ShinMaywa Industries, Ltd.

IR Briefing for FY2025

May 20, 2026

Event Summary

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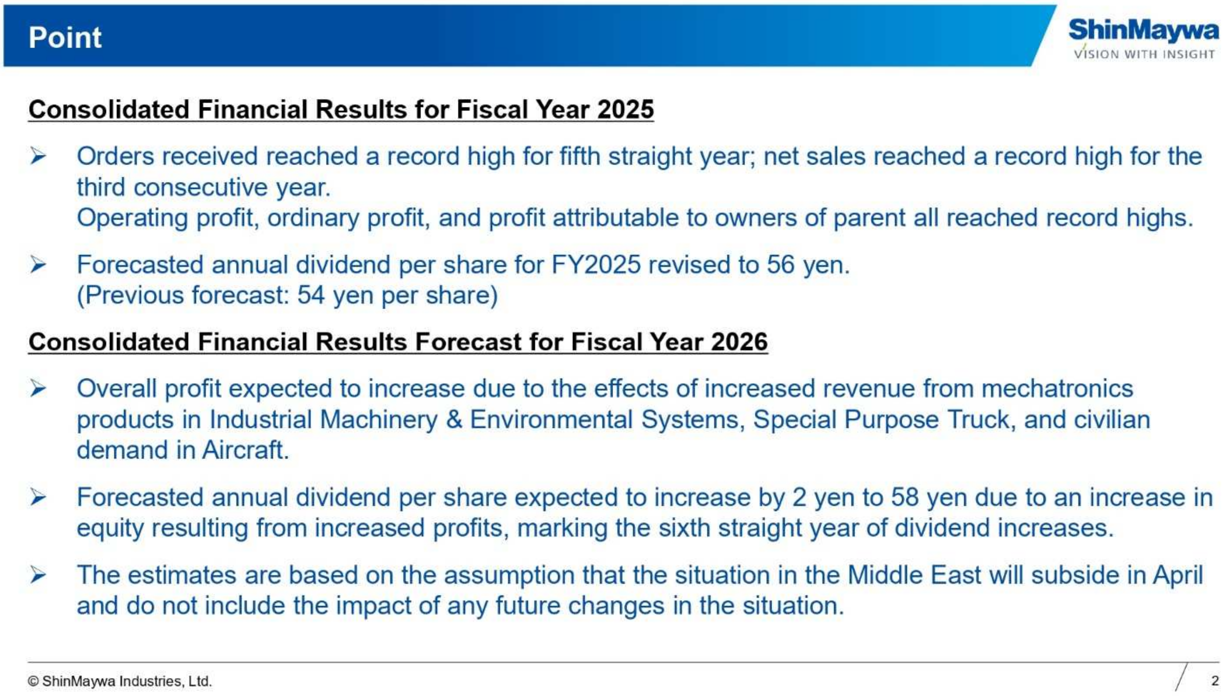
[Venue Size]		
[Participants]		
[Number of Speakers]	6	
	Takashi Kunihara	President and Chief Executive Officer
	Toshiki Kume	Director, Member of the Board, Senior Managing Executive Officer
	Kyosuke Nakano	Managing Executive Officer
	Takeshi Masuda	Managing Executive Officer
	Hiroaki Konishi	Managing Executive Officer
	Yasutaka Matsumoto	Executive Officer, General Counsel

Presentation



Kume: I'm Kume of ShinMaywa Industries. Thank you very much for taking time out of your busy schedule to attend our briefing today. I will now present the financial results.

First, I'll present the financial results for the fiscal year ended March 2026. The key points of the consolidated financial results for the fiscal year ended March 2026 and the financial results forecast for the fiscal year ending March 2027 are as shown here.

First, regarding financial results, orders received and net sales reached record highs for the fifth consecutive year and for the third consecutive year, respectively. In addition, each of the profit items of operating profit, ordinary profit, and profit attributable to owners of parent also reached record highs.

With respect to the dividend forecast, we have revised the annual forecast to JPY56 per share, an increase of JPY2 per share, based on the comprehensive consideration of our business performance, financial position and other factors.

As for the forecast for the fiscal year ending March 2027, we expect a profit increase due to an anticipated increase in revenue from mechatronics products in industrial machinery and environmental systems, as well as more revenue from special purpose trucks and those related to civilian demand in aircraft.

Due to the increase in equity capital resulting from higher profit, the annual dividend forecast per share is expected to increase by JPY2 to JPY58, which would be the sixth consecutive year of dividend increase.

As for the impact the situation in the Middle East may cast, we made calculation considering only the amount of impact that was caused up until April. Therefore, we did not factor in the impact of any future changes in the situation.

Summary of Consolidated Financial Results for FY2025

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(Millions of yen)

	FY2024 (Results)	FY2025		Change (Rate of change)			
		Forecast	Results	Year-on-year change		Compared with forecast	
Orders received	291,499	320,000	327,046	+35,546	(+12.2%)	+7,046	(+2.2%)
Net sales	266,441	281,000	285,024	+18,583	(+7.0%)	+4,024	(+1.4%)
Operating profit	13,970	15,000	16,329	+2,359	(+16.9%)	+1,329	(+8.9%)
Ordinary profit	13,536	13,200	16,324	+2,787	(+20.6%)	+3,124	(+23.7%)
Profit attributable to owners of parent	8,957	9,200	11,507	+2,549	(+28.5%)	+2,307	(+25.1%)
Order backlog	318,778	357,778	360,826	+42,047	(+13.2%)	+3,047	(+0.9%)
ROE	8.2%	–	9.7%	+1.5pt	–	–	–
ROIC*	6.0%	–	6.7%	+0.7pt	–	–	–
Exchange rate (USD 1)	152.1 yen	145.0 yen	151.1 yen				

Year-on-year change

Orders received

- Orders received increased in all segments except the Industrial Machinery & Environmental Systems segment, and increased overall.
- Highest orders received on record for fifth straight year.

Net sales

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

Profits

- Profits increased due to an increase in revenue.
- Operating profit, ordinary profit, and profit attributable to owners of parent all reached record highs.

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

Now, we dive into the details. Here you can see a table comparing each of the main performance figures for the fiscal year ended March 2026 with those of the previous fiscal year.

Orders received totaled JPY327 billion, up 12.2% YoY, and net sales totaled JPY285 billion, up 7% YoY. As explained in the previous slide, orders received and net sales reached record highs for the fifth and third consecutive years, respectively.

Now, we move on to each of the profit items. Boosted by increased revenue, operating profit was up 16.9% YoY to JPY16.3 billion, ordinary profit was up 20.6% to JPY16.3 billion, and profit attributable to owners of parent was up 28.5% to JPY11.5 billion, all of which were record highs.

The order backlog increased by 13.2% to JPY360.8 billion, as orders continue to exceed sales against the backdrop of favorable market conditions. ROE increased 1.5 percentage points to 9.7% due to an increase in profit attributable to owners of parent. ROIC also increased 0.7 percentage points to 6.7% due to higher operating profit.

The Company estimates the cost of shareholders’ equity to be approximately 7% and the weighted average cost of capital to be about 5%.

Consolidated Financial Results for FY2025 by Segment

(Billions of yen)

Segment	Orders received			Net sales			Operating profit		
	FY2024	FY2025	Change	FY2024	FY2025	Change	FY2024	FY2025	Change
Special Purpose Truck	122.5	128.3	+5.8	108.2	117.5	+9.3	4.8	6.1	+1.2
Parking Systems	44.1	45.1	+1.0	45.7	50.7	+4.9	3.3	4.9	+1.5
Industrial Machinery & Environmental Systems	36.4	33.6	-2.8	33.2	27.3	-5.9	2.2	0.5	-1.6
Fluid	28.6	30.6	+1.9	27.5	29.9	+2.4	4.3	4.6	+0.2
Aircraft	42.8	66.0	+23.1	33.7	41.5	+7.8	1.9	2.5	+0.6
Others	16.7	23.1	+6.3	18.0	17.8	-0.1	1.4	1.5	+0
Adjustments	–	–	–	–	–	–	-4.2	-4.1	+0.1
Total	291.4	327.0	+35.5	266.4	285.0	+18.5	13.9	16.3	+2.3

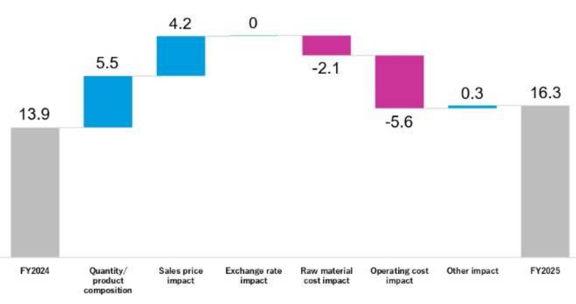
Orders received, net sales, and operating profit by segment are shown here. We will later explain the factors that had positive and negative impacts YoY by segment.

Consolidated Financial Results for FY2025 Details of Profit Increases and Decreases (Year-on-Year)

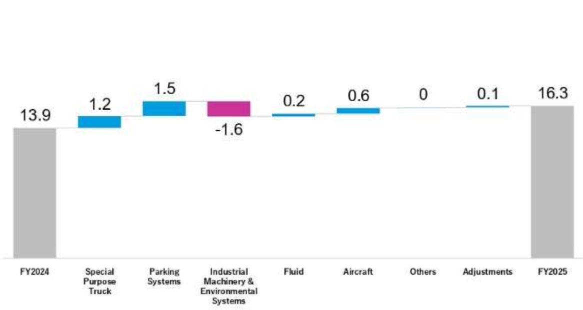
By factor Although there were negative factors such as an increase of 5.6 billion yen in operating costs (labor costs, etc.) and an increase of 2.1 billion yen in raw material costs, profit increased overall, driven by an increase of 5.5 billion yen from quantity/product composition, and the impact of price revisions, mainly in Special Purpose Truck, amounting to 4.2 billion yen.

By business Overall profit increased due to an increase of 1.5 billion yen in Parking Systems from higher revenues and an increase of 1.2 billion yen in Special Purpose Truck driven by price revision effects, despite a decrease of 1.6 billion yen in Industrial Machinery & Environmental Systems resulting from lower profits from mechatronics products.

FY2025 Year-on-year By factor (Billions of yen)



FY2025 Year-on-year By business (Billions of yen)



Here you can see the positive and negative impacts on profit by factor and business segment.

Although there were negative factors on profit, such as a JPY5.6 billion increase in operating costs, including labor costs, etc., and a JPY2.1 billion increase in raw material costs, overall profit increased by JPY2.3 billion due to factors such as a JPY5.5 billion increase in profit due to differences in quantity/product composition and a JPY4.2 billion effect of selling price revisions, mainly for special purpose trucks.

In terms of business segments, all segments except for industrial machinery and environmental systems reported increased profits. Although industrial machinery and environmental systems added a profit decrease of JPY1.6 billion, profit increased by JPY1.5 billion due to increased sales in the parking systems segment and by JPY1.2 billion mainly due to the effect of selling price revision in the special purpose truck segment.

Consolidated Balance Sheets / Consolidated Statements of Cash Flows

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Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026	Change
Cash and deposits	28,474	36,057	+7,583
Trade receivables	85,469	95,003	+9,533
Inventories	61,941	63,885	+1,943
Total fixed assets	52,448	55,896	+3,448
Other assets	38,108	45,212	+7,104
Total assets	266,443	296,056	+29,612
Trade payables	31,302	45,212	+13,909
Interest-bearing debt	51,198	48,960	-2,238
Other liabilities	70,875	76,196	+5,320
Total liabilities	153,377	170,369	+16,992
Equity	112,027	124,881	+12,853
Other net assets	1,039	805	-233
Total net assets	113,066	125,687	+12,620
Total liabilities and net assets	266,443	296,056	+29,612

Equity-to-asset ratio (%)	42.0	42.2
Net D/E ratio (Times)	0.20	0.10

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2024	FY2025	Change
Cash flows from operating activities	20,499	24,364	+3,864
Cash flows from investing activities	-10,806	-10,571	+235
Free cash flows	9,693	13,793	+4,099
Cash flows from financing activities	-5,115	-6,259	-1,143

 6

The following are the consolidated balance sheets and consolidated statements of cash flows.

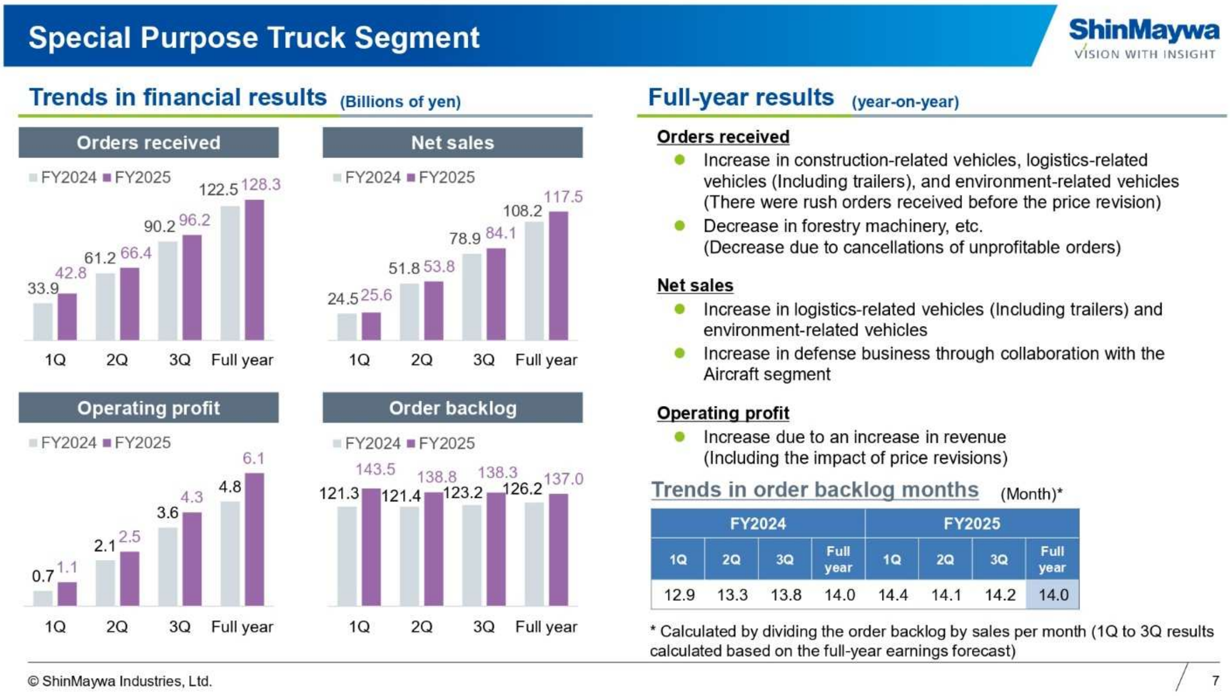
Assets as of the end of March 2026 totaled JPY296 billion, a JPY29.6 billion increase YoY, mainly due to higher trade receivables and inventories, as well as more property, plant, and equipment. Total liabilities increased by JPY16.9 billion YoY to JPY170.3 billion, mainly due to higher trade payables and contract liabilities, despite a decrease in interest-bearing debt.

