Presentation of Financial Results for Second Quarter of Fiscal Year 2024

November 18, 2024

ShinMaywa Industries, Ltd.

ShinMaywa
VISION WITH INSIGHT

Consolidated Financial Results for Second 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.

Consolidated Financial Results for the Second Quarter of FY2024

- Highest 2Q orders received and net sales on record.
- All segments recorded increases in revenue and profit compared to the previous year, except Industrial Machinery & Environmental Systems.
- 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

- In consideration of the financial results for the interim period and the future outlook, we revised the full-year earnings forecast. Despite a slowdown in the EV market and stagnation in overseas commercial aircraft , all profit items remain unchanged.

Summary of Consolidated Financial Results for the Second Quarter of FY2024

ShinMaywa
VISION WITH INSIGHT

(Millions of yen)

	FY2023 2Q	FY2024 2Q	Change	(Rate of change)
Orders received	128,631	143,023	+14,391	(+11.2%)
Net sales	116,464	124,065	+7,600	(+6.5%)
Operating profit	4,431	5,723	+1,291	(+29.1%)
Ordinary profit	4,858	5,570	+711	(+14.7%)
Profit attributable to owners of parent	2,974	3,179	+205	(+6.9%)
Outstanding orders	269,205	313,582	+44,377	(+16.5%)
Exchange rate (USD 1)	140.3 yen	152.5 yen		

Year-on-year change

Orders received

- Orders received increased in all segments except the Parking Systems and Industrial Machinery & Environmental Systems segment and increased overall.
- Highest 2Q on record.

Net sales

- Sales increased in all segments except the Industrial Machinery & Environmental Systems segment and increased overall.
- Highest 2Q on record.

Profits

- Profits increased due to an increase in revenue.

Consolidated Financial Results for the Second Quarter of FY2024 by Segment

ShinMaywa
VISION WITH INSIGHT

(Billions of yen)

Segment	Orders received			Net sales			Operating profit		
	FY2023 2Q	FY2024 2Q	Change	FY2023 2Q	FY2024 2Q	Change	FY2023 2Q	FY2024 2Q	Change
Special Purpose Truck	53.8	61.2	+7.3	48.2	51.8	+3.6	1.1	2.1	+0.9
Parking Systems	23.6	23.3	-0.2	18.4	21.0	+2.6	1.4	1.7	+0.3
Industrial Machinery & Environmental Systems	16.4	14.8	-1.6	19.6	16.9	-2.7	1.7	1.4	-0.3
Fluid	14.3	15.9	+1.6	9.2	10.1	+0.8	0.3	0.5	+0.1
Aircraft	11.9	18.5	+6.6	14.7	15.5	+0.8	1.0	1.2	+0.1
Others	8.4	9.0	+0.6	6.1	8.5	+2.3	0.2	0.5	+0.2
Adjustments	–	–	–	–	–	–	-1.5	-1.8	-0.3
Total	128.6	143.0	+14.3	116.4	124.0	+7.6	4.4	5.7	+1.2

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

By factor

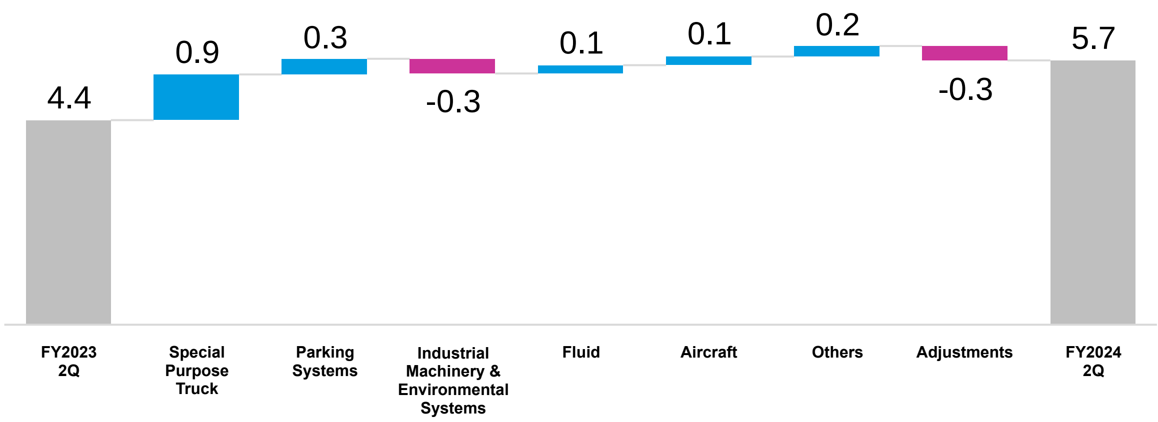
Despite negative factors such as an increase of 1.4 billion yen in raw material costs and an increase of 2.1 billion yen in operating costs (labor costs, depreciation, etc.), profit increased overall due to an increase in sales, the impact of foreign exchange, and the effect of Special Purpose Trucks price revisions.

By business

Profit increased in all segments except the Industrial Machinery & Environmental Systems segment. Special Purpose Trucks increased by 0.9 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.

FY2024-2Q Year-on-year **By factor** (Billions of yen)

FY2024-2Q Year-on-year **By business** (Billions of yen)



Consolidated Balance Sheets / Consolidated Statements of Cash Flows

ShinMaywa
VISION WITH INSIGHT

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024	Change
Cash and deposits	23,382	19,655	-3,727
Trade receivables	91,140	77,050	-14,090
Inventories	58,684	62,732	+4,048
Total fixed assets	47,628	49,950	+2,321
Other assets	39,266	36,964	-2,302
Total assets	260,102	246,352	-13,749
Trade payables	34,166	29,639	-4,527
Interest-bearing debt	50,616	45,619	-4,997
Other liabilities	66,584	60,409	-6,175
Total liabilities	151,367	135,667	-15,700
Equity	107,008	108,511	+1,502
Other net assets	1,725	2,173	+447
Total net assets	108,734	110,684	+1,950
Total liabilities and net assets	260,102	246,352	-13,749

Equity-to-asset ratio (%)	41.1	44.0
Net D/E ratio (Times)	0.25	0.24

Consolidated Statements of Cash Flows

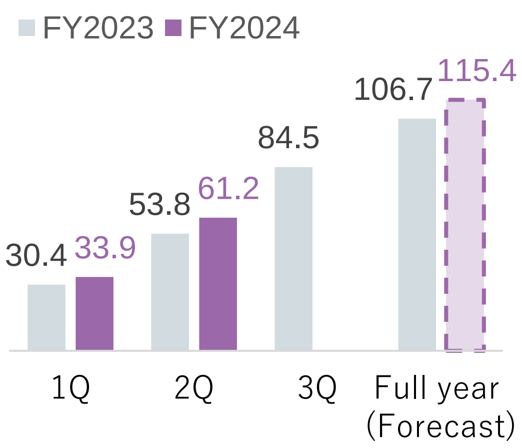
(Millions of yen)

	FY2023 2Q	FY2024 2Q	Change
Cash flows from operating activities	-14,676	9,404	+24,081
Cash flows from investing activities	-3,028	-5,924	-2,896
Free cash flows	-17,704	3,479	+21,184
Cash flows from financing activities	15,797	-7,776	-23,573

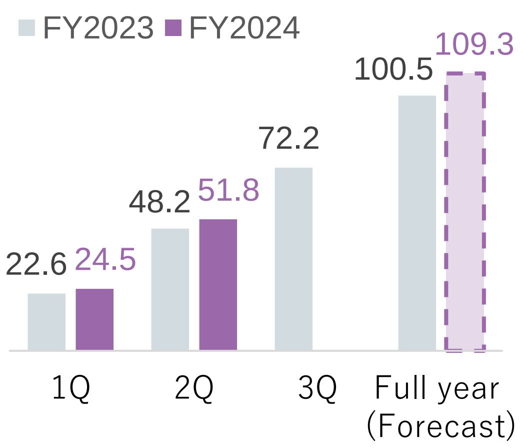
Special Purpose Truck Segment

Trends in financial results (Billions of yen)

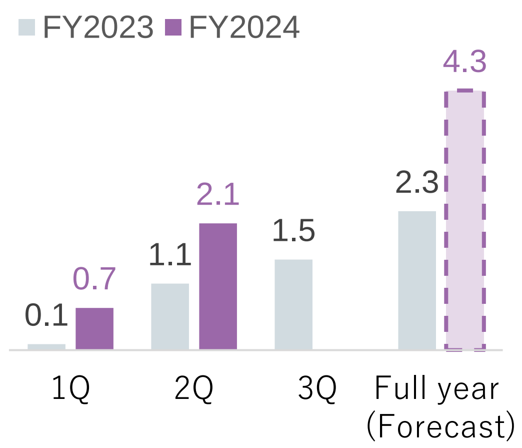
Orders received



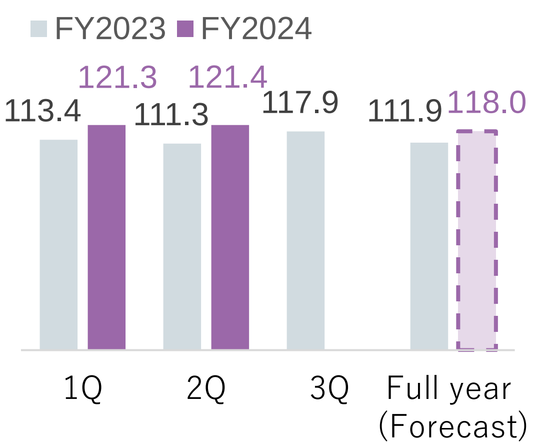
Net sales



Operating profit



Outstanding orders



FY2024-2Q results (Year-on-year)

Orders received

- Decrease in forestry machinery, etc.
- Increase in logistics-related vehicles (Including trailers) and environment-related vehicles
- 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)*

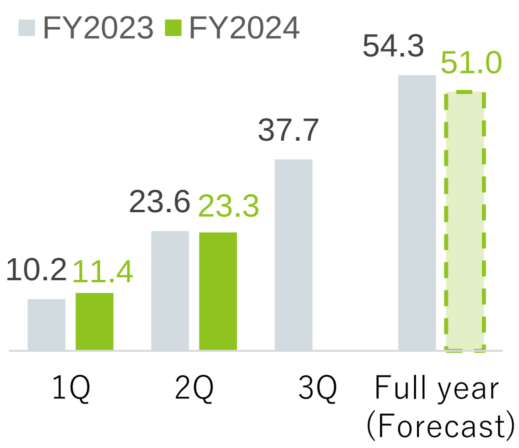
FY2023				FY2024			
1Q	2Q	3Q	Full year	1Q	2Q	3Q	Full year (Forecast)
12.7	12.8	14.2	13.4	12.9	13.3		13.0

