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ShinMaywa Industries, Ltd.

Presentation of Financial Results for FY2024

May 16, 2025

Event Summary

[Company Name]	ShinMaywa Industries, Ltd.	
[Company ID]	7224-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Presentation of Financial Results for FY2024	
[Fiscal Period]	FY2025 Annual	
[Date]	May 16, 2025	
[Number of Pages]	42	
[Time]	10:30 – 11:26 (Total: 56 minutes, Presentation: 49 minutes, Q&A: 7 minutes)	
[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	7	
	Tatsuyuki Isogawa	President and Chief Executive Officer
	Kanji Ishimaru	Director, Member of the Board, Deputy Chief Executive Officer
	Akira Nishioka	Director, Member of the Board, Senior Managing Executive Officer
	Toshiki Kume	Director, Member of the Board, Managing Executive Officer
	Takashi Kunihara	Director, Member of the Board, Managing Executive Officer
	Koichiro Oda	Managing Executive Officer
	Yasutaka Matsumoto	Executive Officer, General Counsel

Presentation

Kume: My name is Kume of ShinMaywa Industries. Thank you very much for taking time out of your busy schedule to join us today.

I will now present the financial results. First, I will explain our financial results for FY2024.

There are three key points in the financial results for FY2024.

The first is that orders received and net sales reached record highs for the fourth and second consecutive years, respectively. Operating profit was also the second highest on record. Second, overall profit increased significantly compared to the previous year, mainly due to the effect of price revisions for special purpose truck. Third, we have revised our annual dividend forecast to JPY52 per share, an increase of JPY2 per share, taking into consideration our overall business performance and financial position.

There are two key points in our full-year forecast for FY2025. The first is the expected increase in overall profit due to the effect of the revision of prices for special purpose truck and the effect of increased revenue of parking systems, etc. Second, the annual dividend forecast per share is expected to increase by JPY2 to JPY54 due to the increase in equity resulting from the increase in profits.

I will now give you a detailed explanation.

Summary of Consolidated Financial Results for FY2024

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(Million yen)

	FY2023 (Results)	FY2024		Change (Rate of change)			
		Forecast	Results	Year-on-year change		Compared with forecast	
Orders received	291,370	287,000	291,499	+128	(+0.0%)	+4,499	(+1.6%)
Net sales	257,060	265,000	266,441	+9,380	(+3.6%)	+1,441	(+0.5%)
Operating profit	11,765	13,000	13,970	+2,204	(+18.7%)	+970	(+7.5%)
Ordinary profit	12,106	12,200	13,536	+1,430	(+11.8%)	+1,336	(+11.0%)
Profit attributable to owners of parent	7,279	7,500	8,957	+1,677	(+23.0%)	+1,457	(+19.4%)
Outstanding orders	291,431	313,431	318,778	+27,347	(+9.4%)	+5,347	(+1.7%)
ROE	7.1%	–	8.2%	+1.1pt	–	–	–
ROIC*	5.3%	–	6.0%	+0.7pt	–	–	–
Exchange rate (USD 1)	144.8 yen	140.0 yen	152.1 yen				

Year-on-year change

Orders received

- Orders received increased overall as a result of increases in the Special Purpose Truck, Fluid, and Aircraft segments.
- Highest orders received on record for fourth straight year.

Net sales

- Sales increased in all segments except for the Industrial Machinery & Environmental Systems and increased overall.
- Highest net sales on record for second straight year.

Profits

- Profits increased due to an increase in revenue.
- Operating profit was the second highest ever after the 15.2 billion yen recorded in the FY2015.

ROE, ROIC

- ROE and ROIC increased as profits increased.

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

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Here is a table that compares each of the major performance figures for FY2024 with the previous year.

Orders received were JPY291.4 billion, the same level YoY, and net sales were JPY266.4 billion, up 3.6% YoY. As explained in the previous slide, orders received and net sales reached record highs for the fourth and second consecutive years, respectively.

In terms of each profit item, operating profit increased 18.7% YoY to JPY13.9 billion, ordinary profit increased 11.8% YoY to JPY13.5 billion and profit attributable to owners of parent increased 23% YoY to JPY8.9 billion due to the effect of increased revenue.

Operating profit was the second highest level ever recorded, following the JPY15.2 billion recorded in FY2015.

The outstanding orders increased by 9.4% to JPY318.7 billion, as orders continued to outpace sales in reflection of favorable market conditions. ROE increased by 1.1 points to 8.2% due to the increase in profit attributable to owners of parent, and ROIC also increased by 0.7 points to 6% due to the increase in operating profit.

The Company's assumed cost of equity is generally 7% and the weighted average cost of equity is generally 5%.

Consolidated Financial Results for FY2024 by Segment

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(Billions of yen)

Segment	Orders received			Net sales			Operating profit		
	FY2023	FY2024	Change	FY2023	FY2024	Change	FY2023	FY2024	Change
Special Purpose Truck	106.7	122.5	+15.7	100.5	108.2	+7.6	2.3	4.8	+2.5
Parking Systems	54.3	44.1	-10.2	41.3	45.7	+4.4	2.7	3.3	+0.5
Industrial Machinery & Environmental Systems	52.6	36.4	-16.1	42.9	33.2	-9.7	3.3	2.2	-1.1
Fluid	26.3	28.6	+2.3	26.3	27.5	+1.1	4.1	4.3	+0.2
Aircraft	32.6	42.8	+10.2	31.9	33.7	+1.7	2.1	1.9	-0.2
Others	18.6	16.7	-1.8	13.9	18.0	+4.0	0.6	1.4	+0.7
Adjustments	–	–	–	–	–	–	-3.6	-4.2	-0.6
Total	291.3	291.4	+0.1	257.0	266.4	+9.3	11.7	13.9	+2.2

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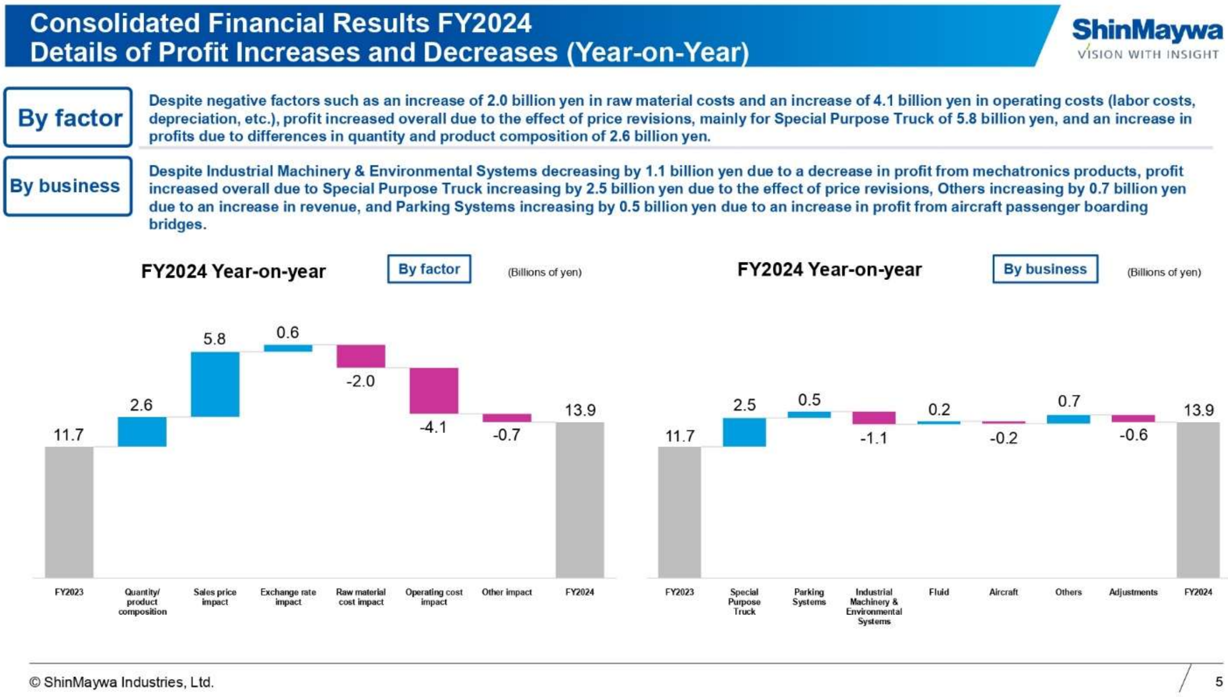
Orders received, net sales, and operating profit by segment are as shown. The main reasons for YoY increase or decrease in each segment will be explained later.



The increases and decreases in profit by factor and by business segment are as shown. Despite negative factors such as a JPY2 billion increase in raw material costs and a JPY4.1 billion increase in operating costs, including labor costs and depreciation, etc., overall profit increased by JPY2.2 billion due to factors such as a JPY5.8 billion effect of price revisions, mainly for special purpose truck, and a JPY2.6 billion increase in profits due to differences in quantity and product composition.

By business segment, all segments except for industrial machinery & environmental systems and aircraft reported increased profits, including JPY2.5 billion in special purpose truck due to the effect of price revisions, JPY0.7 billion in others due to increased revenue, and JPY0.5 billion in parking systems due to an increase in profit from aircraft passenger boarding bridges.

Consolidated Balance Sheets / Consolidated Statements of Cash Flows

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Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025	Change
Cash and deposits	23,382	28,474	+5,091
Trade receivables	91,140	85,469	-5,670
Inventories	58,684	61,941	+3,257
Total fixed assets	47,628	52,448	+4,820
Other assets	39,266	38,108	-1,158
Total assets	260,102	266,443	+6,341
Trade payables	34,166	31,302	-2,863
Interest-bearing debt	50,616	51,198	+581
Other liabilities	66,584	70,875	+4,291
Total liabilities	151,367	153,377	+2,009
Equity	107,008	112,027	+5,018
Other net assets	1,725	1,039	-686
Total net assets	108,734	113,066	+4,331
Total liabilities and net assets	260,102	266,443	+6,341

Equity-to-asset ratio (%)	41.1	42.0
Net D/E ratio (Times)	0.25	0.20

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2023	FY2024	Change
Cash flows from operating activities	14,065	20,499	+6,433
Cash flows from investing activities	-8,217	-10,806	-2,588
Free cash flows	5,848	9,693	+3,845
Cash flows from financing activities	-5,884	-5,115	+769

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Moving on to the consolidated balance sheets and consolidated statements of cash flows.

Assets as of March 31, 2025 totaled JPY266.4 billion, an increase of JPY6.3 billion YoY, mainly due to an increase in inventories and tangible fixed assets, despite a decrease in trade receivables.

Liabilities increased by JPY2 billion YoY to JPY153.3 billion, mainly due to increases in accrued expenses and contract liabilities, despite a decrease in trade payables.

Net assets increased by JPY4.3 billion YoY to JPY113 billion, mainly due to the recording of profit attributable to owners of parent, despite a decrease due to dividend payments.

As a result, equity-to-asset ratio rose to 42% from 41.1% YoY, and net D/E ratio declined to 0.2 times from 0.25 times YoY.

As we will explain later in the shareholder return section, we believe that an equity-to-asset ratio of 40% or more and a net D/E ratio of 0.5 times or less are appropriate for our business structure, and we have secured a certain level of financial soundness.

As for consolidated cash flows, cash flows from operating activities amounted to JPY20.4 billion, mainly due to the recording of income before income taxes and a decrease in trade receivables. Cash flows from investing activities resulted in a net outflow of JPY10.8 billion, mainly for the acquisition of fixed assets. As a result, free cash flows provided by these activities amounted to JPY9.6 billion. Cash flows from financing activities resulted in a net outflow of JPY5.1 billion, mainly due to dividend payments.

I will now continue with an explanation of our performance for FY2024, by segment, compared to the previous fiscal year.