Net assets increased by JPY12.6 billion YoY to JPY125.6 billion, mainly due to the recording of profit attributable to owners of parent, despite a decrease due to dividend payments.

As a result of these, the equity ratio rose to 42.2% from 42% at the end of the previous fiscal year, and the net D/E ratio declined to 0.1 from 0.2. As I will explain later in the section on shareholder returns, we believe that an equity ratio of 40% or more and a net D/E ratio of 0.5 or less are appropriate for our business structure, and we have secured a certain level of financial soundness.

As for the consolidated statement of cash flows, cash flows from operating activities amounted to JPY24.3 billion, mainly due to the recording of net income before adjustments including taxes, as well as higher trade payables.

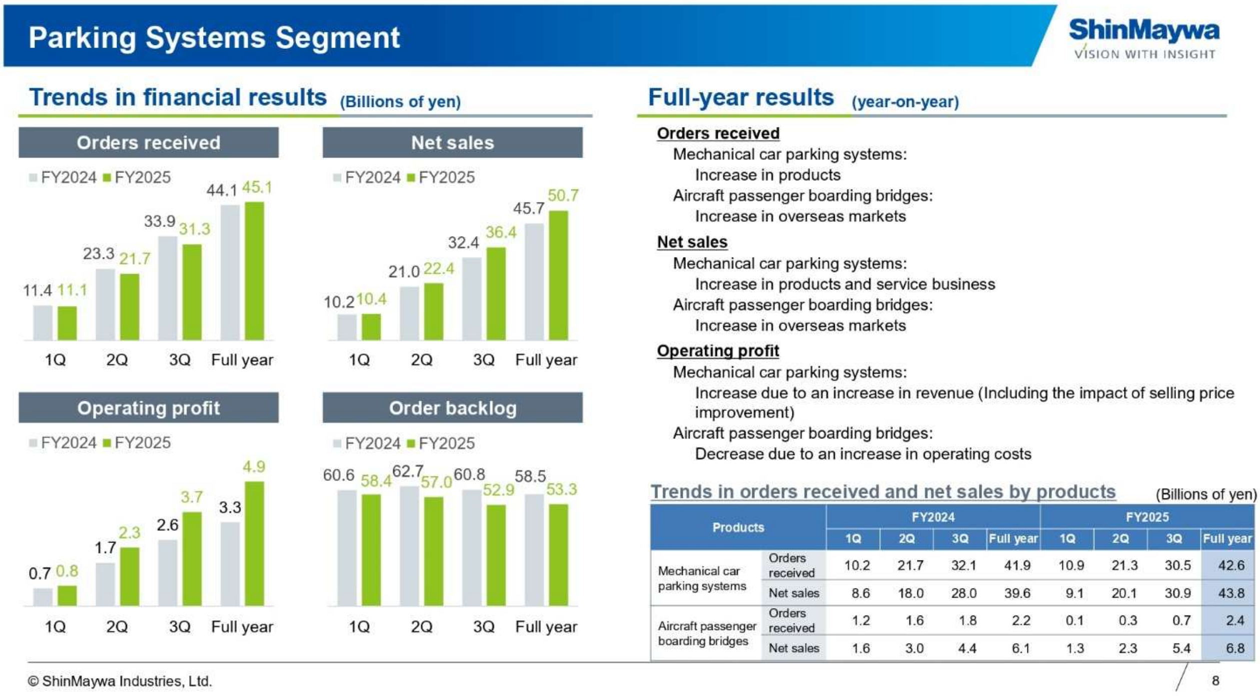
Cash outflows from investing activities was JPY10.5 billion, mainly for the acquisition of fixed assets, and free cash flow generated as a result of these was JPY13.7 billion. Cash outflows from financing activities amounted to JPY6.2 billion, mainly due to dividend payments and repayment of interest-bearing debt.



I will now explain the results of the fiscal year ended March 2026 by segment compared to the previous fiscal year. First is the special-purpose truck segment.

As for orders received, those for Iwafuji Industrial, which handles forestry machinery, decreased due to the cancellation of unprofitable projects. However, orders received overall increased due to expansion in vehicles related to construction, logistics, and environment, as a result of rush orders following price revisions.

Net sales increased mainly due to expansion in vehicles related to logistics and environment sectors, as well as the defense business, which also resulted in higher operating income. The order backlog continues to remain high, with a 14-month backlog as of the end of the fiscal year ended March 2026.



Products		FY2024				FY2025			
		1Q	2Q	3Q	Full year	1Q	2Q	3Q	Full year
Mechanical car parking systems	Orders received	10.2	21.7	32.1	41.9	10.9	21.3	30.5	42.6
	Net sales	8.6	18.0	28.0	39.6	9.1	20.1	30.9	43.8
Aircraft passenger boarding bridges	Orders received	1.2	1.6	1.8	2.2	0.1	0.3	0.7	2.4
	Net sales	1.6	3.0	4.4	6.1	1.3	2.3	5.4	6.8

Next is the parking systems segment.

Orders received increased overall due to higher orders for products in mechanical car parking systems, as well as increased overseas orders for boarding bridges for aircraft passengers compared to the previous fiscal year. Overall net sales increased due to growth in product and service business in mechanical car parking systems, as well as overseas increase in aircraft passenger boarding bridges, which also led to an increase in operating profit.

Industrial Machinery & Environmental Systems Segment

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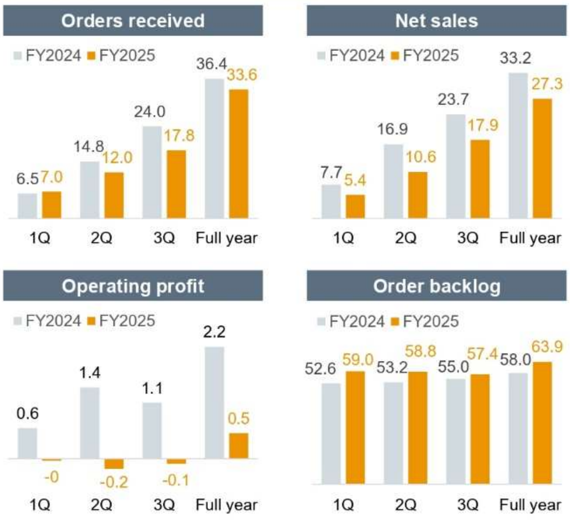
Trends in financial results (Billions of yen)



Full-year results (year-on-year)

Orders received
Mechatronics products:
Increase in vacuum products
Decrease in automatic wire processors
Environment- related business:
Decrease in plant projects

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

Operating profit
Mechatronics products:
Decrease due to a decrease in revenue
Environment- related business:
Increase due to profit improvement at consolidated subsidiaries

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

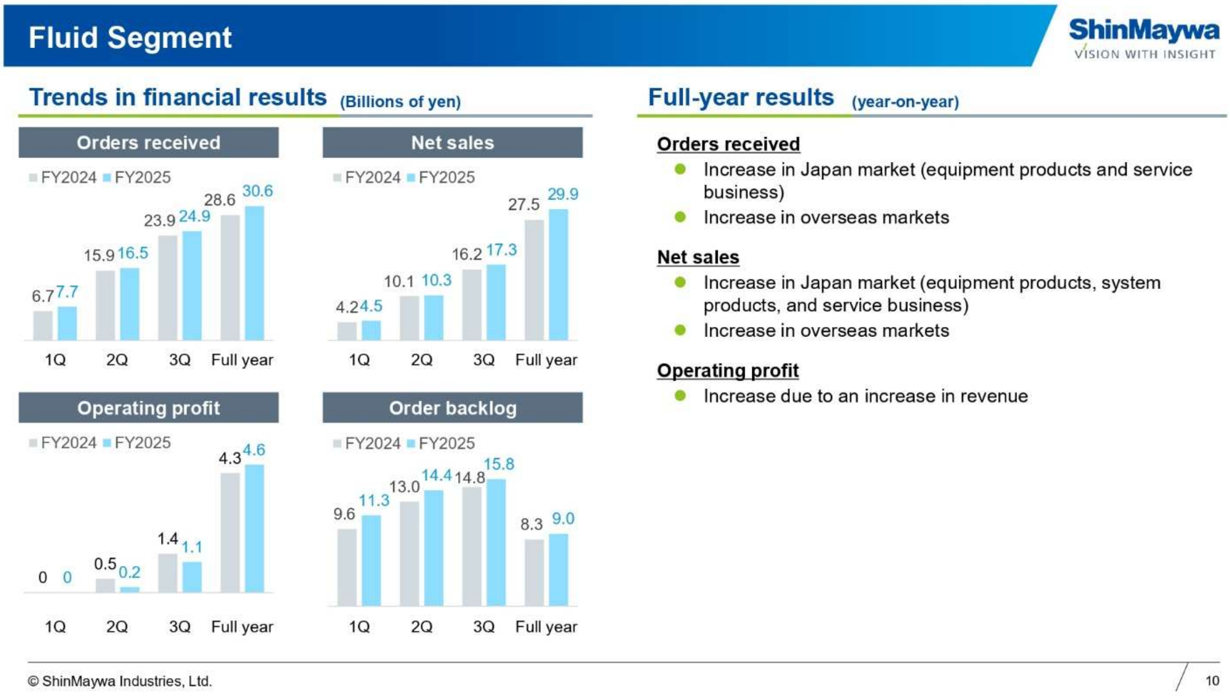
Sub-segment		FY2024				FY2025			
		1Q	2Q	3Q	Full year	1Q	2Q	3Q	Full year
Mechatronics products	Orders received	2.6	6.8	9.3	13.4	2.1	5.8	10.2	16.9
	Net sales	4.4	10.1	13.2	16.8	2.9	5.6	9.6	14.1
Environment-related business	Orders received	3.9	8.0	14.7	23.0	4.8	6.2	7.6	16.6
	Net sales	3.3	6.8	10.4	16.3	2.4	5.0	8.3	13.2

Next is the segment of industrial machinery and environmental systems.

Although orders received for mechatronics products exceeded those of the previous fiscal year due to higher orders for vacuum drying equipment, orders received for environment-related business decreased from the previous fiscal year, in which we received large-lot orders for plant projects, resulting in an overall decrease in orders received.

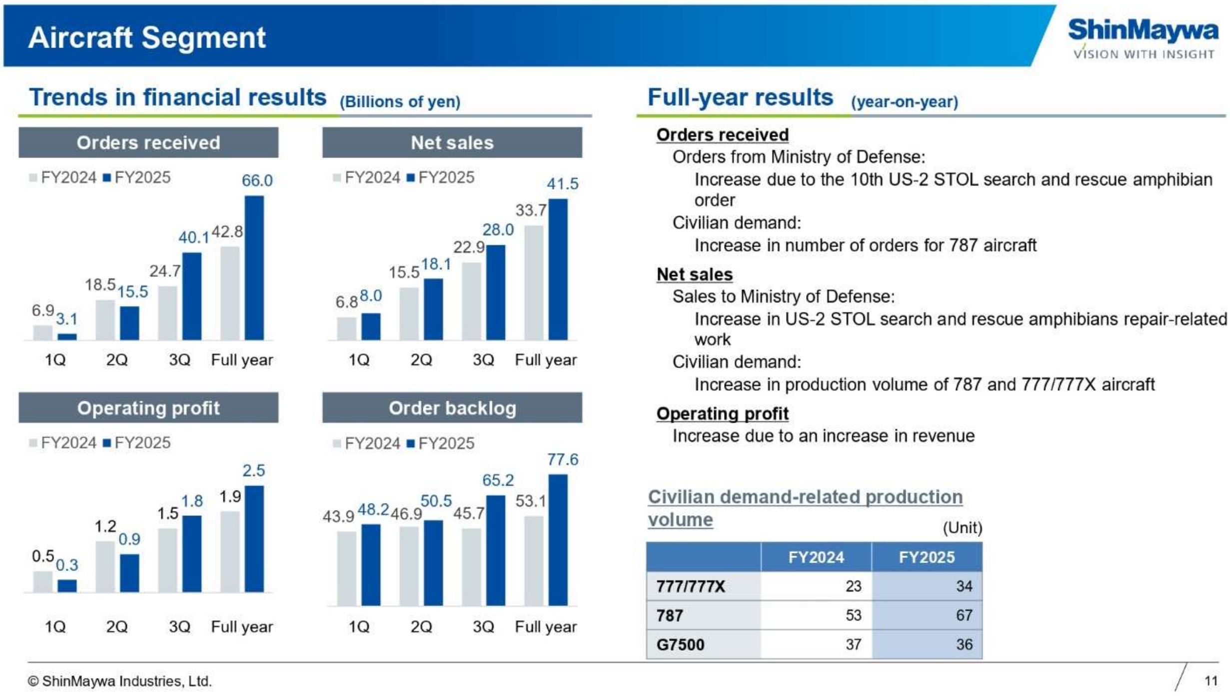
Net sales overall decreased due to lower sales of vacuum drying equipment in mechatronics products, as well as decreased sales from plant projects in the environment-related segment.

