

Progress of “Medium-term Management Plan 2026”

FY2024 - FY2026

May 22, 2025

SHIBAURA MACHINE CO., LTD.

Medium-term Management Plan 2026

FY2024 - FY2026

1

Basic Policy

Changes in prerequisites

Basic Policy of Medium-term Management Plan 2026

Quantitative targets

Consolidated target value for FY2026

Net Sales
200.0 Billion yen

Operating profit margin
10.0%

ROE
9.5% or more

(Reference) ROIC 9.0% or more

Policies indicating business direction



Ascertain growing markets and change the business portfolio to maximize overall profit



Engineering solutions to help increase customer productivity
Transform to turnkey equipment sales and direct sales



Arrange business infrastructure to make the leap toward becoming a 300-billion-yen company in FY2030

Fundamental policies



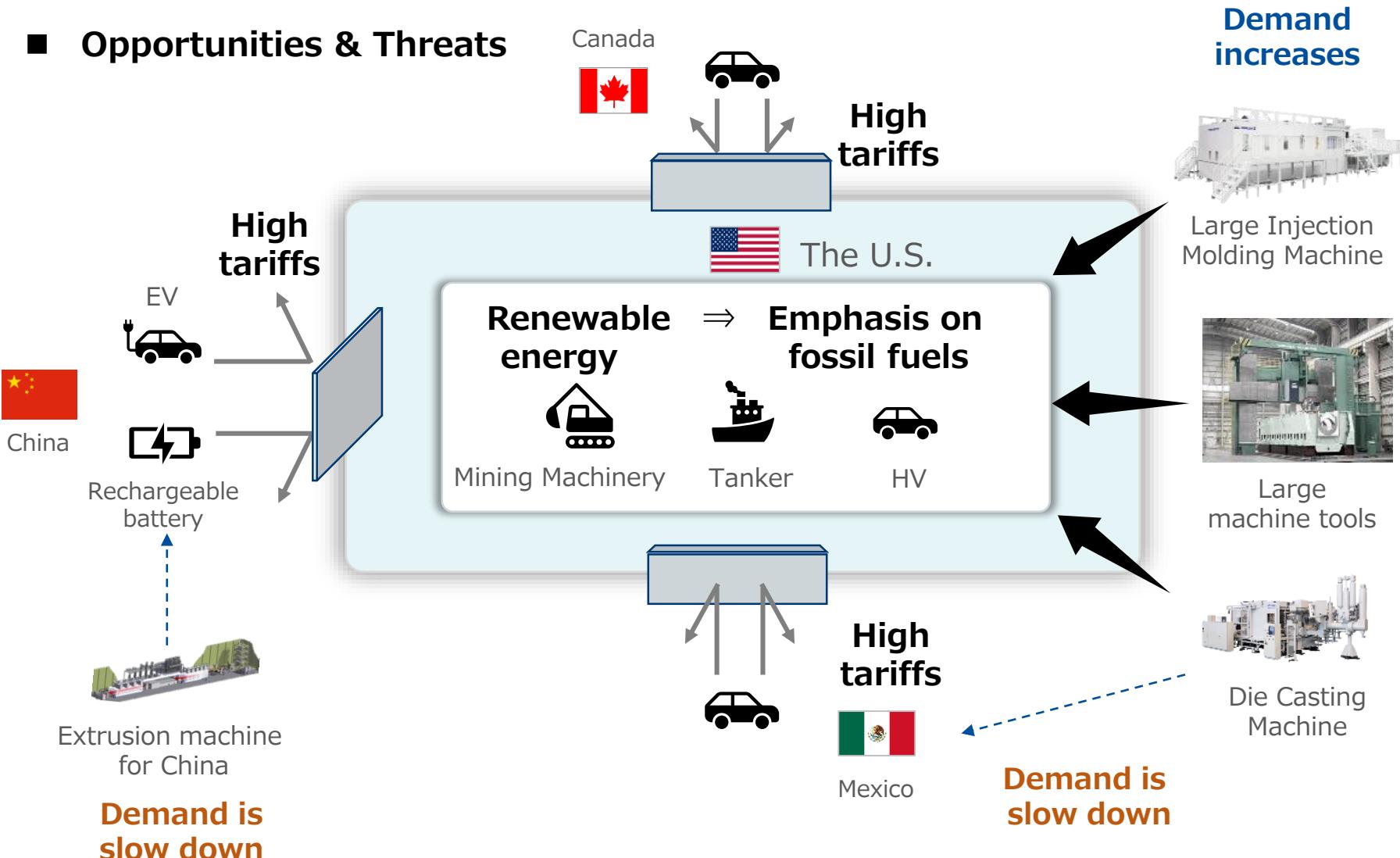
Implement a human resource strategy in connection with changes in the business portfolio



Promote ESG management

Policy Implications under the Administration in the U.S.

