

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 10, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: SHIMADZU CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 7701
 URL: <https://www.shimadzu.co.jp>
 Representative: Yasunori Yamamoto, President and Representative Director
 Inquiries: Koumei Arakane, Corporate Officer, General Manager, Finance and Accounting Dept.
 Telephone: +81-75-823-1128
 Scheduled date of annual general meeting of shareholders: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Scheduled date to file annual securities report: June 27, 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 fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(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	%
Fiscal year ended								
March 31, 2024	511,895	6.1	72,753	6.6	76,895	8.5	57,037	9.6
March 31, 2023	482,240	12.6	68,219	6.9	70,882	8.1	52,048	10.1

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥85,433 million [49.8%]
 For the fiscal year ended March 31, 2023: ¥57,041 million [(0.2)%]

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	193.54	–	12.5	11.9	14.2
March 31, 2023	176.64	–	12.9	12.0	14.1

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	673,962	492,335	73.1	1,670.49
March 31, 2023	618,869	423,499	68.4	1,437.19

Reference: Equity
 As of March 31, 2024: ¥492,331 million
 As of March 31, 2023: ¥423,499 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	30,127	(15,998)	(21,098)	159,234
March 31, 2023	48,303	(34,509)	(19,418)	153,734

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	–	22.00	–	32.00	54.00	15,920	30.6	4.0
Fiscal year ended March 31, 2024	–	24.00	–	36.00	60.00	17,688	31.0	3.9
Fiscal year ending March 31, 2025 (Forecast)	–	26.00	–	36.00	62.00		31.5	

Note: For dividends, please refer to the “Notice Regarding Dividends of Surplus” announced today (May 10, 2024).

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	525,000	2.6	76,000	4.5	77,000	0.1	58,000	1.7	196.80

Note: For matters related to the above forecast, please refer to page 6, “Consolidated Outlook.”

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2024	296,070,227 shares
As of March 31, 2023	296,070,227 shares

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

As of March 31, 2024	1,348,202 shares
As of March 31, 2023	1,399,245 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	294,709,021 shares
Fiscal year ended March 31, 2023	294,666,450 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	242,144	(1.1)	36,321	(6.9)	51,010	1.0	42,465	4.7
March 31, 2023	244,955	9.1	39,010	11.7	50,524	11.5	40,543	12.4

Fiscal year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	144.09	—
March 31, 2023	137.59	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	403,245	292,508	72.5	992.49
March 31, 2023	394,866	264,614	67.0	898.00

Reference: Equity

As of March 31, 2024: ¥292,508 million
As of March 31, 2023: ¥264,614 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

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 6, "Consolidated Outlook."

Table of Contents

1. Operating Results.....	2
(1) Consolidated Overview	2
(2) Overview of Financial Status	8
(3) Dividend Policy and Dividends for the Fiscal Year Ended March 31, 2024 and the Fiscal Year Ending March 31, 2025	9
2. Basic Stance on Selecting Accounting Standards	10
3. Consolidated Financial Statements and Significant Notes Thereto	11
(1) Consolidated Balance Sheets.....	11
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	13
(3) Consolidated Statement of Changes in Equity	15
(4) Consolidated Statement of Cash Flows	17
(5) Notes on Consolidated Financial Statements	19
Notes on Going-Concern Assumptions	19
Segment Information	19
Per-Share Information	21
Events After the Reporting Period.....	21
4. Supplemental Information	23

1. Operating Results

(1) Consolidated Overview

<Overview of FY 2023>

During FY 2023, while recovering gradually, the global economy remained uncertain due to continued geopolitical risks such as the protracted Russian invasion of Ukraine and escalating tensions in the Middle East situation, the stagnation of the Chinese economy, and the increase in costs caused by inflation.

Given such a business environment, although the Shimadzu Group was also affected by the slowdown in growth of China business and impact from continued high raw material prices, etc., the Shimadzu Group worked in collaboration with partners around the world to solve challenges in society by operating the four segments of Analytical & Measuring Instruments, Medical Systems, Industrial Machinery, and Aircraft Equipment in the four focus domains of Healthcare, Green, Material, and Industry defined in our Medium-Term Management Plan. In particular, to strengthen our efforts to create new scientific technologies and innovation, we have promoted joint research with universities and private research institutions globally and launched new products and services that help solve societal challenges. We have also made progress in strengthening our management foundations as defined in our Medium-Term Management Plan, including reinforcing group governance, developing human resources, and propelling DX.

Given the above, as business results, in the Healthcare domain, sales of liquid chromatographs and mass spectrometer systems of Analytical & Measuring Instruments increased, particularly in the pharmaceutical field. Sales of angiography systems of Medical Systems also increased. In the Green domain, sales of gas chromatographs and mass spectrometer systems of Analytical & Measuring Instruments increased for the purpose of new energy development and environmental regulation compliance. In the Material domain, sales of testing machines for new material development of Analytical & Measuring Instruments increased. In the Industry domain, sales of turbomolecular pumps and industrial furnaces of Industrial Machinery and sales of items installed on both the defense and commercial aircraft of Aircraft Equipment increased.