Special Purpose Truck Segment

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Trends in financial results (Billions of yen)

Full-year 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
12.7	12.8	14.2	13.4	12.9	13.3	13.8	14.0

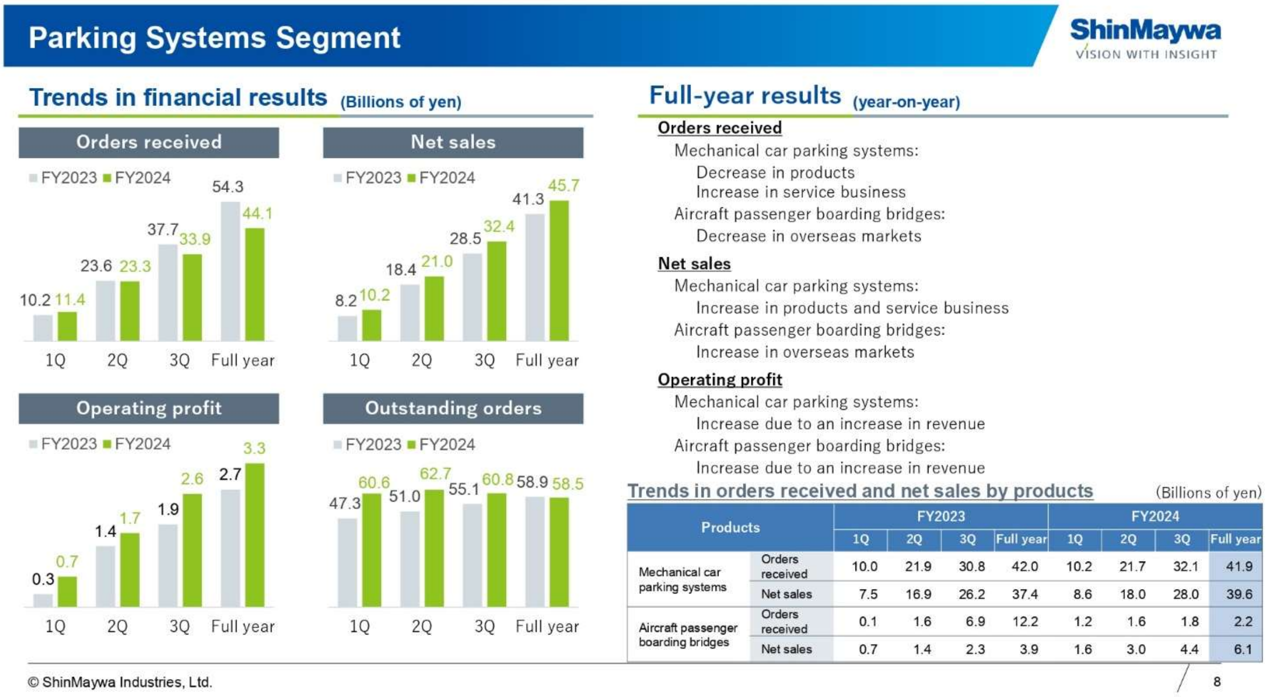
* Calculated by dividing the order backlog by sales per month (1Q to 3Q results calculated based on the full-year earnings forecast)

First is the special purpose truck segment.

Orders received were positive overall due to increases in logistics-related vehicles, environment-related vehicles, and defense business, although it decreased at Iwafuji Industrial Co., Ltd., who handles forestry machinery and other products.

Net sales increased due to the easing of supply delays of major parts and the effect of price revisions, etc., which also led to a significant increase in operating profit.

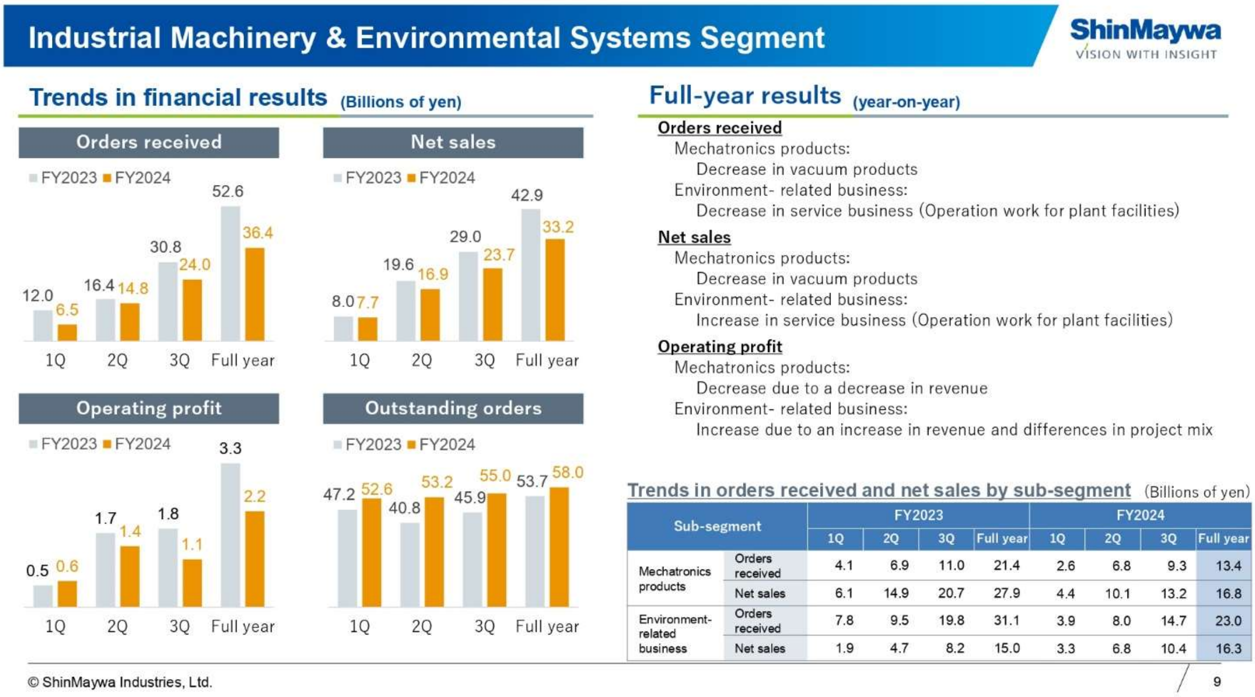
Outstanding orders remain at a high level, and at the end of FY2024, it was 14 months.



Moving on to parking systems segment.

Overall orders received decreased due to lower orders for aircraft passenger boarding bridges than in the previous fiscal year, when the Company received large orders in the Southeast Asian market.

Net sales increased in mechanical parking systems, as the products and services business increased, and in air passenger boarding bridges, with positive results overseas, resulting in an overall increase in net sales, which also boosted operating income. in mechanical car parking systems, as the products and services business increased, and in aircraft passenger boarding bridges, with positive results overseas, resulting in an overall increase in sales, which also boosted operating profit.



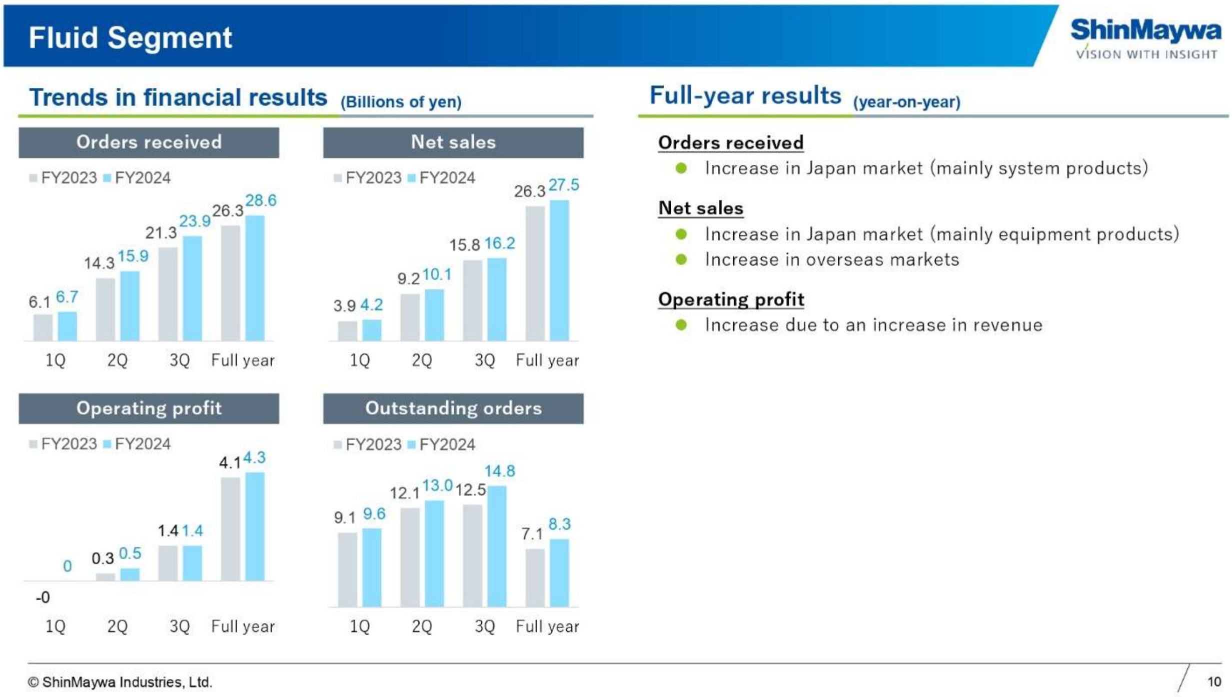
Sub-segment		FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 Full year	FY2024 1Q	FY2024 2Q	FY2024 3Q	FY2024 Full year
Mechatronics products	Orders received	4.1	6.9	11.0	21.4	2.6	6.8	9.3	13.4
	Net sales	6.1	14.9	20.7	27.9	4.4	10.1	13.2	16.8
Environment-related business	Orders received	7.8	9.5	19.8	31.1	3.9	8.0	14.7	23.0
	Net sales	1.9	4.7	8.2	15.0	3.3	6.8	10.4	16.3

Moving on to industrial machinery & environmental systems segment.

Orders received decreased overall as a result of a decline in orders for vacuum drying equipment, which had been expanding in tandem with the growth of the EV market, in mechatronics products, and a decline in orders received in the environment-related business from the previous fiscal year, when we received large orders for long-term outsourcing operations for plant facilities.

Overall net sales decreased because sales of vacuum drying systems decreased in mechatronics products due to a decline in orders received, while sales in environment-related business increased due to an increase in service business.

Although operating profit increased in the environment-related business due to higher sales and a difference in project mix, overall operating profit was decreased in the mechatronics products business due to a decrease in revenue.



Moving on to fluid segment.

Orders received increased overall, mainly for system products, due to steady demand mainly from domestic public sector demand.

Overall net sales increased as a result of higher sales of equipment products such as pumps in Japan and positive results overseas, and as a result, operating profit also increased.

Aircraft Segment

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Trends in financial results (Billions of yen)

Full-year results (year-on-year)

Orders received
Orders from Ministry of Defense:
Increase in US-2 STOL search and rescue amphibians repair-related work
Civilian demand:
Increase in number of orders for G7500

Net sales
Sales to Ministry of Defense:
Increase in components for transport aircrafts
Civilian demand:
Decrease in production volume of 777/777X aircraft (the impact of strike action)
Increase in production volume of 787 aircraft
Increase in revenue as a result of yen depreciation

Operating profit
Decreased due to a decrease in production volume of 777/777X aircraft
Increase due to yen depreciation

Civilian demand-related production volume (Unit)

	FY2023	FY2024
777/777X	39	23
787	41	53
G7500	34	37

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Finally, here is the aircraft segment.

Orders received increased overall as a result of an increase in orders from the Ministry of Defense related to the repair of US-2 STOL search and rescue amphibians, and in civilian demand, the number of aircraft ordered from Bombardier and for the Global 7500 exceeded that of the previous year.

Overall net sales increased due to an increase in components for transport aircraft for the Ministry of Defense and an increase in the number of 787 aircraft produced for civilian demand, despite a decrease in the number of 777 and 777X aircraft produced due to the Boeing strike, as well as a weaker yen in exchange rates.

Despite an increase in operating profit due to the weaker yen, overall operating profit decreased due to a decrease in the number of aircraft produced for Boeing.

I would now like to explain our consolidated financial results forecast for FY2025.

Summary of Consolidated Financial Results Forecast for FY2025

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(Million yen)

	FY2024 (Results)	FY2025 (Forecast)	Change (Rate of change)	
Orders received	291,499	315,000	+23,500	(+8.1%)
Net sales	266,441	290,000	+23,558	(+8.8%)
Operating profit	13,970	15,000	+1,029	(+7.4%)
Ordinary profit	13,536	14,000	+463	(+3.4%)
Profit attributable to owners of parent	8,957	9,200	+242	(+2.7%)
Outstanding orders	318,778	343,778	+25,000	(+7.8%)
Annual dividend per share	52 yen	54 yen	+2 yen	–
DOE*1	3.1%	3.1%	–	–
Exchange rate (USD 1)	152.1 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 FY2025 forecast is the assumed exchange rate applicable in and after May.

