

# Presentation of Financial Results for Fiscal Year 2020

May 20, 2021

ShinMaywa Industries, Ltd.

**ShinMaywa**  
VISION WITH INSIGHT

# Summary of Consolidated Financial Results

# Summary of Consolidated Financial Results for FY 2020

(Million yen)

	FY2019 (actual)	FY2020		Change (Rate of change)	
		Announced in January	Actual	Year-on-year	Compared with figures announced in January
Net sales	227,231	210,000	209,226	-18,004 (-7.9%)	-773 (-0.4%)
Operating income	12,836	8,500	10,479	-2,356 (-18.4%)	+1,979 (+23.3%)
Ordinary income	12,375	8,700	11,182	-1,193 (-9.6%)	+2,482 (+28.5%)
Profit attributable to owners of parent	7,378	5,000	5,487	-1,891 (-25.6%)	+487 (+9.7%)
ROE	8.9%	—	6.4%	-2.5pt	—

Exchange rate (USD 1)	108.6 yen	—	106.2 yen
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227,231 : Record high

## Year-on-year change

- ✓ Revenue decreased mainly in the aircraft segment due in part to the impact of the COVID-19 pandemic.
- ✓ As a result of decrease in revenue, profit decreased.
- ✓ ROE also decreased in line with the decrease in profit attributable to owners of parent.

Note1: Numerical values appearing in this document have been rounded down to the nearest unit, while ratios are shown in round figures.

Note2: 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.

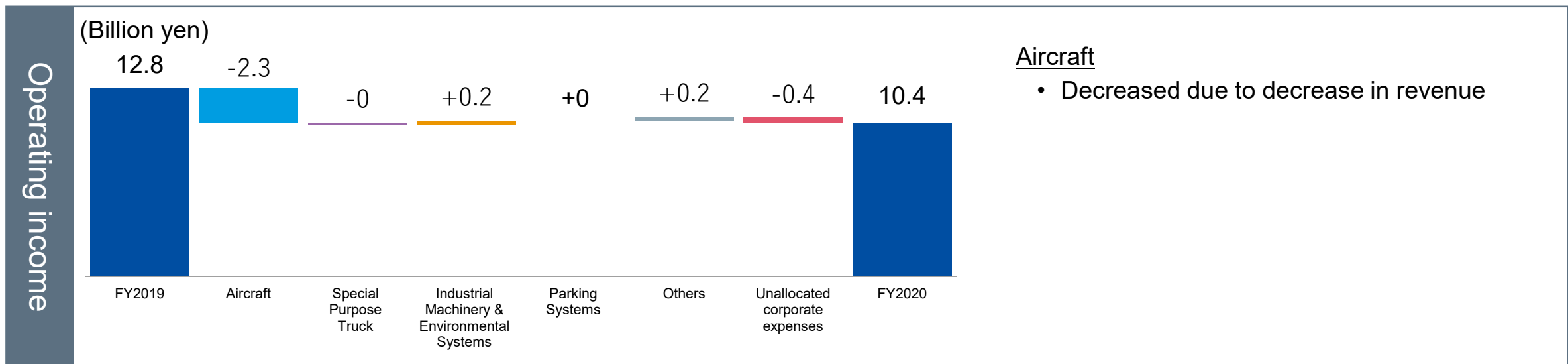
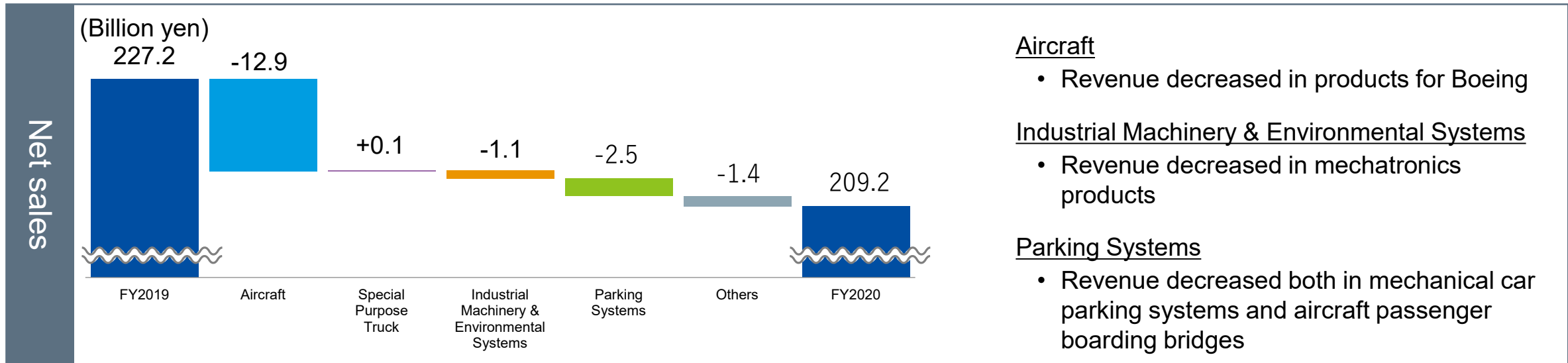
# Consolidated Financial Results for FY 2020, by Segment

(Billion yen)

Segment	Net sales			Operating income		
	FY2019	FY2020	Change	FY2019	FY2020	Change
Aircraft	38.9	25.9	-12.9	1.5	-0.8	-2.3
Special Purpose Truck	94.6	94.7	+0.1	6.8	6.7	-0
Industrial Machinery & Environmental Systems	38.3	37.1	-1.1	2.7	2.9	+0.2
Parking Systems	37.8	35.2	-2.5	3.2	3.2	+0
Others*	17.4	16.0	-1.4	1.1	1.4	+0.2
Unallocated corporate Expenses	—	—	—	-2.6	-3.0	-0.4
Total	227.2	209.2	-18.0	12.8	10.4	-2.3

\* "Others" comprises businesses not included in the reportable segments, such as construction, real estate, and software.

