

Consolidated Financial Results for the Year Ended March 31, 2024

May 21, 2024

SHIBAURA MACHINE CO., LTD.

Consolidated Financial Results Overview for the Year Ended March 31, 2024

- 1) Comparison with “Management Reform Plan”**
- 2) Comparison with Forecast**
- 3) Key Points of Financial Results**
- 4) Year-on-Year Comparison**

Performance Summary (vs. Management Reform Plan Quantitative Targets)

Shibaura Machine

Exceeded quantitative targets for the final year of the medium-term management plan “Management Reform Plan“

	FY2023 Results (A)	FY2023 Management Reform Plan Quantitative Targets (B)	Change (A-B)
Net sales	160.6 Billion yen	135.0 Billion yen	+25.6 Billion yen
Operating profit ratio	8.5%	8.0%	+0.5pt
ROE	17.8%	8.5%	+9.3pt
Dividend payout ratio	※52.1%	Target 40%	+12.1pt

※ Extraordinary profit (gain on sale of land) related to the commercialization of MFLP Zama (Sagami Logistics Facility) are excluded from net profit because it is used to acquire the equity interest in the building constructed on the land of the transferred asset. Additionally, the dividend payout ratio was calculated as a total payout ratio which includes treasury stock acquisitions announced on May 13, 2024.

Performance Summary (vs. Forecast)

Shibaura Machine

(Unit: 100 million yen)

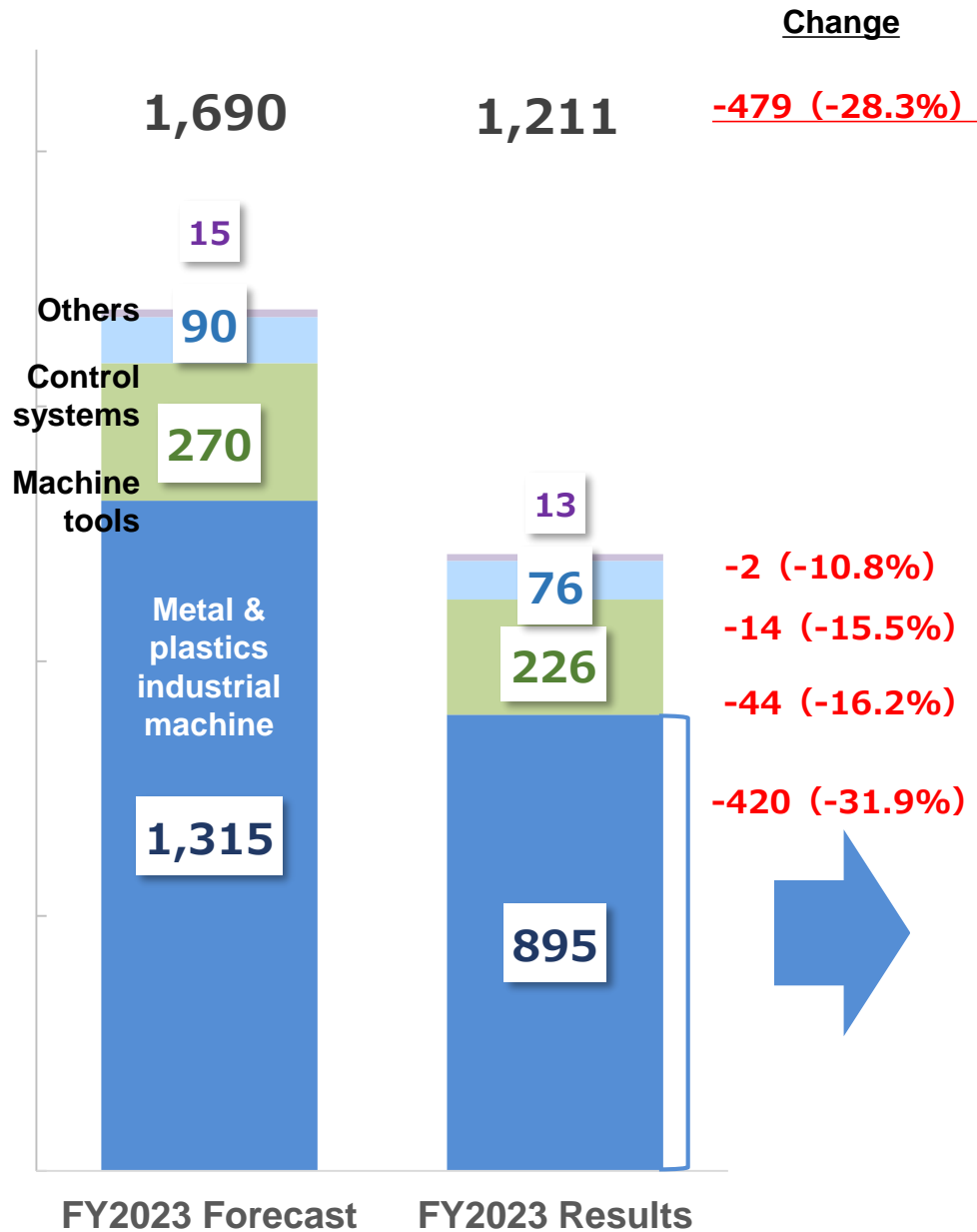
	FY2023 Results (A)	FY2023 Forecast (Announced on May.15,2023) (B)	Change (A)-(B)
Net sales	1,606	1,800	- 194
Operating profit	136	150	- 14
Profit ratio	8.5%	8.3%	+0.2pt
Ordinary profit	146	145	+1
Profit ratio	9.1%	8.1%	+1.0pt
Net profit attributable to owners of parent	179	180	- 1
Profit ratio	11.2%	10.0%	+1.2pt
Orders received	1,211	※ 1,690	- 479
Exchange rate (USD)	151 yen	126 yen	

※Orders received
Announced on Nov.8,2023

- Net Sales did not reach target mainly due to the inspection of LiB separator film production lines for EV being delayed until the next term onward.
- Operating profit fell short of target due to a decline in sales, but profit ratio improved, mainly in the metal & plastics industrial machine segment.
- Ordinary profit increased due to foreign exchange gains due to the weaker yen, but net profit decreased slightly.
- Orders received for LiB separator film production lines for EV are significantly below target.

Comparison with forecast Amounts of Orders Received (By Segment)

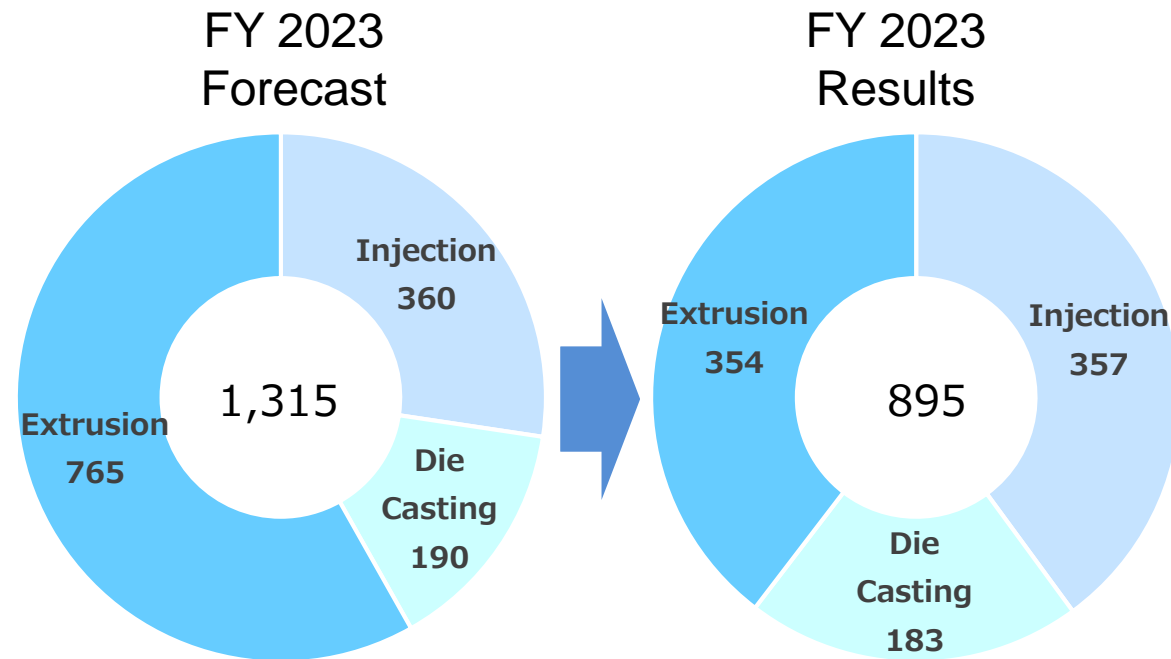
(Unit: 100 million yen)



(Unit: 100 million yen)

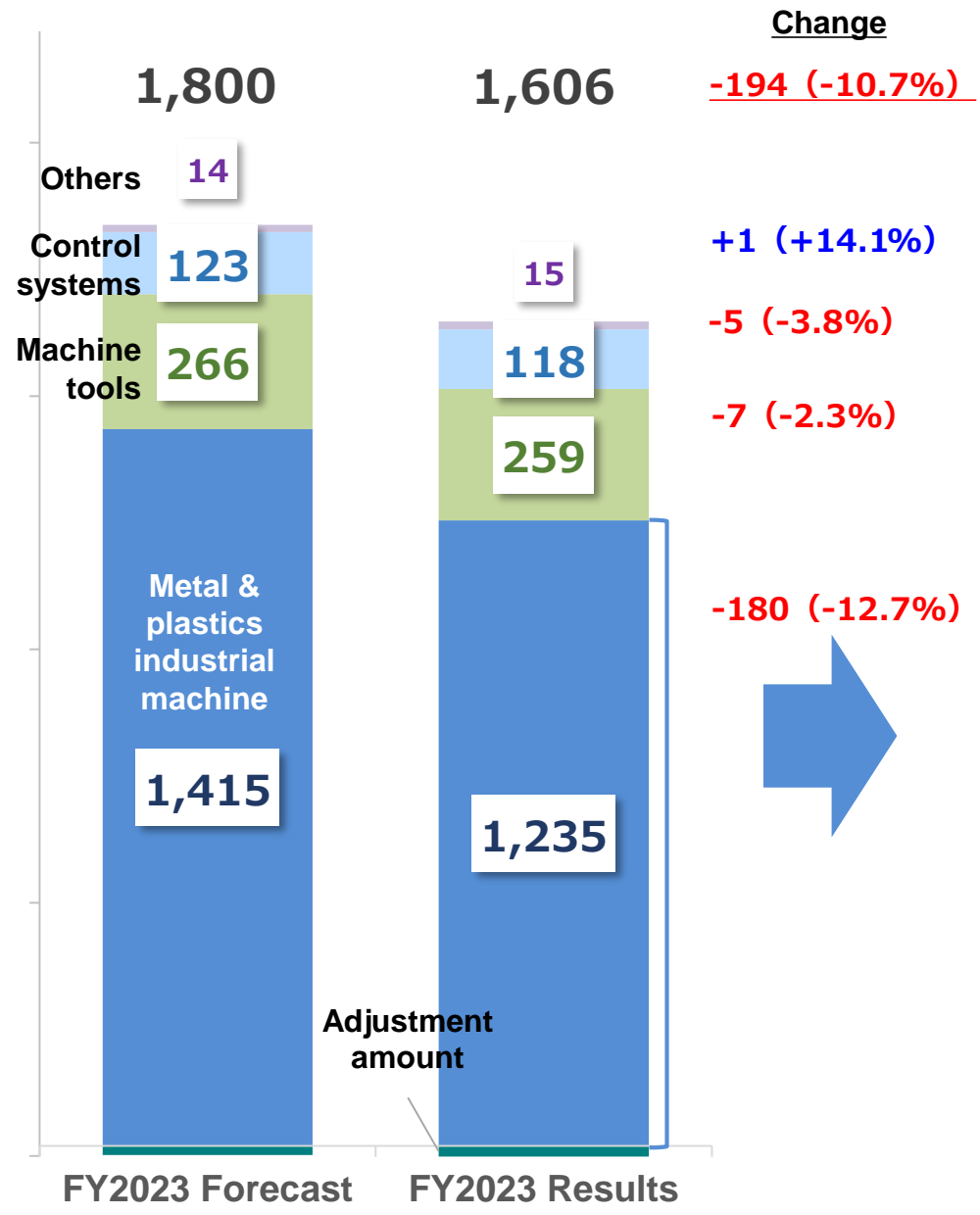
Breakdown of Metal & Plastics Industrial Machine

