

Consolidated Financial Results for the Six Months Ended September 30, 2024

November 20, 2024

SHIBAURA MACHINE CO., LTD.

Consolidated Financial Results Overview for the Six Months Ended September 30, 2024

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

Performance Summary (vs. Forecast)

Shibaura Machine

(Unit: 100 million yen)

	Q2 FY2024 Results (A)	Q2 FY2024 Forecast (Announced on Jun.24,2024) (B)	Change (A-B)
Net sales	868	850	+18
Operating profit	84	65	+19
Profit ratio	9.7%	7.6%	+2.1pt
Ordinary profit	80	56	+24
Profit ratio	9.2%	6.6%	+2.6pt
Net profit attributable to owners of parent	85	69	+16
Profit ratio	9.9%	8.1%	+1.8pt
Orders received	490	800	- 310
Exchange rate (USD)	143 yen	145 yen	

- Net sales increased from previous forecast announced on June 24,2024 and operating profit increased because of improvement or profit ratio centrally Metal & Plastic molding machines.
- Orders received significantly underachieved because LIB separator film production lines for EV in extrusion machines decreased due to factors such as a slowdown in EV demand, etc.

Increased Revenue and Operating Profit Year-on-Year Decreased Ordinary Profit and Net Profit Year-on-Year

■ Net Sales

- Considerable increased in LiB separator film production lines for EV in extrusion machines in China

■ Operating Profit, Ordinary Profit, Net Profit

- Operating profit increased due to sales expansion, etc.
- Ordinary profit decreased due to the impact of exchange rate fluctuations
- Net profit decrease because it is no recognition of an extraordinary income related to the commercialization of MFLP Zama (Sagami Logistic Center) (a gain on sale of land)

■ Orders Received

- LiB separator film production lines for EV in extrusion machines decreased due to EV market slowdown
- Injection molding machines and high precision machine tools increased in Japan and China

Performance Summary (Year-on-Year)

Shibaura Machine

(Unit: 100 million yen)

	Q2 FY2024 Results (A)	Q2 FY2023 Results (B)	Change (A)-(B)
Net sales	868	819	+49
Operating profit	84	81	+3
Profit ratio	9.7%	10.0%	- 0.3pt
Ordinary profit	80	90	- 10
Profit ratio	9.2%	11.0%	- 1.8pt
Net profit attributable to owners of parent	85	143	- 58
Profit ratio	9.9%	17.5%	- 7.6pt
Orders received	490	725	- 235
Exchange rate (USD)	143 yen	150 yen	

*Exchange rate sensitivity on operating profit (USD)

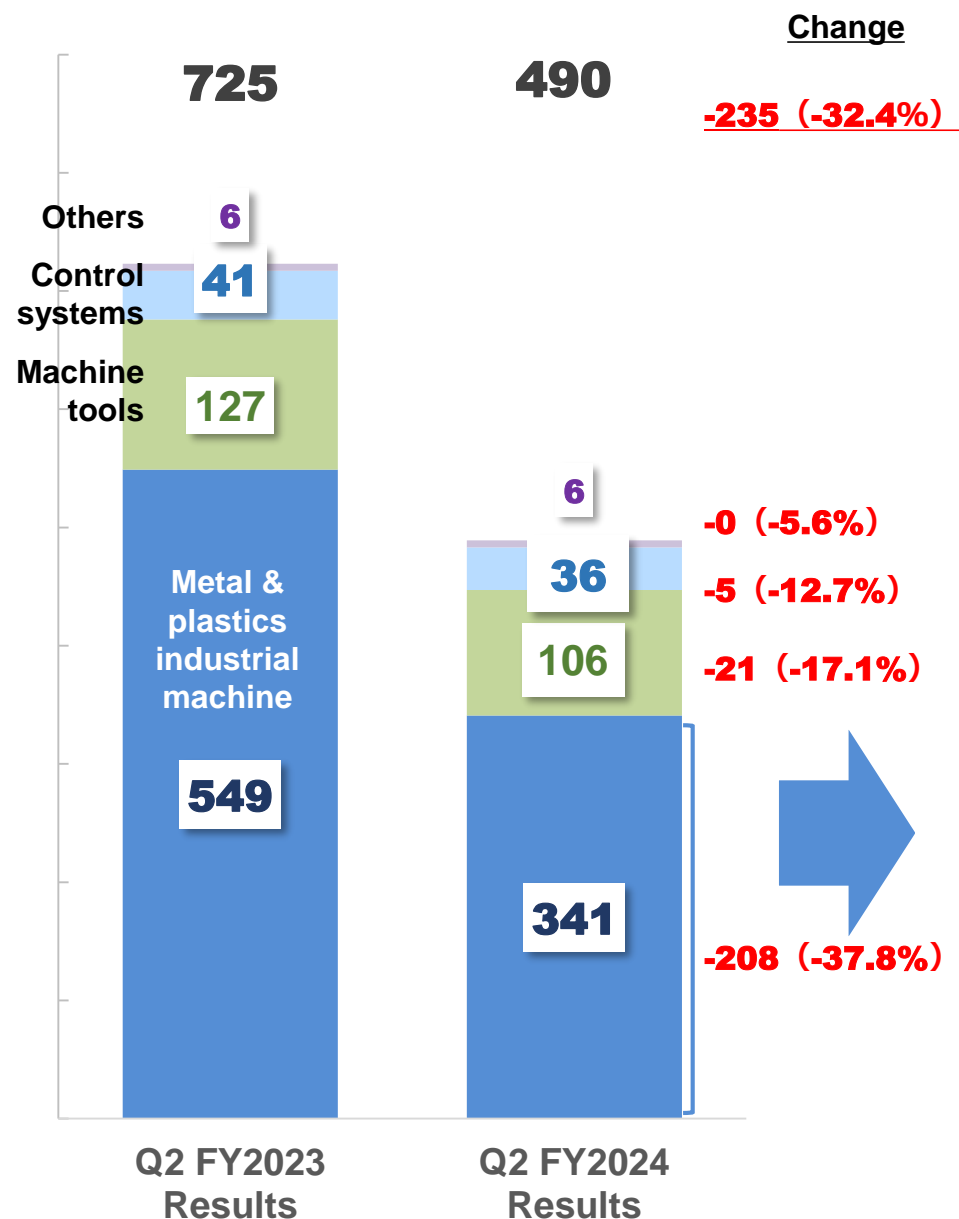
Approximately 70 million yen per 1 yen

(Profits will increase with yen's depreciation)

Orders Received (By Segment)

Shibaura Machine

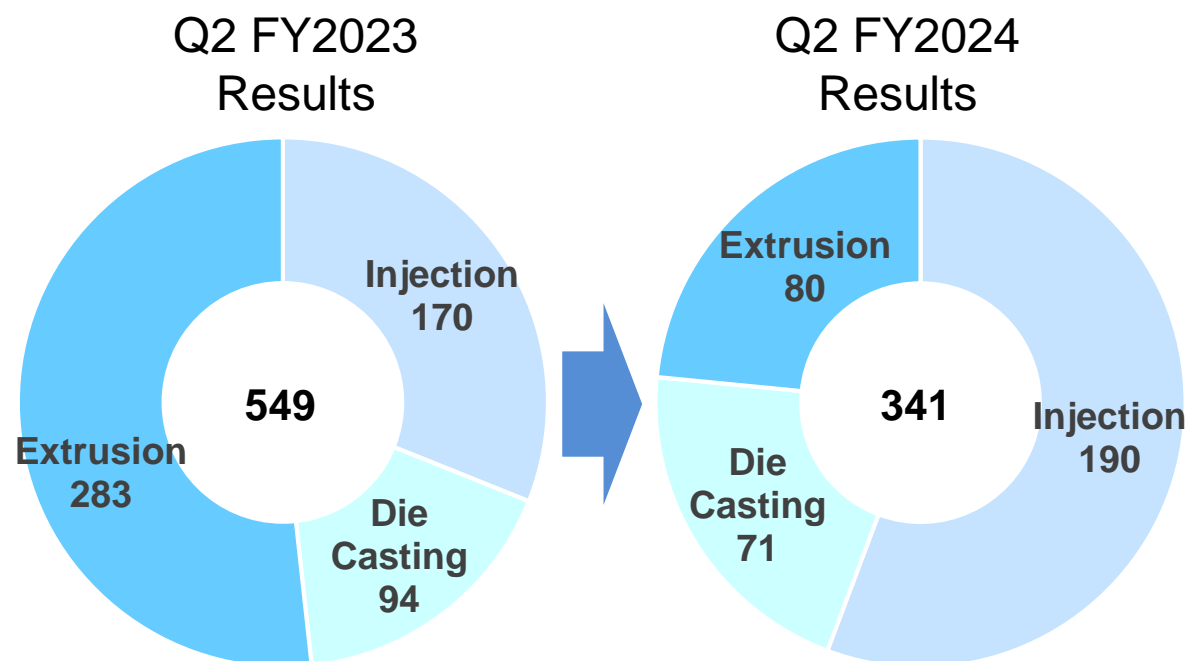
(Unit: 100 million yen)



(Unit: 100 million yen)

Breakdown of Metal & Plastics Industrial Machine

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



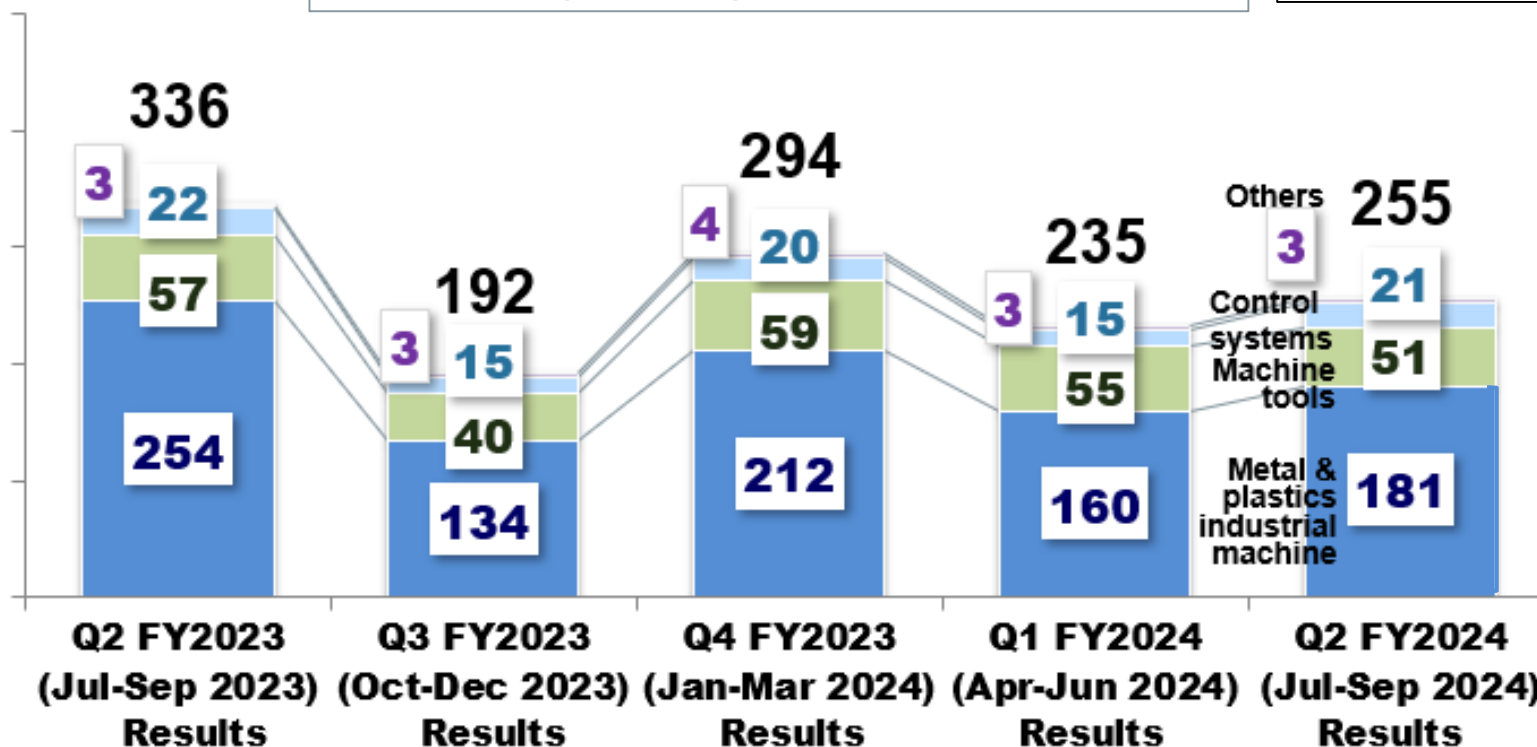
Trends of Orders Received (By Segment)