Despite increased profit in the environment-related business, the overall operating profit decreased due to lower profit from mechatronic products, resulting from lower revenue.



Next is the fluid segment.

Orders received increased overall due to strong demand in Japan, which saw an increase mainly in equipment products, including pumps and service business. The overseas markets performed well as well. Backed by strong orders, net sales increased in Japan in equipment products, system products, and service business. Overseas markets also saw an increase. As a result, net sales went up overall, which in turn led to growth in operating profit.



The last is aircraft segment.

Orders received increased significantly due to an order for the 10th US-2 STOL search and rescue amphibian from the Ministry of Defense. As for civilian demand, orders also exceeded those of the previous year for components for Boeing's 787. As a result, orders received increased overall.

Overall net sales increased due to larger repair-related work for US-2 STOL search and rescue amphibians for the Ministry of Defense, as well as increased production volume of components for Boeing's 787 and 777/777X.

Summary of Consolidated Financial Results Forecast for FY2026

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(Millions of yen)

	FY2025 (Results)	FY2026[*1] (Forecast)	Change (Rate of change)	
Orders received	327,046	329,700	+2,653	(+0.8%)
Net sales	285,024	312,400	+27,375	(+9.6%)
Operating profit	16,329	17,000	+670	(+4.1%)
Ordinary profit	16,324	15,500	-824	(-5.0%)
Profit attributable to owners of parent	11,507	10,500	-1,007	(-8.8%)
Order backlog	360,826	378,126	+17,300	(+4.8%)
Annual dividend per share	56 yen	58 yen	+2 yen	–
DOE[*2]	3.1%	3.0%	-0.1pt	–
Exchange rate (USD 1)	151.1 yen	150.0 yen[*3]		

Year-on-year

Orders received

- Orders received are expected to increase in the Parking Systems and Industrial Machinery & Environmental Systems segments, and reach a record high for the sixth consecutive year.

Net sales

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

Profits

- Operating profit expected to reach record highs, driven by profit increases resulting from an increase in revenue.
- On the other hand, ordinary profit and profit attributable to owners of parent are expected to decrease due to a decline in foreign exchange gains and an increase in income taxes.

Exchange rate sensitivity (FY2026)

Each one- yen of depreciation against the U.S. dollar increases operating profit by approximately 80 million yen.

*1 The estimates are based on the assumption that the situation in the Middle East will subside in April and do not include the impact of any future changes in the situation.
*2 DOE = Dividend per share / average of equity per share at the beginning and end of the period
*3 The exchange rate of FY2026 forecast is the assumed exchange rate applicable in and after May.

Now, I'd like to explain our forecast for consolidated financial results for the fiscal year ending March 2027. Here is a chart comparing the forecast for the fiscal year ending March 2027, which we announced this time, with the results of the fiscal year ended March 2026.

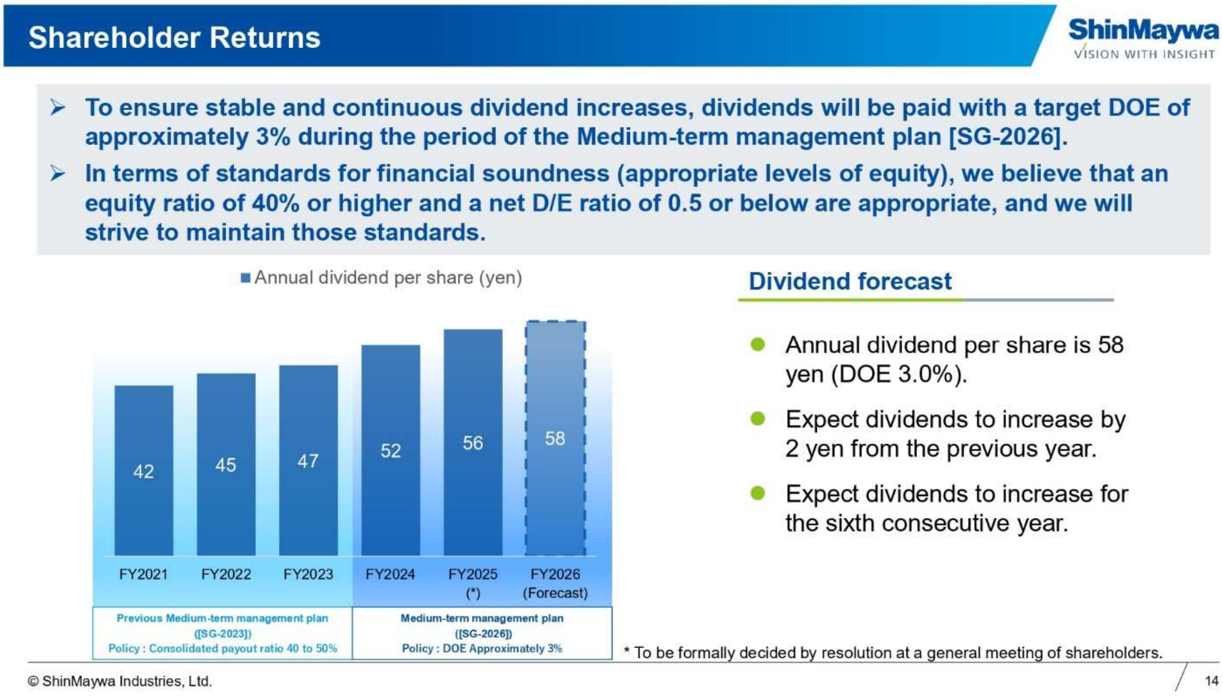
Orders received are expected to reach JPY329.7 billion, an increase of 0.8% YoY overall, and a record high for the sixth consecutive year, due to higher orders for parking systems as well as industrial machinery and environmental systems.

With net sales increasing in all segments except fluid, overall net sales are expected to reach JPY312.4 billion, up 9.6% YoY, reaching a record high for the fourth consecutive year and surpassing the JPY300 billion mark for the first time.

Operating profit is estimated to reach a record high of JPY17 billion, up 4.1% YoY due to higher revenue. However, due to a decrease in foreign exchange gains and an increase in tax expenses, ordinary profit is expected to decrease 5% YoY to JPY15.5 billion, and profit attributable to owners of parent is estimated to decrease 8.8% YoY to JPY10.5 billion.

This forecast is based on the exchange rate of JPY150 per US dollar. As for the sensitivity of the entire company to exchange rate, a depreciation of JPY1 against the US dollar is expected to have the effect of increasing operating profit by JPY80 million.

As explained at the beginning, the impact the situation in the Middle East may cast has been calculated considering only the amount of impact that was caused up until April. We did not factor in the effects of any future changes in the situation.



Shareholder returns for the fiscal year ending March 2027 are as follows.

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

Also, to use as the standards of financial soundness, we consider an appropriate equity ratio to be 40% or more and an appropriate net D/E ratio to be 0.5 or less. Therefore, we will strive to maintain them at these levels.

For the current fiscal year, we plan to increase the annual dividend per share by JPY2 YoY to JPY58, which will be the sixth consecutive year of dividend increase.

Business Environment for FY2026 (Reportable Segments)

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Segment	Outlook (Excluding the impact of the situation in the Middle East)
Special Purpose Truck	➢ The order backlog following price revisions for orders received since July of the previous fiscal year will be recognized as sales in earnest starting from the second half of the current fiscal year, and net sales are expected to increase. ➢ Although there are cost-increasing factors such as labor costs and depreciation, profit is expected to increase due to growth in production volume and the steady realization of the effects of price revisions.
Parking Systems	➢ In mechanical car parking systems, both new installations and the service business are expected to remain firm. Although expenses such as labor costs are expected to increase compared to the previous fiscal year, profit is expected to remain firm due to factors such as the effects of improved selling prices. ➢ The market for aircraft passenger boarding bridges, which had declined due to the COVID-19 pandemic, is recovering. Orders received, net sales, and operating profit are all expected to increase compared to the previous fiscal year.
Industrial Machinery & Environmental Systems	➢ In the mechatronics business, although vacuum products are sluggish due to a slowdown in the North American EV market, we are working to expand orders from customers in regions such as Europe and India, and orders received, net sales, and operating profit are all expected to improve compared with the previous fiscal year. For automatic wire processors, we also anticipate an easing of restrained capital investment by customers, and orders received, net sales, and operating profit are all expected to increase compared to the previous fiscal year. ➢ In the environment-related business, both orders received and net sales are expected to increase as demand remains firm. On the other hand, operating profit is expected to decrease due such factors as a decline in the profit margin caused by the project mix and an increase in labor costs.
Fluid	➢ In the domestic business, while there are concerns over a decline in sales of system products, the heavy rain disaster market is on an expanding trend, and demand is expected to remain firm, especially for drainage pumps. ➢ The overseas business is also expected to remain firm.
Aircraft	➢ Orders from the Ministry of Defense are expected to decrease compared to the previous fiscal year when an order for the 10th US-2 STOL search and rescue amphibian was received. Net sales are also expected to decrease due to factors such as a decline in US-2 overhauls and components for anti-submarine patrol aircraft and transport aircraft. However, the profit margin is expected to improve due to factors such as the effects of improved selling prices. ➢ In business related to civilian demand, orders received and production volume of components for Boeing 787 and 777X are expected to increase.

Here is a table showing the business environment of our group for each segment for the fiscal year ending March 2027.

The impact of the situation in the Middle East has not been factored into our business environment forecast, as there are many uncertainties regarding future changes in the situation and its impact on our business performance.

Sales of special-purpose trucks are expected to increase as the backlog of orders received since July of the previous fiscal year, after price revision, will start to be fully booked in H2 of the current fiscal year. Profits are also expected to increase due to higher production volume and the steady reaping of the effects gained from the revision of selling prices, although there are some cost-increasing factors such as labor costs and depreciation expenses.

In parking systems, mechanical car parking systems are to continue performing well in both new product installation and service business. Compared to the previous fiscal year, expenses such as labor costs are expected to be higher, but profits are estimated to be firm due to the effect of improved selling prices, among other factors.

In addition, as for aircraft passenger boarding bridges, the markets that declined during the Covid-19 pandemic are on a recovery trend, and orders received, net sales, and operating profit are all expected to increase YoY.

In the industrial machinery and environmental systems business, orders received, net sales, and operating profit are all expected to improve YoY as we are working to expand orders from customers in regions including Europe and India, even though vacuum products from the mechatronics segment have been sluggish due to the slowdown in the North American EV market. In addition, as for automatic wire processors, we are expecting the easing of suppressed capital investment by customers. Hence, orders received, net sales, and operating profit are all expected to increase YoY.

In addition, in the environment-related business, demand remains strong, and both orders received and sales are expected to increase, but operating profit is expected to decrease due to deteriorating profit margins caused by project mix and higher labor costs.

As for the fluid segment, while there are concerns about a decline in sales of system products in the domestic market, the market for rain disaster countermeasures is expanding, and demand is expected to remain strong, especially for drainage pumps. Overseas-related businesses are also expected to remain steady.

In the aircraft business, orders from the Ministry of Defense are expected to decrease compared to the previous fiscal year, in which we received an order for the 10th US-2 STOL search and rescue amphibian. Sales are also expected to decrease due to fewer US-2 overhauls as well as a decrease in components for anti-submarine patrol aircraft and transport aircraft, but the profit margin is expected to improve due to the effect of improved selling prices, among other factors.

In the area related to civilian demand, the number of orders and production volume of components for Boeing 787 and 777X are both expected to increase.

Consolidated Financial Results Forecast for FY2026 by Segment (Year-on-year)

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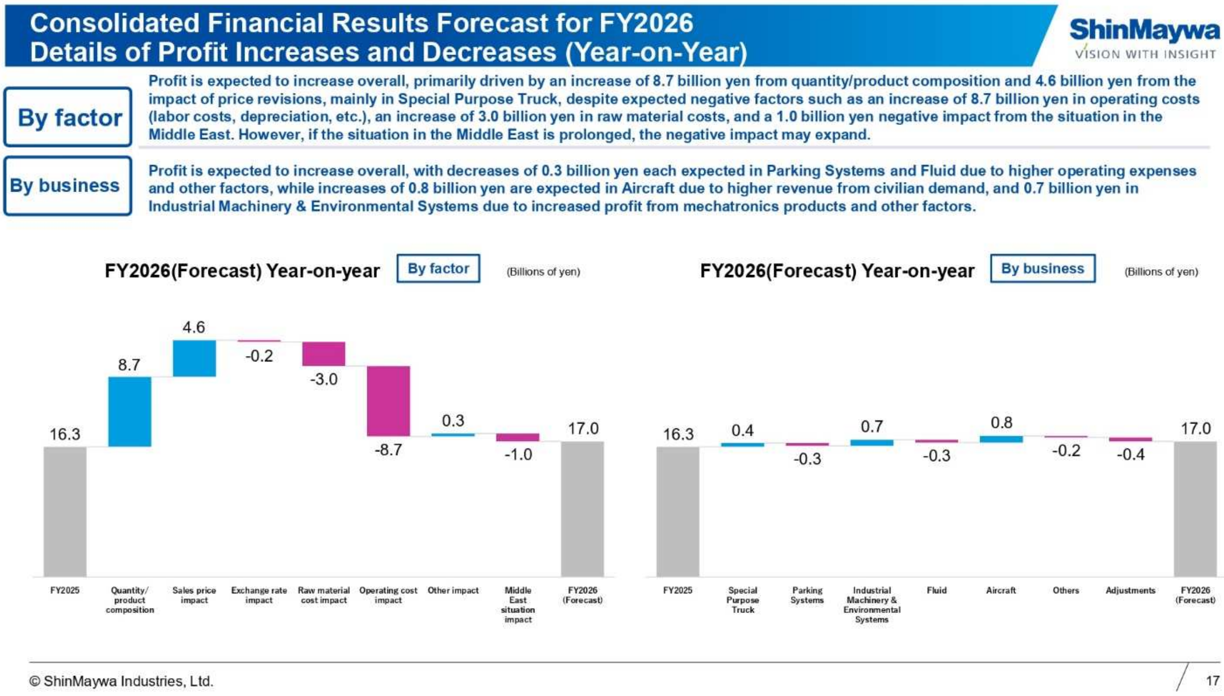
(Billions of yen)

Segment	Orders received			Net sales			Operating profit		
	FY2025 (Results)	FY2026 (Forecast)	Change	FY2025 (Results)	FY2026 (Forecast)	Change	FY2025 (Results)	FY2026 (Forecast)	Change
Special Purpose Truck	128.3	116.1	-12.2	117.5	124.4	+6.8	6.1	6.6	+0.4
Parking Systems	45.1	67.0	+21.8	50.7	55.0	+4.2	4.9	4.5	-0.3
Industrial Machinery & Environmental Systems	33.6	37.2	+3.5	27.3	38.4	+11.0	0.5	1.3	+0.7
Fluid	30.6	29.3	-1.3	29.9	29.0	-0.9	4.6	4.3	-0.3
Aircraft	66.0	61.1	-4.9	41.5	45.9	+4.3	2.5	3.4	+0.8
Others	23.1	18.9	-4.2	17.8	19.6	+1.8	1.5	1.3	-0.2
Adjustments	–	–	–	–	–	–	-4.1	-4.6	-0.4
Total	327.0	329.7	+2.6	285.0	312.4	+27.3	16.3	17.0	+0.6

16

The forecast for each segment's orders received, net sales, and operating profit for the full fiscal year that I explained just now is shown here. As for the main factors that could increase or decrease our figures YoY, orders received are expected to increase by JPY2.6 billion to JPY329.7 billion, thanks to an increase in parking systems, as well as industrial machinery and environmental systems.