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



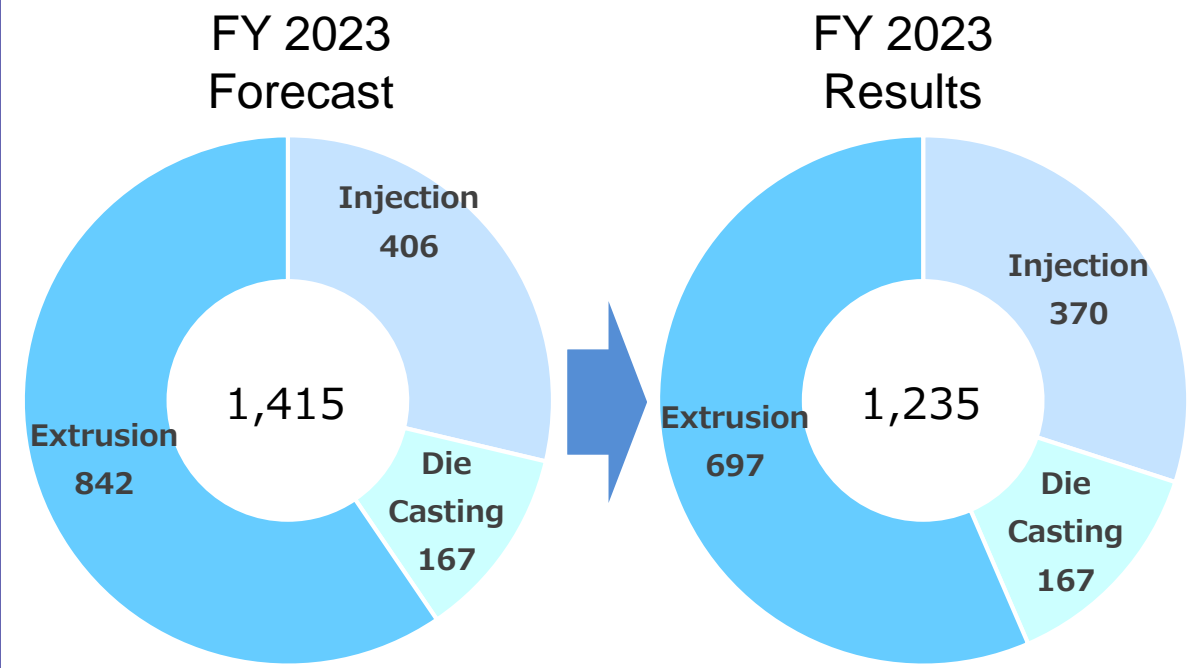
Comparison with forecast Net Sales (By Segment)

(Unit: 100 million yen)



(Unit: 100 million yen)

Breakdown of Metal & Plastics Industrial Machine



Increased Revenue and Profits Year-on-Year

■ Net Sales

- Considerable increases in LiB separator film production lines for EV in extrusion machines in China
- Increases in Die Casting machines in Japan, North America and Southeast Asia etc.
- 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 net profit due to the recognition of an extraordinary profit related to the commercialization of MFLP Zama (Sagami Logistic Facility) (a gain on sale of land*) etc.

*Because an equivalent exchange method was applied, this gain on sale of land is used to acquire equity interest in the building constructed on the land of the transferred asset.

■ Orders Received

- Although the spread of EV is predicted to increase in the medium to long term, the order intake for LiB separator film production lines for EV currently decreases significantly compared to last year due to the slowing growth in EV demand and the timing of the transition to next-generation models.
- Machine tools decreased because of the economic downturn in China etc.

Performance Summary (Year-on-Year)

Shibaura Machine

(Unit: 100 million yen)

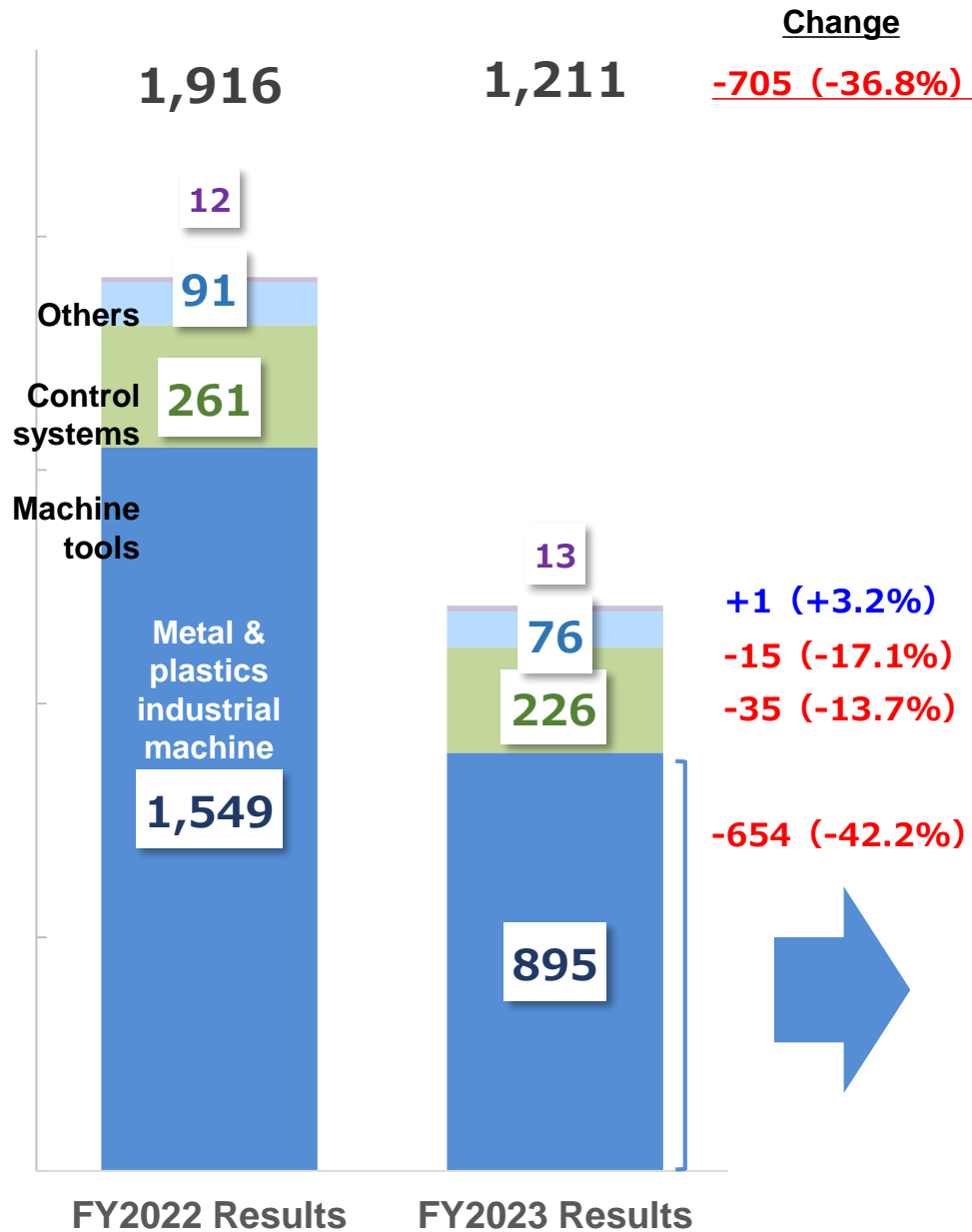
	FY2023 Results (A)	FY2022 Results (B)	Change (A-B)
Net sales	1,606	1,231	+375
Operating profit	136	57	+79
Profit ratio	8.5%	4.7%	+3.8pt
Ordinary profit	146	52	+94
Profit ratio	9.1%	4.3%	+4.8pt
Net profit attributable to owners of parent	179	64	+115
Profit ratio	11.2%	5.2%	+6.0pt
Orders received	1,211	1,916	- 705
Exchange rate (USD)	151 yen	134 yen	

*Exchange rate sensitivity on operating profit (USD)
 Approximately 70 million yen per 1 yen
 (Profits will increase with yen's depreciation)

Amounts of Orders Received (By Segment)

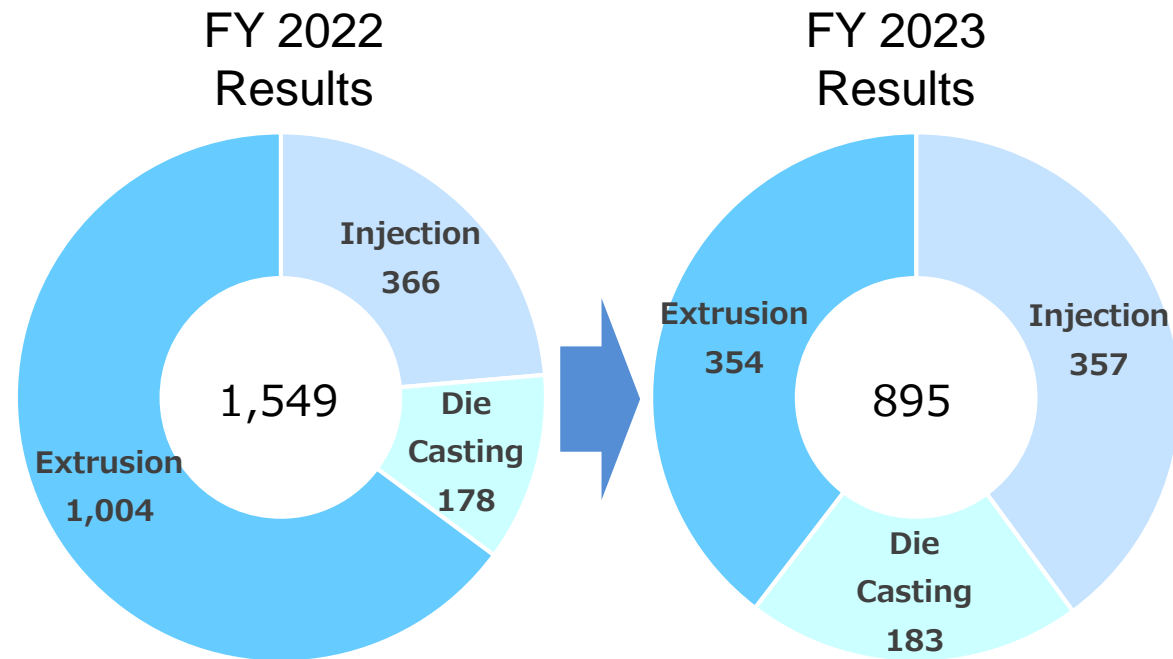
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

Breakdown of Metal & Plastics Industrial Machine



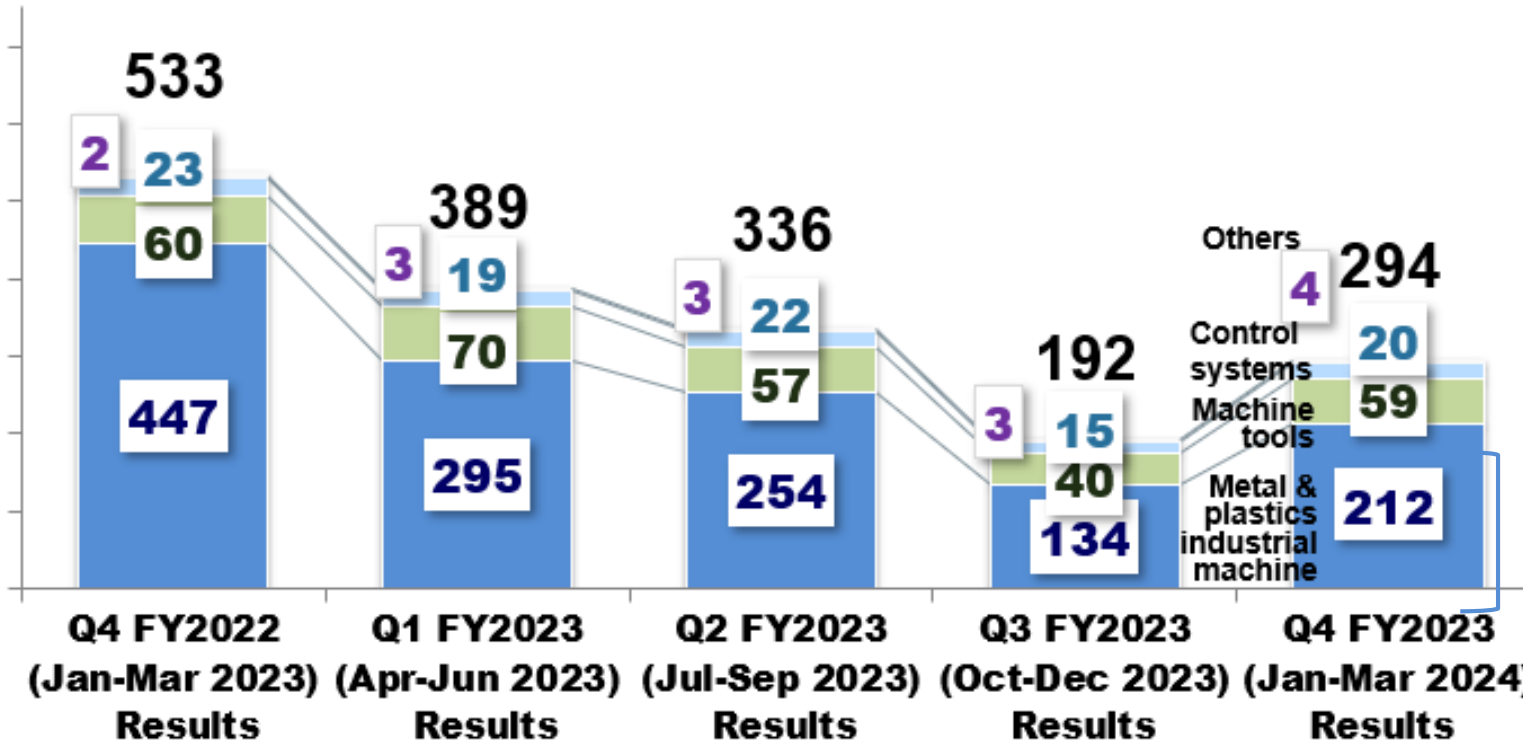
Trends of Orders Received (By Segment)

Shibaura Machine

(Unit: 100 million yen)

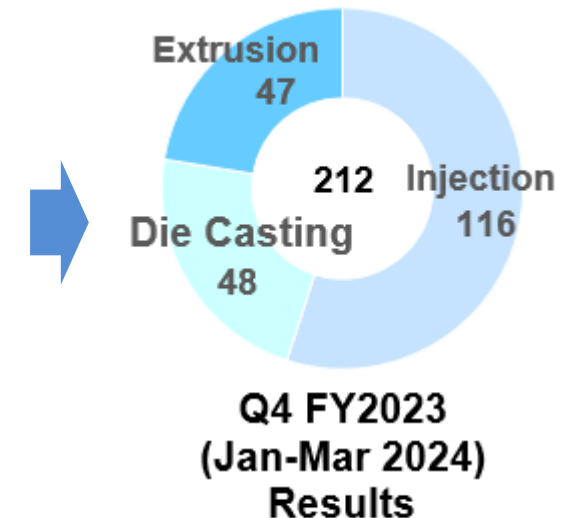
Metal & plastics industrial machine has quarterly fluctuation in amounts of orders received, because of including large volume orders for LiB separator film production lines for EV.

