

**Consolidated Financial Results
for the Six Months
Ended September 30, 2023**

November 15, 2023

SHIBAURA MACHINE CO., LTD.

Consolidated Financial Results Overview for the Six Months Ended September 30, 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

- Demand for LiB separator film production lines for EV in extrusion machines remains at high levels, but orders received decreased. The reason for this is that it's time to upgrade to next-generation models that improve separator film productivity, and it takes time to decide on the specifications. Additionally, injection molding machines decreased as a result of the deteriorating market conditions in both the U.S. and China. The amount of orders received overall decreased compared to the same period last year.

■ Net Sales

- Considerable increases in LiB separator film production lines for EV in extrusion machines in China
- Increases in electronic control systems for control systems and engineering solutions in Japan

■ Operating Profit, Ordinary Profit, Net Profit

- Considerable increases in operating profit and ordinary profit due to sales expansion etc.
- Increase in quarterly net profit due to the recognition of an extraordinary income related to the commercialization of MFLP Zama (Sagami Logistic Center) (a gain on sale of land*) in addition to sales expansion etc.

*Because an equivalent exchange method was applied, this gain on sale of land was used by Mitsui Fudosan Co., Ltd. To acquire equity interest in the building constructed on the land of the transferred asset.

Performance Summary (vs. Forecast)

Shibaura Machine

(Unit: 100 million yen)

	Q2 FY2023 Cumulative (A)	Q2 FY2023 Forecast (B)	Increase/ Decrease (A-B)
Net sales	819	800	+19
Operating profit	81	60	+21
Profit ratio	10.0%	7.5%	+2.5pt
Ordinary profit	90	56	+34
Profit ratio	11.0%	7.0%	+4.0pt
Net profit attributable to owners of parent	143	120	+23
Profit ratio	17.5%	15.0%	+2.5pt
Orders received	725	880	- 155
Exchange rate (USD)	150 yen	126 yen	

- Increases in revenue and profits due to yen's depreciation and improved profit ratio, especially in "Metal & plastics industrial machine"
- Demand for LiB separator film production lines for EV in extrusion machines remains at high levels, but orders received decreased. The reason for this is that it's time to upgrade to next-generation models, and it takes time to decide on the specifications. Additionally, injection molding machines decreased as a result of the deteriorating market conditions in both the U.S. and China. The amount of orders received overall decreased.

Performance Summary (Year-on-Year)

Shibaura Machine

(Unit: 100 million yen)

	Q2 FY2023 Cumulative (A)	Q2 FY2022 Cumulative (B)	Increase/ Decrease (A-B)
Net sales	819	589	+230
Operating profit	81	16	+65
Profit ratio	10.0%	2.8%	+7.2pt
Ordinary profit	90	21	+69
Profit ratio	11.0%	3.7%	+7.3pt
Net profit attributable to owners of parent	143	18	+125
Profit ratio	17.5%	3.1%	+14.4pt
Orders received	725	1,100	- 375
Exchange rate (USD)	150 yen	145 yen	

*Exchange rate sensitivity on operating profit (USD)

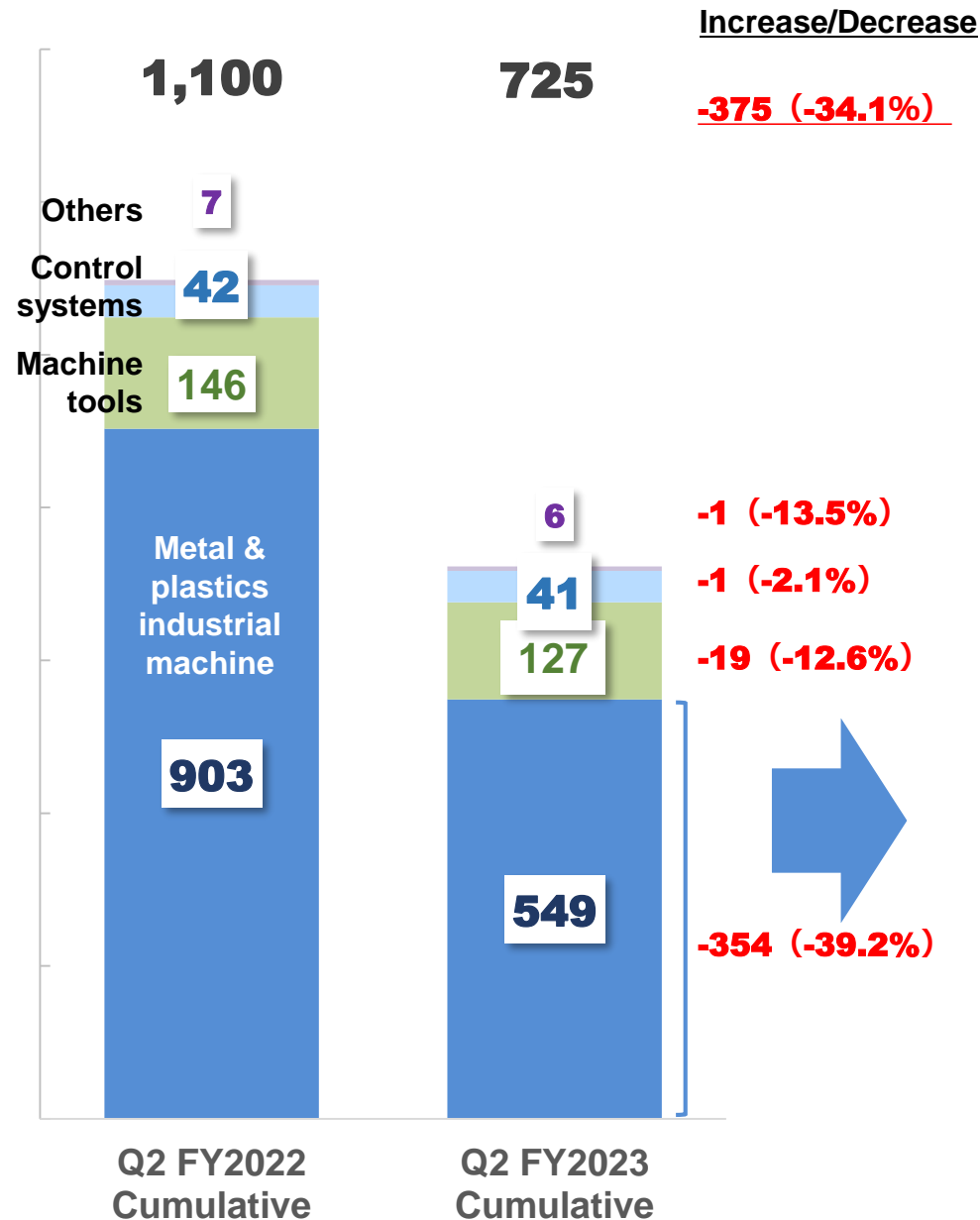
Approximately 60 million yen per 1 yen

(Profits will increase with yen's depreciation)

Amounts of Orders Received (By Segment)

Shibaura Machine

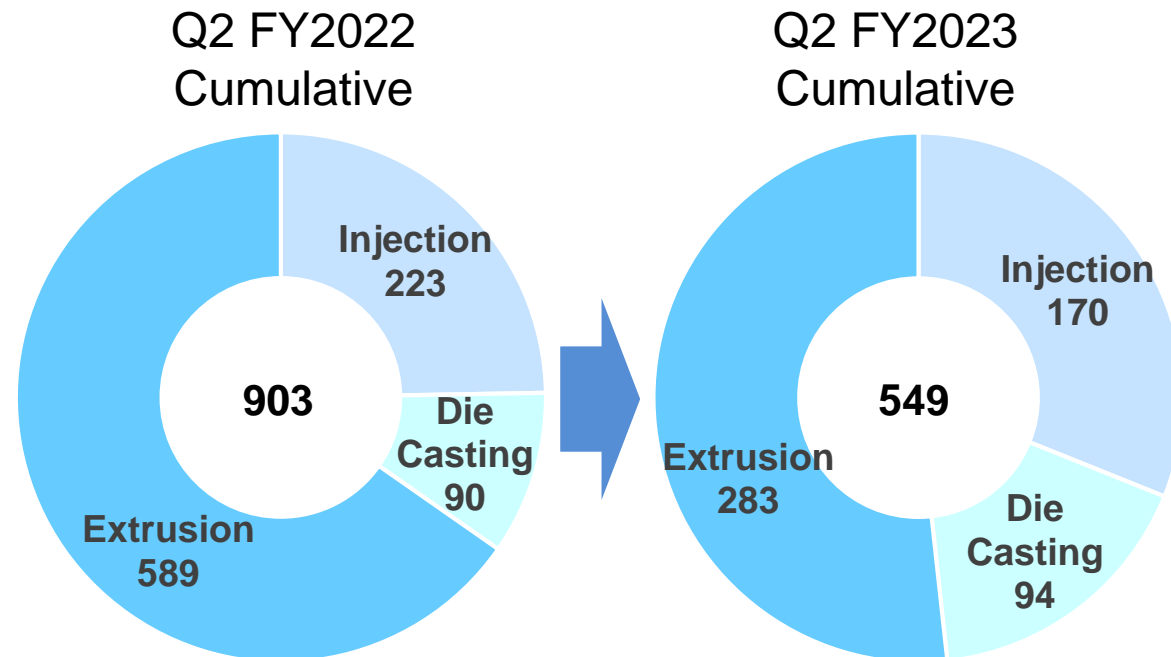
(Unit: 100 million yen)