Given the above, Shimadzu posted net sales for FY 2023 of 511,895 million yen (a year-on-year increase of 6.1%), reflecting strong performance in Europe and other Asian markets such as India and Southeast Asia, together with the tailwind of the weaker yen. Operating profit was 72,753 million yen (a year-on-year increase of 6.6%) as a result of proactive growth investments in human resources, R&D, and capital expenditures, as well as efforts to improve profitability through price revisions, etc. Ordinary profit was 76,895 million yen (a year-on-year increase of 8.5%), and profit attributable to owners of parent was 57,037 million yen (a year-on-year increase of 9.6%), reaching a record high.

The results for reportable business segments were as follows.

<Sales by Business Segment>

I. Analytical & Measuring Instruments

In the Analytical & Measuring Instruments segment, as a result of designating Healthcare, Green and Material as focus domains and promoting global business development, sales increased both in Japan and outside Japan. Liquid chromatographs and mass spectrometer systems increased in the Healthcare domain due to active drug discovery research mainly in Europe and the U.S. and the domestic production of pharmaceuticals progressing globally, in addition to an expanding clinical examination market positioned in the Med-Tech Business*1. In the Green domain, gas chromatographs increased in relation to climate change countermeasures, especially in the development of new energy sources such as hydrogen, while mass spectrometer systems increased due to stricter environmental regulations. In addition, testing machines increased in the Material domain based on the need to develop new materials for lighter weight and higher strength products as well as recycling.

As a result, net sales in this segment reached a record high of 338,257 million yen (a year-on-year increase of 7.5%). Operating profit was 57,488 million yen (a year-on-year decrease of 0.2%), due to an increase in expenses resulting from the promotion of growth investments.

Net sales broken down by major regions are indicated below.

	FY 2022 (millions of yen)	FY 2023 (millions of yen)	Percent Increase/ Decrease (%)	Overview
Japan	121,137	127,179	5.0	Sales of liquid chromatographs for pharmaceutical applications, mass spectrometer systems for academia, gas chromatographs for new energy development, and testing machines, etc. for new material development increased. A benefit through the second quarter from the new consolidation of Shimadzu Diagnostics Corporation, which became a consolidated subsidiary in September 2022 was included.
North America	33,292	34,123	2.5	Gas chromatographs increased for atmospheric monitoring. Mass spectrometer systems for environmental analysis such as PFAS*2 and high-speed video cameras for academia increased. In addition, supercritical fluid chromatographs developed jointly with major pharmaceutical companies increased. On the other hand, sales of liquid chromatographs for a specific customer decreased.
Europe	32,686	38,864	18.9	Sales of liquid chromatographs and mass spectrometer systems for pharmaceutical and contract analysis applications and gas chromatographs for new energy development increased. In addition, mass spectrometer systems increased for the clinical examination market.
China	74,103	74,746	0.9	Gas chromatographs for new energy development and academia, mass spectrometer systems for clinical examination applications, and a wide range of models for academia increased. There was a reactionary increase from the lockdowns in the previous year, but liquid chromatographs for pharmaceuticals and contract analysis declined, resulting in virtually flat sales as a whole.
Other Asian countries	39,134	45,620	16.6	Sales of liquid chromatographs and mass spectrometer systems for contract analysis and pharmaceutical applications increased in India and Southeast Asia. In addition, sales of mass spectrometer systems for the government sector increased in Southeast Asia.

*1 Med-Tech Business: Business field that combines clinical examination and medical systems within the Healthcare domain

*2 PFAS: per-and polyfluoroalkyl substances

II. Medical Systems

In the Medical Systems segment, as the core business in the Med-Tech field, efforts were made to promote the development of new products and recurring merchandise, improve manufacturing efficiency, and strengthen overseas expansion. However, sales in Japan fell sharply due to a decline in capital investment, and although sales outside Japan increased, overall sales declined.

In Japan, the number of new angiography systems incorporating the world's first AI-based image processing technology increased and are looking promising going forward, but there was impact from a decrease in the supplementary budget and a reactionary decline in large-volume projects. Outside Japan, on the other hand, sales of angiography systems increased due to their low levels of radiation exposure and high image quality.

As a result, the Medical Systems segment posted net sales of 72,303 million yen (a year-on-year decrease of 4.7%), with operating profit of 4,779 million yen (a year-on-year decrease of 13.7%) due to decreased sales and other factors.

Net sales broken down by major regions are indicated below.

	FY 2022 (millions of yen)	FY 2023 (millions of yen)	Percent Increase/ Decrease (%)	Overview
Japan	40,600	34,373	(15.3)	Although sales of angiography systems, new products, increased, sales were affected by a decrease in the supplementary budget, and a reactionary decline in large-volume projects.
North America	10,714	10,619	(0.9)	Sales of new angiography systems that enable efficient one-person operations increased, especially at day surgery facilities, which have been a focus of the segment. On the other hand, sales of fluoroscopy systems and general radiography systems decreased, resulting in a slight decline.
Europe	4,258	4,785	12.4	Sales of angiography systems increased in Eastern Europe through tours of actual equipment and strengthened approaches to physicians.
China	4,946	5,685	14.9	Sales of angiography systems increased due to the establishment of a dedicated team to strengthen sales activities, and sales of new fluoroscopy system products, which are manufactured locally for the Chinese market, increased.
Other Asian countries	7,048	7,279	3.3	Although there was a reactionary decrease from the previous year's large-volume projects for mobile X-ray systems, sales of angiography systems increased significantly in Southeast Asia and India.