# Analysis of Year-on-Year Change, by Segment



# Summary of Consolidated Financial Results Forecast for FY2021

(Million yen)







	FY2020 (actual)	FY2021 (forecast)	Change (Rate of change)
Net sales	209,226	215,000	+5,773 (+2.8%)
Operating income	10,479	9,000	-1,479 (-14.1%)
Ordinary income	11,182	9,400	-1,782 (-15.9%)
Profit attributable to owners of parent	5,487	5,500	+12 (+0.2%)
Exchange rate (USD 1)	106.2 yen	108.0 yen*	

## Year-on-year change

- ✓ Revenue is expected to increase in all segments except aircraft and also to increase overall.
- ✓ Operating income and ordinary income are expected to decrease, but profit attributable to owners of parent is expected to remain at the same level as the previous year due to the decrease in extraordinary losses.

\* Foreign exchange rate for FY2021 (forecast) is the assumed exchange rate applicable on and after the announcement date.

# Business environment amid the spread of COVID-19 (reportable segments)

Segment		Forecast	Business environment amid the spread of COVID-19 (outlook)
Aircraft			In civilian demand-related production volume, decrease in production of 777/777X and 787 aircraft is scheduled to continue due to Boeing's announcement of production cuts. The market for medium - to large -size aircraft is expected to recover in FY2023 and beyond. ShinMaywa continues to work on cost reduction to minimize losses.
Special Purpose Truck			Despite concerns about rising steel prices and the procurement of parts including semiconductors, demand remains firm and the segment has outstanding orders for 7 to 8 months (in the whole segment) as of the end of FY2020. The performance is therefore expected to remain steady.
Industrial Machinery & Environmental Systems	Water treatment equipment		Demand is expected to remain firm, centering on the domestic public demand. Expansion of the scale of sales is expected through acquisition of share (making it a subsidiary) of TurboMAX Co., Ltd., which manufactures and sells turbo blowers.
	Mechatronics products		Facilities for the automotive industry make up the majority of sales, and customers have continued to reduce investment in recent years due to the U.S.-China trade friction and the COVID-19 pandemic. However, gradual recovery is expected mainly in the Chinese and Southeast Asian markets.
	Environment-related business		Demand is expected to increase for one of our main businesses, refuse transfer station systems, which will become eligible for the Ministry of the Environment's "Subsidy for Promoting Establishment of a Recycling-based Society" from FY2021, and an increase in the related stock business is expected to support the segment's performance.
Parking Systems			Construction demand for mid- to high-rise condominiums, which accounts for 70 to 80% of ShinMaywa's new construction projects, is expected to remain steady. The maintenance service business, the mainstay of earnings, is also steady. As to aircraft passenger boarding bridges, which account for part of sales, ShinMaywa has remaining workload for a while and the impact on performance in the current fiscal year is limited. However, the environment for orders is expected to remain severe, as some investment plans for airport facilities have been postponed.

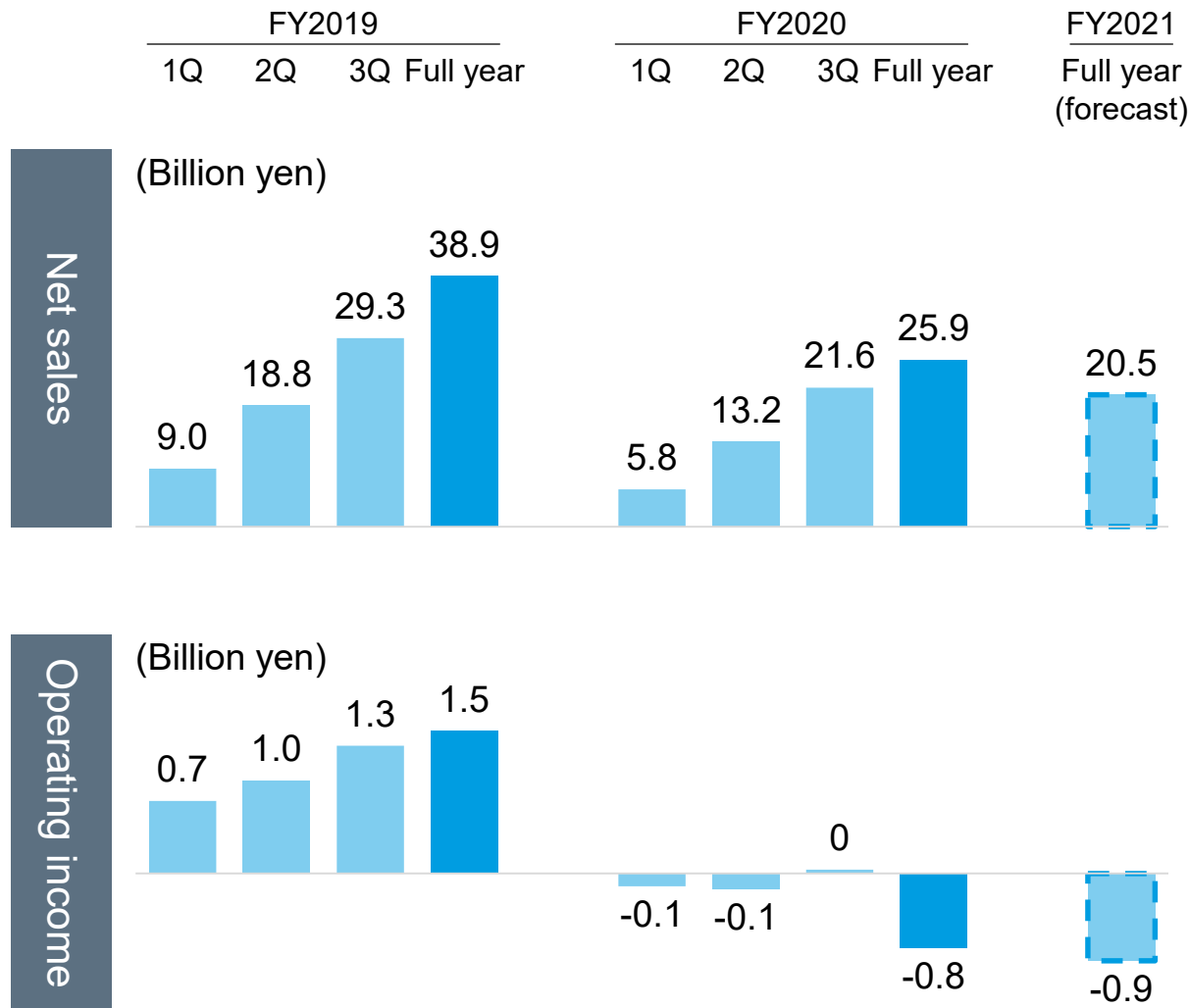
# Consolidated Financial Results Forecast for FY2021, by Segment

