

Consolidated Financial Results for the Three Months Ended June 30, 2023

August 4, 2023

SHIBAURA MACHINE CO., LTD.

Consolidated Financial Results Overview for the Three Months Ended June 30, 2023

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

Increased Revenue and Profits Year-on-Year

■ Orders Received

- The demand for LiB separator film production lines for EV in extrusion machines has been sustained at a high level. However, compared to the same period of the previous year, it decreased due to the timing of recording orders. Additionally, the orders received decreased year-on-year due to a decline in injection molding machines, etc, caused by the worsening market conditions in the U.S. and China.

■ Net Sales

- Significant increase in LiB separator film production lines for EV in China
- Against the background of decarbonization, there has been an increase in medium to large electric injection molding machines in North America.

■ Operating Profit, Ordinary Profit, Net Profit

- All operating profit, ordinary profit and quarterly net profit increased with a positive effect of boosting profits on the back of increased sales, etc.

Performance Summary (Year-on-Year)

Shibaura Machine

(Unit: 100 million yen)

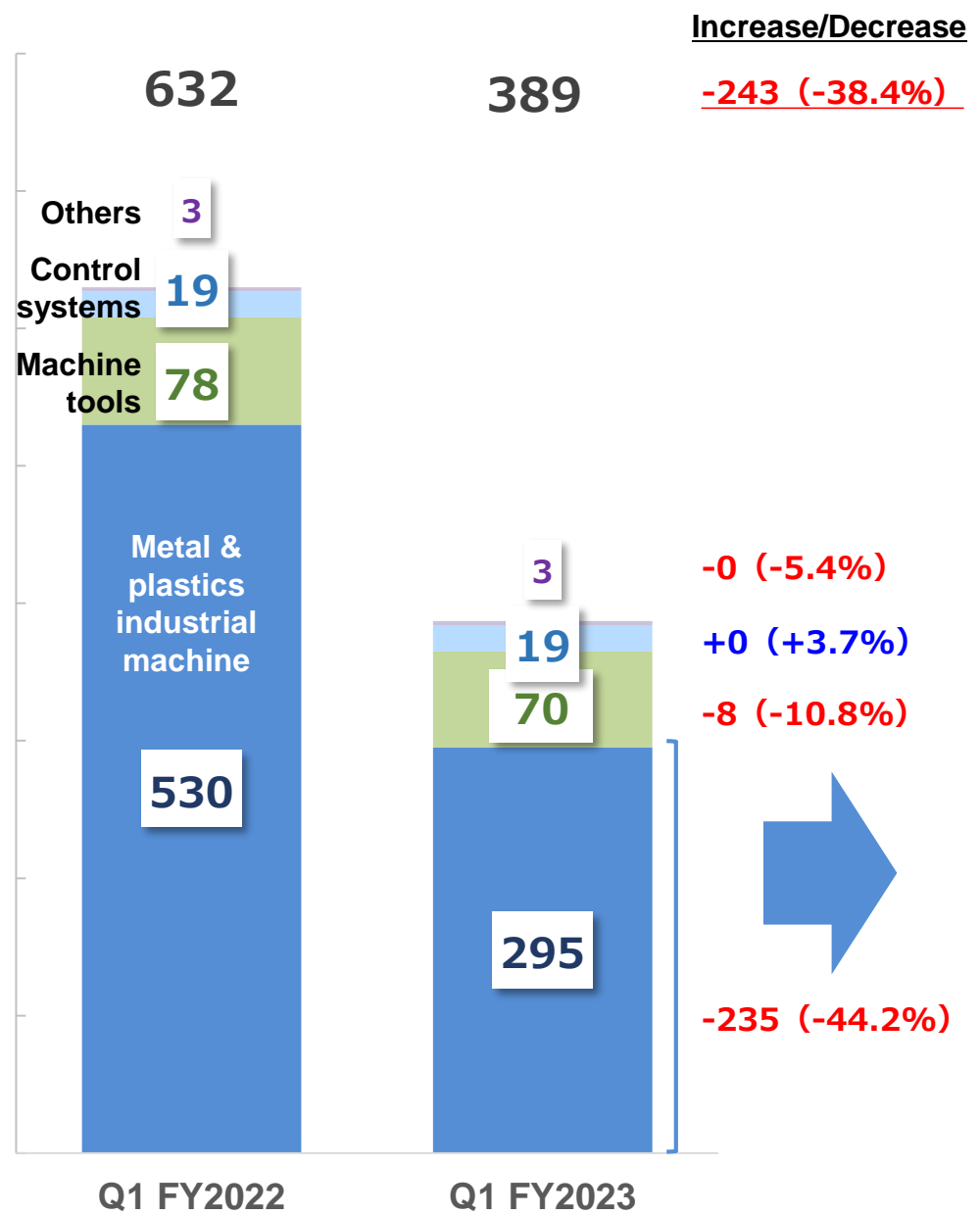
	Q1 FY2023 (A)	Q1 FY2022 (B)	Increase/ Decrease (A-B)
Net sales	347	264	+83
Operating profit	26	4	+22
Profit ratio	7.6%	1.6%	+6.0pt
Ordinary profit	34	8	+26
Profit ratio	9.9%	3.3%	+6.6pt
Net profit attributable to owners of parent	26	0	+26
Profit ratio	7.7%	0.1%	+7.6pt
Orders received	389	632	- 243
Exchange rate (USD)	145 yen	137 yen	

*Exchange rate sensitivity on operating profit (USD)
Approximately 100 million yen per 1 yen
(Profits will increase with yen's depreciation)

Amounts of Orders Received (By Segment)

Shibaura Machine

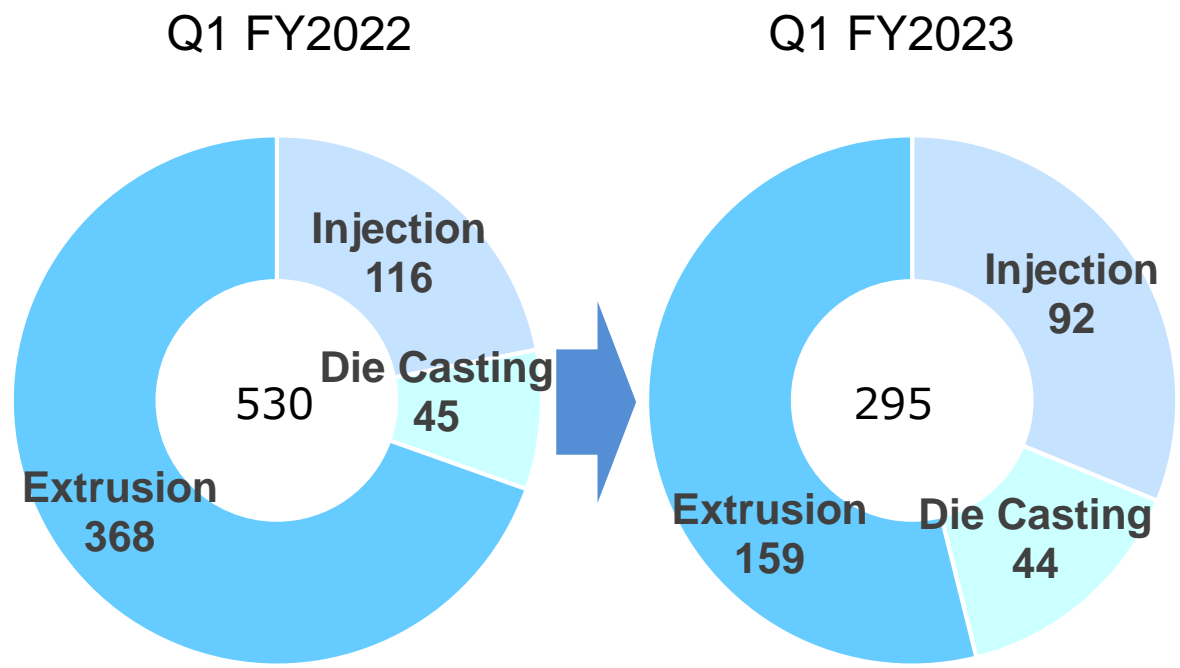
(Unit: 100 million yen)



