Presentation of Financial Results for Third Quarter of Fiscal Year 2023

February 2, 2024

ShinMaywa Industries, Ltd.

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Consolidated Financial Results for Third Quarter of Fiscal Year 2023

Note 1: Numerical values appearing in this document have been rounded down to the nearest unit, while ratios are shown in round figures.
Note 2: In this document, “1Q” signifies the cumulative 3-month period, “2Q” signifies the cumulative 6-month period, “3Q” signifies the cumulative 9-month period, and “full year” signifies the cumulative 12-month period.

Summary of Consolidated Financial Results for the Third Quarter of FY2023

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(Million yen)

	FY2022 3Q	FY2023 3Q	Change (Rate of change)	
Orders received	188,597	207,161	+18,563	(+9.8%)
Net sales	160,546	177,627	+17,081	(+10.6%)
Operating profit	6,003	6,300	+296	(+4.9%)
Ordinary profit	6,724	6,100	-623	(-9.3%)
Profit attributable to owners of parent	4,507	3,644	-863	(-19.2%)
Outstanding orders	242,079	286,898	+44,818	(+18.5%)
Exchange rate (USD 1)	136.5 yen	143.9 yen		

Year-on-year change

Orders received

- Orders received increased in all segments except the Industrial Machinery & Environmental Systems segment and increased overall.

Net sales

- Sales increased in all segments except the Others segment and increased overall.
- Highest 3Q on record.

Profits

- Operating profit Increased due to an increase in revenue.
  Profit attributable to owners of parent decreased mainly due to a decrease in foreign exchange gains.

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Consolidated Financial Results for the Third Quarter of FY2023, by Segment

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(Billion yen)

Segment	Orders received			Net sales			Operating profit		
	FY2022 3Q	FY2023 3Q	Change	FY2022 3Q	FY2023 3Q	Change	FY2022 3Q	FY2023 3Q	Change
Special Purpose Truck	82.0	84.5	+2.5	66.4	72.2	+5.8	0.8	1.5	+0.6
Parking Systems	29.0	37.7	+8.7	28.4	28.5	+0.1	2.1	1.9	-0.2
Industrial Machinery & Environmental Systems	32.7	30.8	-1.9	24.6	29.0	+4.4	2.2	1.8	-0.4
Fluid	20.8	21.3	+0.4	14.3	15.8	+1.5	1.1	1.4	+0.3
Aircraft	13.9	15.0	+1.0	16.6	22.5	+5.9	1.2	1.7	+0.4
Others	9.9	17.6	+7.7	10.0	9.2	-0.7	0.4	0.4	-0
Adjustments	–	–	–	–	–	–	-2.2	-2.6	-0.3
Total	188.5	207.1	+18.5	160.5	177.6	+17.0	6.0	6.3	+0.2

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Consolidated Balance Sheets / Consolidated Statements of Cash Flows

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Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of December 31, 2023	Change
Cash and deposits	22,745	19,423	-3,322
Trade receivables	71,417	89,996	+18,578
Inventories	53,802	65,666	+11,863
Total fixed assets	45,191	47,081	+1,890
Other assets	33,749	35,135	+1,385
Total assets	226,907	257,303	+30,395
Trade payables	27,310	31,746	+4,435
Interest-bearing debt	52,417	77,916	+25,498
Other liabilities	46,739	44,276	-2,463
Total liabilities	126,467	153,939	+27,471
Equity	98,747	101,763	+3,016
Other net assets	1,692	1,600	-92
Total net assets	100,439	103,364	+2,924
Total liabilities and net assets	226,907	257,303	+30,395

Equity ratio	43.5%	39.6%	

Consolidated Statements of Cash Flows

(Million yen)

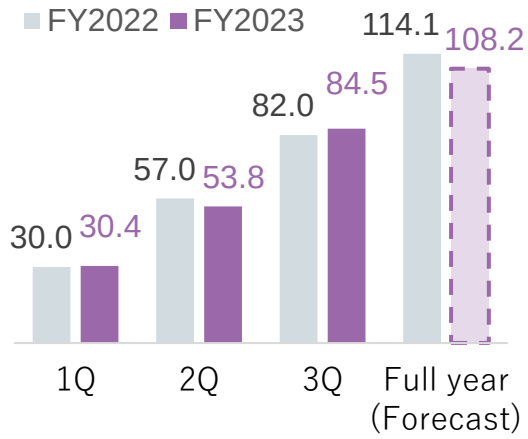
	FY2022 3Q	FY2023 3Q	Change
Cash flows from operating activities	-7,616	-19,849	-12,232
Cash flows from investing activities	-6,126	-5,574	+551
Free cash flows	-13,743	-25,423	-11,680
Cash flows from financing activities	3,081	21,467	+18,386

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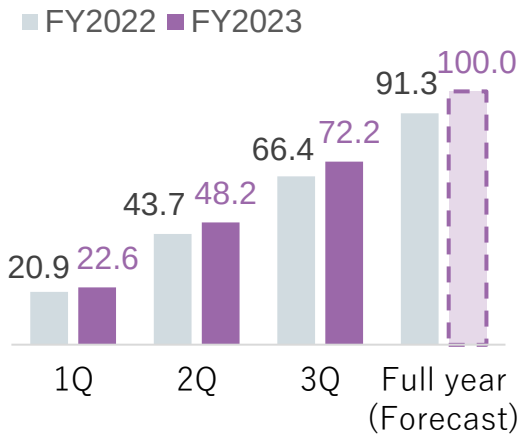
Special Purpose Truck Segment

Trends in financial results (Billion yen)

