

Consolidated Financial Results for the Year Ended March 31, 2022

June 3, 2022

SHIBAURA MACHINE CO., LTD.

Consolidated Financial Results Overview for the Year Ended March 31, 2022

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

Increased net sales and profits year on year

■ Orders received

- Demand is robust and orders increased remarkably year on year in all segments mainly in Japan, North America and China.
- Along with the expansion of demand for EV related capital investment, the number of orders received for LiB separator film production lines increased significantly.
- Demand of electric large- and medium-sized injection molding machines in North America increased on the back of the decarbonization. Demand of injection molding machines increased in India of which economic activity is active.

■ Net sales

- Net sales increased year on year in all segments mainly in overseas such as China, India, Southeast Asia, North America.

■ Operating profit, ordinary profit, quarterly net profit

- Profits increased year on year due to an increase of sales volume, improved operation capacity of plants in domestic and overseas, and the effects of weaker yen .

Summary of Business Results (Comparison with forecast)

Shibaura Machine

(Unit: 100 million yen)

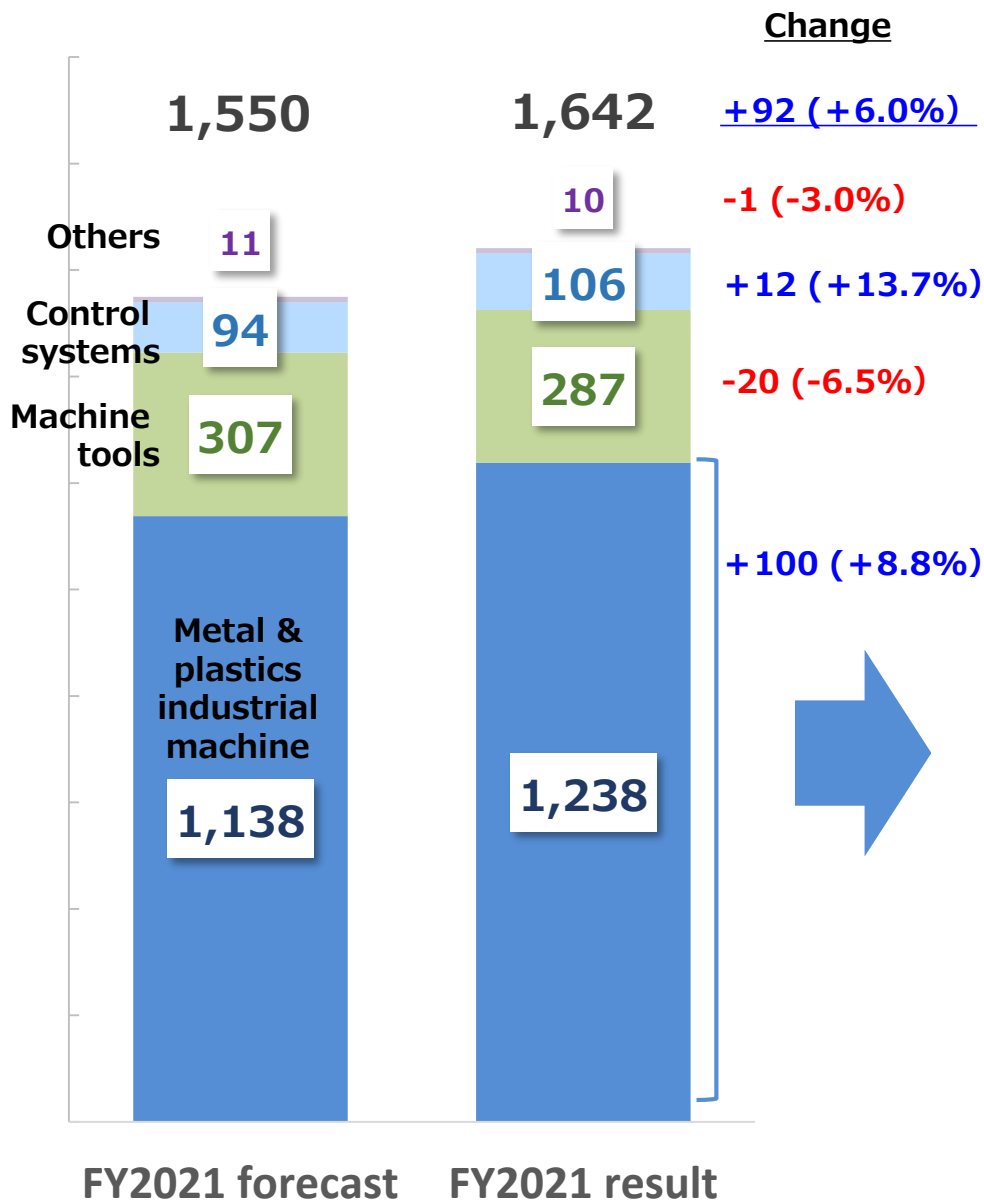
	FY2021 Result (A)	FY2021 Forecast (Nov 7, 2021) (B)	Change (A-B)
Net sales	1,077	1,130	-53
Operating profit	42	43	-1
Profit ratio	3.9%	3.8%	+0.1pt
Ordinary profit	45	38	+7
Profit ratio	4.2%	3.4%	+0.8pt
Net profit attributable to owners of parent	37	28	+9
Profit ratio	3.5%	2.5%	+1.0pt
Ordes received	1,642	1,550	+92
Exchange rate(USD)	122 yen	107 yen	

- Due to the expansion of COVID-19, net sales and operating profit decreased mainly because of the delay of installation and inspection.
- Ordinary profit and net profit increased due to the impact of weaker yen that exceeded assumption.

Comparison with forecast Orders received (Segment)

Shibaura Machine

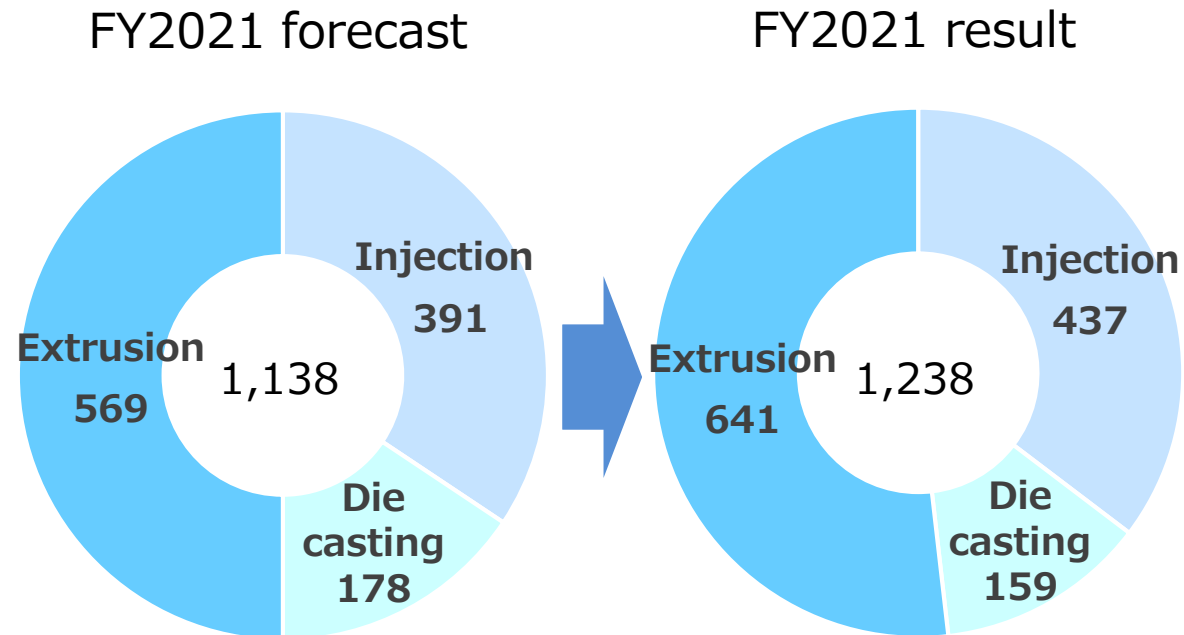
(Unit: 100 million yen)



(Unit: 100 million yen)

Metal & plastics industrial machine structural ratio

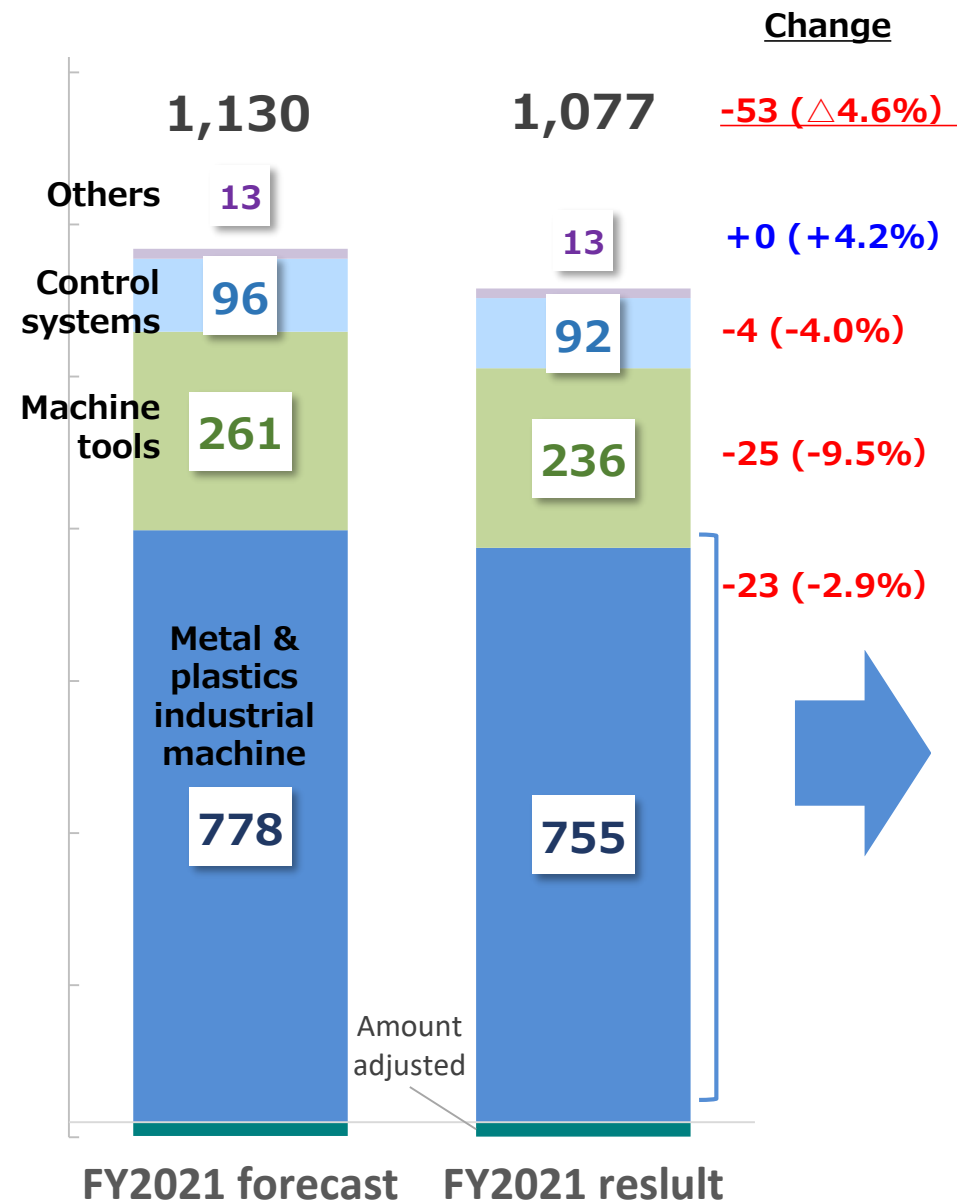
Injection: Injection molding machines
Die casting: Die casting machines
Extrusion: Extrusion machines



Comparison with forecast Net sales (Segment)