III. Industrial Machinery

In the Industrial Machinery segment, sales decreased in Japan, but increased outside Japan, resulting in increased sales as a whole. In Japan, while sales of industrial furnaces for EV ceramic manufacturing and hydraulic equipment for construction machinery increased, sales of turbomolecular pumps for semiconductor manufacturing equipment decreased. Overseas, sales of turbomolecular pumps for use in thin-film manufacturing equipment for producing solar cells and highly energy-efficient construction glass increased due to a rising consciousness toward the environment. By product, sales of turbomolecular pumps and hydraulic equipment reached record highs.

As a result, the Industrial Machinery segment posted net sales of 65,381 million yen (a year-on-year increase of 3.8%), and operating profit of 7,176 million yen (a year-on-year increase of 32.3%) due to the increase in net sales, reaching a new record high.

Net sales broken down by major regions are indicated below.

	FY 2022 (millions of yen)	FY 2023 (millions of yen)	Percent Increase/ Decrease (%)	Overview
Japan	26,818	26,398	(1.6)	Sales of turbomolecular pumps for use in semiconductor manufacturing equipment decreased despite an increase in hydraulic equipment for the construction machinery and industrial furnaces for EV ceramic manufacturing.
North America	8,267	8,548	3.4	While sales of turbomolecular pumps for semiconductor manufacturing equipment decreased, hydraulic equipment for industrial vehicles increased.
Europe	4,173	4,679	12.1	Sales of turbomolecular pumps for use in semiconductor manufacturing equipment and for use in thin-film manufacturing equipment for producing glass used in construction materials increased.
China	17,662	19,343	9.5	Sales of turbomolecular pumps for use in thin-film manufacturing equipment for producing solar cells and construction glass increased due to increased demand for renewable energy. In addition, sales of industrial furnaces for EV ceramic manufacturing increased.
Other Asian countries	5,833	6,100	4.6	Sales of industrial furnaces for ceramic increased.

IV. Aircraft Equipment

In the Aircraft Equipment segment, market conditions in both the defense and commercial aircraft equipment markets improved, and sales increased both in Japan and outside Japan. In Japan, sales in the defense field increased due to increased demand for items installed on aircraft. Overseas, in line with the increase in air passenger demand, airframe production increased further, and sales increased in the commercial aircraft equipment field due to increased demand for spare parts from airline companies.

As a result, the Aircraft Equipment segment posted net sales of 29,465 million yen (a year-on-year increase of 22.8%), and operating profit of 3,714 million yen (a year-on-year increase of 167.3%) due to the increase in net sales and profitability improvement, achieving a significant increase in both sales and profit.

Net sales broken down by major regions are indicated below.

	FY 2022 (millions of yen)	FY 2023 (millions of yen)	Percent Increase/ Decrease (%)	Overview
Japan	17,847	21,159	18.6	Items installed on aircraft increased in the defense field.
North America	5,346	7,312	36.8	Sales increased due to increased production by aircraft manufacturers and increased demand for spare parts for airline companies.

V. Other

Other business segments posted net sales of 6,487 million yen (a year-on-year increase of 37.3%) and operating profit of 1,045 million yen (a year-on-year increase of 74.8%).

<Consolidated Outlook>

The global economy in FY 2024 is expected to remain uncertain, affected by the long-running U.S.-China trade friction, exchange rates and inflation, in addition to continuing geopolitical risks such as the situation in Russia and Ukraine and escalating tensions in the Middle East. At the same time, we recognize that aging populations worldwide, growing health consciousness post-COVID-19, climate change looming close at hand, and major changes brought about by rapidly spreading AI technology are also important issues that must be addressed.

We see these challenges as business opportunities, and we are now in the second year of promoting our Medium-Term Management Plan under the vision of “pursuing the well-being of mankind and the Earth (planetary health).” As we implement the five business strategies and seven measures to strengthen our management foundations set forth in the plan, we are also strengthening our business structure in North America, promoting domestic production in China, and reinforcing our supply chain in manufacturing as a response to geopolitical risks. In addition, we are promoting the training of human resources who use ChatGPT (Shimadzu AI Assistant powered by ChatGPT), our dedicated environment that was launched in the previous fiscal year, to further promote its use. Furthermore, we are developing products that incorporate AI technology into the data analysis process and analytical and medical image diagnostic functions of our products.

Specifically, we will promote the following initiatives based on our Medium-Term Management Plan.

- 1) Transform the organization to a “customer-centric” orientation (domain) and strengthen the management foundation
 - (i) Position strengthening governance as an important management issue, and work to thoroughly implement Group management rules and expand corporate functions.
 - (ii) Through the Sales Division, which reorganized the sales organization by the customer axis, provide one-stop services to customers in the four domains of social value creation (Healthcare, Green, Materials, and Industry).
 - (iii) Capture cutting-edge needs and strengthen product response capabilities based on the R&D Center in North America. In addition, to harden the supply chain, optimize global manufacture, streamline logistics, expand production capacity, reduce lead times, and cut costs.
 - (iv) In addition to growth investments in the four domains of social value creation, actively invest in strengthening development, manufacturing, and DX-related infrastructure. In addition, improve capital efficiency through ROIC.
 - (v) With the aim of visualizing career paths and developing highly specialized human resources, begin operating a new personnel system and promote the development of next-generation management personnel through an executive management development program.

