

"Medium-Term Management Plan 2026"

Strategic Actions for the Final Year

June 2, 2026

SHIBAURA MACHINE CO., LTD.

Medium-Term Management Plan 2026

FY2024–FY2026

<Definition of Terms>

IMM: Injection molding machines

(Metal & Plastics Industrial Machine Segment)

DC: Die casting machines

(Metal & Plastics Industrial Machine Segment)

EX: Extrusion machines

(Metal & Plastics Industrial Machine Segment)

MT: Large machine tools

(Machine Tools Segment)

PM: Ultra-precision machines

(Machine Tools Segment)

CS: Control systems

(Control Systems Segment)

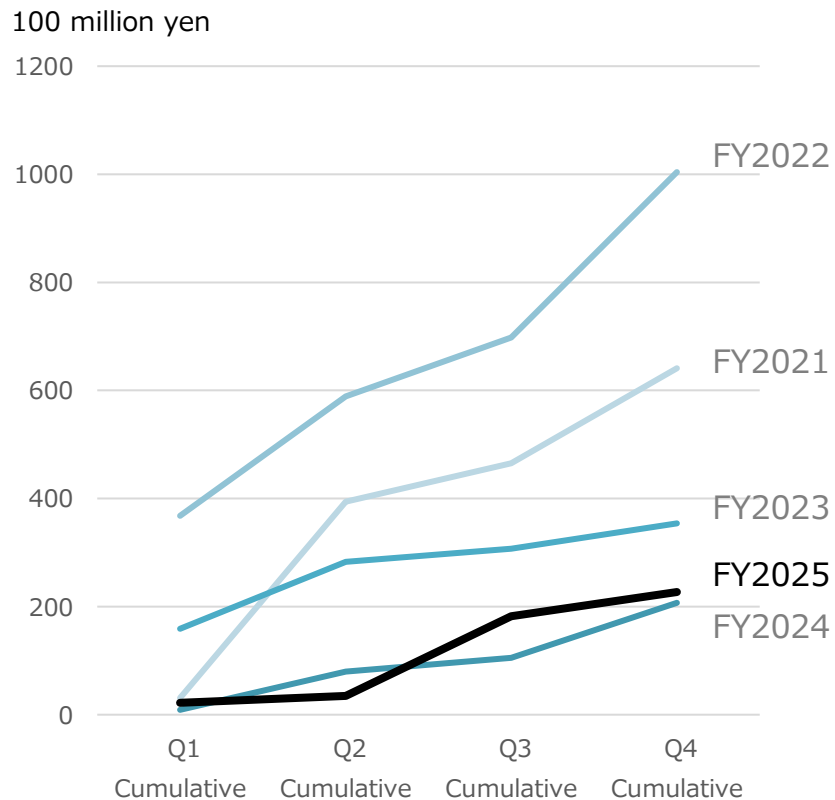
*"BSF" used in this document refers to "LiB separator film production lines for lithium-ion batteries".

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FY2026 Forecast

Overview of the Business Environment Impacting FY2026 Sales

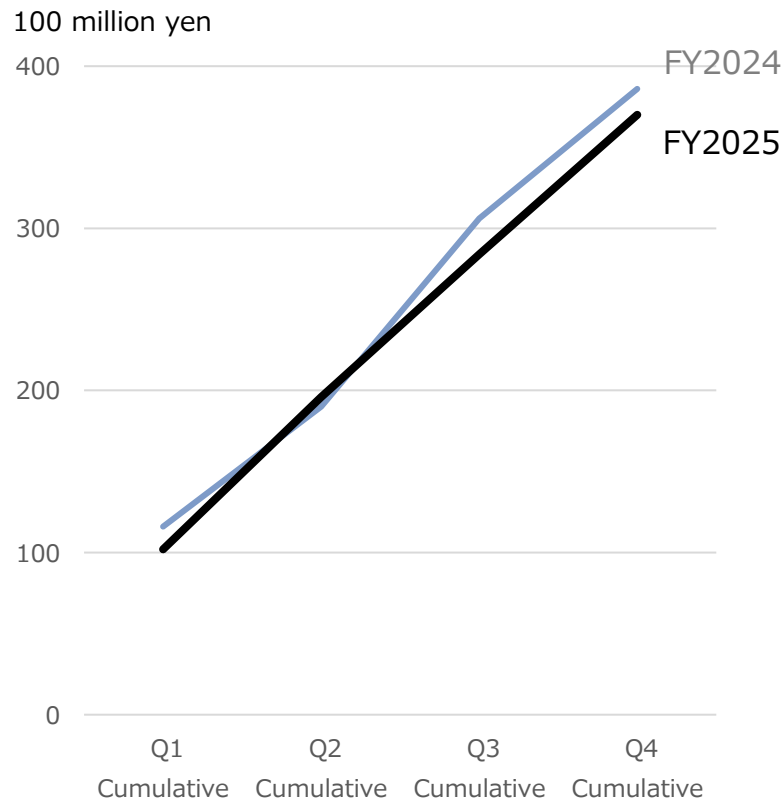
Orders Received for Extrusion Machines (Cumulative)



Global production capacity surplus due to the slowdown in EV shift.

⇒ **Orders for extrusion machines remain sluggish, although they have bottomed out.**

Orders Received for Injection Molding Machines (Cumulative)



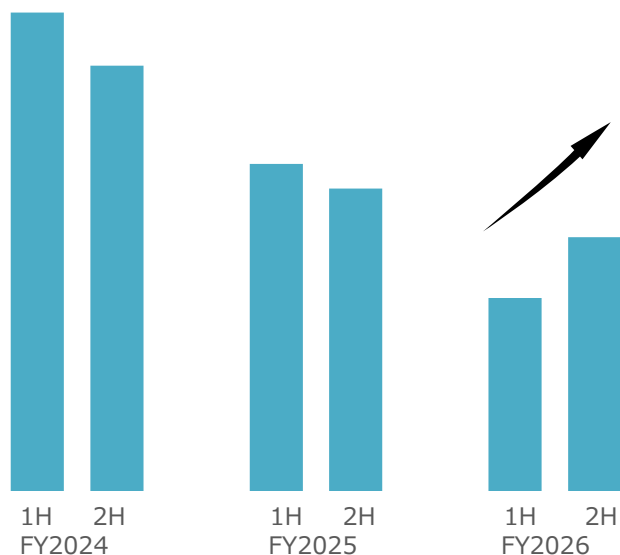
Cautious investment stance and postponement of capital investment in the automotive industry due to the impact of US tariffs.

⇒ **Orders for injection molding machines remain unable to expand.**

FY2026 Financial Forecast (Half-Year)

■ Trend of Sales from Backlog at the Beginning of the Period

Sales expected in the current period from the previous year's order backlog.



■ Earnings Forecast (Half-Year)

(Unit: 100 million yen)

	1H-FY2026	2H-FY2026
Net Sales	520	850
Operating Profit	0	42
Ordinary Profit	(11)	42
Net Income	(8)	28

Stagnant BSF orders in FY2023-FY2024 led to a challenging build-up of order backlog for FY2026 sales.

However, **from 2H-FY2026 onward, profit is planned to increase**, driven by the resumption of BSF orders and the expansion of machine tools orders.

1H-FY2026 profit is projected to be severe due to a decline in sales scale and yen appreciation.