■ Opportunities & Threats



Demand is slow down

Frequent policy changes continue

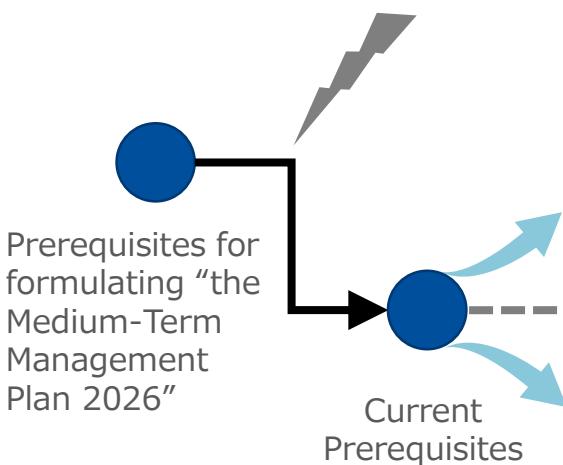
⇒ Keeping an eye on user trends and preparing a system for quick delivery to users

Outlook for FY2025



Inauguration of the U.S. new administration

(Influence of the previous page)



User's willingness to capital investment **activate**

The U.S. Tariff Issues **Resolved early**

The U.S. Tariff Issues **prolonged**

Delay in user's willingness to capital investment plan

- The effects of the strategies listed on the next page and beyond will be manifested, and **the forecast figures will be upward**. Shorten production lead times and build a **system for immediate delivery**

Amid **growing uncertainty**, we have formulated FY2025 forecasts based on the expected impact at this time based on the order backlog.

FY2025 Forecast

sales	¥140.0 billion
Operating Profit	¥5.0 billion
Operating profit ratio	3.6%

- Lower forecast for FY2025
- At the stage of looking at the results of 1H-FY2025, we will prepare to review the medium-term management plan targets and consider changing the targets

Our Basic Policy

	Market Environment	Our policy
India	<ul style="list-style-type: none"> Demographic dividend to continue until around 2050's In order to avoid high tariffs on China, users focus on Indian production and export from India. Due to the increase in production, the amount of electricity is tight. 	<ul style="list-style-type: none"> Sales promotion based on the system of increasing production at New plant in India (for containers, automobiles, and miscellaneous goods) Focusing on sales of machine tools for wind and hydroelectric power generation and extrusion machine for rechargeable batteries
China	<ul style="list-style-type: none"> Escalation of trade war with the United States Continuing the shift to EVs and PHVs under the leadership of China government 	<ul style="list-style-type: none"> Focusing on local production for local consumption Started original equipment manufacturing production of small injection molding machines Continued LiB separator film production lines (Wide and High-Speed machines) order activities
North America	<ul style="list-style-type: none"> Waiting capital investment in Mexico The Regression of the U.S. Manufacturing Emphasis on fossil fuels 	<ul style="list-style-type: none"> Focusing on orders for machine tools and high-precision machine Tools in the U.S.
Japan	<ul style="list-style-type: none"> Waiting approach to capital investment due to the U.S. policy trends Human resource and Labor shortage 	<ul style="list-style-type: none"> Reorganize the procurement and manufacturing system to respond to fluctuating delivery date specifications from users by front-loading production for projects that have already received orders Focus on system engineering projects

Medium-term Management Plan 2026

FY2024 - FY2026

2

Company Strategy

* A strategy that will be effective when the U.S. tariff issue is resolved early.

Injection Molding Machine

- Established sales & service subsidiary in **Germany**.
- Capture **4 countries**: Turkey, Germany, Italy, and the Netherlands
- Establishing a key player in the electric injection molding machine segment in Europe
- Introducing products specialized in the **containers** and **medical fields**
- Introduction of high-quality, low-cost hydraulic injection molding machines from the Indian plant



■ Market in Europe



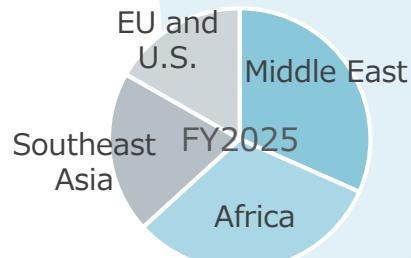
Electric injection molding machine



Hydraulic injection molding machine



- Focus on the **Middle East and Africa** and increase exports



- Focusing on the **Saudi Arabia and UAE** markets for **electric injection molding machine**
- Follow-up of overseas expansion of Indian users



