

MIURA Co., Ltd., Financial Result and MIURA Growth Strategy

November 26 and 27, 2015

MIURA Co., Ltd.
President Yuji TAKAHASHI

熱・水・環境のベストパートナー



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Attention

The future prospects of the business results, etc., described in this material is based on information that the Company has acquired as of the announcement date of financial report, and there is a possibility that actual business results, etc., will be materially different depending on various factors. Please note that although the Company has made careful efforts to ensure the accuracy of the content of this document, we assume no responsibility for any damage arising from use of this data.

1. Company Profile

熱・水・環境のベストパートナー



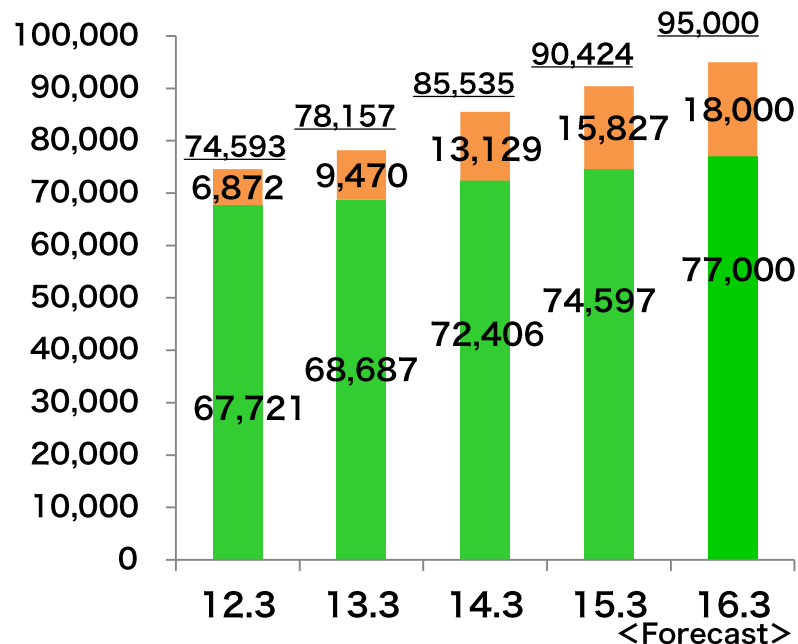
Company Information

Location	7 Horie, Matsuyama, Ehime, 799-2696 Japan
Established	May 1st 1959
Group Companies	Japan 6 companies (Include Consolidated 4 companies) Abroad 13 companies (Include Consolidated 8 companies)
Employee	Consolidated 4,409 employees Group total 4,500 employees (Include 1,106 employees in abroad)
Business	Manufacture, Sales and Maintenance of equipment
Rating	A, Affirmed ---As at September 3 rd , 2015 (Rating and Investment Information, Inc.) MIURA is rated as "A" 11 years in a row.

[Consolidated Net Sales]

Unit: Million of

■ Affiliated companies in ..yen



	March, 2014	March, 2015	March, 2016 (Forecast)
Net Sales (Million yen)	85,535	90,424	95,000
Ordinary Income (Million yen)	10,298	10,799	10,800
Profit Attributable to Owners Parent (Million yen)	6,288	7,464	7,500
Capital ratio (%)	78.3	79.5	—
Net assets per share (Yen)	818.33	915.75	—

Propel further rejuvenation and globalization” Taking office as New President in April 2016.



Daisuke MIYAUCHI

Date of birth: June 29th, 1962
 Birthplace: Matsuyama, Ehime
 Educational background:
 Bachelor of Engineering in
 Mineral Science & Technology
 at the Faculty of Engineering,
 Kyoto University on March,
 1986.

Background

April 1986 Joined Kyodo Oil Co.

(The company's name was changed to Japan Energy Corporation due to the merger.)

June 1996 Resigned

April 1997 Joined MIURA Co., Ltd.

July 2000 President, MIURA BOILER WEST, INC.

January 2006 General Manager, Chubu management center

July 2008 General Manager, System Innovation management center

July 2009 Executive Officer (Present post)

January 2010 General Manager, Eastern Japan Business Headquarters

General Manager, New Business Development

Headquarters

June 2010 Director (Present post) General Manager, Metropolitan Area Business Headquarters

July 2012 General Manager, Aqua Business Headquarters and Environmental Business Headquarters

July 2014 General manager, Americas Business Headquarters (Present post)

<Concurrently>

President (Present post) MIURA INTERNATIONAL AMERICAS INC.

CEO (Present post) MIURA AMERICA CO.,LTD

2. Overview of the financial result for the Second Quarter of the Fiscal Year Ending March, 2016

Consolidated Result

[Unit : Million yen]

	FY2014, 2Q	FY2015, 2Q	FY2015, 4Q Forecast
Net sales	40,504	46,585	95,000
Cost of goods sold	23,331	27,549	57,000
SG & A expenses	13,251	14,452	28,500
Operating profit	3,921	4,584	9,500
Ordinary profit	4,558	4,925	10,800
Profit Attributable to Owners Parent	2,858	3,254	7,500

Overview of financial results

《Domestic》 Increased Boiler, Marine, Food, Medical equipment sales

- Increased sales to the chemical and paper industries
- Increased Marine product (Ballast water management system) sales

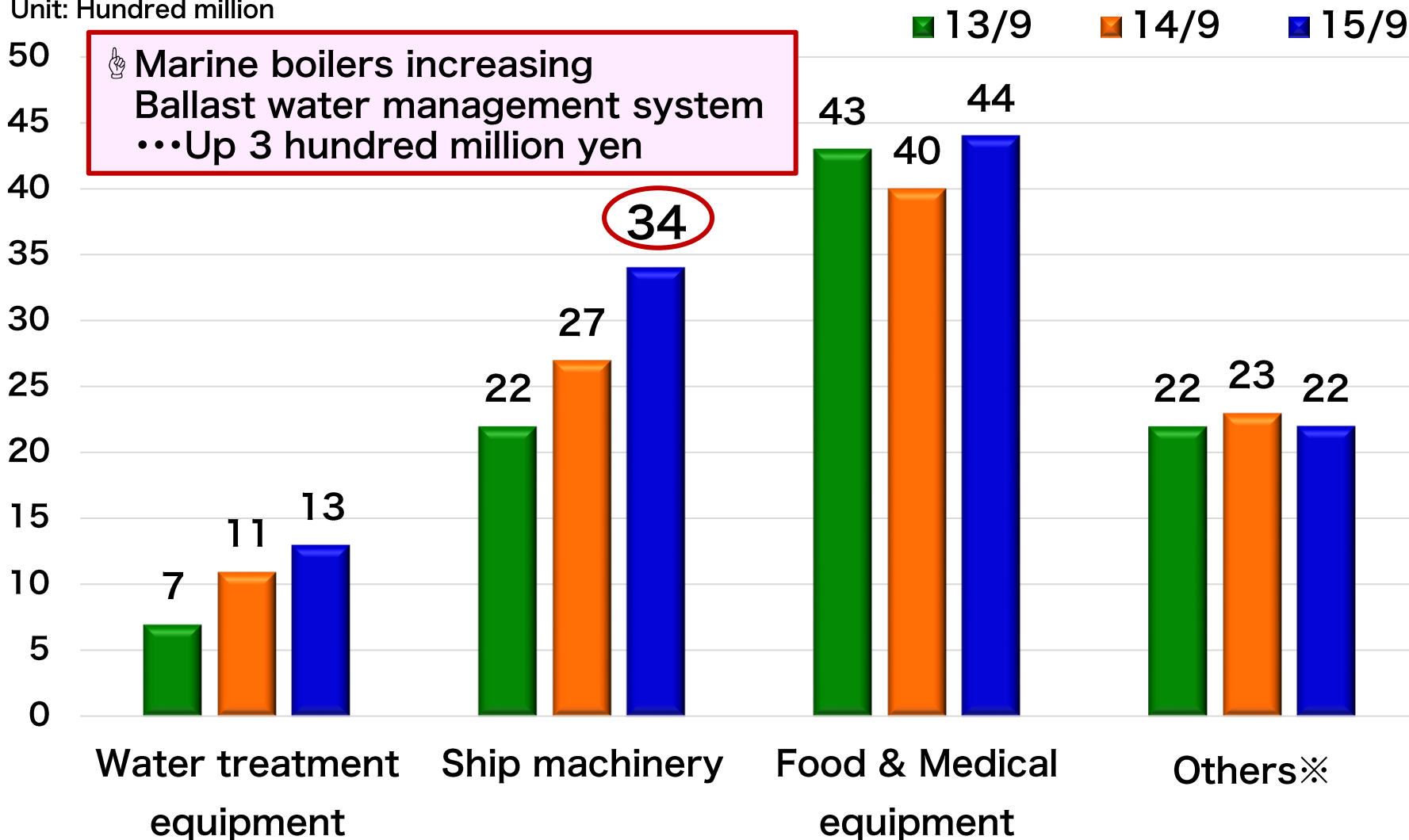
《Overseas》 Increased in revenue due to the effect of growth strategies in China and South Korea. Yen depreciation and seasonal factors

- Switch from coal-fired boilers in China, Increased sales for Chaebol in South Korea