(Unit: 100 million yen)

Breakdown of Metal & Plastics Industrial Machine

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



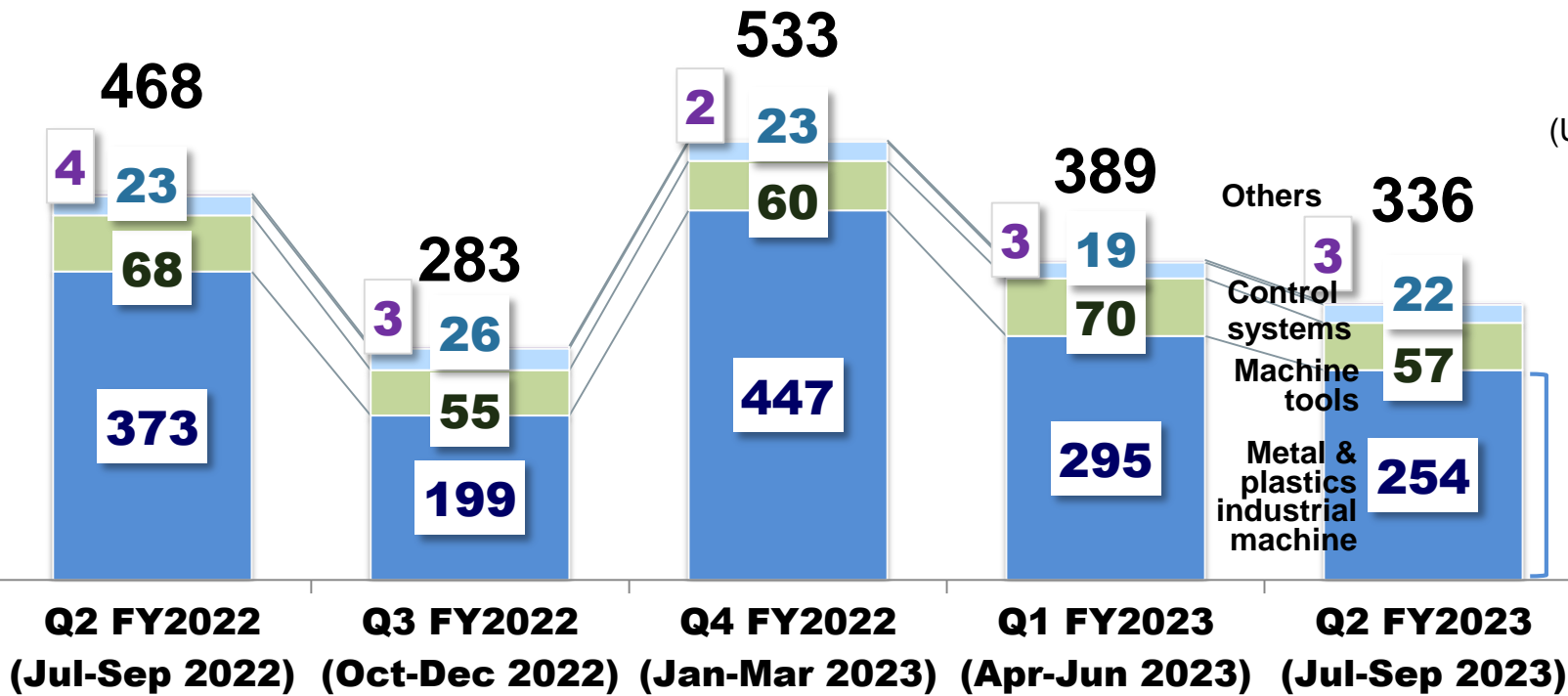
Trends of Orders Received (By Segment)

Shibaura Machine

(Unit: 100 million yen)

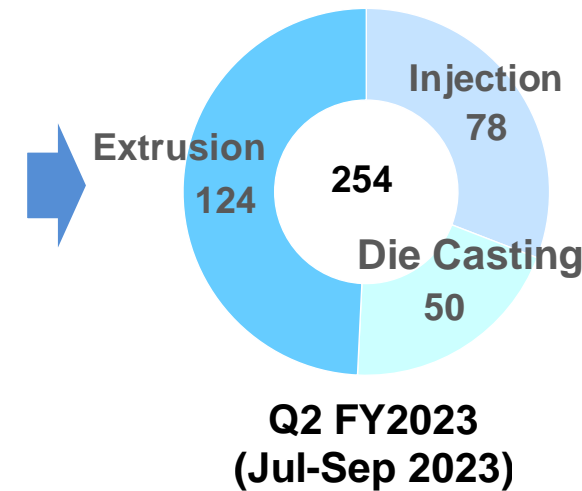
Metal & plastics industrial machine has quarterly fluctuation in amounts of orders received, because of including large volume orders for LiB separator film production lines for EV.

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)



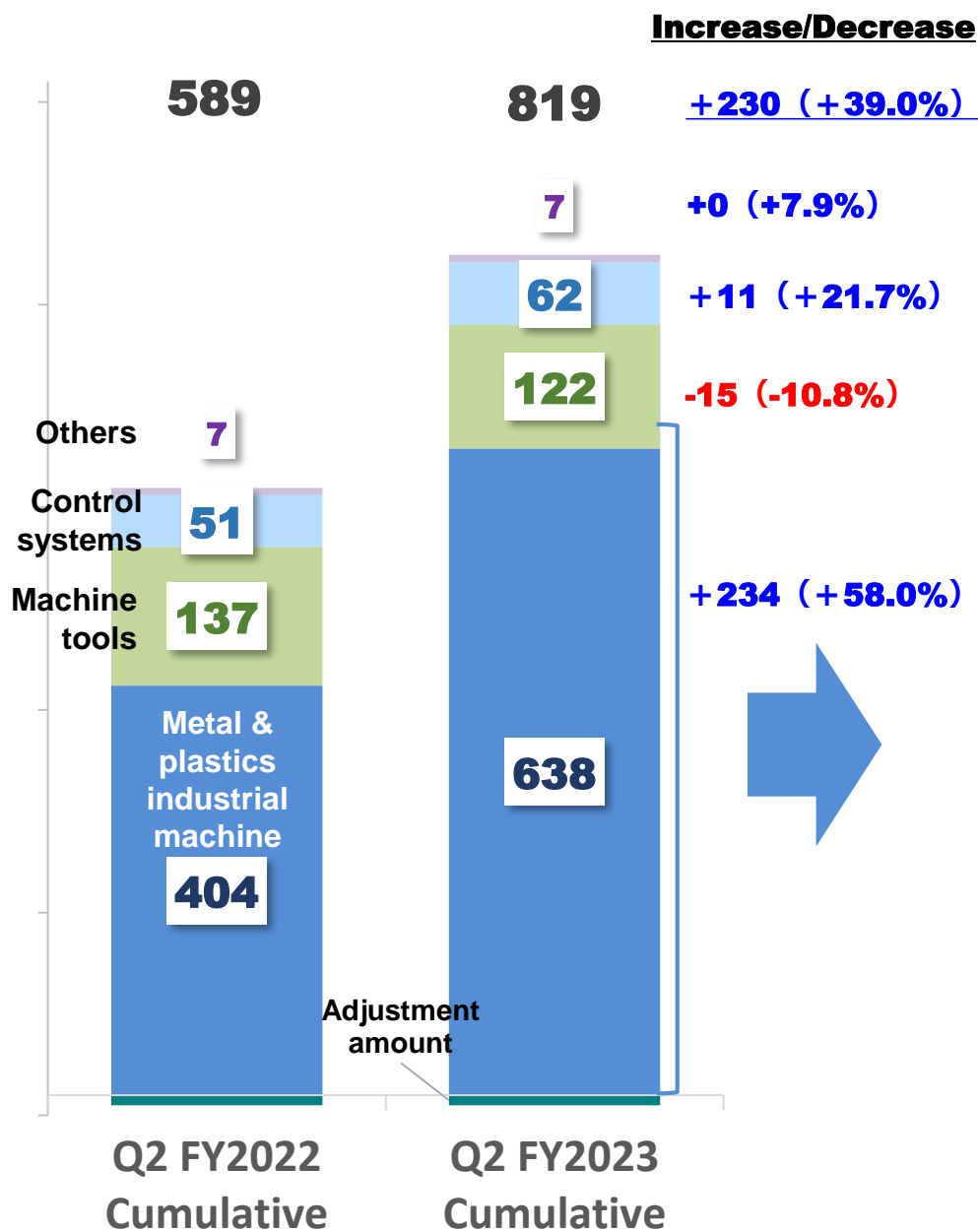
Current Orders

- Injection: Low due to the deteriorating market conditions in China and North America. Some signs of recovery in North America.
- Die Casting: Demand is showing a slow recovery in relation to automotive capital investments.
- Extrusion: Demand for LiB separator film production lines for EV in China remains at high levels.
- Machine Tools: Demand for energy applications in North America remains steady, but especially in Japan and China is low
- Precision: Demand for smartphone lens molds in China is low
- Control: Demand for industrial robots in China is low, but demand for electronic control systems in Japan remains steady

