Presentation of Financial Results for First Quarter of Fiscal Year 2024

August 1, 2024

ShinMaywa Industries, Ltd.

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Consolidated Financial Results for First Quarter of Fiscal Year 2024

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.

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Consolidated Financial Results for the First Quarter of FY2024

- Highest 1Q orders received and net sales on record.
- All segments recorded profit increase compared to the previous year.
- Compared to the internal plan, overall steady progress is being made in net sales, and operating profit is exceeding the plan due to the impact of foreign exchange and differences in product mix.

Consolidated Financial Results Forecast for Fiscal Year 2024

- Net sales and profit items remain unchanged from the values announced in May.
  Orders received are expected to increase against the backdrop of a favorable business environment.

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Summary of Consolidated Financial Results for the First Quarter of FY2024

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(Million yen)

	FY2023 1Q	FY2024 1Q	Change (Rate of change)	
Orders received	63,758	72,493	+8,735	(+13.7%)
Net sales	52,399	57,423	+5,023	(+9.6%)
Operating profit	637	1,842	+1,204	(+188.8%)
Ordinary profit	1,218	2,561	+1,342	(+110.2%)
Profit attributable to owners of parent	647	1,508	+861	(+133.1%)
Outstanding orders	267,094	307,235	+40,141	(+15.0%)
Exchange rate (USD 1)	136.3 yen	155.3 yen		

Year-on-year change

Orders received

- Orders received increased in all segments except the Industrial Machinery & Environmental Systems segment and increased overall.
- Highest 1Q on record.

Net sales

- Sales increased in all segments except the Industrial Machinery & Environmental Systems segment and increased overall.
- Highest 1Q on record.

Profits

- Profits increased due to an increase in revenue.

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Consolidated Financial Results for the First Quarter of FY2024 by Segment

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(Billion yen)

Segment	Orders received			Net sales			Operating profit		
	FY2023 1Q	FY2024 1Q	Change	FY2023 1Q	FY2024 1Q	Change	FY2023 1Q	FY2024 1Q	Change
Special Purpose Truck	30.4	33.9	+3.5	22.6	24.5	+1.9	0.1	0.7	+0.5
Parking Systems	10.2	11.4	+1.2	8.2	10.2	+2.0	0.3	0.7	+0.3
Industrial Machinery & Environmental Systems	12.0	6.5	-5.4	8.0	7.7	-0.2	0.5	0.6	+0
Fluid	6.1	6.7	+0.6	3.9	4.2	+0.2	-0	0	+0.1
Aircraft	3.7	6.9	+3.2	6.7	6.8	+0.1	0.3	0.5	+0.1
Others	1.2	6.7	+5.5	2.6	3.5	+0.9	0	0.1	+0.1
Adjustments	–	–	–	–	–	–	-0.8	-1.0	-0.1
Total	63.7	72.4	+8.7	52.3	57.4	+5.0	0.6	1.8	+1.2

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Consolidated Financial Results for the First Quarter of FY2024
Details of Profit Increases and Decreases (Year-on-Year)

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By factor

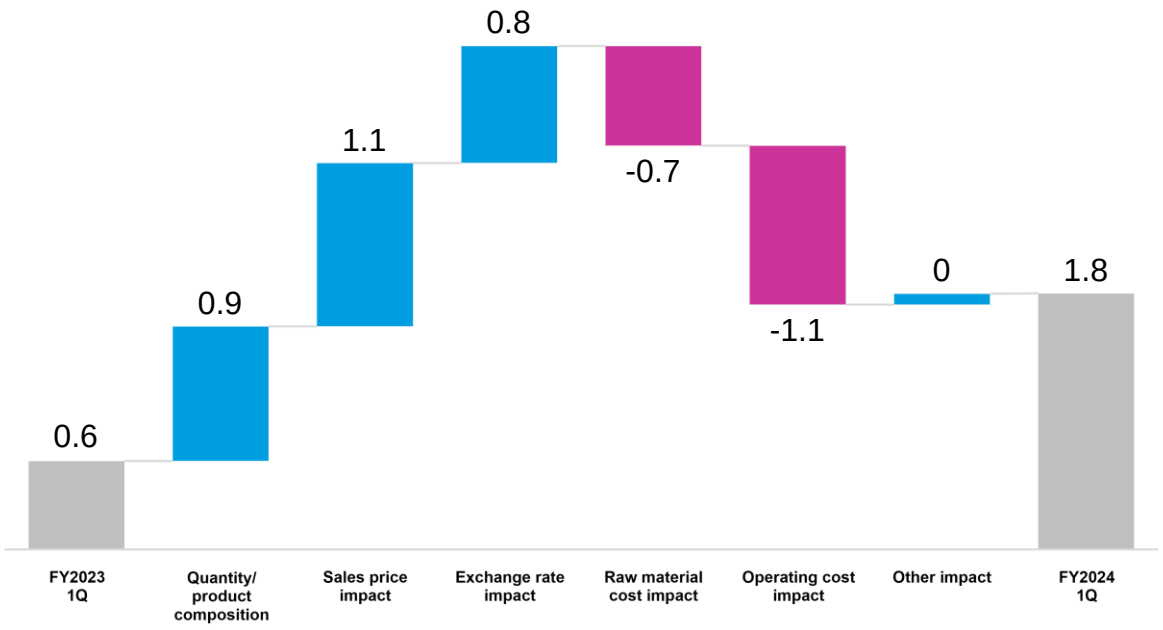
Despite negative factors such as an increase of 0.7 billion yen in raw material costs and an increase of 1.1 billion yen in operating costs (labor costs, depreciation, etc.), profit increased overall due to an increase in sales, the impact of foreign exchange, and the effect of Special Purpose Trucks price revisions.

By business

Profit increased in all segments. Special Purpose Trucks increased by 0.5 billion yen due to the effect of price revisions; and Parking Systems increased by 0.3 billion yen due to an increase in profit from aircraft passenger boarding bridges, etc.