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)



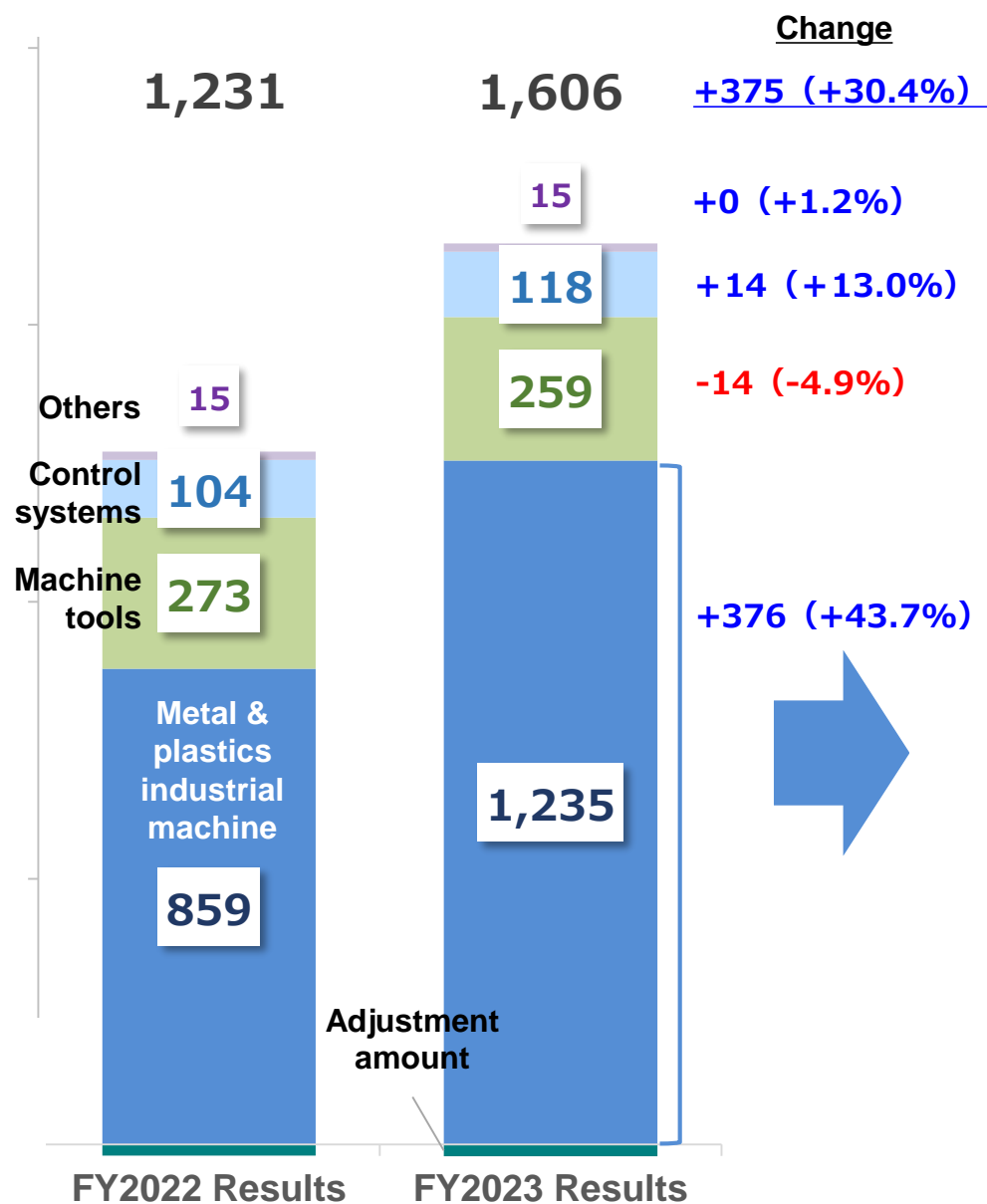
Current Orders

- Injection: Low due to economic downturn in China. North America are on a recovery trend
- Die Casting: Demand is showing a slow recovery in relation to automotive capital investments, especially for EV.
- Extrusion: Orders for LiB separator film production lines for EV are delayed due to slowing growth in EV demand and the timing of switching to next-generation model.
- Machine Tools: Demand for energy applications in North America remains steady, low due to economic downturn in China
- Precision: Demand for optical 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)

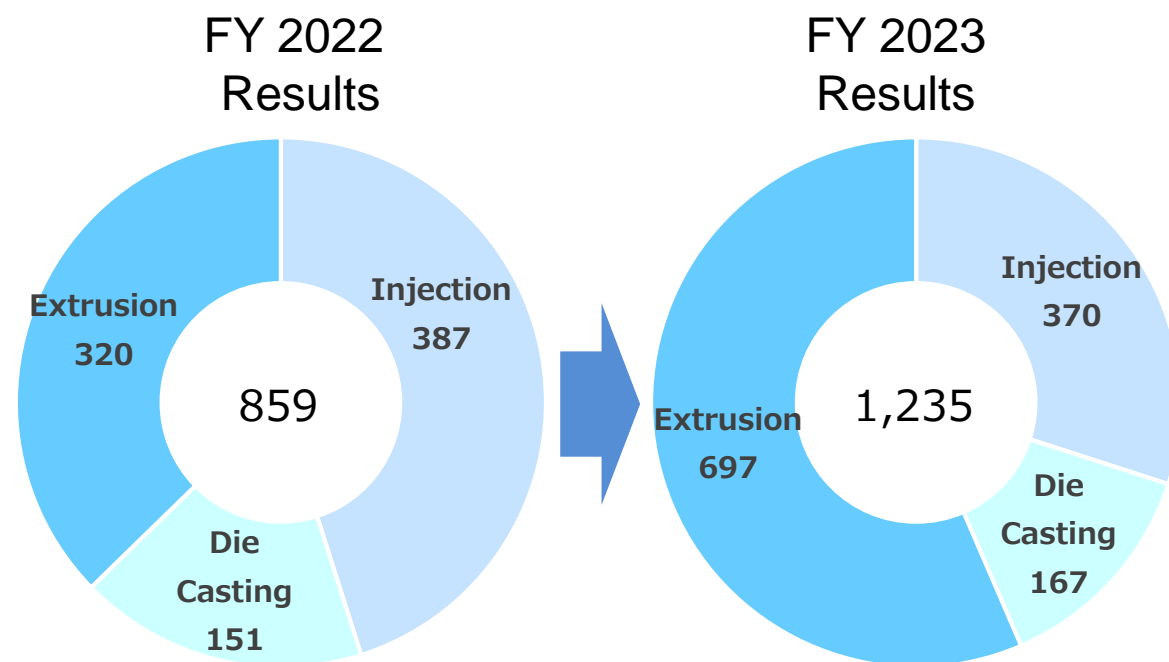
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

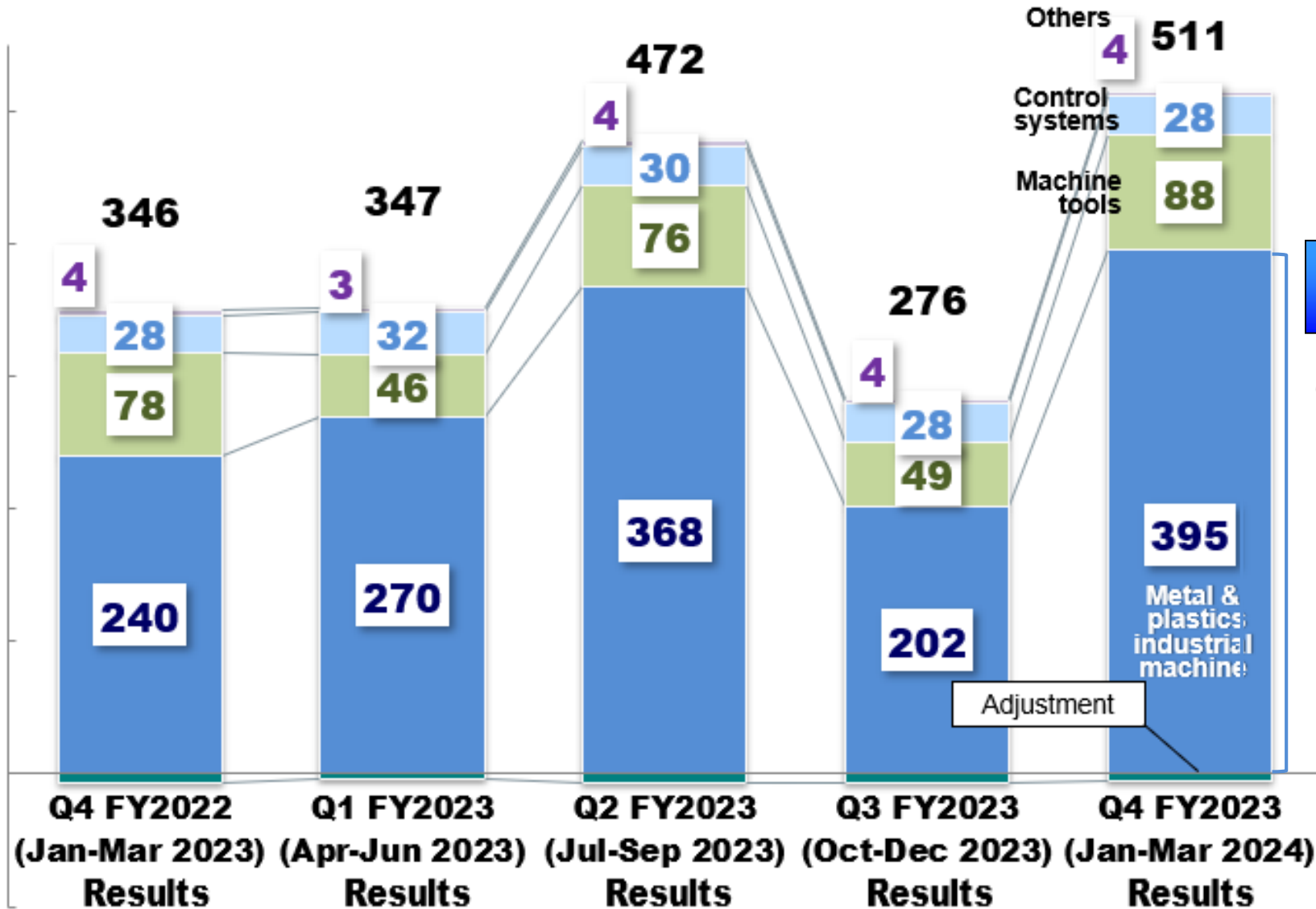
Breakdown of Metal & Plastics Industrial Machine



Trends of Net Sales (By Segment)

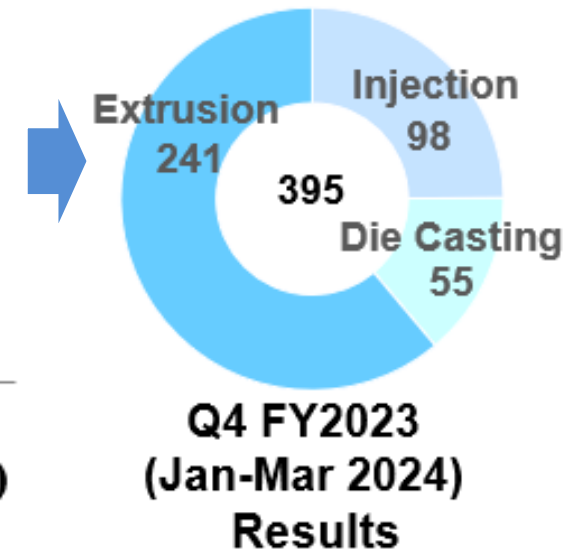
Shibaura Machine

(Unit: 100 million yen)