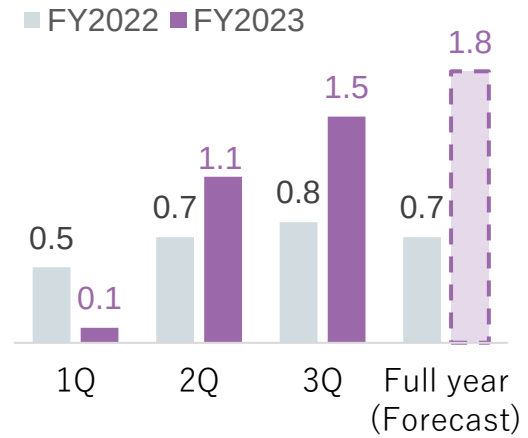
Orders received



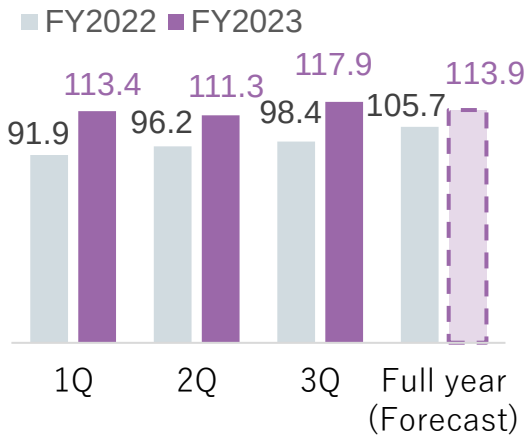
Net sales



Operating profit



Outstanding orders



FY2023-3Q results (year-on-year)

Orders received

- Increase in trailers and forestry machinery, etc.
- Decrease in construction-related vehicles

Net sales

- Increase in construction-related vehicles, logistics-related vehicles, and environment-related vehicles

Operating profit

- Increase due to an increase in revenue (Including the impact of price revisions)

Trends in outstanding period (month)*

FY2022				FY2023			
1Q	2Q	3Q	Full year	1Q	2Q	3Q	Full year (Forecast)
11.9	12.6	13.0	13.9	12.7	12.8	14.2	13.7

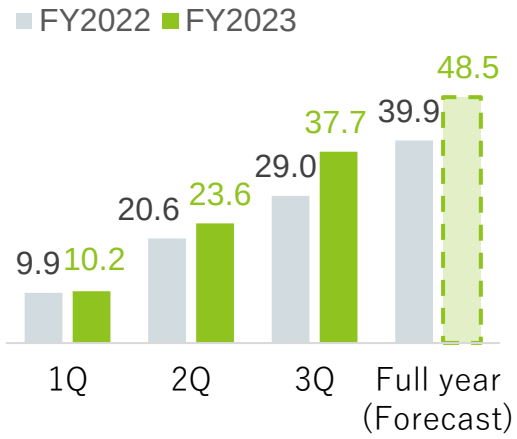
* Calculated by dividing the order backlog by sales per month (1Q to 3Q calculated based on the full-year earnings forecast)

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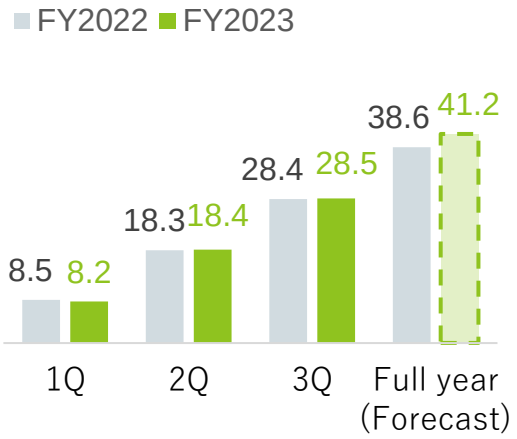
Parking Systems Segment

Trends in financial results (Billion yen)

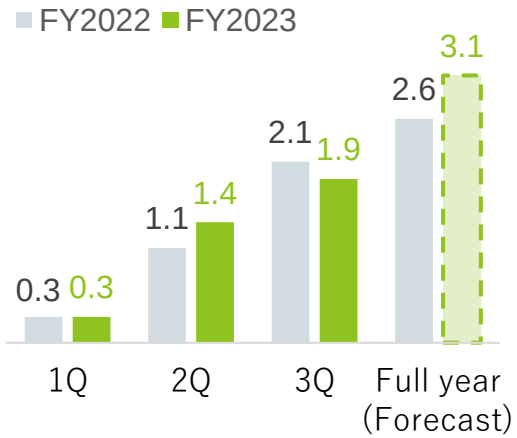
Orders received



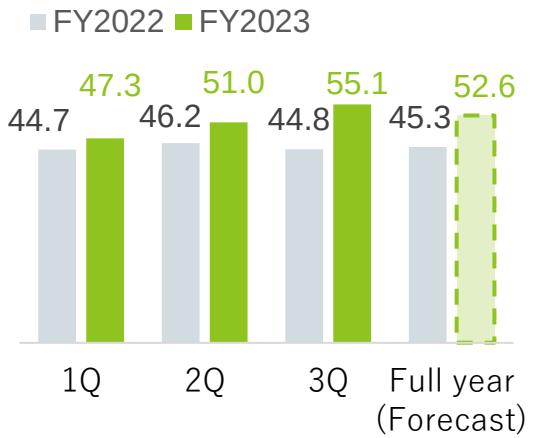
Net sales



Operating profit



Outstanding orders



FY2023-3Q results (year-on-year)

Orders received

Mechanical car parking systems:
- Increase in products and service business

Aircraft passenger boarding bridges:
- Increase in overseas markets

Net sales

Mechanical car parking systems:
- Decrease in products
- Increase in service business