Medium-Term Management Plan 2026

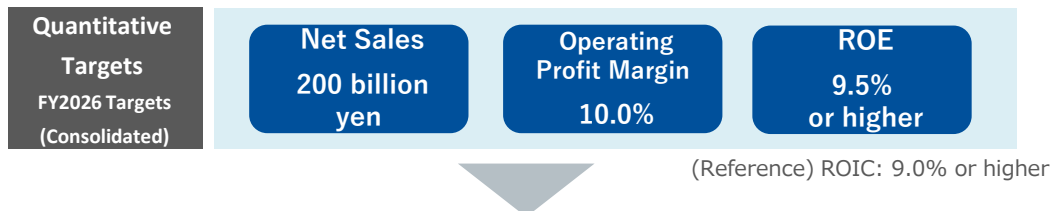
FY2024–FY2026

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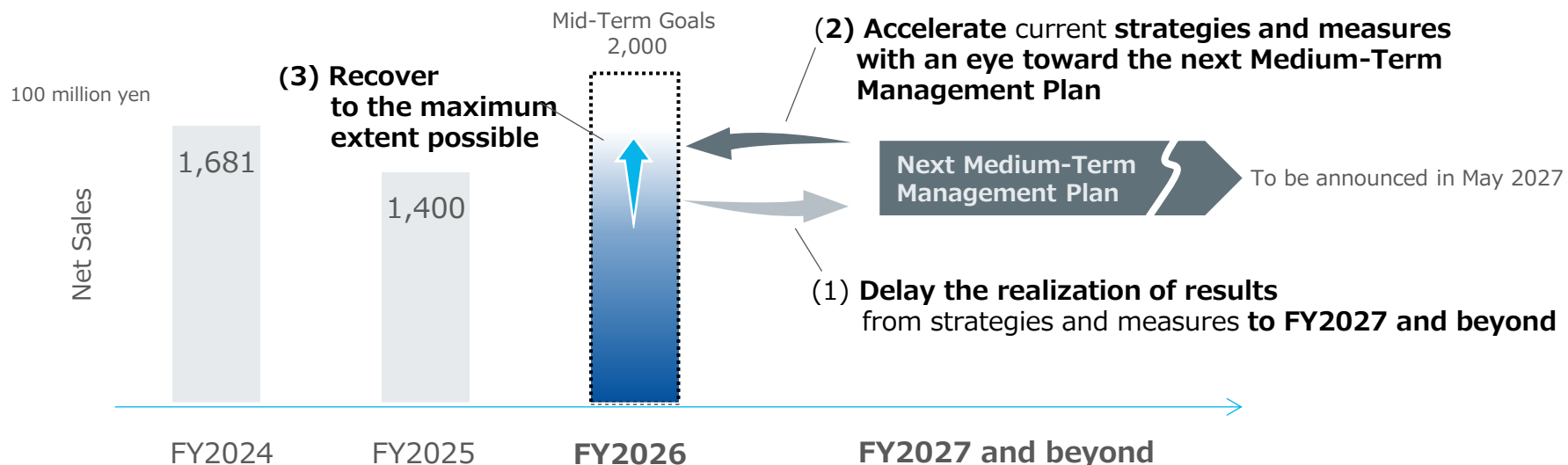
FY2026 Emergency Measures

Formulation of FY2026 Emergency Measures [Reprinted Nov 19, 2025]

Medium-Term Management Plan 2026



- **Targets for FY2026 are expected to be unmet** due to significant changes in the business environment of "Medium-Term Management Plan 2026." The earnings forecast for FY2026 is scheduled to be officially announced again in May 2026.
- The next Medium-Term Management Plan is scheduled to be announced in May 2027.
- Toward the next Medium-Term Management Plan, we will **formulate and promote FY2026 Emergency Measures** to contribute to FY2026 business performance.



Strategies and Measures for FY2026 Emergency Measures [Reprinted Nov 19, 2025]

FY2026 Emergency Measures toward the next Medium-Term Management Plan will **accelerate execution speed and the timing of return realization, based on the strategies and measures** being promoted in "Medium-Term Management Plan 2026," in order to contribute to FY2026 business performance.

- **Profit creation through cost reduction and efficiency improvement ...** A
- **Securitization of in-period order sales ...** B
- **Acceleration of returns in FY2026 while building the foundation for the next Medium-Term Management Plan...** C

Main Measures for FY2026
Emergency Measures

		Scale of contribution to FY2026 (100 million yen)	
B	Resolution of US tariff issues (Overall)	+100-150	+ M&A
B	European market development (IMM)	+80-100	
B	Expanding market share in India (IMM / MT)	+30-50	
B	North American market development (PM)	Up to +5	
B	Orders and production of large special machines (MT)	+30-50	
C	Orders for next-generation BSF (EX)	+100-150	
A	C	Restructuring of global systems in East Asia and Southeast Asia (IMM)	

Expanding Market Share in India

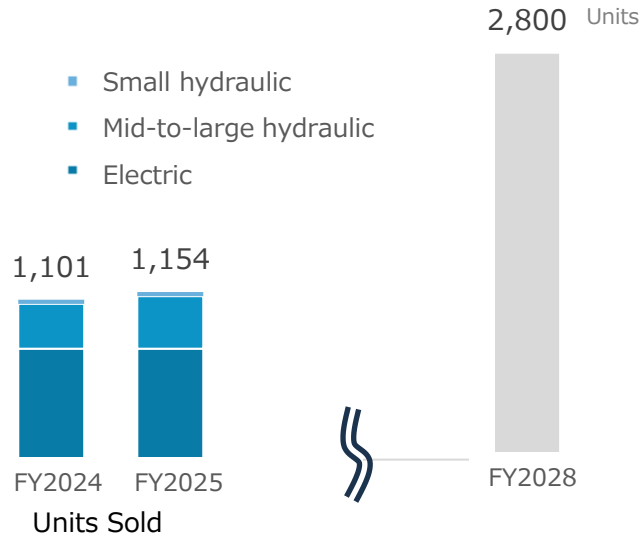


Injection Molding Machines

IMM

Mass production at the second factory

- Domains: Automotive, Medical, Containers, General goods, Household appliances, Stationery
- Focus models: Small electric machines, Mid-to-large hydraulic machines
- **Full line-up** strategy from hydraulic to electric models
- Differentiation strategy in **quality and service**
- Promotion of **energy cost reduction effects** through electric machines
- **Strengthening sales** through **Technical Center** operations
- **Technical and procurement collaboration with SHIBAURA MACHINE LWB** (German manufacturing subsidiary acquired in November 2025)



