



ShinMaywa Industries, Ltd.

IR Briefing for FY2025

May 20, 2026

Event Summary

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[Participants]		
[Number of Speakers]	6	
	Takashi Kuniyara	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

Point

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Consolidated Financial Results for Fiscal Year 2025

- Orders received reached a record high for fifth straight year; net sales reached a record high for the third consecutive year.
Operating profit, ordinary profit, and profit attributable to owners of parent all reached record highs.
- Forecasted annual dividend per share for FY2025 revised to 56 yen.
(Previous forecast: 54 yen per share)

Consolidated Financial Results Forecast for Fiscal Year 2026

- Overall profit expected to increase due to the effects of increased revenue from mechatronics products in Industrial Machinery & Environmental Systems, Special Purpose Truck, and civilian demand in Aircraft.
- Forecasted annual dividend per share expected to increase by 2 yen to 58 yen due to an increase in equity resulting from increased profits, marking the sixth straight year of dividend increases.
- 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.

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/ 2

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

(Millions of yen)

Year-on-year change

	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				

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

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3

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

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(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

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4

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)

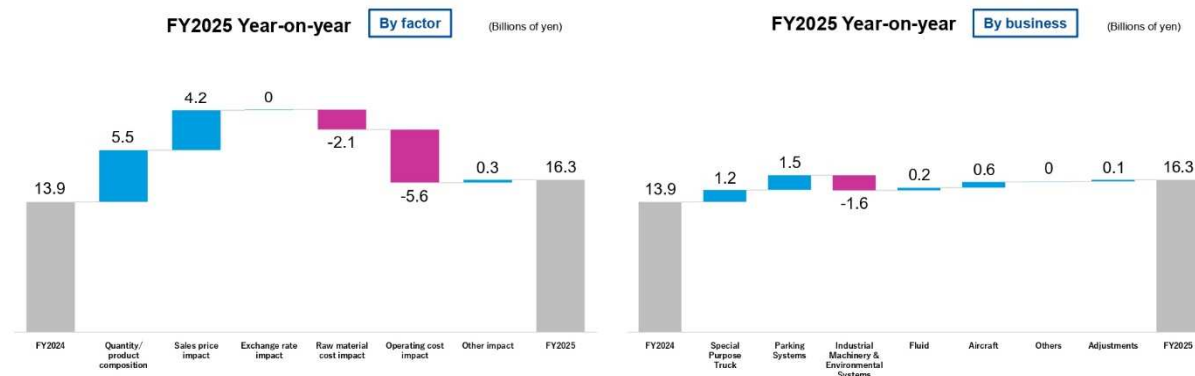
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By factor

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.



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5

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	

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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

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.

Special Purpose Truck Segment

Trends in financial results (Billions of yen)

Orders received



Net sales



Operating profit



Order backlog



Full-year results (year-on-year)

Orders received

- Increase in construction-related vehicles, logistics-related vehicles (including trailers), and environment-related vehicles (There were rush orders received before the price revision)
- Decrease in forestry machinery, etc. (Decrease due to cancellations of unprofitable orders)

Net sales

- Increase in logistics-related vehicles (including trailers) and environment-related vehicles
- Increase in defense business through collaboration with the Aircraft segment

Operating profit

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

Trends in order backlog months (Month)*

FY2024				FY2025			
1Q	2Q	3Q	Full year	1Q	2Q	3Q	Full year
12.9	13.3	13.8	14.0	14.4	14.1	14.2	14.0

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

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.

Parking Systems Segment

Trends in financial results (Billions of yen)

Orders received



Net sales



Operating profit



Order backlog



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Full-year results (year-on-year)

Orders received

- Mechanical car parking systems:
Increase in products
- Aircraft passenger boarding bridges:
Increase in overseas markets

Net sales

- Mechanical car parking systems:
Increase in products and service business
- Aircraft passenger boarding bridges:
Increase in overseas markets

Operating profit

- Mechanical car parking systems:
Increase due to an increase in revenue (Including the impact of selling price improvement)
- Aircraft passenger boarding bridges:
Decrease due to an increase in operating costs

Trends in orders received and net sales by products (Billions of yen)

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

8

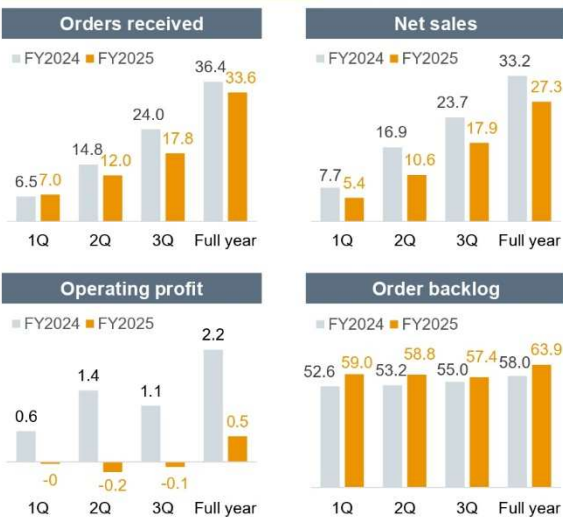
Next is the parking systems segment.

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)



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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

9

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.

Fluid Segment

Trends in financial results (Billions of yen)

Orders received



Net sales



Operating profit



Order backlog



Full-year results (year-on-year)

Orders received

- Increase in Japan market (equipment products and service business)
- Increase in overseas markets

Net sales

- Increase in Japan market (equipment products, system products, and service business)
- Increase in overseas markets

Operating profit

- Increase due to an increase in 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.

Aircraft Segment

Trends in financial results (Billions of yen)

Orders received



Net sales



Operating profit



Order backlog



Full-year results (year-on-year)

Orders received

Orders from Ministry of Defense:
Increase due to the 10th US-2 STOL search and rescue amphibian order

Civilian demand:
Increase in number of orders for 787 aircraft

Net sales

Sales to Ministry of Defense:
Increase in US-2 STOL search and rescue amphibians repair-related work

Civilian demand:
Increase in production volume of 787 and 777/777X aircraft

Operating profit

Increase due to an increase in revenue

Civilian demand-related production volume

	(Unit)	
	FY2024	FY2025
777/777X	23	34
787	53	67
G7500	37	36

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

(Millions of yen)

Year-on-year

	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}		

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.

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13

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.

