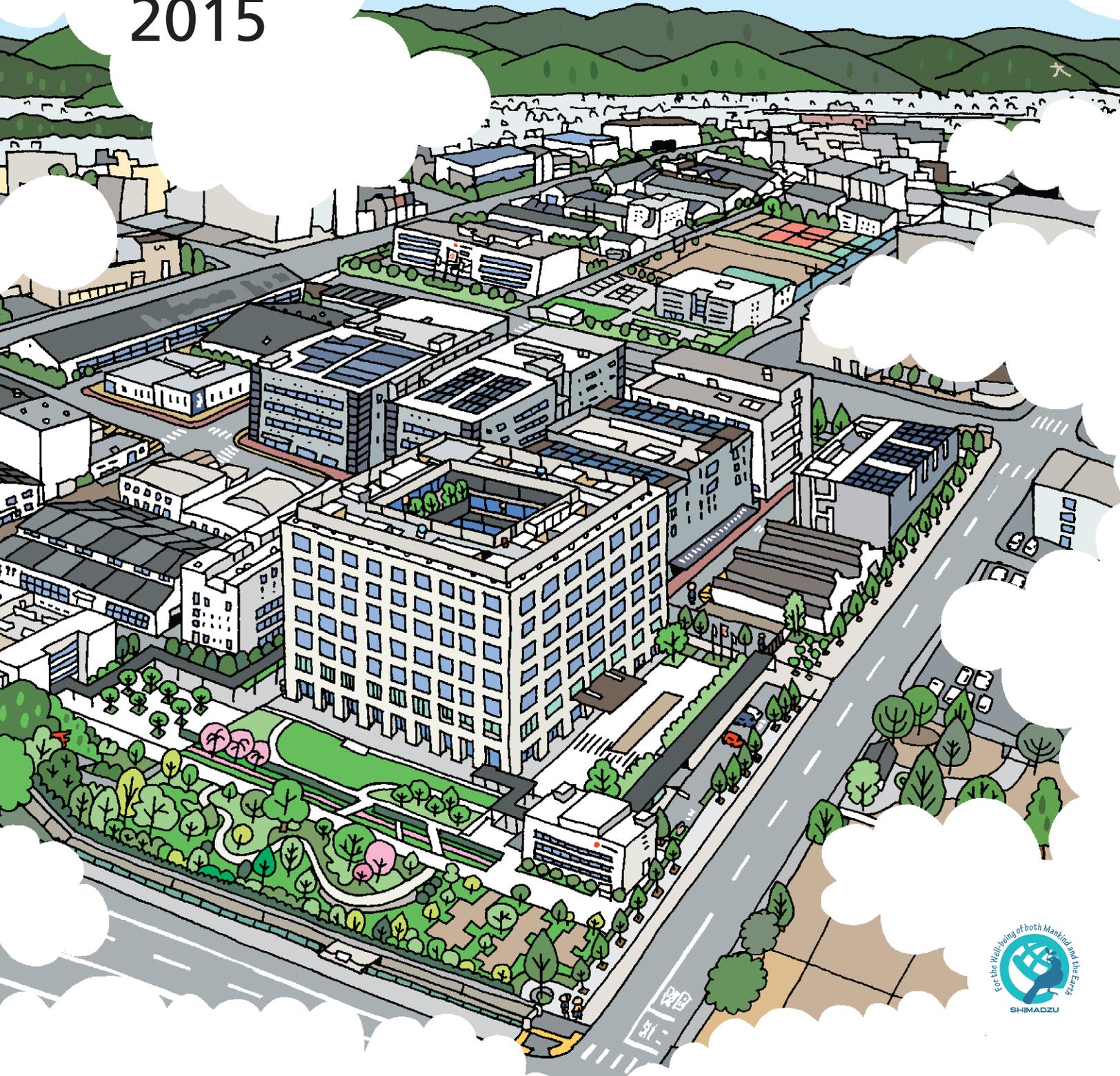


SHIMADZU ENVIRONMENTAL AND SOCIAL REPORT 2015



Always Conducting Our Business Activities with the Aim of "Contributing to Society through Science and Technology" Ever Since the Foundation

Working on global environmental problems based on the management principle "Realizing Our Wishes for the Well-being of both Mankind and the Earth"

Shimadzu Corporation was founded 140 years ago, on March 31, 1875, when Genzo Shimadzu Senior began manufacturing physics and chemistry instruments in the Kiyamachi-Nijo district of Kyoto. Based on Shimadzu's corporate philosophy "Contributing to Society through Science and Technology," all the employees continue to strive to achieve this aim through their everyday work.

In 1992, Shimadzu Corporation created the management principle "Realizing Our Wishes for the Well-being of both Mankind and the Earth." It was the year that the Earth Summit, an international conference concerning the environment and development, was held just as environmental protection on a global scale was gaining prominent attention. Human health and environmental protection on a global scale are common wishes throughout the world. As a member of society, Shimadzu is keenly aware of global environmental issues and conducts all of its business activities while making efforts to protect the earth and realize a more affluent society.



Depiction of Balloon Flight

1983 Started manufacture of analytical instruments in U.S.

1980 Established Shimadzu Science Foundation.

1975 Established the Shimadzu Foundation Memorial Hall in the Kiyamachi-Nijo district of Kyoto where Shimadzu was originally founded to commemorate the company's centennial anniversary.

1963 Established New York office.

1961 Developed world's first remote-controlled fluoroscopy system.

1956 Developed Japan's first gas chromatograph.

1952 Developed Japan's first photoelectric spectrophotometer.

1934 Developed Japan's first spectrograph.

1933 Developed an industrial X-ray device.

1930 Genzo Shimadzu Jr. was invited to the Emperor's dinner party as one of the ten greatest inventors of Japan.

1917 Reorganized Shimadzu as joint-stock company.

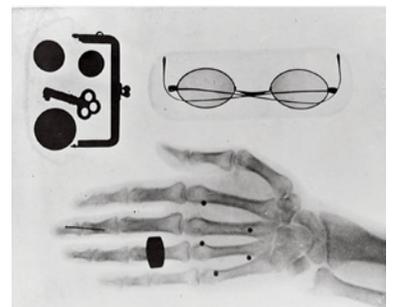
1915 Started manufacture of optical measuring instruments.

1909 Built Japan's first medical X-ray device.

1896 Succeeded in taking radiographs.

1877 Succeeded in Japan's first manned balloon flight.

1875 Genzo Shimadzu Sr. established a business in the Kiyamachi-Nijo-Minami district of Kyoto and started the manufacture of educational instruments for physics and chemistry.



Early Radiograph



About SHIMADZU <http://www.shimadzu.com/about/index.html>

2015

2014 Released the Elmammo dedicated PET scanner for breast imaging, which reduces the stress on patients and improves diagnostic accuracy.

2013 Released the iMScope imaging mass microscope, a completely new analytical instrument that combines an optical microscope with a mass spectrometer.

2012 Released the FOODSEYE food radioactivity inspection system.

2011 Established new R&D center for analytical and measuring instruments in China.

2008 Took over Mitsubishi Heavy Industries' turbomolecular pump business.

2005 Strengthened measures to develop molecular imaging instruments, a next-generation medical technology.

2003 Developed world's first diagnostic X-ray imaging system equipped with a direct-conversion flat panel detector (FPD).

2002 Koichi Tanaka awarded Nobel Prize in Chemistry and Japan's Order of Cultural Merit.

2001 Established Life Science Research Center in Kyoto and Tsukuba.

1999 Developed world's fastest DNA sequencer.

1991 Established Keihanna Research Laboratory.

1987 Started manufacture of analytical instruments in Germany.



iMScope Imaging Mass Microscope (2013)



FOODSEYE Food Radioactivity Inspection System (2012)



X-Ray Fluoroscopy System Delivered to the Osaka Medical Center for Cancer and Cardiovascular Diseases (1961)



GC-1A General-Purpose Gas Chromatograph (1956)

INDEX

140-Year History of Shimadzu Corporation 02

Overview of Shimadzu Corporation's Business Operations 04

Commitment from Top Management 06

Special Features

1. New Analytical and Measuring Instruments Businesses
Based on Advanced Technologies 08

2. New Equipment That Reduces Stress on Patients
during Breast Examinations 10

3. Supplying Highly Reliable Products and Services 12

Social Report

Corporate Governance 14

Promoting Diversity 16

Environmental Report

Environmental Management System and
Environmental Performance 18

Completion of New Head Office Building 20

Working Together with Suppliers 22

Dialogues with Stakeholders 23

Technologies That Will Help Develop the Future

Analytical Instruments Testing and Measuring Instruments

Our cutting-edge analysis technologies are contributing to research, technology development, and quality control in a wide variety of fields.

Analytical Instruments

Mass spectrometers, chromatographs, spectrophotometers, surface analysis & observation instruments, and biotechnology instruments

Environmental Measurement Instruments

Water-quality analyzers and emission gas analyzers

Triple Quadrupole High-Performance Liquid Chromatograph-Mass Spectrometer



This new type of mass spectrometer offers the fastest analysis speeds and highest sensitivity levels in the world.

Ultra trace components need to be analyzed in a wide range of fields, such as drug discovery research, healthcare, and clinical applications. Featuring high analysis speeds and high reliability, this system is able to meet those needs and provide significant improvements in productivity.

