Presentation of Financial Results for Second Quarter of Fiscal Year 2022

November 17, 2022

ShinMaywa Industries, Ltd.

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Financial Results for Second Quarter of Fiscal Year 2022

Consolidated Financial Results

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 Second Quarter of FY2022

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(Million yen)

	FY2021 2Q	FY2022 2Q	Change (Rate of change)	
Orders received	119,992	133,910	＋13,917	(＋11.6%)
Net sales	100,264	104,001	＋3,737	(＋3.7%)
Operating profit	4,438	3,206	-1,232	(-27.8%)
Ordinary profit	4,698	4,168	-530	(-11.3%)
Profit attributable to owners of parent	3,362	2,871	-490	(-14.6%)
Outstanding orders	182,858	243,764	＋60,906	(＋33.3%)
Exchange rate (USD 1)	110.0 yen	132.5 yen		

Year-on-year change

Orders received

- Orders received increased in all segments except Special Purpose Truck and Others, with Industrial Machinery & Environmental Systems in particular experiencing substantial growth, resulting in an increase in overall orders received.
- A record high for the second quarter

Net sales

- Revenue increased in all segments except Special Purpose Truck and Others, resulting in an increase in overall revenue.

Profits

- Profits decreased due to a rise in steel prices, despite the effects of yen depreciation.

Consolidated Financial Results for the Second Quarter of FY2022, by Segment

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(Billion yen)

Segment	Orders received			Net sales			Operating profit		
	FY2021 2Q	FY2022 2Q	Change	FY2021 2Q	FY2022 2Q	Change	FY2021 2Q	FY2022 2Q	Change
Special Purpose Truck	57.7	57.0	-0.6	48.3	43.7	-4.6	3.5	0.7	-2.8
Parking Systems	19.0	20.6	+1.6	17.8	18.3	+0.5	1.9	1.1	-0.7
Industrial Machinery & Environmental Systems	14.2	24.1	+9.9	10.1	15.4	+5.2	0.2	1.2	+1.0
Fluid	10.5	13.8	+3.3	6.2	8.7	+2.4	-0	0.3	+0.3
Aircraft	9.3	9.8	+0.5	10.1	11.5	+1.3	-0.4	0.7	+1.1
Others	9.1	8.2	-0.8	7.5	6.3	-1.2	0.4	0.3	-0
Adjustments	—	—	—	—	—	—	-1.2	-1.3	-0.1
Total	119.9	133.9	+13.9	100.2	104.0	+3.7	4.4	3.2	-1.2

*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.

Consolidated Balance Sheets / Consolidated Statements of Cash Flows

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Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of September 30, 2022	Change
Cash and deposits	26,600	17,239	-9,361
Trade receivables	70,945	72,768	+1,823
Inventories	46,925	52,610	+5,685
Total fixed assets	45,306	45,319	+13
Others assets	31,429	33,181	+1,751
Total assets	221,206	221,118	-87
Trade payables	25,898	26,237	+338
Interest-bearing debt	52,254	54,860	+2,605
Other liabilities	48,792	42,940	-5,851
Total liabilities	126,945	124,038	-2,907
Equity	92,465	95,434	+2,969
Other net assets	1,795	1,646	-149
Total net assets	94,261	97,080	+2,819
Total liabilities and net assets	221,206	221,118	-87

Equity ratio	41.8%	43.2%

Consolidated Statements of Cash Flows

(Million yen)

	FY2021 2Q	FY2022 2Q	Change
Cash flows from operating activities	-1,092	-6,137	-5,044
Cash flows from investing activities	-3,507	-4,074	-567
Free cash flows	-4,599	-10,211	-5,611
Cash flows from financing activities	-62	-121	-59

Special Purpose Truck Segment

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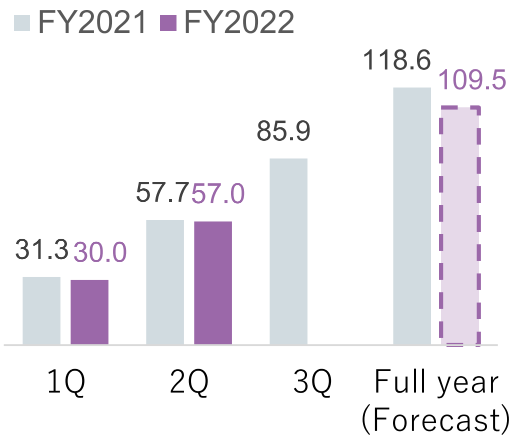
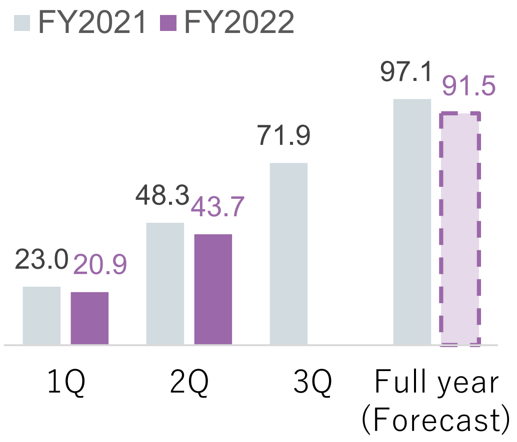
Trends in financial results (Billion yen)

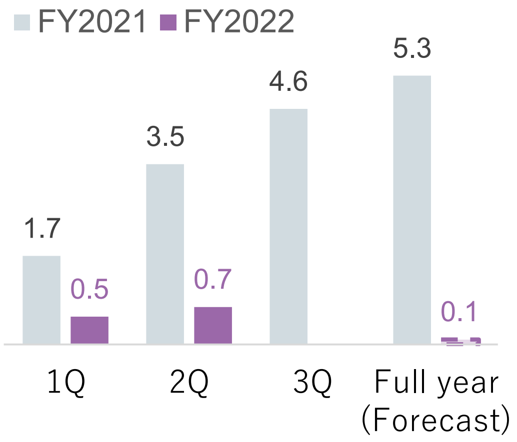
Orders received



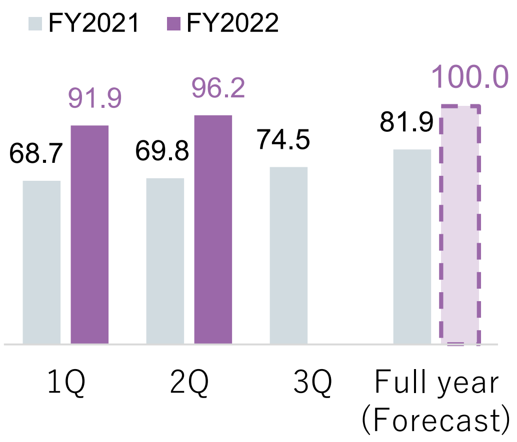
Net sales



Operating profit



Outstanding orders



FY2022-2Q results (year-on-year)

Orders received

- Decrease in construction-related vehicles and transportation vehicles

Net sales

- Decrease in construction-related vehicles, transportation vehicles, and environment-related vehicles

Operating profit

- Decreased due to a drop in revenue
- Decreased due to a rise in steel prices

Trends in outstanding period (month)*

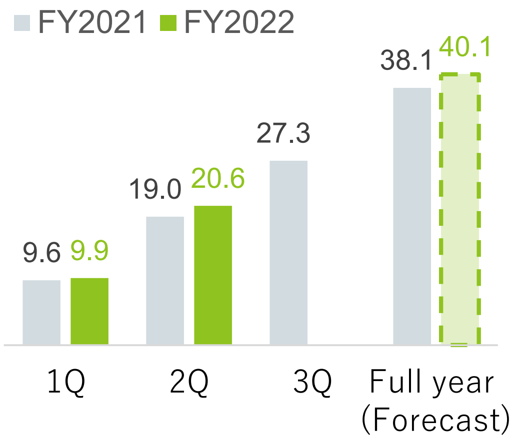
FY2021				FY2022			
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q (Forecast)
8.9	8.7	9.3	10.1	13.2	13.2		13.1

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

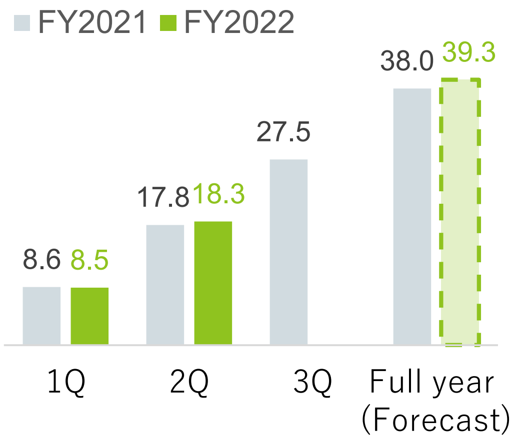
Parking Systems Segment

Trends in financial results (Billion yen)

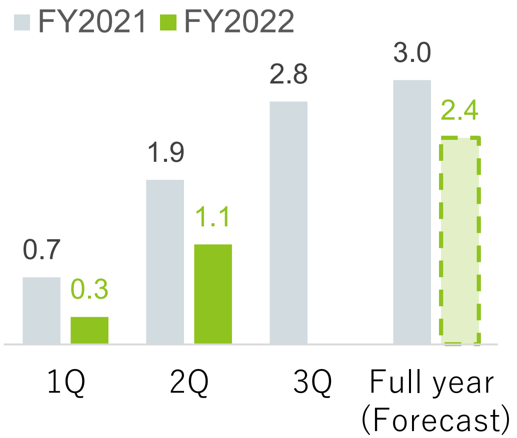
Orders received



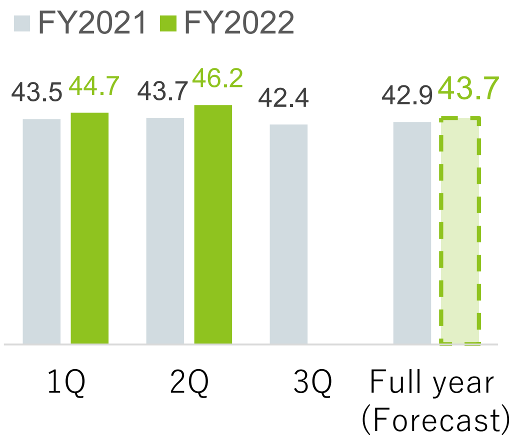
Net sales



Operating profit



Outstanding orders



FY2022-2Q results (year-on-year)