(Billion yen)

Segment	Net sales			Operating income		
	FY2020 (actual)	FY2021 (forecast)	Change	FY2020 (actual)	FY2021 (forecast)	Change
Aircraft	25.9	20.5	-5.4	-0.8	-0.9	-0.1
Special Purpose Truck	94.7	95.0	+0.2	6.7	5.9	-0.8
Industrial Machinery & Environmental Systems	37.1	42.5	+5.3	2.9	3.2	+0.2
Parking Systems	35.2	40.0	+4.7	3.2	3.0	-0.1
Others*	16.0	17.0	+0.9	1.4	1.0	-0.4
Unallocated corporate Expenses	—	—	—	-3.0	-3.2	-0.1
Total	209.2	215.0	+5.7	10.4	9.0	-1.4

\* "Others" comprises businesses not included in the reportable segments, such as construction, real estate, and software.





## FY2020 results (year-on-year)

- Net sales
  - Sales to Ministry of Defense:
    - Increase in components for transport aircraft
  - Civilian demand:
    - Decrease in production volume of 777/777X and 787 aircraft
- Operating income
  - Profit decrease due to reduced production volume of 777/777X and 787 aircraft and lower operating rate

## FY2021 financial results forecast (year-on-year)

- Net sales
  - Sales to Ministry of Defense:
    - Decrease in components for transport aircraft expected
  - Civilian demand:
    - Decrease in production volume of 777/777X and 787 aircraft expected
- Operating income
  - Deterioration due to revenue decrease is expected

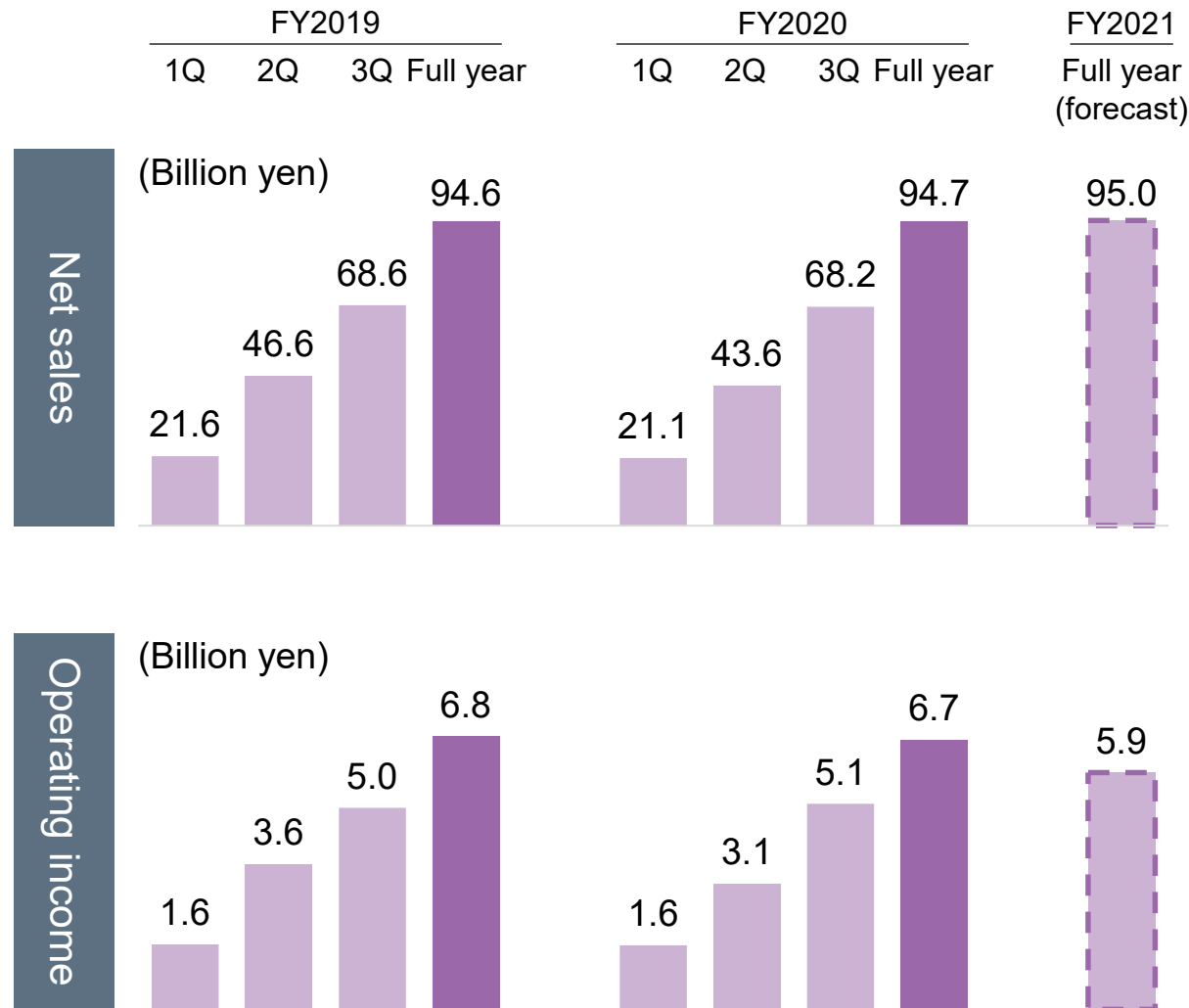
## ■ Civilian demand-related production volume (Unit)

