

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

November 9, 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: November 9, 2021  
 Scheduled date to commence dividend payments: December 2, 2021  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 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	%
Six months ended September 30, 2021	53,697	26.9	2,377	–	2,349	–	1,792	–
Six months ended September 30, 2020	42,307	(29.0)	(315)	–	(705)	–	(1,052)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	74.22		–	
Six months ended September 30, 2020	(43.59)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	146,792	80,460	54.8
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	–	37.50	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	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
Full year	113,000	22.0	4,300	1,026.1	3,800	335.3	2,800	–	115.92

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2021	29,977,106 shares	As of March 31, 2021	29,977,106 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2021	5,822,659 shares	As of March 31, 2021	5,831,373 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	24,149,429 shares	Six months ended September 30, 2020	24,138,213 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	42,417	47,074
Notes and accounts receivable - trade	27,682	–
Notes and accounts receivable - trade, and contract assets	–	20,015
Merchandise and finished goods	6,736	16,242
Work in process	22,327	27,455
Raw materials and supplies	64	46
Other	3,560	3,909
Allowance for doubtful accounts	(37)	(36)
<b>Total current assets</b>	<b>102,752</b>	<b>114,707</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	39,252	39,217
Accumulated depreciation and impairment	(29,348)	(29,550)
Buildings and structures, net	9,903	9,666
Machinery, equipment and vehicles	24,421	23,980
Accumulated depreciation and impairment	(21,703)	(20,989)
Machinery, equipment and vehicles, net	2,718	2,990
Land	7,098	7,044
Leased assets	264	348
Accumulated depreciation and impairment	(153)	(179)
Leased assets, net	111	168
Construction in progress	474	196
Other	7,238	7,018
Accumulated depreciation and impairment	(6,786)	(6,560)
Other, net	452	458
<b>Total property, plant and equipment</b>	<b>20,758</b>	<b>20,525</b>
<b>Intangible assets</b>		
Other	571	756
<b>Total intangible assets</b>	<b>571</b>	<b>756</b>
<b>Investments and other assets</b>		
Investment securities	8,341	8,878
Long-term loans receivable	6	5
Deferred tax assets	409	500
Other	2,765	2,710
Allowance for doubtful accounts	(1,310)	(1,291)
<b>Total investments and other assets</b>	<b>10,213</b>	<b>10,803</b>
<b>Total non-current assets</b>	<b>31,543</b>	<b>32,085</b>
<b>Total assets</b>	<b>134,296</b>	<b>146,792</b>

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	17,613	22,459
Short-term borrowings	10,590	10,590
Income taxes payable	74	283
Accrued expenses	2,341	2,145
Provision for bonuses	1,096	1,180
Provision for product warranties	591	577
Advances received	5,345	–
Contract liabilities	–	14,472
Other	1,316	1,210
<b>Total current liabilities</b>	<b>38,969</b>	<b>52,919</b>
<b>Non-current liabilities</b>		
Long-term borrowings	3,800	3,550
Long-term accounts payable - other	5	5
Deferred tax liabilities	570	1,008
Provision for retirement benefits for directors (and other officers)	58	56
Retirement benefit liability	8,518	8,504
Asset retirement obligations	105	140
Other	115	147
<b>Total non-current liabilities</b>	<b>13,174</b>	<b>13,412</b>
<b>Total liabilities</b>	<b>52,144</b>	<b>66,332</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	12,484	12,484
Capital surplus	11,538	11,538
Retained earnings	69,522	67,346
Treasury shares	(16,346)	(16,322)
<b>Total shareholders' equity</b>	<b>77,198</b>	<b>75,047</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,749	4,126
Foreign currency translation adjustment	1,737	1,743
Remeasurements of defined benefit plans	(533)	(457)
<b>Total accumulated other comprehensive income</b>	<b>4,953</b>	<b>5,413</b>
<b>Total net assets</b>	<b>82,152</b>	<b>80,460</b>
<b>Total liabilities and net assets</b>	<b>134,296</b>	<b>146,792</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	42,307	53,697
Cost of sales	30,923	38,162
Gross profit	11,384	15,535
Selling, general and administrative expenses	11,700	13,157
Operating profit (loss)	(315)	2,377
Non-operating income		
Interest income	32	39
Dividend income	113	123
Rental income	22	23
Foreign exchange gains	–	40
Subsidies for employment adjustment	222	231
Other	106	74
Total non-operating income	498	533
Non-operating expenses		
Interest expenses	43	55
Brand fee expense	0	–
Outsourcing expenses	485	67
Foreign exchange losses	50	–
Other	307	437
Total non-operating expenses	887	560
Ordinary profit (loss)	(705)	2,349
Extraordinary income		
Gain on sale of non-current assets	4	13
Total extraordinary income	4	13
Extraordinary losses		
Loss on disposal of non-current assets	31	18
Extra retirement payments	264	–
Total extraordinary losses	296	18
Profit (loss) before income taxes	(997)	2,345
Income taxes - current	238	341
Income taxes - deferred	(184)	210
Total income taxes	54	552
Profit (loss)	(1,052)	1,792
Profit (loss) attributable to owners of parent	(1,052)	1,792

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

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit (loss)	(1,052)	1,792
Other comprehensive income		
Valuation difference on available-for-sale securities	340	377
Deferred gains or losses on hedges	5	–
Foreign currency translation adjustment	(48)	6
Remeasurements of defined benefit plans, net of tax	100	75
Total other comprehensive income	398	459
Comprehensive income	(653)	2,251
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(653)	2,251
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(997)	2,345
Depreciation	833	922
Extra retirement payments	264	–
Increase (decrease) in allowance for doubtful accounts	(16)	(20)
Increase (decrease) in provision for bonuses	1,005	83
Increase (decrease) in provision for product warranties	(92)	(13)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	10	(1)
Increase (decrease) in retirement benefit liability	(704)	60
Interest and dividend income	(146)	(163)
Interest expenses	43	55
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	27	4
Decrease (increase) in trade receivables	7,644	1,782
Decrease (increase) in inventories	2,300	(673)
Increase (decrease) in trade payables	(3,970)	5,170
Increase (decrease) in advances received	(1,147)	–
Increase (decrease) in contract liabilities	–	(4,130)
Increase (decrease) in accrued expenses	(3,227)	162
Increase (decrease) in deposits received	(17)	18
Increase (decrease) in accounts payable - other	249	144
Other, net	547	505
Subtotal	2,606	6,253
Interest and dividends received	145	156
Interest paid	(44)	(38)
Income taxes paid	(7,067)	322
Extra retirement payments	(1,049)	–
Net cash provided by (used in) operating activities	(5,408)	6,693
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(415)	(800)
Proceeds from sale of property, plant and equipment	6	80
Purchase of intangible assets	(89)	(182)
Decrease (increase) in short-term loans receivable	(0)	10
Proceeds from collection of long-term loans receivable	3	0
Other, net	(75)	16
Net cash provided by (used in) investing activities	(571)	(875)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	–	(250)
Purchase of treasury shares	(0)	(0)
Dividends paid	(4,025)	(905)
Other, net	(16)	(42)
Net cash provided by (used in) financing activities	(4,042)	(1,198)
Effect of exchange rate change on cash and cash equivalents	(46)	36
Net increase (decrease) in cash and cash equivalents	(10,068)	4,656
Cash and cash equivalents at beginning of period	48,011	42,417
Cash and cash equivalents at end of period	37,943	47,074