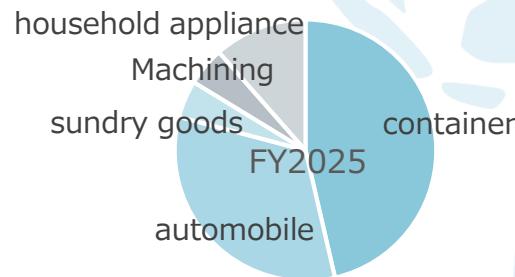
■ Market in China

- Reducing production volume** at the Chinese plant and **reducing the deterioration** of operations by reducing the number of employees
- Cost reduction** by original equipment manufacturing
- Launch of a **new model** (global standard model)

orders of unit : **125%** compared to FY2024
 sales of unit : **135%** compared to FY2024



■ Market in India



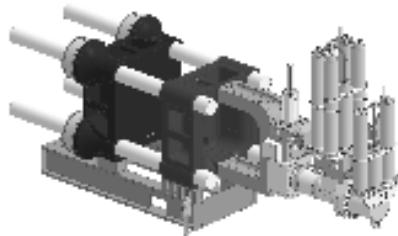
- Expand high-demand **containers**, **automobiles**, and **sundry goods**

Die Casting Machine

Development of low-pressure casting technology

Low-pressure casting technology

(Positioned as a mainstream technology in the future)



Technology to make castings molded by 6000 tons class with a 3500 tons machine

○ Merit

- **Can be transported** in Japan
- Contributing to **space saving** at the user's factory



△ Issue

- The product is being evaluated, but **it will take long time** to achieve the required accuracy

12000 t class development

2H-FY2024 Orders Received
⇒ Sales target by 1H-FY2026

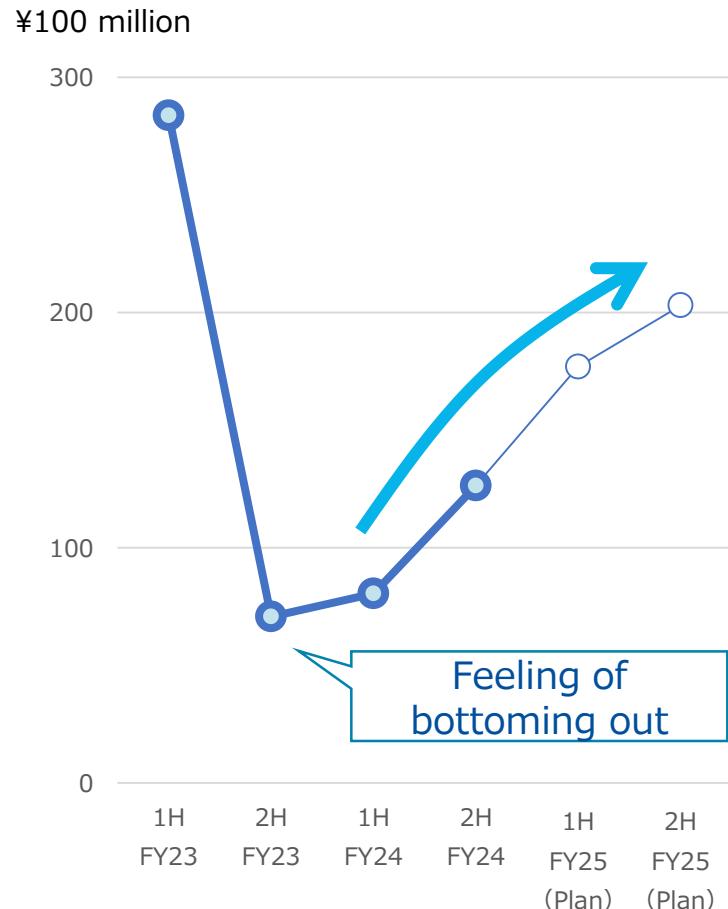


Human

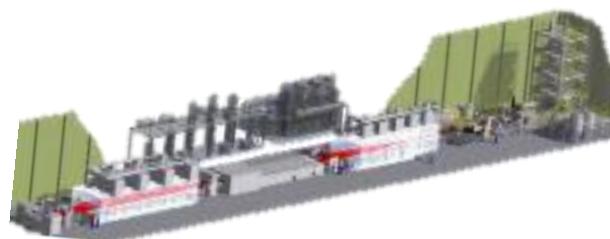
New entrants

- Short-time filling and short-time boosting, Increased yields and higher quality
- Proceed with the development of 6000 tons and 9000 tons classes to enhance the lineup

Extrusion Machine



- The winners and losers of separator film manufacturers in China have been clarified, and we promote **wide and high-speed machine of LiB separator film production lines to the winners**
- Focus on **user service** of LiB separator film production lines while it's in operation.
- Development of manufacturing equipment for next-generation batteries (described later)



Making the most of North America market's tailwinds Establish a sales system and pursue scale and profits