	FY2019	FY2020
777/777X	55	35
787	166	77
G7500	31	26

## ■ Exchange rate sensitivity (After date of announcement)

Operating income increases by approximately 60 million yen for each 1 yen of depreciation

# Special Purpose Truck Segment



## FY2020 results (year-on-year)

- Net sales
  - On par with the previous year
- Operating income
  - On par with the previous year

## FY2021 financial results forecast (year-on-year)

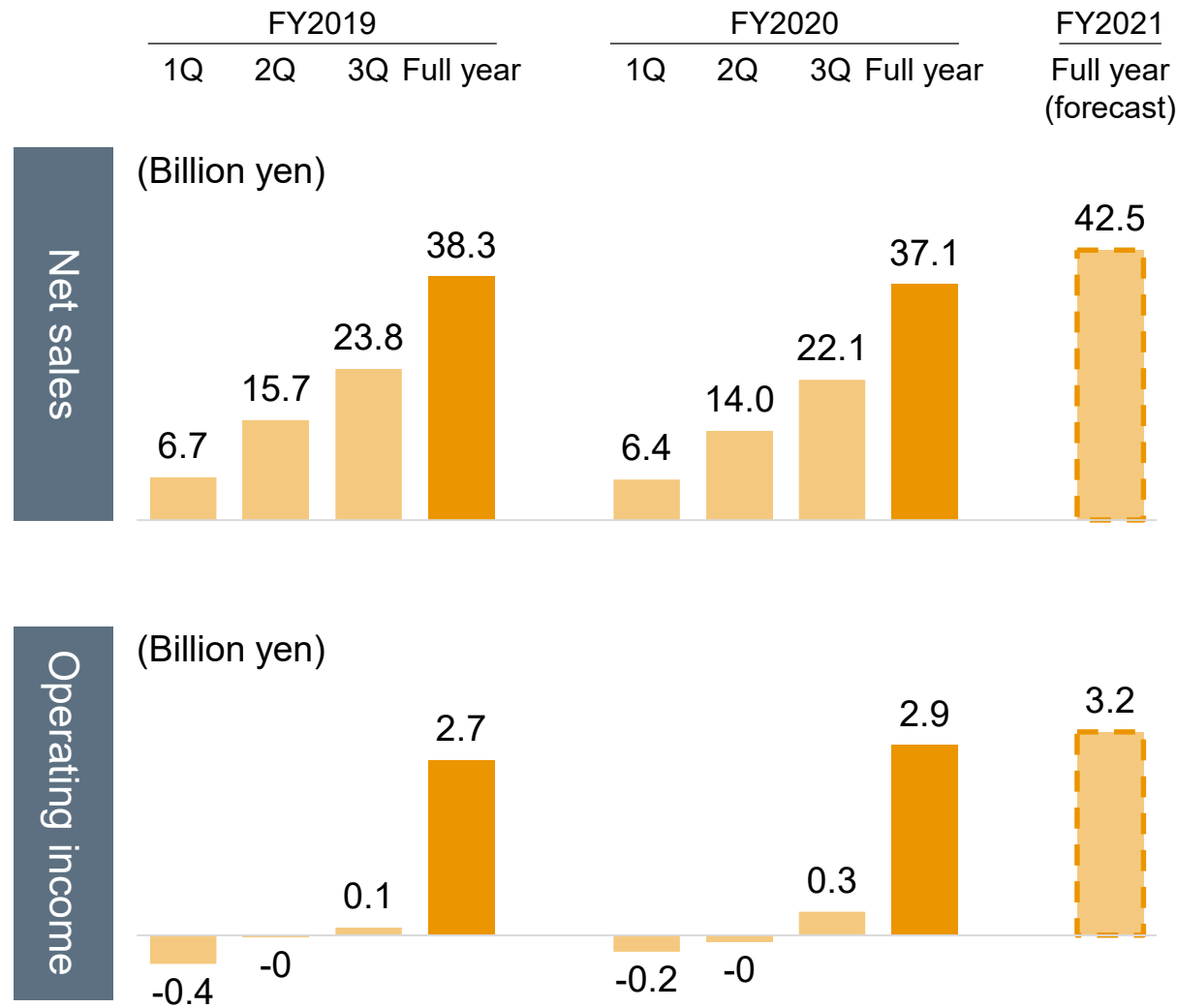
- Net sales
  - Slight increase in revenue expected
- Operating income
  - Decrease in profit expected due to increase in operating costs, material costs (steel prices), etc.