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

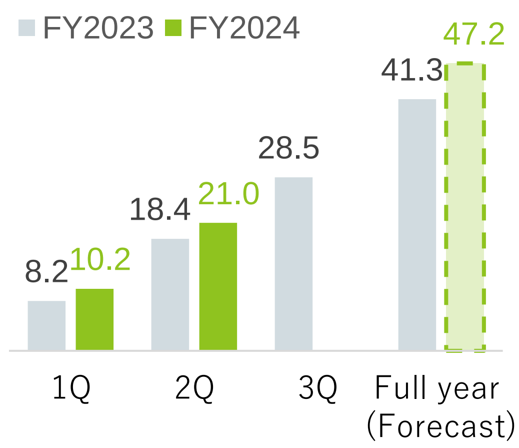
Parking Systems Segment

Trends in financial results (Billions of yen)

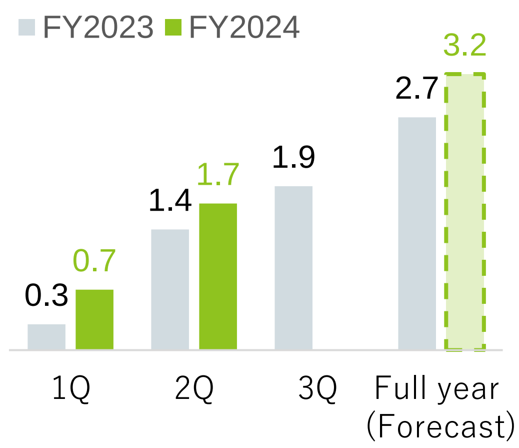
Orders received



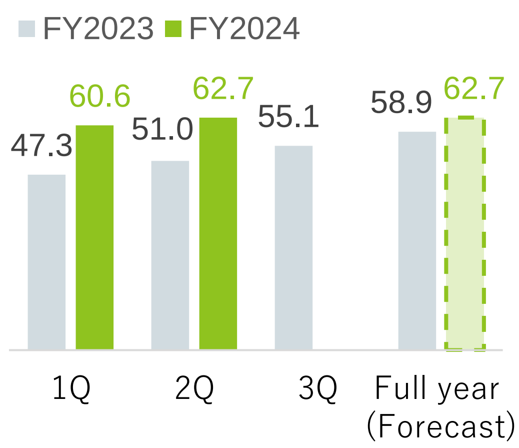
Net sales



Operating profit



Outstanding orders



FY2024-2Q results (Year-on-year)

Orders received

Mechanical car parking systems:

Decrease in orders received by consolidated subsidiaries (ShinMaywa Parking Technologies, Ltd.)

Aircraft passenger boarding bridges:

Remained at the same level as the same period of the previous fiscal year

Net sales

Mechanical car parking systems:

Increase in net sales by consolidated subsidiaries (ShinMaywa Parking Technologies, Ltd.)

Aircraft passenger boarding bridges:

Increase in overseas markets

Operating profit

Mechanical car parking systems:

Decrease due to an increase in operating costs

Aircraft passenger boarding bridges:

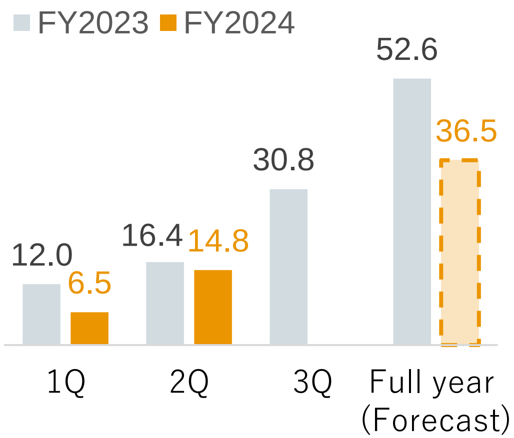
Increase due to an increase in revenue

Industrial Machinery & Environmental Systems Segment

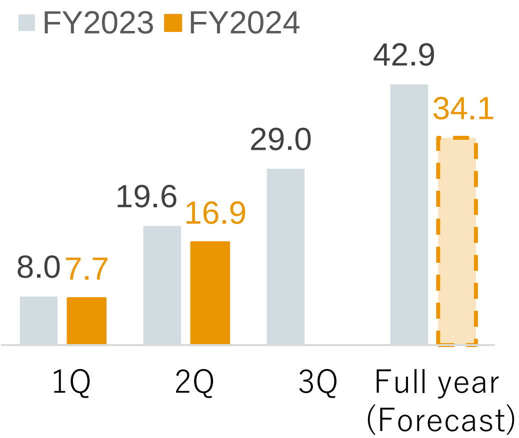
ShinMaywa
VISION WITH INSIGHT

Trends in financial results (Billions of yen)

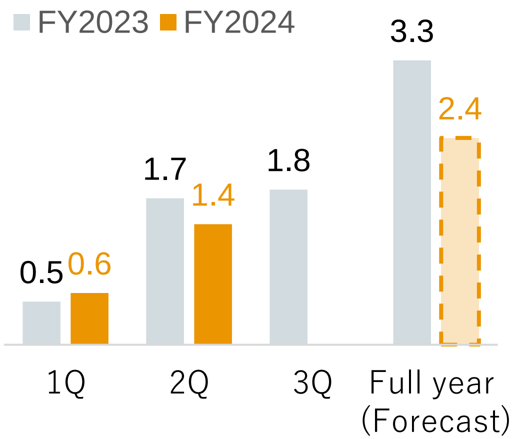
Orders received



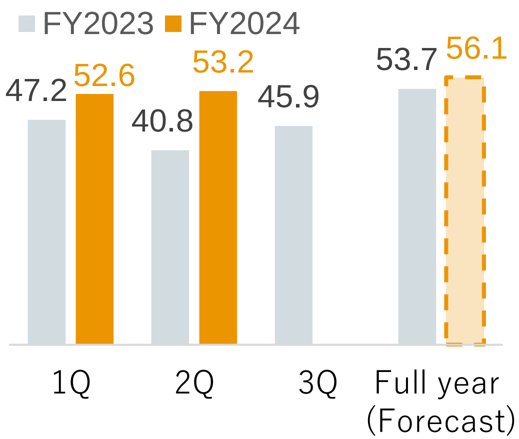
Net sales



Operating profit



Outstanding orders



FY2024-2Q results (Year-on-year)

Orders received

Mechatronics products:
Remained at the same level as the same period of the previous fiscal year
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:
Decrease due to occurrence of one-time expenses

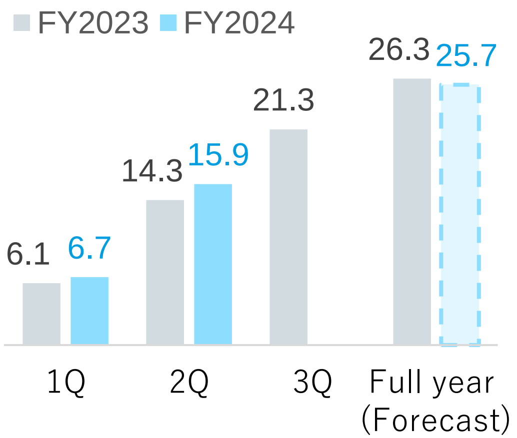
Trends in orders received and net sales by sub-segment (Billions of yen)

Sub-segment		FY2023				FY2024			
		1Q	2Q	3Q	Full year	1Q	2Q	3Q	Full year (Forecast)
Mechatronics products	Orders received	4.1	6.9	11.0	21.4	2.6	6.8		17.2
	Net sales	6.1	14.9	20.7	27.9	4.4	10.1		17.4
Environment-related business	Orders received	7.8	9.5	19.8	31.1	3.9	8.0		19.3
	Net sales	1.9	4.7	8.2	15.0	3.3	6.8		16.7

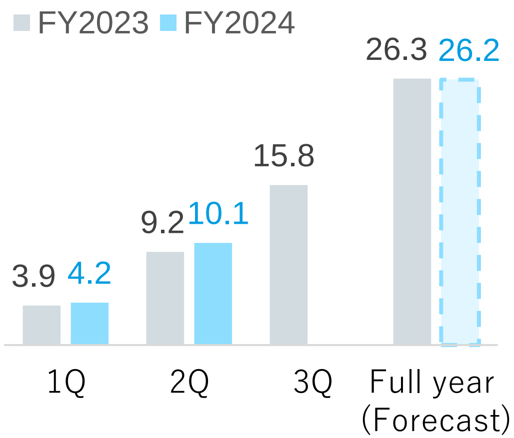
Fluid Segment

Trends in financial results (Billions of yen)

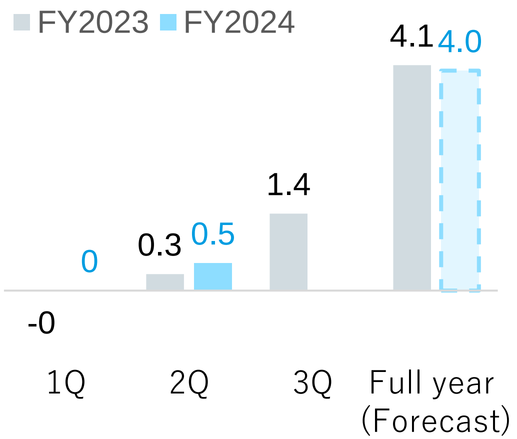
Orders received



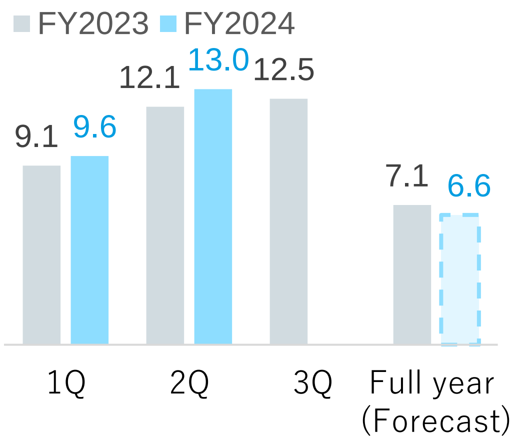
Net sales



Operating profit



Outstanding orders



FY2024-2Q results (Year-on-year)

Orders received

- Increase both in Japan and overseas markets

Net sales

- Decrease in system products
- Increase in overseas markets

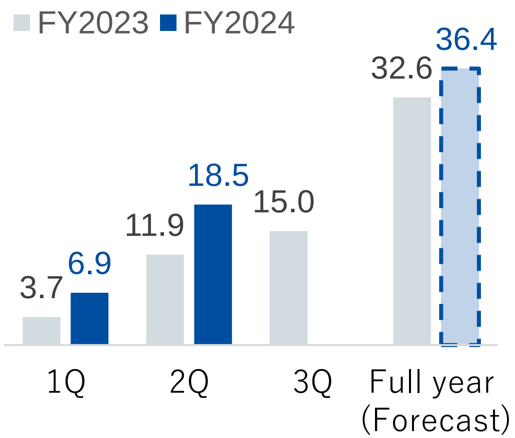
Operating profit

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

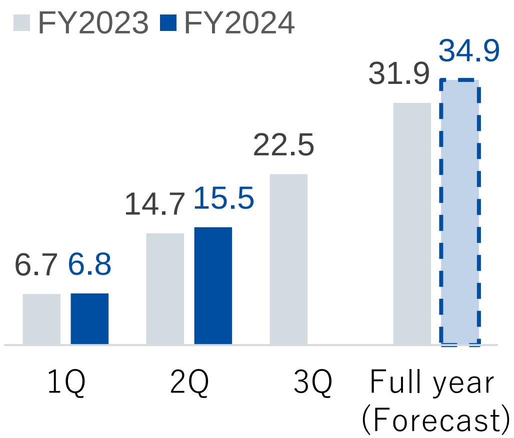
Aircraft Segment

Trends in financial results (Billions of yen)