2) Initiatives in the 4 Social Value Creation Domains

(i) Healthcare domain

In the Life Science field, we will position liquid chromatographs and mass spectrometer systems as priority models, mainly in the pharmaceutical and food markets. Under the concept of analytical transformation (AX), all analytical operations from preprocessing to data analysis will be automated by AI and offered as a total solution to support business efficiency and labor saving for customers.

In addition, in the Med-Tech field, we will provide solutions by integrating component analysis and image analysis technologies toward realizing healthy longevity, and promote co-creation with partners to advance research and development related to infectious diseases and Alzheimer’s disease.

(ii) Green domain

We will promote the development of gas chromatographs and other products in the fields of new energy development, including hydrogen, and greenhouse gas (GHG) measurement. We will also jointly develop a new product with major French oil company TotalEnergies and other

companies for use in quality control of biofuels. In addition, we will work to develop solutions in the biomanufacturing business by utilizing Japan's Green Innovation Fund. In the environmental field, we will promote our response to the analysis of per- and polyfluoroalkyl substances (PFAS), an area of growing global interest.

(iii) Material domain

We will promote the development of automated analytical & measuring instruments and equipment that support the development of new materials based on new needs, including electric and flying vehicles, as well as recycled and reused materials that enable the circular economy. Also, we will enhance complex measurement and analysis using informatics.

(iv) Industry domain

In the semiconductor market, which continues to be active due to developments such as generative AI, we will maintain the top share of turbo molecular pumps, which are indispensable for semiconductor manufacturing, and aim to provide new value to improve the efficiency of manufacturing processes.

3) Co-creation with Partners

Through co-creation with partners around the world including in Japan, we are engaged in research and development and human resource development that lead to solving social issues.

Overseas, we are promoting the support of open innovation within universities through the Shimadzu Partnership for Academics, Research and Quality of Life (SPARQ), a research partnership program with seven universities in North America; support for research on near-infrared photoimmunotherapy of cancer (NIR-PIT) at the National Cancer Institute in the United States; research and development on extending healthy life expectancy at the University of Washington; and a blood testing project at Changi General Hospital in Singapore, among other initiatives.

Also in Japan, we are engaged in a number of co-creation programs, including a joint cohort study on Alzheimer's disease in Ebetsu, Hokkaido; research on bone health at Jikei University; research on pharmaceuticals and functional foods, etc. in the Shimadzu Collaboration Lab at Waseda University; research on infectious diseases and other topics with Nagasaki University in the Shimadzu Nagasaki Collaboration Lab; and research on anti-aging pharmaceuticals and foods in the Supersulfides Life Science Co-creation Research Center at Tohoku University.

In addition, we are promoting a program to develop highly specialized human resources with doctoral degrees through industry-academia cooperation, including Osaka University.

4) Expand Recurring Business

We are working to expand recurring business through enhancement of both services and consumables such as reagents. For enhancement of services, we are starting a multi-vendor service (*) in our North America analytical business, and are also strengthening the service structure of our North America medical business. In addition to working to expand software compliant with clinical regulations through a Group company Biomaneo of France (France), we will expand the consumables business throughout the Group, including Shimadzu Diagnostics Corporation.

* A form of service that provides repair and maintenance for all equipment in use by customers without selecting manufacturer.

5) Create new businesses and strengthen development capabilities

We have designated advanced analysis, innovative biotechnology, the five senses of the brain, and AI as our focus domains, and are promoting research and development in these areas. In addition, through the activities of the Shimadzu Future Innovation Fund, a corporate venture capital fund, we will also work to acquire innovative technologies and create new businesses in collaboration with start-ups.

In addition, with the aim of strengthening development capabilities, we will expand the application of agile development and introduce concurrent development utilizing our global development bases.

We will also continue to promote the development of digital human resources for the use of AI and DX.

6) Environmental and Health Management

In environmental management, we are working to reduce CO2 emissions, adopt sustainable materials in our products, and engage in reforestation and tree-planting activities in order to build a decarbonized society and transition to a circular economy, both in terms of our business and its contribution to the environment and society.

In health management, in addition to reducing the risk of lifestyle-related diseases and the practical application of Femtech, we will work to improve the health of our employees and their families through the use of in-house technologies such as the breast PET scanner and mild cognitive impairment (MCI) testing. In addition, we will also work to give back to society as a member of the Health & Productivity Management Alliance.

Based on the above, the consolidated earnings forecast for the fiscal year ending March 2025 is indicated below.

(Millions of yen)

	FY 2024 Consolidated Earnings Forecast	Year-on-Year Percent Increase/ Decrease
Net Sales	525,000	2.6%
Operating Profit	76,000	4.5%
Ordinary Profit	77,000	0.1%
Profit Attributable to Owners of Parent	58,000	1.7%

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) Overview of Financial Status

<Assets as of March 31, 2024>

As of March 31, 2024, inventories increased by 13,677 million yen, notes and accounts receivable - trade, and contract assets increased by 13,565 million yen, investments and other assets increased by 13,043 million yen, and cash and deposits increased by 6,438 million yen compared to the end of the previous year. Consequently, total assets increased by 55,092 million yen to 673,962 million yen. Net assets increased by 68,836 million yen to 492,335 million yen due to a 40,333 million yen increase in retained earnings.

