Financial Results
Briefing Materials

“Medium-Term Management Plan 2026”

Strategic Actions for the Final Year

November 17, 2026

SHIBAURA MACHINE CO., LTD.

Shibaura Machine

Medium-Term Management Plan 2026
FY2024–FY2026

1 Progress on Emergency Response in 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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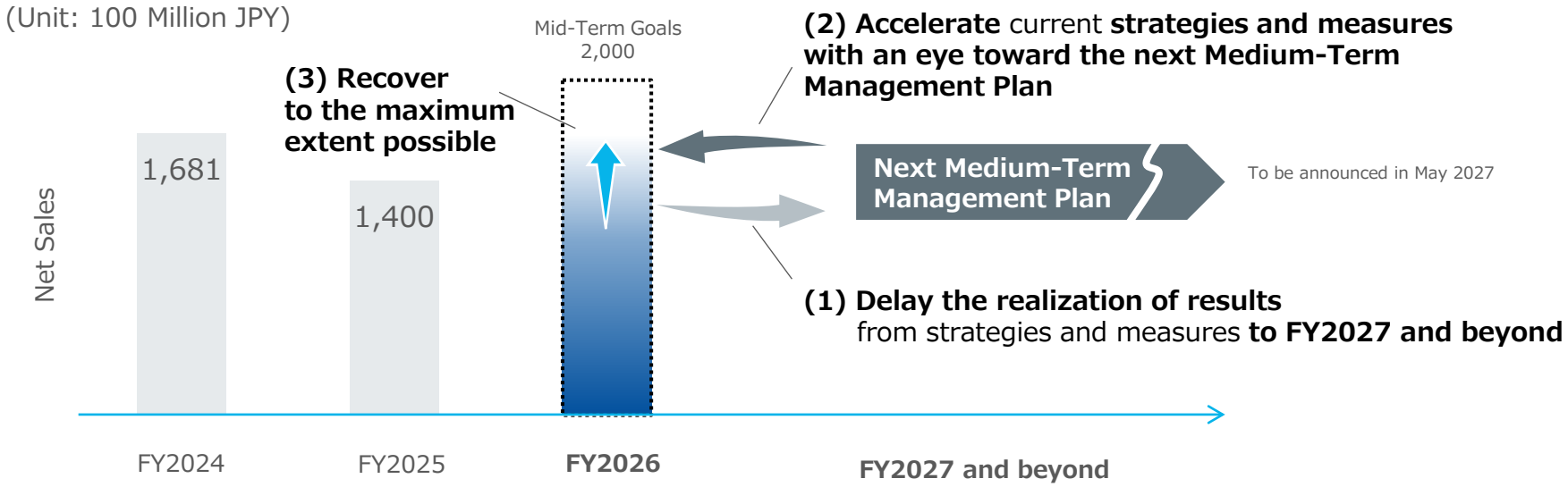
Formulation of FY2026 Emergency Measures [Reprinted Nov 19, 2025]

Medium-Term Management Plan 2026

Quantitative Targets FY2026 Targets (Consolidated)	Net Sales 200 billion JPY	Operating Profit Margin 10.0%	ROE 9.5% or higher

(Reference) ROIC 9.0% or higher

- **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 Emergency Response in FY2026

- **Profit generation** through rigorous **cost reduction and efficiency improvement** … A
- **Securing orders and sales within the current term**… B
- **Accelerated realization of returns in FY2026** from measures implemented as a **foundation for the Next Mid-Term Plan**… C

+ M&A

	Strategies and Measures for Emergency Response in FY2026	Initiatives and Progress
B	Resolution of US tariffs (Overall)	—
B	European market development (IMM)	• Signing of a JV MOU with an Italian distributor to expand the Southern European market (Jul. 2026) • Holding of an in-house exhibition at the acquired SML in Germany (Oct. 2026)
B	Indian market share expansion (IMM, MT)	• Increase in sales personnel in western and northern India • Production system of 1,500 units per year (during FY2026)
B	North American market development (PM)	• Acquisition of U.S.-based Nanotech ⇒ Final adjustments underway toward closing (second half of FY2026)
B	Orders and production of large special machines (MT)	• Inter-departmental transfers and mid-career hiring to expand production capacity (in progress) • Introduction of processing machines for (PM) component machining (Feb. 2027)
C	Orders for next-generation BSF (EX)	• Development for higher speed, wider width, thinner film, and higher strength • Order activities for ESS (Energy Storage System) demand
A C	Global structure reorganization in East and Southeast Asia (IMM)	• Relocation of the Chinese plant to Anhui Province and start of operations (May 2026) • Suspension of production at the Thai plant (Dec. 2026) • Integration of the Shenzhen sales subsidiary into the Shanghai sales subsidiary (Jan. 2027)