	Energy (including Mining)	Aerospace (Consumer Applications)
region	  Midwest & South & West of the U.S., Mexico	   West Coast & Eastern of the U.S., Mexico, Canada
strategy	<ul style="list-style-type: none">Demand of shale gas increase and user Follow-upIntensive sales promotion to major companies under its umbrella of power generation, construction machinery and Mining	<ul style="list-style-type: none">Establishing the SHIBAURA MACHINE brand by capturing Tier 1 and Tier 2 of major companiesIntensive sales promotion to strong distributors

Compared to FY2024, the target is to **increase orders received by 1.5 times** during the medium-term management plan period

High Precision Machine tools

Shibaura Machine

Region

Japan and East Asia



USA and EU



High Precision machine tools(UVM Series)
Expansion in Japan

Replacement for
electrical-discharge
machines

Incorporating high-hardness material
direct engraving needs

Optical
communication

Drilling with ultrasonic spindle

Press Mold

Automotive
Optics

Prototype reflector
for North America

Capture the Automotive Supply Chain

Automotive
Optics

Promote sales to local Tier 1 and
Tier 2 companies expanding into
North America



rollout

Development of models for
volume zones

Optical
communication

Press Mold



New Models
Start Designing
(Launched by the end
of FY2025)

From market research to sales
strategy formulation

Medical

Prosthetic joints

Optical
communication

Press Mold

rollout

Industrial Pyramid

Top layer

Middle layer

Medium-term Management Plan 2026

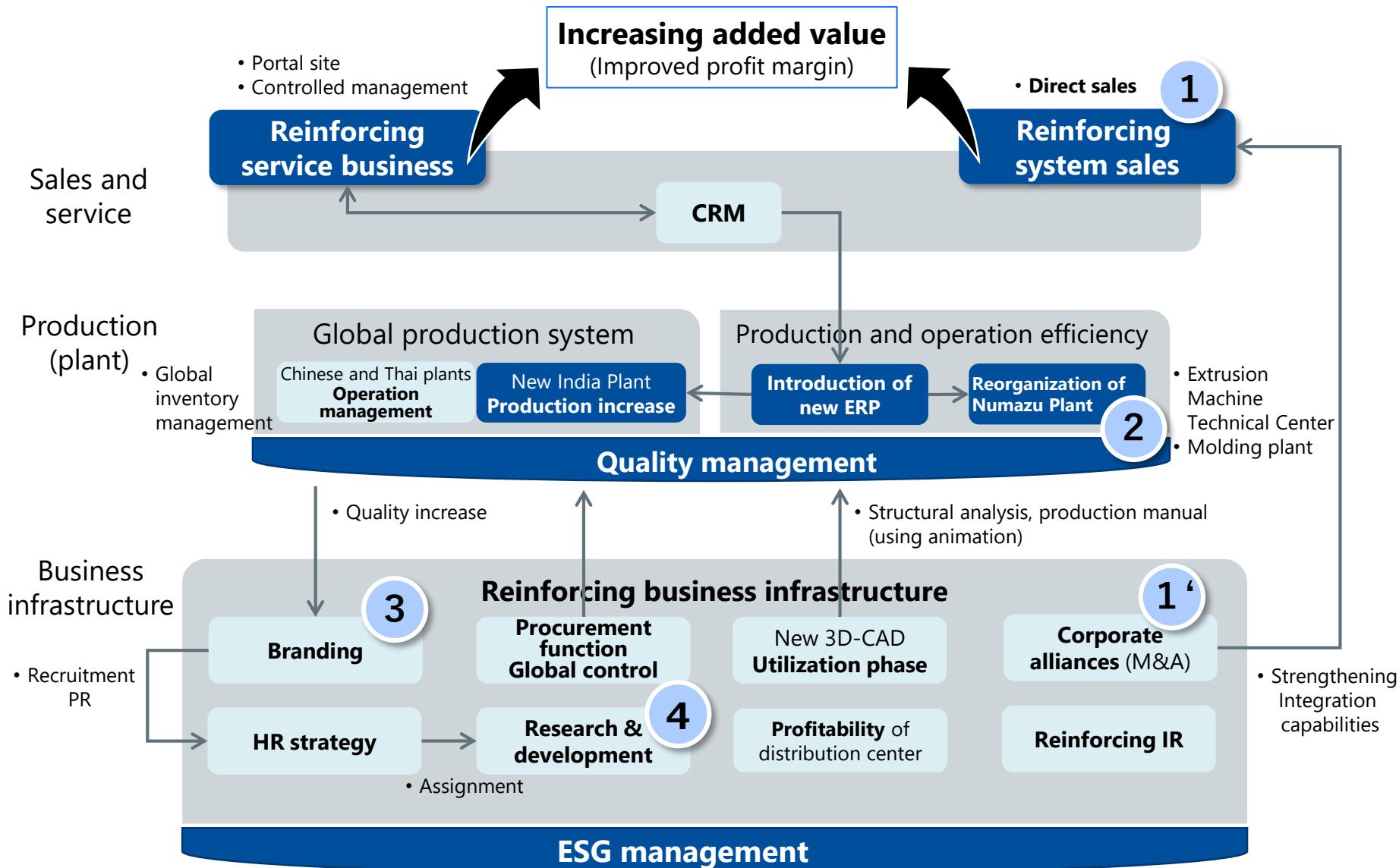
FY2024 - FY2026

3

Corporate Strategy

(Reinforcing Business Infrastructure)