Year-on-year

Orders received

- Orders received are expected to increase in all segments except for the Special Purpose Truck and Fluid, and exceed 300 billion yen for the first time.

Net sales

- Sales are expected to increase in all segments except for the Fluid and Others, and reach a record high for the third consecutive year.

Profits

- Profits are expected to increase due to an increase in revenue.

Exchange rate sensitivity (FY2025)

Each one- yen of depreciation against the U.S. dollar increases operating profit by approximately 60 million yen.

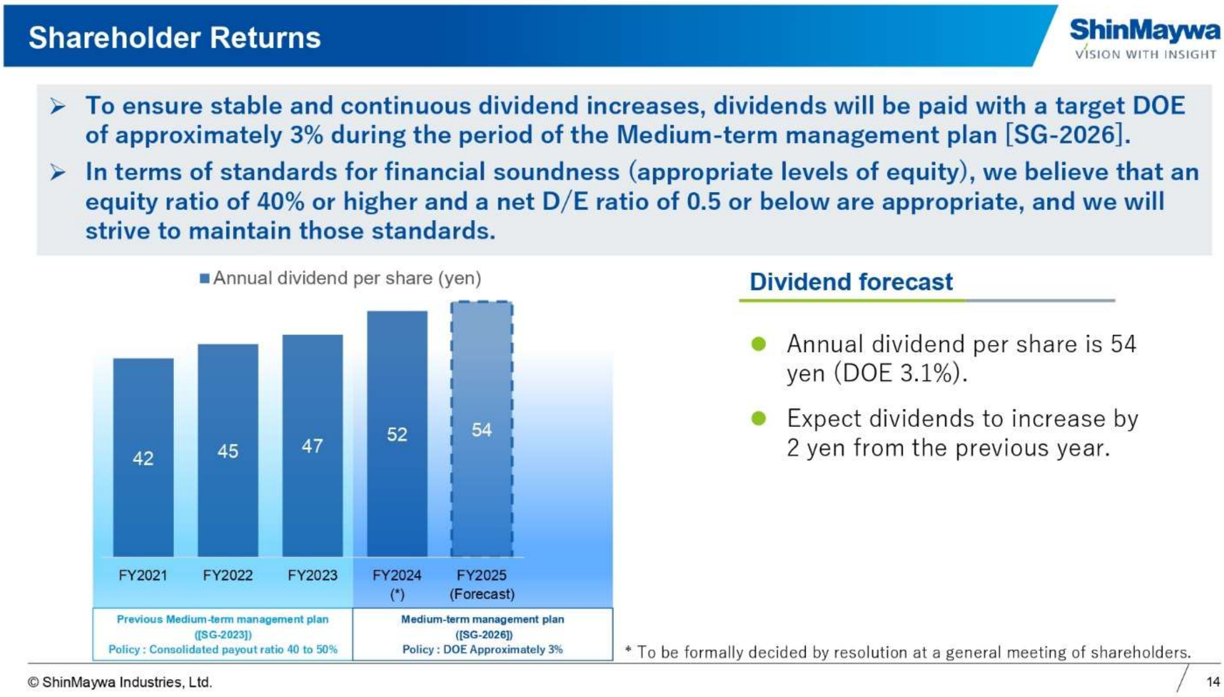
This chart compares our forecast for FY2025 with the results of FY2024.

Orders received are expected to exceed JPY300 billion for the first time, with an overall increase of 8.1% YoY to JPY315 billion, as all segments except special purpose truck and fluid will see an increase.

With sales increasing in all segments except fluid and others, overall net sales are expected to reach JPY290 billion, up 8.8% YoY and a record high for the third year in a row.

While there are some factors that may reduce profits due to higher costs, the increased sales are expected to boost operating profit by 7.4% YoY to JPY15 billion, ordinary profit by 3.4% YoY to JPY14 billion, and profit attributable to owners of parent by 2.7% YoY to JPY9.2 billion. The record high for operating profit was JPY15.2 billion, and we will strive to surpass that level.

The exchange rate at the time of the forecast is assumed to be JPY140 to the US dollar. As for the sensitivity of the entire company to exchange rate fluctuations, a depreciation of JPY1 against the US dollar is expected to increase operating profit by JPY60 million.



The shareholder returns for FY2025 are as shown.

In order to ensure stable and continuous dividend increases, the Company has a policy of paying dividends with a target DOE of approximately 3% during the period of the medium-term management plan, SG-2026.

In terms of standards for financial soundness, we believe that an equity ratio of 40% or higher and a net D/E ratio of 0.5 times or below are appropriate, and we will strive to maintain these standards.

As for the dividend forecast for FY2025, the annual dividend per share is expected to be JPY54, an increase of JPY2 from the previous fiscal year.

Business Environment (Reportable Segments)

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Segment		Outlook
Special Purpose Truck		➢ Production activities, which had been stagnant due to delays in the supply of key components and other factors, are gradually returning to normal, and sales are expected to increase compared to the previous year. ➢ Despite cost increases due to raw material prices, labor expenses, depreciation, and other factors, the order backlog following the second price revision at the end of the previous fiscal year accounts for approximately 80% (approximately 50-60% at the beginning of the previous fiscal year), and profit is expected to increase due to the effects of price revisions.
Parking Systems		➢ In mechanical car parking systems, both the new installation of products and the service business are expected to remain firm. Although expenses such as labor expenses and R&D expenses are expected to increase compared to the previous fiscal year, profit is expected to increase due to higher sales, a decrease in the provision for construction losses, and other factors. ➢ The market for aircraft passenger boarding bridges, which had been depressed due to the COVID-19 pandemic, is recovering. Some of the bids from the previous fiscal year have been postponed to the current fiscal year, resulting in an increase in both orders and sales for the current fiscal year. However, profit is expected to decrease due to increased costs associated with hiring additional personnel to meet increased production.
Industrial Machinery & Environmental Systems		➢ The mechatronics business is experiencing a slowdown in the growth rate of vacuum drying systems due to the global slowdown of the EV market. Sales to certain customers account for a high proportion of total sales, so efforts will be made to expand orders and sales from European and American customers to stabilize profits. Profit for the current fiscal year is expected to decrease compared to the previous fiscal year due to the absence of the favorable impact of the weak KRW driven by a decrease in USD-denominated projects. ➢ In the environment-related business, despite the decrease in both sales and orders from the previous fiscal year, in which large-scale orders were obtained, the demand is expected to remain firm. The stock business is also growing well, supporting segment performance.
Fluid		➢ In the domestic business related to public-sector demand, the heavy rain disaster market is expected to expand, and demand for drainage pumps is expected to remain firm. In the domestic business related to private-sector demand, demand for turbo blowers is expected to increase due to decarbonization and energy conservation needs. ➢ The overseas business is expected to remain firm, centered on the Southeast Asian market. Demand for turbo blowers in the Indian market is expected to increase.
Aircraft		➢ Orders from the Ministry of Defense are expected to increase with the order for the 10th US-2 STOL search and rescue amphibians manufacturing operations will slow down with the delivery of the 9th unit, sales are expected to remain at the same level as the previous fiscal year due to an increase in after-sales services. Revenue is expected to grow going forward, supported by an increase in the defense budget. ➢ Private-sector demand orders and production volumes of commercial aircraft component for Boeing are expected to increase for the 787, 777, and 777X.

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Here is a table showing the Group's business environment by segment for FY2025.

Sales of special purpose truck are expected to increase compared to the previous fiscal year as production activities, which had been stagnant due to supply delays of major parts, are gradually returning to normal. In terms of profit, although there are factors that increase costs such as raw material prices, labor costs, and depreciation and amortization, the outstanding orders after the second price revision accounted for about 80% of the total at the end of FY2024, an increase in proportion compared to the beginning of FY2024, and we expect to see an increase in profit by reaping the benefits of the price revision.

In parking systems, mechanical car parking systems are expected to continue to perform well in new product installation and service business. Compared to the previous fiscal year, we expect an increase in expenses for labor, and research and development, etc. However, we expect an increase in profit due to higher sales and a decrease in the provision for loss on construction contracts.

In addition, the market for aircraft passenger boarding bridges, which had declined due to COVID-19 pandemic, is on a recovery trend. Although we expect both orders and sales to increase in the current fiscal year due to the postponement of some bidding projects from the previous fiscal year, profits are expected to decrease due to increased costs associated with hiring additional personnel to meet increased production.

In the industrial machinery & environmental systems segment, in the mechatronics business, the growth rate of vacuum drying systems has slowed down due to the global slowdown in the EV market. Since the ratio of sales to certain customers is high, the Company aims to stabilize earnings by expanding orders and sales scale from European and American customers. On the other hand, we expect profits for the current fiscal year to decrease due to a decrease in the number of projects denominated in US dollars compared to the previous fiscal year, which will eliminate the tailwind from the weaker won.

In the environment-related business, demand is expected to remain strong, although both orders and sales are expected to decline compared to the previous fiscal year, when large orders were received. The steady increase in stock business is also expected to support segment performance by securing stable profits.

As for fluid, the market related to heavy rain disaster countermeasures is on an expansionary trend in the domestic public sector, and demand for drainage pumps is expected to remain strong. In the domestic private sector, demand for turbo blowers is expected to increase in reflection of decarbonization and energy conservation needs. In addition, as for overseas business, we can expect an increase in demand for turbo blowers in the Indian market, assuming that the Southeast Asian market will remain firm.

In aircraft, orders from the Ministry of Defense are expected to increase due to the order for the 10th US-2 STOL search and rescue amphibians. Although sales for the current fiscal year are expected to be on par with the previous fiscal year, there are high expectations for future revenue growth, supported by an increase in the defense budget. As for private-sector demand, the number of orders and production of components for Boeing is expected to increase for the 787, 777, and 777X, as well as the number of aircraft produced.

These are the business environment by segment. With regard to the impact of the Trump tariffs, we assume that there will be no impact on the special purpose truck and parking systems segments, which are the largest in terms of sales. On the other hand, in the industrial machinery & environmental systems and fluid segments, although small in scale, we will closely monitor exports to North America. As for the aircraft segment, although there are exports to the US, mainly for Boeing, there are many uncertainties regarding the impact on performance, and these have not been factored into the forecast figures.

