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## Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

November 9, 2023

Company name: SHIBAURA MECHATRONICS CORPORATION  
 Listing: Tokyo Stock Exchange  
 Securities code: 6590  
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 President and Chief Executive Officer  
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 Scheduled date to file quarterly report: November 13, 2023  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors, analysts and media)

(Figures are rounded down to the nearest million yen)

### 1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

#### (1) Consolidated operating results

(Percentages indicate year-on-year change.)

Six months ended	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	30,511	4.3	5,016	9.1	5,033	18.2	3,874	13.5
September 30, 2022	29,256	33.5	4,599	149.1	4,258	143.8	3,414	354.2

Note: Comprehensive income For the six months ended September 30, 2023: ¥4,104 million [13.0%]  
 For the six months ended September 30, 2022: ¥3,632 million [301.8%]

Six months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
September 30, 2023	292.45	—
September 30, 2022	257.56	—

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2023	87,167	33,785	38.8	2,569.81
March 31, 2023	81,887	33,007	40.3	2,488.89

Reference: Equity

As of September 30, 2023: ¥33,785 million

As of March 31, 2023: ¥33,007 million

Note: The Company conducted a 3-for-1 stock split of shares of common stock on October 1, 2023. Net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	0.00	—	560.00	560.00
Fiscal year ending March 31, 2024	—	0.00			
Fiscal year ending March 31, 2024 (Forecast)			—	165.00	—

Note:

- Revisions to the forecast of cash dividends most recently announced: None.
- The Company conducted a 3-for-1 stock split on October 1, 2023, and the year-end dividend per share for the fiscal year ending March 31, 2024 (forecast) takes into account the effect of this stock split. The year-end dividend per share for the fiscal year ending March 31, 2024 (forecast) takes into account the effect of the stock split, and the total annual dividend is shown as "-". The total annual dividend is shown as "-". The year-end dividend for the fiscal year ending March 31, 2024 (forecast) without the stock split is 495.00 yen, for a total annual dividend of 495.00 yen.

## 3. Consolidated financial results forecast for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year change.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	65,000	6.6	10,000	(8.3)	9,700	(7.7)	7,200	(21.7)	543.50

Note:

- Revisions to the forecast of cash dividends most recently announced: None.
- The Company conducted a 3-for-1 stock split of shares of common stock on October 1, 2023, and the net income per share for the fiscal year ending March 31, 2024 (forecast) takes such stock split into account. Net income per share without such stock split would be 1,630.50 yen.

## Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (4) Number of issued shares (common stock)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	13,971,900 shares
As of March 31, 2023	15,577,857 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2023	824,661 shares
As of March 31, 2023	2,316,042 shares

- (iii) Average number of shares outstanding during the period

Three months ended September 30, 2023	13,247,496 shares
Three months ended September 30, 2022	13,256,316 shares

Note: The Company conducted a 3-for-1 stock split of common shares on October 1, 2023. The "number of shares outstanding at the end of the period," "number of shares of treasury stock at the end of the period," and "average number of shares during the period" are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

Explanation of the appropriate use of financial forecasts and other special matters

- The financial forecasts and estimates in this summary of Consolidated Financial Results are based on the information available to the Company at the time of the report's publication and certain assumptions determined to be reasonable by the Company, and therefore are not guarantees of future performance. Consequently, actual results may differ substantially from those described in this Summary of Consolidated Financial Results.

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## 1. Qualitative information regarding consolidated financial results for the six months ended September 30, 2023

### (1) Explanation of operation results

#### (i) Overall results

During the first six months of the fiscal year ending March 31, 2024, reflecting a decline in demand for smartphones and personal computers, capital investments, particularly for memory, slowed in the semiconductor industry, and capital investments remained low overall in the flat panel display (FPD) industry. On the other hand, in the semiconductor industry, demand related to IoT, 5G and AI remained solid. Capital investments for logic/foundries, power devices and wafers were firm. In both industries, supplies of parts and components continued to be unstable. In both industries, supplies of parts and components continued to be unstable.

