

Financial Result and MIURA Growth Strategy

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MIURA CO.,LTD.

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The Best Partner of
Energy, Water and Environment



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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

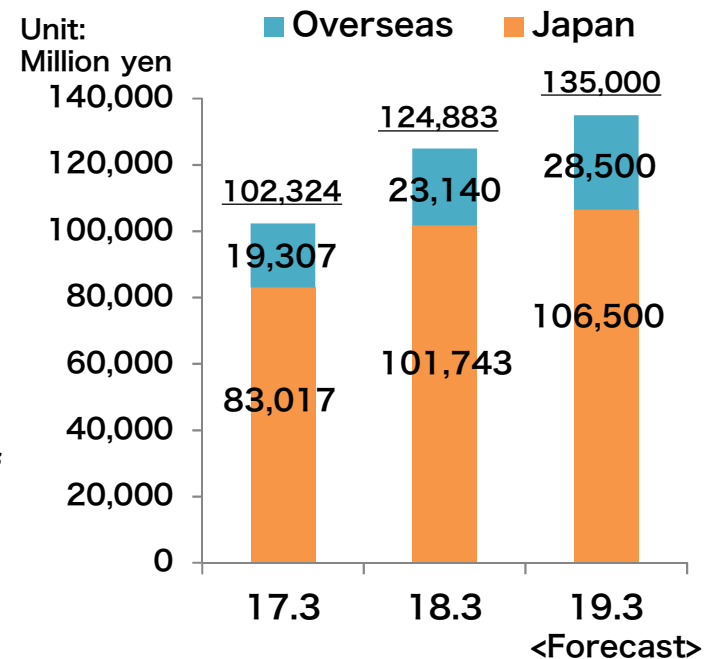
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1 Company Profile

Name	MIURA CO.,LTD.
Location	7 Horie, Matsuyama, Ehime
Established	May 1959
Group company (MIURA CO.,LTD. Included)	Japan: 13 Overseas: 15 ※ As of March 31 st , 2018
Employees	Group total: 5,552 (1,567 employees overseas included)
Business	Manufacturing, sale, and maintenance of equipment
Rating	“A” maintained as of October 2017 (Publicized by Rating and Investment Information, Inc.)

【Consolidated Net Sales】



<IFRS>	Unit	FY2016	FY2017 Plan	FY2017	FY2018 Plan
Revenue	Million yen	102,324	120,000	124,883	135,000
Operating profit	Million yen	12,401	14,000	13,868	14,800
Profit before income taxes	Million yen	12,898	14,300	14,183	15,000
Profit attributable to owners of parent	Million yen	9,012	9,700	10,363	10,700
Basic earnings per share	Yen	80.08	86.19	92.09	95.08

2. FY2017 Summary Overview

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Result

[Unit: Million yen]

<IFRS>	FY2016	FY2017	FY2018 (Forecast)
Revenue	102,324	124,883	135,000
Cost of revenue	60,176	75,946	81,700
Selling, general and administrative expenses	30,247	35,551	39,000
Other income	622	575	500
Other expenses	121	91	—
Operating profit	12,401	13,868	14,800
Profit before income taxes	12,898	14,183	15,000
Profit attributable to owners of parent	9,012	10,363	10,700

Overview of financial summary

Japan

Stable sales of boiler and tunnel washer
Favorable sales of food equipment

Small once-through boiler: Steady sales in steel and machine fields

Marine business: Decrease in income due to decrease in medium/small shipbuilding, etc.

Laundry business: Steady sales due to hotel linen demand increase

Overseas

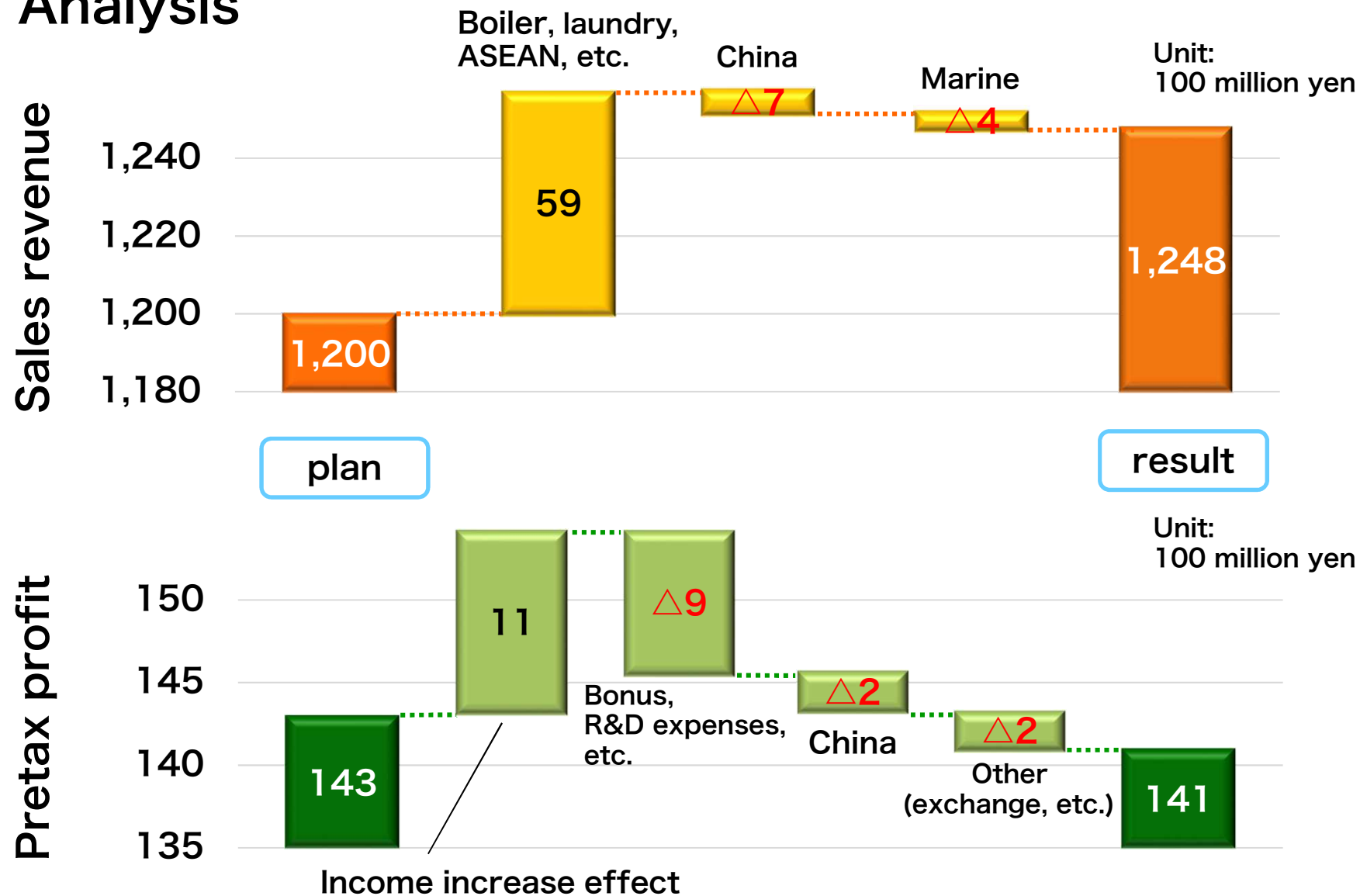
China's largely-increased income due to environmental regulation tightened