Orders received

- Mechanical car parking systems:
  Increase in product orders (new construction of two- and multiple-level systems)
- Aircraft passenger boarding bridges:
  Increase in both domestic and overseas markets

Net sales

- Mechanical car parking systems:
  Decrease in revenue from repair and maintenance
- Aircraft passenger boarding bridges:
  Increase in both domestic and overseas markets

Operating profit

- Mechanical car parking systems:
  Decreased due to a decrease in revenue from repair and maintenance
- Aircraft passenger boarding bridges:
  Increased due to an increase in revenue

Industrial Machinery & Environmental Systems Segment

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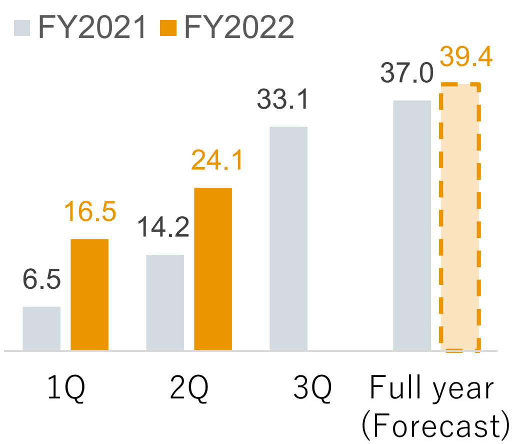
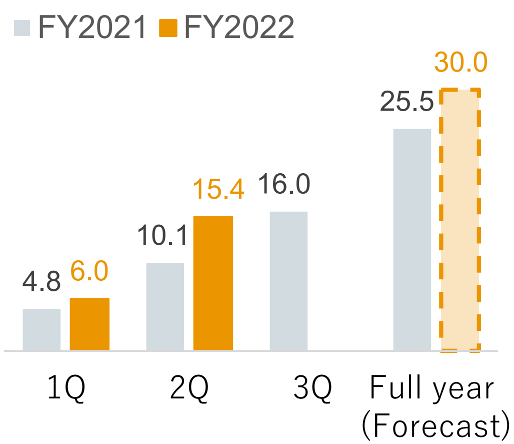
Trends in financial results (Billion yen)

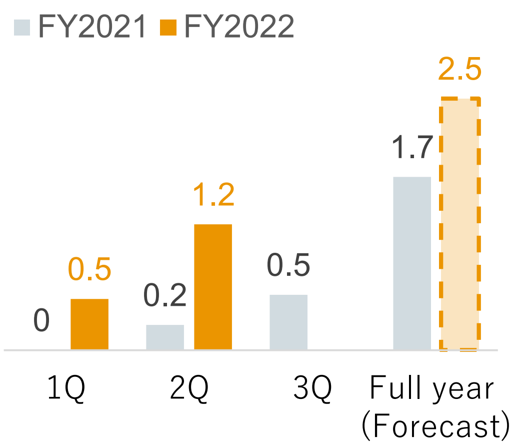
Orders received



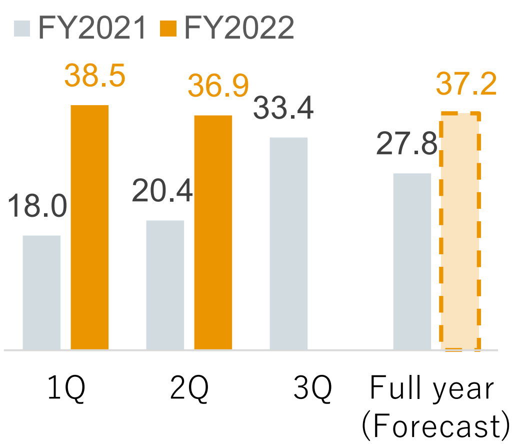
Net sales



Operating profit



Outstanding orders



FY2022-2Q results (year-on-year)

Orders received

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

Net sales

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

Operating profit

- Mechatronics products: Increased due to increase in revenue
- Environment- related business:
  Decreased due to a rise in provision for loss on construction contracts

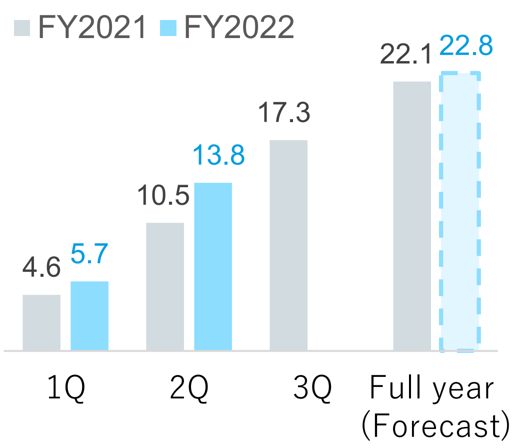
Trends in orders received and net sales by sub-segment (Billion yen)

Sub-segment		FY2021				FY2022			
		1Q	2Q	3Q	Full year	1Q	2Q	3Q	Full year (Forecast)
Mechatronics products	Orders received	3.0	7.7	13.0	16.6	12.5	16.3		25.1
	Net sales	3.3	6.8	10.8	15.9	4.4	11.7		20.1
Environment-related business	Orders received	3.4	6.5	20.0	20.4	3.9	7.7		14.3
	Net sales	1.5	3.2	5.1	9.5	1.6	3.6		9.9

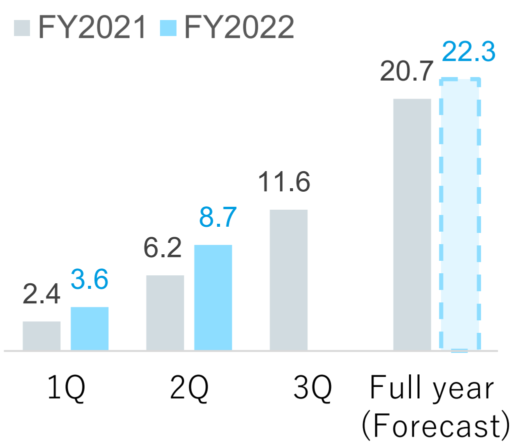
Fluid segment

Trends in financial results (Billion yen)

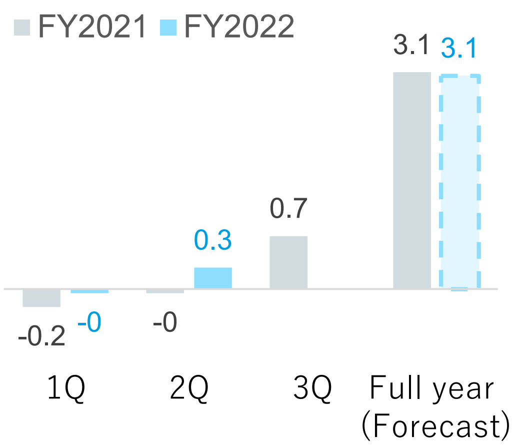
Orders received



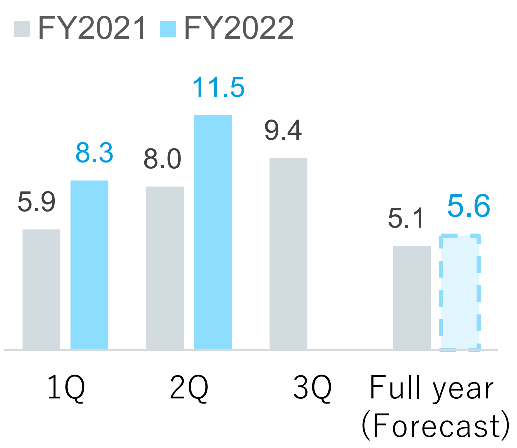
Net sales



Operating profit



Outstanding orders



FY2022-2Q results (year-on-year)

Orders received

- Increased due to the effects of M&A implemented in the previous fiscal year
- Increase in domestic public demand, domestic civilian demand and overseas projects

Net sales

- Increase in revenue owning to the effects of M&A implemented in the previous fiscal year
- Increase in revenue associated with a rise in orders received

Operating profit

- Increased due to the effects of M&A implemented in the previous fiscal year
- Increased due to an increase in revenue

Aircraft Segment

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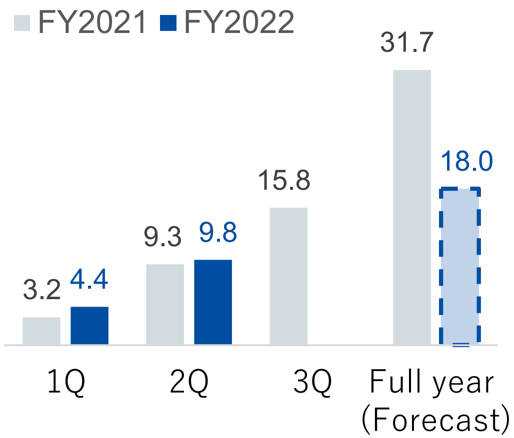
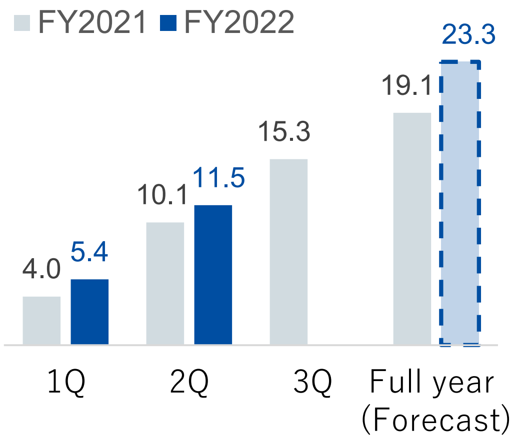
Trends in financial results (Billion yen)