<Cash Flows>

Cash and cash equivalents as of March 31, 2024 increased by 5,499 million yen, compared to the end of the previous year, to 159,234 million yen.

The cash flow status for FY 2023 is described below.

I. Cash Flows from Operating Activities

Cash flow from operating activities resulted in an inflow of 30,127 million yen, which is an 18,175 million yen decrease from the previous year. The primary cash flows include a 14,972 million yen decrease from changes in trade payables, a 12,193 million yen decrease from changes in contract liabilities, and a 9,008 million yen increase from changes in inventories.

II. Cash Flows from Investing Activities

Cash flow from investing activities resulted in an outflow of 15,998 million yen, which is an 18,510 million yen decrease from the previous year. The primary cash flows include a 15,502 million yen outflow from capital equipment investment.

III. Cash Flows from Financing Activities

Cash flow from financing activities resulted in an outflow of 21,098 million yen, which is a 1,679 million yen increase from the previous year. The primary cash flows include a 16,492 million yen outflow from dividends paid and a 4,798 million yen outflow from repayments of lease liabilities.

<Trend in Cash Flow Indices>

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Equity Ratio (%)	69.2	67.4	68.0	68.4	73.1
Equity Ratio on a Market Value Basis (%)	191.5	237.2	222.6	197.1	185.0
Years of Debt Redemption (years)	0.1	0.0	0.0	0.0	0.1
Interest Coverage Ratio (times)	382.9	353.3	336.3	171.7	102.6

Note: Equity Ratio = (Net assets – Non-controlling interests)/Total assets

Equity Ratio on a Market Value Basis (%) = Total market value of shares/Total assets

Years of Debt Redemption = Interest-bearing debt/Cash flow from operating activities

Interest Coverage Ratio = Cash flow from operating activities/Interest payment

1. All indices were calculated on a consolidated basis.
2. The total market value of shares was calculated as the product of year-end share price and the number of year-end outstanding shares (after deduction of treasury stock).
3. The cash flow from operating activities indicated on the consolidated statements of cash flows was used as the cash flow from operating activities. Interest-bearing debt includes short-term loans, long-term debt, commercial paper, and unsecured bonds, from liabilities indicated on the consolidated balance sheet. Interest payment indicates the interest paid, as reported in consolidated statements of cash flows.

(3) Dividend Policy and Dividends for the Fiscal Year Ended March 31, 2024 and the Fiscal Year Ending March 31, 2025

Shimadzu views the return of profits to shareholders as a key management objective, and our basic policy is to maintain a dividend payout ratio of 30% or more and to provide continuous shareholder returns while taking into account earnings performance and cash flow. In addition, internal reserves will be used to ensure financial soundness for sustainable growth, while also focusing on investments for growth in the social value creation domain and the reinforcement of human resources, development, manufacturing, and DX-related platforms.

A year-end dividend of 32 yen per share was paid for the fiscal year ended March 31, 2023, but we plan to pay a year-end dividend of 36 yen per share for the fiscal year ended March 31, 2024. Combined with the interim dividend of 24 yen per share, that will result in a total annual dividend of 60 yen per share, which is an increase of 6 yen compared to the previous year.

For the fiscal year ending March 31, 2025, we currently plan to pay an interim dividend of 26 yen and a year-end dividend of 36 yen per share, for a total annual dividend of 62 yen per share, an increase of 2 yen from the previous fiscal year.

2. Basic Stance on Selecting Accounting Standards

The Shimadzu Group currently presents its consolidated financial statements based on Japanese accounting standards to facilitate comparison with results from other years and comparison with the results of other companies.

Regarding International Financial Reporting Standards (IFRS), we will take appropriate measures based on various circumstances in and outside Japan.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	158,847	165,285
Notes and accounts receivable - trade, and contract assets	131,242	144,808
Securities	425	–
Merchandise and finished goods	72,332	83,333
Work in process	26,505	26,021
Raw materials and supplies	29,257	32,418
Other	15,115	17,119
Allowance for doubtful accounts	(2,217)	(2,049)
Total current assets	431,509	466,936
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	54,954	55,326
Machinery, equipment and vehicles, net	8,823	9,305
Land	22,040	22,408
Leased assets, net	2,108	1,951
Construction in progress	2,124	4,284
Other, net	22,942	25,287
Total property, plant and equipment	112,992	118,564
Intangible assets		
Goodwill	4,947	5,220
Other	12,015	12,793
Total intangible assets	16,963	18,013
Investments and other assets		
Investment securities	15,145	17,621
Long-term loans receivable	174	205
Retirement benefit asset	21,818	36,247
Deferred tax assets	15,692	10,946
Other	4,941	5,498
Allowance for doubtful accounts	(368)	(71)
Total investments and other assets	57,403	70,447
Total non-current assets	187,360	207,025
Total assets	618,869	673,962

