

Consolidated Financial Results for the Year Ended March 31, 2023

May 22, 2023

SHIBAURA MACHINE CO., LTD.

Consolidated Financial Results Overview for the Year Ended March 31, 2023

- 1) Key Points of Financial Results**
- 2) Comparison with Forecast**
- 3) Year-on-Year Comparison**

Increased Revenue and Profits Year-on-Year

■ Orders Received

- Reached a record high thanks to significant increases in LiB separator film production lines for EV in extrusion machines, which has been continuously in high demand
- While hydraulic injection molding machines increased in India on the back of rising consumer demand, injection molding machines decreased in overall due to decline in electric injection molding machines affected by deteriorating market conditions in China and the U.S.
- Decreases in high-precision machine tools for smartphone lens molds in China

■ Net Sales

- Increases in LiB separator film production lines for EV in China
- Increases in large machine tools for industrial machinery in Japan and for energy applications in North America
- While injection molding machines decreased due to economic slowdown and lockdowns in China, amid the decarbonization movement, there was a slight increase as a whole in injection molding machines thanks to increases in medium to large electric injection molding machines in North America and in hydraulic injection molding machines in India.

■ Operating Profit, Ordinary Profit, Net Profit

- Despite the impact of rising component prices and other factors, both operating profit and ordinary profit increased with a positive effect of boosting profits on the back of increased sales and the weaker yen. Net profit increased due in part to gain on sale of non-current assets.

Performance Summary (vs. Forecast)

Shibaura Machine

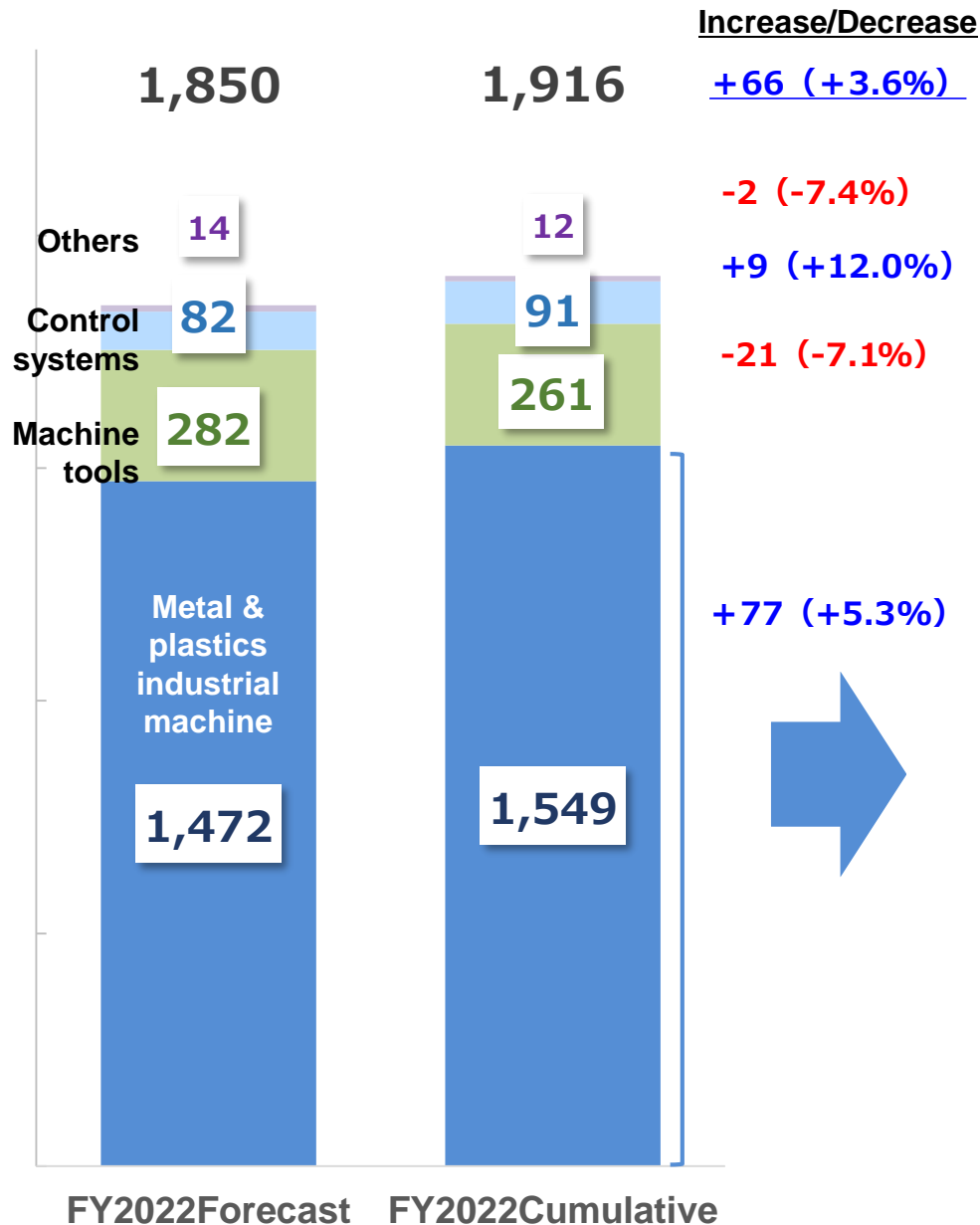
(Unit: 100 million yen)

	FY2022 Cumulative (A)	FY2022 Forecast (Issued Nov. 9, 2022) (B)	Increase/ Decrease (A-B)
Net sales	1,231	1,300	- 69
Operating profit	57	50	+7
Profit ratio	4.7%	3.8%	+0.9pt
Ordinary profit	52	54	- 2
Profit ratio	4.3%	4.2%	+0.1pt
Net profit attributable to owners of parent	64	43	+21
Profit ratio	5.2%	3.3%	+1.9pt
Orders received	1,916	1,850	+66
Exchange rate (USD)	134 yen	137 yen	

- Increases in orders received on the back of growth in LiB separator film production lines for EV, despite decreases in injection molding machines affected by deteriorating business confidence in China and North America
- Decreases in net sales due to decline in injection molding machines affected by deteriorating business confidence in China and North America as well as sales delay in extrusion machines stemming from a surge in COVID cases after China's zero-Covid policy was lifted.
- Increases in operating profit due in part to increases in injection molding machines in North America as well as improved production efficiency from expanded production scale of LiB separator film production lines for EV.
- Decreases in ordinary profit due to the negative impact of exchange rate fluctuations. Increases in net profit due in part to gain on sale of non-current assets.

Comparison with forecast Amounts of Orders Received (By Segment)

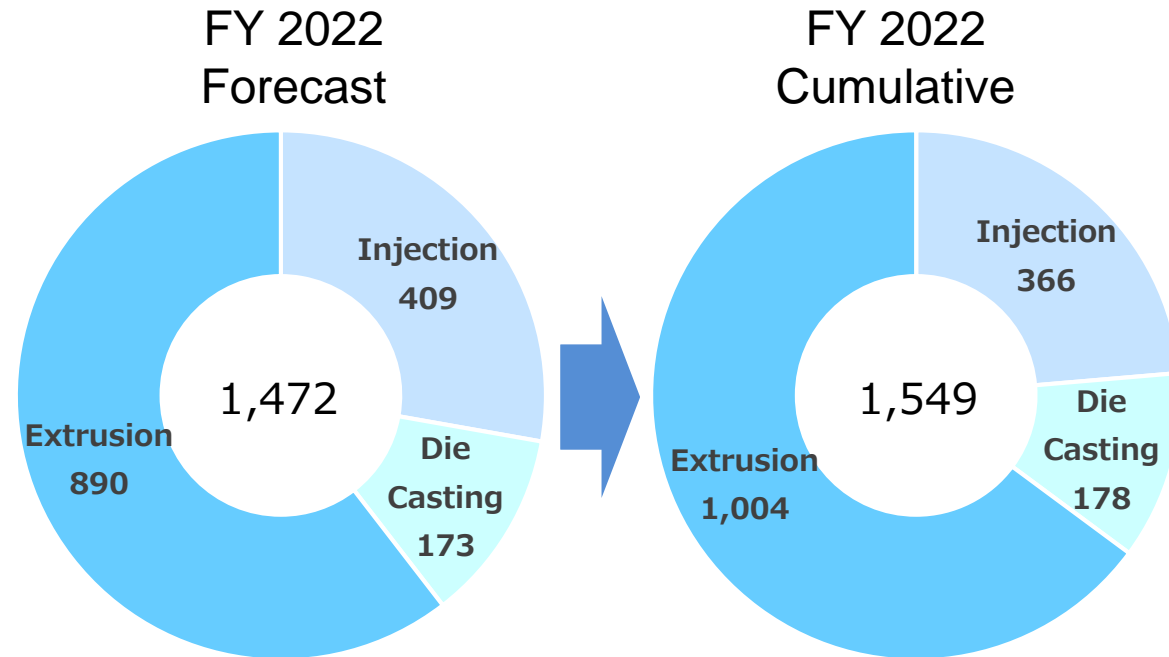
(Unit: 100 million yen)



(Unit: 100 million yen)

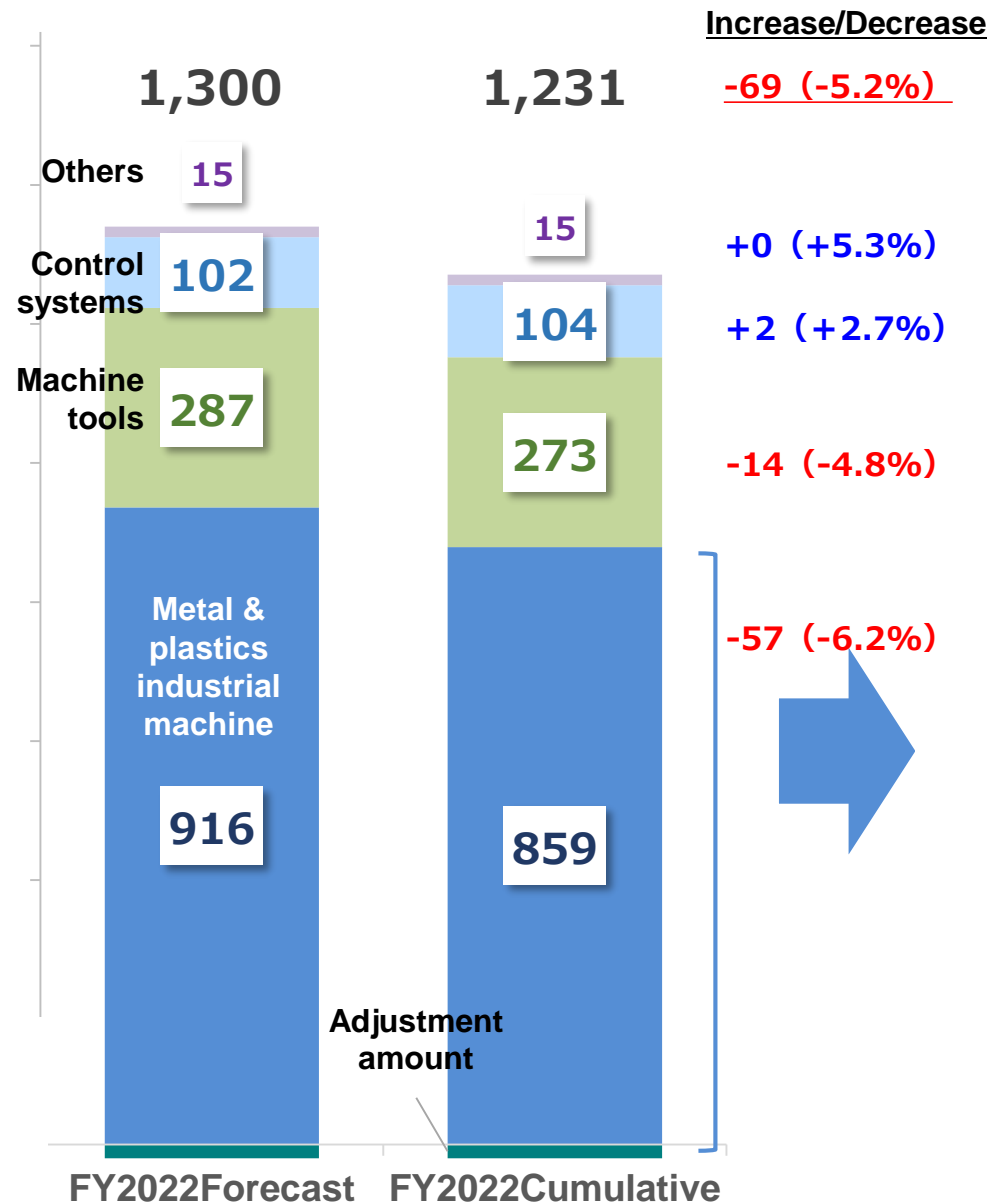
Breakdown of Metal & Plastics Industrial Machine