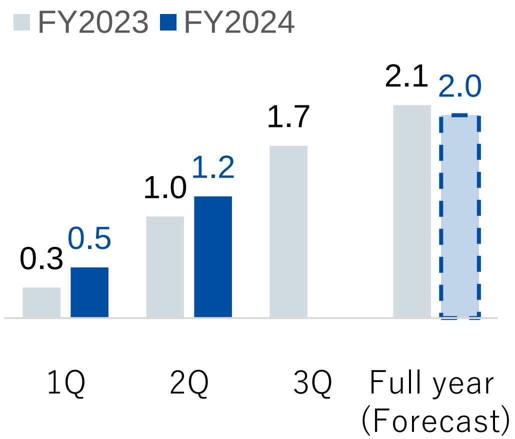
Orders received



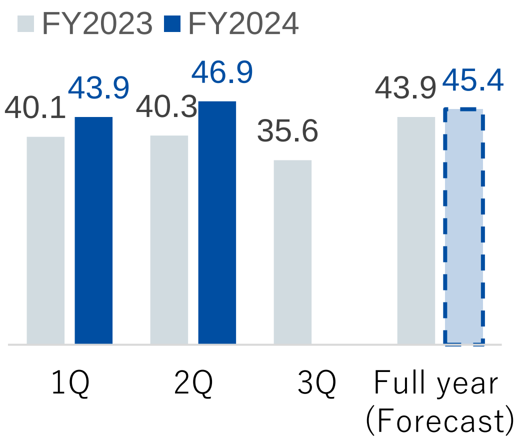
Net sales



Operating profit



Outstanding orders



FY2024-2Q results (Year-on-year)

Orders received

Orders from Ministry of Defense:

Increase in US-2 rescue amphibian repair-related costs

Civilian demand:

Increase in number of orders for G7500

Net sales

Sales to Ministry of Defense:

Increase 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)

	FY2023-2Q	FY2024-2Q
777/777X	17	15
787	15	22
G7500	18	14

Consolidated Financial Results Forecast for Fiscal Year 2024

Summary of Consolidated Financial Results Forecast for FY2024

ShinMaywa
VISION WITH INSIGHT

(Millions of 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	280,000	280,000	-11,370	(-3.9%)	–	(–)
Net sales	257,060	285,000	270,000	+12,939	(+5.0%)	-15,000	(-5.3%)
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	286,431	301,431	+10,000	(+3.4%)	+15,000	(+5.2%)
Annual dividend per share	47 yen	50 yen	50 yen	+3 yen		–	
DOE*1	3.0%	3.1%	3.1%	+0.1pt		–	
Exchange rate (USD 1)	144.8 yen	140.0 yen	140.0 yen*2				

*1 DOE＝ Dividend per share / average of equity per share at the beginning and end of the period
*2 The exchange rate of new forecast is the assumed exchange rate applicable in and after October.

Compared with old forecast

- Net sales were revised downward in the financial results forecast from the old forecast.
  See slide 17 for a segment breakdown.
- Orders received and profit remain unchanged from the old forecast.

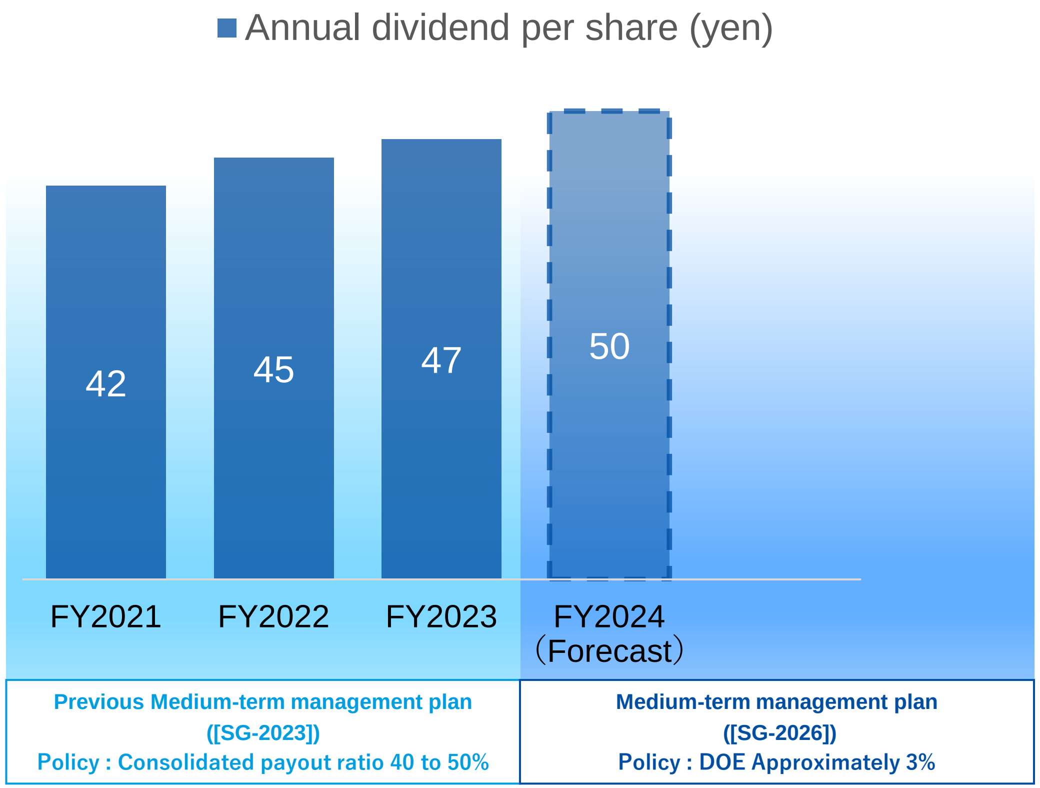
Exchange rate sensitivity (FY2024)

Each one- yen of depreciation against the U.S. dollar increases operating profit by approximately 30 Millions of yen.

Shareholder Returns

ShinMaywa
VISION WITH INSIGHT

- To ensure a stable return of profits to shareholders, dividends will be paid with a target DOE of about 3% during the period of the Medium-term management plan [SG-2026].
- In terms of standards for financial soundness (appropriate levels of equity), we believe that an equity ratio of 40% or higher and a net D/E ratio of 0.5 or below are appropriate, and we will strive to maintain those standards.



Dividend forecast

- Annual dividend per share is 50 yen (DOE 3.1%), and is unchanged from the initial plan.
- Expect dividends to increase by 3 yen from the previous year.

Business Environment (Reportable Segments)

ShinMaywa
VISION WITH INSIGHT

Segment	Outlook
Special Purpose Truck	➢ Firm demand for construction-related vehicles and environment-related vehicles is expected to drive orders received to a record high level. Meanwhile, the stagnation of production activities associated with factors such as delays in supply of major parts has been gradually improving since the previous fiscal year, but improvement is expected to be slower than initially planned. ➢ Despite cost increase factors such as raw material prices, labor expenses and logistics expenses, the effects of two price revisions have been steadily reflected in orders and are expected to contribute to profit growth this fiscal year.
Parking Systems	➢ In mechanical car parking systems, the new installation business is progressing as planned and inquiries are steady, but the market is expected to be soft due to delays in project materialization and progress. On the other hand, the service business is expected to remain firm. Despite sharp increases expected in raw material costs, transportation costs, and labor unit prices compared to the previous fiscal year, profit is expected to increase due to negotiations on selling prices and an increase in sales in the service business. ➢ The market for aircraft passenger boarding bridges has been on a recovery trend with the initiation of projects postponed or suspended due to the COVID-19 pandemic. Although orders and sales are expected to decrease compared to the initial plan due to the postponement of some tender projects to next fiscal year, both revenue and profit are expected to increase from the previous year as a result of cost reductions and other factors boosting profit.
Industrial Machinery & Environmental Systems	➢ In the mechatronics business, orders, sales, and operating profit are all expected to be down compared to the previous fiscal year and the initial plan, due to the postponement of large projects in North America for vacuum drying systems—results for which had been growing these past few years—as a result of the global slowdown in the EV market and restrained investment by major clients. ➢ In the environment-related business, although orders are expected to decrease compared to the previous fiscal year—during which a large order was secured—demand continues to be firm. Although sales are expected to be down following delays in the start of some plant project works (due to confirmation of underground obstructions), profit is expected to reach a record high.
Fluid	➢ In the domestic business related to public-sector demand, demand for dewatering pumps is expected to remain strong as a measure against flooding from torrential rains and other disasters. As for the domestic business related to private-sector demand, interest in energy-saving products is high, and demand will continue to increase for products targeting factories and plants in the food, semiconductor, carbon neutral, and other fields. In the overseas business, sales are also expected to remain firm, especially in the Asian and North American markets. The overseas sales ratio is also trending upward. ➢ As the effects of price revisions are realized, profit is expected to increase compared to the initial plan.
Aircraft	➢ In business related to private-sector demand, foreign exchange fluctuations have a significant impact on business results, and depreciation of the yen is a factor in higher profit. On the other hand, the production volume of components for the mainstay Boeing 787 is expected to decrease compared to the initial plan due to the quality inspection issue. The outlook for components for 777 aircraft is also uncertain given the impact of strike action at Boeing. ➢ Revenue and profit associated with orders from the Ministry of Defense are expected to increase compared to the initial plan, backed by an increase in the defense budget, and are expected to cover any decline in business related to private-sector demand. The profit ratio is also expected to improve in the future.