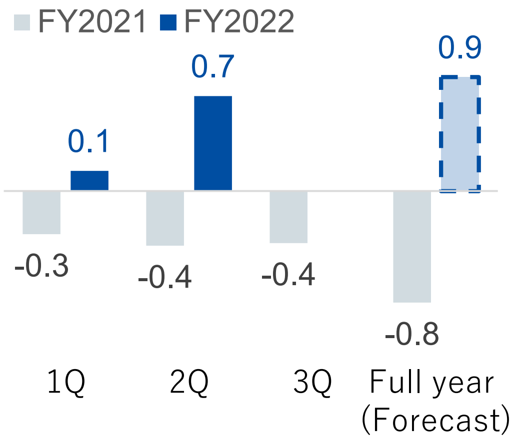
Orders received



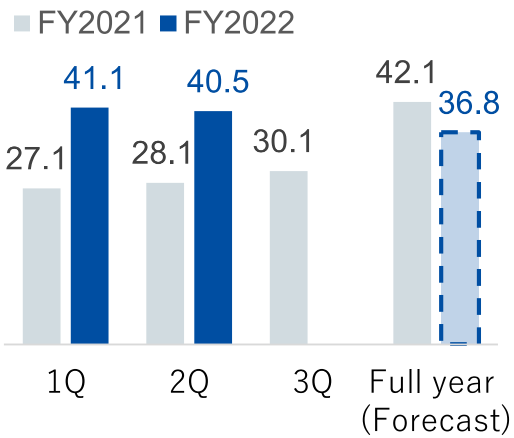
Net sales



Operating profit



Outstanding orders



FY2022-2Q results (year-on-year)

Orders received

Orders from Ministry of Defense: Decrease in components for transport aircraft

Civilian demand: Increase in orders received of G7500 aircraft

Net sales

Sales to Ministry of Defense: Remained at the same level as the previous fiscal year

Civilian demand: Increase in production volume of 777/777X and G7500 aircraft
Increase in revenue as a result of yen depreciation

Operating profit

Increased as a result of several factors such as cost reductions and yen depreciation

Civilian demand-related production volume

(Unit)

	FY2021-2Q	FY2022-2Q
777/777X	10	14
787	20	11
G7500	15	21

Exchange rate sensitivity

(After date of announcement)

Each one- yen of depreciation against the U.S. dollar increases operating profit by approximately 40 million yen.

Consolidated Financial Results Forecast for Fiscal Year 2022

Summary of Consolidated Financial Results Forecast for FY2022

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(Million yen)

	FY2021 (actual)	FY2022 (forecast)		Change (Rate of change)			
		Announced in July	Announced in October	Year-on-year change		Compared with figures announced in July	
Orders received	263,163	234,300	245,600	-17,563	(-6.7%)	+11,300	(+4.8%)
Net sales	216,823	225,000	222,000	+5,176	(+2.4%)	-3,000	(-1.3%)
Operating profit	10,569	9,000	7,000	-3,569	(-33.8%)	-2,000	(-22.2%)
Ordinary profit	11,821	9,200	8,200	-3,621	(-30.6%)	-1,000	(-10.9%)
Profit attributable to owners of parent	6,907	6,000	5,600	-1,307	(-18.9%)	-400	(-6.7%)
Outstanding orders	210,338	219,638	233,938	+23,600	(+11.2%)	+14,300	(+6.5%)
Annual dividend per share	42 yen	42 yen	42 yen	–		–	
Dividend payout ratio	40.0%	46.1%	49.4%	+9.4 pt		+3.3 pt	
Exchange rate (USD 1)	111.9 yen	130.0 yen	135.0 yen*				

* The exchange rate announced in October is the assumed exchange rate applicable in and after October.

Year-on-year change

Orders received

- Orders are expected to decrease in Aircraft and Special Purpose Truck segments and to decrease overall.

Net sales

- Revenue is expected to increase in all segments expect Special Purpose Truck and Others and to increase overall.

Profit

- Expected to decrease due to factors such as soaring steel prices despite the expected effects of yen depreciation.

(Reference) Performance targets in the Medium-term management plan [SG-2023]

(Million yen)

	FY2023 (target)
Net sales	250,000
Operating profit	15,000

Business environment (reportable segments)

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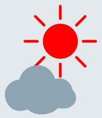
Segment	Forecast	Business environment (outlook)
Special Purpose Truck		➢ Demand is firm, but the slowdown in production due to factors such as delays in procuring key parts is expected to last longer than anticipated. Outstanding orders as of the end of FY2022 are expected to increase to 1.2 times greater than as of the end of FY2021. ➢ Steel prices remain higher than anticipated. Although some raw materials are recently undergoing a downward trend, key material prices are still expected to continue rising until the first half of FY2023 and remain high in and after the second half. ➢ Price revisions effective from FY2022 contributed to certain favorable results in orders received. However, as there was still a backlog of more than 10 months of orders at the old prices (across the segment) as of the end of the previous fiscal year, the price revisions will not affect sales soon, and thus profit growth will be limited for FY2022.
Parking Systems		➢ In the of mechanical car parking systems business, orders received will remain firm. Price revisions were implemented in response to soaring steel prices. ➢ In the service business, one of the main drivers of earnings, orders received are firm, but sales are expected to decrease due to longer delivery times for electric components resulting from semiconductor shortages. ➢ In the business of aircraft passenger boarding bridges, which are airport facilities, it is expected that a recovery of market conditions in Southeast Asia will not take place until FY2023.
Industrial Machinery & Environmental Systems		➢ Demand for automatic wire processors is showing recovery. In the long term, demand for wire harnesses is expected to soar with the advancement of CASE in the future. ➢ Inquiries have been increasing for vacuum drying equipment for lithium-ion secondary batteries for EVs that KOREA VACUUM LIMITED manufactures backed by rapid growth in the automotive battery market. ➢ In the environment-related business, demand for plant projects is strong. The increase in the related stock business will also support performance in this segment.
Fluid		➢ In domestic public sector demand, business for measures against heavy rain/flooding is growing and expected to remain firm, along with the renewal and service business. ➢ In domestic private sector demand, capital investment in carbon neutral initiatives is booming, thereby boosting sales of turbo blowers, etc. ➢ For overseas, orders received are increasing owning to favorable performance of TurboMAX Co., Ltd., which became a consolidated subsidiary in FY2021, as well as market recovery with the COVID-19 pandemic subsiding.
Aircraft		➢ In terms of sales to the Ministry of Defense, US-2 STOL Search and Rescue Amphibian (No. 9) is now under production. ➢ With regard to private sector demand-related production volume, the market for medium- to large-size aircraft is expected to recover in FY2023 and beyond. ➢ This segment is expected to be profitable for the first time in three years owing to recent cost reduction and fixed expense reduction efforts, in addition to the effects of depreciation of the yen against the U.S. dollar.

Consolidated Financial Results Forecast for FY2022 by Segment (Year-on-year)

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(Billion yen)

Segment	Orders received			Net sales			Operating profit		
	FY2021 (actual)	FY2022 (forecast)	Change	FY2021 (actual)	FY2022 (forecast)	Change	FY2021 (actual)	FY2022 (forecast)	Change
Special Purpose Truck	118.6	109.5	-9.1	97.1	91.5	-5.6	5.3	0.1	-5.2
Parking Systems	38.1	40.1	+1.9	38.0	39.3	+1.2	3.0	2.4	-0.6
Industrial Machinery & Environmental Systems	37.0	39.4	+2.3	25.5	30.0	+4.4	1.7	2.5	+0.7
Fluid	22.1	22.8	+0.6	20.7	22.3	+1.5	3.1	3.1	-0
Aircraft	31.7	18.0	-13.7	19.1	23.3	+4.1	-0.8	0.9	+1.7
Others	15.4	15.8	+0.3	16.0	15.6	-0.4	0.9	1.0	+0
Adjustments	—	—	—	—	—	—	-2.8	-3.0	-0.1
Total	263.1	245.6	-17.5	216.8	222.0	+5.1	10.5	7.0	-3.5

*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.

Consolidated Financial Results Forecast for FY2022 by Segment (In comparison with figures announced in July)

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(Billion yen)

Segment	Orders received			Net sales			Operating profit		
	FY2022 (announced in July)	FY2022 (announced in October)	Change	FY2022 (announced in July)	FY2022 (announced in October)	Change	FY2022 (announced in July)	FY2022 (announced in October)	Change
Special Purpose Truck	106.0	109.5	+3.5	93.0	91.5	-1.5	1.6	0.1	-1.5
Parking Systems	43.3	40.1	-3.2	40.5	39.3	-1.2	3.3	2.4	-0.9
Industrial Machinery & Environmental Systems	28.0	39.4	+11.4	29.5	30.0	+0.5	2.2	2.5	+0.3
Fluid	23.5	22.8	-0.7	22.5	22.3	-0.2	3.2	3.1	-0.1
Aircraft	16.3	18.0	+1.7	22.5	23.3	+0.8	0.5	0.9	+0.4
Others	17.2	15.8	-1.4	17.0	15.6	-1.4	1.1	1.0	-0.1
Adjustments	—	—	—	—	—	—	-2.9	-3.0	-0.1
Total	234.3	245.6	+11.3	225.0	222.0	-3.0	9.0	7.0	-2.0

*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.

Toward the Achievement of Medium-term Management Plan

[Sustainable Growth-2023]

Progress of Medium-term Management Plan [SG-2023] – Targets and Progress Status

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[SG-2023] Target values (End March 2024)

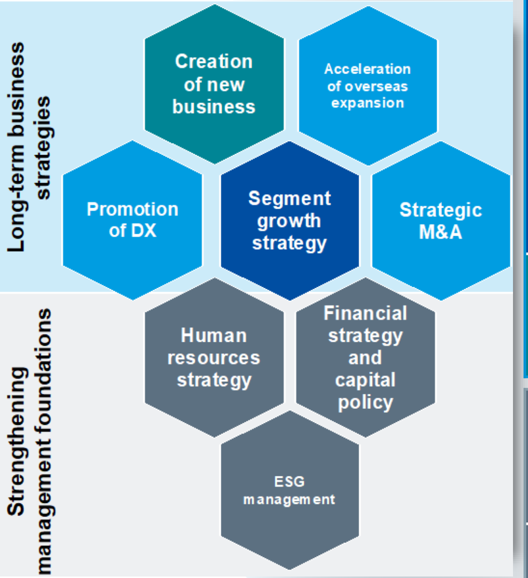
Management indices	Target standards
Net sales	250 billion yen
Operating profit	15 billion yen
Overseas sales	45 billion yen
ROE	10% or more
ROIC	7% or more
Cash allocation	**Target standards**
Growth investment (Capital investment, M&A)	30 to 40 billion yen (Over 3 years)
Dividend payout ratio	40 to 50%
Acquisition of treasury shares	Consideration of flexible acquisition

Segment targets (Unit: Billion yen)

Segment	Net sales	Operating profit
Special Purpose Truck	102	6.9
Parking Systems	47	3.8
Industrial Machinery & Environmental Systems	28	1.8
Fluid	24	3.1
Aircraft	30	0.7
Other*	19	1.4
Adjustments	–	-2.7

* "Other" include construction, real estate, software, and other businesses.

