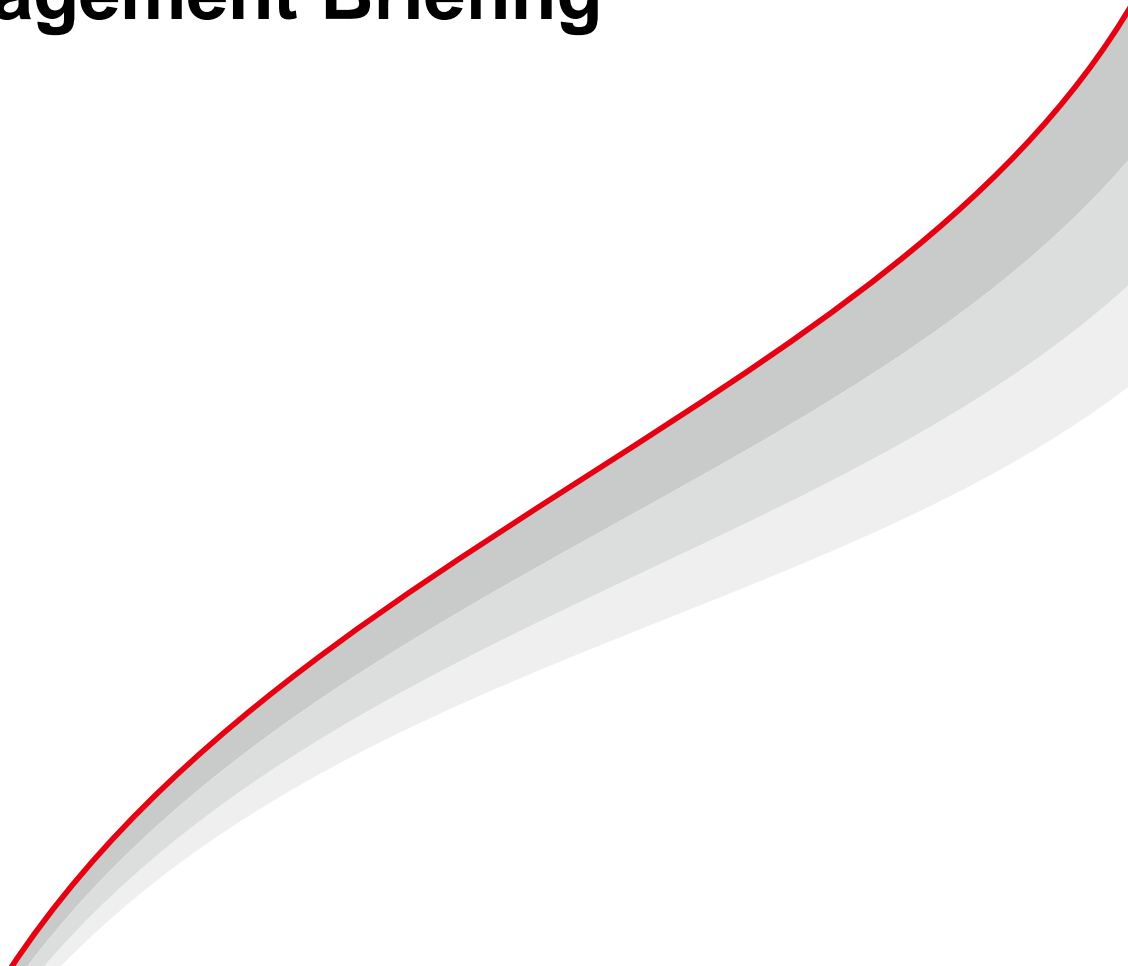


# Shimadzu Group Sustainability Management Briefing

October 17, 2024



# Introduction of Speakers

## Nobuo Hanai, Outside Director



Apr. 1976	Joined Kyowa Hakko Kogyo Co., Ltd. (currently Kyowa Kirin Co., Ltd.)
Jun. 2006	Executive Officer, Kyowa Hakko Kogyo Co., Ltd.
Apr. 2009	Managing Executive Officer, Kyowa Hakko Kirin Co., Ltd.
Jun. 2009	Director of the Board, Managing Executive Officer, Kyowa Hakko Kirin Co., Ltd.
Mar. 2010	Director of the Board, Senior Managing Executive Officer, Kyowa Hakko Kirin Co., Ltd.
Mar. 2012	Executive Director of the Board, President and Chief Executive Officer, Kyowa Hakko Kirin Co., Ltd.
Mar. 2018	Executive Director of the Board, Chairman and Chief Executive Officer, Kyowa Hakko Kirin Co., Ltd.
Mar. 2019	Director of the Board, Chairman, Kyowa Hakko Kirin Co., Ltd. (retired in Mar. 2020)
Jun. 2020	Director, Member of the Board, Shimadzu Corporation (current)
Mar. 2021	Outside Director, Perseus Proteomics Inc. (current)
Mar. 2024	Outside Director, Noile-Immune Biotech Inc. (current)

# Introduction of Speakers

## Fuminori Inagaki, Senior Managing Executive Officer



Apr. 1982	Joined Ministry of International Trade and Industry
Nov. 2006	Director, Trade Policy Division, Trade Policy Bureau, Ministry of Economy, Trade and Industry (METI)
Jul. 2010	Deputy Director General for Policy Evaluation, Minister's Secretariat, METI
Apr. 2011	Director, Nippon Export and Investment Insurance (NEXI)
Jun. 2015	Joined Shimadzu Corporation, Managing Executive Officer and Deputy in Charge of Corporate Strategy Planning and Corporate Marketing
Jun. 2017	Managing Executive Officer in Charge of Global Environmental Management and Deputy in Charge of Corporate Strategy Planning and Corporate Marketing
Apr. 2021	Managing Executive Officer in Charge of Standardization Strategy (Chief Standardization Officer; CSO), Global Environmental Management, and Medical Regulatory Policy, and Deputy in Charge of Corporate Strategy Planning
Apr. 2023	Senior Managing Executive Officer in Charge of Standardization Strategy (CSO) and Medical Regulatory Policy, and Deputy in Charge of Corporate Strategy Planning and Global Environmental Management (GX) (current)

# Agenda

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**Fuminori Inagaki**  
Senior Managing Executive Officer

**Introduction to Our Sustainability Management Initiatives**  
- 30 mins

**Nobuo Hanai**  
Outside Director

**Shimadzu's Sustainability Management from the  
Perspective of an Outside Director**  
- 10 mins

**Nobuo Hanai**  
Outside Director  
**Fuminori Inagaki**  
Senior Managing Executive Officer

**Q&A Session**  
- 20 mins

# Introduction to Our Sustainability Management Initiatives

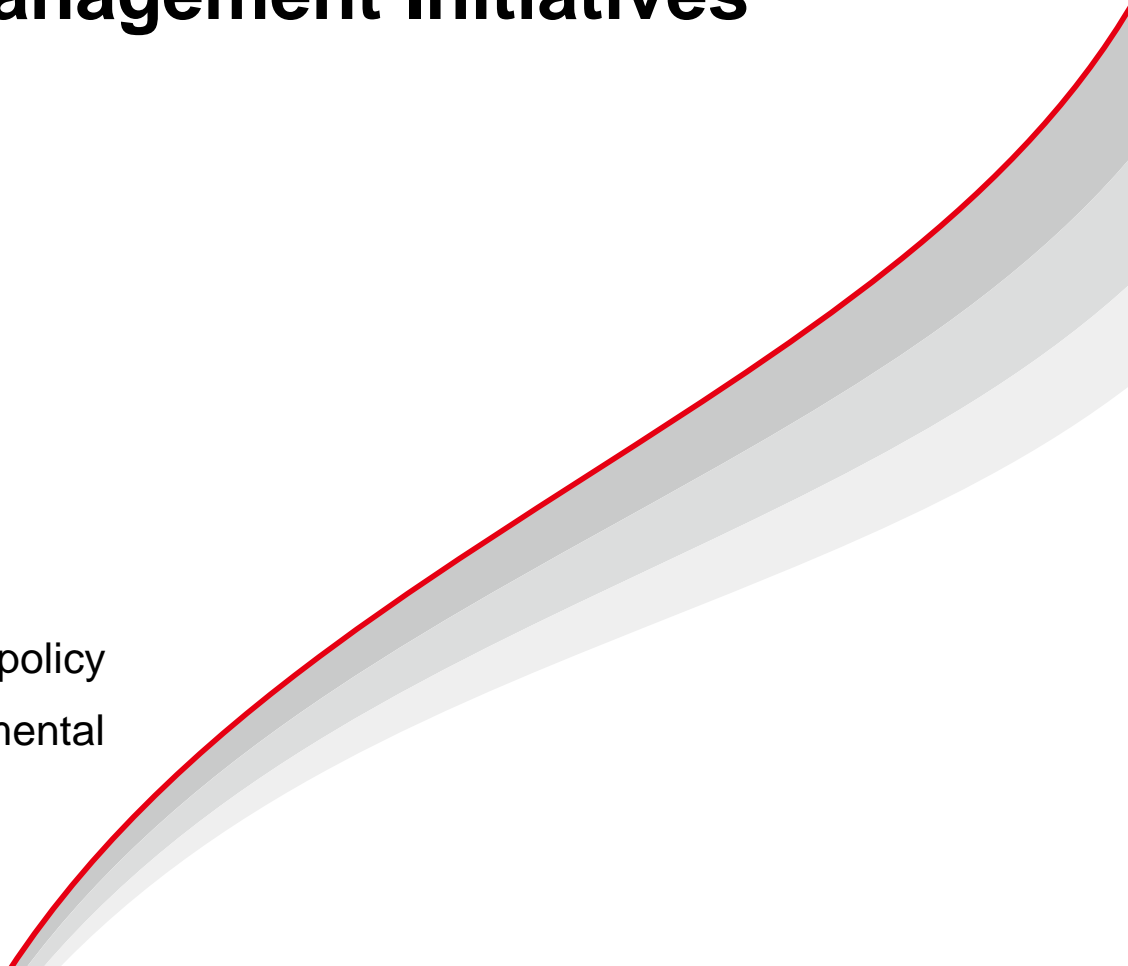
October 17, 2024

## **Fuminori Inagaki**

Senior Managing Executive Officer, Shimadzu Corporation

In charge of standardization strategy (CSO) and medical regulatory policy

Deputy in charge of corporate strategy planning and global environmental management (GX)



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## **I. Shimadzu's Approach to Sustainability Management**

1. Overview of Sustainability Management
2. Materiality
3. Shimadzu Sustainability Score and KPI Review Mechanism
4. Framework for Promoting Sustainability Management
5. External Evaluations

## **II. Solving Social Issues Through Business - Business Contribution Themes**

1. Contribution to Human Life and Well-Being
2. Contribution to Well-Being of the Earth
3. Progress and Advancements in Science and Technology