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

(Billions of 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	115.4	+8.6	100.5	109.3	+8.7	2.3	4.3	+1.9
Parking Systems	54.3	51.0	-3.3	41.3	47.2	+5.8	2.7	3.2	+0.4
Industrial Machinery & Environmental Systems	52.6	36.5	-16.1	42.9	34.1	-8.8	3.3	2.4	-0.9
Fluid	26.3	25.7	-0.6	26.3	26.2	-0.1	4.1	4.0	-0.1
Aircraft	32.6	36.4	+3.7	31.9	34.9	+2.9	2.1	2.0	-0.1
Others	18.6	15.0	-3.6	13.9	18.3	+4.3	0.6	1.1	+0.4
Adjustments	—	—	—	—	—	—	-3.6	-4.0	-0.3
Total	291.3	280.0	-11.3	257.0	270.0	+12.9	11.7	13.0	+1.2

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

(Billions of 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	115.4	+10.4	112.7	109.3	-3.4	4.2	4.3	+0.1
Parking Systems	57.5	51.0	-6.5	49.8	47.2	-2.6	3.0	3.2	+0.2
Industrial Machinery & Environmental Systems	40.8	36.5	-4.3	45.3	34.1	-11.2	3.0	2.4	-0.6
Fluid	25.5	25.7	+0.2	25.9	26.2	+0.3	3.8	4.0	+0.2
Aircraft	37.8	36.4	-1.4	34.7	34.9	+0.2	2.2	2.0	-0.2
Others	13.4	15.0	+1.6	16.6	18.3	+1.7	0.8	1.1	+0.3
Adjustments	–	–	–	–	–	–	-4.0	-4.0	–
Total	280.0	280.0	–	285.0	270.0	-15.0	13.0	13.0	–

Achieving the Medium-term Management Plan [SG-2026]

－Special Purpose Truck Segment－

[SG-2026] Key Management Indices (by Segment)

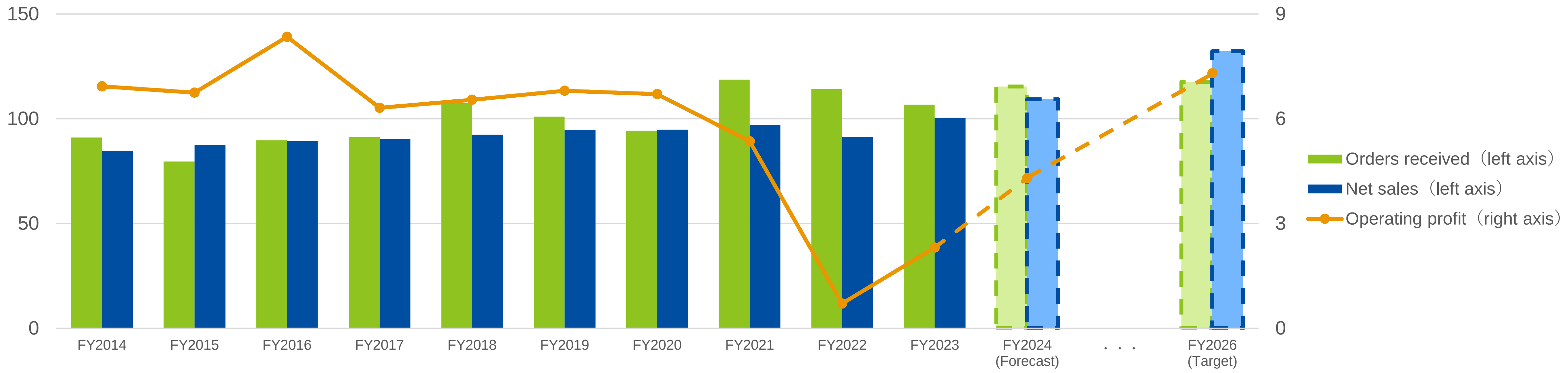
(Billions of yen)

Segment	Net sales			Operating profit		
	FY2023 (Results)	[SG-2026] (Target standard)	Growth rate(%)	FY2023 (Results)	[SG-2026] (Target standard)	Growth rate(%)
Special Purpose Truck	100.5	132.2	132%	2.3	7.3	315%
Parking Systems	41.3	58.1	141%	2.7	4.5	162%
Industrial Machinery & Environmental Systems	42.9	43.5	101%	3.3	3.4	101%
Fluid	26.3	28.0	106%	4.1	4.5	109%
Aircraft	31.9	38.9	122%	2.1	2.7	123%
Others	13.9	18.3	131%	0.6	1.0	149%
New businesses	-	1.0	-	-0.5	-1.8	-
Adjustments	-	-	-	-3.1	-3.6	-
Total	257.0	320.0	124%	11.7	18.0	152%

Special Purpose Truck Segment：Performance Trends (Last 10 Years) and Medium-term Management Plan Performance Targets

ShinMaywa
VISION WITH INSIGHT

- Orders received and net sales have remained at high levels in recent years
- Operating profit decreased significantly in FY2022 due to rising raw material costs (including parts). With improvements in parts procurement and the gradually increasing effects of sales price revisions, profits are showing signs of recovery
- Through efforts such as price revisions and productivity improvements, we aim to achieve operating profit of 7.3 billion yen in the final year of the medium-term management plan



(Billions of yen)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024		FY2026
Orders received	91.0	79.6	89.7	91.3	107.4	101.0	94.2	118.6	114.1	106.7	115.4		117.6
Net sales	84.7	87.4	89.3	90.3	92.3	94.6	94.7	97.1	91.3	100.5	109.3		132.2
Operating profit	6.9	6.7	8.3	6.3	6.5	6.8	6.7	5.3	0.7	2.3	4.3		7.3

：Record high

Special Purpose Truck Segment：Production Bases, Group Companies

ShinMaywa
VISION WITH INSIGHT

Production base in Japan

❶ Special Purpose Truck Division Sano Plant
❷ Special Purpose Truck Division Samukawa Plant
❸ Special Purpose Truck Division Hiroshima Plant
❹ Iwafuji Industrial Co., Ltd.
❺ TOHO CAR CORPORATION Gunma Factory
❻ OSK, Ltd. Yokohama Factory
❼ OSK, Ltd. Head Office Factory
❽ WAKO, Ltd. Okayama Factory

Group Company in Japan

① Iwafuji Industrial Co., Ltd.
Manufacturing and sales of forestry machinery

② ShinMaywa Auto Engineering, Ltd.
Maintenance and repair of various special purpose truck, sales of related parts

③ ShinMaywa Auto Sales, Ltd.
Sales of used cars, manufacturing, sales, and maintenance of transport equipment, etc., manufacturing, sales, and maintenance of waste treatment equipment, etc.

④ ASN Ltd.
After-sales service for special purpose trucks in the Kansai region and eastern Shizuoka Prefecture; vehicle inspections and parts sales for vehicles ranging from special-purpose vehicles to light vehicles

⑤ TOHO CAR CORPORATION
Manufacture, sales, maintenance, and repair of special purpose truck such as fuel tank, tank trucks, and wing vans.

⑥ TOHO CAR SERVICE CORPORATION
Maintenance and repair of special purpose truck such as trailers, fuel tank, and wing vans in the Kansai area.

⑦ OSK, Ltd.
Manufacture and sales of hydraulic pumps, reduction gears and other hydraulic equipment parts

⑧ WAKO, Ltd.
Casting and plating of hydraulic pumps, reduction gears, etc.

Overseas Group Company

Thai ShinMaywa co., Ltd.
Manufacturing and sales of special purpose truck components and manufacturing of water treatment equipment

Special Purpose Truck Segment：Sales by Sector for FY2023

ShinMaywa
VISION WITH INSIGHT

Key products
- High-performance forestry machinery

Top share

Key products
- Rear dump body and tipping gear

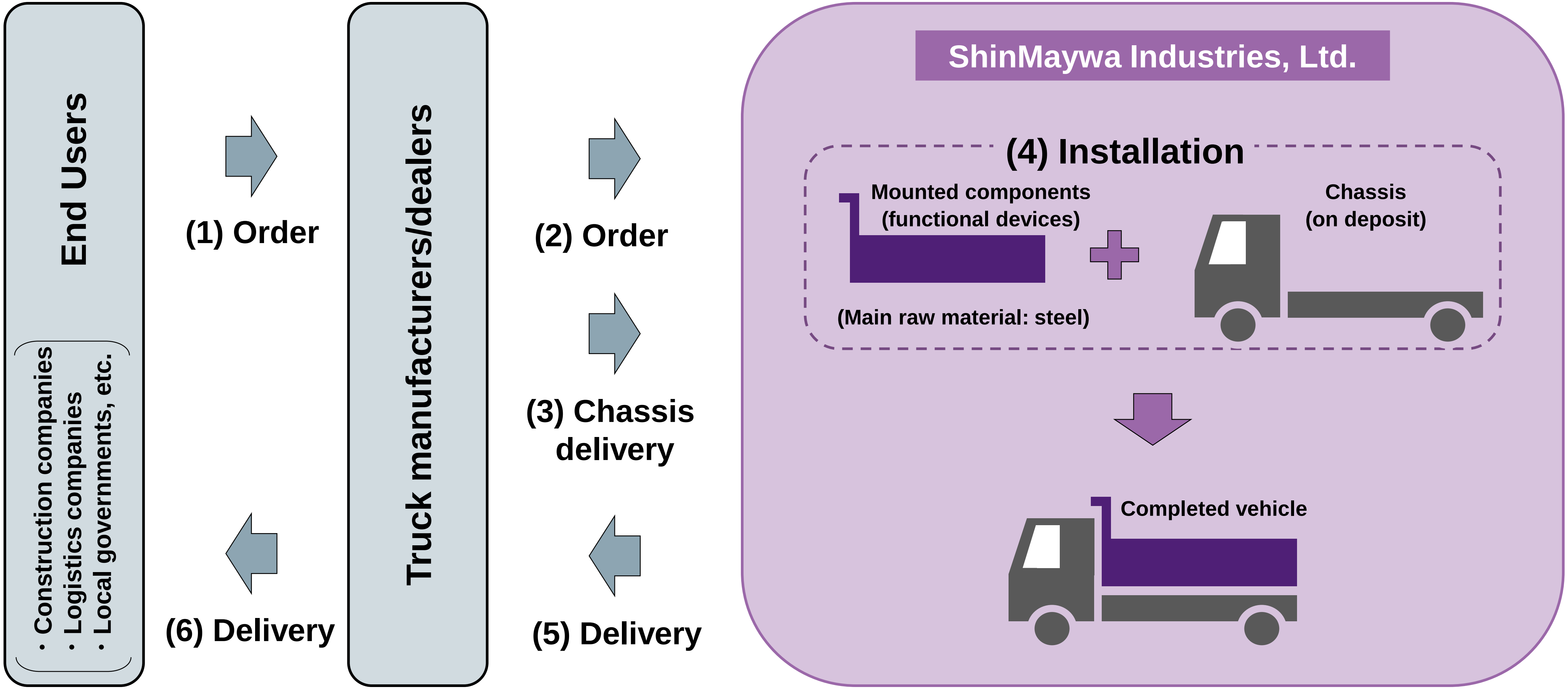
Top share

Key products
- Tail gate lifter
- Trailer

Top share

Key products
- Refuse compactor — Top share
- Detachable container system — Top share

Special Purpose Truck Segment：Main Commercial Distribution and End Users



*Net sales recorded for mounted component (functional device) portion

Special Purpose Truck Segment：Business Environment for FY2024 and Profit Variance Analysis (By Factor)

ShinMaywa
VISION WITH INSIGHT

Business Environment

Production Status

- ➢ While there are slight delays compared to the initial plan, production disruptions and such due to major component supply delays are gradually improving compared to the previous fiscal year. Operations are steadily returning to normal
- ➢ Full recovery is expected during the next fiscal year

Price Revision Status

- ➢ Orders received after price revisions are being steadily reflected in sales (details to follow)