Net Sales (By Segment)

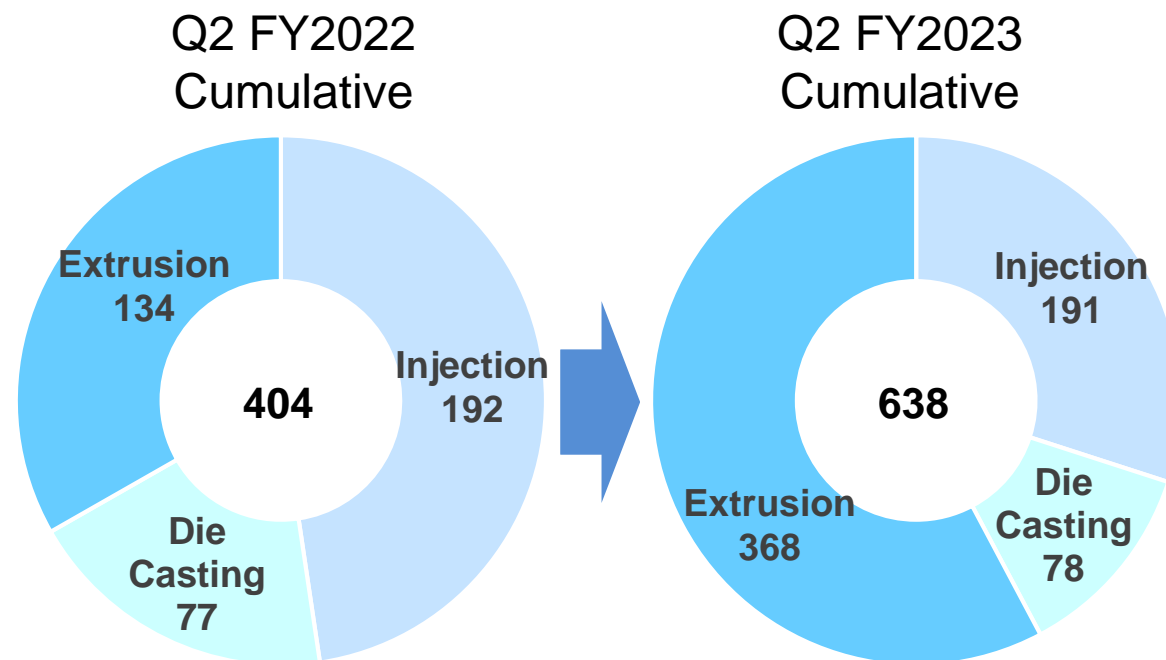
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

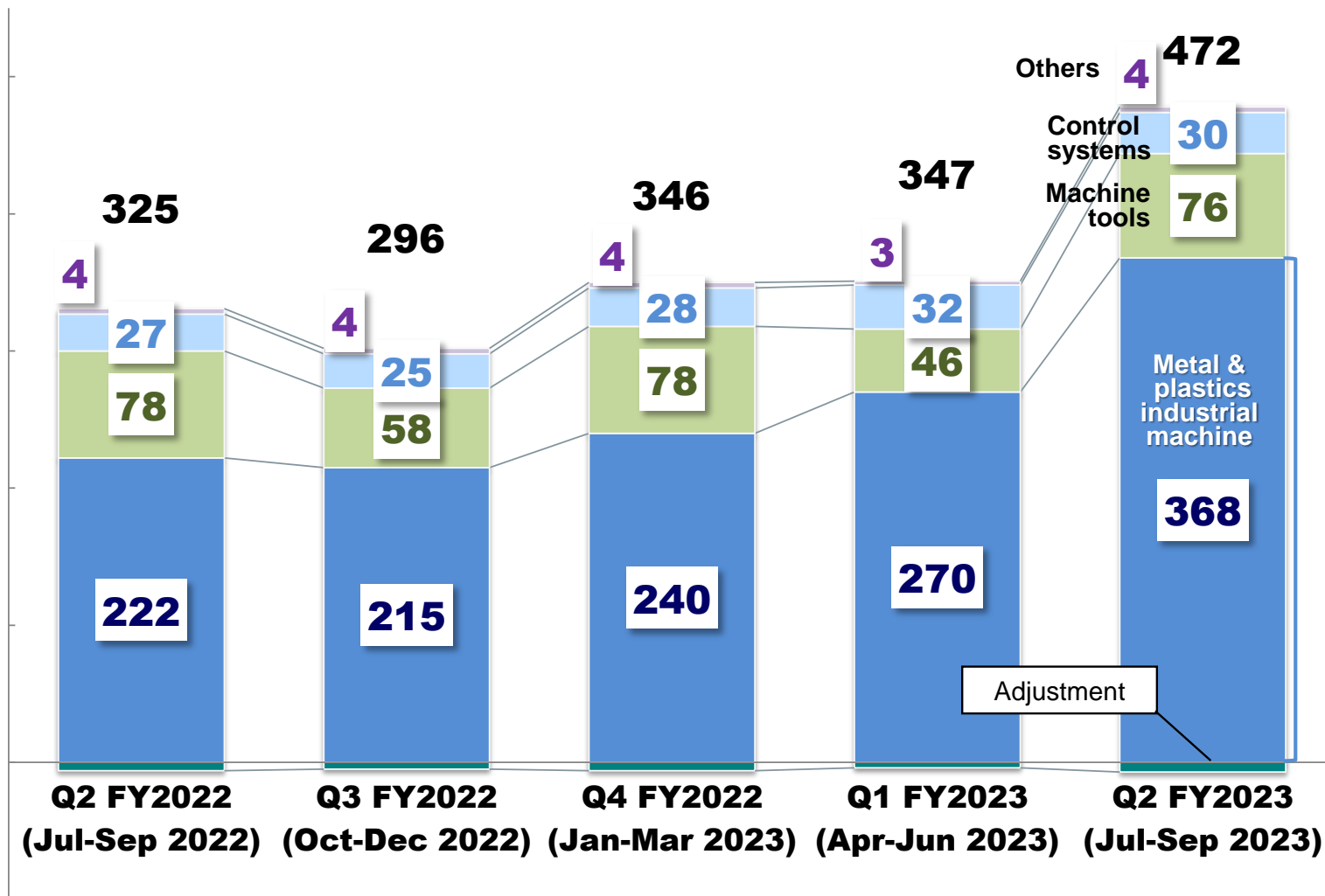
Breakdown of Metal & Plastics Industrial Machine



Trends of Net Sales (By Segment)

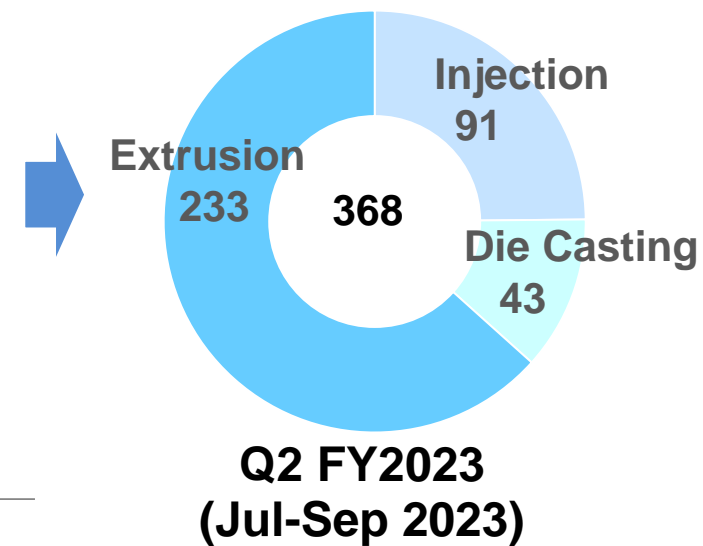
Shibaura Machine

(Unit: 100 million yen)