Shibaura Machine

(Unit: 100 million yen)

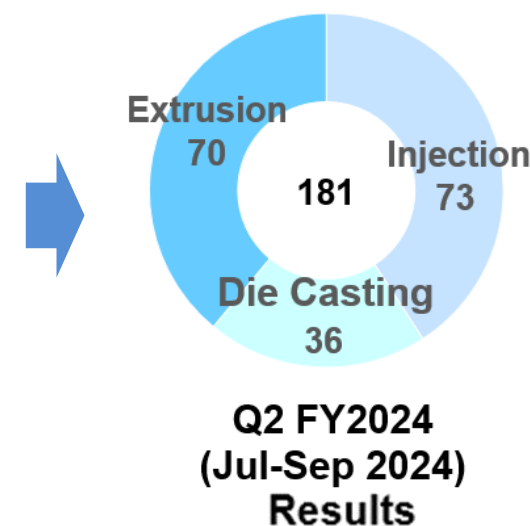
Metal & plastics industrial machine has quarterly fluctuation in amounts of orders received, because of including large volume orders for LiB separator film production lines for EV.

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



Breakdown of Metal & Plastics Industrial Machine

(Unit: 100 million yen)



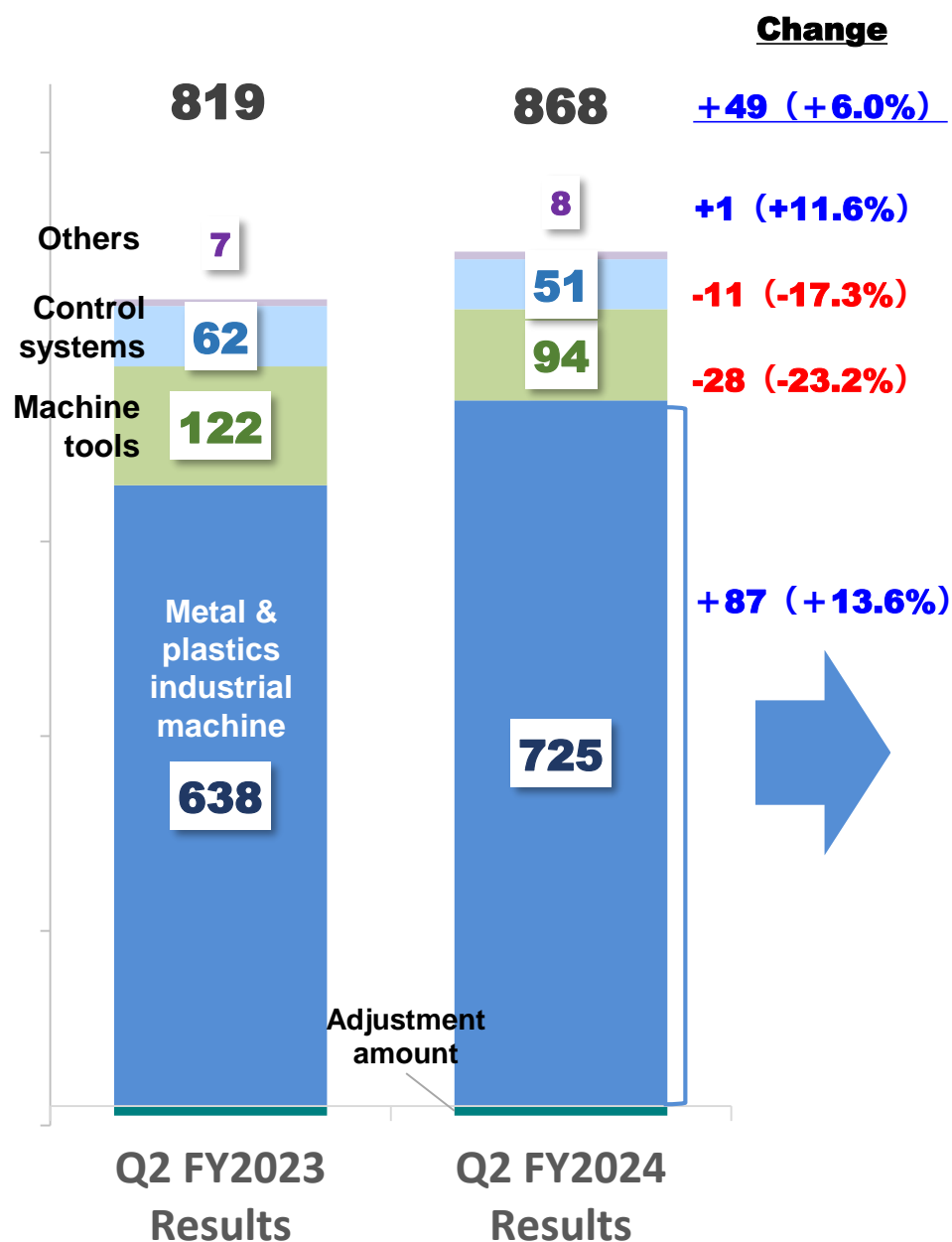
Current Orders

- Injection: Demand increases for automotive in Japan and in China. Demand in India is strong.
- Die Casting: Demand continues to recover slowly, but investment for EV-related appears pause.
- Extrusion: LiB separator film production lines for EV decrease due to slowing growth in EV demand, etc.
- Machine Tools: Demand for energy applications in North America appears pause and decrease due to the impact of the economic downturn in China.
- Precision: Demand increases for optical lens, semiconductor manufacturing equipment and medical in Japan
- Control: Demand for industrial robots in China is low

Net Sales (By Segment)

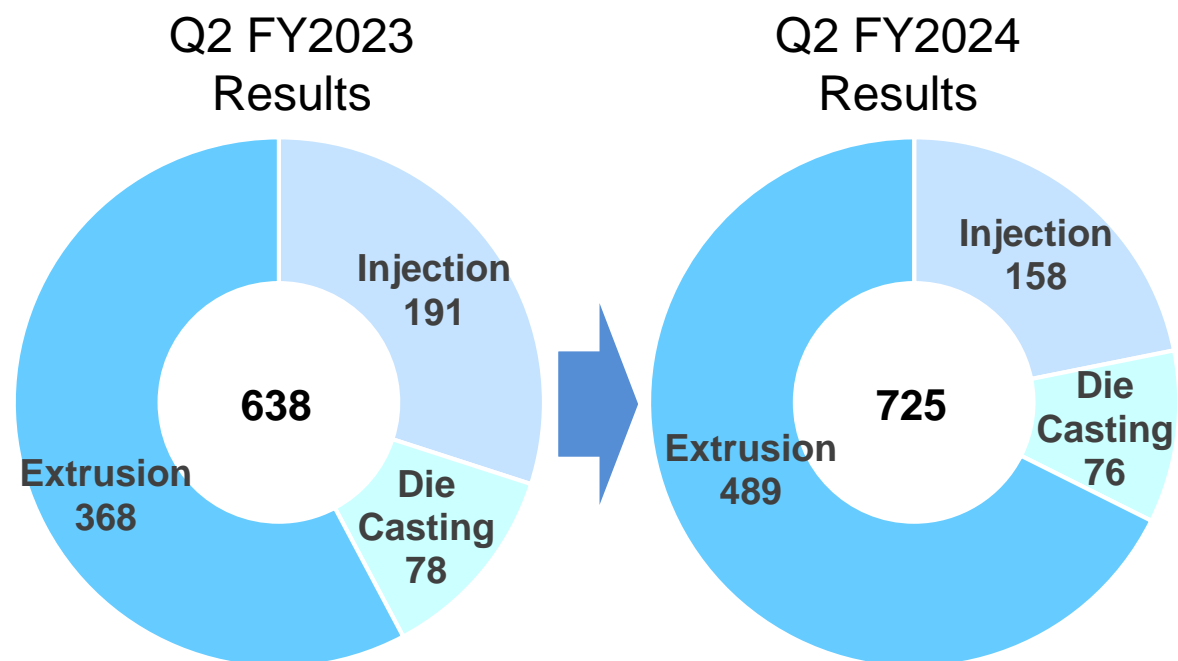
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

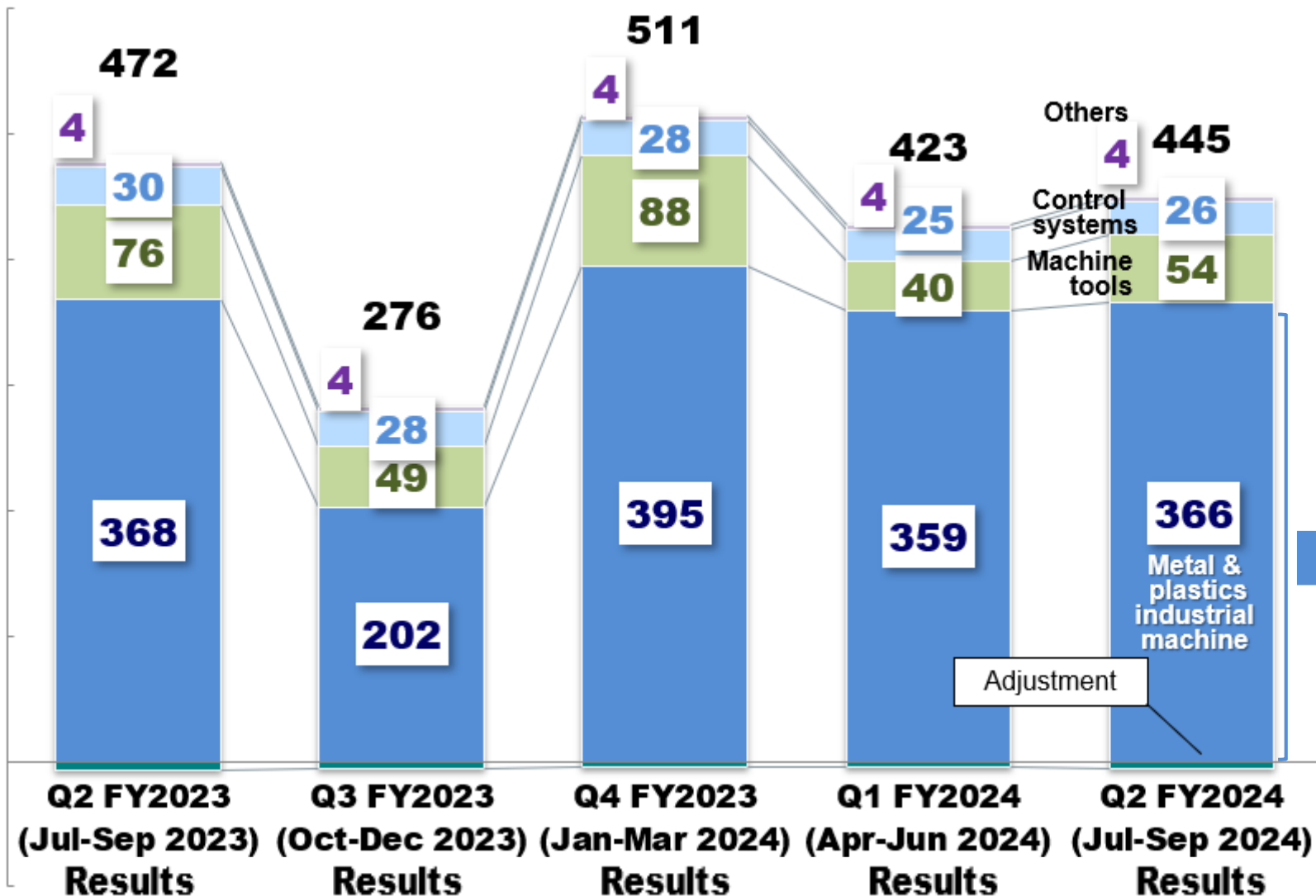
Breakdown of Metal & Plastics Industrial Machine