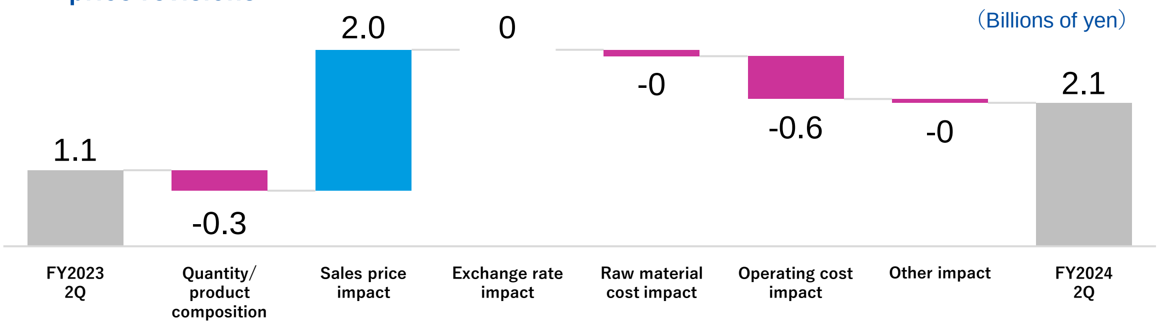
Raw Material Costs and Operating Costs

- ➢ Although raw material costs continue to rise, we have managed to limit the profit decrease from material cost increases compared to the initial plan
- ➢ Operating costs, including logistics expenses, personnel expenses, and so on, are also trending upward
- ➢ Further cost increases are expected due to factors such as inflation, increased depreciation from capital investments, and wage increases

Details of Profit Increases and Decreases

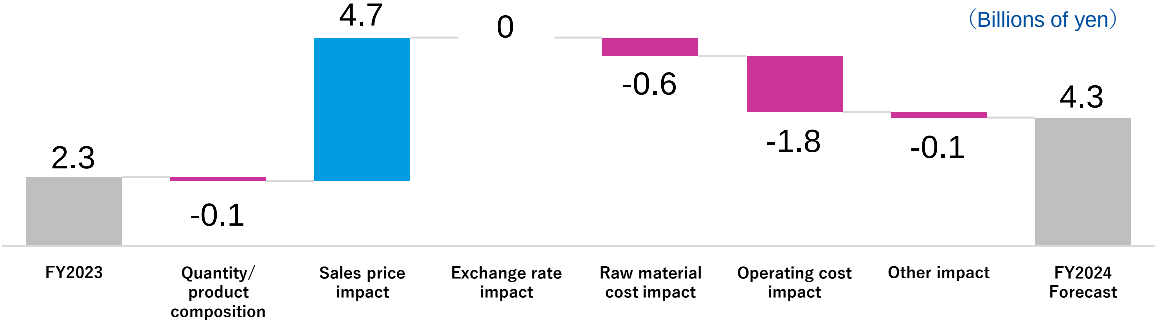
FY2024-2Q Year-on-year

- ➢ **Despite negative factors such as a 0.6 billion yen increase in operating costs, significant profit growth is expected due to a 2.0 billion yen positive effect from price revisions**



FY2024 (Forecast) Year-on-year

- ➢ **As with the interim results, substantial profit growth is expected due to a 4.7 billion yen positive effect from price revisions**

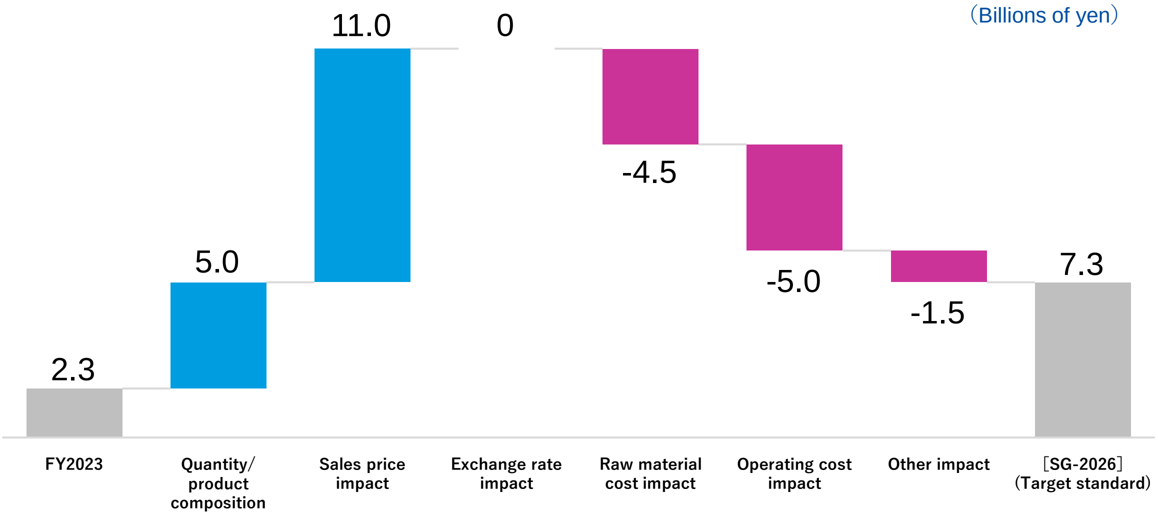


Target standard

（Billions of yen）

Net sales			Operating profit		
FY2023（Results）	［SG-2026］（Target standard）	Growth rate（%）	FY2023（Results）	［SG-2026］（Target standard）	Growth rate（%）
100.5	132.2	**132%**	2.3	7.3	**315%**

Details of Profit Increases and Decreases （By factor）



Business Policies

I. Expand profitability through increased production capacity and higher value- added offerings
II. Strengthen international operations to expand business scale
III. Leverage high market share to boost profitability in stock business

Market Environment

- **Truck Market:**
  Demand expected to return to pre-COVID-19 pandemic levels after fiscal year 2025
- **Trailer Market:**
  Demand expected to remain stable although no significant surge anticipated as the number of towing license holders is not expected to increase
- **Forestry Machinery Market:**
  Increased domestic wood usage promoted through robust government policies
- **Construction Machinery Market:**
  Chinese market showing signs of recovery after hitting a low in fiscal year 2023
  Increased demand in the European market, though prolonged transport lead times due to avoidance of Red Sea are a concern

Profit Expansion Measures

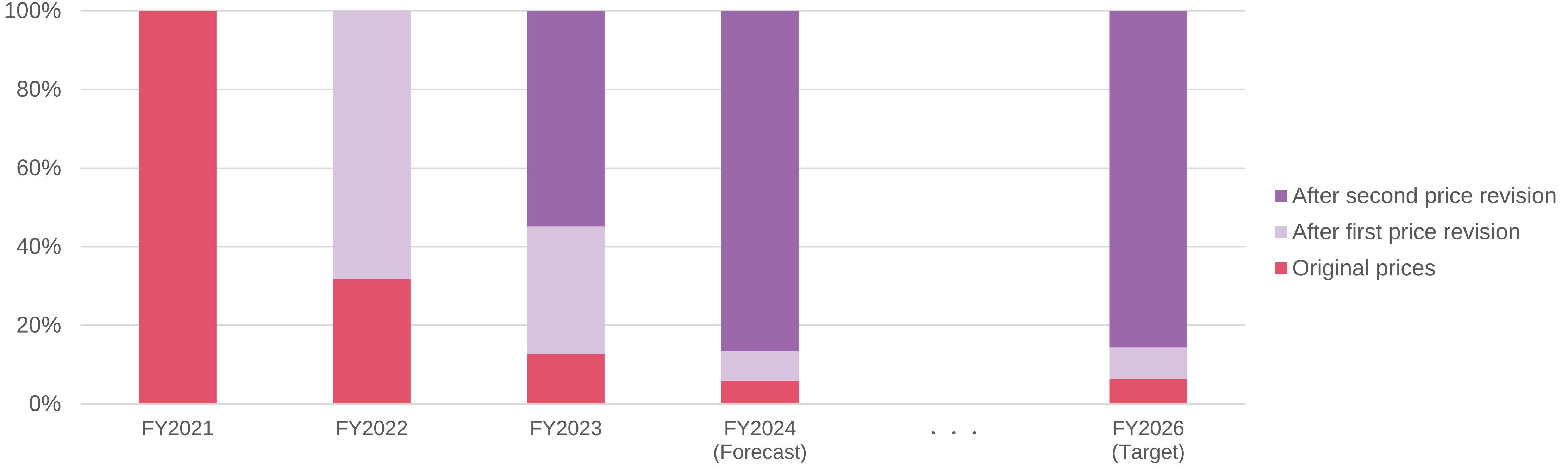
- Generating early profit from high-level order backlog
- Enhancing production and adding new value to quickly reap the benefits of price revisions
- Strengthening defense-related business in collaboration with the Aircraft segment
- Expanding subscription business（increasing units handled, enhancing industry-specific offerings）
- Expanding overseas business
  - ✓ Enhancing functional parts sales utilizing Thai ShinMaywa
  - ✓ Expanding sales of component products by increasing partnerships

Special Purpose Truck Segment：Quickly Reaping Benefits of Price Revisions

ShinMaywa
VISION WITH INSIGHT

Order Backlog Composition *ShinMaywa Industries Special Purpose Truck Division (non-consolidated)

*Figures for ShinMaywa Industries Special Purpose Truck Division (non-consolidated). Covers domestic transactions with the exception of mass-produced items, parts, and certain other products.



- Order backlog at original prices and after first price revision is being steadily converted into sales (recorded as net sales)
- At the end of FY2024, orders received after the second price revision are expected to account for approximately 90% of the order backlog
- We aim to reap the benefits of price improvements quickly by reducing delivery times

Special Purpose Truck Segment：Capital Investment for Enhancing Production Capacity

ShinMaywa
VISION WITH INSIGHT

Special Purpose Truck Division Hiroshima Plant (Paint Shop Renovation)

Purpose (Overview)	• Increased production capacity through new dedicated paint shop for refuse compactors • Introduction of new methods and equipment to improve paint finish quality
Planned Investment Amount	3.6 billion yen
Amount Already Paid	0.3 billion yen
Completion Date	March 2027
Main Investment Benefits	• Increase in net sales (production increase effect) ⇒Approximately 8% increase in production capacity • Reduction in CO2 emissions
Expected Depreciation During [SG-2026] Period	0 billion yen

Special Purpose Truck Division Sano Plant (Large-scale Factory Construction)

Purpose (Overview)	• Establishment of increased production system for both defense business capacity and commercial products (implemented along with countermeasures for aging)
Planned Investment Amount	7.5 billion yen
Amount Already Paid	0.4 billion yen
Completion Date	March 2028
Main Investment Benefits	• Increase in net sales (production increase effect) ⇒Significant increase in production capacity for defense-related products • Reduction in CO2 emissions
Expected Depreciation During [SG-2026] Period	0.5 billion yen

Special Purpose Truck Division Samukawa Plant (Paint Shop Renovation)

Purpose (Overview)	• Construction of a paint shop aimed at improving product competitiveness, production capacity, and automation for medium/small dump trucks and tail lifts
Planned Investment Amount	5.4 billion yen
Amount Already Paid	1.4 billion yen
Completion Date	September 2026
Main Investment Benefits	• Increase in net sales (production increase effect) ⇒Approximately 10% increase in production capacity • CO2 emissions reduction
Expected Depreciation During [SG-2026] Period	0.6 billion yen