## ▣ Trends in outstanding orders

	FY2019				FY2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Outstanding orders (billion yen)	62.2	61.0	65.7	61.0	63.0	64.1	63.6	60.4
Outstanding period (month)*	8.6	7.9	8.6	7.7	8.9	8.8	8.4	7.7

\* The average period from order receipt to sales; calculated by dividing the value of outstanding orders by sales per month

# Industrial Machinery & Environmental Systems Segment

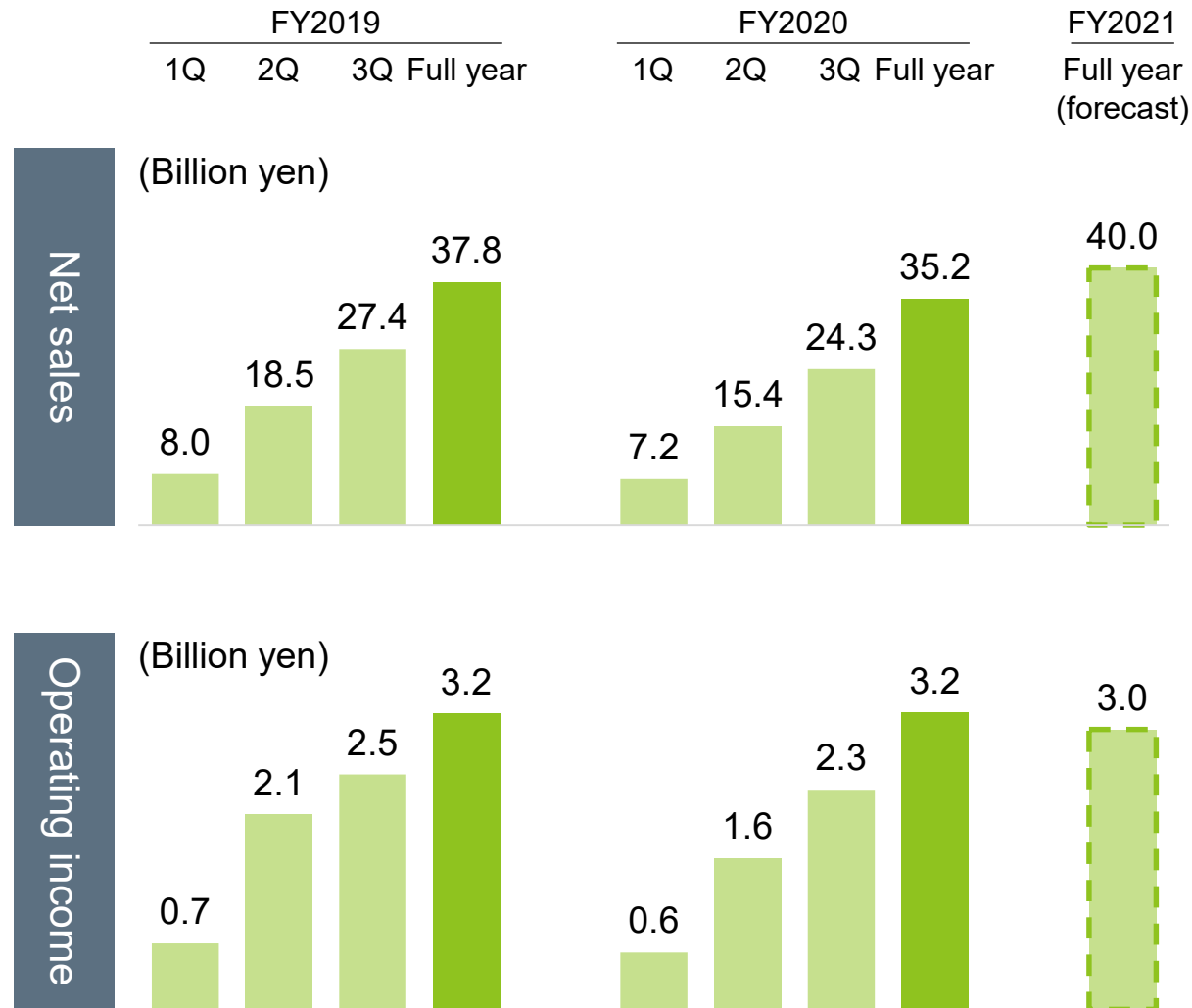


## FY2020 results (year-on-year)

- Net sales
  - Water treatment equipment:
    - Increase in service business
  - Mechatronics products:
    - Decrease in automatic wire processors and vacuum products
  - Environment-related business:
    - Increase in works for new construction orders
- Operating income
  - Higher than the previous term in all fields

## FY2021 financial results forecast (year-on-year)

- Net sales
  - Water treatment equipment:
    - Increase in revenue expected from the effect of M&A
  - Mechatronics products:
    - Increase in automatic wire processors and vacuum products expected
  - Environment-related business:
    - Increase in revenue expected
- Operating income
  - Expected to increase due to increase in revenue



## FY2020 results (year-on-year)

- Net sales
  - Mechanical car parking systems:
    - Decrease in works for new construction orders
  - Aircraft passenger boarding bridges:
    - Decrease in both domestic and overseas markets
- Operating income
  - On par with the previous year