Aircraft passenger boarding bridges:
- Decrease in overseas markets

Operating profit

Mechanical car parking systems:
- Increase due to higher service business

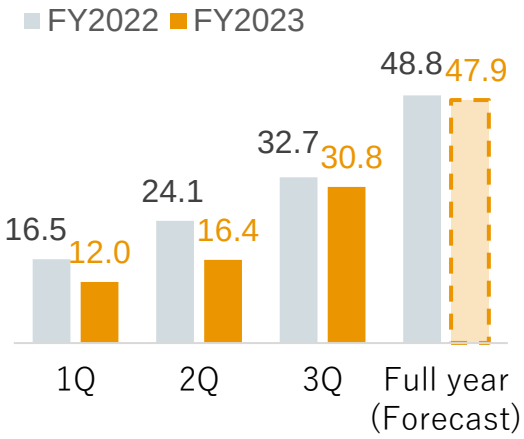
Aircraft passenger boarding bridges:
- Decrease due to a decrease in revenue

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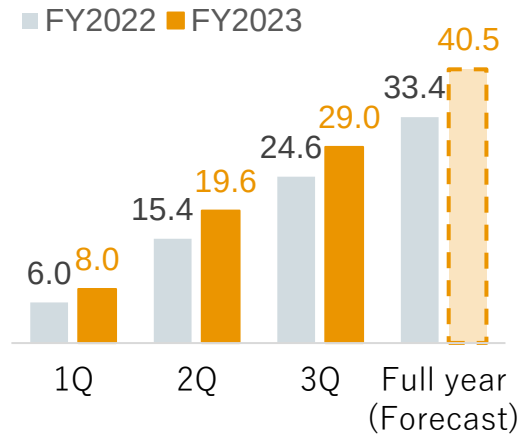
Industrial Machinery & Environmental Systems Segment

Trends in financial results (Billion yen)

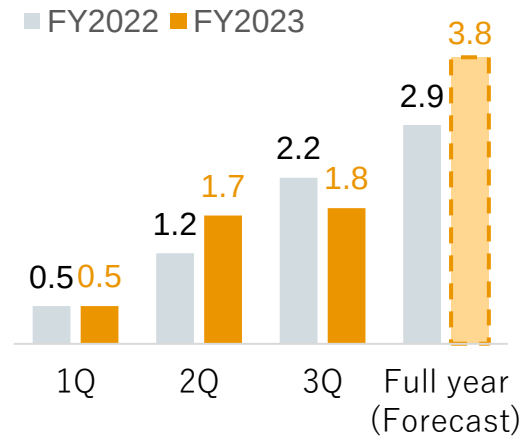
Orders received



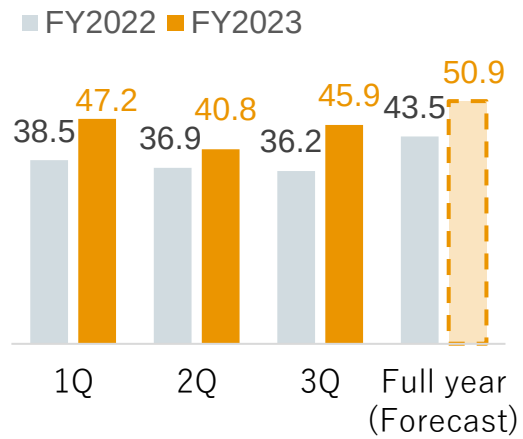
Net sales



Operating profit



Outstanding orders



FY2023-3Q results (year-on-year)

Orders received

Mechatronics products:
Decrease in vacuum products
Environment- related business:
Increase in plant projects

Net sales

Mechatronics products:
Increase in vacuum products
Environment- related business:
Increase in plant projects

Operating profit

Mechatronics products:
Decrease mainly due to an increase in operating costs
Environment- related business:
Increase due to an increase in revenue

Trends in orders received and net sales by sub-segment (Billion yen)

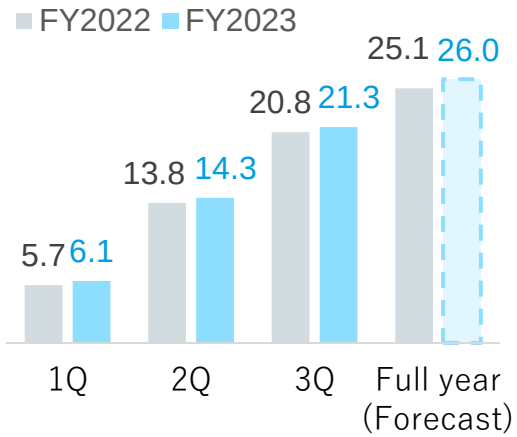
Sub-segment		FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 Full year	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 Full year (Forecast)
Mechatronics products	Orders received	12.5	16.3	19.7	34.1	4.1	6.9	11.0	19.6
	Net sales	4.4	11.7	18.3	23.6	6.1	14.9	20.7	25.3
Environment-related business	Orders received	3.9	7.7	13.0	14.6	7.8	9.5	19.8	28.3
	Net sales	1.6	3.6	6.2	9.7	1.9	4.7	8.2	15.2

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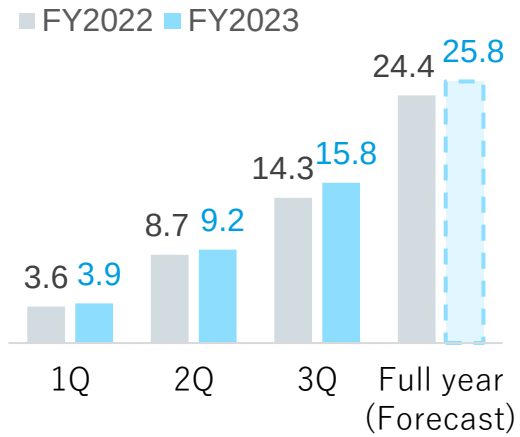
Fluid segment