## **III. Responsible Activities as a Member of Society - Themes for Strengthening the Management Foundation**

1. Environment: Efforts Toward Future Environmental Management
2. Social: Strengthening Human Capital and Supply Chain for the Future
3. Governance: Strengthening Governance

## **IV. Closing Remarks**

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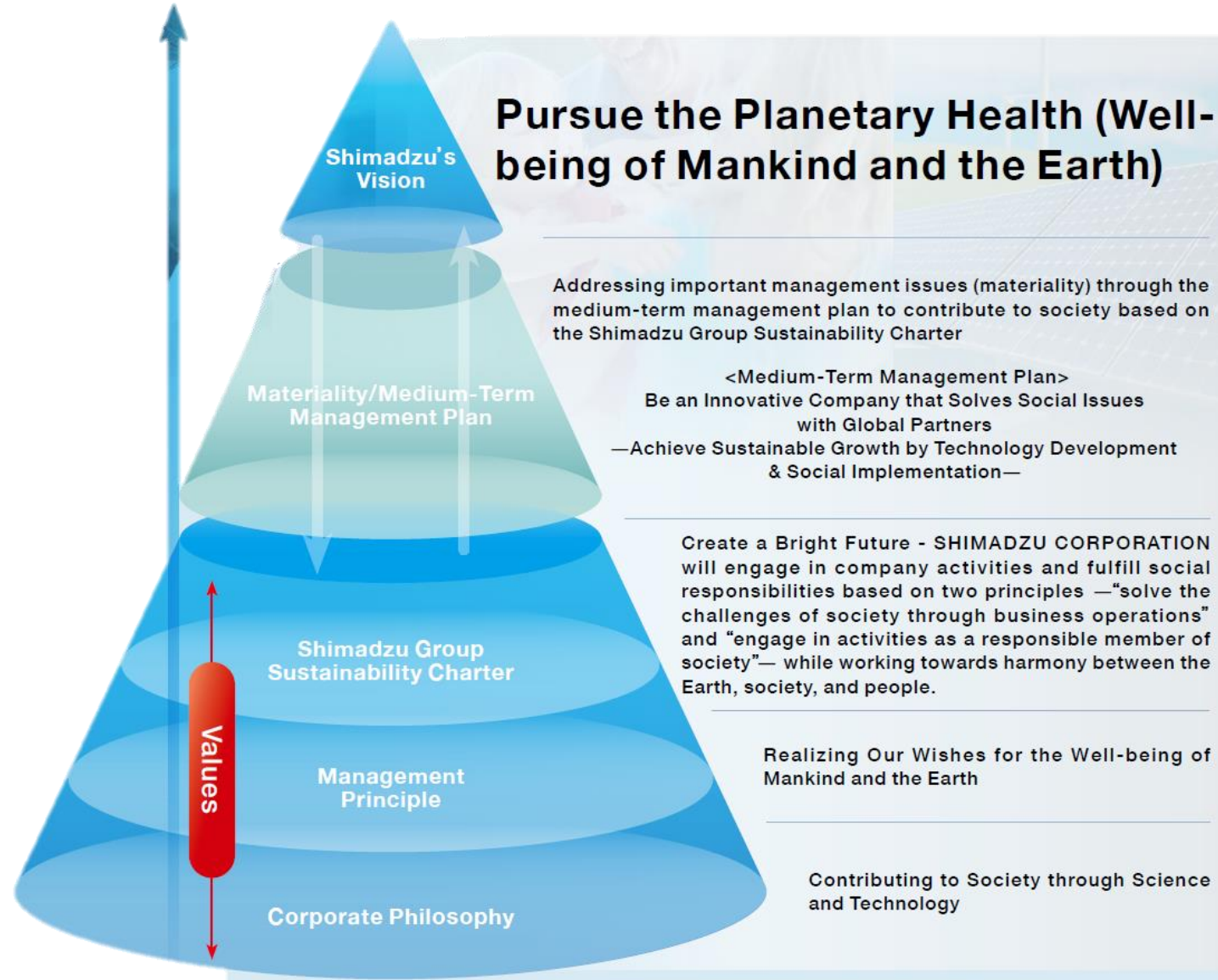
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# I. Shimadzu's Approach to Sustainability Management

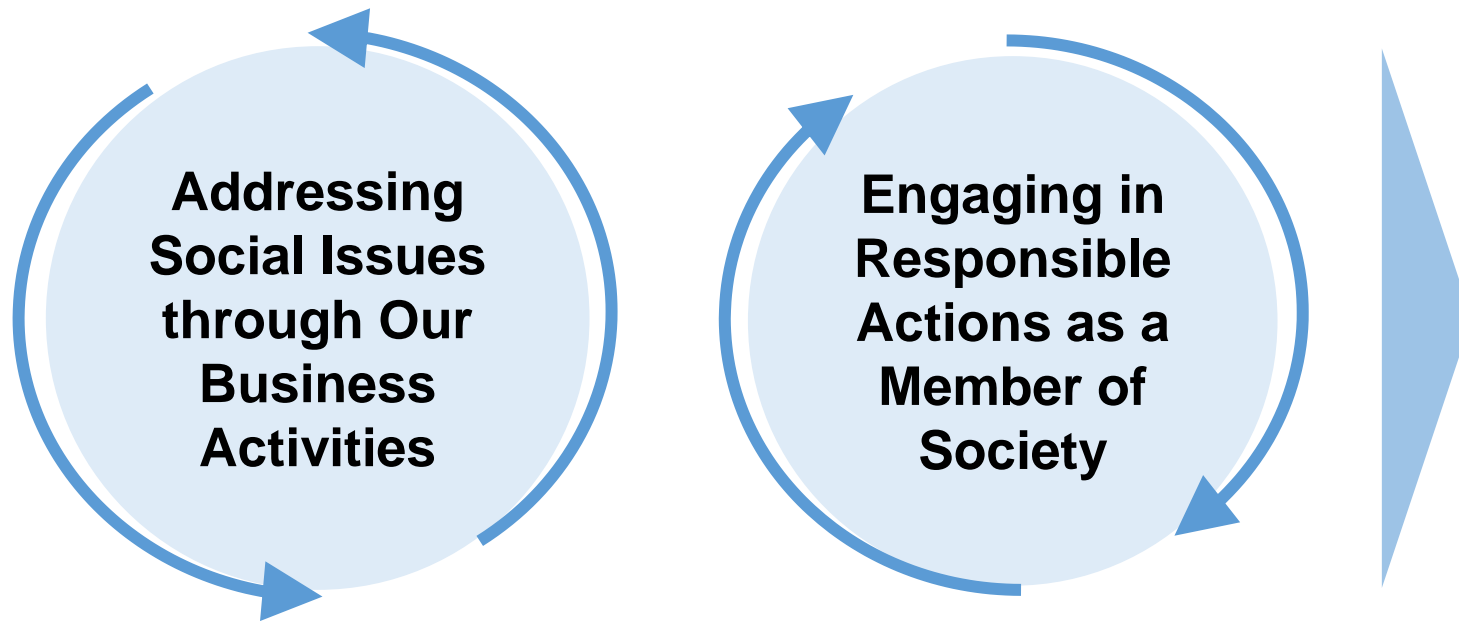
## Shimadzu's Values and Vision





# Approach to Sustainability Management

By addressing social issues through our business activities and engaging in responsible actions as a member of society, we aim to achieve sustainability for (1) the global environment and society, (2) the Shimadzu Group, and (3) our employees.



# Summary of Sustainability Management

We aim to recognize areas for improvement and enhance our activities based on KPI results and external evaluations, promoting sustainability management from both risk and opportunity perspectives for diverse social issues.

## Diverse Social Issues



## Risks and Opportunities for the Shimadzu Group

Viewing Social Issues as Opportunities for Improvement

Risks and Opportunities

### Regulations (Hard Law)

- International treaties
- Domestic and international laws and ordinances



### Social Demands (Soft Law)

- ESG surveys from customers
- Disclosure of sustainability information



## Response as the Shimadzu Group

Formulating policies and establishing frameworks

- Shimadzu Group Sustainability Charter
- Shimadzu Group Sustainability Meeting

Seven Materialities + KPIs

Information Disclosure

## Social Evaluation

MSCI ESG RATINGS



CCC B BB BBB A AA AAA



FTSE Blossom Japan Sector Relative Index

STOXX Indices by Qontigo

Member 2023/2024 Platinum Career Index

CDP DISCLOSURE INSIGHT ACTION

2023 健康経営銘柄 Health and Productivity

PDCA Cycles Using KPIs

Feedback from Evaluation Results

# Selection of Materiality

The process for selecting materiality as key issues in sustainability management is as follows:



**Identify societal challenges related to achieving the specified vision.**








- Relevance to corporate philosophy and management principle
- Relevance to Shimadzu business areas and value chains

**Rank the priority of topics based on two evaluation parameters (double-materiality).**

- Impact of Shimadzu activities on society
- Effect on Shimadzu corporate value

**Materiality and the corresponding measures are decided by the Shimadzu Group Sustainability Meeting or through the process of establishing the medium-term management plan.**

# Shimadzu Group Materiality (in FY2024)

Total: 59 items	Topics Contributing to Business	Basic Topics (Management & Technology-related)
<b>E: Environment</b> [11 items]		<b>1. Contributing to Well-Being of the Earth [11 items]</b> (Decarbonization, Circular Economy, Biodiversity, and Pollution Prevention)
		<b>2. Contributing to Human Life and Well-Being [12 items]</b> (Med-Tech, Healthcare, Pharmaceuticals, and Health Foods) (Employee Health and Safety)
		<b>3. Contributing to Industrial Development and a Safe and Secure Society [3 items]</b> (New Materials and Industrial Innovation) (Product Quality and Safety)
		<b>4. Progress and Advancements in Science and Technology [9 items]</b> (Patents, R&D, and Standardization)
<b>S: Society</b> [36 items]		<b>5. Improving Development and Manufacturing Capabilities [8 items]</b> (Innovation Management System, Digital Transformation, SCM, and BCM)
		<b>6. Human Resource Development [4 items]</b> (Engagement, Skills Development, and DE&I)
<b>G: Governance</b> [12 items]		<b>7. Reinforcing Corporate Governance [12 items]</b> (Group Management, Risk Management & Compliance, Human Rights, and IT Security)