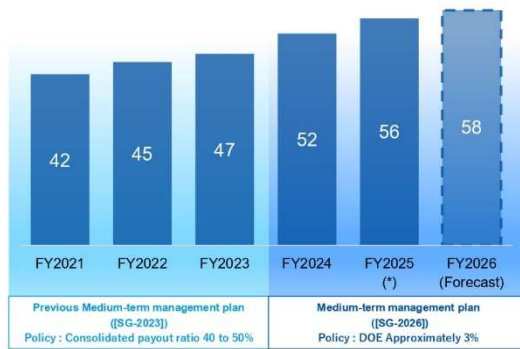
This forecast is based on the exchange rate of JPY150 per US dollar. As for the sensitivity of the entire company to exchange rate, a depreciation of JPY1 against the US dollar is expected to have the effect of increasing operating profit by JPY80 million.

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

- To ensure stable and continuous dividend increases, dividends will be paid 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 (appropriate levels of equity), we believe that an equity ratio of 40% or higher and a net D/E ratio of 0.5 or below are appropriate, and we will strive to maintain those standards.

■ Annual dividend per share (yen)



Dividend forecast

- Annual dividend per share is 58 yen (DOE 3.0%).
- Expect dividends to increase by 2 yen from the previous year.
- Expect dividends to increase for the sixth consecutive year.

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

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14

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.

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

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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.

Consolidated Financial Results Forecast for FY2026 Details of Profit Increases and Decreases (Year-on-Year)

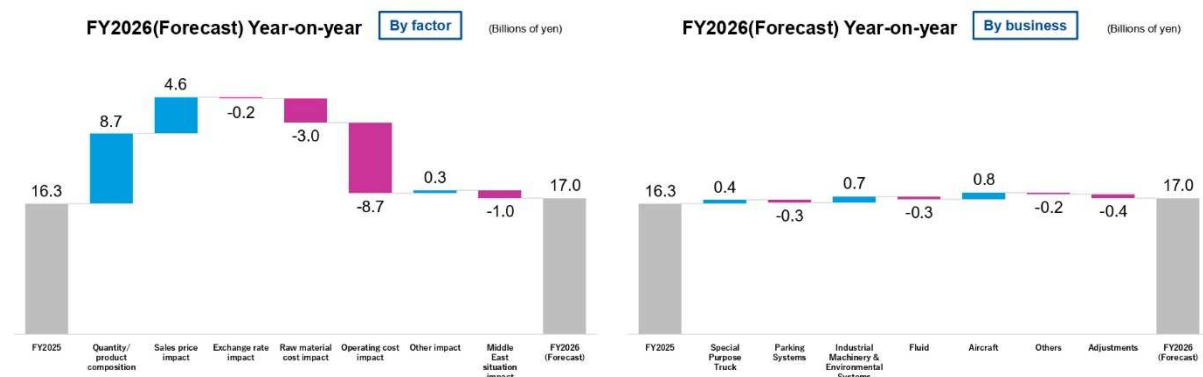
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By factor

Profit is expected to increase overall, primarily driven by an increase of 8.7 billion yen from quantity/product composition and 4.6 billion yen from the impact of price revisions, mainly in Special Purpose Truck, despite expected negative factors such as an increase of 8.7 billion yen in operating costs (labor costs, depreciation, etc.), an increase of 3.0 billion yen in raw material costs, and a 1.0 billion yen negative impact from the situation in the Middle East. However, if the situation in the Middle East is prolonged, the negative impact may expand.

By business

Profit is expected to increase overall, with decreases of 0.3 billion yen each expected in Parking Systems and Fluid due to higher operating expenses and other factors, while increases of 0.8 billion yen are expected in Aircraft due to higher revenue from civilian demand, and 0.7 billion yen in Industrial Machinery & Environmental Systems due to increased profit from mechatronics products and other factors.



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17

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.

[SG-Vision2030]

We aim to achieve the Long-Term Vision and each management indicator by dividing the 10 years of the Long-term management plan (from FY2021 to FY2030) into three phases and periods and formulating and promoting a medium-term management plan for each period.

Sustainable Growth with Vision 2030 [SG-Vision2030]

Sustainable growth through value creation



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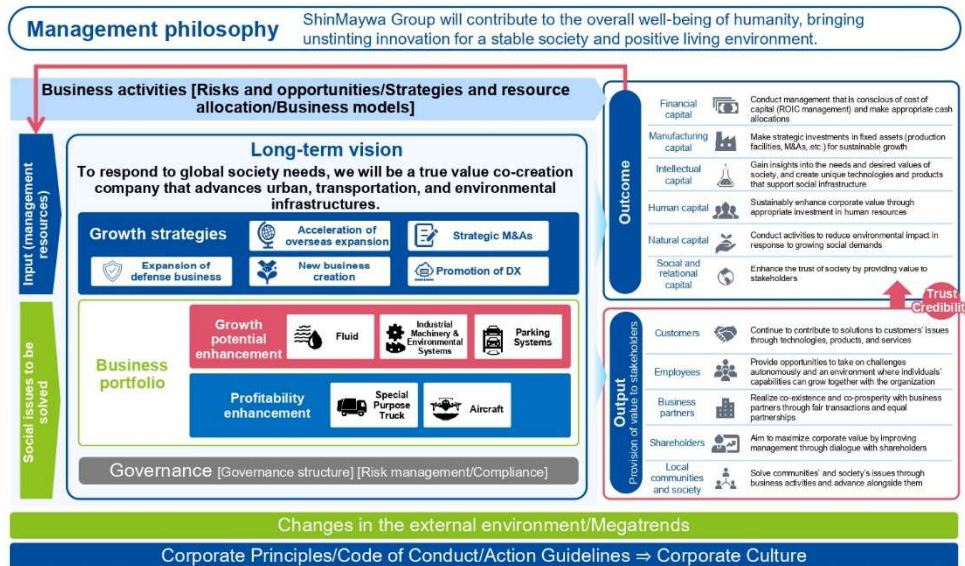
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Kunihara: I would now like to explain the progress of the SG-2026 medium-term management plan that we are currently implementing. Today, I would like to focus on the current business performance, progress toward the realization of our long-term vision,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

Value Creation Process



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20

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.

Setting FY2024 to FY2026 as Phase 2 [Expansion] towards the realization of the Long-Term Vision, we will endeavor to work on under the following six basic policies.