Long-term Management Plan [SG-Vision2030]



[SG-2023]Progress status

Segment growth strategy		Significant growth in automatic wire terminating machines and vacuum equipment areas accompanying the shift toward EVs. The Fluid Segment, which has achieved a certain standard, has been regarded as an independent segment from this fiscal year. Its further growth is anticipated.
	M&A	・TurboMAX Co., Ltd. (hereafter, TurboMAX), TENRYU AERO COMPONENT Co. Ltd,, OSK Co., Ltd., and WAKO, Ltd. absorbed as Group companies.
	Overseas	・ Special Purpose Truck segment: Growth in kit exports to Asia and Oceania, as well as growth in the sale of components in Thailand ・Steady sales performance by KOREA VACUUM LIMITED and TurboMAX. ・Expansion of sales area with a focus on Asia for other businesses including mechanical car parking systems , fluid equipment, and automatic wire terminating machines
	DX	・Establishment of the DX Promotion Committee → Accelerated introduction of DX into business activities
New business		・New establishment of the New Business Strategic Division (April 2022) ・Investment in, and alliances with, WOTA CORP. and FUJI DESIGN Co., Ltd. ・Establishment of new business development process within the company
Financial strategy		・Carried out M&A, updating of production facilities, and investments in IT infrastructure ・Promotion of ROIC management ・Maintained target standard of dividend payout ratio
Human resources strategy		・Building and promotion of human resources strategy based on management strategy ・Conducted surveys toward the promotion of D&I → Continued with improvement activities
ESG management		・Decided on ESG materiality and promoted improvement measures ・Published Integrated Report (September 2022)

Exploration← →Enhancement

Introduction of the Fluid Segment

[Shift toward independent disclosure based on the management approach]

Toward becoming a fluid equipment manufacturer recognized by the world

Introduction of the Fluid Segment [History of the Fluid Business]

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History of the Fluid Business	
1954	Developed the first self-priming pump
	Launched sales under the product name “Pointer Pump”
1964	Launched sales of submersible pumps (technical partnership with overseas manufacturer)
	Expanded sales with Japan’s first automatic connection equipment
1973	Started design and construction of rainwater pump stations
1978	Launch of sales overseas
	Introduction of designated service plant system across Japan
1984	Started taking orders for manhole pump systems
1992	Alongside business expansion, opened Ono Plant as specialized base
2003	Established ShinMaywa Aqua Technology Service, Ltd.
2008	Developed high efficiency and high solid passage submersible pump, the “CNWX series”
	Achieved top market share in the domestic manhole pump market
2012	Fluid Division developmentally and became independent of the Industrial Machinery Systems Division
2018	Absorption of high-pressure washer manufacturer, FLUTECH Co., Ltd., into the Group
2020	Started pump production at Thai ShinMaywa Co., Ltd.
2021	Absorption of turbo blower manufacturer, TurboMAX Co., Ltd. (Korea)


Self-priming pump, “Pointer Pump”


Lineup of fluid products


Ono Plant (Ono City, Hyogo Prefecture)

High efficiency and high solid passage Non-Clog Scroll(R) Submersible Pump, CNWX


ShinMaywa Aqua Technology Service, Ltd. is responsible for maintenance

Introduction of the Fluid Segment: Areas of Focus [Rainwater Drainage Pumps]

ShinMaywa
VISION WITH INSIGHT

◆**Fundamental Plan for National Resilience** (from government materials)
Flood control measures that take the impact of climate change into consideration

⇩

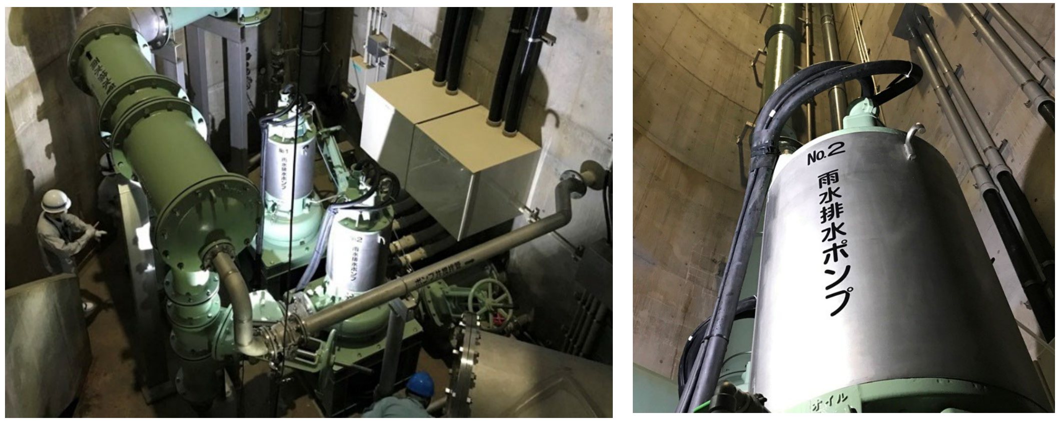
[Social issue that should be addressed]
Flood damage from torrential rain and typhoons, etc., which Japan has increasingly experienced in recent years

[Business opportunities]
Expansion of demand for rainwater flood countermeasures and sewage facilities that employ submersible pump technology for increased water resistance

[Initiatives]
Provision of equipment/systems and services in line with the Fundamental Plan for National Resilience

K City　Rainwater drainage pumps (horizontal axial-flow)

N City　Rainwater drainage pumps (water-resistant)



Introduction of the Fluid Segment: Areas of Focus [Utilization of AI/IoT]

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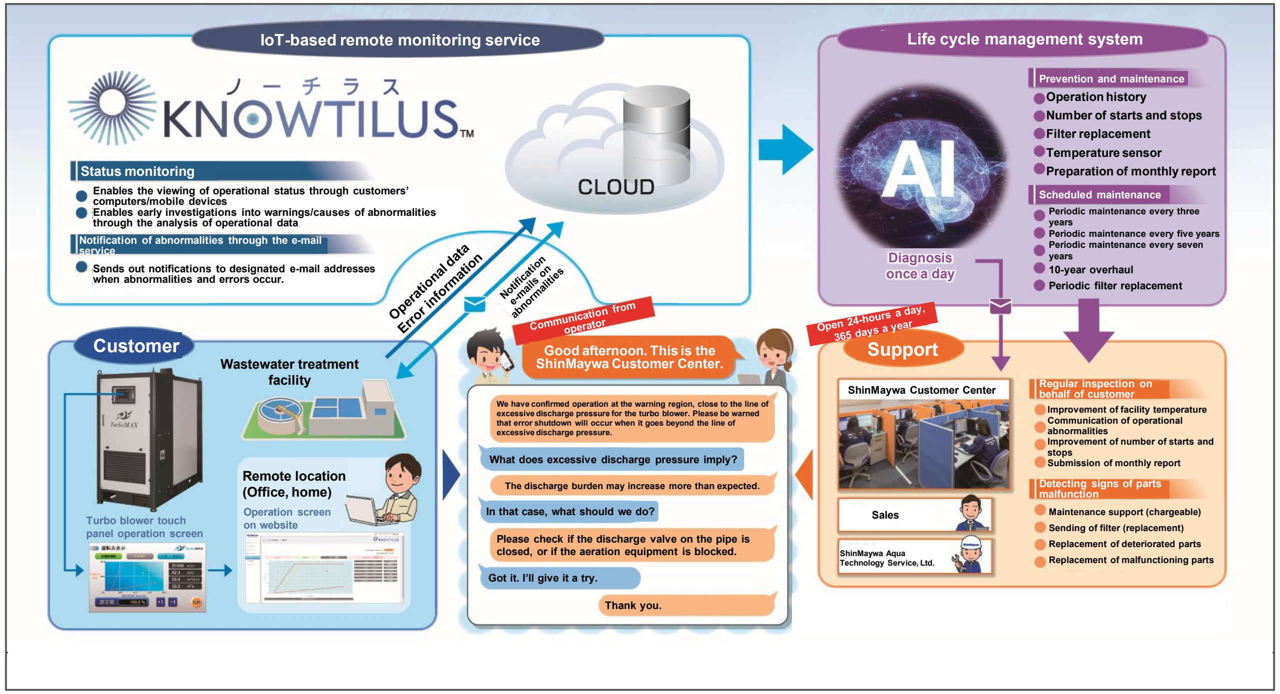
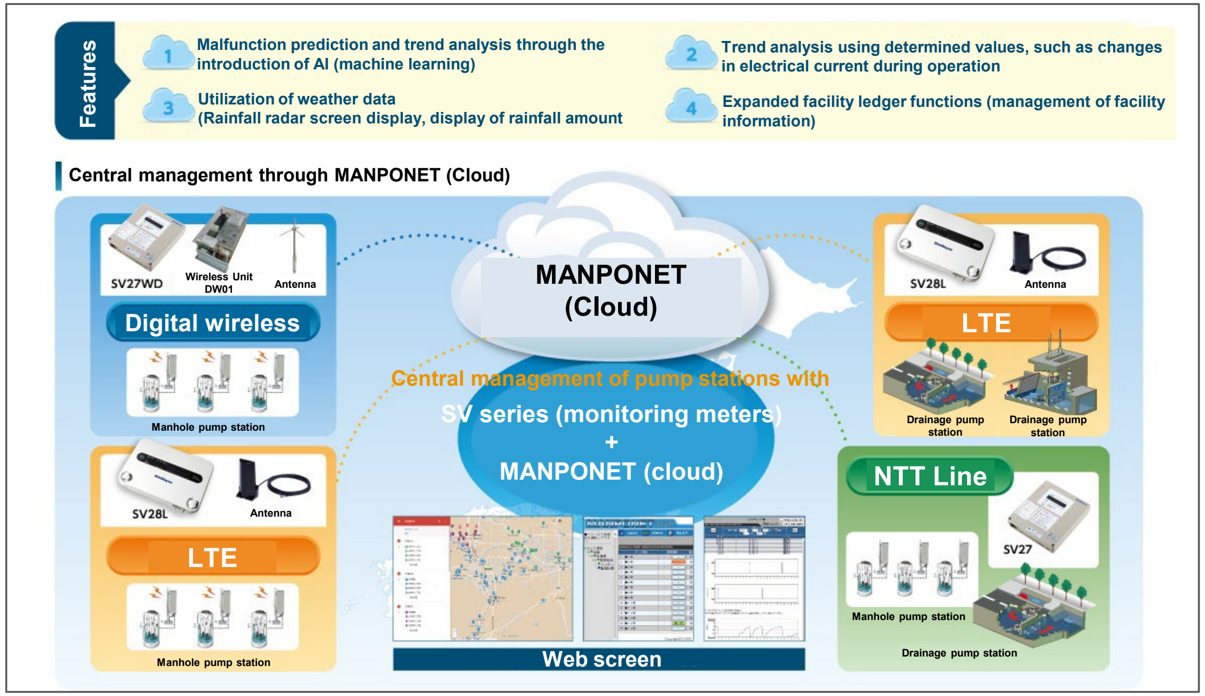
Turbo blower remote monitoring system that utilizes AI/IoT
KNOWTILUS™