(Unit: 100 million yen)

Breakdown of Metal & Plastics Industrial Machine

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



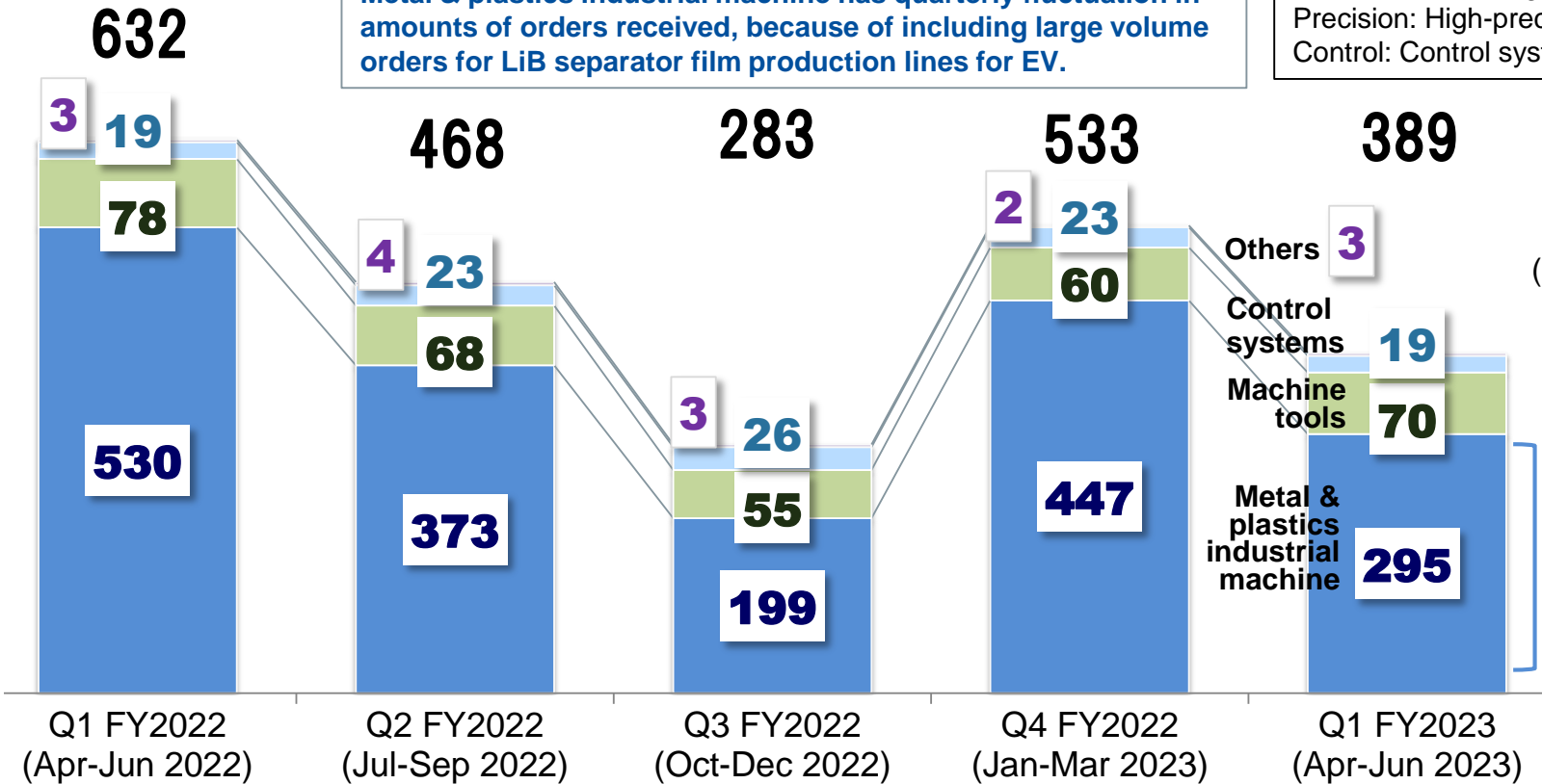
Trends of Orders Received (By Segment)

Shibaura Machine

(Unit: 100 million yen)

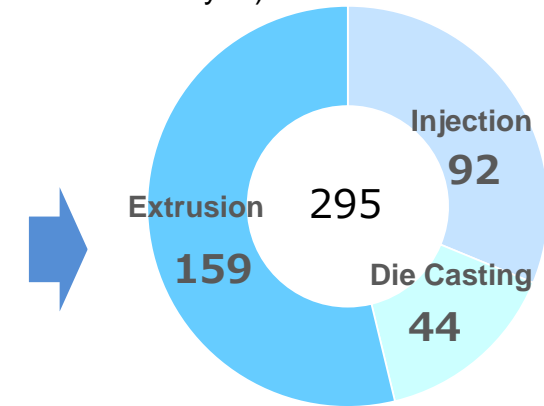
Metal & plastics industrial machine has quarterly fluctuation in amounts of orders received, because of including large volume orders for LiB separator film production lines for EV.

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)



Q1 FY2023 (Apr-Jun 2023)