Consolidated Financial Results Forecast for FY2025 by Segment (Year-on-year)

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(Billions of yen)

Segment	Orders received			Net sales			Operating profit		
	FY2024 (Results)	FY2025 (Forecast)	Change	FY2024 (Results)	FY2025 (Forecast)	Change	FY2024 (Results)	FY2025 (Forecast)	Change
Special Purpose Truck	122.5	113.6	-8.9	108.2	119.2	+10.9	4.8	5.7	+0.8
Parking Systems	44.1	60.5	+16.3	45.7	52.2	+6.4	3.3	4.1	+0.7
Industrial Machinery & Environmental Systems	36.4	39.1	+2.6	33.2	36.1	+2.8	2.2	1.9	-0.3
Fluid	28.6	27.4	-1.2	27.5	27.5	-0	4.3	4.3	-0
Aircraft	42.8	57.5	+14.6	33.7	39.5	+5.7	1.9	2.0	+0
Others	16.7	16.9	+0.1	18.0	15.5	-2.5	1.4	1.1	-0.3
Adjustments	–	–	–	–	–	–	-4.2	-4.1	+0.1
Total	291.4	315.0	+23.5	266.4	290.0	+23.5	13.9	15.0	+1.0

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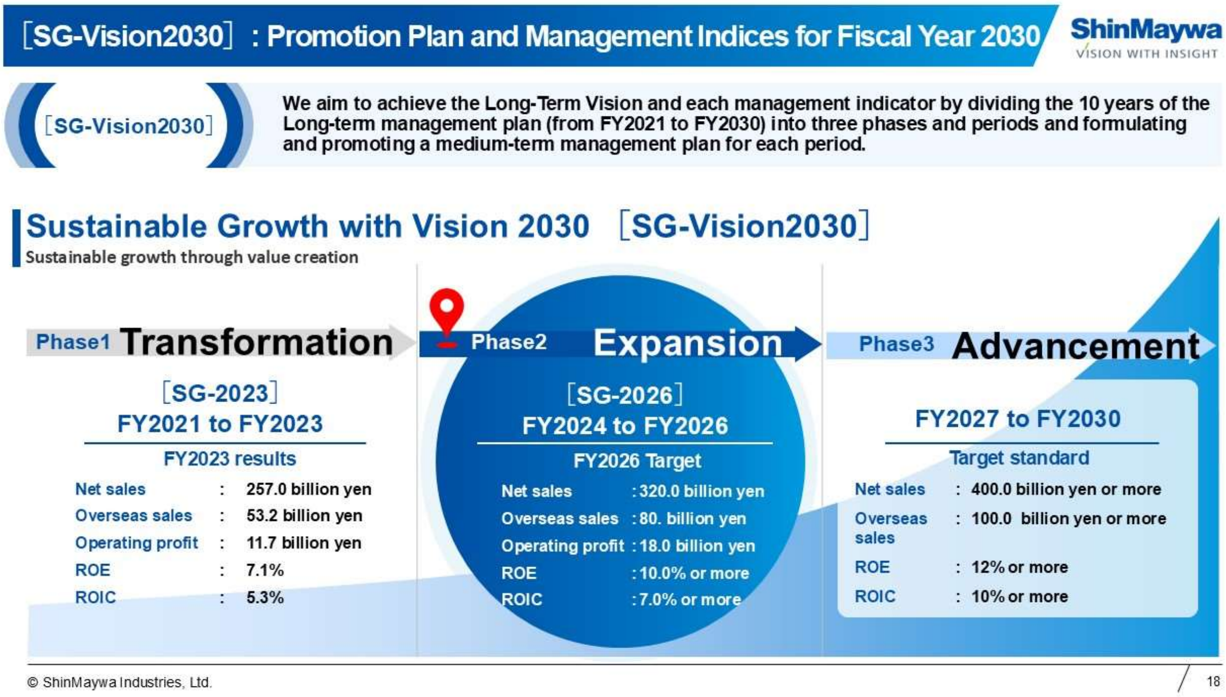
Finally, the full-year forecasts for orders received, net sales, and operating profit by segment as I have just explained are as shown.

To explain the main reasons for the YoY increase or decrease, orders received are expected to increase by JPY23.5 billion overall to JPY315 billion, mainly due to increases in parking systems and aircraft.

Overall net sales are expected to increase by JPY23.5 billion to JPY290 billion, mainly due to expected sales increases in special purpose truck, parking systems, and aircraft. Overall operating profit is expected to increase by JPY1 billion to JPY15 billion, mainly due to increased profits from special purpose truck and parking systems.

This concludes the explanation of the financial results.

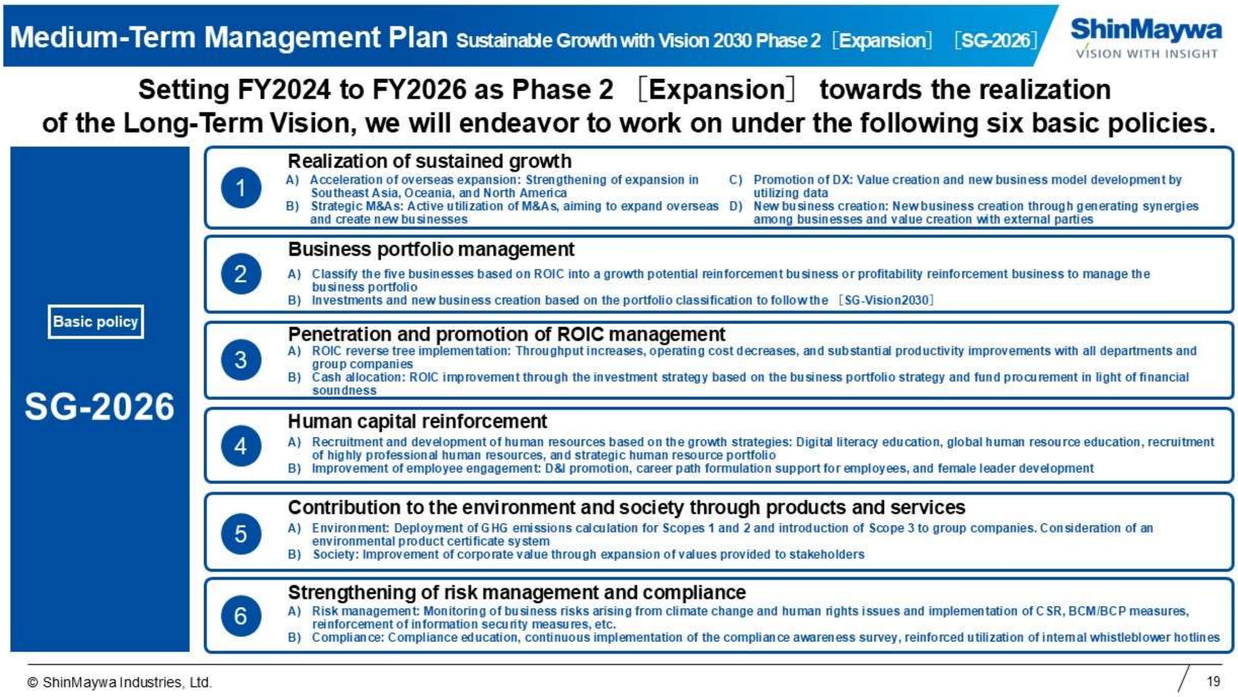
Isogawa: Next, I would like to explain the medium-term management plan, SG-2026, that we are currently promoting.



The ShinMaywa Group is currently promoting SG-Vision2030, a 10-year long-term management plan with goals set towards FY2030.

We have set management benchmarks of JPY400 billion in net sales, including JPY100 billion in overseas sales, ROE of 12% or higher, and ROIC of 10% or higher, and have divided the 10 years into three medium-term management plans with the themes of conversion, expansion, and leap forward.

We are currently promoting the second phase of our medium-term management plan, SG-2026, with a goal of FY2026, and are about to reach the turning point of our long-term management plan. Our target level for the final year of SG-2026, FY2026, is set at JPY320 billion in net sales, including JPY80 billion in overseas sales, JPY18 billion in operating profit, ROE of 10% or more, and ROIC of 7% or more.



SG-2026 sets forth six basic policies to enhance corporate value and achieve management benchmarks.

First, to achieve sustainable growth, we will accelerate our efforts to quickly realize contributions to business performance based on four growth strategies: accelerating overseas expansion, implementing strategic M&A, promoting DX, and creating new businesses.

The second is business portfolio management. The current five business segments will be classified into two categories, growth-enhancing business and profitability-enhancing business, and business strategies and growth investments will be made to solve the respective issues.

The third is to promote ROIC management and business process reform. We will spread ROIC management throughout the Company, including group companies, to expand throughput, reduce operating costs, reform business processes, and innovate productivity. We will also strive to maintain financial soundness by managing cash allocation.

The fourth is to strengthen human capital. In line with our growth strategy, we will promote the development and acquisition of highly specialized human resources through education in digital literacy and global human resources. We will also strive to improve the engagement of all officers and employees, including the promotion of diversity and inclusion.

Fifth, we contribute to the environment and society through our products and services. In terms of the environment, we have been working on the calculation of greenhouse gas emissions up to Scope 3 through the supply chain, including the introduction of a certification system for environmentally friendly products.

The sixth and final point is to strengthen risk management and compliance. In particular, with regard to compliance, we will strive to maintain a high level of knowledge and awareness of compliance by regularly conducting education and awareness surveys of all officers and employees, including those of group companies.

We will engage in activities in line with these six basic policies, aiming to enhance corporate value and achieve management indices.

[SG-2026] Key Management Indices

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Management indicator	FY2024 (Results)	FY2025 (Plan)	FY2026 [SG-2026] (Target standard)
Net sales	266.4 billion yen	290.0 billion yen	320.0 billion yen
Overseas sales	45.1 billion yen	55.0 billion yen	80.0 billion yen
Operating profit	13.9 billion yen	15.0 billion yen	18.0 billion yen
ROE (%)	8.2%	8.0%	10% or more
ROIC (%)	6.0%	6.5%	7% or more
Exchange rate (USD 1)	152.1 yen	140 yen (set value)	140 yen (set value)

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This table shows, from left to right, the actual results for FY2024, the target for FY2025 in the middle column, and the target figures for FY2026, the final year of the medium-term plan, in the right column.

Although we are taking a partially conservative view due to continued uncertainty regarding the Trump tariffs, the outlook for foreign exchange rates, and other factors, we will not change our performance targets and will continue to work toward achieving them.

In addition, by achieving our operating profit, ROE, and ROIC targets, we aim to be recognized by the stock market, in other words, we aim to improve our stock price level and achieve a P/B ratio in excess of 1 time as soon as possible.

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

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(Billion yen)

Segment	Net sales			Operating profit		
	FY2024 (Results)	FY2025 (Plan)	FY2026 ［SG-2026］ (Target standard)	FY2024 (Results)	FY2025 (Plan)	FY2026 ［SG-2026］ (Target standard)
Special Purpose Truck	108.2	119.2	132.2	4.8	5.7	7.3
Parking Systems	45.7	52.2	58.1	3.3	4.1	4.5
Industrial Machinery & Environmental Systems	33.2	36.1	43.5	2.2	1.9	3.4
Fluid	27.5	27.5	28.0	4.3	4.3	4.5
Aircraft	33.7	39.5	38.9	1.9	2.0	2.7
Others	18.0	15.5	18.3	1.4	1.1	1.0
New businesses	-	-	1.0	-0.4	-0.7	-1.8
Adjustments	-	-	-	-3.7	-3.4	-3.6
Total	266.4	290.0	320.0	13.9	15.0	18.0

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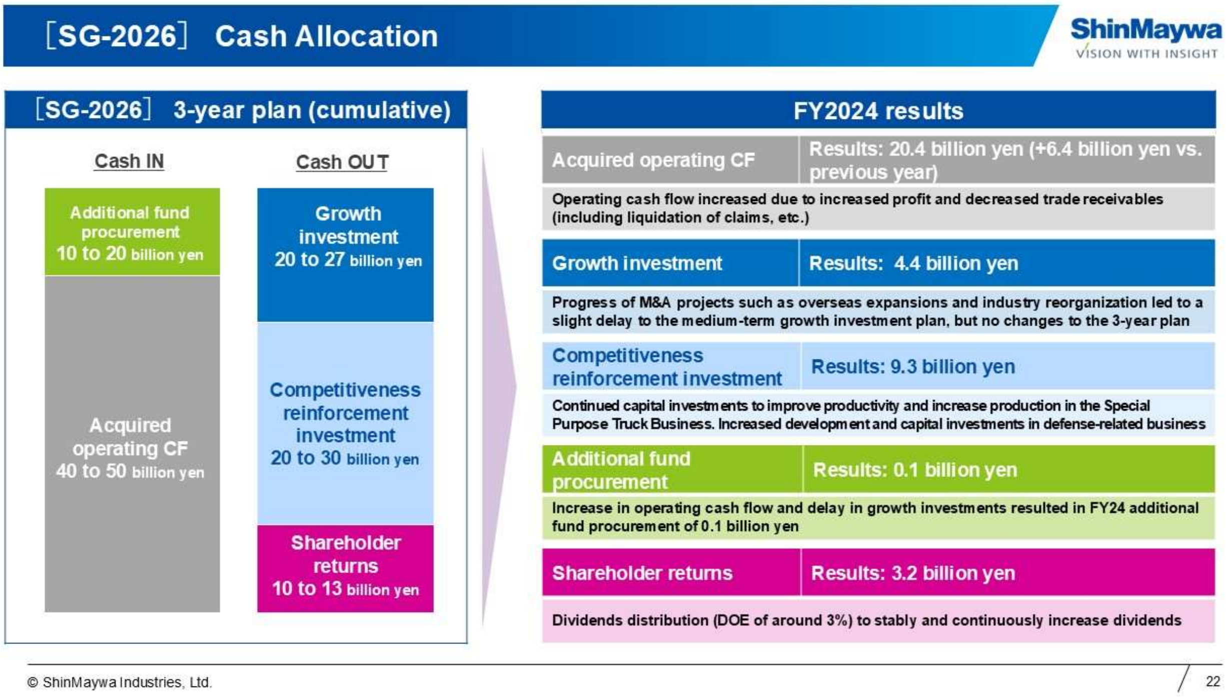
This table shows actual results and targets for the current and next fiscal year with respect to net sales and operating profit by business segment.