Trends in financial results (Billion yen)

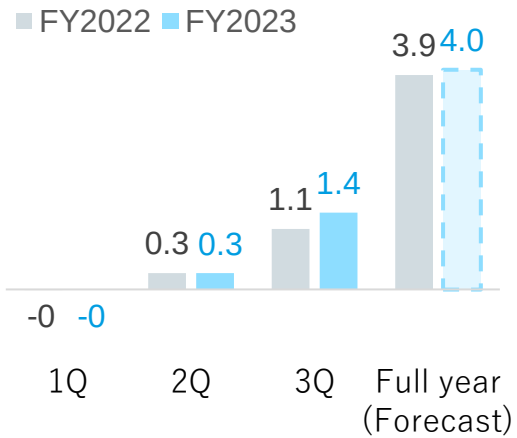
Orders received



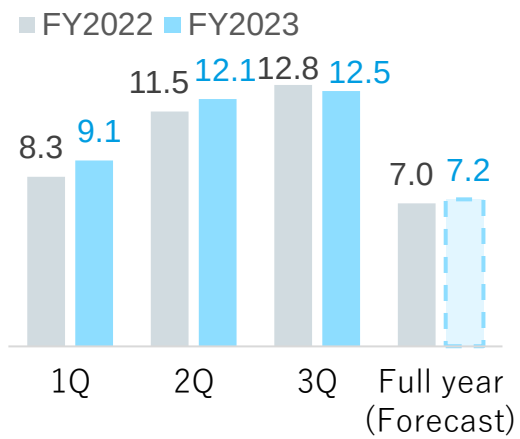
Net sales



Operating profit



Outstanding orders



FY2023-3Q results (year-on-year)

Orders received

- Increase due to steady demand

Net sales

- Increase in equipments and system products
- Increase in service business

Operating profit

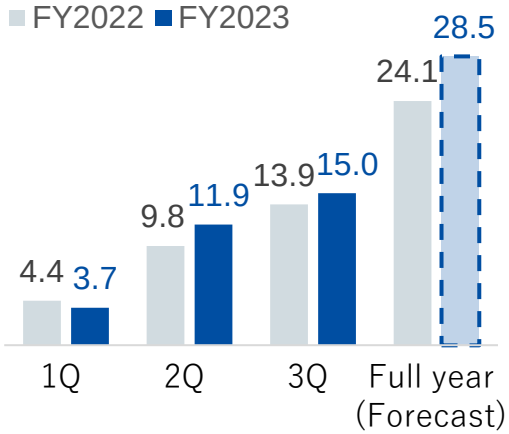
- Increase due to an increase in revenue

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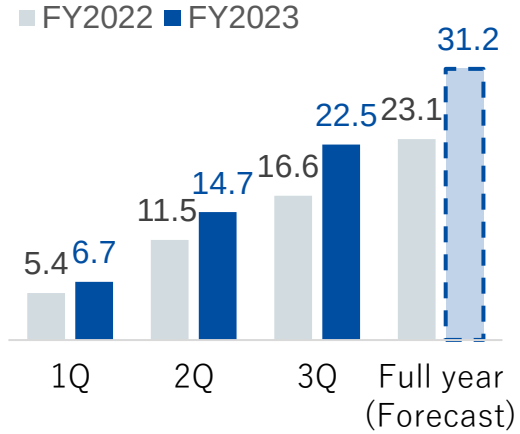
Aircraft Segment

Trends in financial results (Billion yen)

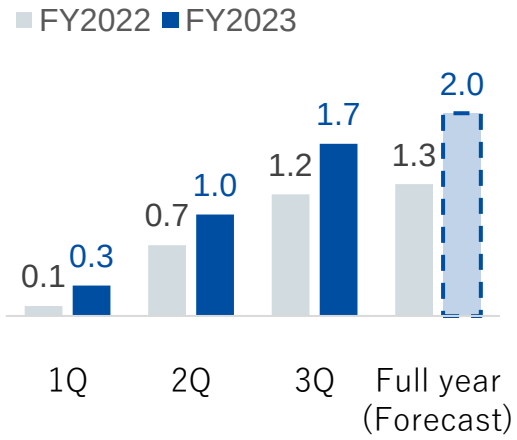
Orders received



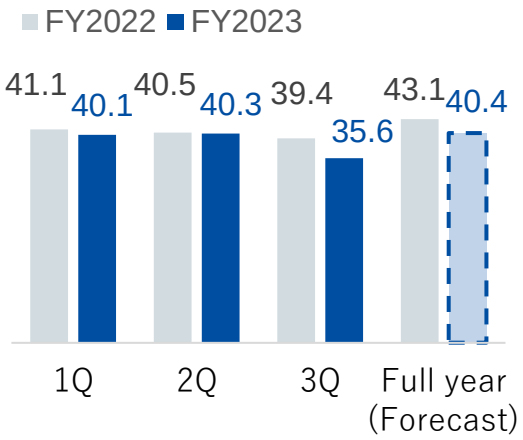
Net sales



Operating profit



Outstanding orders



FY2023-3Q results (year-on-year)

Orders received

Orders from Ministry of Defense:
- Increase in orders received by consolidated subsidiaries (Tenryu Aero Component Co., Ltd.)

Civilian demand:
- Remained at the same level as the previous fiscal year

Net sales

Sales to Ministry of Defense:
- Increase in US-2 rescue amphibian manufacturing work

Civilian demand:
- Increase in production volume of 777/777X and 787 aircraft
- Increase in revenue as a result of yen depreciation

Operating profit

Increase due to higher sales and yen depreciation, etc.