Basic policies SG-2026	1 Realization of sustained growth A) Acceleration of overseas expansion: Strengthening of expansion in Southeast Asia, Oceania, and North America B) Strategic M&As: Active utilization of M&As, aiming to expand overseas and create new businesses C) Promotion of DX: Value creation and new business model development by utilizing data D) New business creation: New business creation through generating synergies among businesses and value creation with external parties E) Defense business: Enhance business base and expand business, built on the trust and achievements cultivated over many years
	2 Business portfolio management A) Classify the five businesses based on ROIC into a growth potential enhancement business or profitability enhancement business to manage the business portfolio B) Investments and new business creation based on the portfolio classification to follow the [SG-Vision2030]
	3 Penetration and promotion of ROIC management A) ROIC reverse tree implementation: Throughput increases, operating cost decreases, and substantial productivity improvements with all departments and group companies B) Cash allocation: ROIC improvement through the investment strategy based on the business portfolio strategy and fund procurement in light of financial soundness
	4 Enhancing human capital A) Recruitment and development of human resources based on the growth strategies: Digital literacy education, global human resource education, recruitment of highly professional human resources, and strategic human resource portfolio B) Improvement of employee engagement: D&I promotion, career path formulation support for employees, and female leader development
	5 Contribution to the environment and society through products and services A) Environment: Deployment of GHG emissions calculation for Scopes 1 and 2 and introduction of Scope 3 to group companies. Consideration of an environmental product certificate system B) Society: Improvement of corporate value through expansion of values provided to stakeholders
	6 Enhancing risk management and compliance A) Risk management: Monitoring of business risks arising from climate change and human rights issues and implementation of CSR, BCM/BCP measures, enhancement of information security measures, etc. B) Compliance: Compliance education, continuous implementation of the compliance awareness survey, reinforced utilization of internal whistleblower hotlines

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21

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.

[SG-2026] Key Management Indices

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)

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22

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

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

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(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

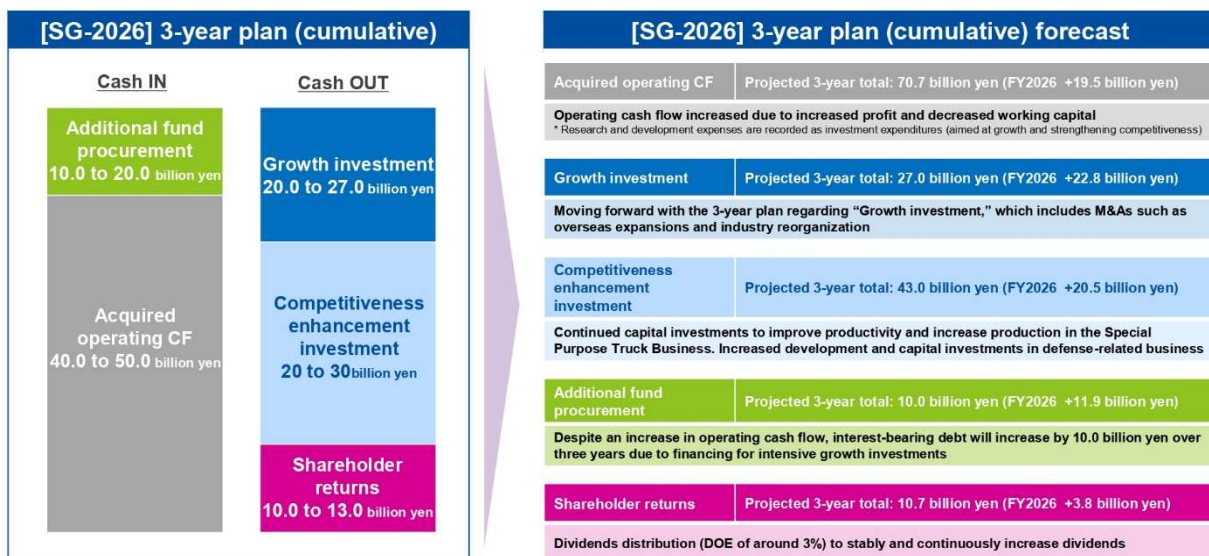
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23

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

Cash Allocation

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24

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%.

Business Strategies: Overseas Expansions

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[SG-2026] Initiatives to achieve the overseas sales target of 80 billion yen

- (Special Purpose Truck) Actively promote overseas M&A and alliances, improve export sales prices, resume exports to Australia, continue securing orders for ODA/OSA projects, strengthen the production capacity of Thai ShinMaywa and strengthen domestic sales in Thailand, and expand exports of products reflecting local needs.
- (Parking Systems) Parking systems: Expand the product line-up through M&As and alliances, and strengthen order acquisition competitiveness in Taiwan and Southeast Asia (Thailand and Vietnam) by offering specifications that meet local needs.
Airport facilities: Strengthen supply capacity at Asian bases, expand strategic sales regions and enter new markets, introduce products for the low-price market, retain customers through advanced specifications, and increase the acquisition of maintenance contracts.
- (Industrial Machinery & Environmental Systems) Wire processing systems: Develop automated processing equipment for special wires with growing demand driven by the rise of CASE, expand market share in Southeast Asia, North America, and China, and cultivate new markets such as India and Europe.
- (Fluid) Expand the line-up of submersible pumps at Thai ShinMaywa and strengthen cost competitiveness to increase orders in the Southeast Asian region. Conduct research and seek partners for entry into new markets. Enhance the competitiveness of turbo blower products (deploying small strategic models and developing magnetic bearing models) to expand market share in China and strengthen sales in Indian market.
- (Aircraft) Respond to increased production of components for major Boeing product and improve sales prices, and secure new orders from Airbus and other aircraft manufacturers.

(Billion yen)

■ Total (FY2013-FY2020, FY2030)

■ Aircraft

■ Fluid

■ Industrial Machinery & Environmental Systems

■ Parking System

■ Special Purpose Truck



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25

Next is the progress of overseas expansion.