Overall sales are expected to increase by JPY27.3 billion to JPY312.4 billion due to an anticipated increase in revenue in all segments other than the fluid segment. Operating profit is expected to increase by JPY600 million to JPY17 billion.



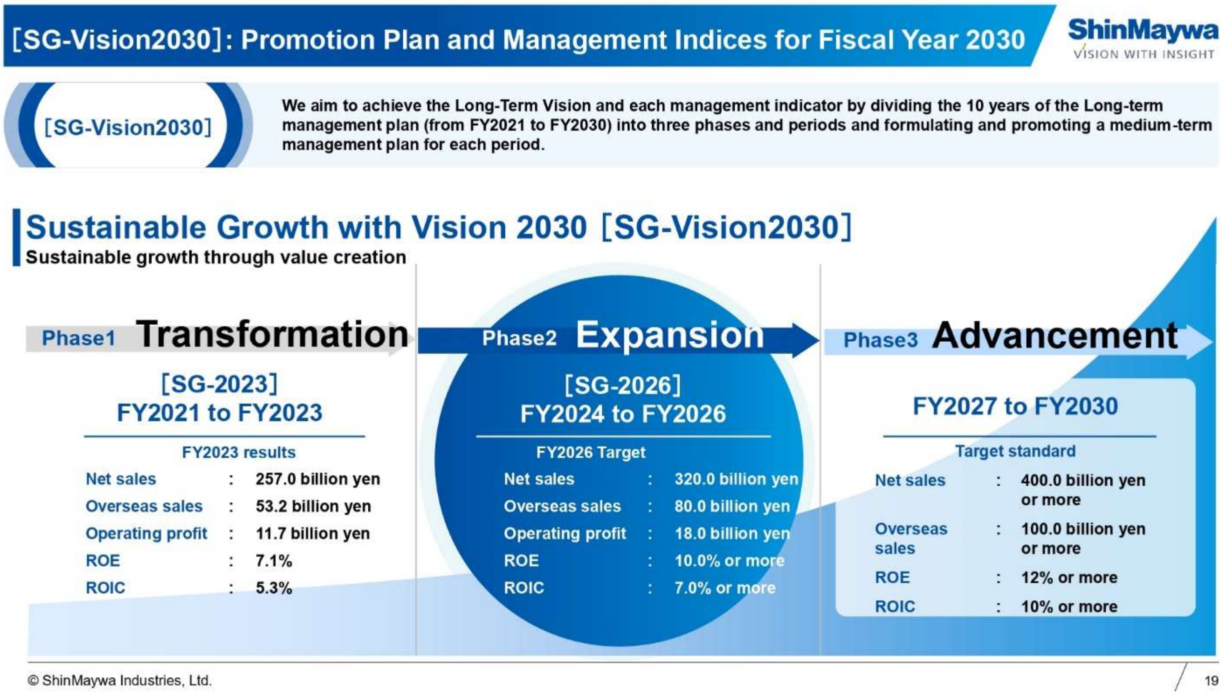
Finally, I will explain positive and negative impacts on profit by factor and business segment.

Although there are factors that may decrease profits such as a JPY8.7 billion increase in operating costs including labor and depreciation costs and a JPY3 billion increase in raw material costs, as well as a JPY1 billion impact caused by the situation in Middle East, the overall profit is expected to increase by JPY600 million due to factors such as a JPY8.7 billion increase in profit due to differences in quantity/product composition and a JPY4.6 billion effect of sales price revisions, mainly among special purpose trucks.

As mentioned earlier, if the situation in the Middle East prolongs, the negative impact on profit may increase, and we will continue to monitor the changes in the situation and its impact on our business performance.

By business segment, we expect a decrease of JPY300 million each in parking systems and fluid due to an increase in operating costs, etc. However, we expect a profit increase of JPY800 million in aircraft due to higher revenue related to civilian demand, as well as a profit increase of JPY700 million in industrial machinery and environmental systems, mainly due to higher profits from mechatronics products.

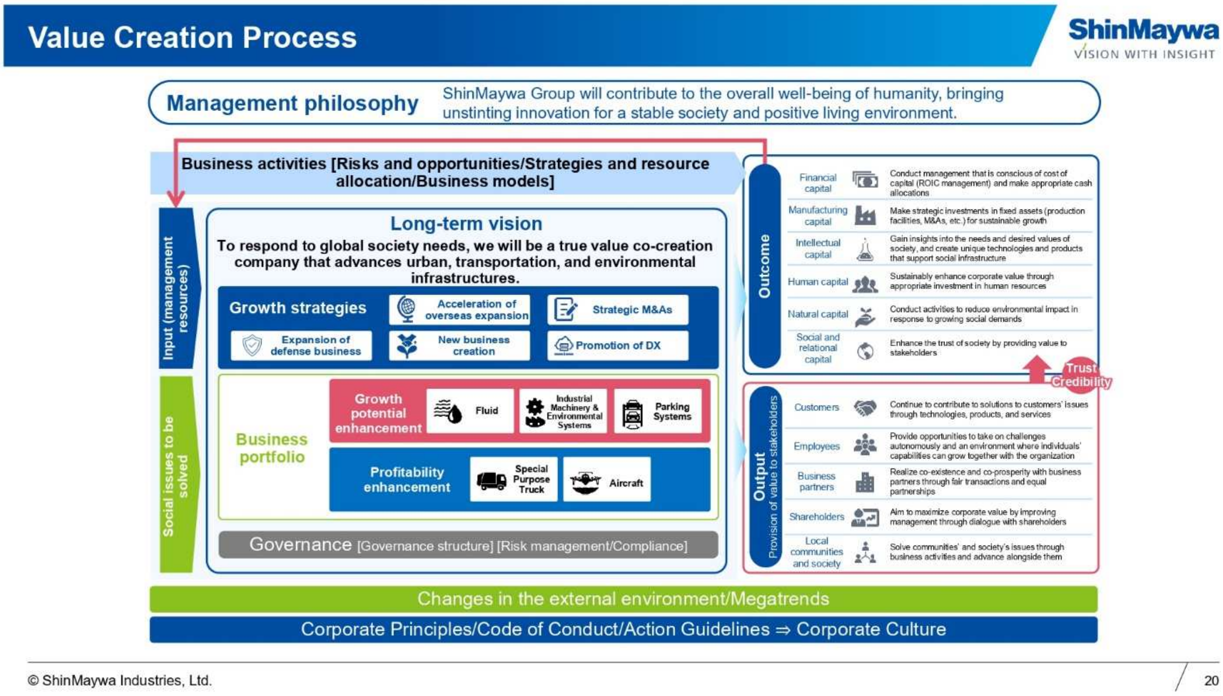
This concludes my presentation regarding the financial results.



Kunihara: I would now like to explain the progress of the SG-2026 medium-term management plan that we are currently implementing. Today, I would like to focus on the current business performance, progress toward the realization of our long-term vision, and strategies for each of our businesses.

The ShinMaywa Group is currently pushing through a long-term management plan called SG-Vision2030, whose final year is the fiscal year ending March 2031. The management indices are JPY400 billion in net sales, JPY100 billion in overseas sales, ROE of at least 12%, and ROIC of at least 10%. The Company is going to go through these 10 years in three phases of transformation, expansion, and advancement.

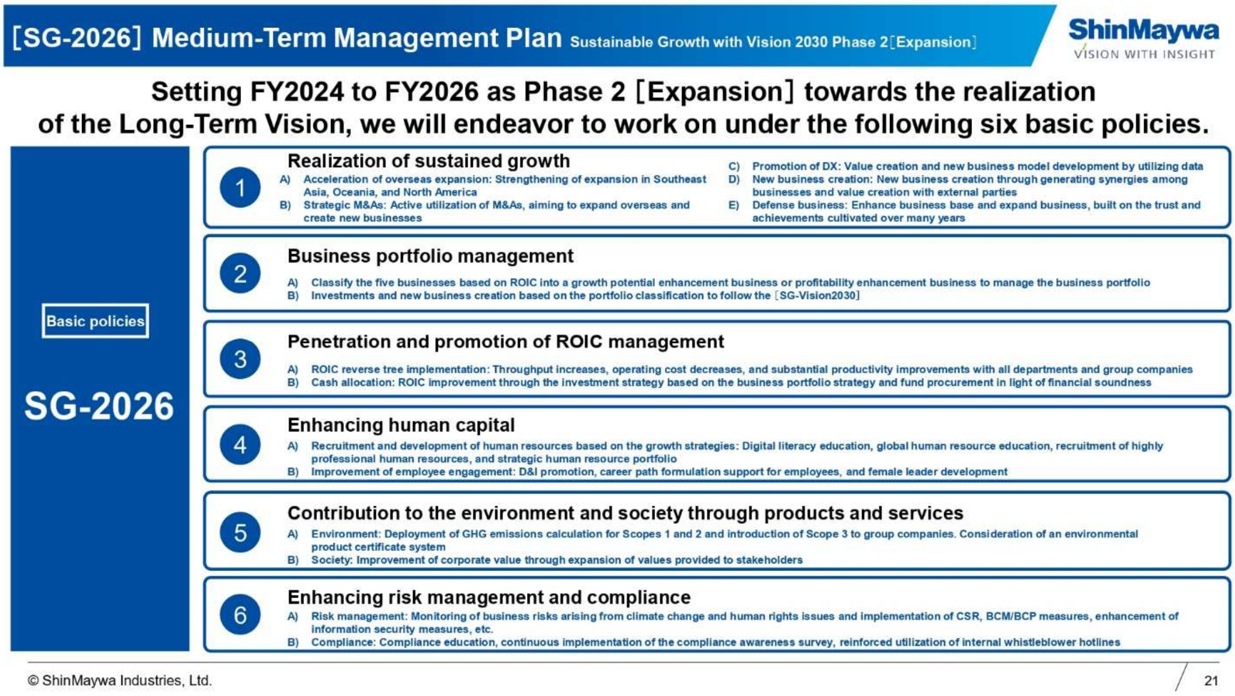
We are currently implementing a medium-term management plan of the second phase SG-2026, which sets targets of JPY320 billion in net sales, JPY18 billion in operating profit, 10% or more in ROE, and 7% or more in ROIC for the fiscal year ending March 2027, which is the final year of the plan.



Next is the value creation process of our group.

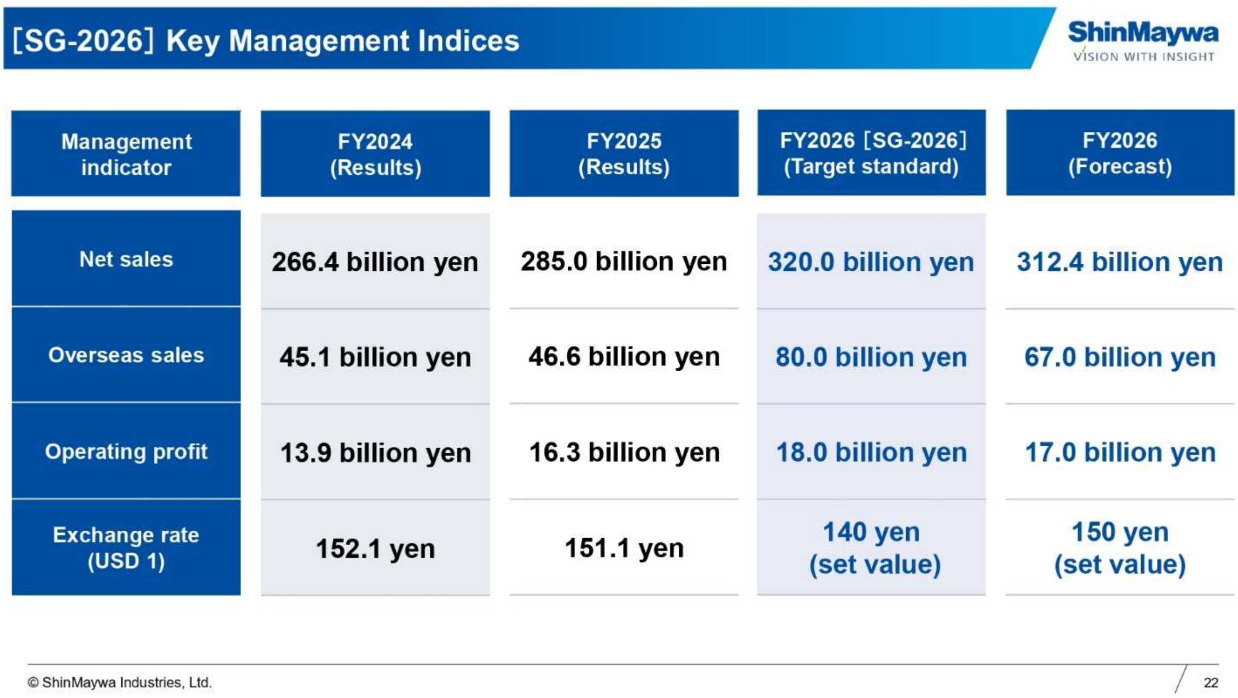
Under the management philosophy of "ShinMaywa Group will contribute to the overall well-being of humanity, bringing unstinting innovation for a stable society and positive living environment", our long-term vision is to be a value co-creation company that meets global social needs and contributes to the advancement of urban, transportation, and environmental infrastructure.

