 103,433 | 37,483 | 23,321 | 46,603 | 31,075 | 9,329 | 251,247 | |

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

Notes on the Event of Significant Fluctuations in Shareholders' Capital

Shimadzu has acquired 681,800 treasury shares pursuant to resolution of the meeting of its Board of Directors held on May 10, 2024. As a result of the acquisition and others, treasury shares amount to 4,413 million yen as of September 30, 2024, with treasury shares having increased 3,304 million yen during the six months ended September 30, 2024.

Notes on Going-Concern Assumptions

Not applicable.

Significant Changes in the Scope of Consolidation

Zef Scientific, Inc. and two other companies, whose shares were newly acquired, have been included in the scope of consolidation beginning with the six months ended September 30, 2024.

3. Supplemental Information

Overview of Financial Results for the First Six Months of the Fiscal Year Ending March 2025

| Row No. | | | Consolidated Results for First Six Months of FY 2023 | Consolidated Results for First Six Months of FY 2024 | Year on Year | | FY 2023 | FY 2024 |
|---------|--|-----------------|--|--|-------------------|---------------------------|---------|----------|
| | | | Results | Results | Increase/Decrease | Percent Increase/Decrease | Results | Forecast |
| 1 | Net sales | millions of yen | 239,514 | 251,247 | 11,733 | 4.9% | 511,895 | 540,000 |
| 2 | Net Sales (Analytical & Measuring Instruments) | millions of yen | 158,728 | 160,587 | 1,859 | 1.2% | 338,257 | – |
| 3 | Net Sales (Medical Systems) | millions of yen | 33,399 | 34,026 | 626 | 1.9% | 72,303 | – |
| 4 | Net Sales (Industrial Machinery) | millions of yen | 30,981 | 36,037 | 5,056 | 16.3% | 66,109 | – |
| 5 | Net Sales (Aircraft Equipment) | millions of yen | 13,005 | 18,028 | 5,022 | 38.6% | 28,737 | – |
| 6 | Net Sales (Other) | millions of yen | 3,399 | 2,568 | (831) | (24.5)% | 6,487 | – |
| 7 | Net Sales by Region (Japan) | millions of yen | 95,247 | 103,433 | 8,186 | 8.6% | 215,594 | – |
| 8 | Net Sales by Region (Outside Japan) | millions of yen | 144,266 | 147,813 | 3,547 | 2.5% | 296,300 | – |
| 9 | Net Sales (The Americas) | millions of yen | 33,543 | 37,483 | 3,940 | 11.7% | 70,493 | – |
| 10 | Net Sales (Europe) | millions of yen | 22,397 | 23,321 | 923 | 4.1% | 48,910 | – |
| 11 | Net Sales (China) | millions of yen | 51,929 | 46,603 | (5,325) | (10.3)% | 99,858 | – |
| 12 | Net Sales (Other Asian Countries) | millions of yen | 27,686 | 31,075 | 3,389 | 12.2% | 59,327 | – |
| 13 | Net Sales (Other) | millions of yen | 8,710 | 9,329 | 619 | 7.1% | 17,710 | – |
| 14 | Operating Profit | millions of yen | 32,505 | 30,221 | (2,283) | (7.0)% | 72,753 | 76,000 |
| 15 | Ordinary Profit | millions of yen | 35,851 | 28,408 | (7,443) | (20.8)% | 76,895 | 77,000 |
| 16 | Profit Attributable to Owners of Parent | millions of yen | 26,550 | 21,316 | (5,233) | (19.7)% | 57,037 | 58,000 |
| 17 | Earnings per Share (FY 2024 1H) | Yen | 90.09 | 72.38 | – | – | 193.54 | 197.25 |
| 18 | Dividend per Share | Yen | 24.00 | 26.00 | – | – | 60.00 | 62.00 |
| 19 | Capital Equipment Investment | millions of yen | 12,061 | 11,059 | (1,001) | (8.3)% | 22,480 | 28,000 |
| 20 | Depreciation and Amortization | millions of yen | 9,171 | 9,668 | 497 | 5.4% | 18,551 | 20,000 |
| 21 | Total Assets | millions of yen | 635,089 | 650,347 | 15,258 | 2.4% | 673,962 | – |
| 22 | Net Assets | millions of yen | 453,483 | 490,532 | 37,048 | 8.2% | 492,335 | – |
| 23 | Equity Ratio | % | 71.4 | 75.4 | – | – | 73.1 | – |
| 24 | Number of All Group Employees | Employees | 14,203 | 14,550 | 347 | – | 14,219 | – |
| 25 | Number of Consolidated Subsidiaries | Companies | 79 | 81 | – | – | 79 | – |
| 26 | Japan | Companies | 24 | 23 | – | – | 24 | – |
| 27 | Outside Japan | Companies | 55 | 58 | – | – | 55 | – |