Machine Tools

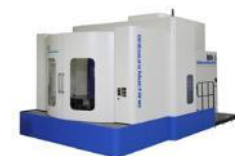
MT

India market development

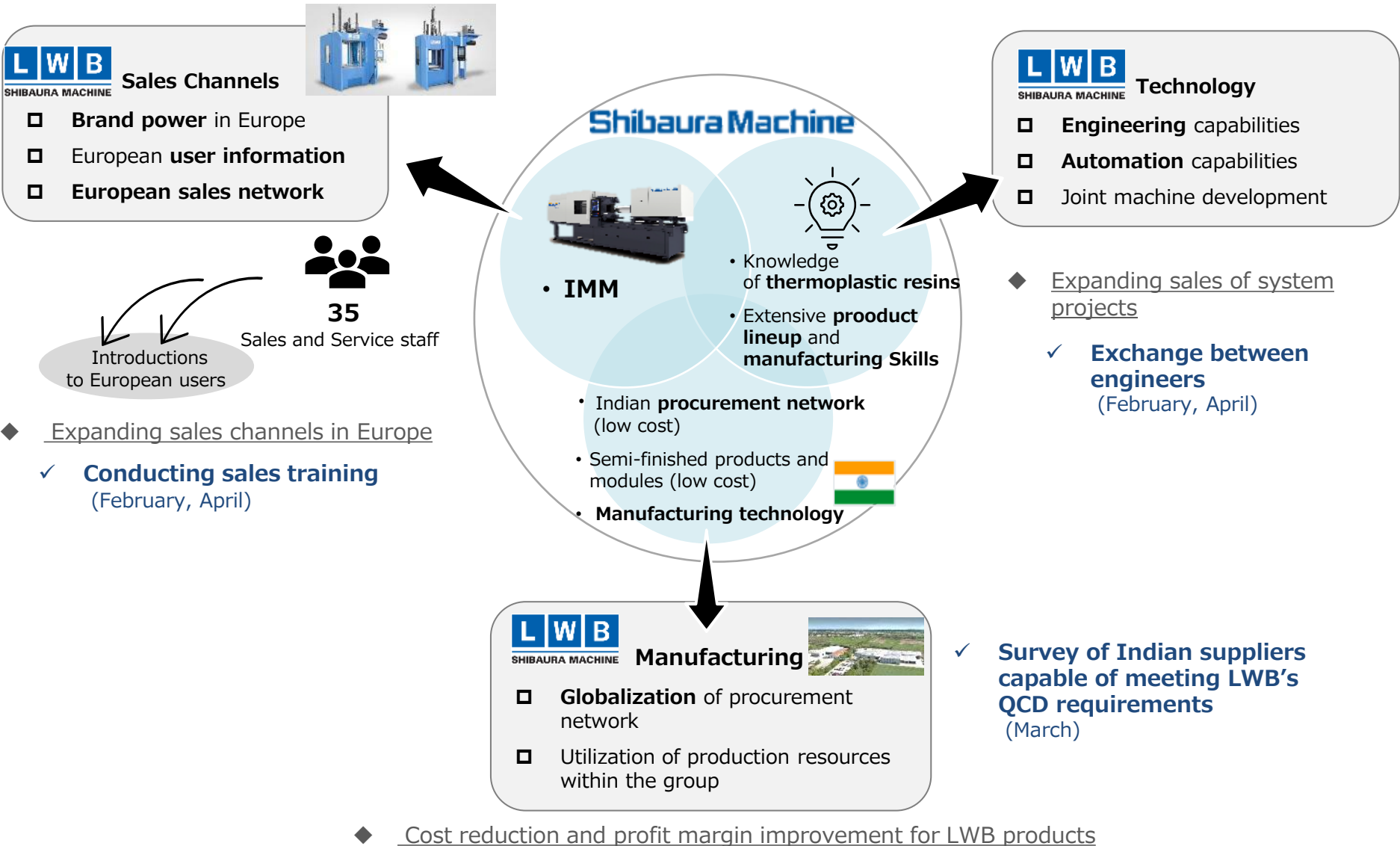
- Domains: Energy (Oil&Gas, Wind power), Construction machinery, Industrial machinery, Transport machinery
- Focused Models: Horizontal boring machines, Vertical boring and turning mills
- **Expanding orders from the Indian market**
- **Strengthening the organization of the Indian local subsidiary**
 - Recruiting and training sales engineering and service personnel
- **Reorganization of dealerships**
- **Installation of demo machine (Vertical turning lathe) at the India Factory Technical Center**
- **4 horizontal machining centers are operating at the India Factory (Showcase factory)**



Vertical Boring and Turning Mills



Horizontal Machining Centers



L W B
SHIBAURA MACHINE

Sales Channels

- ❑ Brand power in Europe
- ❑ European user information
- ❑ European sales network



L W B
SHIBAURA MACHINE

Technology

- ❑ Engineering capabilities
- ❑ Automation capabilities
- ❑ Joint machine development

Shibaura Machine

IMM

- Knowledge of thermoplastic resins
- Extensive product lineup and manufacturing Skills
- Indian procurement network (low cost)
- Semi-finished products and modules (low cost)
- Manufacturing technology

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Sales and Service staff

Introductions to European users

- ◆ Expanding sales channels in Europe
- ✓ **Conducting sales training** (February, April)

- ◆ Expanding sales of system projects
- ✓ **Exchange between engineers** (February, April)

L W B
SHIBAURA MACHINE

Manufacturing

- ❑ Globalization of procurement network
- ❑ Utilization of production resources within the group

- ✓ **Survey of Indian suppliers capable of meeting LWB's QCD requirements** (March)

◆ Cost reduction and profit margin improvement for LWB products

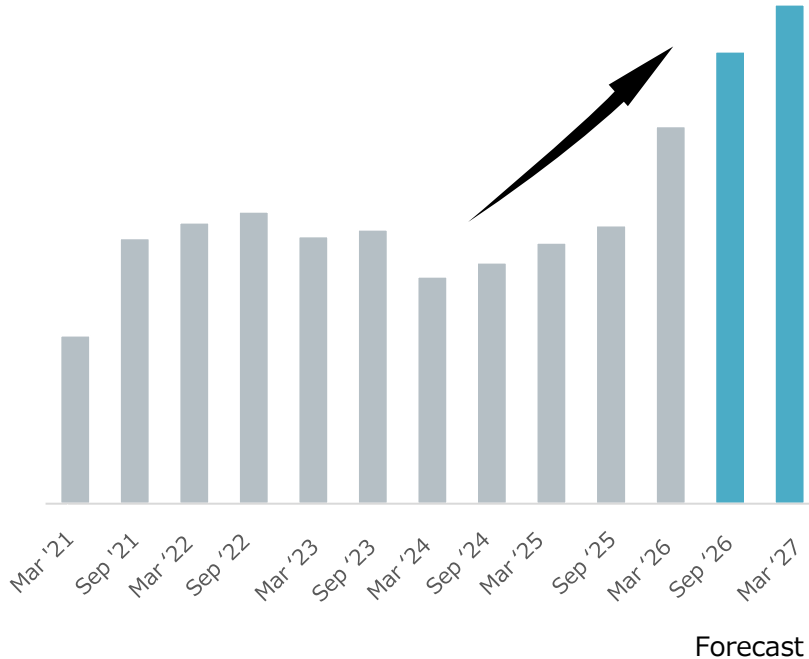
Expanding orders and production of large and special machine tools

■ Trend of our Machine Tools Segment Order Backlog

Many inquiries mainly from heavy industry manufacturers

- Aerospace
- Energy
- Construction Machinery
- Shipbuilding
- Defense Industry

Approx. 40.0 billion yen



Floor-Type Horizontal Milling and Boring Machines



Multi-Tasking Machine Tools



Large Double-Column Type Machining Centers



Initiatives to increase **in-period order sales**

- Sales promotion of stock machines
- Advanced production
- Retrofit and services