We aim to increase our corporate value through business portfolio management that divides our five businesses into the business of enhancing growth potential and one that enhances profitability, together with pillars of growth strategies, including the acceleration of overseas expansion, strategic M&As, promotion of DX, new business creation, and expansion of newly added defense business.



SG-2026 has six basic principles to enhance corporate value.

The first is to achieve sustained growth, the second is business portfolio management, the third is to penetrate ROIC management, the fourth is to enhance human capital, the fifth is to contribute to society by reducing greenhouse gases and providing environmentally compatible products, and the sixth is to enhance risk management and compliance.



Management indicator	FY2024 (Results)	FY2025 (Results)	FY2026 [SG-2026] (Target standard)	FY2026 (Forecast)
Net sales	266.4 billion yen	285.0 billion yen	320.0 billion yen	312.4 billion yen
Overseas sales	45.1 billion yen	46.6 billion yen	80.0 billion yen	67.0 billion yen
Operating profit	13.9 billion yen	16.3 billion yen	18.0 billion yen	17.0 billion yen
Exchange rate (USD 1)	152.1 yen	151.1 yen	140 yen (set value)	150 yen (set value)

The forecast figures for the fiscal year ending March 2027 were as explained earlier by Kume.

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

ShinMaywa
VISION WITH INSIGHT

(Billion yen)

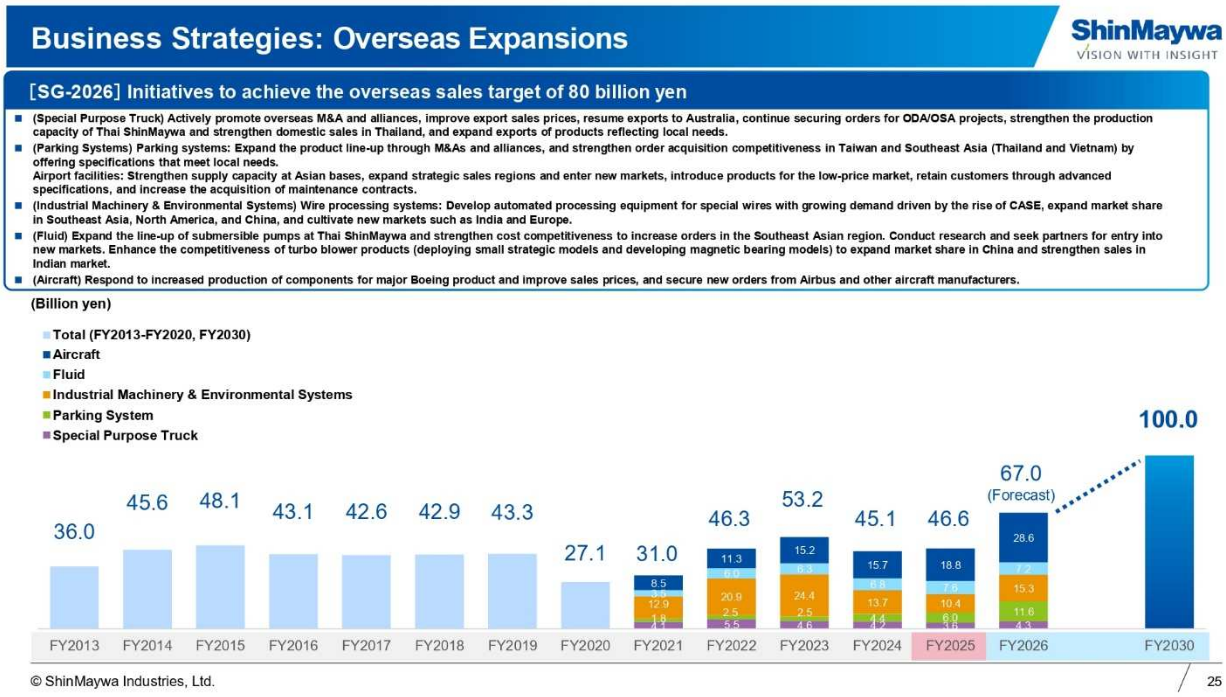
Segment	Net sales			Operating profit		
	FY2025 (Results)	FY2026 [SG-2026] (Target standard)	FY2026 (Forecast)	FY2025 (Results)	FY2026 [SG-2026] (Target standard)	FY2026 (Forecast)
Special Purpose Truck	1,175	1,322	1,244	61	73	66
Parking Systems	507	581	550	49	45	45
Industrial Machinery & Environmental Systems	273	435	384	5	34	13
Fluid	299	280	290	46	45	43
Aircraft	415	389	459	25	27	34
Others	178	183	196	15	10	13
New businesses	0	10	0	(4)	(18)	(6)
Adjustments	-	-	-	(37)	(36)	(39)
Total	2,850	3,200	3,124	163	180	170

 23

The same applies to the forecast figures for each business segment.

Next, I'll present our three-year cash allocation plan and our current cumulative outlook for SG-2026. Acquired operating cash flow is to be JPY70.7 billion cumulatively for the three-year period. We are now proceeding at a pace exceeding the forecast, mainly due to increased profits.

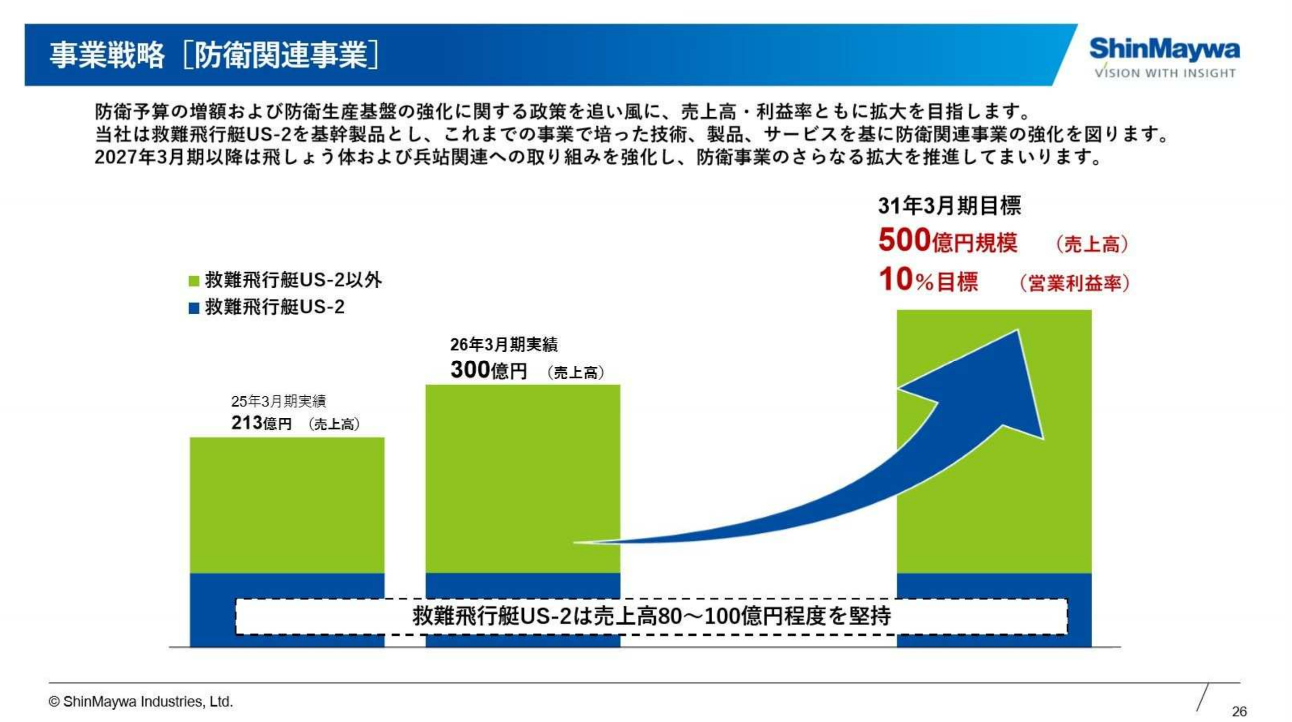
We are planning a cumulative growth investment of JPY27 billion and a cumulative investment of JPY43 billion to enhance competitiveness. We plan to invest more than forecast by investing in production ramp-up of the special purpose vehicle business and proceeding with development and capital investment in defense-related businesses. Additional funding is expected to total JPY10 billion over the three-year period. Shareholder returns are projected to be JPY10.7 billion in total, and we will continue to aim for stable and continuous dividend increases with a target DOE of around 3%.



Next is the progress of overseas expansion.

Overseas net sales for the fiscal year ended March 2026 totaled JPY46.6 billion. The situation is tough due to stagnant capital investment for automotive secondary batteries and uncertainty over US tariff policy. In comparison to the SG-2026 target of JPY80 billion, the forecast for the fiscal year ending March 2027 is JPY67 billion.

We have set a goal of JPY100 billion for the fiscal year ending March 2031 and will aggressively utilize M&A and alliances, mainly in North America and Asia, to catch up.



Next is the defense-related business, which we defined as a new pillar of our growth strategy.

The security environment has become increasingly severe, and the government has been drastically strengthening its defense capabilities and substantially increasing the defense budget, while the policy of strengthening the defense production base has also been a tailwind. We see this as a great opportunity for our company, as we have built a long-standing relationship of trust with the Ministry of Defense, mainly through the manufacturing of the US-2 STOL search and rescue amphibian. Therefore, we have redefined this area as a growth driver.

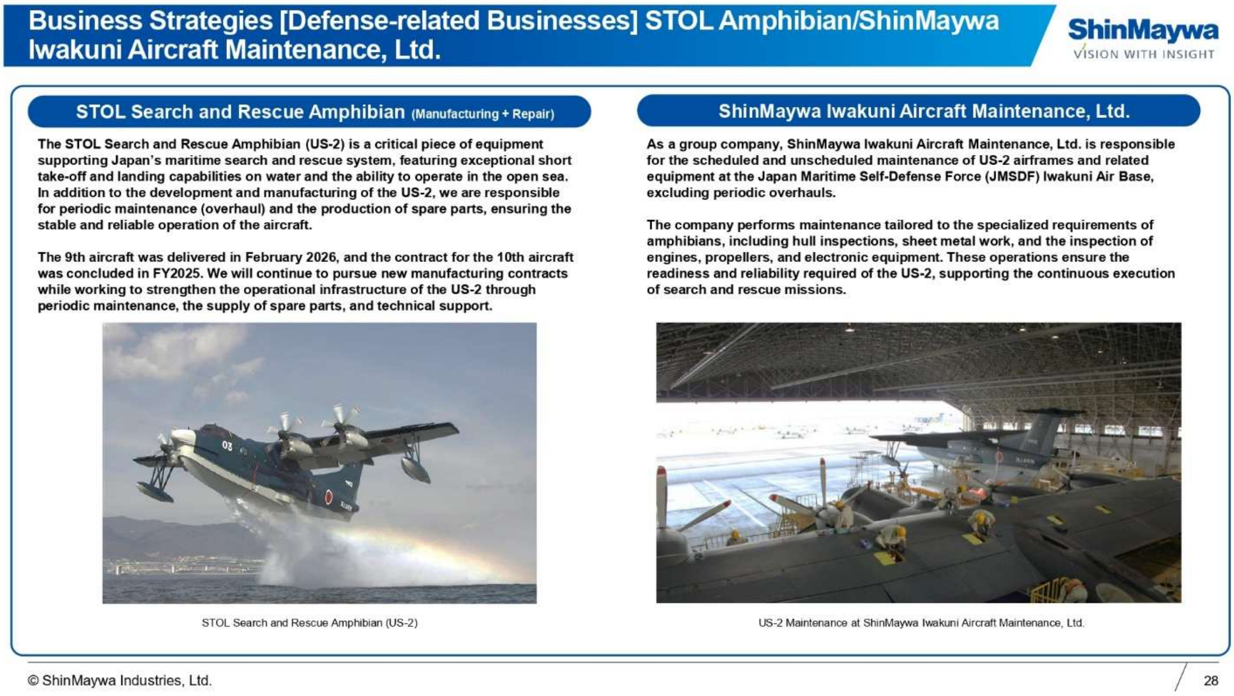
Net sales in the defense-related businesses for the fiscal year ended March 2026 were JPY30 billion. We will accelerate expansion with a focus on the US-2 as well as flying object- and logistics-related initiatives, targeting the level of JPY50 billion and an operating profit ratio of 10% in FY2030.

Next, I would like to discuss the projects related to flying objects and logistics. With the improvement of standoff defense capabilities being a key challenge, the demand for flying objects such as long-range missiles is growing rapidly.

We have joined the design and prototyping of launcher vehicle for the Type-25 Surface-to-Ship Missile and the Type-25 Hyper Velocity Gliding Projectile by applying our mounting technologies for large vehicles in special-purpose truck business and precise hydraulic and electrical control technologies. We plan to start mass production from FY2026.

In the field of logistics, there is a need to enhance equipment for rear-echelon support, and this is an area where our expertise in the special-purpose truck business can be put to use. The mobile container base we arranged has been adopted by the Japan Air Self-Defense Force, and operational verification is scheduled to begin in July of this year.