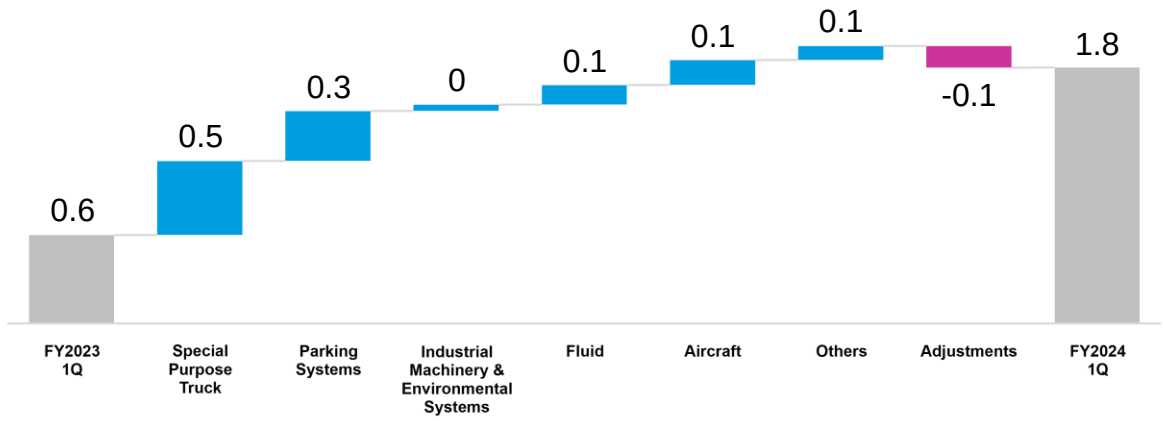
FY2024-1Q Year-on-year By factor

(Billion yen)



FY2024-1Q Year-on-year By business

(Billion yen)



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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, 2024	As of June 30, 2024	Change
Cash and deposits	23,382	21,011	-2,371
Trade receivables	91,140	82,581	-8,558
Inventories	58,684	63,231	+4,547
Total fixed assets	47,628	48,238	+609
Others assets	39,266	38,340	-926
Total assets	260,102	253,403	-6,699
Trade payables	34,166	31,379	-2,786
Interest-bearing debt	50,616	53,236	+2,619
Other liabilities	66,584	60,043	-6,541
Total liabilities	151,367	144,659	-6,708
Equity	107,008	106,837	-170
Other net assets	1,725	1,905	+180
Total net assets	108,734	108,743	+9
Total liabilities and net assets	260,102	253,403	-6,699

Equity ratio	41.1%	42.2%

Consolidated Statements of Cash Flows

(Million yen)

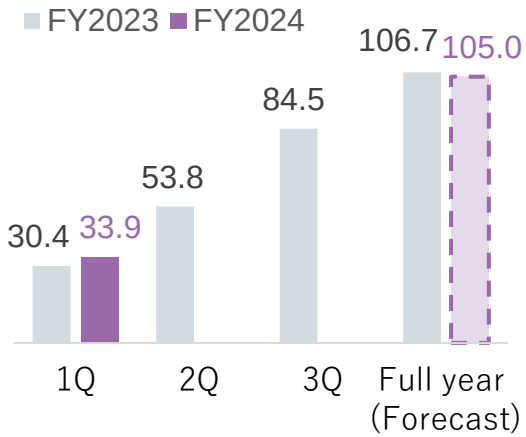
	FY2023 1Q	FY2024 1Q	Change
Cash flows from operating activities	-8,525	-879	+7,645
Cash flows from investing activities	-1,655	-2,536	-881
Free cash flows	-10,180	-3,416	+6,764
Cash flows from financing activities	4,678	807	-3,871

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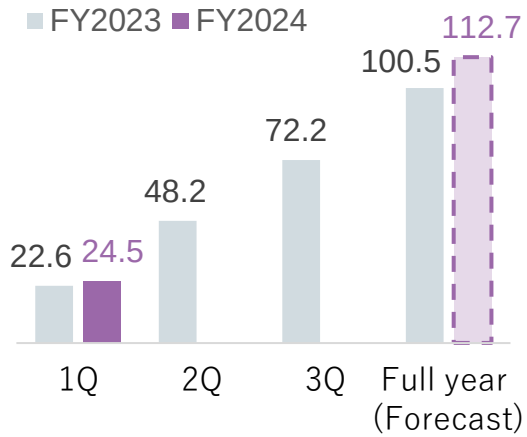
Special Purpose Truck Segment

Trends in financial results (Billion yen)

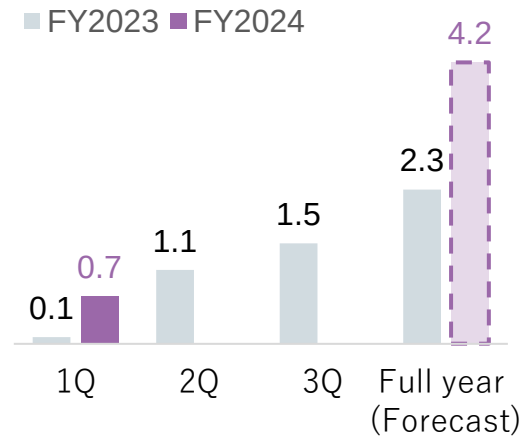
Orders received



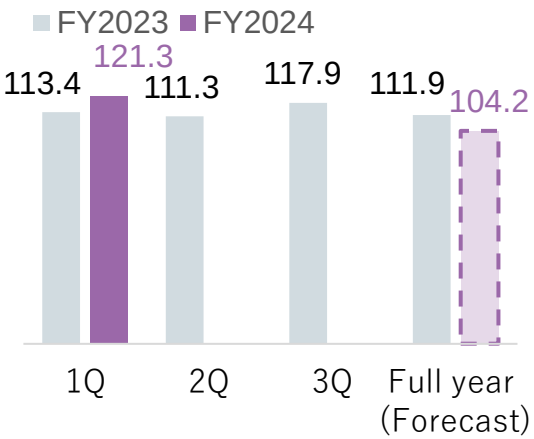
Net sales



Operating profit



Outstanding orders



FY2024-1Q results (Year-on-year)

Orders received

- Decrease in forestry machinery, etc.
- Increase in environment-related vehicles and trailers
- Increase in defense business through collaboration with the Aircraft segment

Net sales

- Increase due to an easing of delays in the supply of major parts and the effect of price revisions, etc.