Increased Depreciation and Amortization, Personnel expenses, research expenses

Analysis of Domestic Sales

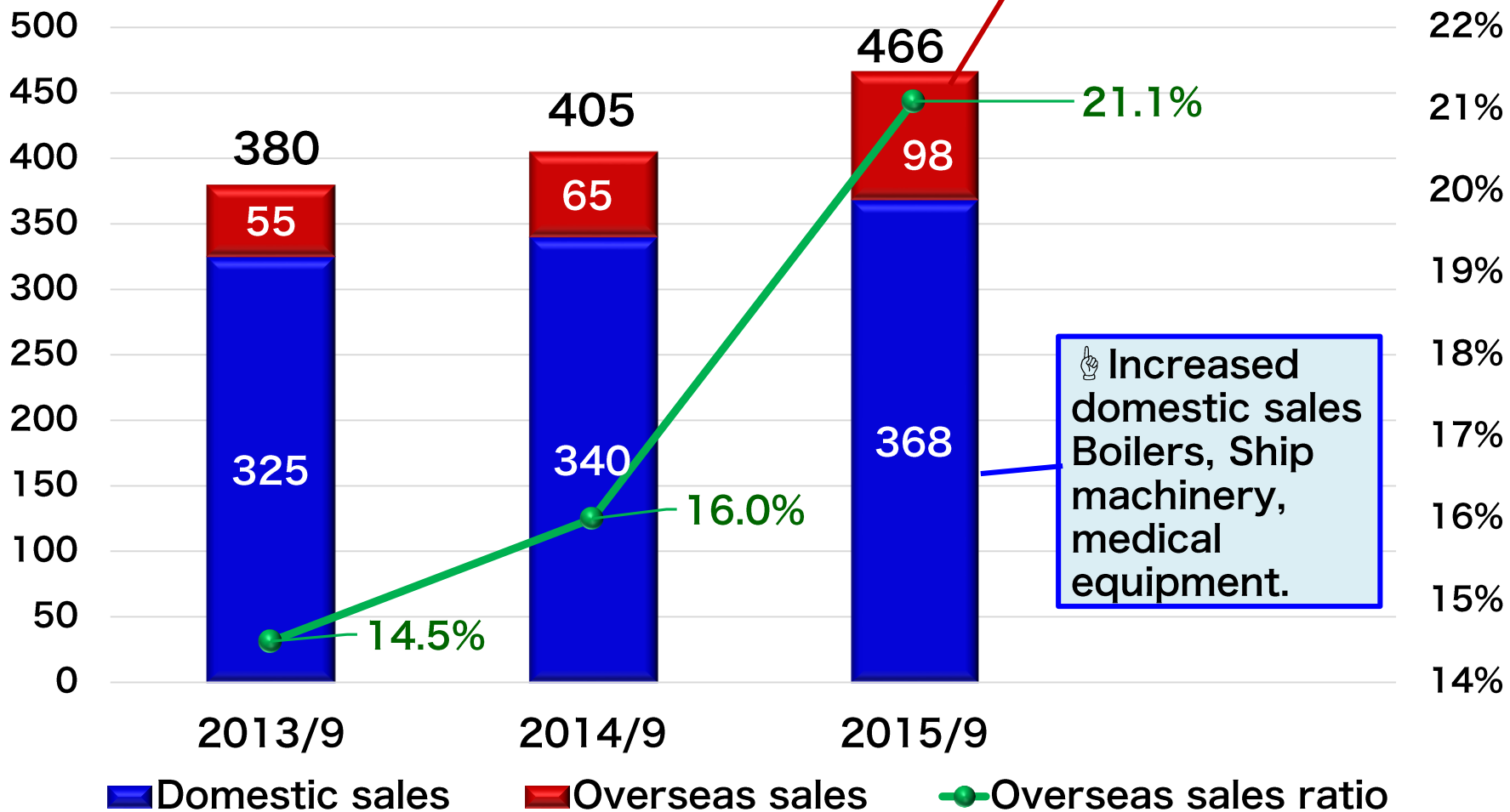
Unit: Hundred million



※Others...New business, Special equipment, Environmental business

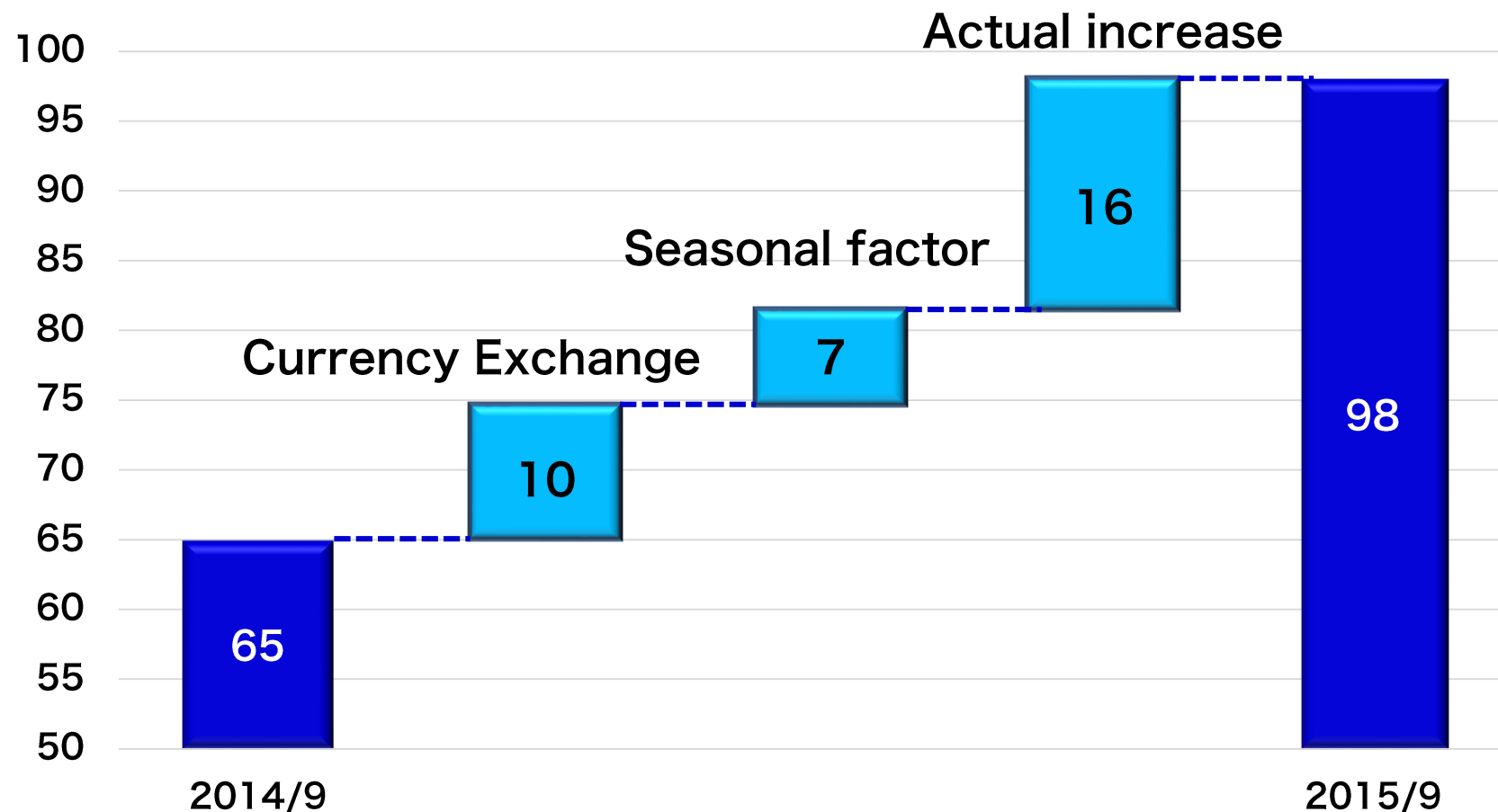
Overseas Sales

Unit: Hundred million



Analysis of factors for increasing overseas sales

Unit: Hundred million



| What are “Seasonal factors”?

Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep.



