

FY Ending in March 2022
Financial Report for 2Q
(Consolidated Base)

November 16, 2021

SHIBAURA MACHINE CO., LTD.

FY Ending in March 2022

Financial Results Overview for 2Q

(Consolidated Base)

- 1) Main points of financial results**
- 2) Comparison with business results forecast**
- 3) Comparison with same period of previous year**

Increased revenue and profits year on year

■ Orders received

- The trend of recover continued after hitting bottom in 1Q FY2020 when business was significantly affected by the spread of COVID-19 infection.
- Orders increased remarkably year on year in all segments mainly in Japan, U.S. and China.
- The number of orders received for LiB separator film production lines for EV increased significantly.

■ Sales

- Sales increased year on year mainly with metal & plastics industrial machine segment.

■ Operating profit, ordinary profit, quarterly net profit

- Profits increased year on year due to an increase of sales volume and improved plant operation capacity.
- Deterioration effect of increasing costs of parts procurement was limited.

Summary of Results (Comparison with business forecast)

Shibaura Machine

(Unit: 100 million yen)

	FY2021 2Q Results (A)	FY2021 2Q Business Forecast (5/12) (B)	Change (A-B)
Sales	536	520	+16
Operating profit	23	8	+15
Profit ratio	4.4%	1.5%	2.9pt
Ordinary profit	23	3	+20
Profit ratio	4.4%	0.6%	3.8pt
Quarterly net profit attributable to owners of parent	17	0	+17
Profit ratio	3.3%	0.0%	3.3pt
Orders received	868	590	+278
Exchange rate (USD)	112 yen	103 yen	

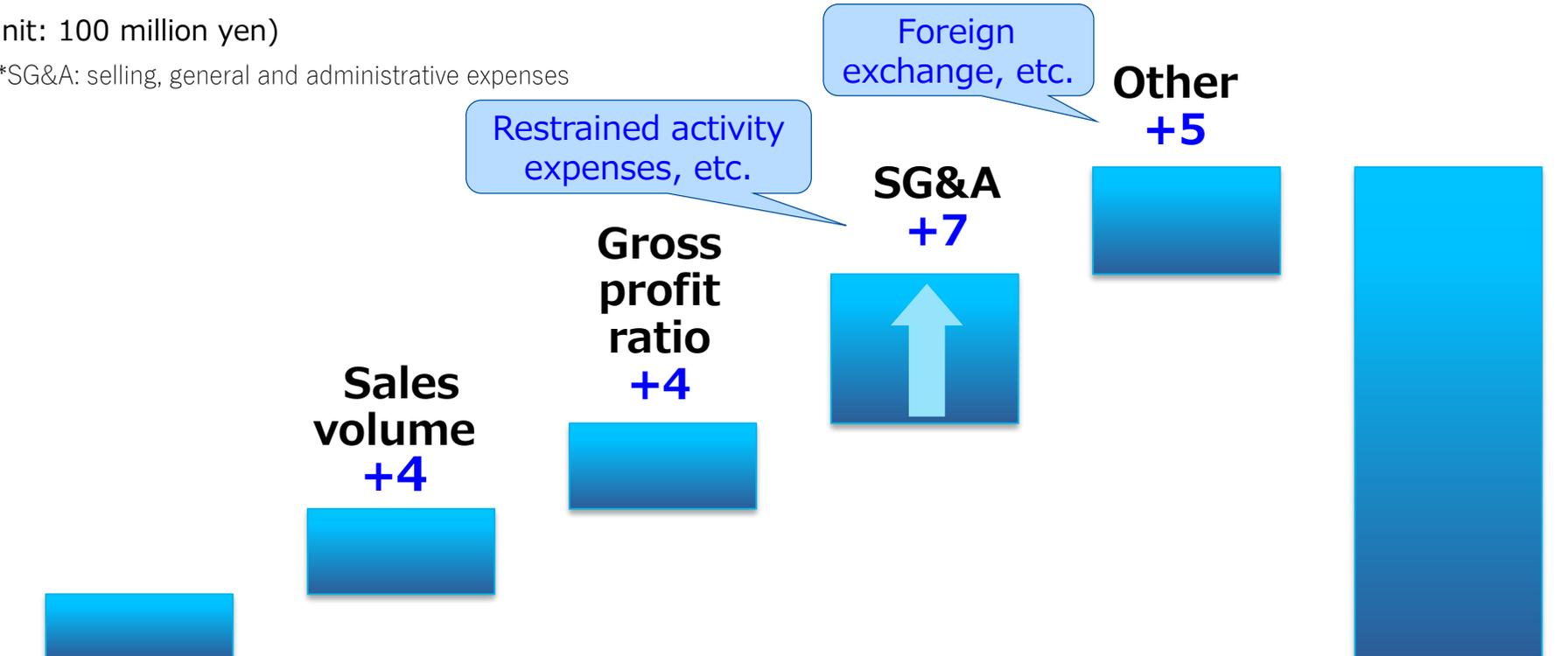
- Sales of LiB separator film production lines for EV in China increased.
- Business activity expenses (travel expense and advertising expense) were restrained as a result of prolonged effect of COVID-19.

Business forecast for 2Q FY2021 vs. Results Ordinary Profit Analysis

Shibaura Machine

(Unit: 100 million yen)

*SG&A: selling, general and administrative expenses



Business forecast for 1H '21 Ordinary profit
3



Results in 1H '21 Ordinary profit
23

Summary of Results (Comparison with same period of previous year)

Shibaura Machine

(Unit: 100 million yen)

(For reference)

	FY2021 2Q (New criteria) (A)	FY2020 2Q (Former criteria) (B)	Change (A-B)	FY2021 2Q (Former criteria) (C)	Change (C-B)
Sales	536	423	+113	446	+23
Operating profit	23	-3	+26	16	+19
Profit ratio	4.4%	-0.7%	5.1pt	3.6%	4.3pt
Ordinary profit	23	-7	+30	15	+22
Profit ratio	4.4%	-1.7%	6.1pt	3.6%	5.3pt
Quarterly net profit attributable to owners of parent	17	-10	+27	10	+20
Profit ratio	3.3%	-2.5%	5.8pt	2.3%	4.8pt
Orders received	868	305	+563		
Exchange rate (USD)	112 yen	106 yen			

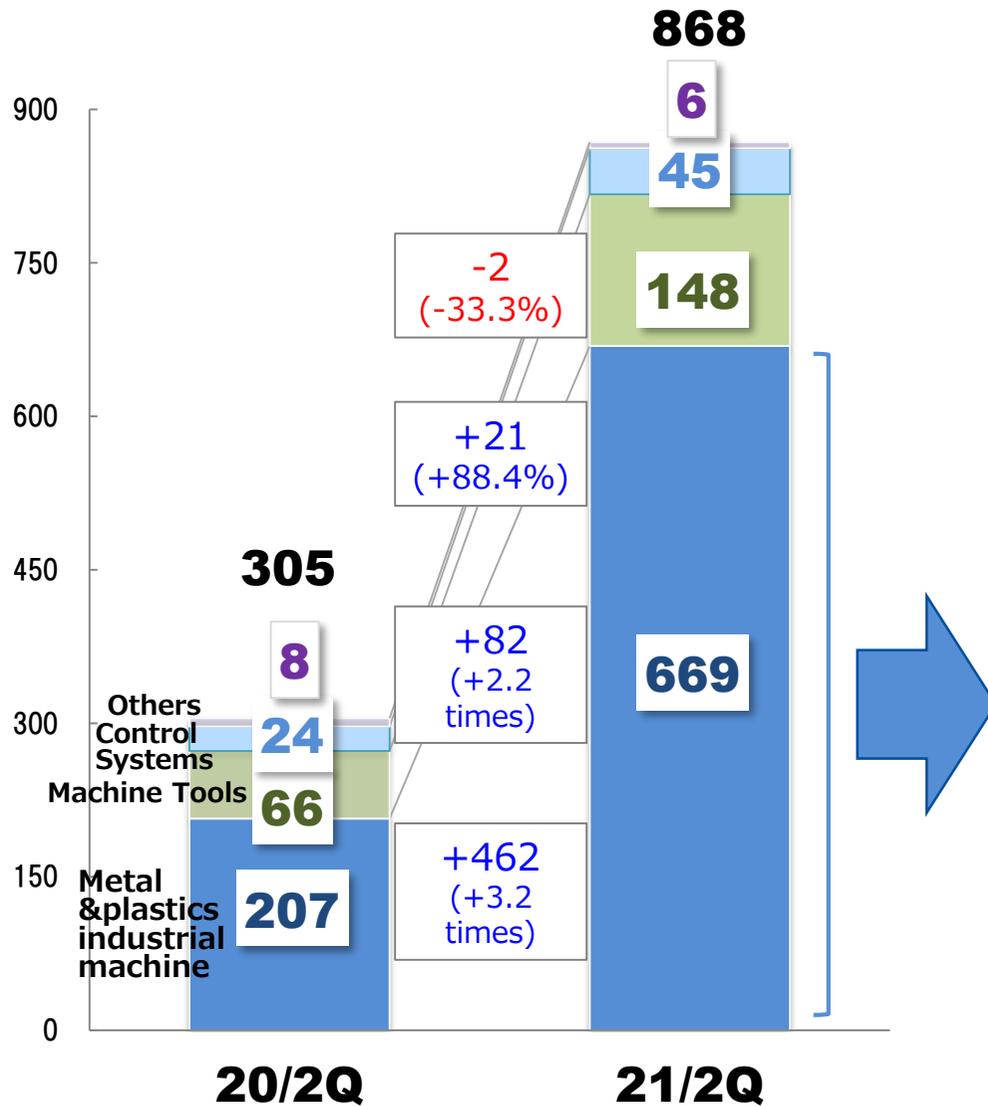
* Revenue recognition criteria was changed from 1Q FY 2021. Figures shown in this material for FY2020 and before are based on the conventional revenue recognition criteria and the figures for 1Q FY2021 and after are based on the new criteria.