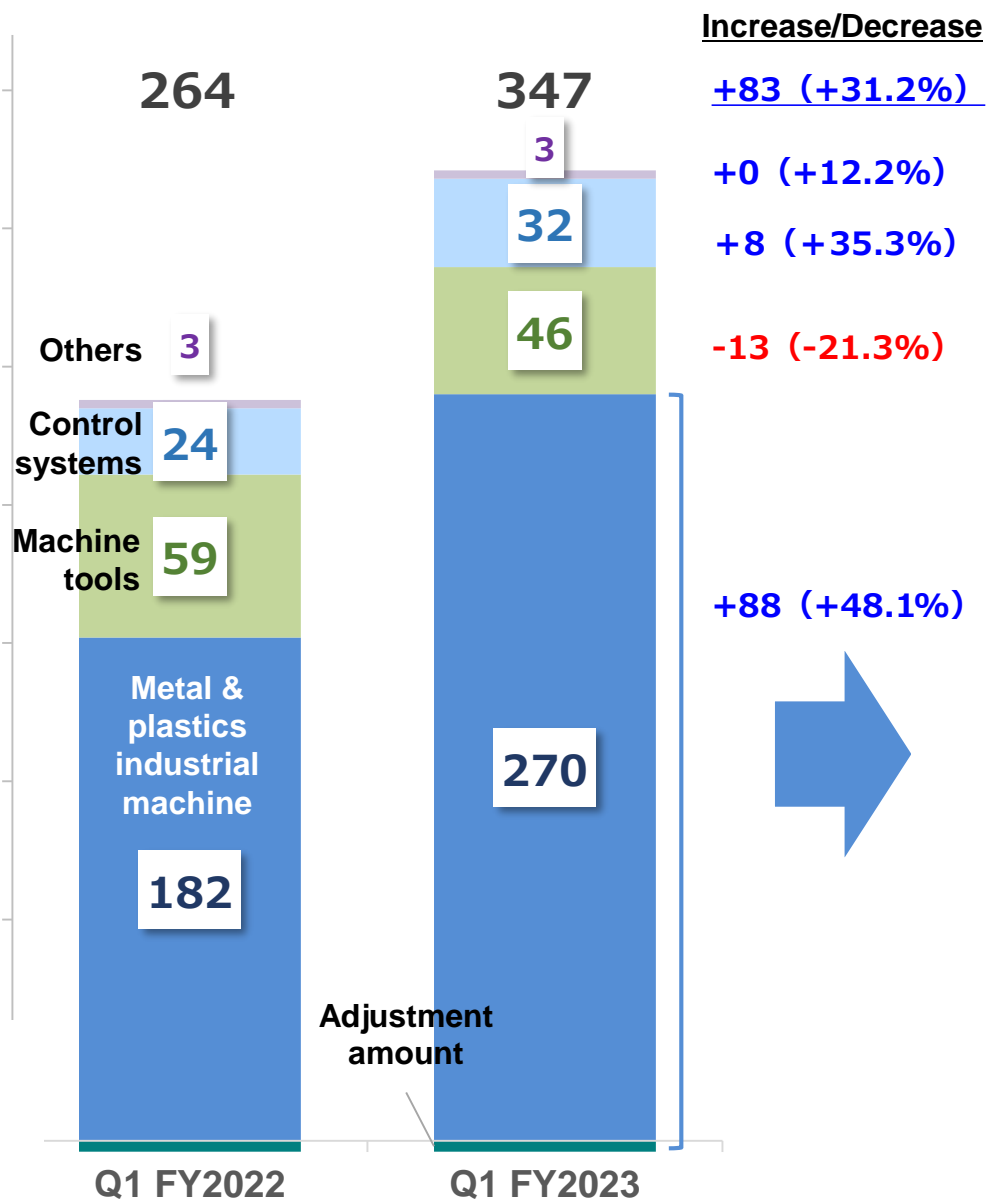
Current Orders

- Injection: Demand for hydraulic injection molding machines in India remains strong due to continued demand, but demand for electric machines is low due to economic stagnation 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 is steady
- Precision: Demand for smartphone lens molds in China is low
- Control: Demand for Industrial robots in China is low, demand for electronic control systems in Japan is steady

Net Sales (By Segment)

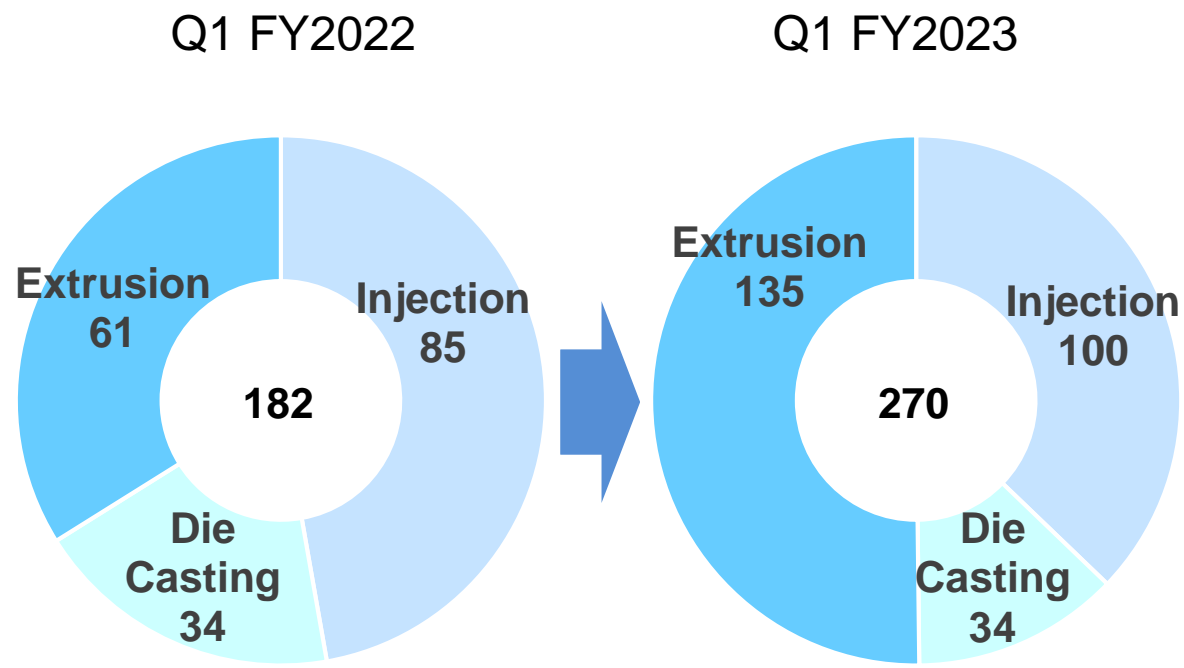
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

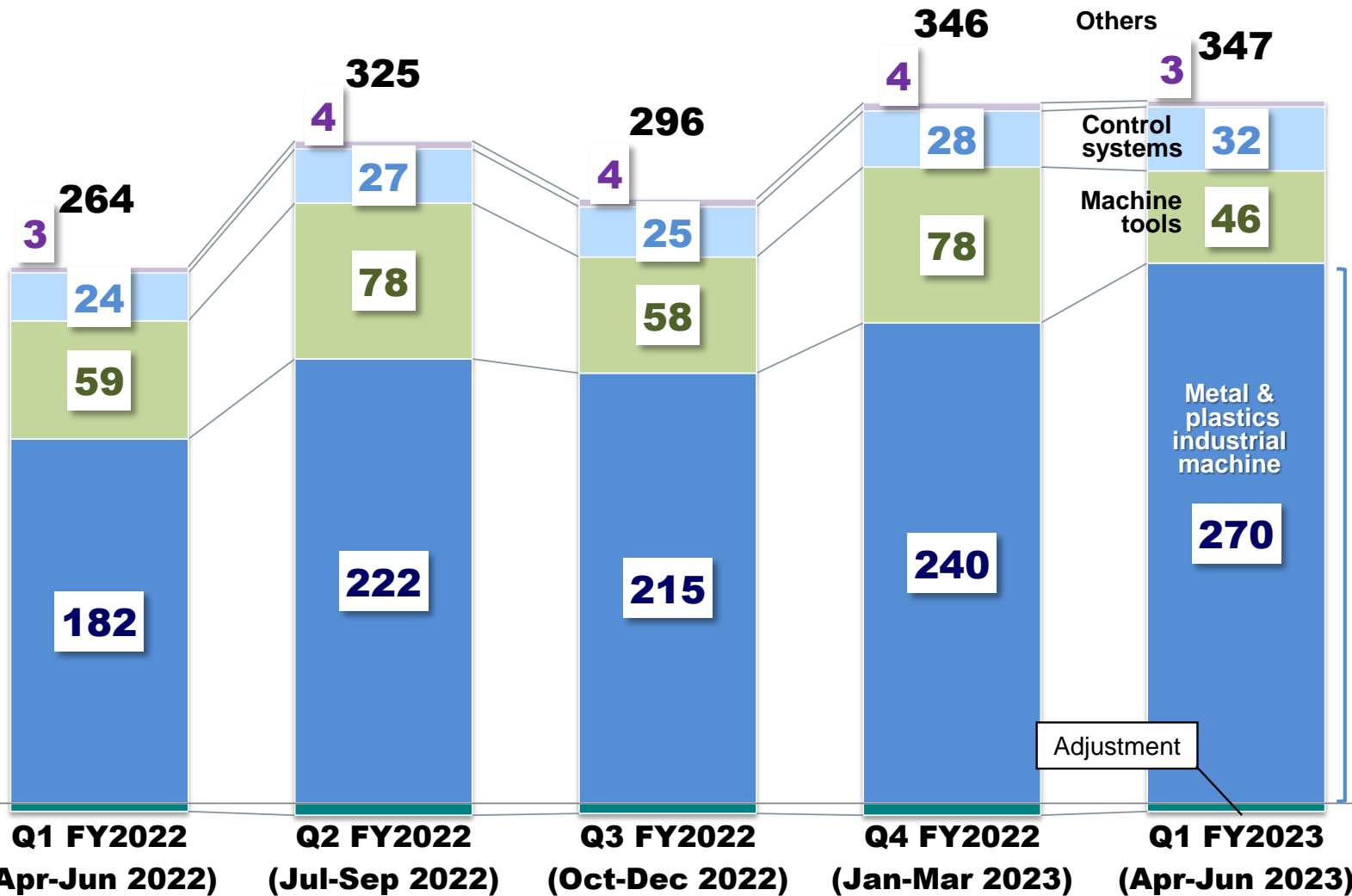
Breakdown of Metal & Plastics Industrial Machine



Trends of Net Sales (By Segment)