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	66,713	52,400
Short-term borrowings	1,400	1,552
Lease liabilities	3,237	3,478
Accounts payable - other	15,928	17,100
Income taxes payable	10,320	8,008
Contract liabilities	50,158	50,221
Provision for bonuses	13,627	13,577
Provision for bonuses for directors (and other officers)	366	435
Provision for share awards	115	–
Other	10,519	11,735
Total current liabilities	172,387	158,511
Non-current liabilities		
Long-term borrowings	132	66
Lease liabilities	6,499	6,818
Provision for retirement benefits for directors (and other officers)	141	161
Retirement benefit liability	14,222	14,158
Provision for share awards	–	35
Other	1,986	1,874
Total non-current liabilities	22,982	23,115
Total liabilities	195,370	181,626
Net assets		
Shareholders' equity		
Share capital	26,648	26,648
Capital surplus	34,910	34,910
Retained earnings	336,066	376,400
Treasury shares	(1,210)	(1,109)
Total shareholders' equity	396,415	436,850
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,829	8,203
Foreign currency translation adjustment	15,656	31,441
Remeasurements of defined benefit plans	5,597	15,834
Total accumulated other comprehensive income	27,084	55,480
Non-controlling interests	–	4
Total net assets	423,499	492,335
Total liabilities and net assets	618,869	673,962

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	482,240	511,895
Cost of sales	281,280	291,053
Gross profit	200,959	220,842
Selling, general and administrative expenses	132,739	148,088
Operating profit	68,219	72,753
Non-operating income		
Interest income	562	1,314
Dividend income	242	300
Insurance claim income	260	310
Subsidy income	506	364
Foreign exchange gains	1,295	2,442
Other	773	922
Total non-operating income	3,640	5,654
Non-operating expenses		
Interest expenses	281	294
Donations	96	101
Other	600	1,116
Total non-operating expenses	978	1,512
Ordinary profit	70,882	76,895
Extraordinary income		
Gain on sale of investment securities	103	268
Gain on sale of non-current assets	79	172
Gain on change in equity	-	17
Insurance claim income	901	-
Total extraordinary income	1,083	457
Extraordinary losses		
Loss on disposal of non-current assets	166	201
Loss on valuation of investment securities	2	182
Loss on sale of investment securities	-	2
Loss on liquidation of business	613	-
Loss on special investigation	351	-
Total extraordinary losses	1,133	386
Profit before income taxes	70,832	76,967
Income taxes - current	21,466	20,399
Income taxes - deferred	(2,682)	(468)
Total income taxes	18,783	19,930
Profit	52,048	57,037
Loss attributable to non-controlling interests	-	(0)
Profit attributable to owners of parent	52,048	57,037

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	52,048	57,037
Other comprehensive income		
Valuation difference on available-for-sale securities	(641)	2,374
Foreign currency translation adjustment	5,563	15,784
Remeasurements of defined benefit plans, net of tax	71	10,237
Total other comprehensive income	4,993	28,396
Comprehensive income	57,041	85,433
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	57,041	85,434
Comprehensive income attributable to non-controlling interests	—	(0)

(3) Consolidated Statement of Changes in Equity
Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,648	34,910	298,758	(1,244)	359,073
Changes during period					
Dividends of surplus			(14,740)		(14,740)
Profit attributable to owners of parent			52,048		52,048
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares				38	38
Decrease by merger					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	37,307	34	37,341
Balance at end of period	26,648	34,910	336,066	(1,210)	396,415

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,471	10,093	5,525	22,090	–	381,164
Changes during period						
Dividends of surplus						(14,740)
Profit attributable to owners of parent						52,048
Purchase of treasury shares						(4)
Disposal of treasury shares						38
Decrease by merger						–
Net changes in items other than shareholders' equity	(641)	5,563	71	4,993	–	4,993
Total changes during period	(641)	5,563	71	4,993	–	42,335
Balance at end of period	5,829	15,656	5,597	27,084	–	423,499

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,648	34,910	336,066	(1,210)	396,415
Changes during period					
Dividends of surplus			(16,509)		(16,509)
Profit attributable to owners of parent			57,037		57,037
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares				108	108
Decrease by merger			(194)		(194)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	40,333	101	40,435
Balance at end of period	26,648	34,910	376,400	(1,109)	436,850

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,829	15,656	5,597	27,084	–	423,499
Changes during period						
Dividends of surplus						(16,509)
Profit attributable to owners of parent						57,037
Purchase of treasury shares						(7)
Disposal of treasury shares						108
Decrease by merger						(194)
Net changes in items other than shareholders' equity	2,374	15,784	10,237	28,396	4	28,400
Total changes during period	2,374	15,784	10,237	28,396	4	68,836
Balance at end of period	8,203	31,441	15,834	55,480	4	492,335