Breakdown of Metal & Plastics Industrial Machine

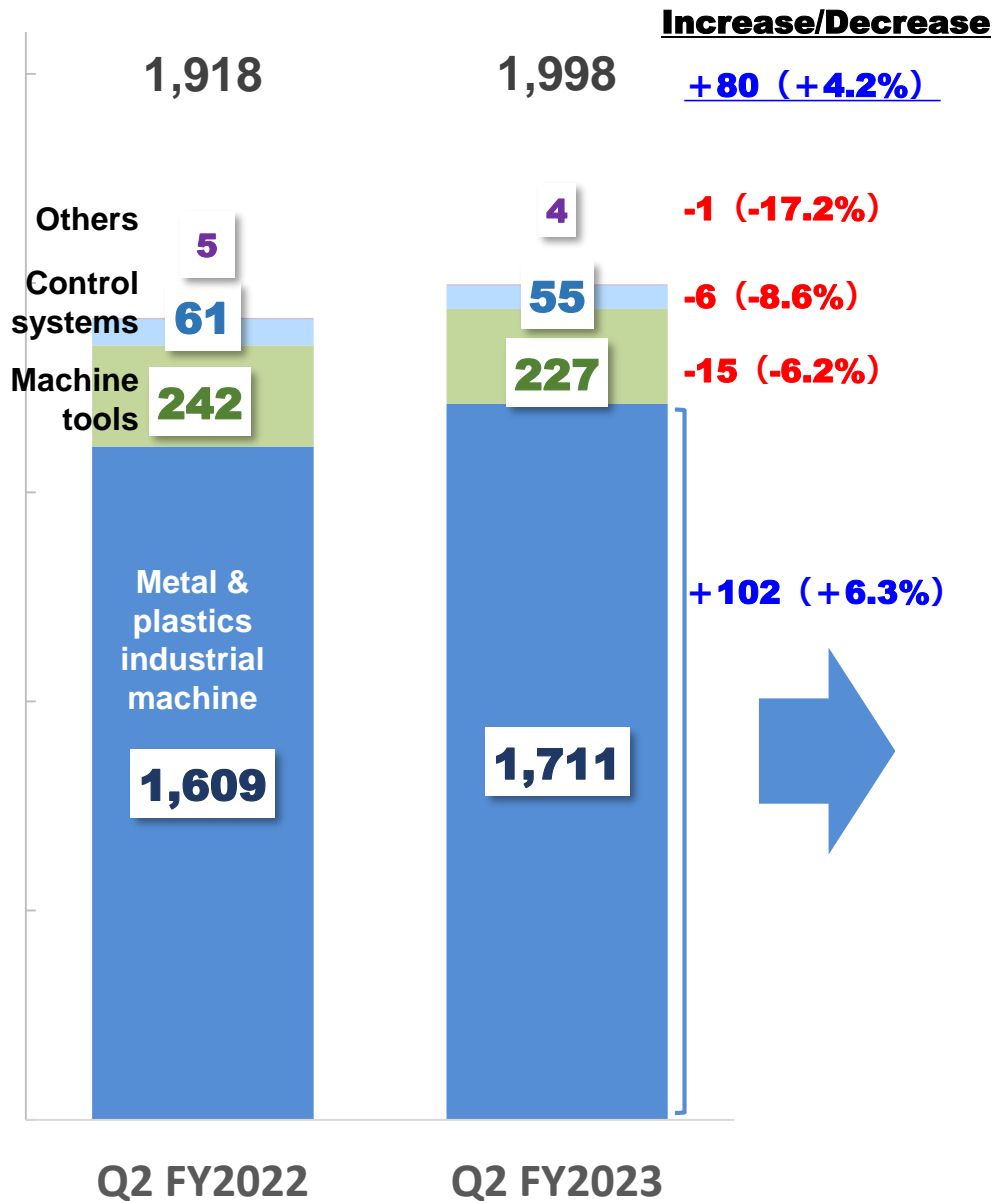
(Unit: 100 million yen)



Order Backlog (By Segment)

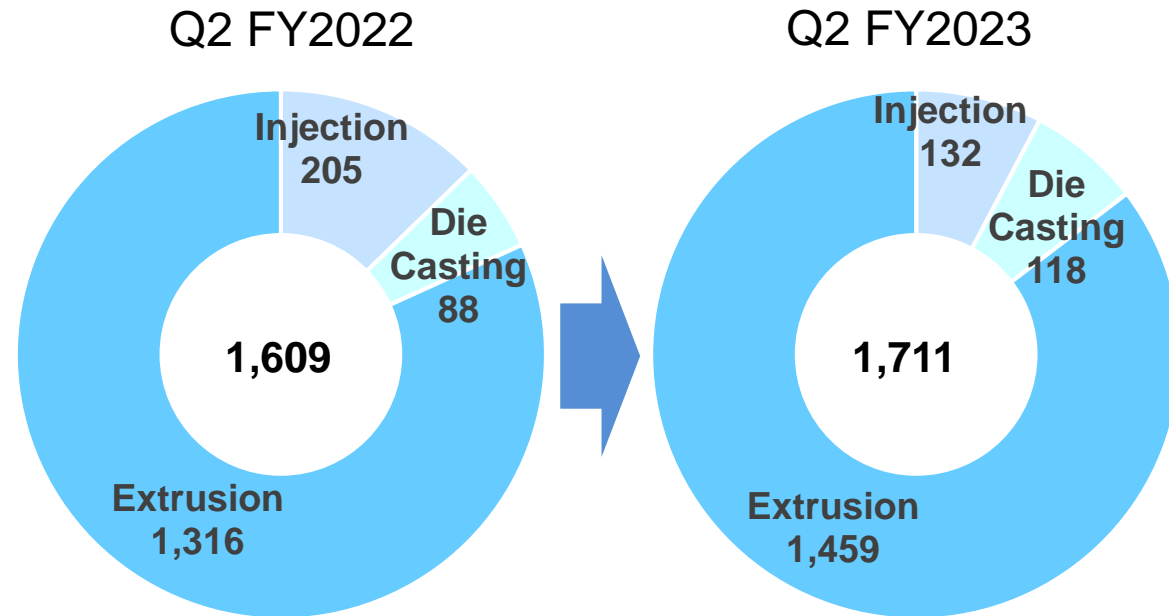
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

Breakdown of Metal & Plastics Industrial Machine



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

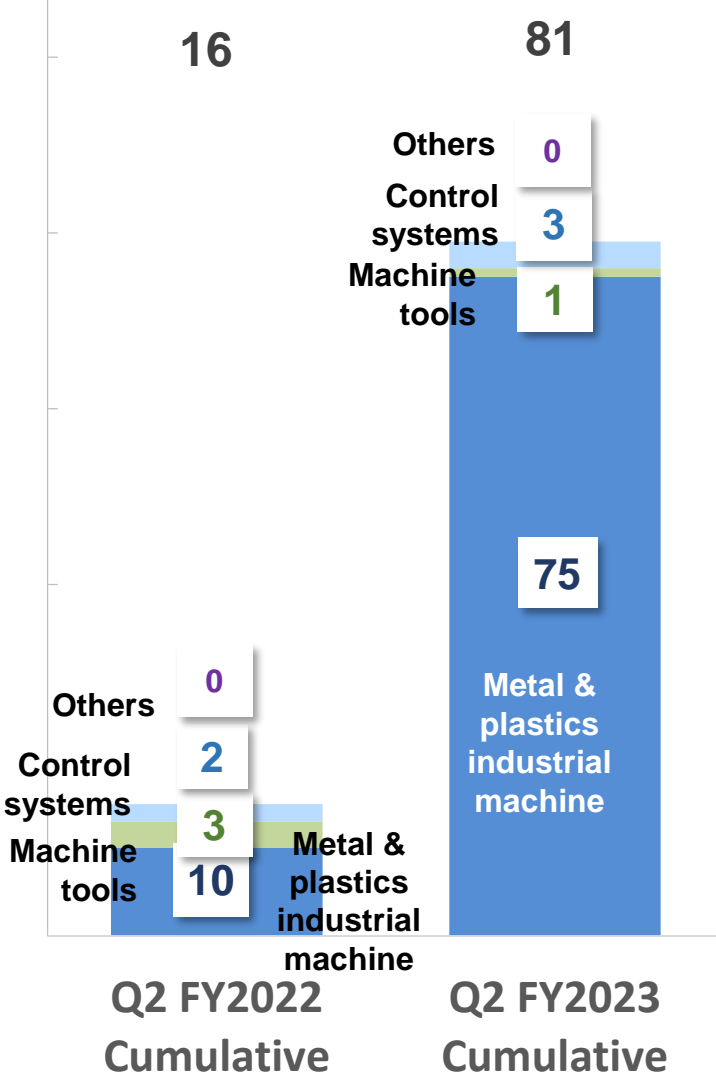
Shibaura Machine

(Unit: 100 million yen)

(Unit: 100 million yen)

Operating Profit

+65 (+388.6%)



Others
-0
(-15.3%)