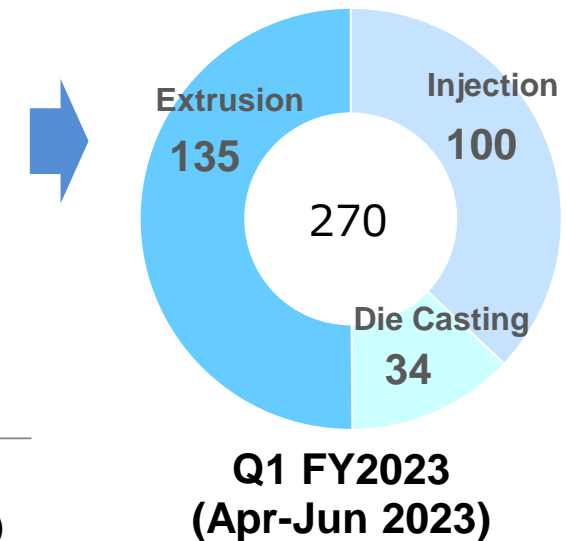
Shibaura Machine

(Unit: 100 million yen)



Breakdown of Metal & Plastics Industrial Machine

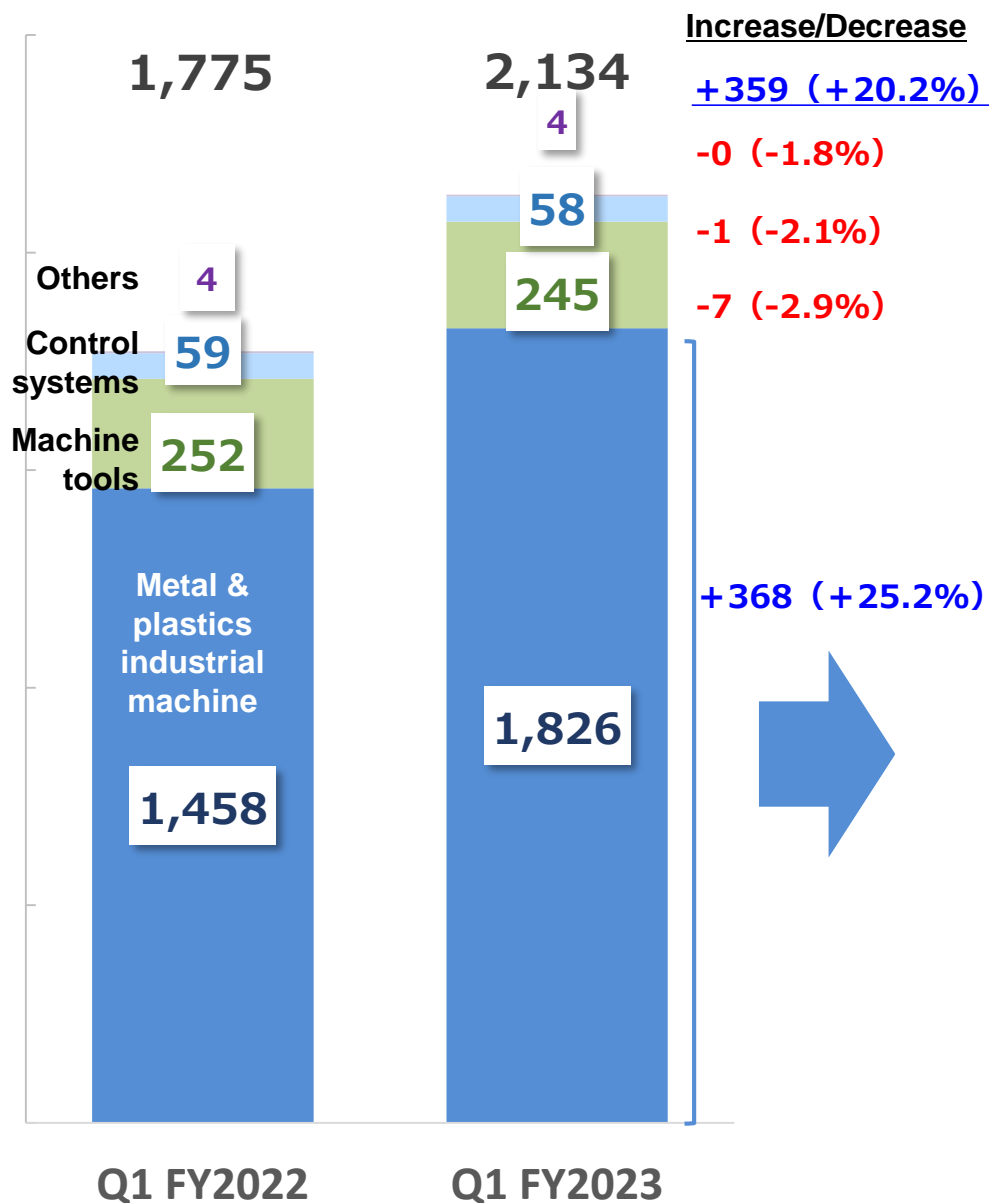
(Unit: 100 million yen)



Order Backlog (By Segment)

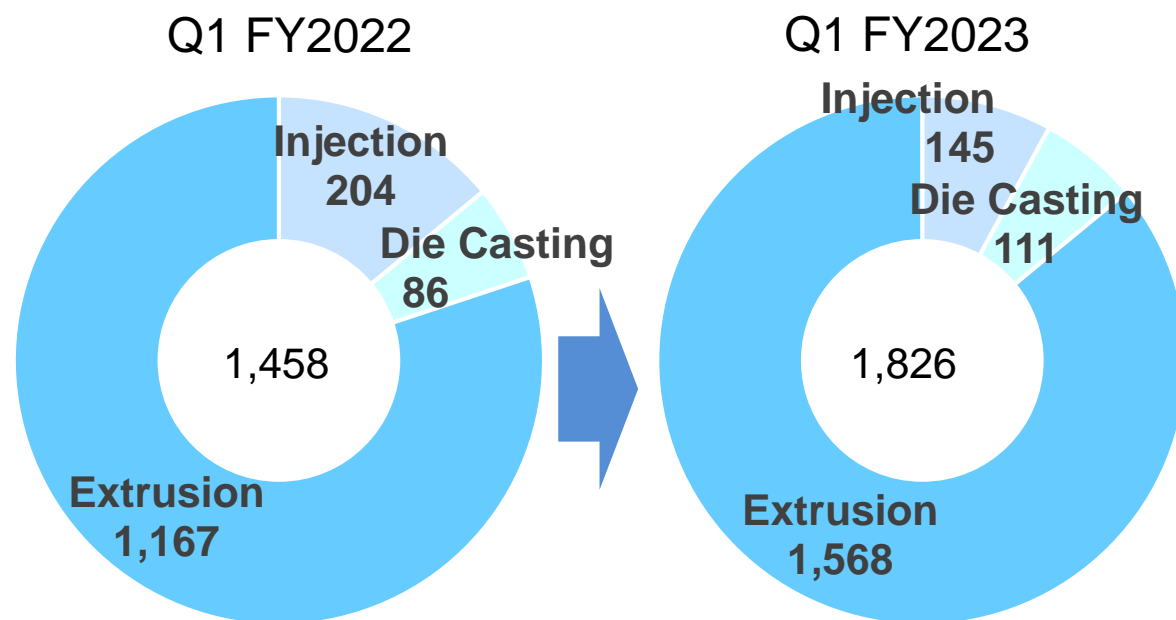
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