Orders Received (by Segment)

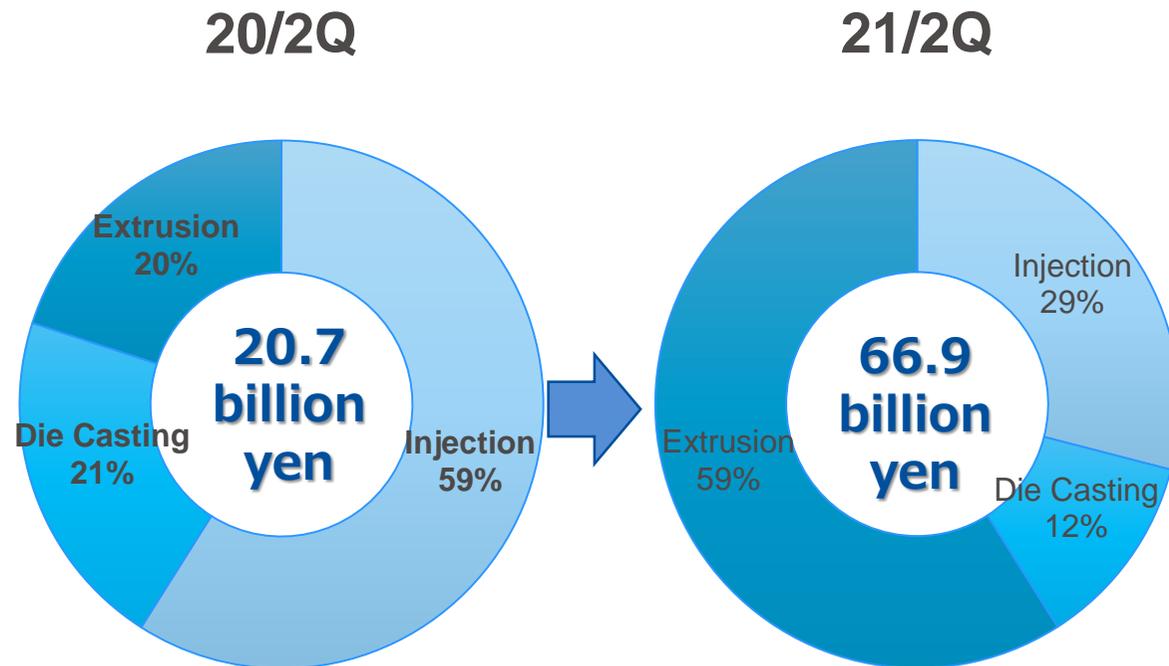
Shibaura Machine

+563 (+2.8 times)

(Unit: 100 million yen)



Metal & plastics industrial machine structural ratio

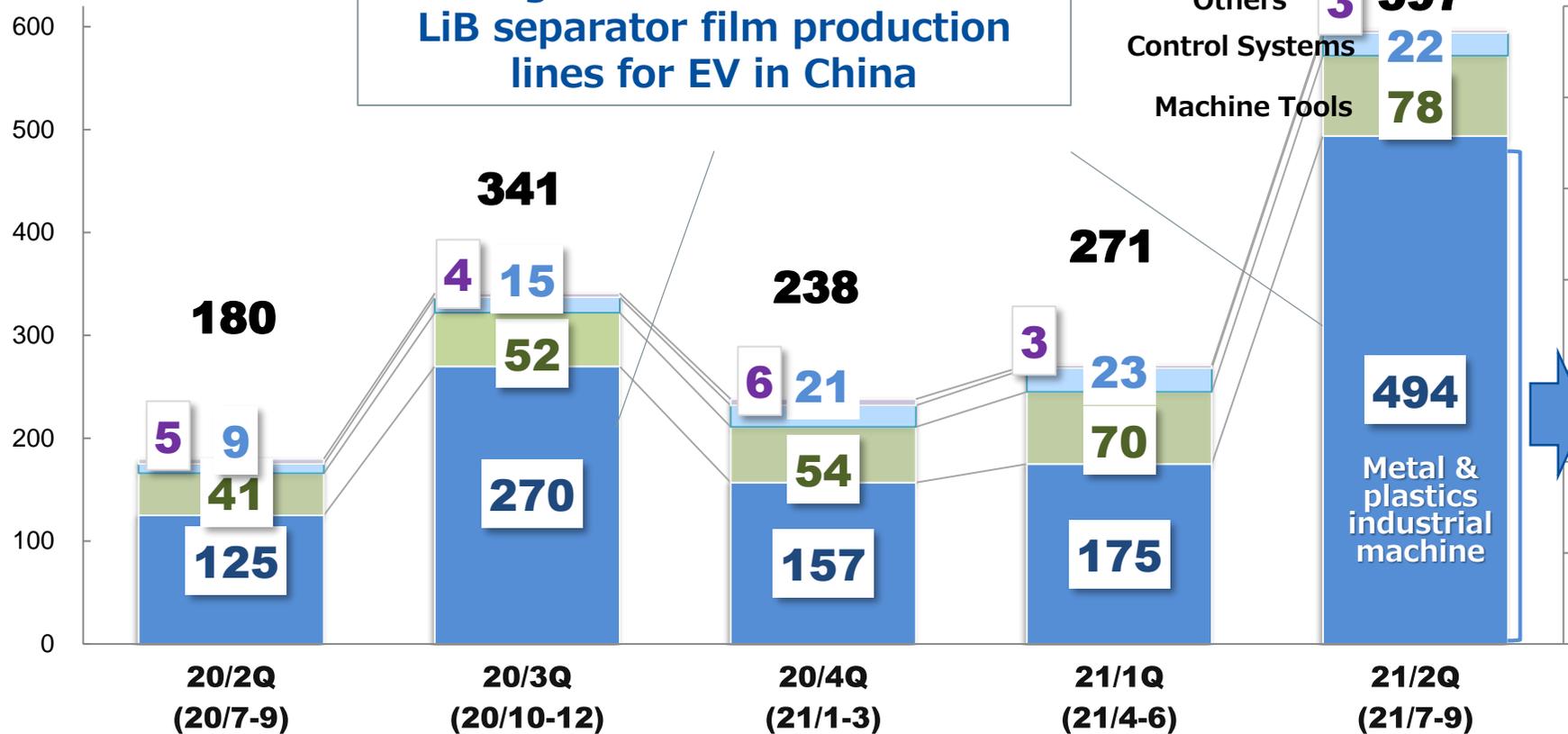


Trends of Orders Received (by Segment)

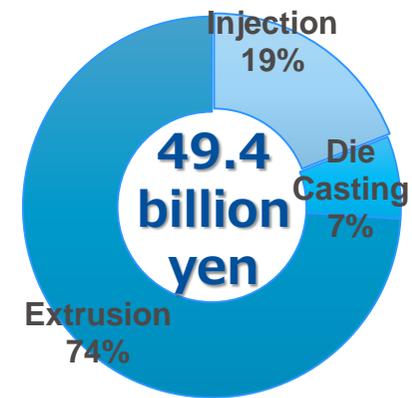
Shibaura Machine

(Unit: 100 million yen)

Large orders received for LiB separator film production lines for EV in China



Metal & plastics industrial machine structural ratio



21/2Q (21/7-9)

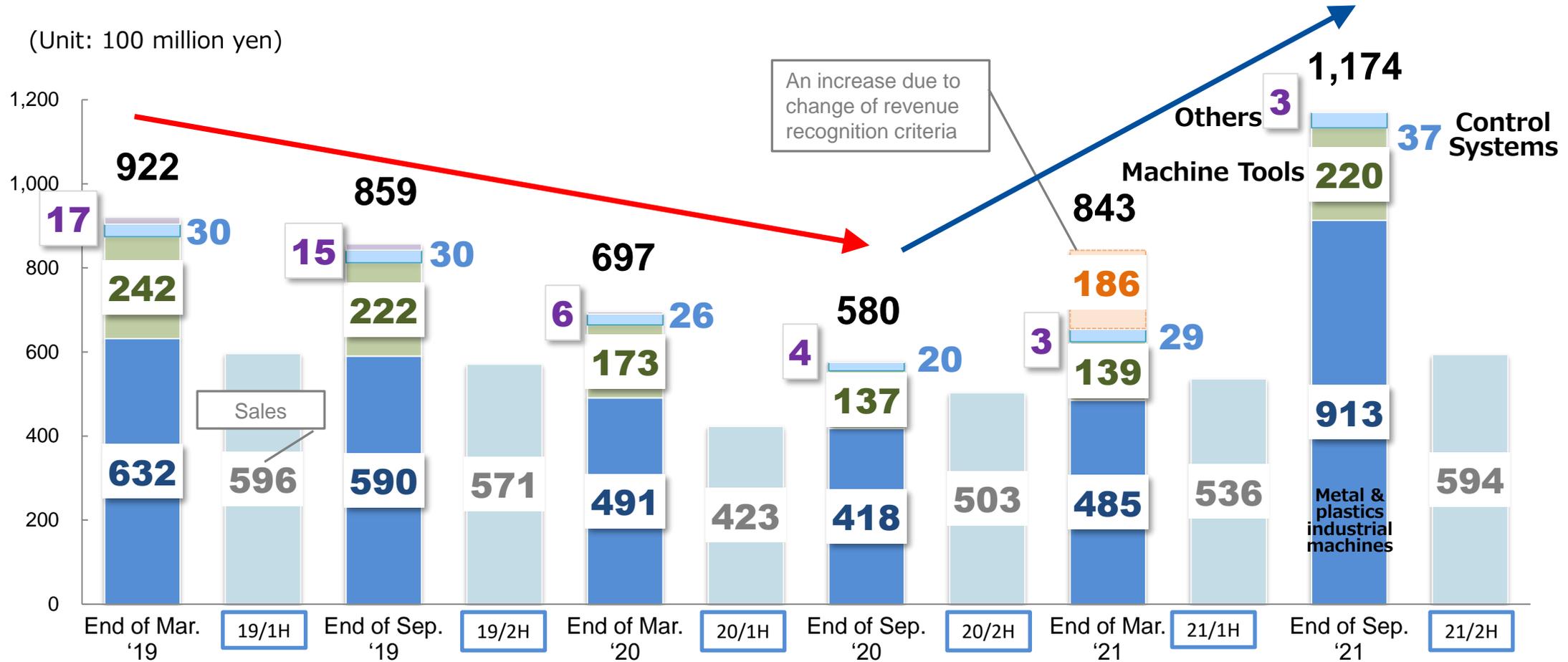
Current status of orders received

- [Injection] Demand recovers in automobile and is strong in medical and container areas.
- [Die casting] Demand increases in automobile area.
- [Extrusion] Demand is expanding for LiB separator film production lines for EV in China.
- [Machine tools] Showing a sign of recovery in industrial machines in Japan and robustness in wind power generation in China.
- [Precision] Robust in optical system dies in China
- [Control] Demand increases in servo and linear motor systems in Japan and is strong in robots for smartphone in China.