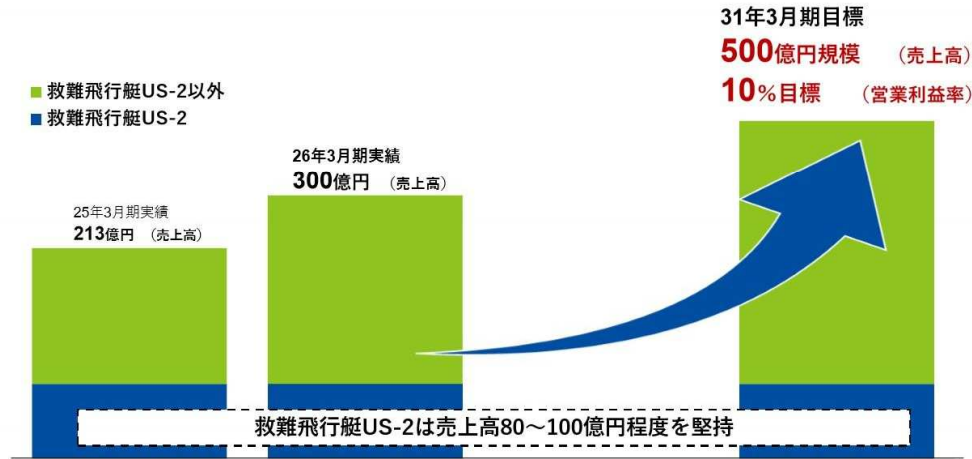
Overseas net sales for the fiscal year ended March 2026 totaled JPY46.6 billion. The situation is tough due to stagnant capital investment for automotive secondary batteries and uncertainty over US tariff policy. In comparison to the SG-2026 target of JPY80 billion, the forecast for the fiscal year ending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

事業戦略 [防衛関連事業]

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防衛予算の増額および防衛生産基盤の強化に関する政策を追い風に、売上高・利益率ともに拡大を目指します。
当社は救難飛行艇US-2を基幹製品とし、これまでの事業で培った技術、製品、サービスを基に防衛関連事業の強化を図ります。
2027年3月期以降は飛しょう体および兵站関連への取り組みを強化し、防衛事業のさらなる拡大を推進してまいります。



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26

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.

Flying object-related (guided missiles + ground launch equipment)



In development of new guided missiles, we acquired orders for components from a major client starting from FY2024, and began working on designs and trials. Furthermore, in response to the expanding demand for guided missiles, we will strive to participate in the development of new guided missile fields and increase orders for mass-produced items, thereby driving the growth of our defense business.

Utilizing the vehicle mounting and structural design technologies cultivated in our Special Purpose Truck Business, we are currently participating in the design and prototyping of launcher vehicle used for the Type-25 Surface-to-Ship Missile (SSM) and the Type-25 Hyper Velocity Gliding Projectile (HVGP). We plan to commence mass production starting from FY2026.

Looking ahead to the expanding and diversifying demand for guided missiles, we aim to grow our defense business by addressing a wide range of requirements for launcher systems.



Logistics-related (equipment + vehicles)

The mobile container base was developed through a three-party collaboration between NTN Corporation, FUNAYAMA CO., LTD., and ShinMaywa Industries, Ltd., with ShinMaywa leading the planning and overall coordination. This product has recently been adopted by the Japan Air Self-Defense Force (JASDF).

By combining multiple containers equipped with accommodation, sanitary and other facilities, the base can be used for daily living. Furthermore, by utilizing the detachable container system also adopted by the JASDF, the base can be rapidly deployed to required locations. In addition to standard field operations, the system is also designed to serve as a base for disaster response.



In the vehicle sector, we are leveraging the specialized technologies of our Special Purpose Truck segment to expand our product lineup for rear-echelon logistical support. Our group company, TOHO CAR CORPORATION, has an established track record of delivering vehicles such as semi-trailers to the Japan Ground Self-Defense Force (JGSDF). Moving forward, in addition to securing repeat orders for existing models, we will advance proposals for detachable container systems for the JGSDF. We will also undertake the renovation and new construction projects for the Type-92 Heavy Pontoon Bridge Transporter, for which orders were received in FY2026.



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27

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.

STOL Search and Rescue Amphibian (Manufacturing + Repair)

The STOL Search and Rescue Amphibian (US-2) is a critical piece of equipment supporting Japan's maritime search and rescue system, featuring exceptional short take-off and landing capabilities on water and the ability to operate in the open sea. In addition to the development and manufacturing of the US-2, we are responsible for periodic maintenance (overhaul) and the production of spare parts, ensuring the stable and reliable operation of the aircraft.

The 9th aircraft was delivered in February 2026, and the contract for the 10th aircraft was concluded in FY2025. We will continue to pursue new manufacturing contracts while working to strengthen the operational infrastructure of the US-2 through periodic maintenance, the supply of spare parts, and technical support.



STOL Search and Rescue Amphibian (US-2)

ShinMaywa Iwakuni Aircraft Maintenance, Ltd.

As a group company, ShinMaywa Iwakuni Aircraft Maintenance, Ltd. is responsible for the scheduled and unscheduled maintenance of US-2 airframes and related equipment at the Japan Maritime Self-Defense Force (JMSDF) Iwakuni Air Base, excluding periodic overhauls.

The company performs maintenance tailored to the specialized requirements of amphibians, including hull inspections, sheet metal work, and the inspection of engines, propellers, and electronic equipment. These operations ensure the readiness and reliability required of the US-2, supporting the continuous execution of search and rescue missions.



US-2 Maintenance at ShinMaywa Iwakuni Aircraft Maintenance, Ltd.

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28

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.

Aiming to leap from FY2027 towards the [SG-Vision 2030] goal

We will classify the five businesses based on ROIC into a growth potential enhancement business or profitability enhancement business to promote investment strategies as well as create new businesses through the synergy of the five businesses and value co-creation with external parties.



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29

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.

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 sector demand:** Increase in demand for energy saving products to address decarbonization and rising energy prices
- **Overseas:** Growing demand for water infrastructure development in areas where sewer systems are not widespread (such as in Asia). Despite growing demand for renewal in North America, where sewerage systems are widespread, uncertainty from various regulations is a concern.

Business Strategies

Rainwater Management Market Strategies

- Expand sales in the torrential rain and flooding measures sector through core products and technologies.
- Strengthen the engineering framework through focused resource distribution.
- Strengthen proposals targeting local governments and consultants to expand track record with large-diameter pumps.

Sewage Market Strategies

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

Private Demand Market Strategies

- Expand sales volume of high value-added and energy-saving products that contribute to reducing environmental impact of private-sector factories.

Overseas Business Strategies

- Increase presence through continual introduction of high value-added and energy-saving products.
- Increase profit and enhance competitiveness by switching to in-house manufacturing of key components.

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.

infiltration and inflow diagnosis feature added to "Manponet® (Cloud)," a cloud-based monitoring system for manhole pump stations.

We now offer a new feature to diagnosis infiltration and inflow which helps pinpoint the areas where rainwater infiltration enters sewer systems, a major factor driving up water treatment costs, to our cloud-based monitoring system for manhole pumps "Manponet® (Cloud)."

