

Medium-term Management Plan 2026

About Emergency Response for FY 2026

November 19, 2025

SHIBAURA MACHINE CO., LTD.

Medium-term Management Plan 2026

FY2024 - FY2026

<Terminology annotations in the main story>

IMM: Injection molding machines (Metal & Plastics Industrial Machine Segment)

DC: Die casting machines (Metal & Plastics Industrial Machine Segment)

EX: Extrusion machines (Metal & Plastics Industrial Machine Segment)

MT: Large machine tools (Machine Tools Segment)

PM: High-precision machine tools (Machine Tools Segment)

CS: Control systems Segment

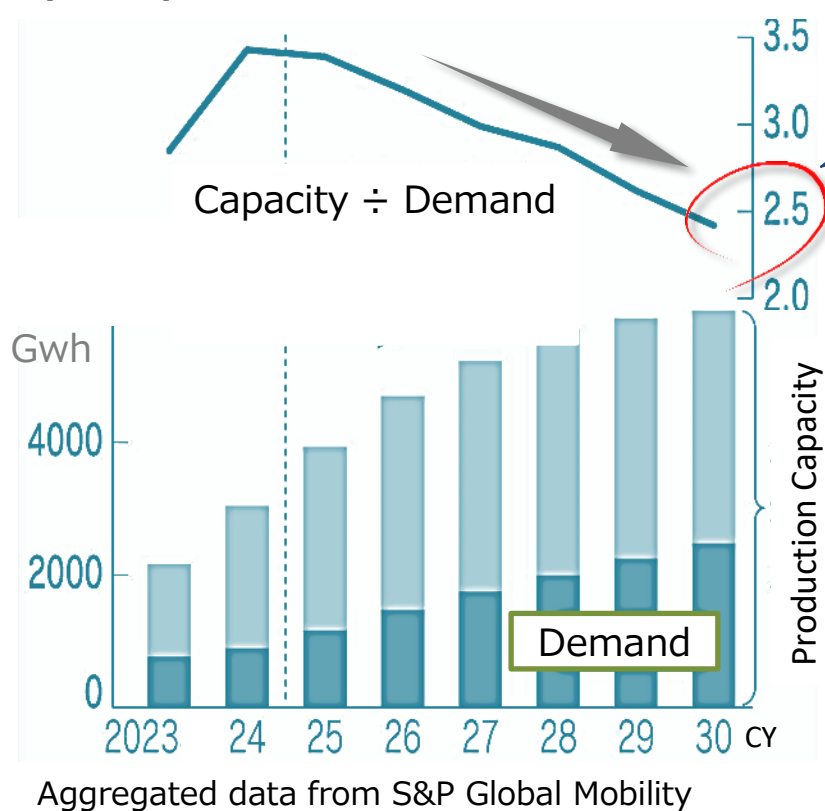
*The “BSF” used in the main story refers to “LiB separator film production lines for lithium-ion batteries”.

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Changes in prerequisites

Overview① (Slowing Demand for EV Batteries)

■ EV Battery Production Capacity and Demand (Global)