China: Increasing demand of replacement by gas-fired boiler

ASEAN region, etc.: Favorable sales
Korea and Americas: Steady sales

2 FY2017 Summary Overview

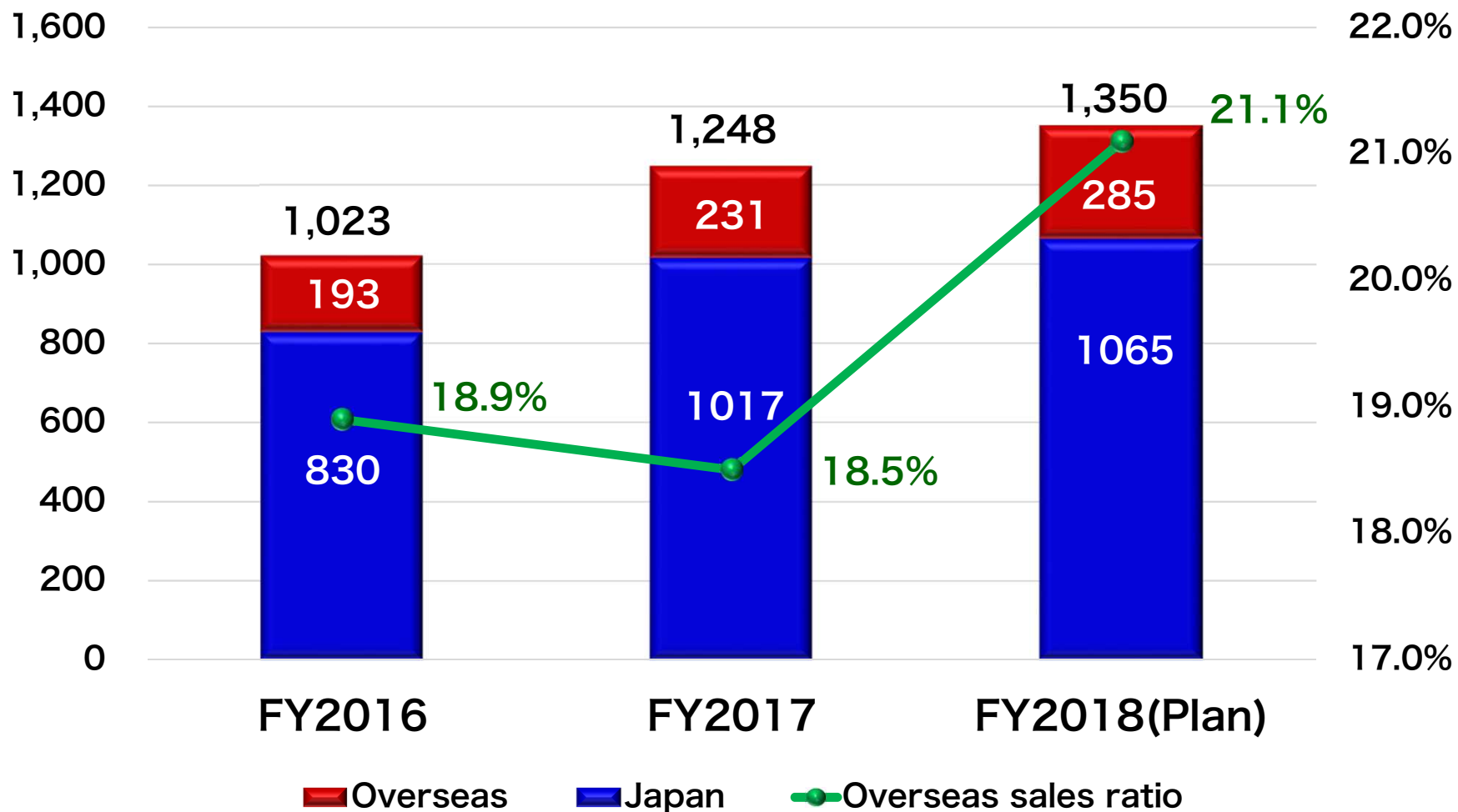
Analysis



2 FY2017 Summary Overview

Domestic/overseas sales (IFRS)