## I. Shimadzu's Approach to Sustainability Management

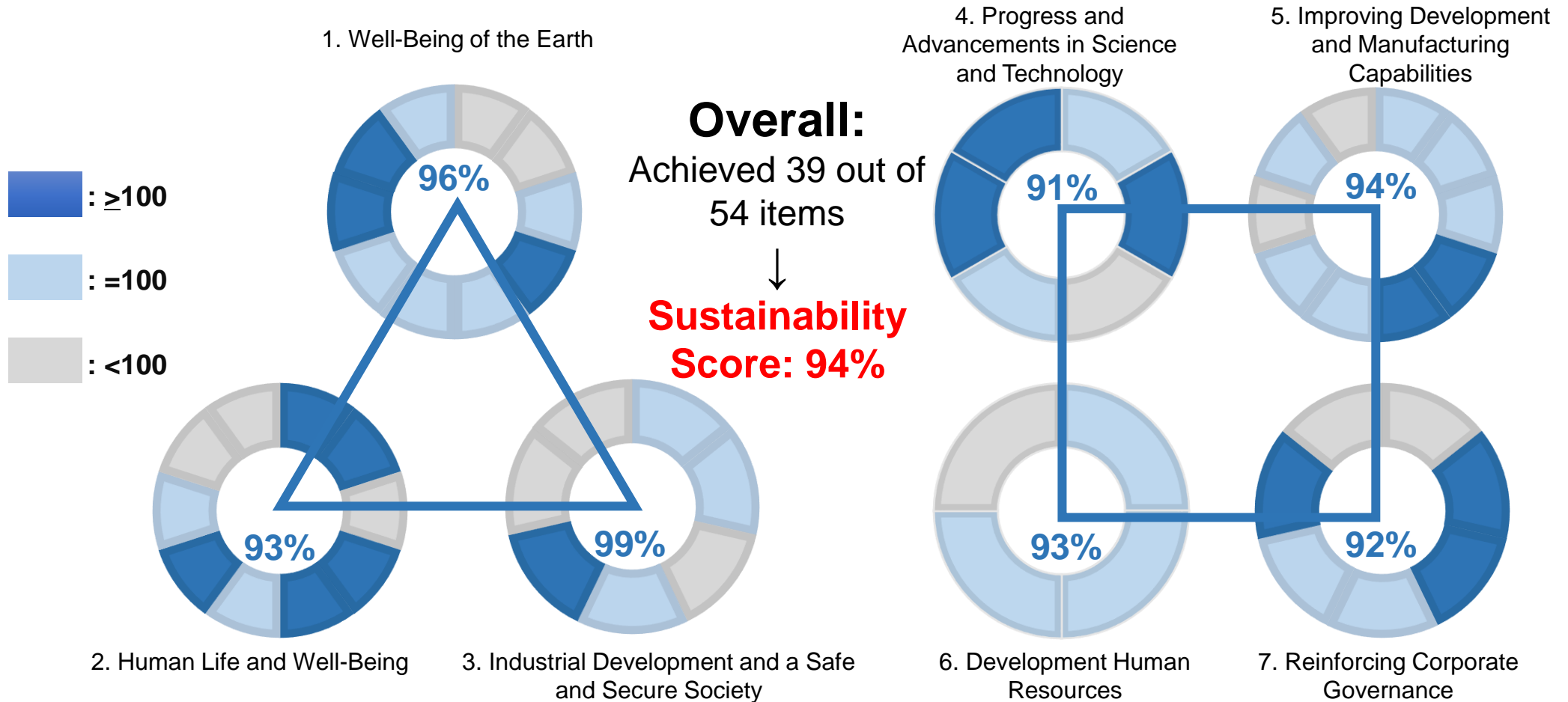
# Key Themes, KPIs, and FY2023 Results in Materiality

Materiality	Themes	Related MTP	FY2023 Items (and KPI targets)	FY2023 Results
<b>E</b> 1. Contributing to Well-Being of the Earth	Contributing to business in Green domain	Strengthen key businesses	Expansion of Green-related sales (min. 100)	122*
		Promote environmental management	Contribution to reducing CO <sub>2</sub> emissions from Shimadzu product use (10,000 t-CO <sub>2</sub> )	10,400 t-CO <sub>2</sub>
			Sales ratio of Eco-Products Plus products (21%)	21%
	Reducing the environmental impact of business activities	Promote environmental management	CO <sub>2</sub> emissions from business activities (max. 12,000 t-CO <sub>2</sub> )	10,800 t-CO <sub>2</sub>
			Ratio of renewable energy usage in annual electricity consumption (85%)	85%
<b>S</b> 2. Contributing to Human Life and Well-Being	Contributing to business in Healthcare domain	Strengthen key businesses, recurring revenues, etc.	Sales in pharmaceutical fields (114)	110*
			Sales of Med-Tech business (101)	91*
	Promoting Group health management	Promote health management	Number of employees participating in health promotion events (6,000)	6,332
3. Contributing to Industrial Development and a Safe and Secure Society	Contributing to business in Industry domain	Strengthen key businesses: TMP	Turbo-Molecular Pump (TMP) sales (99)	103*
4. Progress and Advancements in Science and Technology	Strengthening global manufacturing capabilities	Expand global manufacturing capabilities	Increase in resilience of supply chains for manufacturing subsidiaries outside Japan (Local procurement ratio: 64%)	66%
5. Improving Development and Manufacturing Capabilities	Advancing Scientific and Technological Expertise	Strategize international standardization	Use of IP landscaping to support creating the strategies for new businesses and new products (2)	47
6. Human Resource Development	Training global leaders	Human resource strategy: realizing "Leadership & Diversity"	Number of business leaders trained (700)	817
			Number of advanced experts trained (18)	18
	Promoting diversity management		Percentage of female managers (consolidated: 11%)	Consolidated: 11%
<b>G</b> 7. Reinforcing Corporate Governance	Reinforcing Group governance	Reinforce corporate governance	Applying the Shimadzu Group Management Basic Regulation in actual practice	100% of Group companies notified
	Promoting risk management throughout the entire supply chain		Percent implementation of CSR self-assessment and supplier communication (80%)	96%

# FY2023 Shimadzu Sustainability Score

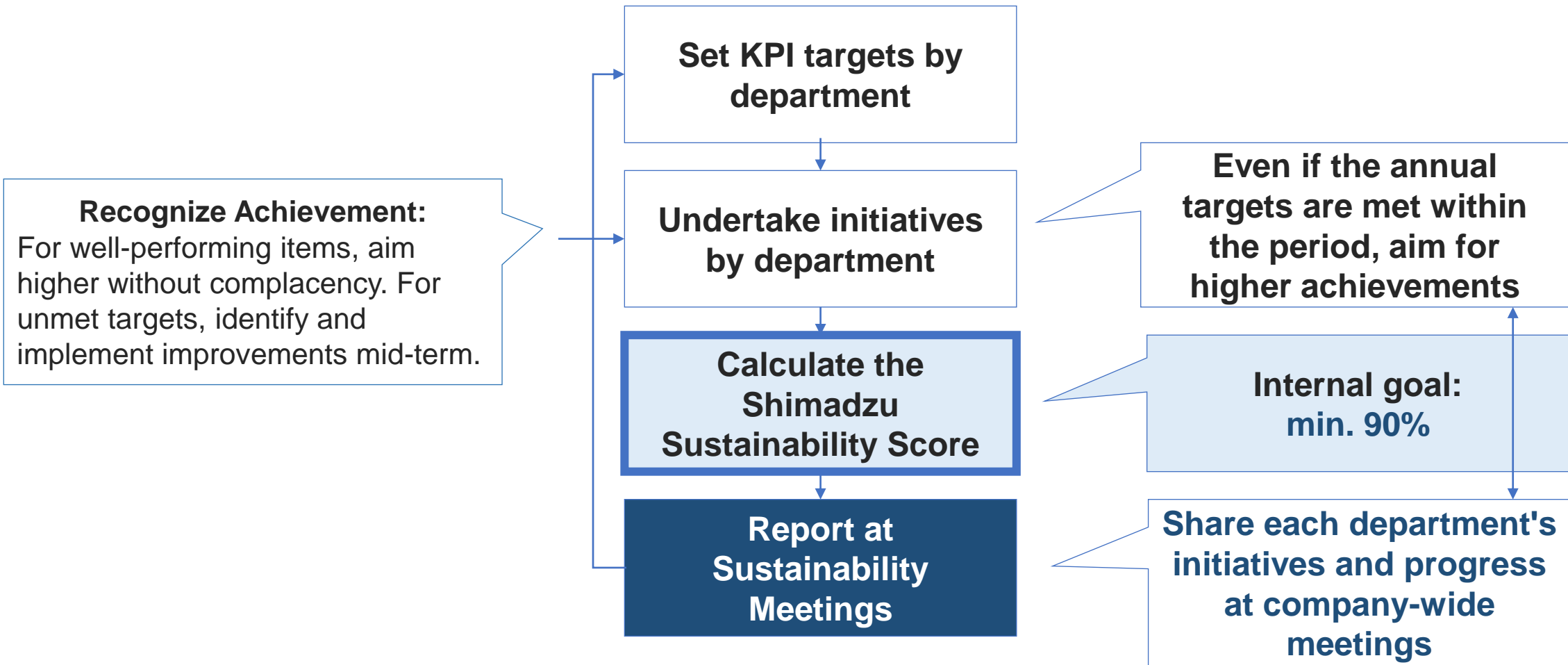
We manage KPI progress using our unique Shimadzu Group Sustainability Score, which is calculated based on the average achievement level of each KPI.

With a target of achieving over 90%, we reached 94% in FY2023.



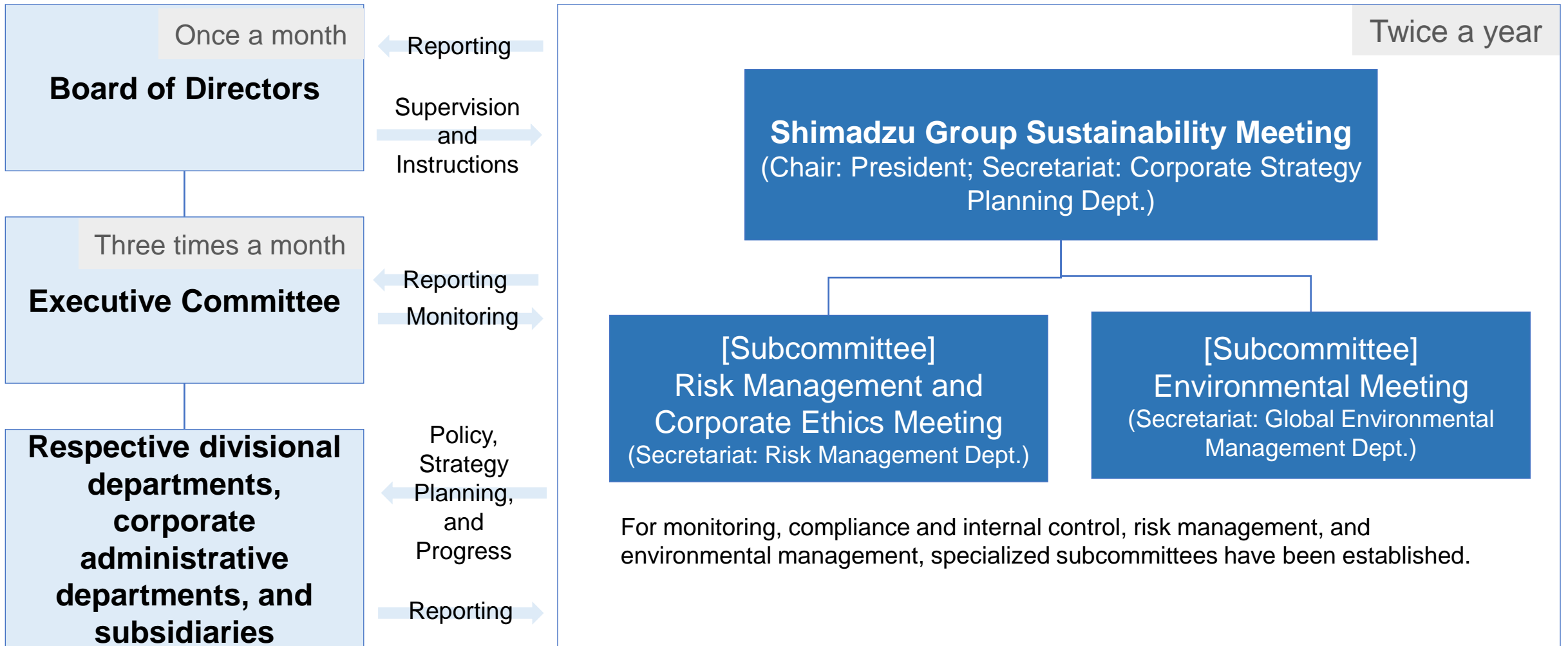
# KPI Review Mechanism

Flexibly revise KPI targets each year in response to changes in social conditions and emerging challenges.