As of CY2030
Production capacity
for battery demand
2.4 times

Expected sales scale of Extrusion Machine in FY2026

Medium-term plan 2026
Estimated at the time of
formulation

100
billion yen

Current calculations

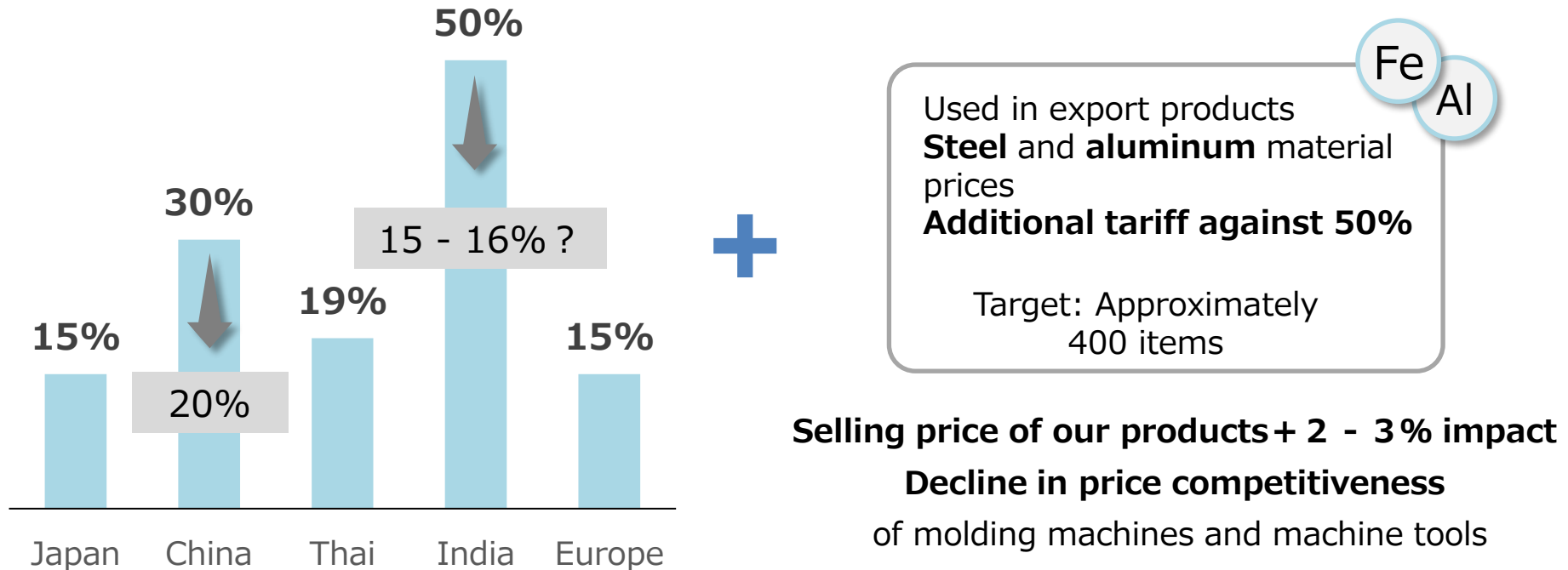
15
billion yen

Overcapacity of EV batteries will continue in the future.

It is **difficult to achieve sales of 100 billion yen only by Extrusion Machine** of the original plan.

Overview② (U.S. Tariffs)

- Our factory (including the planned acquisition in Europe)
Tariff rates against the U.S. from the host country