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



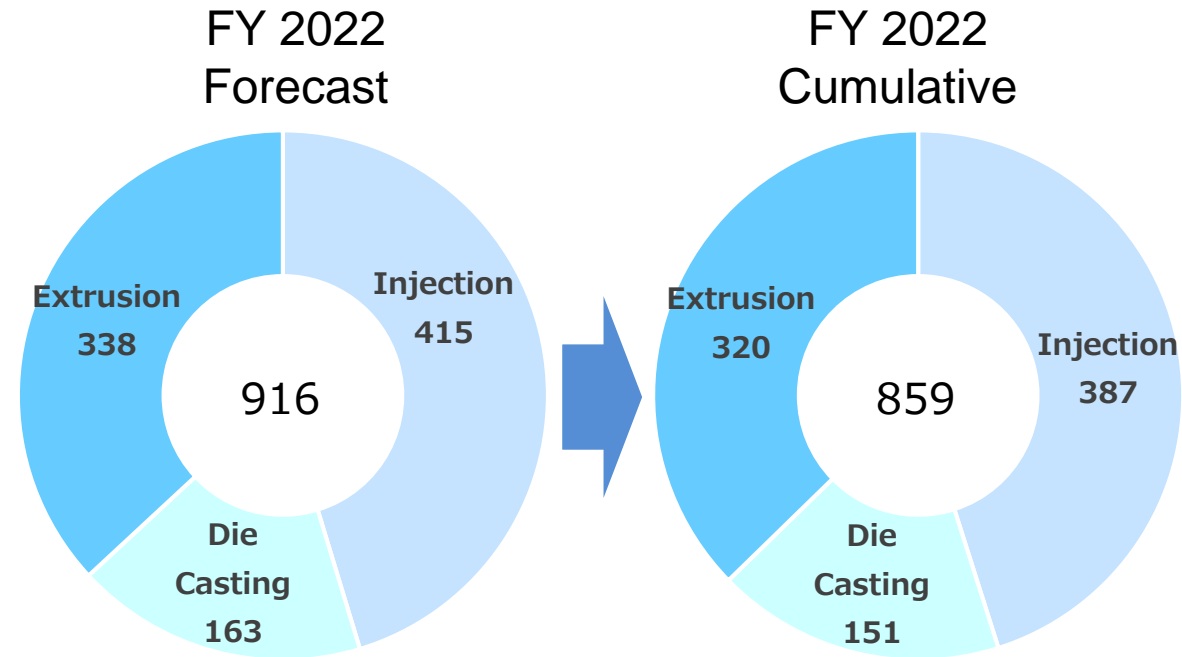
Comparison with forecast Net Sales (By Segment)

(Unit: 100 million yen)



(Unit: 100 million yen)

Breakdown of Metal & Plastics Industrial Machine



Performance Summary (Year-on-Year)

Shibaura Machine

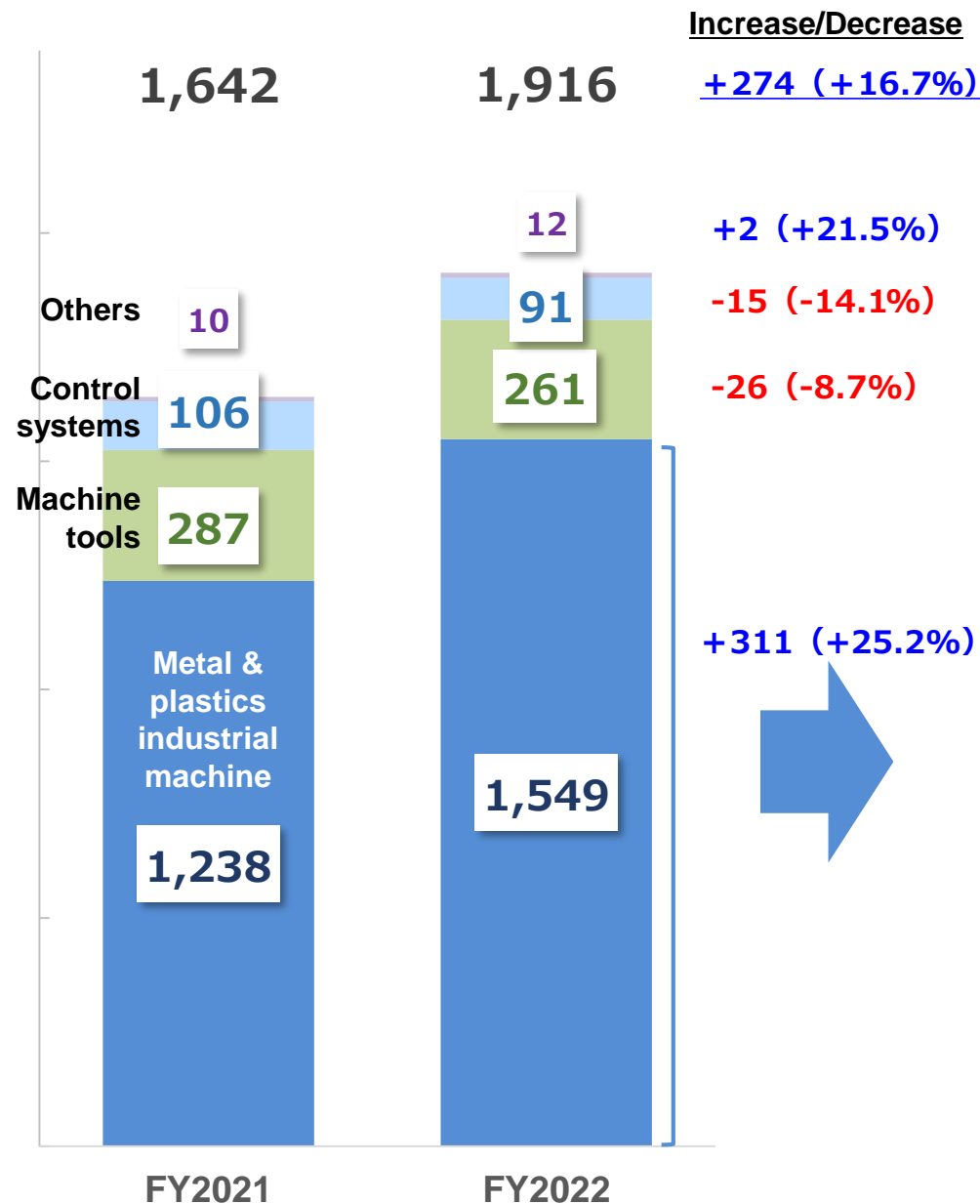
(Unit: 100 million yen)

	FY2022 Cumulative (A)	FY2021 Cumulative (B)	Increase/ Decrease (A-B)
Net sales	1,231	1,077	+154
Operating profit	57	42	+15
Profit ratio	4.7%	3.9%	+0.8pt
Ordinary profit	52	45	+7
Profit ratio	4.3%	4.2%	+0.1pt
Net profit attributable to owners of parent	64	37	+27
Profit ratio	5.2%	3.5%	+1.7pt
Orders received	1,916	1,642	+274
Exchange rate (USD)	134 yen	122 yen	

Amounts of Orders Received (By Segment)

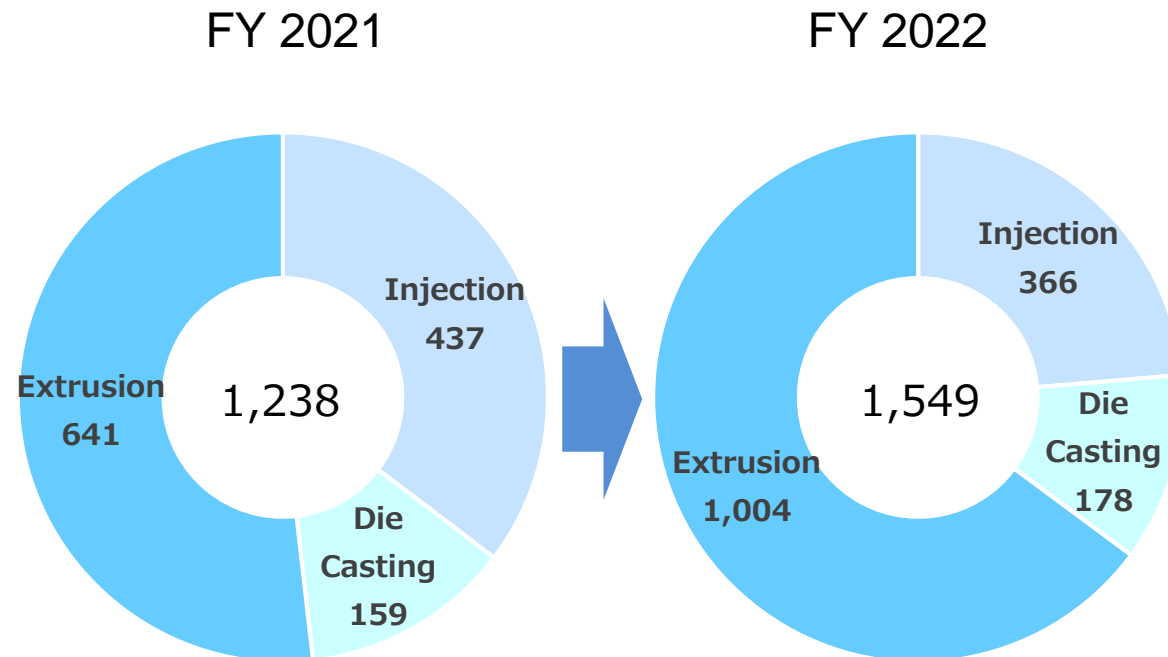
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

Breakdown of Metal & Plastics Industrial Machine



Trends of Orders Received (By Segment)

Shibaura Machine

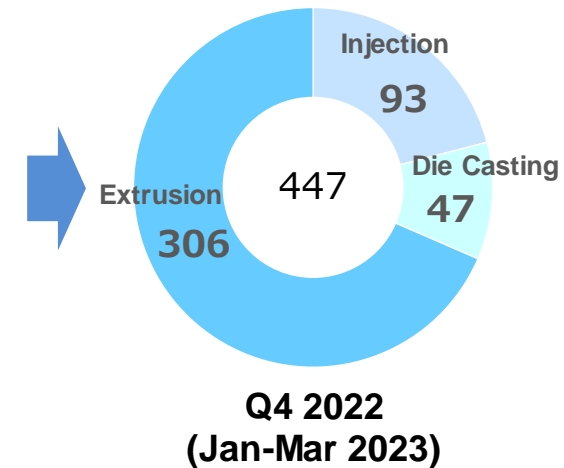
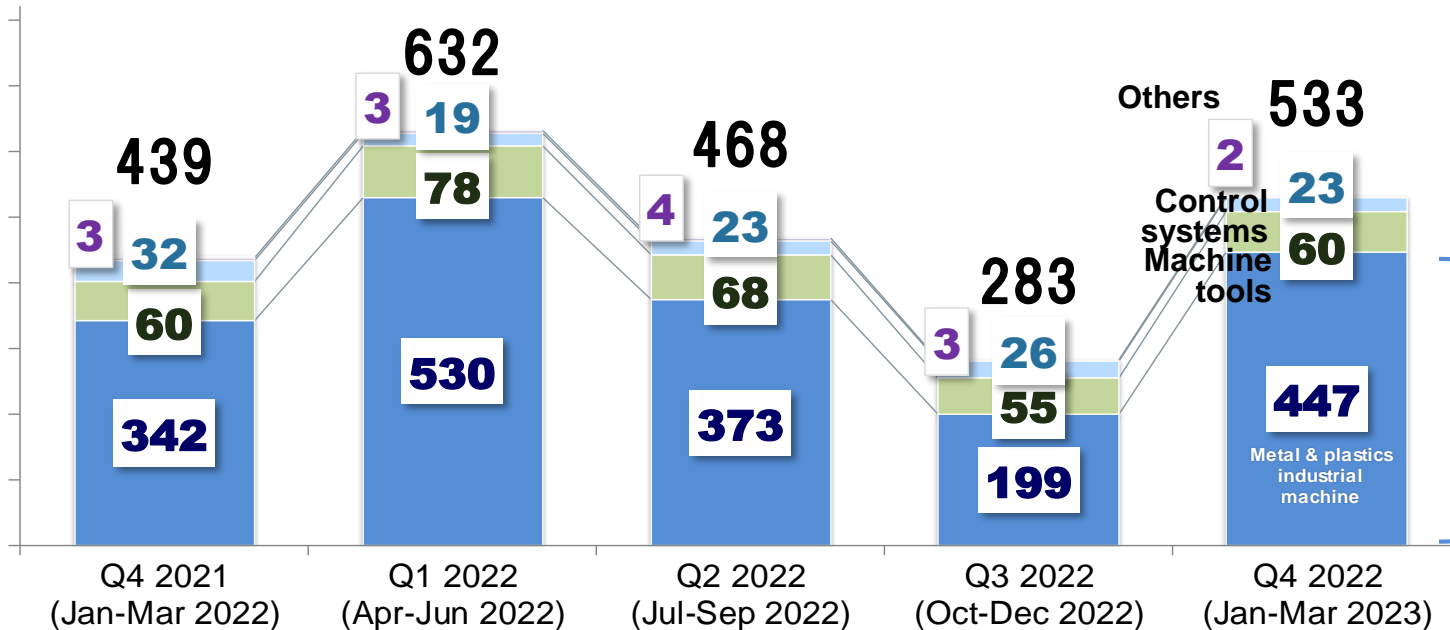
(Unit: 100 million yen)

Metal & plastics industrial machine has quarterly fluctuation in amounts of orders received, because of including large volume orders for LiB separator film production lines for EV.