Shibaura Machine

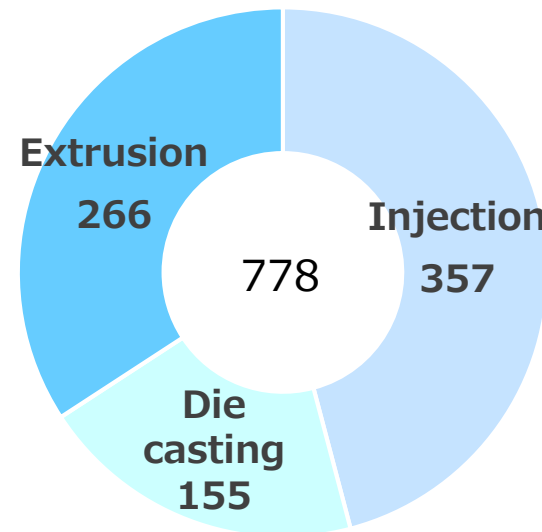
(Unit: 100 million yen)



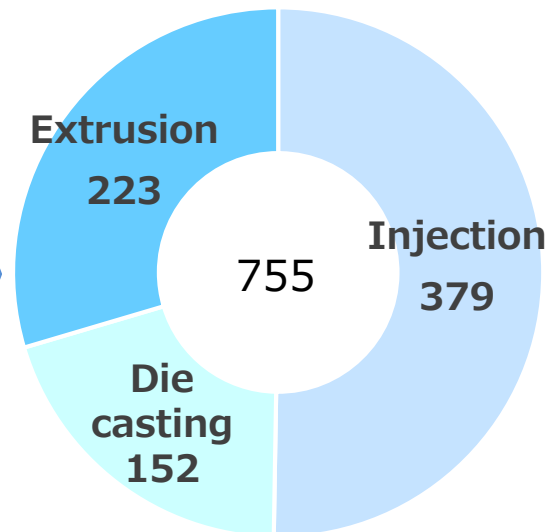
(Unit: 100 million yen)

Metal & plastics industrial machine structural ratio

FY2021 forecast



FY2021 result



Summary of Business Results (Comparison with previous year)

Shibaura Machine

(Unit: 100 million yen)

(For reference)

	FY2021 (New criteria) (A)	FY2020 (Former criteria) (B)	Change (A-B)	FY2021 (Former criteria) (C)	Change (C-B)
Net sales	1,077	926	+151	1,095	+169
Operating profit	42	3	+39	37	+34
Profit ratio	3.9%	0.4%	+3.5pt	3.4%	+3.0pt
Ordinary profit	45	8	+37	40	+32
Profit ratio	4.2%	0.9%	+3.3pt	3.7%	+2.8pt
Net profit attributable to owners of parent	37	-28	+65	32	+60
Profit ratio	3.5%	-3.1%	+6.6pt	2.9%	+6.0pt
Orders received	1,642	886	+756		
Foreign exchange(USD)	122 yen	111 Yen			

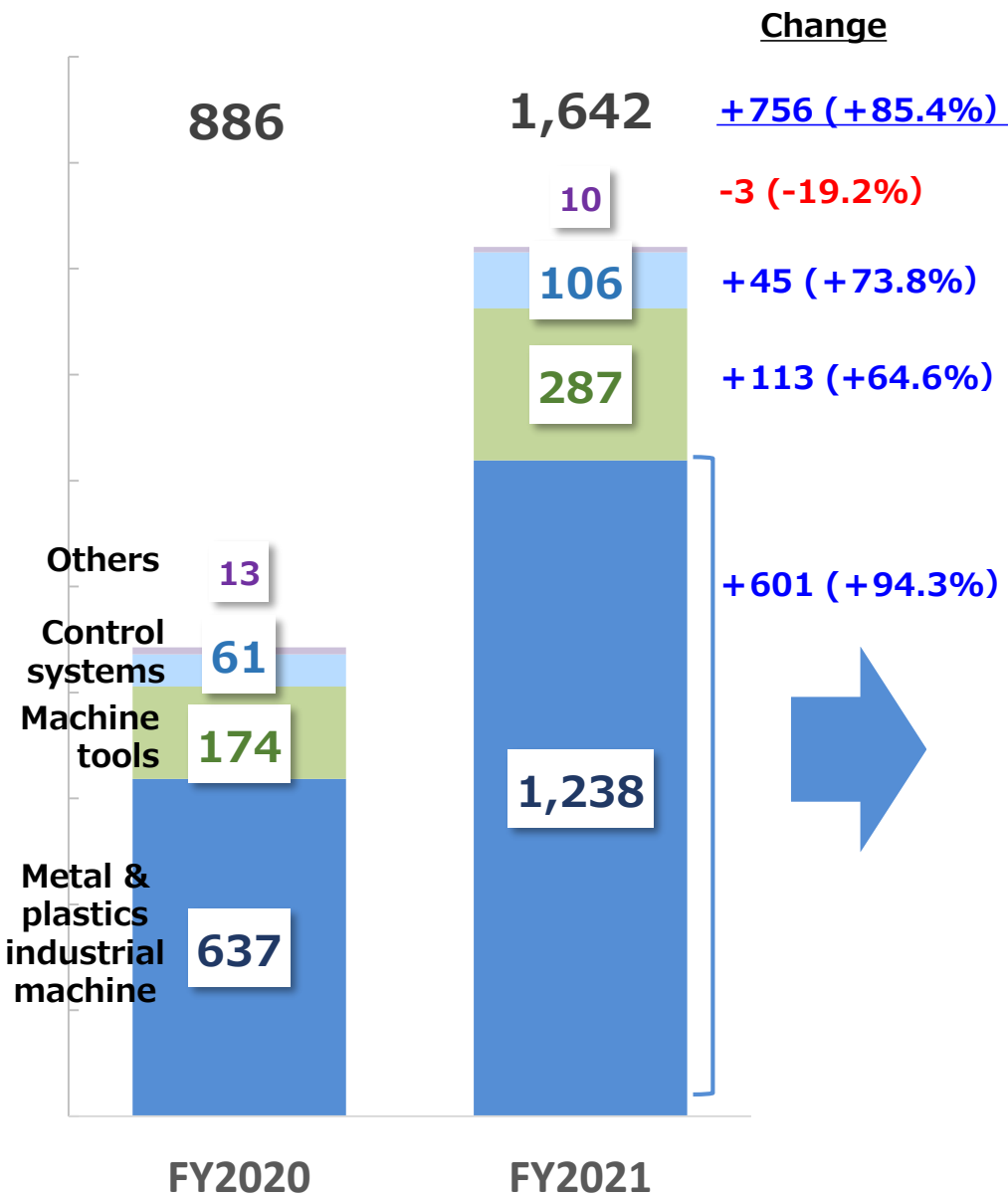
* Revenue recognition criteria was changed from 1Q FY 2021.

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 (Segment)

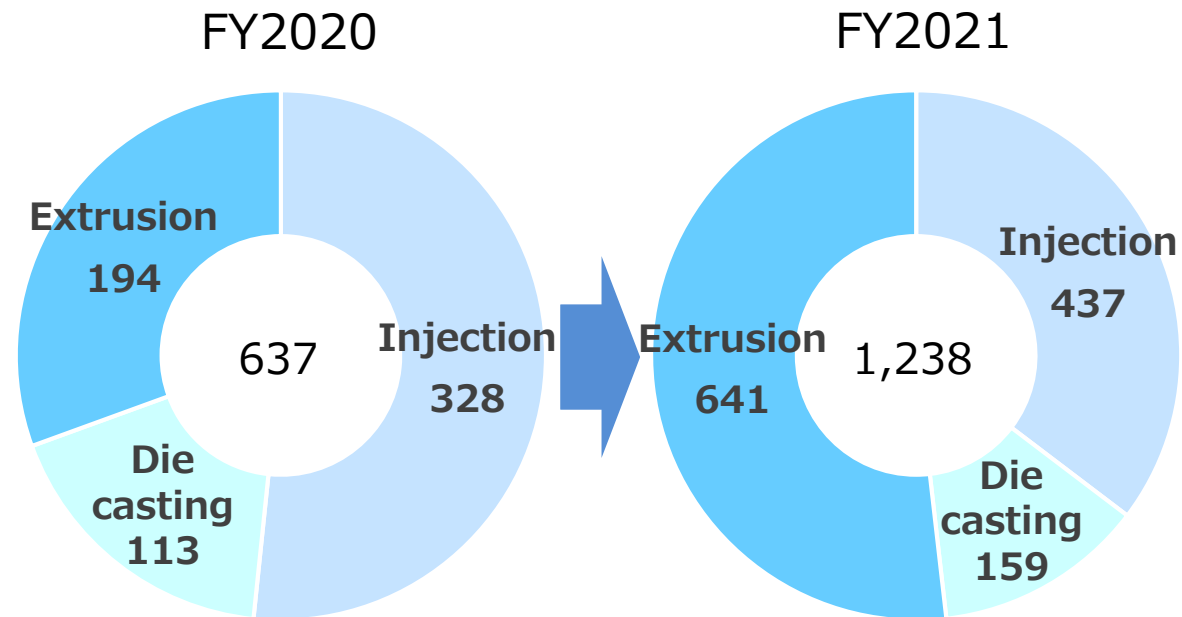
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

Metal & plastics industrial machine structural ratio



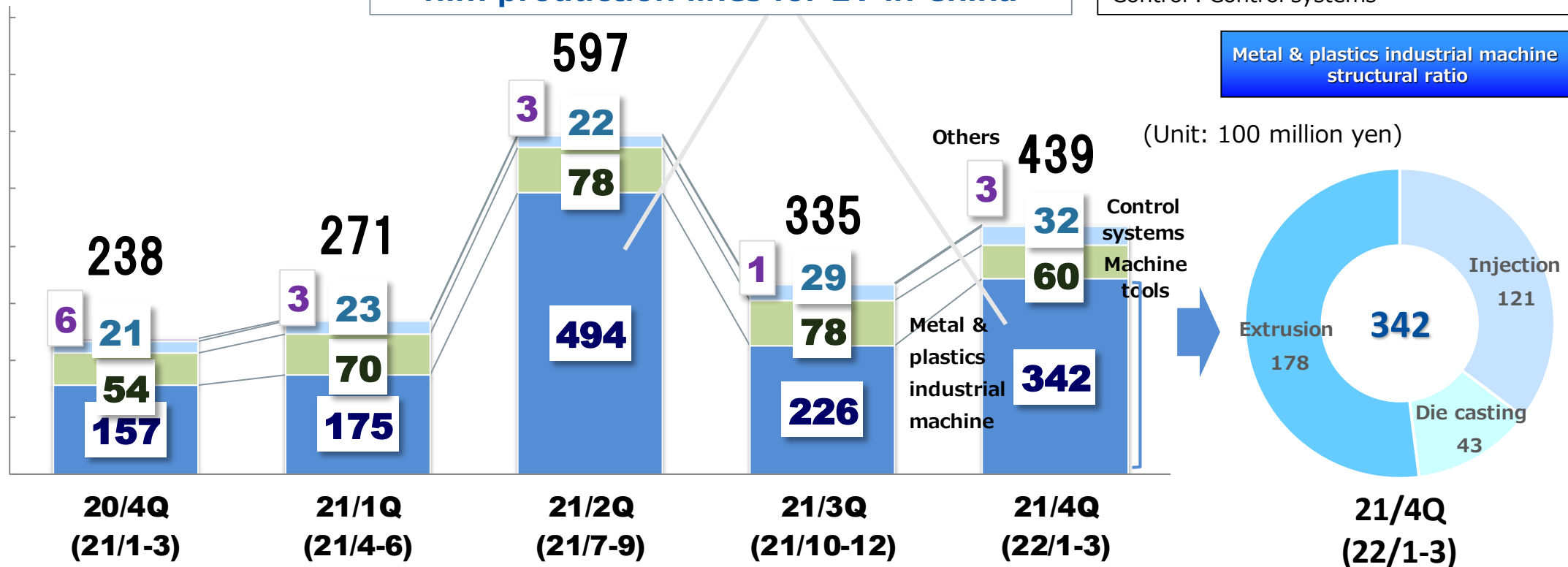
Trends of Orders Received (Segment)

Shibaura Machine

(Unit: 100 million yen)

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

Machine tools : Large-sized machine tools
Precision : High-precision machine tools
Control : Control systems