Testing and Inspection Machines

Material testing machines, fatigue and endurance testing machines, structural testing machines, nondestructive inspection systems, high-speed video cameras, powder & particle size analyzers, balances, and other measuring instruments



Universal Testing Machines

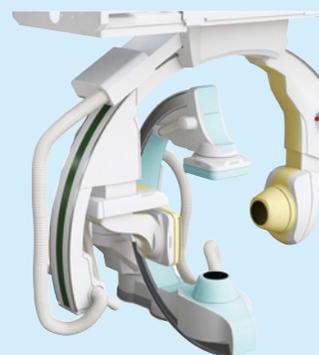
From materials such as rubber and plastics to objects such as foods and mobile phones, these machines are widely used to perform material testing on a wide range of samples at facilities involved in product development and quality control.

Medical Systems and Equipment

Our advanced diagnostic imaging equipment is contributing to the early detection and early treatment of disease, opening up a new world of possibilities for medical facilities.

Medical Systems and Equipment

Fluoroscopy systems, angiography systems, radiography systems, PET/CT systems, tumor-tracking systems for radiotherapy, near-infrared imaging systems, and medical information systems



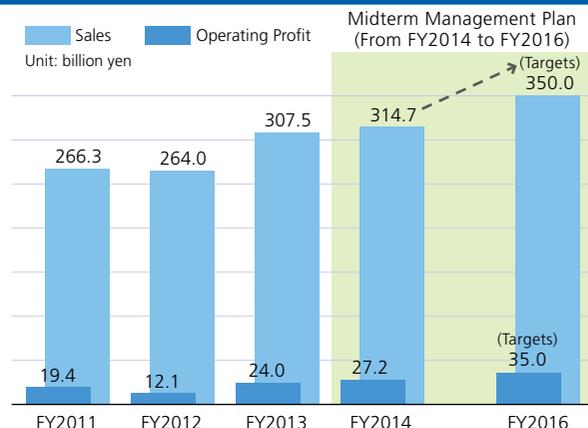
Angiography System (with 12-inch FPD)

A system friendly to both patients and operators developed with the keywords "highest image quality," "excellent operability," and "safety and peace of mind."

Use of the newly developed FPD with a 12-inch field of view enables a single unit to cover the entire body, including the head, heart, abdomen, and four limbs, supporting endovascular treatment (intervention), which is becoming more common.

Corporate Trade Name... Shimadzu Corporation
 Founded... March 1875
 Incorporated... September 1917
 Capital... Approx. 26.6 billion yen
 Number of employees... 3,154 (non-consolidated),
 10,879 (consolidated)
 (as of March 31, 2015)
 Headquarters... 1, Nishinokyo-Kuwabara-cho,
 Nakagyo-ku, Kyoto 604-8511,
 Japan
 Phone... +81-75-823-1111

Sales / Operating Profit Trends (Consolidated sales)



For IR-related information, dividend policies for shareholders and investors, and activities for promoting information disclosure, please visit our website.

Currently, innovation in environmental and life science fields is attracting significant interest throughout the world. These two fields also provide an opportunity for Shimadzu to take advantage of synergistic effects to pioneer a new world for the purpose of "Realizing Our Wishes for the Well-being of both Mankind and the Earth." Shimadzu remains committed to ceaselessly pursue technologies that will help pioneer the future.

Aircraft Equipment

Our wide range of aircraft equipment increases both the safety and comfort of passengers and reduces the stress on passengers during flight.

Aircraft Equipment

Flight control systems, air management systems, cockpit display systems, other types of aircraft equipment

Ground Support Equipment

Aircraft equipment functional testers and aircraft medical training equipment

Flight Control Systems

Flight control systems control the lift and attitude of aircraft. Shimadzu develops flap control systems that allow these flight control systems to perform takeoffs and landings more safely. Its high-quality mechanical technology and highly reliable electronic control technology help ensure flight safety.

Industrial Equipment

By developing advanced manufacturing and testing equipment, we are meeting the needs of next-generation production in cutting-edge industrial fields.

Industrial Machinery

Turbomolecular pumps, anti-reflective coating systems for solar cells, solar cell inspection systems, and layer deposition systems

Hydraulic Equipment

Hydraulic gear pumps, multiple control valves, and power packages

Device Components

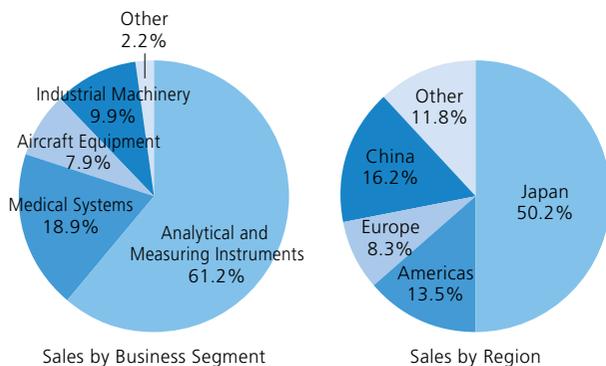
Diffraction gratings, laser mirrors, aspherical mirrors, lenses, compact monochromators, spectroscopic sensors, laser modules and laser devices, precision refractometers, MEMS chips, automotive measuring instruments, and plastic type analyzer

Turbomolecular Pumps

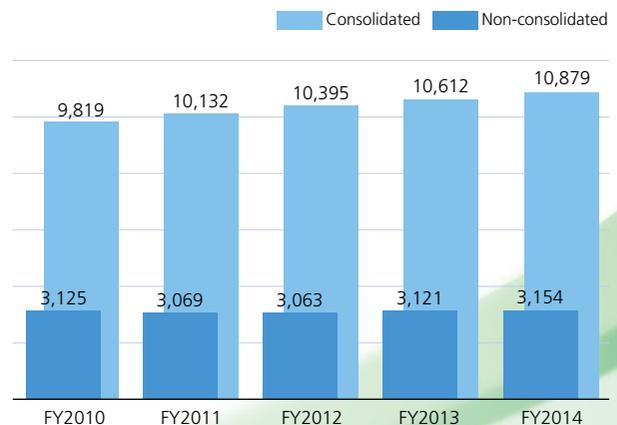
These pumps create the vacuum environment that is essential for manufacturing semiconductors and solar cells. Boasting the highest evacuation capacities in the world, Shimadzu turbomolecular pumps are designed to meet the film deposition and fabrication requirements for manufacturing increasingly precise touch panel screens and increasingly large silicon wafers.



FY 2014 Results (ending March 2015)



Number of Employees



Information for Investors <http://www.shimadzu.com/ir/>

Commitment from Top Management

March 31, 2015 marked the 140th anniversary of Shimadzu Corporation.

Ever since Genzo Shimadzu Senior founded the Shimadzu Corporation in the Kiyamachi district of Kyoto, based on the corporate philosophy "Contributing to Society through Science and Technology," Shimadzu has continued to grow and evolve along with the advancements of society and scientific technology. Today we have grown to over 10,000 employees working for operations in 30 countries around the world. Therefore, we are deeply grateful to all of our world-wide stakeholders that have supported Shimadzu.

In April of this milestone year, Shimadzu participated in the 7th World Water Forum held in Daegu, South Korea, where Shimadzu cooperated with other public and private sector organizations to help promote Japanese technological capabilities at the pavilion sponsored by the Japanese government. Attending this gathering of experts and international organizations involved in solving water problems throughout the world provided an opportunity to once again be reminded of the extent to which our personal lives and business activities depend on the natural environment and the significance of scientific technology in contributing to improvements in public health and regional living standards.

In addition to examples of analytical instruments that contribute to the water cycle, we also provided information about our involvement in the "Monitoring and Management of Persistent Organic Pollutants (POPs) in the Asian Coast Region," joint project with the United Nations University. Shimadzu has supported this project continuously since 1996, and it is extremely important for Shimadzu to be involved in solving environmental problems and social issues through business activities in this way and we think society requires it of global companies.

This approach is also reflected in our medium-term management plan, which specifies measures we have been implementing since April 2014 aimed at "Becoming an Innovative Company Contributing to the Growth of Customers Globally."



On April 17, 2015, Chairman Nakamoto speaks on behalf of sponsors of the 4th Kyoto World Water Grand Prize at the award ceremony held during the closing ceremony of the 7th World Water Forum in Daegu, South Korea.



On June 30, 2015, newly appointed President and CEO Ueda describes management policies and the medium-term management plan during his greeting speech to employees.

Specifically, we are activating markets with products that use advanced technologies to meet latent needs, developing new market fields by expanding joint research projects with leading customers, establishing a business base for capitalizing on growth opportunities in newly emerging economies, strengthening our aftermarket businesses, and so on. We are actively implementing such measures to promote additional growth. For the fiscal year ending March 2017, the plan specified target consolidated sales of 350 billion yen and an operating margin of 10 %, but thanks to your support, we have been making steady progress, with consolidated net sales exceeding 300 billion yen for the last two consecutive years and a new sales base established in Malaysia in January 2015. In the future, we also intend to invest more effort in strengthening our corporate compliance practices on a global basis and cultivate more diversity in our human resource training and utilization practices.

This document is a report on our business activities that contribute to solving problems of society using scientific technology. In addition, it also describes our corporate governance system and a variety of other measures intended to build the trust of stakeholders throughout the world.

We welcome your frank comments regarding these activities.

Chairman of the Board **Akira Nakamoto**
President & CEO **Teruhisa Ueda**
Shimadzu Corporation



New Analytical and Measuring Instruments Businesses Based on Advanced Technologies

In recent years, there has been particular interest in ensuring the safety of food and the early diagnosis of human illnesses, which requires identifying the presence and quantities of harmful substances in food and the body. However, food and blood can contain a wide variety of the components that must be analyzed using a variety of techniques and instruments. Consequently, obtaining more accurate analytical results more quickly remains a major issue.