Breakdown of Metal & Plastics Industrial Machine

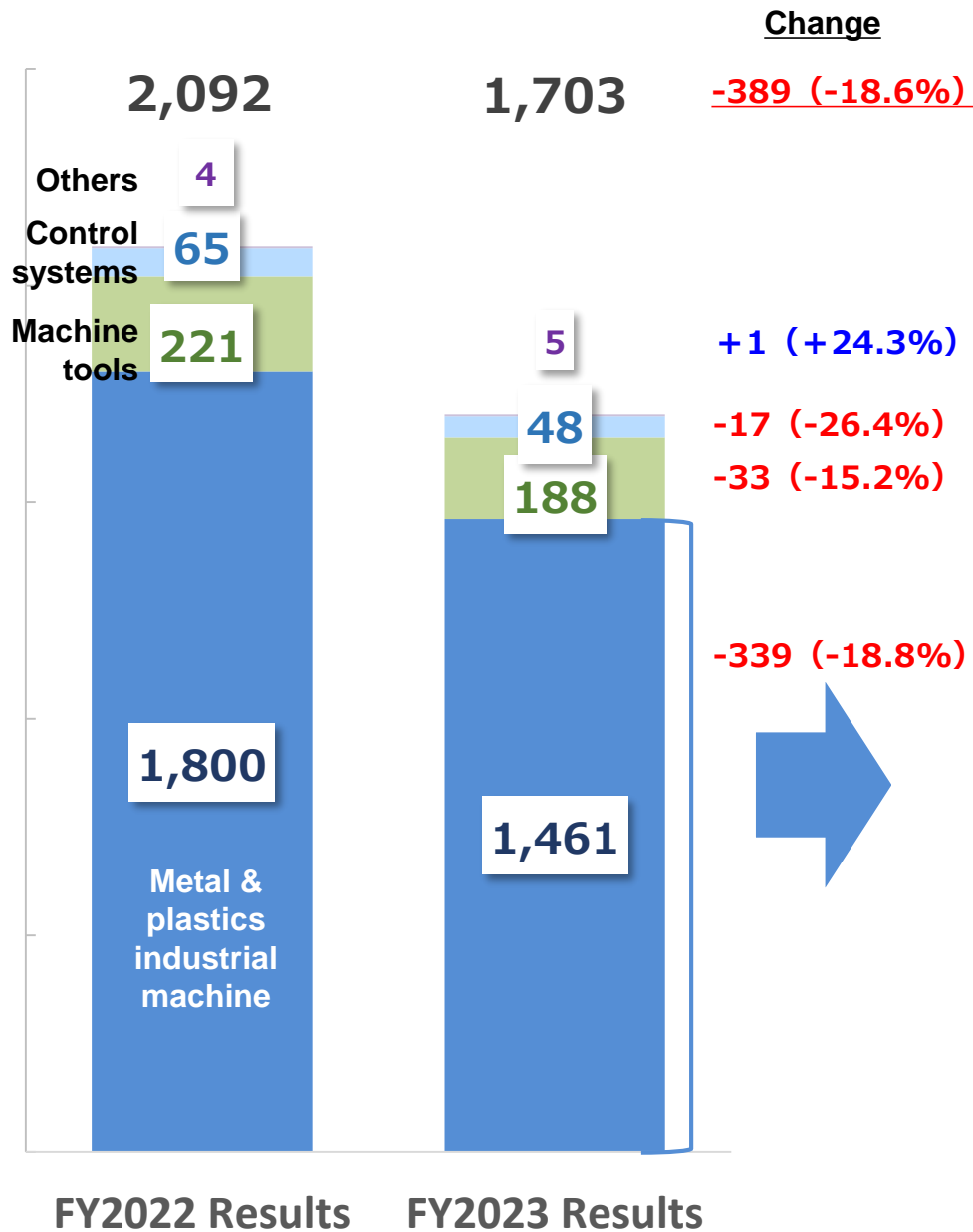
(Unit: 100 million yen)



Order Backlog (By Segment)

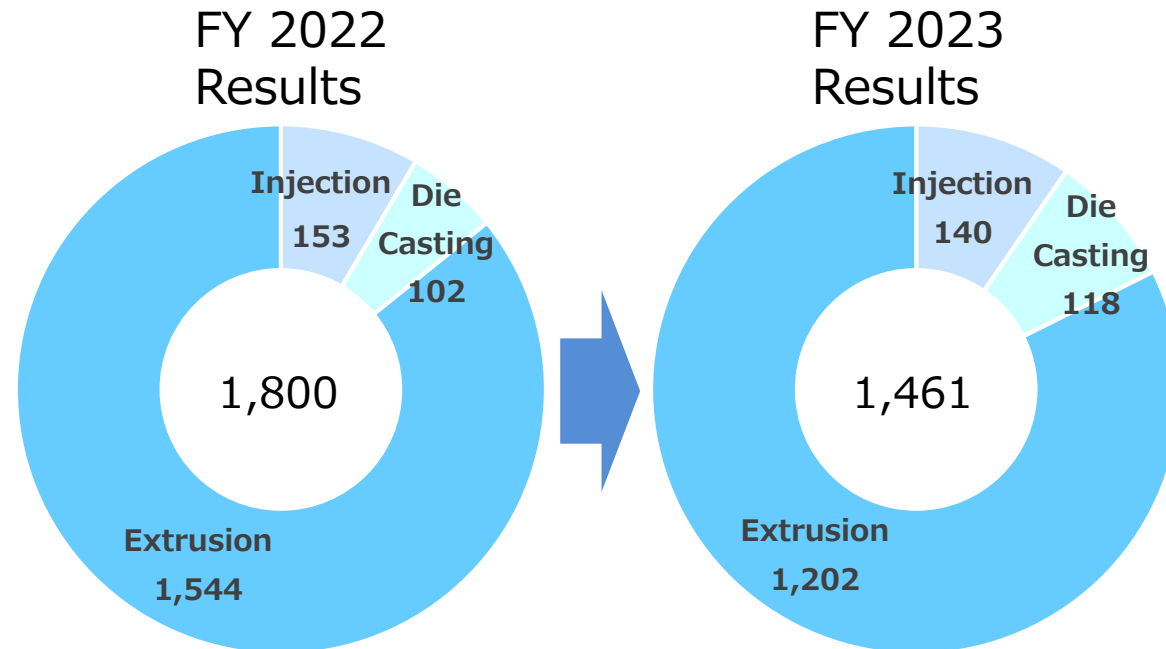
Shibaura Machine

(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)

+79 (+136.1%)

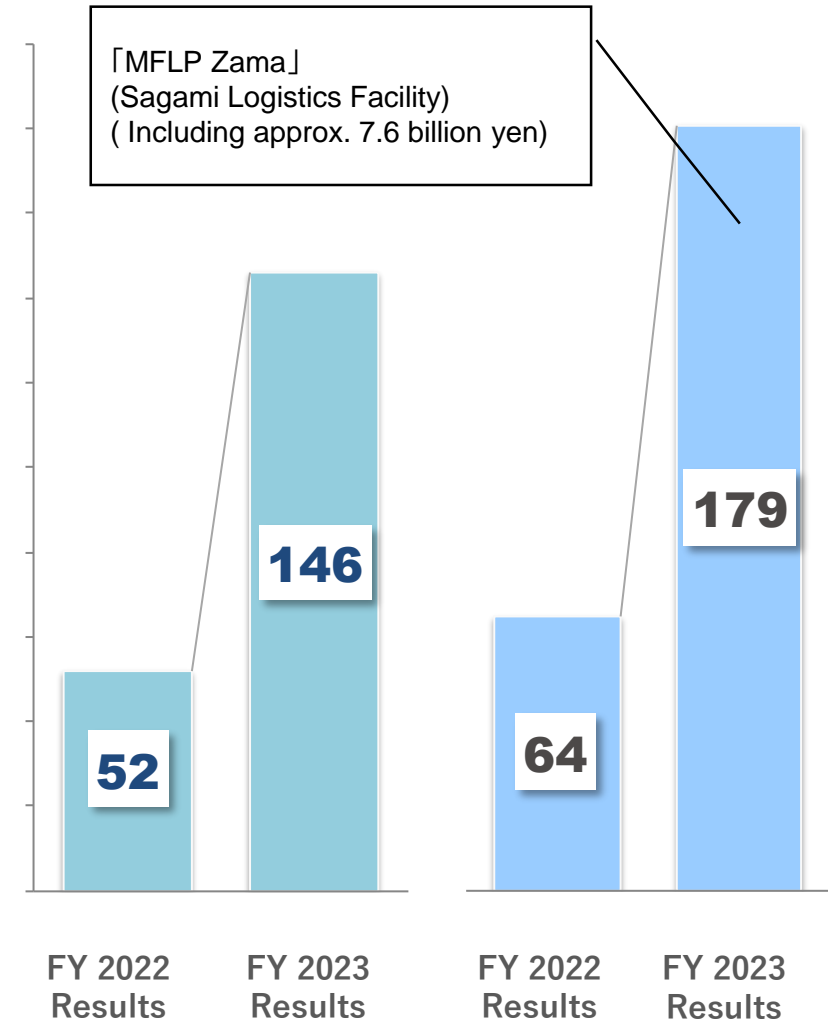
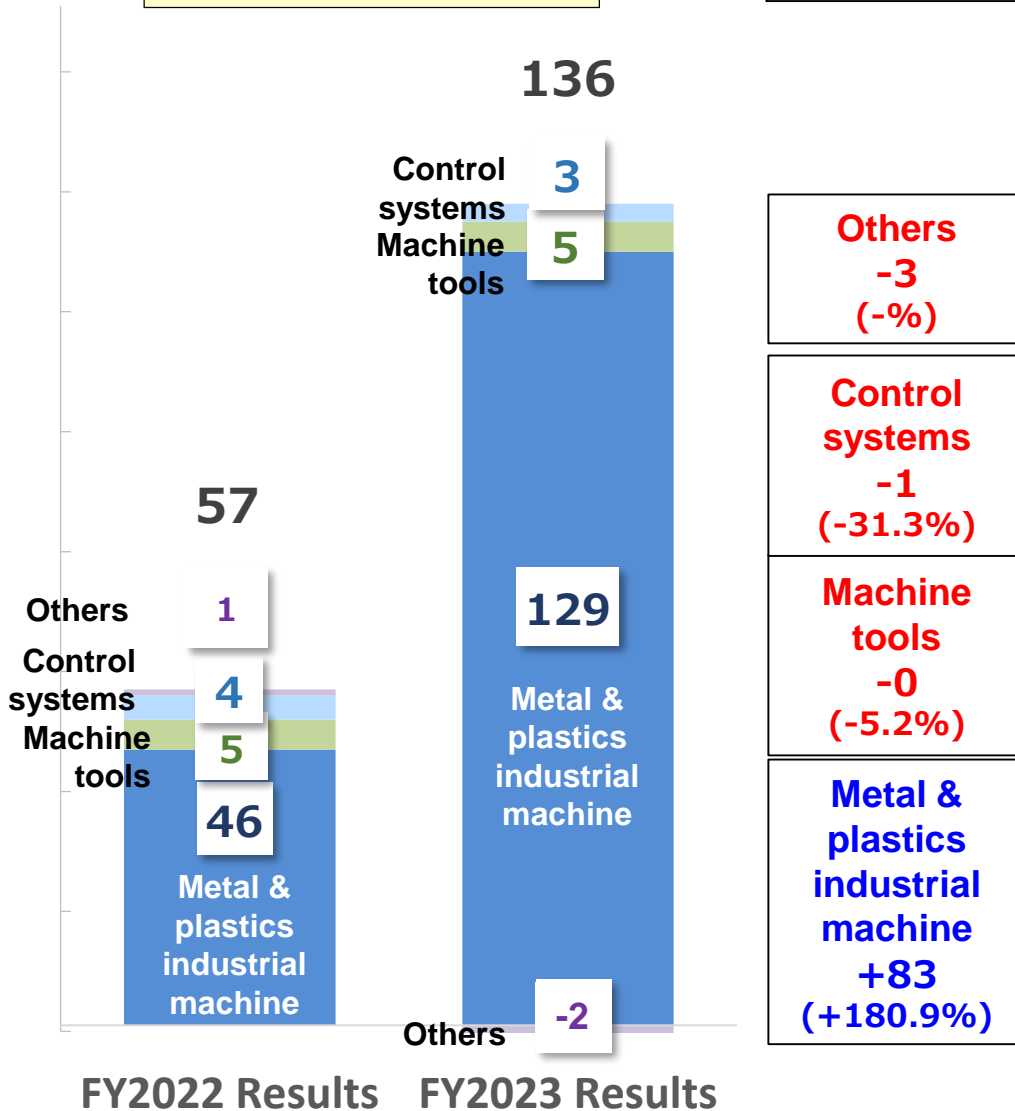
Change