Overview of Business Infrastructure Reinforcing Strategy and Measures



Strengthen system sales (Subsidiary Functional Fluids Ltd.)

■ "Things" that appeal to users

□ Stable quality

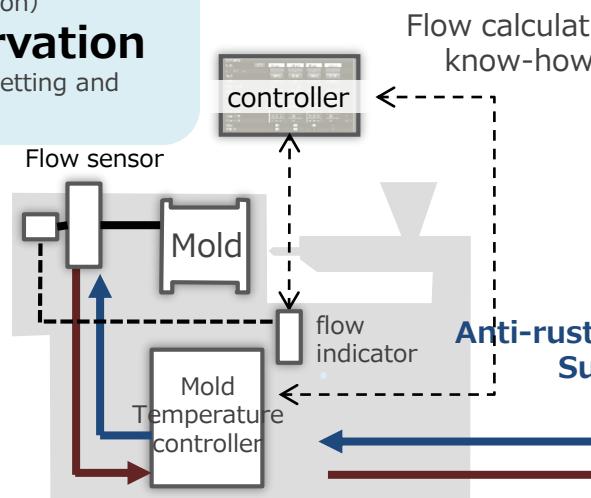
(Cooling water temperature and flow rate monitoring)

□ Setup Assist

(Proper flow rate calculation)

□ Energy conservation

(Temperature controller setting and rotation speed control)



Functional Fluids Ltd.

■ Description of Business

- Manufacture, sales and installation of mold cooling systems
- Manufacture and sale of cooling water rust prevention media, rust prevention chemicals, and humidifiers

■ Products



Plus-Humid

- Improvement of the working environment (Humidity stability)
- Improvement of the production environment (Anti-static)



Mold cooling system

- Prevention of water problems
- energy conservation (Efficient use of factory water)

- **Sell as a set in combination** with our injection molding machines, die-casting machines, and other product groups.
- **Improve productivity** and systematizing **products with proposed environmental equipment** contribute to the **SDGs**



- Increased selling price by **functional packaging**



- Following sales in Japan, we will develop **production and sales in India**, a growing market

Start in FY2025

Reorganization of Numazu Plant (Grand Design)

concept

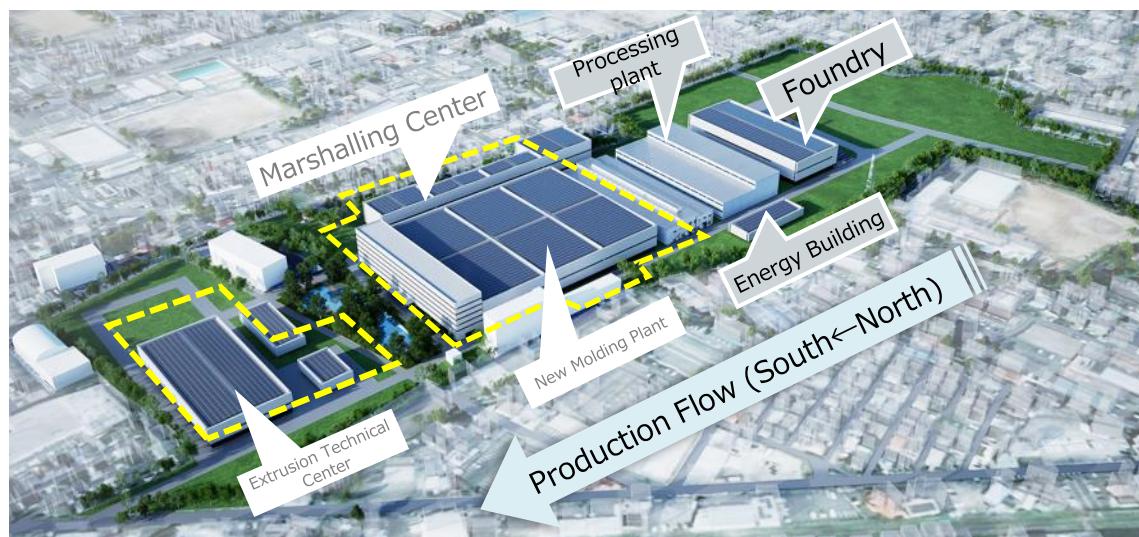
【Creating value through manufacturing】 **Value Creation Factory**