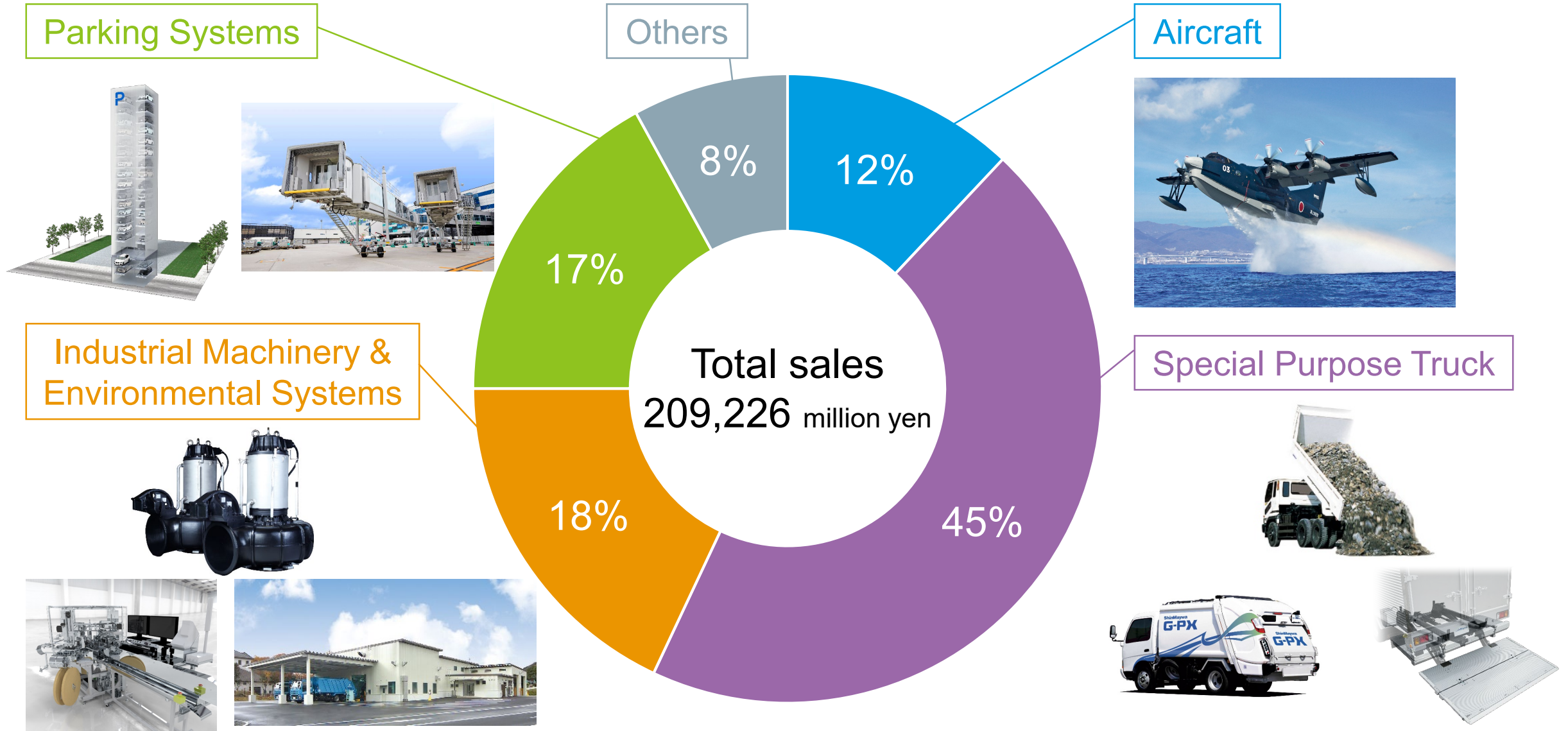
## FY2021 financial results forecast (year-on-year)

- Net sales
  - Mechanical car parking systems:
    - Increase in works for new construction orders expected
  - Aircraft passenger boarding bridges:
    - Increase expected in both domestic and overseas markets
- Operating income
  - Decrease in profit expected due to increase in operating costs

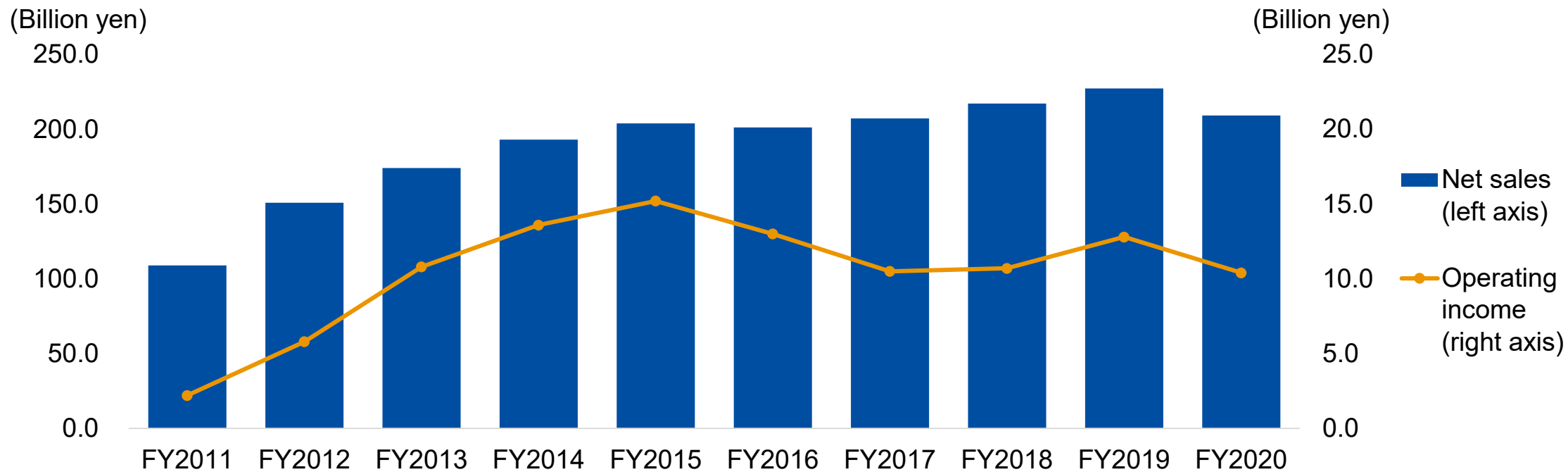
# Supplementary Materials

Corporate Name	ShinMaywa Industries, Ltd.
Head Office	1-1 Shinmeiwa-cho, Takarazuka-shi, 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 5,288 / Non-consolidated 2,969 (as of end of March, 2021)
Consolidated Subsidiaries	26