In this business environment, net sales in the first six months under review in the semiconductor field increased from the previous year, and net sales in the FPD field decreased. Overall net sales stood at 30,511 million yen (up 4.3% year on year). On the profit front, operating income stood at 5,016 million yen (up 9.1% year on year), reflecting an increase in sales of front-end process equipment for semiconductors, despite an increase in selling, general and administrative expenses due to strengthened research and development. Ordinary income and net income attributable to owners of parent were affected by exchange rates, coming to 5,033 million yen (up 18.2% year on year) and 3,874 million yen (up 13.5% year on year), respectively.

Orders received were firm in the semiconductor field. Even so, due to the revision of the timing of capital investments by customers, they decreased from the previous year, when orders were strong. Orders in the FPD field were sluggish. As a result, orders received for the first six months under review decreased 29.9% year on year, to 33,258 million yen.

#### (ii) Results by segment

Results in major business segments were as follows.

##### (Fine mechatronics)

Net sales of front-end process equipment for semiconductors increased from the previous year, reflecting successful sales of equipment for logic/foundries and equipment for wafers. Net sales of front-end process equipment for FPDs were sluggish, declining from the previous year. For the entire segment, net sales increased to 23,621 million yen (up 27.3% year on year). Segment income increased to 4,968 million yen (up 55.3% year on year) chiefly due to an increase in net sales of front-end process equipment for semiconductors.

Orders received for front-end process equipment for semiconductors were firm. That said, due to the revision of the timing of capital investments by customers, they decreased from the previous year, when orders were particularly strong. Orders for front-end process equipment for FPDs were sluggish due to the impact of market conditions. For the entire segment, orders received declined from the previous year to 20,014 million yen (down 44.0% year on year).

##### (Mechatronics systems)

Net sales of back-end process equipment for semiconductors decreased from the previous year, but net sales of equipment for advanced packages were firm. Net sales of back-end process equipment for FPDs declined from the previous year, reflecting sluggish orders in the previous fiscal year, particularly in the second half. Net sales of vacuum equipment increased year on year, reflecting steady sales for the semiconductor field. For the entire segment, net sales decreased from the previous year, to 4,681 million yen (down 45.7% year on year).

Segment income came to 359 million yen (down 76.0% year on year), reflecting decreases in sales of back-end process equipment for semiconductors and those of back-end process equipment for FPDs.

Looking at back-end process equipment for semiconductors, orders received for equipment for advanced packages increased significantly from the previous year, the second half thereof, reflecting an increase in demand for GPUs for generative AI. Orders for back-end process equipment for FPDs decreased significantly from the previous year due to the impact of market conditions. Orders for vacuum equipment, particularly in the semiconductor field, were steady. For the entire segment, orders received increased from the previous year to 10,323 million yen (up 8.2% year on year).

## (2) Explanation of financial position

### Assets, liabilities and net assets

Total assets at the end of the second quarter under review increased 5,280 million yen from the end of the previous fiscal year, to 87,167 million yen. This was due to increases of 1,427 million yen in cash and deposits; 1,175 million yen in notes and accounts receivable – trade and contract assets; and 1,347 million yen in construction in progress.

Total liabilities increased 4,501 million yen from the end of the previous fiscal year, to 53,382 million yen. This was due to increases of 2,065 million yen in notes and accounts payable-trade, and 1,387 million yen in advances received.

Total net assets at the end of the second quarter under review increased 778 million yen from the end of the previous fiscal year, to 33,785 million yen.

### State of cash flows

Cash and cash equivalents (“cash”) at the end of the six-month period ended on September 30, 2023 were 28,588 million yen, which is an increase of 1,427 million yen compared to the previous fiscal year end.

The results of each item of cash flow and key factors for the six months ended September 30, 2023 are as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities stood at 5,114 million yen (5,173 million yen provided in the previous fiscal year). This mainly reflected an increase in cash due to the posting of net income before income taxes, as well as increases in advances received and notes and accounts payable - trade, which were partially offset by a decrease in cash due to higher inventories and the payment of income taxes.