Trends of Order Backlog (by Segment)

Shibaura Machine

(Unit: 100 million yen)



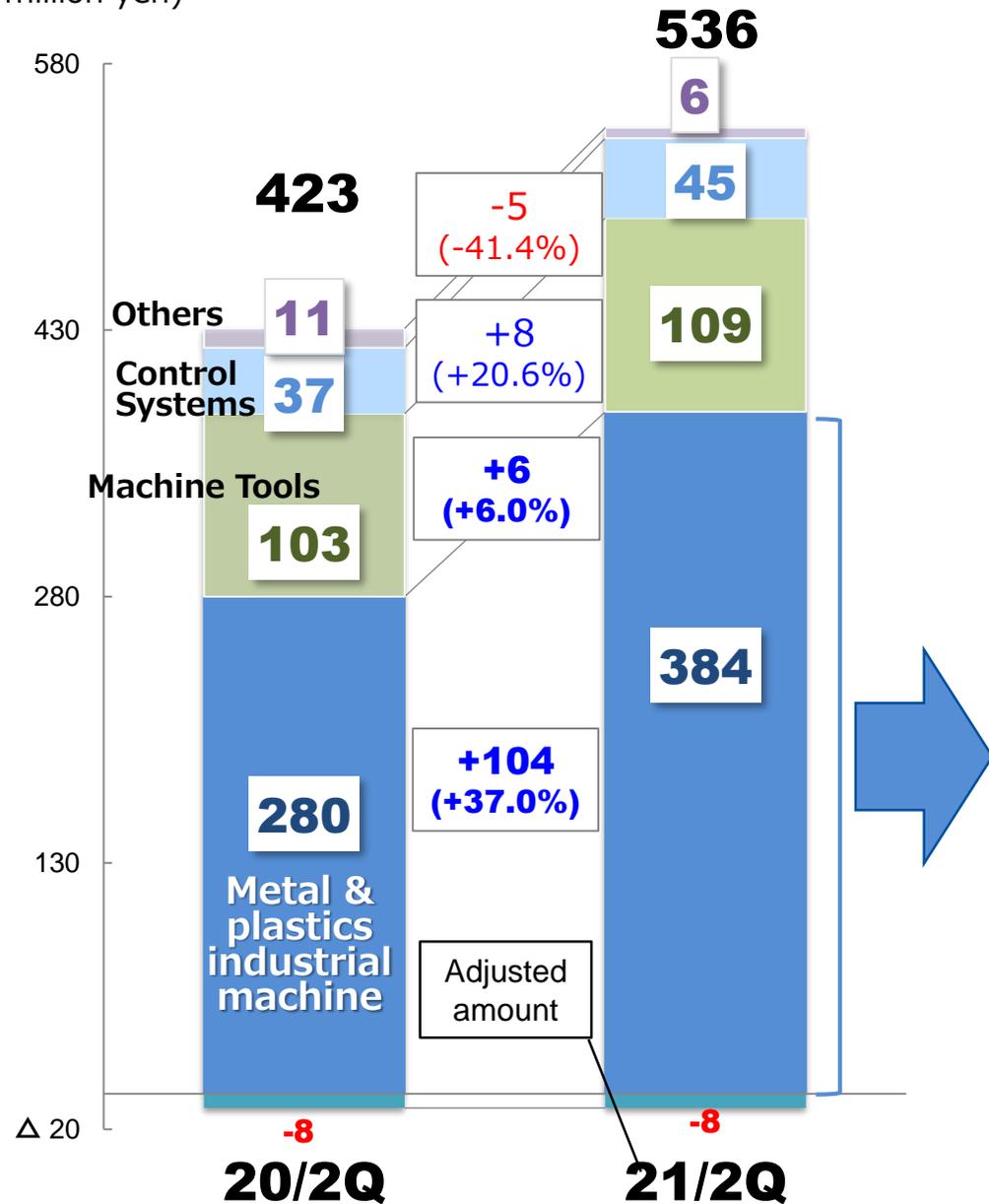
- Order backlog status in all segments (mainly in metal & plastics industrial machine segment) have recovered to a level that exceeds the level before COVID-19 pandemic.
- Orders received at the end of September 2021 mainly for extrusion due to LiB separator film production lines.

Sales (by Segment)

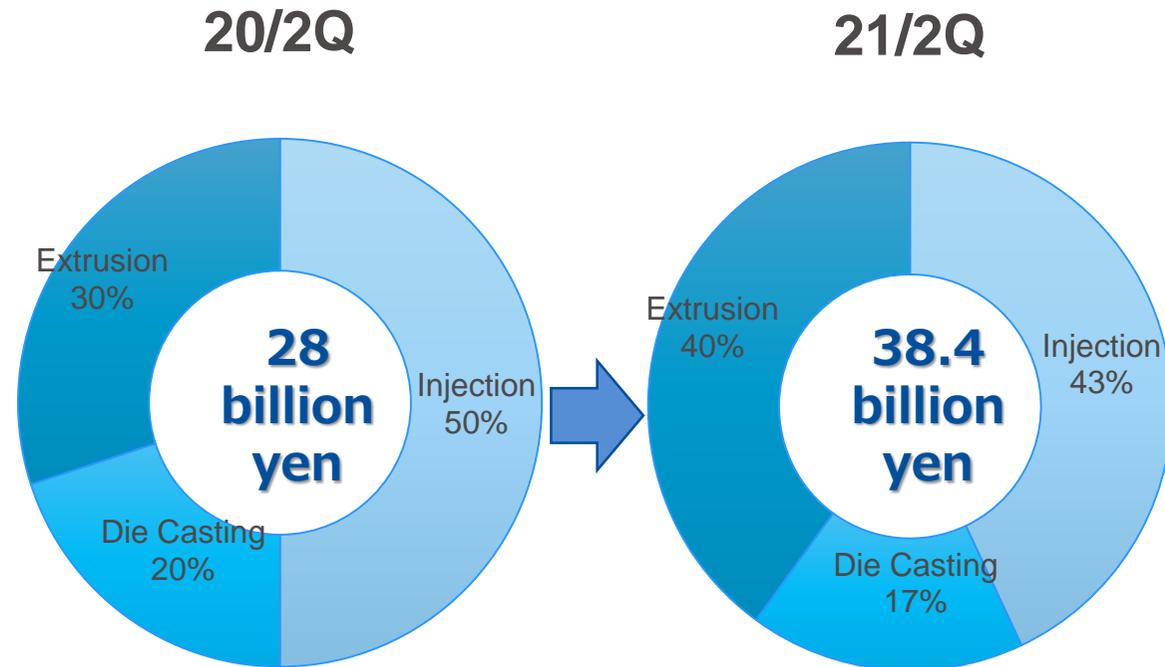
Shibaura Machine

(Unit: 100 million yen)

+113 (+26.9%)



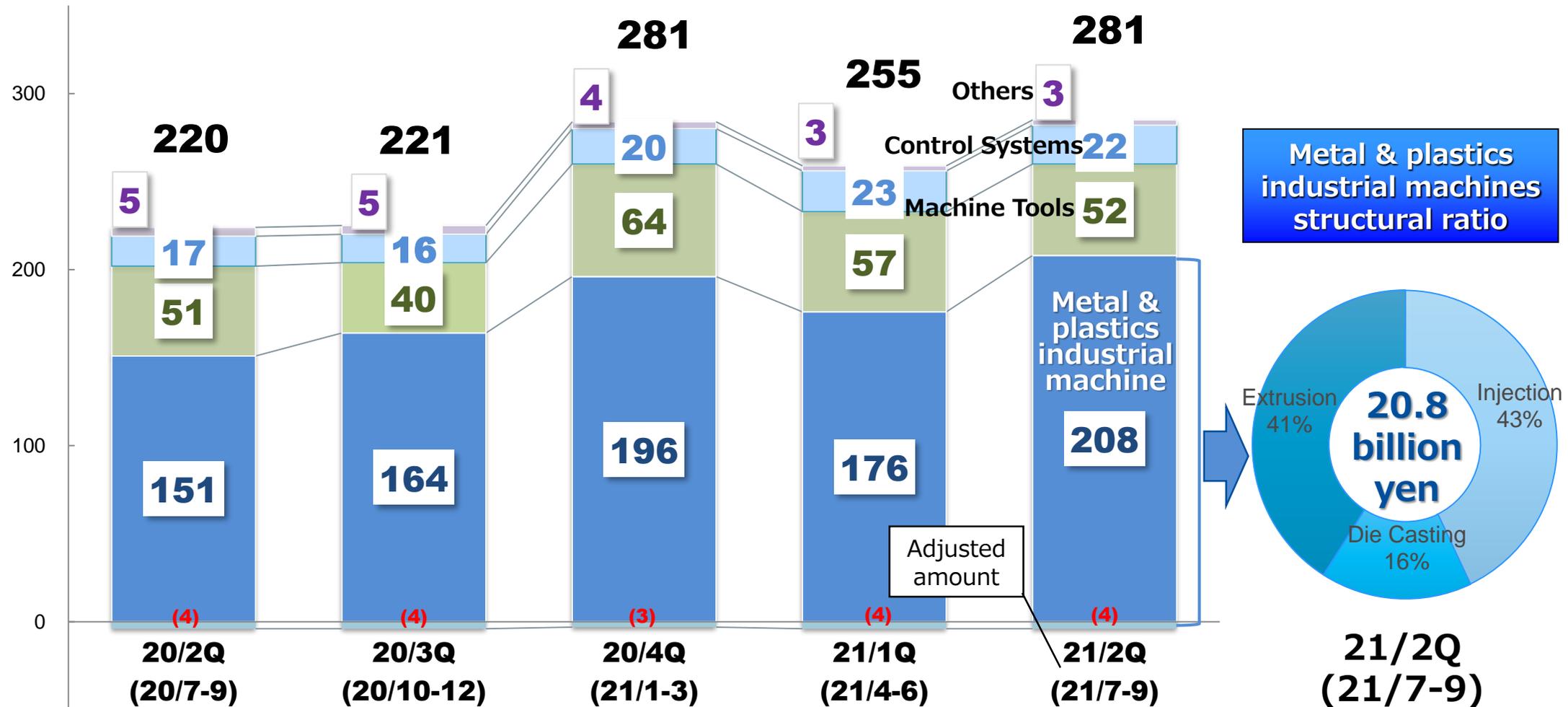
Metal & plastics industrial machine structural ratio



Trends of Sales (by Segment)

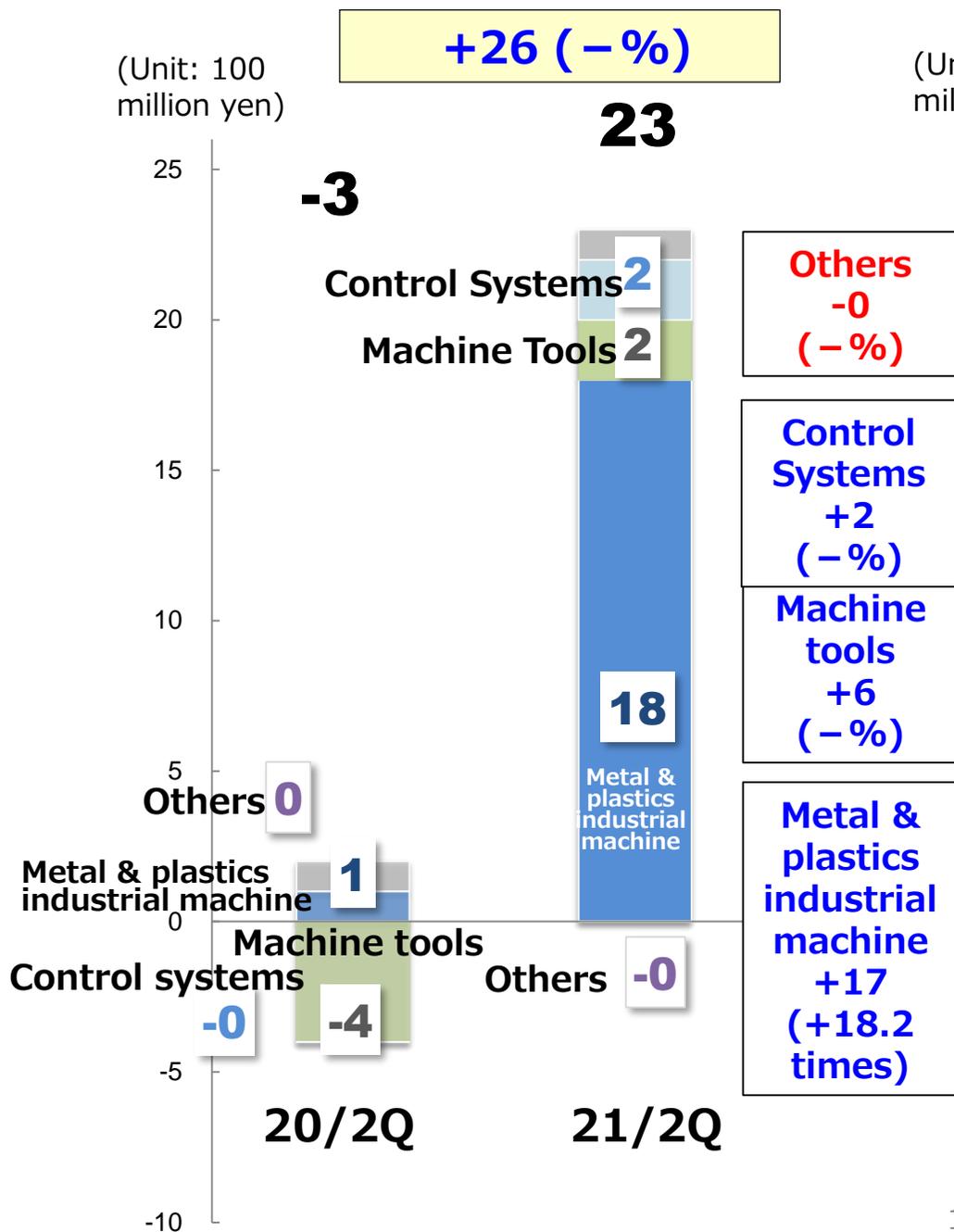
Shibaura Machine

(Unit: 100 million yen)