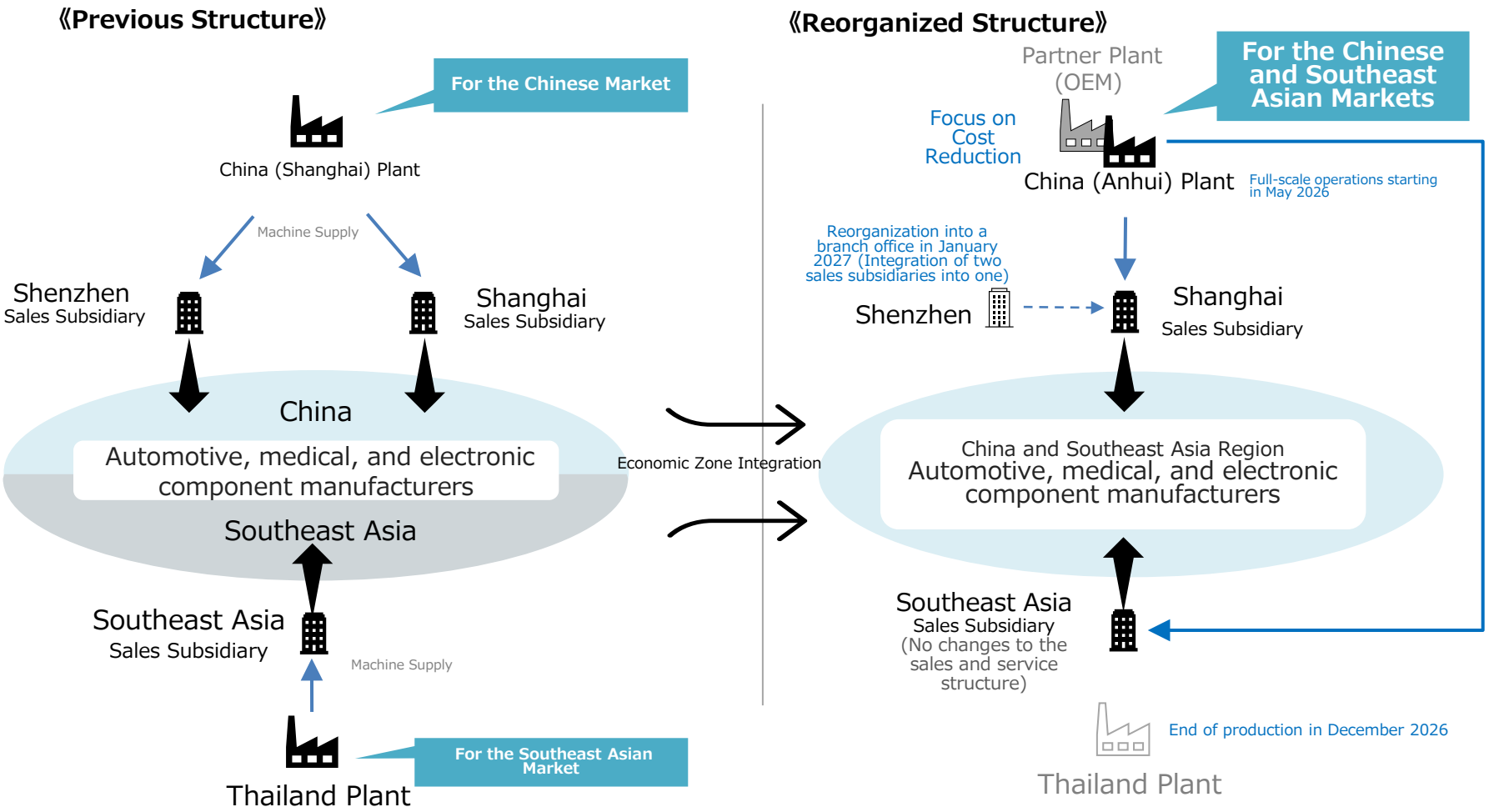
SML: SHIBAURA MACHINE LWB GmbH

Global Structure Reorganization in East and Southeast Asia

IMM

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Reviewing sales and production structures in East and Southeast Asia amid advancing economic integration between China and Southeast Asia