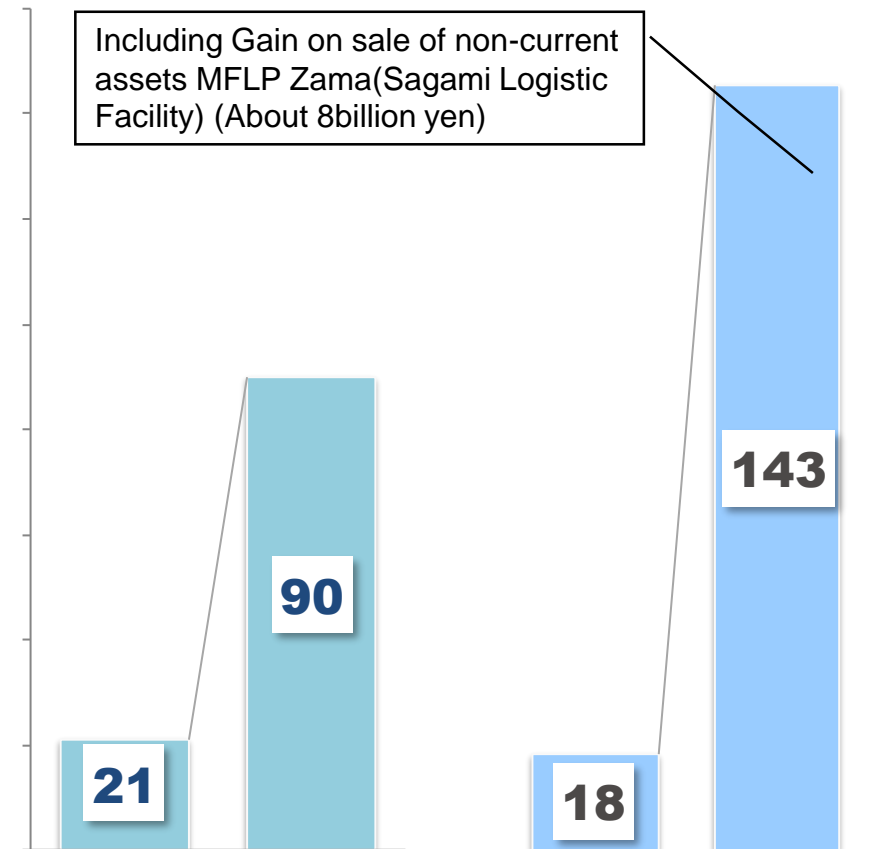
Control systems
+1
(+75.8%)

Machine tools
-2
(-50.4%)

Metal & plastics industrial machine
+65
(+618.9%)

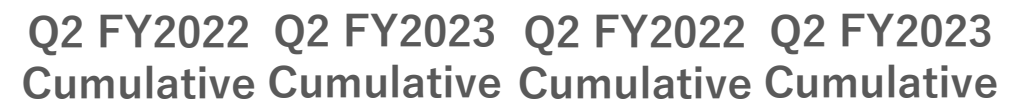
Ordinary Profit

+69 (+318.9%)



Net Profit

+125 (+677.1%)



(Metal & Plastics Industrial Machine) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Injection molding machines, Die casting machines, Extrusion machines, etc.)

	Q2 FY2023 Cumulative	Q2 FY2022 Cumulative	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net Sales	638	404	+234	+58.0%
Operating Profit	75	10	+65	+618.9%
Profit Ratio	11.8%	2.6%	—	+9.2pt

Performance Factor Analysis

+

Positive Factors

- Extrusion: Significant increase in LiB separator film production lines for EV in China

-

Negative Factors

- Injection: Decrease due to the prolonged deterioration of market conditions in China
- 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.)

	Q2 FY2023 Cumulative	Q2 FY2022 Cumulative	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net Sales	122	137	- 15	- 10.8%
Operating Profit	1	3	- 2	- 50.4%
Profit Ratio	1.3%	2.3%	—	- 1.0pt

Performance Factor Analysis



Positive Factors

- Machine Tools: Increase in demand for energy applications in North America
- Precision: Increase in demand for vehicle-mounted lens molds



Negative Factors

- Machine Tools: Decrease in demand for industrial machinery in Japan
- Precision: Decrease in demand for 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.)

	Q2 FY2023 Cumulative	Q2 FY2022 Cumulative	Increase/ Decrease Amounts	Increase/ Decrease Ratio
Net Sales	62	51	+11	+21.7%
Operating Profit	3	2	+1	+75.8%
Profit Ratio	6.3%	4.4%	—	+1.9pt

Performance Factor Analysis



Positive Factors

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



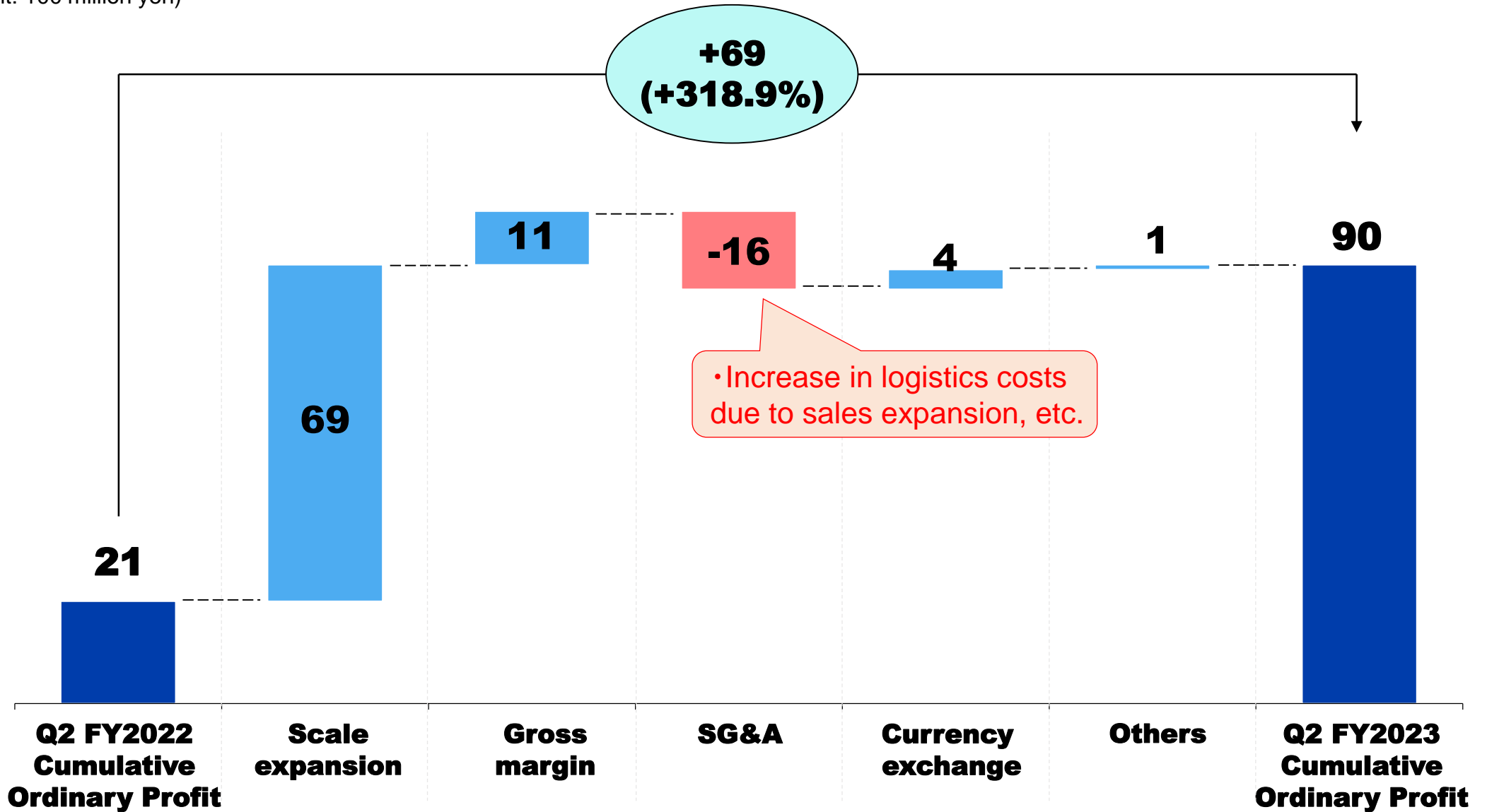
Negative Factors

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

Ordinary Profit Analysis

Shibaura Machine

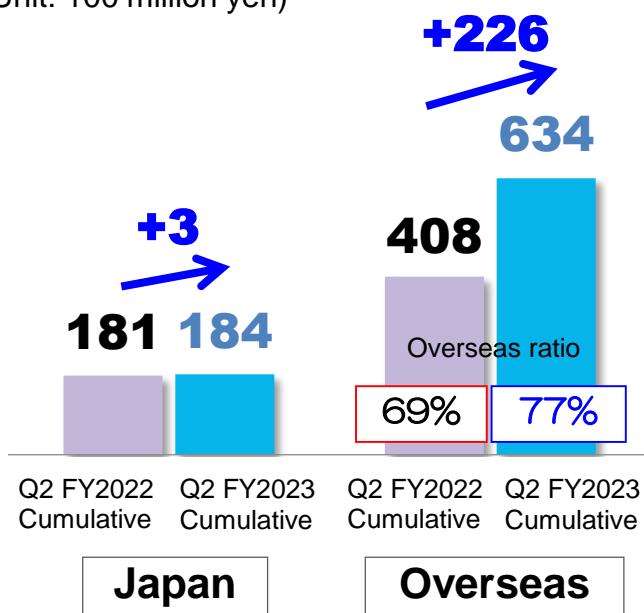
(Unit: 100 million yen)