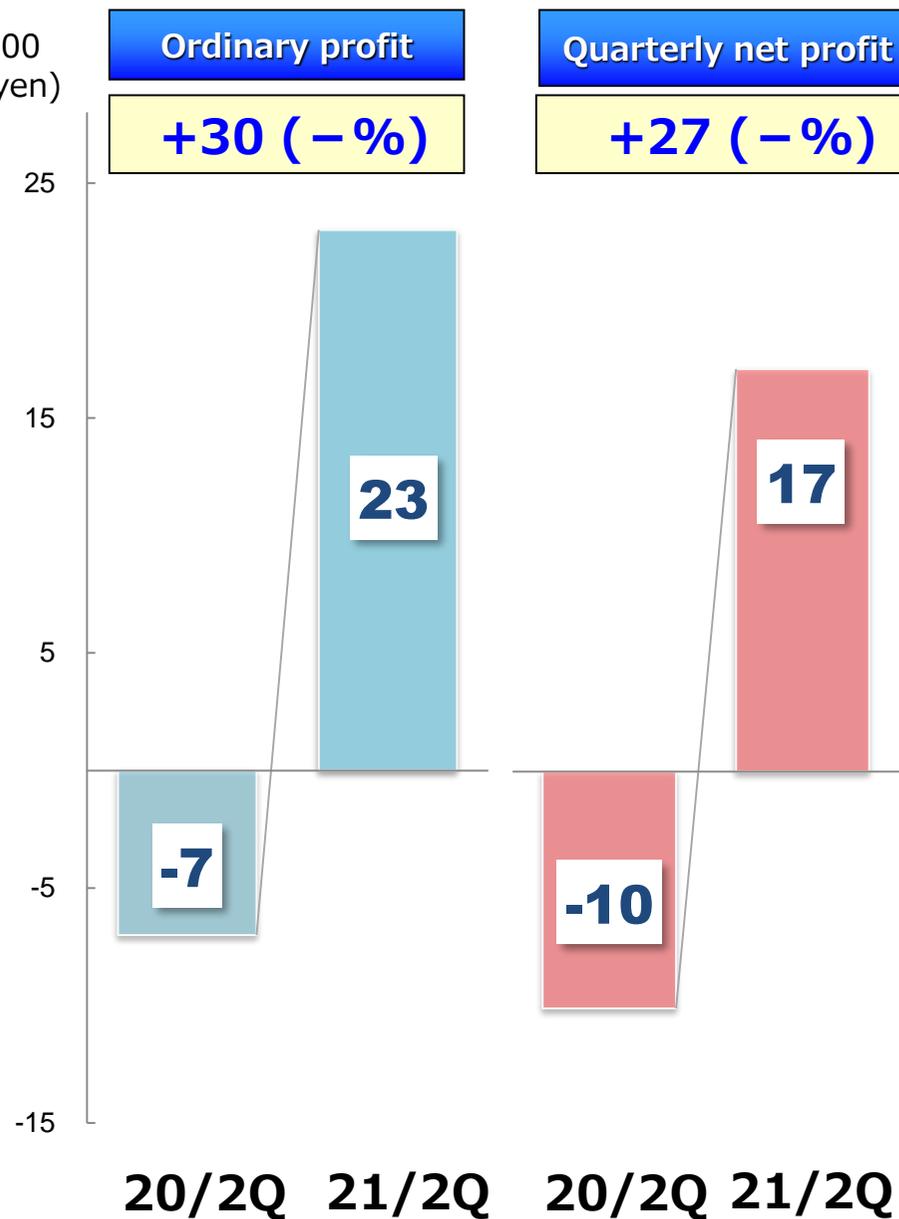


Operating Profit (by Segment) Ordinary Profit, Quarterly Net Profit

Shibaura Machine



(Unit: 100 million yen)



(Metal & plastics industrial Machine) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Injection molding machines, die casting machines, extrusion machines, etc.)

	21/2Q	20/2Q	Change amount	Change rate
Sales	384	280	+104	+37.0%
Operating profit	18	1	+17	18 times
Profit ratio	4.8%	0.4%	+4.4pt	

2Q FY2021 Results factor analysis



Positive factor

- [Injection] Demand is robust in medical and container areas
- [Die casting] Demand increases in automobile area in China.
- [Extrusion] Demand increases for LiB separator film production lines for EV in China.



Negative factor

- Difficulty and increasing cost of procuring parts including semiconductors, stagnant distribution, and increasing costs

(Machine Tools) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Machine tools, high-precision machine tools, etc.)

	21/2Q	20/2Q	Change amount	Change rate
Sales	109	103	+6	+6.0%
Operating profit	2	-4	+6	—
Profit ratio	2.2%	-4.6%	+6.8pt	

2Q FY2021 Results factor analysis



Positive factor

- [Machine tools] Showing robustness in industrial machines and wind power generation in China.
- [Precision] Robust in lens dies for smartphone and automobile in China and Taiwan



Negative factor

- [Machine tools] Decreasing sales for industrial machines in Japan

(Control Systems) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	21/2Q	20/2Q	Change amount	Change rate
Sales	45	37	+8	+20.6%
Operating profit	2	-0	+2	—
Profit ratio	5.7%	-1.7%	+7.4pt	

2Q FY2021 Results factor analysis



Positive factor

- Increase of servo and linear motors in Japan
- Robust demand for robots for smartphone in China



Negative factor

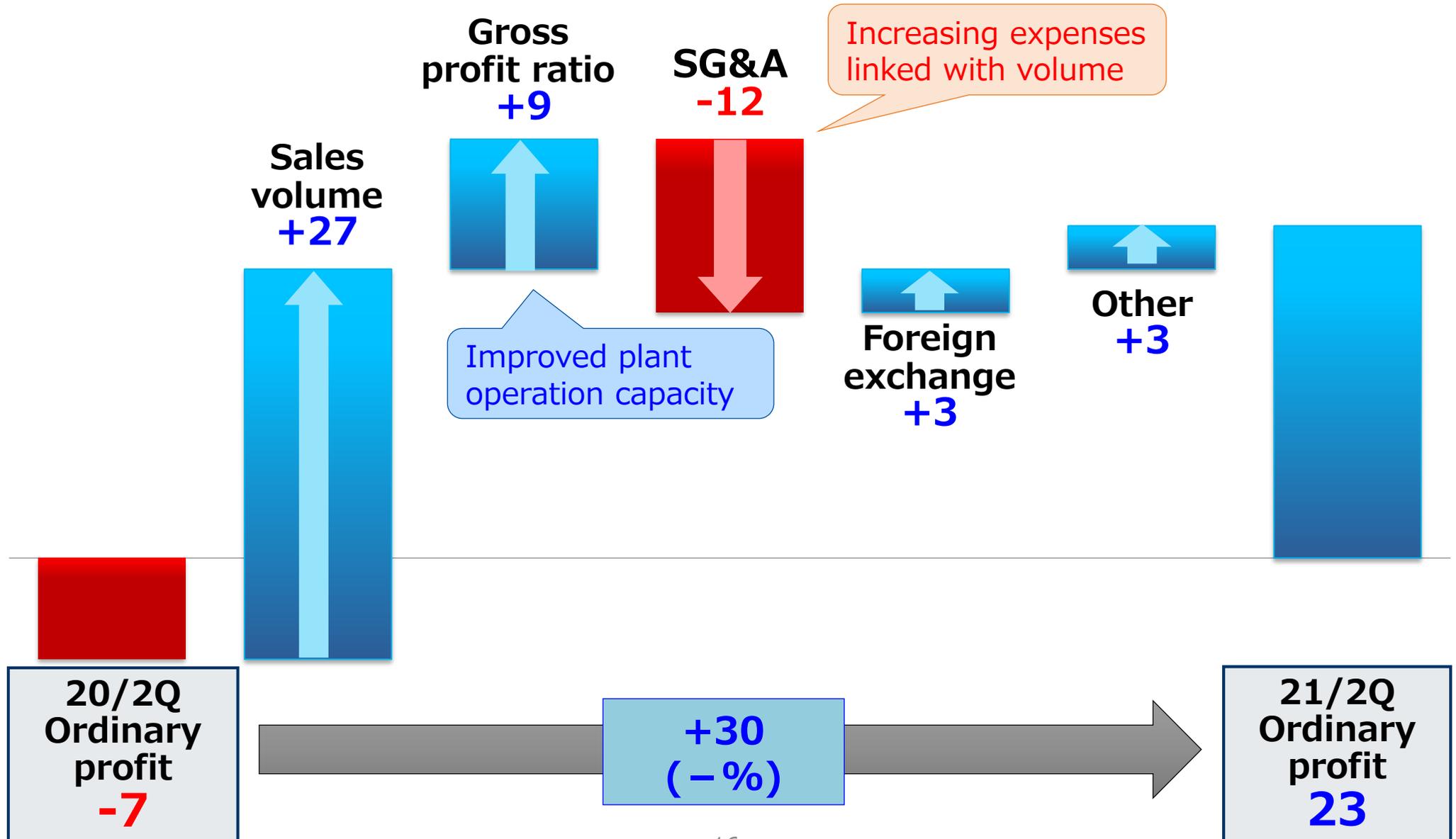
- Difficulty and increasing cost of procuring parts including semiconductors

Ordinary Profit Analysis

Shibaura Machine

(Unit: 100 million yen)