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	70,832	76,967
Depreciation	17,524	18,551
Loss on liquidation of business	613	–
Loss on special investigation	351	–
Insurance claim income	(901)	–
Increase (decrease) in allowance for doubtful accounts	(104)	(729)
Increase (decrease) in provision for bonuses	1,503	(276)
Increase (decrease) in provision for bonuses for directors (and other officers)	(6)	58
Increase (decrease) in net defined benefit asset and liability	(17)	(212)
Interest and dividend income	(804)	(1,614)
Interest expenses	281	294
Foreign exchange losses (gains)	(1,043)	(2,714)
Loss (gain) on sale and valuation of investment securities	(100)	(83)
Loss (gain) on sale and retirement of property, plant and equipment	86	28
Decrease (increase) in trade receivables	(1,052)	(6,902)
Decrease (increase) in inventories	(16,190)	(7,182)
Increase (decrease) in trade payables	(4,228)	(19,200)
Increase (decrease) in contract liabilities	6,830	(5,362)
Other, net	(4,023)	633
Subtotal	69,549	52,254
Interest and dividends received	774	1,646
Interest paid	(281)	(293)
Loss on special investigation paid	(289)	–
Proceeds from insurance income	350	–
Income taxes paid	(21,799)	(23,479)
Net cash provided by (used in) operating activities	48,303	30,127
Cash flows from investing activities		
Proceeds from redemption of securities	–	408
Purchase of non-current assets	(16,838)	(15,502)
Proceeds from sale of non-current assets	515	444
Purchase of investment securities	(1,865)	(374)
Proceeds from sale of investment securities	182	638
Loan advances	(67)	(66)
Proceeds from collection of loans receivable	56	49
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(13,996)	–
Other, net	(2,494)	(1,595)
Net cash provided by (used in) investing activities	(34,509)	(15,998)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	–	158
Repayments of short-term borrowings	(100)	–
Repayments of long-term borrowings	(78)	(72)
Dividends paid	(14,745)	(16,492)
Repayments of lease liabilities	(4,528)	(4,798)
Decrease (increase) in treasury shares	34	101
Other, net	–	4
Net cash provided by (used in) financing activities	(19,418)	(21,098)
Effect of exchange rate change on cash and cash equivalents	4,040	12,028
Net increase (decrease) in cash and cash equivalents	(1,584)	5,058
Cash and cash equivalents at beginning of period	155,319	153,734
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	441
Cash and cash equivalents at end of period	153,734	159,234

(5) Notes on Consolidated Financial Statements**Notes on Going-Concern Assumptions**

Not applicable.

Segment Information

1. Information on the amounts of net sales and operating profit (loss) by reportable segment

From April 1 to March 31 of fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the consolidated financial statements
	Analytical & Measuring Instruments	Medical Systems	Industrial Machinery	Aircraft Equipment	Total				
Net sales									
Sales to customers	314,668	75,876	62,982	23,985	477,513	4,726	482,240	–	482,240
Inter-segment sales	54	46	66	37	205	2,423	2,629	(2,629)	–
Total	314,723	75,923	63,049	24,023	477,719	7,150	484,870	(2,629)	482,240
Operating profit	57,615	5,538	5,422	1,389	69,966	597	70,564	(2,344)	68,219

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

(Millions of yen)

	Reportable segment					Other	Total	Adjustments	Amounts reported on the consolidated financial statements
	Analytical & Measuring Instruments	Medical Systems	Industrial Machinery	Aircraft Equipment	Total				
Net sales									
Sales to customers	338,257	72,303	65,381	29,465	505,407	6,487	511,895	–	511,895
Inter-segment sales	51	19	78	35	184	2,658	2,842	(2,842)	–
Total	338,308	72,322	65,460	29,500	505,591	9,146	514,737	(2,842)	511,895
Operating profit	57,488	4,779	7,176	3,714	73,159	1,045	74,204	(1,450)	72,753

2. Related Information

From April 1 to March 31 of fiscal year ended March 31, 2023

(Millions of yen)

Japan	The Americas	Europe	China	Other Asian countries	Other	Total
211,124	65,441	41,684	96,747	52,202	15,040	482,240

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

(Millions of yen)

Japan	The Americas	Europe	China	Other Asian countries	Other	Total
215,594	70,493	48,910	99,858	59,327	17,710	511,895

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

Per-Share Information

(Yen)

	From April 1 to March 31 of fiscal year ended March 31, 2023	From April 1 to March 31 of fiscal year ended March 31, 2024
Net assets per share	1,437.19	1,670.49
Earnings per share	176.64	193.54

Note: The basis for calculating the earnings per share is indicated below.

	From April 1 to March 31 of fiscal year ended March 31, 2023	From April 1 to March 31 of fiscal year ended March 31, 2024
Profit attributable to owners of parent (millions of yen)	52,048	57,037
Value not attributable to shareholders of common shares (millions of yen)	–	–
Earnings allocable to common shares (millions of yen)	52,048	57,037
Average number of common shares outstanding during the year (thousand shares)	294,666	294,709

Events After the Reporting Period**(Business Combination by Acquisition)**

At a meeting of the Board of Directors held on March 28, 2024, Shimadzu resolved that Shimadzu Scientific Instruments, Inc. (hereinafter “SSI”), a consolidated subsidiary of Shimadzu, would acquire all shares of Zef Scientific Inc. (hereinafter “Zef”) and make it a subsidiary. A share transfer agreement was concluded on March 29, 2024, and said shares were acquired on April 1, 2024.

(1) Overview of the business combination**(i) Name of the acquired company and details of its business**

Name of the acquired company: Zef Scientific Inc.

Description of business: Service business including maintenance and inspection of liquid chromatographs (LC) and liquid chromatograph-mass spectrometers (LC-MS)

(ii) Main reasons for the business combination

Zef is a multi-vendor service company (one-stop after-sales service by one company for all equipment without selecting manufacturer) specializing in LC and LC-MS services. Zef has the resources and service network to provide maintenance services for equipment from a wide range of manufacturers, earning a solid reputation in the after-sales service market for the pharmaceutical industry, its main customer base. With the acquisition of Zef, Shimadzu will acquire a one-stop service system in the North America region that does not select manufacturer, as requested by customers. This will eliminate the need to contact each equipment manufacturer individually and thereby streamline customer operations. It will also help ensure the quality of the manufacturing process by facilitating the management of maintenance histories.