Closing the China (Shanghai) Plant and Thailand Plant
Consolidating production at the Chinese OEM partner and the new China (Anhui) Plant
⇒Aiming for cost reduction and enhanced competitiveness by optimizing production efficiency

Functional Roles of the IMM Business (Global Level)

IMM

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Generating profit in developed countries by providing production processes

Solution Business
(Turnkey Business)

Reducing costs
by **consolidating** OEM production
and **Thailand Plant production**

- **Building turnkey systems**

China

- **Developing medium and large machines**
- **Developing embedded AI Horizontal electric machines**

- **Assembling special specification options for North American customers**
- **Automated systems for medical applications**
- **Developing service portals**

Europe

Horizontal Electric Machines

Japan

U.S.

Horizontal Electric Machines

Engineering Collaboration

Hydraulic Machines
Horizontal Electric Machines

Middle East Africa

Hydraulic Machines

Mass Production Plant

India

Hydraulic Machines

Southeast Asia

Increasing the local procurement rate to **reduce costs**

Promoting low total lifecycle costs

Initial installation cost + low running costs
(Energy saving and high durability)

Generating profit in the Global South through scale expansion

Market Share Expansion in India

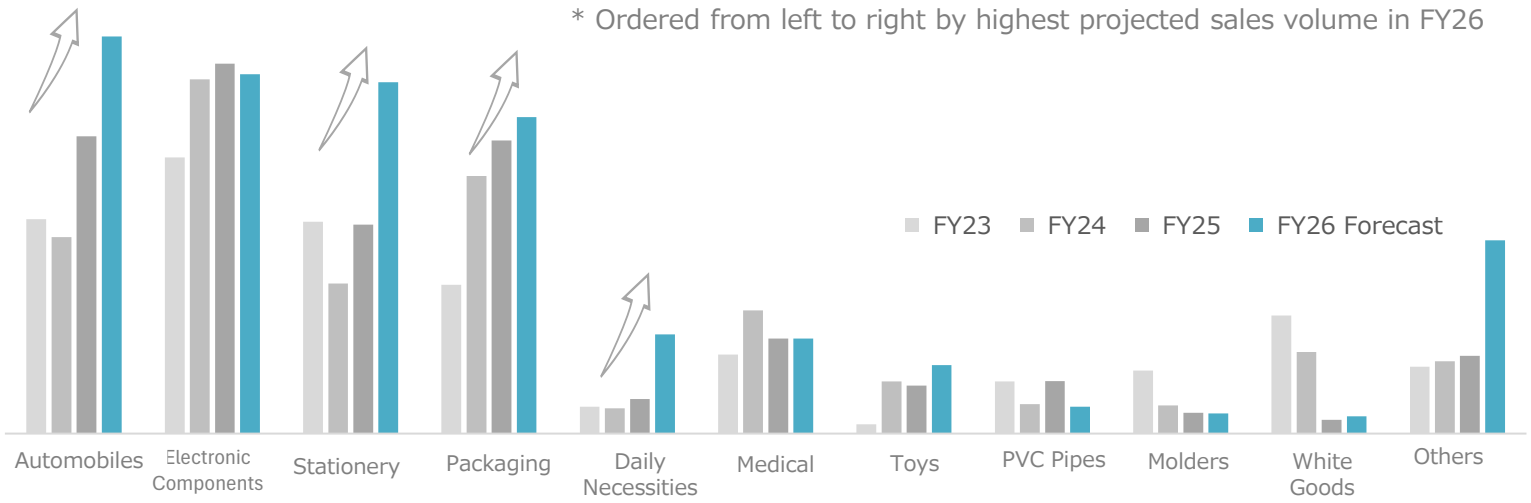
IMM

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Granting subsidies for incremental sales of eligible companies through the Production Linked Incentive (PLI) scheme as the Indian government aims for a "Self-reliant India"