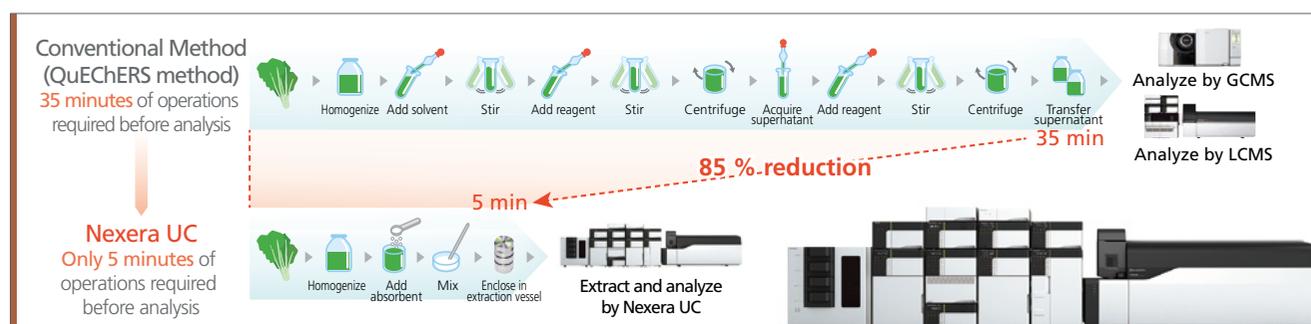
Recently, in a joint research program with a research institution, Shimadzu developed a revolutionary new product that can solve these issues and that is especially environmental friendly.



Nexera UC Supercritical Fluid Extraction/Chromatograph System

Residual pesticides contained in foods are an extremely important problem, not only for consumers that actually eat the foods, but also for the producers and suppliers of the food. Due to the diverse types of target components involved in analyzing residual pesticides, analysis requires selectively using various different instruments depending on the component. For example, residual pesticides in vegetables are typically analyzed using a gas chromatograph mass spectrometer (GCMS)*¹ system, which is able to separate the compounds so that they can be identified and their mass analyzed. However, GCMS systems separate components by vaporizing samples with heat, which makes it difficult to analyze components that are

changed by heat or substances that are difficult to vaporize. Therefore, a separate liquid chromatograph mass spectrometer (LCMS)*² system is also required. Additionally, samples must be prepared in a process called pretreatment before they can be analyzed. For example, vegetables must be homogenized, mixed with a reagent, and stirred, which is a time-consuming manual process. Furthermore, it can be extremely difficult to analyze the wide variety of components accurately, because some of them oxidize or decompose when exposed to air. However, these problems can be solved by using substances called supercritical fluids*³, which have the properties of both gases and liquids. This allows a wide variety of components to



Comparison to Conventional Example of Pretreatment for Simultaneous Analysis of Residual Pesticides in Agricultural Products

Nexera UC System Developed from the Japan Science and Technology Agency (JST) Program for the Development of Systems and Technology for Advanced Measurement and Analysis

be analyzed simultaneously without the need for any complicated pretreatment processes. Such instruments, called supercritical fluid chromatographs (SFC), are a revolutionary new type of instrument that not only can analyze substances that are difficult to analyze using a GCMS or LCMS system, but can also analyze substances at high speed. However, only a limited number of manufacturers offer SFC systems in Japan. Due to Japan's High Pressure Gas Safety Act governing such instruments and other issues, they have been slower to gain widespread use in Japan than overseas. Consequently, development of technology for SFC pretreatment currently remains at the research level.

As part of the Japan Science and Technology Agency program for the Development of Systems and Technology for Advanced Measurement and Analysis, Shimadzu has been involved in joint research and development in cooperation with Osaka University, Kobe University, and the Miyazaki Agricultural Research Institute.

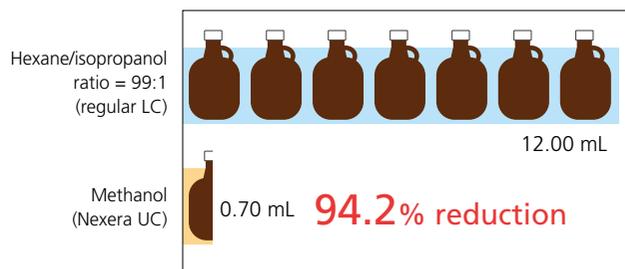
This resulted in announcing the development of a new Nexera UC system in January 2015. The Nexera UC is a revolutionary new analytical system that is the world's first system capable of simultaneously analyzing multiple components fully automatically and at high speed.

The new Nexera UC system shortens the previous 35 minute pretreatment process to about 5 minutes and has made it possible to comprehensively analyze about 500 pesticide components simultaneously in less than an hour, about half the time required previously. Meanwhile, it also reduces the quantities of organic solvents used for analysis to about one

tenth the previous level. Organic solvents are primarily flammable chemical substances refined from petroleum that are also hazardous substances toxic to humans. Consequently, the system also helps reduce any environmental impacts and increase safety during analysis.

Due to the high throughput (by analyzing multiple components simultaneously) possible with the system, these extremely accurate analytical instruments are also gaining interest from medical and drug discovery fields. For example, by analyzing specified components in the blood as biomarkers, the system can be used for ultra-early diagnosis of diseases and for evaluating the efficacy or adverse effects of pharmaceuticals. The system is also expected to be beneficial in all sorts of other fields, including foods, medications, and the chemical industry, such as for analyzing the additives in plastics.

Shimadzu will continue to partner with leading customers in joint research and joint development projects to develop truly unique new products and new systems that contribute to the growth of our customers around the world.



Comparison of Solvent Consumption During Analysis

Comments from a Joint Researcher Partner

We have been researching SFC because it is an analytical technique capable of high separation at high speed and high throughput, it offers separation modes not available from liquid chromatographs, and because it is attractive as an analytical technology with hidden undeveloped potential.

The goal of the joint development program, to not only connect a mass spectrometer, but also a supercritical fluid extraction unit online, had a rather high level of difficulty. However, by working closely with experts from respective fields, gathered from the organizations involved in the project, who shared a common desire to introduce an unprecedented new system to the world, we were able to successfully create a fantastic system that combines the ideas and dreams of all participants.

Due to the shorter analysis times and lower organic solvent consumption rates, the new system is able to significantly reduce costs and environmental impacts. Therefore, we anticipate that it will be especially beneficial as a new technique for high throughput analysis in applications such as clinical testing and food safety inspections.



Professor Takeshi Bamba
Research Center for Transomics
Medicine, Medical Institute of
Bioregulation, Kyushu University

(Formerly the JST Project Team Leader in
the Division of Advanced Science and
Biotechnology, Graduate School of
Engineering, at Osaka University)

*1: Gas chromatograph mass spectrometers (GCMS)

Used to determine the presence and quantity of components in a sample mixture containing many components by heating the sample to thermally decompose it and separate its components in gaseous form.

*2: Liquid chromatograph mass spectrometers (LCMS)

Used to determine the presence and quantity of components in a sample mixture containing many components by separating the sample in liquid form.

*3: Supercritical fluid

Usually carbon dioxide, which can form a supercritical fluid with properties of both gases and fluids at temperatures above a critical temperature of 31.1 °C and critical pressure of 7.38 MPa



Description of Nexera UC Products

http://www.shimadzu.com/an/hplc/nexera_uc/index.html

New Equipment That Reduces Stress on Patients during Breast Examinations

Breast cancer is one of the most common cancers in women. The morbidity rate (rate of being diagnosed with cancer) has been increasing faster than other forms of cancer in recent years, which has caused the number of deaths to continue increasing.

Though early detection and early treatment are very important, the pain involved in compressing the breasts during conventional examinations has been a problem.

Therefore, Shimadzu developed the Elmammo system, which is able to examine breasts for cancer without causing pain.

The Elmammo was released after receiving Japanese Pharmaceutical Affairs Law approval in August 2014.



The system was commercialized based on a prototype developed under a project (from 2006 to 2009) funded by the New Energy and Industrial Technology Development Organization (NEDO) for developing molecular imaging instruments to assist in treating malignant tumors. In addition, clinical trial was performed using the prototype at the Kyoto University Hospital.

The Elmammo can examine breasts by simply placing them in the 185 mm diameter detector hole, without compressing the breast or causing patient discomfort. It offers about twice the resolution and about 10 times the sensitivity as full body PET/CT systems*, so it can be used to diagnose cancers that were previously too small to diagnose. Feedback from women was actively incorporated in the design to ensure they feel confident about receiving examinations.

* PET/CT systems

By utilizing the fact that cancer cells consume several times more glucose than normal tissue, PET/CT systems examine cancer tissue by detecting the gamma rays emitted from a gamma ray-emitting drug similar to glucose that is injected into the body.

Comments from a User

Jitsuhiro Yamada
Senior Manager,
Kizawa Memorial Hospital



Our hospital has been designated as the regional central hospital for cancer treatment. For breast cancer, we perform diagnostics, surgery, breast reconstruction, and follow-up care. We are the first hospital in the world to introduce the Elmammo dedicated breast PET scanning system, which started operation in April of 2015.

It is currently estimated that one in twelve women will develop breast cancer, so breast examinations should be obtained as early as possible, but the pain involved in the examination is a major problem.