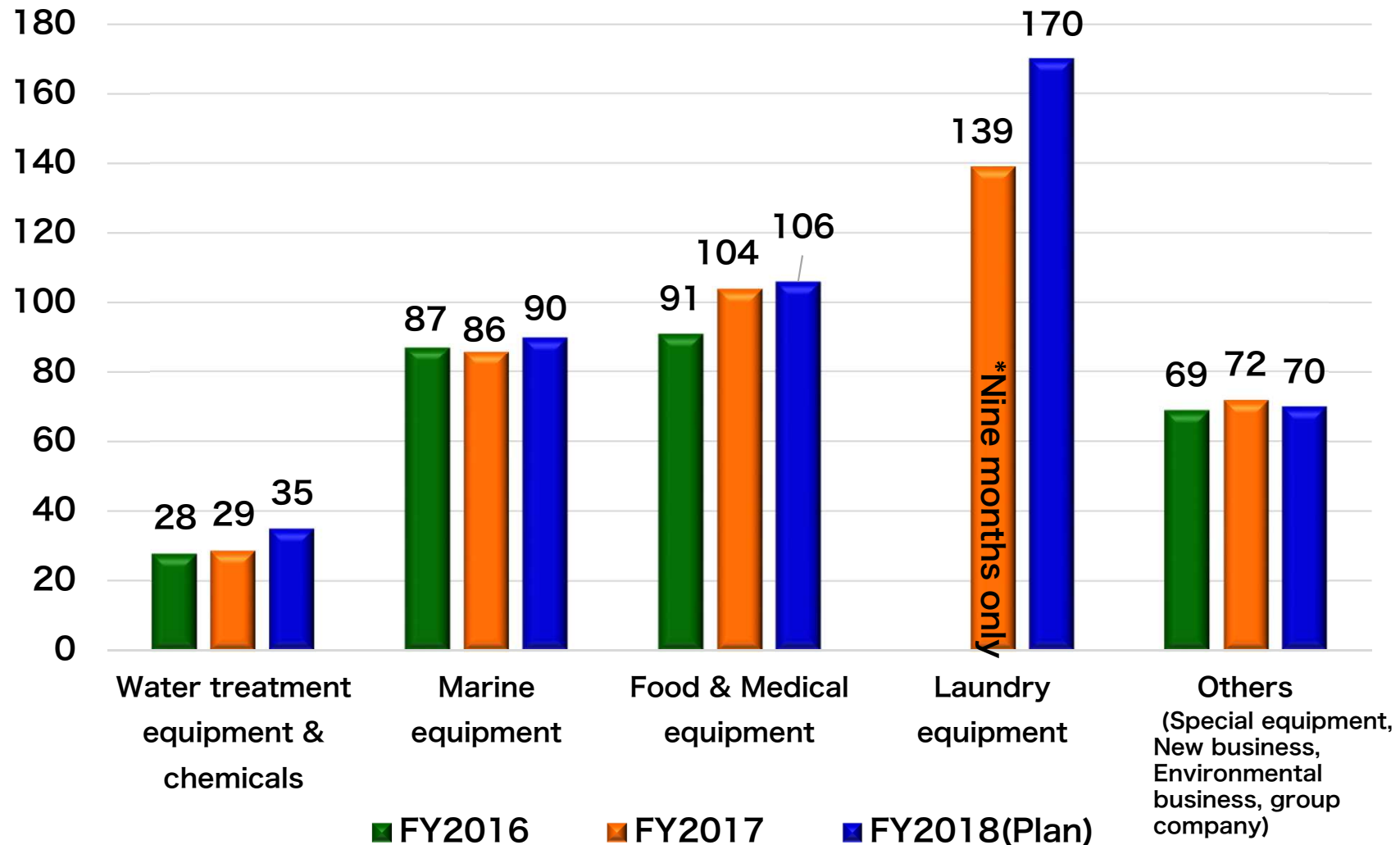
Unit: 100 million yen



2 FY2017 Summary Overview

Analysis of Japan domestic sales

Unit: 100 million yen

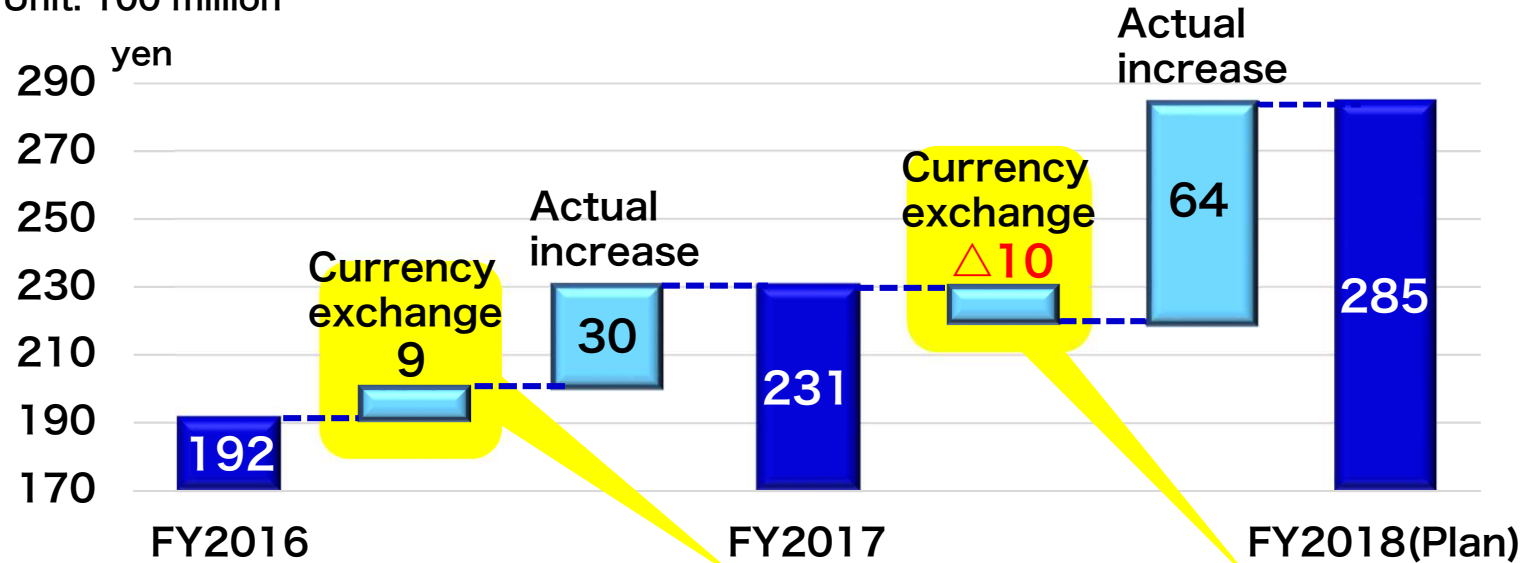


2 FY2017 Summary Overview

Apart from currency exchange influence,
overseas sale increasing actually

Factor analysis of overseas sales increase

Unit: 100 million