#### (Cash flow from investing activities)

Cash used for investing activities was 478 million yen (792 million yen used in the previous fiscal year). This was primarily attributable to decrease in cash for the non-current assets.

In terms of free cash flow, which is the amount of cash provided from operating activities, reduced by cash used for investing activities, it stood at 4,636 million yen (4,381 million yen in the previous year).

#### (Cash flow from financing activities)

Net cash used in financing activities came to 3,349 million yen (2,327 million yen used in the previous fiscal year). The cash outflow resulted mainly from the purchase of treasury shares and dividends paid.

## (3) Explanation of consolidated financial results forecast and other forward-looking statements

For the revision of the results forecasts, please refer to the Notice Regarding Revisions to Consolidated Financial Results Forecast and Dividend Forecast for Fiscal Year Ending March 31, 2024, which was announced on November 9, 2023.

The forward-looking statements including results forecasts contained in these materials are based on information currently available to the Company at the time of the release of these materials. Actual results may differ from the above forecasts due to a range of factors going forward.

## 2. Quarterly consolidated financial statements and major notes

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	27,175	28,603
Notes and accounts receivable - trade, and contract assets	31,844	33,019
Electronically recorded monetary claims - operating	799	844
Merchandise and finished goods	1,376	2,066
Work in process	4,935	5,339
Raw materials and supplies	200	321
Accounts receivable - other	2,203	1,661
Other	315	585
Allowance for doubtful accounts	(1,440)	(1,232)
Total current assets	67,409	71,208
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	28,572	28,876
Accumulated depreciation	(20,489)	(20,697)
Buildings and structures, net	8,082	8,178
Machinery, equipment and vehicles	7,401	8,019
Accumulated depreciation	(5,308)	(5,682)
Machinery, equipment and vehicles, net	2,092	2,336
Tools, furniture and fixtures	1,366	1,488
Accumulated depreciation	(1,117)	(1,181)
Tools, furniture and fixtures, net	248	306
Land	119	119
Leased assets	96	147
Accumulated depreciation	(63)	(73)
Lease assets, net	33	73
Construction in progress	1,086	2,433
Total property, plant and equipment	11,663	13,449
<b>Intangible assets</b>		
Patent right	388	400
Other	216	180
Total intangible assets	604	581
<b>Investments and other assets</b>		
Investment securities	0	0
Long-term prepaid expenses	12	12
Deferred tax assets	1,984	1,690
Other	214	226
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	2,211	1,928
Total non-current assets	14,478	15,959
Total assets	81,887	87,167

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	11,518	13,583
Electronically recorded obligations - operating	3,897	4,422
Short-term borrowings	3,750	3,750
Current portion of long-term borrowings	—	2,200
Lease liabilities	16	22
Income taxes payable	1,684	1,139
Accrued expenses	3,926	4,262
Advances received	8,099	9,487
Provision for bonuses for directors (and other officers)	146	56
Provision for product warranties	108	128
Other	846	1,805
<b>Total current liabilities</b>	<b>33,995</b>	<b>40,858</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,000	2,800
Lease liabilities	20	54
Retirement benefit liability	6,380	6,172
Provision for retirement benefits for directors (and other officers)	28	30
Provision for repairs	310	320
Asset retirement obligations	67	67
Long-term guarantee deposits	3,078	3,078
<b>Total non-current liabilities</b>	<b>14,885</b>	<b>12,524</b>
<b>Total liabilities</b>	<b>48,880</b>	<b>53,382</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,761	6,761
Capital surplus	9,037	6,939
Retained earnings	20,944	21,667
Treasury shares	(3,998)	(2,074)
<b>Total shareholders' equity</b>	<b>32,745</b>	<b>33,293</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	535	687
Remeasurements of defined benefit plans	(274)	(195)
<b>Total accumulated other comprehensive income</b>	<b>261</b>	<b>492</b>
<b>Total net assets</b>	<b>33,007</b>	<b>33,785</b>
<b>Total liabilities and net assets</b>	<b>81,887</b>	<b>87,167</b>