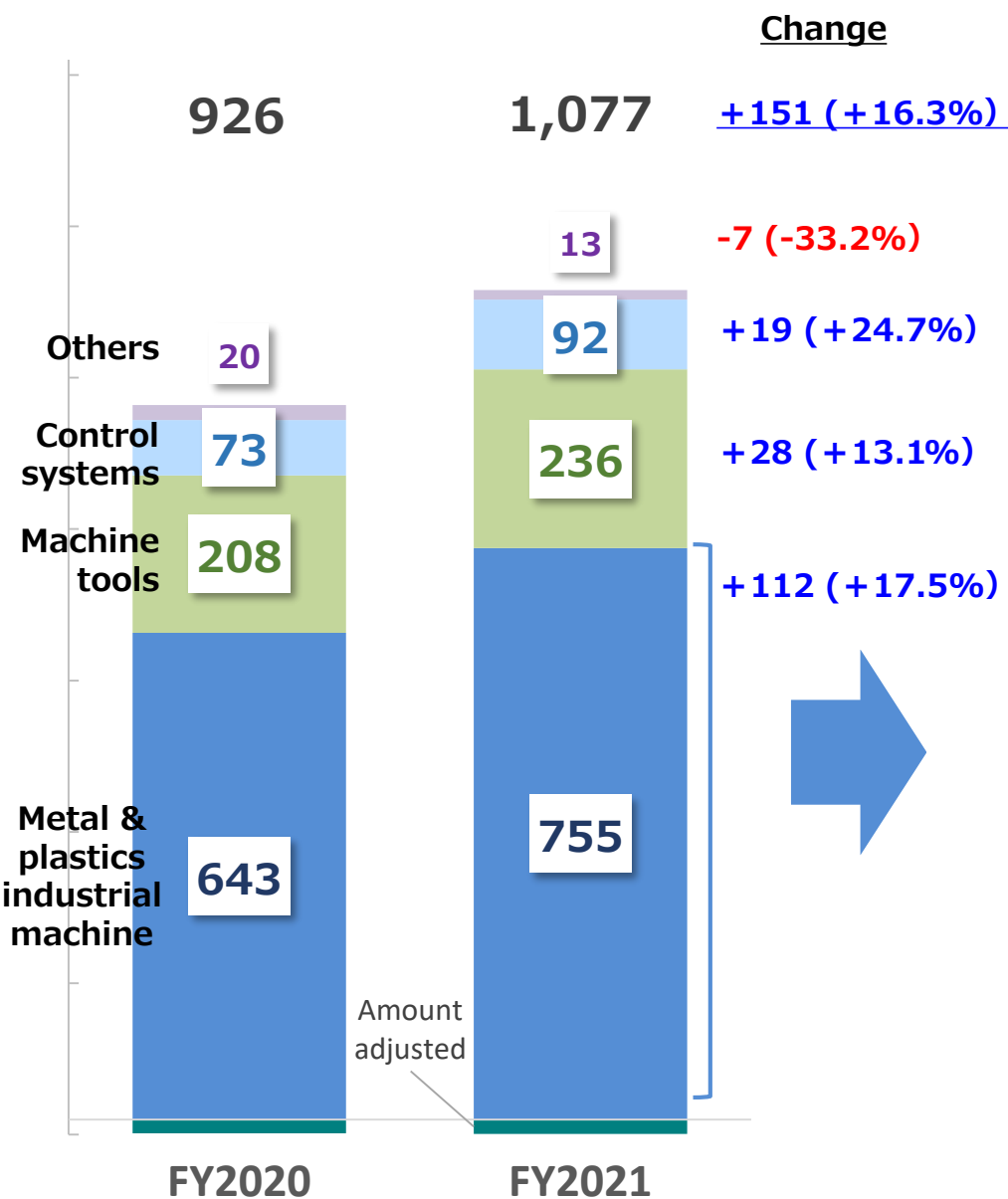
Current status of orders received

- [Injection] Demand of electric large- and medium-sized injection molding machines in North America increases on the back of the decarbonization. Indian market is booming.
- [Extrusion] Demand is expanding for LiB separator film production lines for EV in China.
- [Machine tools] Demand increases in industrial machines and construction machinery in Japan in energy-related areas in North America, and in the wind power generation in China.
- [Precision] Demand increases in lens dies for automobile in Japan and China.
- [Control] Demand increases in electronic control systems in Japan.

Net Sales (Segment)

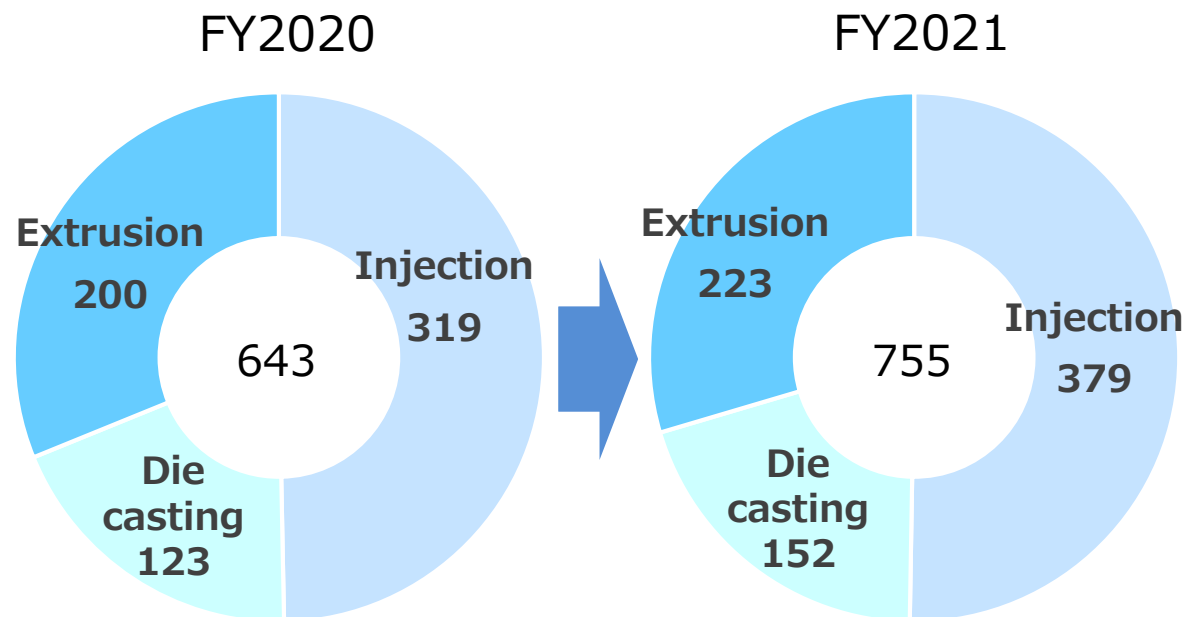
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

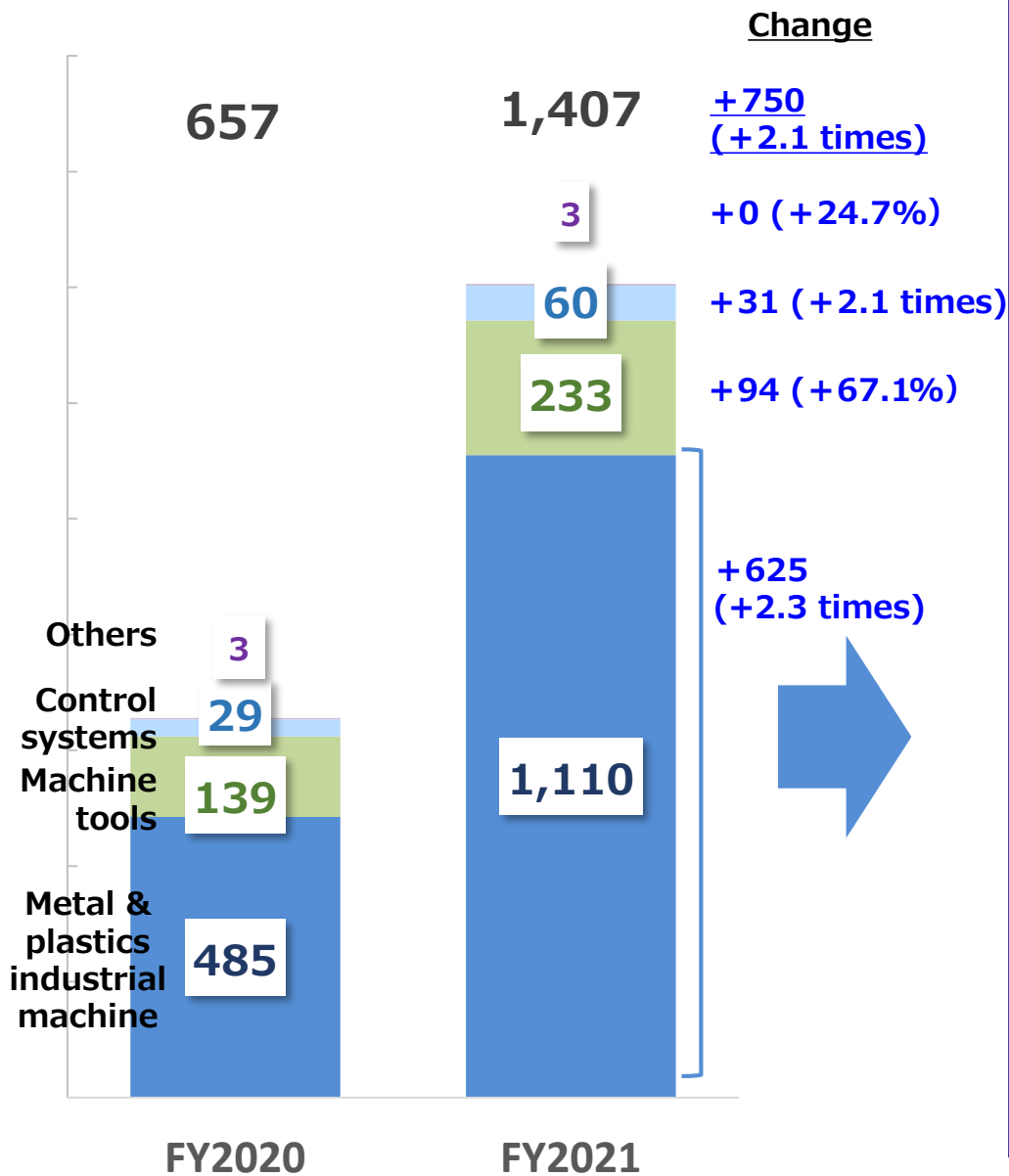
Metal & plastics industrial machine structural ratio



Order Backlog (Segment)

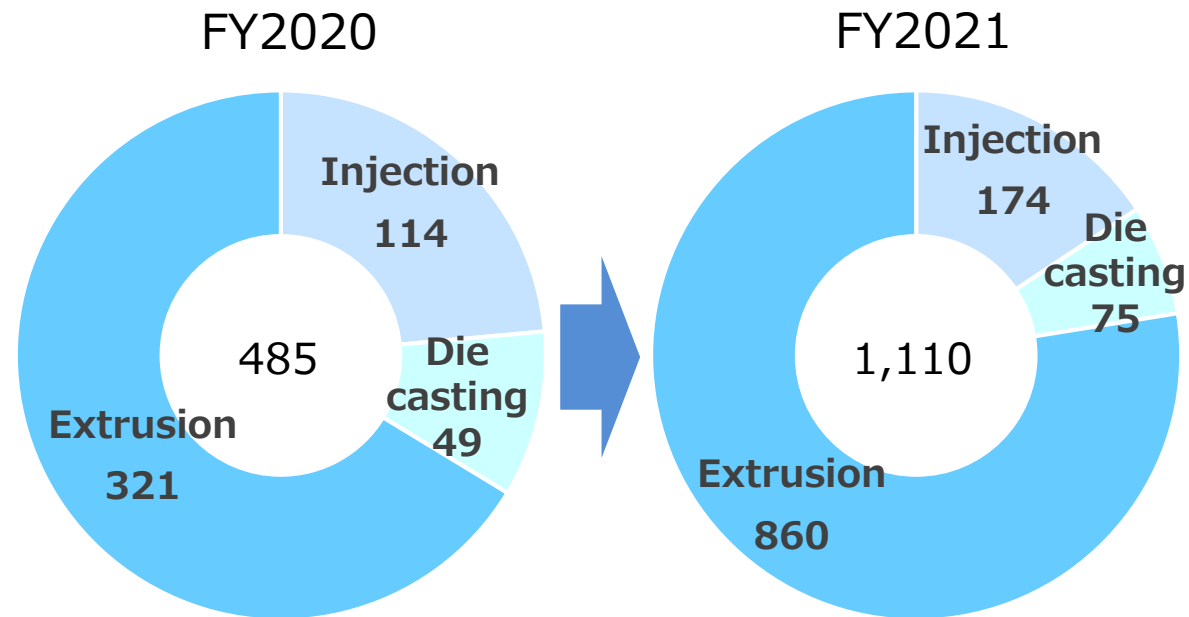
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