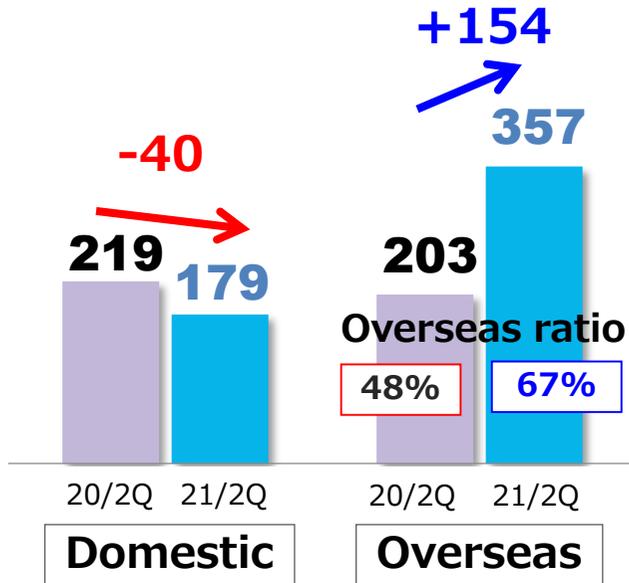
*SG&A: selling, general and administrative expenses



Domestic and Overseas Sales (Year on Year)

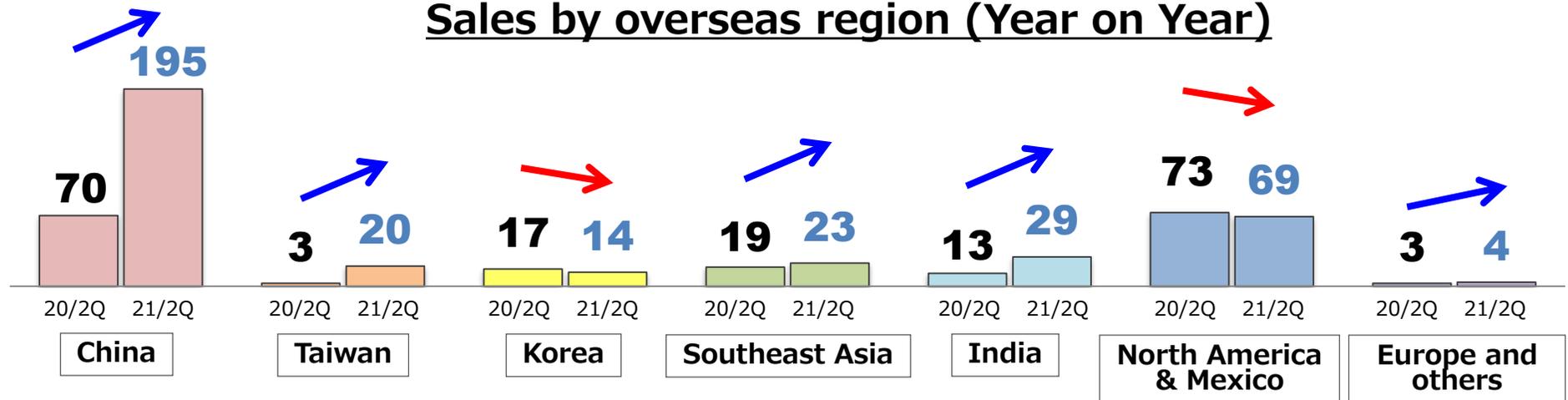
Shibaura Machine

(Unit: 100 million yen)



- Domestic : ➔ [Injection] [Control] increased
➔ [Extrusion] [Machine Tools] decreased
- China : ➔ [Injection] [Die Casting] [Extrusion] [Machine Tools] increased
- Southeast Asia : ➔ [Injection] increased
➔ [Machine Tools] decreased
- India : ➔ [Injection] increased
- North America & Mexico : ➔ [Die Casting] increased
➔ [Injection] [Machine Tools] decreased

Sales by overseas region (Year on Year)



Sales and Ratio in Overseas Market (by Segment)

Shibaura Machine

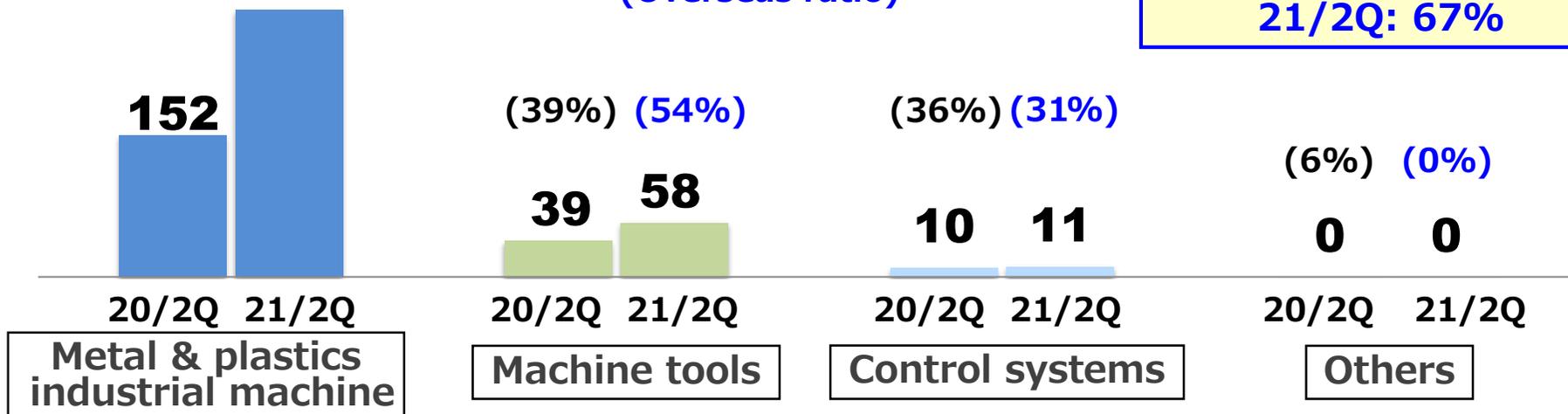
(Unit: 100 million yen)

Overseas sales by segment (Overseas ratio)

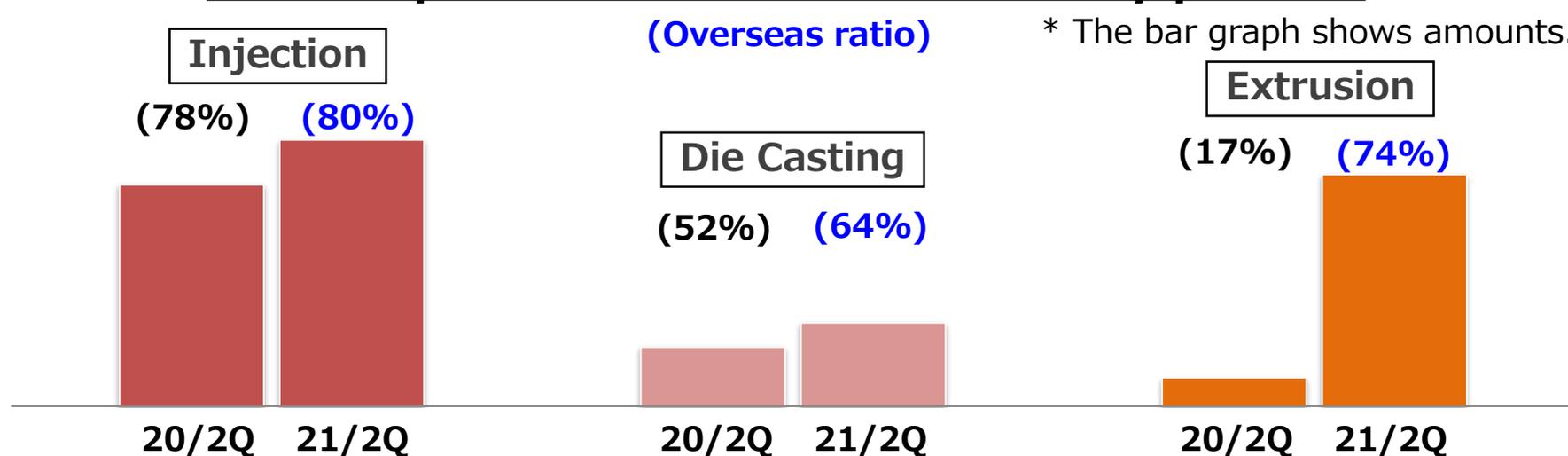
Overseas sales ratio

20/2Q: 48%

21/2Q: 67%



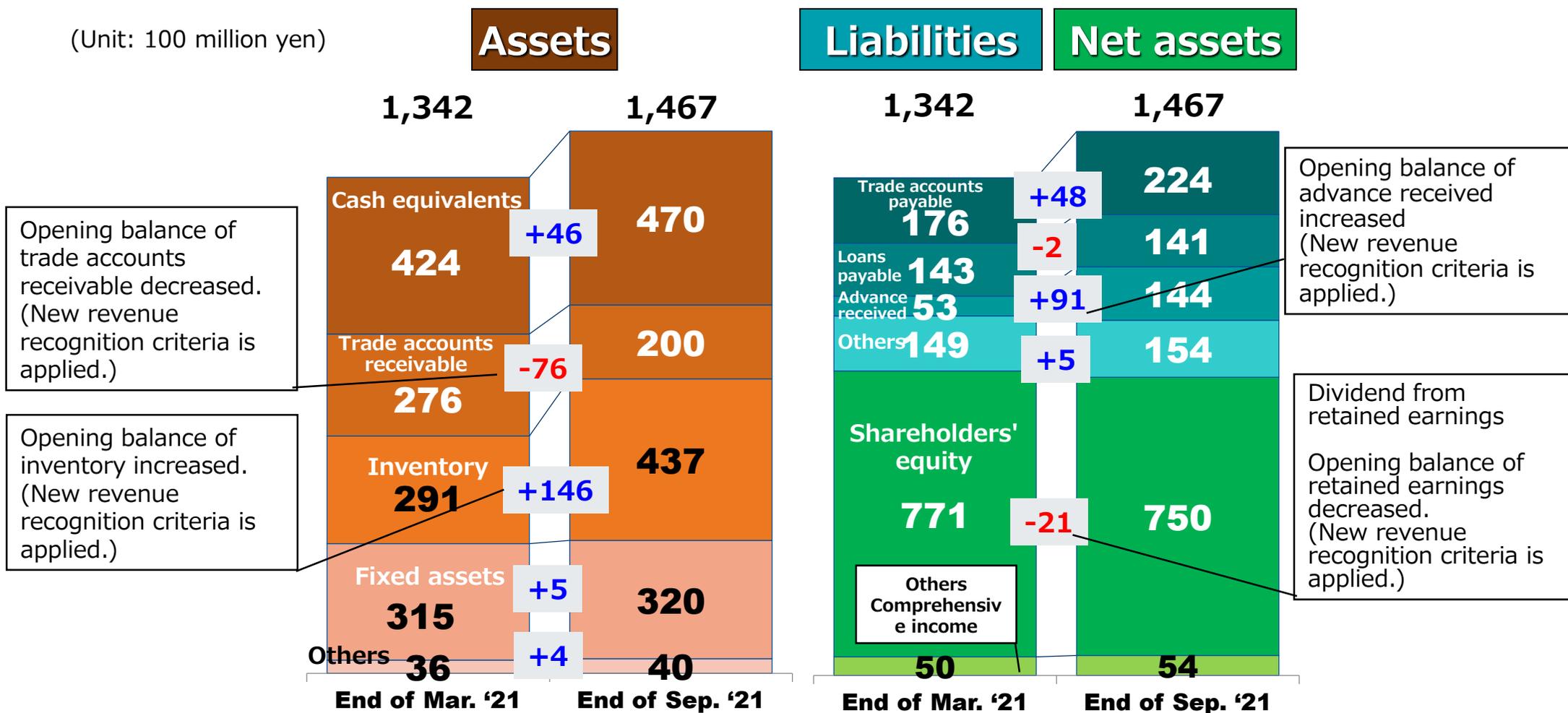
Metal & plastics industrial machine by product