Trends of Net Sales (By Segment)

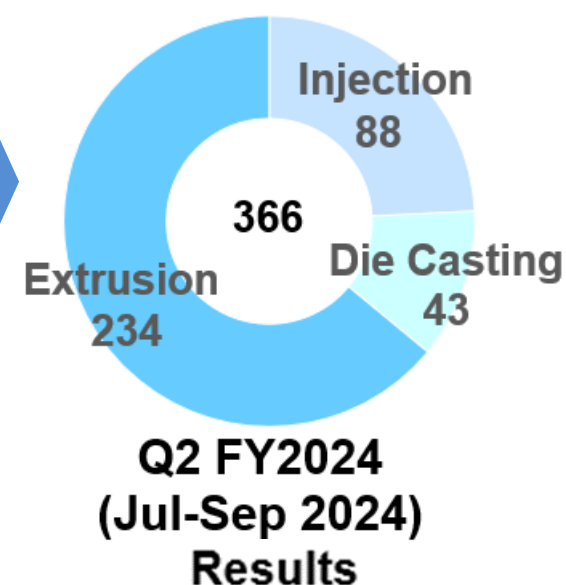
Shibaura Machine

(Unit: 100 million yen)



Breakdown of Metal & Plastics Industrial Machine

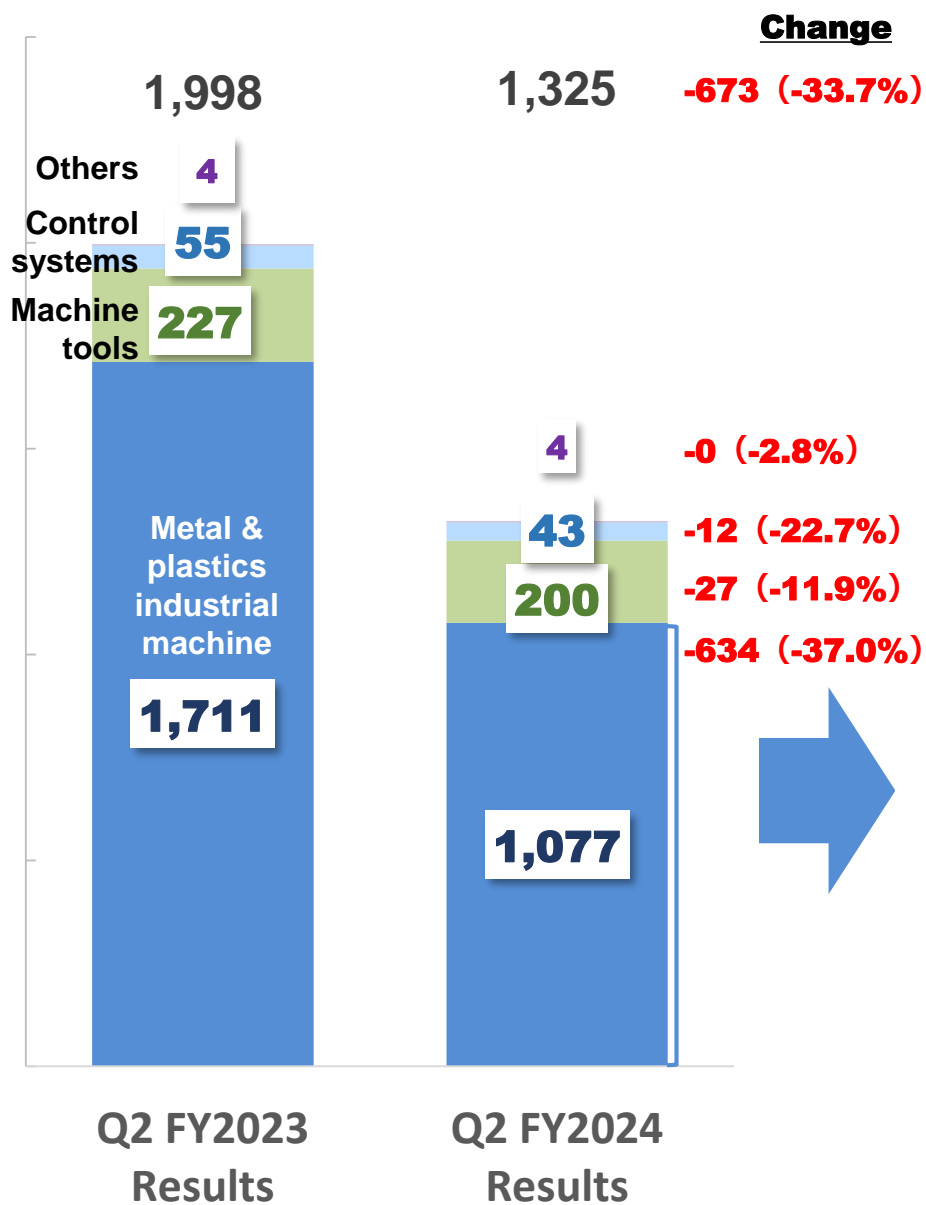
(Unit: 100 million yen)



Order Backlog (By Segment)

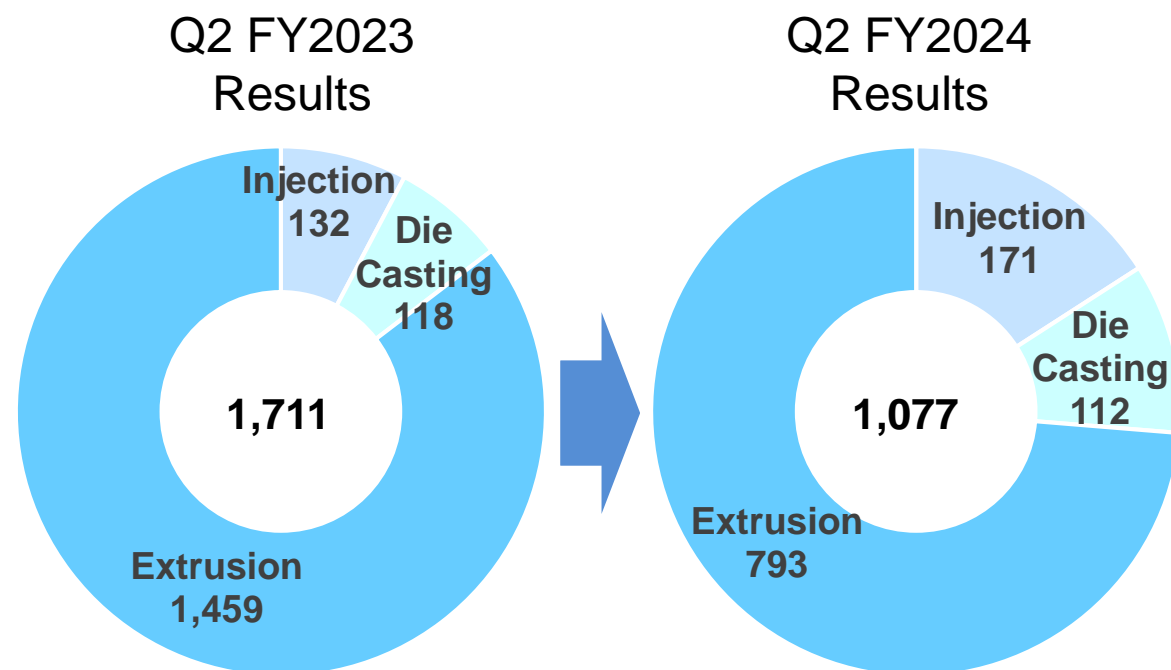
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

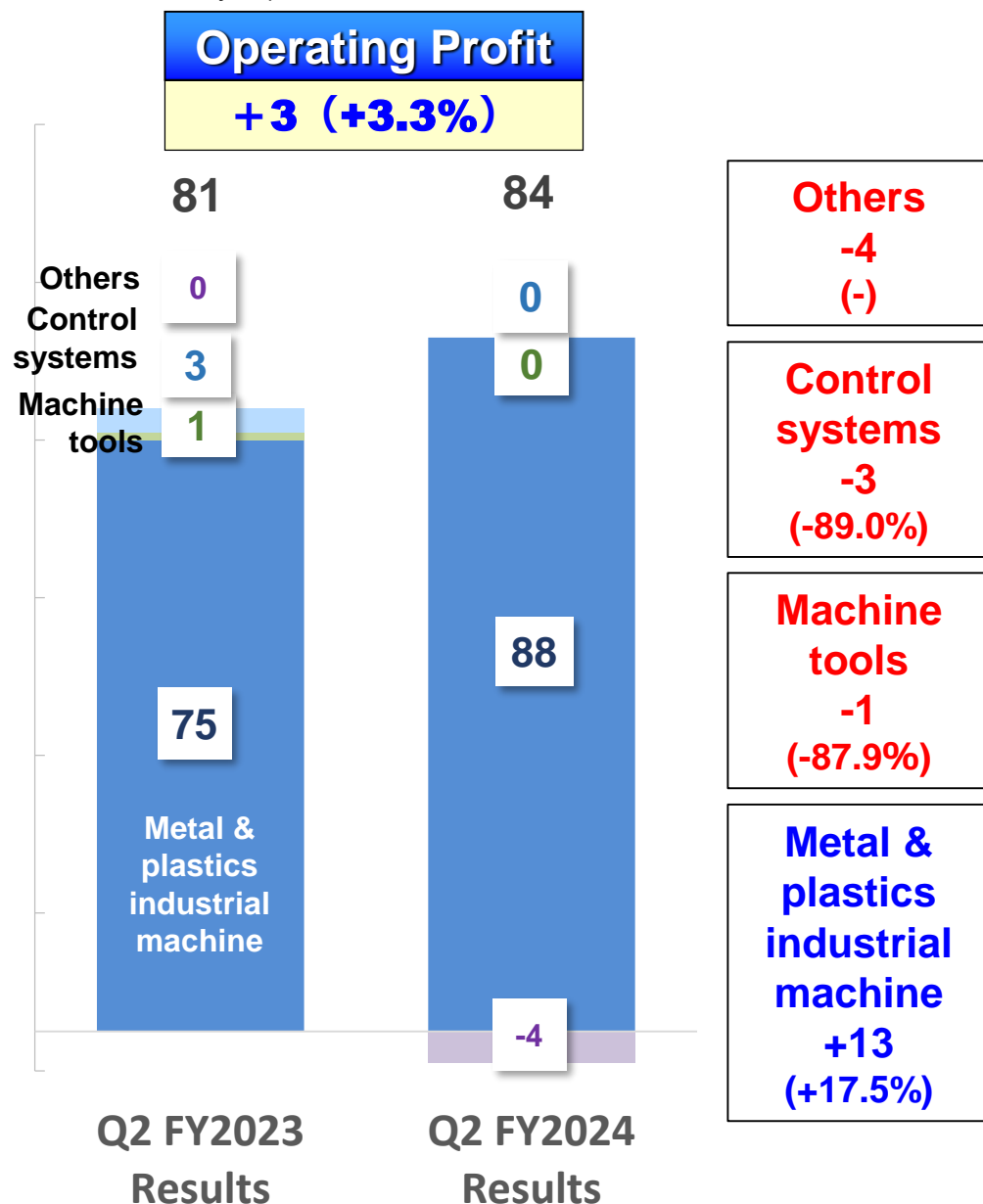
Breakdown of Metal & Plastics Industrial Machine