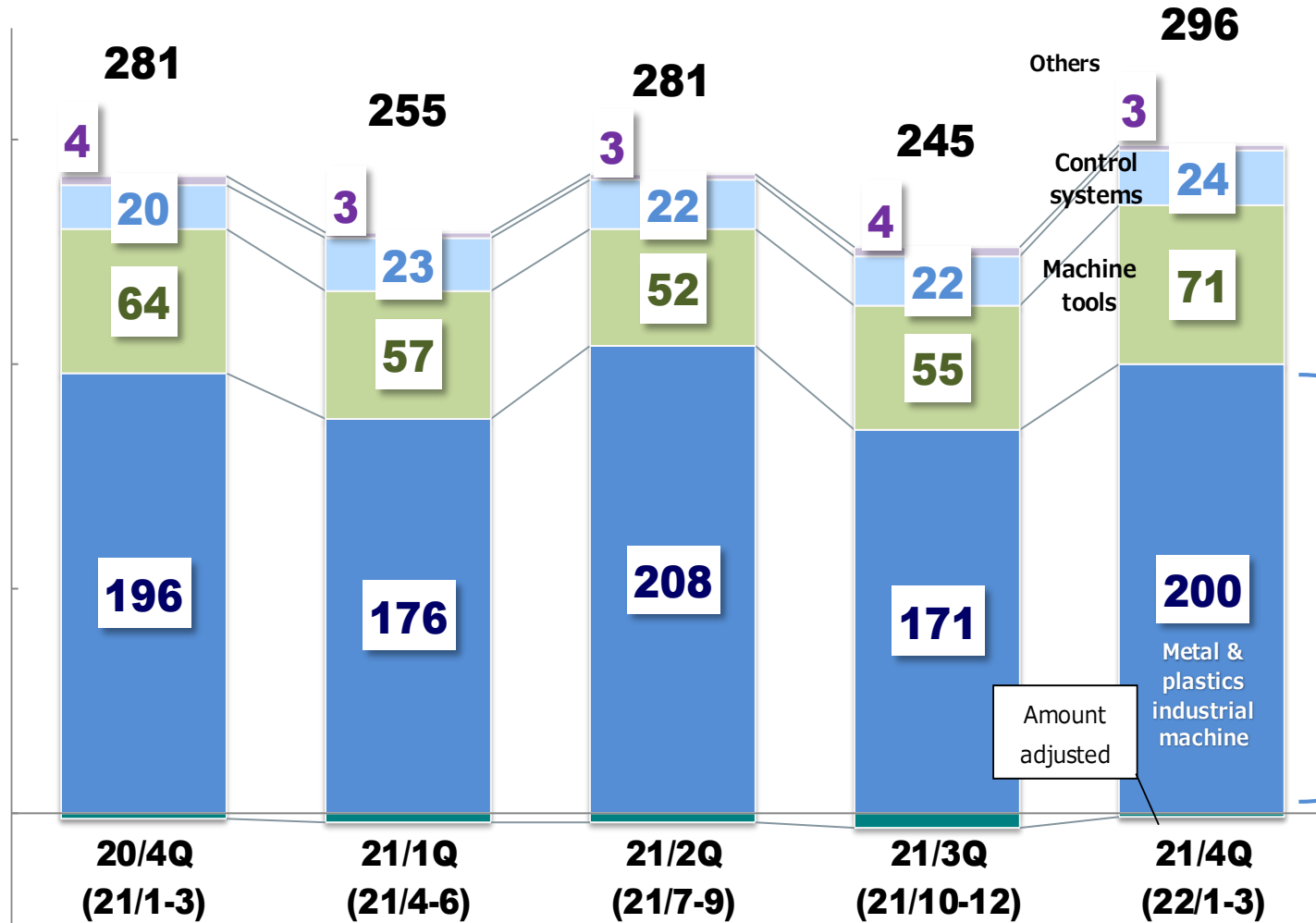
Metal & plastics industrial machine structural ratio



Trends of Net Sales (Segment)

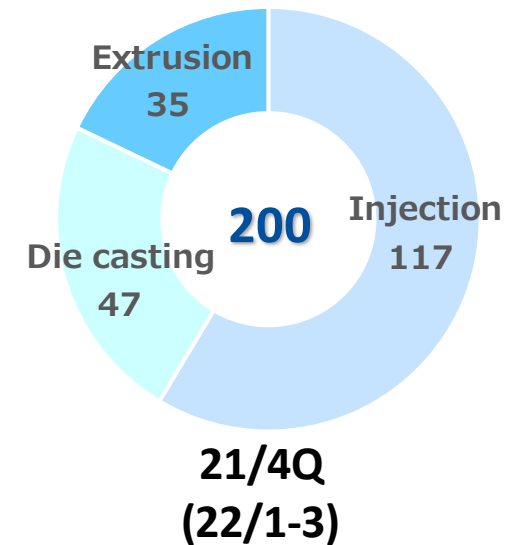
Shibaura Machine

(Unit: 100 million yen)



Metal & plastics industrial machine structural ratio

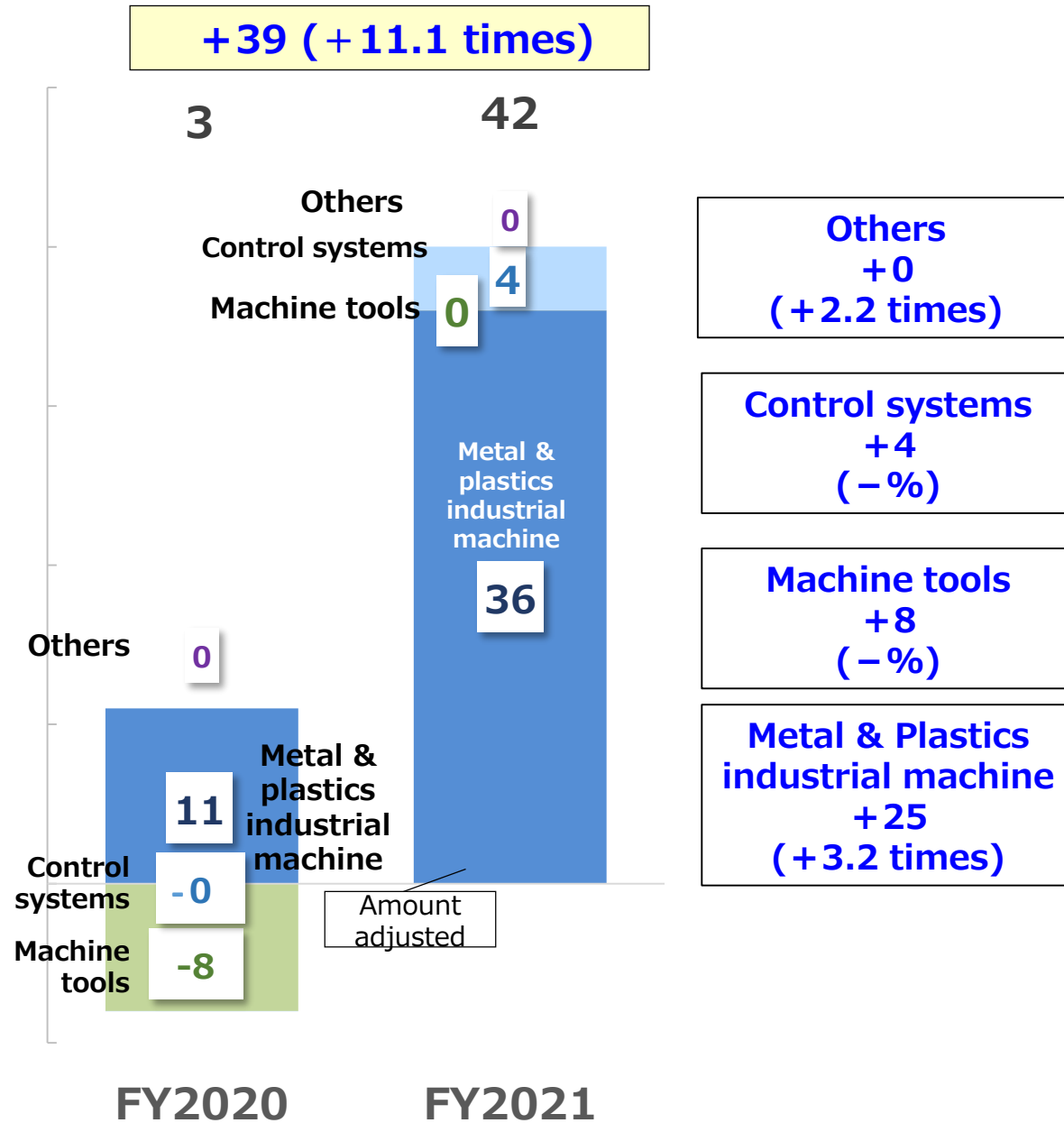
(Unit: 100 million yen)



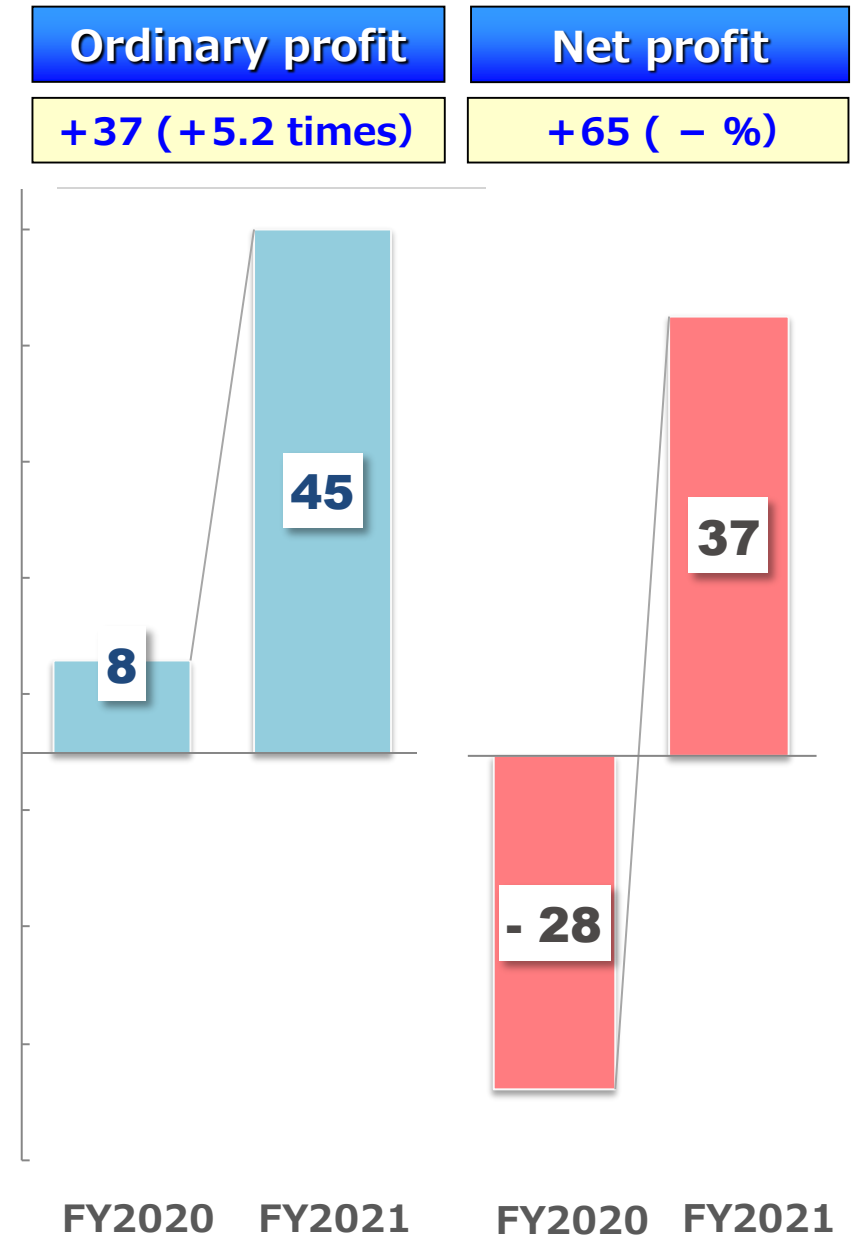
Operating Profit (Segment), Ordinary Profit, Net Profit

Shibaura Machine

(Unit: 100 million yen)



(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.)