Ordinary profit

Net profit

+94 (+176.6%)

+115 (+178.2%)



(Metal & Plastics Industrial Machine) Segment Results

Shibaura Machine

(Unit: 100 million yen)

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

	FY2023 Results	FY2022 Results	Amount Change	Percentage Change
Net Sales	1,235	859	+376	+43.7%
Operating Profit	129	46	+83	+180.9%
Profit Ratio	10.5%	5.4%	—	+5.1pt

Performance Factor Analysis



Positive Factors

- Die Casting: Increase in demand for automotive applications in Japan, North America and Southeast Asia etc.
- Extrusion: Increase in LiB separator film production lines for EV in China



Negative Factors

- Injection: Decrease in North America , decrease due to the economic downturn in China

(Machine Tools) Segment Results

Shibaura Machine

(Unit: 100 million yen)

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

	FY2023 Results	FY2022 Results	Amount Change	Percentage Change
Net Sales	259	273	- 14	- 4.9%
Operating Profit	5	5	- 0	- 5.2%
Profit Ratio	2.0%	2.0%	—	- 0.0pt

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 in China



Negative Factors

- Machine Tools: Decrease in demand for industrial machinery in Japan
- Precision: Decrease in demand for optical molds in China

(Control Systems) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	FY2023 Results	FY2022 Results	Amount Change	Percentage Change
Net Sales	118	104	+14	+13.0%
Operating Profit	3	4	- 1	- 31.3%
Profit Ratio	2.8%	4.6%	—	- 1.8pt

Performance Factor Analysis



Positive Factors

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



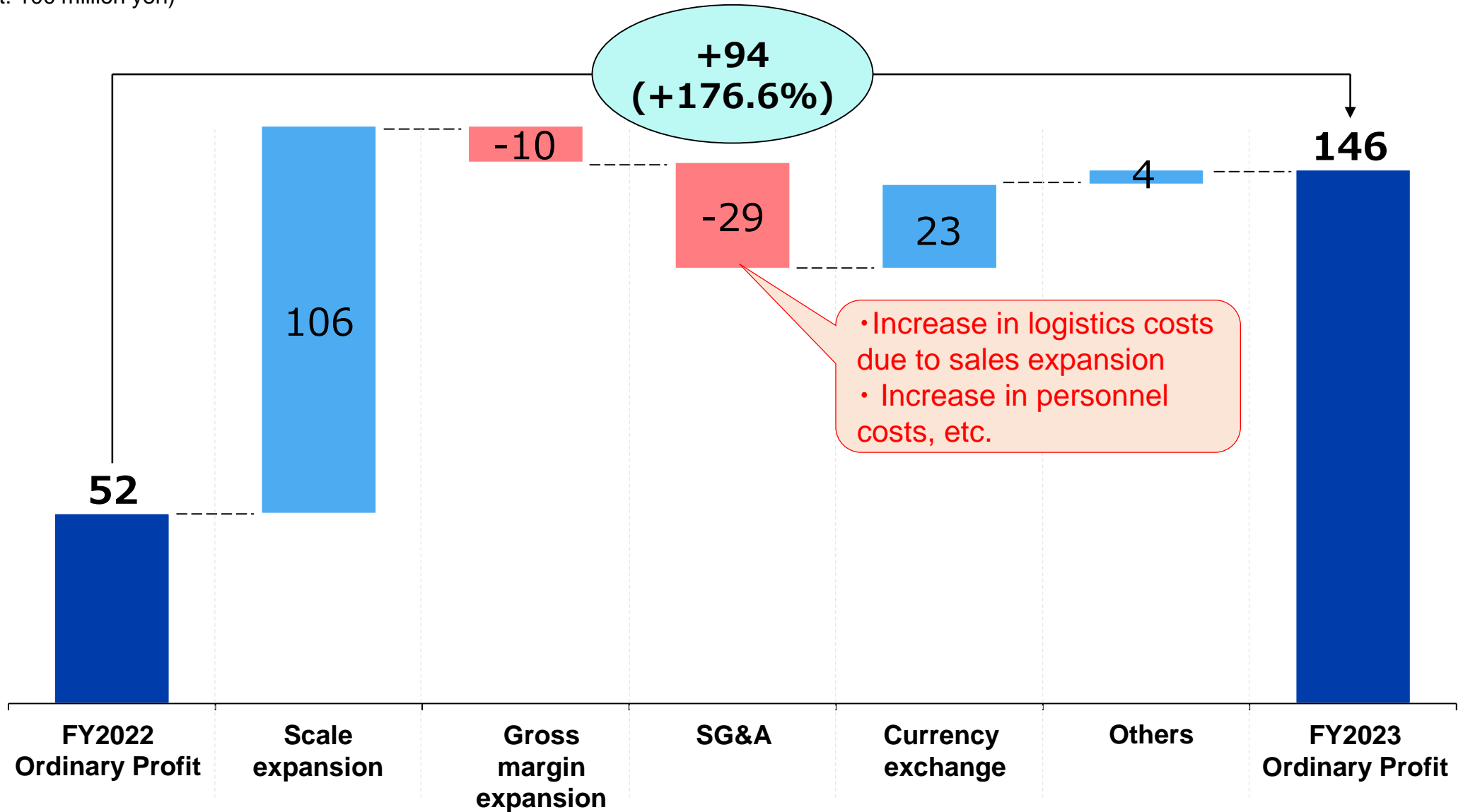
Negative Factors

- Decrease in demand for industrial robots in China

Ordinary Profit Analysis

Shibaura Machine

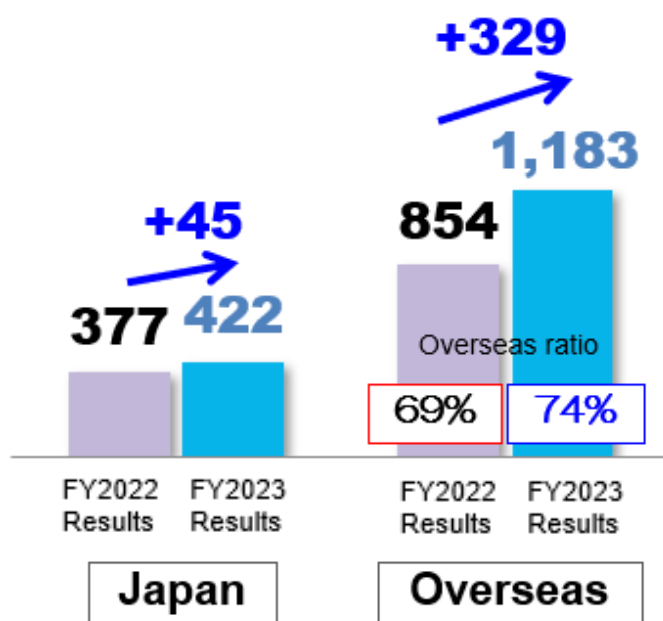
(Unit: 100 million yen)



Domestic and Overseas Sales

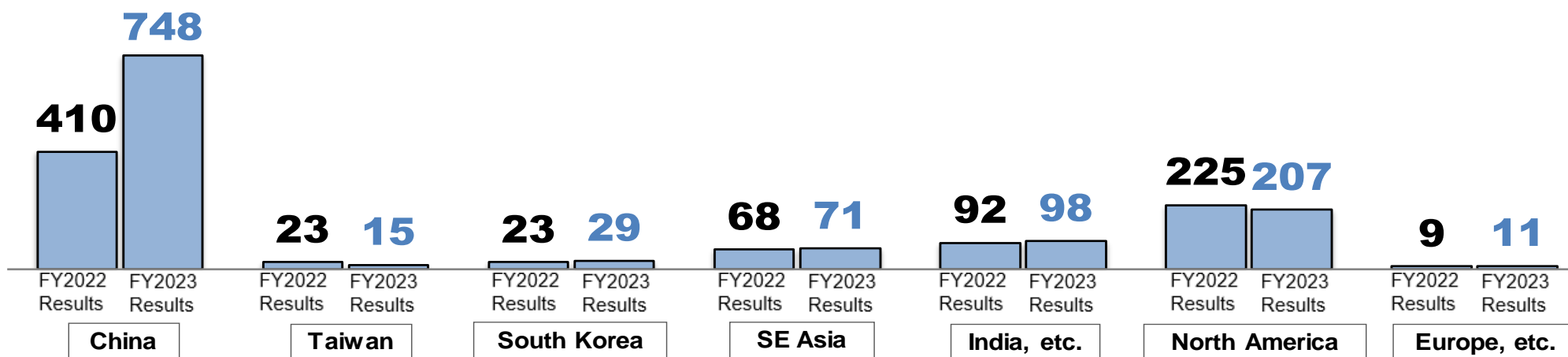
Shibaura Machine

(Unit: 100 million yen)



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

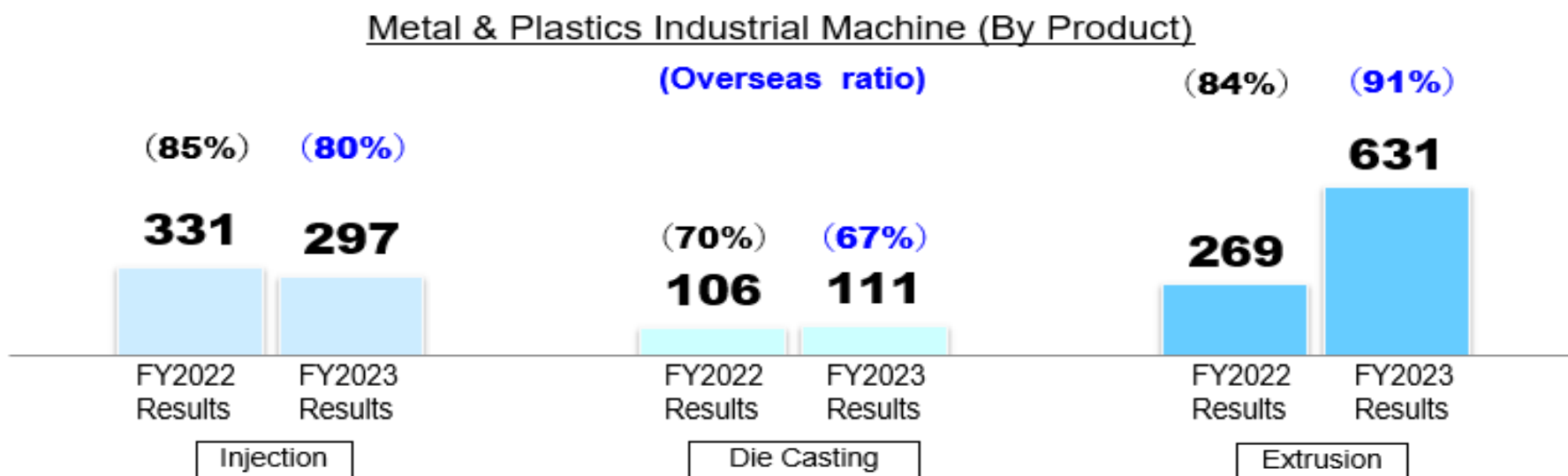
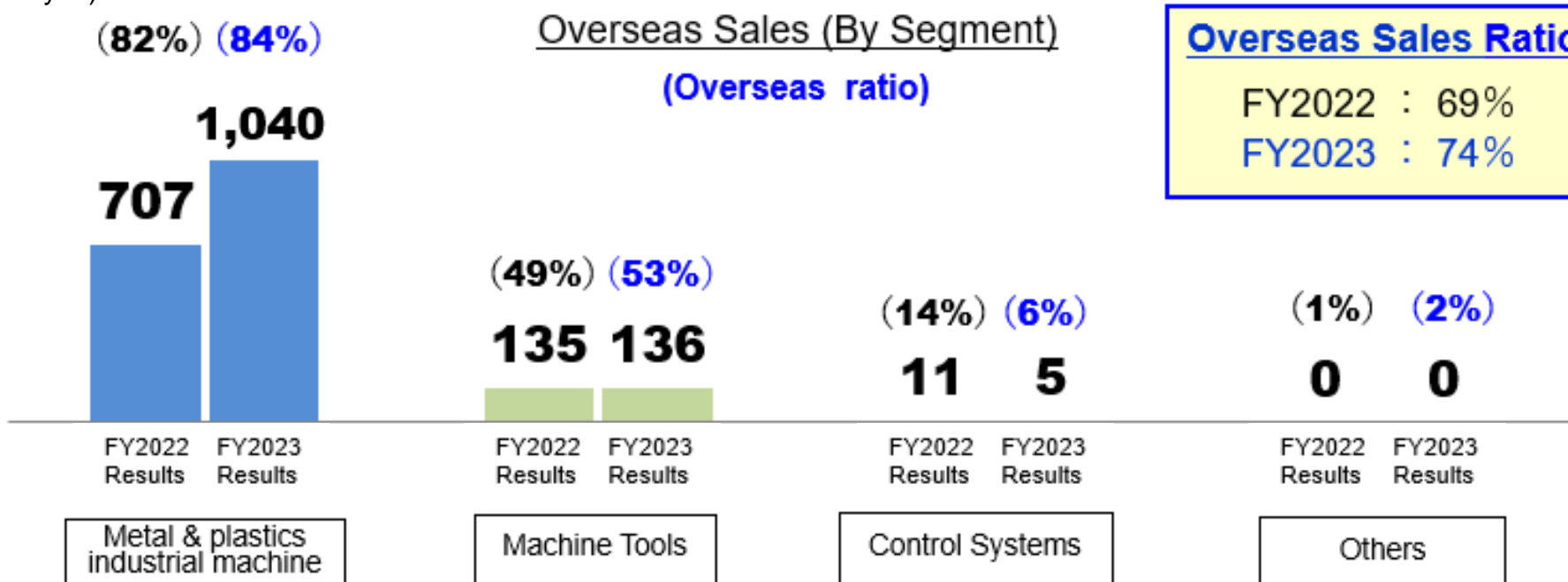
Overseas Sales(By Region)