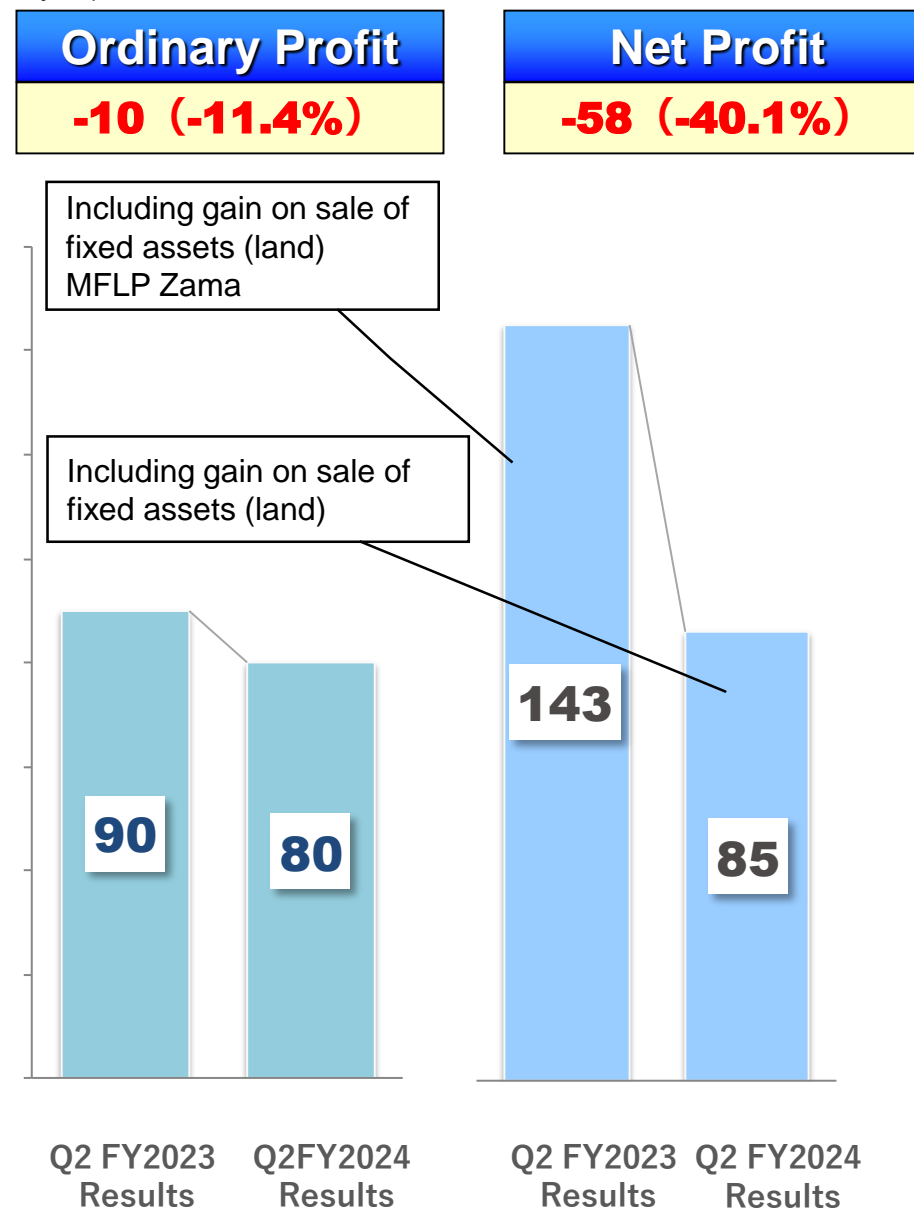
Operating Profit (By Segment), Ordinary Profit, Net Profit

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.)

	Q2 FY2024 Results	Q2 FY2023 Results	Amount Change	Percentage Change
Net Sales	725	638	+87	+13.6%
Operating Profit	88	75	+13	+17.5%
Profit Ratio	12.2%	11.8%	—	+0.4pt

Performance Factor Analysis



Positive Factors

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



Negative Factors

- Injection: Decrease in North America, etc.

(Machine Tools) Segment Results

Shibaura Machine

(Unit: 100 million yen)

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

	Q2 FY2024 Results	Q2 FY2023 Results	Amount Change	Percentage Change
Net Sales	94	122	- 28	- 23.2%
Operating Profit	0	1	- 1	- 87.9%
Profit Ratio	0.2%	1.3%	—	- 1.1pt

Performance Factor Analysis



Positive Factors

- Machine Tools: Improve operating profit ratio.



Negative Factors

- Machine Tools: Decrease in Japan and North America, etc.
- Precision: Decrease in China, etc.

(Control Systems) Segment Results

Shibaura Machine

(Unit: 100 million yen)

(Industrial robots, electronic control systems, etc.)

	Q2 FY2024 Results	Q2 FY2023 Results	Amount Change	Percentage Change
Net Sales	51	62	- 11	- 17.3%
Operating Profit	0	3	- 3	- 89.0%
Profit Ratio	0.8%	6.3%	—	- 5.5pt

Performance Factor Analysis



Positive Factors

- Engineering solutions reinforce.



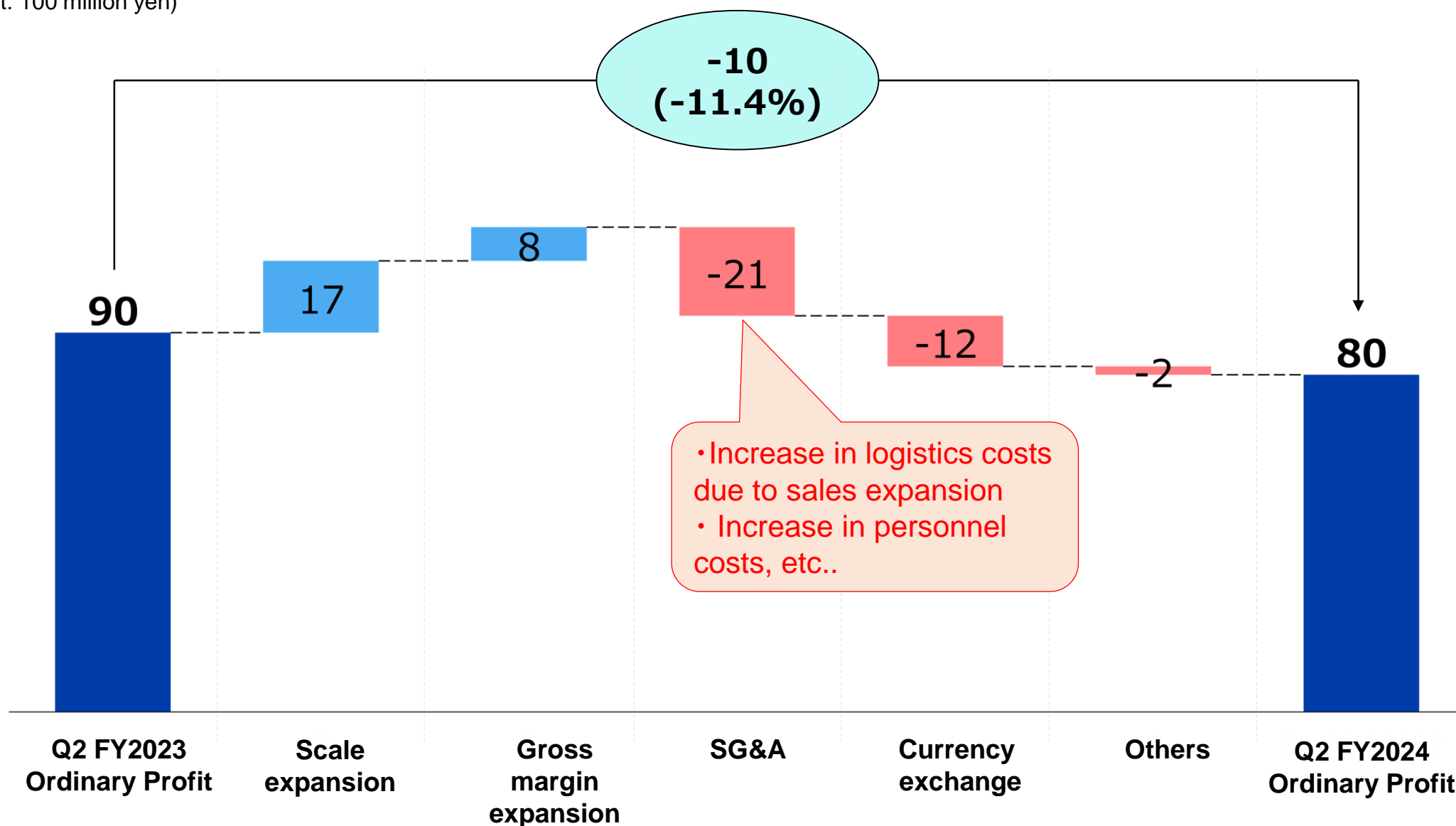
Negative Factors

- Decrease for electric control system in Japan.