Breakdown of Metal & Plastics Industrial Machine

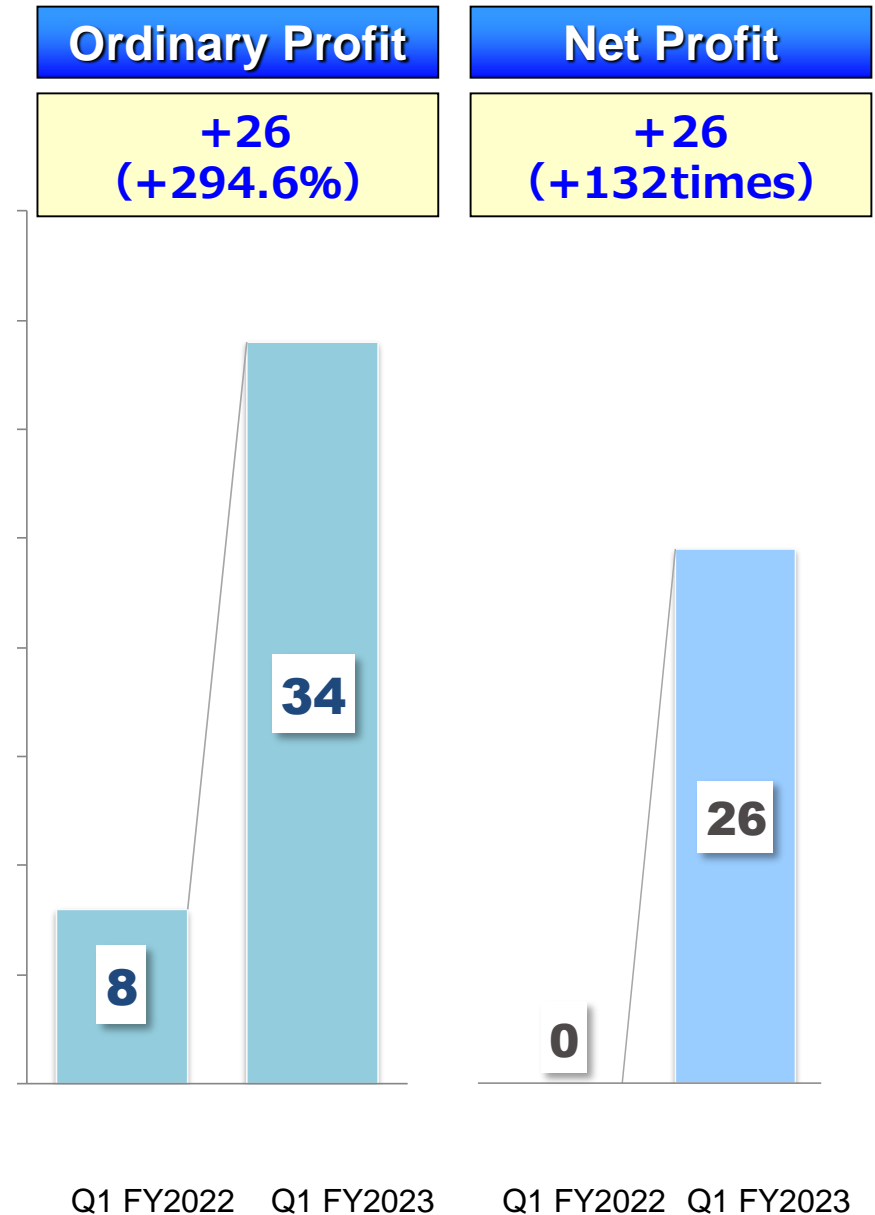
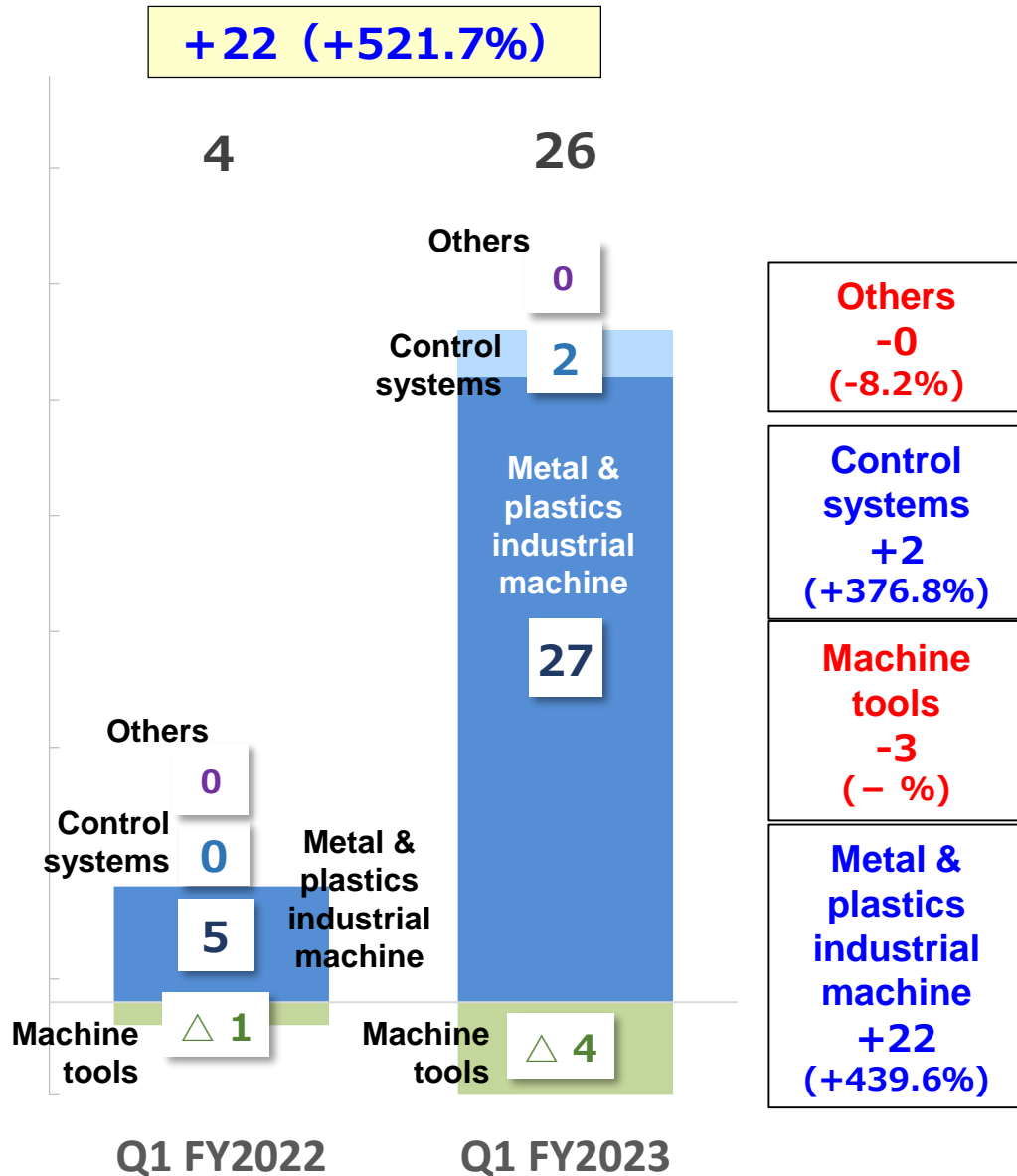


Operating Profit (By Segment), Ordinary Profit, Net Profit

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.)

	Q1 FY2023	Q1 FY2022	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net sales	270	182	+88	+48.1%
Operating profit	27	5	+22	+439.6%
Profit ratio	10.2%	2.8%	—	+7.4pt

Performance Factor Analysis



Positive Factors

- Injection: Increase in medium to large electric machines amid the decarbonization trend in North America
- Extrusion: Significant increase in LiB separator film production lines for EV in China



Negative Factors

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

(Machine Tools) Segment Results

Shibaura Machine

(Unit: 100 million yen)

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

	Q1 FY2023	Q1 FY2022	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net sales	46	59	- 13	- 21.3%
Operating profit	- 4	- 1	- 3	—
Profit ratio	- 8.8%	- 2.9%	—	- 5.9pt

Performance Factor Analysis



Positive Factors

- Precision: Increase in automotive camera lens molds



Negative Factors

- Machine Tools: Decrease in industrial machinery in Japan
- Precision: Decrease in smartphone lens molds in China
- Difficulty and rising costs in the procurement of materials for semiconductors, etc.