# Framework for Promoting Sustainability Management

Under the important decision-making and supervision of the Board of Directors, a Sustainability Committee has been established as a deliberative body for sustainability management.





# External Evaluations

## Index Incorporation Statuses



[TERMS AND CONDITIONS](#)

2024 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

[TERMS AND CONDITIONS](#)



FTSE Blossom  
Japan Sector  
Relative Index



Sompo Sustainability Index

## Recognition/Awards/Certifications from Outside Shimadzu



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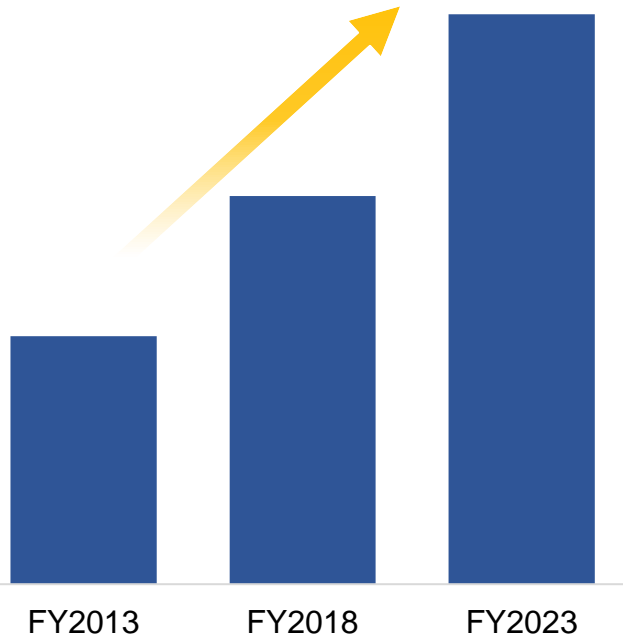
## IV. Closing Remarks



# Business Contribution in the Pharmaceutical Field

**Approximately 20%** of the sales in our core Analytical & Measuring Instruments are to the pharmaceutical market. The CAGR of sales to the pharmaceutical market over the five years from FY2018 to FY2023 is **8%**.

Sales to the Pharmaceutical Market



## Our Position in the Pharmaceutical Market

- Achieved **business expansion that exceeds market growth** in the continuously high-growth **pharmaceutical sector**.
- Established **a high market share** for liquid chromatographs (LC) in quality control divisions, particularly **in Japan, India, China, and other Asian countries**.
- **Developing relationships with North American mega pharma companies**, using the semi-preparative supercritical fluid chromatography system "Nexera UC Prep" as a door opener. To address local pharmaceutical needs, we opened an R&D center in North America in April 2024.



## II. Solving Social Issues Through Business

# Response to Newborn Mass Screening

Conduct screening to assess risk of rare diseases and enable early detection and treatment.



Treatment of some disorders early in life prevents the appearance and progression of symptoms

### Metabolic disorders



by **Liquid Chromatograph Mass Spectrometer (LCMS)**

### Inherited metabolic disorders:

Caused by insufficient enzyme production in the body. Screening is conducted for all newborns in developed countries.

20 types  
of  
disorders

- Thyroid hormone deficiency
- Adrenocortical hormone deficiency
- Sugar dysmetabolism
- 5 disorders of amino acid metabolism
- 7 disorders of organic acid metabolism
- 5 disorders of fatty acid metabolism

Implemented by prefectures and government-designated cities.

### Immunodeficiency / Spinal muscular atrophy

Research and studies conducted by the Japanese government starting in FY2023 (Child and Family Science Research). Demonstration project implemented with the supplementary budget for FY2023.

#### TKSneoFinder, a PCR reagent kit



*Note: This product is for research use only. It is not approved or certified under the Pharmaceuticals and Medical Devices Act.*

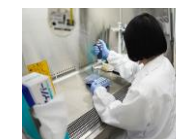
### Sickle cell disease

Common diseases in Africa, the Mediterranean basin, the Middle East, and northern India

#### NeoSickle, a reagent for blood test

### Contract analysis

Contracted screening tests for metabolism disorders and SCID/SMA



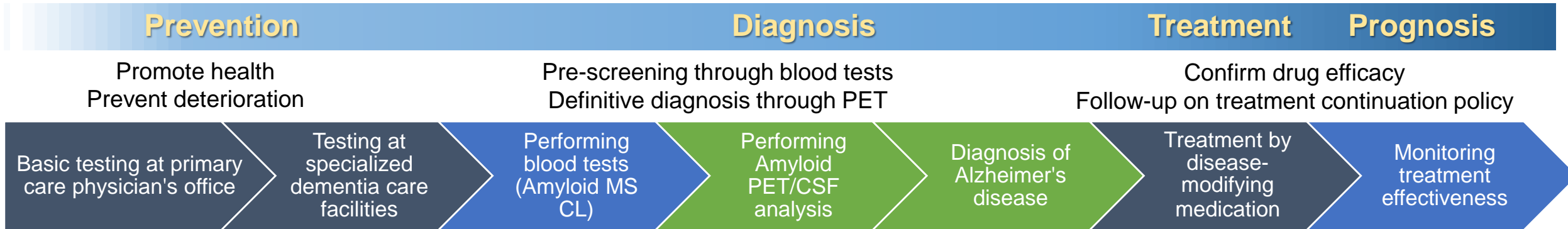
SCID (Severe Combined Immunodeficiency)  
SMA (Spinal Muscular Atrophy)

Conduct **Newborn Mass Screening** to enable early detection and treatment of diseases.

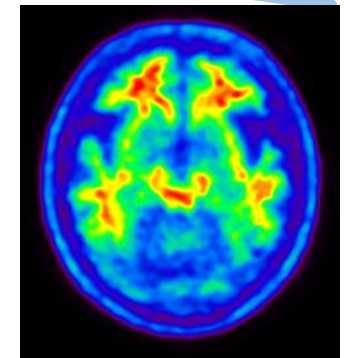
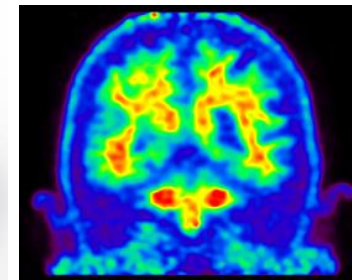
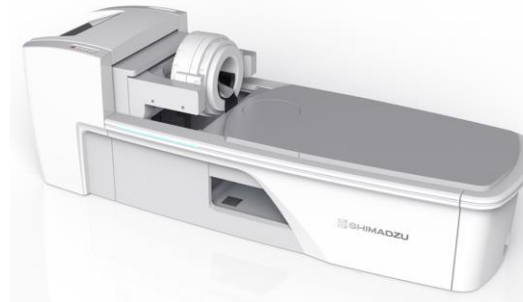
# Efforts in Alzheimer's Disease



Provide new comprehensive solutions from early detection to prognosis of dementia.