The KNOWTILUS system enables remote monitoring via smartphones or computers. When alerts or errors occur, it automatically notifies the person-in-charge of the error contents and workaround by email, thereby reducing downtime through early detection. By utilizing AI to analyze operational data, it realizes stable operation through prevention and maintenance, as well as by supporting facility management work.

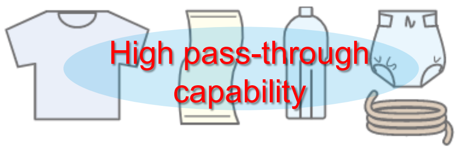
Enables malfunction prediction, remote monitoring, and sound facility operation of manhole pumps through AI
MANPONET (Cloud)

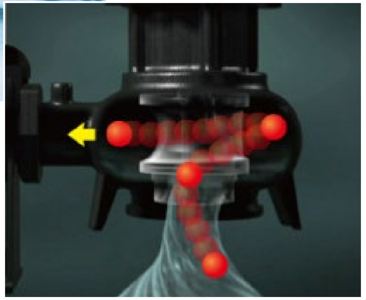


The MANPONET (Cloud) system contributes to reducing life cycle costs by extending the lifespan of equipment. This is achieved through the digitization of technologies and knowhow we have built up to date, and further, through the introduction of AI that enables malfunction prediction, trend analysis, and other functions. It can also be used to support less experienced and knowledgeable technicians, and to assist with human resource development, such as through verification of inspection methods and inferred causes.

Introduction of Fluid Segment: Areas of Focus [Overseas Expansion]

◆North American market





[High efficiency and high solid passage capability submersible pump (Explosion-proof)]Strikes a balance between high efficiency and high pass-through capability while reducing power consumption and maintenance and inspection costs.

◆Global market

[Turbo blower (Aeration equipment)] Reduces power consumption and CO_2 emissions through the fusion of high-efficiency motor with air-foil bearing and high-efficiency impeller.

Mutual utilization of sales routes

ShinMaywa Industries:
Overseas expansion for fluid equipment such as submersible pumps, with a focus on North America and Southeast Asia.

TurboMAX：
Increase in the sales volume of turbo blowers not only in the home country (Korea), but also in China, Europe, and India.

Enables cross-selling through the utilization of the sales routes of both companies.

Aiming to become a fluid equipment manufacturer recognized by the world

Initiatives Toward the Creation of New Values

Examples of Initiatives (1): Collaboration Between Fluid/Aircraft Segments and External Corporations

ShinMaywa
VISION WITH INSIGHT

Exhibition of prototype that uses recycled carbon fibers at Sewage Works Exhibition '22 Tokyo

- Important issues (Materiality)
  Preventing global warming, contributing to a recycling society.

- CFRP (carbon-fiber-reinforced polymers) place a great burden on the environment when they are disposed of. Carbon fibers also generate a high volume of CO_2 during production.

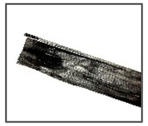
- In cooperation with FUJI DESIGN Co. Ltd., we produced a prototype for a propellor (ShinMaywa's fluid equipment product), by using carbon fibers recycled from waste material produced in the aircraft manufacturing process.

- FUJI DESIGN Co., Ltd.'s recycling technology enables the recovery of carbon fibers in a mostly undeteriorated state from molded CFRP and the intermediate materials (pre-preg), and the reuse of these carbon fibers for the same uses as new products.
  We have recently trialed the application to ShinMaywa's products as a part of our efforts to develop applications for recycled carbon fibers.

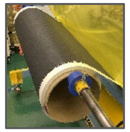
Recycled carbon fibers

(1) Enhance synergy between different business segments. [Aircraft Segment – Fluid Segment]
(2) Expand co-creation domains with external partners.
(3) Continue with efforts toward a recycling society, as a part of the responsibilities of a *monozukuri* (manufacturing) corporation.

Starting with the reuse of process waste, we aim to expand the scope of application of recycled carbon fibers in the future, including the recycling of product materials when use of the product has ended.



Carbon fibers



Pre-preg

Raw materials

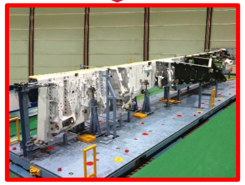
Cutting of materials

Process waste

Recycle

Propeller (prototype)

Products



CFRP parts

Use (Trial)

Sewage treatment plant

Use

Aircraft

ShinMaywa
VISION WITH INSIGHT

Decision and implementation of investment in WOTA CORP., a start-up that is taking up the challenge of solving the water problem

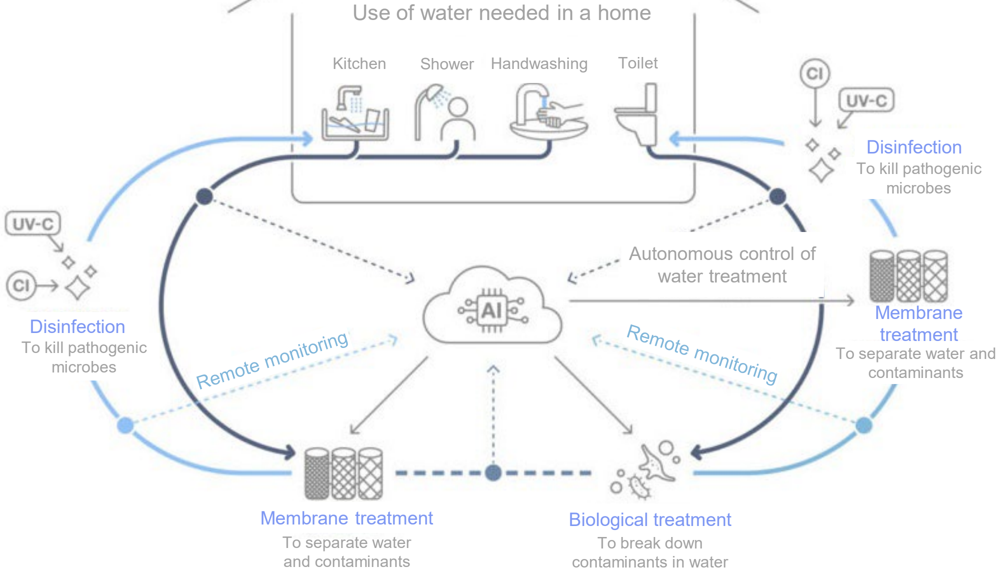
- WOTA CORP. is a Japanese start-up that has set out the mission of “seeking structural solutions to the world’s water crisis.” It develops autonomous control system for water treatment and small-scale, decentralized water recycling systems with the aim of solving various problems arising from the uneven distribution, shortage, and pollution of water resources around the world.

[Aims of investment]

- ShinMaywa believes that water supply and sewage infrastructure suitable for regions with low population densities will become necessary alongside social changes.
- The vision of WOTA CORP. to promote new water supply and sewage infrastructure that is off-grid (autonomous operation of water infrastructure) and environmentally-friendly, resonates with ShinMaywa, and we have assessed that there is potential for co-creation.

[Future initiatives]

- Japan: Cooperate with WOTA CORP. toward the social implementation of small-scale, decentralized treatment systems corresponding to the population density, in areas where large-scale, intensive treatment systems for water supply and sewage infrastructure are difficult to maintain.
- Global: Review the implementation of the above in countries that lack water resources.



Small-scale, decentralized water recycling system

Launch of demonstration experiments with Nealle Inc. on the installation of EV chargers at car parks operated by ShinMaywa

- Since September 2022, we have started to conduct demonstration experiments on the installation of EV chargers at “Park Net” hourly car parks in Chiba City, operated by ShinMaywa, in cooperation with Nealle Inc. which operates the “Park Direct” mobility SaaS system (business partnership commenced in March 2021).

[Background to the launch of demonstration experiments]

- With the establishment of the Japanese government’s policy to achieve 100% EV ratio for new vehicle sales by 2035, the nationwide popularization of EVs has become a pressing task.

- To promote the abovementioned policy, the Japanese government plans to install a large number of EV fast-charging stations at highway service areas and public facilities.

[Future initiatives]

- Through this demonstration experiment, we aim to engage in co-creation with Nealle Inc. and expand the EV charging station business based on the validation results of the experiment.

Park Direct

Launch of demonstration experiments on installation of EV chargers at car parks

ShinMaywa
VISION WITH INSIGHT

Development of the smartphone app “Spasa” (ShinMaywa Parking Support App) to enhance the convenience, comfort, and safety of mechanical car parking systems

・ShinMaywa has developed “Spasa,” the smartphone app for solving various issues, including determining if a car can be parked and all car park system operations as well as EV charging functions, and raising alerts for safe use. Sale of the app was launched on October 20, 2022.