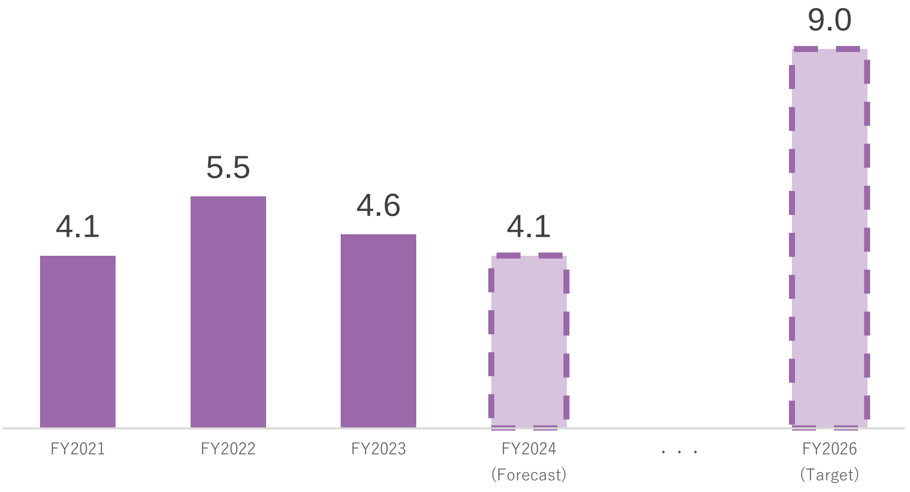
Special Purpose Truck Segment：Expansion of Overseas Business and Defense-related Business

ShinMaywa
VISION WITH INSIGHT

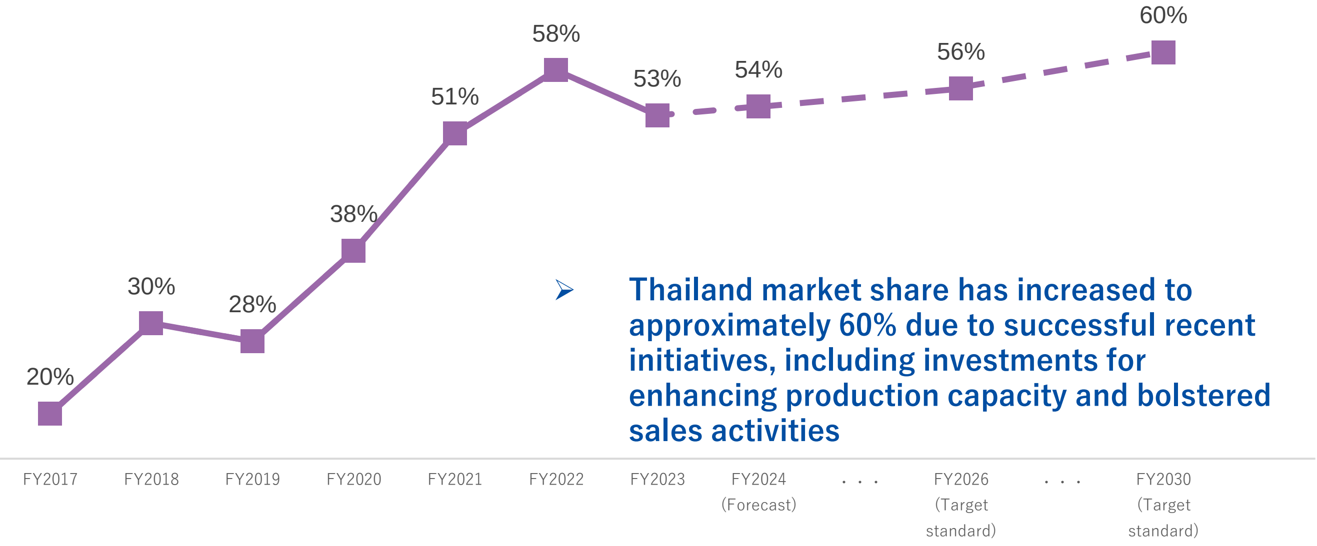
Overseas Business

- Expand key component sales (in Thailand and other countries) through Thai ShinMaywa Co., Ltd. with enhanced supply capacity
- In addition to increasing exports of mounted components, consider M&A and alliances with overseas cooperation partners

Special Purpose Truck Segment Overseas Sales



Thailand Domestic Dump Cylinder Sales Share



- **Thailand market share has increased to approximately 60% due to successful recent initiatives, including investments for enhancing production capacity and bolstered sales activities**

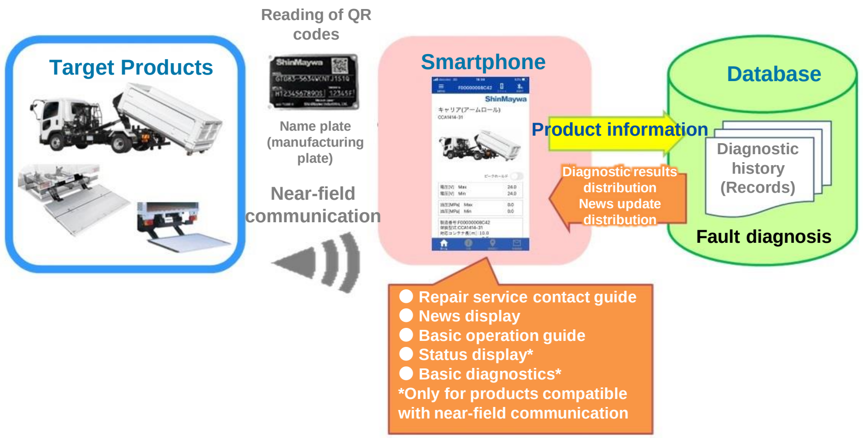
Defense-related Business

- Expanding defense business through collaboration with the Aircraft segment. Market size expected to grow due to increased defense budget
- Investing in enhancements to production capacity in anticipation of future production increases

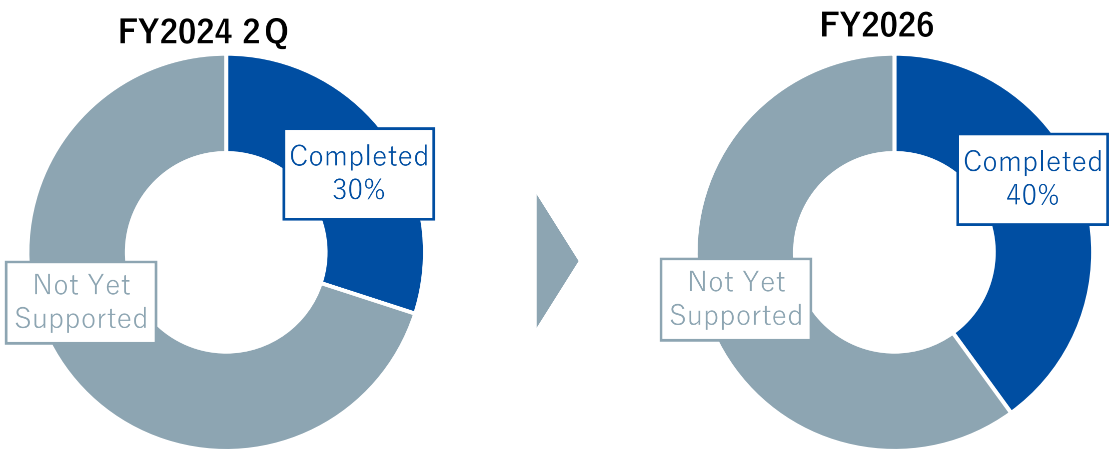
Special Purpose Truck Segment：Initiatives for Higher Added Value

SSC*1 (ShinMaywa Smart Connect)

*1 SSC: A tool that allows customers to easily monitor the operational status of their purchased special purpose trucks via smartphone through a dedicated application



Ratio of vehicle models capable of communication



Basic App Functions

Repair Service Contact Guide	When problems and such occur, displays and navigates to contact information for the nearest repair service.
News Display	Displays useful product-related information as it becomes available.
Basic Operation Guide	Explains product handling procedures.
Status Display*2	Allows checking of current vehicle information.
Basic Diagnostic Function*2	Pressing the diagnostic button displays the product operational status.

*2 Basic functions supported by communication compatible vehicle models

Future Initiatives

- **The number of SSC-equipped vehicles in the market is increasing through expansion of compatible products Enhanced pre-service capabilities through monitoring of mounted component condition**
- **Expanding service functions that enhance customer safety and our service business value by partnering with companies that specialize in creating services**

Special Purpose Truck Segment：Expansion of Subscription Business

ShinMaywa
VISION WITH INSIGHT

G-SUB (Subscription Service)

Industry first

ShinMaywa's refuse compactor subscription system

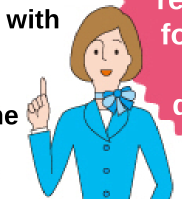
Vehicle price as well

All expenses included

Insurance ・Compulsory automobile liability insurance ・Automobile insurance	Full maintenance contract for chassis and mounted components
Vehicle tax	Latest safety features (optional)

＝ **G-SUB monthly fixed fee**

Contract periods of 2, 3, or 5 years.
At contract end, either renew contract with new vehicle
or return vehicle to end contract.
Note) Not possible to re-lease the same vehicle.



A new service allowing use of a new refuse compactor for monthly fixed payments (no down payment)

- As a leading manufacturer of refuse compactors and detachable container systems, we propose smart functions and usages based on extensive data
- We offer services through an industry-first subscription model. We provide full support for shifting operations to the cloud in these rapidly changing times
- Our service offerings encompass everything from after-sales to taxes and insurance. Customers can not only always use work vehicles with the latest features in optimal condition for a fixed monthly fee, but are also guaranteed trade-ins by our company
- Setting short renewal periods ensures the use of the latest and best-condition vehicles, contributing to worker retention
- ShinMaywa Smart Connect (SSC) allows for implementation of preventive maintenance, leading to efficient services
- Quick delivery enhances support for user businesses
- Systematic acquisition of used vehicles contributes to the expansion of the used vehicle business

Refuse compactor

Detachable container system

➢ **Aiming for early establishment of a business model that includes both expanding sales through increased number of units handled and selling vehicles formerly used for our subscription service as used vehicles.**

Special Purpose Truck Segment：BEV, FCEV Adaptation

ShinMaywa
VISION WITH INSIGHT

BEV, FCEV Adaptation

- Leading the industry in adaptation for electric vehicles to achieve carbon neutrality
- Supporting various chassis and power systems while promoting electrification across a diverse range of products
  - 3-ton FCEV — Rotary Blade Type Refuse Compactor “G-RX”
  - 2- to 3-ton BEV — Emission Board Type Refuse Compactors “G-PX/G-RX”
  - 2- to 4-ton BEV — Rear Dump Body and Tipping Gear
  - 3-ton BEV — Detachable Container System “Arm Roll”
  - 1-ton BEV — Tail Lift “Vertical Gate”
  - Compact BEV — Rear Dump Body and Tipping Gear