The business policies and business strategies of each segment to achieve our goals will be explained in detail in this presentation.



SG-2026, three-year cash allocations, and actual results for FY2024 are shown. The graph on the left side shows the planned cash in and cash out for SG-2026 and the three-year cumulative total. The results for FY2024 are shown on the right.

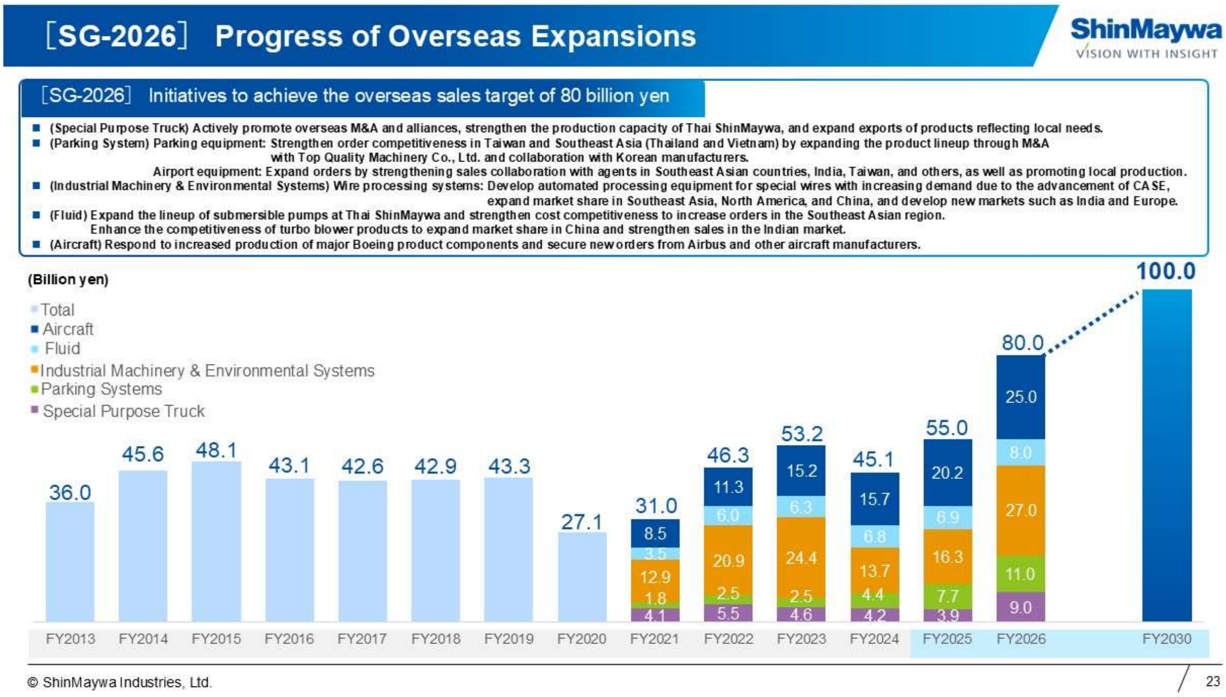
First, earned operating cash flow was JPY20.4 billion. Operating profit increased by JPY6.4 billion from the previous year due to an increase in operating profit as well as the liquidation of trade receivables.

Growth investments totaled JPY4.4 billion. We are considering investments, including mergers and acquisitions, aimed at expanding overseas operations and restructuring the industry in Japan, and there are no changes to our three-year medium-term plan.

Investments to strengthen competitiveness were JPY9.3 billion, almost in line with the plan. We continued to invest in production increase and productivity improvement in the special purpose truck business. In addition, development and capital expenditures related to defense-related businesses were increased.

As for additional financing, the increase in operating cash flow and investments in growth, such as M&As, were skewed toward the later stages of the medium-term management plan, resulting in almost no increase in interest-bearing debt of JPY00 million.

Shareholder return is JPY3.2 billion, and we will continue to aim for stable and continuous dividend increases with a target DOE of around 3%.



Next, I will explain the progress of our overseas expansion.

For FY2024, capital investment in the production of rechargeable batteries for automotive use stagnated on a global scale, resulting in a deterioration in the performance of vacuum in South Korea, which had previously performed well, and a significant decrease in overseas sales and operating profit.

SG-2026 sets an overseas sales target of JPY80 billion, and I would like to explain our current efforts to expand overseas sales in each segment.

In the special purpose truck business, we will aggressively pursue M&A opportunities with special purpose truck manufacturers and overseas special purpose truck manufacturers, aiming to achieve this within the medium-term management plan period.

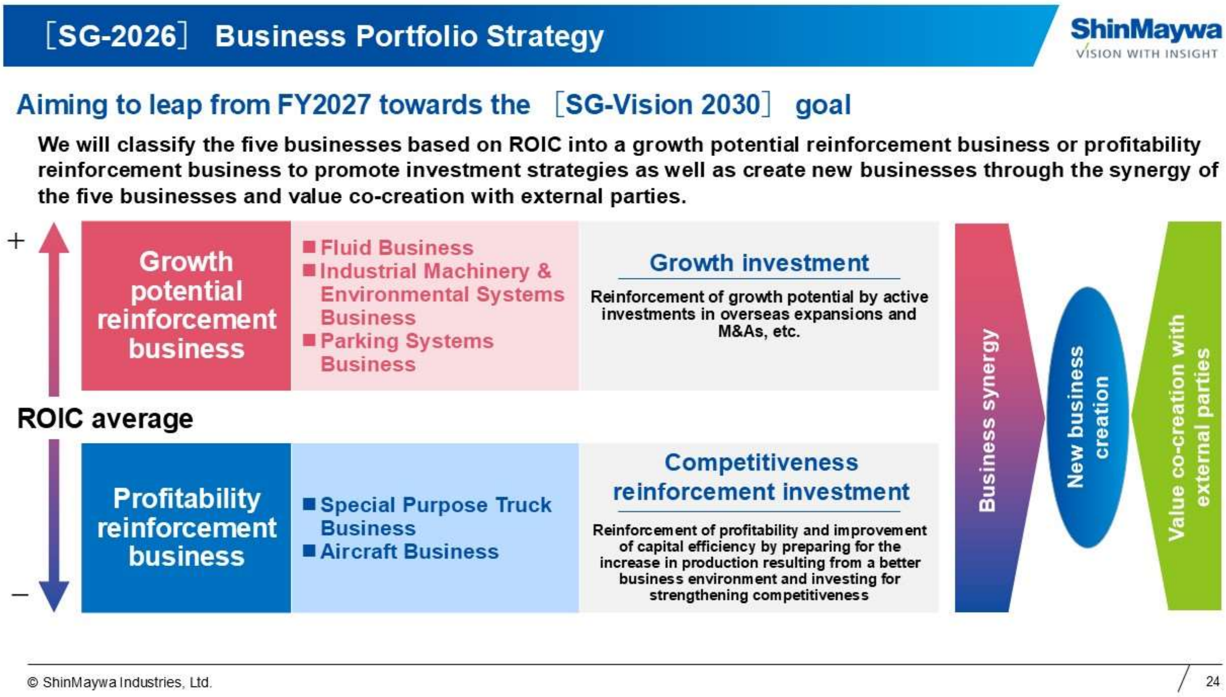
In parking systems, we executed M&A of a Taiwanese manufacturer of underground car parking systems. In parallel, we will expand orders for parking systems by signing a technical cooperation agreement with a South Korean manufacturer and expanding our product lineup in Taiwan and Southeast Asia.

For airport facilities and boarding bridges, we will strengthen our sales collaboration with distributors in Southeast Asian countries, India, Taiwan, and other countries, and promote local production in Vietnam and India, in addition to production bases in Singapore and Malaysia, to enhance our competitiveness.

Industrial machinery & environmental systems will develop automated processing equipment for the increasing number of CASE-compliant special wires to expand sales in global markets such as Southeast Asia, India, China, North America, and Europe.

Fluid will expand sales in Southeast Asia by strengthening the lineup of submersible pumps produced at Thai ShinMaywa and expand its share in the Chinese market and sales in India by strengthening the competitiveness of turbo blowers produced at our South Korean subsidiary, TurboMAX. Co., Ltd.

In aircraft, we expect to increase production of components for Boeing to strengthen our production capacity. We also aim to win new orders from other aircraft manufacturers, such as Airbus.



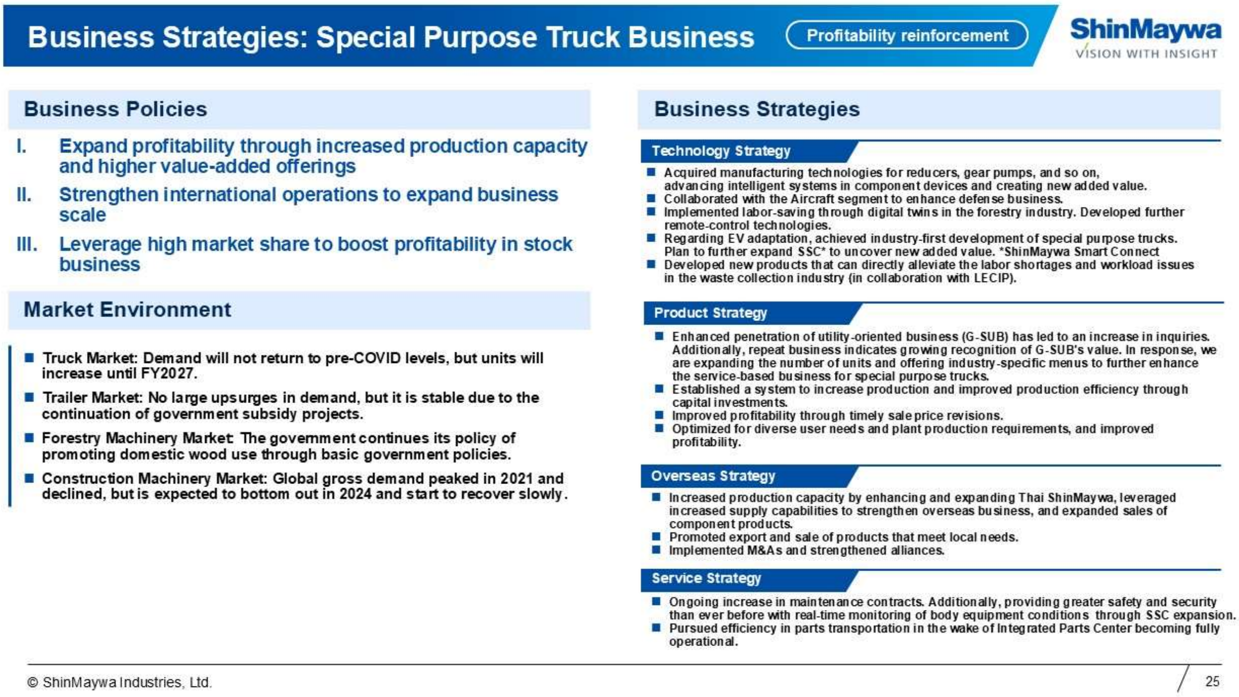
Next, I will explain our business portfolio strategy. To achieve SG-Vision 2030, five businesses and the current level of ROIC are classified as criteria.

We have designated fluid, industrial machinery & environmental systems, and parking systems, which have relatively high ROIC, as businesses that will enhance our growth potential, while maintaining high profitability through aggressive growth investments.

On the other hand, special purpose truck and aircraft are designated as profitability enhancing businesses and are focused on improving profitability, productivity, and capital efficiency to increase operating profit and profit margin.

In addition, we aim to create business synergies among the five segments, including defense-related businesses. Furthermore, through value co-creation activities with external parties, we will accelerate the development of new projects and new businesses, thereby promoting the optimization of our business portfolio.

We will now explain the business policy and progress of key business strategies for each segment in SG-2026.



First is the special purpose truck business.