	FY2021	FY2020	Change amount	Change rate
Net sales	755	643	+112	+17.5%
Operating profit	36	11	+25	+3.2倍
Profit ratio	4.9%	1.8%	—	+3.1pt

Results factor analysis



Positive factor

- [Injection] Demand is robust in medical and container area. Overseas sales increases such as in India .
- [Die casting] Demand increases in automobile area in China and Southeast Asia.
- [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
- the delay of installation and inspection due to the expansion of COVID-19.

Machine Tools Segment Results

Shibaura Machine

(Unit: 100 million yen)

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

	FY2021	FY2020	Change amount	Change rate
Net sales	236	208	+28	+13.1%
Operating profit	0	-8	+8	—
Profit ratio	0.0%	-4.0%	—	+4.0pt

Results factor analysis



Positive factor

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



Negative factor

- [Machine tools] Decreasing sales for industrial machines in Japan.
- Increasing cost of procuring parts.
The delay of installation and inspection due to the expansion of COVID-19.

Control Systems Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	FY2021	FY2020	Change amount	Change rate
Net sales	92	73	+19	+24.7%
Operating profit	4	-0	+4	—
Profit ratio	4.6%	-0.5%	—	+5.1pt

Results factor analysis



Positive factor

- Increasing sales of electronic control systems in Japan.



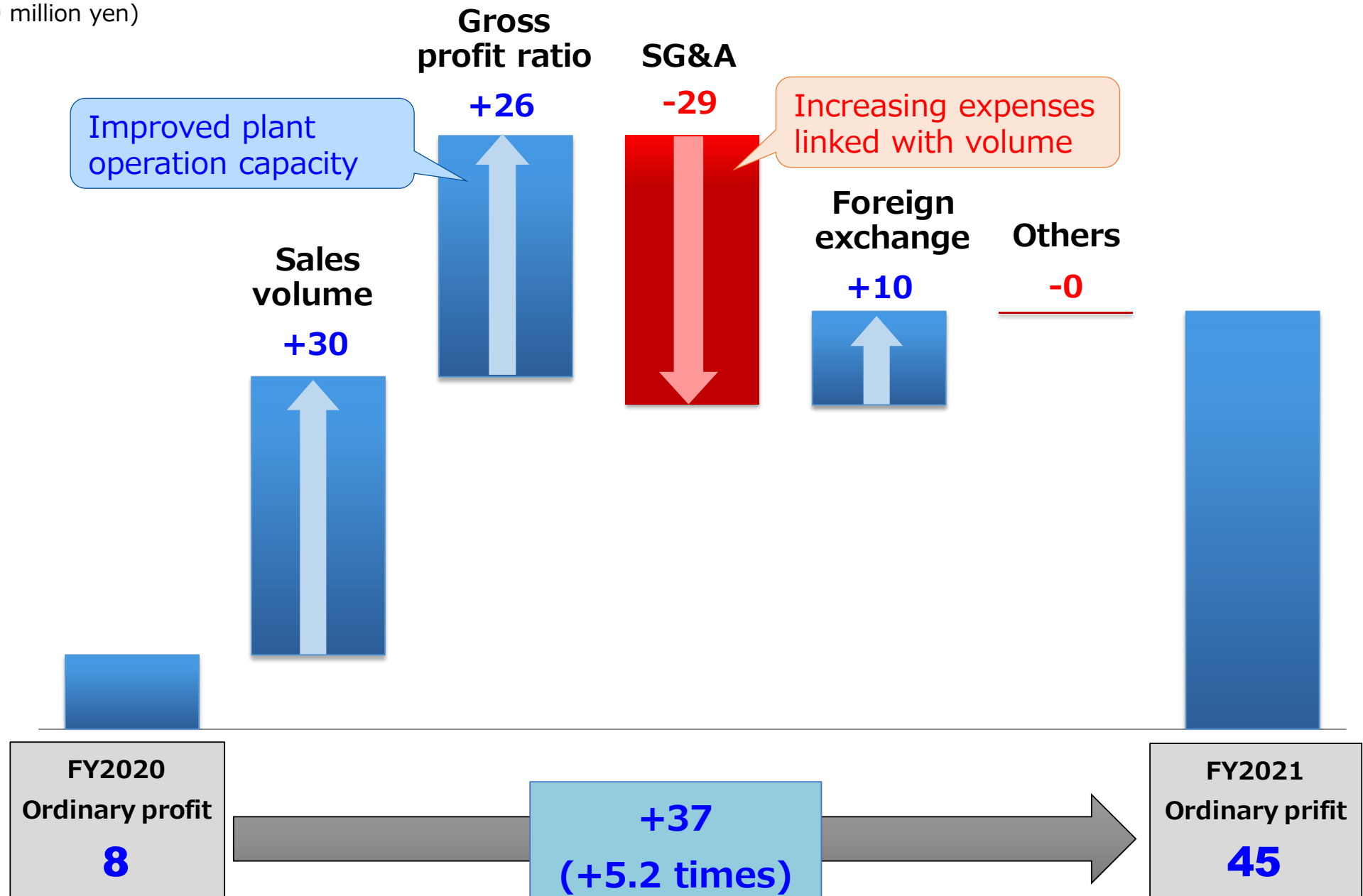
Negative factor

- Difficulty and increasing cost of procuring parts including semiconductors.

Ordinary Profit Analysis

Shibaura Machine

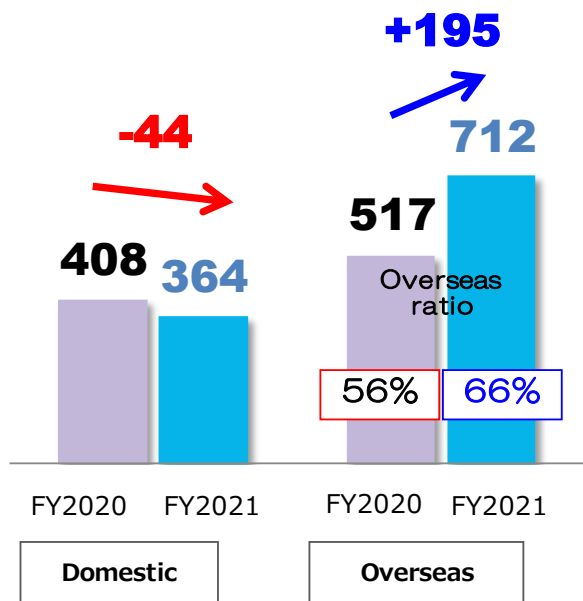
(Unit: 100 million yen)



Domestic and Overseas Sales

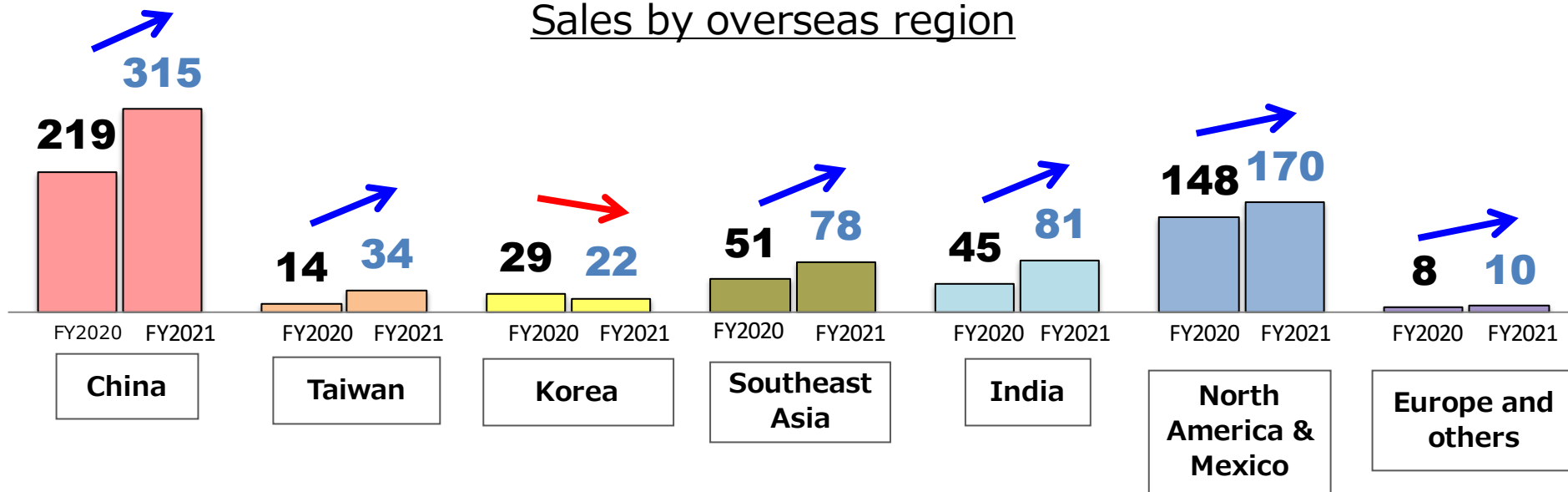
Shibaura Machine

(Unit: 100 million yen)