3-ton FCEV G-RX

3-ton BEV Arm Roll

2-ton BEV G-PX

Compact BEV Rear Dump Body and Tipping Gear

3-ton BEV Rear Dump Body and Tipping Gear

- Following the 2021 Green Growth Strategy, we expect 20-30% of new vehicle sales under 8 tons gross vehicle weight to be electric vehicles by 2030
- We are maintaining close contact with chassis manufacturers domestically and internationally to exchange information in preparation for immediate response to EV chassis releases
- On August 8, 2024, we launched an electric detachable container truck built on the new model of Mitsubishi Fuso Truck and Bus Corporation's electric light-duty truck "eCanter"

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 6,413 / Non-consolidated 3,306 (as of end of September, 2024)
Consolidated Subsidiaries	29

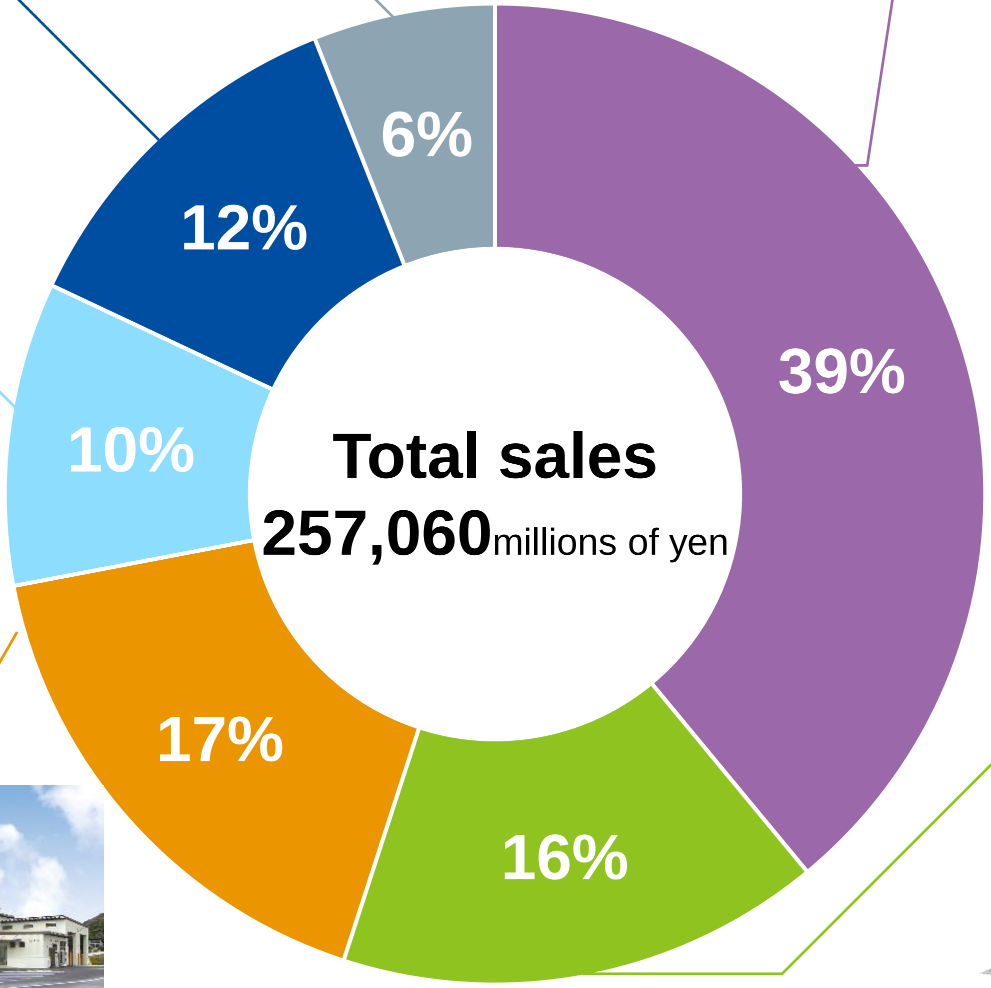
Distribution Ratios of Net Sales by Segment (FY2023)

Aircraft

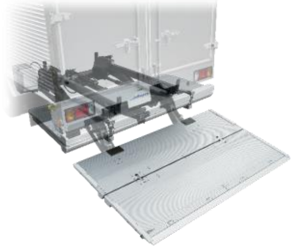
Fluid

Industrial Machinery & Environmental Systems

Others



Special Purpose Truck



Parking Systems

Business Performance: Management Results

Management results

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Net sales (Millions of yen)	193,131	203,917	201,204	207,335	217,297	227,231	209,226	216,823	225,175	257,060
Operating profit (Millions of yen)	13,635	15,260	13,067	10,594	10,708	12,836	10,479	10,569	9,293	11,765
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 (Millions of yen)	14,375	15,596	13,244	10,752	10,437	12,375	11,182	11,821	9,902	12,106
Ordinary profit ratio (%)	7.4	7.6	6.6	5.2	4.8	5.4	5.3	5.5	4.4	4.7
Profit attributable to owners of parent (Millions of yen)	9,159	10,281	8,954	7,086	6,996	7,378	5,487	6,907	7,313	7,279
Ratio of profit to net sales (%)	4.7	5.0	4.5	3.4	3.2	3.2	2.6	3.2	3.2	2.8
Return on equity (ROE) (%)	9.1	9.4	7.7	5.8	6.8	8.9	6.4	7.7	7.6	7.1
Return on invested capital (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

Business Performance: Financial Situation, Cash Flows

ShinMaywa
VISION WITH INSIGHT

Financial situation

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Total assets (Millions of yen)	182,167	186,780	188,632	199,001	209,195	214,157	212,060	221,206	226,907	260,102
Total assets turnover (Times)	1.10	1.11	1.07	1.10	1.09	1.07	0.98	1.00	1.00	1.06
Equity (Millions of yen)	105,865	112,993	118,268	124,893	82,340	82,946	87,945	92,465	98,747	107,008
Equity-to-asset ratio (%)	58.1	60.5	62.7	65.7	39.4	38.7	41.5	41.8	43.5	41.1
Interest-bearing debt (Millions of yen)	4,188	2,000	150	90	49,893	57,568	54,539	52,254	52,417	50,616
Net D/E ratio (Times)	-0.08	-0.13	-0.16	-0.15	0.32	0.46	0.36	0.28	0.30	0.25

Cash flows

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Cash flows from operating activities (Millions of yen)	9,485	14,767	14,342	8,699	13,452	8,509	18,120	15,998	6,404	14,065
Cash flows from investing activities (Millions of yen)	-5,817	-6,458	-6,039	-7,076	-9,693	-12,408	-9,133	-7,221	-7,164	-8,217
Cash flows from financing activities (Millions of yen)	-3,503	-4,023	-6,619	-1,647	-526	-1,419	-5,972	-5,203	-4,108	-5,884
Cash and cash equivalents at end of period (Millions of yen)	12,920	17,085	18,772	18,750	21,952	19,342	22,667	26,549	22,535	22,891

ShinMaywa
VISION WITH INSIGHT

Others

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Orders received (Millions of yen)	203,969	210,066	209,734	230,555	237,902	221,878	199,308	263,163	267,159	291,370
Outstanding orders (Millions of yen)	118,759	124,529	132,742	156,185	177,310	171,925	161,686	210,338	255,859	291,431
Dividends per share (Yen)	14	14	14	23	45	87	38	42	45	47
Dividend payout ratio (%)	15.2	13.6	15.0	31.0	58.9	76.9	45.5	40.0	40.5	42.6
Earnings per share (Yen)	91.88	103.15	93.17	74.23	76.41	113.11	83.47	104.96	111.00	110.38
Capital investments (Millions of yen)	4,408	5,657	6,854	6,525	6,442	7,100	9,205	4,782	4,465	6,891
Depreciation (Millions of yen)	4,093	4,362	4,763	5,025	5,064	5,442	5,768	5,564	5,321	5,225
Research and development expenses (Millions of yen)	2,789	2,845	2,717	2,836	2,575	2,401	2,356	2,282	2,476	2,602
Number of employees (People)	4,612	4,700	4,726	4,773	5,037	5,075	5,288	5,783	5,932	6,181
Overseas sales (Millions of yen)	45,608	48,142	43,076	42,556	42,899	43,250	27,108	31,022	46,382	53,219
Overseas sales ratio (%)	23.6	23.6	21.4	20.5	19.7	19.0	13.0	14.3	20.6	20.7

Business Performance by Segment ①

(Millions of 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.

Business Performance by Segment ②

ShinMaywa
VISION WITH INSIGHT

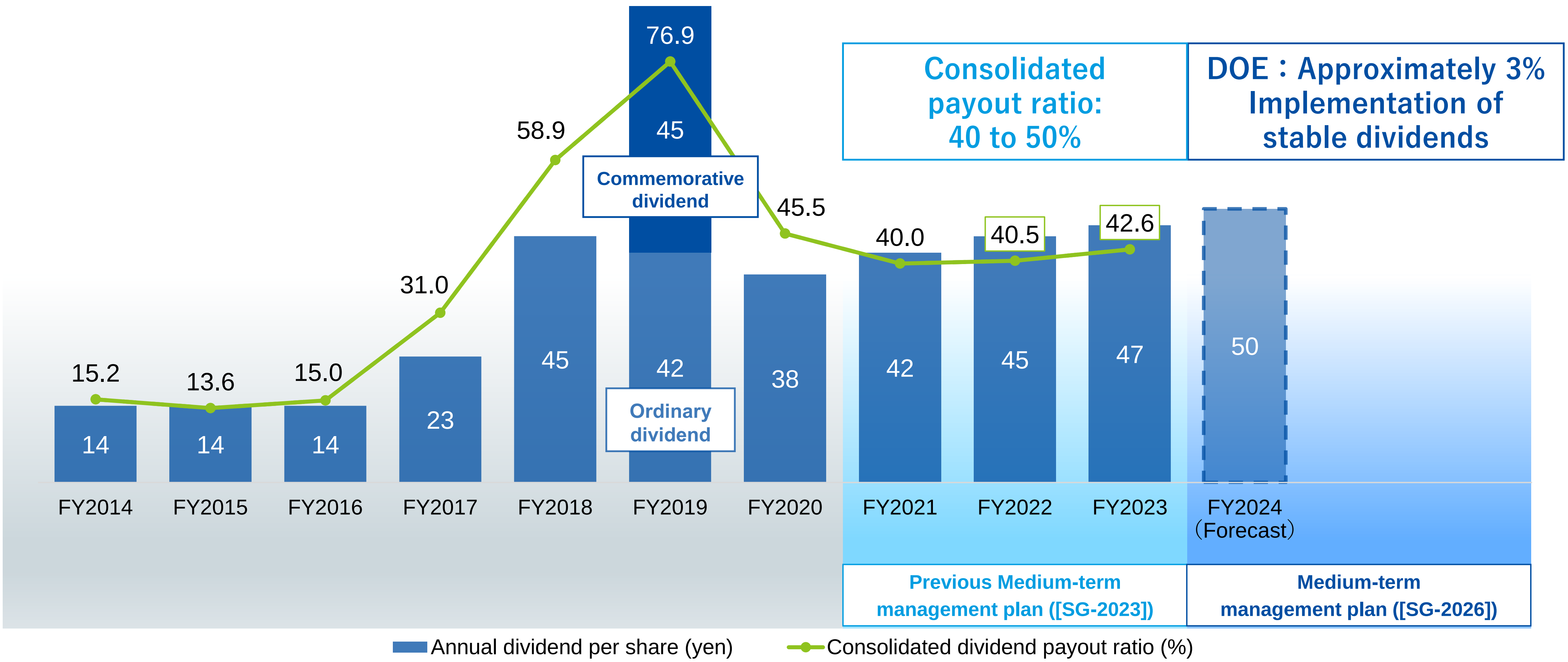
(Millions of yen)

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.
In connection with the realignment, the figures presented for FY2021 have been restated to conform to the current presentation.