Machine tools: Large machine tools (machine tool segment)
 Precision: High-precision machine tools (machine tool segment)
 Control: Control systems

Breakdown of Metal & Plastics Industrial Machine

(Unit: 100 million yen)



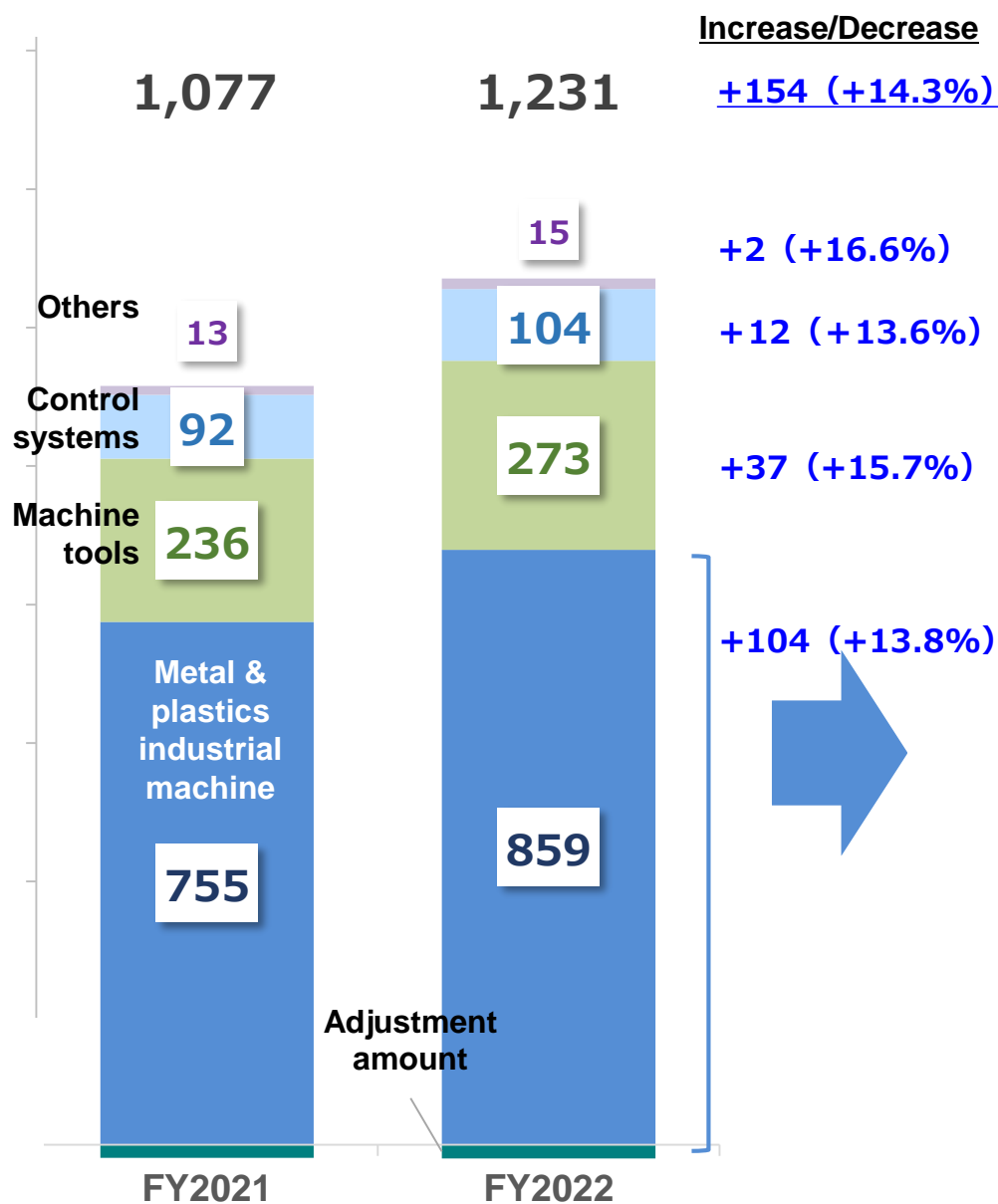
Current Orders

- Injection: Increases in hydraulic injection molding machines in India, despite decreases affected by deteriorating business confidence in China and North America
- Die Casting: Demand is showing a slow recovery in relation to automotive capital investments
- Extrusion: Continuously in high demand for LiB separator film production lines for EV in China
- Machine Tools: Demand for energy-related applications in North America and for wind power generation in China
- Precision: Despite increase automotive lens molds in China, decrease in smartphone lens molds in China
- Control: Decrease in Industrial robots in China, with steady demand for electronic control systems in Japan

Net Sales (By Segment)

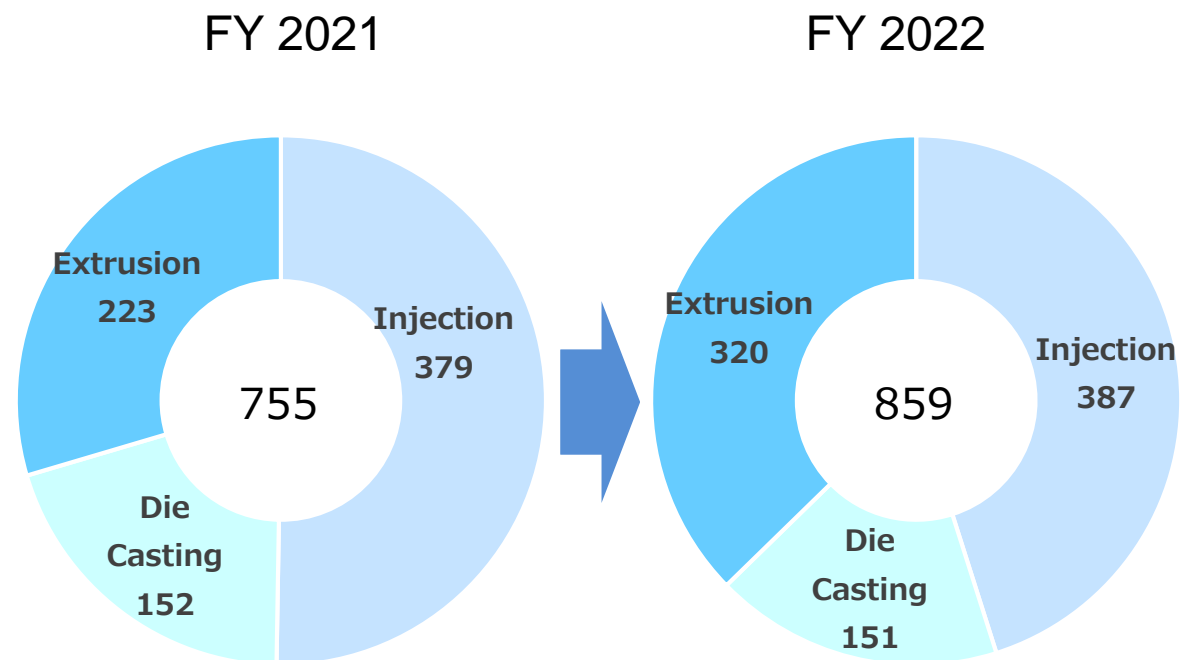
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

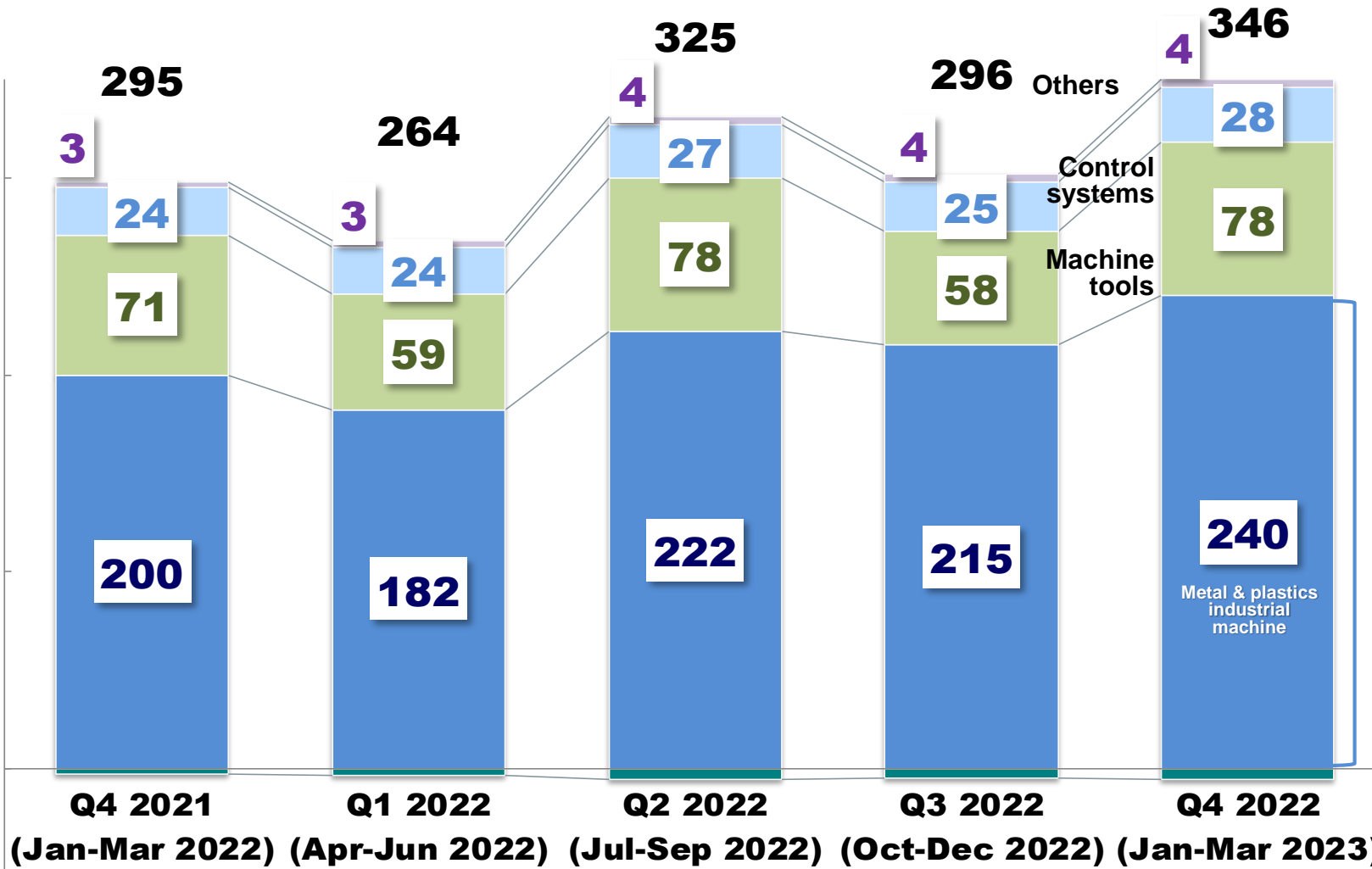
Breakdown of Metal & Plastics Industrial Machine



Trends of Net Sales (By Segment)

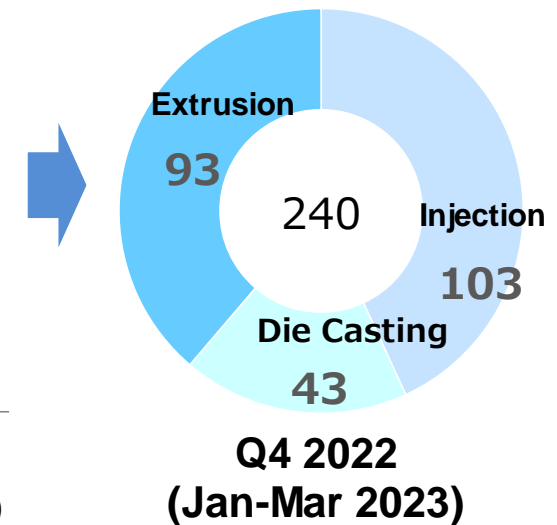
Shibaura Machine

(Unit: 100 million yen)