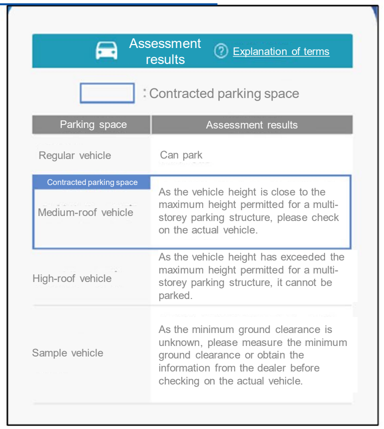
■Solving all issues related to mechanical car parking systems just by using “Spasa”!

- By inputting the license plate information, the car parking facility can determine if the car can be parked based on vehicle inspection information provided by organizations that provide registration information, as well as ShinMaywa’s proprietary databases.
- License plate information is registered beforehand, and the license plate is photographed by cameras is read by the AI when the car is stopped at the designated position. The system then automatically summons a pallet with a size that the car can be parked on.
- While explanations of use are needed when using a mechanical car parking system for the first time, the app supports user safety by drawing their attention to precautions, etc. displayed on the app’s screen, and allowing them to read the instruction manual at any time.
- We have developed a rotating charging system with a view to popularizing EVs. It is equipped with mechanisms that enable users to check their charger reservations, charging completion time, and other information on the app, and owners to support the charging of multiple vehicles on contracts with low power receiving capacity.

Spasa
スパサ

Determines if a car can be parked based on the license plate information

Input screen



Assessment screen

ShinMaywa
VISION WITH INSIGHT

"ShinMaywa Smart Connect" communication tool

- Addition of loader dump (a dump truck that is also used for transporting construction machinery) to the target products for ShinMaywa Smart Connect, a communication tool for grasping the operating status of special purpose trucks.

ShinMaywa Smart Connect®
新明和スマートコネクト

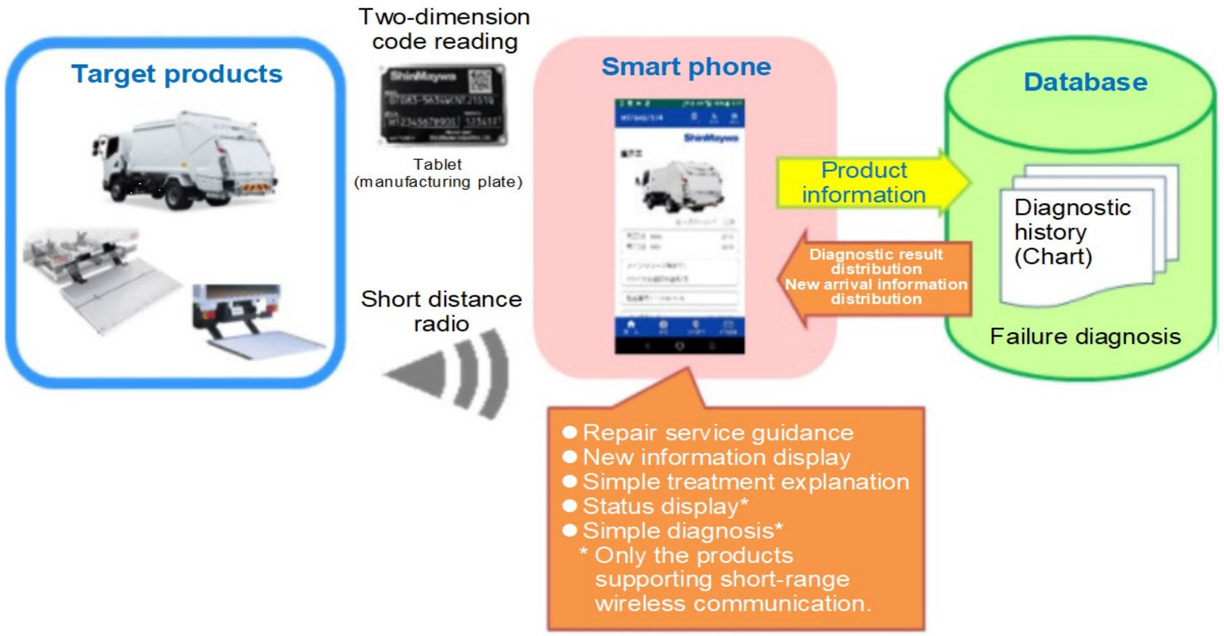
■ What is "ShinMaywa Smart Connect?"

- It is a communication tool that enables, via smartphones, the easy confirmation of the operating status of the special purpose truck that has been purchased, through the operation of the dedicated app.

- By scanning the 2D code displayed on the nameplate of the target product, users can register as a member to use the app's functions.

- Users can also view the instruction manual for the product and support information provided by the repair service counter, etc when any malfunctions or breakdowns occur.

- With products that support short-range radio, it enables the early detection of problems, such as real-time verification of operating status and simple diagnosis functions.



(Some functions are scheduled to be put into operation from January 2023)

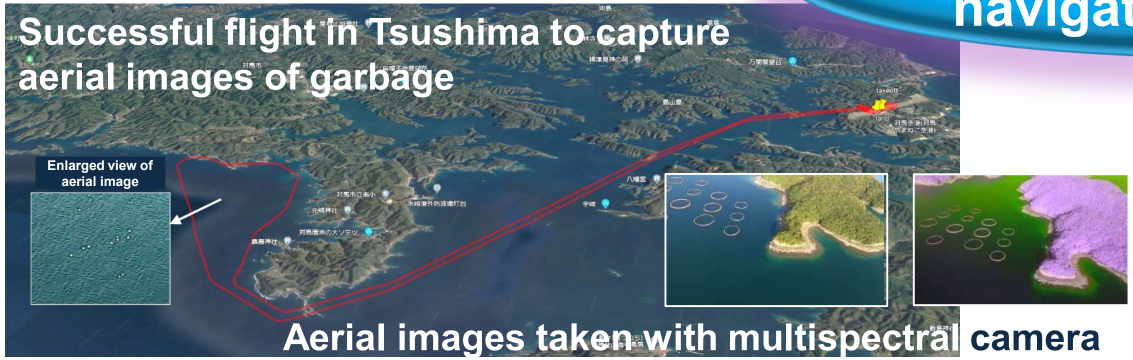
ShinMaywa
VISION WITH INSIGHT

Development and demonstration of fixed-wing unmanned aircraft that utilizes core technology

■XU-S [Fixed-wing unmanned aircraft]
(1) Successfully completed Level 3 flight through satellite communications
(2) Successful operation at an airport for regular flights
(3) Validation for social implementation
・Communications infrastructure
・Disaster surveys
・Environmental measurement, etc.

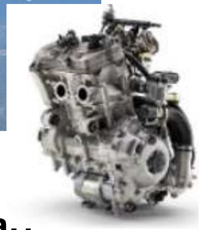
Fixed-wing unmanned aircraft development technology

Autonomous navigation technology



Successful flight in Tsushima to capture aerial images of garbage
Aerial images taken with multispectral camera

■XU-L [Joint development with Yamaha Motor Co., Ltd.]
・Aimed at the development of large-scale unmanned aircraft and autonomous navigation systems



■XU-M [Unmanned flying boat]
・Increased potential for social implementation

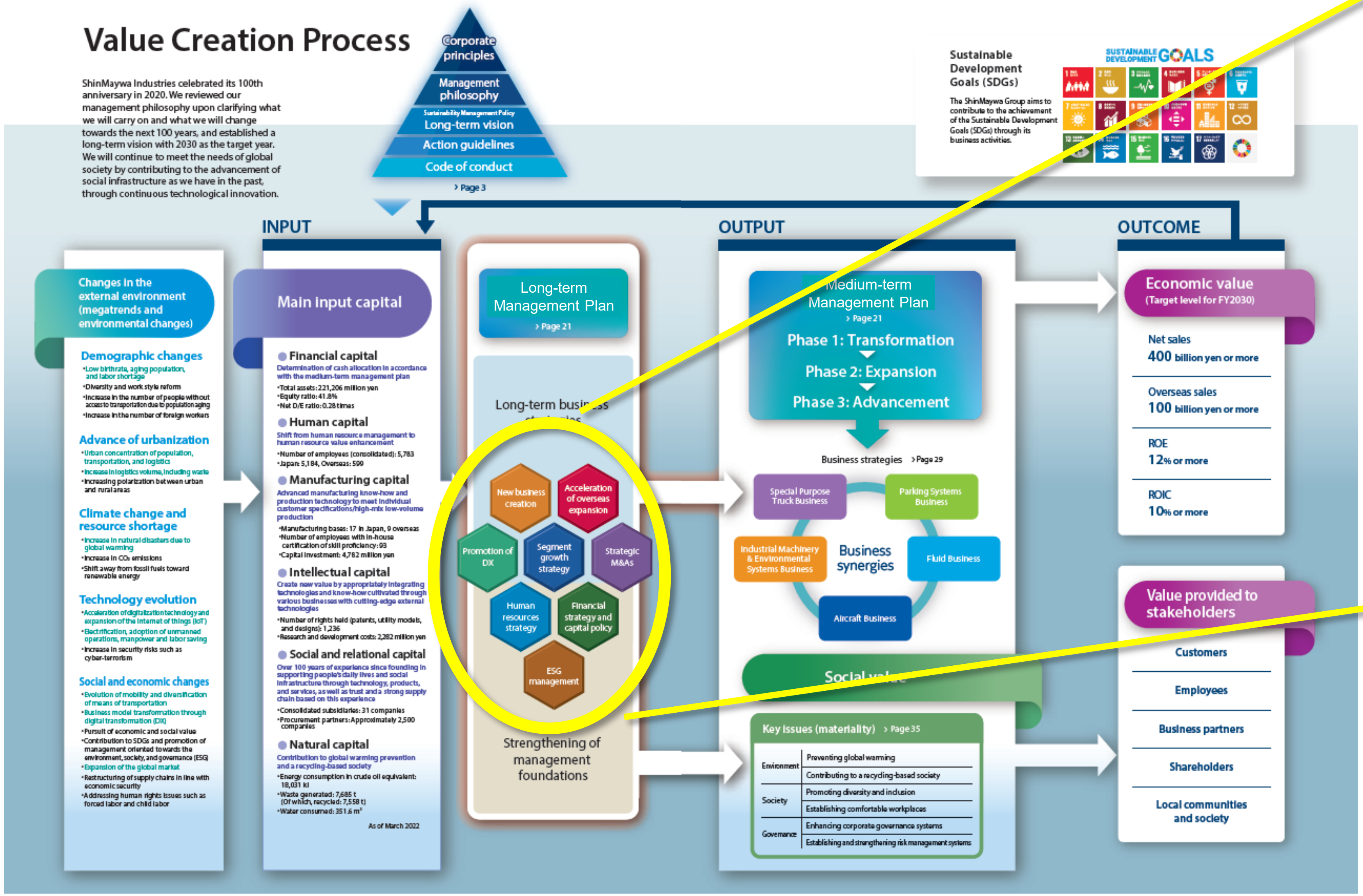
Conducted demonstrations of take-off/landing on water as well as flight demonstrations at the 1st Drone Summit (organized by Cabinet Secretariat and Hyogo Prefectural Government)

Promotion of ESG Management

－Publication of Integrated Report－

ShinMaywa's Value Creation Process - Extracted from the Integrated Report -

ShinMaywa
VISION WITH INSIGHT



Long-term business strategies: Five themes
Striving to achieve high targets, backcasting from [SG-Vision 2030].
Strengthening of management foundations: Three themes
Support the long-term business strategies and realize sustainable growth.