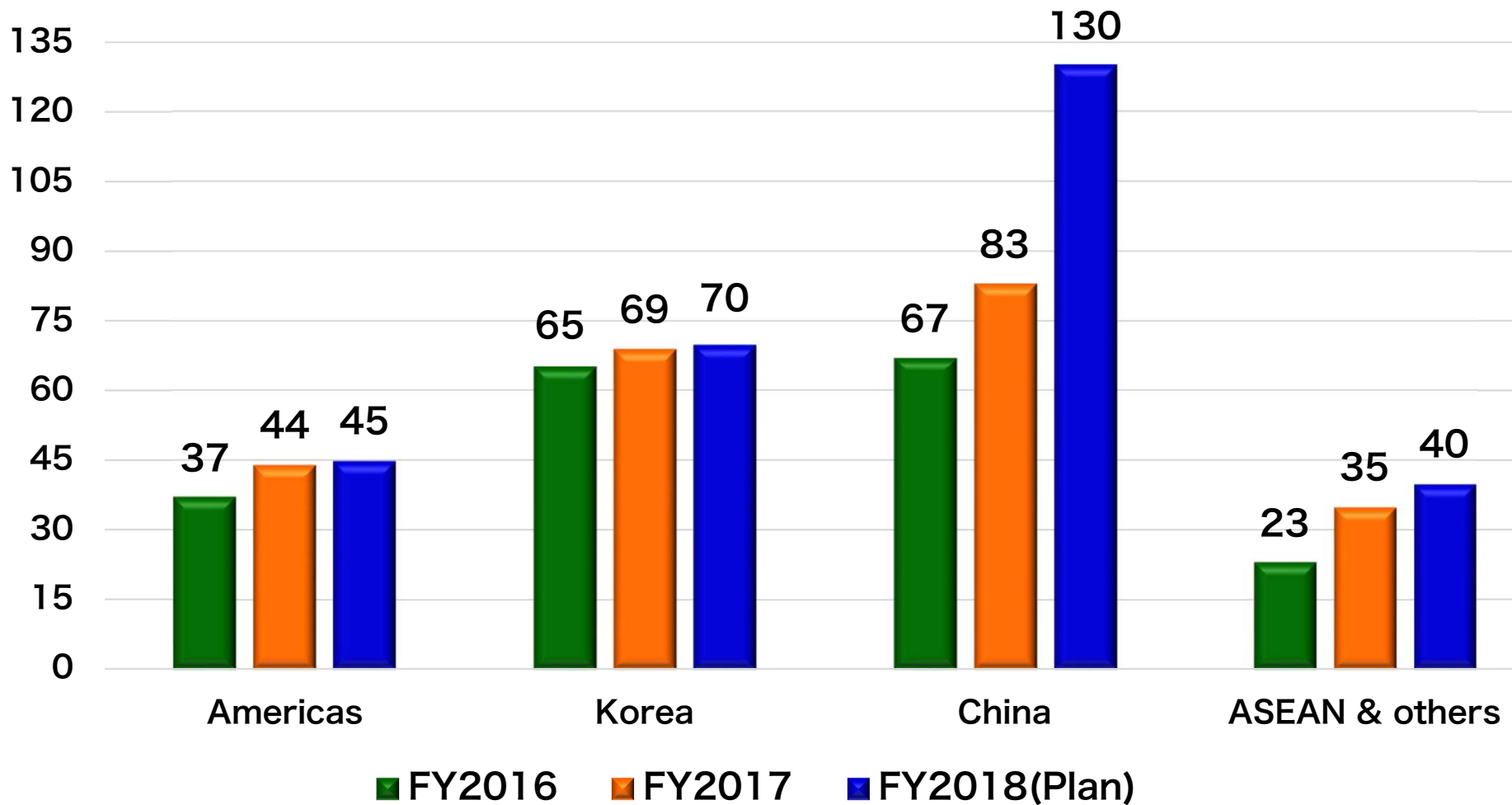


Average exchange rate	FY2016	FY2017	Increase rate	FY2018 plan	Increase rate
USD	108.34	110.85	2.3%	105.00	-5.3%
CAD	82.50	86.43	4.8%	82.00	-5.1%
CNY	16.10	16.74	4.0%	16.40	-2.0%
KRW (100 W)	9.45	10.00	5.8%	9.60	-4.0%
IDR (100 Rp)	0.82	0.83	1.0%	0.80	-3.6%
NTD	3.42	3.70	8.2%	3.50	-5.4%
BRL	32.93	34.47	4.7%	32.00	-7.2%
THB	3.08	3.36	9.1%	3.20	-4.8%