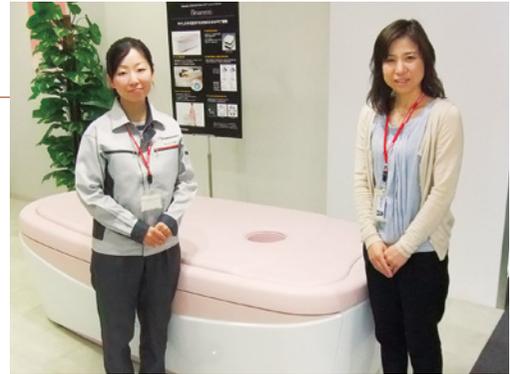
The Elmammo not only solves this problem, it is also able to provide extremely high definition images. Therefore, we expect that it will help lead to earlier detection and treatment of breast cancer.

Furthermore, it can even be used to examine patients with pacemakers or with claustrophobia, for whom MRI cannot be used, and it provides a big advantage for patients with conditions that cause pain during mammography, such as painful tumors or mastitis. It can also be used as a tool for confirming the effects of anticancer agents during treatment with medication, which we anticipate will help increase patient quality of life.

Employee Discussion Meeting

We talked to employees involved in developing the Elmammo about their experiences during its development.

Ayako Akazawa (left) of the Image Processing Group, Data Processing Unit, Technology Research Laboratory
Miyuki Takahashi (right) of the Product Design Group, Product Design Unit, Corporate Product Design Center



It Started as a Rectangular Box

Takahashi: When I first saw the prototype for this system, it was simply a rectangular box with a hole in it. It looked like a lunch box. At the time, some were saying that the shape would not be changed, so I remember feeling very puzzled, thinking "this is supposed to be a woman-friendly system?" Then later, when the proposal was approved to change the shape to something that looks more like a new product and that is woman-friendly, our group started redesigning the product design. Exchanging ideas about the color, shape, and other features from a woman's perspective resulted in the gentle-looking form the Elmammo now has. In addition to rounding the corners to prevent the body from contacting any sharp edges while getting on and off and using a warm pearl white color that provides a sense of cleanliness for the base, we also proposed cushion materials.

Akazawa: My work mainly consisted of developing the instrument software. In addition to accelerate the processing speed for generating images and calculations, I was involved in improving image quality and developing the software used by hospital technologists to operate the system. Initially it took all night or more to view image results, so my first job after joining Shimadzu was to accelerate the speed. In terms of image quality as well, at first, contrast and resolution were prioritized, which tended to enhance not only the tumors, but also the background and other information (such as the skin and mammary gland tissue) that was unnecessary for diagnostics. In clinical trial at Kyoto University, we worked with physicians and technologists to adjust the parameters for generating images many times to create images that satisfied the needs of those actually using the system for analyzing examination images for diagnostic purposes.

Other than myself, all the researchers involved in developing the system at the laboratory were men, but there were many women physicians and technologists involved in the clinical trial of the system and in related academic societies, which may have made it easier to express my views about this system intended for women. Nevertheless, even from the concept stage, all the researchers were united in their passion to successfully release this system into the world, so we really invested ourselves in the project, almost as though it was our own child (laughs).

Takahashi: When we were creating the brochure for the finished product, I worked together with several women from

the Medical Systems Division to create the content, layout, and so on. By mutually exchanging ideas, we managed to finish the brochure and even proposed ideas for the spatial design, including the interior of the examination room where the system would be installed. The brochure conveys an image of having breast examinations performed with the system installed in a calm environment with a sense of warmth. Our previous brochures typically focused on promoting practical benefits for hospitals, such as the usability, but the Elmammo brochure was prepared based on the patient's perspective, focusing on how examinations can be performed smoothly in a relaxed environment without any discomfort.



Expectations for the System

Akazawa: The survival rate for breast cancer can be improved with early detection and treatment. A person close to me has suffered breast cancer, so I hope the Elmammo reduces the number of breast cancer patients, even by one. Of course, there is a limit to how much we can do as a medical equipment manufacturer alone. We still need to rely significantly on the physicians and technologists, but I hope we can play a significant role in the process of fighting breast cancer. Also, considering that patients must continue to receive painful breast examinations even after being diagnosed with cancer, I think the world has high expectations for the Elmammo as well.

Takahashi: Once I heard about the concept of relieving women from having to endure pain, I wanted to finish developing the system as soon as possible and began thinking how nice it would be to have an instrument that helps heal and soothe anxiety in hospitals, which tend to be a little depressing. I hope it will prove helpful for patients.

Supplying Highly Reliable Products and Services

Since 1994 all the main divisions*1 have introduced an ISO 9001 quality management system and engaged in measures to improve quality throughout the entire product life cycle in an effort to increase customer satisfaction.

In FY 2013, we built a Quality Center to ensure highly reliable product quality and increase satisfaction by further improving product safety and performing more extensive EMC testing.

*1: Status of Shimadzu obtaining quality management system certification (Year of Approval)

- Analytical & Measuring Instruments Division (ISO9001:1994, ISO13485:2011)
- Medical Systems Division (ISO9001:1994, ISO13485:1994)
- Aircraft Equipment Division (ISO9001:1999, JIS Q 9100:1999)
- Industrial Machinery Division (ISO9001:1998)
- Manufacturing Center (ISO9001:2000)
- Device Department (ISO9001:2005)

Quality Control Policy: Guaranteeing Product Quality and Taking Responsibility for Manufactured Products

In an unceasing effort to supply quality that increases customer satisfaction at all stages of the product life cycle for all products manufactured and sold by the Shimadzu Group, we have established a basic corporate policy for quality assurance stating, "At each stage of the product life cycle, all employees shall make every effort to supply quality that satisfies customers internationally." Consequently, we are engaged in a variety of activities intended to achieve that policy.

Also, in an effort to improve product safety, which is fundamental and important for increasing customer satisfaction, and fulfill our social responsibility, we have established a basic position on taking responsibility for all products manufactured within the Shimadzu Group. It specifies improving product safety, providing appropriate information to customers about product safety, and striving to resolve any product accidents appropriately and quickly.

Measures to Further Improve Product Safety

Product safety is especially important for increasing customer satisfaction. In FY 2014, we established a new basic policy for product safety for the entire Shimadzu Group and issued a declaration that the entire Group is unified in acting in a manner that prioritizes the safety and trust of customers. That action plan consists of the following seven elements.

- 1) Observe all applicable laws and regulations.
- 2) Design safety into products.
- 3) Prevent misuse.
- 4) Ensure safety throughout the entire product life cycle.
- 5) Disclose information about product safety.
- 6) Respond appropriately in the event of a product accident.
- 7) Improve the quality assurance system.

As a specific activity consistent with the basic policy for product safety, we have been assessing the safety risks of products from a customer perspective by anticipating various ways the customer might use the products to confirm that the basic design is able to

ensure safety. In addition, we perform endurance testing and environmental testing to verify that products continue to perform reliably and safely without any functional damage even if they are exposed to temperature or humidity variations or impacts during transport. We also specify that instruction manuals include information about how customers can use products without worry and useful precautions, prepared using our internally-developed manual creation system.



As a means of accommodating increased globalization, we introduced a drop testing machine used to confirm that the packaging is safe even if the product is dropped or impacted during transport.

EMC Center Accredited as an EMC Testing Center Based on the International Standard ISO/IEC 17025 Also Designated as TÜV Rheinland Japan Appointed Laboratory

Most of the products around us, including those manufactured by Shimadzu, function using electricity. Such products all emit at least a small amount of electrical noise outside the instrument, either through the power cord and/or through the air as electromagnetic waves. If the amount of electrical noise emitted from the product is significant, it can sometimes cause other equipment in the surrounding area to malfunction.

Therefore, to prevent such malfunctions, products should emit as little noise as possible. At the same time, they should not malfunction if exposed to noise from other sources. Products that satisfy both criteria are described as having electromagnetic compatibility (EMC).

EMC must be measured in a room with no electrical noise, that shields any electromagnetic waves from entering the room, such as from mobile phones or television broadcasts. These rooms are called anechoic chambers. Therefore, there are three anechoic chambers

(small and large) in the Quality Center, which are operated as a separate department (EMC Center) specialized in measuring EMC. Measuring EMC accurately requires having an anechoic chamber and other special measuring instruments and strict measurement and control procedures must be followed. The personnel performing the measurements must have special skills as well. In order to officially and objectively evaluate the above as an EMC laboratory, in August 2014, the EMC Center received accreditation as a testing laboratory compliant with international ISO/IEC 17025 standards. Consequently, test reports issued by the EMC Center are recognized not only in Japan, but also throughout the world.

Then in November of that same year, the center was designated as a laboratory appointed by TÜV Rheinland Japan (TRJ), an independent institution, which endorses the center as a trustworthy testing laboratory and provides powerful credibility for the reliability of Shimadzu products.



Comments from a Stakeholder

TÜV Rheinland Japan Ltd. (TRJ) has been performing EMC tests for Shimadzu medical products as an independent certification service provider for a long time. Before Shimadzu was designated as a TRJ appointed EMC testing laboratory, it was often difficult for us to obtain the measuring equipment, anechoic chamber, and measuring personnel necessary for performing EMC standards compliance testing according to the schedule requested by Shimadzu. However, now Shimadzu's EMC Center can conduct tests according to a test plan prepared at TRJ. Consequently, the tests can be performed to the same testing criteria as before without delaying Shimadzu's development schedule. This arrangement is mutually beneficial not only for Shimadzu and TRJ, but also for users that are waiting expectantly for the release of new products. Some Shimadzu products do not necessarily require TRJ certification, but even for such products we hope Shimadzu will adopt TRJ's quality standards as a means of helping to improve quality. Furthermore, we look forward to the use of TÜV certification expanding in the future, as customers increasingly use it as a criterion for selecting products.



Go Murayama,
Team Leader,
Medical Section,
Products Department
TÜV Rheinland Japan Ltd.