January

June

Last year's
Accounting period



This year's
Accounting period

April

September

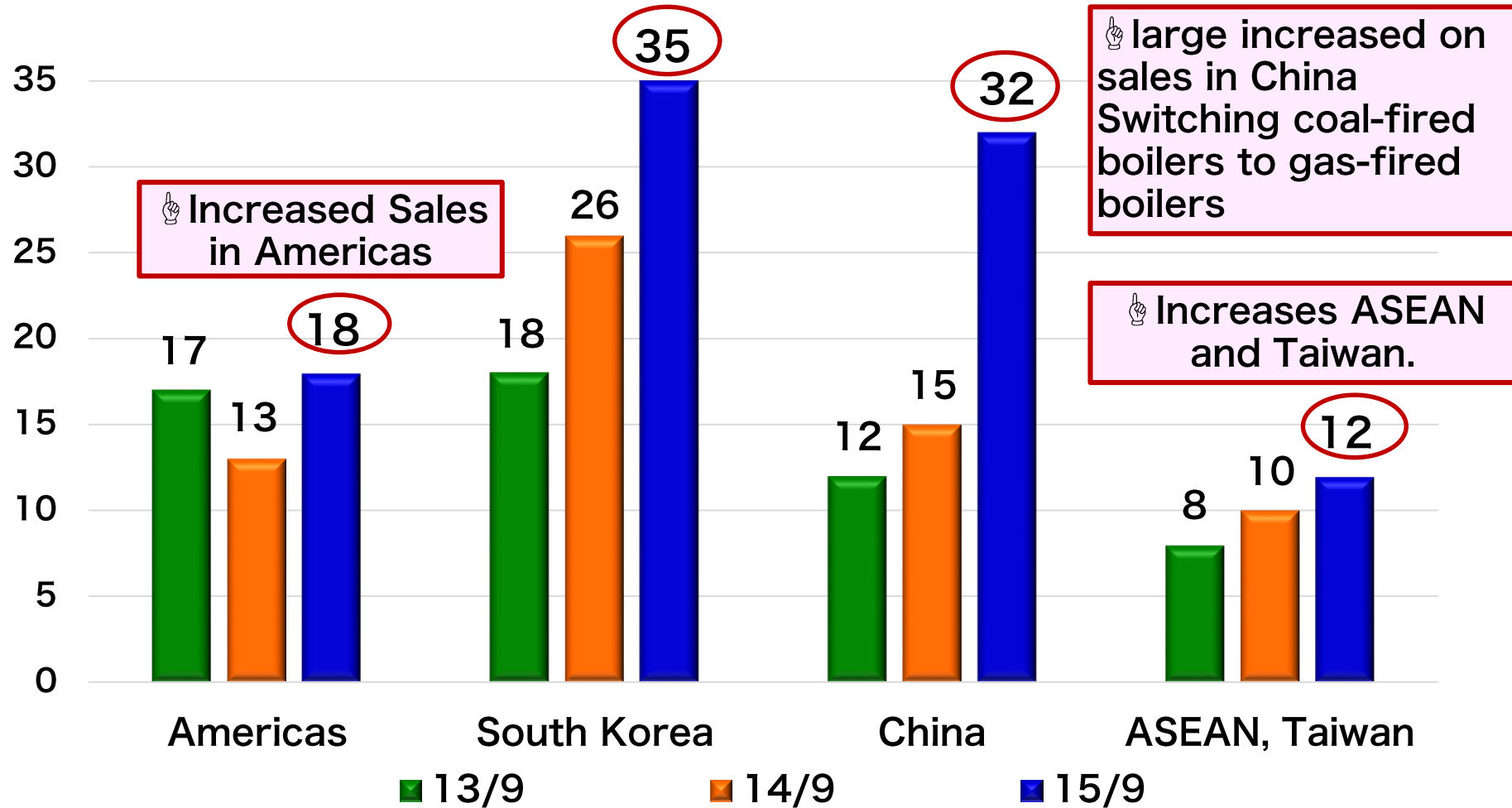


Decreasing sales at this time (Jan. to Mar.) of the year, because of Chinese New Year and snow in North America. The seasonal factors are moved back to the second half of the fiscal year.

Analysis of Overseas Sales

Unit: Hundred million

↑ Increase Sales in South Korea
The effect of strategy for Chaebols



3. Profit share and MIURA Stock

① Sustain **Stable** Dividends

② Targeting **30%** of the consolidated payout ratio



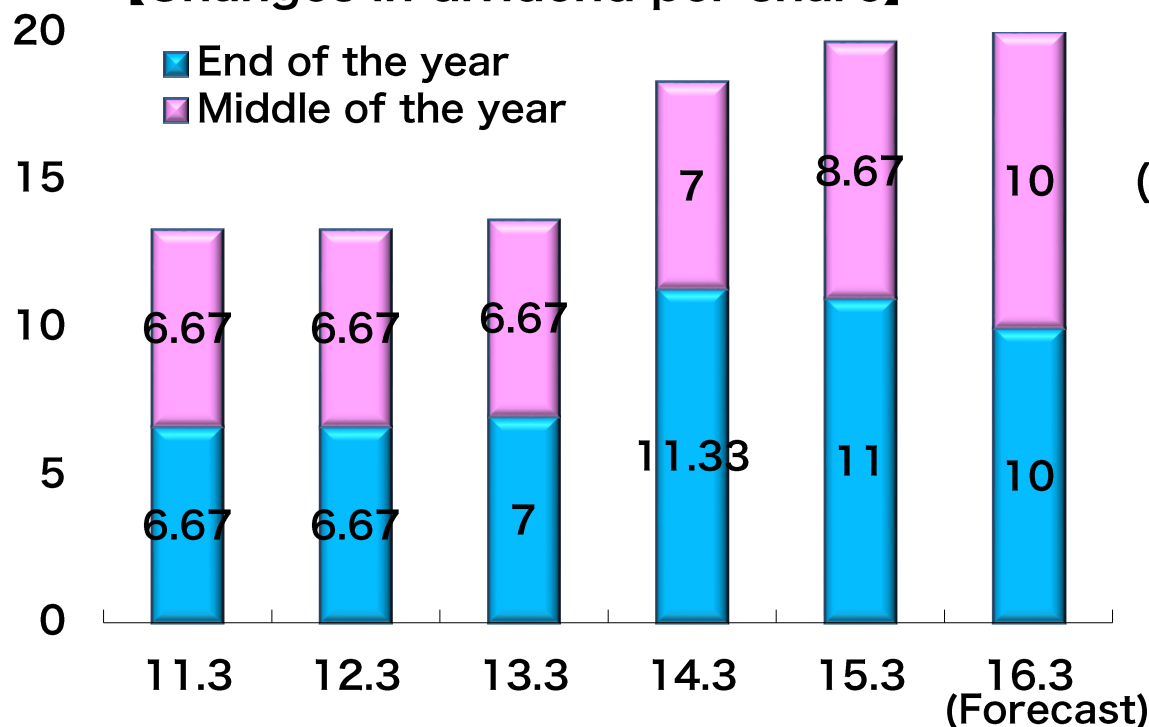
Ended March, 2015

Middle 8.67yen
 End 11.00yen
 Total 19.67yen

Ended March, 2016

Middle 10yen
 End 10yen-Forecast
 Total 20yen-Forecast

(Yen) **【Changes in dividend per share】**



(Reference)

Holdings of treasury stocks

※ As at September 30, 2015

- Total number of issued share (Without Treasury shares)

112,503,347 shares

- Treasury Share

12,787,765 shares

4. Sales Strategy for “Chaebols”

“Chaebols” is a large business conglomerate,
typically a family-owned one in South Korea

熱・水・環境のベストパートナー



Changes in Business Results and History

100 million

580

1982 Korea MIURA Co., Ltd. was established, First manufacturer of one-through boiler in South Korea

2004 Started manufacturing Gas-fired boilers

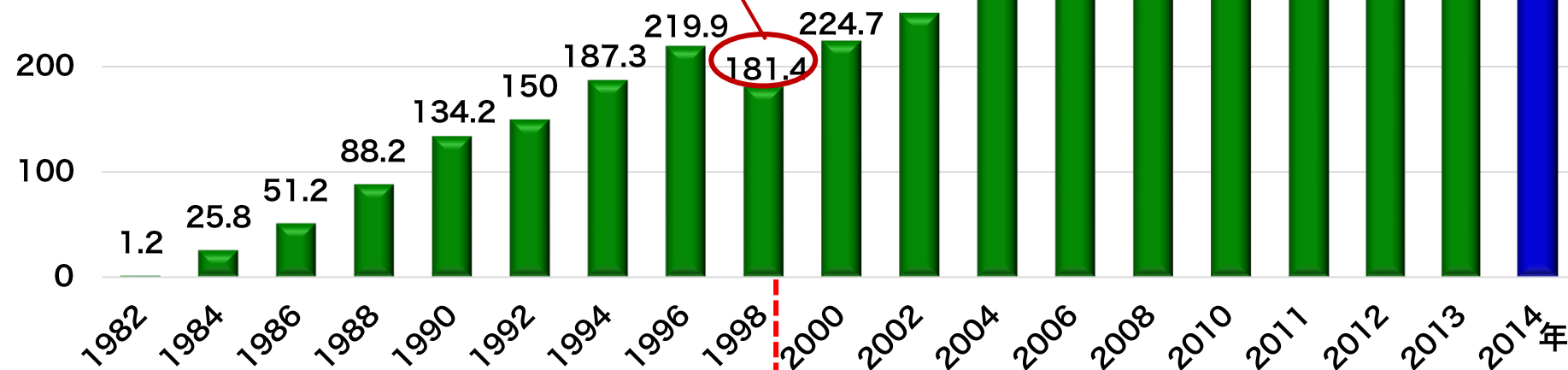
2009 Started “Sales Strategy for Chaebols”

2013 New factory in Cheonan in operation

IMF Finance crisis

Customers went cash-strapped and bankrupt, Shrunk the market of minor business

Bankruptcy of Lehman Brothers



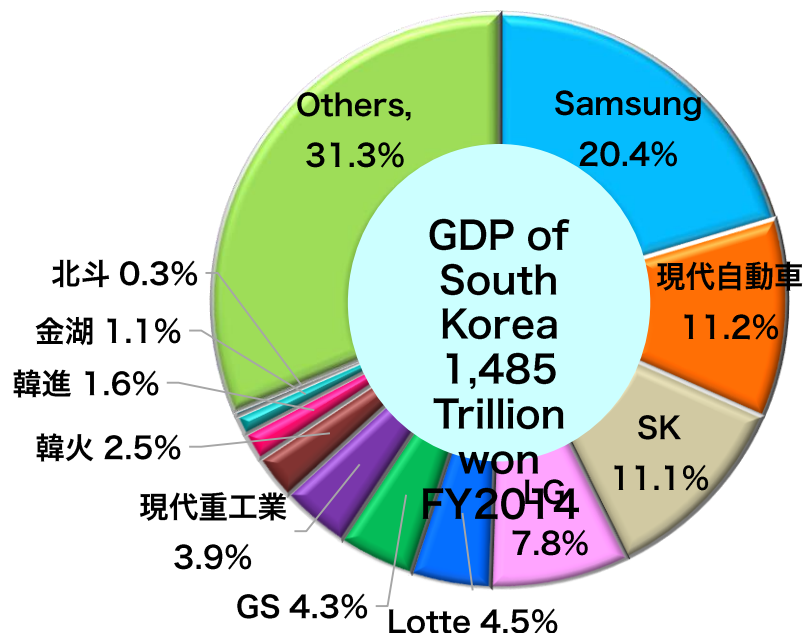
The local managers got over the financial crisis by themselves, it promoted future localization.

