

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

July 29, 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 to file Quarterly Securities Report: August 5, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2021	25,598	26.4	422	967.8	390	–	(102)	–
Three months ended June 30, 2020	20,245	(21.3)	39	–	(42)	–	(500)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	(4.23)		–	
Three months ended June 30, 2020	(20.75)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	141,571	78,357	55.3
As of March 31, 2021	134,296	82,152	61.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	37.50	–	37.50	199.30
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	37.50	–	37.50	75.00

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 three months ended June 30, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2021	29,977,106 shares	As of March 31, 2021	29,977,106 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	5,831,518 shares	As of March 31, 2021	5,831,373 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	24,145,666 shares	Three months ended June 30, 2020	24,135,135 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	42,417	44,082
Notes and accounts receivable - trade	27,682	–
Notes and accounts receivable - trade, and contract assets	–	19,882
Merchandise and finished goods	6,736	16,899
Work in process	22,327	24,658
Raw materials and supplies	64	59
Other	3,560	4,221
Allowance for doubtful accounts	(37)	(33)
Total current assets	102,752	109,770
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,252	39,300
Accumulated depreciation and impairment	(29,348)	(29,465)
Buildings and structures, net	9,903	9,834
Machinery, equipment and vehicles	24,421	24,152
Accumulated depreciation and impairment	(21,703)	(21,119)
Machinery, equipment and vehicles, net	2,718	3,033
Land	7,098	7,078
Leased assets	264	303
Accumulated depreciation and impairment	(153)	(158)
Leased assets, net	111	144
Construction in progress	474	124
Other	7,238	7,059
Accumulated depreciation and impairment	(6,786)	(6,617)
Other, net	452	441
Total property, plant and equipment	20,758	20,657
Intangible assets		
Other	571	562
Total intangible assets	571	562
Investments and other assets		
Investment securities	8,341	8,697
Long-term loans receivable	6	2
Deferred tax assets	409	445
Other	2,765	2,749
Allowance for doubtful accounts	(1,310)	(1,314)
Total investments and other assets	10,213	10,580
Total non-current assets	31,543	31,800
Total assets	134,296	141,571

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	17,613	18,572
Short-term borrowings	10,590	10,590
Income taxes payable	74	103
Accrued expenses	2,341	2,061
Provision for bonuses	1,096	625
Provision for product warranties	591	564
Advances received	5,345	14,885
Other	1,316	2,336
Total current liabilities	38,969	49,739
Non-current liabilities		
Long-term borrowings	3,800	3,550
Long-term accounts payable - other	5	5
Deferred tax liabilities	570	1,072
Provision for retirement benefits for directors (and other officers)	58	62
Retirement benefit liability	8,518	8,521
Asset retirement obligations	105	140
Other	115	121
Total non-current liabilities	13,174	13,474
Total liabilities	52,144	63,213
<b>Net assets</b>		
Shareholders' equity		
Share capital	12,484	12,484
Capital surplus	11,538	11,538
Retained earnings	69,522	65,454
Treasury shares	(16,346)	(16,346)
Total shareholders' equity	77,198	73,130
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,749	3,996
Foreign currency translation adjustment	1,737	1,714
Remeasurements of defined benefit plans	(533)	(484)
Total accumulated other comprehensive income	4,953	5,226
Total net assets	82,152	78,357
Total liabilities and net assets	134,296	141,571

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	20,245	25,598
Cost of sales	14,168	18,824
Gross profit	6,076	6,773
Selling, general and administrative expenses	6,036	6,350
Operating profit	39	422
Non-operating income		
Interest income	16	18
Dividend income	110	110
Foreign exchange gains	14	–
Rental income	11	11
Subsidies for employment adjustment	9	100
Other	54	46
Total non-operating income	216	288
Non-operating expenses		
Interest expenses	20	32
Brand fee expense	0	–
Foreign exchange losses	–	19
Outsourcing expenses	94	42
Other	183	226
Total non-operating expenses	299	320
Ordinary profit (loss)	(42)	390
Extraordinary income		
Gain on sale of non-current assets	0	9
Total extraordinary income	0	9
Extraordinary losses		
Loss on disposal of non-current assets	23	11
Extra retirement payments	265	–
Total extraordinary losses	288	11
Profit (loss) before income taxes	(331)	388
Income taxes - current	74	113
Income taxes - deferred	95	377
Total income taxes	169	491
Loss	(500)	(102)
Loss attributable to owners of parent	(500)	(102)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Loss	(500)	(102)
Other comprehensive income		
Valuation difference on available-for-sale securities	246	247
Deferred gains or losses on hedges	9	–
Foreign currency translation adjustment	16	(22)
Remeasurements of defined benefit plans, net of tax	50	48
Total other comprehensive income	322	272
Comprehensive income	(178)	170
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(178)	170
Comprehensive income attributable to non-controlling interests	–	–