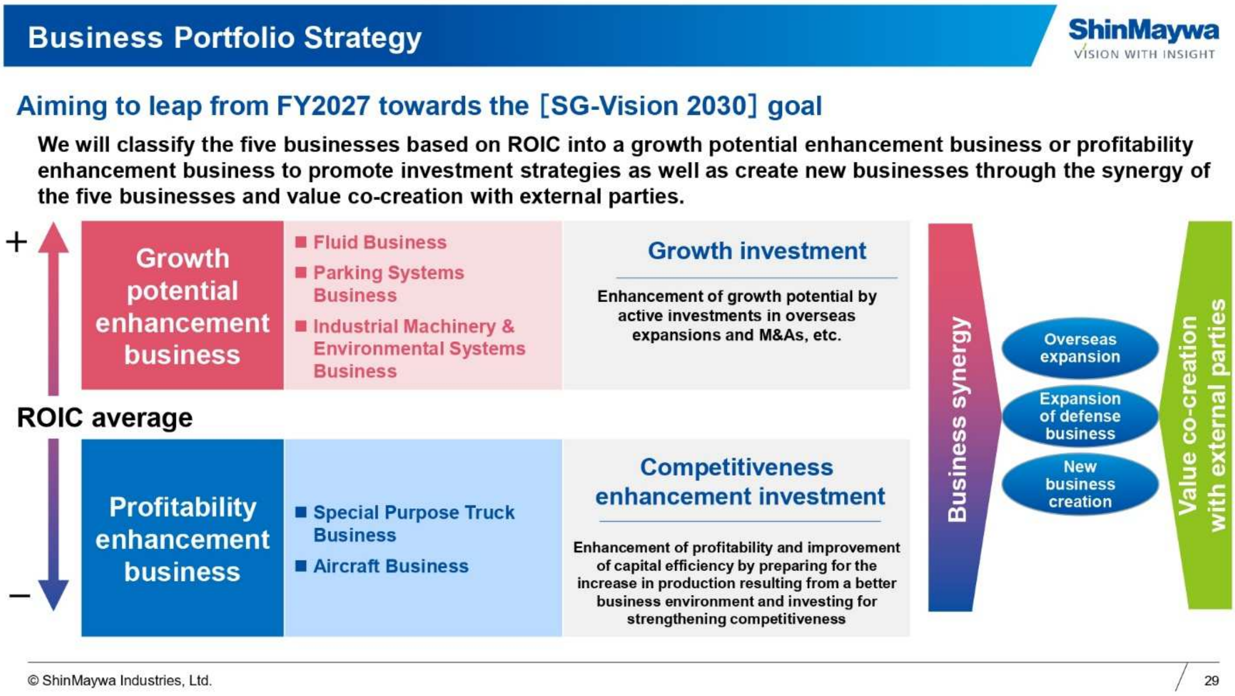
This product is a container-type living space equipped with sleeping and sanitary facilities, etc., which was developed in collaboration with NTN Corporation, FUNAYAMA CO., LTD., and our company. It enables rapid introduction and installation at mobile deployment sites and disaster response bases. We will also work on projects for renovation and new construction of Type-92 Heavy Pontoon Bridge Transporter, for which we received orders in FY2026.



Next is an initiative for the rescue amphibian US-2 and the Iwakuni maintenance project.

The US-2 is an important piece of equipment that supports Japan's rescue system with its excellent short takeoff and landing capabilities on water as well as open-sea operation capability. Most recently, the ninth aircraft was delivered to the Ministry of Defense in February 2026, and a contract for the manufacturing of the 10th aircraft was concluded in FY2025.

Moving forward, we will steadily supply aircrafts and strengthen our operational support system through repairs, parts supply, and technical assistance to secure annual revenues in the range of JPY8 billion to JPY10 billion. ShinMaywa Iwakuni Aircraft Maintenance is responsible for the maintenance of the US-2, ensuring its readiness and reliability to support rescue missions.

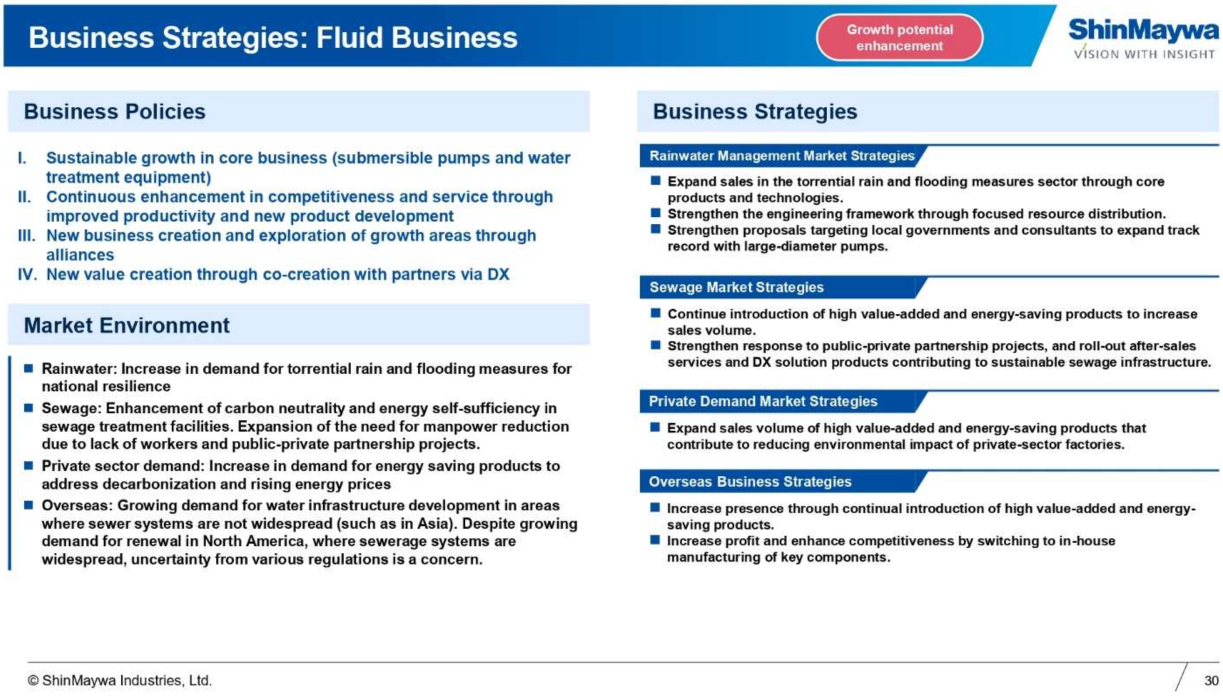


Next is the business portfolio strategy.

To achieve SG-Vision 2030, five businesses are classified based on their current ROIC levels. Fluid, parking systems, and industrial equipment and environmental systems are defined as businesses that enhance growth potential. We will strengthen our growth potential through growth investments while maintaining high profitability.

On the other hand, special-purpose truck and aircraft businesses are defined as profit-enhancing businesses, and we will focus on improving profit ratio by improving profitability, productivity, and capital efficiency.

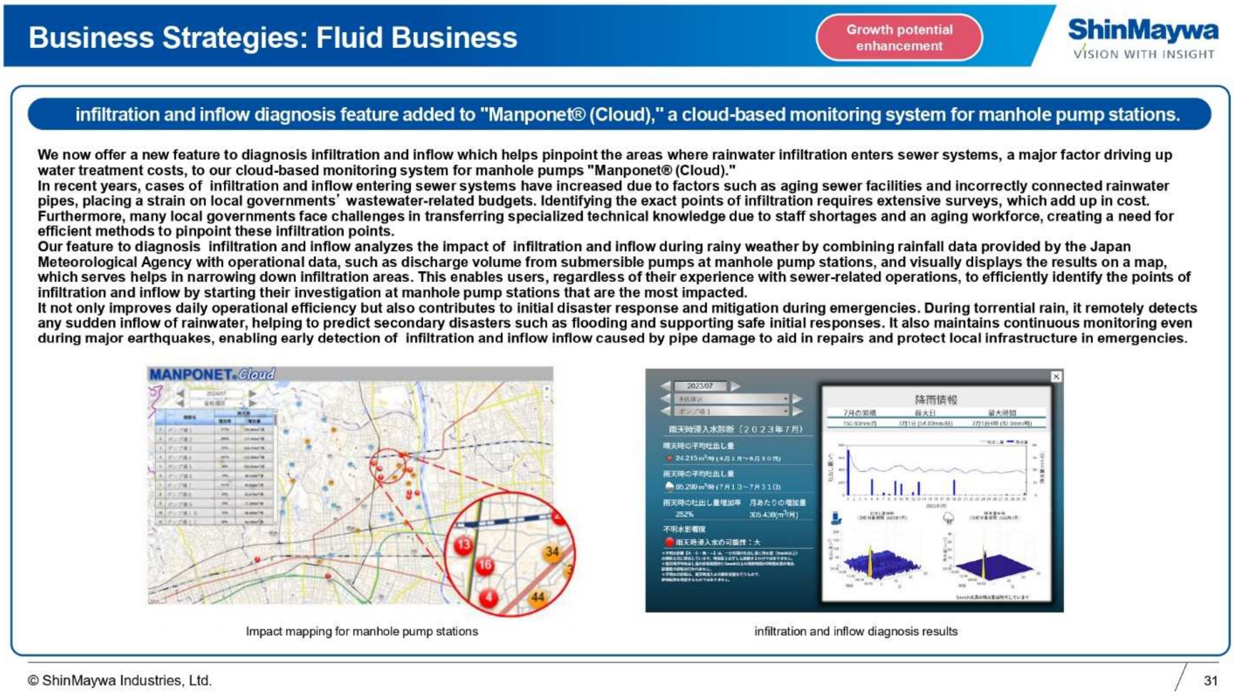
From here, I will explain the business directions and progress of major business strategies for each segment. First, I'll cover the businesses enhancing growth potential and then move on to those enhancing profitability.



The first business to enhance growth potential is the fluid business. There are four business directions, as described here.

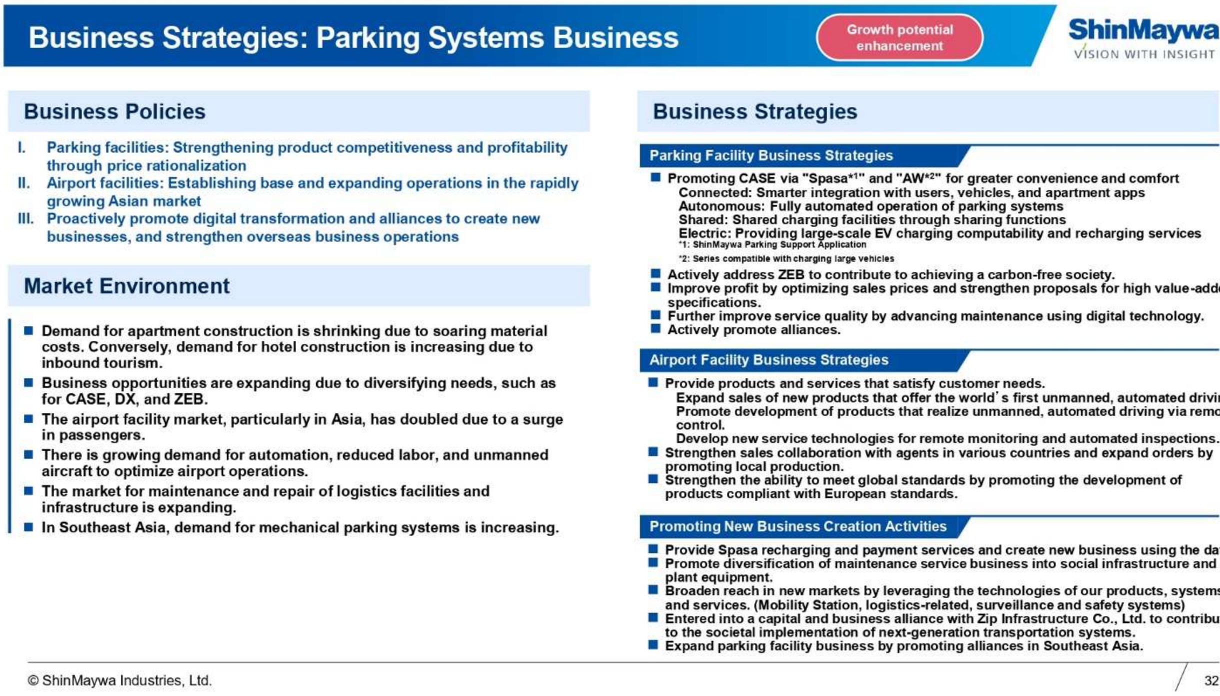
The market environment is expected to be firm. In Japan, torrential rain and flooding countermeasures for enhancing national resilience as well as demand for decarbonization and energy conservation are expected. In overseas market, there are demands for new construction of sewage in Asia and sewer facility renewal projects in North America.

As business strategies, we will work on sales expansion and engineering framework reinforcement in the field of torrential rain and flooding measures. In the sewage market, we will work on the market introduction of high-value-added and energy-saving products, as well as supporting public-private partnership projects and rolling out DX solution products. Overseas, we will strengthen profitability and competitiveness by introducing high-value-added products and switching to in-house manufacturing for main components.



Next is the details of a new DX solution for the fluid business. We implemented and started to provide a function on Manponet, a cloud-based monitoring system for manhole pumps that helps narrow down the area where infiltrated water has entered from.