Overseas Sales and Ratio (By Segment)

Shibaura Machine

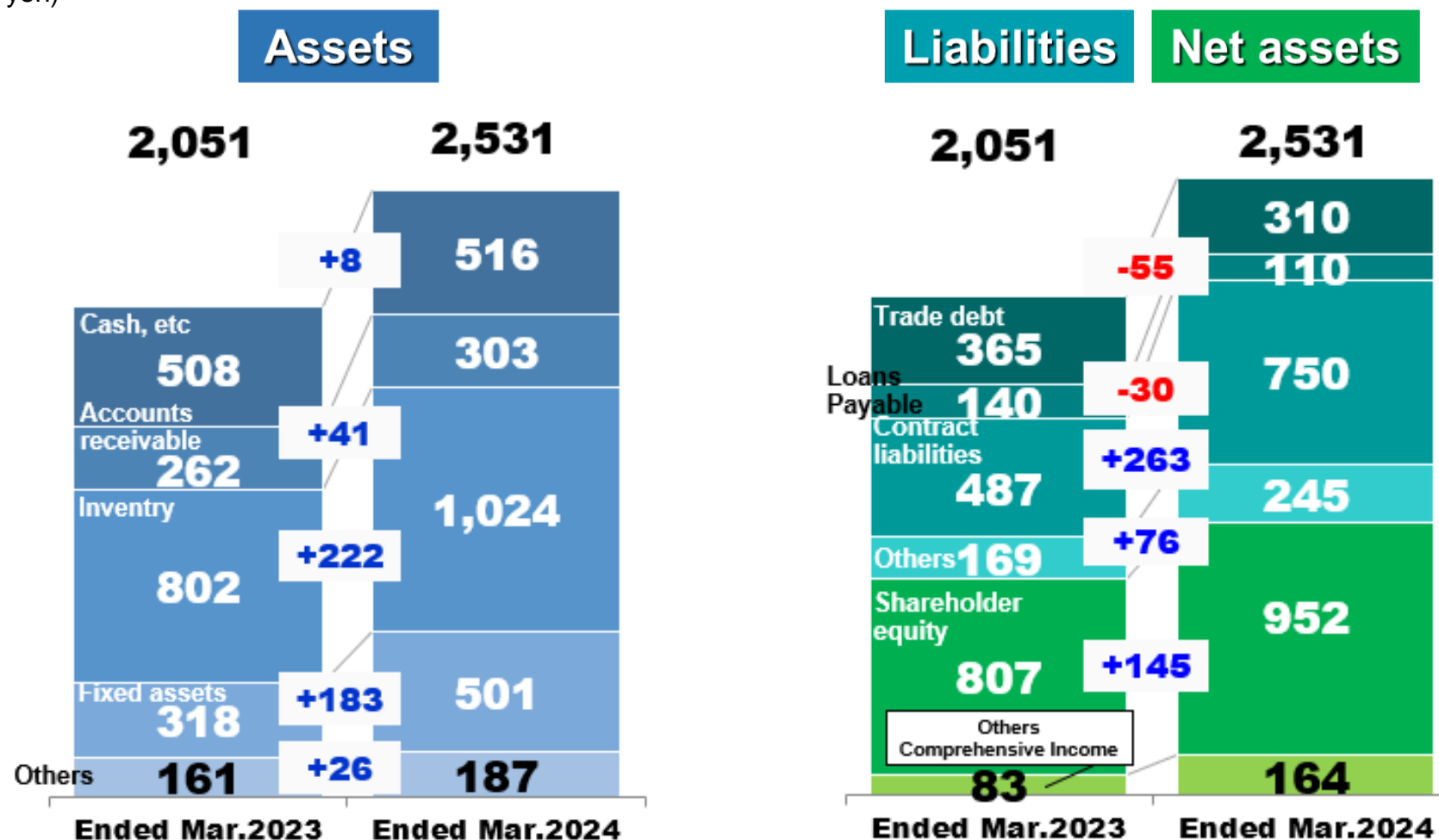
(Unit: 100 million yen)



Balance Sheet

Shibaura Machine

(Unit: 100 million yen)

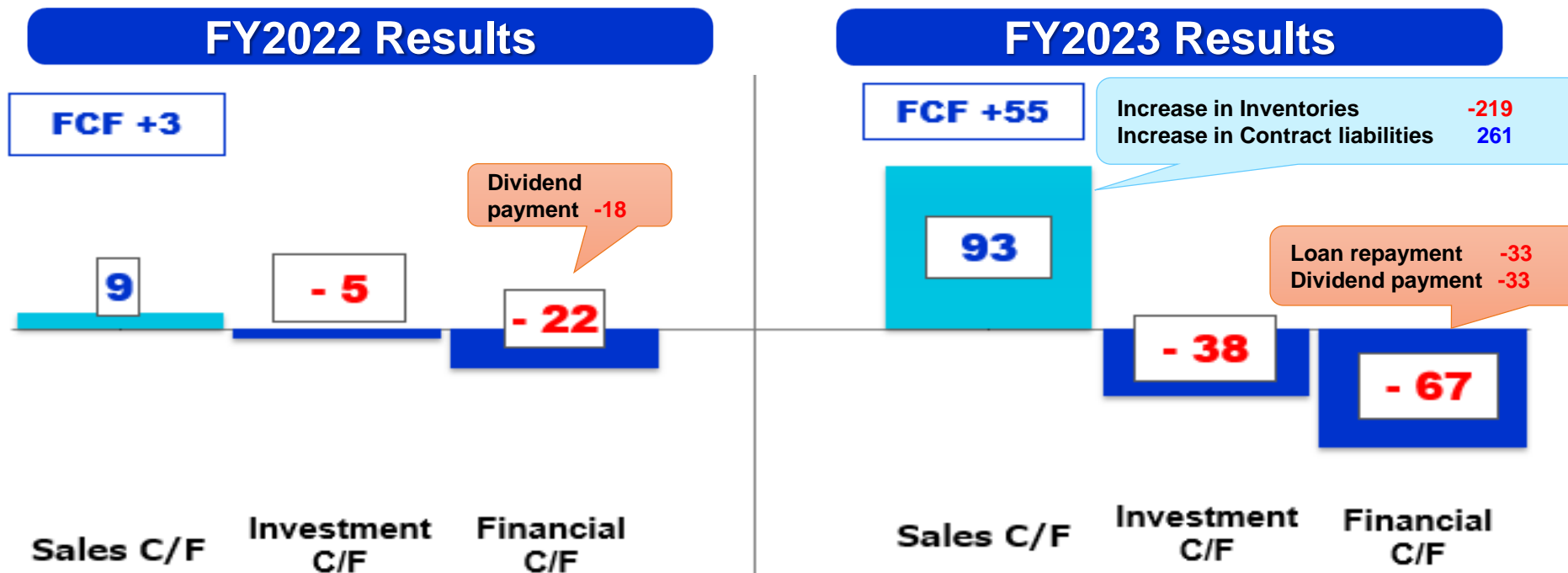


	Ended Mar.2023	Ended Mar.2024
Equity ratio	43.5%	44.1%
D/E ratio	15.7%	9.9%

Cash Flow Statement

Shibaura Machine

(Unit: 100 million yen)



	FY2022 Results	FY2023 Results	Change
Opening balance of cash and cash equivalents	517	508	- 9
C/F from operating activities	9	93	84
C/F from investment activities	- 5	- 38	- 33
C/F from financial activities	- 22	- 67	- 45
Total	- 19	- 12	7
Transitional differences	10	19	9
Closing balance of cash and cash equivalents	508	515	7

Forecast of Consolidated Financial Results for the Year Ending March 31, 2025

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

FY2024 Financial Results Summary

Shibaura Machine

(Unit: 100 million yen)

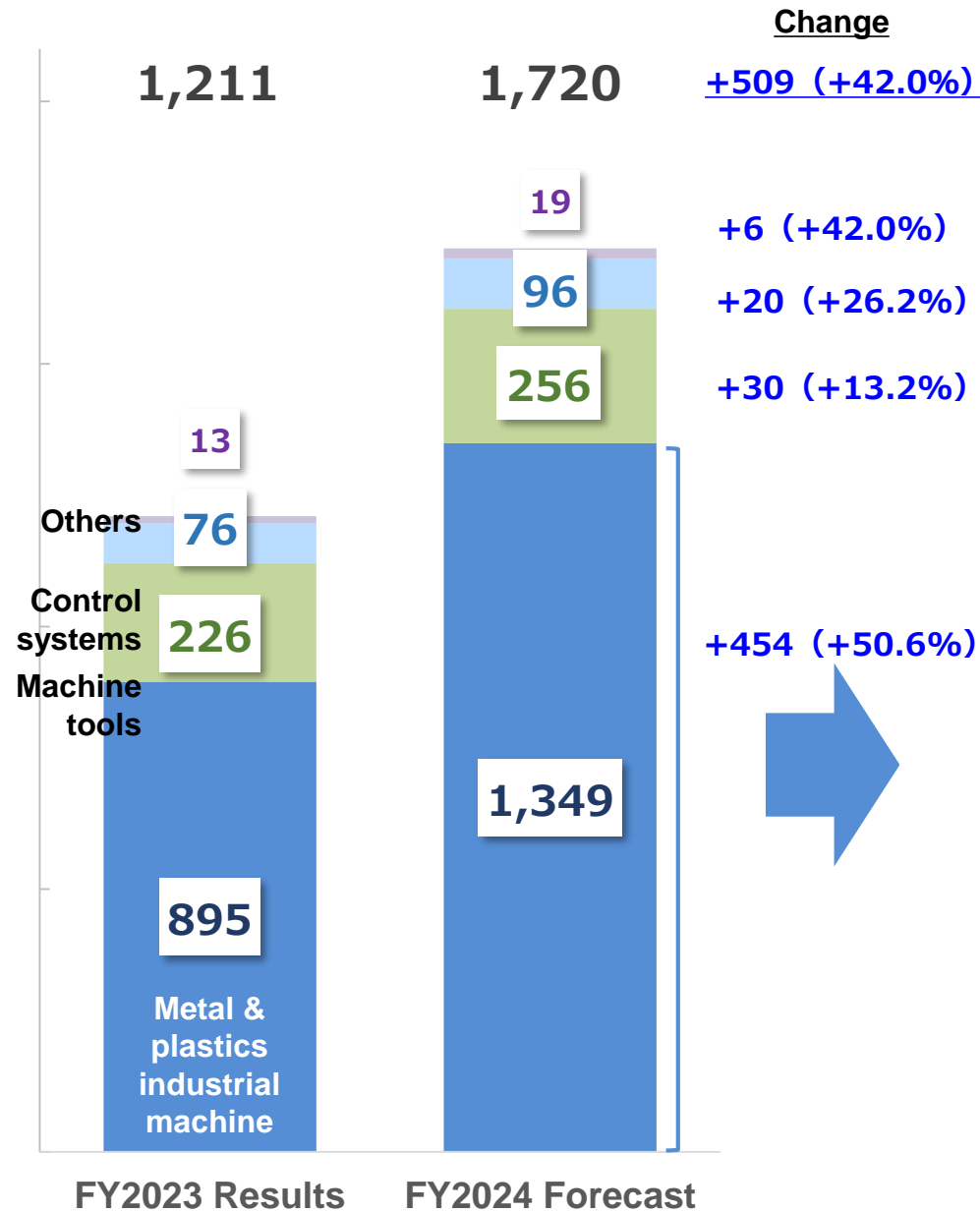
	FY2024 Forecast (Announced on May.13,2024) (A)	FY2023 Results (B)	Change (A)-(B)
Net sales	1,700	1,606	+94
Operating profit	140	136	+4
Profit ratio	8.2%	8.5%	- 0.3pt
Ordinary profit	126	146	- 20
Profit ratio	7.4%	9.1%	- 1.7pt
Net profit attributable to owners of parent	92	179	- 87
Profit ratio	5.4%	11.2%	- 5.8pt
Orders received	1,720	1,211	+509
Exchange rate (USD)	145 yen	151 yen	

- Main reasons for the decrease in Ordinary profit and Net profit compared to the previous year
 - Ordinary profit includes foreign exchange gains in FY2023 results. Foreign exchange gains and losses are not expected in the forecast
 - Net profit includes extraordinary income (gain on sale of land) recorded in FY2023 results. No extraordinary profits are expected in the forecast.
- The reason for the increase in orders is mainly due to the expected recovery in orders received for extrusion machine for LiB separator film production lines for EV