Civilian demand-related production volume

(Unit)

	FY2022-3Q	FY2023-3Q
777/777X	19	29
787	17	27
G7500	33	25

Exchange rate sensitivity

(In and after February)

Each one- yen of depreciation against the U.S. dollar increases operating profit by approximately 20 million yen.

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Consolidated Financial Results Forecast for Fiscal Year 2023

Summary of Consolidated Financial Results Forecast for FY2023

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(Million yen)

	FY2022 (actual)	FY2023 (forecast)		Change (Rate of change)			
		Old forecast	New forecast	Year-on-year change		Compared with old forecast	
Orders received	267,159	275,000	278,000	+10,840	(+4.1%)	+3,000	(+1.1%)
Net sales	225,175	265,000	253,000	+27,824	(+12.4%)	-12,000	(-4.5%)
Operating profit	9,293	12,000	12,000	+2,706	(+29.1%)	–	(–)
Ordinary profit	9,902	11,700	11,700	+1,797	(+18.2%)	–	(–)
Profit attributable to owners of parent	7,313	7,300	7,300	-13	(-0.2%)	–	(–)
Outstanding orders	255,859	265,859	280,859	+25,000	(+9.8%)	+15,000	(+5.6%)
Annual dividend per share	45 yen	45 yen	45 yen	–		–	
Dividend payout ratio	40.5%	40.7%	40.7%	+0.2pt		–	
Exchange rate (USD 1)	135.5 yen	135.0 yen	135.0 yen*				

* The exchange rate of new forecast is the assumed exchange rate applicable in and after February.

Compared with old forecast

- Financial results forecasts are revised from those previously announced: orders received are revised upward, and net sales are revised downward.
- As for profits, the forecasts previously announced remain unchanged. However, the segment breakdown of operating profit is under review.
(see slide 13)

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Consolidated Financial Results Forecast for FY2023 by Segment (Year-on-year)

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(Billion yen)

Segment	Orders received			Net sales			Operating profit		
	FY2022 (actual)	FY2023 (forecast)	Change	FY2022 (actual)	FY2023 (forecast)	Change	FY2022 (actual)	FY2023 (forecast)	Change
Special Purpose Truck	114.1	108.2	-5.9	91.3	100.0	+8.6	0.7	1.8	+1.1
Parking Systems	39.9	48.5	+8.5	38.6	41.2	+2.5	2.6	3.1	+0.4
Industrial Machinery & Environmental Systems	48.8	47.9	-0.9	33.4	40.5	+7.0	2.9	3.8	+0.8
Fluid	25.1	26.0	+0.8	24.4	25.8	+1.3	3.9	4.0	+0
Aircraft	24.1	28.5	+4.3	23.1	31.2	+8.0	1.3	2.0	+0.6
Others	14.9	18.9	+3.9	14.1	14.3	+0.1	0.7	0.8	+0
Adjustments	–	–	–	–	–	–	-3.0	-3.6	-0.5
Total	267.1	278.0	+10.8	225.1	253.0	+27.8	9.2	12.0	+2.7

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Consolidated Financial Results Forecast for FY2023 by Segment (In Comparison with Old Forecast)

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(Billion yen)

Segment	Orders received			Net sales			Operating profit		
	FY2023 (old forecast)	FY2023 (new forecast)	Change	FY2023 (old forecast)	FY2023 (new forecast)	Change	FY2023 (old forecast)	FY2023 (new forecast)	Change
Special Purpose Truck	110.7	108.2	-2.5	104.5	100.0	-4.5	2.7	1.8	-0.8
Parking Systems	49.3	48.5	-0.8	43.5	41.2	-2.3	3.1	3.1	+0
Industrial Machinery & Environmental Systems	52.2	47.9	-4.3	47.5	40.5	-7.0	4.3	3.8	-0.5
Fluid	24.4	26.0	+1.6	24.0	25.8	+1.8	3.3	4.0	+0.7
Aircraft	25.0	28.5	+3.5	31.0	31.2	+0.2	1.7	2.0	+0.3
Others	13.4	18.9	+5.5	14.5	14.3	-0.2	0.5	0.8	+0.3
Adjustments	–	–	–	–	–	–	-3.6	-3.6	–
Total	275.0	278.0	+3.0	265.0	253.0	-12.0	12.0	12.0	–

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Supplementary Materials

Company Profile

Corporate Name	ShinMaywa Industries, Ltd.
Head Office	1-1 Shinmeiwa-cho, Takarazuka, Hyogo 665-8550, Japan
Founded	November 5, 1949
Paid-up Capital	15,981,967,991 yen
President	Tatsuyuki Isogawa, President & CEO
Number of Employees	Consolidated 6,141 / Non-consolidated 3,154 (as of end of December, 2023)
Consolidated Subsidiaries	29

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Distribution Ratios of Net Sales by Segment (FY2022)

