

Highlights of Financial Results 2021

Year ended March 31, 2021

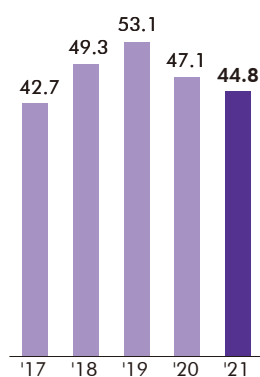
Financial Highlights

	Year ended March 31,				
	2021	2020	2019	2018	2017
(Millions of yen)					
Consolidated					
Net sales	¥ 44,794	¥ 47,141	¥ 53,090	¥ 49,257	¥ 42,737
Orders received	41,969	46,632	51,021	53,355	42,651
Operating income	2,957	3,123	4,000	2,498	1,500
Net income	1,969	1,944	2,481	1,747	931
Depreciation and amortization	1,667	1,389	1,556	1,406	1,566
Capital expenditures	1,241	2,231	1,717	1,126	1,222
R&D expenses	2,494	2,729	2,743	2,492	2,210
Total assets	58,294	57,421	61,967	59,939	53,721
Net assets	21,854	19,720	18,369	16,129	16,533
(yen)					
Net income per share	¥ 446.18	¥ 440.73	¥ 562.90	¥ 365.82	¥ 188.44
Number of employees	1,224	1,260	1,221	1,207	1,202

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.

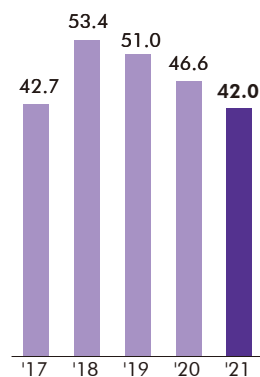
Net Sales

(¥Billions)



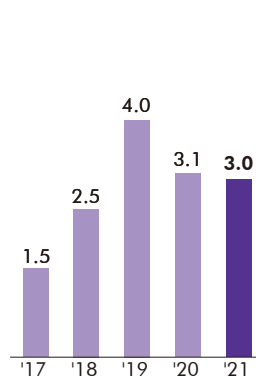
Orders Received

(¥Billions)



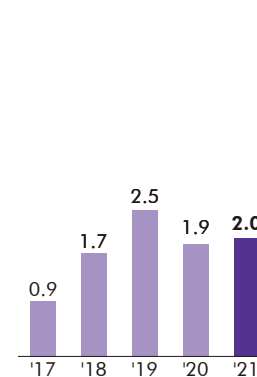
Operating Income

(¥Billions)



Net Income

(¥Billions)





*Smart Solutions & Services
for Your Manufacturing*

To Our Shareholders

Cutting-edge technologies and solutions from our understanding of manufacturing equipment contribute to our customers' value creation.

In the business environment surrounding Shibaura Mechatronics Group in fiscal 2020, the semiconductor industry saw strong demand generated by IoT, 5G, AI, and other factors, and there was steady progress in capital investments in logic and foundries, memories, power devices, and other products. In the FPD industry, customers delayed their investment plans.

In these circumstance, our fiscal 2020 business results were as follow.

Net sales were higher against the previous fiscal year in the semiconductor business, but lower in the FPD business, resulting in total sales of 44,794 million yen.

While operating income saw a year-on-year decrease to 2,957 million yen, reflecting lower net sales, ordinary income of 2,820 million yen and net income attributable to owners of the parent company of 1,969 million yen were at levels almost equivalent to the previous fiscal year.

The business outlook for fiscal year 2021 remains uncertain, due to the continuing impact of the coronavirus pandemic, but demand for semiconductors is strong, and the industry is expected to remain favorable to investments in logic and foundries, memories, and power devices.

In the FPD industry, some customers are expected to move forward with delayed investment plans, particularly for OLEDs (organic EL). Beyond this, advances in IoT, 5G, AI and other areas are expected to spur demand for semiconductors and FPDs, and capital investment is expected to increase in the medium to long term.

In this age of IoT, 5G, AI and ever-expanding data growth, we contribute to our customers' value creation with cutting-edge technologies and solutions for semiconductor and FPD manufacturing equipment, from design and development through to service.

Keigo Imamura
Representative Director
President and Chief Executive Officer

Keigo Imamura.

Financial Review

Results Summary

In FY2020 Shibaura Mechatronics recorded net sales of 44,794 million yen (a year-on-year decrease of 5.0%), operating income of 2,957 million yen (a year-on-year decrease of 5.3%), ordinary income of 2,820 million yen (a year-on-year increase of 1.8%), and net income of 1,969 million yen (a year-on-year increase of 1.3%).

Orders received increased in the semiconductor business, but decreased in the FPD business, and the overall figure stood at 41,969 million yen (a year-on-year decrease of 10.0%).

The results for each business segment were as follows:

1. Fine Mechatronics Segment

Net sales were 29,644 million yen, a year-on-year increase of 6.7%, and segment income was 1,993 million yen, a 35.9% improvement over the previous fiscal year.

In front-end process equipment for semiconductors, investments in logic and foundries and in wafers remained at a high level, as planned, and sales improved over the previous fiscal year.

In front-end process equipment for FPDs, higher year-on-year sale mainly reflected an increase in equipment for small- and medium-sized panels in the first half of the fiscal year, and firm sales of equipment for large panels.

Sales for the segment as a whole were higher than in the previous fiscal year. Segment income increased on the improved sales and a decrease in SG&A expenses.