Amounts of Orders Received (By Segment)

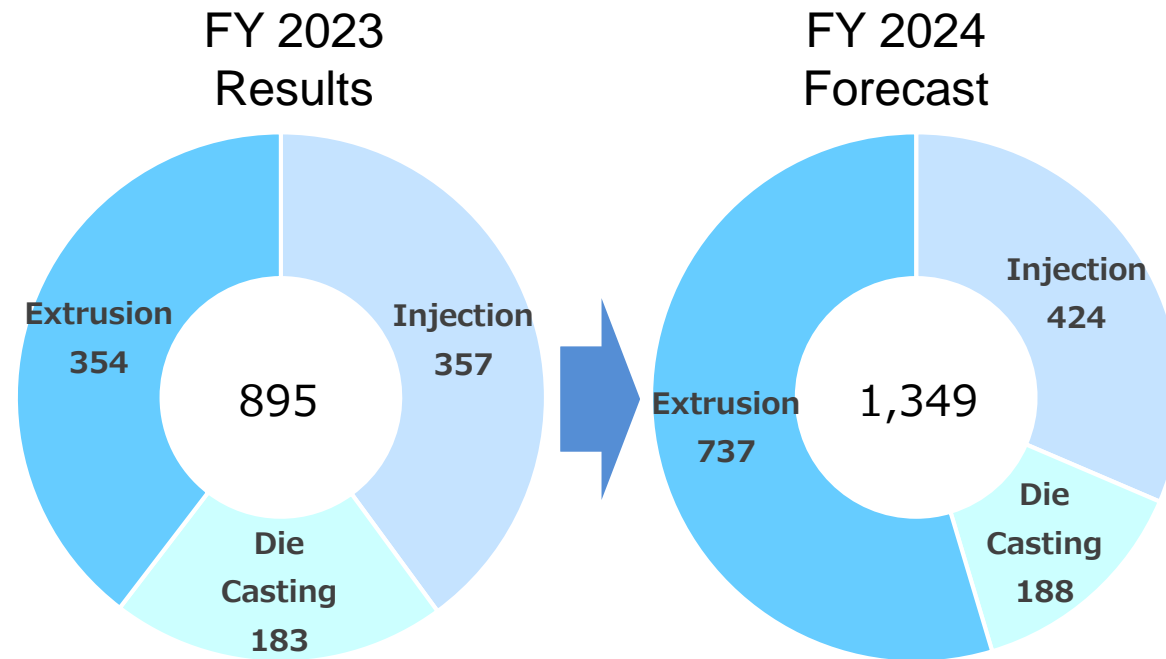
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

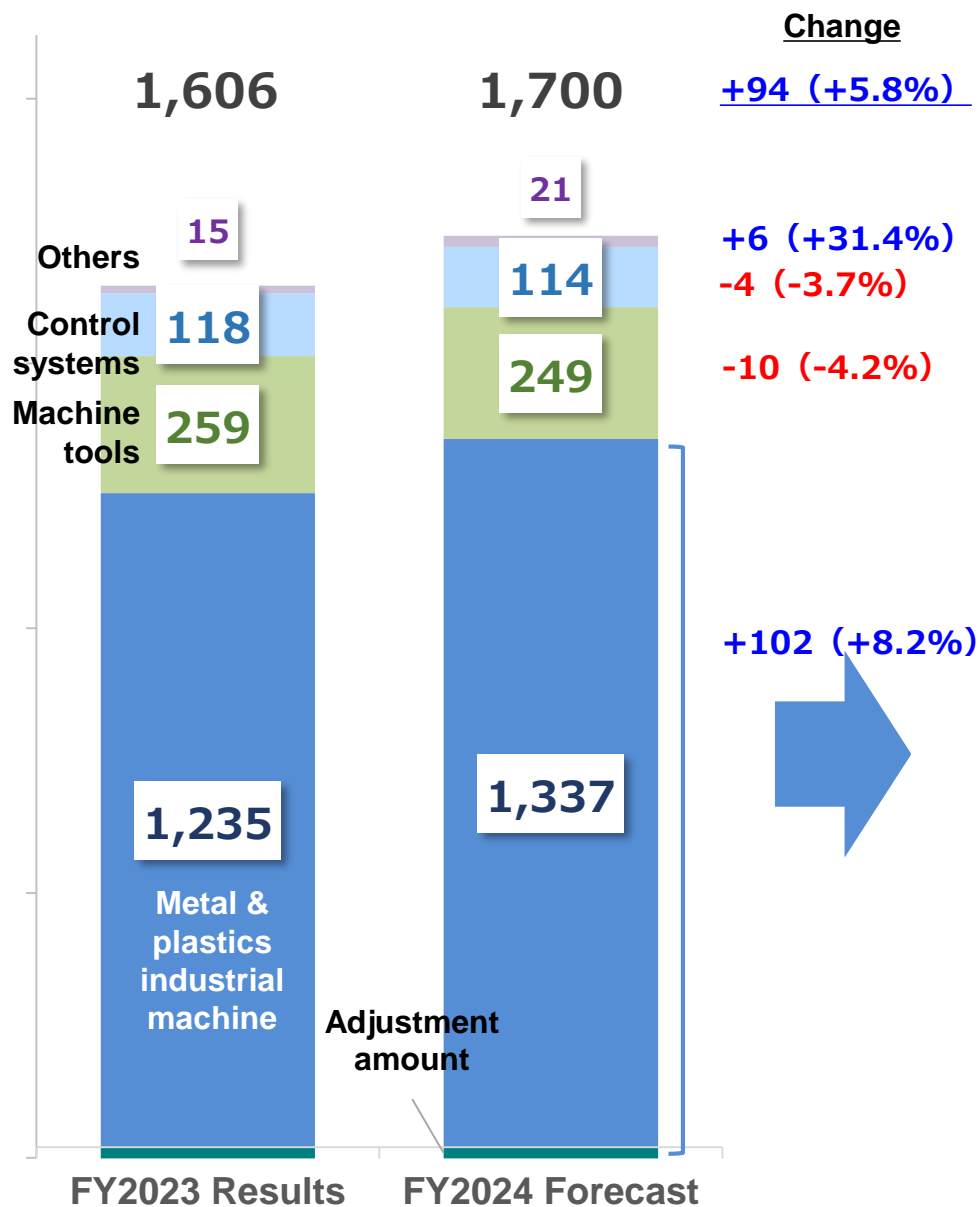
Breakdown of Metal & Plastics Industrial Machine



Net Sales (By Segment)

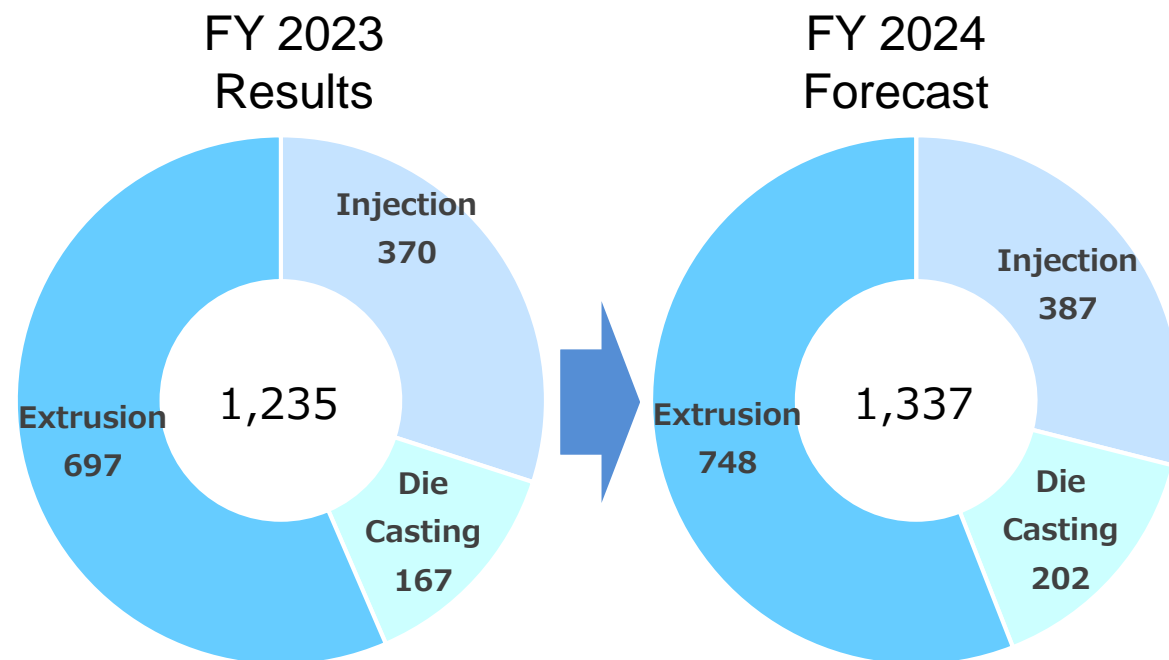
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

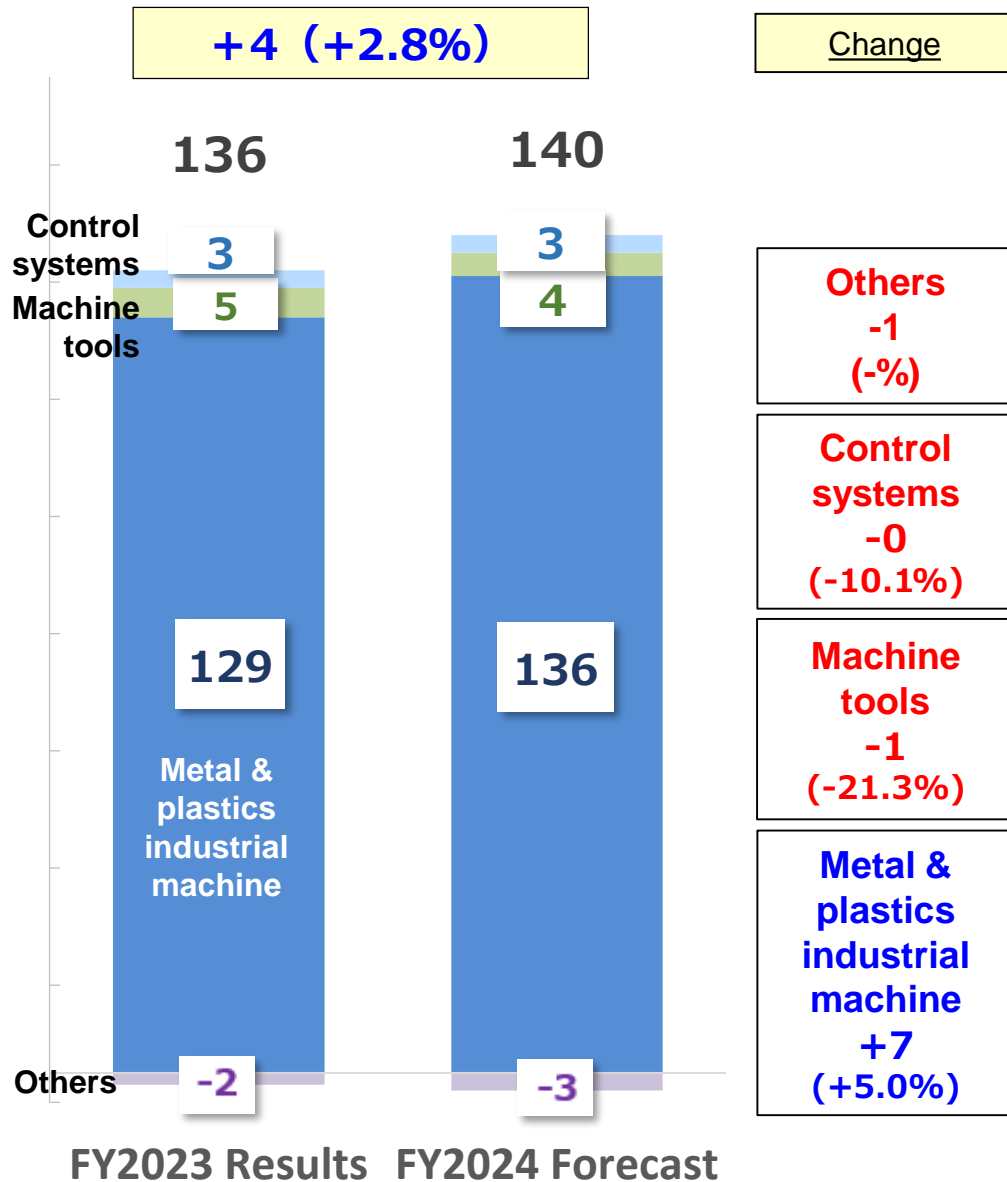
Breakdown of Metal & Plastics Industrial Machine