Overview of South Korea

	South Korea		Japan		Ratio
Population(million)	50.42	26 th	127.06	10 th	40.0%
GDP (billion US dollar)	1,410.38	13 th	4,602.37	3 rd	30.7%
Export dependency	43.87%	41 st	15.24%	144 th	—

Population and GDP are from “世界の経済ネタ帳IMF-World Economic Outlook Databases (the October 2015 edition)” Export dependency is from the Global Note in 2014

11 Chaebols share 69% of GDP in South Korea



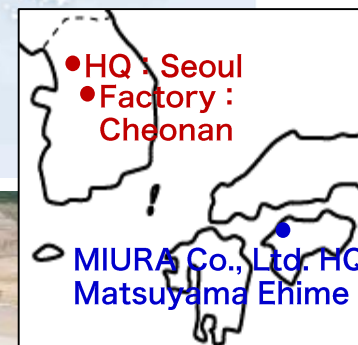
<South Korean Economics>

- ① **Chaebols** lead the economics
- ② Heavily **dependent** on export

Korea MIURA Co., Ltd. Profile

Location	HQ : Seoul Factory : Cheonan
Capital	11.4 billion won
Date of Establishment	May in 1982
Offices	30 offices in 23 locations
Employees	320 employees (including 2 Japanese)
Business	Manufacture, Sales and Maintenance of equipment

**Toward the
Localization**

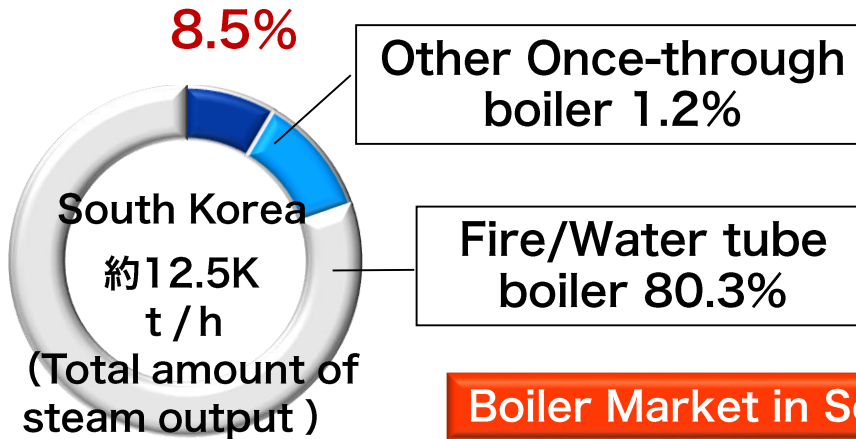


Factory in Cheonan, South Korea

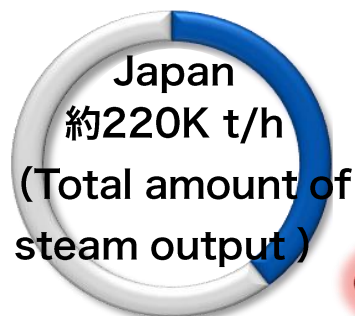
Operation	July 2013
Site area	36,090 m ²
Factory total floor area	13,669 m ²
production capability	Approx. 2,500 unit/year

Steam Boiler market in South Korea(steam output)

Share of Korea MIURA



Share of MIURA

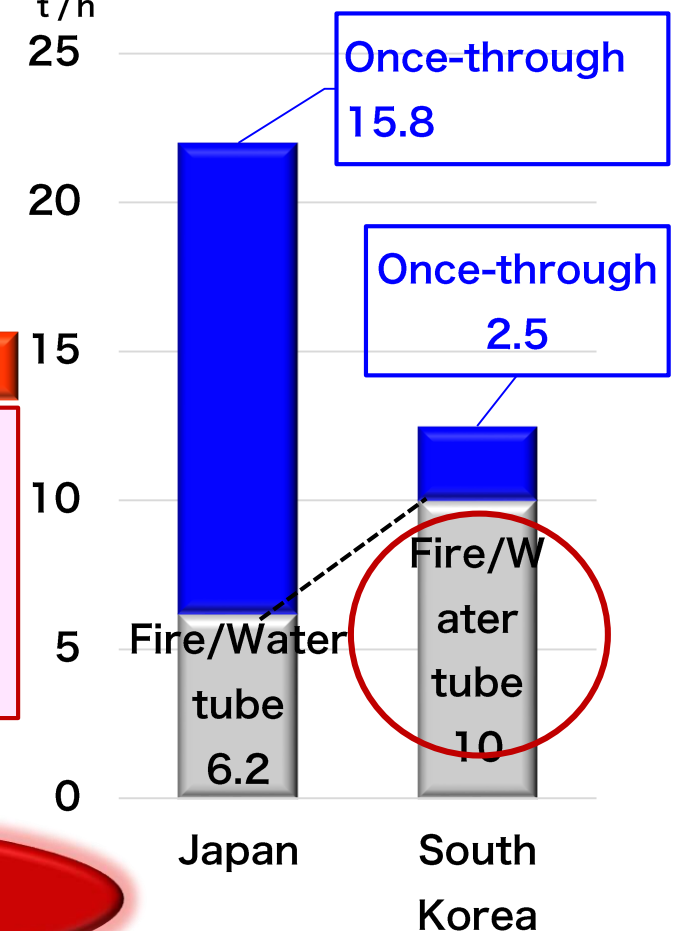


Boiler Market in South Korea

The market size is 60% of Japanese one, however, there are still market of fire/water tube boilers.

Remaining market is large!

Unit : Remaining market of large boilers
10,000 t/h



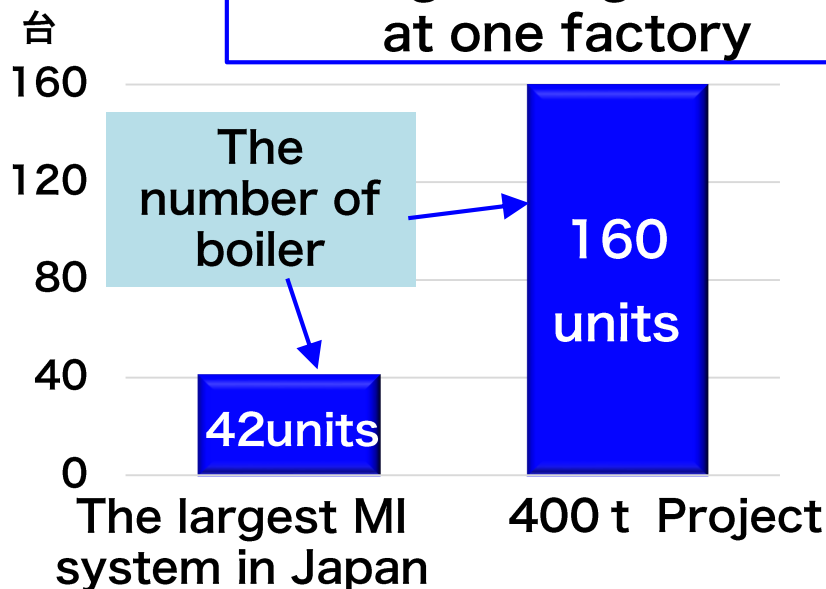
Chaebols' aggressive capital investment

《Investment of 30 Chaebols》 Yearly average 6.5% from 2008 to 2014

「400 t Project」

Big project ongoing
One factory needs 400 t/h
boilers

Running through 400 t / h
at one factory



<Feature of investment of Chaebols>

- Owner of the company
→ Quick Decision
- Mass scale
→ Mass production and export

Why Semiconductor factory chooses MIURA?

Large Load fluctuation



MIURA MI system is the BEST.
Providing the required amount
of steam, only when it is
needed.

Chaebols' aggressive capital investment

Example

Lotte Hotel Seoul



7th largest Chaebols in South Korea, Lotte Group



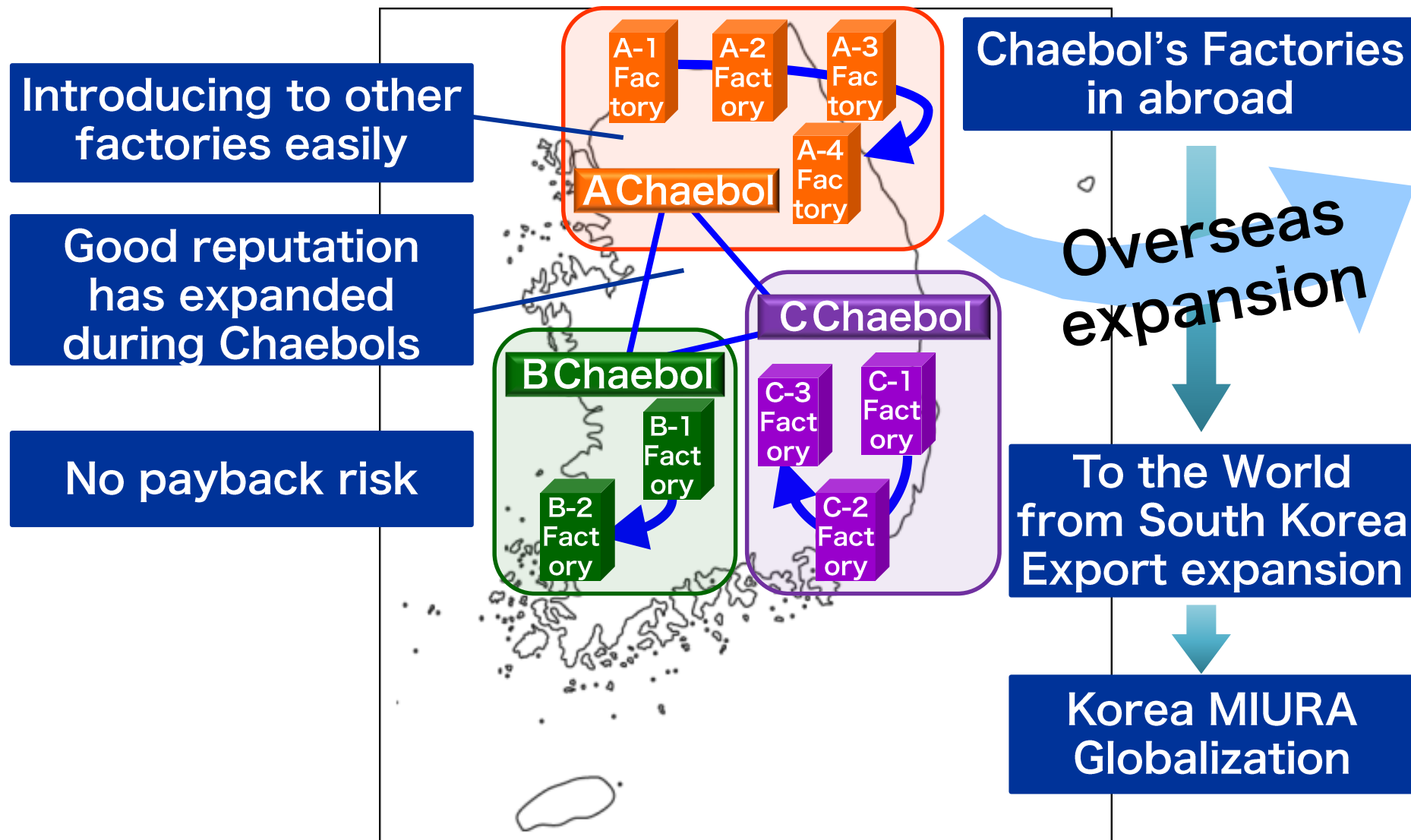
Retail, Hotels	Lotte Hotel	Lotte Department store	Korea Seven
Food, Beverage	Lotte Confectionary	Lotte Chilsung Beverage	Lotte Liquor
Manufacturing	Lotte Electron	Korean Fuji Film	Lotte Aluminum
Leisure	Lotte World	Lotte Giants	Lotte • JTB
Others	Lotte Capital	Lotte Insurance	Lotte Bussan