Increasing Customer Satisfaction

To improve the quality of Shimadzu Group products, systems, and services, customer satisfaction surveys are periodically conducted to obtain feedback from customers.

We share the valuable opinions and requests received from customers with applicable personnel so that we can implement improvement measures that will result in improved customer satisfaction.

We have also established a call center, which customers can call whenever necessary, such as to express their views or requests, as part of a system able to respond quickly.

Corporate Governance

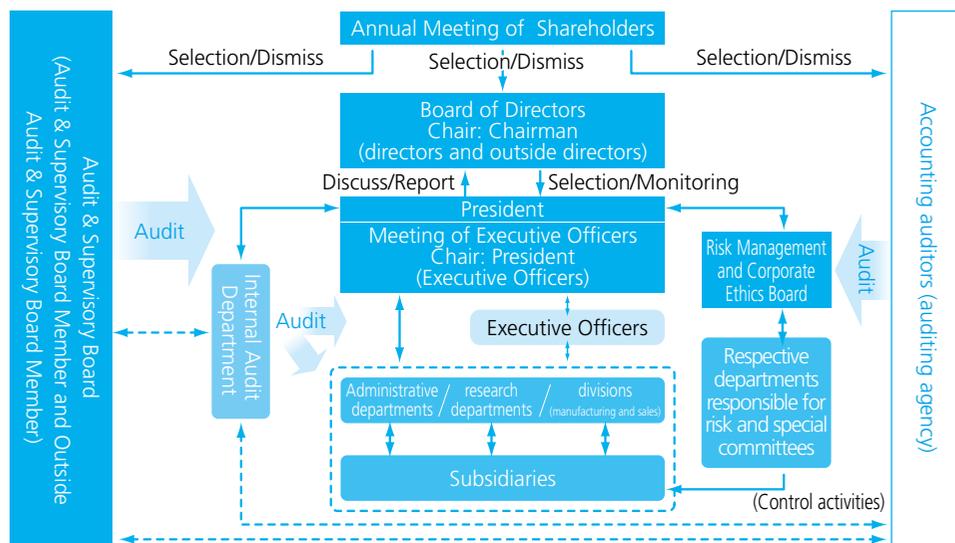
Our basic policy of Corporate Governance is to establish and maintain management system able to respond quickly to changes in the business environment, and an organizational system to achieve proper execution of operation. As part of that process, we have been strengthening (1)the ability of executive management system to execute business operation more promptly and adequately, (2)the monitoring functions of the Board of Directors, (3)the internal control system which integrates compliance and risk management and (4)improving adequate disclosure, and so on.

Corporate Governance System

We design our organization with the Board of Directors, Meeting of Executive Officers consisting of President and Executive Officers, Audit & Supervisory Board and Accounting auditors.

The Board of Directors has a responsibility for deciding and monitoring of the execution of operation. The Meeting of Executive Officers executes the business operation based on the decisions made by the Board of Directors. Audit & Supervisory Board and Accounting auditors have an audit function.

To clarify the managerial responsibility of directors, directors are appointed for a term of one year. In addition, the Board of Directors appoints Executive Officers include the chairman.



Global Manager System, Including Overseas Sites

Global Manager Training

Shimadzu provides global manager training for managers of overseas Group companies.

In addition to developing a deeper understanding of Shimadzu's history and business operations, the purpose of the training is to foster a sense of being a leader and teach management skills that will be useful in the workplace, such as communication that increases the motivation of subordinates. The first training session in 2015 included 19 participants from eight countries.

Responses from the managers that participated included "I learned about Shimadzu's history and globalization" and "It gave me an opportunity to become acquainted with other managers from various other countries and expand the network of contacts."



Risk Management System

At Shimadzu, we are united as a Shimadzu Group in striving to build public trust by establishing a risk management system that encompasses corporate ethics and compliance, by fostering a corporate culture that respects corporate ethics and compliance, and by undertaking activities for the proper management of business risks.

The president is the chief officer responsible for risk management. Below the president, a Risk Management and Corporate Ethics Board meets twice a year as a deliberative body to confirm and decide on policies for risks that are considered company-wide issues that require prioritized measures (priority risks) and compliance risks. These activities are coordinated by the director in charge of risk management and primarily carried out by the departments responsible for the respective risks, deployed in a top-down manner to other departments and group

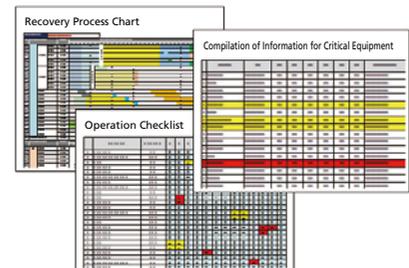
companies accordingly. In the workplace, where business processes are performed, we also engage in bottom-up "control self-assessment" (CSA) measures as we go through the PDCA cycle for risk management activities in respective departments and Group companies.



Business Continuity Plan Assuming a Massive Earthquake

Since 2011, we have been continuously engaged in measures to ensure the continuity of business operations in the event of a major earthquake, which has been identified as a priority risk. As part of such measures, we established a business continuity plan (BCP) in 2012 aimed at ensuring our operations continue without interruption and we fulfill our responsibilities for supplying products to customers. The plan specifies that if a disruptive earthquake occurs, the president shall coordinate a head office task force and the respective division general managers shall coordinate division task forces that lead business continuity and recovery measures in accordance with the specified recovery plan.

In addition, disaster preparedness measures are being implemented throughout the entire Shimadzu Group, such as improving the earthquake resistance of buildings and other facilities, implementing disaster preparedness training, and preparing disaster relief supplies.



Corporate Ethics

To ensure our organization fulfills its role expected from society, it is important that each employee maintains a high standard of corporate ethics. In April 2015, Shimadzu issued the sixth version of a corporate code of ethics originally established in 1999. It specifies five principles of conduct considered especially important and 17 updated conduct guidelines that break down the five principles into practical guidelines for everyday business activities. In addition, a corporate ethics awareness survey conducted annually in February measures the level of employee awareness of corporate ethics and the degree to which they have been adopted and analyzes employee awareness from various perspectives for the benefit of future activities.

Five Principles of Conduct

1. Customer-oriented approach
2. Fairness and transparency
3. Dialogues with stakeholders
4. Contribution to society and global environment conservation
5. Respect for the creativity and individuality of corporate members



Corporate Ethics Contacts

To ensure that corporate ethics-related problems can be prevented or identified and dealt with at as early a stage as possible, Shimadzu has established four contact points inside and outside the company for reporting information or seeking advice about issues related to corporate ethics (a Shimadzu ethics help desk, an external hotline, a harassment advice line, and a dedicated sexual harassment line).

If necessary, personnel at these contact points can cooperate with relevant departments to investigate the case, implement corrective actions, and/or implement measures to prevent recurrence.

In fiscal 2014 there were 19 cases of information being reported or advice sought.

Promoting Diversity

As managing the company becomes increasingly global, there is an increasing diversity in gender, age, nationality, race, beliefs, language, religion, physical handicap, social status, wealth, and so on. Therefore, Shimadzu is committed to striving to maintain a workplace environment where the creativity and individuality of each employee can be fully utilized in their work, where employees can freely pursue self-actualization, and, from the company's perspective, where they can continue to maximize their contribution to the company as well.

Shimadzu's Stance on Diversity

The Shimadzu corporate code of ethics specifies guidelines for conduct related to respecting the rights, personality, and individuality of employees and diversity in the workplace. These guidelines clarify Shimadzu's stance on diversity, as indicated on the right.

We will respect the rights, personality, and individuality of all employees and diversity in the workplace and will strive to utilize human resources and create a workplace in a manner that fully utilizes the abilities of all employees and achieves a healthy balance between work and personal life (work-life balance).

Promoting a Work-Life Balance

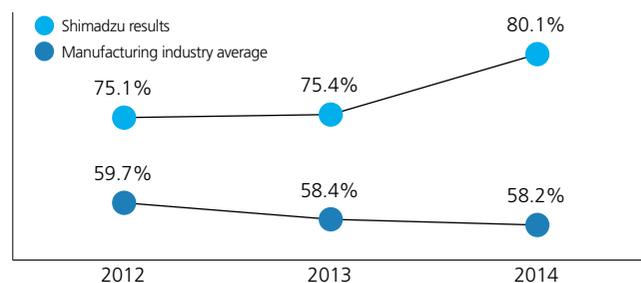
Shimadzu is committed to providing child care, nursing care, and other systems and policies necessary to help employees balance both their work and home life, according to a stage of life of each individual. In 2009, Shimadzu received certification from Japanese Ministry of Health, Labour and Welfare as an organization that meets requirements prescribed by the Act on Advancement of Measures to Support Raising Next-Generation Children.

Shimadzu has continued to develop the program since then as well. For example, a system was established to support employees to return to their jobs after a leave of absence. The system allows employees, even during child care leave, to receive information



that keeps them up-to-date about their career and to participate in a training course related to the post they will take after returning to work. A system was also established to subsidize the cost of babysitting so that parents can return to work without worry and remain involved in child care.