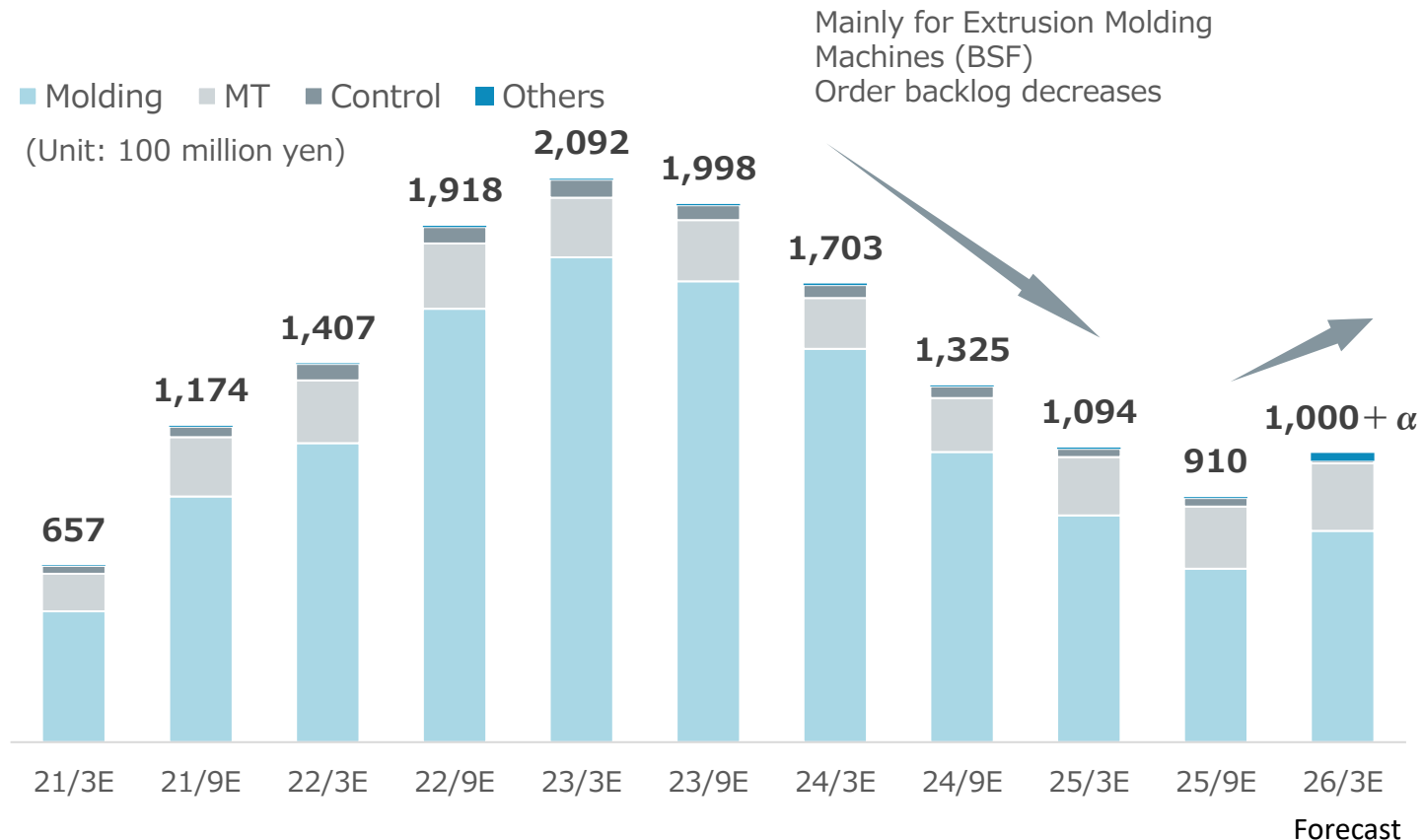


Although the reciprocal tariffs have been finalized, the additional tariff rates and implementation dates have yet to be determined, and **users are continuing to wait and see regarding capital investment.**

In particular, **IMM and DC** are greatly **negatively affected.**

Order backlog Trends

■ Order backlog by segment



Unstable market conditions and sluggish EV sales
have reduced order backlog to half of its peak

Recovery trend after bottoming out at the end of September 2025

Review of the "Medium-term Management Plan 2026" (as of now)

Strategies and Measures	Progress by the end of September 2025
Strengthening the global IMM system	<ul style="list-style-type: none"> India's second plant starts operation, increasing production OEM production of small injection molding machine (China) Signed a share transfer agreement for the acquisition of LWB with the aim of developing the European market
Engineering solutions Enhancement	<ul style="list-style-type: none"> Acquires of TECHNOLINK CO., LTD. and Functional Fluids Ltd.
Strengthening the service business	<ul style="list-style-type: none"> Integrate machine tools and overseas current services into Shibaura Machine Engineering Co., Ltd. and start controlling
Production and work efficiency	<ul style="list-style-type: none"> ERP: System Vendor Decision Factory restructuring: Construction of the EX's technical center begins
Branding	<ul style="list-style-type: none"> TV commercial broadcast (+20% increase in student applicants)
Research and development	<ul style="list-style-type: none"> Development of ultra-large die casting machine (ordered) Developing next-generation battery-compatible devices

- The strategies and measures of the "Medium-Term Management Plan 2026" have been **difficult to achieve in FY2026** due to the slowdown in EV shifts and U.S. tariffs. (**Delay in the onset of effects**)
- If the U.S. tariff issue is resolved and the EV shift starts to move again, it is expected that **the effect of the measures will be realized.**
- Therefore, **the strategies and measures being implemented in the "Medium-Term Plan 2026" will continue to be implemented in the future.**