(iii) Date of the business combination

April 1, 2024

(iv) Legal form of the business combination

Acquisition of shares

(v) Name of entity after the business combination

Unchanged.

(vi) Percentage of voting rights acquired

100.0%

- (vii) Main grounds for determining the acquisition of the company
SSI, a consolidated subsidiary of Shimadzu, acquired the shares for cash consideration.

(2) Acquisition cost of acquiree and components thereof by consideration type

Consideration for the acquisition: Cash	44 million US dollar (6,765 million yen)
Acquisition cost:	44 million US dollar (6,765 million yen)

The above amounts are the consideration at the time of acquisition. Final amounts may differ from the above due to price adjustments based on the share transfer agreement.

- (3) Description and amount of major acquisition-related expenses
Not finalized at the present moment.
- (4) Amount of goodwill incurred, reason for incurrence, amortization method and amortization period
Not finalized at the present moment.
- (5) Amounts of assets acquired and liabilities assumed on the date of the business combination, and the major components thereof
Not finalized at the present moment.

(Purchase of treasury shares)

At an extraordinary meeting of the Board of Directors held on May 10, 2024, Shimadzu resolved matters related to the purchase of treasury shares, pursuant to the provisions of Article 156 of the Companies Act as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same act.

- (1) Reasons for the purchase of treasury shares
To enhance shareholder returns and improve capital efficiency
- (2) Details of items related to the purchase
- (i) Type of shares to be purchased
Common shares of Shimadzu
 - (ii) Total number of shares to be purchased
12,500,000 shares (maximum)
(4.2% of total number of issued shares (excluding treasury shares))
 - (iii) Total purchase cost for the shares
25,000 million yen (maximum)
 - (iv) Purchase period
From May 13, 2024 to March 31, 2025
 - (v) Method of purchase
Market purchase on the Tokyo Stock Exchange

4. Supplemental Information

Overview of Financial Results for the Fiscal Year Ended March 2024

Consolidated Results

Row No.			FY 2022	FY 2023	Year-on-Year		FY 2024
			Results	Results	Increase/ Decrease	Percent Increase/ Decrease	Forecast
1	Net Sales	millions of yen	482,240	511,895	29,654	6.1%	525,000
2	Net Sales (Analytical & Measuring Instruments)	millions of yen	314,668	338,257	23,588	7.5%	–
3	Net Sales (Medical Systems)	millions of yen	75,876	72,303	(3,572)	(4.7%)	–
4	Net Sales (Industrial Machinery)	millions of yen	62,982	65,381	2,399	3.8%	–
5	Net Sales (Aircraft Equipment)	millions of yen	23,985	29,465	5,479	22.8%	–
6	Net Sales (Other)	millions of yen	4,726	6,487	1,760	37.3%	–
7	Net Sales by Region (Japan)	millions of yen	211,124	215,594	4,469	2.1%	–
8	Net Sales by Region (Outside Japan)	millions of yen	271,115	296,300	25,185	9.3%	–
9	Net Sales (The Americas)	millions of yen	65,441	70,493	5,052	7.7%	–
10	Net Sales (Europe)	millions of yen	41,684	48,910	7,226	17.3%	–
11	Net Sales (China)	millions of yen	96,747	99,858	3,110	3.2%	–
12	Net Sales (Other Asian Countries)	millions of yen	52,202	59,327	7,125	13.6%	–
13	Net Sales (Other)	millions of yen	15,040	17,710	2,670	17.8%	–
14	Operating Profit	millions of yen	68,219	72,753	4,534	6.6%	76,000
15	Ordinary Profit	millions of yen	70,882	76,895	6,013	8.5%	77,000
16	Profit Attributable to Owners of Parent	millions of yen	52,048	57,037	4,989	9.6%	58,000
17	Ratio of Operating Profit to Net Sales	%	14.1	14.2	–	–	14.5
18	Earnings per Share	Yen	176.64	193.54	–	–	196.80
19	Dividend per Share	Yen	54.00	60.00	–	–	62.00
20	Capital Equipment Investment	millions of yen	22,512	22,480	(32)	(0.1%)	28,000
21	Depreciation and Amortization	millions of yen	17,524	18,551	1,026	5.9%	20,000
22	Cash Flows from Operating Activities	millions of yen	48,303	30,127	(18,175)	–	–
23	Cash Flows from Investing Activities	millions of yen	(34,509)	(15,998)	18,510	–	–
24	Cash Flows from Financing Activities	millions of yen	(19,418)	(21,098)	(1,679)	–	–
25	Cash and Cash Equivalents, End of Period	millions of yen	153,734	159,234	5,499	–	–
26	Total Assets	millions of yen	618,869	673,962	55,092	8.9%	–
27	Net Assets	millions of yen	423,499	492,335	68,836	16.3%	–
28	Equity Ratio	%	68.4	73.1	–	–	–
29	Return on Equity	%	12.9	12.5	–	–	–

30	Ratio of Ordinary Profit to Total Assets	%	12.0	11.9	-	-	-
31	Net Assets per Share	Yen	1,437.19	1,670.49	-	-	-
32	Number of All Group Employees	Employees	13,898	14,219	321	-	-
33	Number of Consolidated Subsidiaries	Companies	78	79	-	-	-
34	Japan	Companies	23	24	-	-	-
35	Outside Japan	Companies	55	55	-	-	-