Operating profit

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

Trends in outstanding period (Month)*

FY2023				FY2024			
1Q	2Q	3Q	Full year	1Q	2Q	3Q	Full year (Forecast)
12.7	12.8	14.2	13.4	12.9			11.1

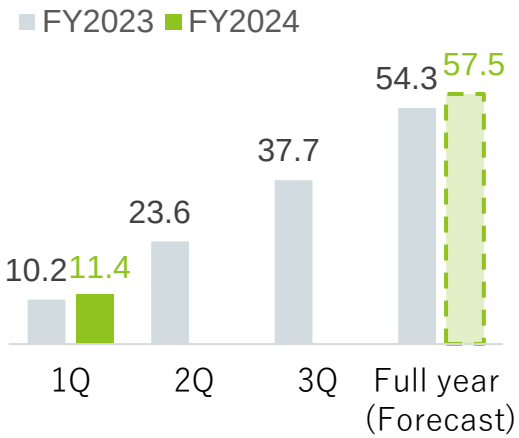
* Calculated by dividing the order backlog by sales per month (1Q to 3Q results calculated based on the full-year earnings forecast)

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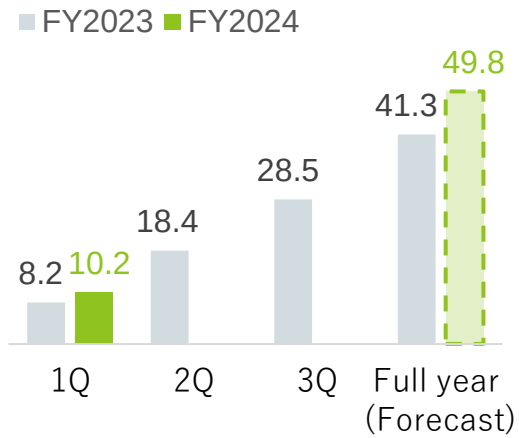
Parking Systems Segment

Trends in financial results (Billion yen)

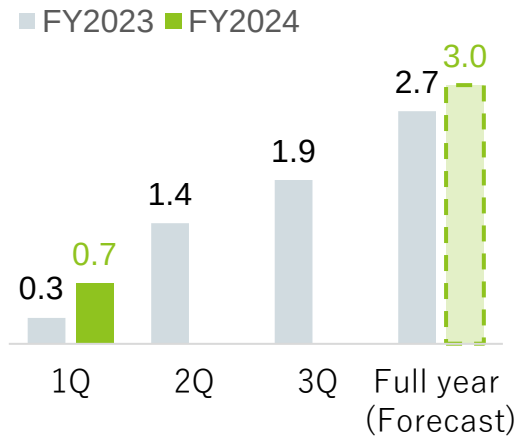
Orders received



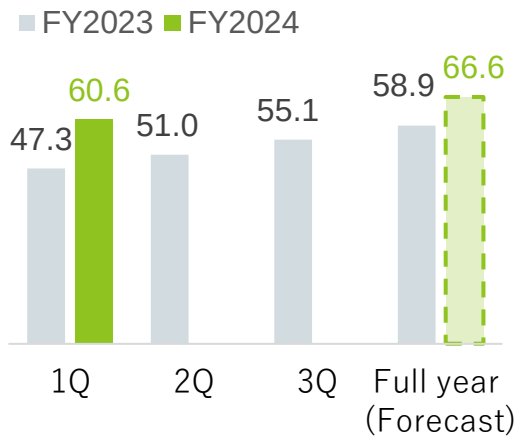
Net sales



Operating profit



Outstanding orders



FY2024-1Q results (Year-on-year)

Orders received

Mechanical car parking systems:
- Increase in products

Aircraft passenger boarding bridges:
- Increase in overseas markets

Net sales

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

Aircraft passenger boarding bridges:
- Increase in overseas markets

Operating profit

Mechanical car parking systems:
- Increase due to an increase in revenue

Aircraft passenger boarding bridges:
- Increase due to an increase in revenue

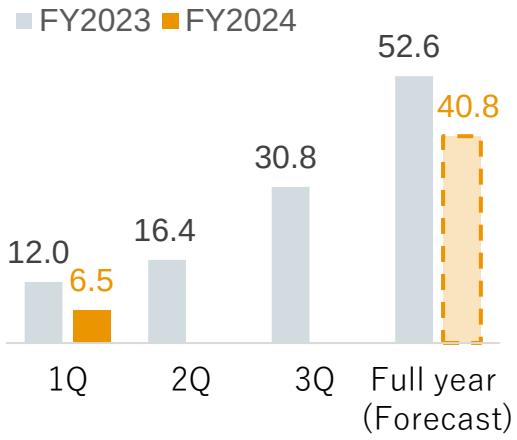
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Industrial Machinery & Environmental Systems Segment

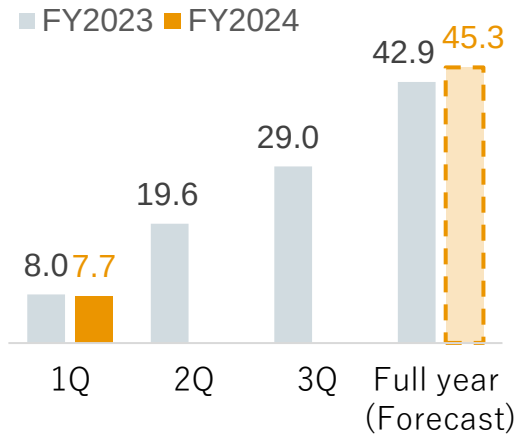
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Trends in financial results (Billion yen)