Breakdown of Metal & Plastics Industrial Machine

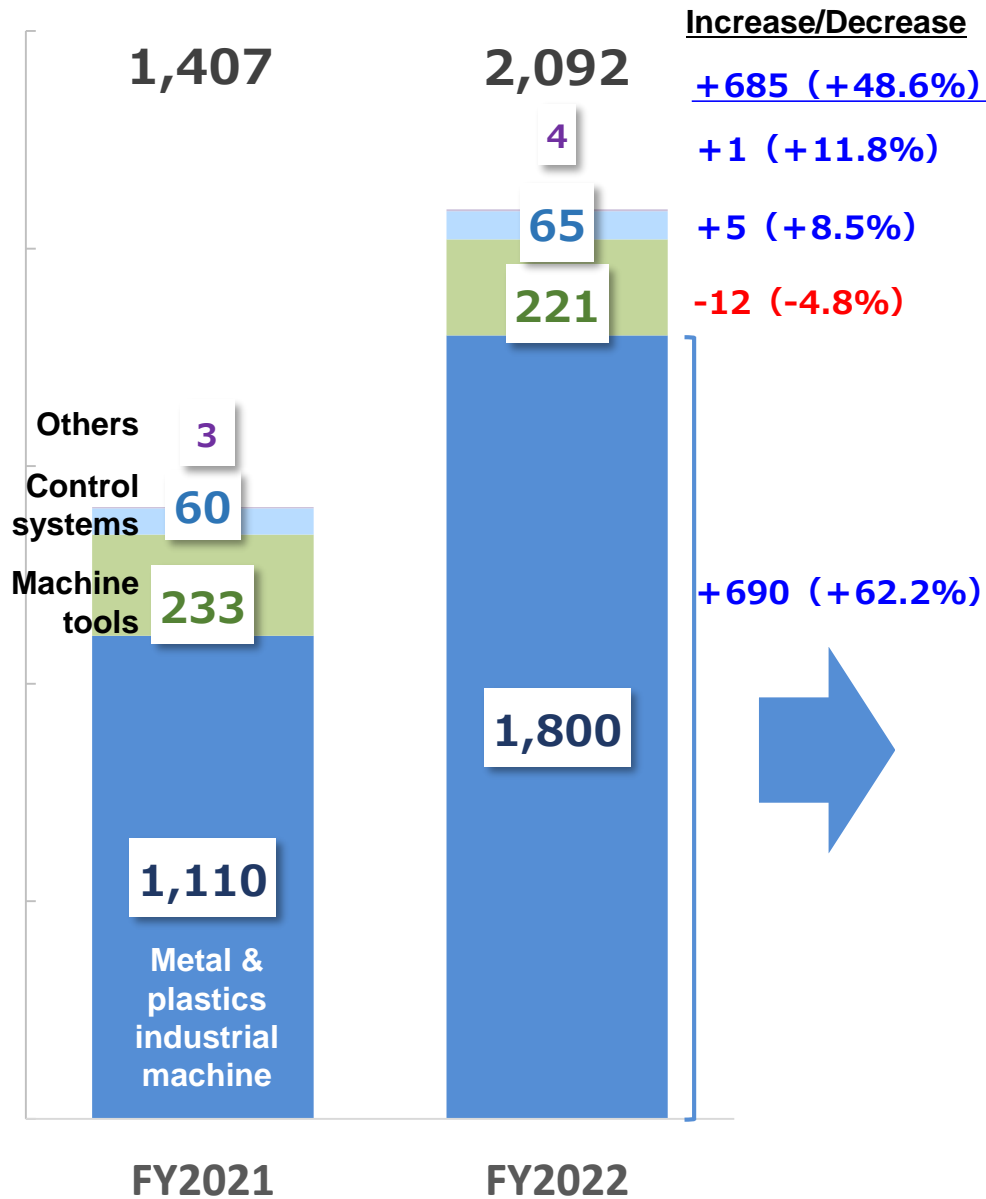
(Unit: 100 million yen)



Order Backlog (By Segment)

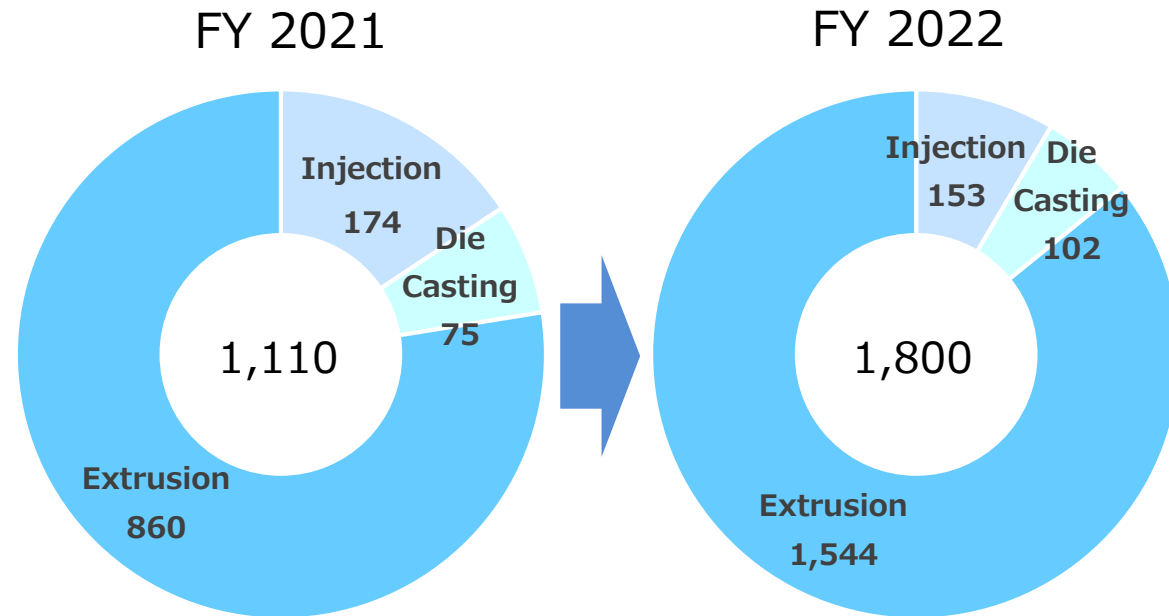
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

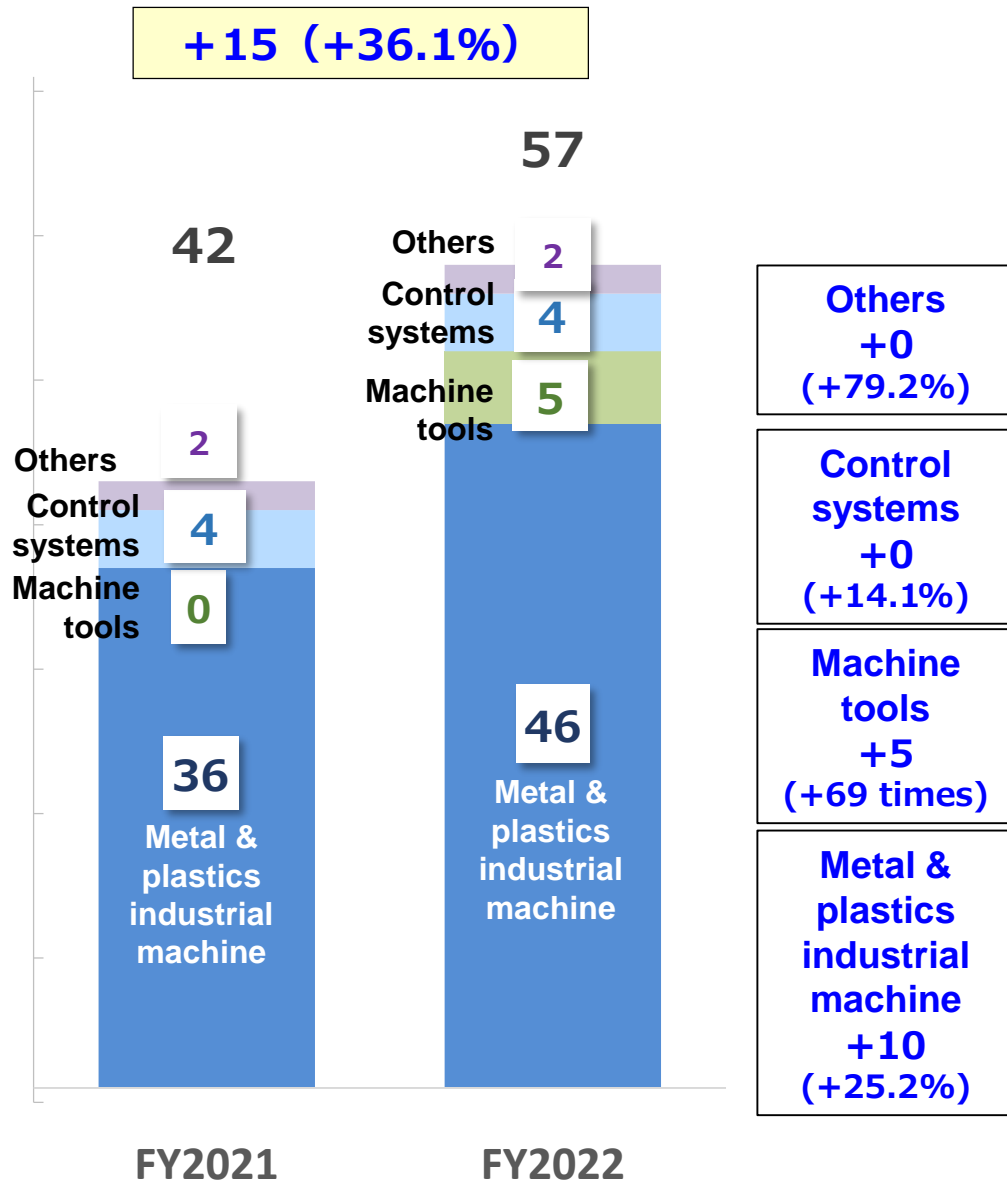
Breakdown of Metal & Plastics Industrial Machine



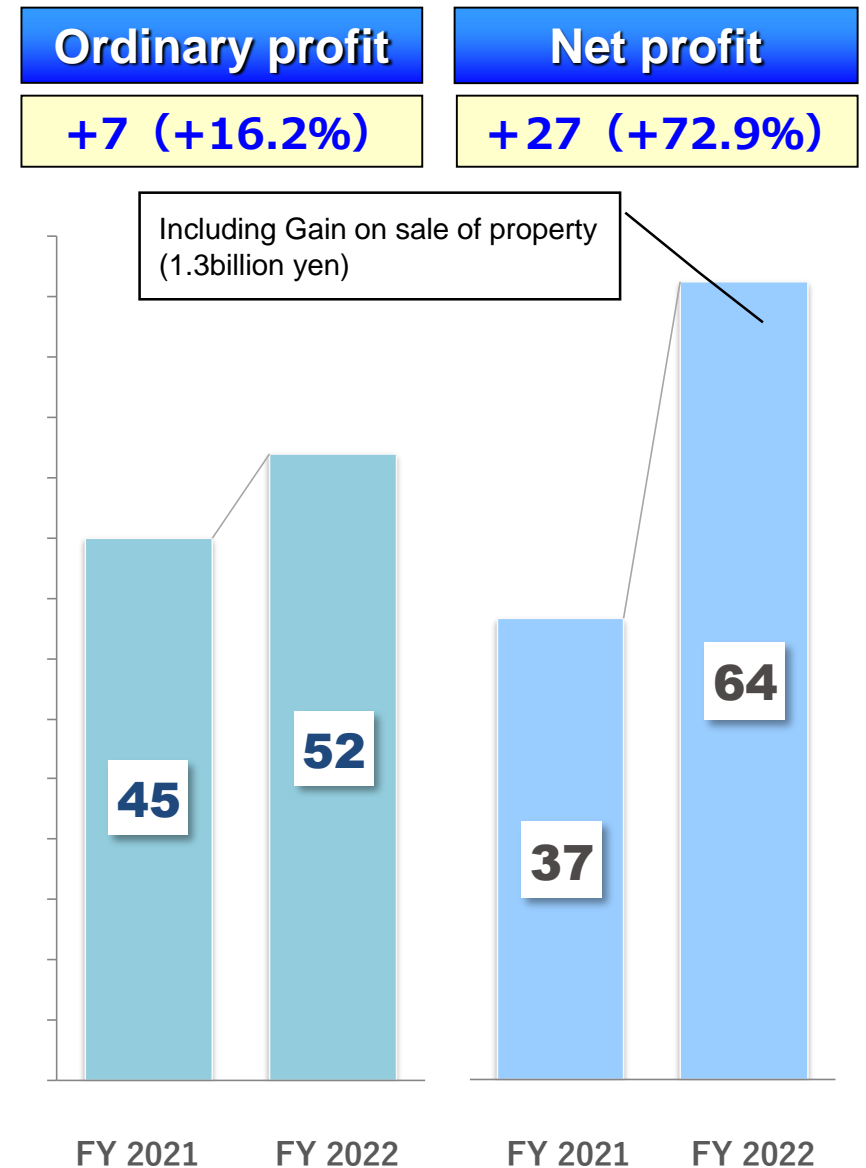
Operating Profit (By Segment), Ordinary Profit, Net Profit

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.)