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Aircraft



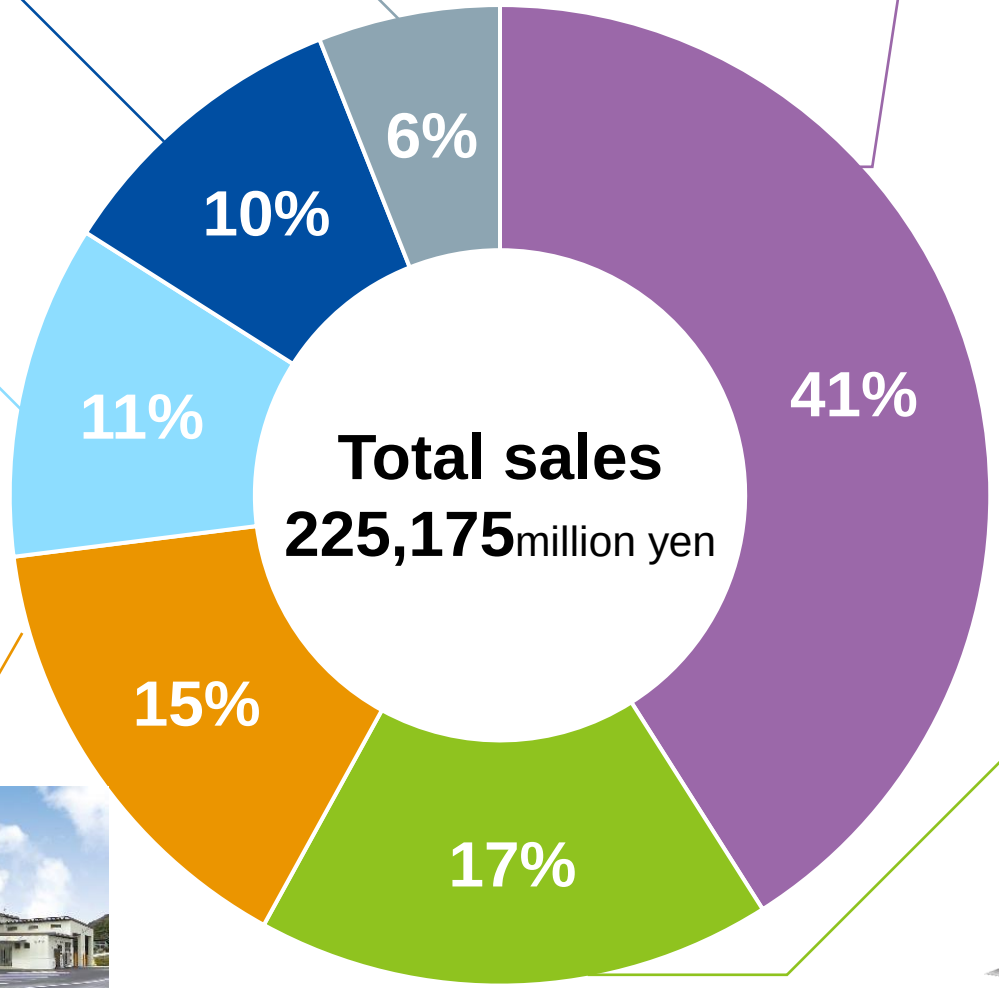
Fluid



Industrial Machinery & Environmental Systems



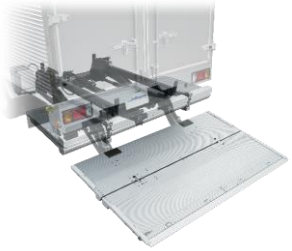




Special Purpose Truck







Parking Systems





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Business Performance

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(Billion yen)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Orders received	214.8	203.9	210.0	209.7	230.5	237.9	221.8	199.3	263.1	267.1
Net sales	174.0	193.1	203.9	201.2	207.3	217.2	227.2	209.2	216.8	225.1
Operating profit	10.8	13.6	15.2	13.0	10.5	10.7	12.8	10.4	10.5	9.2
Operating profit ratio (%)	6.2	7.1	7.5	6.5	5.1	4.9	5.6	5.0	4.9	4.1
Ordinary profit	11.4	14.3	15.5	13.2	10.7	10.4	12.3	11.1	11.8	9.9
Profit attributable to owners of parent	7.4	9.1	10.2	8.9	7.0	6.9	7.3	5.4	6.9	7.3
Outstanding orders	107.2	118.7	124.5	132.7	156.1	177.3	171.9	161.6	210.3	255.8
Overseas sales	36.0	45.6	48.1	43.0	42.5	42.8	43.2	27.1	31.0	46.3
Interest-bearing debt	6.0	4.1	2.0	0.1	0	49.8	57.5	54.5	52.2	52.4
Equity	95.1	105.8	112.9	118.2	124.8	82.3	82.9	87.9	92.4	98.7
ROE(%)	8.1	9.1	9.4	7.7	5.8	6.8	8.9	6.4	7.7	7.6
ROIC*(%)	6.8	8.3	9.1	7.7	6.0	5.8	6.5	5.1	5.1	4.4

* ROIC = Operating profit x (1 - Effective tax rate) / Average of invested capital (= Interest - bearing debt + Equity) at the beginning and end of the period

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Business Performance by Segment ①

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(Million yen)

Segment	Account	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Special Purpose Truck	Orders received	93,965	91,006	79,649	89,722	91,303	107,463	101,012	94,246	118,662	114,151
	Net sales	77,328	84,775	87,462	89,304	90,317	92,333	94,627	94,777	97,190	91,311
	Operating profit	5,009	6,929	6,748	8,348	6,313	6,544	6,802	6,707	5,354	707
	Operating profit ratio (%)	6.5	8.2	7.7	9.3	7.0	7.1	7.2	7.1	5.5	0.8
Parking Systems	Orders received	32,292	29,805	30,674	31,561	55,017	35,797	36,275	37,332	38,133	39,901
	Net sales	28,301	27,440	29,359	31,145	31,979	33,863	37,805	35,228	38,099	38,627
	Operating profit	899	1,330	1,814	1,850	1,780	2,343	3,223	3,228	3,066	2,686
	Operating profit ratio (%)	3.2	4.8	6.2	5.9	5.6	6.9	8.5	9.2	8.0	7.0
Industrial Machinery & Environmental Systems	Orders received	26,712	28,583	31,899	29,209	30,424	38,533	42,685	36,980	37,052	48,805
	Net sales	24,371	27,928	30,155	29,451	30,099	33,810	38,370	37,195	25,560	33,425
	Operating profit	2,037	1,878	1,985	2,219	2,468	2,474	2,748	2,989	1,724	2,923
	Operating profit ratio (%)	8.4	6.7	6.6	7.5	8.2	7.3	7.2	8.0	6.7	8.7

*The Company realigned its reportable segments effective as of the first quarter of FY2022, repositioning the Fluid business, which was included in Industrial Machinery & Environmental Systems, as a reportable segment.
In connection with the realignment, the figures presented for FY2021 have been restated to conform to the current presentation.