A simple factory that maximizes productivity, can flexibly respond to change, and has functional beauty

1. Improving production efficiency and optimizing

2. Human Resource Development and Creativity

3. Permanent development



plan

FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Phase 1		Phase 2				
Dismantling of Factory No. 8	Construction of extrusion technical center		Earthquake-resistant construction of processing plants		Construction of a foundry	Energy Building construction
Warehouse demolition	Dismantling of the first plant Construction of a new molding plant					

Shibaura Machinery's Solutions in the Age of Energy and Mobility Transformation

Generation

-Create Energy-
FSW processing
(Aluminum bonding)

machine tool



Cutting



- Wind power generation **speed increaser**
- Hydroelectric **turbine**
- Mining Machinery, Construction Machinery **Parts**

Storage

- Store Energy-



Battery Case



Lithium-ion battery

Separator Film



Extrusion
machine

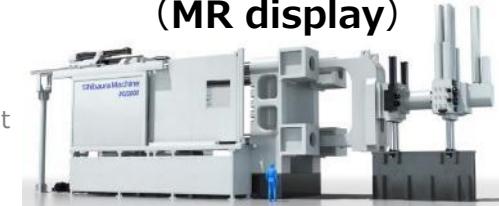
Exhibit of next-
generation battery
initiatives

development

Conservation

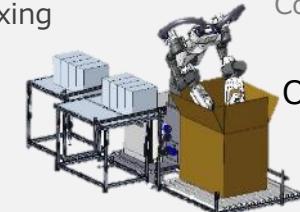
- Save Energy -

Super Large Die Casting Machine
(**MR display**)