Estimation of brain amyloid beta accumulation through blood tests



Imaging of brain amyloid beta accumulation via PET

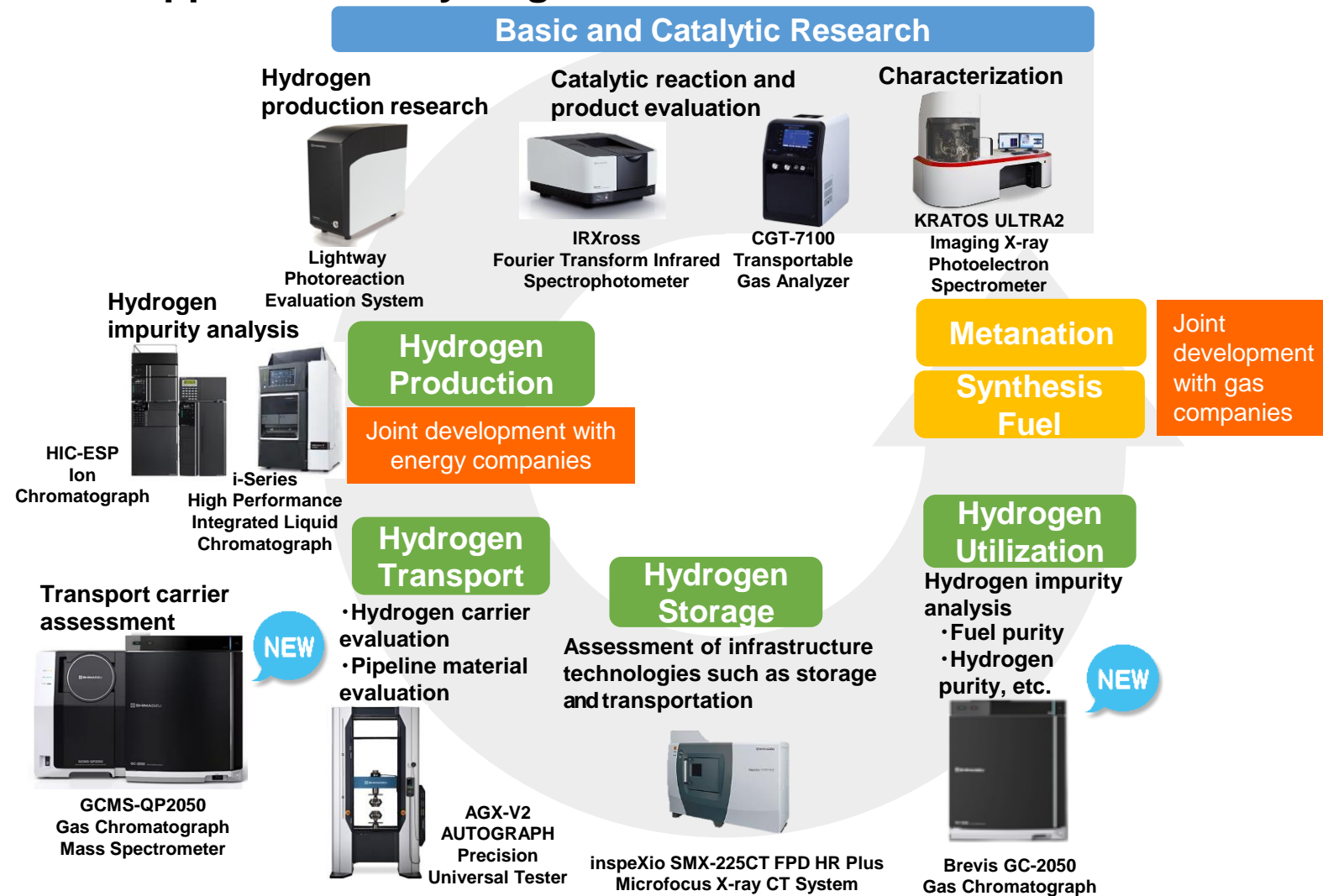
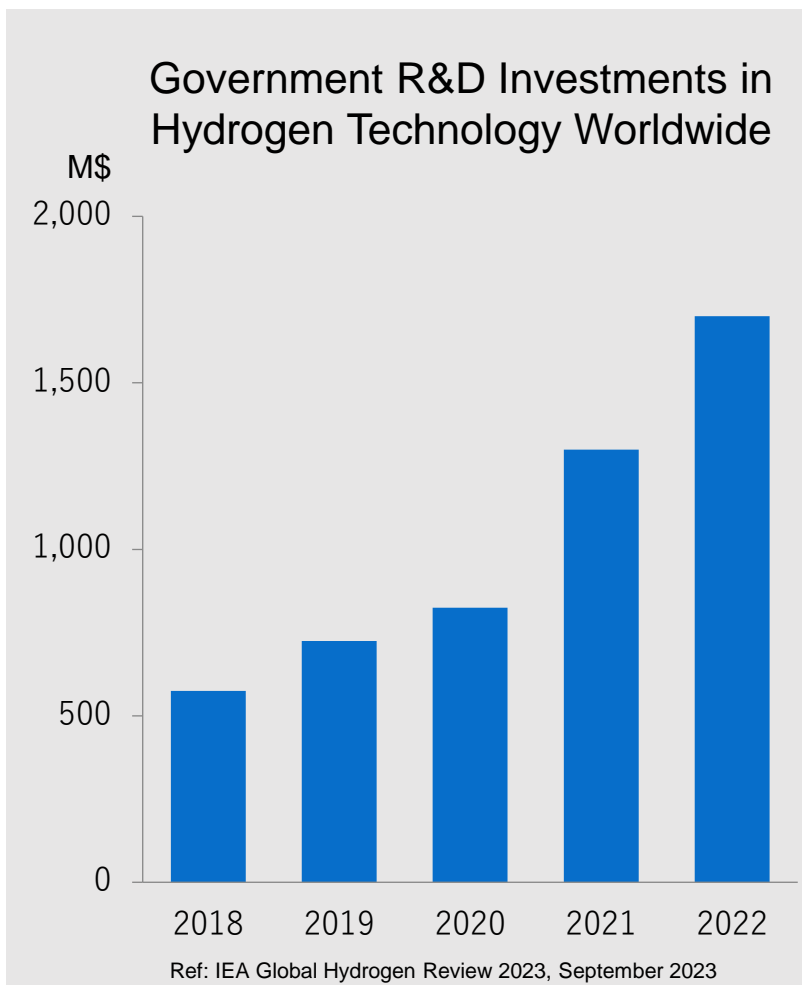
In May 2024, the TOF-PET device "BresTome" for head and breast examinations received FDA approval in the United States. Moving forward, we aim to expand sales not only in Japan but also in the North American market.



## II. Solving Social Issues Through Business

# Initiatives in Hydrogen Energy Research

Establish a system to provide comprehensive support for the hydrogen business.





## II. Solving Social Issues Through Business

# Addressing Marine Microplastic Pollution

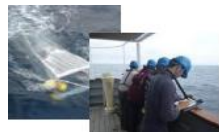
Microplastics pose a concern due to their impact on marine life and their role as carriers of harmful chemicals, affecting the marine environment.

We support the accumulation of scientific knowledge and innovation in this field.

### Measures to Address the Microplastic Pollution

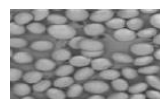
#### Accumulation of Scientific Knowledge

- Monitoring plastic waste
- Estimating marine outflow quantities
- Examining the impact on biological ecosystems



#### Innovation

Promoting biodegradable plastics

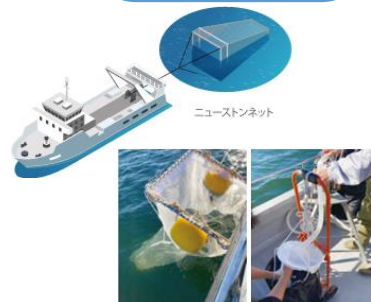


#### Voluntary Initiatives by Stakeholders

Efforts by local governments and community participation in litter collection



#### Sampling



#### Pretreatment

The world's first automated extraction and recovery process for microplastics analysis, aiming for international standardization.



MAP-100  
Automatic  
Microplastics  
Pretreatment  
Unit

### Understanding the Biodegradation Mechanism of Developing Materials

Investigating by using precise mass spectrometry for relative quantification techniques of degradation products

Marine biodegradable polymers

Monomers ○  
Dimers ○○  
Trimers ○○○  
Tetramers ○○○○  
⋮  
n-mers ○○○○○○

### Observation, Analysis, and Measurement





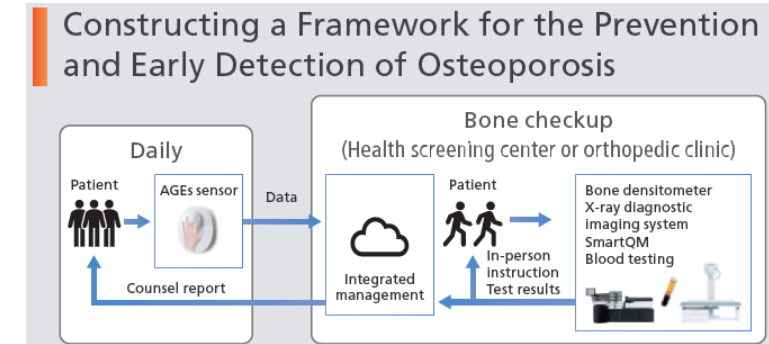
## II. Solving Social Issues Through Business

# Realizing ‘Vibrant and Healthy Longevity’

Actively engage in co-creation to develop innovative technologies and products, as well as to implement new services in society.

## The Jikei University

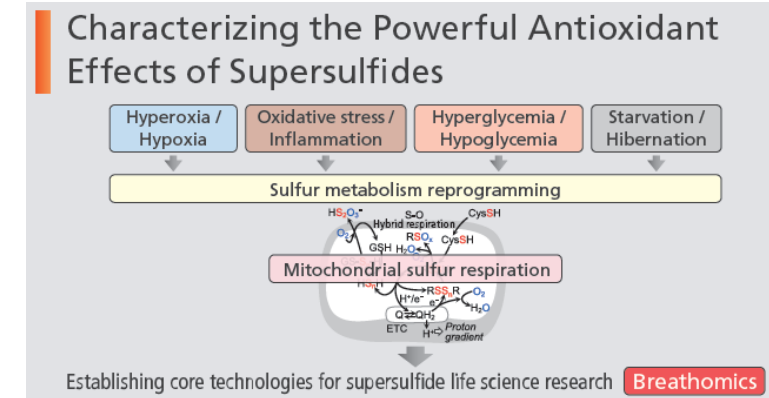
- ◆ In December 2021, we signed a five-year comprehensive collaboration agreement with the Jikei University to research and develop cutting-edge technologies in the clinical field. We are advancing the exploration of clinical needs, promoting joint research, and fostering human resource development, all focused on bone health.



## Shimadzu × Tohoku University Supersulfides Life Science Co-Creation Research Center

- ◆ In March 2024, we established the “Shimadzu × Tohoku University Supersulfides Life Science Co-Creation Research Center” with Tohoku University. By identifying the properties of supersulfides involved in the aging mechanism of biological organisms, the collaboration is intended to contribute toward establishing diagnostic and treatment methods for a variety of diseases and developing foods with functional benefits.

- ✓ Supersulfides...substances with sulfur bound to an organic compound, such as amino acids present in blood or body organs. Due to their powerful antioxidant properties, they are thought to help control the function of reactive oxygen.



## Changi General Hospital, Singapore



- ◆ In the jointly established Shimadzu-CGH Clinomics Centre (SC<sup>3</sup>), we began **clinical testing to identify primary aldosteronism**, a treatable form of hypertension in Singapore, using LCMS in February 2023.





# Achieving Carbon Neutrality

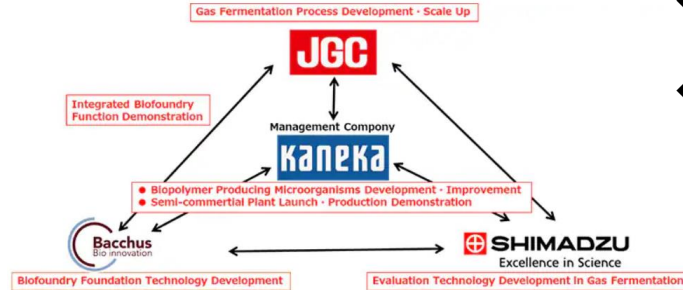
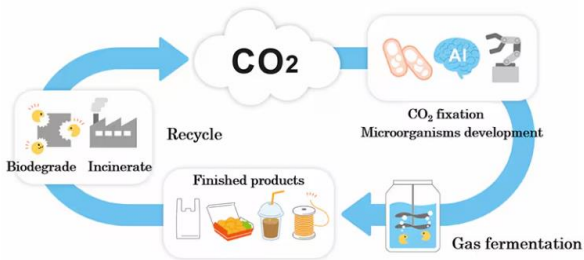
## Japan Science and Technology Agency Center of Innovation-Next Program to establish facilities for recycling resources based on establishing a net-zero carbon biotechnology industry



- ◆ In March 2022, we participated alongside Kyoto Prefecture, Kyoto University startup Symbiobe Inc., and others in an initiative to utilize marine photosynthetic bacteria that fix carbon dioxide and nitrogen from the atmosphere.
- ◆ By converting air into resources while reducing greenhouse gases, the initiative aims to produce high polymer materials and agricultural fertilizers.