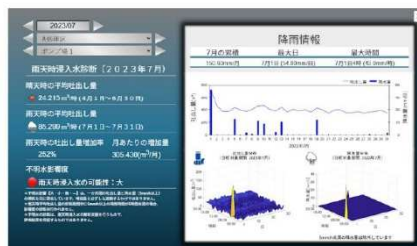
In recent years, cases of infiltration and inflow entering sewer systems have increased due to factors such as aging sewer facilities and incorrectly connected rainwater pipes, placing a strain on local governments' wastewater-related budgets. Identifying the exact points of infiltration requires extensive surveys, which add up in cost. Furthermore, many local governments face challenges in transferring specialized technical knowledge due to staff shortages and an aging workforce, creating a need for efficient methods to pinpoint these infiltration points.

Our feature to diagnosis infiltration and inflow analyzes the impact of infiltration and inflow during rainy weather by combining rainfall data provided by the Japan Meteorological Agency with operational data, such as discharge volume from submersible pumps at manhole pump stations, and visually displays the results on a map, which serves helps in narrowing down infiltration areas. This enables users, regardless of their experience with sewer-related operations, to efficiently identify the points of infiltration and inflow by starting their investigation at manhole pump stations that are the most impacted.

It not only improves daily operational efficiency but also contributes to initial disaster response and mitigation during emergencies. During torrential rain, it remotely detects any sudden inflow of rainwater, helping to predict secondary disasters such as flooding and supporting safe initial responses. It also maintains continuous monitoring even during major earthquakes, enabling early detection of infiltration and inflow caused by pipe damage to aid in repairs and protect local infrastructure in emergencies.



Impact mapping for manhole pump stations



infiltration and inflow diagnosis results

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31

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.

Business Policies

- I. Parking facilities: Strengthening product competitiveness and profitability through price rationalization
- II. Airport facilities: Establishing base and expanding operations in the rapidly growing Asian market
- III. Proactively promote digital transformation and alliances to create new businesses, and strengthen overseas business operations

Market Environment

- Demand for apartment construction is shrinking due to soaring material costs. Conversely, demand for hotel construction is increasing due to inbound tourism.
- Business opportunities are expanding due to diversifying needs, such as for CASE, DX, and ZEB.
- The airport facility market, particularly in Asia, has doubled due to a surge in passengers.
- There is growing demand for automation, reduced labor, and unmanned aircraft to optimize airport operations.
- The market for maintenance and repair of logistics facilities and infrastructure is expanding.
- In Southeast Asia, demand for mechanical parking systems is increasing.

Business Strategies

Parking Facility Business Strategies

- Promoting CASE via "Spasa"^{*1} and "AW"^{*2} for greater convenience and comfort
 - Connected: Smarter integration with users, vehicles, and apartment apps
 - Autonomous: Fully automated operation of parking systems
 - Shared: Shared charging facilities through sharing functions
 - Electric: Providing large-scale EV charging computability and recharging services
- *1: ShinMaywa Parking Support Application
- *2: Series compatible with charging large vehicles
- Actively address ZEB to contribute to achieving a carbon-free society.
- Improve profit by optimizing sales prices and strengthen proposals for high value-added specifications.
- Further improve service quality by advancing maintenance using digital technology.
- Actively promote alliances.

Airport Facility Business Strategies

- Provide products and services that satisfy customer needs.
 - Expand sales of new products that offer the world's first unmanned, automated driving.
 - Promote development of products that realize unmanned, automated driving via remote control.
 - Develop new service technologies for remote monitoring and automated inspections.
- Strengthen sales collaboration with agents in various countries and expand orders by promoting local production.
- Strengthen the ability to meet global standards by promoting the development of products compliant with European standards.

Promoting New Business Creation Activities

- Provide Spasa recharging and payment services and create new business using the data.
- Promote diversification of maintenance service business into social infrastructure and plant equipment.
- Broaden reach in new markets by leveraging the technologies of our products, systems, and services. (Mobility Station, logistics-related, surveillance and safety systems)
- Entered into a capital and business alliance with Zip Infrastructure Co., Ltd. to contribute to the societal implementation of next-generation transportation systems.
- Expand parking facility business by promoting alliances in Southeast Asia.

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.

Contributing to the development of next-generation transportation systems with parking system technology

We have entered into a capital and business alliance with Zip Infrastructure Co., Ltd. (Headquarters: Minamisoma City, Fukushima Prefecture; Representative Director and CEO: Takamasa Suchi; hereinafter "Zip Infrastructure"). Public transportation in Japan faces a variety of challenges, including chronic traffic congestion in urban areas, a shortage of bus drivers, and the cancellation or postponement of monorail construction projects due to soaring material and labor costs. To address and resolve these issues, there is a growing need to develop transportation systems that have a low environmental impact and enable sustainable operation. Recognizing these challenges and seeking to realize our long-term vision of "advancing urban and transportation infrastructure," we have entered into a capital and business alliance with Zip Infrastructure which is conducting research and development on "Zippar"^{*1}, a next-generation air transportation system. Our partnership with this company goes beyond mere capital investment. Specifically, regarding the "maintenance base" which is one of the key components of the system, we will leverage the construction, mechanical, charging, and maintenance technologies we have cultivated through our parking systems business to deepen our technical collaboration from the concept stage. Through these efforts, we will enter into next-generation transportation systems, a new area for the Company, while contributing to the societal implementation of safe, reliable, and sustainable transportation.



*1: Images of trial line in Fukushima, courtesy of Zip Infrastructure

Introduction of the first handicap accessible (gutter-less) airline passenger boarding bridge

We have delivered the first unit of an air passenger boarding bridge which added a "gutter-less option"^{*2} to the "handicap accessible type" developed in 2024 to Takamatsu Airport. This passenger boarding bridge was selected as the world's first^{*3} fully accessible (gutter-less) model and was installed as part of the expansion and renovation project for the Takamatsu Airport passenger terminal building. Delivery to the newly added Gate 7 was completed on September 26, 2025, and operations began on October 16 of the same year.

We will continue efforts to develop boarding bridges that ensure a safe, comfortable, and seamless experience for all airport users to contribute to the global advancement of universal design in airport facilities.

*2: About "gutterless": It is a design specification that conceals the drainage channels and rails typically found on both sides of a boarding bridge's floor, thereby enhancing safety and appearance.

*3: About "world's first": This is based on a review of previously reported information regarding airports worldwide and an assessment of trends among competitors.



First fully accessible airline passenger boarding bridge without gutters



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.