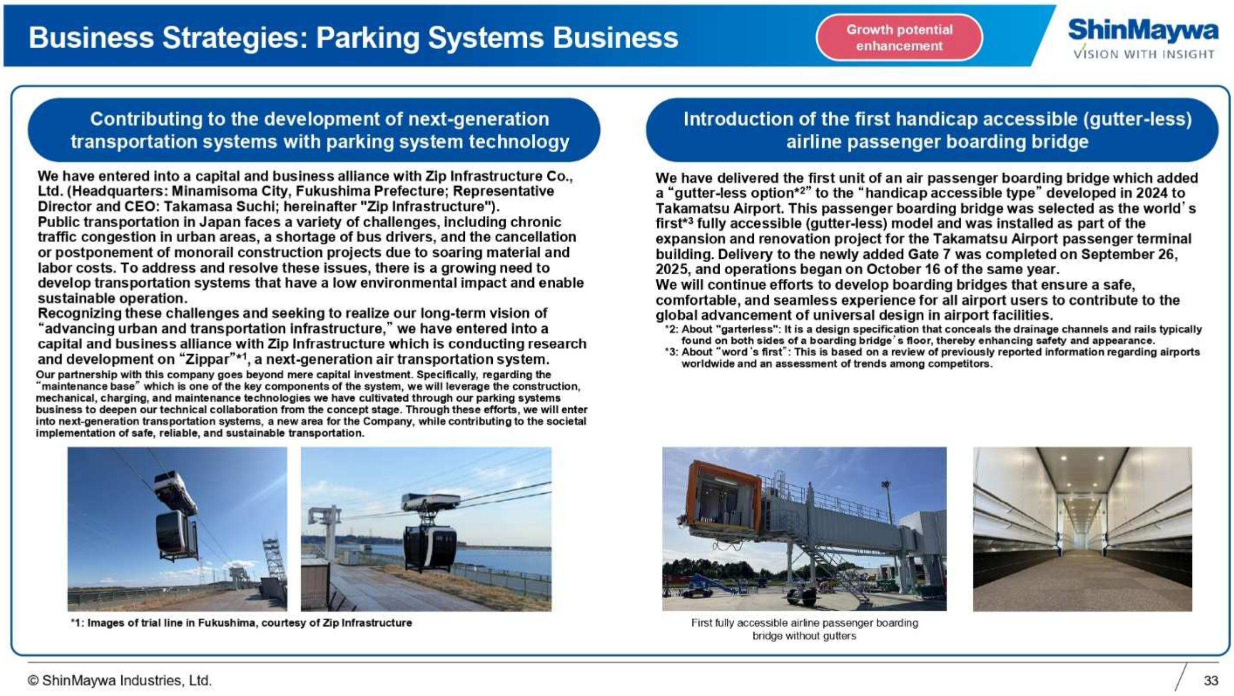
The system visualizes the effects of infiltrated water on a map based on the data of rainfall and submersible pump operations. It doesn't only make normal operations efficient but also contributes to initial responses and disaster mitigation when disasters strike. It is done through early detection of rapid inflow of rainwater upon torrential rains, as well as pipe damage in the wake of large-scale earthquakes.



Next is parking systems business.

There are three business directions, as described here. In the parking facilities market, domestic demand for apartment buildings is shrinking, but hotel construction demand is growing. In Southeast Asia, the need for mechanical parking systems is expanding. In the airport facility market, we are expanding, especially in Asia, due to a rapid increase in passenger traffic.

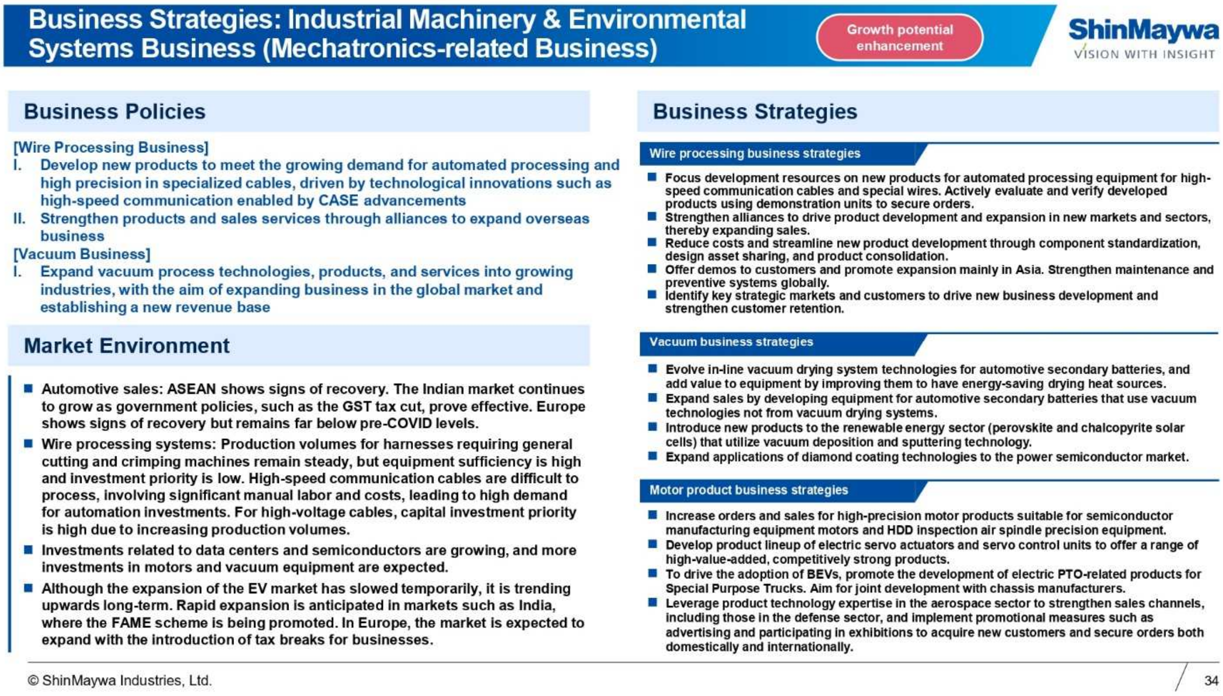
Business strategies in the parking facility business include promoting CASE through Spasa and AW models that support large-size EV charging, as well as active promotion of alliances in Southeast Asia. In the airport facility business, we will work to expand sales of new products offering unmanned automated driving and to promote local production.



Next, I would like to introduce two new initiatives in the parking systems business.

The first is a capital and business alliance with Zip Infrastructure Co., Ltd. The Company is a start-up developing a next-generation transportation system, Zippar. For equipment, we will utilize our construction, mechanical, charging, and maintenance, and inspection technologies to deepen technical collaboration from the conceptual stage.

The second initiative is with boarding bridges for airline passengers. We delivered the first unit of the accessible type with a gutter-less function to Takamatsu Airport. This first unit is the world's first of its kind, and we delivered it in September 2025. It started its operations in October of the same year.



Next is the mechatronics-related business in the industrial machinery and environmental systems business. Business directions are as described here for both wire processing and vacuum businesses.

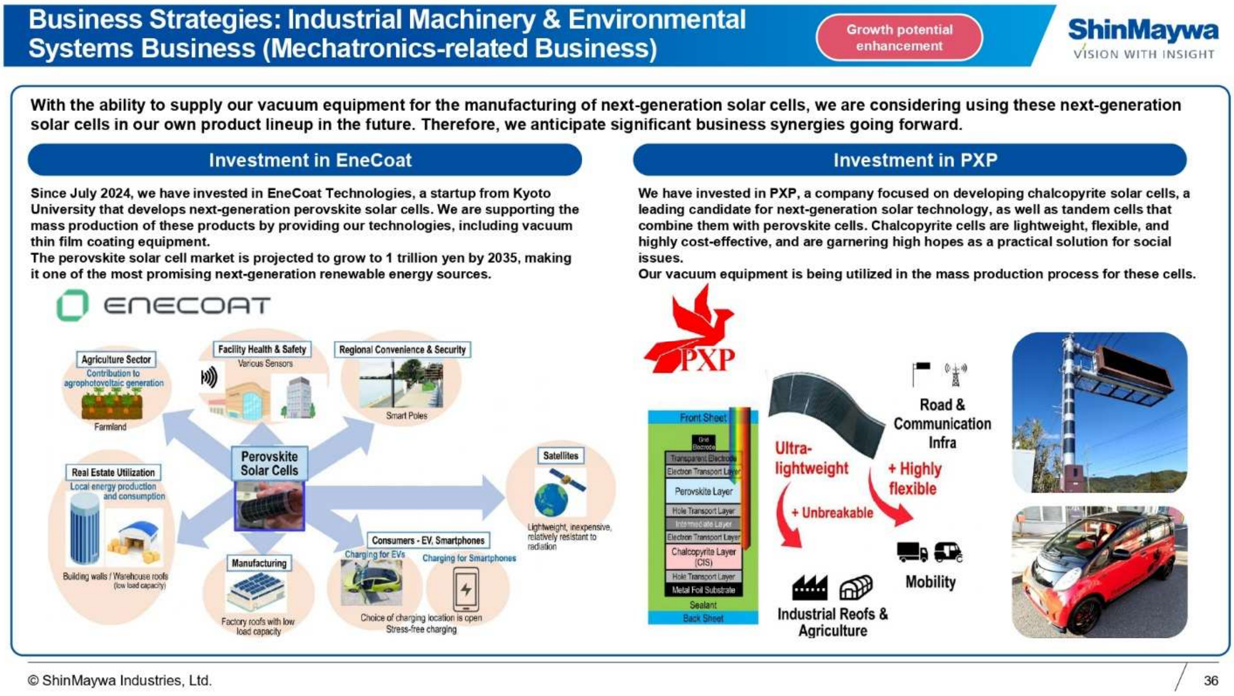
The automotive market is showing signs of recovery in ASEAN. The Indian market continues to grow, and Europe is on a recovery trend. The wire processing market is expected to grow, as capital investment in high-speed communication cables, among others, is prioritized. In addition, investments for automotive secondary batteries, data centers, and semiconductor-related markets are expected to expand.

Our business strategies include developing new products for automated processing equipment for high-speed communication cables, etc., jointly developing electric PTOs for special-purpose trucks, and expanding sales of high-precision motor products.

As for vacuum products, we plan to add more value to vacuum drying equipment, launch new products in the renewable energy field, and expand into the power semiconductor market with our diamond coating technologies.

Next, I would like to introduce our new product SS21, multi-core electrostatic shielded drain wire processing machine. The demand for multi-core electrostatic shielded wires is rapidly increasing due to the vehicle electrification and the advancement of ADAS, and we launched the world's first fully automated processing machine to meet this demand on March 1, 2026.

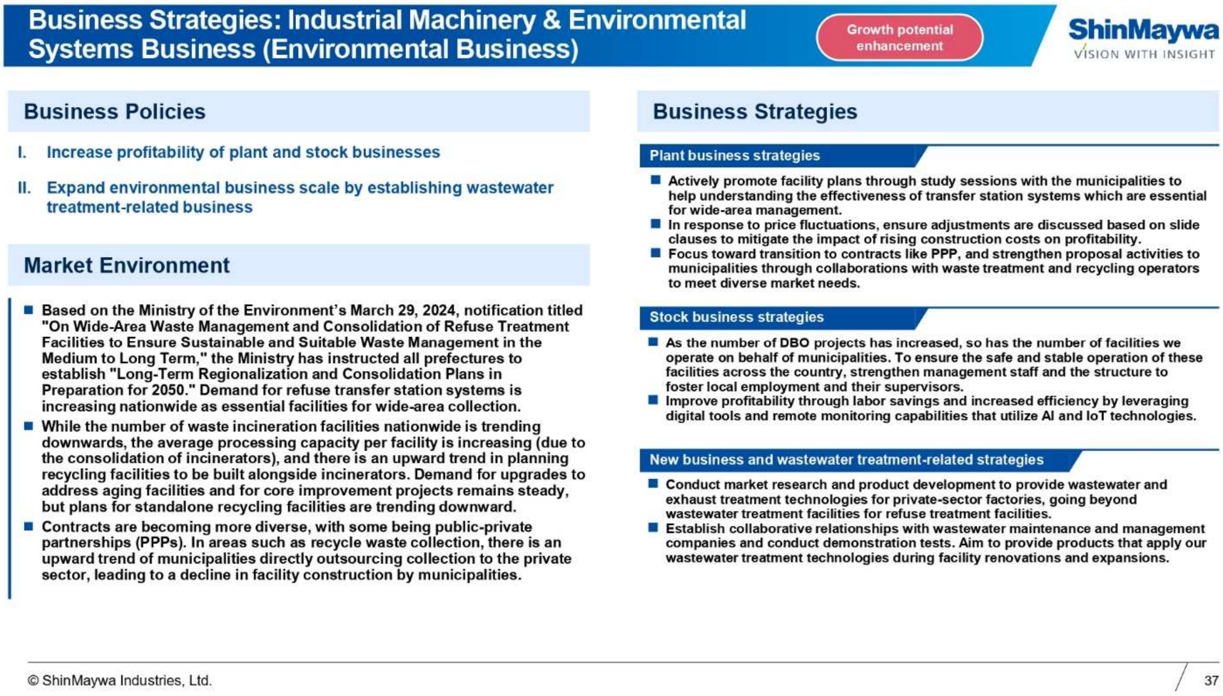
Our unique and patented technology enables us to achieve the fastest productivity of 17 seconds when processing both ends. We aim to put 30 units on the market per year in FY2028.



Next, we will focus on the next-generation solar cell in the vacuum business.

Since July 2024, we have invested in EneCoat Technologies, a start-up from Kyoto University developing perovskite solar cells. We have been supporting its mass production, among others, by providing our vacuum deposition equipment. The market is expected to grow to the range of JPY1 trillion by 2035.