Medium-term Management Plan 2026

FY2024 - FY2026

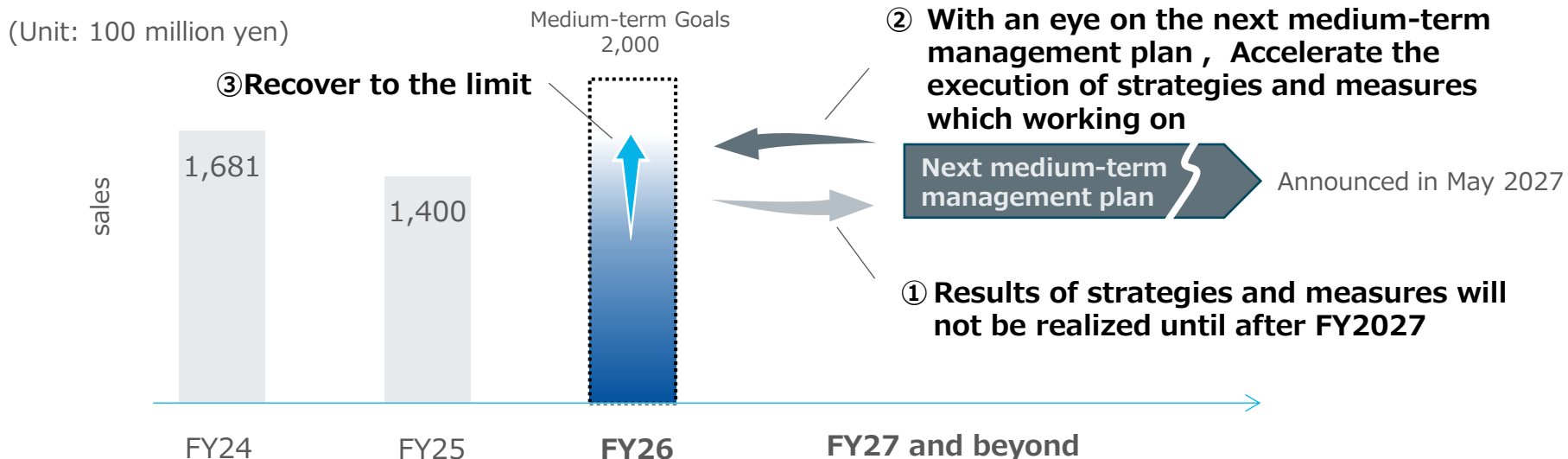
2 About the Emergency Response for FY2026

Formulation the Emergency Response for FY2026

The "Medium-term Management Plan 2026"



- The "Medium-Term Management Plan 2026" is expected to **fall short of the FY2026 target** due to significant changes in the business environment.
FY2026 earnings forecast is scheduled to be announced again in May 2026
- The next medium-term management plan is scheduled to be announced in May 2027
- **Formulate and promote the Emergency Response for FY2026** for the next medium-term management plan and promote measures to contribute to FY2026 results



The Emergency Response for FY2026 Strategies and Measures

The Emergency Response for FY2026 will be based on the **strategies and measures promoted** in the "Medium-term Management Plan 2026", and will **accelerate the execution speed and harvest time in order to contribute to the FY2026 results**

- **Profit creation** through thorough **cost reduction and efficiency** ... **A**
- **Growth in sales received orders for the fiscal year** ... **B**
- Among the measures being implemented as a **steppingstone for the next medium-term management plan**, the effects will be brought forward to **fiscal 2026** ... **C**

※Key Measures of the
Emergency Response for FY2026

Contribute to FY2026 Sense of scale(Unit: 100 million yen)			
B	Convergence of U.S. tariffs (All)	+ 100~150	+ M&A
B	European Market Development (IMM)	+ 80~100	
B	India Market Share Growth (IMM and MT)	+ 30~50	
B	North American Market Development (PM)	~ + 5	
B	Orders and production of large special machines (MT)	+ 30~50	
C	Orders for Next-Generation BSF (EX)	+ 100~150	
A C	Global Restructuring in East and Southeast Asia (IMM)	optimization	

Developing the European market



IMM

Shibaura Machine

L W B

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Sales channel

- ❑ Brand power in Europe
- ❑ European User Information
- ❑ European sales network



Sales & Service

35名

Introduction to
European users

◆ Expansion of sales channels in Europe

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• IMM

- Thermoplastic Resin Knowledge
- With a wide range of products
Manufacturing skills

• Indian Sourcing Network
(Low Cost)

• Semi-finished products and
modules (Low cost)



• Manufacturing technology

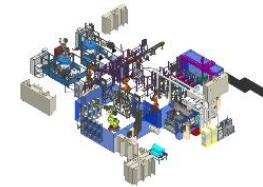


L W B

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Techniques

- ❑ Engineering capabilities
- ❑ Automation capabilities
- ❑ Development of
collaborative machines



◆ Expansion of system sales

L W B

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Manufacturing

- ❑ Globalization of procurement
network
- ❑ Utilization of production
resources within the group

◆ Reducing costs and improving profit margins for LWB's products

Growing India Market Share



Injection Molding Machines **IMM**

Mass production of the second plant

- Domain : Automobile, Medical, Containers, Miscellaneous goods, Home appliances, Stationery
- Focus model : Small Electric Machine, Medium and large hydraulic machines
- ❑ **Full line model** strategy from hydraulic to electric
- ❑ **Quality and Service** Differentiation Strategies
- ❑ Appeal of **energy cost reduction effect** by electric motor
- ❑ **Strengthening sales by starting technical center** operations