Reduction of production processes

Boxing



Collaborative
Robots

Operation in food
factories

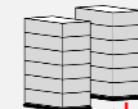
Actual cart
storage area

**Labor
saving**

AGV



Align in
storage location

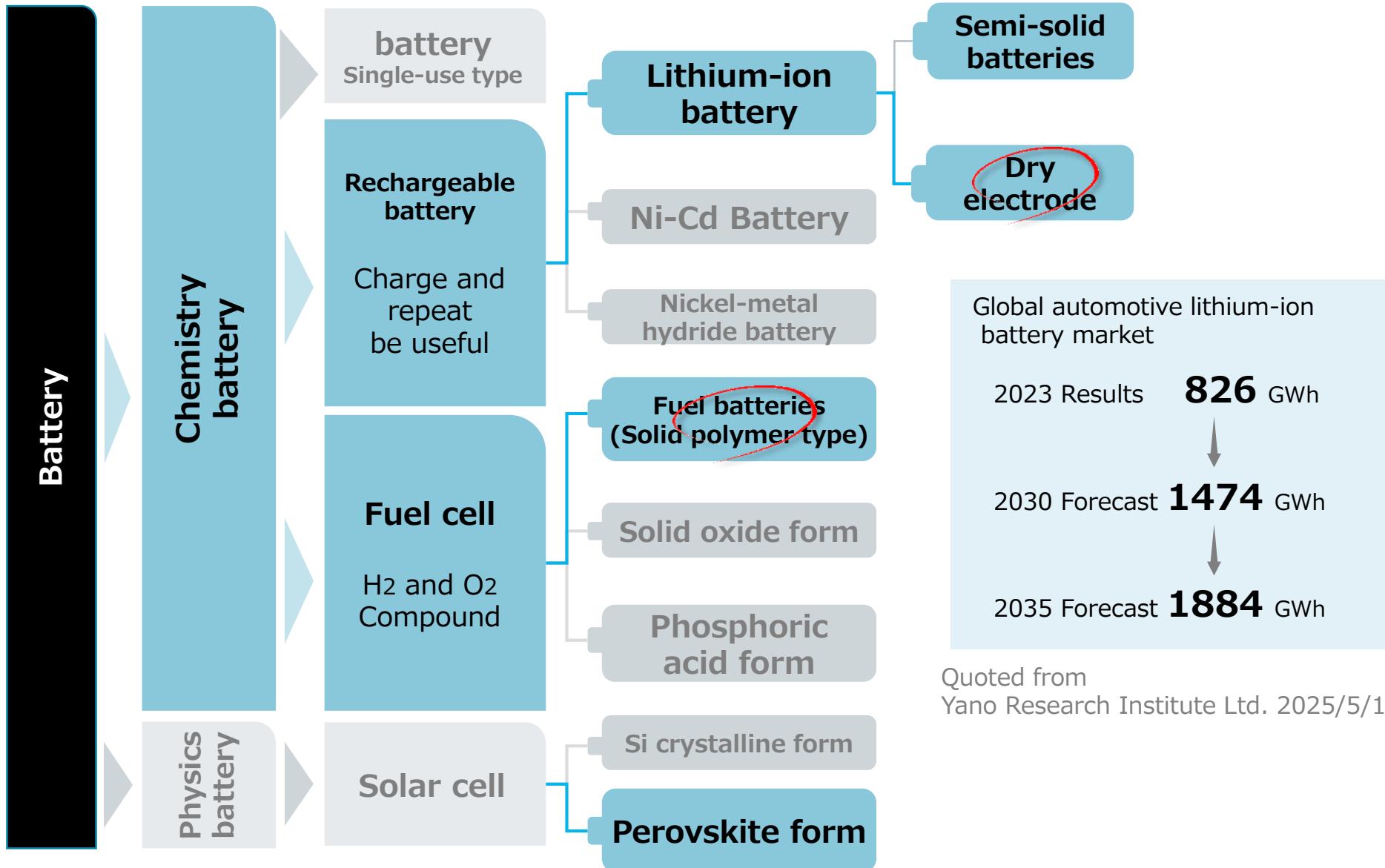


Reverse
operation

Automatic Conveying

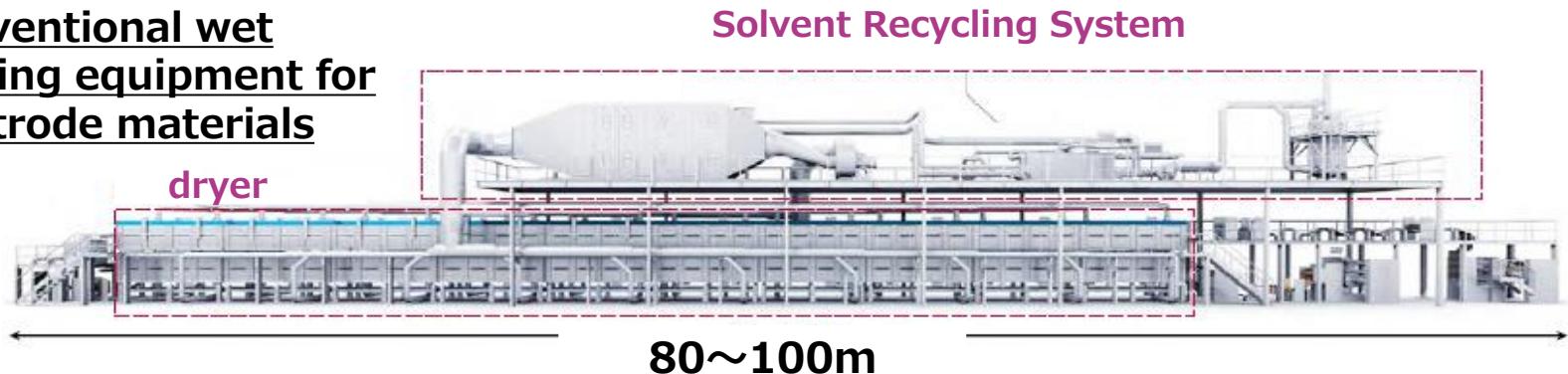
Despite the U.S. administration's reversal, **global environmental measures will continue** in the medium to long term.

Initiatives for Next-Generation Batteries

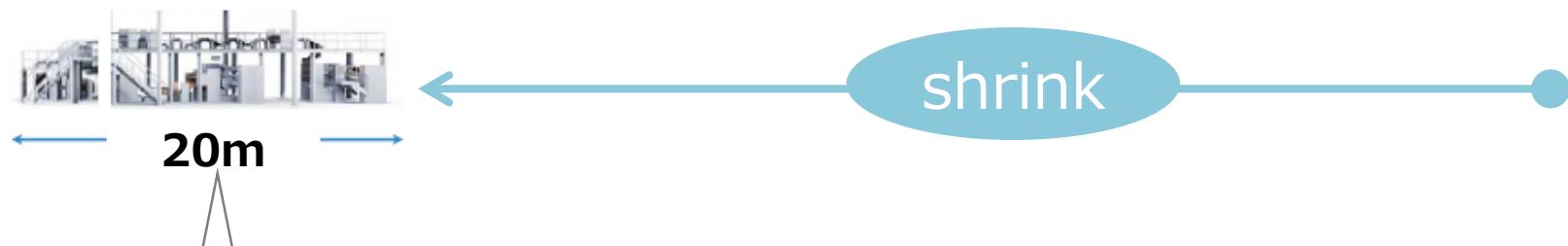


Advantages of dry electrode manufacturing equipment

□ Conventional wet coating equipment for electrode materials



□ Dry electrode manufacturing equipment



Improvement by dry electrode (*equivalent to 30 GWh plant)