Boiler room

MIURA Boilers

- SQ-2000ZSG × 19 units
- EZ-2500GO × 5 units

The purpose of sales strategy for Chaebols



The purpose of sales strategy for Chaebols

Air pollutant emission
standard

NO_x 40ppm



Internal standard of Samsung

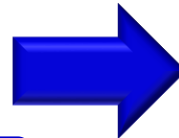
NO_x Less than 10ppm

Meet Strict technical standard

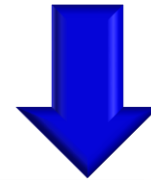
Japanese environmental
technology transfer



Capability of Large capacity



Unrivalled
environmental
technology



**Choose
MIURA**

How to penetrate MIURA Brand...

Factory Tour

Show MIURA's Manufacturing



Completed New
Factory in 2013
The effective use of
new factory

- Factory Tour, Energy Conservation seminar 36 times
- participants 636 companies (944 people)

Famous Company Visit in Japan

Show the achievements in Japan



Energy Conservation Seminar

Improving confidence in
“Once-through Boilers”



User tour

Visit MI system user



Exhibits

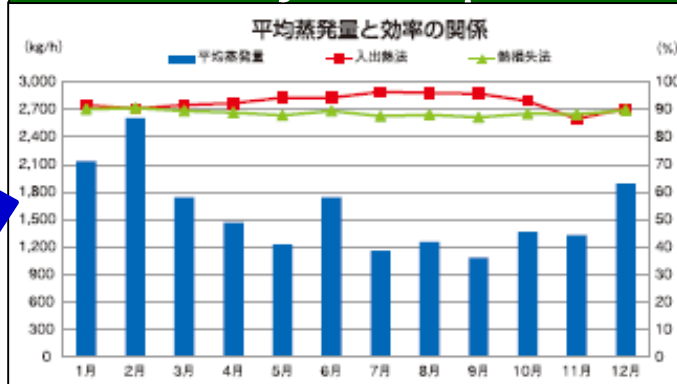


Energy Conservation Proposal Seminar

Analysis of Boiler operation logs

Analyze customers' boiler operating time, water supply and fuel use based on their boiler logs and propose best way for the energy-saving.

Analysis Graph



Grasp the situation based on water supply, steam and fuel use.

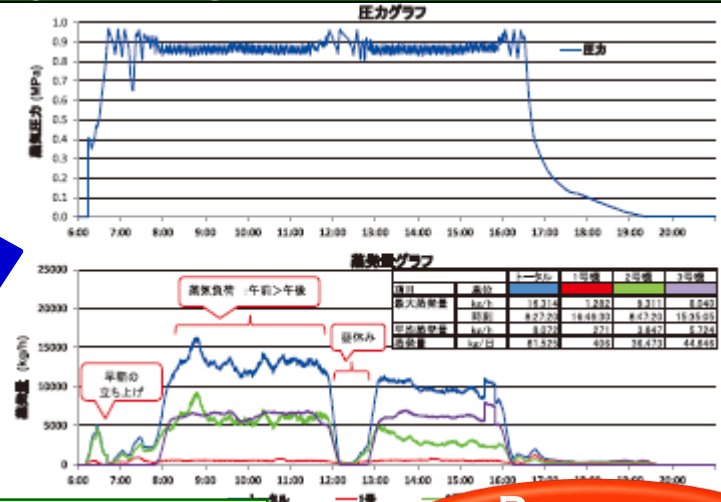
Propose Energy conservation

25,000 achievements in Japan

Load Analysis

Make a detailed analysis of the load fluctuation of steam and propose total solution system for boiler room.

Analysis diagram of load fluctuation



Grasp load fluctuation

Propose best system

Developing in Korea MIURA
1,864 achievements
(From 2010 ~ To 2015)

Maintenance training

Building the technologies and trust which are recognized by major companies

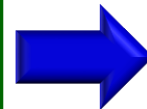
Changes in customers

Minor Business →

Chaebols
Major business

Required high skills and quality

- Strict environmental standard
- Stable boiler operation
- Guarantee highly efficient operation



Maintenance training

- Lectures to exceed dedicated boilermen
- Transfer of Japanese technologies



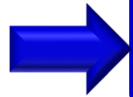
Group training at
Cheonan factory



←The 9th equipment test in South Korea

Maintenance Training

Hiring when
it need



Hiring new graduates
every year

- Systematic education
- Joint training with Japanese new graduates

Possible

Started hiring new graduates 9 years
ago...high level



Improve their skills and levels



High level
maintenance
engineers



Overseas expansion
of Korean firms



Establishment of the system
for maintenance in abroad
Shop test arpund the world



Korean New Employees Training
Date : Nov. 5th 2015
Location: Training center in
Japan

| The task of maintenance service in the future

How to increase the contract rate of maintenance

South Korea Typically boilermen maintain and inspect boilers

Counterp

- Guarantee efficiency
- Scheduled maintenance with online maintenance system
- Parts free exchange



Enrichment
of
maintenance
training

**Appeal for the superiority of
manufacturer maintenance**

Win “President’s Commendation” at Energy Efficiency Awards in South Korea

The historic first! The foreign company won the award.

<Overview>

The 37th Energy Efficiency Awards in South Korea (the field of improving energy-saving and energy efficiency) “President’s Commendation”

- It is given to a person or an organization which made a large contribution to efficient supply of national energy. For example, introduction of new method, replacement to highly-efficient equipment and rationalization of operational control for energy supply.

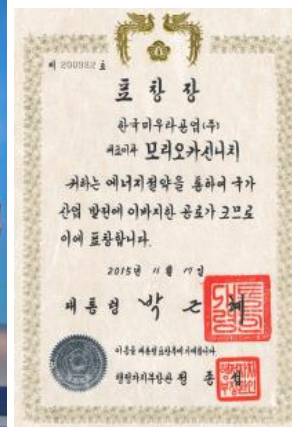
Organizer : Ministry of Trade, Industry and Energy

The award ceremony : November 17th , 2015

<Korea MIURA >
Playing a major role in supporting
Korean leading companies.



**The Achievements were
recognized by South Korean
Government**



The award ceremony on November 17th.

5. Reference

熱・水・環境のベストパートナー

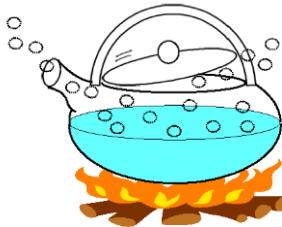
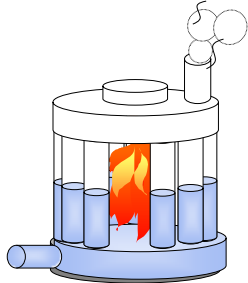


What is a Boiler?

Equipment which generates steam. It is necessary for factories, Schools, hospitals and high-rise buildings, etc...

用途

Heating, or process based power generation, sanitation etc...



※ Same principal as a kettle.