(Control Systems) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	Q1 FY2023	Q1 FY2022	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net sales	32	24	+8	+35.3%
Operating profit	2	0	+2	+376.8%
Profit ratio	7.7%	2.2%	—	+5.5pt

Performance Factor Analysis



Positive Factors

- Increase in systems engineering related to labor-saving and automation in Japan



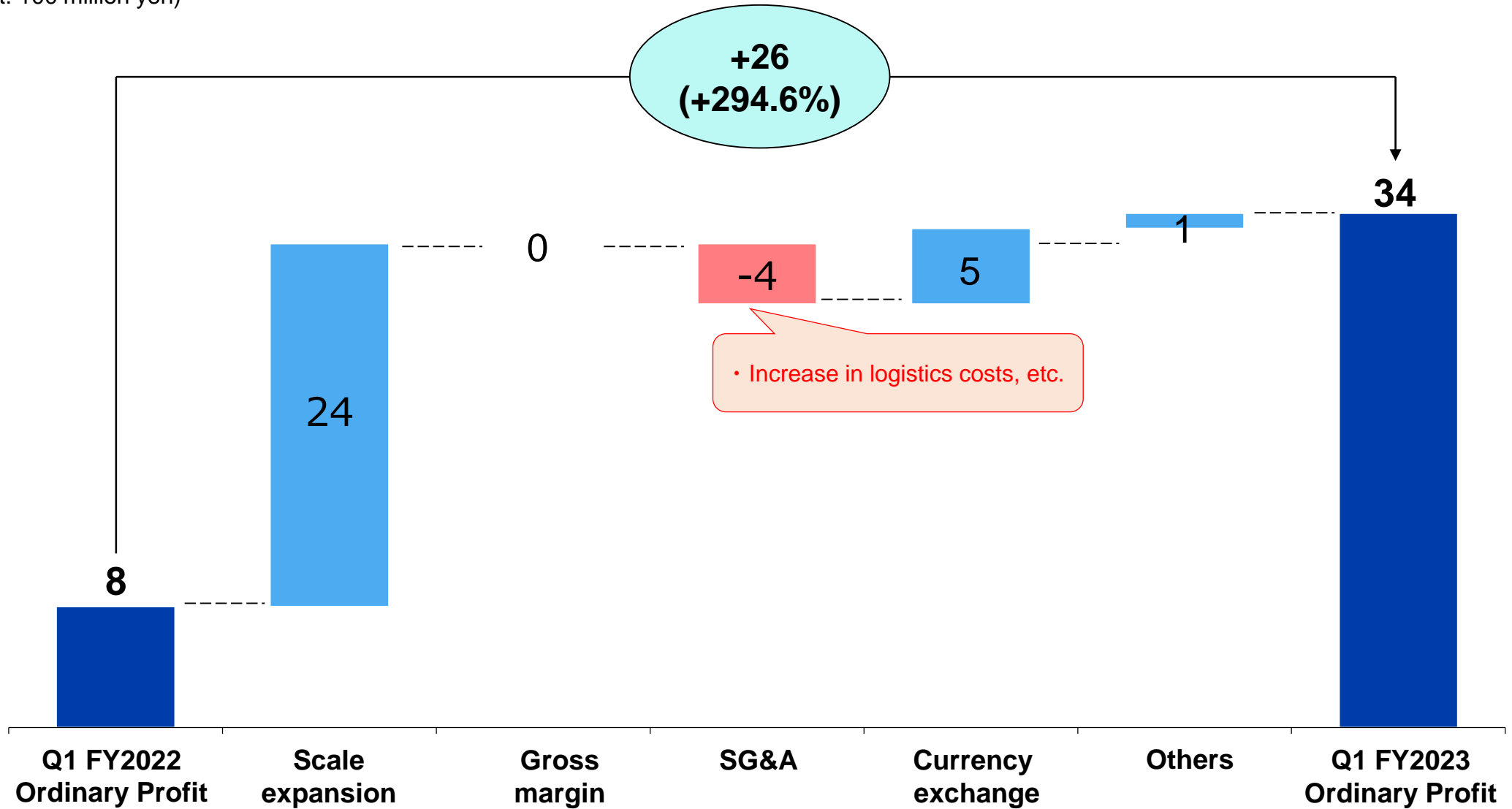
Negative Factors

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

Ordinary Profit Analysis

Shibaura Machine

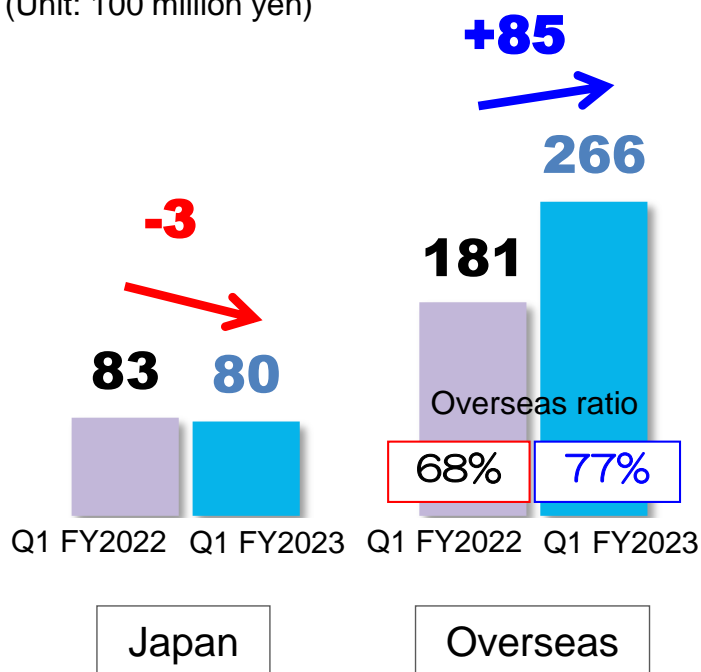
(Unit: 100 million yen)



Domestic and Overseas Sales

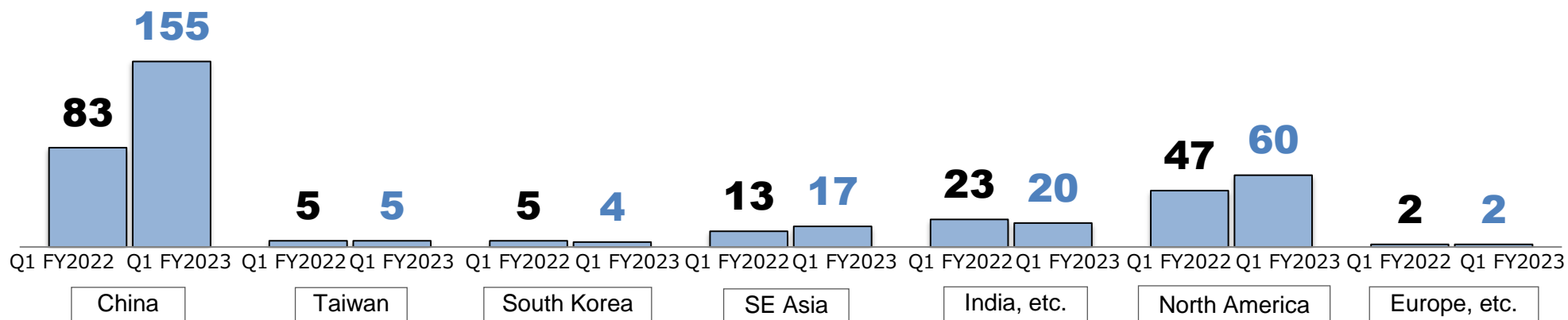
Shibaura Machine

(Unit: 100 million yen)