Production Volume
Aiming for **1.5 times**
compared to FY2025

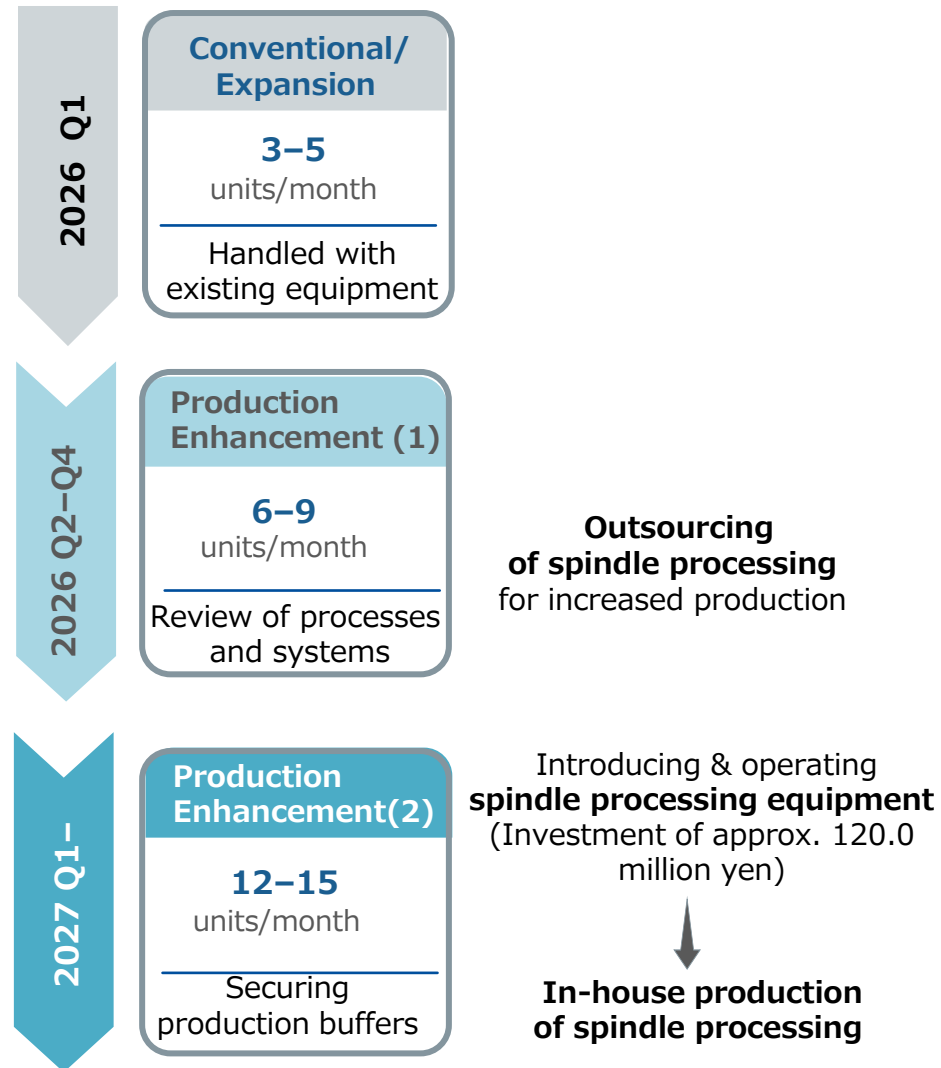
- Mobilization of internal personnel
- Development of new outsourcing partners
- Standardization of spindle head specifications through design changes

Expanding production of high-precision machines

Establishing an increased production system for ultra-precision machine tools for connector molds, driven by the global expansion of AI data centers



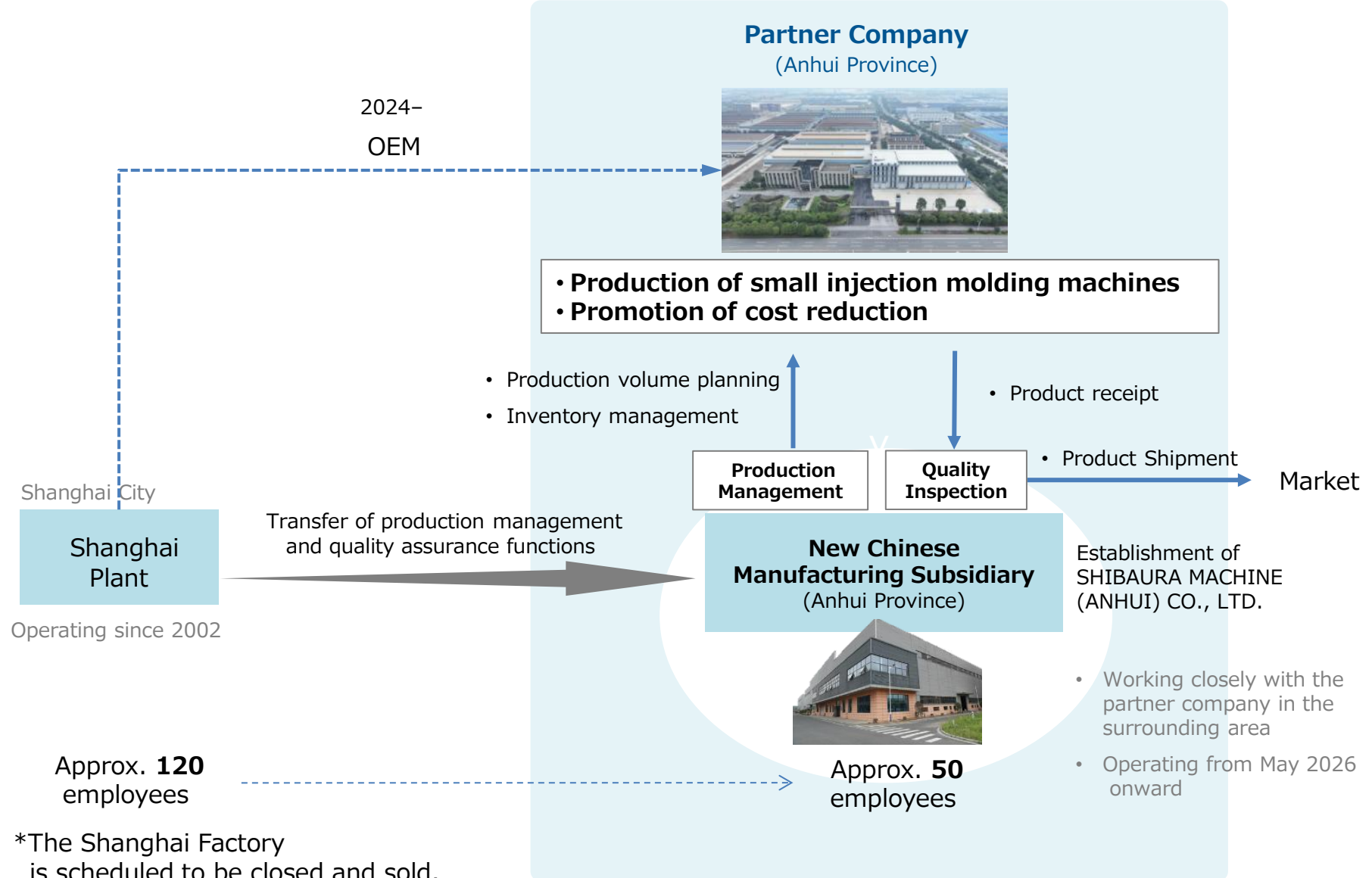
Production increase system



Restructuring of production system in China



Achieving cost reductions through an OEM partnership and a compact new manufacturing entity in Anhui