## Development of Polymer Synthesis Technology by Microorganisms using CO<sub>2</sub> as Direct Raw Material

Recycling-oriented Biomufacturing Technology



- ◆ We are working on developing high-speed productivity evaluation technology essential for building a biofoundry.
- ◆ This includes measuring gas fermentation in semi-commercial plants and developing a system to evaluate safe and highly efficient fermentation.

## Collaborative Research Achievements with Total Energies, University of Pau (France), and University of Oviedo (Spain)

- ◆ We have co-developed the world's first element-selective GCMS that can selectively and efficiently detect oxygen- and nitrogen-containing components specific to biofuels, which affect the quality of sustainable aviation fuel (SAF).



**ELEM-SPOT**  
Element Selective Gas Chromatograph  
Mass Spectrometer

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## IV. Closing Remarks



## III. Responsible Activities as a Member of Society

# Environment: Efforts Toward Future Environmental Management

## FY2023-FY2025 Shimadzu Group Environmental Management Policy

### 1. Ensure Implementation of Environmental Management: Thorough Compliance with Environmental Laws

(1) Promotion of activities to achieve zero violations of environmental laws

(2) Improving waste-related performance

Maintain at least 99.6% recycling rate at domestic development and manufacturing sites (since FY2023)

### 2. Creation of Decarbonized Society

(1) Reduction of CO<sub>2</sub> emissions from Group sites and suppliers

**Shimadzu Group CO<sub>2</sub> Emissions**

49,000 tons (FY2017) → 13,000 tons (FY2022) → 10,000 tons (FY2025)

(2) Enhancement of TCFD-related information disclosure

(3) Contribution to solving GI issues

(4) Promotion of eco-friendly products

### 3. Transition to the Circular Economy

(1) Promotion of adoption of sustainable materials in products

0 case (FY2022) → 10 cases (FY2025)

(2) Increase product life and promote recycling

(3) Development of microplastics evaluation technology and proposal for international standardization (ISO)

### 4. Toward Biodiversity Conservation

Promotion of forest development activities at the Sanjo Plant and Nantan City  
The Sanjo Plant 'Shimazu Forest'  
JHEP Certification AAA Renewal (FY2025).

Start of TNFD-related information (started in FY2023).

### 5. Improved External Evaluation

Nikkei SDGs

Maintaining S+ Environmental Value (since FY2023)

CDP evaluation

Maintaining Climate Change A- (since FY2023)  
Water B to A- (by FY2025)  
Targets validated at the SBT 1.5°C level (FY2022)

### Strengthening the Global Structure:

Promoting Environmental Management throughout the Shimadzu Group

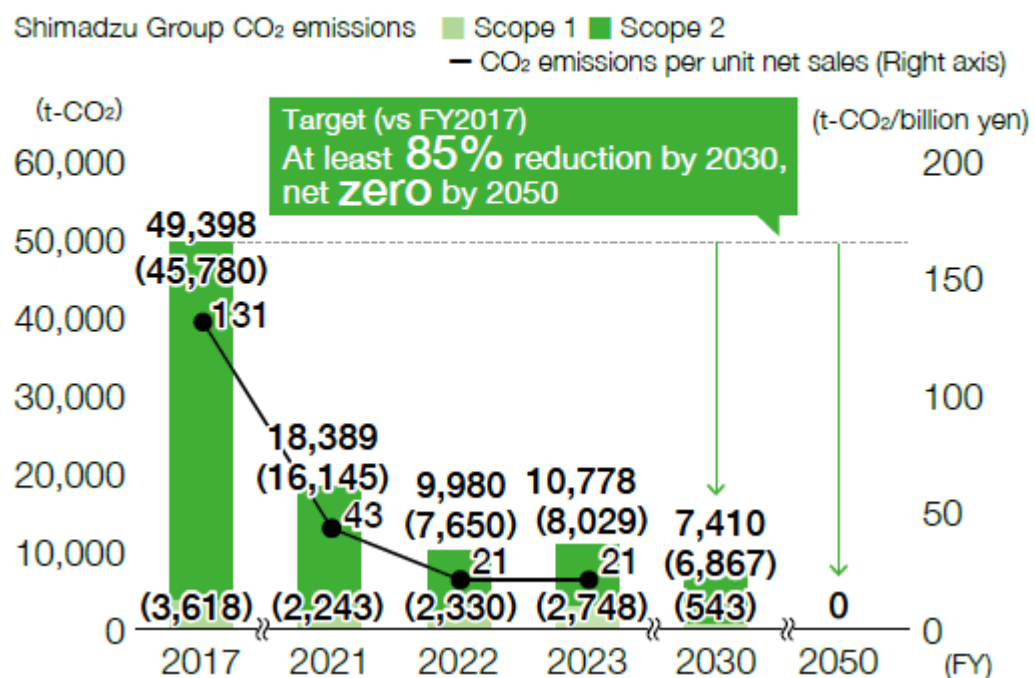


### III. Responsible Activities as a Member of Society

## Environment: CO<sub>2</sub> Reduction

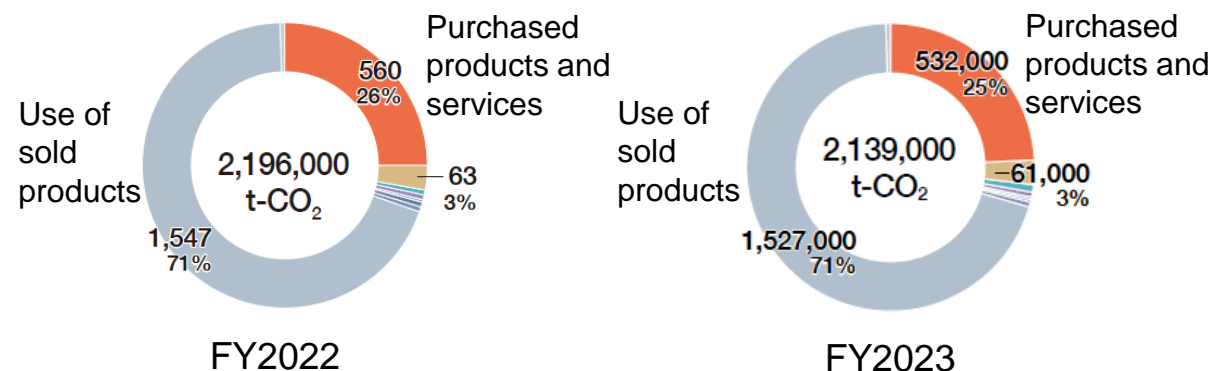
We aim to achieve net-zero CO<sub>2</sub> emissions from our group's business activities by 2050. Our interim targets are to reduce CO<sub>2</sub> emissions by more than 85% by FY2030 and more than 90% by FY2040 compared to FY2017 levels. Also, we aim to reduce CO<sub>2</sub> emissions during the use of products sold by our Group by more than 30% by FY2030 compared to FY2020 levels.

### CO<sub>2</sub> Emissions (Worldwide Shimadzu Group) (Scope 1, 2)



In FY2023, we achieved a 78% reduction compared to FY2017 levels.

### Scope 3



### Major climate change initiatives we participate in



Endorsement of TCFD



SBT Certification (1.5°C level)



Membership in RE100



### III. Responsible Activities as a Member of Society

## Environment: Response to TCFD

### Impact on Shimadzu based on climate change scenarios

- As we provide products and services across various industrial sectors, the risk of a significant financial impact due to the downsizing of a specific industry is minimal.
- By appropriately capturing opportunities related to climate change, we aim to achieve sustainable growth and maintain resilience against climate change.

### Transition plan towards a decarbonized society

#### Climate change mitigation:

- Pursue efforts through business activities to meet the 1.5°C target.
- Set and promote CO<sub>2</sub> emission reduction targets.
- Monitor and supervise under climate change governance (with regular reviews and updates).

#### Capturing and maximizing opportunities:

- Strategically develop and supply products that contribute to customers' decarbonization efforts, leading to sustainable growth.
- Strengthen development infrastructure and supply systems to respond to changes in product demand.

### Policies and Plans for Shimadzu Group's Business Domains

(For details, refer to the Integrated Report 2024)

Business Domain	Policies and Plans for Shimadzu Group	
Green	Bio-Manufacturing	Establish and standardize quality evaluation methods in the biofuel sector. Provide evaluation methods and related analytical & measuring solutions for biodegradable plastics.
	Energy	Provide various chromatographs for quality control analysis in hydrogen production processes and oil production from microalgae. Offer gas chromatographs and elemental analyzers for quality control in the expanding bioethanol market.
	Environment and Regulation	Supply TOC solid sample measurement systems for the development and evaluation of CO <sub>2</sub> -absorbing concrete. Provide surface analysis technology and powder evaluation technology for the R&D of CO <sub>2</sub> adsorbents. Offer gas chromatographs for evaluating methanol and other products generated from CO <sub>2</sub> .
Materials	Next-Generation Mobility and Materials	Contribute to the development and quality control of all-solid-state batteries with X-ray evaluation technology and gas chromatography for evolved gas analysis. Support the strengthening and lightening of materials with material testing machines and surface analysis technology.
Industry	Semiconductors	Develop and establish production systems for turbomolecular pumps essential for the manufacturing of semiconductors, flat panel displays, and smart device screen films, achieving the world's No.1 market share.
	Industrial Machinery	Promote the development of glass fiber winding machines for wind turbine blades and the introduction of high-efficiency gear pumps compatible with biodegradable resins.



### III. Responsible Activities as a Member of Society

## Environment: Response to TNFD

#### Risks considered to have high financial impact in business activities

Risk Category	Nature-Related Risks
Physical (Acute/Chronic)	Costs incurred and revenue loss due to disasters such as floods at business sites.
	Increased raw material procurement costs due to disasters such as floods at supplier sites.
	Costs incurred and revenue loss due to operational interruptions or relocations caused by water resource shortages at business sites.
Transition (Policy)	Costs incurred and revenue loss due to operational interruptions or relocations caused by stricter regulations on water usage, etc.
	Increased costs to comply with stricter regulations on the use of chemicals with high environmental hazards.
	Costs incurred to comply with stricter regulations on the use of plastics.
Transition (Market)	Increased raw material procurement costs due to stricter financing requirements in the supply chain.
Transition (Liability)	Costs incurred for fines and remedial actions due to pollution incidents.
Transition (Reputation)	Costs incurred due to deteriorating local reputation caused by water usage or water pollution issues.