Electronics and IT Hardware	**Total Budget: 410 billion INR** Domestic smartphone manufacturing in India and others
Telecommunications and Networking	**Total Budget: 194.4 billion INR** 4G/5G communication equipment, switch and telecommunication network-related products
Advanced Chemistry /Cell Batteries	**Total Budget: 181 billion INR** Establishment of 5 to 10 GWh ACC battery production plants and planned manufacturing
Solar Power Generation	**Total Budget: 240 billion INR** Expanding module production capacity up to 200 GW
Automotive Manufacturing /Automotive Parts	**Total Budget: 235.9 billion INR** • Finished vehicles limited to BEVs and FCVs • Components limited to advanced technology parts
Pharmaceuticals	**Total Budget: 150 billion INR** Active pharmaceutical ingredients including biopharmaceuticals and generic drugs

■ **Sales Volume of IMM in India**



Booming Indian market supported by national policies, with high economic growth rates
⇒Promoting sales with domestic market share in India as a key KPI

PLI: Production Linked Incentive

Expanding Orders and Production of Large and Special Machine Tools

MT

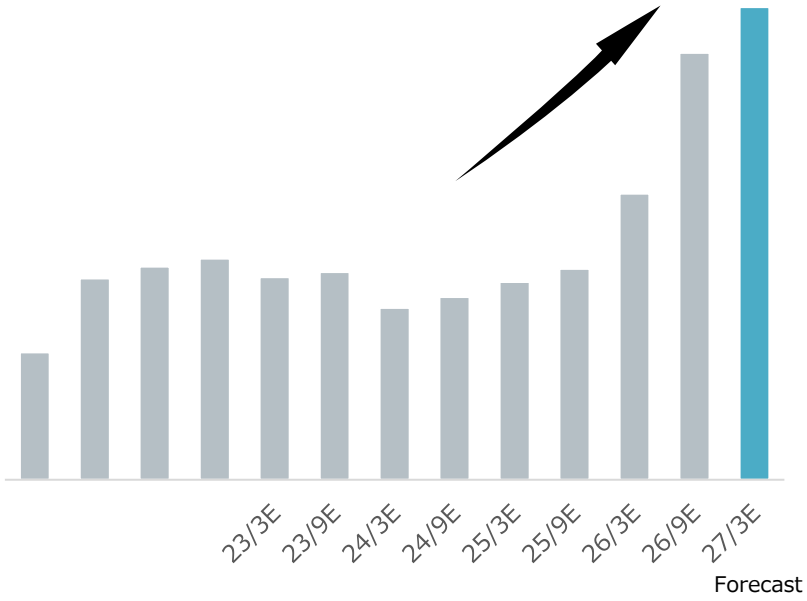
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■ Trend of Order Backlog in MT

Receiving numerous inquiries
mainly from heavy industry manufacturers

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

Approximately
51 billion JPY



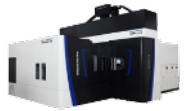
Floor Type Horizontal Boring Machines



Multi-Tasking Machines



Large Double-Column Type Machining Centers



Initiatives to Increase **Orders and Sales within the Current Term**

- Promoting sales of inventory machines
- Accelerating production
- Providing retrofitting and services

Production Target
Increasing production volume
to **1.5 times** compared to FY2025

- Mobilizing internal personnel (Implementing transfers)
- Cultivating new outsourcing contractors
  (Increasing new outsourcing contractors)
- Standardizing spindle head specifications through design changes

2

Direction of the Next Medium-Term Management Plan

(FY 2027–)

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Envisioned Manufacturing Industry 5 and 10 Years from Now

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Japan, U.S., Europe, China	Polarized Market Characteristics	India, ASEAN, South America, etc.
• **Retirement of skilled workers** • **Labor shortages** • High cost structures	**Biggest Bottlenecks**	• Instability of **power** and infrastructure • **Lack of** local **maintenance skills**
• Autonomous operations • **Completely unmanned operations** (Dark factories) • Ultra-high precision	**Essential Requirements for Machines**	• High durability • Simplicity • Modular scalability
• **Automatic AI compensation** 	**Control and Software Configurations**	• Intuitive interfaces • **Remote maintenance**
• **Total automated cells** (Turnkey) 	**Peripheral Systems**	• **Standalone products + simple automation** 
• Response to CO2 reduction • Compatibility with recycled materials	**Environmental and Product Requirements**	• **Mass production** of general-purpose durable goods • **Energy-saving** appeal