Restructuring of global systems in East Asia and Southeast Asia

Reviewing production systems in East Asia and Southeast Asia amid the ongoing economic integration of China and the ASEAN region



China

2010s

Shift toward automation and labor-saving

- Soaring labor costs
- Strong demand for casings and lenses due to the smartphone boom

2020–

EVs and Smart Environment

- Specializing in EV and high-end household appliances
- Transition from "quantity to quality"



Southeast Asia

2000–2020

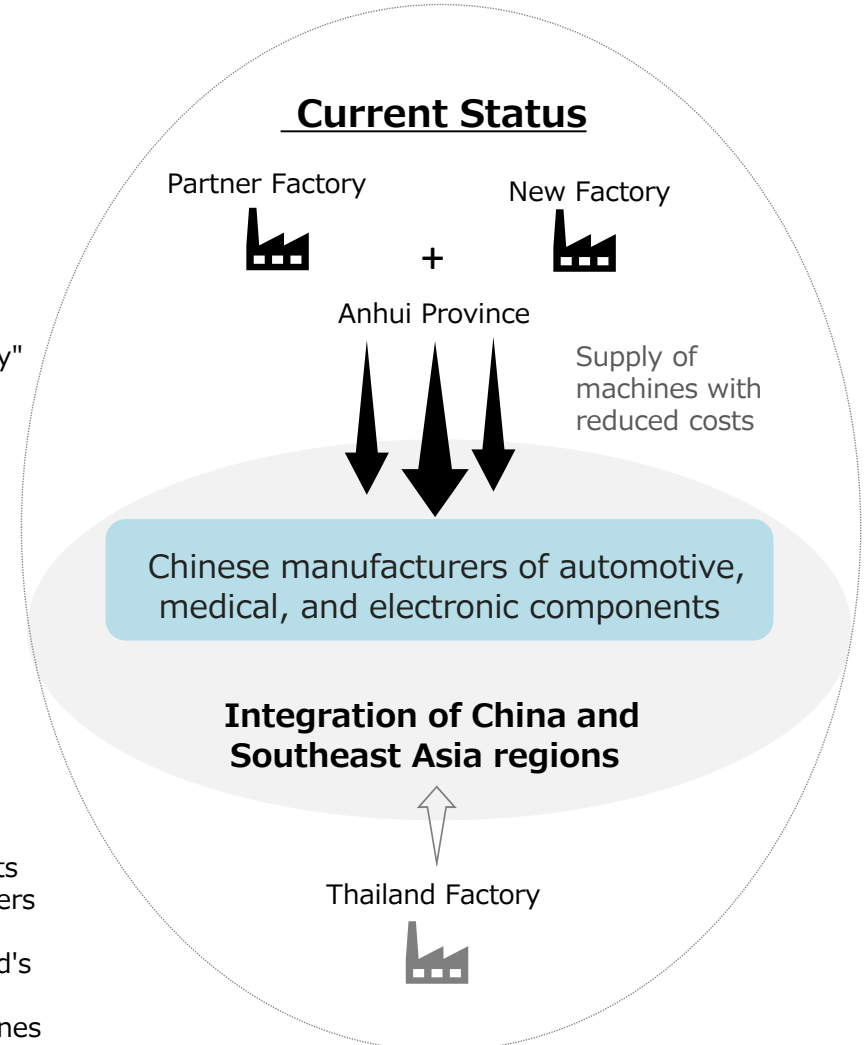
Supply chain establishment and industry restructuring

- Brand-to-brand complementation scheme for automotive parts within ASEAN
- Rapid growth of South Korean household appliance manufacturers

2020–

Production base replacing China






- Modularization of automotive parts and consolidation to mega-suppliers
- Vietnam becomes one of the world's leading production countries for household appliances and smartphones



Review of production systems

Impact of the Deterioration of the Situation in the Middle East

Impact of Middle East oil shortages spreading to all procured items

		Impact(Forecast)
	Purchased/ Outsourced items <ul style="list-style-type: none"> • Standard Products • Processed parts and equipment 	5-10% UP 10-30% UP
	Electrical components <ul style="list-style-type: none"> • Control Panels, etc. 	40% UP
	Impact of overseas factories <ul style="list-style-type: none"> • Items Procured at China, Thailand, and India factories 	3% UP
	In-house products <ul style="list-style-type: none"> • Castings and processed parts • Material costs • Electricity costs 	10% UP 20% UP 30%-60% UP
	Transportation costs <ul style="list-style-type: none"> • Domestic transportation costs 	7% UP



We are carefully negotiating selling **price increases** with customers. Prices will be reviewed in a timely manner based on future conditions.

Medium-Term Management Plan 2026

FY2024–FY2026

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M&A

Acquisition of Moore Nanotechnology Systems, LLC


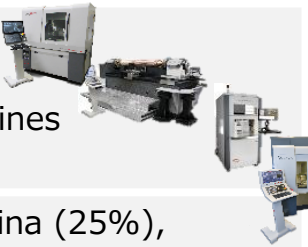

Business Enhancement through M&A

- March 2024 (CS) TECHNOLINK CO., LTD. ... Strengthening system engineering
- May 2025 (IMM) Functional Fluids Ltd. ... Strengthening System Engineering
- November 2025 (IMM) SHIBAURA MACHINE LWB GmbH ... Expanding European market
- 2H-2026** (PM) Moore Nanotechnology Systems, LLC
 (Abbreviated Company Name: **Nanotech**)
 ...**Expanding North American market**



"Medium-Term Management Plan 2026"

(Precision) Comparison between our company and Moore Nanotechnology Systems

Shibaura Machine		Nanotech
<ul style="list-style-type: none"> 5-axis Machining Centers Grooving Lathes Optical Glass Molding Press Machines 	Products	<ul style="list-style-type: none"> 5-axis Machining Centers Grooving Lathes Optical Glass Molding Machines Jig Grinders 
<ul style="list-style-type: none"> Japan, China Optics, Automotive 	Sales	<ul style="list-style-type: none"> North America (40%), China (25%), Europe (20%) Optics, Automotive, Aerospace, Medical, Defense
<ul style="list-style-type: none"> Strong in grinding Air static pressure technology, VV rolling guides, Oil static pressure guides 	Technology	<ul style="list-style-type: none"> Strong in cutting Oil static pressure technology
<ul style="list-style-type: none"> Numazu Plant Gotemba Plant 	Production	<ul style="list-style-type: none"> Swanzey Plant (New Hampshire) Charlotte Plant (North Carolina) 
<ul style="list-style-type: none"> Appeal to corporate production sites Strength in spindle precision 	Other	<ul style="list-style-type: none"> Appeal to research institutes and corporate R&D departments Technical Center established within the Charlotte Plant