#### Main actions

Expansion of factory greenbelts to reduce flood risk

Supplier engagement activities

Promotion of initiatives to reduce environmental impact of products

Substitution of highly hazardous chemicals

Establishment of self-management standards for factory wastewater

Regular water quality monitoring

Development of new measurement methods to meet the arising demand for analytical & measuring instruments with new regulations

#### Opportunities considered to have high financial impact in business activities

Opportunity Category	Nature-Related Opportunities
Sustainability Performance Opportunities: (Ecosystem Protection, Restoration, and Regeneration)	Reduction in disaster response costs due to the restoration of forest and river functions around our and our suppliers' sites, mitigating wind and water damage through ecosystem protection, restoration, and regeneration.
	Stabilization and reduction of water resource procurement costs due to the recovery of water quantity and quality through ecosystem protection, restoration, and regeneration.
Business Performance: (Products and Services)	Increased revenue due to rising demand for environmental monitoring and sampling equipment to comply with regulations.
	Increased revenue due to rising demand for environmentally friendly products.

# Social: Strategies for Future Talent Development and Acquisition



Achieving sustainable growth and enhanced employee engagement for the Shimadzu group



## Common Talent Management Foundation across the Group

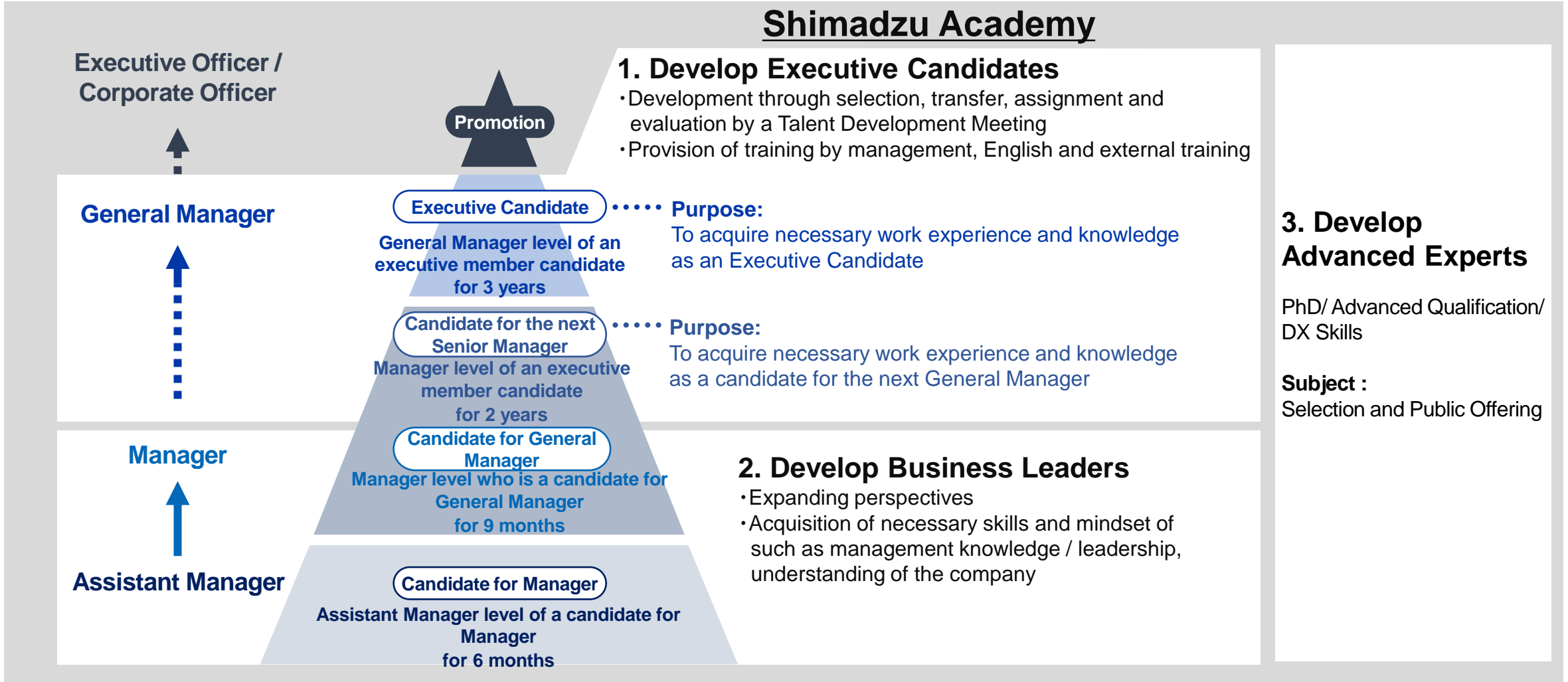




III. Responsible Activities as a Member of Society

# Social: Training Examples

To achieve business strategies and strengthen the management foundation, we promote talent development through the Shimadzu Academy.

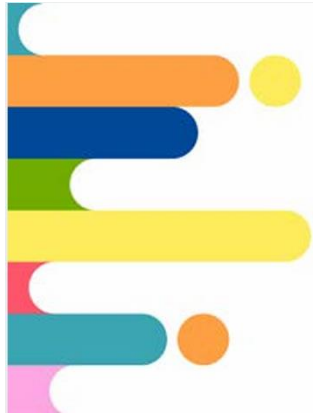






### III. Responsible Activities as a Member of Society

## Social: Promoting Diversity Management



### Embrace Differences, Include One and All

#### Acknowledge and Embrace Differences

The Shimadzu Group includes colleagues with a wide variety of organizational affiliations, perspectives, value structures, experiences, and specializations. We welcome such employee diversity. Our aim is to fully utilize that diversity in order to continue solving challenges in society based on innovation generated in partnership with all stakeholders. Therefore, we will use DE&I to establish an environment where each employee can feel they are contributing to society and Shimadzu and can feel proud to be a member of the Shimadzu Group.



#### Development and Career Support for Female Leaders

**Shimadzu Women Next Career Design Training:**  
Training program targeted at women who are on the verge of becoming managers.

**Supportive Environment for Women:**  
Established a supportive environment for women to thrive, including flexible work hours, telework, annual leave in hourly units, and a wide range of support systems for childbirth and childcare.

Percentage of female managers

FY2023  
**11.1%** → FY2030 Target  
**15%** or above

Percentage of female employees taking childcare leave\*

**100%** for **6<sup>th</sup>** consecutive years

Rate of female employees returning from childcare leave\*

**100%** for **3<sup>rd</sup>** consecutive years

Percentage of male employees taking childcare leave\*

FY2020  
**22.7%** → FY2023  
**65.5%**

\*Non-consolidated



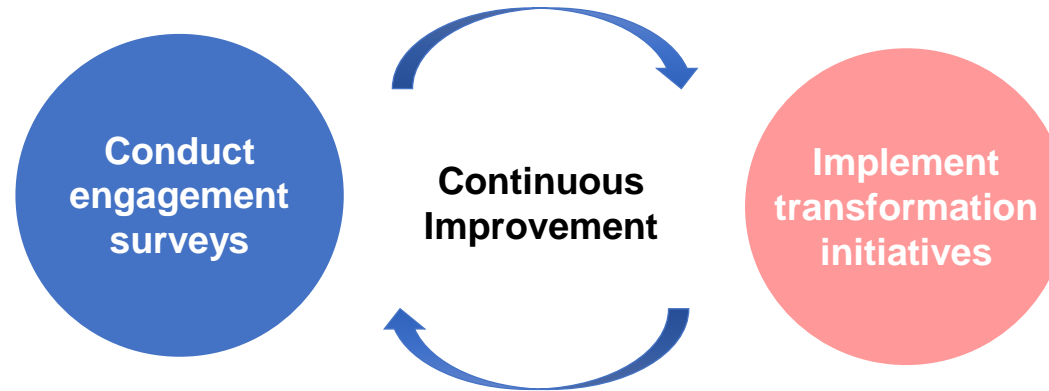
III. Responsible Activities as a Member of Society

# Social: Employee Engagement

**Visualizing data through employee engagement\* to lead innovation and solve social issues with diverse partners, ensuring the sustainability and growth of Shimadzu group's business activities (using Qualtrics XM)** \*Defined as employees who resonate with the company's policies and strategies, take pride in their work, and engage proactively.

Transformation Implementation  
⇒ Measuring Effectiveness

Measure the effectiveness of transformation initiatives using engagement as an indicator.



Current Assessment  
⇒ Transformation Implementation

Identify and address factors hindering engagement.

Theme	Positive Response Ratio	Score (Average Value)
Engagement	<ul style="list-style-type: none"> <li>Attachment and pride in the company: 70%</li> <li>Sense of accomplishment through work: 63%</li> <li>Willingness to contribute proactively: 57%</li> </ul>	<p style="text-align: center;"><b>63%</b></p> <p style="text-align: center;">Higher than the Japanese manufacturing industry average (59%), but below the acceptable level of 65%.</p>

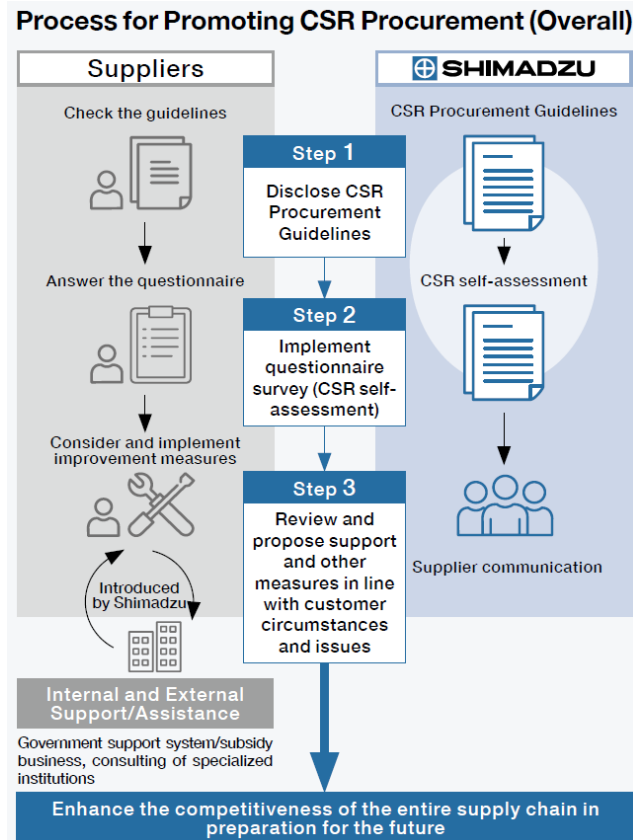
- Targeted participants: Executive and corporate officers, regular employees, senior, contract, and temporary employees of Shimadzu Corporation (excluding seconded and on-leave employees).
- Response rate: 93.3% (3,699 out of 3,964 people).
- Domestic group companies to implement the survey from October 2024 to March 2025; overseas group companies from October 2025 to March 2026.
- Conduct an annual engagement survey to monitor and understand the status and issues of each company and department.

# Social: Supply Chain



## Fundamental Principles of Transactions: Fair Trade, Building Partnerships with Business Partners, and Promoting CSR Procurement

Conduct explanations of the CSR Procurement Guidelines and implement CSR self-assessment surveys.