2 FY2017 Summary Overview

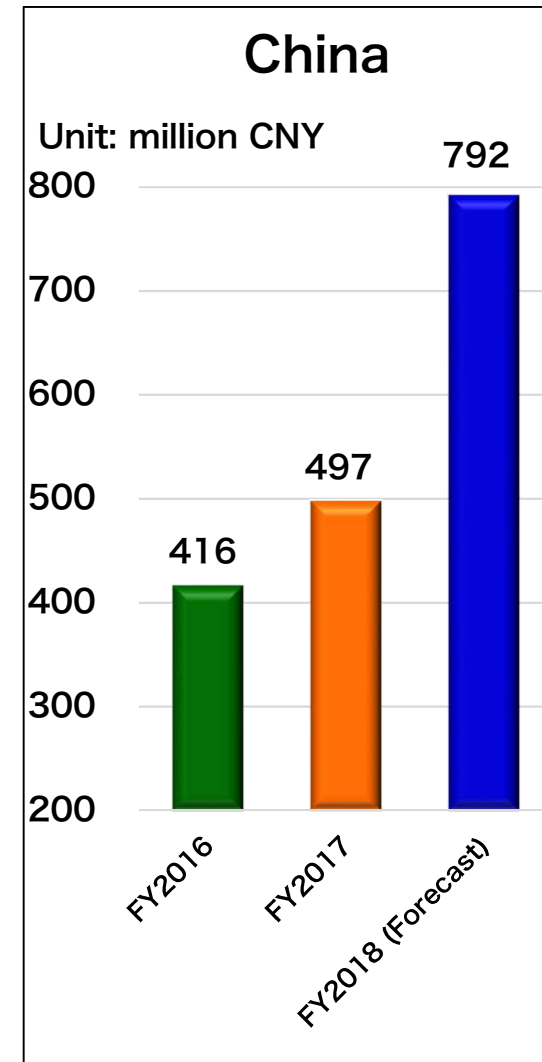
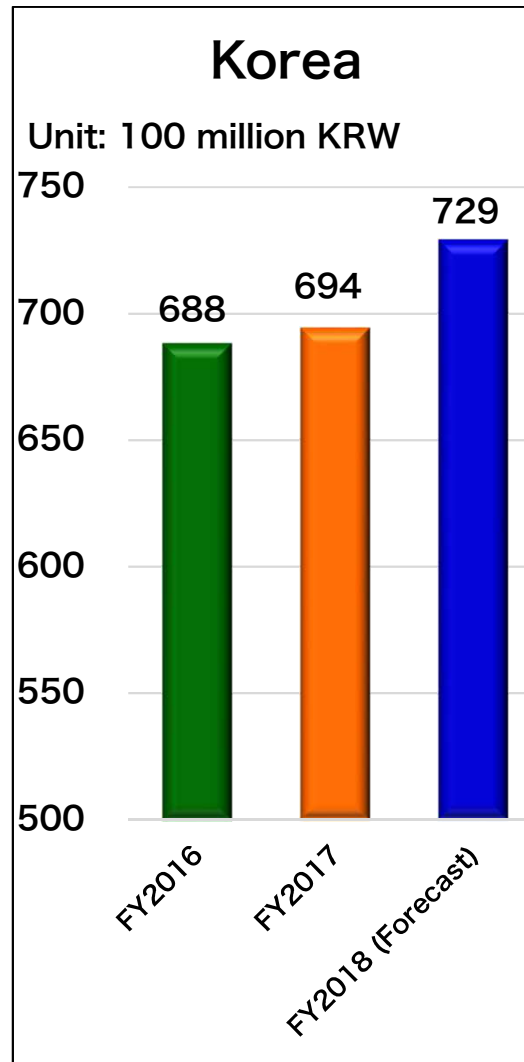
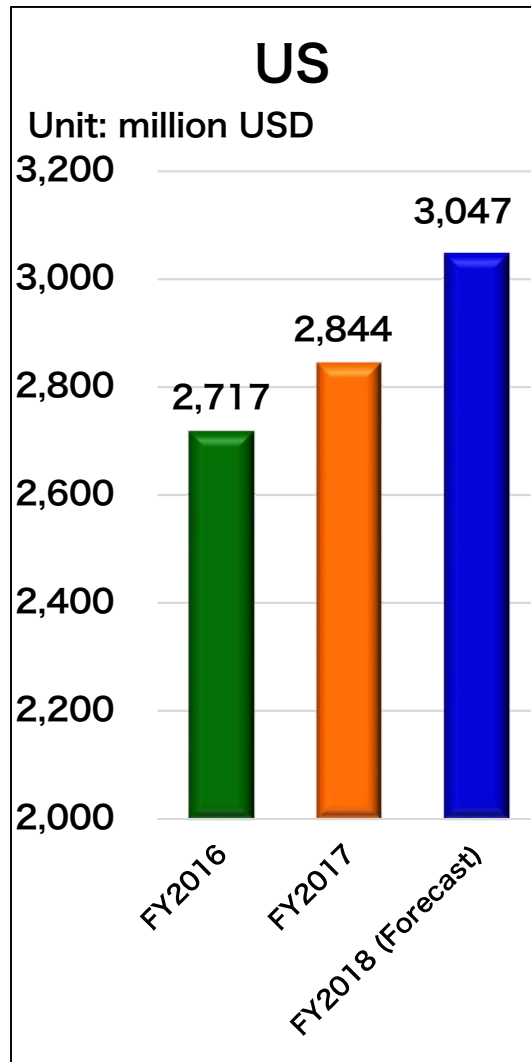
Overseas sales

Unit: 100 million yen



2 FY2017 Summary Overview

Main overseas sales (in local currency)

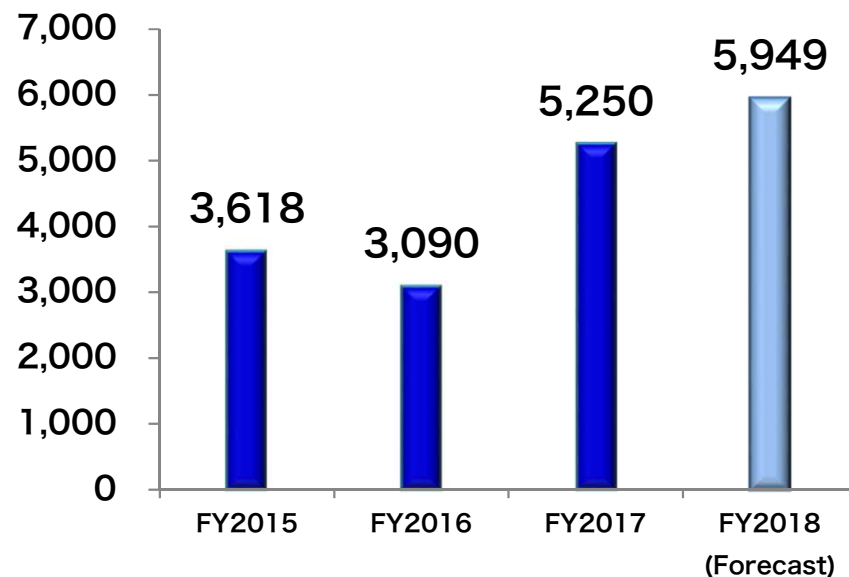


2 FY2017 Summary Overview

Business investment

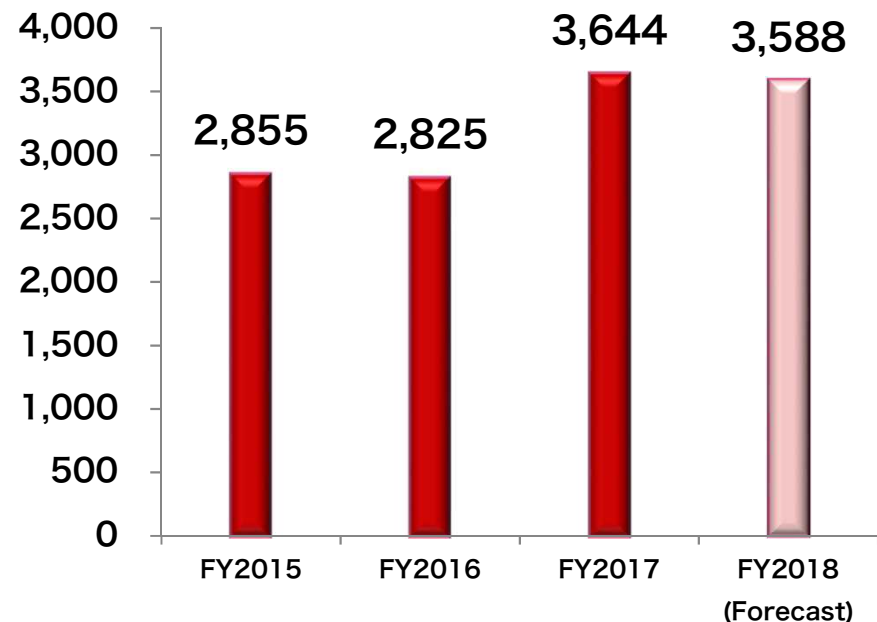
【Capital investment】

[Unit: Million yen]