Causality

Causality

High quality assurance and automated unmanned operations

Moving toward future solution businesses

Addressing both markets technologically

Guaranteeing mass production, high durability, and simplicity

Positioning of the Next Mid-Term Plan

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FY2020 FY2023

Business Structure Reform

■ Organizational Reform

- Internal company system + Establishment of RDC and Production Center

■ Unification of the Chain of Command

- New personnel system

■ Fixed Cost Reduction

- Voluntary retirement
- Sale of idle assets

FY2024 FY2026

Portfolio Reform

Offensive Businesses / Defensive Businesses

Focusing on offensive business areas

Large-Scale Investments

- Acquisition of LWB
- Construction of India Plant #2
- Acquisition of Nanotech
- Branding (TV commercial broadcast)

Remaining issue: Reorganization of Numazu Plant

Next Mid-Term Plan

FY2027 FY2029

Generating Returns from Large-Scale Investments

Outcomes of Investments

- Creating business synergies (Resulting in European market expansion)
- Expanding exports to the Global South and Europe
- Creating business synergies (Resulting in North American market expansion)
- Strengthening human resources and penetrating the brand

• Advanced development / fixed cost investment
• Organizational structure

5 and 10 Years from 2026

- Labor shortages
- Retirement of skilled workers

Solution Business

[Vision for Shibaura Machine]
A business portfolio centered on solution businesses

Highly Profitable Structure

Solution businesses for IMM, DC, EX, MT, PM, and CS

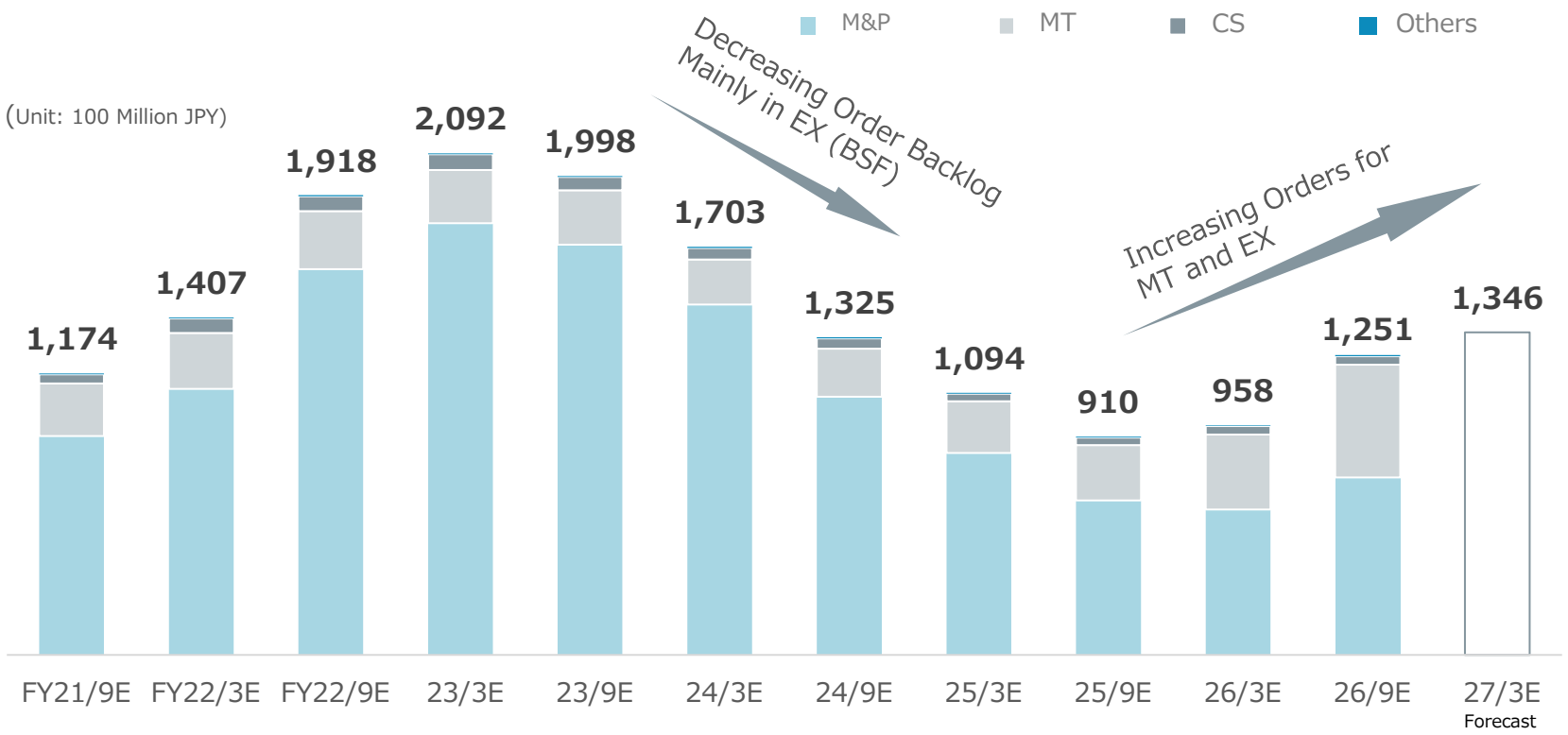
- Autonomous operations
- Equipped with automatic AI compensation
- Total automated cells