### Commitment to Human Rights

- Annually publish a statement regarding the UK Modern Slavery Act 2015.
- Sign basic transaction agreements with new business partners that include clauses addressing human rights violations.
- Regularly verify the status of human rights initiatives through CSR self-assessment surveys with existing business partners, focusing on the following key themes:

Topics
Respecting Human Rights
Eliminating Child Labor and Forced Labor
Abolishing Hiring and Occupational Discrimination
Permitting Freedom of Association and Collective Bargaining Rights
Maintaining Appropriate Working Conditions
Preventing Corruption and Rejecting Anti-Social Elements



# Governance: Strengthening Group Governance Structure

Strengthening Group governance by integrating monitoring, risk management, and internal control with the principle that "compliance takes priority over everything."

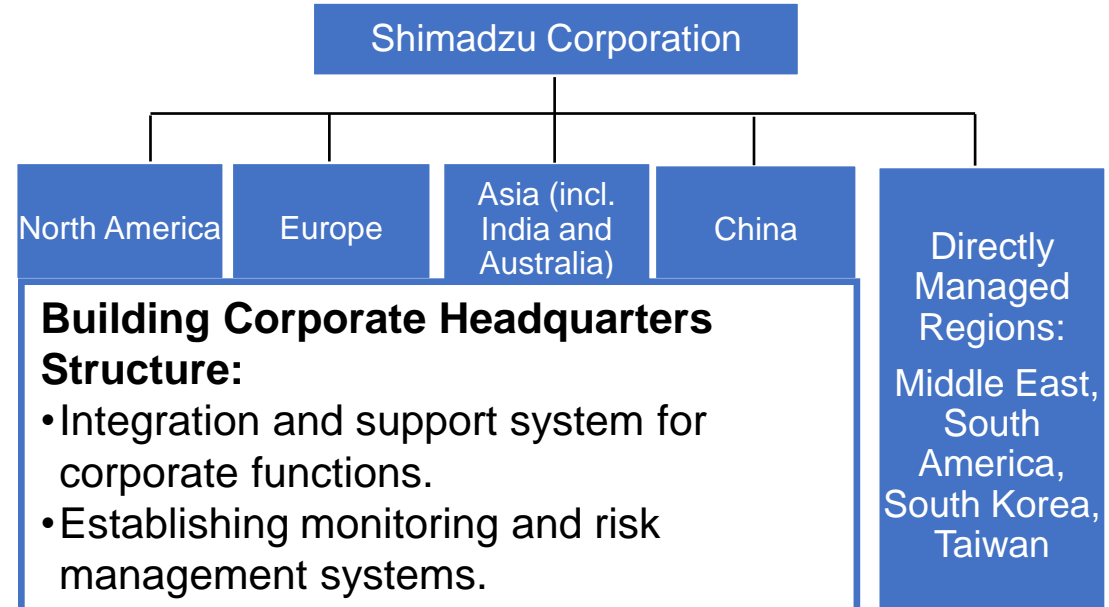
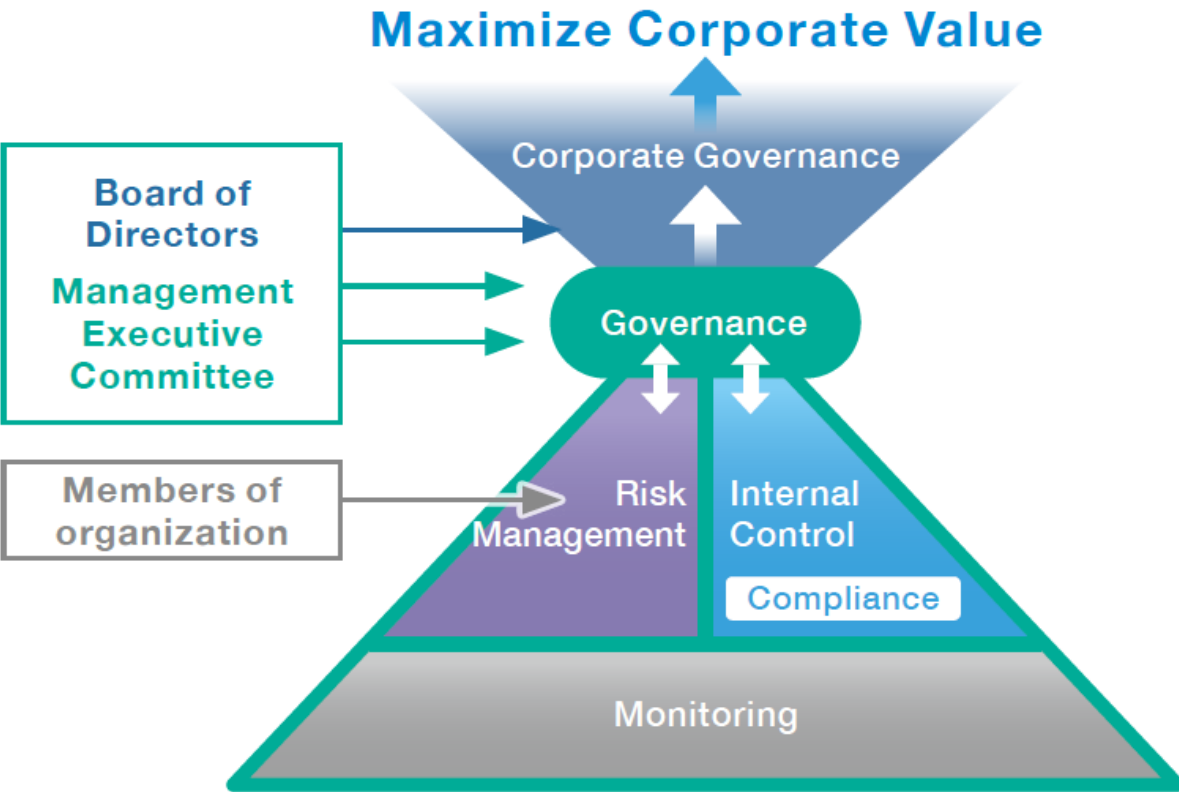


## Revision and Establishment of Rules:

Deploy basic regulations and operational rules related to corporate functions to group companies.



## Establishment of Systems (Headquarters and Each Group Company):



## Talent Development and Education (Team Learning)



# Strengthening Corporate Governance: Board of Directors

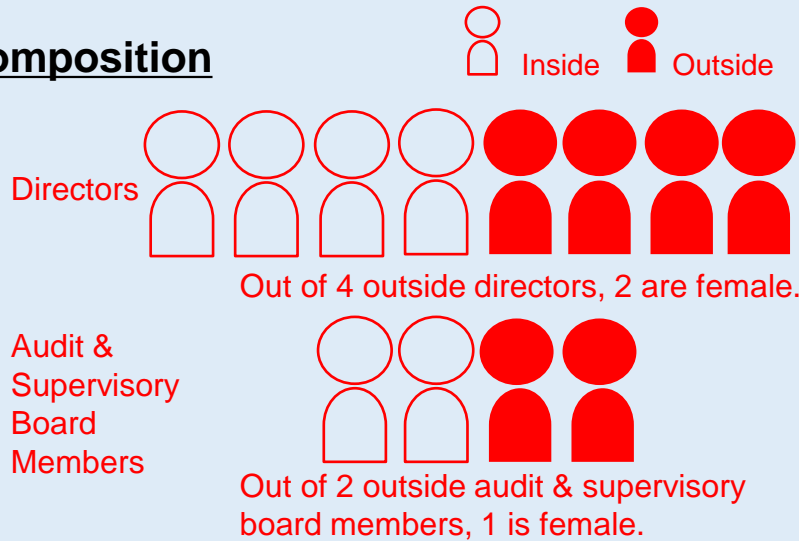
## Structure

Diverse composition, ensuring transparency and objectivity in management.

### Board of Directors Composition

Ratio of Outside Directors :

**50%**



### Appointment & Compensation Committee

**Chairperson: An Outside Director**

**Ratio of Outside Directors: 2 / 3**



## Results of the Effectiveness Evaluation\*

- Board of Directors Composition:**  
 The structure of having a board of 12 members, with half being outside directors, is viewed positively.
- Board of Directors Operations:**  
 While there have been improvements in the allocation of discussion time and meeting materials, there is still room for further improvement, such as reducing the number of pages and enhancing the quality of summaries.
- Roles and Responsibilities of the Board of Directors:**  
 The roles and responsibilities of the Board of Directors are being appropriately fulfilled.
- Self-Evaluation of Directors:**  
 Directors understand the fundamental principles and engage in active discussions utilizing their diverse backgrounds, demonstrating effectiveness.
- Support and Collaboration for Directors and Auditors:**  
 Information sharing and mutual understanding between outside directors and auditors are appropriately conducted. Opportunities for outside officers to exchange opinions with accounting auditors and the internal audit department are ensured, but there is a lack of sufficient information sharing.
- Dialogue with Shareholders and Investors:**  
 There are challenges in providing information regarding the company's dialogue with shareholders and institutional investors.

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## IV. Closing Remarks

# Closing Remarks



Genzo Shimadzu Sr.

Genzo Shimadzu Jr.

We continuously listen to the demands of our stakeholders and will celebrate the **150th anniversary** of our founding by Genzo Shimadzu Sr. in March 2025. Moving forward, we will strive to enhance our core mission by pursuing planetary health together with our global partners, based on our:

**Corporate Philosophy:  
Contributing to Society through Science and Technology**

**Management Principle:  
Realizing Our Wishes for the Well-being  
of Mankind and the Earth**

**Shimadzu Group Sustainability Charter**

# Introduction to the Integrated Report 2024



Based on feedback received for the 2023 edition, we have created the 2024 edition. The Integrated Report 2024 PDF version is available on our website. Please take a moment to read it.



2024 Edition	Content: 142 pages in total
Introduction	Editorial Policy; Table of Contents; Business Overview; Financial and Non-Financial Highlights
Message from the President	Message from the President
Story of Sharing Values and Collaboration	Shimadzu's Values; Sustainability Management and Materiality; History of Creating Value; Cultivated Strength; Process of Sharing Values and Collaboration; Shimadzu Management Resources; Business Models for Sharing Values and Collaboration
Medium-Term Management Plan	Review of the Previous 3 Medium-Term Management Plans; Current Medium-Term Management Plan (incl. Progress of Five Business Strategies, Launching the Sales & Marketing Division, and Message from the Director in Charge of Corporate Marketing); Divisions Supporting 5 Business Strategies; Progress of Strengthening 7 Management Foundations
ESG Key Policies	Promoting Environmental Management; Health Management; Health & Productivity Management Alliance; Customer Satisfaction (CS); Supply Chain Management; Corporate Governance
Financial and Corporate Information	Key Financial Data over the Past 11 Years / Key Non-Financial Data over the Past 6 Years; Corporate Profile and Stock Information; Information about Group Companies





Actual results may differ significantly from forecasts about future performance indicated in this document, due to fluctuations in economic conditions, exchange rates, technologies, or various other external factors.

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