	FY2022	FY2021	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net sales	859	755	+104	+13.8%
Operating profit	46	36	+10	+25.2%
Profit ratio	5.4%	4.9%	—	+0.5pt

Performance Factor Analysis



Positive Factors

- Injection: Increase in the number of medium to large electric machines amid the decarbonization trend in North America, and increase in hydraulic machines in India
- Extrusion: Increase in LiB separator film production lines for EV in China



Negative Factors

- Injection: Decrease due to Stagnation of economic activity and impact of lockdown in China
- Extrusion: Surge in COVID cases after China's zero-Covid policy was lifted, delay in inspection due to travel restrictions
- Difficulty and rising costs in procurement of materials for semiconductors, etc.

(Machine Tools) Segment Results

Shibaura Machine

(Unit: 100 million yen)

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

	FY2022	FY2021	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net sales	273	236	+37	+15.7%
Operating profit	5	0	+5	+69times
Profit ratio	2.0%	0.0%	—	+2.0pt

Performance Factor Analysis



Positive Factors

- Machine Tools: Increase in demand for industrial machinery in Japan and for energy applications in North America



Negative Factors

- Precision: Decrease in optical molds in Japan
- Difficulty and rising costs in procurement of materials for semiconductors, etc.

(Control Systems) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	FY2022	FY2021	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net sales	104	92	+12	+13.6%
Operating profit	4	4	+0	+14.1%
Profit ratio	4.6%	4.6%	—	+0.0pt

Performance Factor Analysis



Positive Factors

- Increase in engineering solutions and electronic control systems in Japan

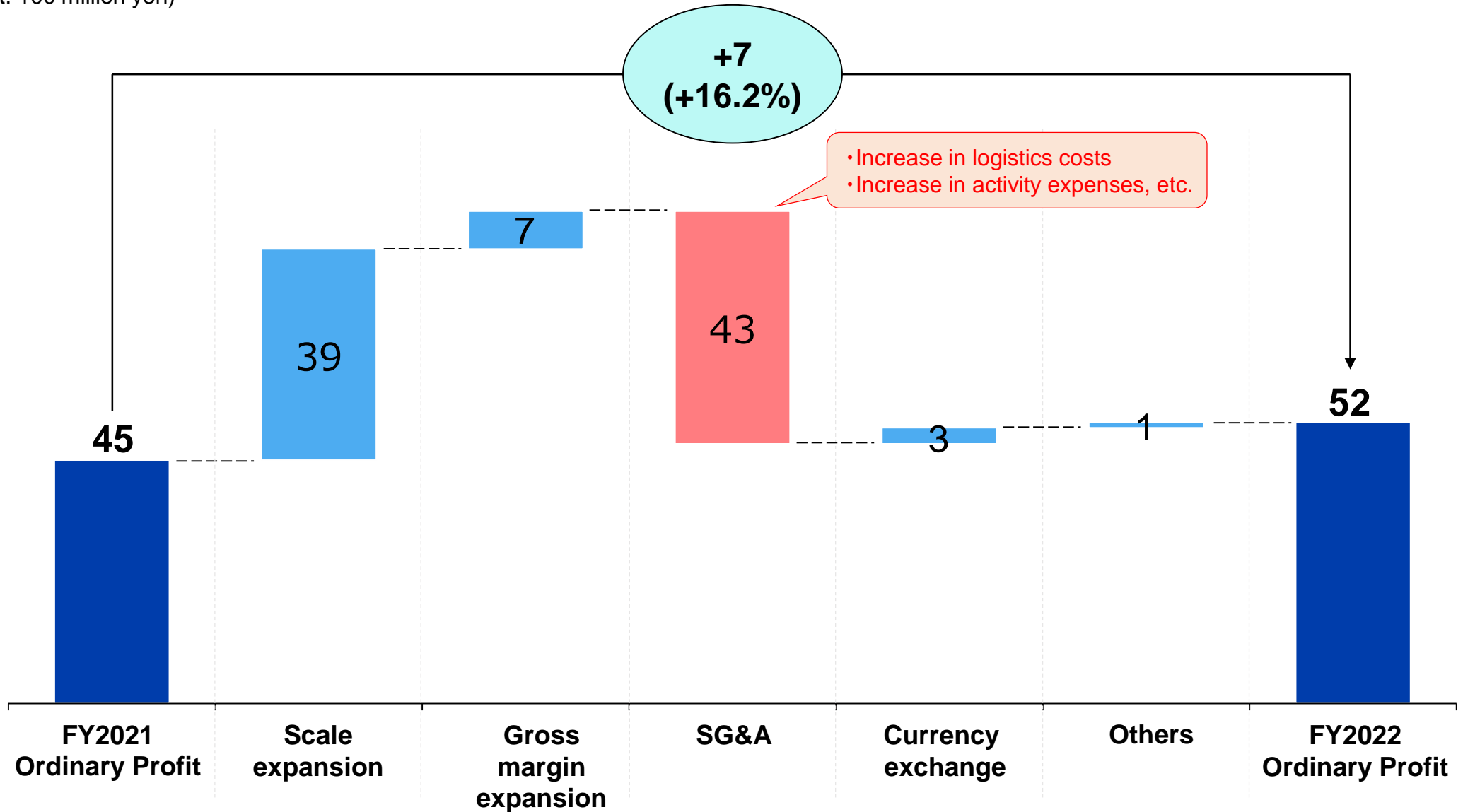


Negative Factors

- Difficulty and rising costs in procurement of materials for semiconductors, etc.
- Decrease in Industrial robots in China

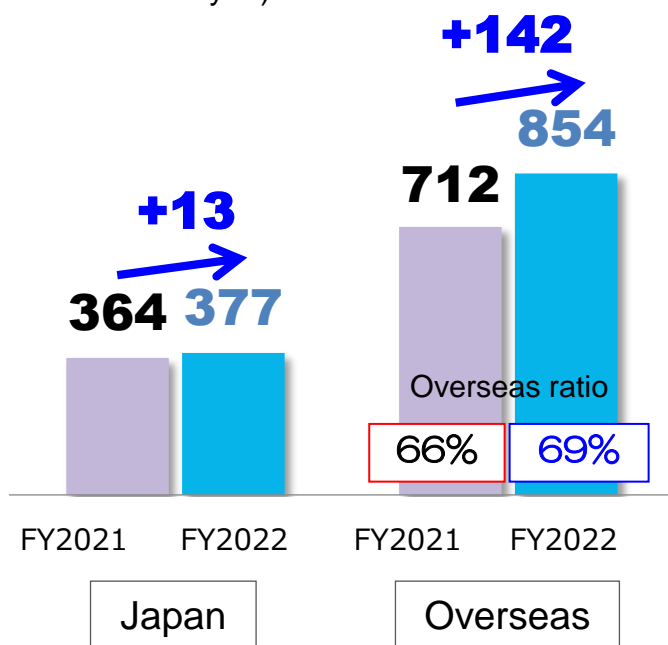
Ordinary Profit Analysis

(Unit: 100 million yen)



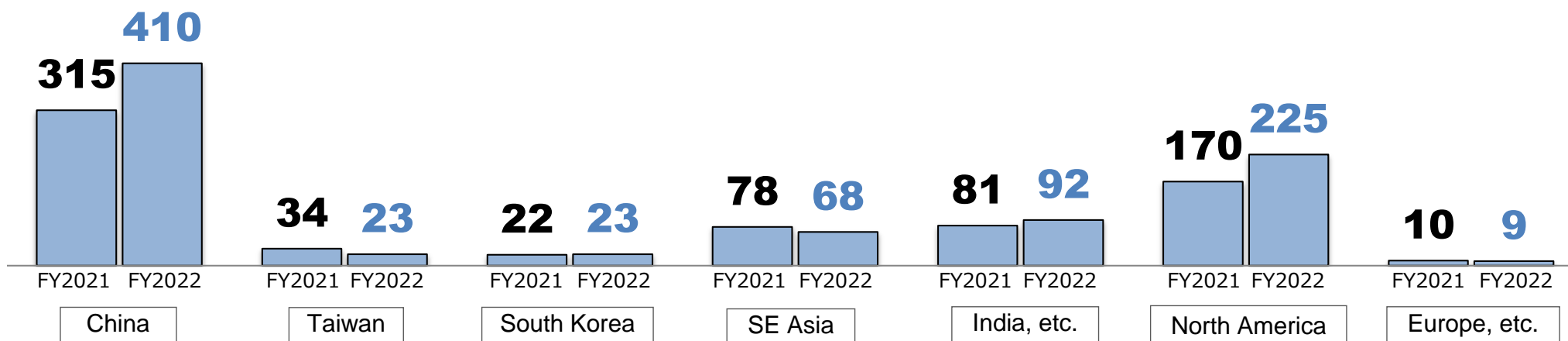
Domestic and Overseas Sales

(Unit: 100 million yen)



➤ Japan	:	➡ [Machine Tools] [Control Systems] Increase
		➡ [Injection] [Extrusion] [Precision] Decrease
➤ China	:	➡ [Extrusion] Increase
		➡ [Injection] [Machine Tools] [Control Systems] Decrease
➤ SE Asia	:	➡ [Die Casting] Increase
		➡ [Injection] Decrease
➤ India	:	➡ [Injection] Increase
		➡ [Die Casting] Decrease
➤ North America / Mexico	:	➡ [Injection] [Machine Tools] Increase

Overseas Sales(By Region)



Overseas Sales and Ratio (By Segment)

Shibaura Machine

(Unit: 100 million yen)

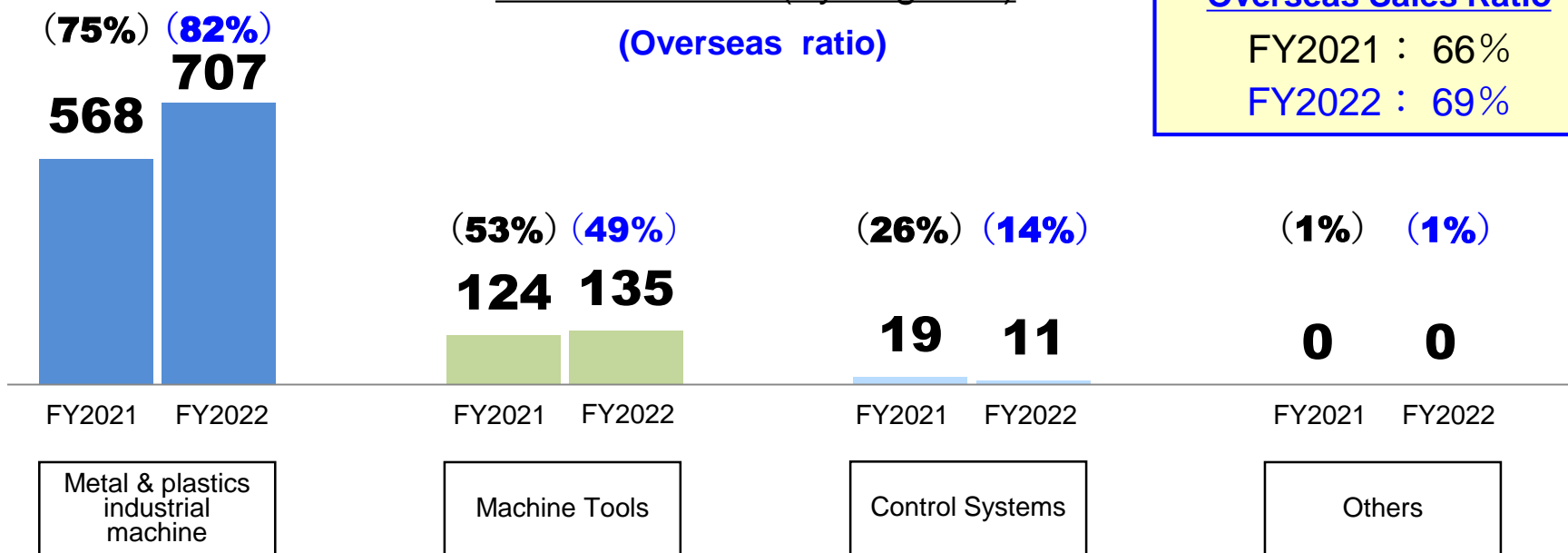
Overseas Sales (By Segment)

(Overseas ratio)

Overseas Sales Ratio

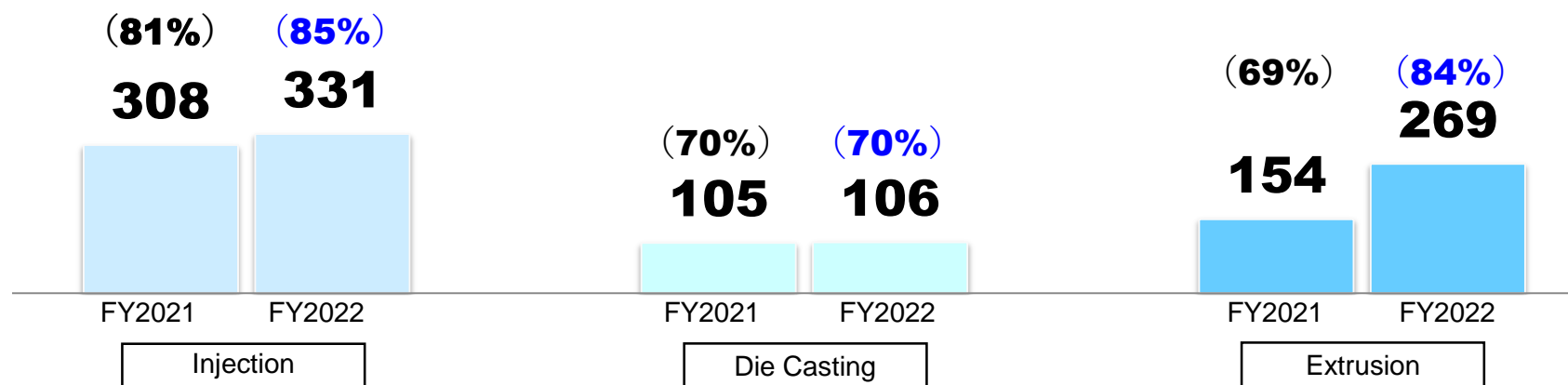
FY2021 : 66%

FY2022 : 69%



Metal & Plastics Industrial Machine (By Product)