2. Mechatronics Systems Segment

Net sales were 11,286 million yen, down 25.7% year-on-year, and segment income also fell to 792 million yen, a 43.6% decrease.

In back-end process equipment for semiconductors, sales for advanced packages were firm, but overall sales were lower than in the previous fiscal year, despite a recovery in demand for equipment for display driver ICs in the second half of the fiscal year.

In back-end process equipment for FPDs, customers pushed back implementation of investment plans, and sales for large panels and small- and medium-sized panels remained sluggish, resulting in lower year-on-year sales.

Overall results in vacuum application equipment were also sluggish.

Overall segment sales were lower than in the previous fiscal year. Segment income declined on the impact of the lower sales.

3. Vending Machines and Systems Segment

Net sales were 1,953 million yen, down 13.2% year-on-year, and segment income was 8 million yen, a significant 186.2% improvement over the previous fiscal year.

The prolonged impact of the coronavirus pandemic resulted in sluggish overall sales of ticket vending machines, though sales did pick up on special demand from large customers, and segment income increased.

4. Real Estate Leasing Segment

Rental income from real estate was largely in line with plans, with net sales of 1,910 million yen, a 0.2% decrease year-on-year, and segment income of 569 million yen, a 1.3% increase.

Research and Development Expenditure

Shibaura Mechatronics Group as a whole recorded research and development costs of 2,494 million yen, including development costs of 446 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 1,127 million yen.

In flat panel manufacturing equipment, we have developed a wet process equipment for high-definition small- and medium-sized panels and a high-vacuum clean oven for

flexible OLED.

In semiconductor equipment we continued to work on the development of wet cleaning equipment for 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 775 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-accuracy bonding equipment for FO-WLP / PLP and μ 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 145 million yen.

In the field of ticket vending machines, we have promoted the development of cashless machines that, alongside cash, can handle payments by credit cards, electronic money, and QR codes.

Financial Condition

Total assets at the end of the current fiscal year showed a year-on-year rise of 873 million yen, to 58,294 million yen. This was largely due to an increase of 6,876 million yen in cash and deposits, a decrease of 4,779 million yen in notes and accounts receivable, and a decrease of 434 million yen in construction in progress.

Liabilities were 1,261 million yen lower than at the end of the previous fiscal year, and stood at 36,439 million yen. This was mainly due to decreases of 588 million yen in bills payable, of 541 million yen in accrued expenses, and of 659 million yen in liabilities related to retirement benefits.

Net assets increased by 2,134 million yen to 21,854 million yen. This was mainly due to an increase of 1,944 million yen, the result of recording net income attributable to owners of

parent company.

Cash Flows

The balance of cash and cash equivalents (hereinafter referred to as "cash") at the end of the period was 19,586 million yen, a year-on-year increase of 6,876 million yen.

Net cash from operating activities increased by 7,669 million yen (following an increase of 1,279 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 258 million yen (following a decrease of 900 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 7,411 million yen (following an increase of 378 million yen in the previous fiscal year).

Cash from financing activities decreased by 553 million yen (following a decrease of 826 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, 2021

Directors and Vice Presidents

Keigo Imamura

Representative Director
President and Chief Executive Officer

Yoshitsugu Ogawa

Director
Executive Vice President
Executive General Manager of Mechatronics System Division

Kenichi Ikeda

Director
Executive Vice President and Chief Financial Officer
Executive General Manager of Corporate Management Division

Yoshiaki Kurokawa

Director
Senior Vice President
Executive General Manager of Fine Mechatronics Division

Tomoko Inaba

Outside Director

Yuichiro Takada

Outside Director

Hisashi Shindo

Senior Vice President
Deputy Executive General Manager of Mechatronics System Division

Kazuhiko Okui

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

Kazutoshi Horiuchi

Vice President
Deputy Executive General Manager of Fine Mechatronics Division

Tomomi Harano

Vice President
Deputy Executive General Manager of Fine Mechatronics Division

Shigeru Sakata

Vice President
Deputy Executive General Manager of Mechatronics System Division

Shinichi Ogimoto

Vice President
Executive General Manager of Production & Procurement Division

Auditors

Yasuhiko Yamato

Auditor

Kazuya Kaneko

Outside Auditor

Kazumasa Uchida

Outside Auditor

Hiroyuki Matsumoto

Outside Auditor

Investor Information

As of March 31, 2021

Date Established	October 12, 1939
Capital	6,761 Million-Yen
Number of Employees	Consolidated : 1,224
Common Stock	Authorized : 10,000,000 shares Issued and outstanding : 5,192,619 shares
Number of Shareholders	4,783
Stock Listings	The Tokyo Stock Exchange (Code : 6590)
Transfer Agent for Common Stock	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Independent Auditor	PricewaterhouseCoopers Aarata LLC
Headquarters	2-5-1, Kasama, Sakae-ku, Yokohama, Kanagawa Pref. 247-8610, Japan TEL : +81-45-897-2421 FAX : +81-45-897-2470 https://www.shibaura.co.jp/

Common Stock Price Range (The Tokyo Stock Exchange)

	Year ended March 31,				
	2021	2020	2019	2018	2017
High (yen)	6,050	4,655	4,350(484)	528	317
Low (yen)	2,050	2,052	3,040(334)	240	179

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
The Master Trust Bank of Japan, Limited (trust accounts)	281	6.35
Shin-Etsu Engineering Co., Ltd.	259	5.86
NuFlare Technology, Inc.	259	5.86

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