Business Policies

[Wire Processing Business]

- I. Develop new products to meet the growing demand for automated processing and high precision in specialized cables, driven by technological innovations such as high-speed communication enabled by CASE advancements
- II. Strengthen products and sales services through alliances to expand overseas business

[Vacuum Business]

- I. Expand vacuum process technologies, products, and services into growing industries, with the aim of expanding business in the global market and establishing a new revenue base

Market Environment

- **Automotive sales:** ASEAN shows signs of recovery. The Indian market continues to grow as government policies, such as the GST tax cut, prove effective. Europe shows signs of recovery but remains far below pre-COVID levels.
- **Wire processing systems:** Production volumes for harnesses requiring general cutting and crimping machines remain steady, but equipment sufficiency is high and investment priority is low. High-speed communication cables are difficult to process, involving significant manual labor and costs, leading to high demand for automation investments. For high-voltage cables, capital investment priority is high due to increasing production volumes.
- **Investments related to data centers and semiconductors** are growing, and more investments in motors and vacuum equipment are expected.
- Although the expansion of the EV market has slowed temporarily, it is trending upwards long-term. Rapid expansion is anticipated in markets such as India, where the FAME scheme is being promoted. In Europe, the market is expected to expand with the introduction of tax breaks for businesses.

Business Strategies

Wire processing business strategies

- Focus development resources on new products for automated processing equipment for high-speed communication cables and special wires. Actively evaluate and verify developed products using demonstration units to secure orders.
- Strengthen alliances to drive product development and expansion in new markets and sectors, thereby expanding sales.
- Reduce costs and streamline new product development through component standardization, design asset sharing, and product consolidation.
- Offer demos to customers and promote expansion mainly in Asia. Strengthen maintenance and preventive systems globally.
- Identify key strategic markets and customers to drive new business development and strengthen customer retention.

Vacuum business strategies

- Evolve in-line vacuum drying system technologies for automotive secondary batteries, and add value to equipment by improving them to have energy-saving drying heat sources.
- Expand sales by developing equipment for automotive secondary batteries that use vacuum technologies not from vacuum drying systems.
- Introduce new products to the renewable energy sector (perovskite and chalcopyrite solar cells) that utilize vacuum deposition and sputtering technology.
- Expand applications of diamond coating technologies to the power semiconductor market.

Motor product business strategies

- Increase orders and sales for high-precision motor products suitable for semiconductor manufacturing equipment motors and HDD inspection air spindle precision equipment.
- Develop product lineup of electric servo actuators and servo control units to offer a range of high-value-added, competitively strong products.
- To drive the adoption of BEVs, promote the development of electric PTO-related products for Special Purpose Trucks. Aim for joint development with chassis manufacturers.
- Leverage product technology expertise in the aerospace sector to strengthen sales channels, including those in the defense sector, and implement promotional measures such as advertising and participating in exhibitions to acquire new customers and secure orders both domestically and internationally.

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.

Developed and launched world's first "multi-core electrostatic shielded drain wire processing machine" for EVs and Advanced Driver Assistance Systems (ADAS)

In response to the surging demand for "multi-core electrostatic shielded cables" driven by the development of EVs and Advanced Driver Assistance Systems (ADAS), the Industrial Machinery Systems Division developed the "SS21," the world's first* fully automated processing machine for these cables, which was launched on March 1, 2026.

In recent years, the adoption of shielded cables with excellent noise resistance has been expanding as a measure to counter in-vehicle noise resulting from the increasing electronic controls in automobiles. However, multi-core shielded cables have a complex structure and are difficult to process, so in the past, many processes had to be done manually by skilled workers.

Using proprietary technology (patented), this product successfully automates a full range of processes; from length measurement, cutting, and sheath stripping to the highly complex task of applying heat-shrink tubing to drain wires, all in a single, integrated system. It achieves outstanding productivity, with a processing time of just 17 seconds for both ends.

The introduction of this machine will greatly help in addressing the labor shortages faced by wire harness manufacturers and ensuring consistent quality. We aim to sell 30 units in FY2028, and will drive further business growth and higher profitability by supporting the automation and advancement of global automotive production.

*As of February 2026, according to ShinMaywa research



Multi-core electrostatic shielded drain wire processing machine
"SS21"

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35

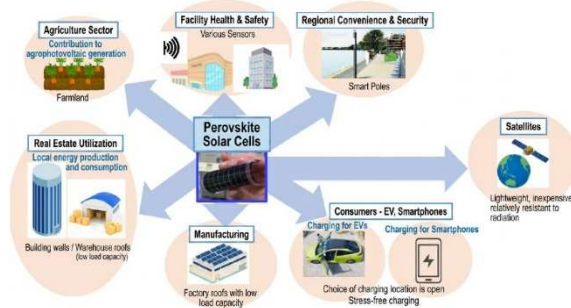
Next, I would like to introduce our new product SS21, multi-core electrostatic shielded drain wire processing machine. The demand for multi-core electrostatic shielded wires is rapidly increasing due to the vehicle electrification and the advancement of ADAS, and we launched the world's first fully automated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

With the ability to supply our vacuum equipment for the manufacturing of next-generation solar cells, we are considering using these next-generation solar cells in our own product lineup in the future. Therefore, we anticipate significant business synergies going forward.

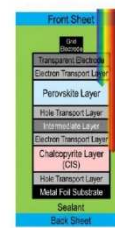
Investment in EneCoat

Since July 2024, we have invested in EneCoat Technologies, a startup from Kyoto University that develops next-generation perovskite solar cells. We are supporting the mass production of these products by providing our technologies, including vacuum thin film coating equipment. The perovskite solar cell market is projected to grow to 1 trillion yen by 2035, making it one of the most promising next-generation renewable energy sources.



Investment in PXP

We have invested in PXP, a company focused on developing chalcopyrite solar cells, a leading candidate for next-generation solar technology, as well as tandem cells that combine them with perovskite cells. Chalcopyrite cells are lightweight, flexible, and highly cost-effective, and are garnering high hopes as a practical solution for social issues. Our vacuum equipment is being utilized in the mass production process for these cells.



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36

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.

Business Policies

- I. Increase profitability of plant and stock businesses
- II. Expand environmental business scale by establishing wastewater treatment-related business

Market Environment

- Based on the Ministry of the Environment's March 29, 2024, notification titled "On Wide-Area Waste Management and Consolidation of Refuse Treatment Facilities to Ensure Sustainable and Suitable Waste Management in the Medium to Long Term," the Ministry has instructed all prefectures to establish "Long-Term Regionalization and Consolidation Plans in Preparation for 2050." Demand for refuse transfer station systems is increasing nationwide as essential facilities for wide-area collection.
- While the number of waste incineration facilities nationwide is trending downwards, the average processing capacity per facility is increasing (due to the consolidation of incinerators), and there is an upward trend in planning recycling facilities to be built alongside incinerators. Demand for upgrades to address aging facilities and for core improvement projects remains steady, but plans for standalone recycling facilities are trending downward.
- Contracts are becoming more diverse, with some being public-private partnerships (PPPs). In areas such as recycle waste collection, there is an upward trend of municipalities directly outsourcing collection to the private sector, leading to a decline in facility construction by municipalities.