FY2028 Sales Targets **2800** units

Machine Tools **MT**

Indian Market Development

- Domain: Energy (Oil and gas, Wind power), Construction Machinery, Industrial Machinery, Transportation Machinery
- Focus models: Horizontal boring machines, Vertical boring and turning mills
- ❑ **Increasing orders from the Indian**
- ❑ **BIS*certification**
- ❑ **Strengthening the organization of the local subsidiary in India**
 - Reinforcement and training of technical sales and service personnel
- ❑ **Reorganization of the agency**
- ❑ **Installed a demonstration machine at the technical center of the Indian plant**



* BIS: Bureau of Indian Standards

Developing the North American market



PM

Shibaura Machine

■ Market Identification

market	Overall Market Size	Market Growth = Sales Opportunities	Points to attack
Automotive Optics	Tier1 10 companies Tier2 20 companies	6 – 9 (Unit/year)	Starting from an automobile manufacturer, attacking Tier 1 and 2
Medical Components	target 200 companies Sales: 100 units/year	10 – 15 (Unit/year)	Cooperation with trading companies



■ Organizational development

Sales + technical sales + service
By FY2029, three times the existing
workforce



■ Maintenance of Technical Center (in SMA*)



Finished image

**Focus on commercialization* of North America-
compatible models and order acquisition**

* SMA: SHIBAURA MACHINE COMPANY, AMERICA

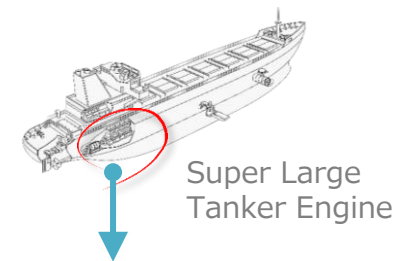
* New product launches: 25Q4

Orders and production expansion of large and special machine tools

The order environment is generally good

	Turbine	Petroleum /Energy	Mining machinery	Wind power generation	Aerospace	Ship- building	Auto mobile	General Industry
U.S.	↗	↘	↗	—	↗	—	↘	—
Japan	↗	—	↘	—	↗	↗	↘	—
China	—	—	—	↗	—	—	↘	↘

- North America : **Focus on Aerospace, Energy and Mining machinery**
- Japan : Focus on **shipbuilding** (Increasing demand for replacement due to switching to next-generation fuel vessels) and **large and special machine tools for aerospace**
- Japan : **Retrofitting** large and specialized machinery and strengthening **services for the domestic defense industry** in response to a significant increase in the defense budget

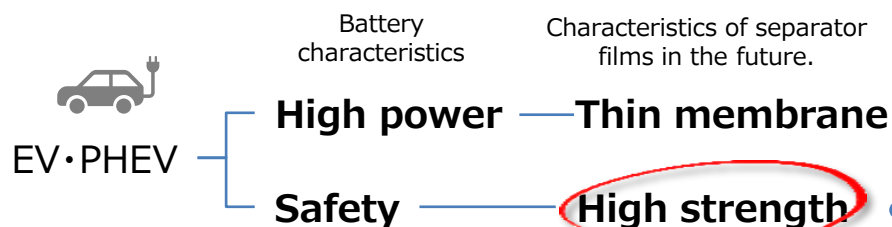


Expanding orders and sales by early production

Focus on Winning Orders for Next-Generation BSFs

■ Changing market characteristics of EV batteries

In addition to the cost reduction requirements of increasing the **speed and width** of BSF, in the future, separator films for EVs will be made **thinner and stronger** to increase battery power and safety.



■ Adapting to a New Market (ESS)

As a new market, **ESS for large data centers** (Energy Storage System)

BSF demand is expected to grow

Higher safety is required as a battery fire could lead to data loss.