Trend in Usage of Annual Paid Vacation Days



Number of Persons That Used the Support System

Program		Legal Requirement	Shimadzu
Child Care	Child care leave	Until 1st birthday (extendable to 18 months in certain circumstances)	12 months after maternity leave (extendable until child is eligible for daycare)
	Short workday for child care	Until beginning of elementary school	Until end of third grade
	Pre and postnatal leave	6 weeks before birth and 8 weeks after birth	8 weeks before birth and 8 weeks after birth
Nursing Care	Nursing care leave	93 days	1 year
	Short workday for nursing care	93 days	As long as needed

Number of Shimadzu Employees that Used the Programs (male users indicated in parentheses)		
FY 2012	FY 2013	FY 2014
19 (2)	25	31 (2)
101 (11)	90 (12)	112 (19)
18	12	17
0	0	4 (2)
1 (1)	2 (1)	2 (0)

Training Aimed at Increasing the Penetration of Diversity Within Shimadzu

As a part of Shimadzu's efforts to promote diversity within the Shimadzu Group, we invited Kuniko Muramatsu, president of Wellness Systems Institute, to give a presentation on the current status and issues related to diversity and the situation with other companies that are implementing diversity measures. Ms. Muramatsu emphasized the importance of actively incorporating diversity into management. As a measure for Shimadzu Group companies and the Shimadzu Labor Union, we invited Kumiko Sugiyama from Office Human to speak about the Japanese Act on Advancement of Measures to Support Raising Next-Generation Children, its background, importance of career planning, and the need for combining both work and nursing care. Ms. Sugiyama explained how there are many choices involved in nursing care for working people and that maintaining both work and nursing care requires accurate information, knowledge, and communication between both parent and child.



Establishing a Religious Service Room

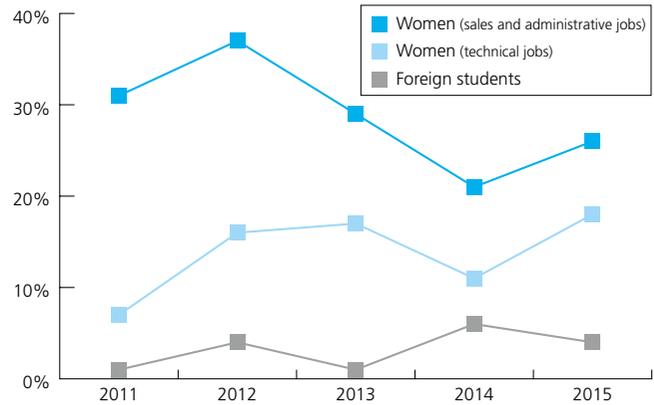
About 300 Muslims visit head office and Sanjo Works in Japan each year. Therefore, when we designed the new head office building, we provided a space for religious services so that customers can visit without worry.



Diversity of New Graduate Recruitment

To promote utilizing more diverse human resources, several years ago we started actively recruiting foreign students and continue to increase the proportion of women hired.

Percent of women and foreign students among new graduate hires



Comments from a Non-Japanese Employee Hired Due to the Global Employment Policy

Gregory King, originally from Philippines
Solutions Development Group, GC & TA Business Unit,
Analytical & Measuring Instruments Division



My current work deals mostly with research and development of the Shimadzu GC as well as finding future GC applications. I think that the analytical instruments business is a very unique and interesting one. Our customers are usually other businesses that also develop new technologies. In a way, our products help them improve their products, which in turn benefit the end consumer. So every time we find new ways to improve our products even just a little bit, I know that our hard work will contribute directly to the advancement of society as a whole. Working in a Japanese institution has taught me many beautiful things. One of the best things I like about working in a Japanese company is that people treat each other like family. Coworkers are very supportive and if anyone makes a mistake, everyone is always available to help out. When you take on a big project for example, you do not feel alone because you know that you can always count on your coworkers for advice and assistance.

Comments from the Supervising Manager

Masanao Furukawa
Manager, Solutions Development Group, GC & TA Business Unit,
Analytical & Measuring Instruments Division

After working with Greg, I am daily surprised with his abilities and how hard he works. Once a week we have what we call "Greg time," where we report on our activities, but are not permitted to use Japanese. I think he has not only helped improve the English language ability of the younger employees in the same department, but also stimulated them with his work attitude. In the future, I plan to gradually increase his opportunities to negotiate with other related departments, so that he can learn about the organization from a variety of perspectives.

Environmental Management System and Environmental Performance

Shimadzu's environmental management system has been implemented based on ISO 14001 international standards for environmental management systems, mainly for production, R&D, and sales locations and major affiliated companies within Japan.

Through continuous improvements, we have been investing effort into improving various environmental performance and strengthening our compliance with environmental laws and regulations.

Environmental Management System and Policies

Previously Shimadzu's environmental management system has established based on ISO14001 under the direction of environmental committee chaired by executive management. In April 2015, environmental meeting chaired by the president was newly established as the ultimate deliberative body for environmental issues. This has provided a deeper integration between company management and environmental management.

Meanwhile, Shimadzu is promoting activities to include all sales bases within the scope of ISO14001 as well. Shimadzu and its group companies are currently promoting company-wide environmental activities based on the purposes and goals determined for the entire company by the environmental technical committee sections established across different departments.



Environmental Policies of Shimadzu Corporation Head Office and Factories & Related Offices

1. Basic Philosophy

Human health and environmental preservation on a global scale are goals shared throughout the world. As a member of the international community, we at Shimadzu consider global environmental problems as one of our most important concerns, and we conduct our business activities in accordance with the management principle, "Realizing Our Wishes for the Well-being of both Mankind and the Earth." We strive to achieve an abundant society while preserving and protecting the environment.

2. Basic Policies

Business operations at the Head Office and Factories & Related Offices of Shimadzu Corporation are committed to expanding the development, manufacture, sales and service of scientific equipment. These include analytical instruments; measuring instruments; testing machines; medical equipment; aircraft equipment; hydraulic equipment; industrial equipment; and bio-products and sensor devices, including environmental analysis and measurement instruments. At the same time, these business operations are dedicated to identifying the impact that business activities at the corporate Headquarter Offices district, our products and their manufacturing processes, and related services may be having on the environment. The continual improvement of our environmental management system actively contributes to steadily reducing the burden on the environment, to preventing pollution, and to enhancing the social environment. Such activities are based on the following policies.

- Business operations in the Head Office and Factories & Related Offices of Shimadzu Corporation will make harmonizing their business activities with the preservation of the global environment one of the highest priorities.
- To promote activism for global environment preservation, an organizational system is provided that allows the opportunity for all business organizations, including employees and all people in the site to participate.
- The company will contribute to global environmental preservation by engaging in activities to promote environmental education and to raise awareness that employees and all people in the site should be involved in.

- The company will work to accurately identify the effects that the business operations have on the environment (such as environmental pollution, resource depletion, global warming, destruction of the ozone layer, loss of biodiversity) and work to constantly increase environmental preservation activities, as much as technologically and economically possible.
- The company will strive to observe not only applicable legally requirements regarding environmental aspects, such as international, national and local environmental laws and regulations, but also any other requirements agreed to by the company. To preserve the environment the company will even establish its own voluntary standards when necessary.
- Of the environmental effects that the business activities of our business operation in the Head Office and Factories & Related Offices of Shimadzu Corporation may have, promoting preservation activities with respect to the following effects will be given special priority.
 - The company will reduce environmental impacts, promote usage of sustainable resources and prevent environmental pollutions by the business operations.
 - The company will develop products with functionality or applications that are environmentally beneficial to society, and products designed to have low environmental impacts throughout their life-cycle, and will contribute to environmental improvement in society.
 - The company will reduce greenhouse gases emissions, including CO2 emissions that lead to global climate change, and contribute to prevention of global warming and realization of low carbon society.
 - The company will make every effort to conserve biodiversity by improving the past environmental activities.
 - The company will support external environmental activities using the know-how accumulated for preserving the environment.
- The company will strive to establish communication with local residents and related government organizations, in order to make contributions to the local community.

Ichiro Kowaki
Environmental Committee Chair Head Office and Factories & Related Offices,
Shimadzu Corporation

Key Environmental Performance Results for FY 2014 and Medium and Long-Term Goals

Self-assessment rating: ◎: Goals achieved with excellent results,
○: Goals achieved with good results, △: Goals not achieved

Environmental Aspect	FY 2014 Goals	FY 2014 Results	Rating	Mid-Term/Long-Term Goals
Waste	Reduce waste output.	Reduction of 25.4 tons of wastes	○	Maintain zero-emission status until FY 2017.
	Maintain zero-emission status (min. 99 % recycling ratio).	99.7 %	◎	
Chemical substances	Reduce the use of CFC substitutes by 500 kg.	400 kg	◎	Eliminate all CFC substitutes by FY 2017.
Energy	Reduce CO2 emissions to 11.17 tons per 100 M yen in consolidated net sales.	10.27 tons per 100 M yen	◎	By FY 2020, reduce per sales level by 20 % from FY 2010 level.
Products	Develop 25 ECO-label compliant products.	31 products (5 low-energy and 26 hazardous substance-free products)	◎	Supply life cycle-based products by FY 2030.
	Trial of LCA	Tried LCA for 3 models.	◎	