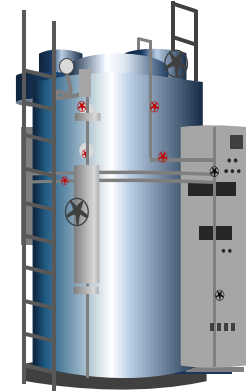
【Steam Advantages】

- Five times more energy than hot water
- Compressible
- Easily acquired since it uses water
- Recyclable – Water to steam to water
- Sanitary

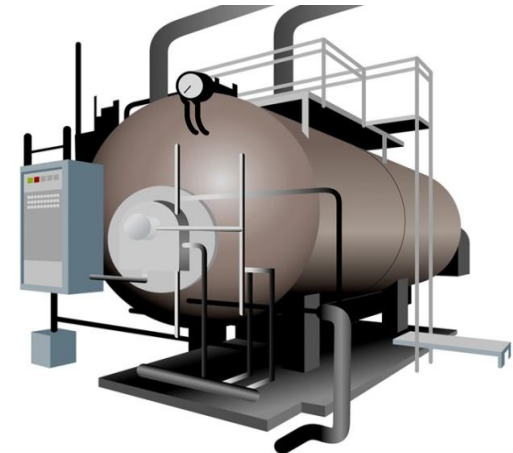
Types of boilers ~ Same capacity ~



Once-through Boiler

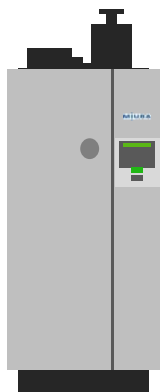


Water Tube Boiler

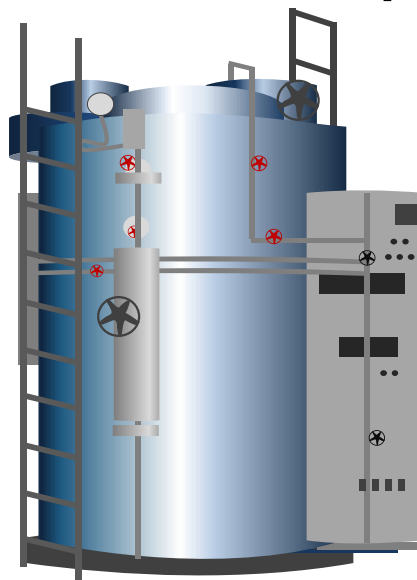


Fire Tube Boiler

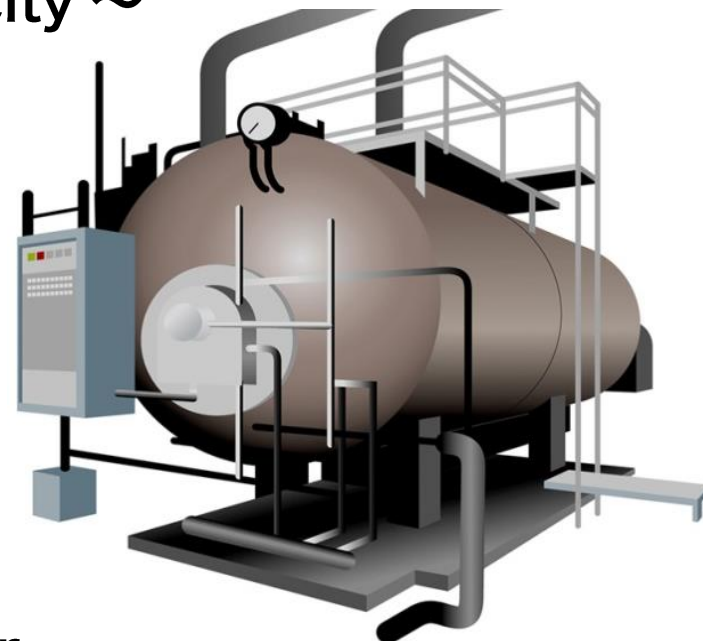
Types of Boilers ~ Same capacity ~



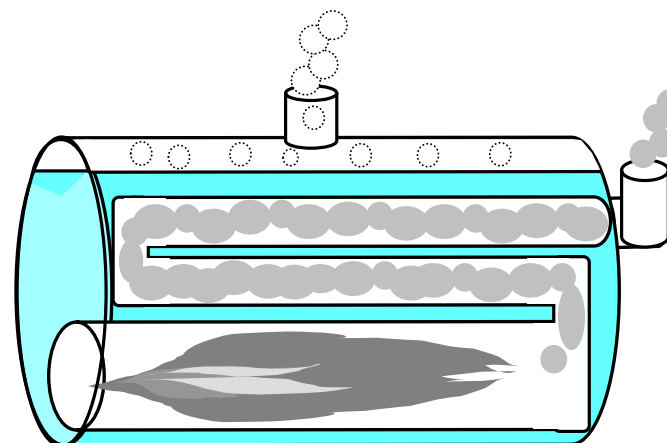
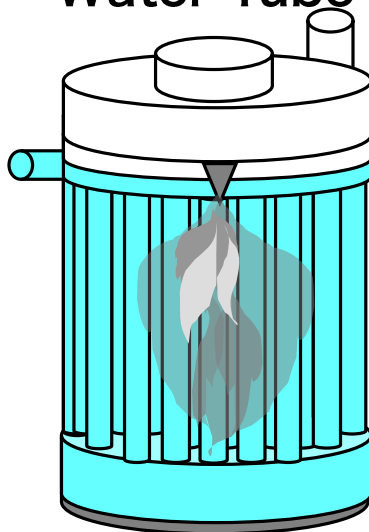
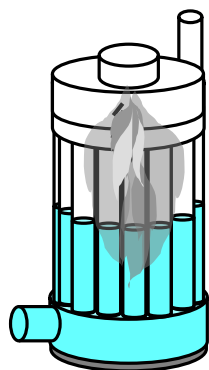
Once-through boiler



Water Tube boiler



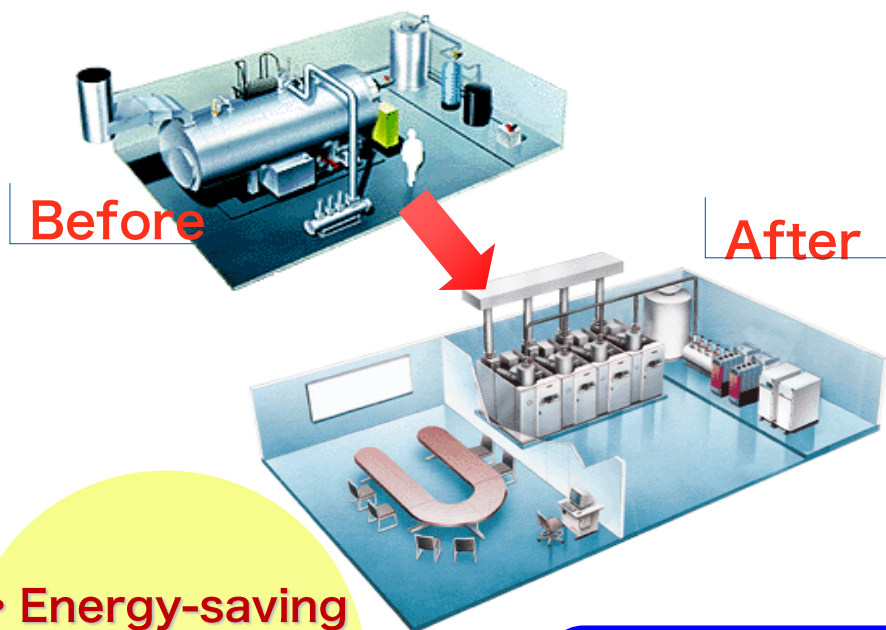
Fire Tube boiler



In 1986 M I system patent

M I system (Multiple Installation system)

Once-through boiler design makes energy savings a reality!



- Energy-saving
- Space-saving
- Labor-saving
- Low pollution



Provide steam when needed and only when needed, low operation costs and reduction of CO₂ and NO_x.

Example: Energy savings and Co2 reduction with once-through Gas Boiler <ANA Hotel Matsuyama>