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Business Performance by Segment ②

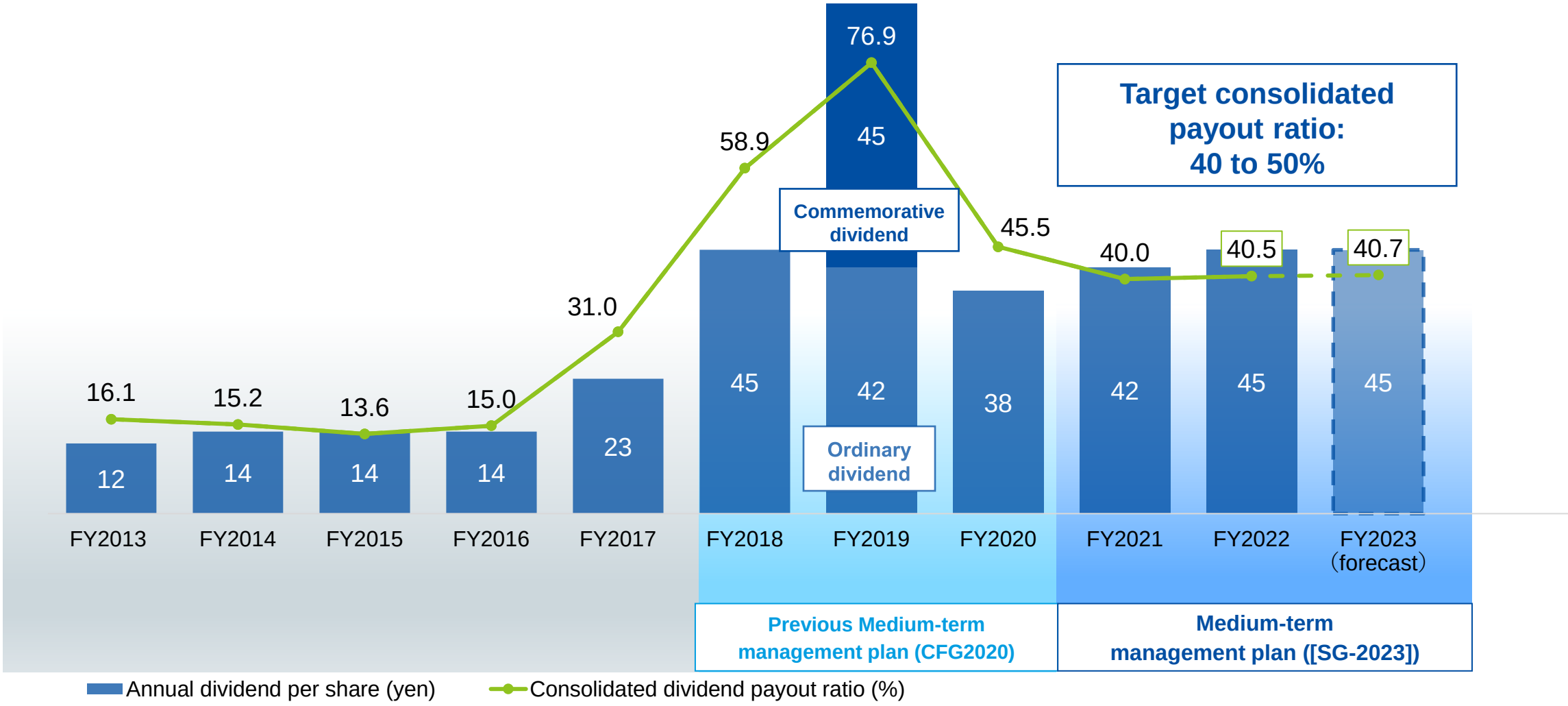
(Million yen)

Segment	Account	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Fluid	Orders received									22,130	25,165
	Net sales									20,787	24,485
	Operating profit									3,151	3,916
	Operating profit ratio (%)									15.2	16.0
Aircraft	Orders received	52,556	44,068	55,502	43,741	40,803	35,772	30,393	13,378	31,711	24,187
	Net sales	34,067	41,143	47,262	39,028	40,699	43,635	38,950	25,957	19,137	23,136
	Operating profit	4,665	5,263	6,546	2,000	1,368	649	1,551	-808	-875	1,397
	Operating profit ratio (%)	13.7	12.8	13.9	5.1	3.4	1.5	4.0	-3.1	-4.6	6.0
Others	Orders received	9,338	10,505	12,340	15,498	13,005	20,336	11,511	17,371	15,472	14,945
	Net sales	9,941	11,843	9,677	12,274	14,239	13,654	17,476	16,066	16,047	14,188
	Operating profit	318	439	796	960	1,049	1,037	1,193	1,445	955	739
	Operating profit ratio (%)	3.2	3.7	8.2	7.8	7.4	7.6	6.8	9.0	6.0	5.2

