

# Highlights of Financial Results 2020

Year ended March 31, 2020

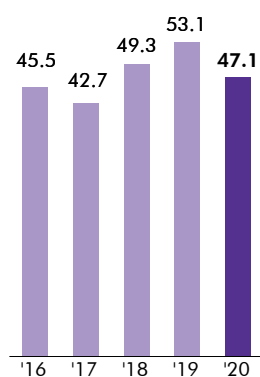
# Financial Highlights

	Year ended March 31,				
	2020	2019	2018	2017	2016
<b>Consolidated</b>	(Millions of yen)				
Net sales	¥ 47,141	¥ 53,090	¥ 49,257	¥ 42,737	¥ 45,550
Orders received	46,632	51,021	53,355	42,651	45,077
Operating income	3,123	4,000	2,498	1,500	1,292
Net income	1,944	2,481	1,747	931	743
Depreciation and amortization	1,389	1,556	1,406	1,566	1,411
Capital expenditures	2,230	1,717	1,126	1,222	1,536
R&D expenses	2,728	2,743	2,492	2,210	2,065
Total assets	57,421	61,967	59,939	53,721	56,253
Net assets	19,720	18,369	16,129	16,533	15,675
	(yen)				
Net income per share	¥ 440.73	¥ 562.90	¥ 365.82	¥ 188.44	¥ 150.41
Number of employees	1,260	1,221	1,207	1,202	1,177

Note : With an effective date of October 1, 2018, the Company conducted a stock consolidation at a ratio of one share for every 10 shares of common stock.  
Net income per share is calculated on the assumption that the share consolidation took place in April 2015.

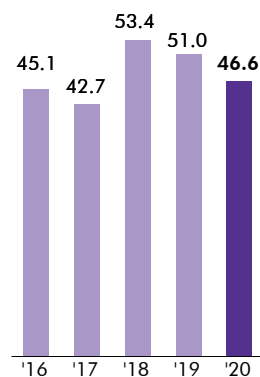
Net Sales

(¥Billions)



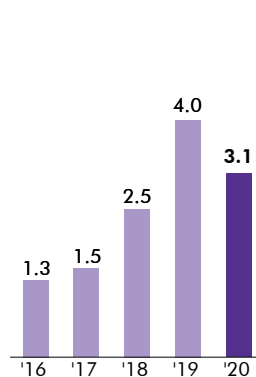
Orders Received

(¥Billions)



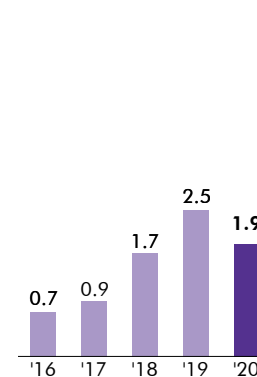
Operating Income

(¥Billions)



Net Income

(¥Billions)



*Smart Solutions & Services  
for Your Manufacturing*

## To Our Shareholders



**We will drive growth by developing and launching strong products, and continue to reinforce our management structure.**

In FY2019, the business environment of the Shibaura Mechatronics Group became more uncertain due to the effects of US-China trade friction and the global spread of COVID-19.

The FPD (Flat Panel Display) industry saw continued capital investment in equipment, primarily in China, for both large-size panels and small- and medium-sized panels, though there were some cases of postponed delivery and delayed investment decisions.

In the semiconductor industry, capital investment remained firm in such areas as logic and foundry, and in China; but one area, memories, saw delays in investment decisions, and in the recovery of capital investment. In addition, capital investment continued to be restrained at OSAT, a back-end contract manufacturer.

In these circumstances, our business results for FY2019 were as follow.

Orders received declined to ¥46,632 million, reflecting delays in capital investment decisions and investment restraint. Net sales decreased to 47,141 million yen, on factors that included decreased orders. Operating income declined to 3,123 million yen, reflecting such factors as lower sales.

Looking at the FY2020 business environment, we anticipate continued capital investment in the FPD industry, mainly for OLED.

The semiconductor industry is expected to see a recovery in capital investment for memories, and capital investment for logic and foundry is expected to remain firm, largely for applications in advanced fields.

A medium-to-long term increase in capital investment can be expected, against the backdrop of expanded semiconductor and FPD applications, in such areas as IoT, 5G communications and AI. However, one source of concern is the continuing uncertain outlook due to the impact of the global spread of COVID-19.

In this business environment, Shibaura Group will continue to promote the development and launch of strong products, and make every effort to expand orders and grow the business. We will also continue to direct effort to strengthening our management structure.