Fire Tube Boiler



Once-through Boiler MI system



Effect

Efficiency of boiler

61.0% → 90.5%

CO₂ Emission

49.3% Cut

Labor – saving

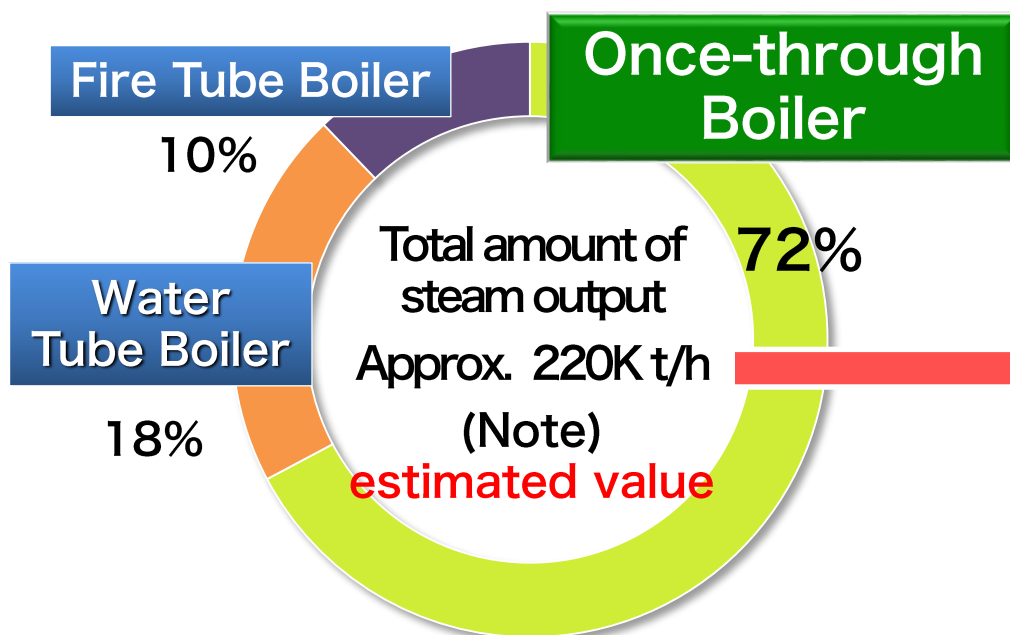
MIURA maintenance contract

Space – saving

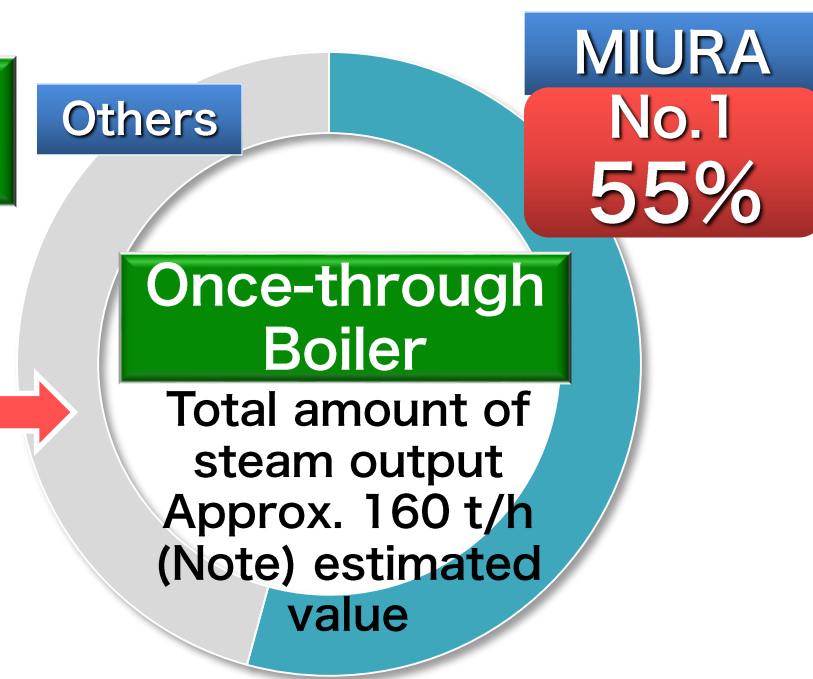
Approx.50% Reduction

Boiler market in Japan ※Except for power generation

Industrial Boiler Market



Domestic Once-through boiler market



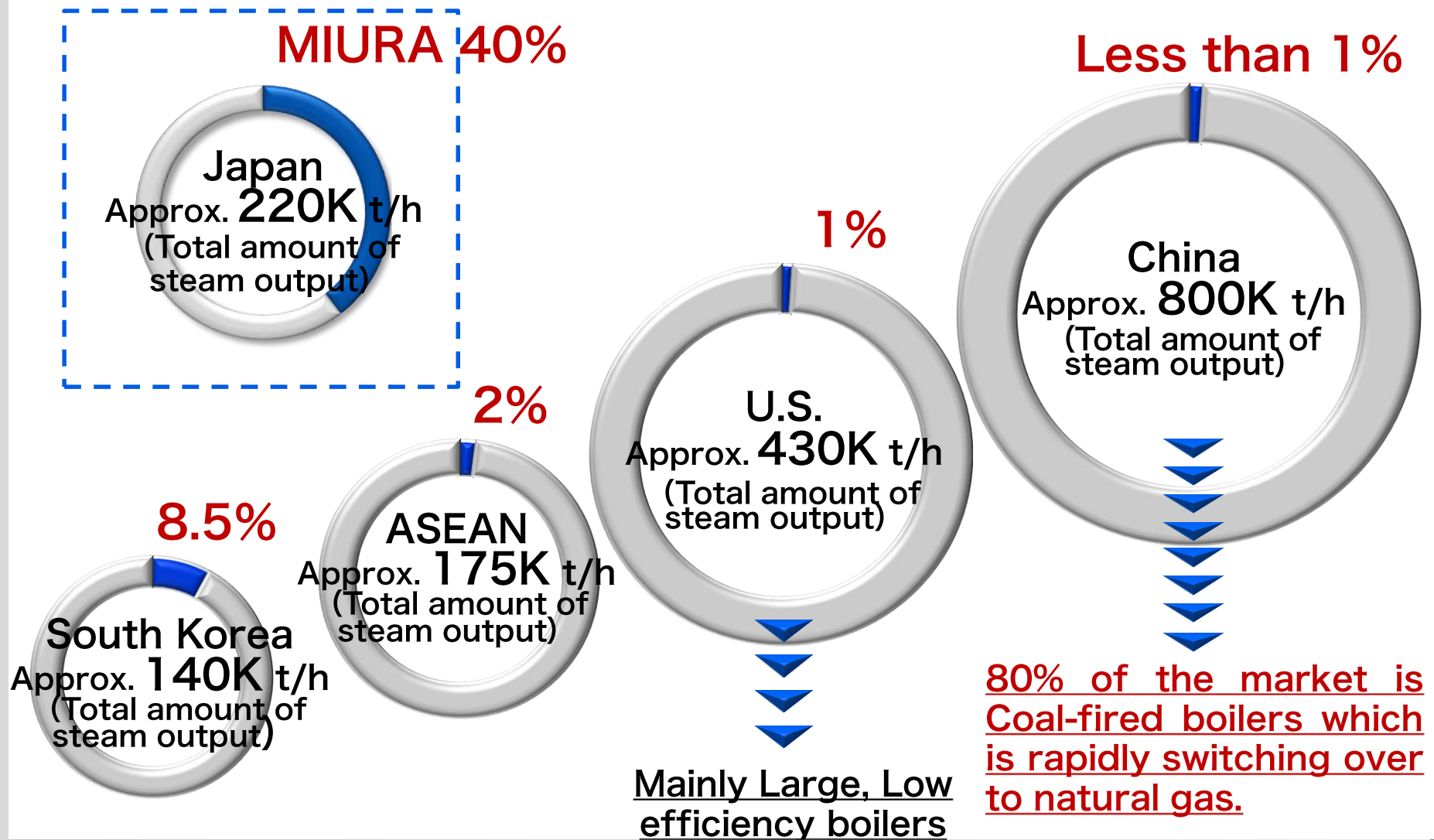
Competitors

- NIPPON THERMOENER CO., LTD
- IHI PACKAGED BOILER CO.,LTD
- Kawasaki Thermal Engineering Co., Ltd.
- Hirakawa Corporation
- SAMSON CO.,LTD.
- YOSHIMINE CO.,LTD.

(Note) The share of once-through boilers is based on MIURA's investigation and the actual results may differ from them.

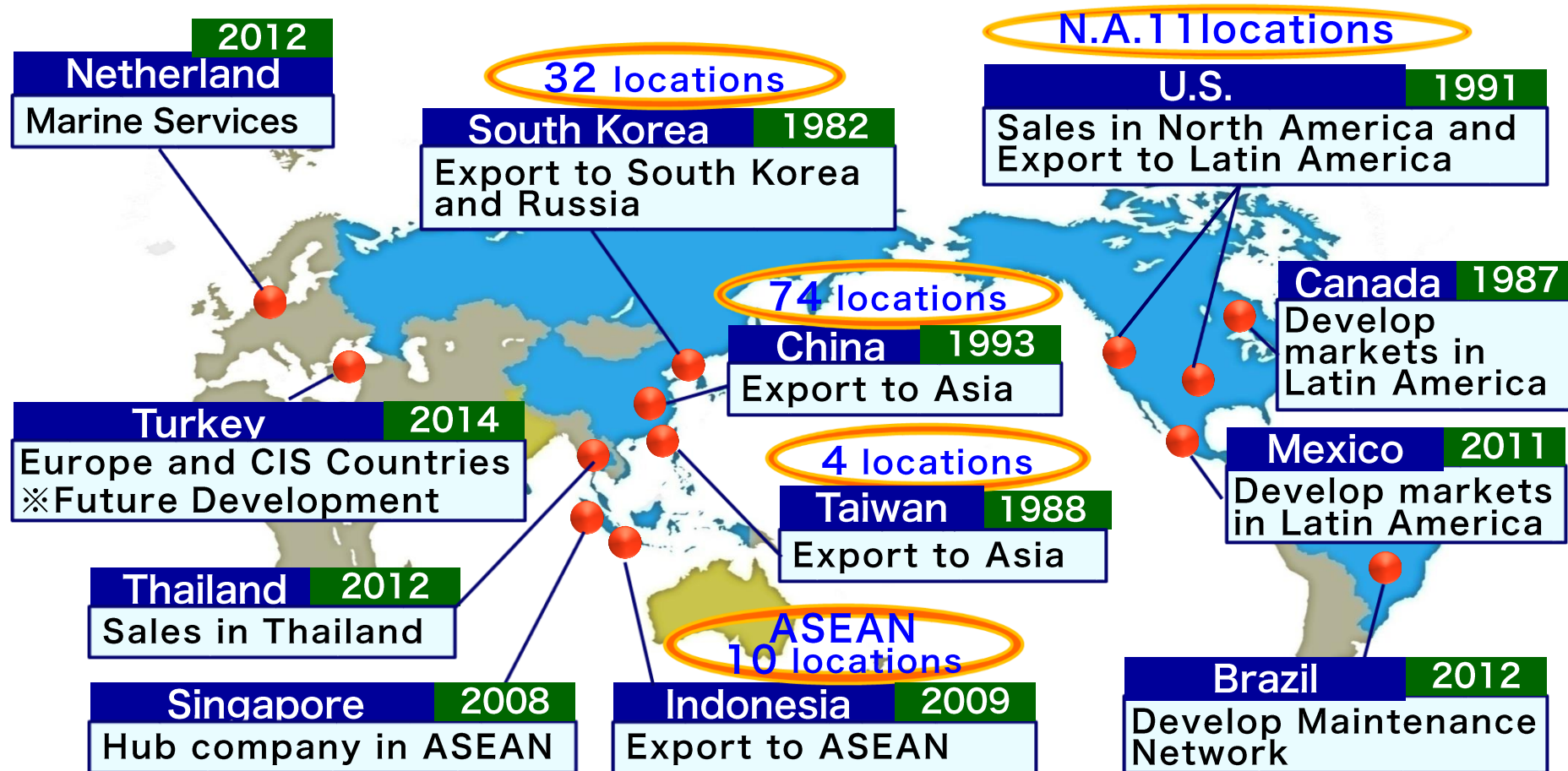
The share of MIURA's Boiler market

※ Based on Steam Volume (1,000 t/h units)



Global Sales and Maintenance Network

13 companies, 6 factories, Selling and Maintenance in 19 countries



※CIS Countries : Commonwealth of Independent States, Republic of Azerbaijan, Republic of Armenia, Republic of Uzbekistan, Republic of Kazakhstan, Kirghiz Republic, Republic of Tadzhikistan, Republic of Turkmenistan, Republic of Belarus, Republic of Moldova, Russia (Turkmenistan and Moldova are associate countries)

MIURA Business Model

The Customer-based business model with total power

◆Develop environmental friendly products.

