

# Highlights of Financial Results 2022

Year ended March 31, 2022

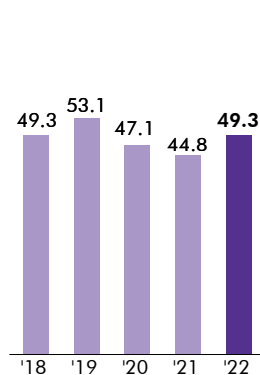
# Financial Highlights

|                               | Year ended March 31, |          |          |          |          |
|-------------------------------|----------------------|----------|----------|----------|----------|
|                               | 2022                 | 2021     | 2020     | 2019     | 2018     |
| <b>Consolidated</b>           | (Millions of yen)    |          |          |          |          |
| Net sales                     | ¥ 49,272             | ¥ 44,794 | ¥ 47,141 | ¥ 53,090 | ¥ 49,257 |
| Orders received               | 70,880               | 41,969   | 46,632   | 51,021   | 53,355   |
| Operating income              | 5,050                | 2,957    | 3,123    | 4,000    | 2,498    |
| Net income                    | 2,983                | 1,970    | 1,944    | 2,481    | 1,747    |
| Depreciation and amortization | 1,892                | 1,667    | 1,389    | 1,556    | 1,406    |
| Capital expenditures          | 2,135                | 1,242    | 2,231    | 1,717    | 1,126    |
| R&D expenses                  | 2,636                | 2,494    | 2,729    | 2,743    | 2,492    |
| Total assets                  | 68,854               | 58,294   | 57,421   | 61,967   | 59,939   |
| Net assets                    | 24,614               | 21,855   | 19,720   | 18,369   | 16,129   |
|                               | (yen)                |          |          |          |          |
| Net income per share          | ¥ 675.41             | ¥ 446.18 | ¥ 440.73 | ¥ 562.90 | ¥ 365.82 |
| Number of employees           | 1,204                | 1,224    | 1,260    | 1,221    | 1,207    |

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 2017.

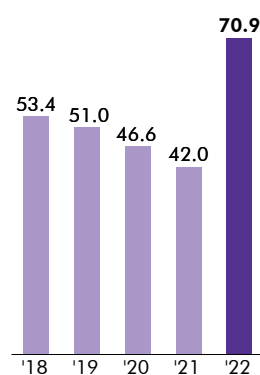
Net Sales

(¥Billions)



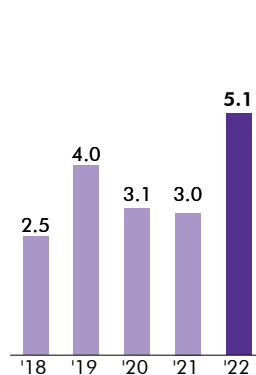
Orders Received

(¥Billions)



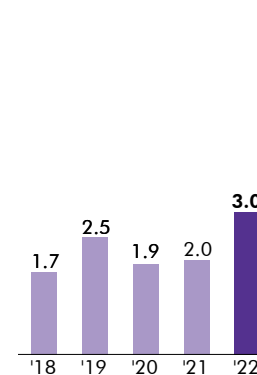
Operating Income

(¥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 in which Shibaura Mechatronics Group operated in fiscal year 2021, the semiconductor industry continued to see strong demand from IoT, 5G, AI and other areas, and from continuing capital investments in logic and foundries, memories, power devices, and wafers. In the FPD industry, some customers have made moves to resume investment plans. However, instability in parts and parts supply remains a concern.

In these circumstances, fiscal year 2021 business results were as follows.

Sales against the previous fiscal year saw an increase in the semiconductor business, along with a decrease in the FPD business, and rose to 49,272 million yen.

In terms of profit, operating income was 5,050 million yen, an increase from the previous fiscal year that reflects higher sales in the semiconductor business and an improved profit margin. Net income attributable to owners of the parent company recorded a year-on-year increase to 2,983 million yen, even though we posted an extraordinary loss of 613 million yen in the first quarter for the demolition of an aging building, part of the redevelopment of our Yokohama Operations.

Orders received were strong, as customers in the semiconductor industry committed to investments in both front-end and back-end processes, and were particularly buoyant in the third quarter. In the FPD industry, demand for the front-

end process was subdued, but more favorable in the back-end process. As a result, orders received in fiscal year 2021 were up against the previous year, at 70,880 million yen.