# Distribution Ratios of Net Sales by Segment (FY2020)



# Business Performance



	(Billion yen)									
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Net sales	108.9	150.9	174.0	193.1	203.9	201.2	207.3	217.2	227.2	209.2
Operating income	2.2	5.8	10.8	13.6	15.2	13.0	10.5	10.7	12.8	10.4
Ordinary income	2.1	6.4	11.4	14.3	15.5	13.2	10.7	10.4	12.3	11.1
Profit attributable to owners of parent	-0.2	11.3	7.4	9.1	10.2	8.9	7.0	6.9	7.3	5.4

□ : Record high



# Business Performance by Index / Segment

Account	FY2016	FY2017	FY2018	FY2019	FY2020
Net sales (million yen)	201,204	207,335	217,297	227,231	209,226
Operating income (million yen)	13,067	10,594	10,708	12,836	10,479
Operating income ratio (%)	6.5	5.1	4.9	5.6	5.0
PBR (times)	0.86	0.67	1.09	0.89	0.76
PER (times)	11.41	11.79	18.01	9.95	12.24
ROE (%)	7.7	5.8	6.8	8.9	6.4
ROA (%)	4.8	3.7	3.5	3.5	2.6

(Million yen)

Segment	Account	FY2016	FY2017	FY2018	FY2019	FY2020
Aircraft	Net sales	39,028	40,699	43,635	38,950	25,957
	Operating income	2,000	1,368	649	1,551	△808
	Operating income ratio (%)	5.1	3.4	1.5	4.0	△3.1
Special Purpose Truck	Net sales	89,304	90,317	92,333	94,627	94,777
	Operating income	8,348	6,313	6,544	6,802	6,707
	Operating income ratio (%)	9.3	7.0	7.1	7.2	7.1
Industrial Machinery & Environmental Systems	Net sales	29,451	30,099	33,810	38,370	37,195
	Operating income	2,219	2,468	2,474	2,748	2,989
	Operating income ratio (%)	7.5	8.2	7.3	7.2	8.0
Parking Systems	Net sales	31,145	31,979	33,863	37,805	35,228
	Operating income	1,850	1,780	2,343	3,223	3,228
	Operating income ratio (%)	5.9	5.6	6.9	8.5	9.2
Others	Net sales	12,274	14,239	13,654	17,476	16,066
	Operating income	960	1,049	1,037	1,193	1,445
	Operating income ratio (%)	7.8	7.4	7.6	6.8	9.0

## ■ Consolidated Balance Sheets

(Million yen)

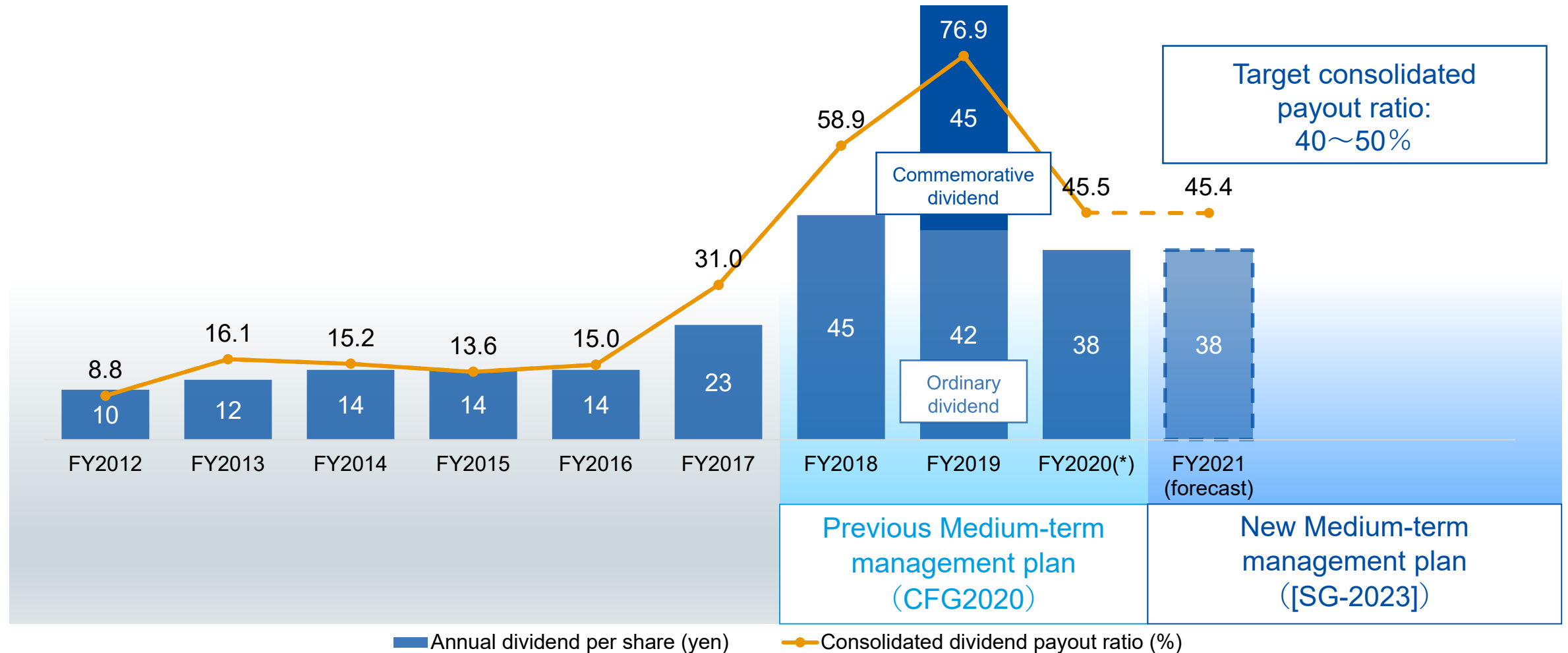
	As of March 31, 2020	As of March 31, 2021	Change
Cash and deposits	19,342	23,045	+3,702
Trade receivables	81,755	73,747	-8,007
Inventories	42,499	43,307	+808
Total fixed assets	40,622	41,730	+1,107
Others assets	29,937	30,229	+291
<b>Total assets</b>	<b>214,157</b>	<b>212,060</b>	<b>-2,097</b>
Trade payables	27,464	24,383	-3,081
Interest-bearing debt	57,568	54,539	-3,029
Other liabilities	45,444	44,299	-1,145
<b>Total liabilities</b>	<b>130,477</b>	<b>123,221</b>	<b>-7,256</b>
Equity	82,946	87,945	+4,999
Other net assets	734	893	+159
<b>Total net assets</b>	<b>83,680</b>	<b>88,838</b>	<b>+5,158</b>
<b>Total liabilities and net assets</b>	<b>214,157</b>	<b>212,060</b>	<b>-2,097</b>
Equity ratio	38.7%	41.5%	