Backcasting

Business Scale Composition from FY2027

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■ **Trend of Order Backlog by Segment**



- Recovering after bottoming out at the end of September 2025
- Clear recovery in the order environment for MT⇒**Increasing order backlog for MT**

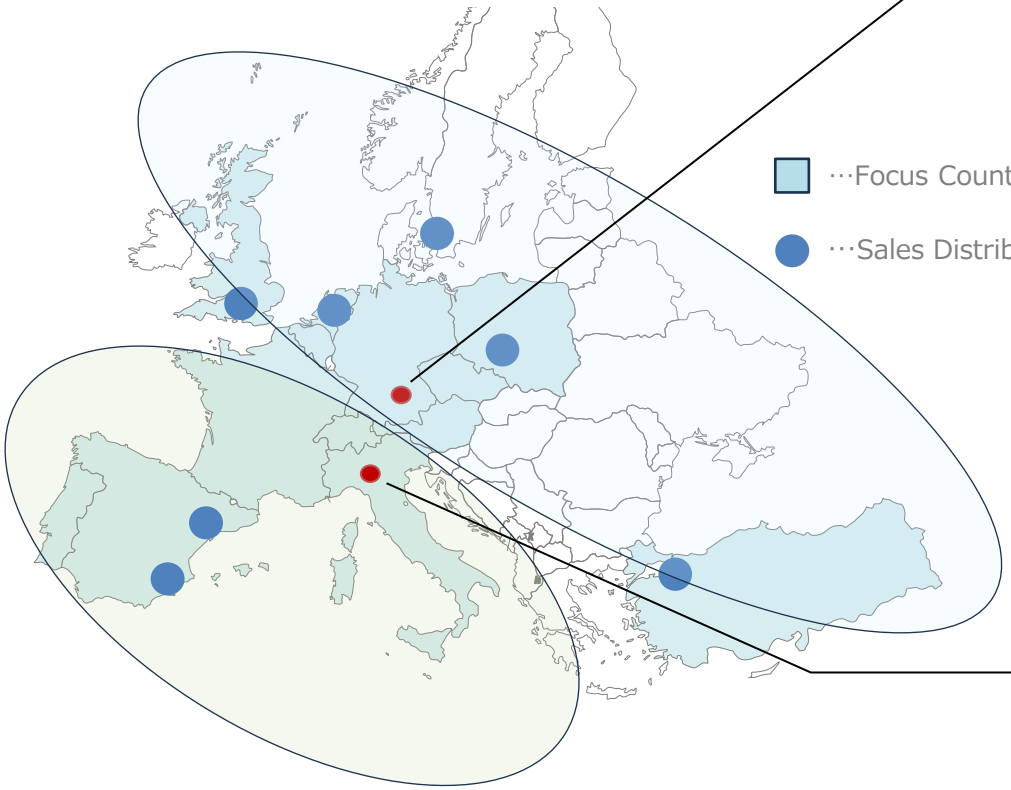
European Market Development

IMM

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- **Establishing a management structure for sales distributors**