Balance Sheet

Shibaura Machine

(Unit: 100 million yen)



	End of Mar. '21	End of Sep. '21
Equity ratio	61.2%	54.8%
D/E ratio	17.5%	17.6%

Cash Flow Statement

Shibaura Machine

(Unit: 100 million yen)

20/2Q

FCF -59

-100

Corporate income tax paid -70
(including corporate income tax
in relation to gains on sales of
affiliates' shares)

Dividend payment -40
(including special
dividend)

-54

-5

-40

Operating
C/F

Investing
C/F

Financing
C/F

21/2Q

FCF +58

+46

+66

-8

-11

Dividend
payment -9

Operating
C/F

Investing
C/F

Financing
C/F

	20/2Q	21/2Q	Change
Opening balance of cash and cash equivalents	480	424	-56
C/F from operating activities	-54	66	120
C/F flow from investing activities	-5	-8	-3
C/F flow from financing activities	-40	-11	29
Total	-100	46	146
Translation differences and others	-0	0	0
Closing balance of cash and cash equivalents	379	470	91

FY Ending in March 2022

Business Results Forecast (Consolidated Base)

- 1) Business results forecast
- 2) R&D expenses, and capital expenditure and depreciation expenses
- 3) Dividend forecast

FY2021 Summary of Business Results forecast

Shibaura Machine

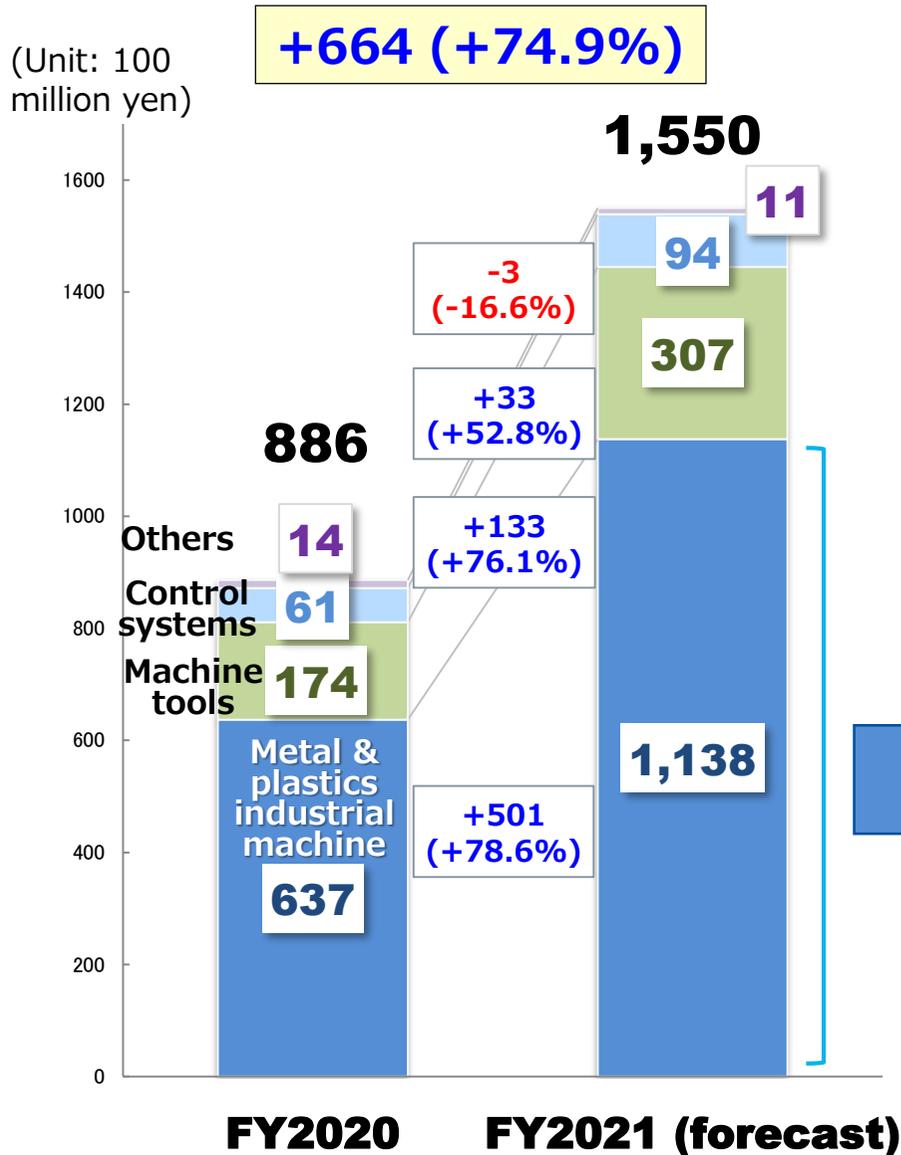
FY2021 Summary of business results forecast was revised upward.

(Unit: 100 million yen)

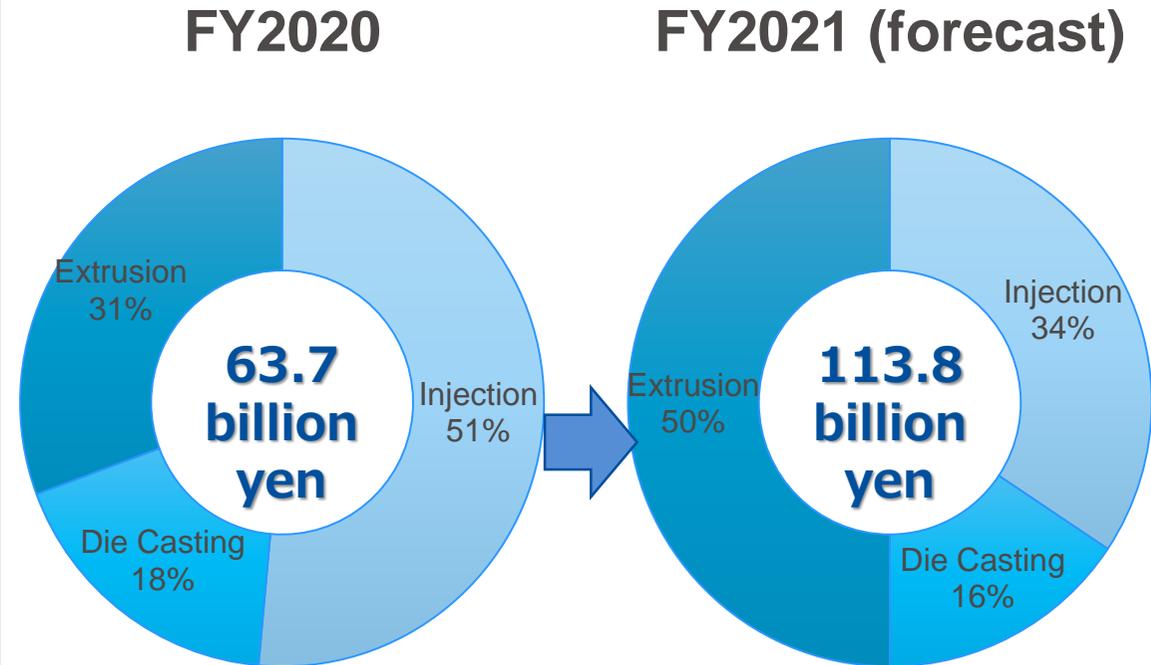
	FY2021 Business Forecast (11/9)	FY2020 Results	Change
Sales	1,130	926	+204
Operating profit	43	3	+40
Profit ratio	3.8%	0.4%	+3.4pt
Ordinary profit	38	8	+30
Profit ratio	3.4%	0.9%	+2.5pt
Net profit attributable to owners of parent	28	-28	+56
Profit ratio	2.5%	-3.1%	+5.6pt
Orders received	1,550	886	+664
Exchange rate (USD)	107 yen	111 yen	

Orders Received (by Segment)

Shibaura Machine



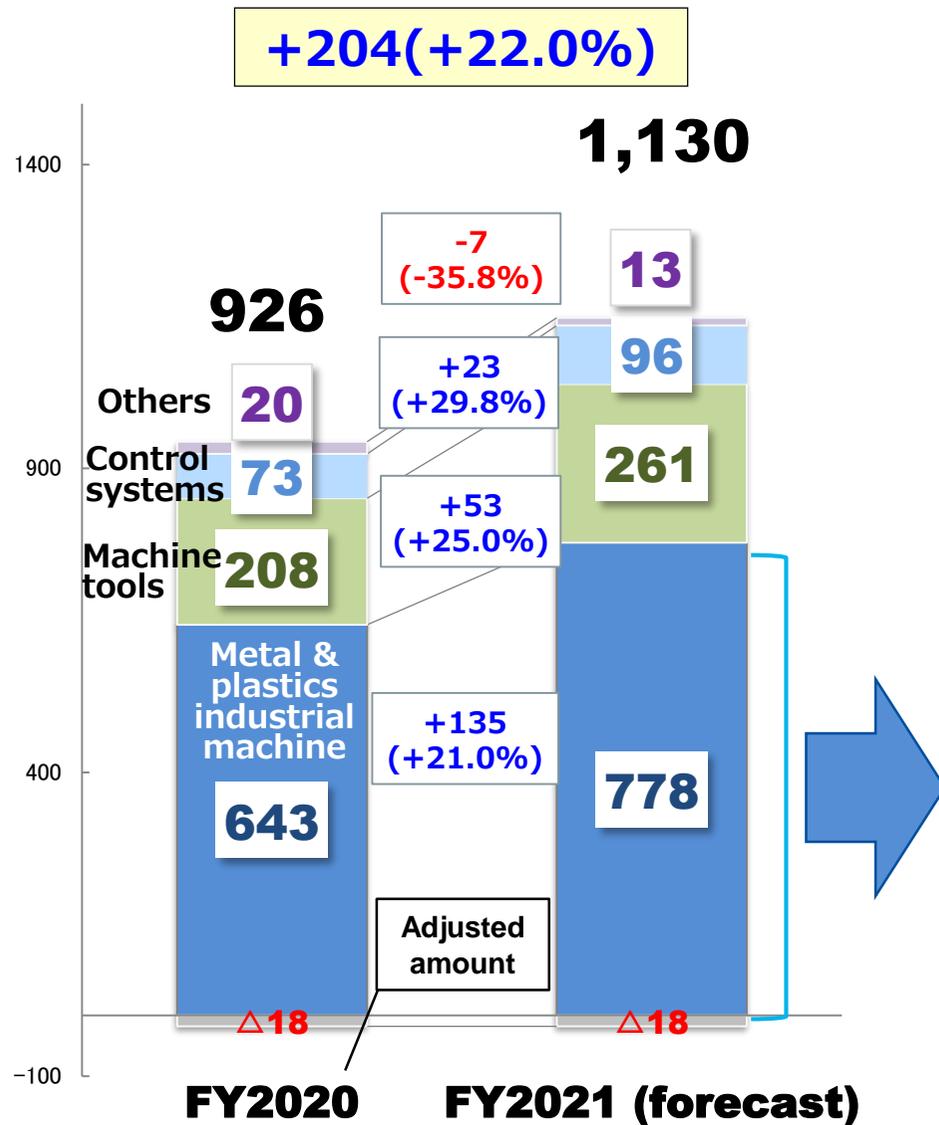
Metal & plastics industrial machine structural ratio