## ■ Consolidated Statements of Cash Flows

(Million yen)

	FY2019	FY2020	Change
Cash flows from operating activities	8,509	18,120	+9,610
Cash flows from investing activities	-12,408	-9,133	+3,275
Free cash flows	-3,899	8,986	+12,885
Cash flows from financing activities	1,419	-5,972	-7,391

# Dividend per Share and Consolidated Dividend Payout Ratio

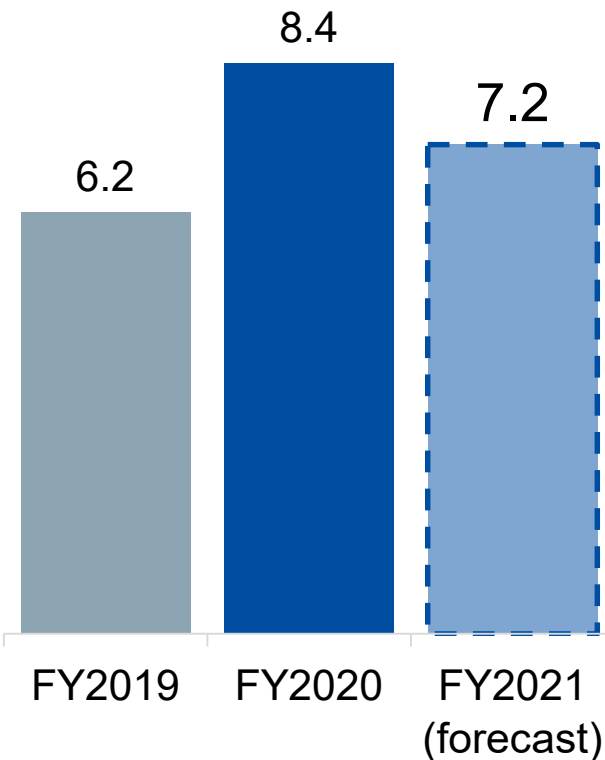


\* To be formally decided by resolution at a general meeting of shareholders.

# Capital Investments / Depreciation / Research and Development Costs

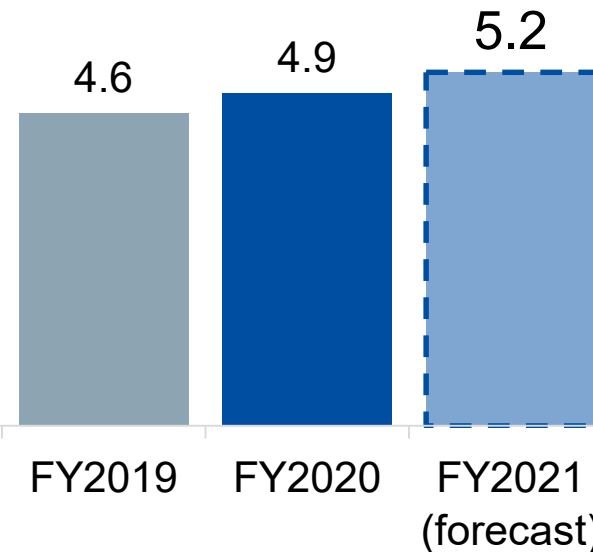
## ■ Capital investments (tangible)

(Billion yen)



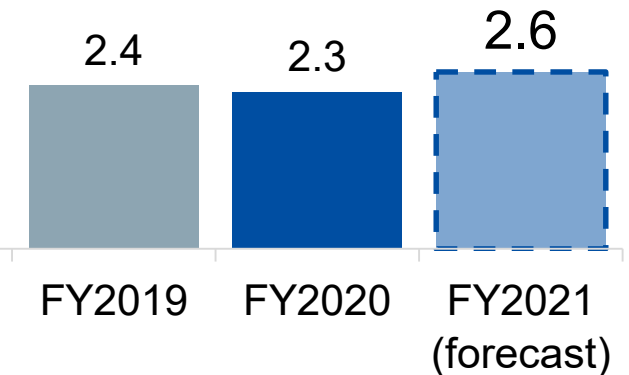
## ■ Depreciation (tangible)

(Billion yen)



## ■ Research and development costs

(Billion yen)



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Accordingly, it should be noted that forward-looking information needs to be considered in conjunction with uncertainties and risk factors. Reference should also be made to the numerous important risk factors that could have a significant negative impact on the Company’s actual business operations and results, additional information on which is described in detail in the Company’s quarterly financial results, annual securities report, annual report and various other documents disclosed by the Company.

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