

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2021  
(Based on Japanese GAAP)**

May 12, 2021

Company name: Shibaura Machine Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 6104 URL <https://www.shibaura-machine.co.jp>  
 Representative: President and Chief Operating Officer Shigetomo Sakamoto  
 Public Relations & Investor Relations  
 Inquiries: Department Minoru Aoki TEL 03(3509)0444  
 Senior Manager  
 Scheduled date of ordinary general meeting of shareholders: June 21, 2021  
 Scheduled date to file Securities Report: June 21, 2021  
 Scheduled date to commence dividend payments: May 31, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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	%
Year ended March 31, 2021	92,635	(20.7)	381	(89.2)	872	(77.2)	(2,898)	–
Year ended March 31, 2020	116,761	(0.5)	3,529	(8.0)	3,825	(31.4)	7,338	79.9

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	(120.05)	–	(3.4)	0.6	0.4
Year ended March 31, 2020	304.06	–	8.6	2.5	3.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	134,296	82,152	61.2	3,402.36
As of March 31, 2020	154,283	87,018	56.4	3,605.47

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	192	(1,537)	(4,956)	42,417
Year ended March 31, 2020	5,312	19,772	(1,964)	48,011

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	42.50	–	42.50	85.00	2,051	28.0	2.4
Year ended March 31, 2021	–	37.50	–	37.50	199.30	4,810	–	5.7
Year ending March 31, 2022 (Forecast)	–	37.50	–	37.50	75.00		181.1	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2021	52,000	22.9	800	—	300	—	0	—	—
Full year	106,000	14.4	2,700	607.1	2,200	152.0	1,000	—	41.42

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2021	29,977,106 shares	As of March 31, 2020	29,977,106 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	5,831,373 shares	As of March 31, 2020	5,841,960 shares
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Average number of shares during the period

Year ended March 31, 2021	24,141,713 shares	Year ended March 31, 2020	24,135,286 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	47,907	42,417
Notes and accounts receivable - trade	36,064	27,682
Securities	104	—
Merchandise and finished goods	9,052	6,736
Work in process	26,877	22,327
Raw materials and supplies	67	64
Other	2,340	3,560
Allowance for doubtful accounts	(49)	(37)
Total current assets	122,364	102,752
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,014	39,252
Accumulated depreciation	(28,429)	(29,348)
Buildings and structures, net	10,584	9,903
Machinery, equipment and vehicles	24,224	24,421
Accumulated depreciation	(22,073)	(21,703)
Machinery, equipment and vehicles, net	2,151	2,718
Land	7,049	7,098
Leased assets	240	264
Accumulated depreciation	(150)	(153)
Leased assets, net	89	111
Construction in progress	135	474
Other	7,327	7,238
Accumulated depreciation	(6,797)	(6,786)
Other, net	529	452
Total property, plant and equipment	20,541	20,758
Intangible assets		
Other	561	571
Total intangible assets	561	571
Investments and other assets		
Investment securities	6,560	8,341
Long-term loans receivable	13	6
Deferred tax assets	3,142	409
Other	2,149	2,765
Allowance for doubtful accounts	(1,048)	(1,310)
Total investments and other assets	10,816	10,213
Total non-current assets	31,918	31,543
Total assets	154,283	134,296

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	21,279	17,613
Short-term borrowings	10,090	10,590
Income taxes payable	7,218	74
Accrued expenses	5,351	2,341
Provision for bonuses	–	1,096
Provision for product warranties	720	591
Advances received	6,403	5,345
Other	1,941	1,316
<b>Total current liabilities</b>	<b>53,006</b>	<b>38,969</b>
<b>Non-current liabilities</b>		
Long-term borrowings	4,300	3,800
Long-term accounts payable - other	5	5
Deferred tax liabilities	2	570
Provision for retirement benefits for directors (and other officers)	41	58
Retirement benefit liability	9,770	8,518
Asset retirement obligations	52	105
Other	85	115
<b>Total non-current liabilities</b>	<b>14,258</b>	<b>13,174</b>
<b>Total liabilities</b>	<b>67,264</b>	<b>52,144</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	12,484	12,484
Capital surplus	11,538	11,538
Retained earnings	77,359	69,522
Treasury shares	(16,376)	(16,346)
<b>Total shareholders' equity</b>	<b>85,006</b>	<b>77,198</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,334	3,749
Deferred gains or losses on hedges	0	–
Foreign currency translation adjustment	843	1,737
Remeasurements of defined benefit plans	(1,165)	(533)
<b>Total accumulated other comprehensive income</b>	<b>2,012</b>	<b>4,953</b>
<b>Total net assets</b>	<b>87,018</b>	<b>82,152</b>
<b>Total liabilities and net assets</b>	<b>154,283</b>	<b>134,296</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	116,761	92,635
Cost of sales	83,301	67,730
Gross profit	33,459	24,904
Selling, general and administrative expenses		
Sales commission	1,486	1,223
Packing and transportation costs	3,595	2,842
Provision for product warranties	625	491
Employees' salaries and allowances	11,914	11,195
Retirement benefit expenses	652	684
Depreciation	746	738
Rent expenses	804	911
Travel and transportation expenses	1,238	561
Research and development expenses	1,682	1,404
Outsourcing expenses	588	468
Other	6,596	4,000
Total selling, general and administrative expenses	29,930	24,522
Operating profit	3,529	381
Non-operating income		
Interest income	43	59
Dividend income	512	212
Rental income	50	45
Share of profit of entities accounted for using equity method	728	–
Subsidies for employment adjustment	–	677
Subsidy income	–	220
Foreign exchange gains	76	348
Other	271	282
Total non-operating income	1,683	1,847
Non-operating expenses		
Interest expenses	81	84
Brand fee expense	124	0
Outsourcing expenses	862	655
Other	318	615
Total non-operating expenses	1,387	1,356
Ordinary profit	3,825	872
Extraordinary income		
Gain on sale of non-current assets	6	13
Gain on sale of investment securities	26	132
Gain on sale of shares of subsidiaries and associates	10,135	–
Total extraordinary income	10,168	145