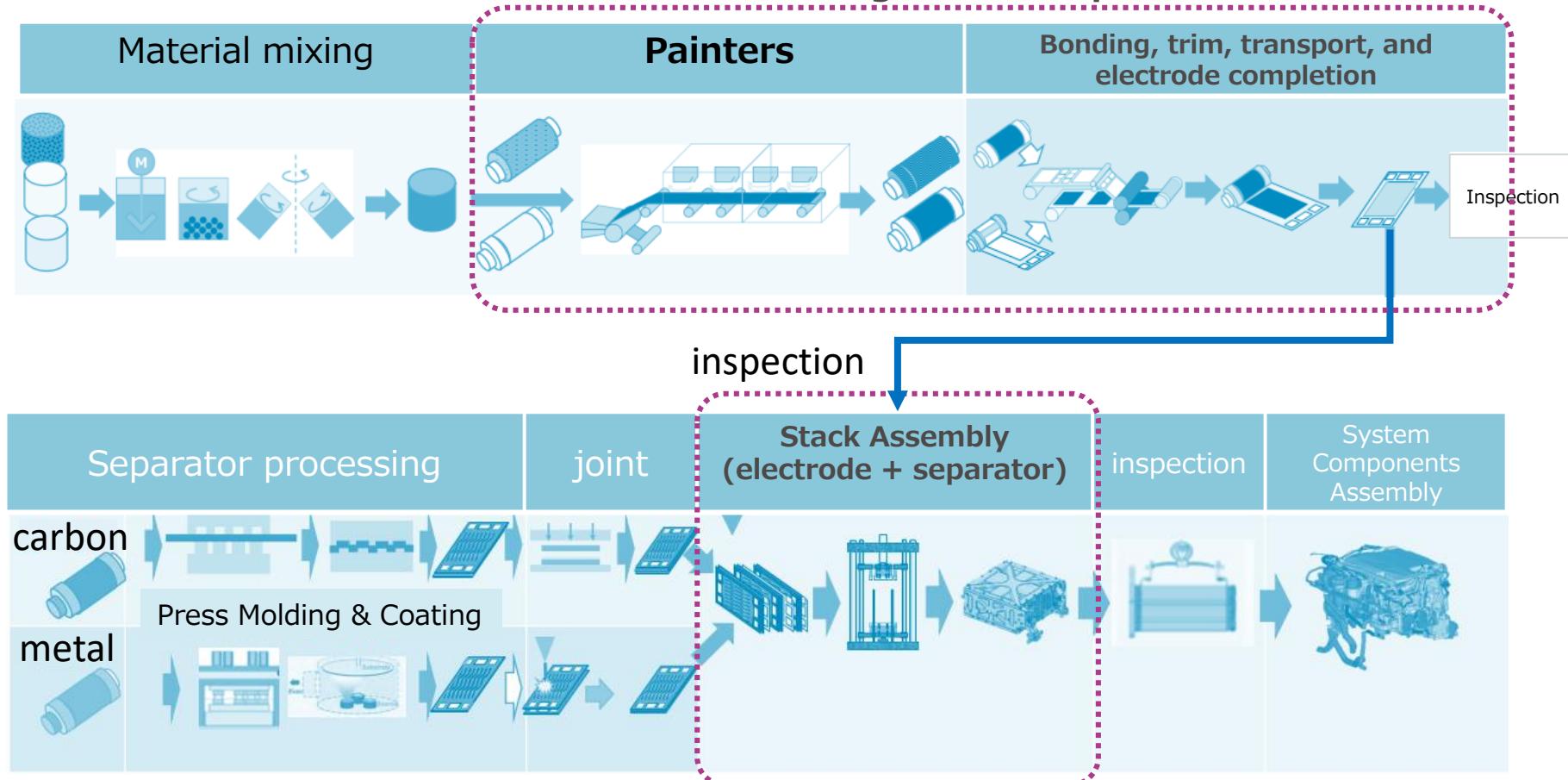
- System length and footprint
- Energy Usage of the Entire Plant
- Electrode coating equipment
- Solvent

Reduced to 1/5
45% reduction
30% reduction
Not required

Our Strengths in the Fuel Cell Manufacturing Process

■ Manufacturing Process*

Areas in which we are engaged in technological development



We have the technology for most of **the mass production processes** of fuel cells and can provide them as **a production line**

* Quoted from NEDO Fuel Cell and Hydrogen Technology Development Roadmap Debriefing Meeting, NEDO Fuel Cell and Hydrogen Technology Development Roadmap (Fuel Cells for FCVs and HDVs) FC Production Technology

Shibaura Machine

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