Shigeki Fujita  
Representative Director  
President and Chief Executive Officer

# Financial Review

## Results Summary

In FY2019 Shibaura Mechatronics recorded orders received of 46,632 million yen (a year-on-year decrease of 8.6%), net sales of 47,141 million yen (a year-on-year decrease of 11.2%), operating income of 3,123 million yen (a year-on-year decrease of 21.9%), ordinary income of 2,769 million yen (a year-on-year decrease of 26.8%), and net income of 1,944 million yen (a year-on-year decrease of 21.6%).

The results for each business segment were as follows:

### 1. Fine Mechatronics Segment

Net sales were 27,779 million yen, down 1.8% year-on-year, and segment income was 1,466 million yen, a 56.5% improvement over the previous year.

While orders received for FPD front-end process equipment increased, mainly for small- and medium-sized panels, net sales declined as a result of a number of decisions to delay deliveries and postpone investment decisions.

Net sales of equipment for semiconductor front-end processes increased on robust orders received, mainly for logic and foundry and wafers.

The segment as a whole saw higher orders received than in the previous year, but net sales fell slightly. Segment income increased, reflecting changes in the product mix, plus higher sales of equipment for semiconductor front-end processes.

### 2. Mechatronics Systems Segment

Net sales were 15,197 million yen, down 26.6% year-on-year, and segment income also fell to 1,404 million yen, a 52.5% decrease.

In equipment for FPD back-end processes, we saw delayed investment decisions and investment restraint for both large panels and for small- and medium-sized panels. Orders were sluggish compared to the boom of the previous year.

In equipment for semiconductor back-end processes, there was continued progress in investment in advanced fields, but a tendency to restraint in investment in parts for mobile devices.

In vacuum application equipment we again saw restrained investment, particularly in automotive and electronic

components.

Orders received and net sales were both lower year-on-year. Segment income decreased on factors that included lower sales.

### 3. Vending Machines and Systems Segment

Net sales were 2,250 million yen, a year-on-year increase of 7.5%, though segment income was 2 million yen, down 78.7%.

Net sales of ticket vending machines and from development contracts were high and contributed to the segment's higher overall sales. However, segment income decreased as a result of changes in the product composition and sluggish sales of services.

### 4. Real Estate Leasing Segment

Rental income from real estate was largely in line with plans, with net sales of ¥1,914 million, a 3.8% decrease year-on-year, and segment income of ¥561 million, a 1.1% increase.

## Research and Development Expenditure

The Shibaura Mechatronics Group as a whole recorded research and development costs of 2,728 million yen, including development costs of 407 million yen for basic technologies that could not be appropriated to any specific segment.

R&D is advanced by the development and design departments in business divisions, the Research and Development Division, and by the technology divisions in our consolidated subsidiary companies. In addition, we are pushing forward efficient research and development and the commercialization of advanced technologies by strengthening our relations and collaborations with Toshiba Group and business partners.

Research and development expenses and research results for each segment are as follows:

### 1. Fine Mechatronics Segment

R&D expenses for the segment totaled 1,214 million yen.

In flat panel manufacturing equipment, we have developed a wet process device for high-definition small and medium-sized panels and an inkjet coating device for alignment

films, and we have made progress on development of a vacuum firing furnace for flexible OLED.

In semiconductor equipment we worked on the development of wet cleaning equipment that can be used in next generation devices, single wafer nitride film wet etching equipment and dry etching equipment for masks.

## 2. Mechatronics Systems Segment

R&D expenses for the segment totaled 935 million yen.

In liquid crystal and OLED module assembly equipment, we worked on the development of OLB equipment for small- and medium-sized panels, and for large-sized high-definition panels.

In semiconductor assembly equipment, we developed high-speed, high-precision bonding equipment for FO-WLP / PLP and  $\mu$ LED.

In the field of vacuum equipment, we are working on the development of sputtering equipment for optical thin films and for electromagnetic wave shielding films.

## 3. Vending Machines and Systems Segment

R&D expenses for the segment totaled 171 million yen.

In the ticket vending machine field, we continued to develop ticket vending machines that accept cash and credit card payments. We have also developed cashless ticket machines that accept credit, electronic money, and QR code payments.

# Financial Condition

Total assets at the end of the current period were 4,545 million yen lower than at the end of the previous fiscal year, and stood at 57,421 million yen. This was mainly due to decreases in cash and deposits of 461 million yen, in notes and accounts receivable of 2,925 million yen, and in work in process of 412 million yen.