KEY ESG Issues (Materiality) - Abstracted from the Integrated Report -

ShinMaywa
VISION WITH INSIGHT

Key ESG issues (Materiality)		Crucial themes
Environment	Preventing global warming	Reduction of greenhouse gas emissions from production activities (Scope 1, 2)
		Provision of products and services with less environmental impact
	Contributing to a recycling society	Reduction of waste
Society	Promoting diversity and inclusion Establishing comfortable workplaces	● Build systems, raise awareness, and improve environment to nurture an organizational culture that respects and supports diversity ● Acquiring diversity inherent in individuals Human resources training, human resources development, and recruitment of diverse human resources ● Creating opportunities for individuals to make use of their diversity and “Will” Improving business competitiveness (strengthening management foundations) and integrating with long-term business strategies
Governance	Enhancing corporate governance systems	Strengthening the supervisory function of the Board of Directors
		Ensuring legitimacy in execution of duties
	Establishing and strengthening risk management systems	Establishing and strengthening of company-wide risk management systems
		Strengthening electronic information management systems
		Ensuring quality and safety
		Promoting CSR procurement

*We are now preparing the KGI and annual KPI for these.

Thank you for your kind attention.

November 17, 2022

ShinMaywa Industries, Ltd.

ShinMaywa
VISION WITH INSIGHT

Supplementary Materials

会社概要

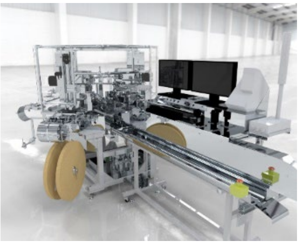
Corporate Name	ShinMaywa Industries, Ltd.
Head Office	1-1 Shinmeiwa-cho, Takarazuka, Hyogo 665-8550, Japan
Founded	November 5, 1949
Paid-up Capital	15,981,967,991 yen
President	Tatsuyuki Isogawa, President & CEO
Number of Employees	Consolidated 5,934 / Non-consolidated 3,017 (as of end of September, 2022)
Consolidated Subsidiaries	30

Distribution Ratios of Net Sales by Segment (FY2021)

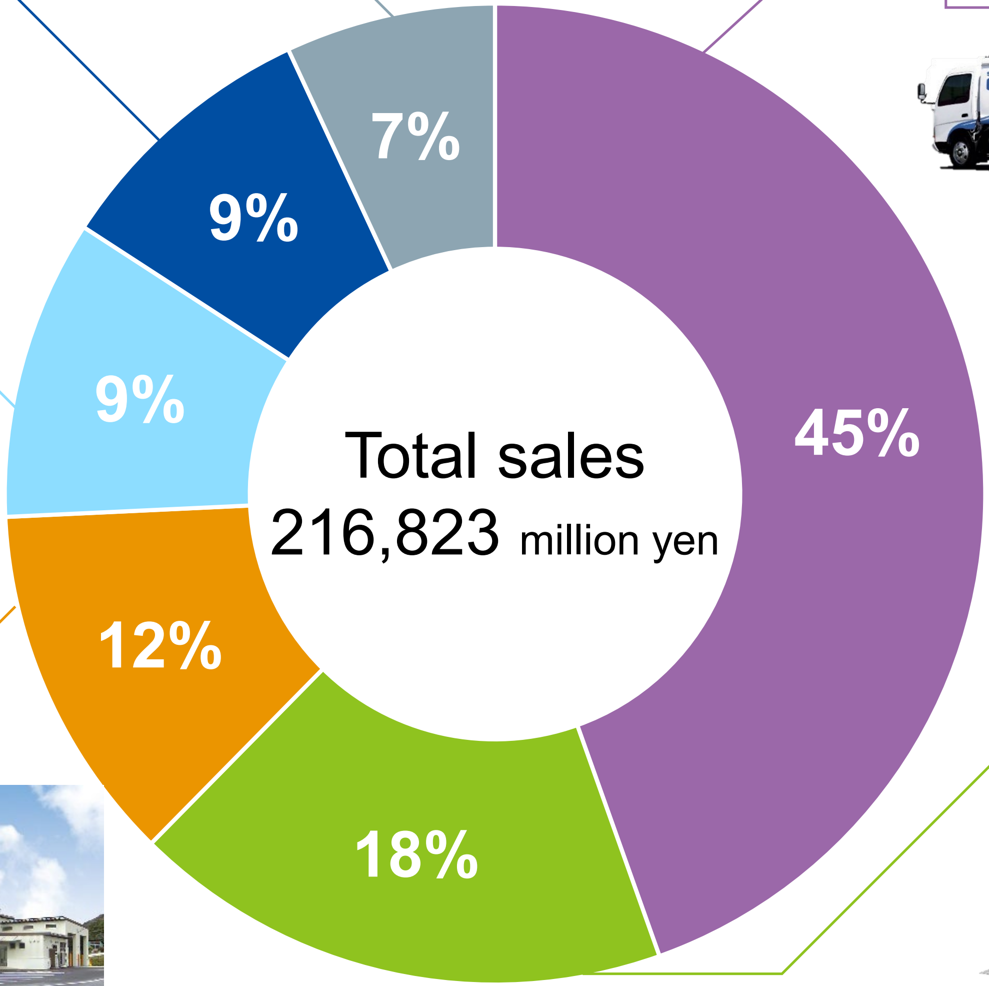
Aircraft

Fluid

Industrial Machinery & Environmental Systems



Others



Special Purpose Truck

Parking Systems

Business Performance

ShinMaywa
VISION WITH INSIGHT

(Billion yen)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Orders received	165.2	214.8	203.9	210.0	209.7	230.5	237.9	221.8	199.3	263.1
Net sales	150.9	174.0	193.1	203.9	201.2	207.3	217.2	227.2	209.2	216.8
Operating profit	5.8	10.8	13.6	15.2	13.0	10.5	10.7	12.8	10.4	10.5
Operating profit ratio (%)	3.9	6.2	7.1	7.5	6.5	5.1	4.9	5.6	5.0	4.9
Ordinary profit	6.4	11.4	14.3	15.5	13.2	10.7	10.4	12.3	11.1	11.8
Profit attributable to owners of parent	11.3	7.4	9.1	10.2	8.9	7.0	6.9	7.3	5.4	6.9
Outstanding orders	66.1	107.2	118.7	124.5	132.7	156.1	177.3	171.9	161.6	210.3
Overseas sales	30.4	36.0	45.6	48.1	43.0	42.5	42.8	43.2	27.1	31.0
Interest-bearing debt	8.0	6.0	4.1	2.0	0.1	0.0	49.8	57.5	54.5	52.2
Equity	88.9	95.1	105.8	112.9	118.2	124.8	82.3	82.9	87.9	92.4
ROE(%)	13.6	8.1	9.1	9.4	7.7	5.8	6.8	8.9	6.4	7.7
ROIC*(%)	3.9	6.8	8.3	9.1	7.7	6.0	5.8	6.5	5.1	5.1

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

Business Performance by Segment (1)

ShinMaywa
VISION WITH INSIGHT

(Million yen)

Segment	Account	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Special Purpose Truck	Orders received	72,299	93,965	91,006	79,649	89,722	91,303	107,463	101,012	94,246	118,662
	Net sales	65,826	77,328	84,775	87,462	89,304	90,317	92,333	94,627	94,777	97,190
	Operating profit	3,774	5,009	6,929	6,748	8,348	6,313	6,544	6,802	6,707	5,354
	Operating profit ratio (%)	5.7	6.5	8.2	7.7	9.3	7.0	7.1	7.2	7.1	5.5
Parking Systems	Orders received	27,592	32,292	29,805	30,674	31,561	55,017	35,797	36,275	37,332	38,133
	Net sales	27,194	28,301	27,440	29,359	31,145	31,979	33,863	37,805	35,228	38,099
	Operating profit	1,474	899	1,330	1,814	1,850	1,780	2,343	3,223	3,228	3,066
	Operating profit ratio (%)	5.4	3.2	4.8	6.2	5.9	5.6	6.9	8.5	9.2	8.0
Industrial Machinery & Environmental Systems	Orders received	25,031	26,712	28,583	31,899	29,209	30,424	38,533	42,685	36,980	37,052
	Net sales	23,287	24,371	27,928	30,155	29,451	30,099	33,810	38,370	37,195	25,560
	Operating profit	1,272	2,037	1,878	1,985	2,219	2,468	2,474	2,748	2,989	1,724
	Operating profit ratio (%)	5.5	8.4	6.7	6.6	7.5	8.2	7.3	7.2	8.0	6.7

*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.