Ordinary Profit Analysis

Shibaura Machine

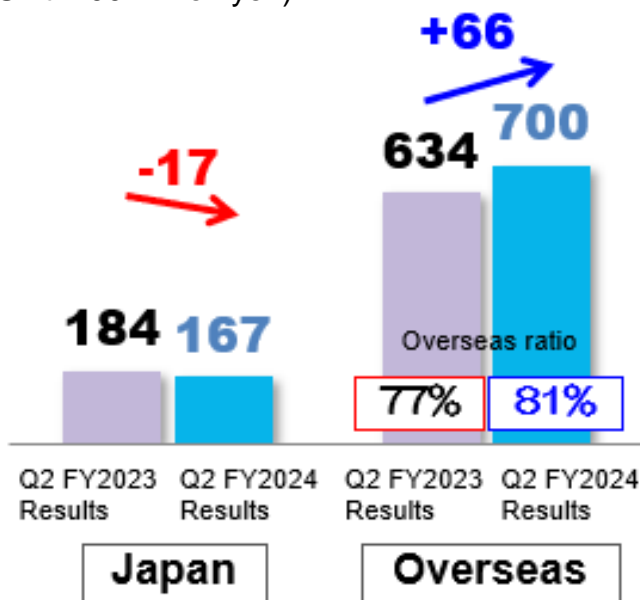
(Unit: 100 million yen)



Domestic and Overseas Sales

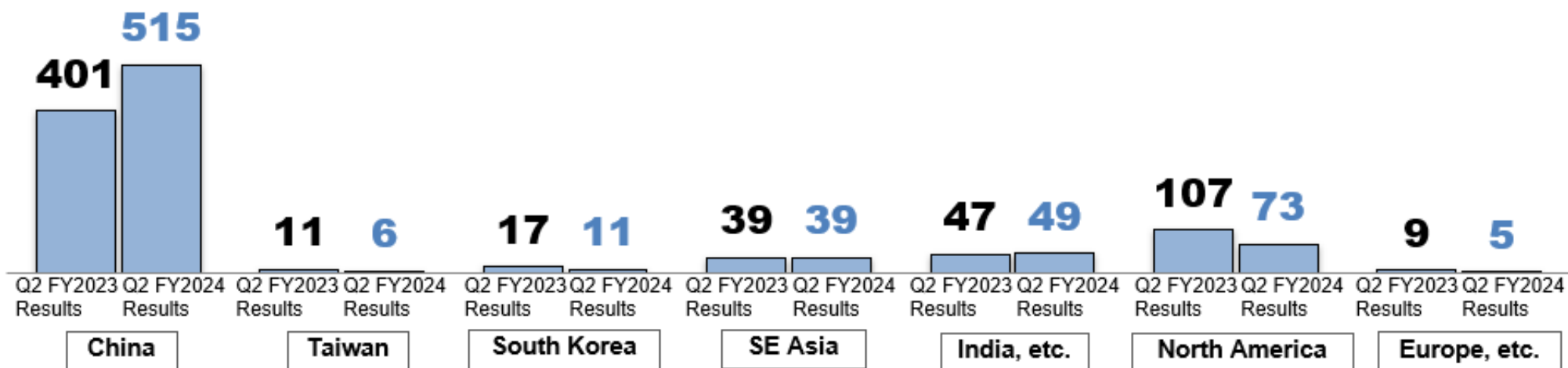
Shibaura Machine

(Unit: 100 million yen)



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

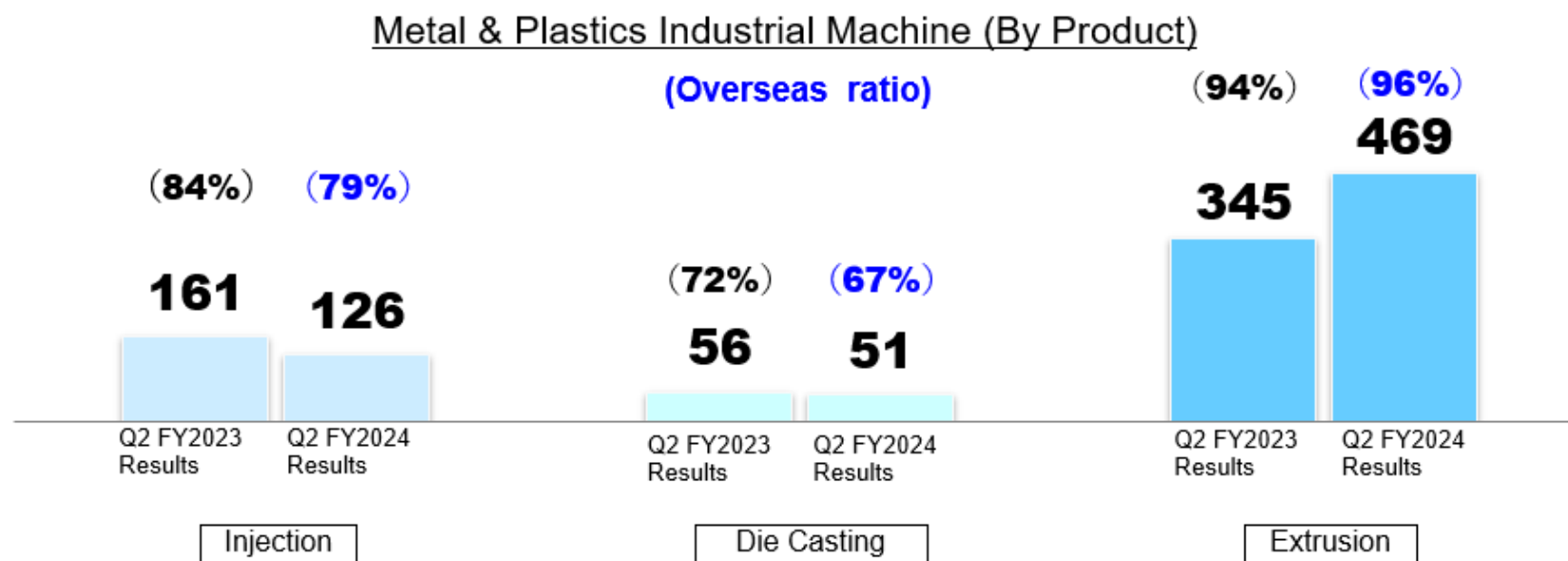
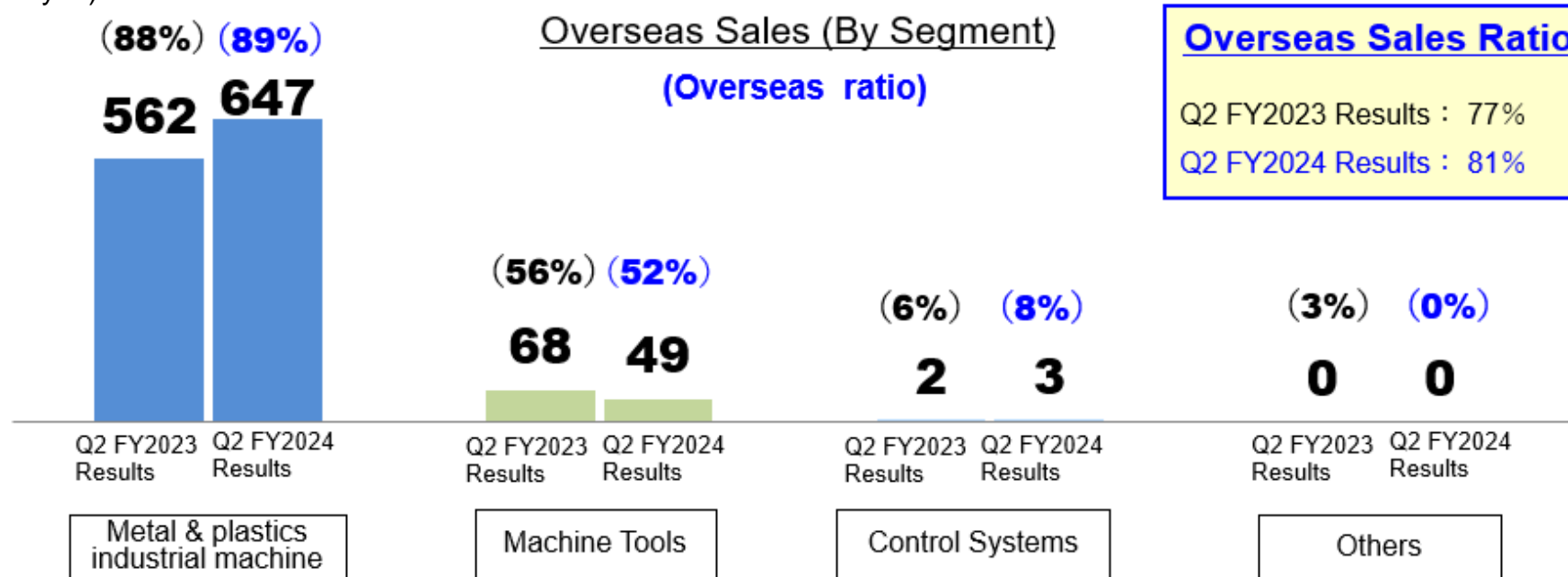
Overseas Sales(By Region)



Overseas Sales and Ratio (By Segment)

Shibaura Machine

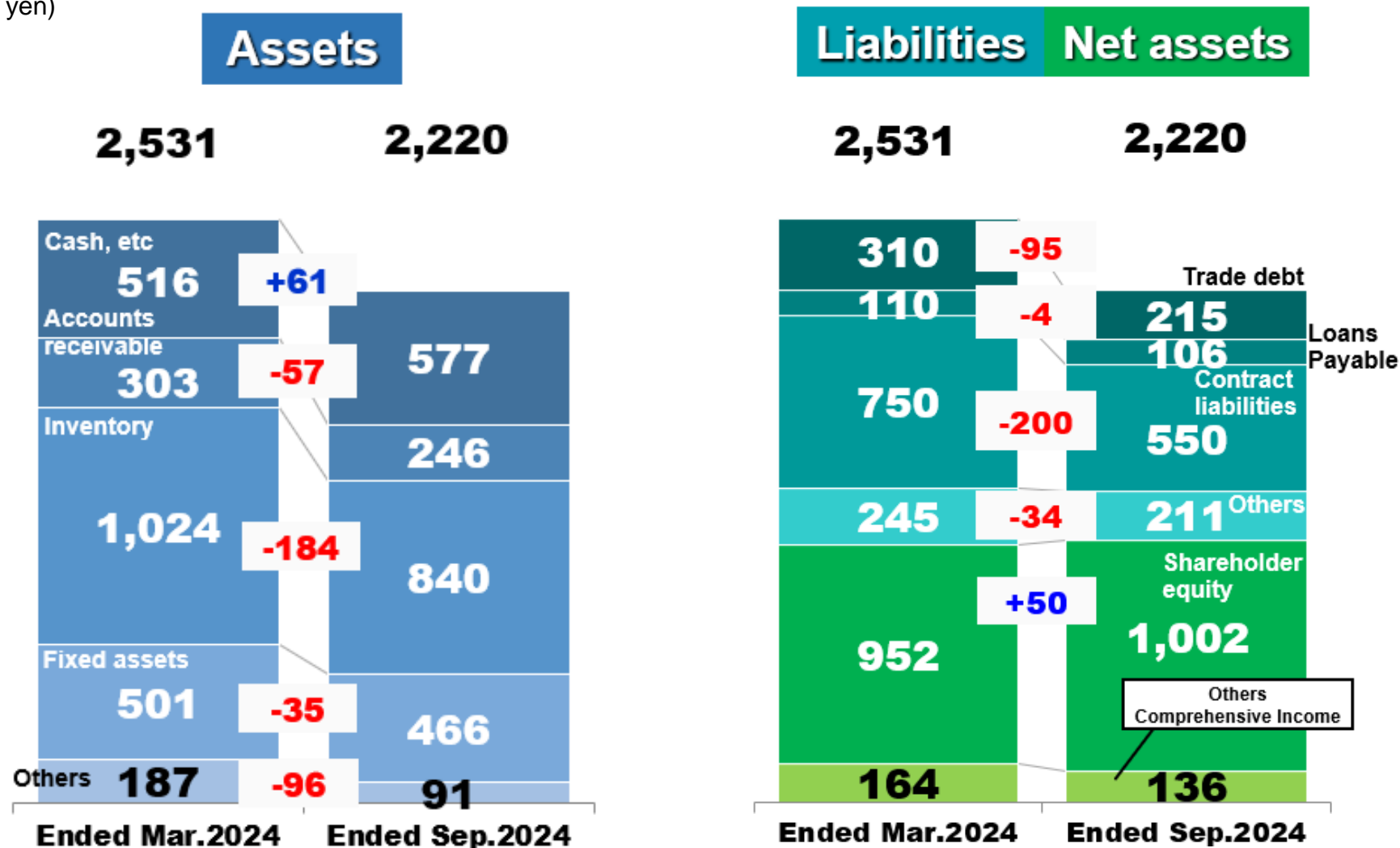
(Unit: 100 million yen)