Domestic and Overseas Sales

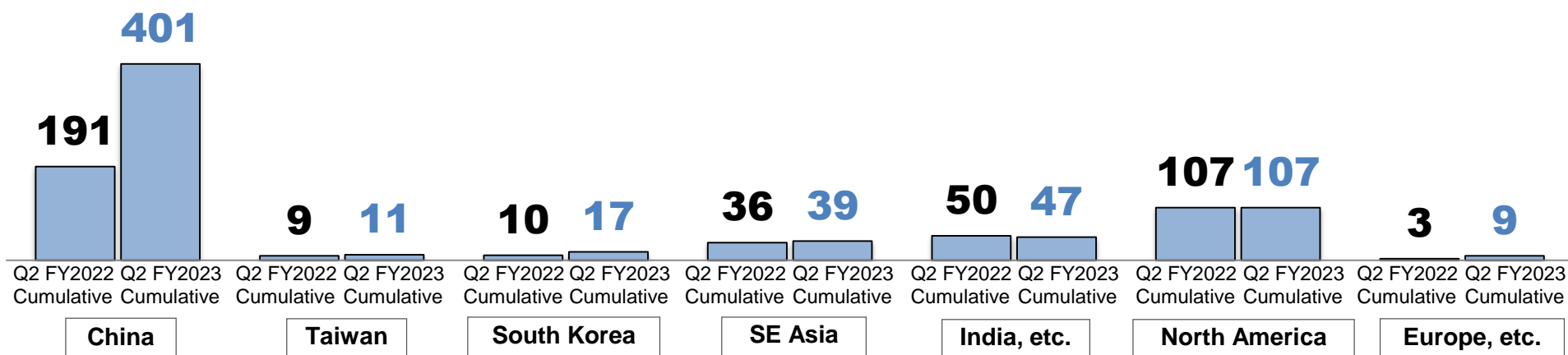
Shibaura Machine

(Unit: 100 million yen)



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

Overseas Sales(By Region)



Overseas Sales and Ratio (By Segment)

Shibaura Machine

(Unit: 100 million yen)

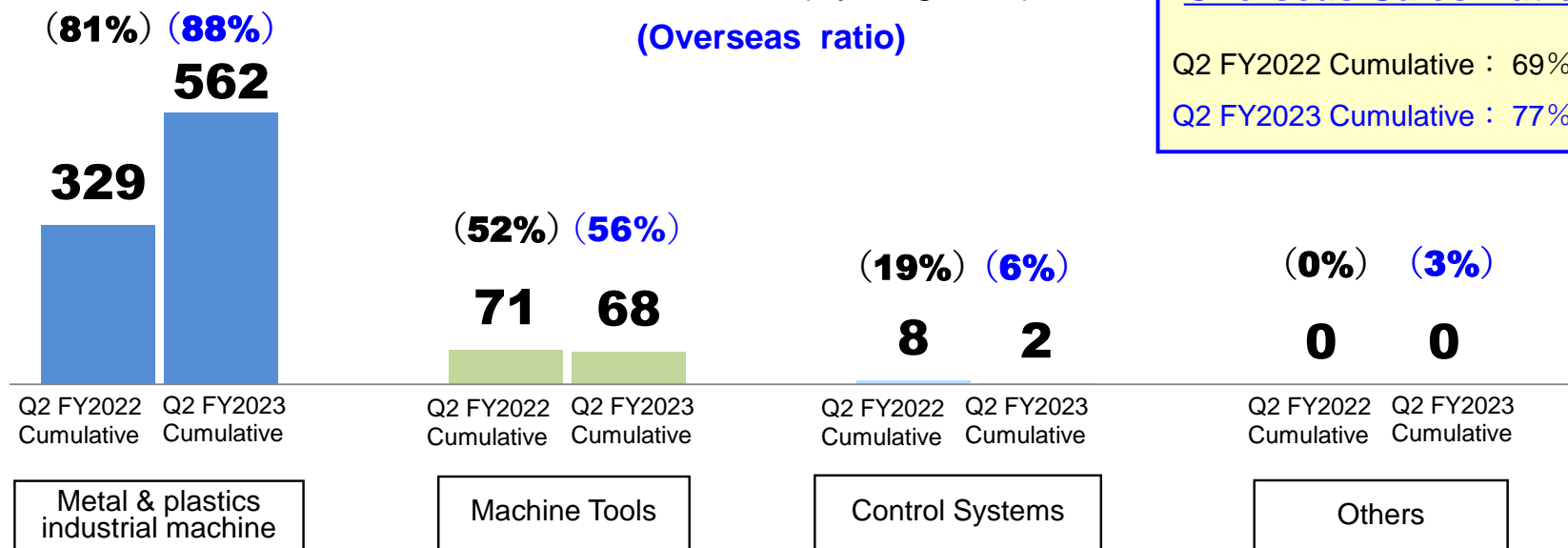
Overseas Sales (By Segment)

(Overseas ratio)

Overseas Sales Ratio

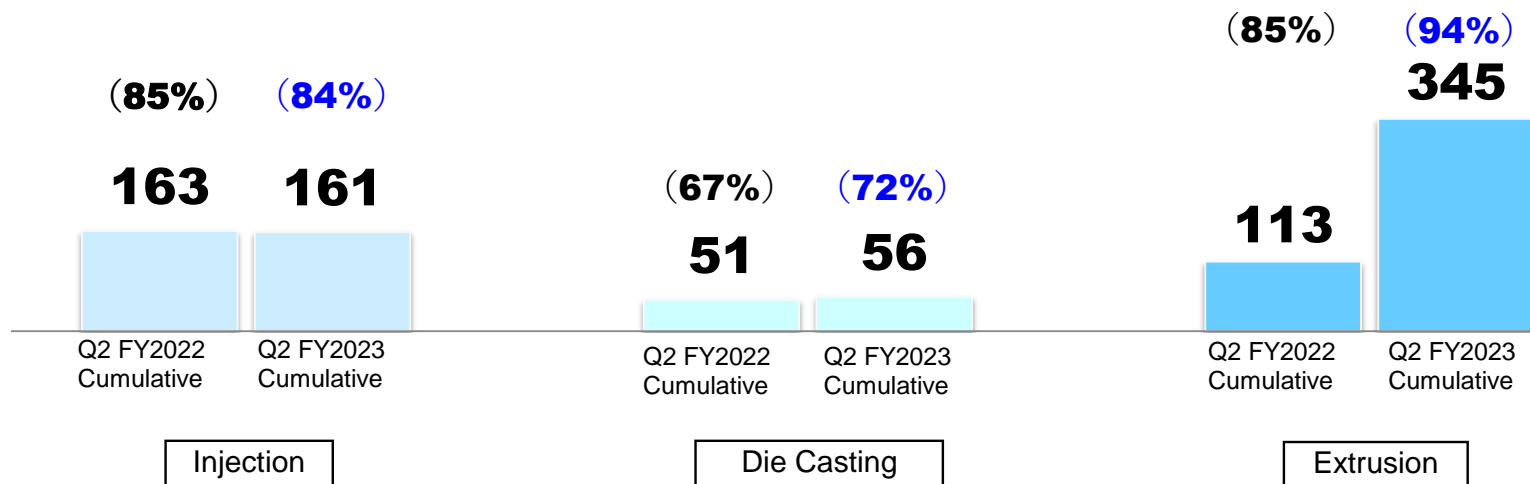
Q2 FY2022 Cumulative : 69%

Q2 FY2023 Cumulative : 77%



Metal & Plastics Industrial Machine (By Product)