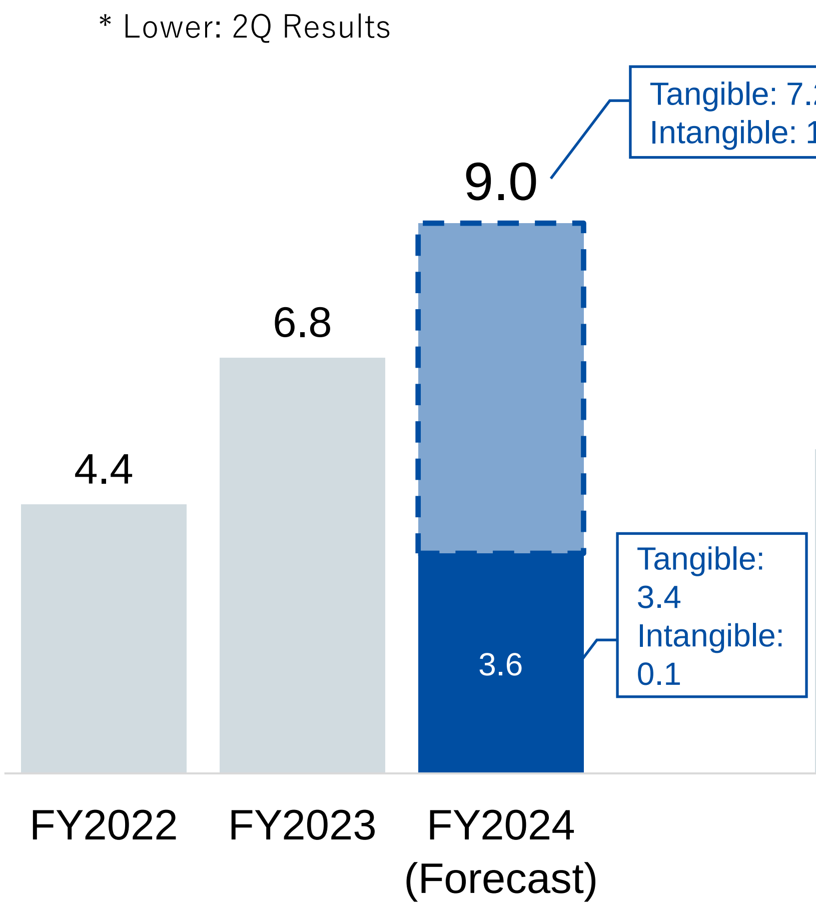
Dividend per Share and Consolidated Dividend Payout Ratio

ShinMaywa
VISION WITH INSIGHT

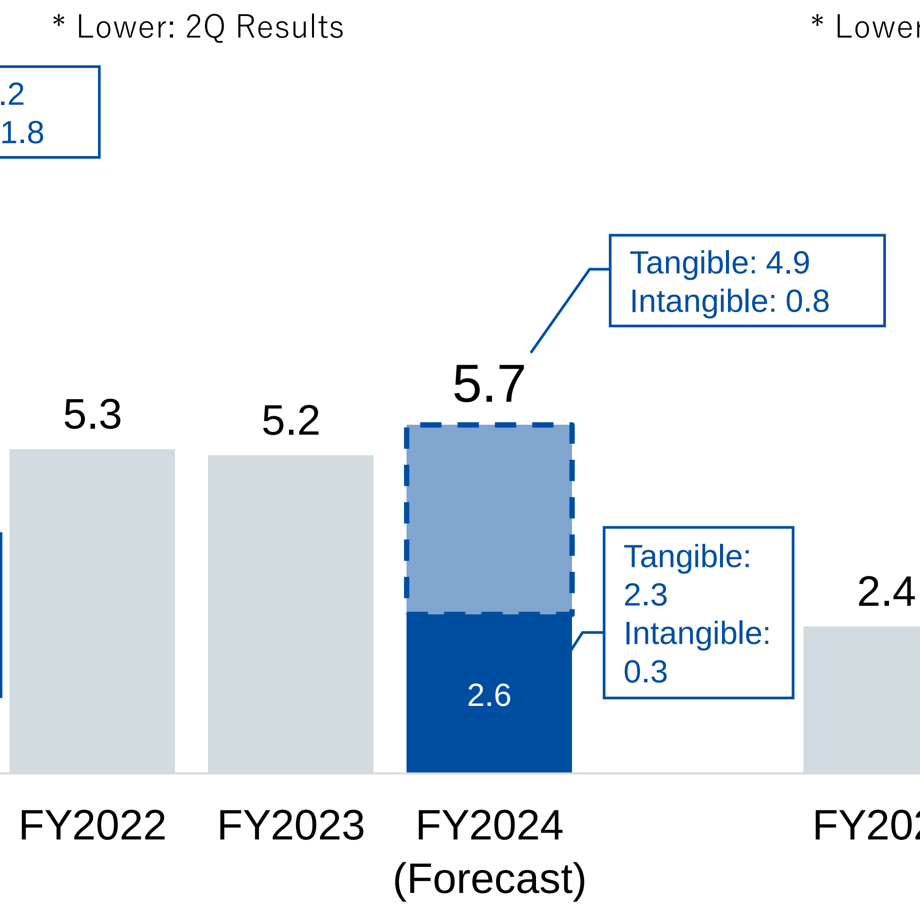


Capital Investments / Depreciation / Research and Development Expenses

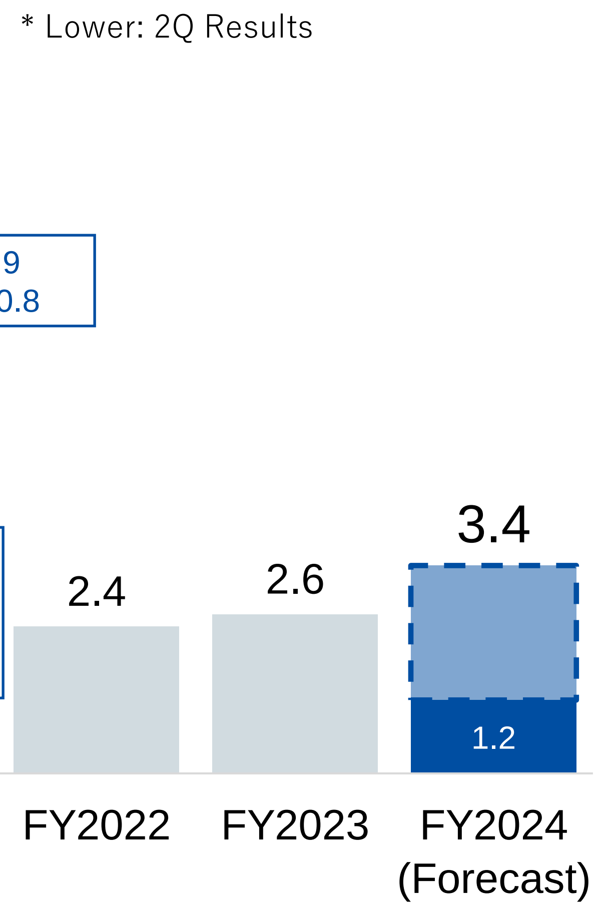
Capital investments (Billions of yen)



Depreciation (Billions of yen)



Research and development expenses (Billions of yen)



Overseas Sales, by Segment

ShinMaywa
VISION WITH INSIGHT

(Billions of yen)

	Special Purpose Truck			Parking Systems			Industrial Machinery & Environmental Systems			Fluid			Aircraft			Others			Total		
	FY2023 2Q	FY2024 2Q	Change	FY2023 2Q	FY2024 2Q	Change	FY2023 2Q	FY2024 2Q	Change	FY2023 2Q	FY2024 2Q	Change	FY2023 2Q	FY2024 2Q	Change	FY2023 2Q	FY2024 2Q	Change	FY2023 2Q	FY2024 2Q	Change
Japan	45.8	49.6	+3.7	17.3	18.5	+1.2	6.2	8.1	+1.8	6.7	6.4	-0.3	8.2	8.3	+0.1	6.1	8.5	+2.3	90.6	99.5	+8.9
Asia	0.8	0.6	-0.1	1.0	2.5	+1.4	3.6	2.4	-1.2	1.7	2.4	+0.7	–	–	–	–	–	–	7.3	8.0	+0.7
North America	–	–	–	–	–	–	8.9	5.4	-3.4	0.4	0.7	+0.3	6.1	6.6	+0.5	–	–	–	15.5	12.8	-2.6
Others	1.4	1.5	+0	–	–	–	0.7	0.8	+0.1	0.3	0.5	+0.1	0.3	0.5	+0.2	–	–	–	2.9	3.5	+0.5
Total sales	48.2	51.8	+3.6	18.4	21.0	+2.6	19.6	16.9	-2.7	9.2	10.1	+0.8	14.7	15.5	+0.8	6.1	8.5	+2.3	116.4	124.0	+7.6
Ratio of overseas sales to total sales (%)	4.8	4.2	-0.6 pt	5.8	11.9	+6.1 pt	68.0	52.1	-15.9 pt	27.5	36.9	+9.4 pt	44.3	46.6	+2.3 pt	0	0	–	22.2	19.7	-2.5 pt

Analyst report by Shared Research Inc.

ShinMaywa VISION WITH INSIGHT

Shared Research

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.

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.

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 and various other documents disclosed by the Company.

Furthermore, as described above, statements on forward-looking information contained in this document are as of the date of this document (or the date otherwise specified herein). It should be noted that, even if there have been changes to the forward-looking information due to circumstances arising after the date on which this document is prepared, the Company is under no obligation to continually update this information to the latest information.

In addition, information and opinions contained in this document, which relate to enterprises other than the Company or the Group, are quoted from disclosed information, etc. The Company has not verified, nor does it guarantee, the accuracy or propriety of such information. It should also be noted that the Company cannot be held liable for any damages, etc. arising from errors or omissions in data and expressions, etc. used in this document or from the use of this information.

This document has not been prepared for the purpose of soliciting investment in securities issued by the Company. Any decisions regarding investment should be made at the discretion of each investor.

ShinMaywa Industries, Ltd.