## (2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

## Quarterly consolidated statement of income

(First six-month period)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	29,256	30,511
Cost of sales	18,505	18,379
Gross profit	10,750	12,132
Selling, general and administrative expenses	6,151	7,115
Operating income	4,599	5,016
Non-operating income		
Interest income	1	8
Dividend income	0	0
Foreign exchange gains	486	461
Other	32	102
Total non-operating income	521	572
Non-operating expenses		
Interest expenses	41	35
Loss on valuation of derivatives	723	312
Other	96	206
Total non-operating expenses	861	555
Ordinary income	4,258	5,033
Net income before income taxes	4,258	5,033
Income taxes - current	834	866
Income taxes - deferred	9	292
Total income taxes	844	1,159
Net income	3,414	3,874
Net income attributable to owners of parent	3,414	3,874

Quarterly consolidated statement of comprehensive income  
(First six-month period)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net income	3,414	3,874
Other comprehensive income		
Foreign currency translation adjustment	161	151
Remeasurements of defined benefit plans, net of tax	56	78
Total other comprehensive income	218	230
Comprehensive income	3,632	4,104
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,632	4,104

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Net income before income taxes	4,258	5,033
Depreciation	849	1,076
Increase (decrease) in allowance for doubtful accounts	(127)	(208)
Increase (decrease) in retirement benefit liability	(46)	(129)
Interest and dividends income	(1)	(8)
Interest expenses	41	35
Foreign exchange losses (gains)	25	37
Increase (decrease) in advances received	2,761	1,239
Decrease (increase) in trade receivables	(1,103)	(1,142)
Decrease (increase) in inventories	(1,654)	(2,236)
Increase (decrease) in trade payables	894	2,516
Decrease (increase) in accounts receivable - other	560	542
Other	(145)	25
Subtotal	6,312	6,781
Interest and dividends received	1	8
Interest paid	(43)	(35)
Income taxes paid	(1,097)	(1,639)
Net cash provided by (used in) operating activities	5,173	5,114
Net cash used in investing activities		
Purchase of property, plant and equipment	(699)	(402)
Other	(92)	(76)
Net cash provided by (used in) investing activities	(792)	(478)
Net cash used in financing activities		
Repayments of short-term borrowings	(500)	–
Repayments of finance lease liabilities	(8)	(11)
Repayments of long-term borrowings	(800)	–
Purchase of treasury shares	(0)	(860)
Dividends paid	(1,017)	(2,477)
Net cash provided by (used in) financing activities	(2,327)	(3,349)
Effect of exchange rate changes in cash and cash equivalents	170	140
Net increase (decrease) in cash and cash equivalents	2,224	1,427
Cash and cash equivalents at beginning of period	26,301	27,160
Cash and cash equivalents at end of period	28,526	28,588

(4) Notes to Consolidated Quarterly Financial Statements

(Notes on going concern assumption)

Not applicable.

(Significant changes in shareholders' equity)

(1) Cancellation of treasury shares

On May 31, 2023, the Company cancelled 535,319 treasury shares based on the resolution of Board of Directors' meeting held on May 11, 2023. As a result, capital surplus, retained earnings, and treasury stock decreased by 2,098 million yen, 674 million yen and 2,772 million yen, respectively in the first six months of the fiscal year under review.

(2) Purchase of treasury share

According to the resolution made at a meeting of the Board of Directors held on August 22, 2023, the Company acquired 41,600 treasury shares on the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) on September 22, 2023. As a result, treasury shares increased 859 million yen in the first six months of the consolidated fiscal year under review.