Balance Sheet

Shibaura Machine

(Unit: 100 million yen)



	Ended Mar.2024	Ended Sep.2024
Equity ratio	44.1%	51.3%
D/E ratio	9.9%	9.3%

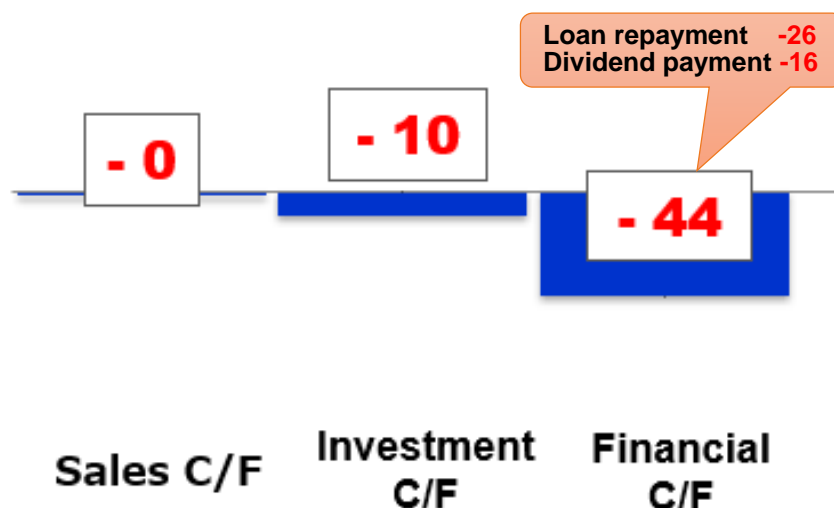
Cash Flow Statement

Shibaura Machine

(Unit: 100 million yen)

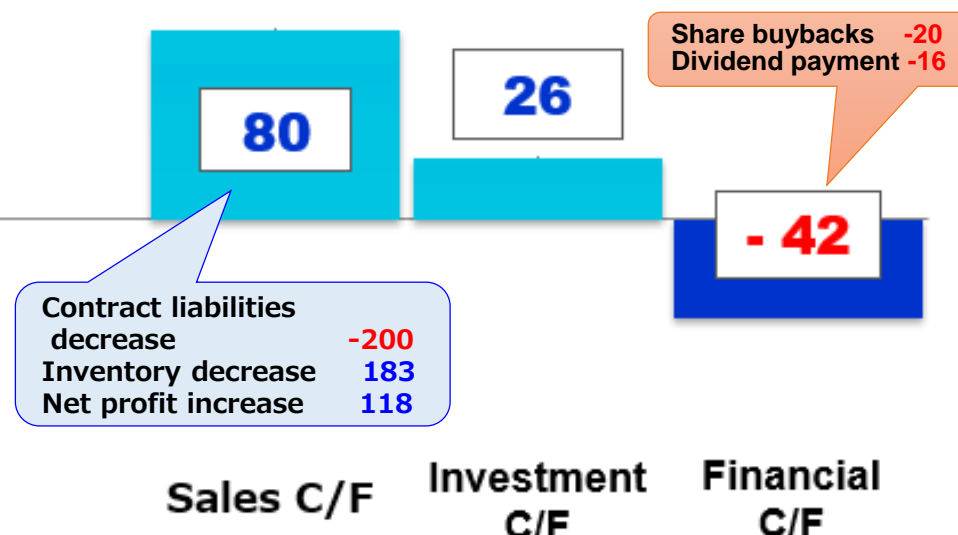
Q2 FY2023 Results

FCF -11



Q2 FY2024 Results

FCF +106



	Q2 FY2023 Results	Q2 FY2024 Results	Change
Opening balance of cash and cash equivalents	508	515	7
C/F from operating activities	- 0	80	80
C/F from investment activities	- 10	26	36
C/F from financial activities	- 44	- 42	2
Total	- 56	64	120
Transitional differences	16	- 4	- 20
Closing balance of cash and cash equivalents	468	576	108

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**
- 4) Purchase and cancellation of own
shares**

FY2024 Financial Results Summary

Shibaura Machine

- (Unit: 100 million yen)
- The full-year forecast for ordinary profit and net profit revised up from previous forecast announced on May 13, 2024 as follows.
 - The full-year forecast for orders received has been revised as follows.

	FY2024 Forecast (Announced on May.13,2024)	FY2024 Forecast (Announced on Nov.12,2024) (A)	FY2023 Results (B)	Change (A)-(B)
Net sales	1,700	1,700	1,606	+94
Operating profit	140	140	136	+4
Profit ratio	8.2%	8.2%	8.5%	- 0.3pt
Ordinary profit	126	132	146	- 14
Profit ratio	7.4%	7.8%	9.1%	- 1.3pt
Net profit attributable to owners of parent	92	117	179	- 62
Profit ratio	5.4%	6.9%	11.2%	- 4.3pt
Orders received	1,720	1,240	1,211	+29
Exchange rate (USD)	145 yen	140 yen	151 yen	

FY2024 Financial Results Summary (Performance forecast comparison)

Shibaura Machine

(Unit: 100 million yen)

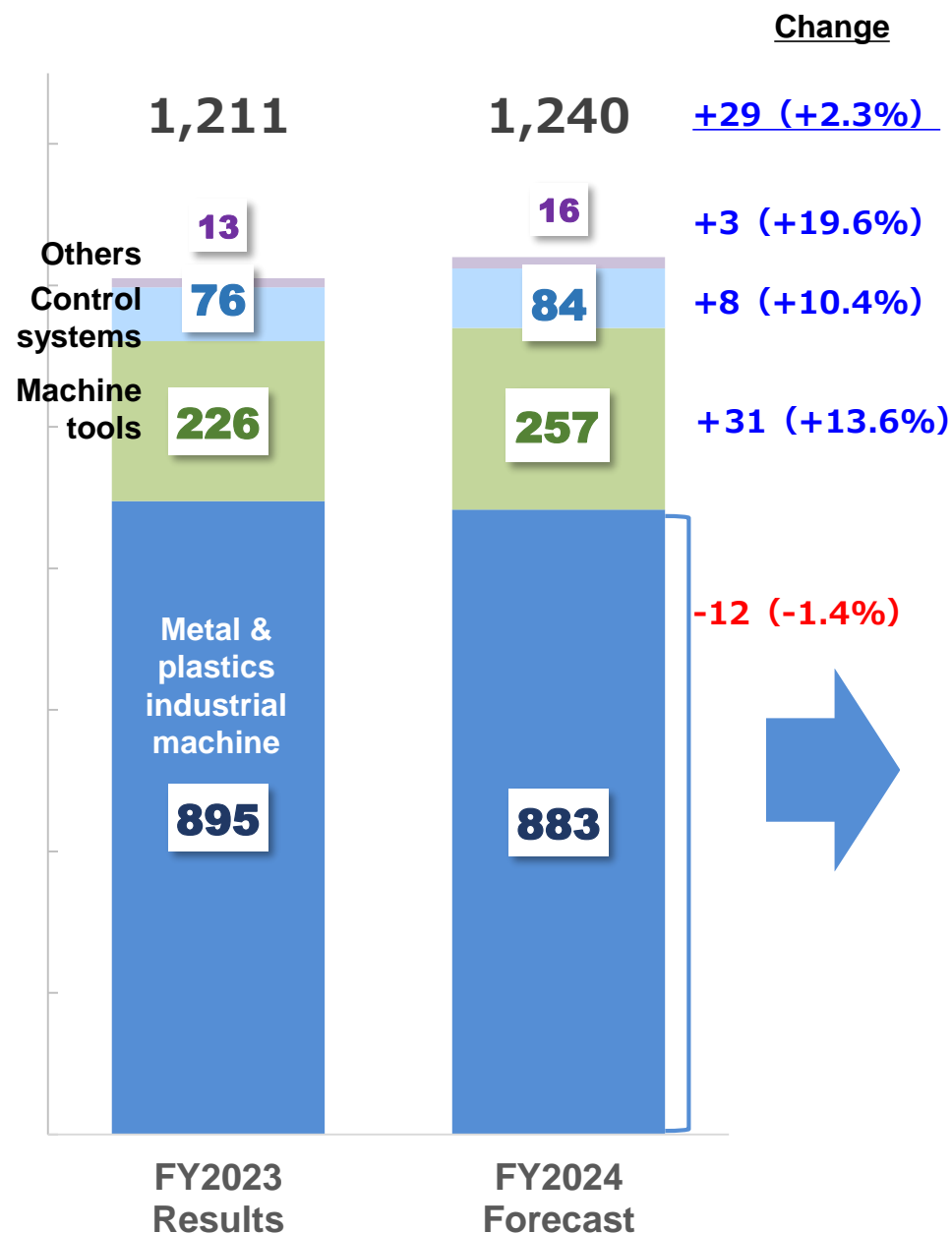
- The full-year forecast for orders received has been revised as follows.
- The full-year forecast for net sales and operating profit have not been revised but the segment breakdown revised from previous forecast announced on May 13, 2024 as follows.

	FY2024 Forecast (Announced on May 13,2024) (A)			FY2024 Forecast (Announced on Nov.12,2024) (B)			Change (B-A)		
	Orders Received	Net Sales	Operating profit	Orders Received	Net Sales	Operating profit	Orders Received	Net Sales	Operating profit
Metal & Plastics Industrial Machine	1,349	1,337	136	883	1,386	143	-466	49	7
Injection Molding Machines	424	387		391	359		-33	-28	
Die Casting Machines	188	202		172	183		-16	-19	
Extrusion Machines	737	748		320	844		-417	96	
Machine Tools	256	249	4	257	215	3	1	-34	-1
Control Systems	96	96	3	84	84	0	-12	-12	-3
Others	19	18	-3	16	15	-6	-3	-3	-3
Total	1,720	1,700	140	1,240	1,700	140	-480	0	0

Orders Received (By Segment) (FY2024 Forecast vs. FY2023 Results)

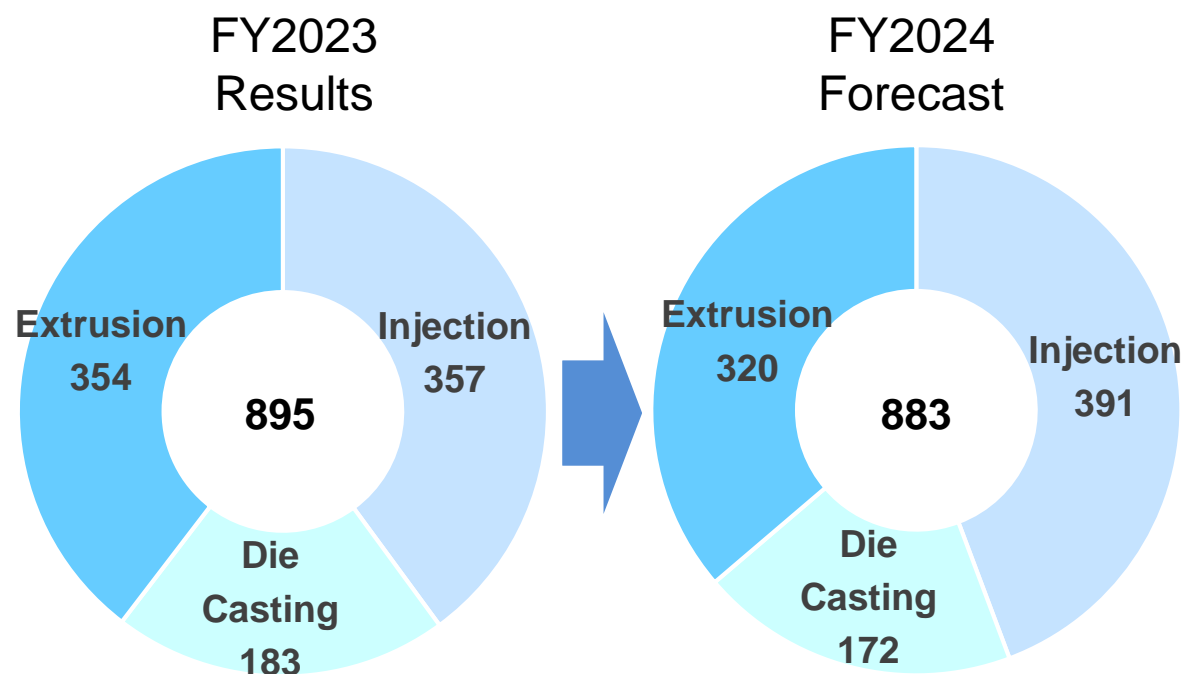
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