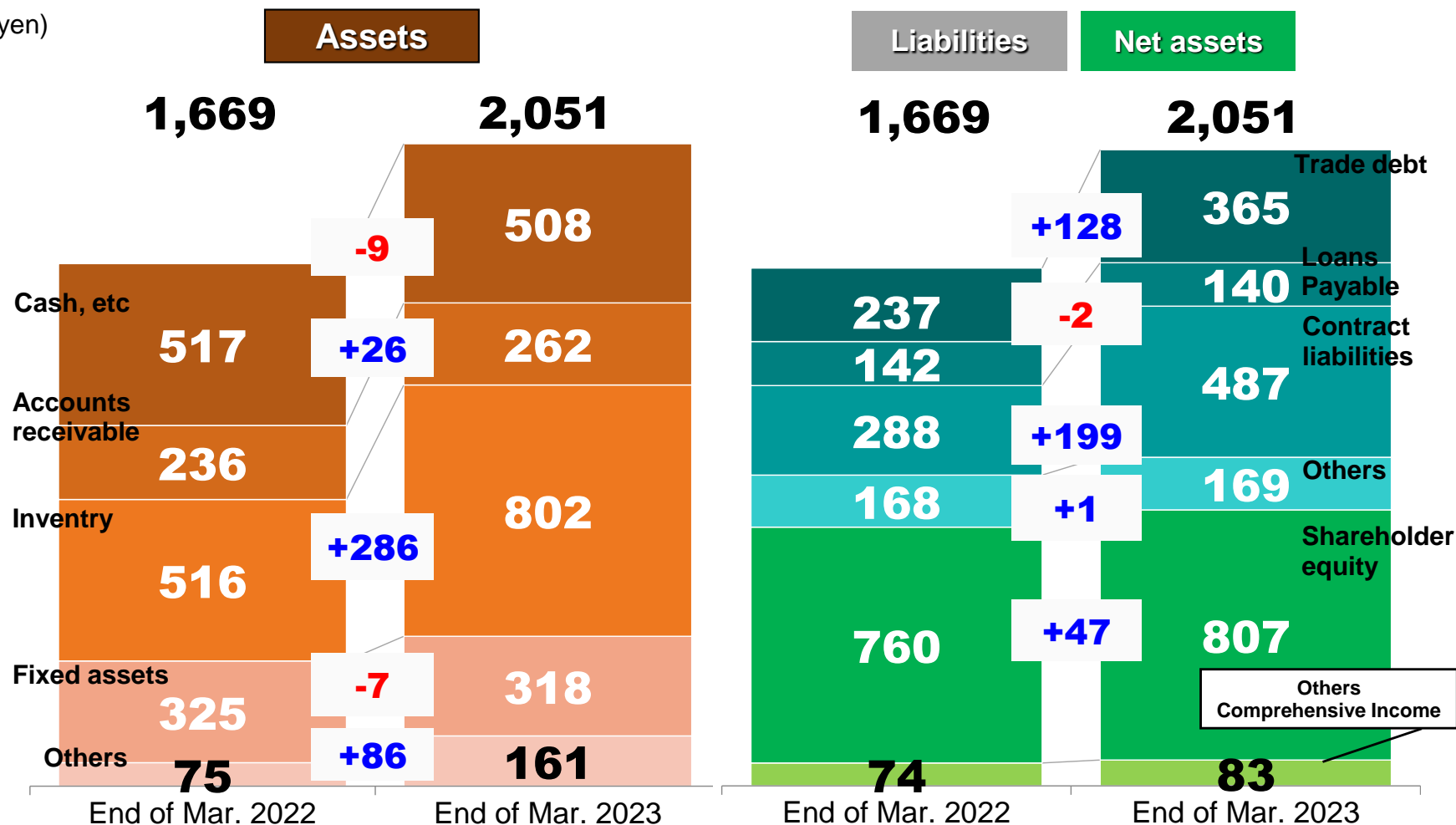
(Overseas ratio)



Balance Sheet

Shibaura Machine

(Unit: 100 million yen)

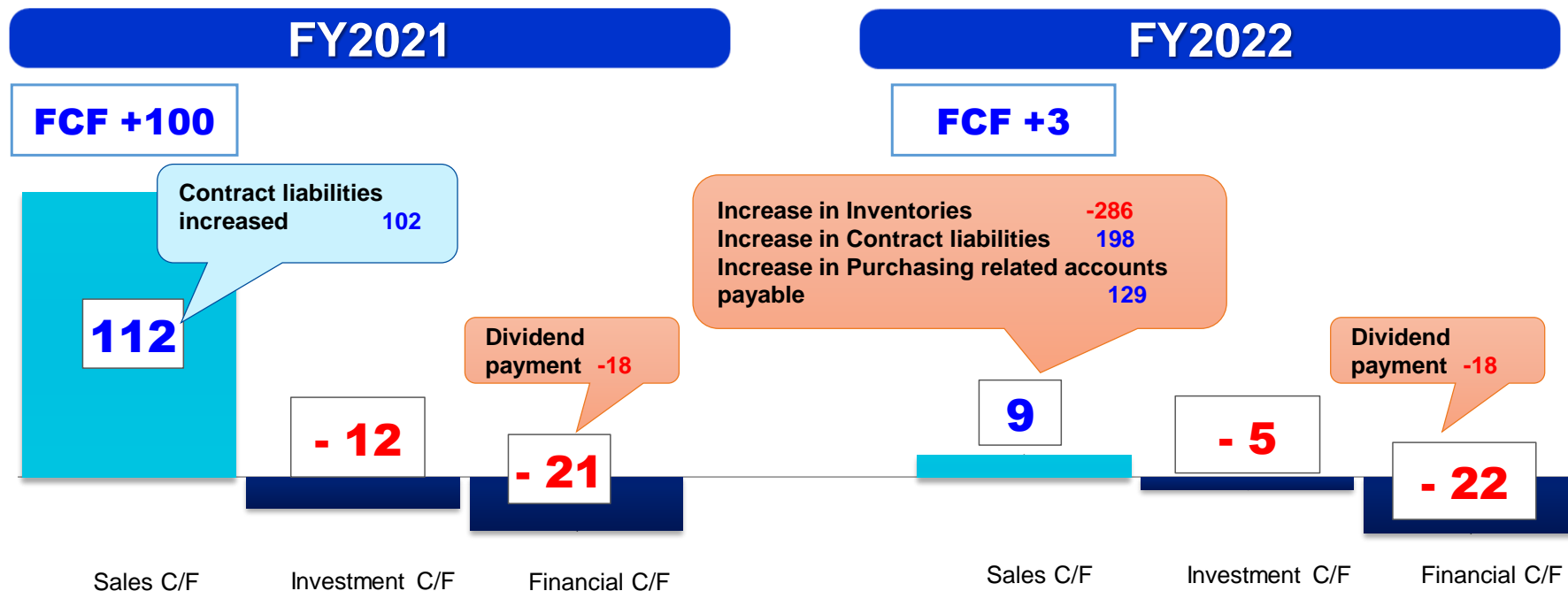


	End of Mar. 2022	End of Mar. 2023
Equity ratio	50.0%	43.5%
D/E ratio	17.0%	15.7%

Cash Flow Statement

Shibaura Machine

(Unit: 100 million yen)



	FY2021	FY2022	Increase/ Decrease
Opening balance of cash and cash equivalents	424	517	93
C/F from operating activities	112	9	-103
C/F from investment activities	-12	-5	7
C/F from financial activities	-21	-22	-1
Total	79	-19	-98
Transitional differences	13	10	-3
Closing balance of cash and cash equivalents	517	508	-9

Forecast of Consolidated Financial Results for the Year Ending March 31, 2024

- 1) Financial Results Forecast**
- 2) R&D Expenses, Capital Expenditures,
Depreciation Expenses**
- 3) Dividend Forecast**

FY2023 Financial Results Summary

Shibaura Machine

(Unit: 100 million yen)

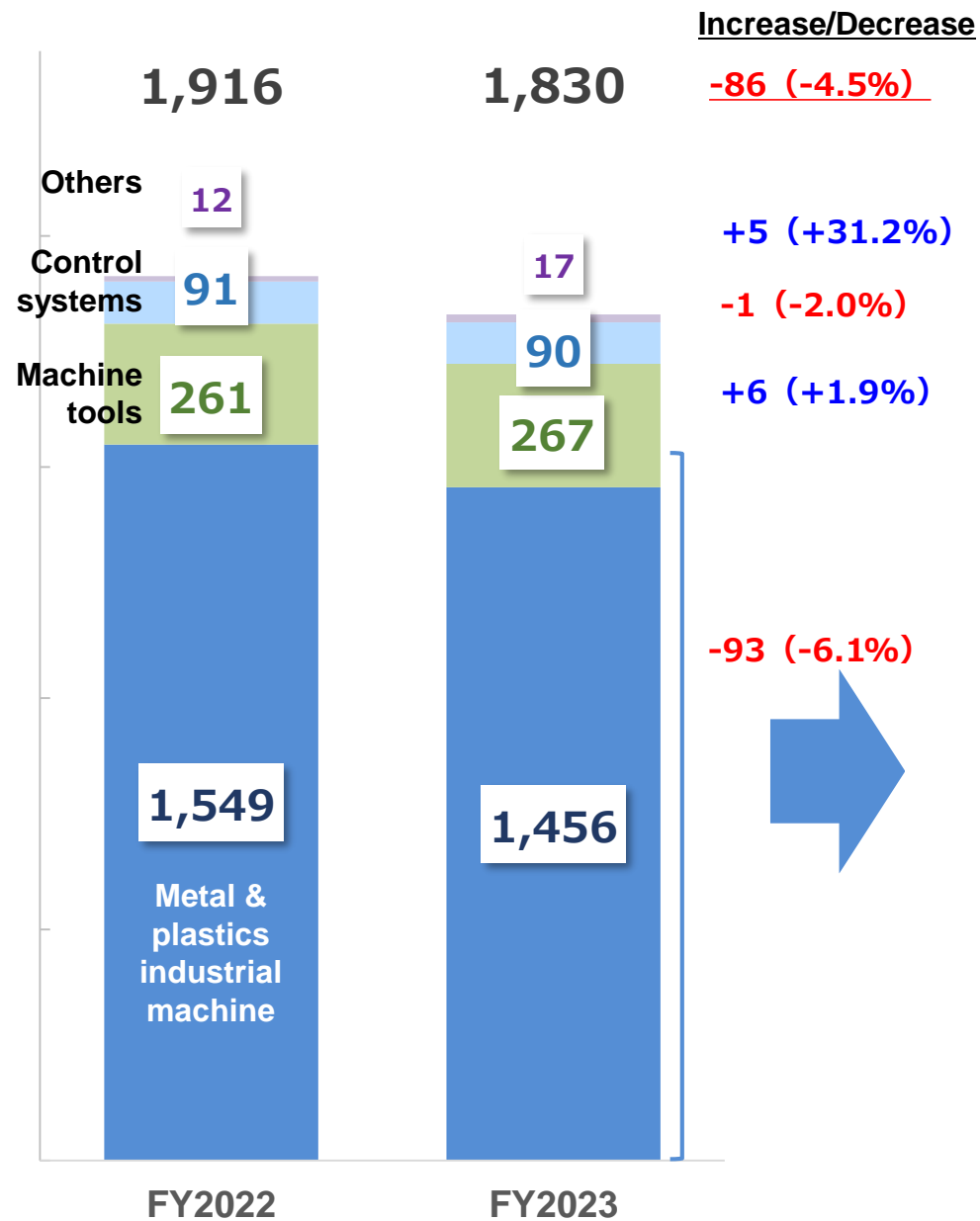
	FY2023 Forecast (Issued May. 15, 2023) (A)	FY2022 Cumulative (B)	Increase/ Decrease (A-B)
Net sales	1,800	1,231	+569
Operating profit	150	57	+93
Profit ratio	8.3%	4.7%	+3.6pt
Ordinary profit	145	52	+93
Profit ratio	8.1%	4.3%	+3.8pt
Net profit attributable to owners of parent	180	64	+116
Profit ratio	10.0%	5.2%	+4.8pt
Orders received	1,830	1,916	- 86
Exchange rate (USD)	126 円	134 円	

- Orders received are expected to decrease due to the timing of the booking of orders for LiB separator film production lines for EV. Demand in LiB separator film production lines for EV remains strong.
- Net sales, operating profit, profit ratio, and ROE are expected to exceed the quantitative targets for FY2023, the final year of the Medium-Term Management Plan "Management Reform Plan."
- Extraordinary income includes a gain on sale of non-current assets of approx. 10 billion yen (approx. 8 billion yen on a net income basis) for a portion of land on the south side of Sagami Factory to commercialize Sagami Logistic Center. However, all gains on the sale are allocated to acquire equity interest in the building being constructed on the land of the transferred asset by the transferee.