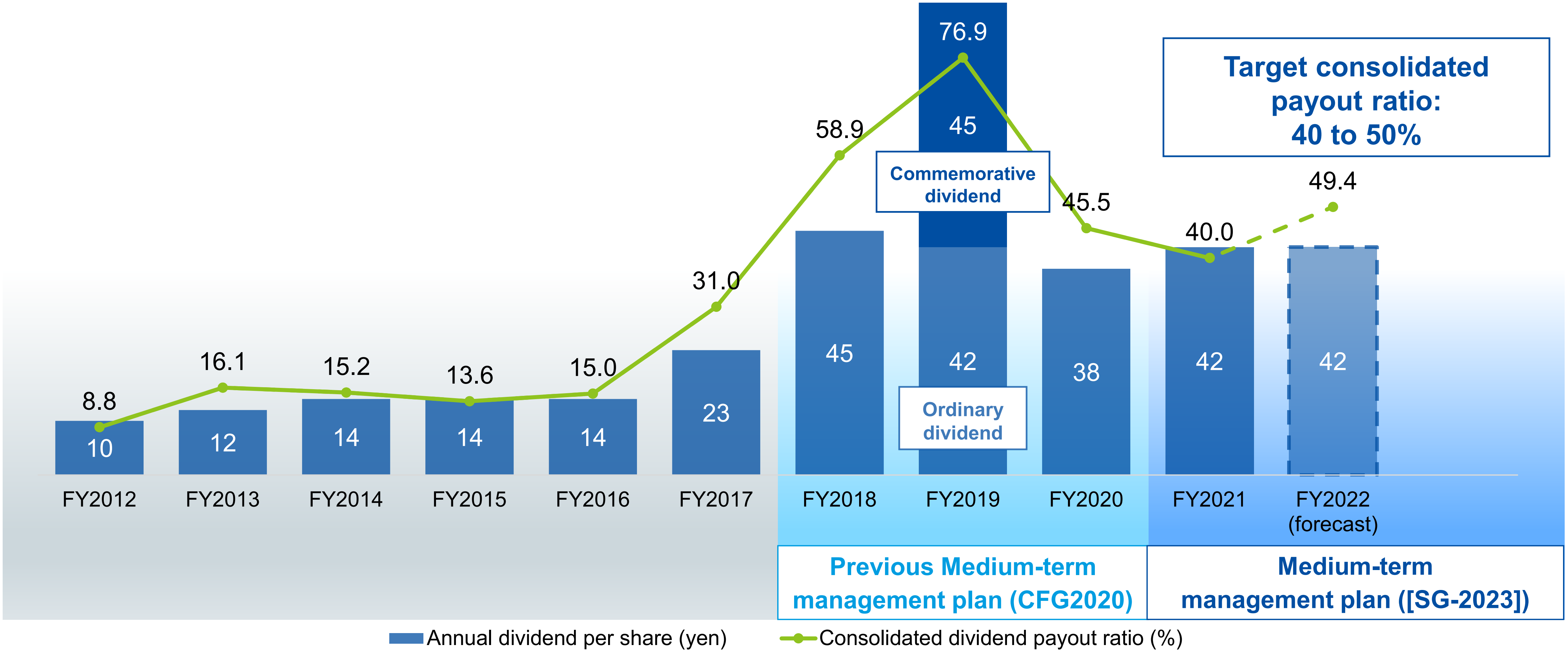
Business Performance by Segment (2)

(Million yen)

Segment	項目	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Fluid	Orders received										22,130
	Net sales										20,787
	Operating profit										3,151
	Operating profit ratio (%)										15.2
Aircraft	Orders received	29,740	52,556	44,068	55,502	43,741	40,803	35,772	30,393	13,378	31,711
	Net sales	26,123	34,067	41,143	47,262	39,028	40,699	43,635	38,950	25,957	19,137
	Operating profit	1,360	4,665	5,263	6,546	2,000	1,368	649	1,551	-808	-875
	Operating profit ratio (%)	5.2	13.7	12.8	13.9	5.1	3.4	1.5	4.0	-3.1	-4.6
Others	Orders received	10,589	9,338	10,505	12,340	15,498	13,005	20,336	11,511	17,371	15,472
	Net sales	8,486	9,941	11,843	9,677	12,274	14,239	13,654	17,476	16,066	16,047
	Operating profit	285	318	439	796	960	1,049	1,037	1,193	1,445	955
	Operating profit ratio (%)	3.4	3.2	3.7	8.2	7.8	7.4	7.6	6.8	9.0	6.0

*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.

Dividend per Share and Consolidated Dividend Payout Ratio

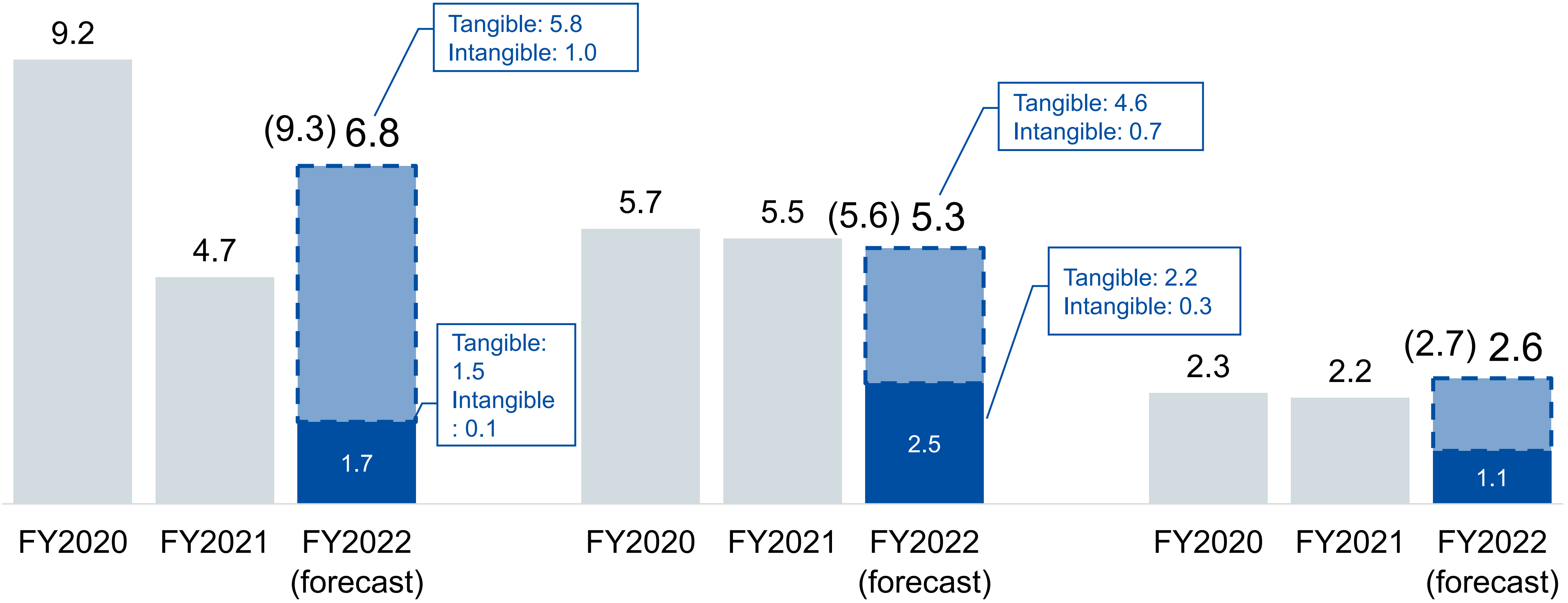


Capital investments (Billion yen)

Depreciation (Billion yen)

Research and development costs (Billion yen)

* Lower: 2Q Results
( ) : Previous forecast



Overseas Sales, by Segment

(Billion yen)

	Special Purpose Truck			Parking Systems			Industrial Machinery & Environment al Systems			Fluid			Aircraft			Others			Total		
	FY2021 2Q	FY2022 2Q	Change	FY2021 2Q	FY2022 2Q	Change	FY2021 2Q	FY2022 2Q	Change	FY2021 2Q	FY2022 2Q	Change	FY2021 2Q	FY2022 2Q	Change	FY2021 2Q	FY2022 2Q	Change	FY2021 2Q	FY2022 2Q	Change
Japan	46.7	40.8	-5.8	16.8	16.7	-0	4.6	5.0	+0.4	5.4	5.9	+0.5	6.1	6.1	+0	7.5	6.3	-1.2	87.2	81.2	-6.0
Asia	0.4	1.0	+0.5	0.9	1.5	+0.5	4.1	5.9	+1.7	0.3	1.9	+1.5	–	–	–	–	–	–	6.0	10.4	+4.4
North America	0	0	-0	–	–	–	0.5	1.0	+0.4	0.3	0.4	+0.1	3.8	4.8	+0.9	–	–	–	4.7	6.3	+1.5
Others	1.1	1.7	+0.6	–	–	–	0.7	3.3	+2.5	0	0.2	+0.2	0.2	0.5	+0.3	–	–	–	2.2	5.9	+3.7
Total sales	48.3	43.7	-4.6	17.8	18.3	+0.5	10.1	15.4	+5.2	6.2	8.7	+2.4	10.1	11.5	+1.3	7.5	6.3	-1.2	100.2	104.0	+3.7
Ratio of overseas sales to total sales (%)	3.4	6.5	+3.1 pt	5.5	8.3	+2.8 pt	54.2	67.1	+12.9 pt	12.7	31.3	+18.6 pt	40.1	46.3	+6.2 pt	0	0	–	13.0	21.9	+8.9 pt

Disclaimer

This document may contain statements about the future or other information aside from historical facts regarding ShinMaywa Industries, Ltd. (hereinafter referred to as the "Company") or its group companies (hereinafter referred to as the "Group"), such as outlooks, policies, management strategies, targets, plans and recognition or evaluation of facts (hereinafter referred to as "forward-looking information"). Furthermore, management of the Company may also remark on forward-looking information. Statements on forward-looking information are made entirely on the basis of projections of the Company as of the date of this document (or the date otherwise specified herein), based on information obtained by the Company. In addition, apart from historical facts, certain assumptions have been made when formulating outlooks, targets and so on. By their nature, there is no guarantee that these statements, or facts or assumptions, are objectively accurate, nor is there any guarantee that they will come to pass in the future as presented.

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ShinMaywa Industries, Ltd.