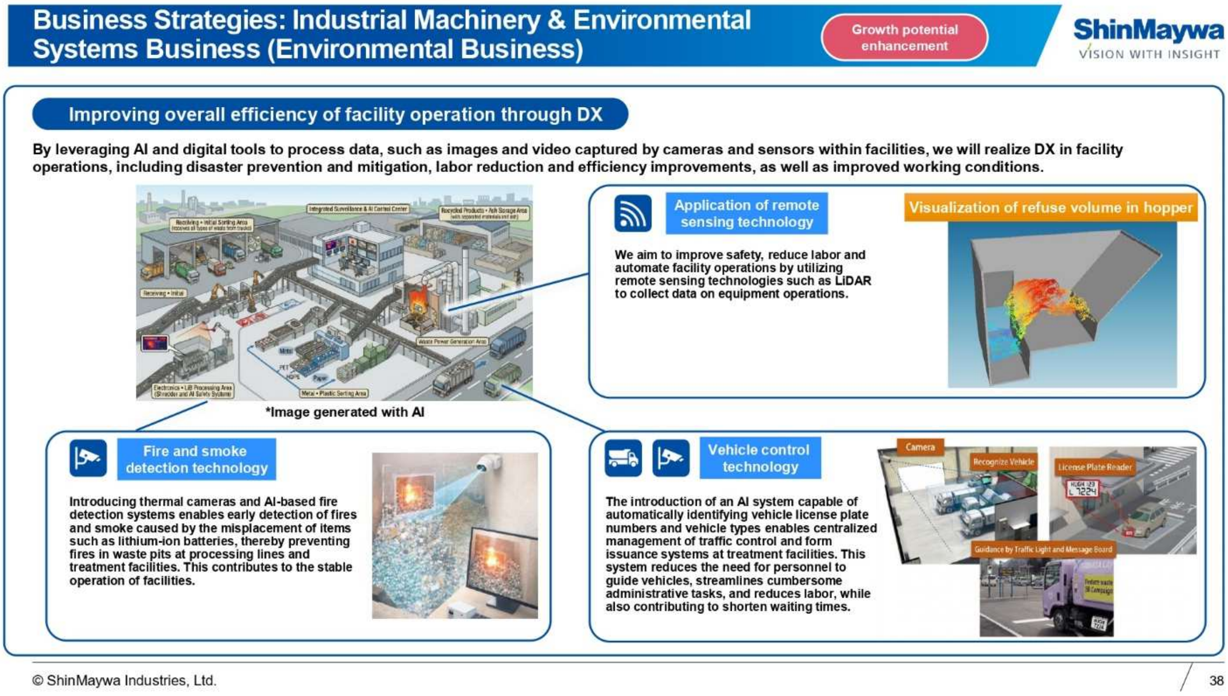
We have also invested in PXP, a company that develops chalcopyrite- and tandem-type products, and our vacuum equipment is used in their mass production process.



Next is the environment-related business of industrial equipment and environmental systems.

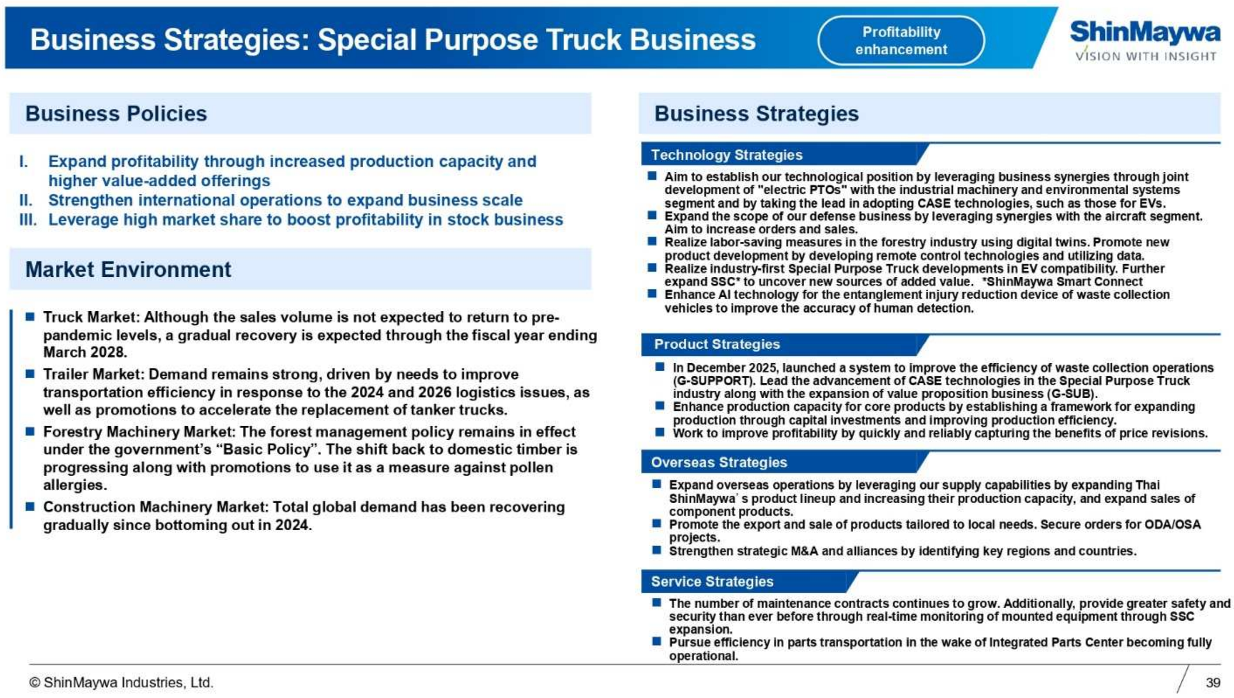
There are two business directions as written here. Demand for waste transfer facilities is increasing due to regionalization and consolidation. While the number of waste incineration facilities is declining, demand for renewal is strong, and contract types are diversifying, including PPP.

In terms of business strategies, as for plant business, we will strengthen proposals to municipalities through collaboration with waste treatment and recycling companies. In the stock business, we will work on DBO projects and promote labor-saving and efficiency improvement through AI and IoT.



In the environment-related business, we aim to improve the safety of facility operations and strive for labor saving and automation by utilizing AI and digital tools to process data acquired from cameras and sensors in the facility.

With thermal cameras, AI, and flame detection systems, we can enable early detection of fire and smoke caused by lithium-ion batteries. We are also introducing identification of vehicle number and model using AI, as well as remote sensing technologies, including LiDAR.



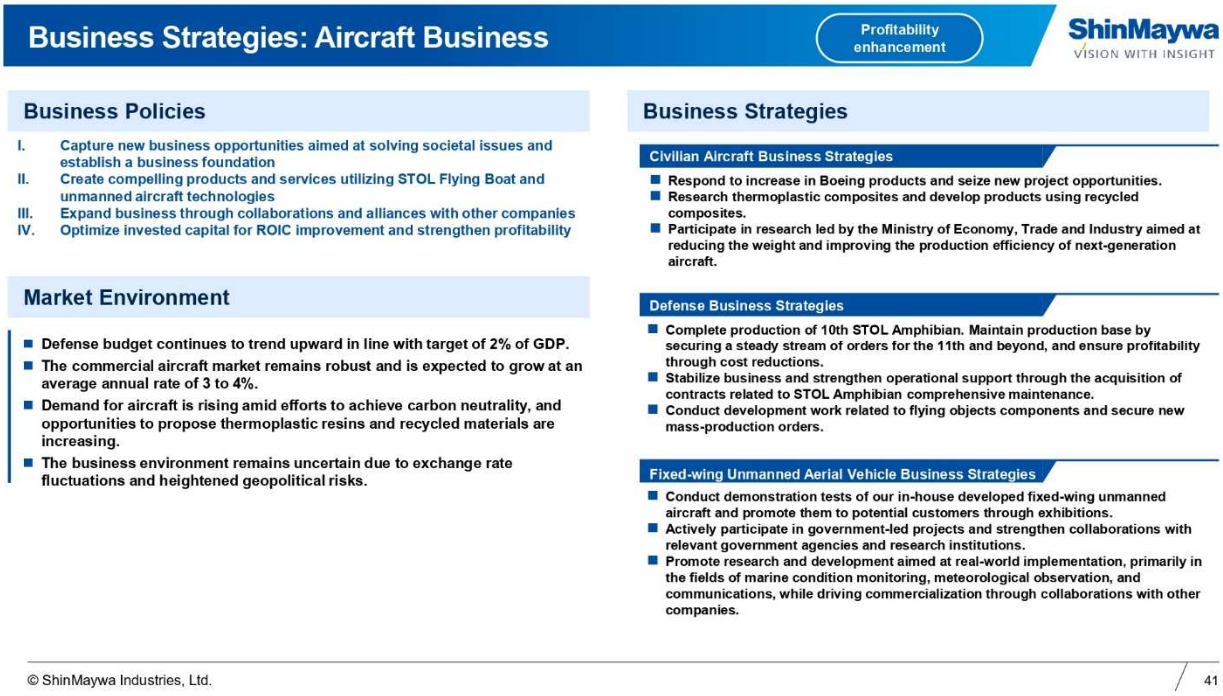
Next is the special-purpose truck business, which is defined as a business that enhances our profitability. There are three business directions, as described here. The truck market is expected to recover gradually through the fiscal year ending March 2028. The trailer market has strong demand due to the 2024 and 2026 issues in logistics. The forestry machinery market, along with the construction machinery market, has remained strong due to the return to domestic timber.

Business strategies include joint development of electric PTO with the industrial machinery and environmental systems segment, expansion of ShinMaywa Smart Connect, G-SUPPORT launched in December 2025, and expansion of value proposition business G-SUB. As overseas strategies, we will expand Thai ShinMaywa's product lineup and strengthen M&A and alliances.

Next, I will introduce product services that realize labor savings and improve transportation efficiency in the special purpose truck business. The first is a dump truck with an F gate. The tailgate opens and closes automatically using a hydraulic mechanism, and its top-opening structure enables safe loading and unloading of construction machinery, thus saving labor and improving safety.

The second is a dump truck semi-trailer for transporting soil and gravel jointly developed with Toho Car Corporation, which can be registered with a maximum payload of 27 tons or more, contributing to mass transportation.

The third is G-SUPPORT, a system for streamlining waste collection operations, which combines our technology as a company holding the top domestic market share for garbage trucks and the technology of LECIP CORPORATION to help eliminate labor shortages and improve operational efficiency.



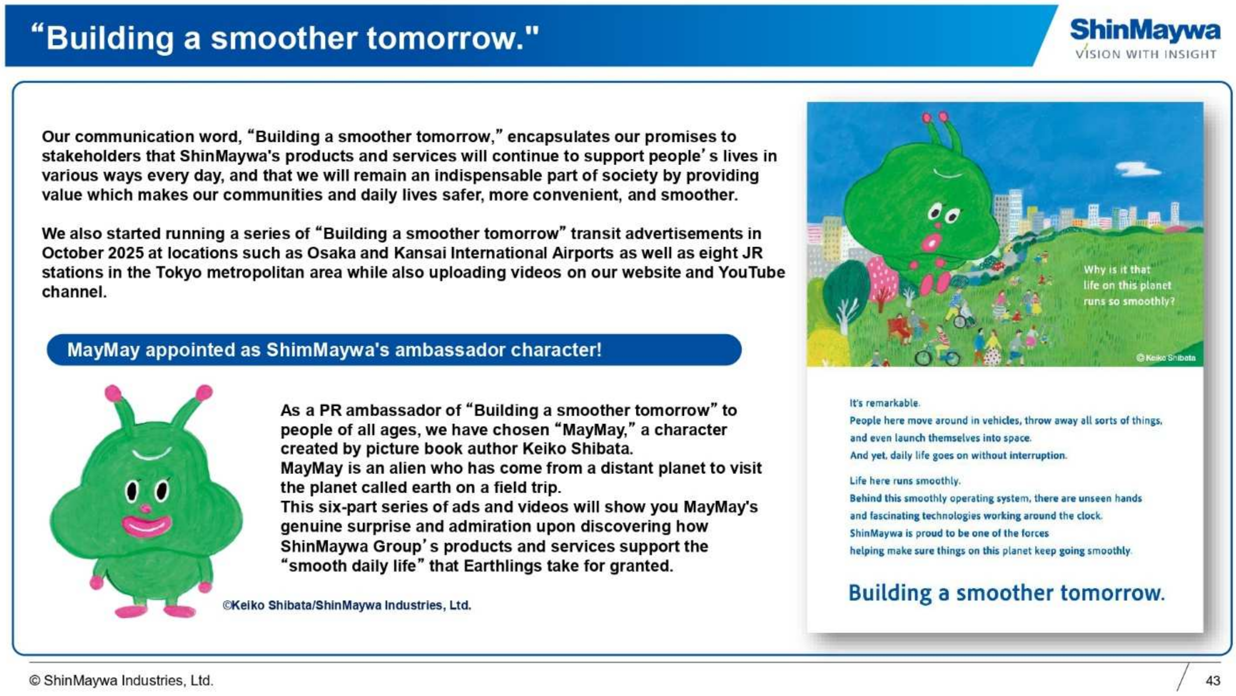
Next is the aircraft business.

There are four business directions as written here. As for market environment, the defense budget is on an upward trend, and the civil aircraft market is expected to remain strong.

In the commercial aircraft business, we will support increased production of Boeing products and aim for getting new projects. In the defense business, we will manufacture the 10th US-2 and strive to secure a steady flow of orders for the 11th aircraft and beyond. We will also develop flying object components and participate in a national project for a fixed-wing unmanned aerial vehicle to proceed with development.

The aircraft business division participates in the Key and Advanced Technology R&D through Cross Community Collaboration Program led by the Cabinet Office. Utilizing the technology developed for the US-2, we have successfully completed autonomous flight test of an unmanned aircraft that transports, automatically deploys, and retrieves an unmanned probe.

In addition, we successfully completed the first flight of a one-fifth-scale prototype of high-altitude platform stations equipped with remote sensing equipment to monitor ocean conditions from the stratosphere. Thus, we confirmed its basic performance. We will continue to develop the aircraft toward demonstration in the stratosphere in FY2028.



Lastly, I would like to introduce our new corporate advertisement.

From October 2025, we started to put up an ad series of "Building a smoother tomorrow". It is displayed on 18 surfaces at six places inside and outside of security areas of Osaka and Kansai International Airports, as well as eight JR stations of the Tokyo metropolitan area, etc.

The ambassador character is MayMay, an alien drawn by picture book author Keiko Shibata. This tag line expresses our determination to change society and people's lives to be safer, more convenient, and smoother.

This concludes the explanation of business directions of each segment as well as progress report on key business strategies for SG-2026.

The financial results for the fiscal year ended March 2026 showed solid progress, with record-high figures in orders received, net sales, and operating profit. Despite the uncertain business environment, including the impact of the situation in the Middle East, we will work to achieve the goals of our medium-term management plan SG-2026 for the fiscal year ending March 2027.

We are determined to continue to meet the expectations of our shareholders and investors and improve our corporate value.

This concludes the briefing on the financial results of the fiscal year ended March 2026 and progress of the SG-2026 medium-term management plan. Thank you very much for your kind attention.

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