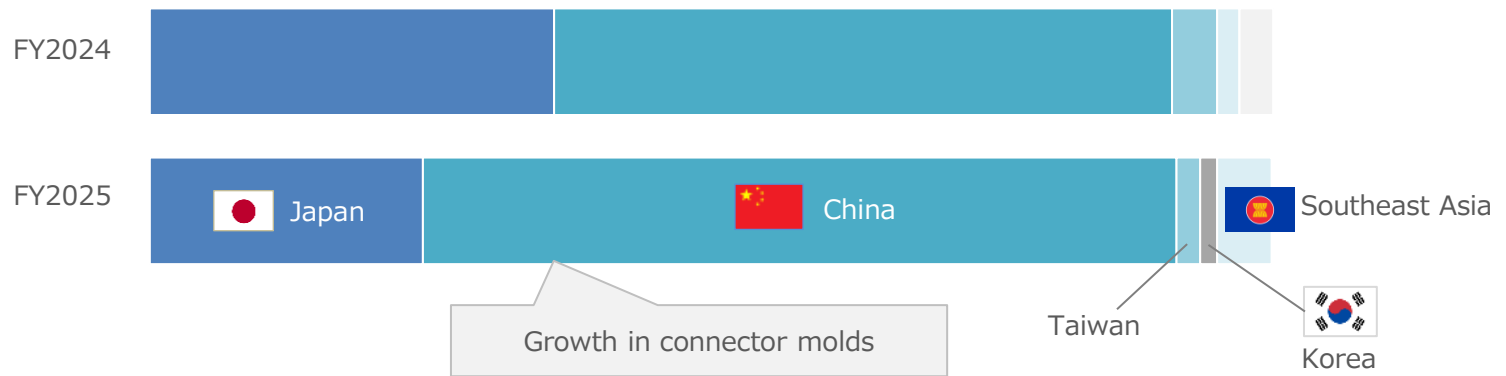
*Bold text in the table above indicates new areas for our company.

(Precision) Regional Market Comparison

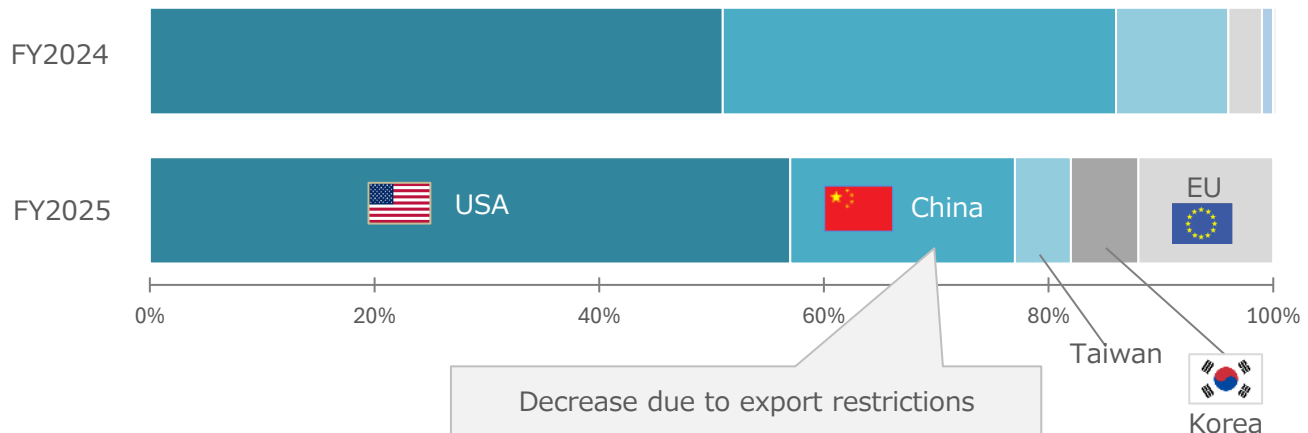
Shibaura Machine holds a strong presence in **Japan** and **China**, while Nanotech excels in the **US** and **Europe**. Cross-selling will function effectively post-integration.