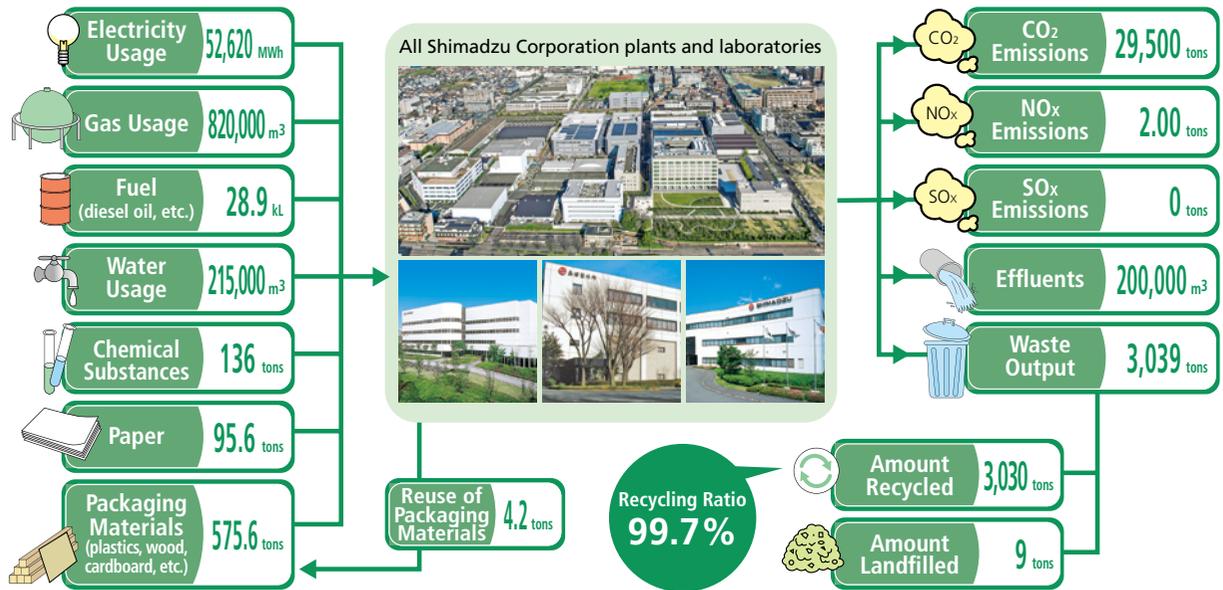


Attaining ISO14001 Accreditation

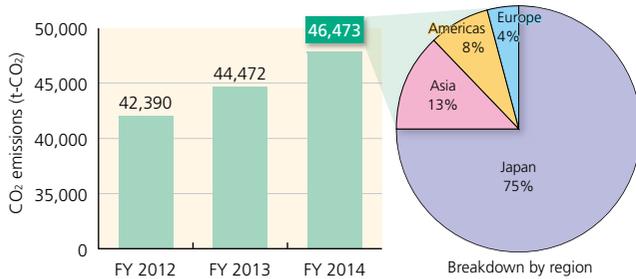
<http://www.shimadzu.com/about/csr/iso.html>

Various Quantitative Information

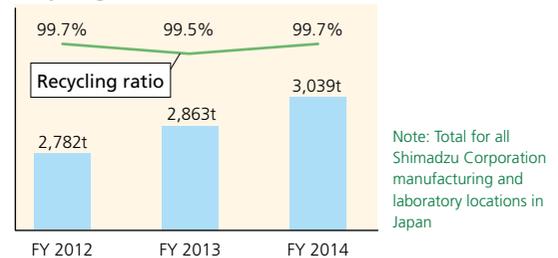
Environmental Load Mass Balance [FY 2014] (Total for all Shimadzu Corporation manufacturing and laboratory locations in Japan)



CO₂ Emissions from Energy Usage by the Shimadzu Group



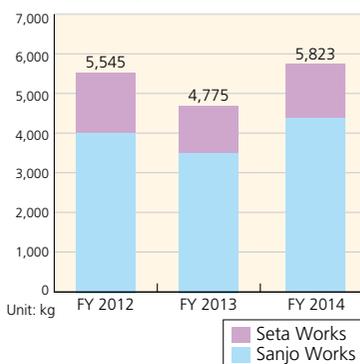
Total Amount of Waste and Recycling Ratio



Note: Total for all Shimadzu Corporation manufacturing and laboratory locations in Japan

Usage of Substances Reported for PRTR

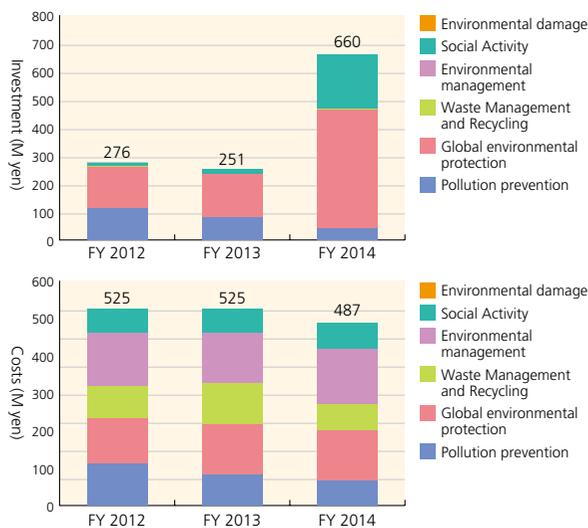
Note: Total for all Shimadzu Corporation manufacturing and laboratory locations in Japan



* PRTR is an acronym for Pollutant Release and Transfer Register, which is a system for identifying, calculating, and publishing the quantities of suspected hazardous chemical substances released into the environment or transported. Totals only include the usage of substances reported to the government in Japan.

Environmental Accounting Data

Note: Total number of sites in Japan with ISO 14001 certification



Costs Required for Environmental Protection (FY 2014) (Units: million yen)

Category	Investment	Costs
Pollution prevention costs	40	66
Global environmental protection costs	423	134
Waste Management and Recycling	4	71
Environmental management costs	0	146
Social Activity costs	193	70
Environmental damage costs	0	0
Total	660	487

Environment-Related R&D Costs (FY 2014) (Units: million yen)

Category	Investment	Yen Value
R&D costs (Development of environment-related products and environmentally-friendly products)	13	6,174
For reference: Total R&D costs	—	13,007

Completion of New Head Office Building

Construction of the new head office building at Sanjo Works was completed in June 2014.

The new building not only serves to consolidate head office functions within the Sanjo Works site, but also incorporates a variety of environmentally-friendly features. In terms of the Kyoto standards for the Comprehensive Assessment System for Built Environment Efficiency (CASBEE), which also evaluates buildings based on how well they typify Kyoto, the building earned an "S" score, which is the highest available.

In addition, a new 8,000 m² Shimadzu Forest space was installed on the south side of the new head office building. This green space earned an AAA score, the highest available, from the Japan Habitat Evaluation & Certification Program (JHEP), a program developed and operated by the Ecosystem Conservation Society-Japan to objectively and quantitatively evaluate biodiversity conservation or restoration measures.

Shimadzu intends to continue maintaining and conserving this thriving ecosystem in the future as well.

JHEP Certification

(Takeshi Seki, Secretary General of the Ecosystem Conservation Society-Japan)

We are very impressed that a new green space has been established in the heart of Kyoto city that significantly expands the green area with mostly regionally indigenous trees such as *castanopsis sieboldii* and *quercus glauca*. I think that this type of genetic consideration will increase the value of Kyoto city as an international city.

As the forest develops, and *castanopsis cuspidata* and native grasses develop as well, I look forward to the restoration of an even better natural habitat.



Comments from a Regional Community

(Daisuke Oishi, Regional Promotion Section, Kyoto City Nakagyo Ward Office)

In the Nakagyo ward, we are promoting increasing the amount of green areas, based on the theme of symbiosis with Japanese honey bees by having bees raised on the ward office roof, in the Nijojo castle grounds, and a few other places within the ward and by calling on citizens to increase the amount of greenery in their proximity. Therefore, we are hopeful that the large Shimadzu Forest will serve as a regional natural resource that, by allowing local citizens to experience a natural environment in their own neighborhood, will promote interest in developing a community with generous amounts of green. When I imagine all the honey bees flying around the flowering trees being cultivated in the Shimadzu Forest, it makes me excited with anticipation.



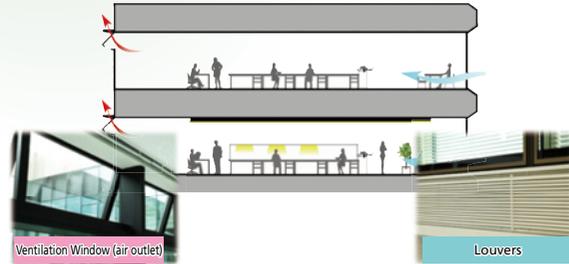
Active Use of Lumber Produced in Kyoto Prefecture

In an effort to promote local production for local consumption and the local lumber industry, traditional Japanese cedar (*cryptomeria japonica*) wood from the Kitayama area north of Kyoto was used for the tables, shelves, and other woodwork in the meeting rooms for receiving visitors. This resulted in being awarded the 2014 Kyoto governor's award for facilities that utilize lumber produced in Kyoto prefectures.



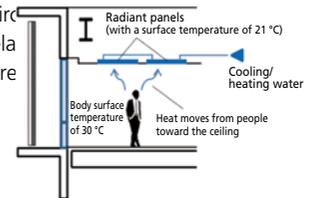
Natural Ventilation System

Depending on the position of ventilation windows and air intake louvers, fresh air is delivered inside the building by natural ventilation to minimize the use of air conditioning inside the building during spring and fall seasons.



Radiant Heating/Cooling System

Each floor is heated or cooled using a system that gently exchanges heat via radiant panels installed in the ceiling, through which cooled or heated water is circulated. This provides a comfortable office space with a relatively low temperature and no direct exposure.



Natural Light Intake and Illumination Sensor

A system that tracks the movement of the sun to control window blinds inside the building for obtaining as much natural light as possible works in conjunction with illumination sensors to minimize the use of electric lighting. Furthermore, LED lighting is used in all lighting fixtures in the building. This lighting design was awarded the 2014 Good Lighting Award from the Illuminating Engineering Institute of Japan.



Recycling of Natural Resources During the Installation of the Shimadzu Forest

When the Shimadzu Forest was installed on the south side of the building, the soil was amended with compost made from dead leaves and weeds and carbonized wood pallets and packaging materials. Both of these materials are made from wastes in our sites.