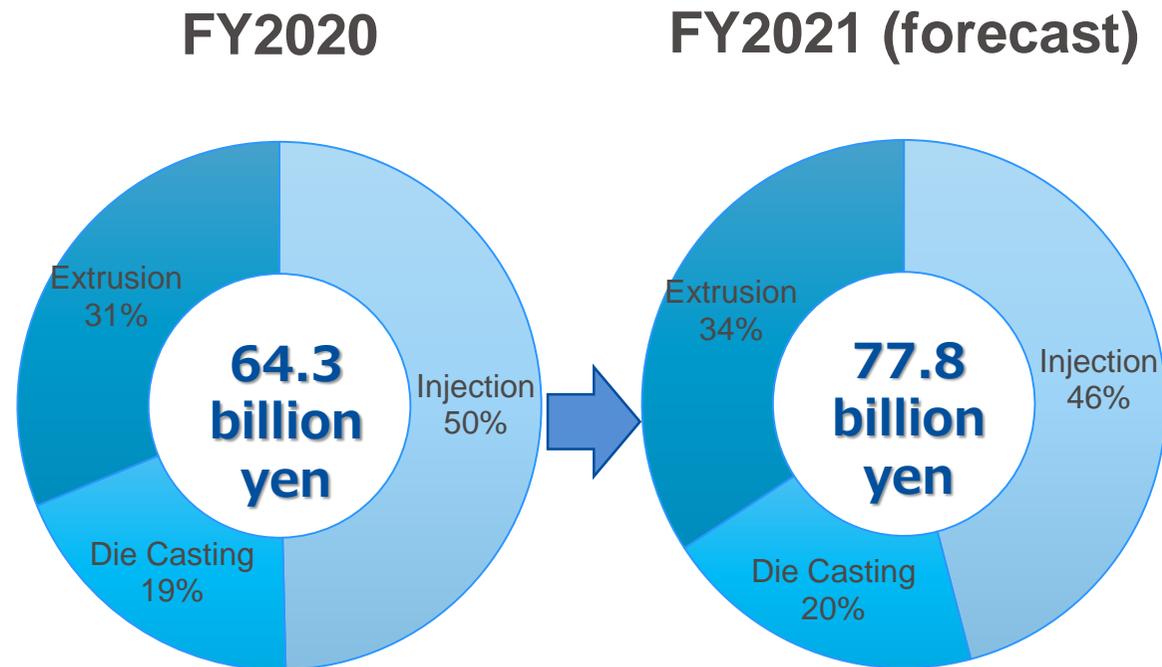
Sales (by Segment)

Shibaura Machine

(Unit: 100 million yen)



Metal & plastics industrial machine structural ratio



Operating Profit (by Segment) Ordinary Profit/Net Profit

Shibaura Machine

(Unit: 100 million yen)

(Unit: 100 million yen)

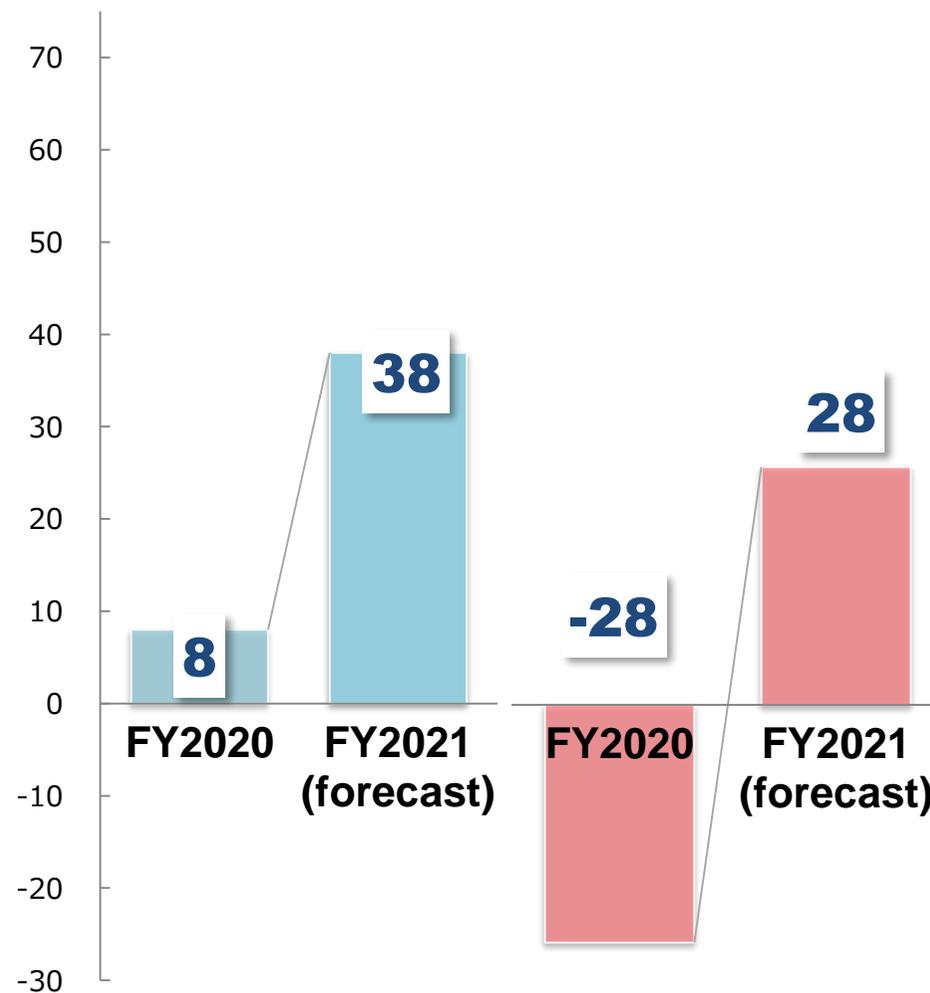
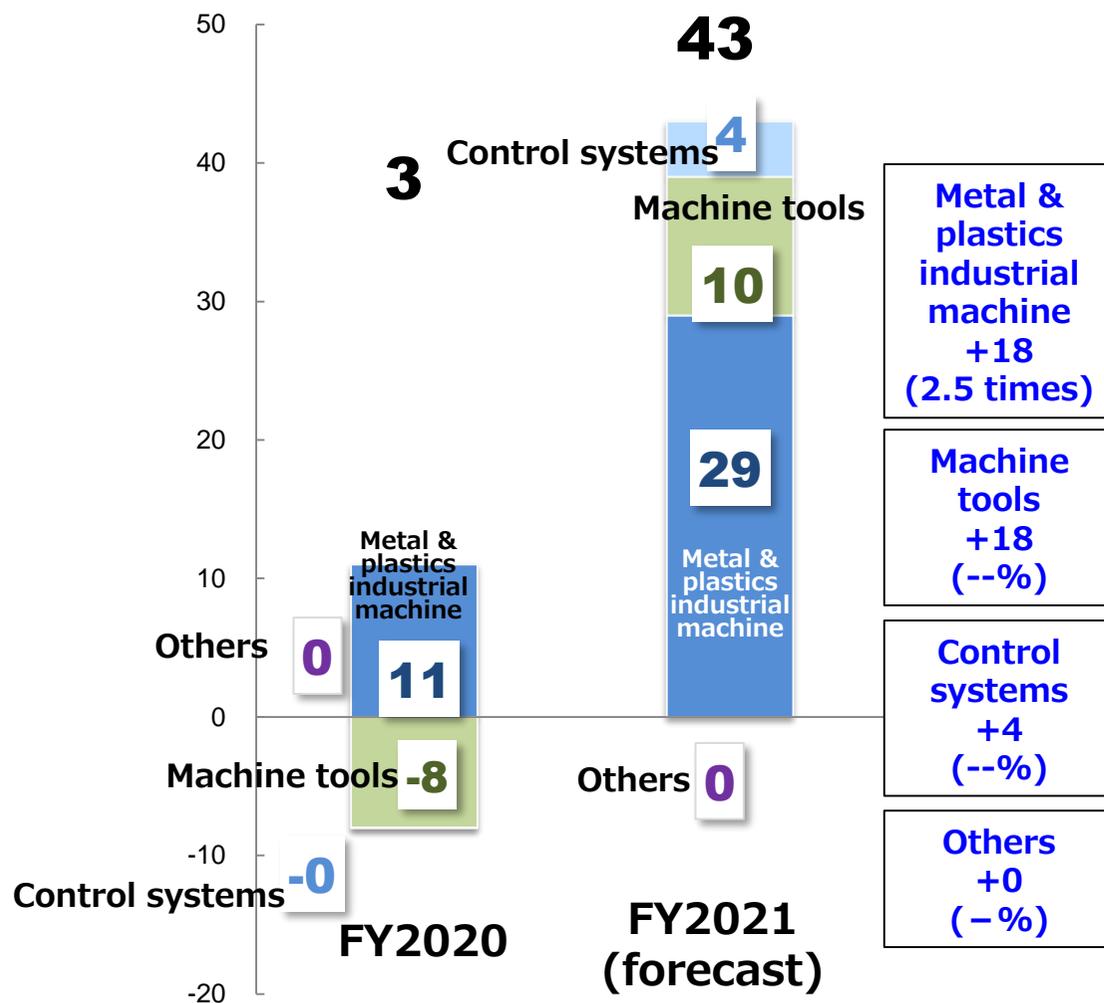
Ordinary profit

Net profit

+40 (11.3 times)

+30 (4.4 times)

+56 (-%)



(Metal & plastics industrial machine) Segment Results Forecast

Shibaura Machine

(Unit: 100 million yen)

(Injection molding machines, die casting machines, extrusion machines, etc.)

	FY2021 Forecast	FY2020 Results	Change amount	Change rate
Sales	778	643	+135	+21.0%
Operating profit	29	11	+18	2.5 times
Profit ratio	3.7%	1.8%	+1.9pt	

FY2021 Results factor analysis



Positive factor

- Increasing demand in relation to automobiles (including EVs) both in Japan and overseas
- [Injection] Continuous demand in medical and container areas
- [Extrusion] Increasing demand for LiB separator film production lines for EV in China.



Negative factor

- Difficulty and increasing cost of procuring parts including semiconductors, stagnant distribution, and increasing costs

(Machine Tools) Segment Results Forecast

Shibaura Machine

(Unit: 100 million yen)

(Machine tools, high-precision machine tools, etc.)