(Segment information)

[Segment information]

I. First six-month period of previous fiscal year (April 1, 2022 - September 30, 2022)

1. Information on net sales and profit or loss amounts by reportable segment

(Millions of yen)

	Reportable segments				Total
	Fine mechatronics	Mechatronics systems	Vending machines and systems	Real estate leasing	
Net sales					
Of which to outside customers	18,556	8,620	1,147	931	29,256
Of which inter-segment and transfers	25	121	0	45	192
Total	18,582	8,742	1,147	977	29,449
Segment income	3,199	1,495	35	245	4,975

2. The difference between the sum of the reportable segments' profit or losses and the operating income posted in the quarterly consolidated statement of income, and a breakdown of the difference (reconciliation)

(Millions of yen)

Profit	Amount
Total reportable segment	4,975
Corporate expenses (Note)	(396)
Other	(320)
Ordinary income in the quarterly consolidated statement of income	4,258

(Note) Corporate expenses are company-wide component technology development expenses related to the research and development expenses of the Company that are not attributed to any specific reportable segment.

3. Information on impairment losses on non-current assets and goodwill by reportable segment

Not applicable.

II. First six-month period of the fiscal year under review (April 1, 2023 - September 30, 2023)

1. Information on net sales and profit or loss amounts by reportable segment

(Millions of yen)

	Reportable segments				Total
	Fine mechatronics	Mechatronics systems	Vending machines and systems	Real estate leasing	
Net sales					
Of which to outside customers	23,621	4,681	1,311	896	30,511
Of which inter-segment and transfers	25	114	–	46	186
Total	23,647	4,795	1,311	943	30,698
Segment income	4,968	359	92	189	5,609

2. The difference between the sum of the reportable segment' profit or losses and the operating income posted in the quarterly consolidated statements of income, and a breakdown of the difference (reconciliation)

(Millions of yen)

Profit	Amount
Total reportable segment	5,609
Corporate expenses (Note)	(584)
Other	8
Ordinary income in the quarterly consolidated statement of income	5,033

(Note) Corporate expenses are company-wide component technology development expenses related to the research and development expenses of the Company that are not attributed to any specific reportable segment.

3. Information on impairment losses on non-current assets and goodwill by reportable segment

Not applicable.

(Significant subsequent events)

(Stock split and a revision to the Articles of Incorporation related to the stock split)

Effective on October 1, 2023, the Company split its stock and partially revised its Articles of Incorporation based on resolutions passed at the meeting of the Board of Directors held on May 11, 2023.

1. Stock split

(1) Purpose of the stock split

The stock split is aimed at reducing the investment unit and building an environment that facilitates investments by investors, so as to expand the investor base.

(2) Method of the stock split

The Company will execute a 3-for-1 stock split of its common shares held by the shareholders stated or recorded in the final shareholder registry on the record date, Saturday, September 30, 2023 (effectively Friday, September 29 because September 30 is a non-business day of the administrator of the shareholder registry).

(3) Increase in the number of shares resulting from the split (Note)

Number of issued shares before the stock split	4,657,300 shares
Number of shares to be increased by the stock split	9,314,600 shares
Total number of shares issued after the stock split	13,971,900 shares
Number of shares issuable after the stock split	30,000,000 shares

(Note) The number of issued shares before the stock split is the number of shares after the cancellation of treasury shares on May 31, 2023. The increase in the number of shares due to the stock split and the total number of shares issued after the stock split are calculated based on the number of issued shares before the stock split.

(4) Schedule of the stock split

Date of public notice of the record date:	September 15, 2023 (Fri)
Record date:	September 30, 2023 (Sat)
Effective date:	October 1, 2023 (Sun)

(5) Impact on per-share information

The effect on per-share information is stated in relevant sections.

2. Partial amendments to the Articles of Incorporation

(1) Reason for the amendment

Due to the stock split, the Company makes a change to the number of authorized shares in Article 6 of its Articles of Incorporation under Article 184, Paragraph 2 of the Companies Act. The effective date is October 1, 2023.

(2) Change

(The part to be changed is underlined.)

Before change	After change
(Total number of authorized shares) Article 6. The total number of shares authorized to be issued by the Company shall be ten million (10,000,000).	(Total number of authorized shares) Article 6. The total number of shares authorized to be issued by the Company shall be thirty million (30,000,000).

3. Change in share capital

The above stock split will not result in a change to the amount of share capital.