Business Strategies

Plant business strategies

- Actively promote facility plans through study sessions with the municipalities to help understanding the effectiveness of transfer station systems which are essential for wide-area management.
- In response to price fluctuations, ensure adjustments are discussed based on slide clauses to mitigate the impact of rising construction costs on profitability.
- Focus toward transition to contracts like PPP, and strengthen proposal activities to municipalities through collaborations with waste treatment and recycling operators to meet diverse market needs.

Stock business strategies

- As the number of DBO projects has increased, so has the number of facilities we operate on behalf of municipalities. To ensure the safe and stable operation of these facilities across the country, strengthen management staff and the structure to foster local employment and their supervisors.
- Improve profitability through labor savings and increased efficiency by leveraging digital tools and remote monitoring capabilities that utilize AI and IoT technologies.

New business and wastewater treatment-related strategies

- Conduct market research and product development to provide wastewater and exhaust treatment technologies for private-sector factories, going beyond wastewater treatment facilities for refuse treatment facilities.
- Establish collaborative relationships with wastewater maintenance and management companies and conduct demonstration tests. Aim to provide products that apply our wastewater treatment technologies during facility renovations and expansions.

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.

Business Strategies: Industrial Machinery & Environmental Systems Business (Environmental Business)

Growth potential enhancement

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VISION WITH INSIGHT

Improving overall efficiency of facility operation through DX

By leveraging AI and digital tools to process data, such as images and video captured by cameras and sensors within facilities, we will realize DX in facility operations, including disaster prevention and mitigation, labor reduction and efficiency improvements, as well as improved working conditions.



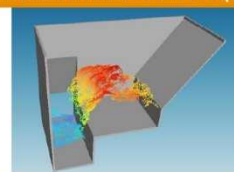
*Image generated with AI



Application of remote sensing technology

We aim to improve safety, reduce labor and automate facility operations by utilizing remote sensing technologies such as LIDAR to collect data on equipment operations.

Visualization of refuse volume in hopper



Fire and smoke detection technology

Introducing thermal cameras and AI-based fire detection systems enables early detection of fires and smoke caused by the misplacement of items such as lithium-ion batteries, thereby preventing fires in waste pits at processing lines and treatment facilities. This contributes to the stable operation of facilities.



Vehicle control technology

The introduction of an AI system capable of automatically identifying vehicle license plate numbers and vehicle types enables centralized management of traffic control and form issuance systems at treatment facilities. This system reduces the need for personnel to guide vehicles, streamlines cumbersome administrative tasks, and reduces labor, while also contributing to shorten waiting times.



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38

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.

Business Strategies: Special Purpose Truck Business

Profitability enhancement

ShinMaywa
VISION WITH INSIGHT

Business Policies

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

Market Environment

- **Truck Market:** Although the sales volume is not expected to return to pre-pandemic levels, a gradual recovery is expected through the fiscal year ending March 2028.
- **Trailer Market:** Demand remains strong, driven by needs to improve transportation efficiency in response to the 2024 and 2026 logistics issues, as well as promotions to accelerate the replacement of tanker trucks.
- **Forestry Machinery Market:** The forest management policy remains in effect under the government's "Basic Policy". The shift back to domestic timber is progressing along with promotions to use it as a measure against pollen allergies.
- **Construction Machinery Market:** Total global demand has been recovering gradually since bottoming out in 2024.

Business Strategies

Technology Strategies

- Aim to establish our technological position by leveraging business synergies through joint development of "electric PTOs" with the industrial machinery and environmental systems segment and by taking the lead in adopting CASE technologies, such as those for EVs.
- Expand the scope of our defense business by leveraging synergies with the aircraft segment. Aim to increase orders and sales.
- Realize labor-saving measures in the forestry industry using digital twins. Promote new product development by developing remote control technologies and utilizing data.
- Realize industry-first Special Purpose Truck developments in EV compatibility. Further expand SSC* to uncover new sources of added value. *ShinMaywa Smart Connect
- Enhance AI technology for the entanglement injury reduction device of waste collection vehicles to improve the accuracy of human detection.

Product Strategies

- In December 2025, launched a system to improve the efficiency of waste collection operations (G-SUPPORT). Lead the advancement of CASE technologies in the Special Purpose Truck industry along with the expansion of value proposition business (G-SUB).
- Enhance production capacity for core products by establishing a framework for expanding production through capital investments and improving production efficiency.
- Work to improve profitability by quickly and reliably capturing the benefits of price revisions.

Overseas Strategies

- Expand overseas operations by leveraging our supply capabilities by expanding Thai ShinMaywa's product lineup and increasing their production capacity, and expand sales of component products.
- Promote the export and sale of products tailored to local needs. Secure orders for ODA/OSA projects.
- Strengthen strategic M&A and alliances by identifying key regions and countries.

Service Strategies

- The number of maintenance contracts continues to grow. Additionally, provide greater safety and security than ever before through real-time monitoring of mounted equipment through SSC expansion.
- Pursue efficiency in parts transportation in the wake of Integrated Parts Center becoming fully operational.

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39

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.

Business Strategies: Special Purpose Truck Business
Profitability enhancement
ShinMaywa
VISION WITH INSIGHT

Addressing a wide range of issues and delivering products with value

To effectively address the wide range of issues faced by the market and our customers, the Company is developing new products designed to further enhance performance and quality. Through the application of our proprietary technologies and joint development with group companies, we have reduced labor, improved transportation efficiency, and secured a high level of safety.

We are working to provide products that deliver even greater value to our customers by expanding our product lineup to better meet their needs.

4-ton dump truck with F gate
(Dump truck for transporting construction equipment)

[Contributing to labor savings and improved safety]

This product automates tailgate opening and closing operations using a hydraulic mechanism to reduce labor requirements. In addition, the top-opening tailgate design eliminates the gap between the cargo bed and tailgate, enabling safer and smoother loading and unloading of construction equipment. It meets the needs for labor saving and improved safety on construction sites.