Supplying the Northern Region Through SML



Supplying the Southern Region Through SME

* Acquired in November 2025

SML



In-House Exhibition (Oct. 2026)

- Providing turnkey solutions for injection molding machines
- Supporting the construction of automated lines for smart factories

Investment Ratio

60% Shibaura Machine + EPF 40%

Joint Venture
SME

*Transition to a joint venture (planned for the second half of 2026)

SME: SHIBAURA MACHINE EUROPE S.R.L.
SML: SHIBAURA MACHINE LWB GmbH
EPF : E.P.F Elettrotecnica S.r.l

Deepening the Indian Market

IMM

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Product Development Strategy

- **Targeting the Automotive Industry**
  Developing two-platen machines* to strengthen the price competitiveness of medium and large machines
- **Targeting Packaging and Medical Applications**
  Expanding the lineup of ECi all-electric injection molding machines
- **Countering Chinese Competitors**
  Expanding the lineup of NEWRA hydraulic injection molding machines
- **Expanding to Europe and North America**
  Expanding the lineup of the S-GenXt series of hydraulic injection molding machines
- **Improving Functionality and Added Value**
  Differentiating through auxiliary equipment such as enhanced AI functions and water quality improvement by FF*

Sales and Service Strategy

- **Strengthening Regional Sales Capabilities**
  Increasing sales personnel in **western and northern India**
- **Collaborating on Solutions**
- **Utilizing DX and Digital Technologies**
  Strengthening support for machine setup, test runs, and troubleshooting

Production Strategy

- **Enforcing Thorough Quality Control**
  Providing quality guidance to suppliers to prevent defective parts
- **Reorganizing the Supply Chain**
  Pursuing cost competitiveness and stable supply



*2-platen machine: A clamping structure enabling lower prices than current three-platen machines
*FF: Functional Fluids Ltd.

Future Goal:

Global Production Hub for Molding Machines

Developing the Indian plant into a highly efficient and stable supply base for the global market