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

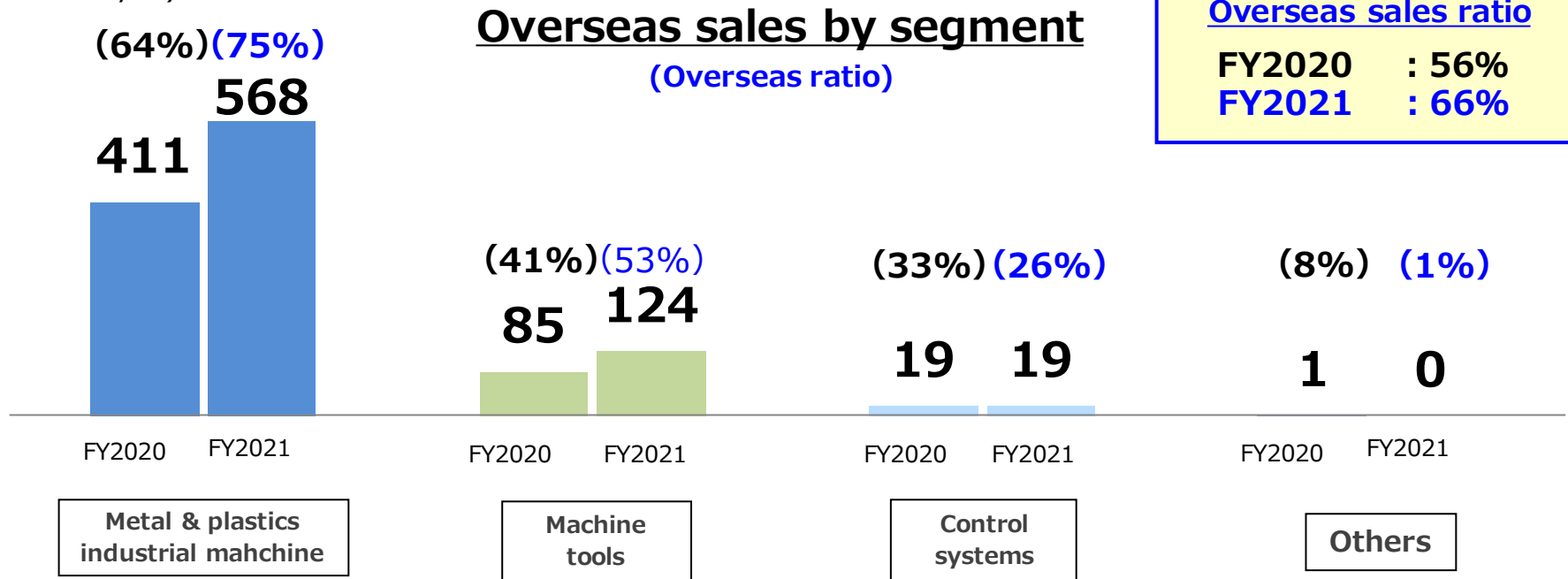
Sales by overseas region



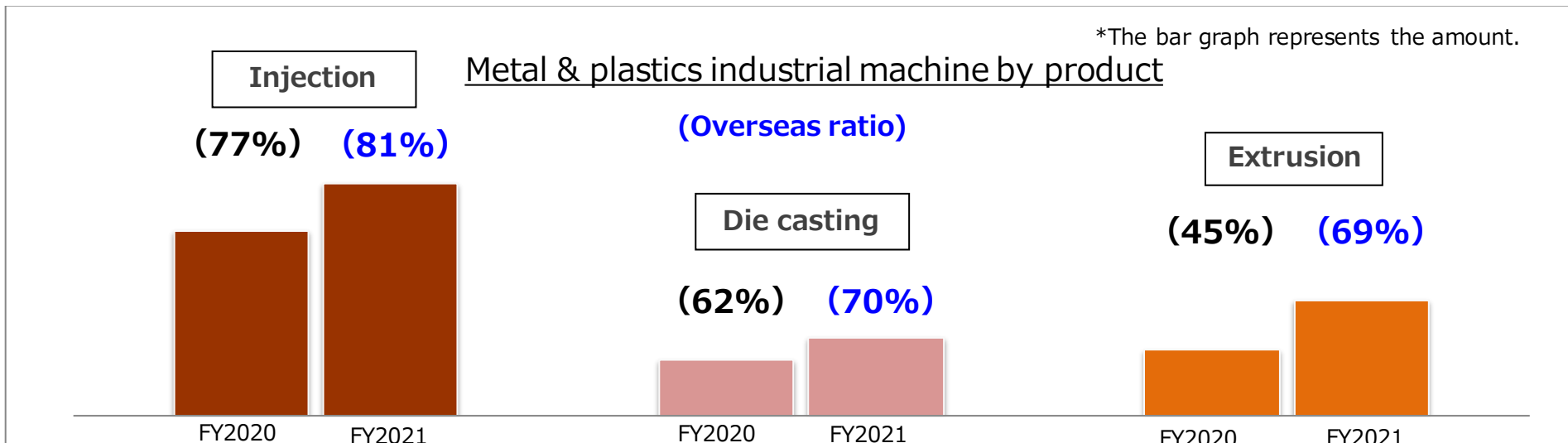
Sales and Ratio in Overseas Market (Segment)

Shibaura Machine

(Unit: 100 million yen)



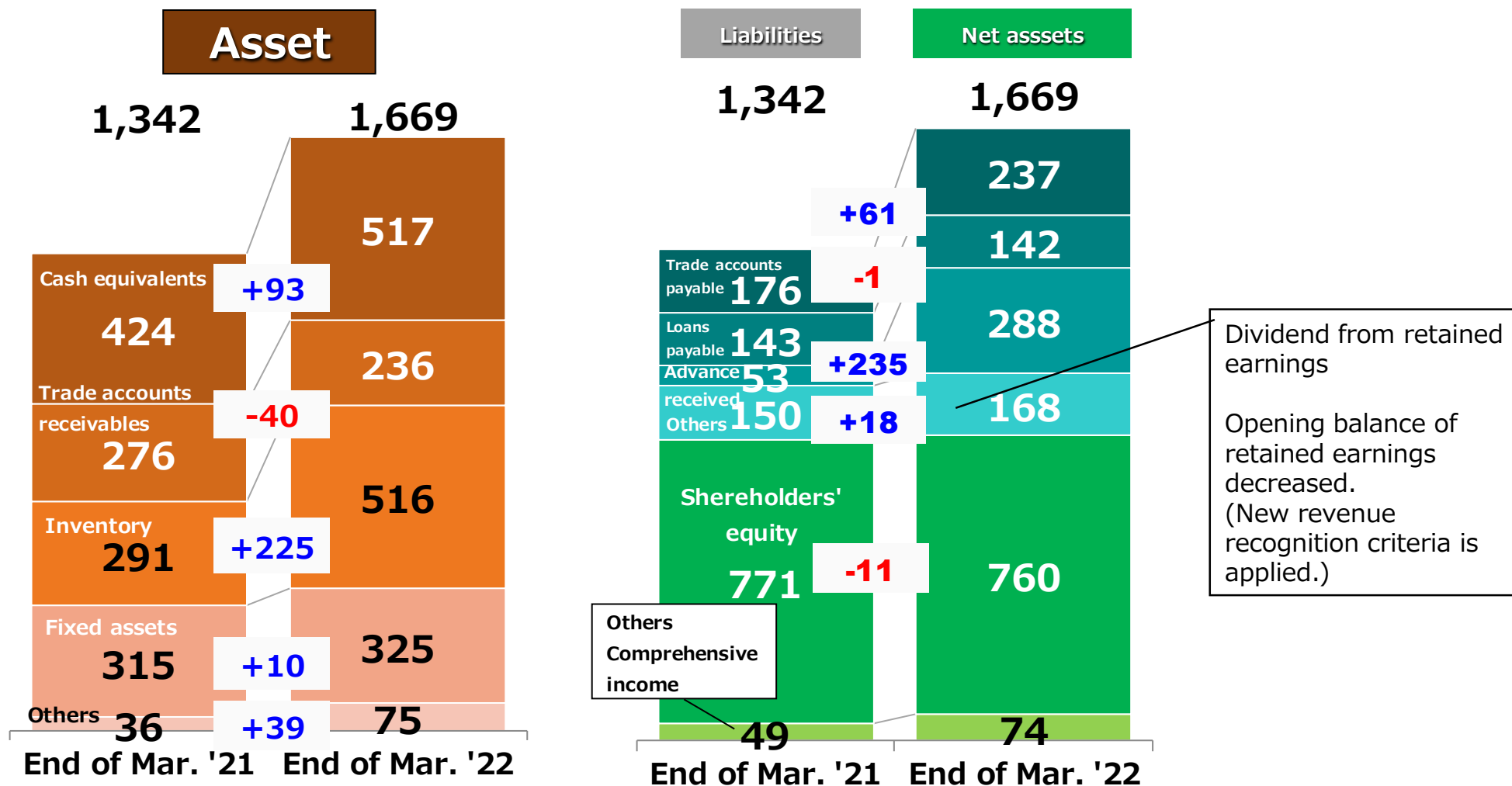
Overseas sales ratio
 FY2020 : 56%
 FY2021 : 66%



Balance Sheet

Shibaura Machine

(Unit: 100 million yen)



	End of Mar. '21	End of Mar. '22
Equity ratio	61.2%	50.0%
D/E ratio	17.5%	17.0%

Cash Flow Statement

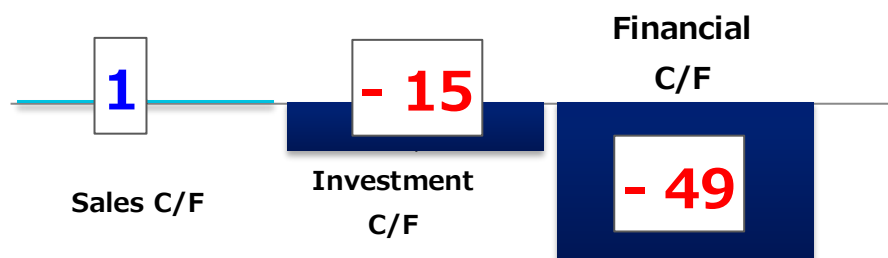
Shibaura Machine

(Unit: 100 million yen)

FY2020

FCF -13

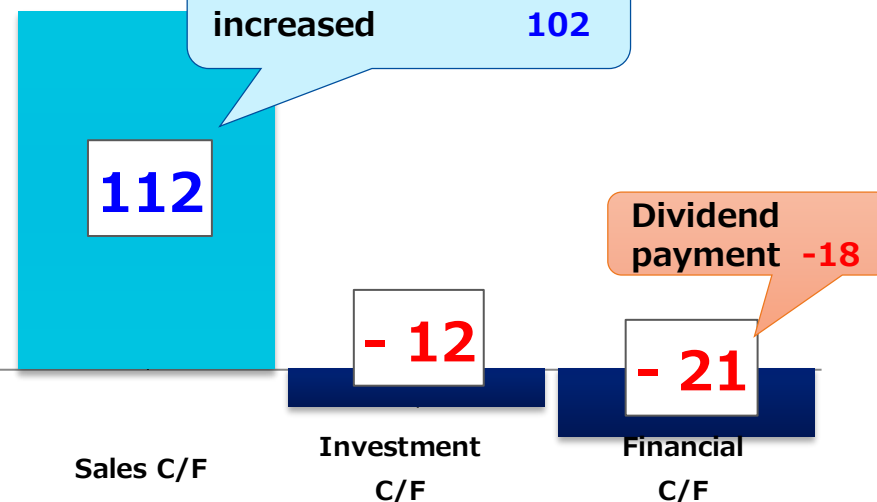
Dividend payment **-49**
(including extraordinary dividend)



FY2021

FCF +100

Advance received increased 102



	FY2020	FY2021	Change
Opening balance of cash and cash equivalents	480	424	- 56
C/F from operating activities	1	112	111
C/F flow from investing activities	- 15	- 12	3
C/F flow from financing activities	- 49	- 21	28
Total	- 63	79	142
Transitional differences and others	7	13	6
Closing balance of cash and cash equivalents	424	517	93

Forecast of Consolidated Financial Results for the Year Ended March 31, 2023

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

- **It is difficult to forecast business results because there are many risk factors such as difficulty and increasing cost of procuring parts and lockdown in Shanghai.**
- **The target business figures of management reform plan for FY2022 must be achieved at a minimum.
(Net sales 120 billion yen, Operating profit 6 billion yen)
Considering the current order backlog and order environment, we believe that the target business figures can be fully achieved.**
- **It is disclosed only for the full year due to difficulty of forecast.
The forecast of Q2(cumulative) will be disclosed as soon as the business outlook is found out.**

FY2022 Summary of Business Results forecast

Shibaura Machine

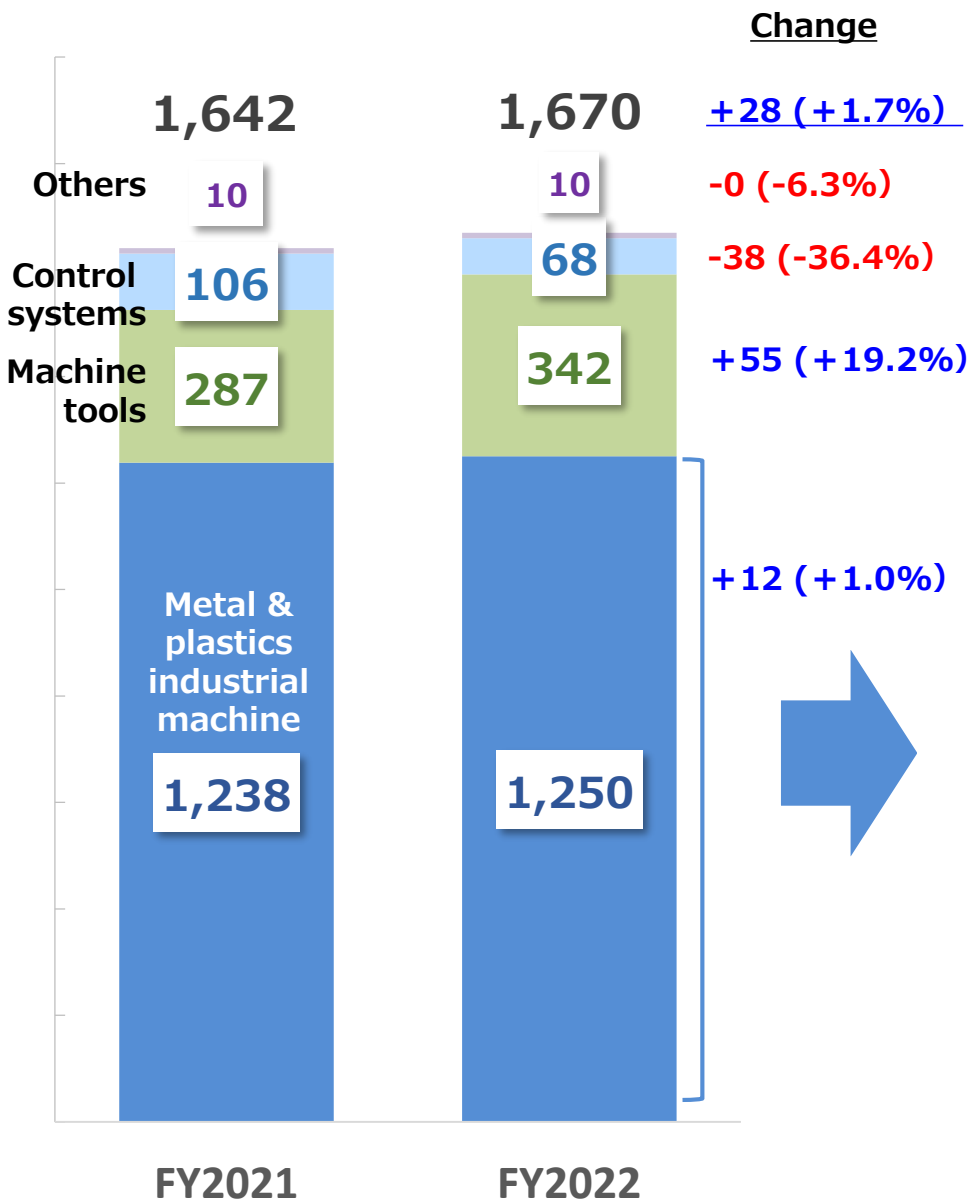
(Unit: 100 million yen)