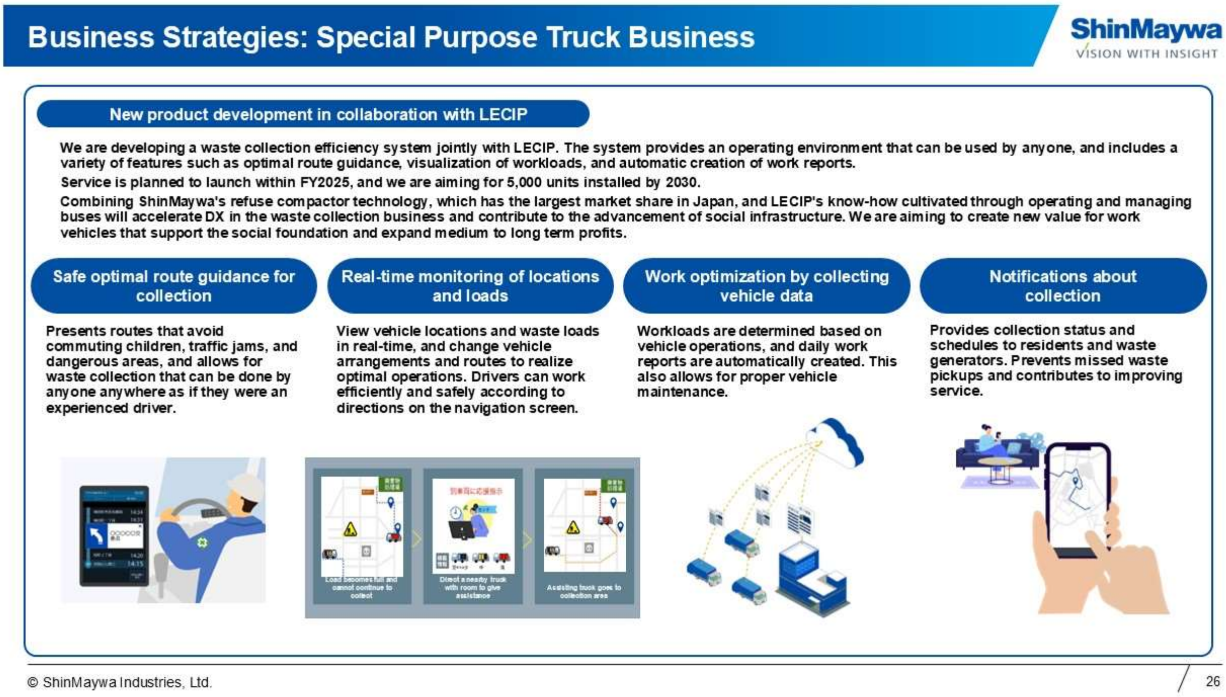
The business policies are: (1) Expanding profitability by increasing production capacity, including at group companies, and by adding more value to our products and services; (2) Expanding the scale of overseas operations; (3) Expanding the stock business in reflection of a high market share in Japan.

Regarding the market environment in the special purpose truck segment, truck production is expected to increase through FY2027. Environmental and logistics markets closely related to special purpose truck will remain strong. We also expect that the construction sector, which has been stagnant for the past several years, will see an increase in demand for renewal.

The trailer, forestry equipment, construction, and heavy equipment markets, which are related to group companies in the special purpose truck segment, are also expected to increase moderately and remain on a stable scale.

With regard to business strategy, in terms of technology strategy, the Company is working to reduce manpower by making elemental equipment more intelligent and utilizing digital twin of forestry machinery. In addition, we will work to utilize digital technology and strengthen EV readiness by expanding ShinMaywa SmartConnect, commonly known as SSC, a communication tool that uses a smartphone app to monitor the operational status of special purpose truck.

In terms of product strategy, the utility-providing business and the subscription service G-SUB were launched in 2020, and repeat business has been increasing in recent years. To expand the scale of business, we will increase the number of vehicles handled, mainly dust trucks, and expand the menu of vehicle types by industry.

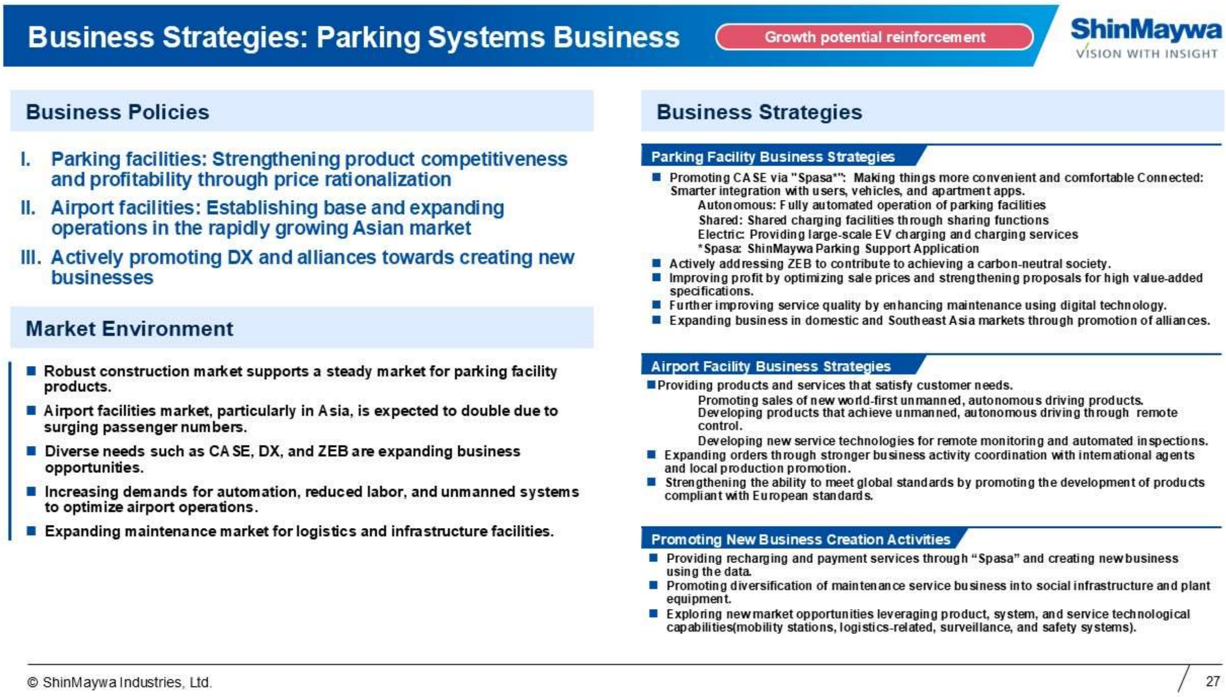


The special purpose truck segment is introducing a system for streamlining waste collection operations, which is being developed jointly with LECIP CORPORATION.

LECIP CORPORATION is a company that develops and sells equipment and systems related to bus operation support systems and also supports efficient bus operation management through the use of data. The development of this system will enable real-time understanding of the location and loading status of waste collection trucks, and guide trucks to safe and optimal collection routes, thereby improving the efficiency of waste collection operations.

The system also provides residents and waste generators with information on the status of collection and scheduled times to prevent late garbage disposals.

This service is scheduled to be launched within FY2025, with the goal of contracting for 5,000 waste collection trucks by 2030.



Next is the parking systems business.

The business policies are: (1) Expanding profitability by strengthening parking facilities and product competitiveness and optimizing prices; (2) Establishing a foundation and expand business in airport facilities and the rapidly growing Asian market; (3) Proceeding with DX for new business creation and proceeding with active promotion of alliances.

The market for parking facilities has been firm due to the firmness of the construction market for condominiums, buildings, etc. However, we will closely monitor future increases in prices of construction materials and labor costs, as well as interest rates, and revise prices in a timely manner.

With regard to the airport facilities market, boarding bridges, etc., we expect the market to continue to expand significantly, especially in Asia, due to the rapid increase in the number of passengers, including inbound travelers.

In terms of business strategy, with respect to the parking facilities business, Spasa began operations in April 2024. This is a mobile app for in/out reservations, support for charging large EVs, and other features to provide users with greater convenience and comfort, and to increase the installation rate and expand functional services with the aim of generating revenue from new parking lot services in addition to sales and maintenance of parking equipment.

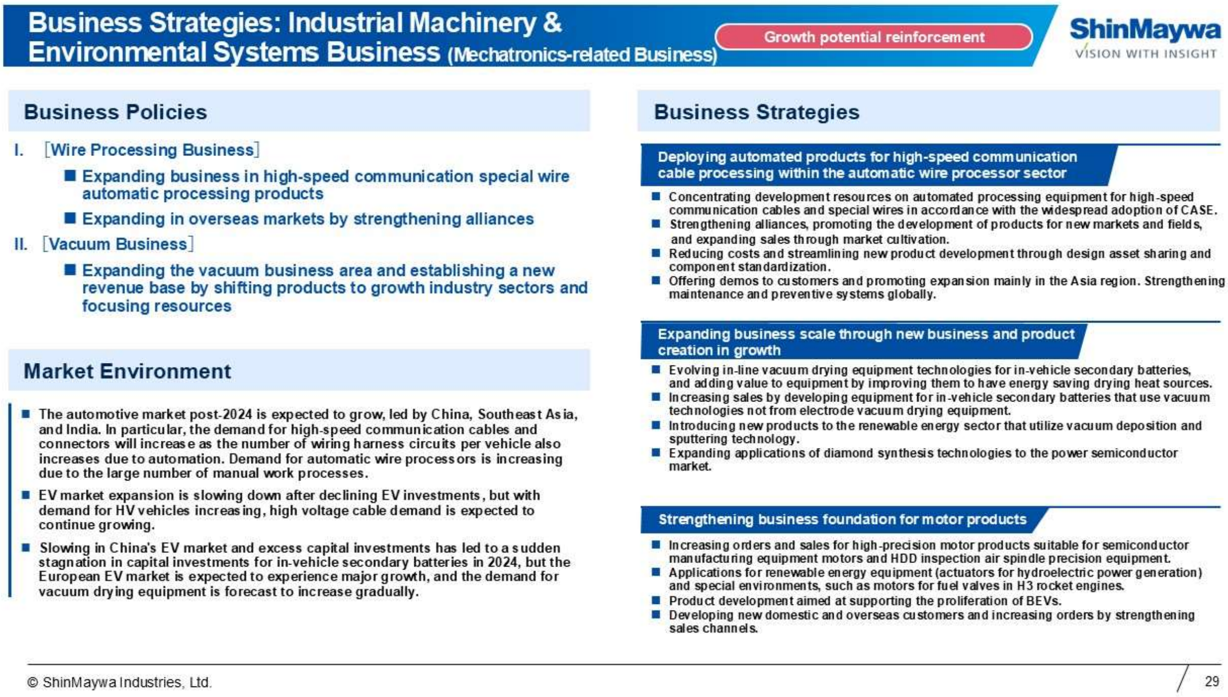
In the airport facilities business, we will continue to develop and provide products and services to meet customer needs, including the realization of unmanned and automated operation of aircraft passenger boarding bridges, as well as remote monitoring and automated inspection operations. In addition, we will strengthen our sales activities and develop our supply network in order to win orders for boarding bridges in the construction of airports, which are expanding significantly in Southeast Asia and India.

The parking facilities business plans to expand its overseas operations, targeting Taiwan and Southeast Asia. At the end of 2024, a Taiwanese subsidiary acquired a 60% stake in Top Quality Machinery Co.,LTD., a Taiwanese parking lot manufacturer. With this move, we added a new underground parking facility to out product lineup, the Company intends to strengthen its competitiveness and expand its market share in the Taiwanese market.

In March 2024, we signed a technical cooperation agreement with DONG YANG PARK, a South Korean mechanical parking lot manufacturer, and are proceeding with product development by integrating our product technologies.

Through this alliance with overseas parking equipment manufacturers, we will first aim to deliver the first unit to the counter-market and then develop and launch new products that are adapted to the local market.

We will continue to develop new products adapted to the markets of Southeast Asian countries and expand our parking systems business overseas.



Next is the mechatronics-related business of industrial machinery & environmental systems.

The business policies are: (1) In the wire processing business, expanding the business of automated processing products for high-speed communication cables and special wires, and strengthening alliances to expand sales in overseas markets; (2) In the vacuum business, expanding the vacuum business domain and establish a new revenue base by shifting products to growth industry fields such as automotive secondary batteries and power semiconductors and concentrating resources on development.