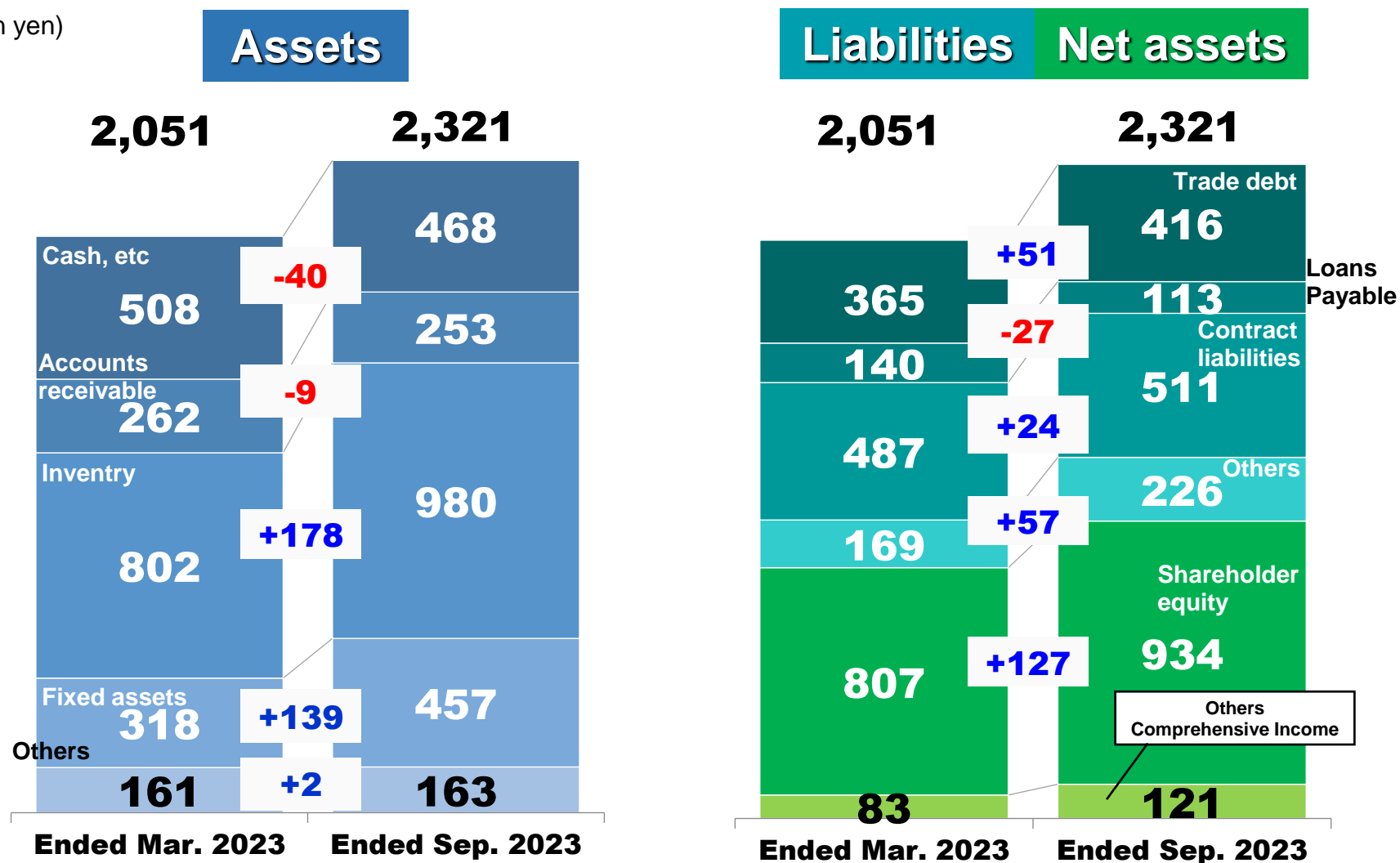
(Overseas ratio)



Balance Sheet

Shibaura Machine

(Unit: 100 million yen)



	Ended Mar. 2023	Ended Sep. 2023
Equity ratio	43.5%	45.5%
D/E ratio	15.7%	10.8%

Cash Flow Statement

Shibaura Machine

(Unit: 100 million yen)

Q2 FY2022 Cumulative

FCF -37

Increase in inventories -131
Increase in purchasing
-related accounts payable 55
Increase in advances received 57

Dividend payment -9

- 21

- 15

- 12

Sales C/F

Investment
C/F

Financial
C/F

Q2 FY2023 Cumulative

FCF -11

- 0

- 10

- 44

Repayment of borrowings -26
Dividend payment -18

Sales C/F

Investment
C/F

Financial
C/F

	Q2 FY2022 Cumulative	Q2 FY2023 Cumulative	Increase/ Decrease
Opening balance of cash and cash equivalents	517	508	- 9
C/F from operating activities	- 21	- 0	21
C/F from investment activities	- 15	- 10	5
C/F from financial activities	- 12	- 44	- 32
Total	- 48	- 56	- 8
Transitional differences	16	16	- 0
Closing balance of cash and cash equivalents	484	468	- 16

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)

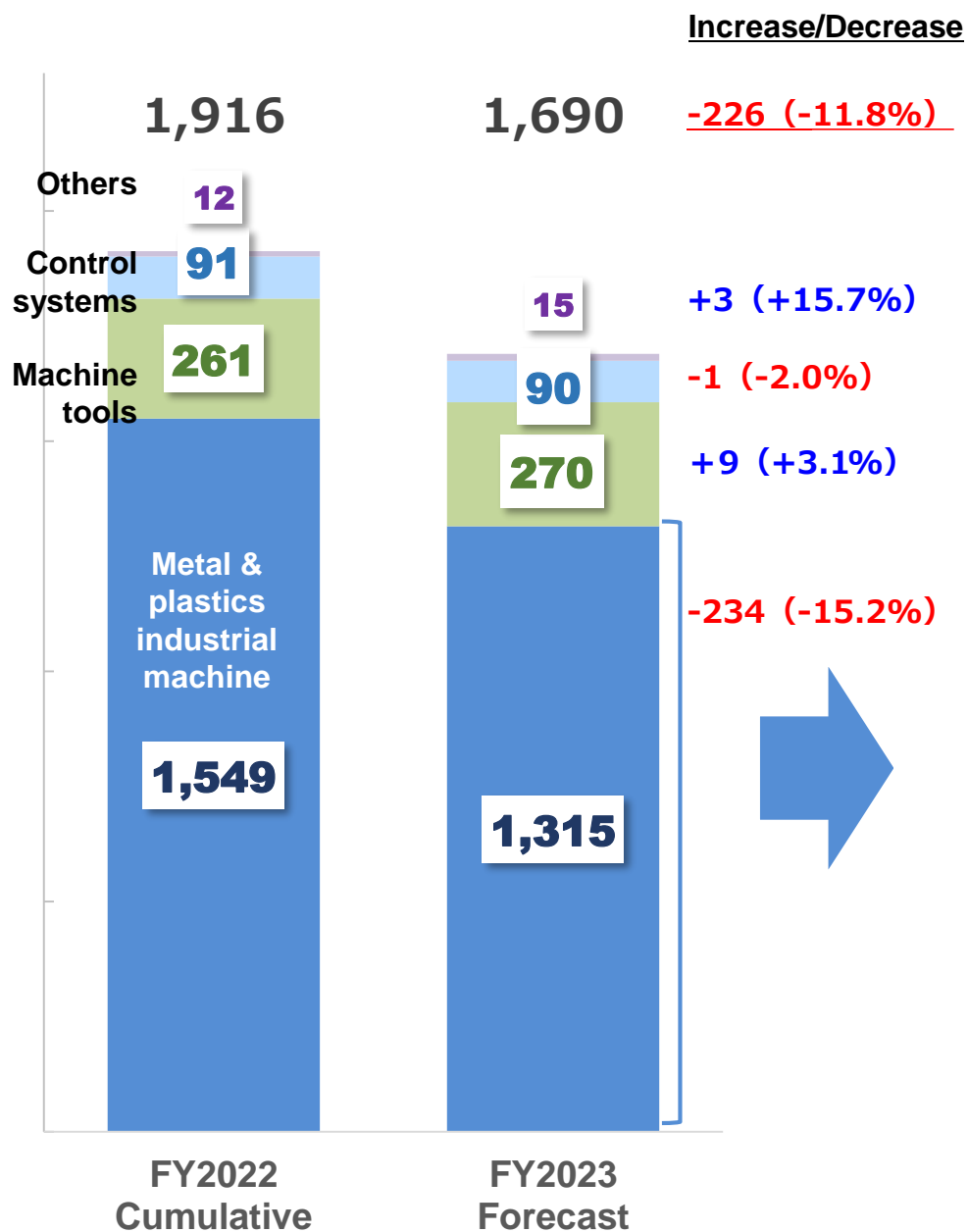
- The full-year forecast has not been revised from it announced on May 15, 2023.
- The full-year forecast for Orders Received has been revised as follows.

	FY2023 Forecast (Announced on May.15,2023)	FY2023 Forecast (Announced on Nov.8,2023) (A)	FY2022 Cumulative (B)	Increase/ Decrease (A)-(B)
Net sales	1,800	No revise	1,231	+569
Operating profit	150		57	+93
Profit ratio	<i>8.3%</i>		<i>4.7%</i>	<i>+3.6pt</i>
Ordinary profit	145		52	+93
Profit ratio	<i>8.1%</i>		<i>4.3%</i>	<i>+3.8pt</i>
Net profit attributable to owners of parent	180		64	+116
Profit ratio	<i>10.0%</i>		<i>5.2%</i>	<i>+4.8pt</i>
Orders received	1,830	1,690	1,916	- 226
Exchange rate (USD)	126 yen	126 yen	134 yen	

Amounts of Orders Received (By Segment) (FY2023 Forecast vs. FY2022 Cumulative)