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

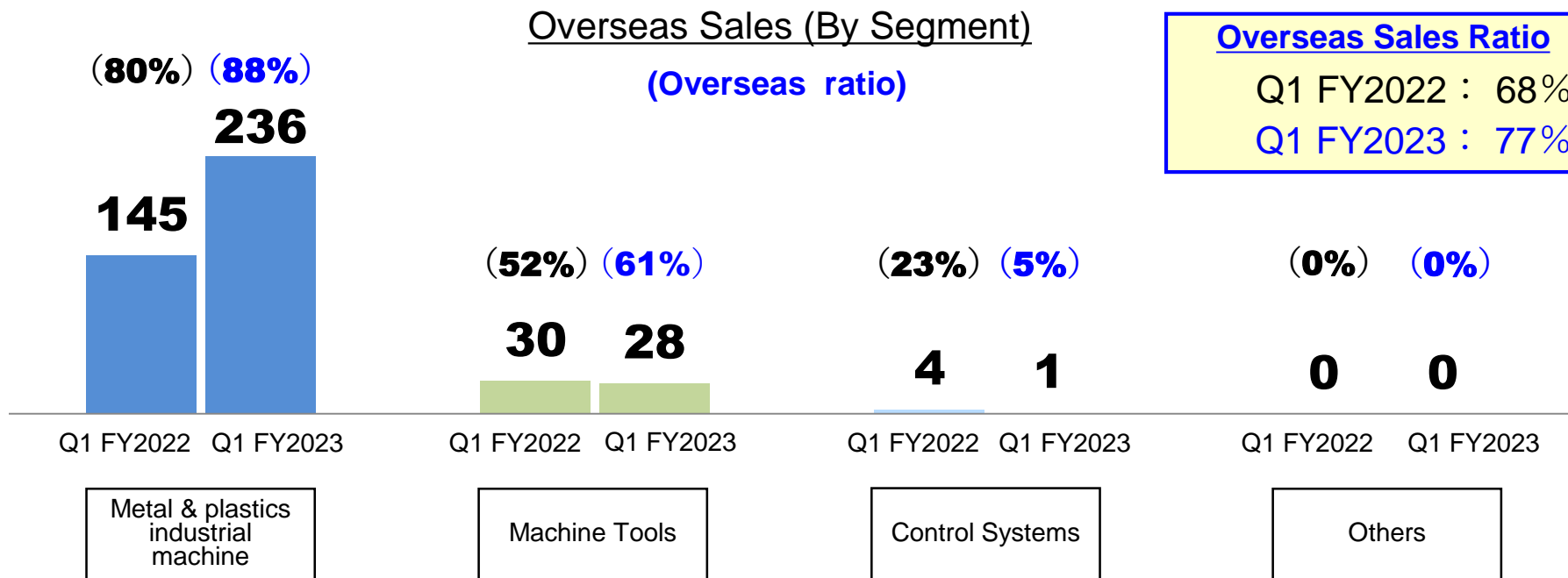
Overseas Sales(By Region)



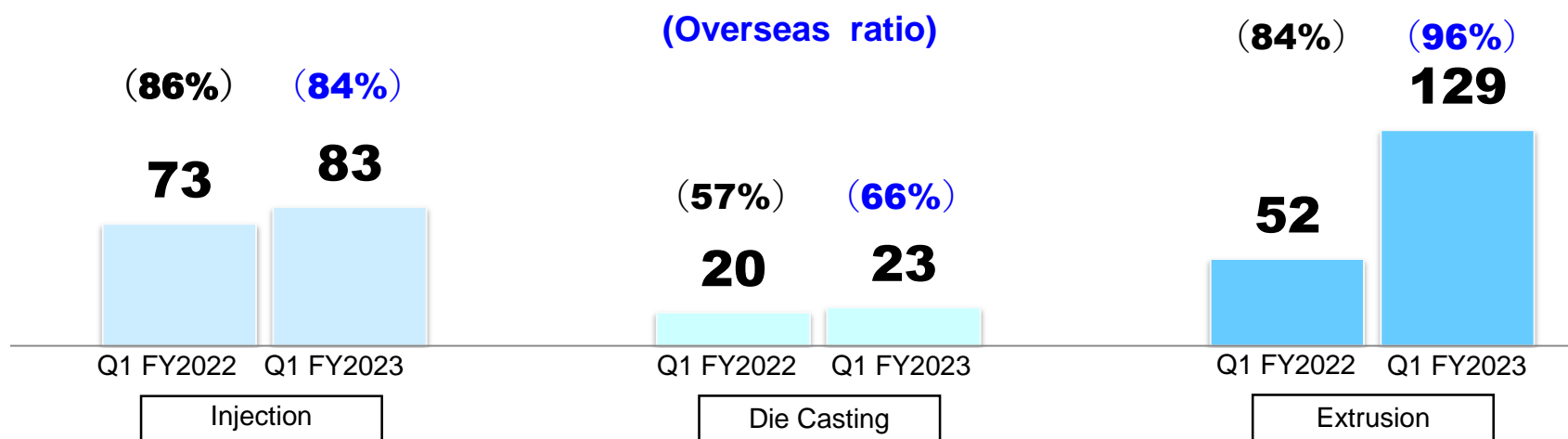
Overseas Sales and Ratio (By Segment)

Shibaura Machine

(Unit: 100 million yen)



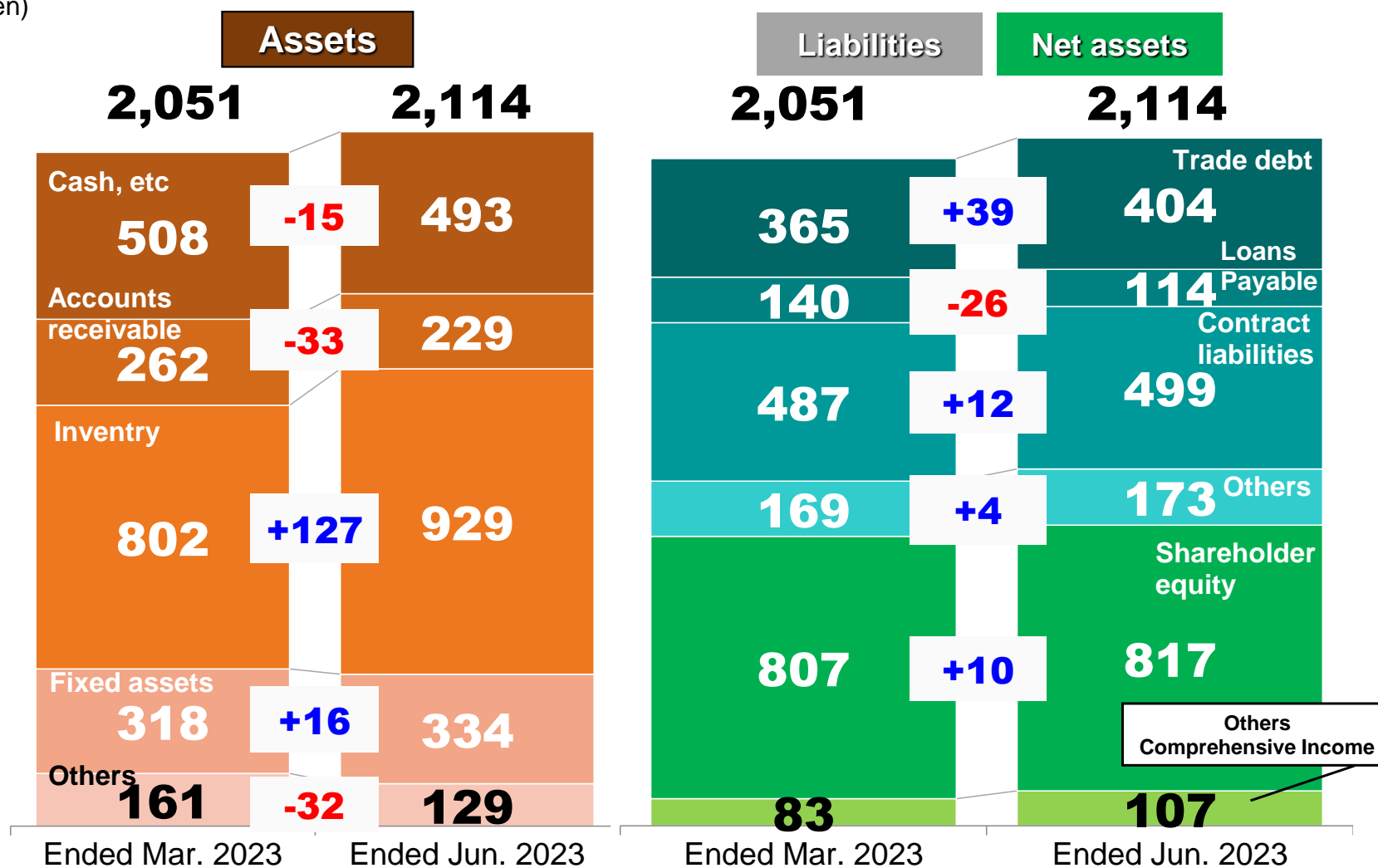
Metal & Plastics Industrial Machine (By Product)



Balance Sheet

Shibaura Machine

(Unit: 100 million yen)



	Ended Mar. 2023	Ended Jun. 2023
Equity ratio	43.5%	43.7%
D/E ratio	15.7%	12.4%

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 summary of business results forecast has not been changed from it announced on May.15, 2023.