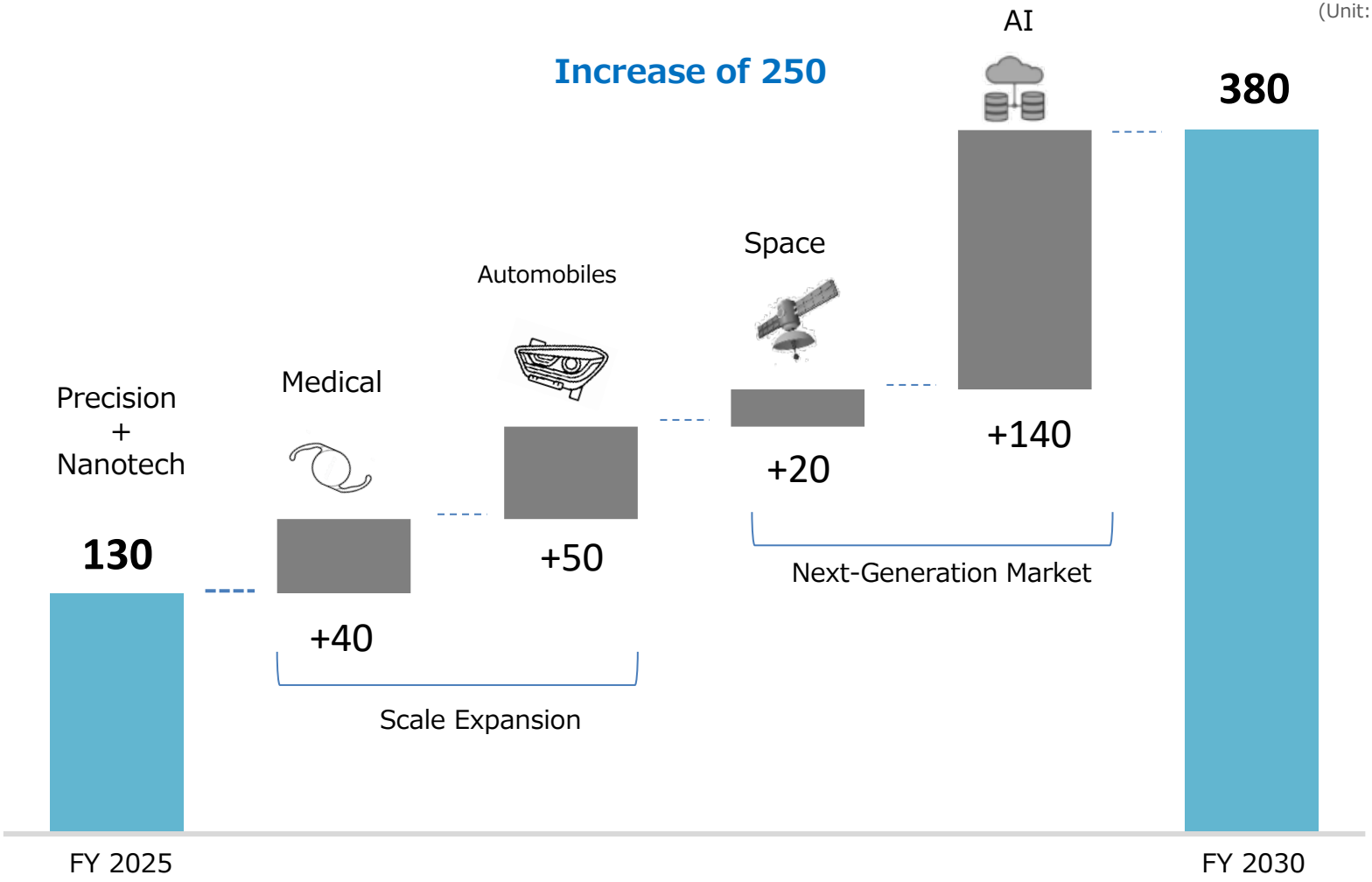
(PM) Expansion of the North American Market

PM

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■ **Sales Expansion Plan**

(Unit: 100 Million JPY)



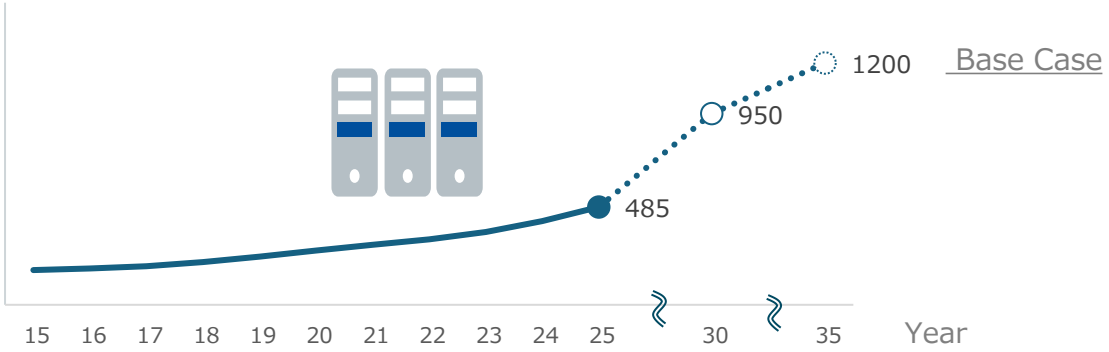
Scheduled to close in the second half of FY2026
Realizing synergy effects to expand sales scale

Production Increase in Response to Market Environment and Growth Opportunities

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Building a production increase system in related businesses driven by the global expansion of AI Data Centers

AI and Data Center Power Consumption (TWh) Source: IEA



ESS
(Energy Storage System)

・Separator Films for LiB

BSF

EX 

3 lines/month
(For ESS and EVs)

Telecommunications

・Optoelectronic Integration Connectors 

High-Precision Slicers

PM 

3 times
(vs. FY2025)

Electric Power

・Small Modular Reactors
(SMR)

Large Machine Tools

MT 

1.5 times
(vs. FY2025)

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