**Technology
(Product Competitive)**



The Japanese Society of Mechanical Engineers-Medals for Distinguished Engineers Award



National Innovation Award

**Sales
Capabilities**



**Maintenance
skill**

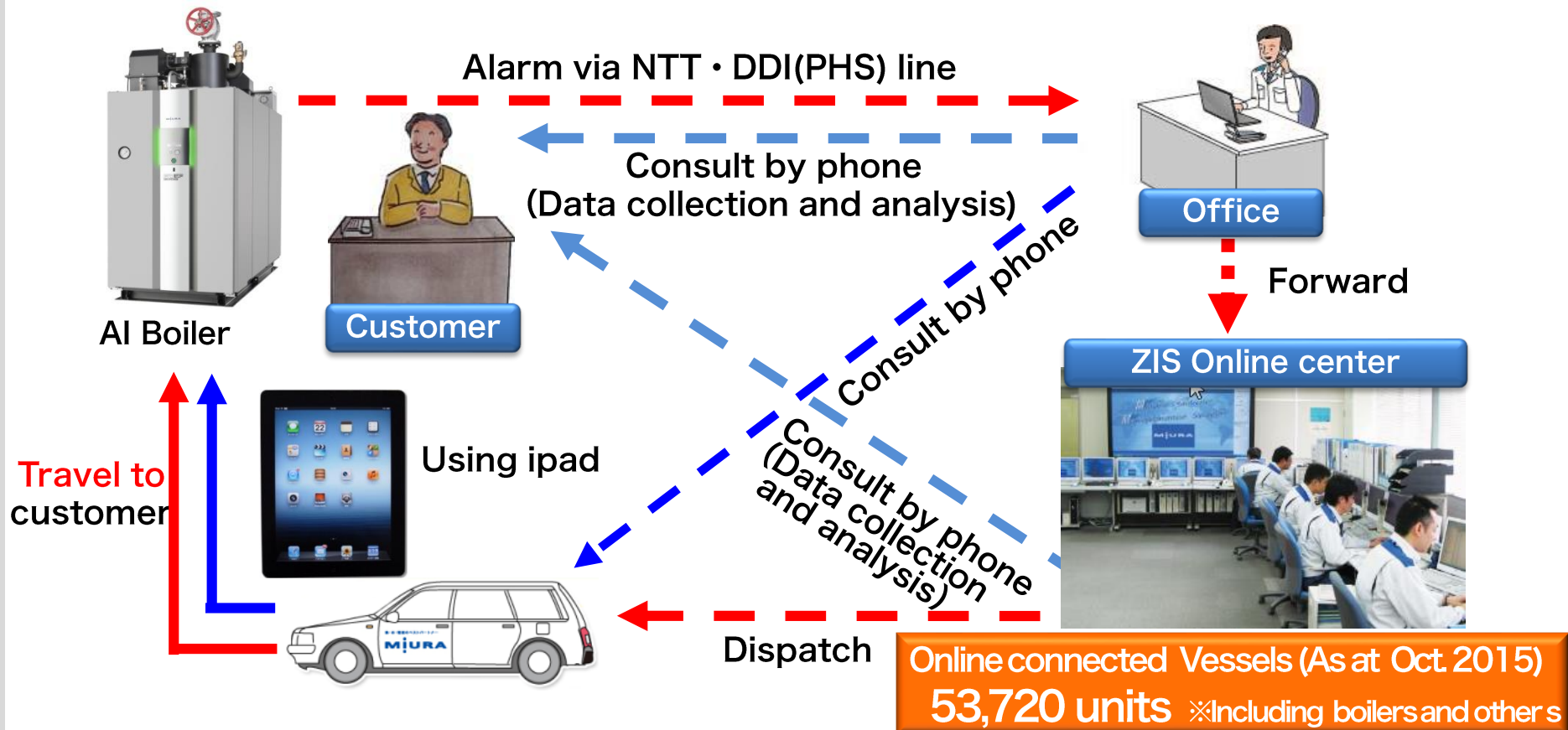


◆Offer problem solving solutions

◆"Scheduled Maintenance" to maintain boilers' performance

In 1989 Started Online Maintenance system

Maintenance Service with high-tech tools



- ① Efficient Maintenance
- ② Improve work place for Service Engineer

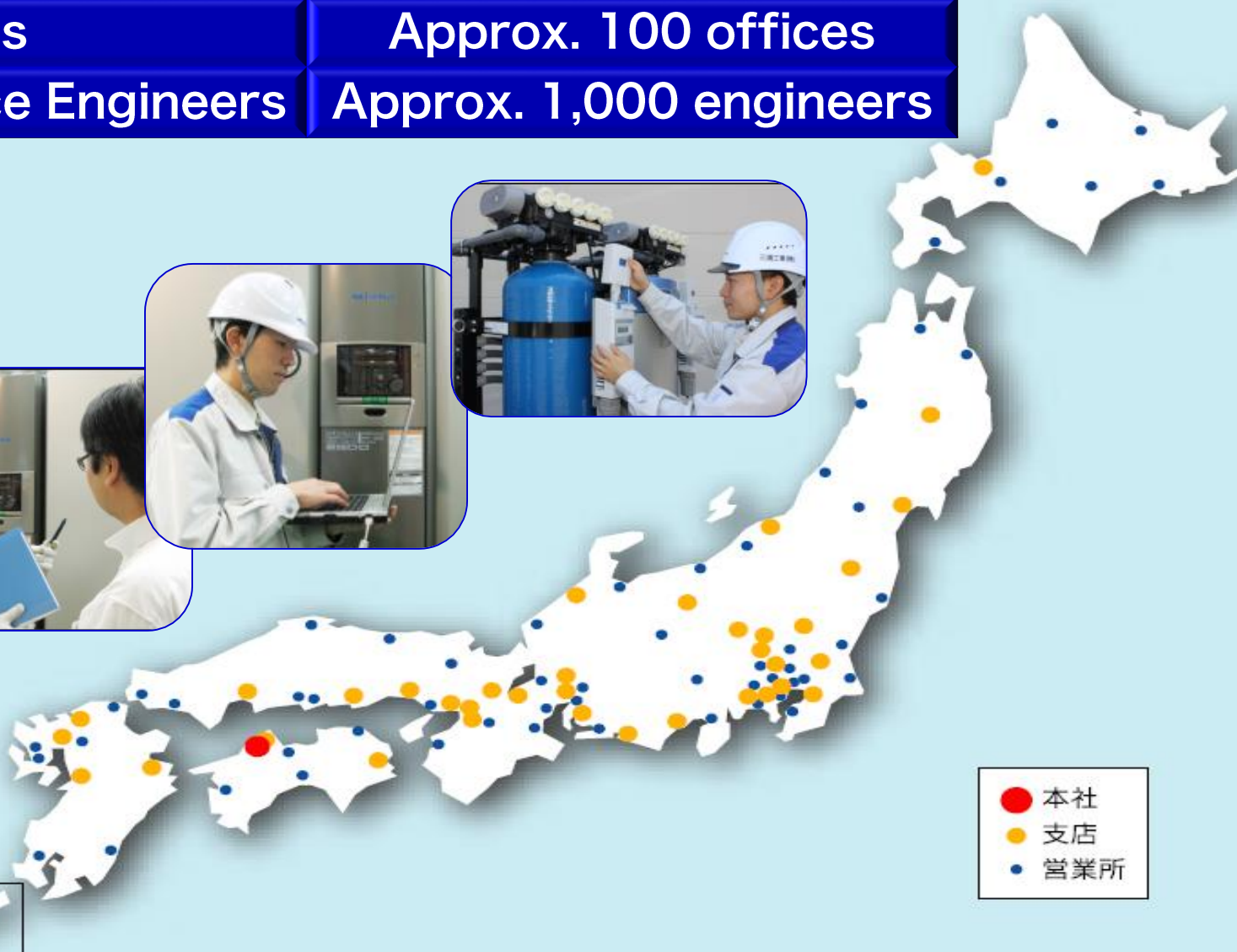
MIURA Maintenance Network

Offices

Approx. 100 offices

Service Engineers

Approx. 1,000 engineers



Small once-through boiler ZP was certified as Mechanical Engineering Heritage!



Small once-through boiler ZP

Small once-through boiler ZP was certified as the “Mechanical Engineering Heritage” by the Japan Society of Mechanical Engineers(JSME) in 2015. The registration ceremony was held on August 7, 2015 (Machine Day), at TOYOTA Commemorative Museum of Industry and Technology in Nagoya, Aichi.

Mechanical Engineering Heritage has been awarded to mechanical technology which made significant contributions to the development of mechanical engineering in Japan since 2007.

The small once-through boiler ZP was spread in various field, because it can be operated easily (without licenses)and it was highly efficient and reasonable price. Since once-through boiler ZP has released, they worked behind the scenes to contribute to the development of Japan. Excluding large-capacity boilers used in such industries as power generation, once-through boilers currently account for around 70% of the industrial boiler market, and continue to grow as a technology that Japanese industry simply could not do without. This high energy conservation and environmental improvement were recognized world widely and have been expanding their activities.

there are full of challenges for development of one-through boiler ZP therefore it is MIURA's symbol for specialty manufacturing. We will move forward worldwide as conserving energy and improving environment.

(From News release, <http://www.miuraz.co.jp/>)

※1. Mechanical Engineering Heritage

The Mechanical Engineering Heritage program was inaugurated in June 2007 in connection with the 110th anniversary of the founding of the JSME. "The Mechanical Engineering Heritage" is awarded to mechanical technology which had a historical impact in Japan. (From : website of The Japan Society of Mechanical Engineers)

Your best partner for Energy, Water, and Environment

Assist the customers by conserving energy and improving the environment around the world.



Thank you for listening.

熱・水・環境のベストパートナー



問い合わせ先

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FAX 089-979-7011

URL <http://www.miuraz.co.jp>