Amounts of Orders Received (By Segment)

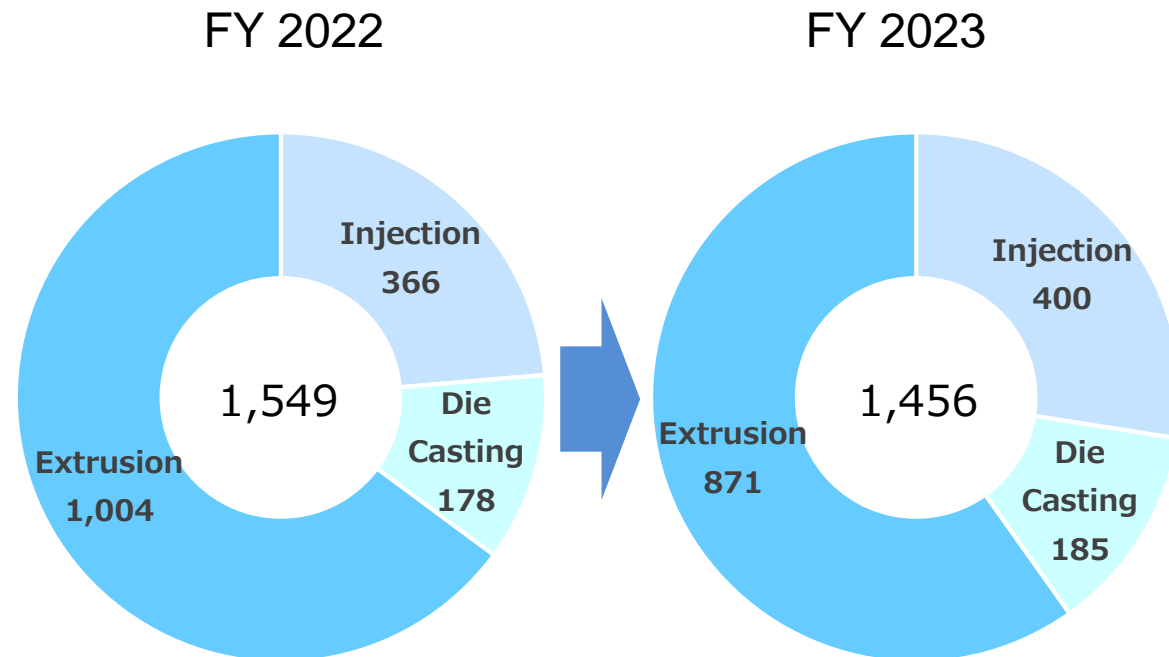
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

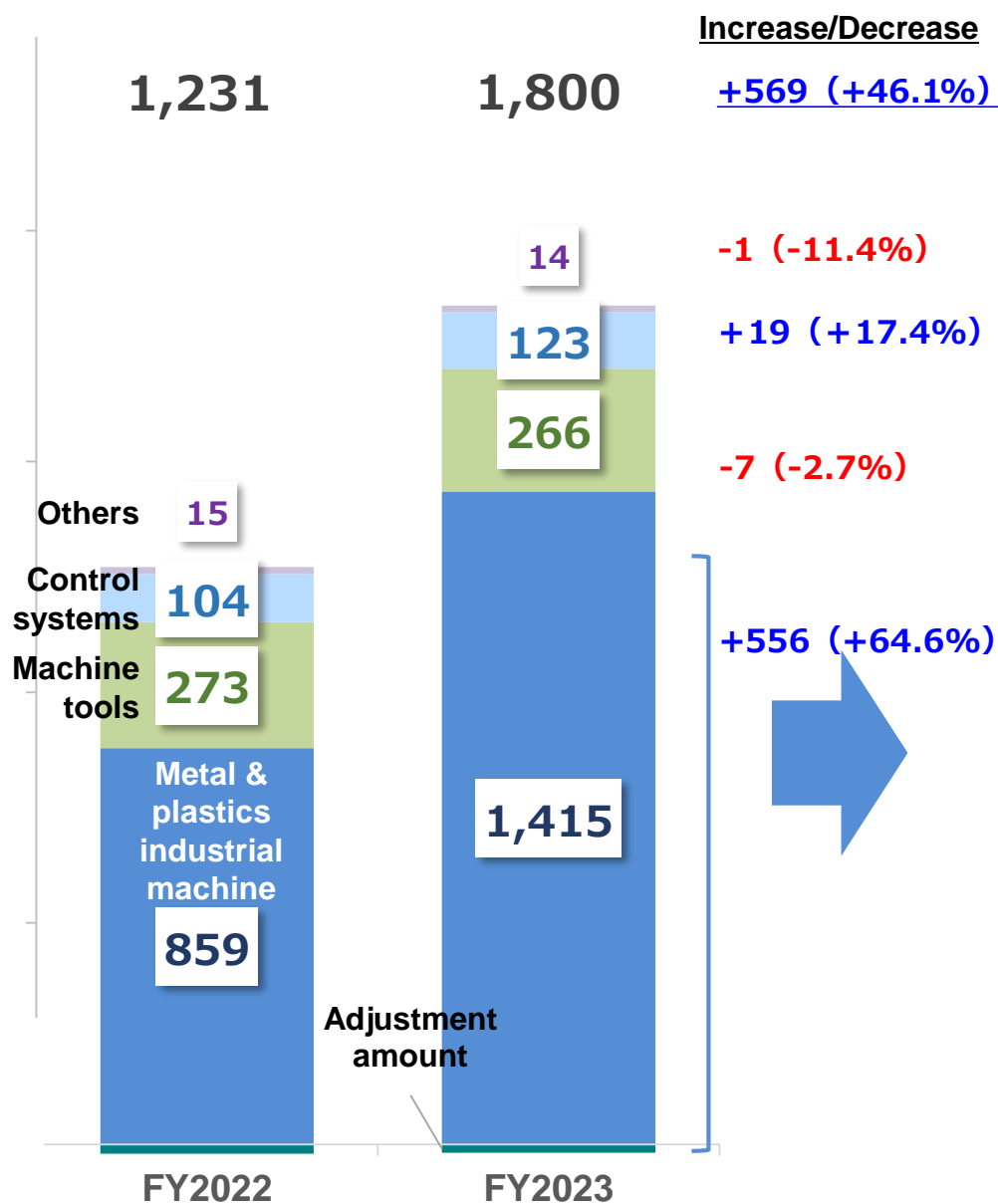
Breakdown of Metal & Plastics Industrial Machine



Net Sales (By Segment)

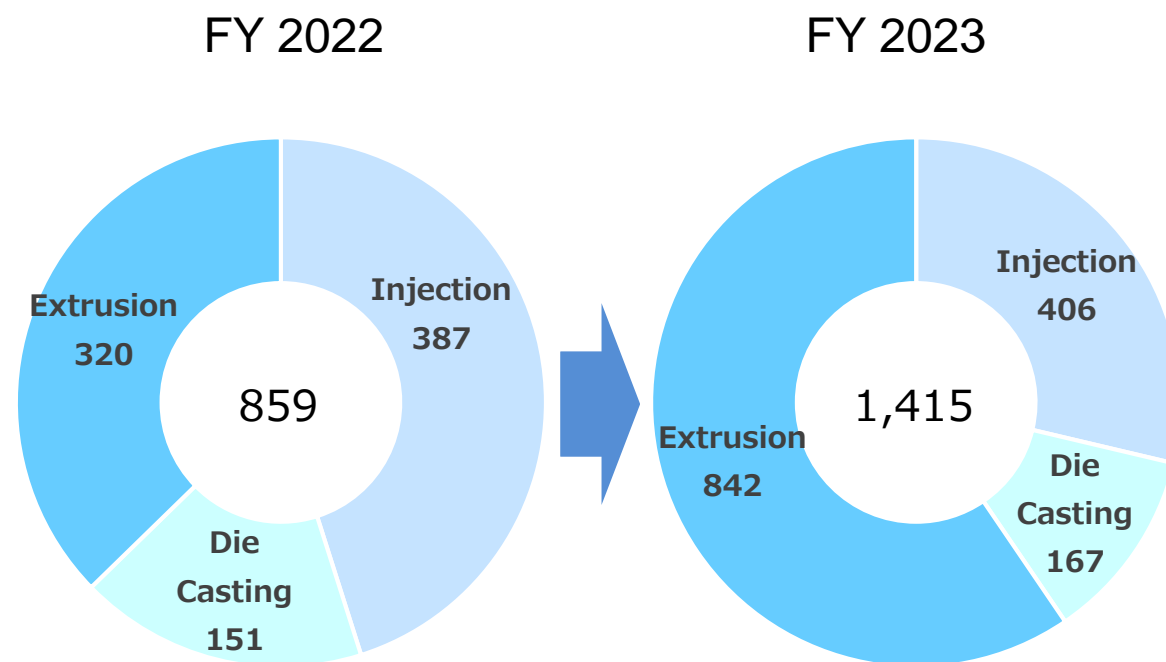
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

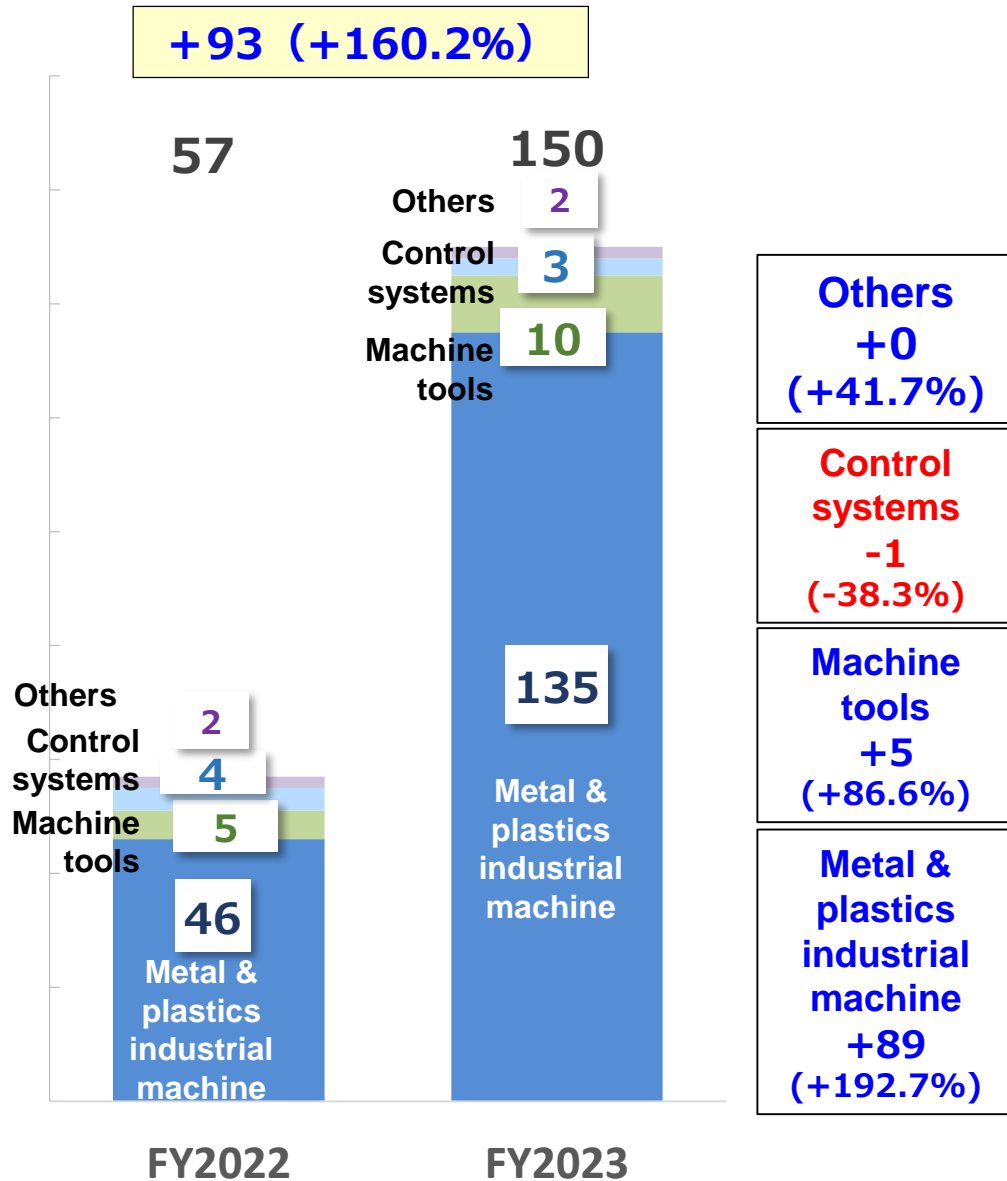
Breakdown of Metal & Plastics Industrial Machine