	FY2022 forecast (A)	FY2021 Results (B)	Change (A-B)
Net Sales	1,200	1,077	+123
Operating profit	60	42	+18
Profit ratio	5.0%	3.9%	+1.1pt
Ordinary profit	54	45	+9
Profit ratio	4.5%	4.2%	+0.3pt
Net profit attributable to owners parent	42	37	+5
Profit ratio	3.5%	3.5%	+0.0pt
Orders received	1,670	1,642	+28
Foreign exchange (USD)	120 yen	122 yen	

Orders received (Segment)

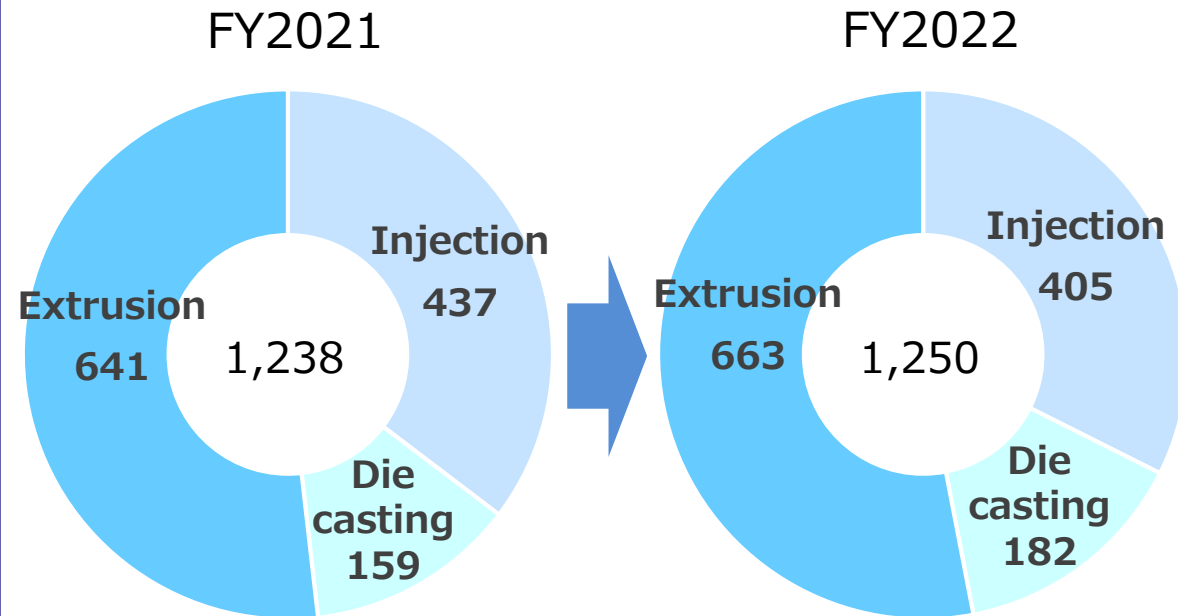
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

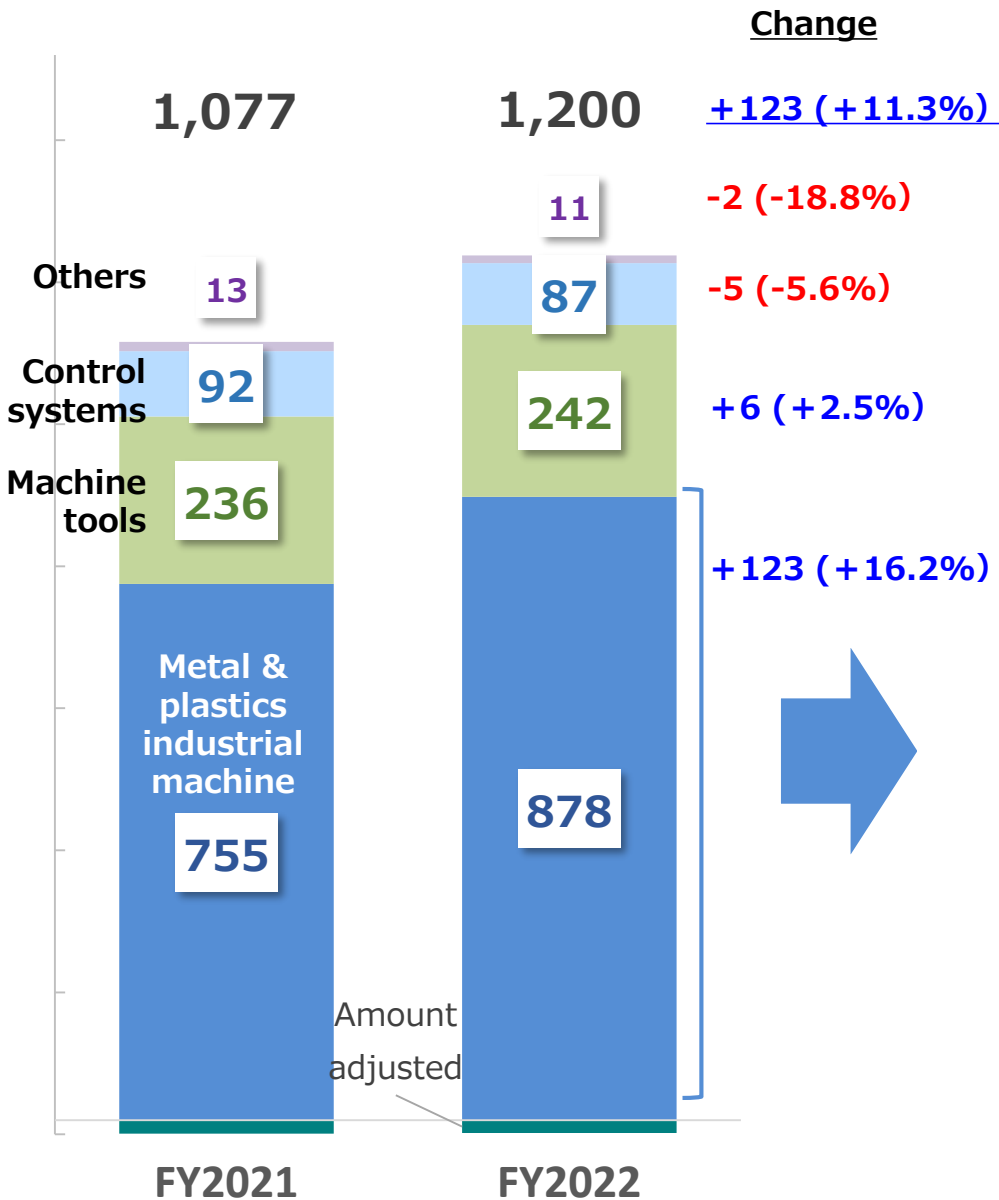
Metal & plastics industrial machine structural ratio



Sales (Segment)

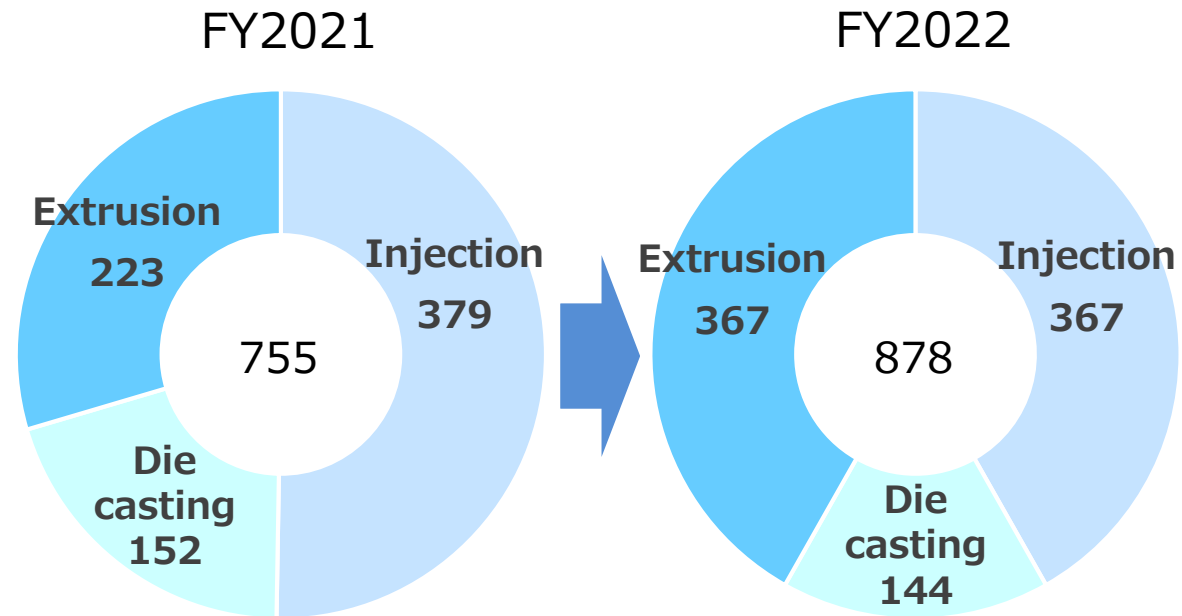
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