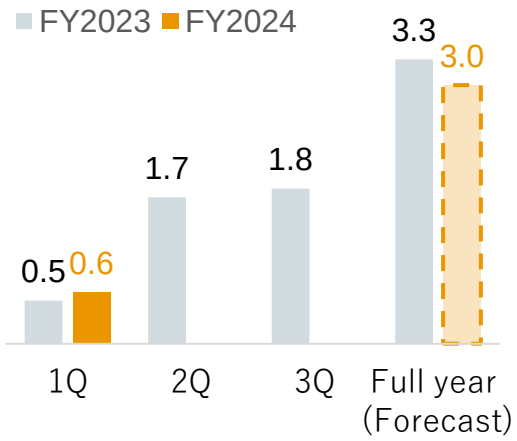
Orders received



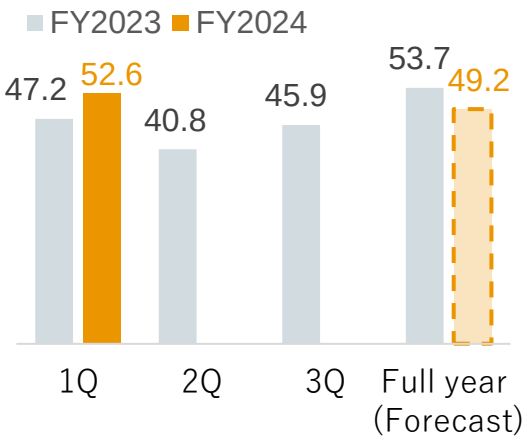
Net sales



Operating profit



Outstanding orders



FY2024-1Q results (Year-on-year)

Orders received

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

Net sales

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

Operating profit

Mechatronics products:
Decrease due to a decrease in revenue
Environment- related business:
Increase due to an increase in revenue

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

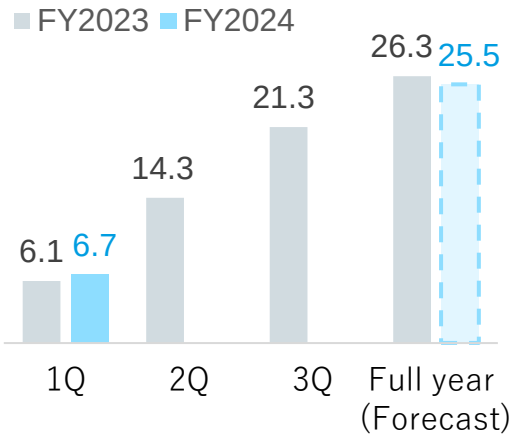
Sub-segment		FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 Full year	FY2024 1Q	FY2024 2Q	FY2024 3Q	FY2024 Full year (Forecast)
Mechatronics products	Orders received	4.1	6.9	11.0	21.4	2.6			26.0
	Net sales	6.1	14.9	20.7	27.9	4.4			26.7
Environment-related business	Orders received	7.8	9.5	19.8	31.1	3.9			14.8
	Net sales	1.9	4.7	8.2	15.0	3.3			18.6

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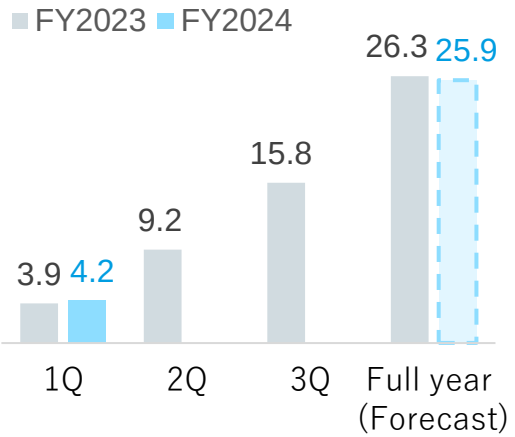
Fluid Segment

Trends in financial results (Billion yen)

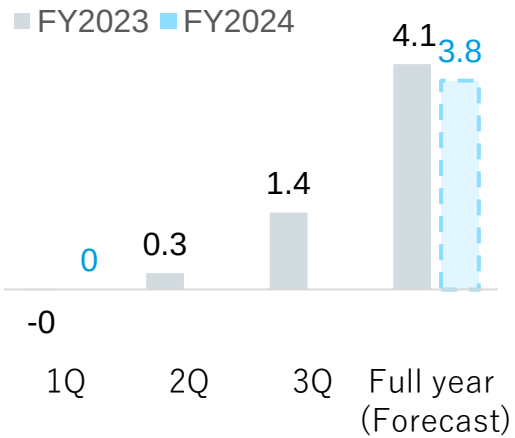
Orders received



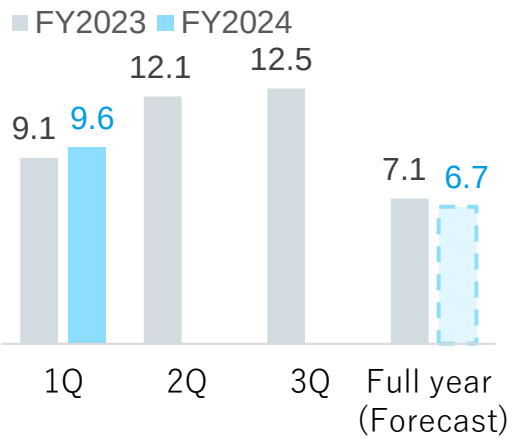
Net sales



Operating profit



Outstanding orders



FY2024-1Q results (Year-on-year)