Regional Order Composition

Shibaura Machine

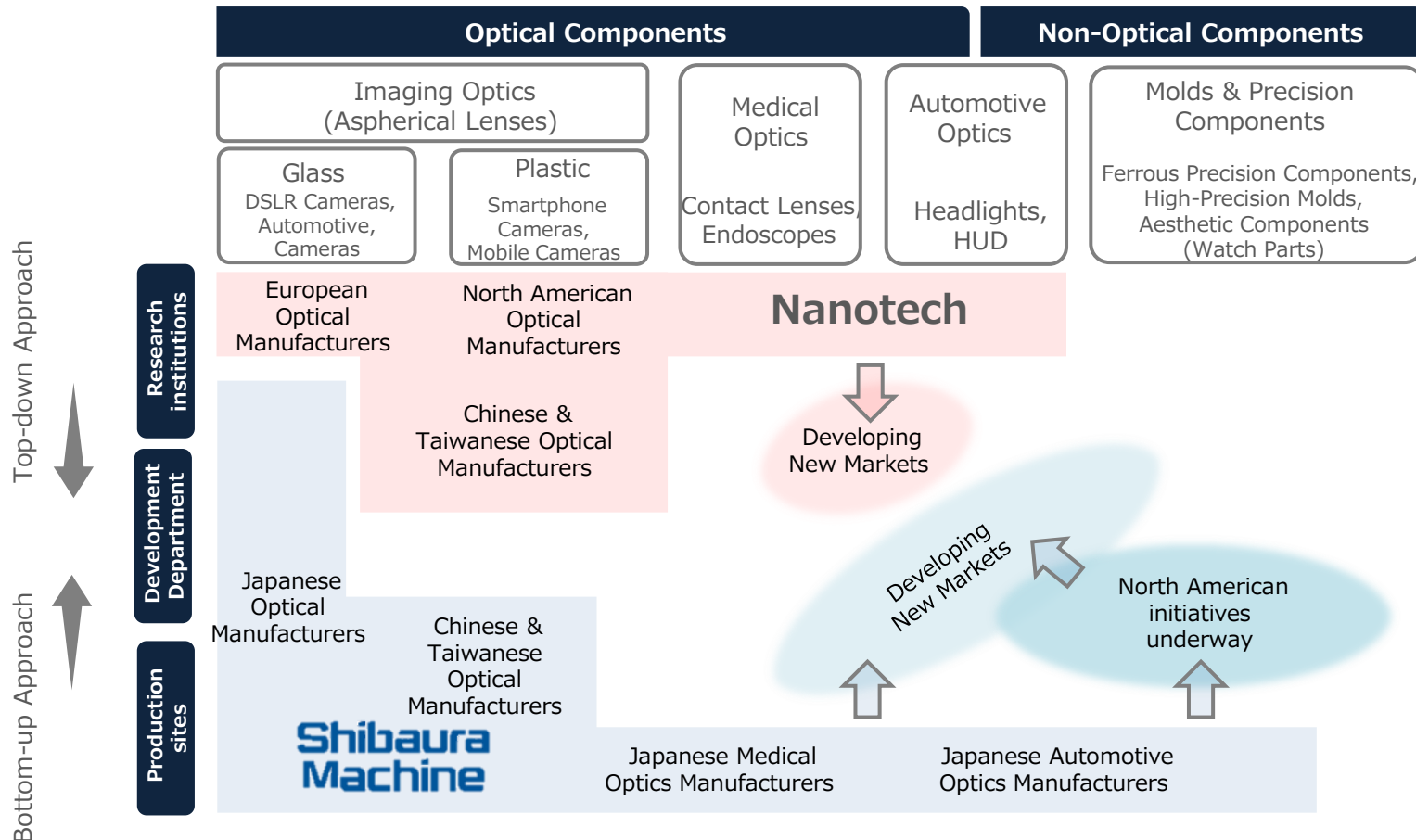


Nanotech



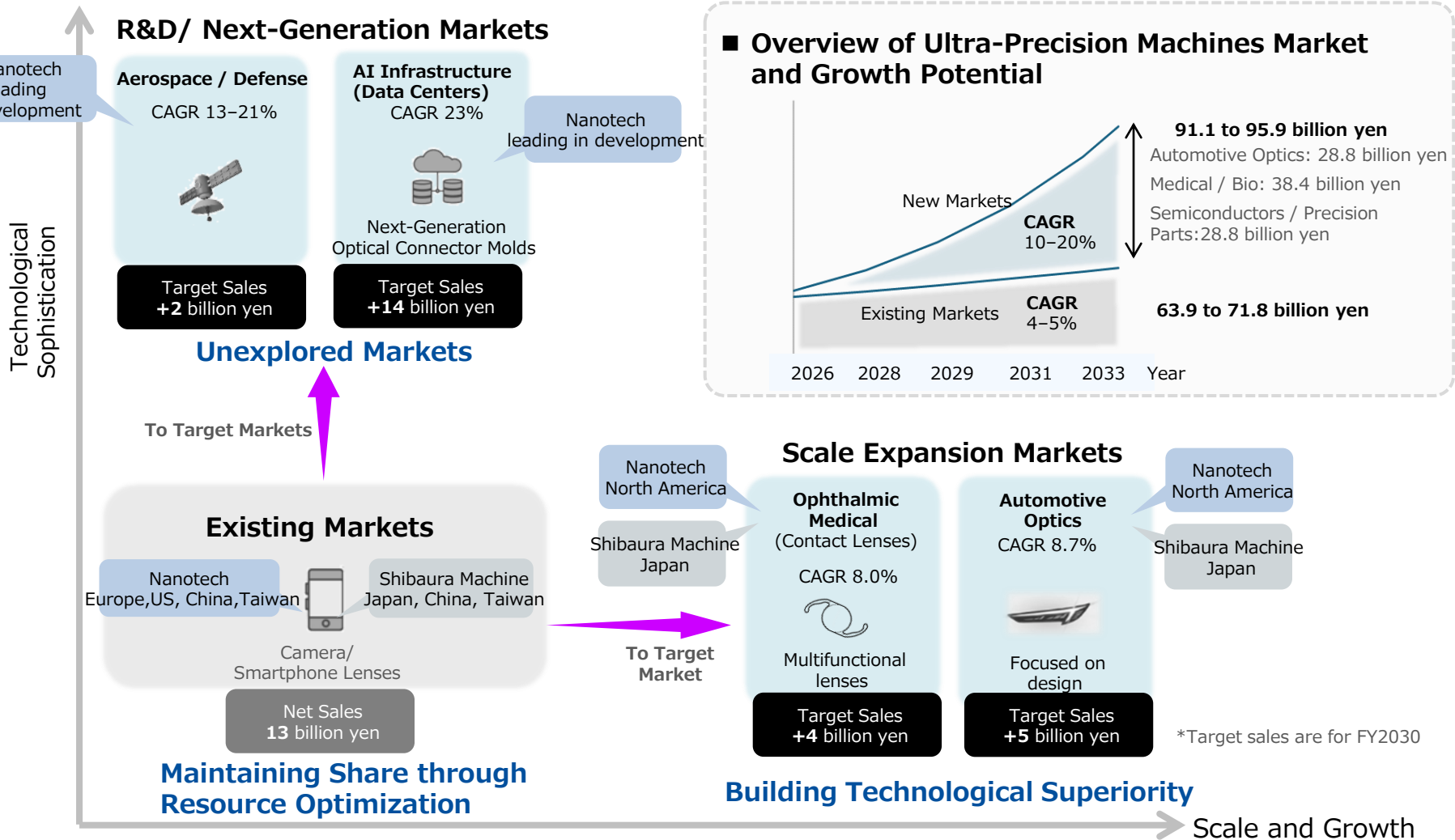
(Precision) Market Comparison by Application

- **Nanotech has a strong reach into research institutes and corporate R&D departments.** Top-down approach aiming for penetration into production sites from there.
 - **Shibaura Machine has a strong reach into production sites.** Bottom-up approach.
- Both companies are investing resources into **new markets** such as **medical and automotive fields**, and are focusing on **developing new needs**.



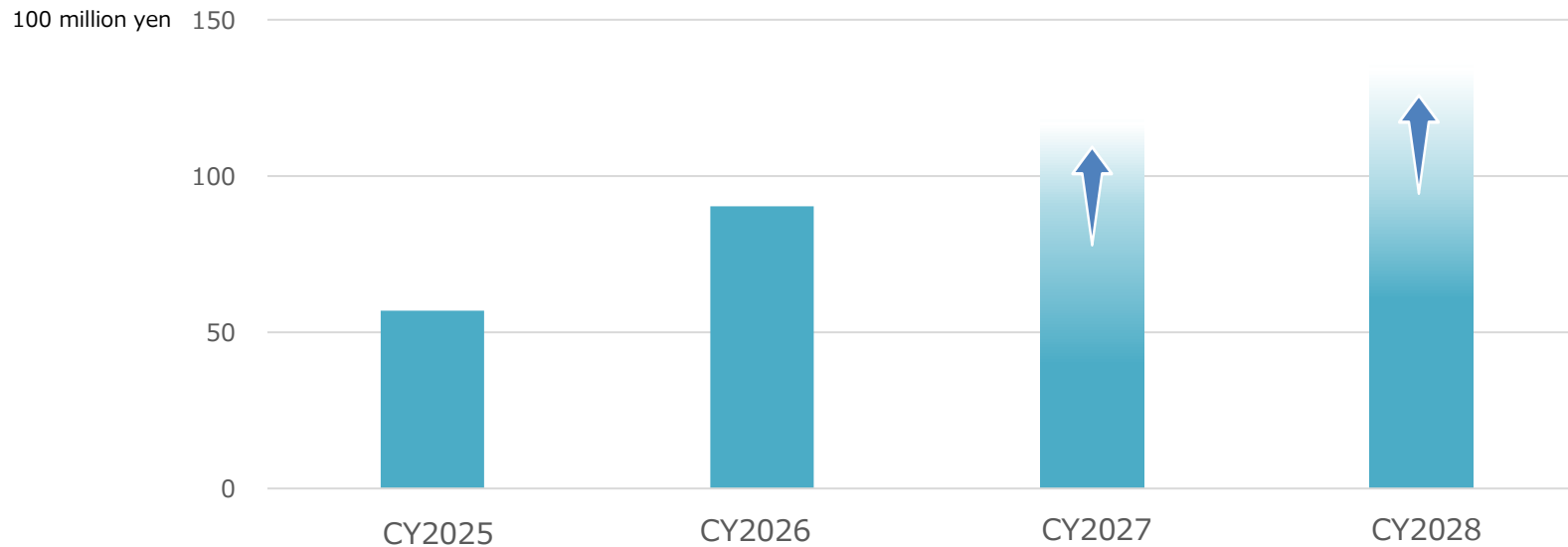
(Precision) Post-Integration Target Markets After Integration