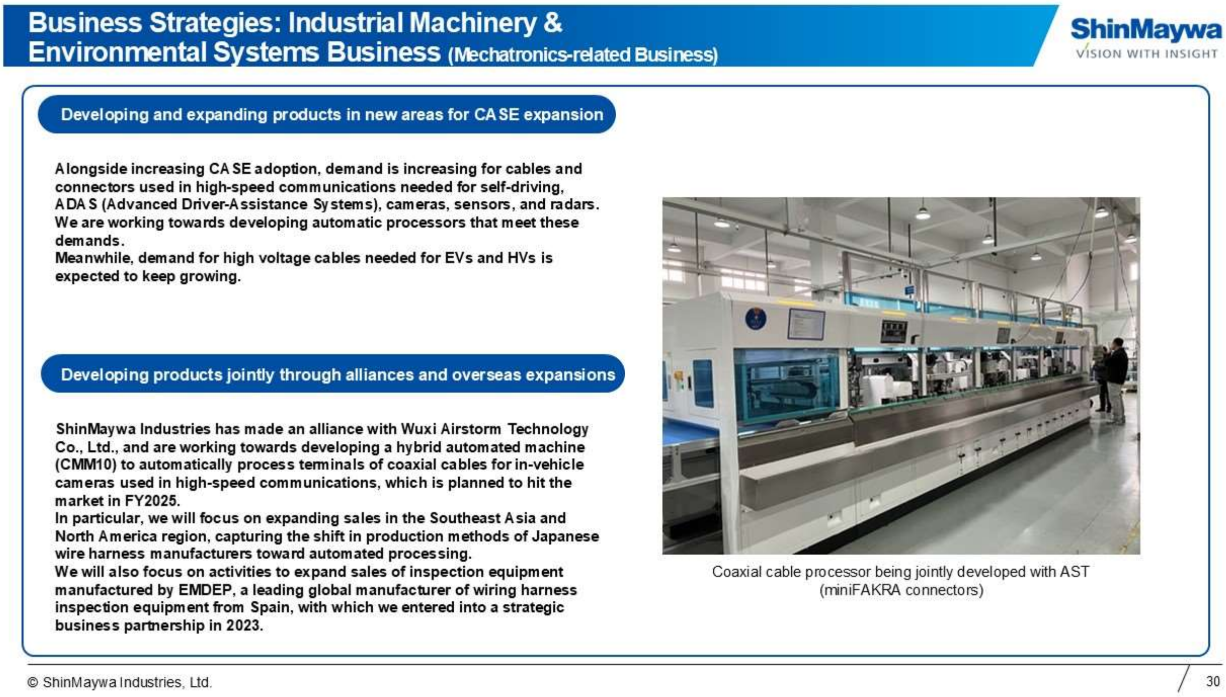
In the respective market environments, the automotive harness market saw an increase in the number of harness circuits per vehicle due to the progress of automated driving. In addition, demand for automatic wire processing machines is expected to increase as the need for automation of wire harness processing processes grows along with demand for high-speed communication cables and connectors.

Although the automotive rechargeable battery market related to the vacuum business has slowed sharply due to the slowdown in the Chinese EV market and excessive capital investment, we expect the EV market to expand mainly in the European region, and demand for vacuum drying systems is also expected to gradually recover.

Our business strategy is to concentrate on the development of new products for automatic wire processing equipment for high-speed communication cables and special wires, for which demand is expected to grow in the future.

In the vacuum business, we will work on in-line technology evolution and energy saving of vacuum drying systems for in-vehicle rechargeable batteries.

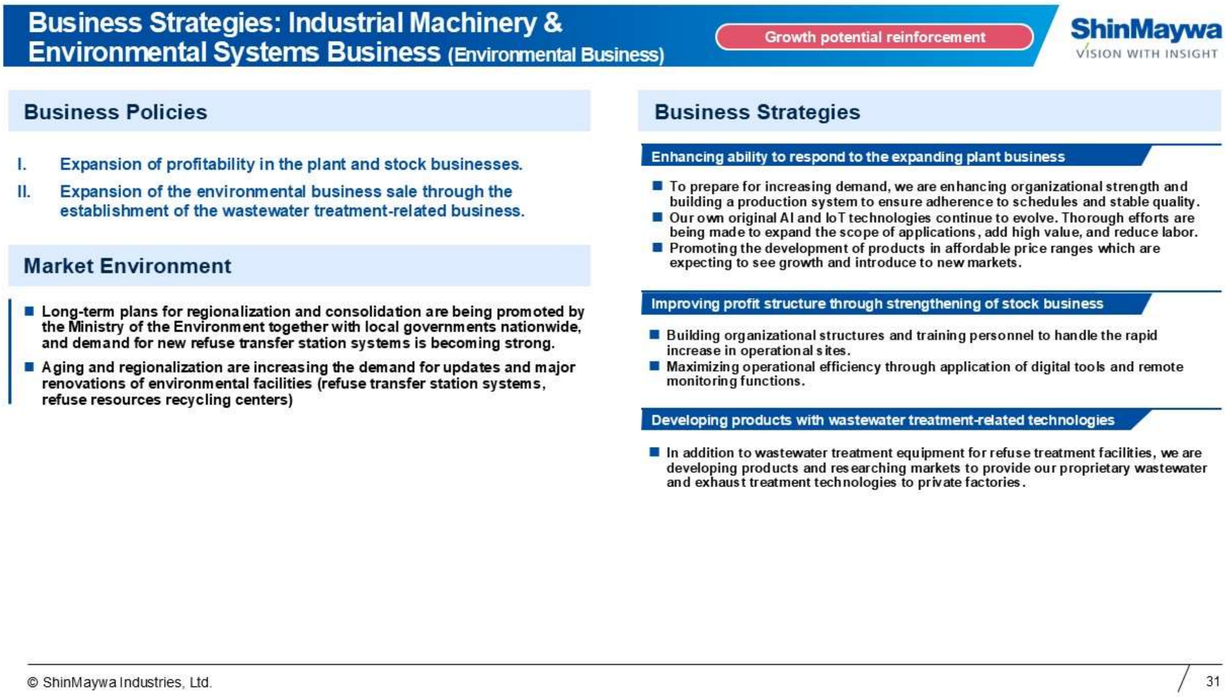
In addition, we will take on the challenge of developing other applications for the power semiconductor market that apply the diamond synthesis technology we have cultivated in our vacuum deposition systems.



I will now introduce the strengthening of alliances for overseas sales of automatic wire processing machines.

Currently, through an alliance with China's AST Group, we are working on the development of a complex automatic machine that automatically processes coaxial cables and other terminals for in-vehicle cameras compatible with high-speed communications, with plans to launch sales in the Chinese market in March 2026.

In addition, we will focus on sales expansion activities as a comprehensive manufacturer of wire harness equipment by adding inspection equipment manufactured by EMDEP, a leading global manufacturer of wire harness inspection equipment in Spain, with which we concluded a business alliance in 2023, to our product lineup.

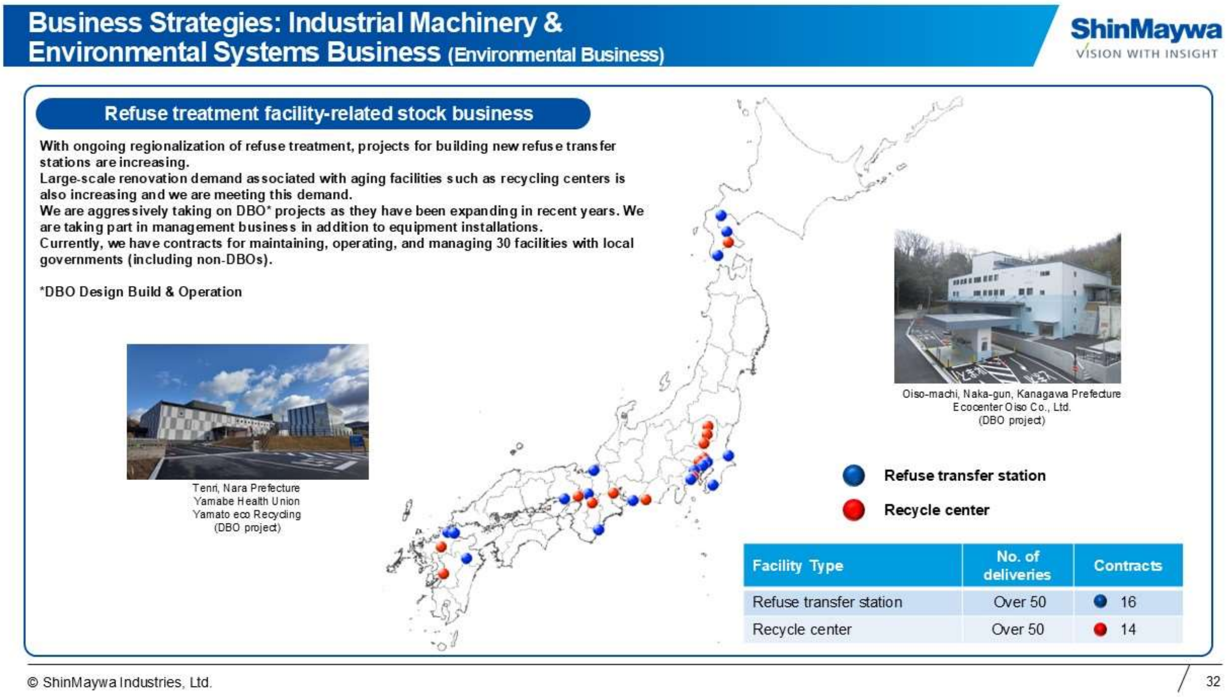


Next, I will introduce the environment-related business of industrial machinery & environmental systems.

The business policies are: (1) Expanding the profitability of the plant business, including domestic waste transfer stations and recycling centers, and the stock business, which is responsible for the operation and management of these facilities; (2) Expanding the scale of our environmental business by establishing wastewater treatment-related businesses.

The market environment is expected to remain firm for waste transfer facilities due to the long-term wide-area expansion and consolidation plan led by the Ministry of the Environment.

Our business strategy is to strengthen our organization and build a production system to respond to firm demand related to the plant business, and at the same time, we will strive to add higher value by utilizing digital technologies, such as IoT and AI image processing, to save manpower and labor in our facilities.



We are actively involved in DBO projects for waste transfer facilities and recycling centers.

The map in the center shows the facilities we currently operate and manage. Including transfer facilities and recycling centers, we are currently contracted to maintain and operate and manage 30 facilities.

Business Strategies: Fluid Business

Growth potential reinforcement

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Business Policies

I. Sustainable growth in core business (submersible pumps and water treatment equipment)
II. Continuous enhancement in competitiveness and service through improved productivity and new product development
III. New business creation and exploration of growth areas through alliances
IV. New value creation through co-creation with partners via DX

Market Environment

- Rainwater: Increase in demand for torrential rain and flooding measures for national resilience
- Sewage: Enhancement of carbon neutrality and energy self-sufficiency in sewage treatment facilities. Expansion of the need for manpower reduction due to lack of workers and public-private partnership projects.
- Private demand: Increase in demand for energy saving products to address decarbonization and rising energy prices
- Overseas: Increased demand for water infrastructure provision in underserved sewage regions (such as Asia). Despite expansion of demands for renovations in established sewage regions of North America, impact of additional U.S. tariffs is a concern.

Business Strategies

Rainwater Management Market Strategy

- Expansion of sales in the torrential rain and flooding measures sector through core products and technologies.
- Strengthening of the engineering framework through focused resource investment.

Sewage Market Strategy

- Continued introduction of high value-added and energy-saving products to increase sales volume.
- Strengthening of response to public-private partnership projects, and deployment of after-sales services and DX solution products contributing to sustainable sewage infrastructure.

Private Demand Market Strategy

- Expansion of sales volume of high value-added and energy-saving products that contribute to reducing environmental impact of private plants.

Overseas Business Strategy

- Increasing presence through continual introduction of high value-added and energy-saving products to markets.
- Dramatically increasing profit and enhancing competitiveness by switching to in-house manufacturing of key components.