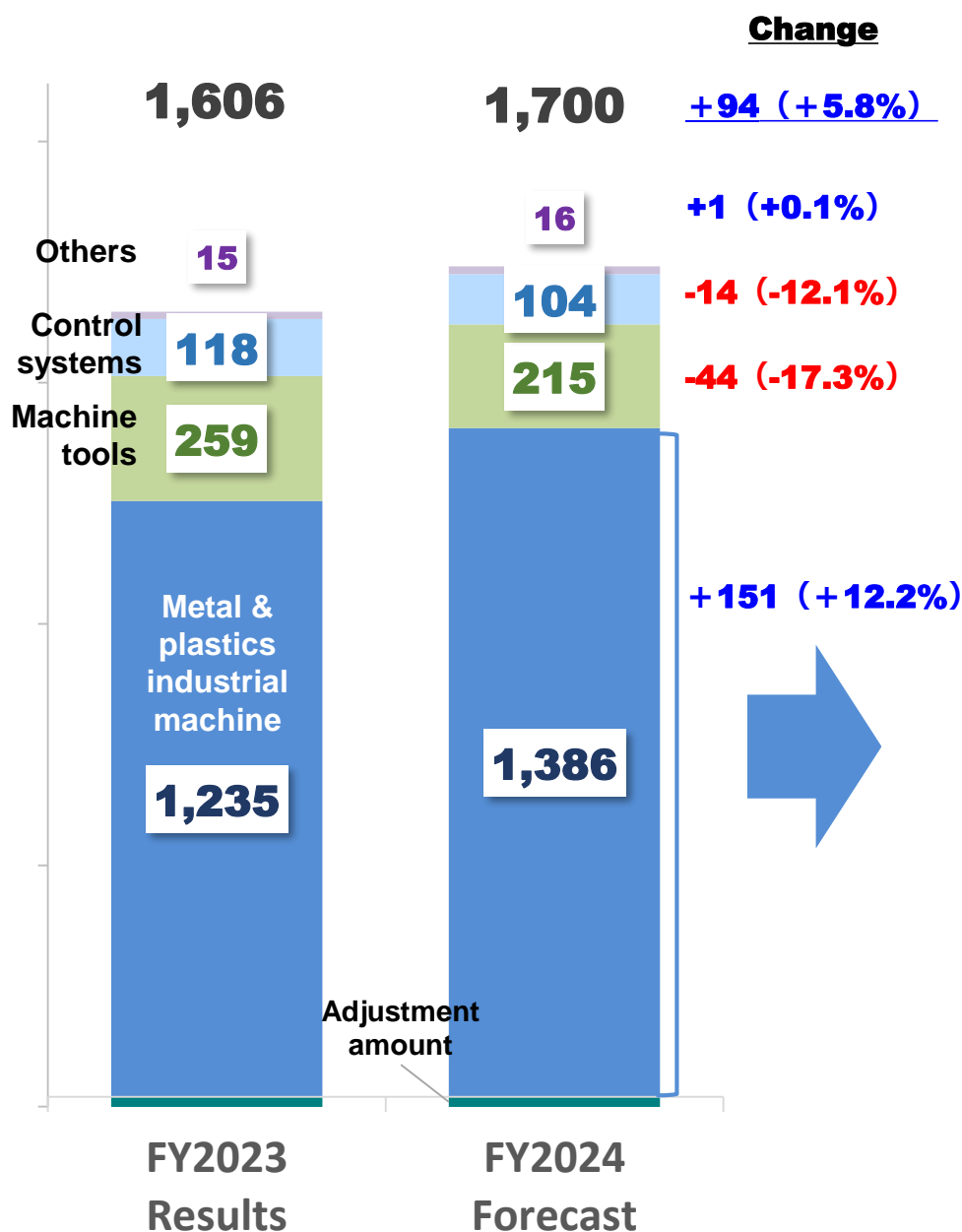
Breakdown of Metal & Plastics Industrial Machine



Net Sales (By Segment) (FY2024 Forecast vs. FY2023 Results)

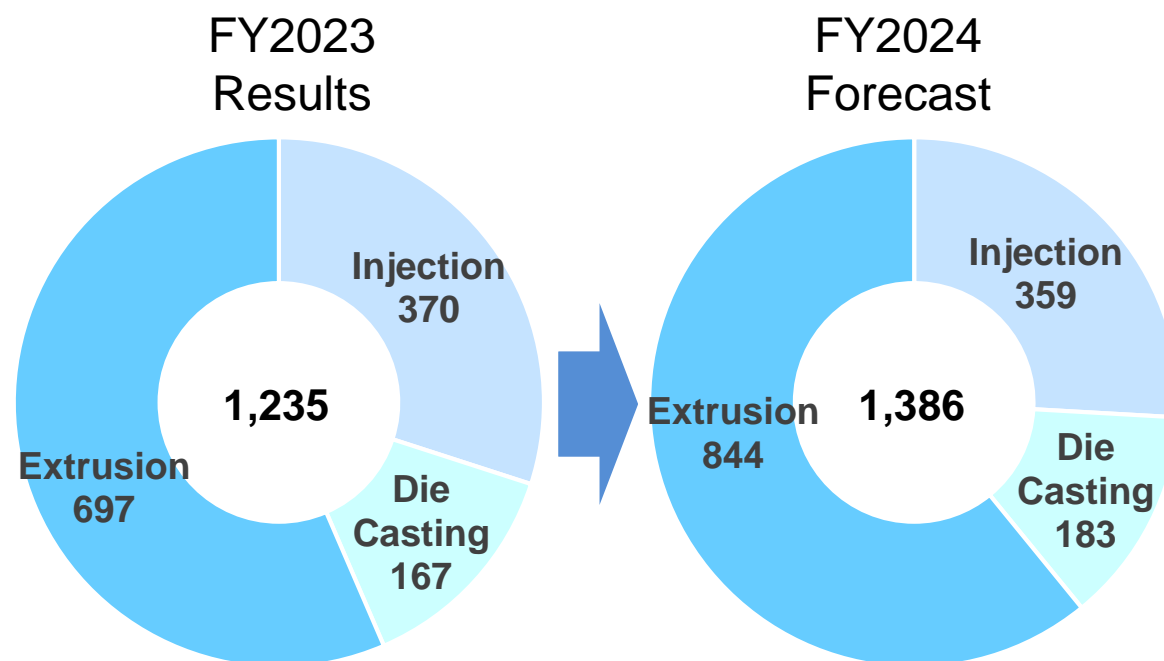
Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

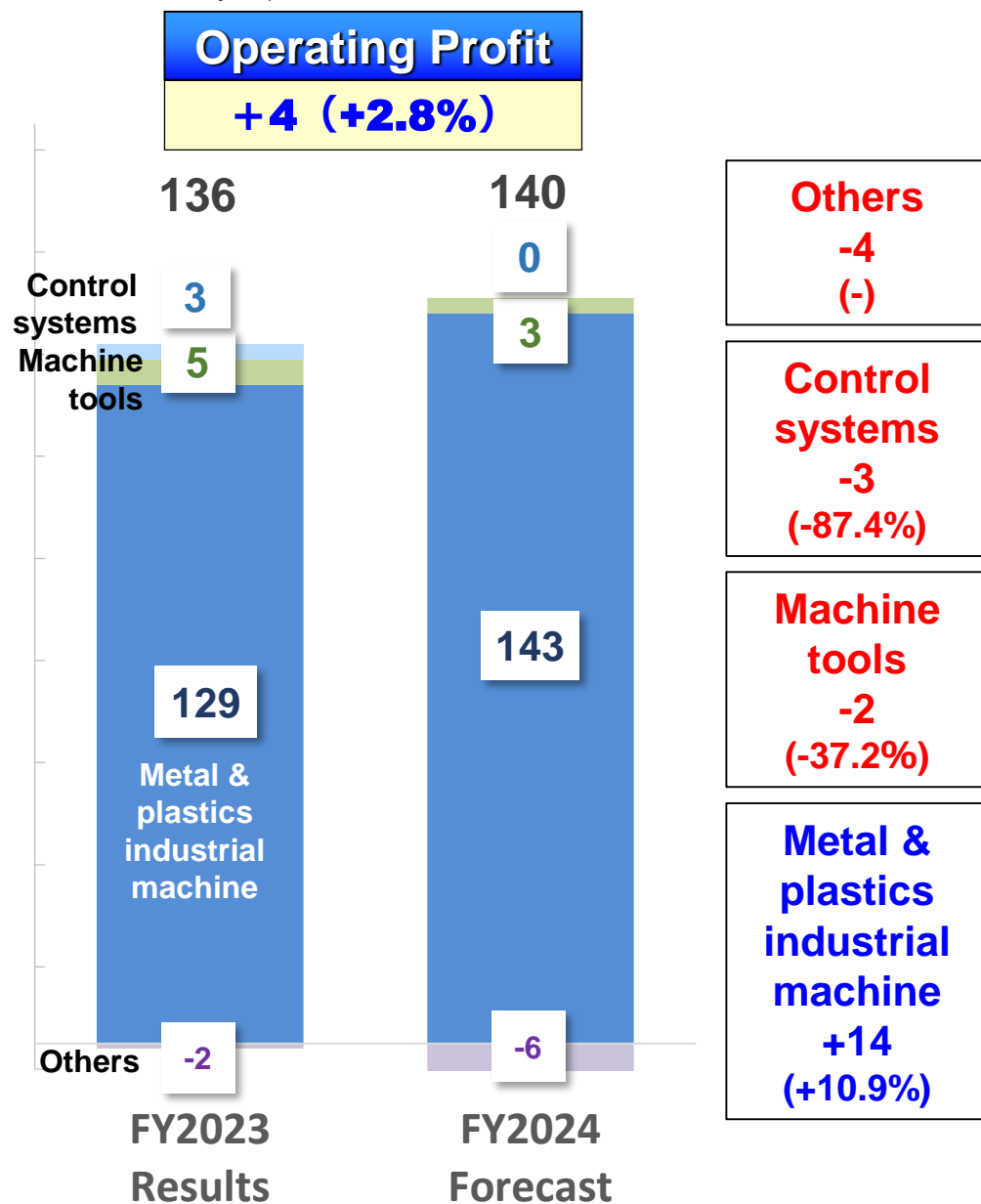
Breakdown of Metal & Plastics Industrial Machine