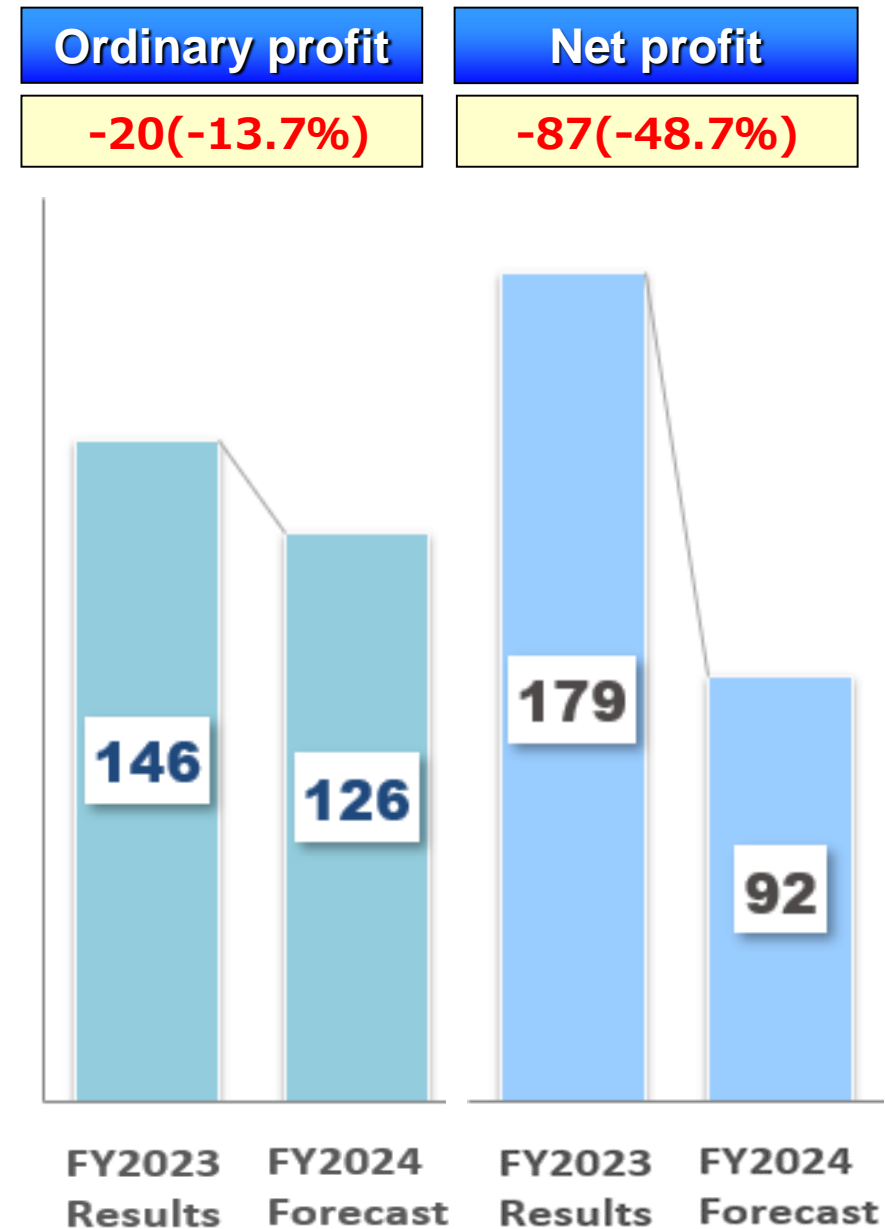
Operating Profit (By Segment), Ordinary Profit, Net Profit

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.)

	FY2024 Forecast	FY2023 Results	Amount Change	Percentage Change
Net Sales	1,337	1,235	+102	+8.2%
Operating Profit	136	129	+7	+5.0%
Profit Ratio	10.2%	10.5%	—	- 0.3pt

Performance Factor Analysis



Positive Factors

- Injection :Continued demand in Indian market
- Die casting :Continued demand gradual recovery for automotive applications
- Extrusion :Continued sales scale for LiB separator film production lines for EV in China



Negative Factors

- Risk of delay in market recovery

(Machine Tools) Segment Results

Shibaura Machine

(Unit: 100 million yen)

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

	FY2024 Forecast	FY2023 Results	Amount Change	Percentage Change
Net Sales	249	259	- 10	- 4.2%
Operating Profit	4	5	- 1	- 21.3%
Profit Ratio	1.6%	2.0%	—	- 0.4pt

Performance Factor Analysis



Positive Factors

- Machine Tools: Increase in demand for energy applications in North America



Negative Factors

- Risk of delay in market recovery

(Control Systems) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	FY2024 Forecast	FY2023 Results	Amount Change	Percentage Change
Net Sales	114	118	- 4	- 3.7%
Operating Profit	3	3	- 0	- 10.1%
Profit Ratio	2.6%	2.8%	—	- 0.2pt

Performance Factor Analysis



Positive Factors

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



Negative Factors

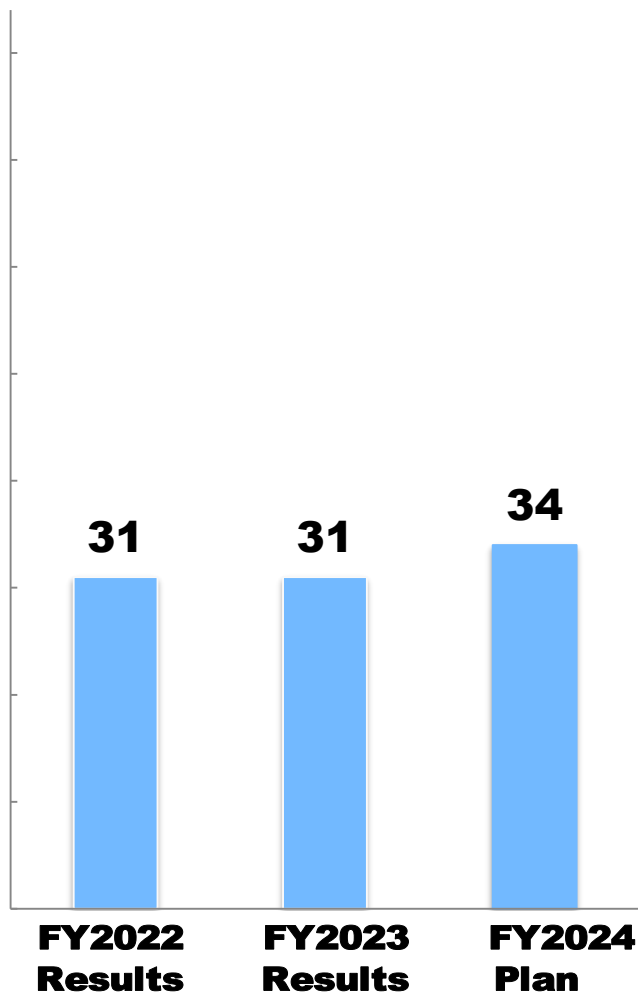
- Decrease in sales of electronic control systems

R&D Expenses, Capital Expenditures, Depreciation Expenses

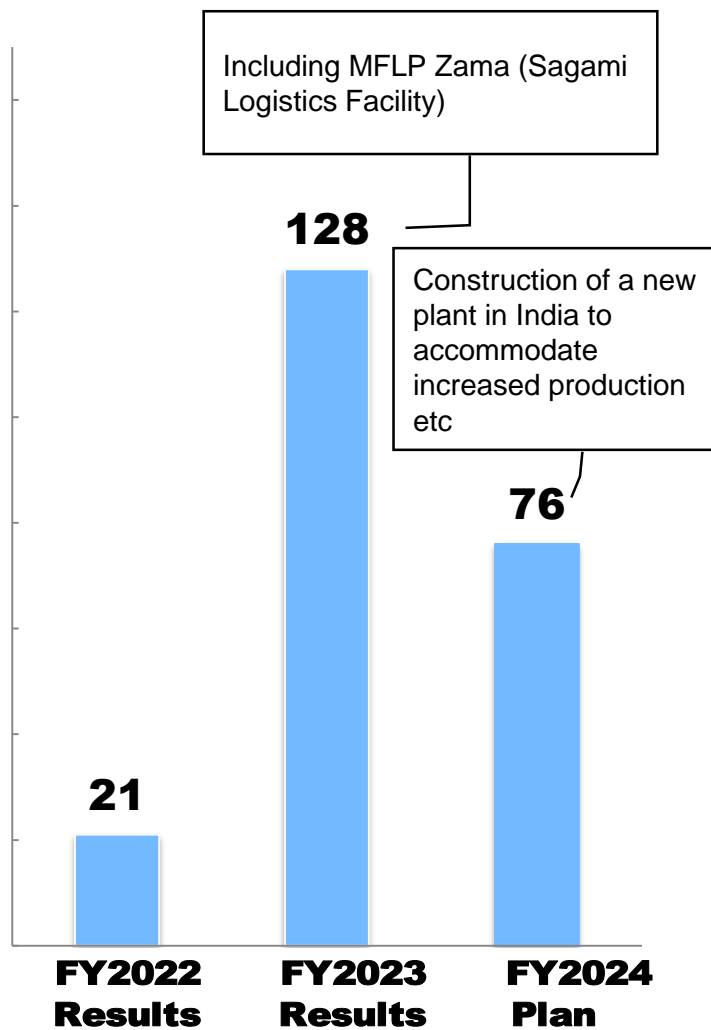
Shibaura Machine

(Unit: 100 million yen)

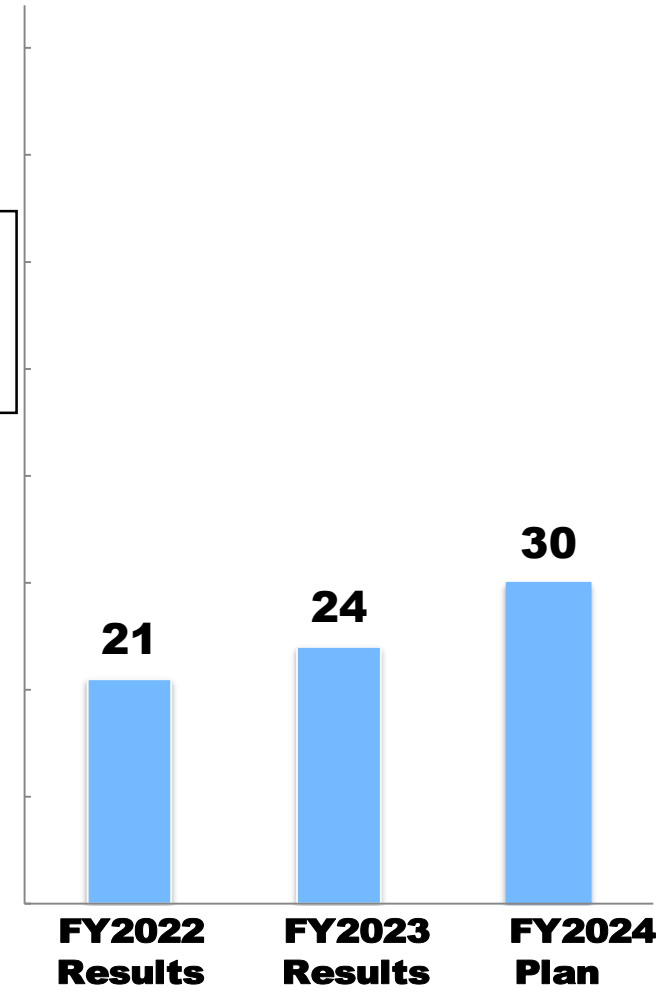
R&D Expenses



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 regards 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, 2023	37.5 yen	70.0 yen	107.5 yen	40.3%
FY ended March 31, 2024	70.0 yen	70.0 yen	140.0 yen	※ 52.1%
FY ending March 31, 2025 (Forecast)	70.0 yen	70.0 yen	140.0 yen	35.6%

※ Extraordinary profit (gain on sale of land) related to the commercialization of MFLP Zama (Sagami Logistics Facility) are excluded from net profit because it is used to acquire the equity interest in the building constructed on the land of the transferred asset.

Additionally, the dividend payout ratio was calculated as a total payout ratio which includes treasury stock acquisitions announced on May 13, 2024.

Purchase and cancellation of own shares

The following share purchases and cancellations will be made in order to implement a flexible capital policy in response to changes in the business environment, to improve capital efficiency to and enhance shareholder returns.

1. Details of matters relating to the acquisition of Own Shares

- (1) Class of shares to be purchased : Common shares
- (2) Total number of shares to be purchased : 740,000 shares (maximum limit)
- (3) Total amount of share purchase costs : 2 billion yen (maximum limit)
- (4) Purchase period : From 14 May 2024 to 30 September 2024

2. Details of matters relating to the partial cancellation of treasury shares held

- (1) Class of shares to be cancelled : Common shares
- (2) Total number of shares to be cancelled : 1,600,000 shares
(5.93% of total number of issued shares before cancellation)
- (3) Total number of shares issued after cancellation :
25,377,106 shares (including treasury shares)
- (4) Due date of cancellation : 28 May 2024
- (5) Percentage of issued shares after cancellation : 4.77%

3. Policy of own stock holding

The maximum total number of treasury shares held by SHIBAURA MACHINE shall be set at approximately 5% of the total number of shares issued, and any treasury shares exceeding this limit shall in principle be cancelled.

Shibaura Machine

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