While there are concerns that fiscal year 2022 will see further instability in the supply of parts and components, we anticipate continued strong demand from the semiconductor industry in respect of IoT, 5G, AI, etc., and capital investment is expected to remain favorable for logic and foundries, memories, power devices and wafers. We also expect to see solid investment in the FPD industry, primarily for monitors and in-vehicle use.

In this age of IoT, 5G, AI and ever-expanding data growth, we will continue to 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 FY2021 Shibaura Mechatronics recorded net sales of 49,272 million yen (a year-on-year increase of 10.0%), operating income of 5,050 million yen (a year-on-year increase of 70.8%), ordinary income of 4,877 million yen (a year-on-year increase of 73.0%), net income of 2,983 million yen (a year-on-year increase of 51.5%), and orders received of 70,880 million yen (a year-on-year increase of 68.9%).

The results for each business segment were as follows:

### 1. Fine Mechatronics Segment

Net sales were 31,402 million yen, a year-on-year increase of 5.9%, segment income was 2,978 million yen, a year-on-year increase of 49.4%, and orders received was 47,907 million yen, a year-on-year increase of 64.3%.

Sales of equipment for the semiconductor front-end process increased year-on-year, on steady sales of equipment for logic and foundries, power devices, and Si wafer cleaning. At the same time, equipment for the FPD front-end process saw a decrease, the result of sluggish orders since the previous fiscal year. Overall segment sales recorded an increase over the previous fiscal year.

Segment income increased, a result that reflected increased sales in equipment for the semiconductor front-end process, and a decrease in sales of equipment for the FPD front-end process.

A strong performance in orders received in the semiconductor front-end process centered on Si wafer cleaning equipment and equipment for power devices, and particularly exceeded expectations in the third quarter, as customers committed to strong investments. Orders for the FPD front-end process remained at a low level, both in equipment for large panels and for small- and medium-sized panels. We did receive a good number of orders for inkjet tablet printing equipment in the healthcare field. As a result, the segment as a whole recorded a year-on-year increase.

### 2. Mechatronics Systems Segment

Net sales were 13,803 million yen, a year-on-year increase of 22.3%, segment income was 2,045 million yen, a year-on-year increase of 158.1%, and orders received was

18,454 million yen, a year-on-year increase of 103.1%.

Sales in the semiconductor back-end process were sustained by continued investment, and equipment for advanced packages, FO-PLP, display driver ICs, and other equipment, all performed well, generating a significant increase over the previous fiscal year. Although sales from equipment for large panels and for small- and medium-sized panels were healthy, they were lower than in the year-earlier period, the impact of some customers pushing back their investment plans. In vacuum equipment, sales for electronic components were firm. In the final result, sales for the segment as a whole were higher than in the previous fiscal year.

Segment income increased significantly due to an increase in sales of equipment for semiconductor back-end processes, and an improved profit margin.

Orders received were strong due to continued orders for equipment for advanced packages and equipment for FO-PLP in the semiconductor back-end process. The FPD back-end process also performed steadily, centered on equipment for large panels, and orders for medium-sized panels increased for in-vehicle applications. In vacuum equipment, orders for equipment for electronic components increased. As a result, overall segment orders received were higher than in the previous fiscal year.

### 3. Vending Machines and Systems Segment

Although there was a gradual recovery from the impacts of the COVID-19 pandemic, and orders were strong, parts shortages caused prolonged lead times. In the final result, net sales were 2,186 million yen (up 11.9% year-on-year) and segment income was 53 million yen (up 537.4% year-on-year).

### 4. Real Estate Leasing Segment

Rental income from real estate was largely in line with plans, with net sales of 1,882 million yen, a 1.5% decrease year-on-year, and segment income of 529 million yen, a 7.2% decrease year-on-year.

## Research and Development Expenditure

The Shibaura Mechatronics Group as a whole recorded research and development costs of 2,636 million yen, including development costs of 549 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 1,133 million yen.

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, single Si wafer cleaning equipment, wet-cleaning equipment for masks, and dry-etching equipment for masks.

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.

### 2. Mechatronics Systems Segment

R&D expenses for the segment totaled 769million yen.

In semiconductor assembly equipment, we developed high-speed, high-accuracy bonding equipment for FO-WLP / PLP, 2.5D package, and  $\mu$ LED.

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 vacuum equipment, we are working on the development of sputtering equipment for electronic components.

### 3. Vending Machines and Systems Segment

R&D expenses for the segment totaled 184million yen.