Applicable

New Market



ESS for large data centers

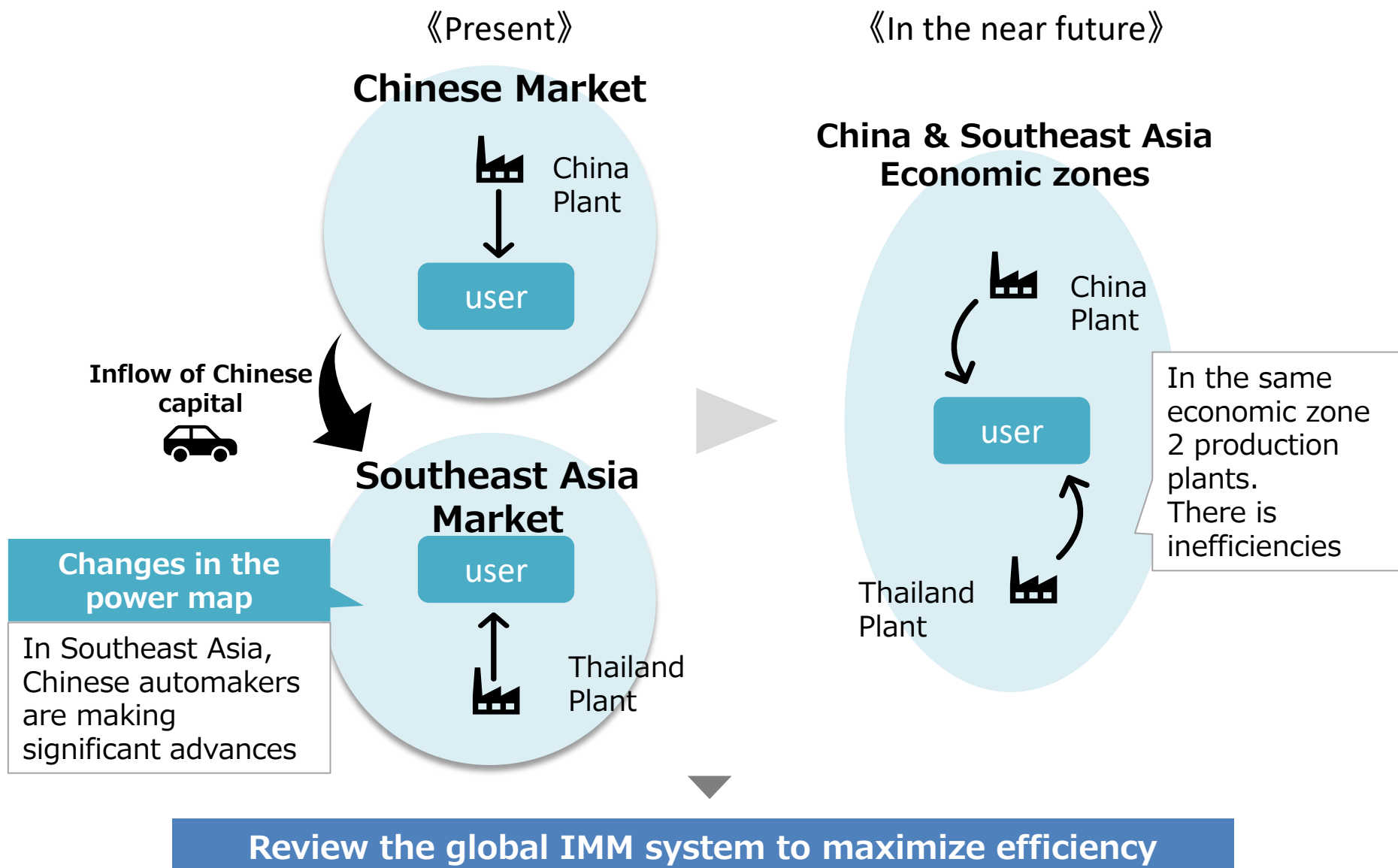
Product Strength (Capabilities of Next-Generation BSF)

Not only full turnkey support including extraction and drying equipment, We are **promoting high elongation magnification** support to **improve thin membrane and strength**, and are **further differentiating ourselves from other companies**



Focusing on receiving orders for next-generation BSF from Chinese manufacturers capable of producing next-generation separator films

Global Restructuring in East and Southeast Asia



Mid- to long-term areas of focus

	Focus Areas
IMM	<ul style="list-style-type: none"> • Engineering solutions(Pre- and Post-Process) • India, Africa, Europe, and the U.S.
DC	<ul style="list-style-type: none"> • Mega Cast (Development of the 4500-ton class in response to domestic production by Japanese automakers)
EX	<ul style="list-style-type: none"> • Next-generation batteries (Dry electrodes, Solid-state batteries) • Energy Storage Systems (For Renewable Energy, Data Centers) • Advanced Materials (CFRTP (Aircraft Materials))
MT	<ul style="list-style-type: none"> • Power generation (Turbine) • Aerospace, Shipbuilding • Domestic defense industry
PM	<ul style="list-style-type: none"> • Camera Lens, Optical Communication (For large data centers) , Automotive Optics, medical treatment
CS	<ul style="list-style-type: none"> • Engineering solutions(Packaging, Conveying, Assembly)

(Limited to those that produce results early)

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