Orders received

- Increase both in Japan and overseas markets

Net sales

- Decrease in system products
- Increase in overseas markets

Operating profit

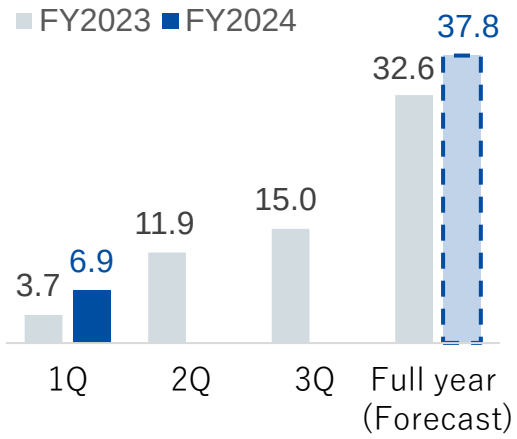
- Increase due to an increase in revenue

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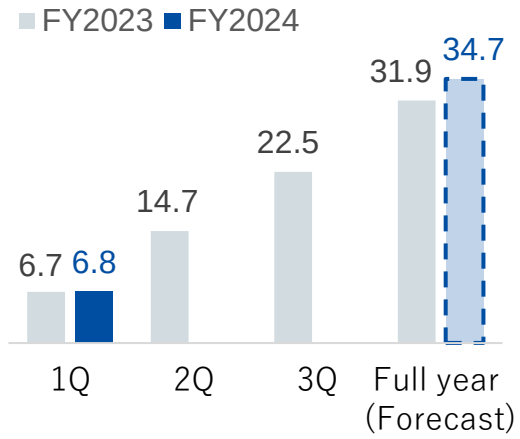
Aircraft Segment

Trends in financial results (Billion yen)

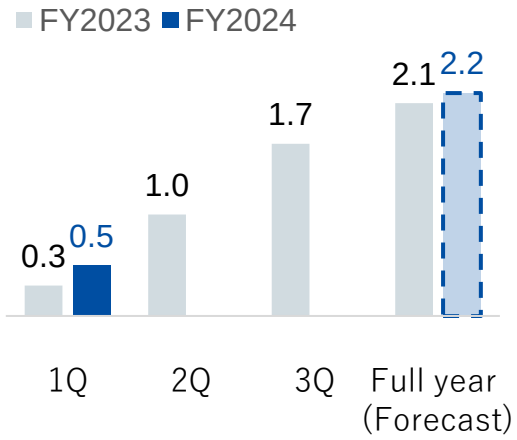
Orders received



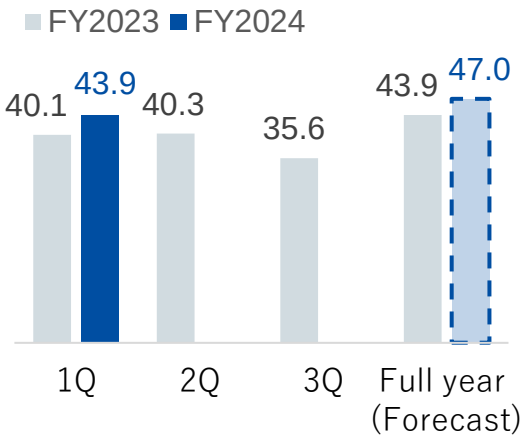
Net sales



Operating profit



Outstanding orders



FY2024-1Q results (Year-on-year)

Orders received

Orders from Ministry of Defense:
- Decrease in components for transport aircrafts

Civilian demand:
- Increase in number of orders for G7500

Net sales

Sales to Ministry of Defense:
- Decrease in components for transport aircrafts

Civilian demand:
- Increase in production volume of 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)

	FY2023-1Q	FY2024-1Q
777/777X	9	6
787	7	10
G7500	9	9

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Consolidated Financial Results Forecast for Fiscal Year 2024

Summary of Consolidated Financial Results Forecast for FY2024

(Million yen)

	FY2023 (Results)	FY2024 (Forecast)		Change (Rate of change)			
		Old forecast	New forecast	Year-on-year change		Compared with old forecast	
Orders received	291,370	278,000	280,000	-11,370	(-3.9%)	+2,000	(+0.7%)
Net sales	257,060	285,000	285,000	+27,939	(+10.9%)	–	(–)
Operating profit	11,765	13,000	13,000	+1,234	(+10.5%)	–	(–)
Ordinary profit	12,106	12,200	12,200	+93	(+0.8%)	–	(–)
Profit attributable to owners of parent	7,279	7,500	7,500	+220	(+3.0%)	–	(–)
Outstanding orders	291,431	284,431	286,431	-5,000	(-1.7%)	+2,000	(+0.7%)
Annual dividend per share	47 yen	50 yen	50 yen	+3 yen		–	
DOE	3.0%	3.0%	3.0%	–		–	
Exchange rate (USD 1)	144.8 yen	140.0 yen	140.0 yen*				

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

Compared with old forecast

- Orders received were revised upward in the financial results forecast from the previous forecast. See slide 15 for a segment breakdown.
- Net sales and profit remain unchanged from the previous forecast.

Exchange rate sensitivity (FY2024)

Each one- yen of depreciation against the U.S. dollar increases operating profit by approximately 120 million yen.

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Consolidated Financial Results Forecast for FY2024 by Segment (Year-on-year)

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(Billion yen)

Segment	Orders received			Net sales			Operating profit		
	FY2023 (Results)	FY2024 (Forecast)	Change	FY2023 (Results)	FY2024 (Forecast)	Change	FY2023 (Results)	FY2024 (Forecast)	Change
Special Purpose Truck	106.7	105.0	-1.7	100.5	112.7	+12.1	2.3	4.2	+1.8
Parking Systems	54.3	57.5	+3.1	41.3	49.8	+8.4	2.7	3.0	+0.2
Industrial Machinery & Environmental Systems	52.6	40.8	-11.8	42.9	45.3	+2.3	3.3	3.0	-0.3
Fluid	26.3	25.5	-0.8	26.3	25.9	-0.4	4.1	3.8	-0.3
Aircraft	32.6	37.8	+5.1	31.9	34.7	+2.7	2.1	2.2	+0
Others	18.6	13.4	-5.2	13.9	16.6	+2.6	0.6	0.8	+0.1
Adjustments	–	–	–	–	–	–	-3.6	-4.0	-0.3
Total	291.3	280.0	-11.3	257.0	285.0	+27.9	11.7	13.0	+1.2