Working Together with Suppliers

The materials used in Shimadzu products are procured using a supply chain management system to build strong partnerships with suppliers in and outside of Japan. This helps form a deeper mutual understanding and develops a relationship where both parties can grow and develop.

Procurement Policy

In an effort to ensure all transactions are fair and equitable, and comply with laws and regulations, the basic policy for transactions is symbiosis, environment (E), quality (Q), cost (C), and delivery (D).

We promote transactions with suppliers that are able to supply the best possible quality and at a price that can satisfy the customer and that actively engage in measures to minimize their environmental impact.



Measures for Conflict Minerals

The Shimadzu Group consults with suppliers about the regulation of the use of conflict minerals*1 from a viewpoint of social responsibility of a company. If parts and materials used in Shimadzu's products have been confirmed to include conflict minerals, Shimadzu will immediately stop using them and takes other appropriate measures.

*1 In the US, the Dodd-Frank Wall Street Reform and Consumer Protection Act was established on July 21, 2010 in order to prevent sales of such minerals from becoming a capital source for armed groups that commit inhumane acts. According to the restrictions provided by Article 1502, companies listed in the US must report to the Securities and Exchange Commission (SEC) about the use of gold, tin, tantalum, and tungsten mined in the Democratic Republic of the Congo and nine surrounding countries for achieving products' functions or manufacturing them. The law stipulated that the SEC shall determine specific procedures for the report, and the procedures were adopted in a public session of the SEC on August 22, 2012.

Full RoHS Compliance

The European RoHS directive is now applicable to monitoring and control instruments and medical devices since July 2014. To comply with the requirements, Shimadzu is supplying RoHS-compliant products to Europe.

To guarantee compliance with the RoHS directive, we procure materials based on our Green Procurement Standards, audit suppliers in the field to assess control practices, and also analyze procured materials ourselves. Furthermore, we cooperate with suppliers through presentations, briefings, and dialogues to ensure quality is maintained throughout the entire supply chain. Additionally, to comply with stricter RoHS or REACH requirements, we have established a new system for surveying chemical substances.

By understanding and controlling the content of chemical substances in products, we intend to diligently continue reducing our environmental impact.



Workshop for Suppliers on Waste Management

Waste management requirements in Japan continue to become stricter each time applicable laws are revised. However, if a waste management problem occurs at a supplier, it could cause a major disruption to Shimadzu's supply chain.

Therefore, in FY 2014, Shimadzu conducted two waste management training workshops for suppliers, which were attended by 134 people from 114 companies. Comments from suppliers that attended the workshops included "It made me realize that I need to actively investigate not only the laws, but also local ordinances" and "I now realize that I need to reconfirm all the details on shipping manifests and contracts."

Shimadzu will continue to manage risk through the supply chain.



Green Procurement Standards and Other Related Documents <http://www.shimadzu.com/about/csr/procure.html>
 Measures for Conflict Minerals http://www.shimadzu.com/about/csr/conflict_minerals.html

Dialogs with Stakeholders

We invited some influential individuals to have a dialog about Shimadzu's Environmental and Social Report and Shimadzu's activities in general.

The following is a selection from the valuable views expressed during that dialog.

Date..... April 24, 2015

Location..... Shimadzu Corporation, Sanjo Works

Overview... After touring the production plant facility, the product showroom, and so on, they exchanged views with



Comments from an Outside Expert (1)

Kazuhiko Takano
Deputy Dean, Professor,
Faculty of Safety Science,
Kansai University



I was impressed with Shimadzu's stance on creating products with high added value while striving to satisfy the needs of customers. The report conveys the sincerity and earnestness of Shimadzu. I think the report is wonderful just as it is, but I think corporate value could be further improved by giving more detailed information about company activities to give a better impression, such as regarding corporate social responsibility. That would simultaneously help increase employee motivation and also be important in terms of compliance. For example, Shimadzu pioneered using control self-assessment practices for risk management. You were also a leader in adopting business continuity planning, corporate governance, and information security practices. I think information about such measures should be included as well. Lately, such information is also important to investors, so I hope the report will indicate that such measures are escalated each year as improvements are made going through PDCA cycles.

Comments from an Outside Expert (2)

Emi Sugawara
Associate Professor,
Faculty of Law,
Osaka University of Economics and Law



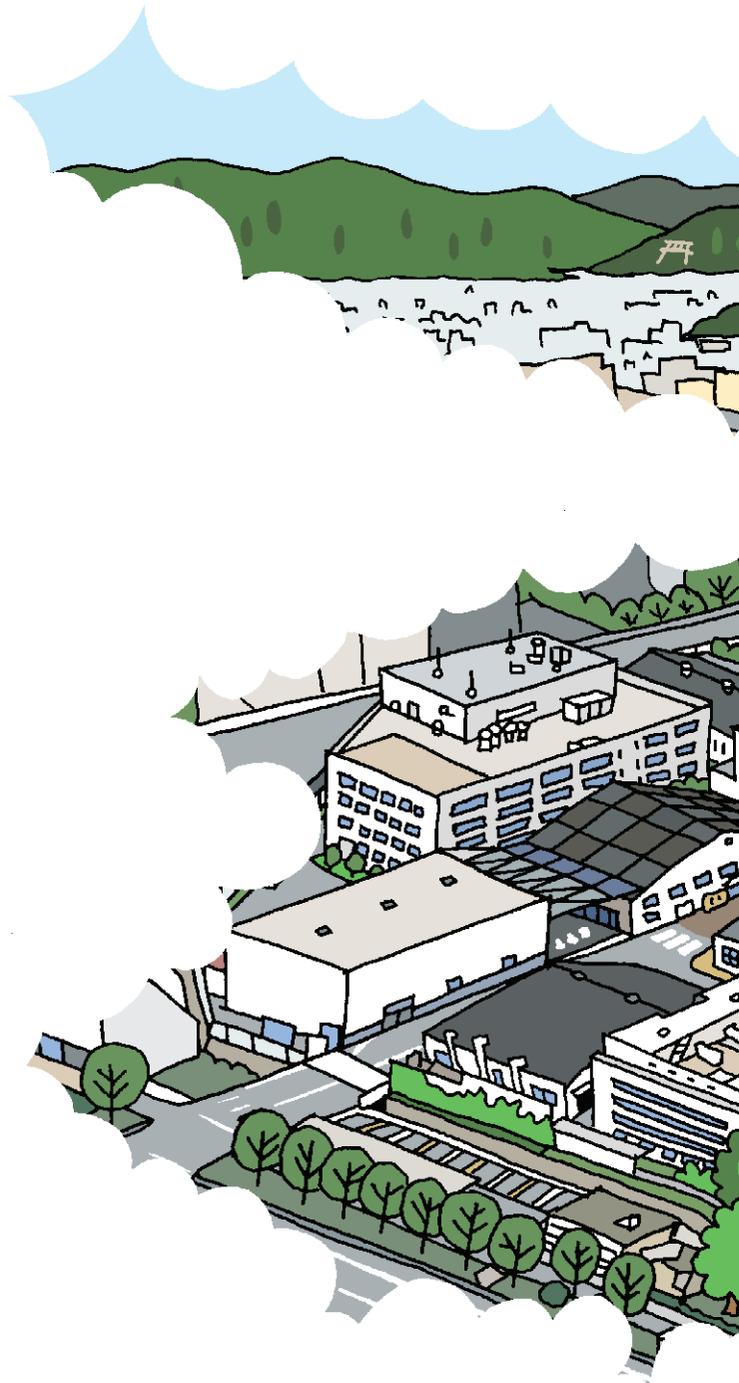
I think the report put more focus on social aspects than the one in 2012 when I participated in your stakeholder dialogue. However, diversified stakeholders have been engaging in evaluation of business activities lately, so it is ever more important for business to provide transparency. In order not to lead to misunderstanding among stakeholders that a lack of information means a lack of activity, information of activities should be proactively disclosed. Apparently, Shimadzu has developed internal systems such as work-life balance programs and diverse employment for foreigners, so one of pillars for the next report should be "diversity in the workplace", which would shows Shimadzu's policy to be a better place to work for a wider variety of people. I believe that it send a strong message to those interested in working at Shimadzu and also to your current employees. As the next step, I hope that Shimadzu will establish and implement "social" management systems in addition to environmental ones (EMS), and that you will describe how Shimadzu activities and products are involved in helping people around the world achieve their environmental and health rights.

Response to Views from Outside Shimadzu

Ichiro Kowaki
Senior Corporate Executive Officer and Director of Shimadzu Corporation

We want to sincerely thank Professor Takano and Associate Professor Sugawara for generously taking time from their busy schedules to come to Shimadzu and offer their valuable insights. The information they provided about current topics and world trends in their respective fields of expertise was extremely stimulating to relevant personnel at Shimadzu. It has provided an invaluable opportunity to renew our awareness of certain issues, such as issues that we need to buckle down and improve further in the future and the importance of including information that would be effective in increasing Shimadzu's corporate value.

Shimadzu remains committed to merging scientific technologies available to Shimadzu with environmental and social measures to contribute to society through our business activities.



Although this report was issued in September 2015, departments, job titles, and other information related to the stakeholders and Shimadzu Group employees refer to those when the report was edited (July 2015).



For further details about the activities featured in this Environmental and Social Report or our website, contact Shimadzu as follows:

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FAX: +81-75-823-2062
E-mail: kksitu@group.shimadzu.co.jp

URL: www.shimadzu.com

Shimadzu's principles concerning environmental and social issues are available on its home site.



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