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Extraordinary losses		
Loss on disposal of non-current assets	103	78
Loss on valuation of shares of subsidiaries and associates	–	35
Loss on valuation of investment securities	311	–
Impairment losses	19	371
Extra retirement payments	911	264
Total extraordinary losses	1,345	750
Profit before income taxes	12,648	267
Income taxes - current	7,621	403
Income taxes - deferred	(2,312)	2,762
Total income taxes	5,309	3,165
Profit (loss)	7,338	(2,898)
Profit (loss) attributable to owners of parent	7,338	(2,898)

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss)	7,338	(2,898)
Other comprehensive income		
Valuation difference on available-for-sale securities	(536)	1,415
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(867)	893
Remeasurements of defined benefit plans, net of tax	(228)	632
Share of other comprehensive income of entities accounted for using equity method	77	—
Total other comprehensive income	(1,554)	2,941
Comprehensive income	5,784	43
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,784	43
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,484	11,538	71,983	(16,375)	79,630
Changes during period					
Dividends of surplus			(1,930)		(1,930)
Profit (loss) attributable to owners of parent			7,338		7,338
Purchase of treasury shares				(1)	(1)
Decrease by business combination			(31)		(31)
Restricted stock option					
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,376	(1)	5,375
Balance at end of period	12,484	11,538	77,359	(16,376)	85,006

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,844	0	1,711	(988)	3,566	83,197
Changes during period						
Dividends of surplus						(1,930)
Profit (loss) attributable to owners of parent						7,338
Purchase of treasury shares						(1)
Decrease by business combination						(31)
Restricted stock option						
Net changes in items other than shareholders' equity	(510)	0	(867)	(176)	(1,554)	(1,554)
Total changes during period	(510)	0	(867)	(176)	(1,554)	3,820
Balance at end of period	2,334	0	843	(1,165)	2,012	87,018

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,484	11,538	77,359	(16,376)	85,006
Changes during period					
Dividends of surplus			(4,931)		(4,931)
Profit (loss) attributable to owners of parent			(2,898)		(2,898)
Purchase of treasury shares				(0)	(0)
Decrease by business combination					
Restricted stock option			(7)	30	22
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(7,837)	29	(7,807)
Balance at end of period	12,484	11,538	69,522	(16,346)	77,198

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,334	0	843	(1,165)	2,012	87,018
Changes during period						
Dividends of surplus						(4,931)
Profit (loss) attributable to owners of parent						(2,898)
Purchase of treasury shares						(0)
Decrease by business combination						
Restricted stock option						22
Net changes in items other than shareholders' equity	1,415	(0)	893	632	2,941	2,941
Total changes during period	1,415	(0)	893	632	2,941	(4,866)
Balance at end of period	3,749	-	1,737	(533)	4,953	82,152

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	12,648	267
Depreciation	1,781	1,755
Impairment losses	19	371
Extra retirement payments	911	264
Increase (decrease) in allowance for doubtful accounts	662	249
Increase (decrease) in provision for bonuses	–	1,096
Increase (decrease) in provision for product warranties	115	(128)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	8	16
Increase (decrease) in retirement benefit liability	66	(618)
Interest and dividend income	(556)	(271)
Interest expenses	81	81
Loss (gain) on sale of investment securities	(26)	(132)
Loss (gain) on sale of shares of subsidiaries and associates	(10,135)	–
Loss (gain) on valuation of investment securities	311	–
Loss on valuation of shares of subsidiaries and associates	–	35
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	96	64
Share of loss (profit) of entities accounted for using equity method	(728)	–
Decrease (increase) in trade receivables	1,341	8,382
Decrease (increase) in inventories	6,023	6,868
Increase (decrease) in trade payables	(6,973)	(3,616)
Increase (decrease) in advances received	(1,438)	(1,058)
Increase (decrease) in accrued expenses	495	(3,003)
Increase (decrease) in deposits received	(279)	(49)
Increase (decrease) in accounts payable - other	(301)	(38)
Other, net	1,577	(1,498)
Subtotal	5,702	9,039
Interest and dividends received	827	271
Interest paid	(80)	(88)
Income taxes refund (paid)	(1,137)	(7,857)
Extra retirement payments	–	(1,172)
Net cash provided by (used in) operating activities	5,312	192
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,424)	(1,545)
Proceeds from sale of property, plant and equipment	13	16
Purchase of intangible assets	(92)	(219)
Proceeds from sale of investment securities	208	320
Purchase of shares of subsidiaries and associates	(98)	–
Proceeds from sale of shares of subsidiaries and associates	21,525	–
Payments for investments in capital of subsidiaries and associates	(379)	–
Decrease (increase) in short-term loans receivable	(3)	(16)
Proceeds from collection of long-term loans receivable	3	6
Other, net	20	(99)
Net cash provided by (used in) investing activities	19,772	(1,537)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Purchase of treasury shares	(1)	(0)
Dividends paid	(1,930)	(4,931)
Other, net	(33)	(24)
Net cash provided by (used in) financing activities	(1,964)	(4,956)
Effect of exchange rate change on cash and cash equivalents	(701)	708
Net increase (decrease) in cash and cash equivalents	22,419	(5,593)
Cash and cash equivalents at beginning of period	25,592	48,011
Cash and cash equivalents at end of period	48,011	42,417