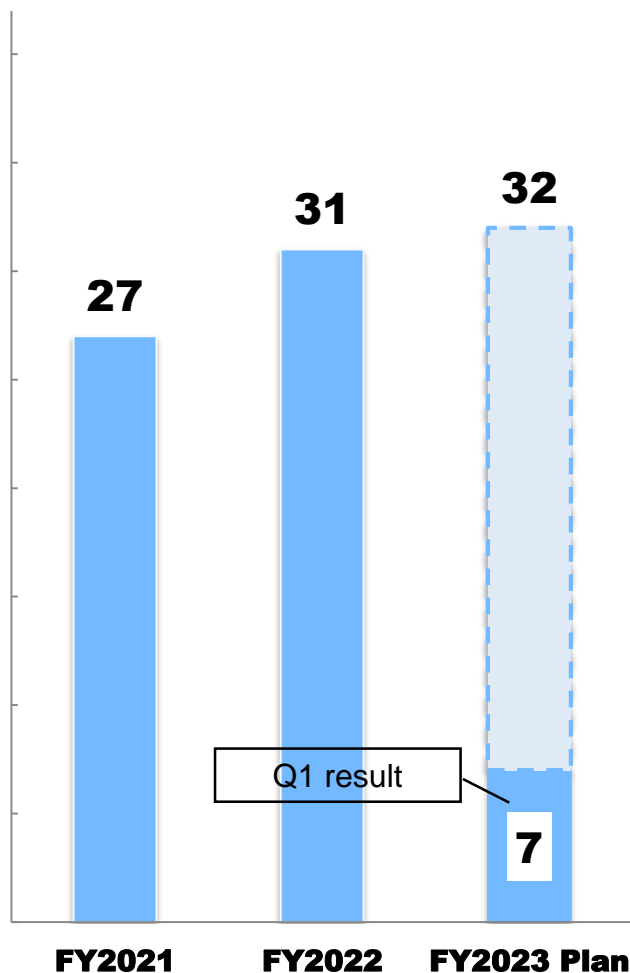
	FY2023 Forecast (Issued May. 15,2023) (A)	FY2022 Cumulative (B)	Increase/ Decrease (A-B)
Net sales	1,800	1,231	+569
Operating profit	150	57	+93
Profit ratio	8.3%	4.7%	+3.6pt
Ordinary profit	145	52	+93
Profit ratio	8.1%	4.3%	+3.8pt
Net profit attributable to owners of parent	180	64	+116
Profit ratio	10.0%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

R&D Expenses, Capital Expenditures, Depreciation Expenses

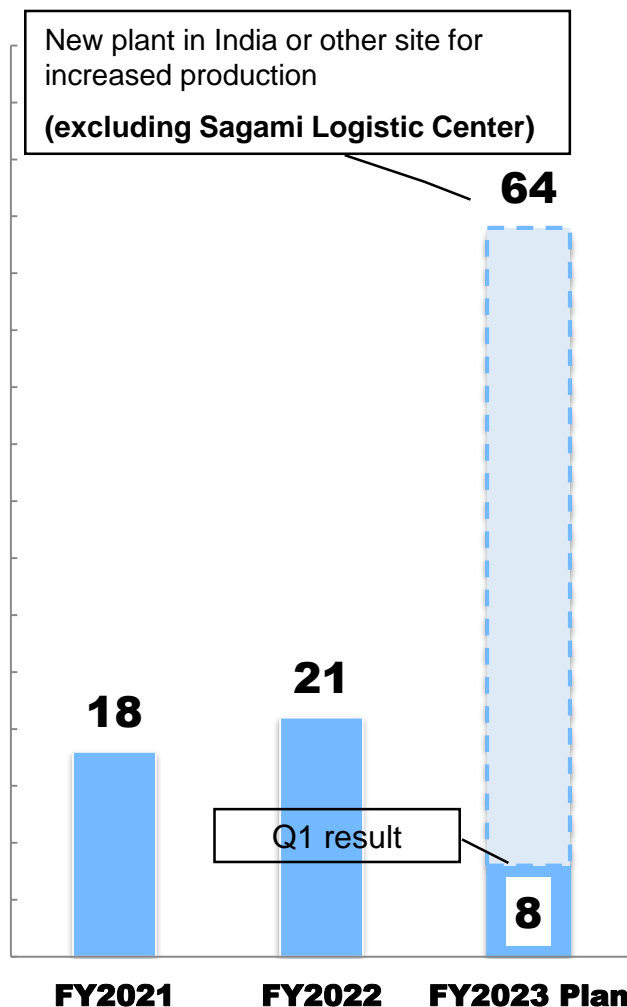
Shibaura Machine

(Unit: 100 million yen)

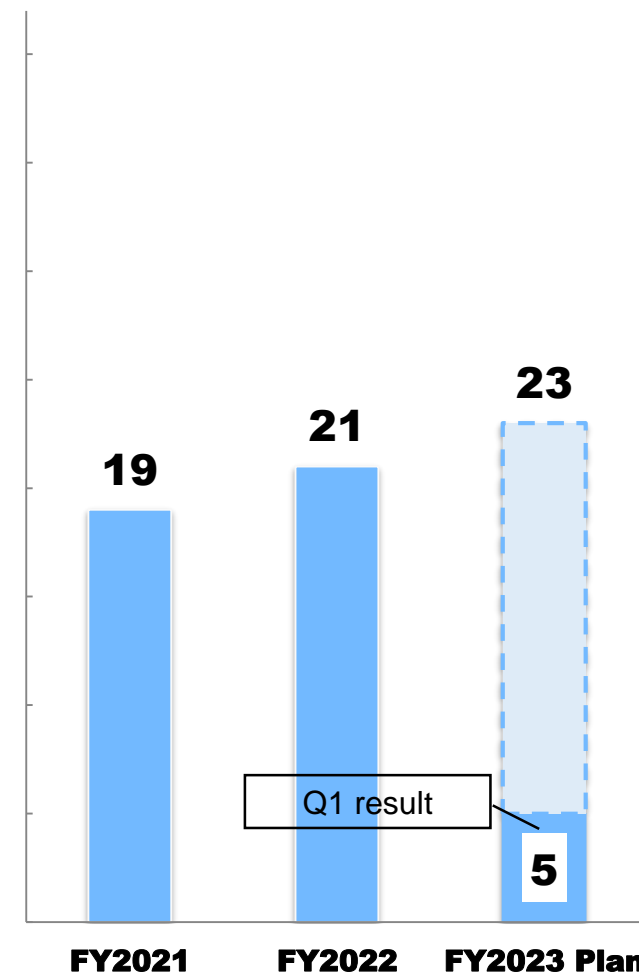
R&D Expenses



Capital Expenditures



Depreciation Expenses



FY2023 summary of dividend forecast has not been changed from it announced on May.15, 2023.

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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