4-ton dump truck with F gate

GVW 36-ton
dump semi-trailer for transporting soil and gravel

[Contributing to high-volume transport needs through improved transport efficiency]

Developed in collaboration with Toho Car Corporation, this new model is able to be registered for a maximum payload of over 27 tons. It incorporates the comprehensive capabilities of Japan's leading dump truck manufacturer to meet high-volume transport needs, featuring a lightweight, high-strength half-pipe-shaped body with efficiently arranged body stiffeners; a low trailer frame with optimized cross-section performance; and the adoption of ShinMaywa's rear dump hoist.



GVW 36-ton dump semi-trailer for transporting soil and gravel

System to improve the efficiency of waste collection operations "G-SUPPORT"

[Contributing to solving issues in waste collection operations]

This system enhances the efficiency of waste collection operations by equipping garbage trucks with onboard communication devices to collect and utilize data on vehicle location, operational status, and load capacity. It combines the expertise of ShinMaywa, which holds the top market share for garbage trucks in Japan, with the technology of LECIP CORPORATION, a company with a proven track record in bus operation management systems. Provision of this system addresses labor shortages in the industry and improves operational efficiency and safety.




Monitor installed by driver seat WEB portal site

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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.

Business Policies

- I. Capture new business opportunities aimed at solving societal issues and establish a business foundation
- II. Create compelling products and services utilizing STOL Flying Boat and unmanned aircraft technologies
- III. Expand business through collaborations and alliances with other companies
- IV. Optimize invested capital for ROIC improvement and strengthen profitability

Market Environment

- Defense budget continues to trend upward in line with target of 2% of GDP.
- The commercial aircraft market remains robust and is expected to grow at an average annual rate of 3 to 4%.
- Demand for aircraft is rising amid efforts to achieve carbon neutrality, and opportunities to propose thermoplastic resins and recycled materials are increasing.
- The business environment remains uncertain due to exchange rate fluctuations and heightened geopolitical risks.

Business Strategies

Civilian Aircraft Business Strategies

- Respond to increase in Boeing products and seize new project opportunities.
- Research thermoplastic composites and develop products using recycled composites.
- Participate in research led by the Ministry of Economy, Trade and Industry aimed at reducing the weight and improving the production efficiency of next-generation aircraft.

Defense Business Strategies

- Complete production of 10th STOL Amphibian. Maintain production base by securing a steady stream of orders for the 11th and beyond, and ensure profitability through cost reductions.
- Stabilize business and strengthen operational support through the acquisition of contracts related to STOL Amphibian comprehensive maintenance.
- Conduct development work related to flying objects components and secure new mass-production orders.

Fixed-wing Unmanned Aerial Vehicle Business Strategies

- Conduct demonstration tests of our in-house developed fixed-wing unmanned aircraft and promote them to potential customers through exhibitions.
- Actively participate in government-led projects and strengthen collaborations with relevant government agencies and research institutions.
- Promote research and development aimed at real-world implementation, primarily in the fields of marine condition monitoring, meteorological observation, and communications, while driving commercialization through collaborations with other companies.

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.

Promoting research and societal implementation of fixed-wing unmanned aerial vehicles (unmanned aircraft and HAPS)

Aiming to address social challenges such as the establishment of observation and surveillance systems for vast oceans, the Company is participating in the "Key and Advanced Technology R&D through Cross Community Collaboration Program (K Program)" led by the Cabinet Office.

Leveraging proprietary technologies developed through projects such as the STOL Amphibian, we are leading the development of unmanned aircraft XU-M II, which transports, automatically deploys, and retrieves autonomous underwater vehicles (AUVs). Additionally, we are responsible for the design and manufacture of high-altitude platform stations (HAPS) equipped with remote sensing equipment to monitor marine conditions from the stratosphere.

We are conducting various tests at each stage of development in the R&D of these aircraft.

In the development of unmanned aircraft, we successfully conducted an autonomous flight test (OPV test) using R&D aircraft in March 2025 (left photo). In October of the same year, we successfully conducted the first flight of the "XU-M II," a 1/5-scale prototype of the unmanned aircraft for the K Program (middle photo), and verified its basic performance, including remote-controlled takeoff and landing.

We will continue to collect data that will contribute to the development of demonstration aircraft such as XU-M II.

In HAPS development, we are working on aircraft with the aim of conducting stratosphere demonstrations in FY2028 (right photo) and conducting various tests.

To facilitate the societal implementation of these projects, we will continue to identify needs in areas such as marine condition monitoring (observation and surveillance), meteorological observation, and communications, while also promoting them to potential customers at exhibitions and other events. At the same time, we will also engage in concrete steps toward the commercialization of unmanned aircraft and HAPS, and work to expand new business domains utilizing unmanned technologies through collaborations with relevant government agencies and private companies.



Automatic flight test (OPV test)



Unmanned aircraft XU-M II which had a successful first flight



1/5 scale model of high-altitude platform station (HAPS)

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42

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.

"Building a smoother tomorrow."

Our communication word, "Building a smoother tomorrow," encapsulates our promises to stakeholders that ShinMaywa's products and services will continue to support people's lives in various ways every day, and that we will remain an indispensable part of society by providing value which makes our communities and daily lives safer, more convenient, and smoother.

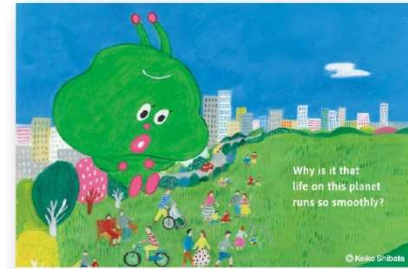
We also started running a series of "Building a smoother tomorrow" transit advertisements in October 2025 at locations such as Osaka and Kansai International Airports as well as eight JR stations in the Tokyo metropolitan area while also uploading videos on our website and YouTube channel.

MayMay appointed as ShinMaywa's ambassador character!



©Keiko Shibata/ShinMaywa Industries, Ltd.

As a PR ambassador of "Building a smoother tomorrow" to people of all ages, we have chosen "MayMay," a character created by picture book author Keiko Shibata. MayMay is an alien who has come from a distant planet to visit the planet called earth on a field trip. This six-part series of ads and videos will show you MayMay's genuine surprise and admiration upon discovering how ShinMaywa Group's products and services support the "smooth daily life" that Earthlings take for granted.



It's remarkable.
People here move around in vehicles, throw away all sorts of things, and even launch themselves into space.
And yet, daily life goes on without interruption.
Life here runs smoothly.
Behind this smoothly operating system, there are unseen hands and fascinating technologies working around the clock.
ShinMaywa is proud to be one of the forces helping make sure things on this planet keep going smoothly.

Building a smoother tomorrow.

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43

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.

[END]

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.*

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