【 Depreciation and amortization 】

[Unit: Million yen]



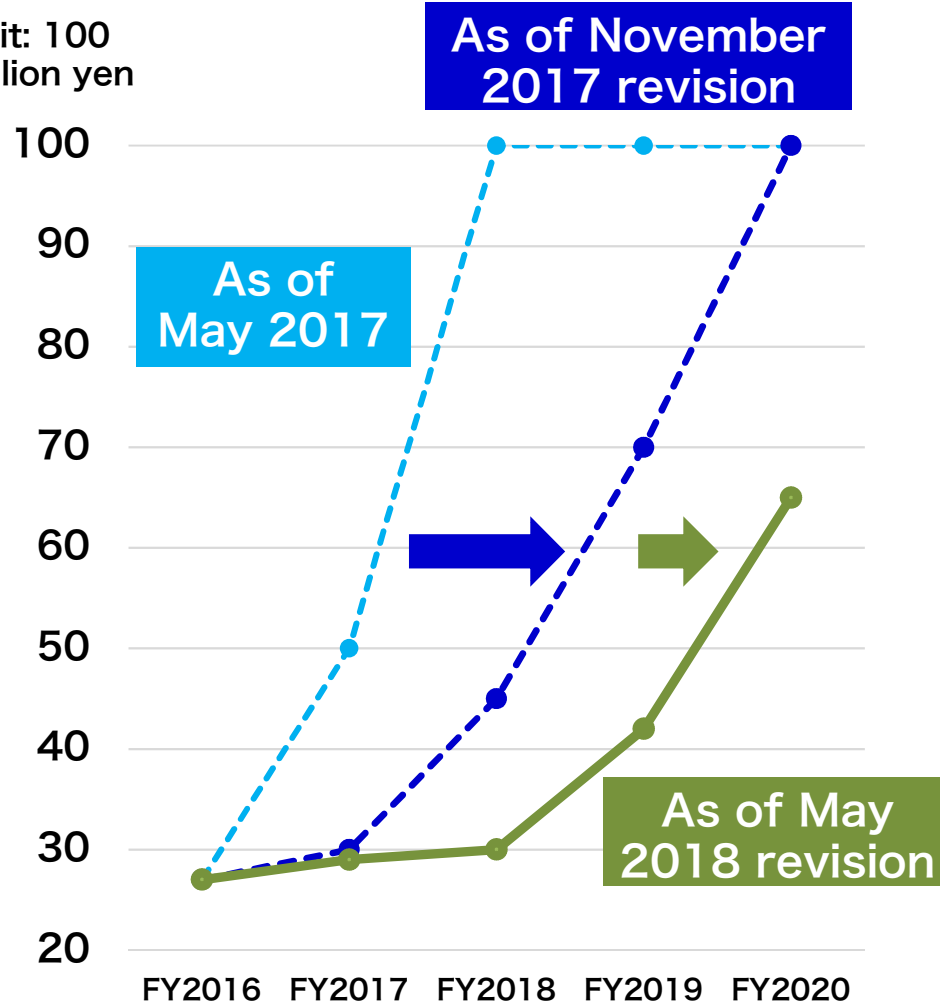
Investment examples

FY2016	FY2017	FY2018 (Plan)
• New HQ building	• Multipurpose factory	• New showroom opening
• Multipurpose factory	• New showroom construction	• Second factory in China
• Renovation for environment analysis equipment factory	• Air conditioning facility renovation in HQ building	

2 FY2017 Summary Overview

Sale plan revision of BWMS

Unit: 100 million yen



【BWMS installation timing changed】

(In-service vessels)
During regular inspection from
September 2017

2 year
postponement

(In-service vessels)
During regular inspection from
September 2019

【USCG TA obtaining plan changed】

By March 2018

delay

New schedule:
Application by March 2019

3. Profit Share and Stock

3 Profit Share and Stock

- ① Sustaining **stable** dividends
- ② Targeting **30%** consolidated payout ratio