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Consolidated Financial Results Forecast for FY2024 by Segment (In Comparison with Old Forecast)

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(Billion yen)

Segment	Orders received			Net sales			Operating profit		
	FY2024 (Old forecast)	FY2024 (New forecast)	Change	FY2024 (Old forecast)	FY2024 (New forecast)	Change	FY2024 (Old forecast)	FY2024 (New forecast)	Change
Special Purpose Truck	105.0	105.0	–	112.7	112.7	–	4.2	4.2	–
Parking Systems	62.0	57.5	-4.5	49.8	49.8	–	3.0	3.0	–
Industrial Machinery & Environmental Systems	40.8	40.8	–	45.3	45.3	–	3.0	3.0	–
Fluid	25.5	25.5	–	25.9	25.9	–	3.8	3.8	–
Aircraft	32.1	37.8	+5.7	34.7	34.7	–	2.2	2.2	–
Others	12.6	13.4	+0.8	16.6	16.6	–	0.8	0.8	–
Adjustments	–	–	–	–	–	–	-4.0	-4.0	–
Total	278.0	280.0	+2.0	285.0	285.0	–	13.0	13.0	–

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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 6,349 / Non-consolidated 3,297 (as of end of June, 2024)
Consolidated Subsidiaries	28

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Distribution Ratios of Net Sales by Segment (FY2023)

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Aircraft



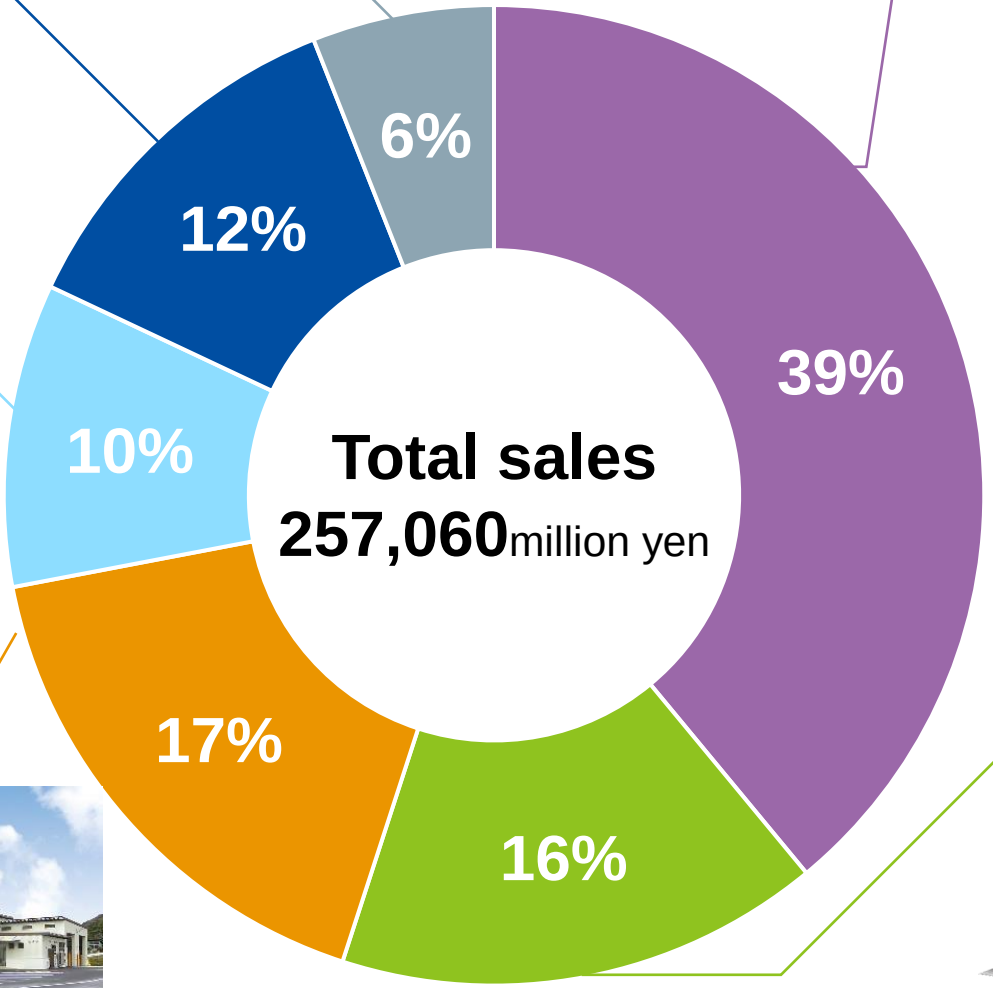
Fluid



Industrial Machinery & Environmental Systems



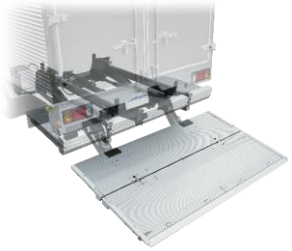




Special Purpose Truck







Parking Systems





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Business Performance

(Billion yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Orders received	203.9	210.0	209.7	230.5	237.9	221.8	199.3	263.1	267.1	291.3
Net sales	193.1	203.9	201.2	207.3	217.2	227.2	209.2	216.8	225.1	257.0
Operating profit	13.6	15.2	13.0	10.5	10.7	12.8	10.4	10.5	9.2	11.7
Operating profit ratio (%)	7.1	7.5	6.5	5.1	4.9	5.6	5.0	4.9	4.1	4.6
Ordinary profit	14.3	15.5	13.2	10.7	10.4	12.3	11.1	11.8	9.9	12.1
Profit attributable to owners of parent	9.1	10.2	8.9	7.0	6.9	7.3	5.4	6.9	7.3	7.2
Outstanding orders	118.7	124.5	132.7	156.1	177.3	171.9	161.6	210.3	255.8	291.4
Overseas sales	45.6	48.1	43.0	42.5	42.8	43.2	27.1	31.0	46.3	53.2
Interest-bearing debt	4.1	2.0	0.1	0	49.8	57.5	54.5	52.2	52.4	50.6
Equity	105.8	112.9	118.2	124.8	82.3	82.9	87.9	92.4	98.7	107.0
ROE(%)	9.1	9.4	7.7	5.8	6.8	8.9	6.4	7.7	7.6	7.1
ROIC*(%)	8.3	9.1	7.7	6.0	5.8	6.5	5.1	5.1	4.4	5.3