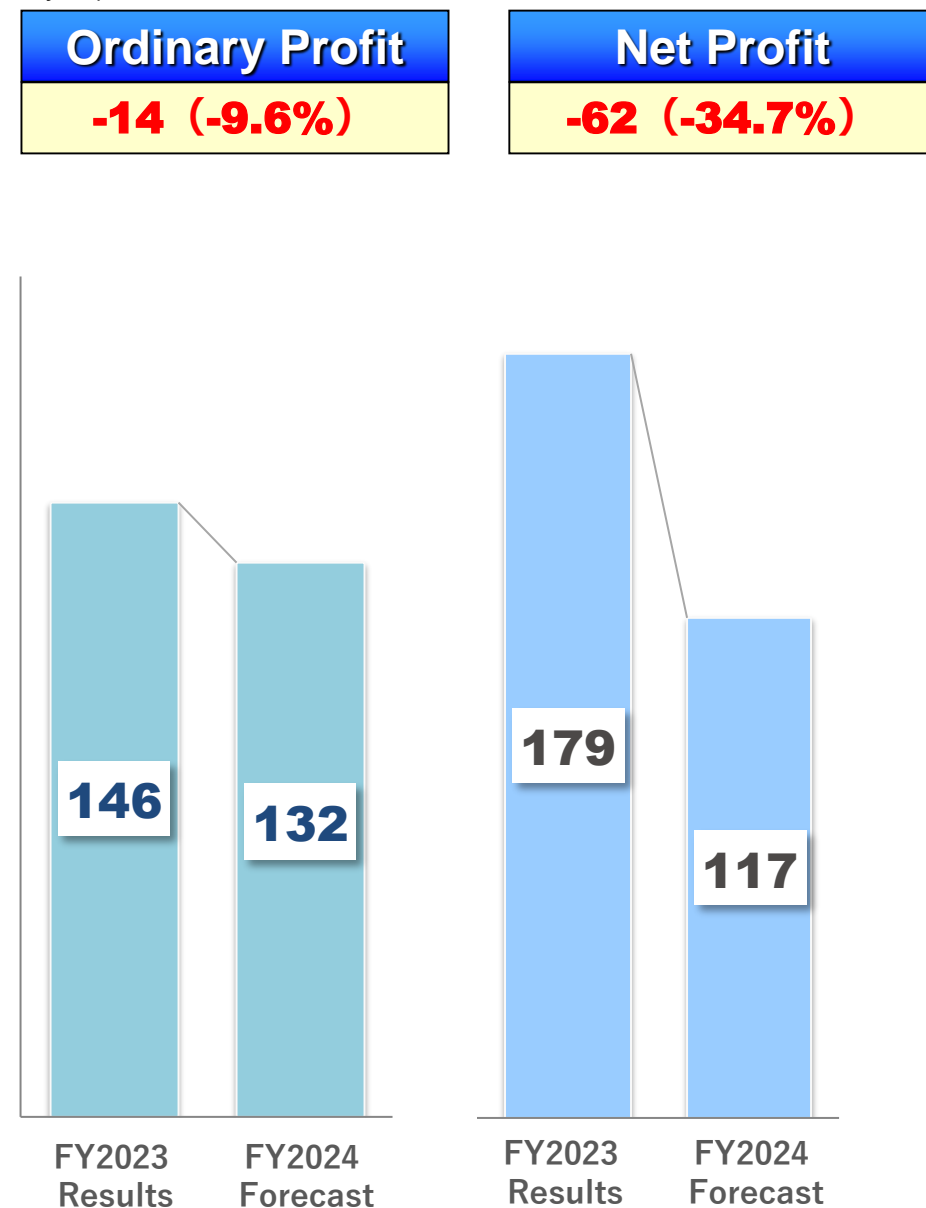
Operating Profit (By Segment), Ordinary Profit, Net Profit

Shibaura Machine

(Unit: 100 million yen)



(Unit: 100 million yen)

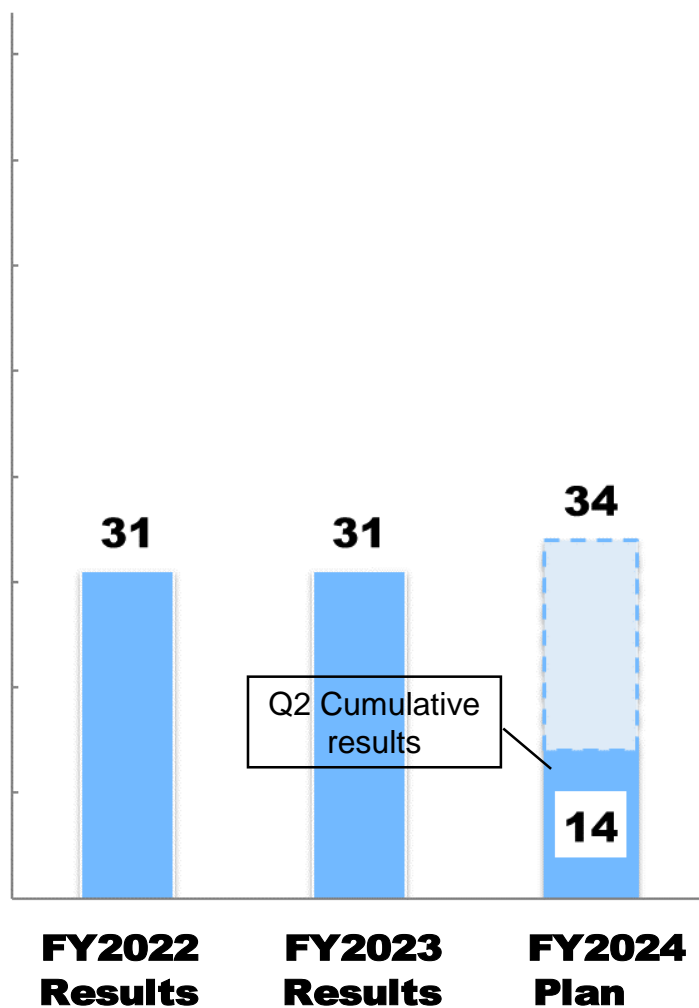


R&D Expenses, Capital Expenditures, Depreciation Expenses

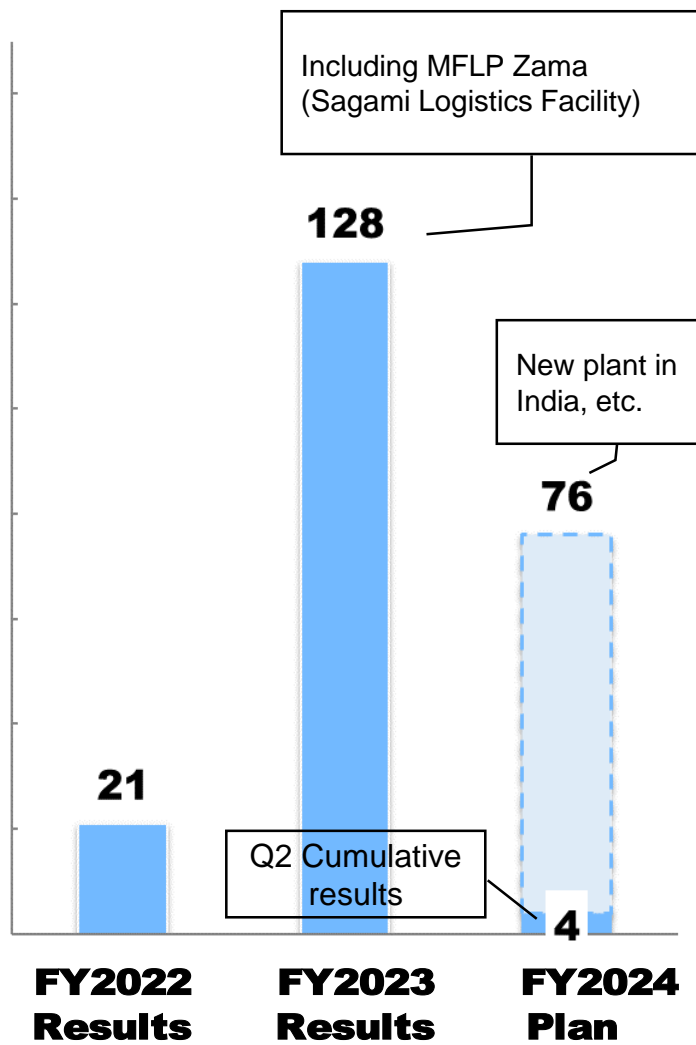
Shibaura Machine

(Unit: 100 million yen)

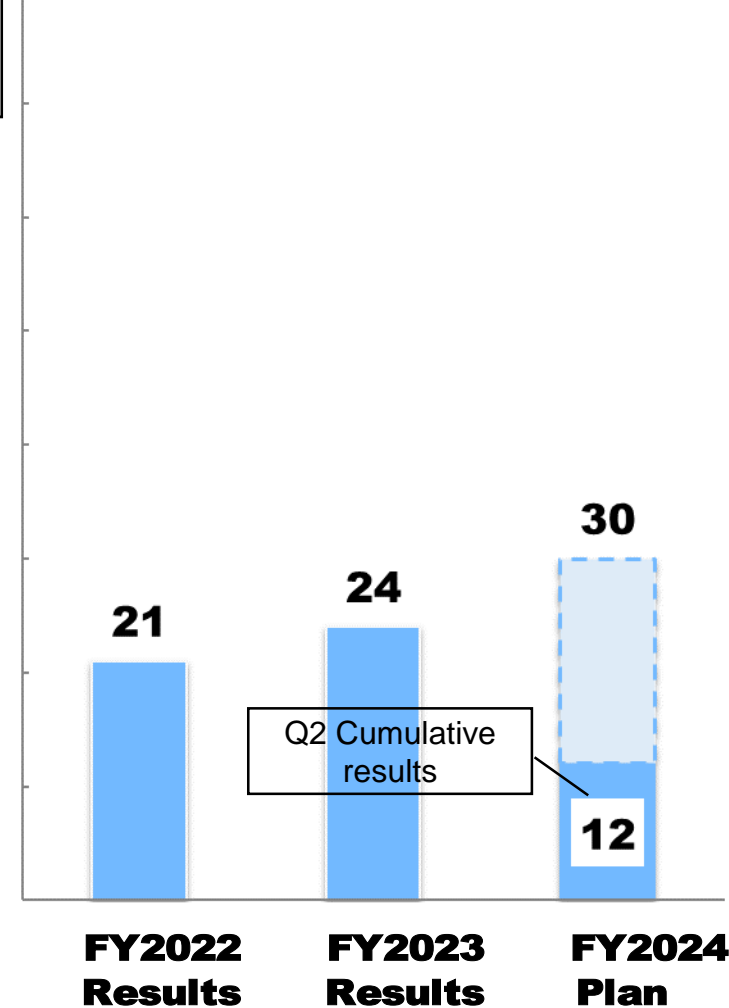
R&D Expenses



Capital Expenditures



Depreciation Expenses



Dividend Forecast

Shibaura Machine

FY2024 dividend forecast has not been changed from it announced on May 13, 2024.

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	28.5%

Regarding shareholder returns, we will consider the shareholder return policy in our medium-term management plan, "Medium-term Management Plan 2026"

※ 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 make 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 : 556,700 shares
- (3) Total amount of share purchase costs : 1,999,968,000 yen
- (4) Purchase period : From May 14, 2024 to September 9, 2024

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

- (1) Class of shares cancelled : Common shares
- (2) Total number of shares cancelled : 2,156,700 shares
(①1,600,000 shares ②556,700 shares)
- (3) Total number of shares issued after cancellation :
24,820,406 shares (including treasury shares)
- (4) Due date of cancellation : ① May 28, 2024 ② October 15, 2024
- (5) Percentage of issued shares after cancellation : 4.79%

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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