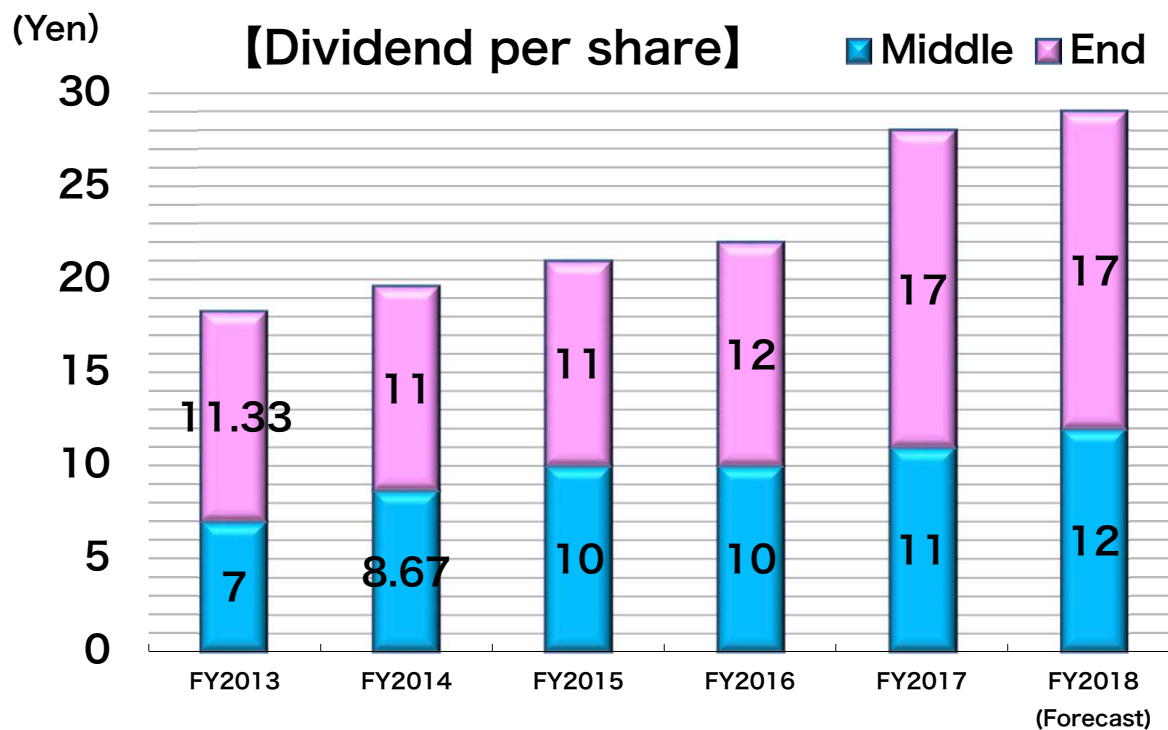


FY2017

[Middle: 11 yen
 End: 17 yen
 Total: 28 yen

FY2018

[Middle: 12 yen
 End: 17 yen
 Total: 29 yen - Forecast



【 Reference 】

※ As of March 31st, 2018

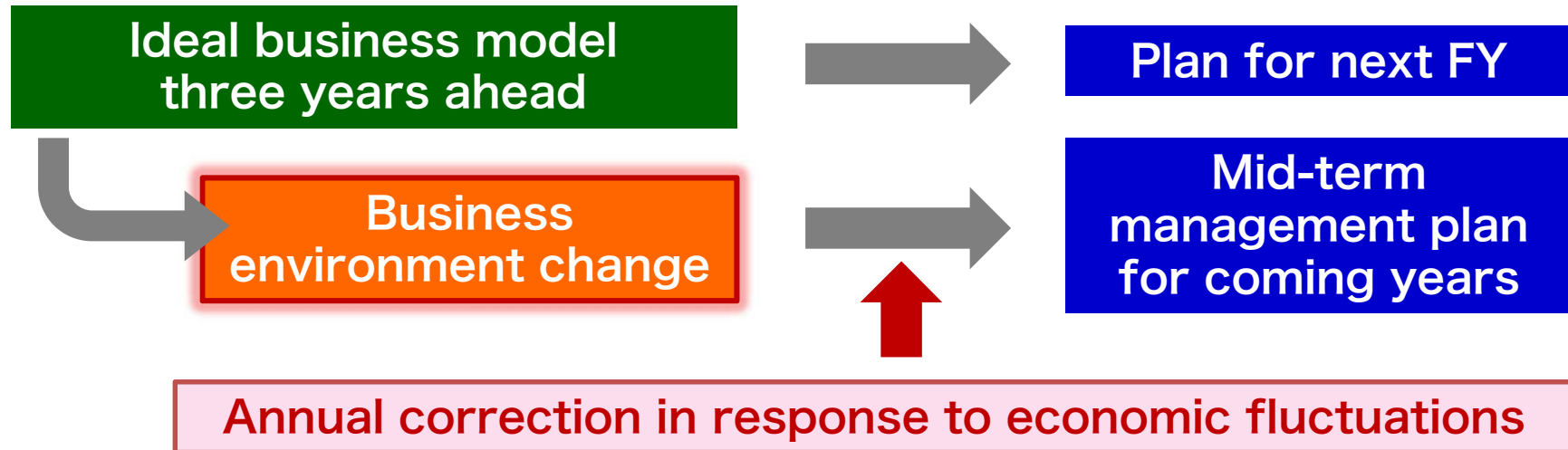
- Total issued shares
(treasury stock excluded)
112,546,472 shares
- Treasury stock
12,744,640 shares

4. Mid-Term Management Plan for 2018

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Mid-term management planning



Rolling plan

To respond to business environment change, MIURA updates its three-year mid-term management plan every year.

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Mid-term management plan 2016	2016–2018				
Mid-term management plan 2017		2017–2019			
Mid-term management plan 2018			2018–2020		