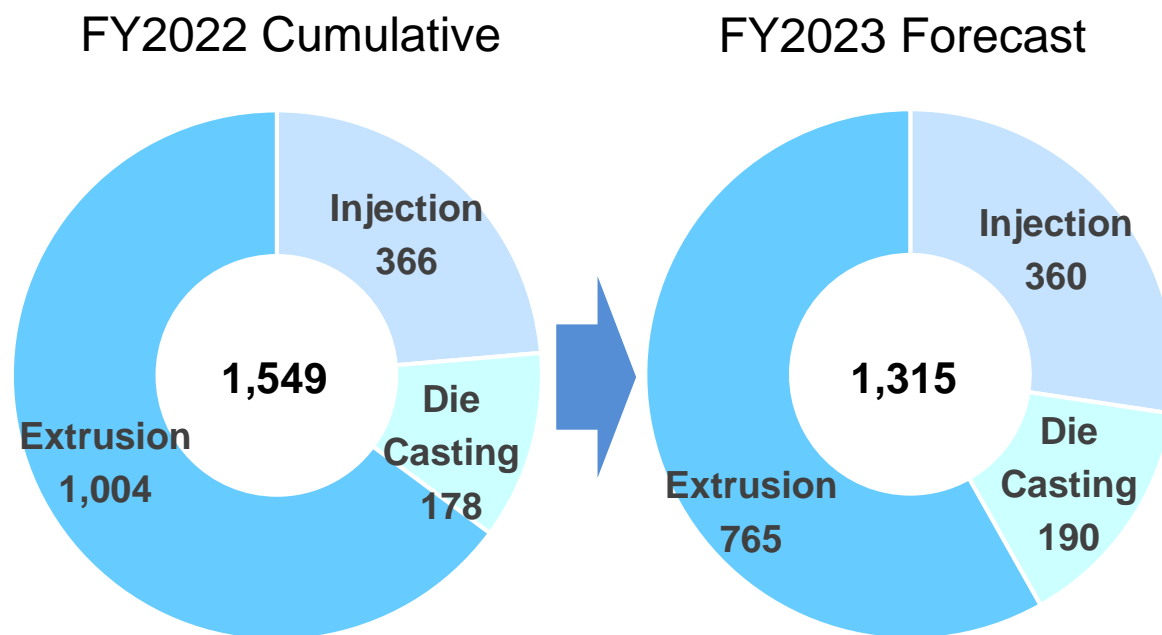
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

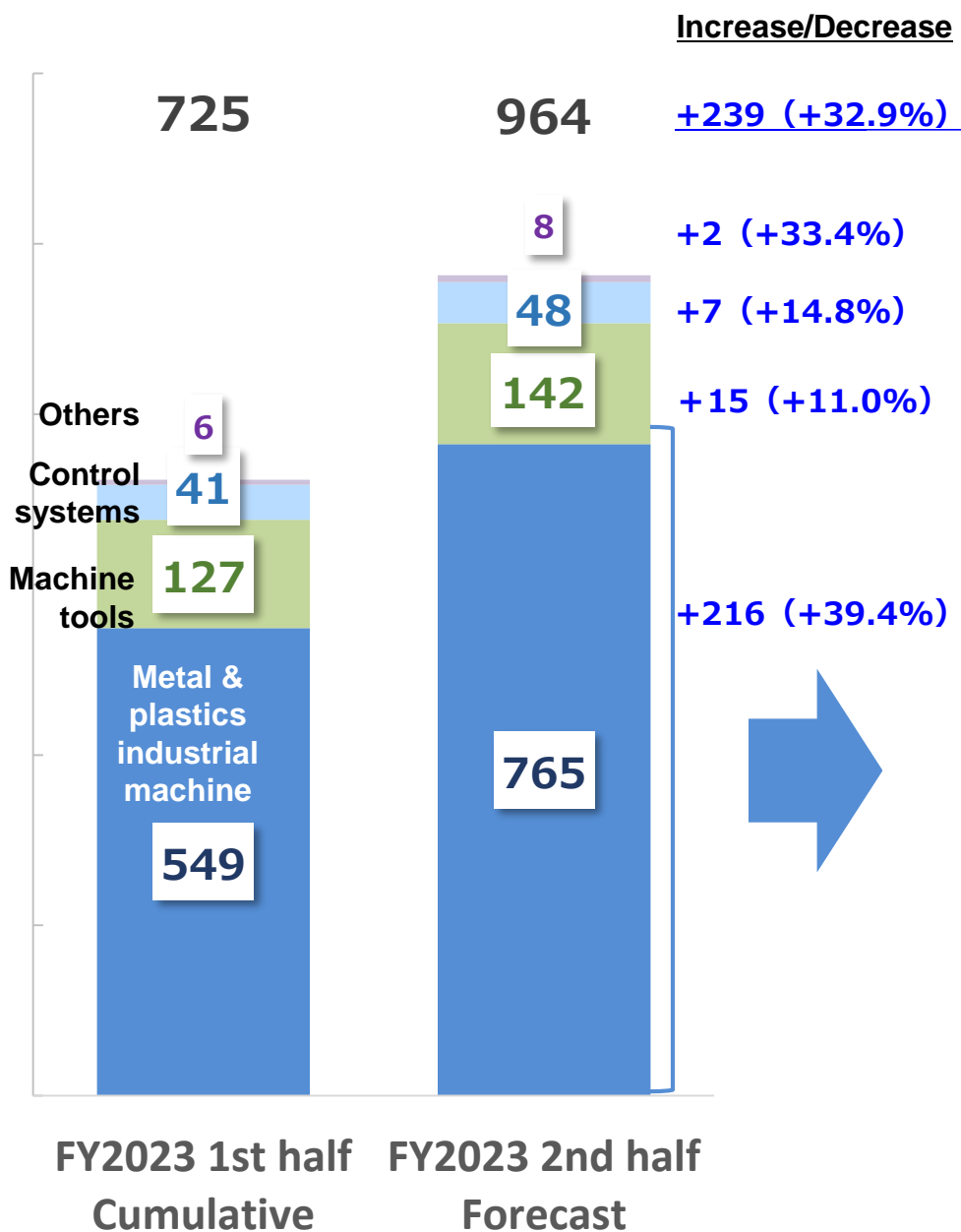
Breakdown of Metal & Plastics Industrial Machine



Amounts of Orders Received (By Segment) (FY2023 2nd half Forecast vs. FY2023 1st half Cumulative)

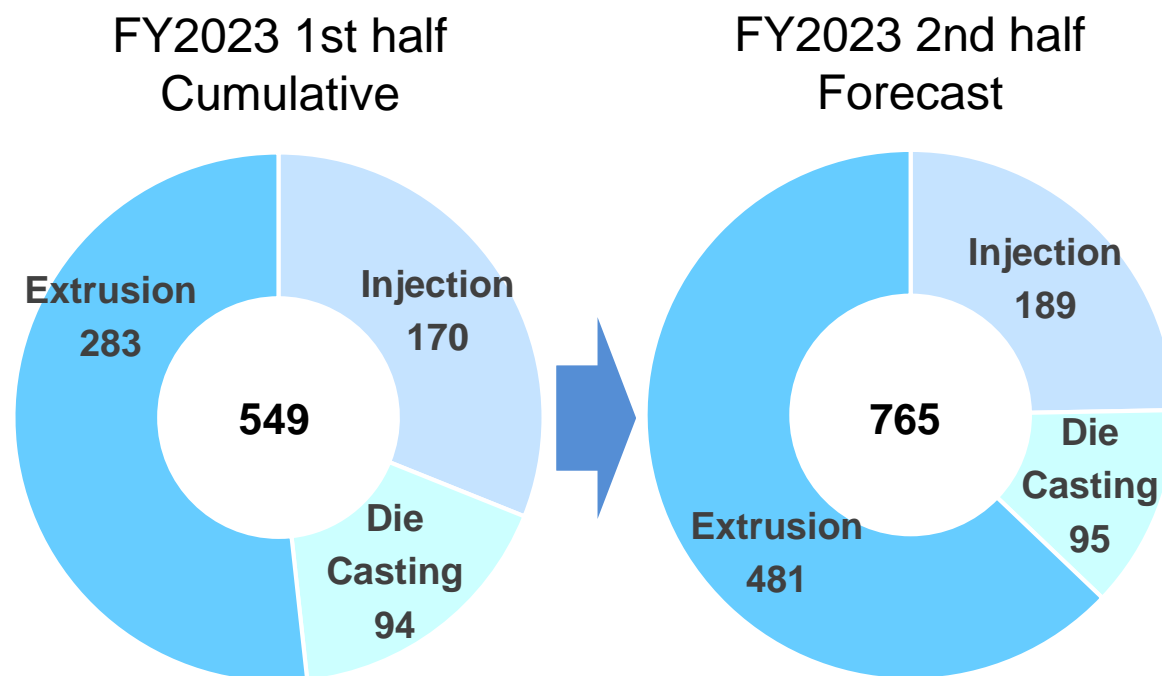
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

Breakdown of Metal & Plastics Industrial Machine



R&D Expenses, Capital Expenditures, Depreciation Expenses

Shibaura Machine

(Unit: 100 million yen)

R&D Expenses

Capital Expenditures

Depreciation Expenses

Including New plant in India and MFLP Zama(Sagami Logistic facility)

Q2 Cumulative results

Q2 Cumulative results

Q2 Cumulative results

27

31

32

15

FY2021

FY2022

FY2023 Plan

18

21

174

122

FY2021

FY2022

FY2023 Plan

19

21

23

10

FY2021

FY2022

FY2023 Plan

Dividend Forecast

Shibaura Machine

The full-year forecast has not been revised 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	* 33.8%

* The net profit attributable to owners of the 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 MFLP Zama (Sagami Logistic Facility), which started 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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