In ticket vending machines, we have promoted the development of expanded model configurations that support cash and cashless payments.

## Financial Condition

Total assets at the end of the current fiscal year showed a year-on-year rise of 10,559 million yen, to 68,854 million yen. This was mainly due to an increase of 6,715 million yen in cash and deposits and 2,396 million yen in notes receivable, accounts receivable and contract assets.

Liabilities showed a year-on-year rise of 7,800 million yen, to 44,210 million yen. This was mainly due to an increase in notes payable, accounts payable and electronically recorded debt of 3,576 million yen, and advance payments of 3,179 million yen.

Net assets increased by 2,759 million yen to 24,614 million yen. This was mainly due to an increase of 2,983 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 26,301 million yen, a year-on-year increase of 6,715 million yen.

Net cash from operating activities increased by 8,297 million yen (following an increase of 7,669 million yen in the previous fiscal year). This was mainly due to an increase in funds from recording income before income taxes, and increases in trade payables and advance payments.

Cash from investment activities decreased by 507 million yen (following a decrease of 258 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 7,790 million yen (following an increase of 7,411 million yen in the previous fiscal year).

Cash from financing activities decreased by 1,205 million yen (following a decrease of 553 million yen in the previous fiscal year). This was mainly due to a decrease in funds as a result of repaying short-term loans, and the payment of dividends.

# Directors, Vice Presidents and Auditors

As of June 23, 2022

## Directors and Vice Presidents

### Keigo Imamura

Representative Director  
President and Chief Executive Officer

### Hisashi Shindo

Executive Vice President  
Executive General Manager of Marketing & Sales Division

### Kenichi Ikeda

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

### Tomomi Harano

Vice President  
Deputy Executive General Manager of Fine Mechatronics Division

### Yoshiaki Kurokawa

Director  
Senior Vice President  
Executive General Manager of Fine Mechatronics Division

### Shigeru Sakata

Vice President  
Deputy Executive General Manager of Mechatronics System Division

### Kazutoshi Horiuchi

Director  
Senior Vice President  
Executive General Manager of Mechatronics System Division

### Shinichi Ogimoto

Vice President  
Executive General Manager of Production & Procurement Division

### Tomoko Inaba

Outside Director

### Hiroshi Nishimura

Vice President  
Executive General Manager of Technology & Development Division

### Yuichiro Takada

Outside Director

## Auditors

### Yasuhiko Yamato

Auditor

### Kazumasa Uchida

Outside Auditor

### Kazuya Kaneko

Outside Auditor

### Hiroyuki Matsumoto

Outside Auditor

# Investor Information

As of March 31, 2022

|                                        |                                                                                                                                                                                           |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Date Established</b>                | October 12, 1939                                                                                                                                                                          |
| <b>Capital</b>                         | 6,762 Million-Yen                                                                                                                                                                         |
| <b>Number of Employees</b>             | Consolidated : 1,204                                                                                                                                                                      |
| <b>Common Stock</b>                    | Authorized : 10,000,000 shares<br>Issued and outstanding : 5,192,619 shares                                                                                                               |
| <b>Number of Shareholders</b>          | 5,115                                                                                                                                                                                     |
| <b>Stock Listings</b>                  | The Tokyo Stock Exchange (Code : 6590)                                                                                                                                                    |
| <b>Transfer Agent for Common Stock</b> | Sumitomo Mitsui Trust Bank, Limited<br>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<br>TEL : +81-45-897-2421 FAX : +81-45-897-2470<br><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, |       |       |            |      |
|------------|----------------------|-------|-------|------------|------|
|            | 2022                 | 2021  | 2020  | 2019       | 2018 |
| High (yen) | 10,020               | 6,050 | 4,655 | 4,350(484) | 528  |
| Low (yen)  | 5,500                | 2,050 | 2,052 | 3,040(334) | 240  |

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<br>(thousand shares) | Percentage of total shares outstanding<br>(%) |
|----------------------------------------------------------|--------------------------------------------|-----------------------------------------------|
| Toshiba Corporation                                      | 519                                        | 11.73                                         |
| The Master Trust Bank of Japan, Limited (trust accounts) | 453                                        | 10.24                                         |
| Shin-Etsu Engineering Co., Ltd.                          | 259                                        | 5.86                                          |
| NuFlare Technology, Inc.                                 | 259                                        | 5.86                                          |

## **SHIBAURA MECHATRONICS CORPORATION**

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