* 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	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Special Purpose Truck	Orders received	91,006	79,649	89,722	91,303	107,463	101,012	94,246	118,662	114,151	106,773
	Net sales	84,775	87,462	89,304	90,317	92,333	94,627	94,777	97,190	91,311	100,523
	Operating profit	6,929	6,748	8,348	6,313	6,544	6,802	6,707	5,354	707	2,313
	Operating profit ratio (%)	8.2	7.7	9.3	7.0	7.1	7.2	7.1	5.5	0.8	2.3
Parking Systems	Orders received	29,805	30,674	31,561	55,017	35,797	36,275	37,332	38,133	39,901	54,360
	Net sales	27,440	29,359	31,145	31,979	33,863	37,805	35,228	38,099	38,627	41,338
	Operating profit	1,330	1,814	1,850	1,780	2,343	3,223	3,228	3,066	2,686	2,765
	Operating profit ratio (%)	4.8	6.2	5.9	5.6	6.9	8.5	9.2	8.0	7.0	6.7
Industrial Machinery & Environmental Systems	Orders received	28,583	31,899	29,209	30,424	38,533	42,685	36,980	37,052	48,805	52,600
	Net sales	27,928	30,155	29,451	30,099	33,810	38,370	37,195	25,560	33,425	42,985
	Operating profit	1,878	1,985	2,219	2,468	2,474	2,748	2,989	1,724	2,923	3,359
	Operating profit ratio (%)	6.7	6.6	7.5	8.2	7.3	7.2	8.0	6.7	8.7	7.8

*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

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(Million yen)

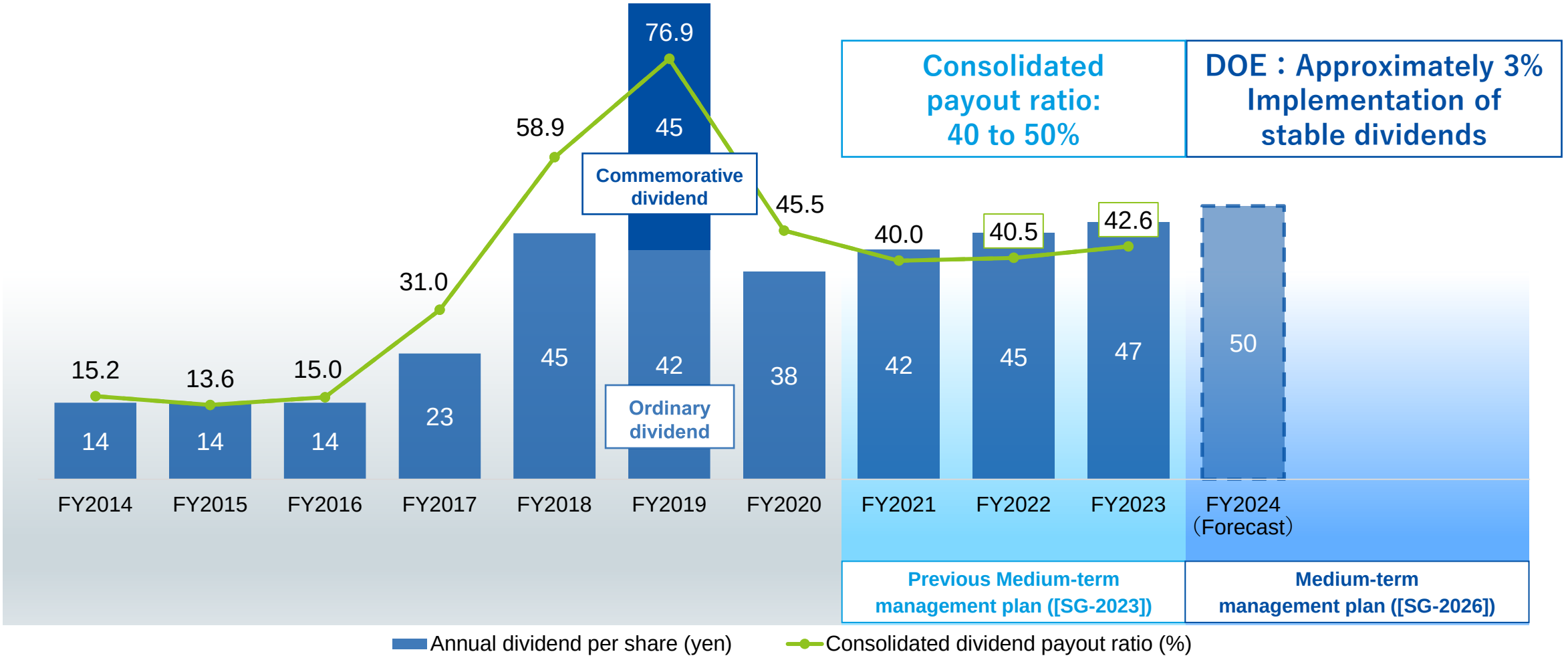
Segment	Account	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Fluid	Orders received								22,130	25,165	26,344
	Net sales								20,787	24,485	26,330
	Operating profit								3,151	3,916	4,103
	Operating profit ratio (%)								15.2	16.0	15.6
Aircraft	Orders received	44,068	55,502	43,741	40,803	35,772	30,393	13,378	31,711	24,187	32,690
	Net sales	41,143	47,262	39,028	40,699	43,635	38,950	25,957	19,137	23,136	31,915
	Operating profit	5,263	6,546	2,000	1,368	649	1,551	-808	-875	1,397	2,187
	Operating profit ratio (%)	12.8	13.9	5.1	3.4	1.5	4.0	-3.1	-4.6	6.0	6.9
Others	Orders received	10,505	12,340	15,498	13,005	20,336	11,511	17,371	15,472	14,945	18,600
	Net sales	11,843	9,677	12,274	14,239	13,654	17,476	16,066	16,047	14,188	13,968
	Operating profit	439	796	960	1,049	1,037	1,193	1,445	955	739	667
	Operating profit ratio (%)	3.7	8.2	7.8	7.4	7.6	6.8	9.0	6.0	5.2	4.8