Targeting + 25.0 billion yen in sales by FY2030 as a post-integration new market



(Precision) Financial Impact

■ Moore Nanotechnology Systems, LLC Standalone Forecast



■ Key Measures for Creating Synergy Effects

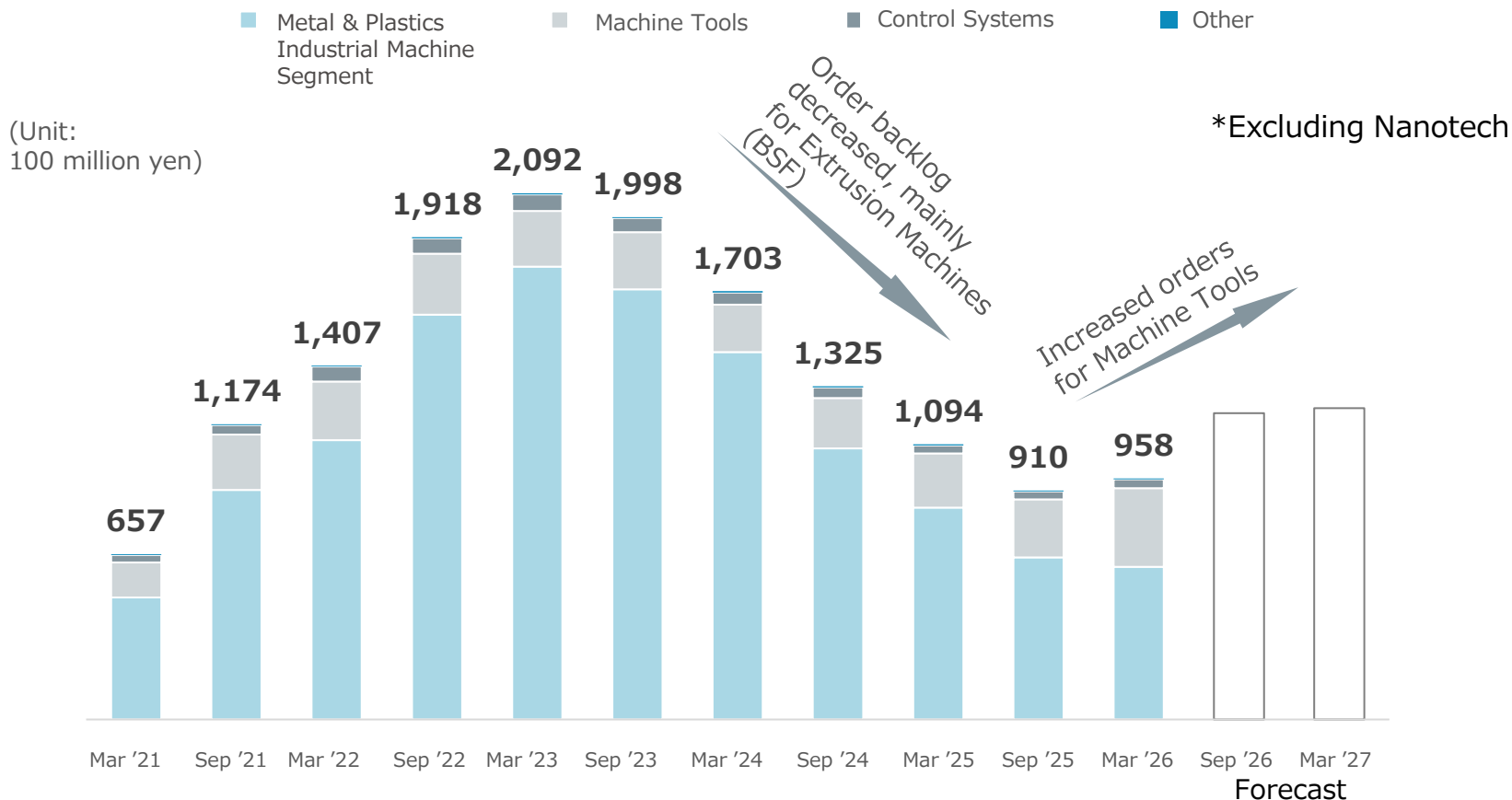
- Product sales utilizing both companies' sales networks and resources
- Joint development of new growth markets in automotive optics and medical (ophthalmology) fields
- Efficiency improvement through sharing of R&D resources
- Cost reduction through collective production of shared core components

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Direction of the Next Medium-Term
Management Plan
(FY2027-)

Scale from FY2027 onward

■ Trend of Order Backlog by Segment

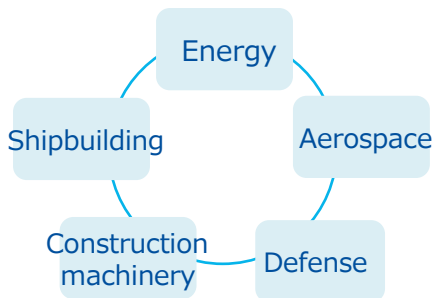


- Recovery after bottoming out at the end of September 2025
- Clear recovery in the Machine Tools order environment
⇒ **Accumulation of order backlog** to form the core of sales
- Additionally, an increase in **orders for next-generation BSF** (Extrusion Machines)

Items that could become key measures for the next Medium-Term Management Plan

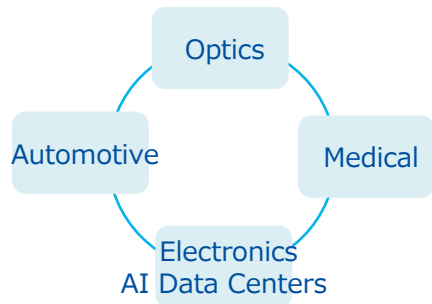
■ Business expansion of Machine Tools (Redefinition of domains)

Ultra-large special machines



- Focus on increasing production

Precision



- Establish a True Global Network

■ Extrusion Machines development + Numazu Plant restructuring

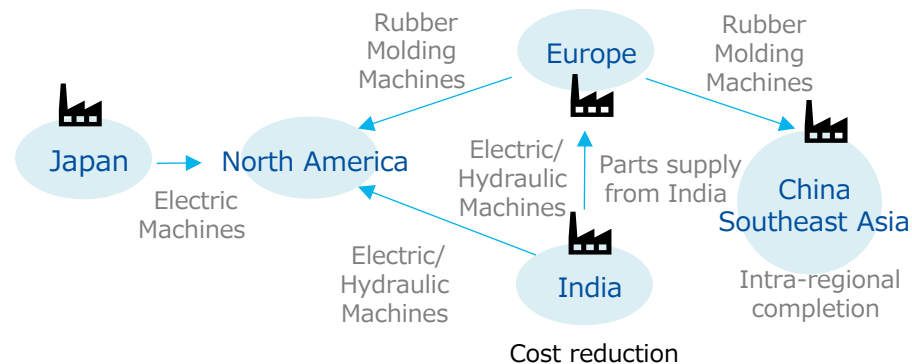
- All-solid-state batteries for automobiles
- Next-generation BSF (for ESS)
- For optical films
- Aerospace (CFRTP materials)

Plan to build a Technical Center for Extrusion Machines capable of test development within the Numazu Plant



- Accelerate R&D for applications with expanding use cases

■ Strengthening overseas markets (IMM)



- Adjust shipping factories flexibly in response to ever-changing market trends and geopolitical risks
- Maximize returns on strategic investments (India factory expansion, Germany acquisition)

■ Systems Engineering

Production and expansion of Functional Fluids Ltd.'s secondary cooling systems (effects: extending mold life, energy saving) at the India Factory



For Injection Molding Machines



For Die Casting Machines

- Install these systems on machines in hot-climate India to increase **added value** and expand sales

Shibaura Machine

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