	FY2021 Forecast	FY2020 Results	Change amount	Change rate
Sales	261	208	+53	+25.0%
Operating profit	10	-8	+18	—
Profit ratio	3.8%	-4.0%	+7.8pt	

FY2021 Results factor analysis



Positive factor

- [Machine tools] Increasing demand for industrial and construction machines in Japan and for energy-related area in North America
- [Precision] Continuously robust in various lens dies in China



Negative factor

- Difficulty and increasing cost of procuring parts including semiconductors, stagnant distribution, and increasing costs

(Control Systems) Segment Results Forecast

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	FY2021 Forecast	FY2020 Results	Change amount	Change rate
Sales	96	73	+23	+29.8%
Operating profit	4	-0	+4	—
Profit ratio	4.2%	-0.5%	+4.7pt	

FY2021 Results factor analysis



Positive factor

- Increased demand for robots for smartphone in China
- Continuously robust in linear motors for semiconductor-related devices



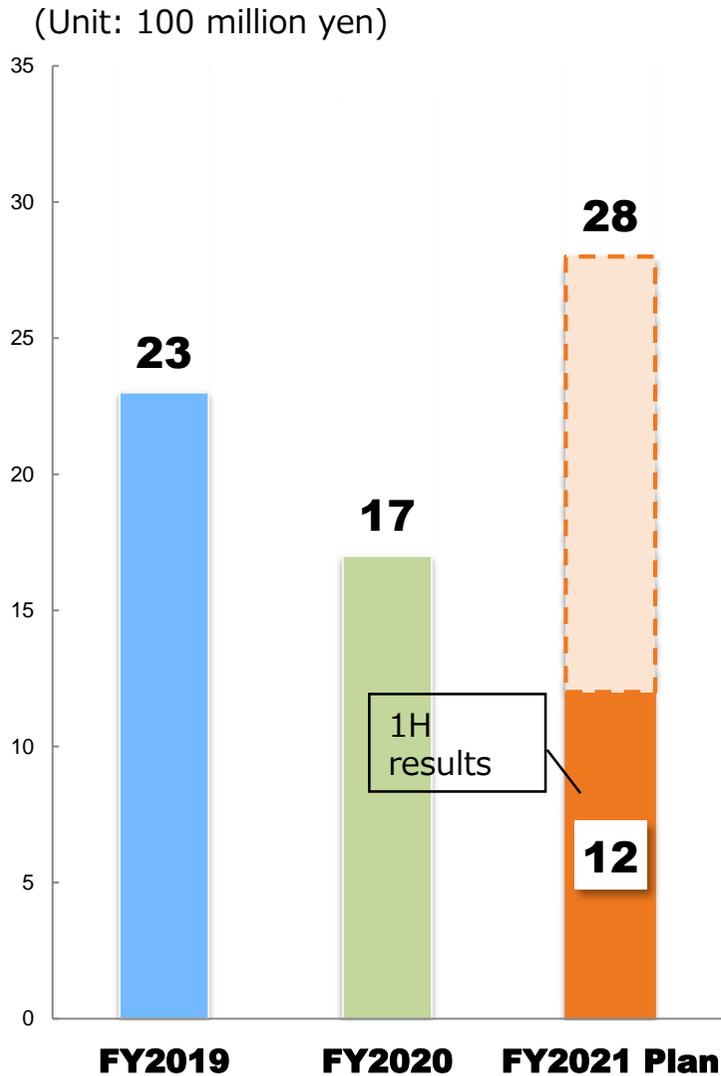
Negative factor

- Difficulty and increasing cost of procuring parts including semiconductors, and stagnant distribution

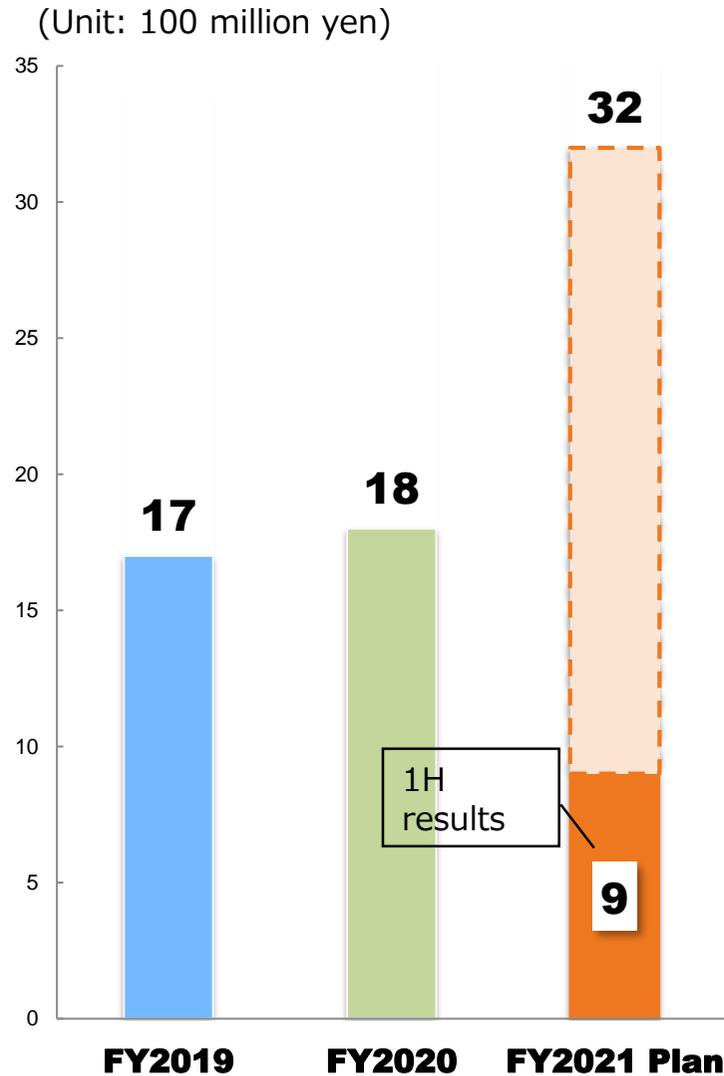
R&D expenses, and Capital expenditure and Depreciation expenses

Shibaura Machine

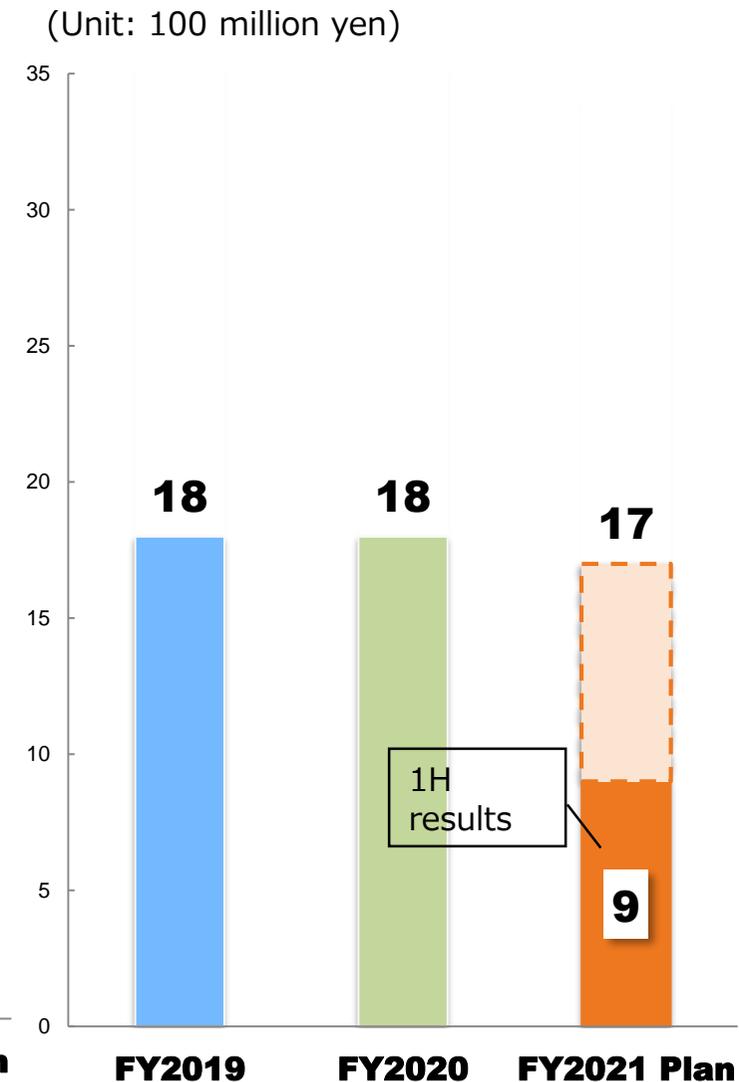
R&D expenses



Capital expenditure



Depreciation expense



dividend forecast recently announced remains the same without change.

Dividend decision policy

We set a basic policy to maintain stable dividends and share profits according to business results while strengthening our management structure with the aim of increasing profitability.

We will utilize retained earnings to make effective investments in production equipment, technology development, overseas business operations and other purposes based on strategic decisions on future business direction to achieve ongoing corporate evolution, and at the same time to realize reasonable return of profits to our shareholders on a continual basis.

	End of 2Q	End of term	Annual	Dividend payout ratio (consolidated)
FY ending in March 2020	^{*1} 42.50 yen	^{*1} 42.50 yen	85.00 yen	28.0%
FY ending in March 2021	37.50 yen	37.50 yen	^{*2} 199.30 yen	—
FY ending in March 2022 (forecast)	37.50 yen	37.50 yen	75.00 yen	64.7%

*1 The 2Q-end dividend and the fiscal year-end dividend for FY ending in March 2020 include a memorial dividend of 5.00 yen, respectively.

*2 We provided a special dividend in a total amount of about 3 billion yen (124.30 yen per share) as at the record date on June 30, 2020 and the total annual dividend for FY ending in March 2021 includes the special dividend of 124.30 yen.

Corporate Group (Our company and 22 subsidiaries including 13 consolidated subsidiaries)

Shibaura Machine

There is no change in the corporate group from FY2020.

Shibaura Machine

(Metal & plastics industrial machine, machine tools, control systems and others)

Domestic manufacturing companies: 2

(Machine tools and control systems)

Fujiseiki Corporation

(Control systems) **Toei Electric**

Domestic sales/service companies and others: 3

(Metal & plastics industrial machine and others)

Shibaura Machine Engineering

(Others) **Shibaura Semtek**

(Others) **Shibaura Sangyo**

Overseas manufacturing companies: 3

(Metal & plastics industrial machine and control systems)

SHIBAURA MACHINE (SHANGHAI) CO., LTD.

(Metal & plastics industrial machine)

SHIBAURA MACHINE MANUFACTURING (THAILAND) CO., LTD.

(Metal & plastics industrial machine and machine tools)

SHIBAURA MACHINE INDIA PRIVATE LIMITED

Overseas sales/service companies: 5

(Metal & plastics industrial machine, machine tools, and control systems)

SHANGHAI SHIBAURA MACHINE CO., LTD.

(Metal & plastics industrial machine and machine tools)

SHIBAURA MACHINE COMPANY, AMERICA

SHIBAURA MACHINE SINGAPORE PTE. LTD.

SHIBAURA MACHINE (THAILAND) CO., LTD.

(Metal & plastics industrial machine)

SHIBAURA MACHINE (SHENZHEN) CO., LTD.

Those companies within the red box are consolidated companies.

(Nonconsolidated subsidiaries)

Overseas sales companies: 8

Other company whose shares held by Shibaura Machine: 1

Shibaura Machine

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