*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

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Capital investments (Billion yen)

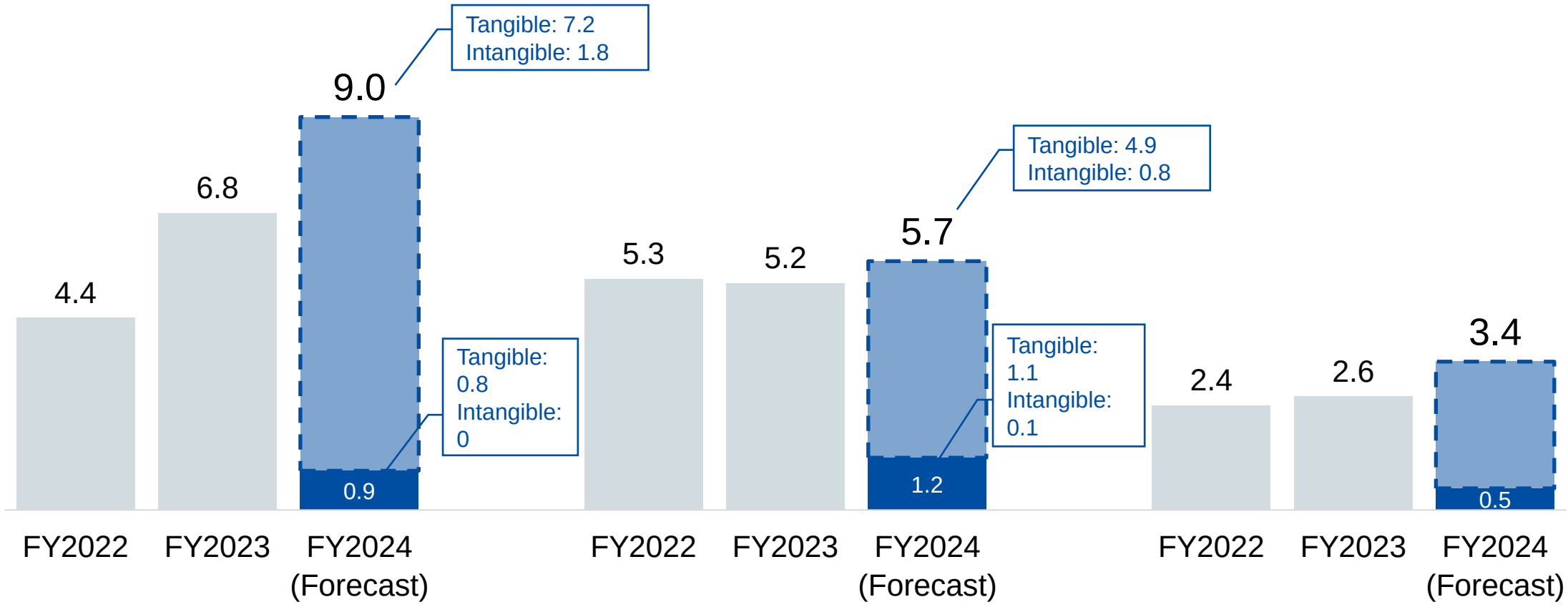
* Lower: 1Q Results

Depreciation (Billion yen)

* Lower: 1Q Results

Research and development expenses (Billion yen)

* Lower: 1Q Results



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Overseas Sales, by Segment

(Billion yen)

	Special Purpose Truck			Parking Systems			Industrial Machinery & Environmental Systems			Fluid			Aircraft			Others			Total		
	FY2023 1Q	FY2024 1Q	Change	FY2023 1Q	FY2024 1Q	Change	FY2023 1Q	FY2024 1Q	Change	FY2023 1Q	FY2024 1Q	Change	FY2023 1Q	FY2024 1Q	Change	FY2023 1Q	FY2024 1Q	Change	FY2023 1Q	FY2024 1Q	Change
Japan	21.4	23.6	+2.1	7.8	9.0	+1.2	2.6	4.0	+1.4	2.9	2.5	-0.3	3.5	3.3	-0.2	2.6	3.5	+0.9	40.9	46.1	+5.1
Asia	0.4	0.3	-0	0.4	1.2	+0.7	2.0	0.9	-1.0	0.7	1.3	+0.5	–	–	–	–	–	–	3.6	3.9	+0.2
North America	–	–	–	–	–	–	3.0	2.2	-0.8	0.1	0.2	+0	3.0	3.3	+0.2	–	–	–	6.2	5.7	-0.5
Others	0.8	0.6	-0.1	–	–	–	0.3	0.5	+0.1	0	0.1	+0	0.1	0.2	+0.1	–	–	–	1.4	1.5	+0.1
Total sales	22.6	24.5	+1.9	8.2	10.2	+2.0	8.0	7.7	-0.2	3.9	4.2	+0.2	6.7	6.8	+0.1	2.6	3.5	+0.9	52.3	57.4	+5.0
Ratio of overseas sales to total sales (%)	5.4	4.0	-1.4 pt	5.7	12.3	+6.6 pt	67.5	47.8	-19.7 pt	26.0	39.6	+13.6 pt	47.4	52.1	+4.7 pt	0	0	–	21.8	19.6	-2.2 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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