Liabilities decreased by 5,897 million yen to 37,701 million yen. This was mainly due to decreases in notes and accounts payable-trade of 4,026 million yen, in accrued income taxes of 1,005 million yen, and in advances received of 590 million yen.

Net assets increased by 1,351 million yen to 19,720 million

yen. This was mainly due to an increase of 1,944 million yen, the result of recording net income attributable to shareholders of the parent company.

# Cash Flows

The balance of cash and cash equivalents (hereinafter referred to as "cash") at the end of the period was 12,709 million yen, a year-on-year decrease of 461 million yen.

Net cash from operating activities increased by 1,279 million yen (following an increase of 1,461 million yen in the previous fiscal year). This was mainly due to increased funds resulting from recording net income before adjustments for taxes and a decrease in trade receivables, though there was a decrease in cash due to a decrease in trade payables.

Cash from investment activities decreased by 900 million yen (following a decrease of 721 million yen in the previous fiscal year). This was mainly due to a decrease in cash following the acquisition of fixed assets.

Free cash flow, the aggregate of cash flow from operations and cash flow from investment activities, increased by 378 million yen (following an increase of 740 million yen in the previous fiscal year).

Cash from financing activities decreased by 826 million yen (following a decrease of 870 million yen in the previous fiscal year). This was mainly due to a decrease in cash from the payment of dividends.

# Directors, Vice Presidents and Auditors

As of June 24, 2020

## Directors and Vice Presidents

### Shigeki Fujita

Representative Director  
President and Chief Executive Officer

### Yoshitsugu Ogawa

Director  
Executive Vice President  
Executive General Manager of Mechatronics System Division

### Keigo Imamura

Director  
Executive Vice President  
Executive General Manager of Fine Mechatronics Division

### Kenichi Ikeda

Director  
Senior Vice President  
Chief Financial Officer

### Tomoko Inaba

Outside Director

### Yuichiro Takada

Outside Director

### Hisashi Shindo

Senior Vice President  
Deputy Executive General Manager of Mechatronics System Division

### Kazuyuki Yamanaka

Senior Vice President  
Executive General Manager of Production & Procurement Division

### Yoshio Yuyama

Advanced Vice President  
Deputy Executive General Manager of Mechatronics System Division

### Kazuhiko Okui

Vice President  
Executive General Manager of General Affairs & Human Resources Division

### Yoshiaki Kurokawa

Vice President  
Deputy Executive General Manager of Fine Mechatronics Division

### Kazutoshi Horiuchi

Vice President  
Deputy Executive General Manager of Fine Mechatronics Division

## Auditors

### Yasuhiko Yamato

Auditor

### Kazumasa Uchida

Outside Auditor

### Hiroyuki Matsumoto

Outside Auditor

# Investor Information

As of March 31, 2020

<b>Date Established</b>	October 12, 1939
<b>Capital</b>	6,761 Million-Yen
<b>Number of Employees</b>	Consolidated : 1,260
<b>Common Stock</b>	Authorized : 10,000,000 shares Issued and outstanding : 5,192,619 shares
<b>Number of Shareholders</b>	5,152
<b>Stock Listings</b>	The Tokyo Stock Exchange (Code : 6590)
<b>Transfer Agent for Common Stock</b>	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
<b>Independent Auditor</b>	PricewaterhouseCoopers Aarata LLC
<b>Headquarters</b>	2-5-1, Kasama, Sakae-ku, Yokohama, Kanagawa Pref. 247-8610, Japan TEL : +81-45-897-2421 FAX : +81-45-897-2470 <a href="https://www.shibaura.co.jp/">https://www.shibaura.co.jp/</a>

## Common Stock Price Range (The Tokyo Stock Exchange)

	Year ended March 31,				
	2020	2019	2018	2017	2016
High (yen)	4,655	4,350(484)	528	317	320
Low (yen)	2,052	3,040(334)	240	179	170

Note : With an effective date of October 1, 2018, the Company conducted a stock consolidation at a ratio of one share for every 10 shares of common stock. Stock prices for March 2019 list the highest and lowest stock prices recorded after the stock consolidation, and figures in parentheses indicate the highest and lowest stock prices prior to the share consolidation.

## Principal Shareholders

	Number of shares hold (thousand shares)	Percentage of total shares outstanding (%)
Toshiba Corporation	519	11.73
Shin-Etsu Engineering Co., Ltd.	259	5.86
NuFlare Technology, Inc.	259	5.86



## **SHIBAURA MECHATRONICS CORPORATION**

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