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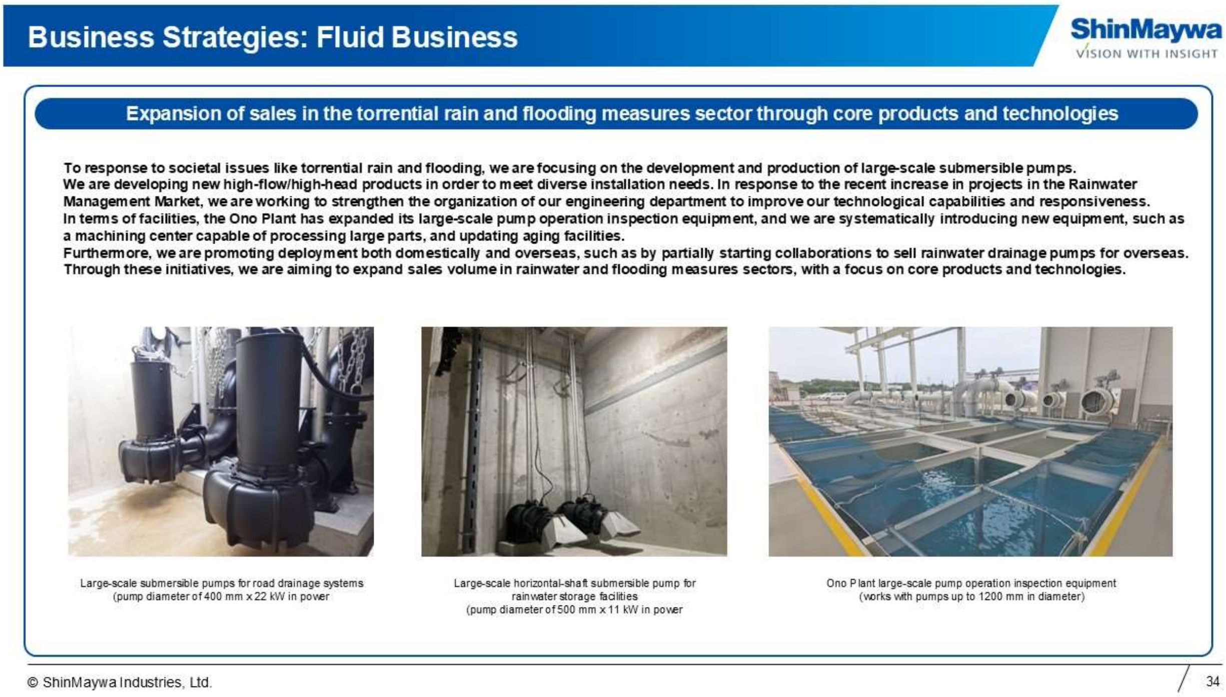
Moving on to the fluid business.

The business policies are: (1) Promoting sustainable growth of core businesses such as submersible pumps and water treatment-related equipment; (2) Promoting sustainable enhancement of competitiveness and service capabilities through productivity improvement and new product development; (3) Developing growth areas through new business creation and alliances; (4) Promoting new value creation through co-created DX in collaboration with partners.

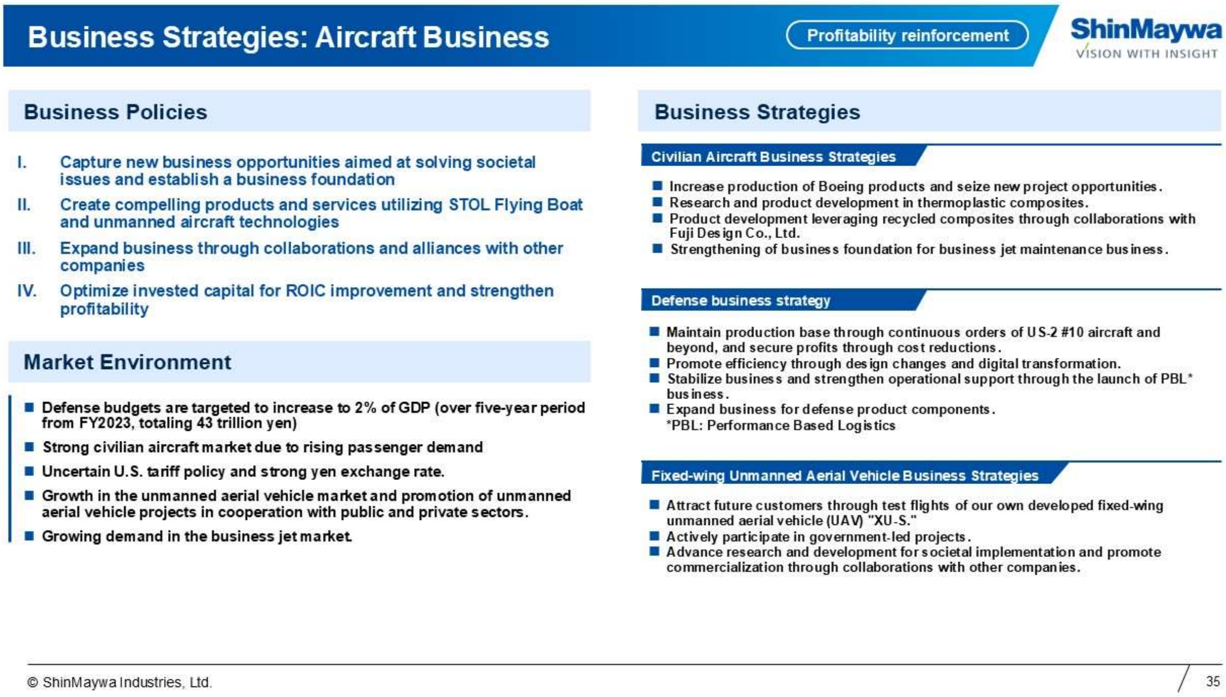
In the market environment, in terms of public demand, we have a strategy for drainage pump facilities for heavy rain and flood control. In private demand, we have a strategy for the response to decarbonization. Overseas, we expect steady growth in both Asia and North America due to firm demand for new sewage systems in Asia and renewal of sewage facilities in North America, respectively.

The business strategy is to strengthen the engineering structure to increase the scale of sales in the field of heavy rain and flood control in Japan. We will strengthen our response to public-private partnership projects to contribute to the realization of sustainable sewage infrastructure and provide after-sales service and DX solutions using digital technology.



We are engaged in the development and manufacture of large submersible pumps to solve the social issue of countermeasures against heavy rainfall and flooding. We are developing new high-flow, high-head type products to meet diverse installation needs. In response to the recent increase in the number of rain water control projects, we are focusing on strengthening the organization of our engineering department.

At the Ono Plant, capital investments were also made, including the introduction of a new machining center and a new large test water tank.



The last business segment to be introduced is the aircraft business.

The business policies are: (1) Acquiring new businesses to solve social issues and establish a business foundation; (2) Creating products and services utilizing amphibian and unmanned aircraft technology; (3) Expanding business through collaboration and alliances with other companies; (4) Optimizing invested capital and strengthening profitability to improve ROIC.

The market environment is expected to remain firm, with an increase in the defense budget and rising demand in the civil aircraft market due to increased passenger demand; however, the full impact of the Trump tariffs is not fully foreseeable at this time.

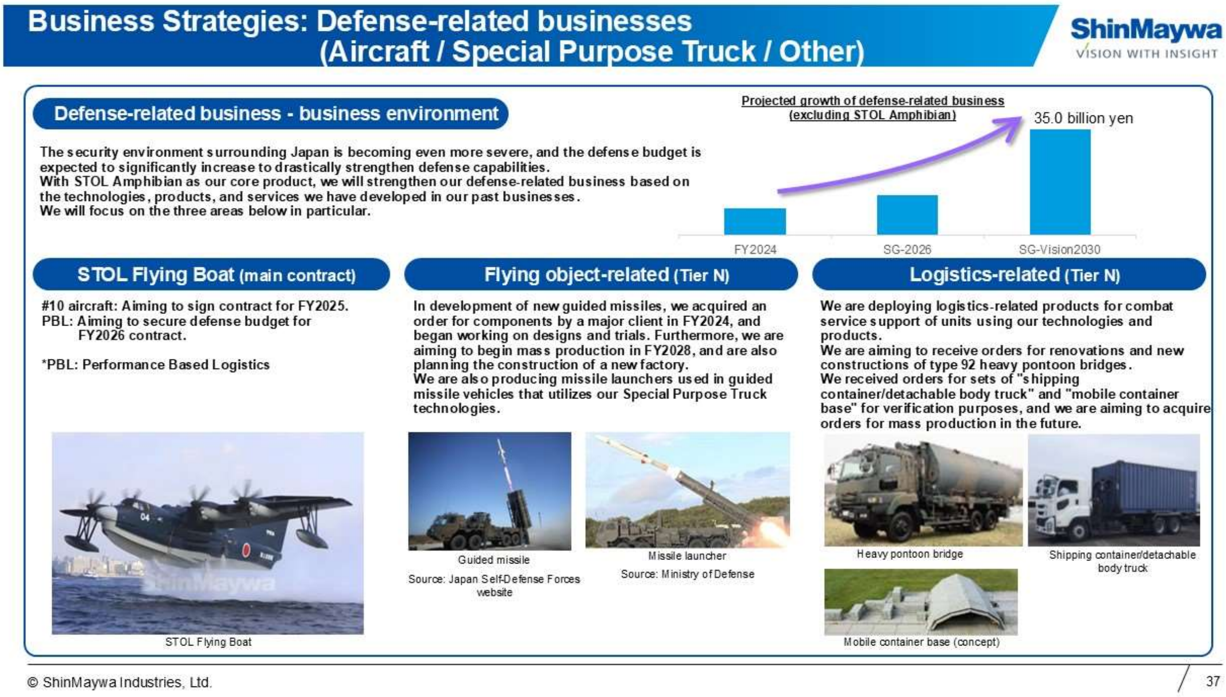
Our business strategy is to enhance profitability in the commercial aircraft business by strengthening production capacity and implementing cost reductions in order to respond to the future increase in production of Boeing aircraft, while also focusing on acquiring other new projects.

In the defense industry, we will continue to win orders for US-2 machine 10 and beyond, maintain our production base, and secure earnings through cost reductions. In addition, we will launch a PBL business to stabilize our business.

We would like to introduce our new business in the aircraft segment, business jet maintenance business.

With an eye on the ever-expanding business jet market, in February 2024 we established a new company, JAMS Co., Ltd., jointly with Marubeni Aerospace Corporation, to perform airframe maintenance for business jets, and in April of the same year we launched an airframe maintenance business based at Central Japan International Airport.

In FY2025, the Company will acquire certified workplaces, maintain commercial and government-owned aircraft, provide ground handling services, and parts support, as well as provide maintenance support for flying vehicles.



Finally, we would like to introduce our defense-related business initiatives.

Amid rising geopolitical risks, the government is strengthening its defense equipment. In order to respond to this, we plan to strengthen our efforts in the defense-related business, not only in the aircraft segment, but also in all of our businesses, including special purpose truck and other group companies.

In addition to the US-2 STOL search and rescue amphibians, of which we are the main contractor, we will strengthen alliances and proposal activities with main contractors and invest in facilities for mass production in the future in areas such as the flight vehicle and logistics, aiming for defense-related business, excluding US-related business, of about JPY35 billion in FY2030. Also, we aim to achieve a scale of around JPY50 billion with inclusion of US-2-related manufacturing and maintenance PBL.

These are the business policies and key business strategies for each segment in SG-2026 and more. This is the end of the explanation of the materials.

On March 25, 2025, the Company received a cease-and-desist order and surcharge payment order from the Japan Fair Trade Commission under the Antimonopoly Act in connection with the sale of mechanical parking equipment. We sincerely apologize for any concern this matter may have caused. In response to this order, the suspension of nominations from local governments nationwide has been announced one after another. Although there are concerns about the impact on orders received due to future obstacles to sales activities, we will work to achieve our targets for both FY2025 and FY2026, the final year of the medium-term management plan, without making any changes to the targets.

Last but not least, we were able to exceed our forecasts for FY2024. As the first year of the medium-term management plan, SG-2026, we can say that it is off to a good start. ROE was 8.2%, and the Company aims to achieve 10% in FY2026, the final year of the medium-term management plan.

This will enable us to exceed P/B ratio of 1 time and meet the expectations of our shareholders and investors.

This concludes our report on the financial results for FY2024 and the progress of our medium-term management plan, SG-2026. Thank you very much for your attention.

[END]

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Document Notes

1. *Portions of the document where the audio is unclear are marked with [inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
4. *This document has been translated by SCRIPTS Asia.*