Metal & plastics industrial machine structural ratio

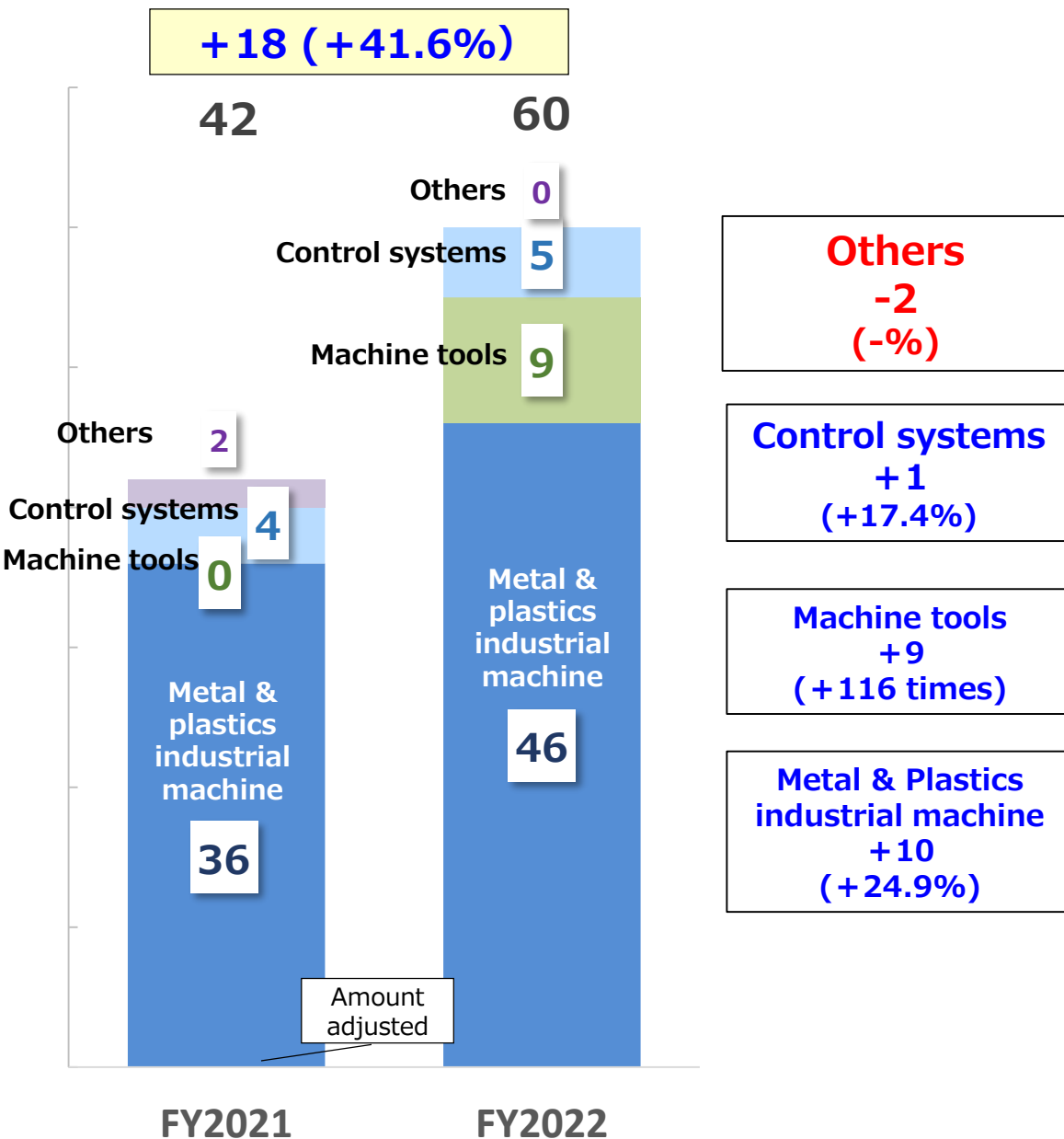


Operating Profit (Segment), Ordinary Profit, Net Profit

Shibaura Machine

(Unit: 100 million yen)

(Unit: 100 million yen)

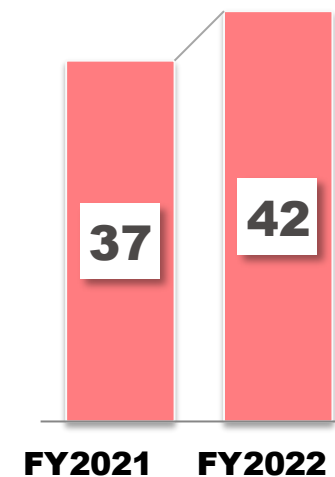
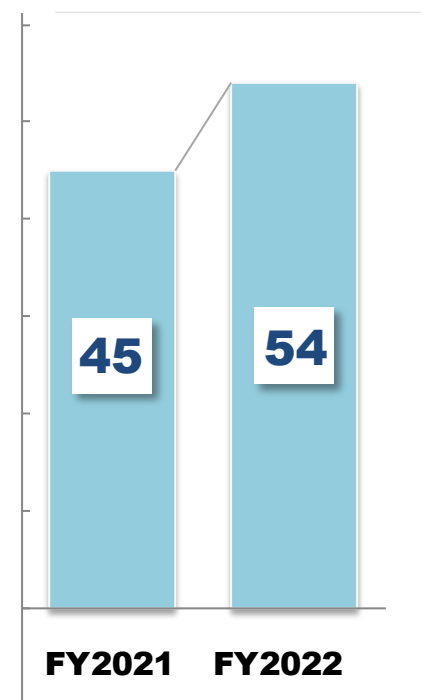


Ordinary profit

+9 (+18.8%)

Net profit

+5 (+12.7%)



Metal & plastics industrial Machine Segment Results

Shibaura Machine

(Unit: 100 million yen)

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

	FY2022	FY2021	Change amount	Change rate
Net sales	878	755	+123	+16.2%
Operating profit	46	36	+10	+24.9%
Profit ratio	5.2%	4.9%	—	+0.3pt

Results factor analysis



Positive factor

- Increasing demand in relation to automobile(including EV) both in Japan and overseas.
- [Injection] Demand of electric large- and medium-sized injection molding machines in North America increases on the back of the decarbonization.
- [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
- Influence of lockdown in China.

Machine Tools Segment Results

Shibaura Machine

(Unit: 100 million yen)

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

	FY2022	FY2021	Change amount	Change rate
Net sales	242	236	+6	+2.5%
Operating profit	9	0	+9	+116 times
Profit ratio	3.7%	0.0%	—	+3.7pt

Results factor analysis



Positive factor

- [Machine tools] Demand increases in industrial machines and construction machinery in Japan in energy-related areas in North America.
- [Precision] Robust in lens dies for automobile and AR/VR in China.



Negative factor

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

Control Systems Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	FY2022	FY2021	Change amount	Change rate
Net sales	87	92	-5	-5.6%
Operating profit	5	4	+1	+17.4%
Profit ratio	5.7%	4.6%	—	+1.1pt

Results factor analysis



Positive factor

- Robust demand for robots for smartphone and battery for EV in China.
- Demand increases for system engineering projects.



Negative factor

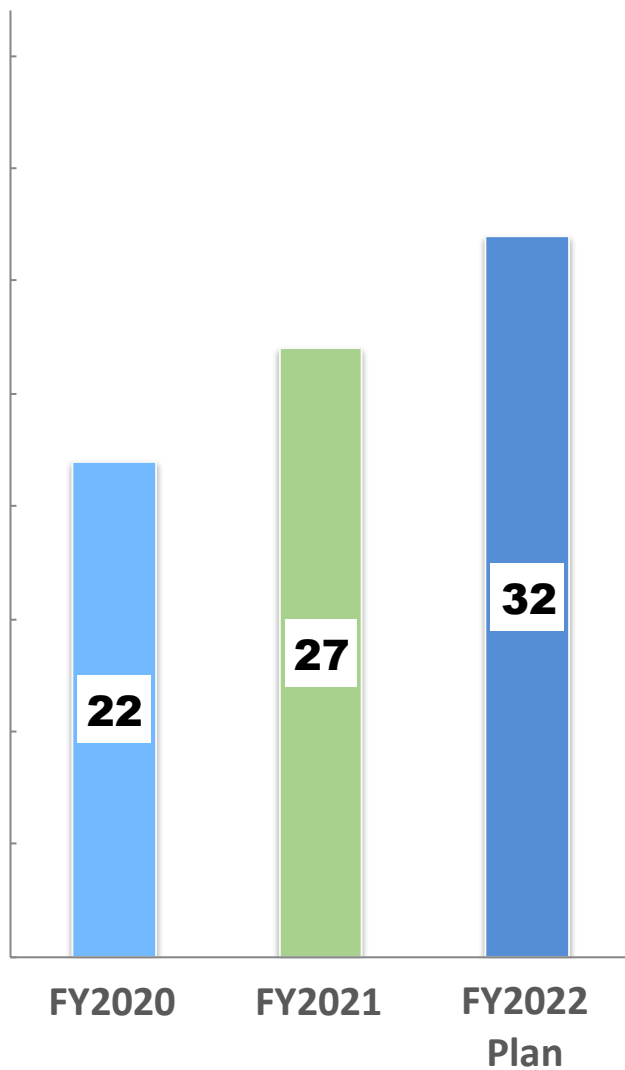
- Difficulty and increasing cost of procuring parts including semiconductors, stagnant distribution, and increasing costs

R&D expenses, and Capital expenditure and Depreciation expenses

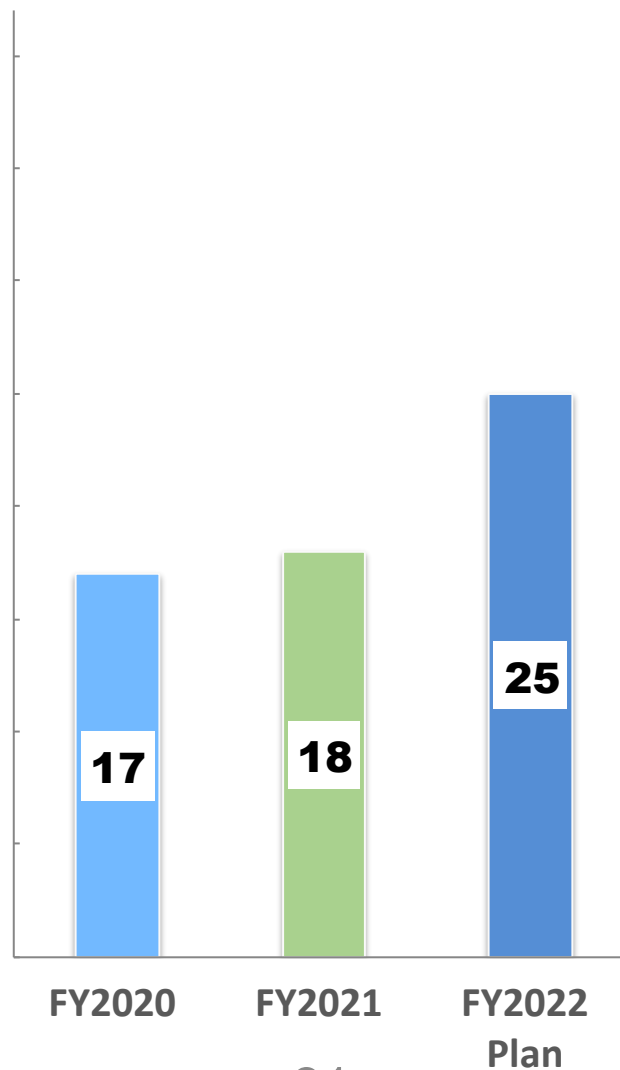
Shibaura Machine

(Unit: 100 million yen)

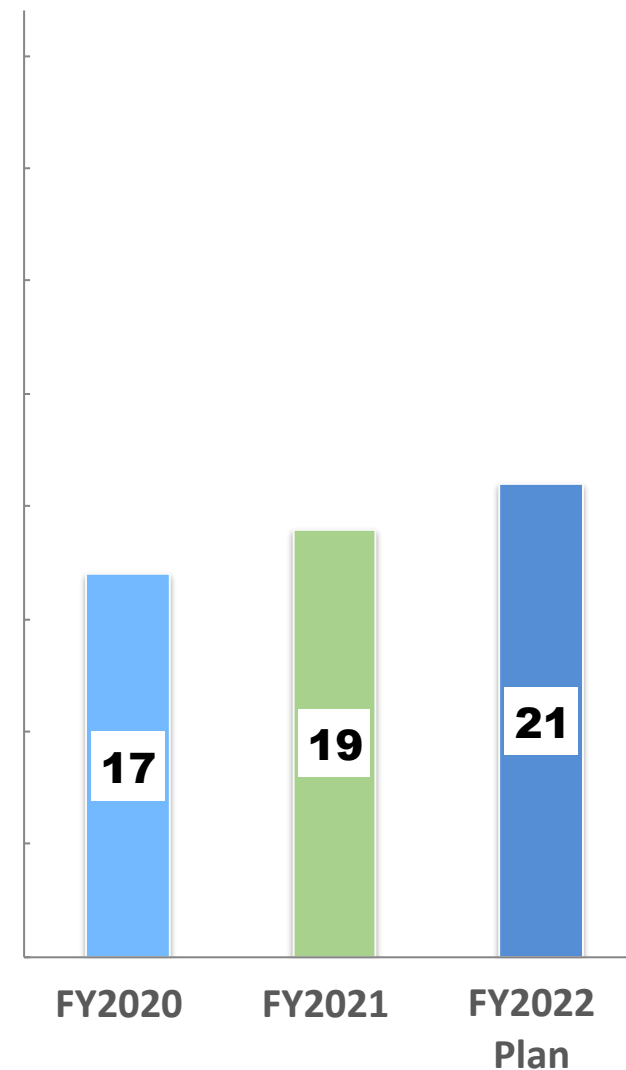
R&D expenses



Capital expenditure



Depreciation expense



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 earned surplus 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.

	Interim	Year-end	Full-year	Dividend payout ratio (Consolidated)
FY ended March 31, 2021	37.5 yen	37.5 yen	* 199.3 yen	—
FY ended March 31, 2022	37.5 yen	37.5 yen	75.0 yen	48.6%
FY ended March 31, 2023 (forecast)	37.5 yen	37.5 yen	75.0 yen	43.1%

* 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.

Shibaura Machine

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