*The Company realigned its reportable segments effective as of the first quarter of FY2022, repositioning the Fluid business, which was included in Industrial Machinery & Environmental Systems, as a reportable segment.
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Dividend per Share and Consolidated Dividend Payout Ratio



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Capital Investments / Depreciation / Research and Development Expenses

Capital investments (Billion yen)

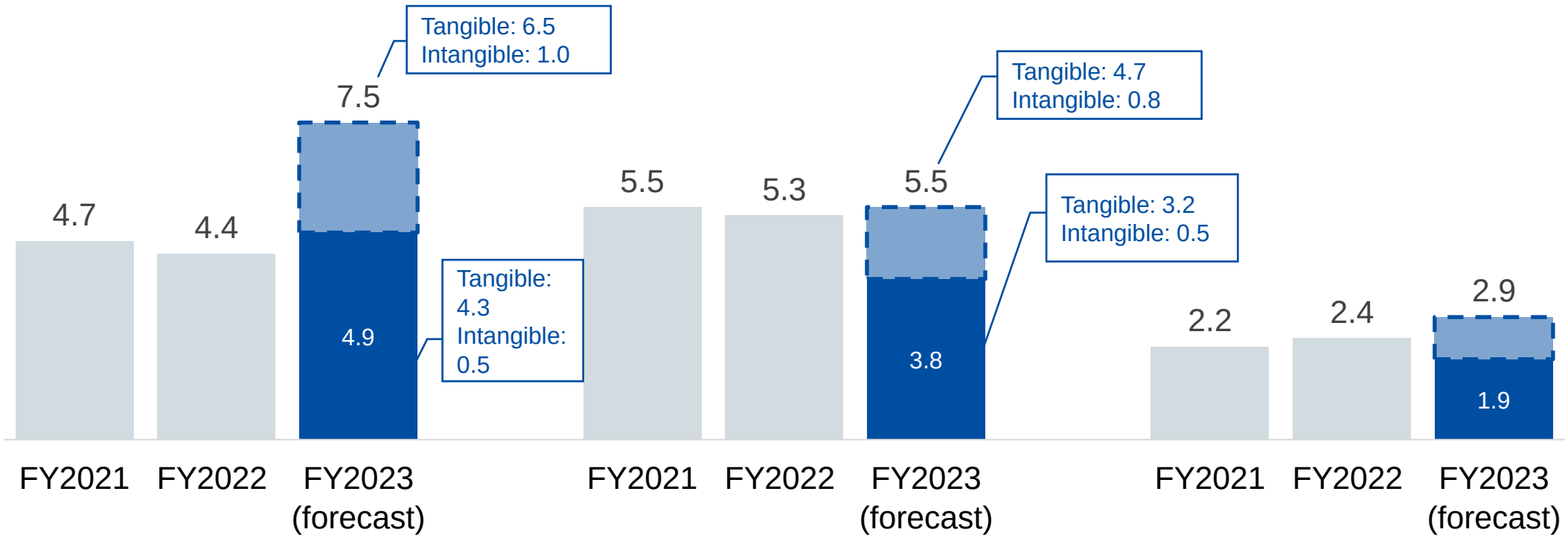
* Lower: 3Q Results

Depreciation (Billion yen)

* Lower: 3Q Results

Research and development expenses (Billion yen)

* Lower: 3Q Results



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Overseas Sales, by Segment

(Billion yen)

	Special Purpose Truck			Parking Systems			Industrial Machinery & Environmental Systems			Fluid			Aircraft			Others			Total		
	FY2022 3Q	FY2023 3Q	Change	FY2022 3Q	FY2023 3Q	Change	FY2022 3Q	FY2023 3Q	Change	FY2022 3Q	FY2023 3Q	Change	FY2022 3Q	FY2023 3Q	Change	FY2022 3Q	FY2023 3Q	Change	FY2022 3Q	FY2023 3Q	Change
Japan	62.1	68.6	+6.5	25.9	26.9	+0.9	8.3	10.6	+2.3	10.2	11.4	+1.2	8.2	11.8	+3.5	10.0	9.2	-0.7	125.0	138.9	+13.9
Asia	1.5	1.1	-0.4	2.4	1.6	-0.8	10.6	5.4	-5.1	2.8	3.0	+0.2	–	–	–	–	–	–	17.4	11.2	-6.2
North America	0	–	-0	–	–	–	1.2	11.9	+10.7	0.7	0.8	+0	7.4	10.1	+2.6	–	–	–	9.5	22.9	+13.4
Others	2.6	2.4	-0.2	–	–	–	4.3	0.9	-3.4	0.5	0.4	-0	0.9	0.6	-0.2	–	–	–	8.4	4.4	-3.9
Total sales	66.4	72.2	+5.8	28.4	28.5	+0.1	24.6	29.0	+4.4	14.3	15.8	+1.5	16.6	22.5	+5.9	10.0	9.2	-0.7	160.5	177.6	+17.0
Ratio of overseas sales to total sales (%)	6.4	4.9	-1.5 pt	8.7	5.7	-3.0 pt	66.2	63.2	-3.0 pt	28.5	27.6	-0.9 pt	50.3	47.5	-2.8 pt	0	0	–	22.1	21.8	-0.3 pt

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Analyst report by Shared Research Inc.

Click here for our research report by Shared Research

ShinMaywa has commissioned Shared Research, Inc. to prepare a research report covering all the necessary information for investment with the aim of providing investors with a deeper understanding of the ShinMaywa Group.

The research report is prepared neutrally and objectively from an investor's perspective, based on corporate analysis and information obtained through interviews with the ShinMaywa Group, and is updated as appropriate based on earnings announcements and press releases.

https://sharedresearch.jp/en/companies/7224

We hope this report helps foster an understanding of our business.

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