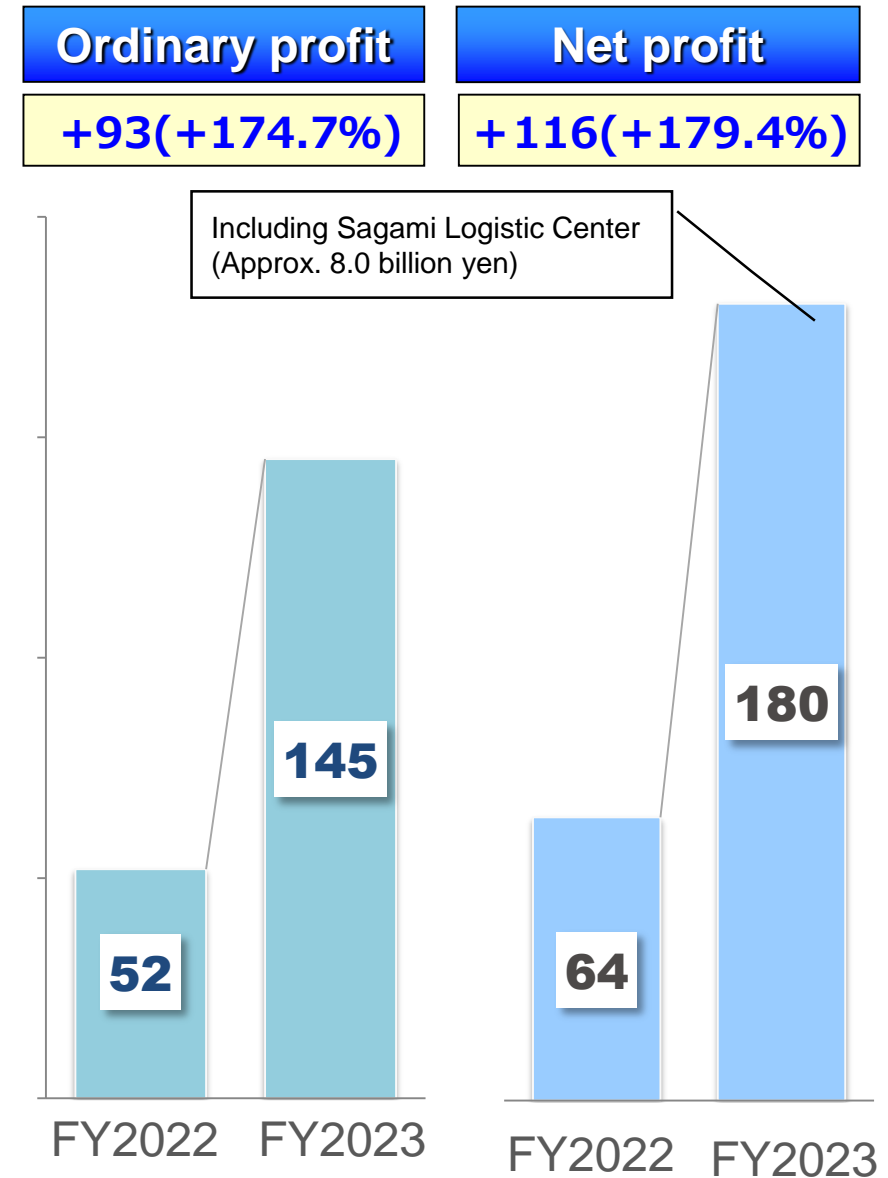
Operating Profit (By Segment), Ordinary Profit, Net Profit

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.)

	FY2023	FY2022	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net sales	1,415	859	+556	+64.6%
Operating profit	135	46	+89	+192.7%
Profit ratio	9.5%	5.4%	—	+4.1pt

Performance Factor Analysis



Positive Factors

- Injection :Continued demand in Indian market
- Extrusion :Continued demand for LiB separator film production lines for EV in China



Negative Factors

- Injection :Deteriorating business confidence in China and North America
- Difficulty and rising costs in procurement of materials for semiconductors, etc.

(Machine Tools) Segment Results

Shibaura Machine

(Unit: 100 million yen)

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

	FY2023	FY2022	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net sales	266	273	- 7	- 2.7%
Operating profit	10	5	+5	+86.6%
Profit ratio	3.8%	2.0%	—	+1.8pt

Performance Factor Analysis



Positive Factors

- Machine Tools: Increase in demand for energy applications in China
- Precision: Increase automotive lens molds in China



Negative Factors

- Precision: Decrease in smartphone lens molds in China
- Difficulty and rising costs in procurement of materials for semiconductors, etc.

(Control Systems) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	FY2023	FY2022	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net sales	123	104	+19	+17.4%
Operating profit	3	4	- 1	- 38.3%
Profit ratio	2.4%	4.6%	—	- 2.2pt

Performance Factor Analysis



Positive Factors

- Increase in demand related to engineering solutions for automation and labor-saving



Negative Factors

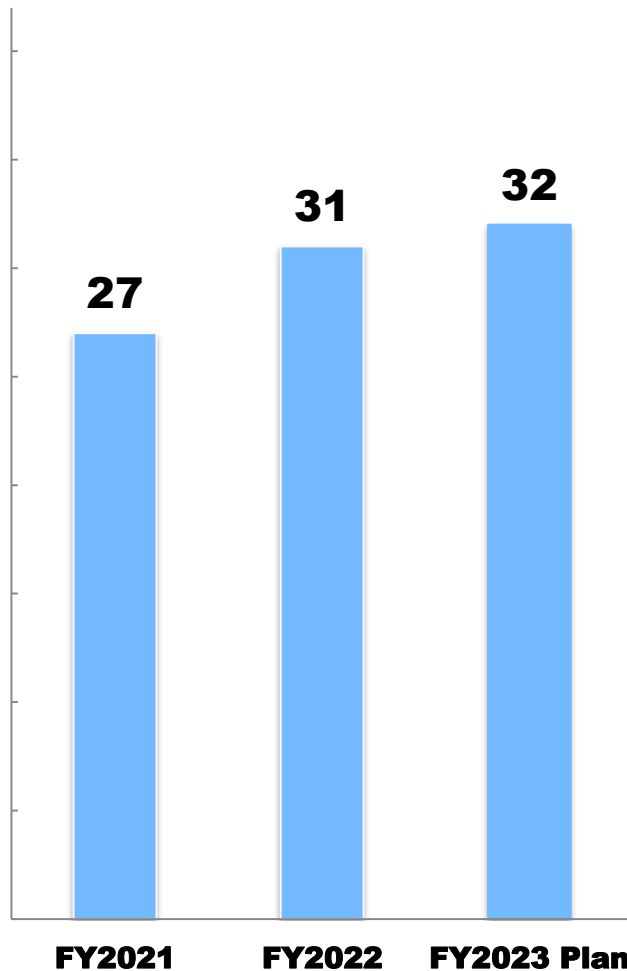
- Difficulty and rising costs in procurement of materials for semiconductors, etc.

R&D Expenses, Capital Expenditures, Depreciation Expenses

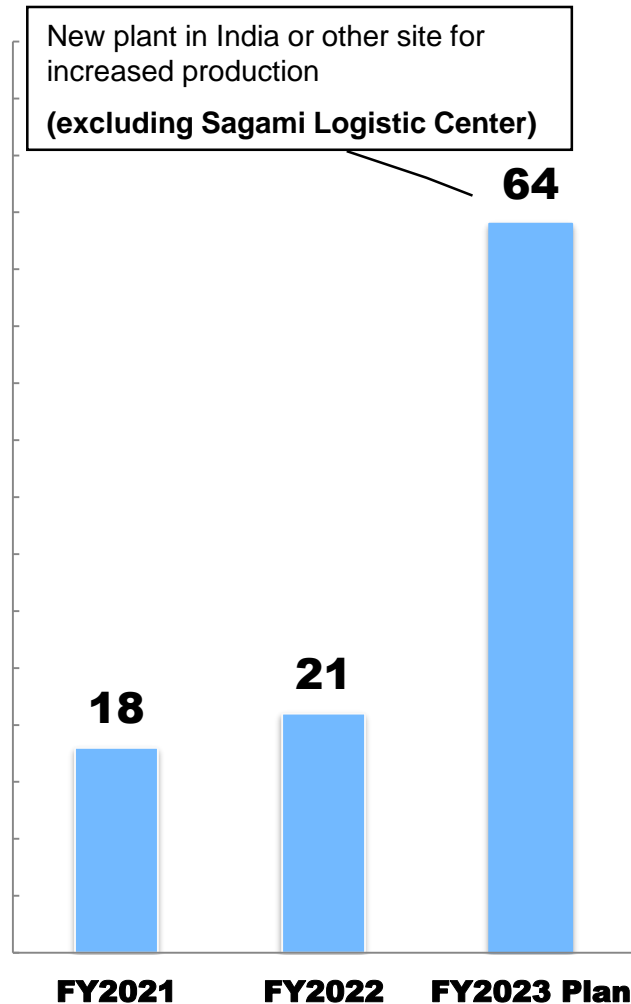
Shibaura Machine

(Unit: 100 million yen)

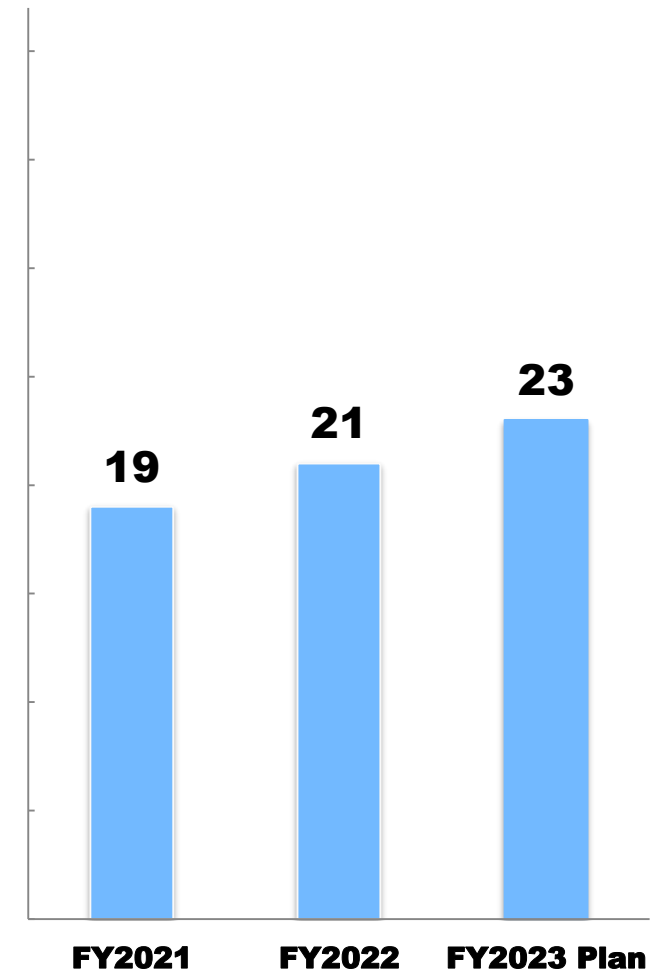
R&D Expenses



Capital Expenditures



Depreciation Expenses



Policy on Determination of Dividends

Our basic policy is to maintain stable dividends and to distribute profits in line with business performance while strengthening our management structure to improve profitability.

With regard to retained earnings, we will make strategic decisions on future business development for the purpose of continuous corporate growth, and effectively invest in strengthening human capital, production facilities, technological development, overseas expansion, and other areas. We will also continue to return profits to shareholders in an appropriate manner.

	Interim	Year-end	Full-year	Dividend payout ratio (Consolidated)
FY ended March 31, 2022	37.5 yen	37.5 yen	75.0 yen	48.6%
FY ended March 31, 2023	37.5 yen	70.0 yen	107.5 yen	40.3%
FY ending March 31, 2024 (Forecast)	70.0 yen	70.0 yen	140.0 yen	* 18.8%

* The net profit attributable to owners of parent for the fiscal year ending March 31, 2024 is expected to be 18.0 billion yen, which includes approx. 8.0 billion yen (less deferred tax liabilities based on the advanced depreciation method) such as a gain on sale of a portion of the south site of Sagami Plant to commercialize Sagami Logistic Center, which is scheduled to start operation in September 2023. Such gain on the sale will be used to acquire equity interest in the building being constructed on the land of the transferred asset by the transferee as an equivalent exchange method is applied. Accordingly, we will distribute profits based on the net profit of approx. 10 billion yen after deducting the gain on sale. In addition, we will also consider flexibly acquiring purchase of treasury shares as necessary, keeping in mind the total return ratio.

Shibaura Machine

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