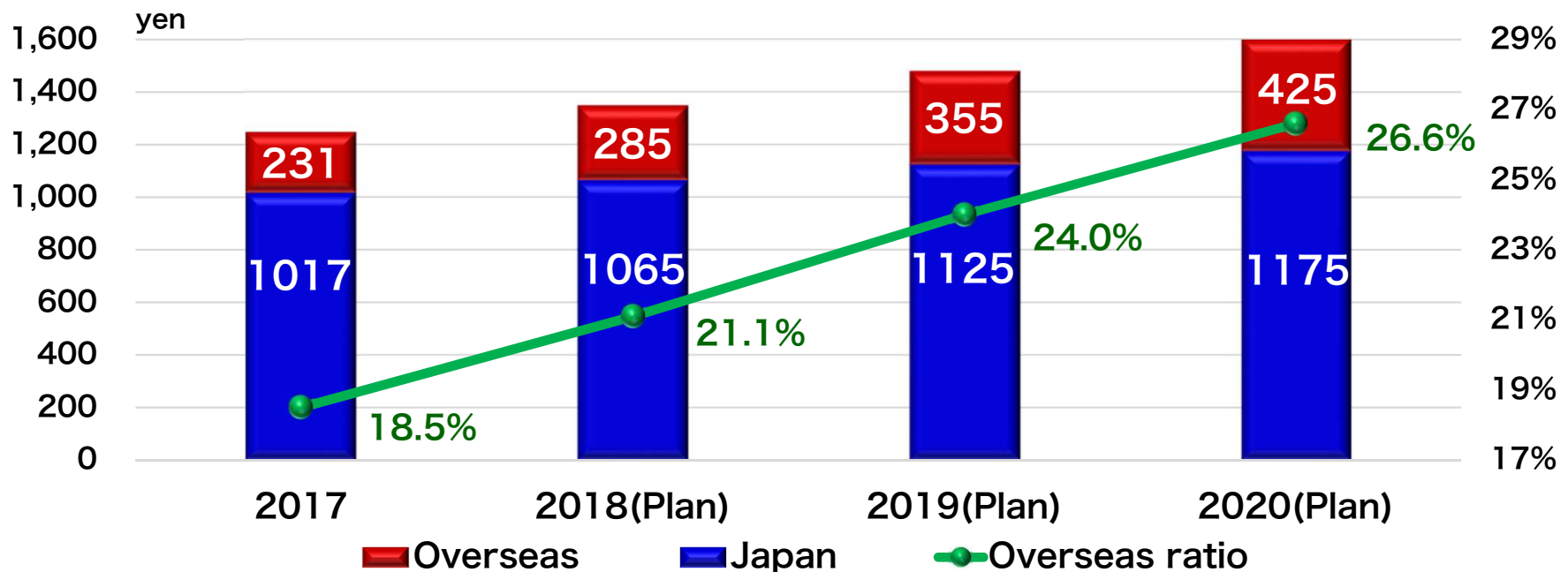
4 Mid-Term Management Plan for 2018

Summary

Unit: 100 million yen

	FY2017	FY2018 Plan	FY2019 Plan	FY2020 Plan
Net sales	1,248	1,350	1,480	1,600
Operating profit	138	148	165	180
Operating profit rate	11.1%	11.0%	11.1%	11.3%

Unit: Hundred million



4 Mid-Term Management Plan for 2018

By business category







Unit: 100 million yen

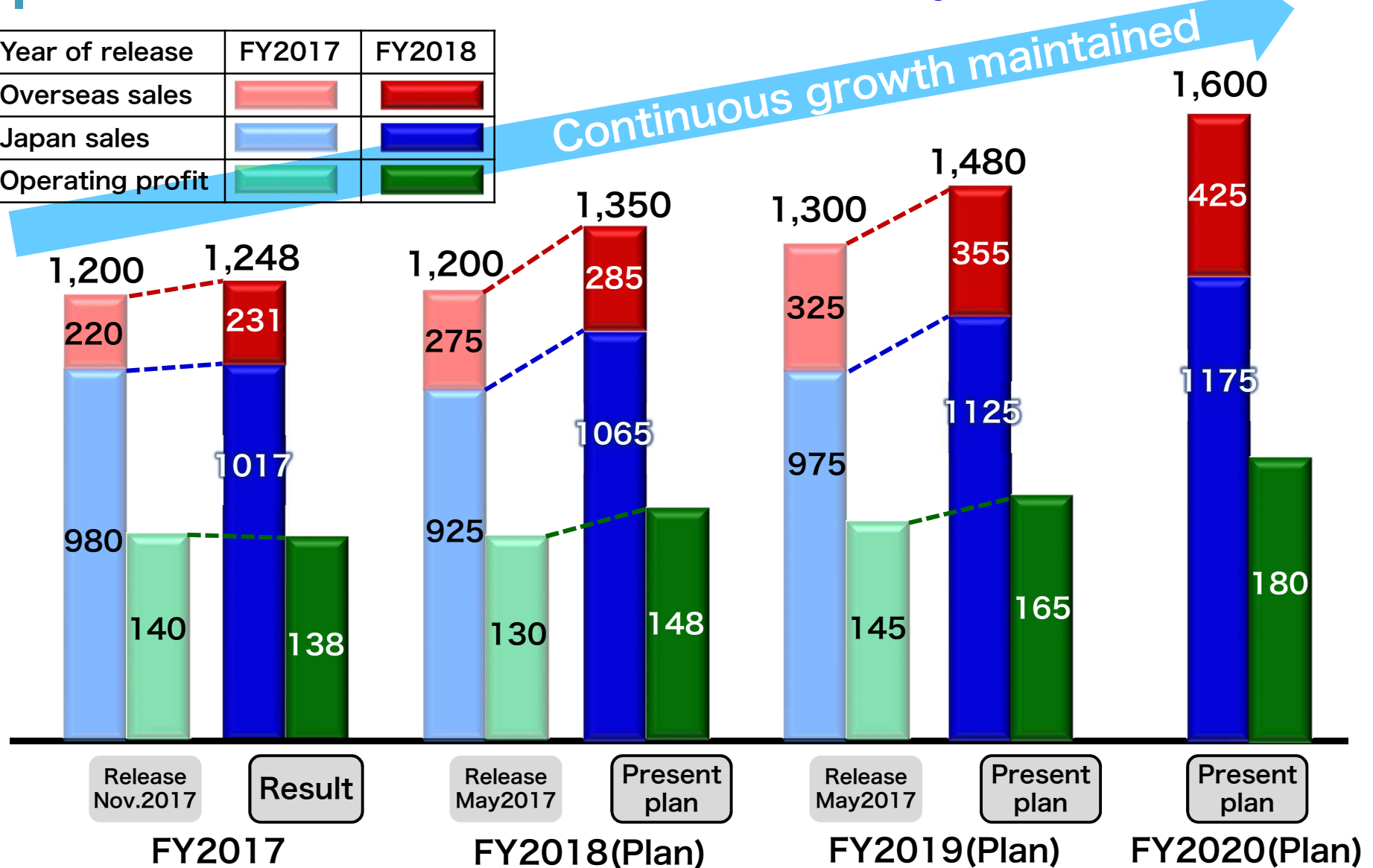
		FY2017	FY2018Plan	FY2019Plan	FY2020Plan
Japan	Boiler	588	594	600	608
	Water treatment equipment	29	35	37	39
	Marine equipment	86	90	108	120
	Food & Medical equipment	104	106	117	124
	Laundry equipment	139	170	185	195
	Others (Special equipment, New business, Environmental business)	71	70	79	89
	Subtotal	1,017	1,065	1,125	1,175
Overseas	Americas (US, Canada, Brazil)	44	45	53	59
	Korea	69	70	72	75
	China	83	130	180	230
	ASEAN & others	35	40	50	61
	Subtotal	231	285	355	425
Total		1,248	1,350	1,480	1,600

4 Mid-Term Management Plan for 2018

Unit: 100 million yen

Comparison with figure released in FY2017 **Laundry business addition**

Year of release	FY2017	FY2018
Overseas sales		
Japan sales		
Operating profit		



5. Laundry Business



5 Laundry Business

| INAX Inamoto's future

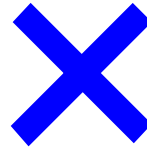
<INAX Inamoto>

Leading company of
commercial cleaning equipment

お客様の

未来をかたちに

「きれいと安心」のアイナックス稲本



<MIURA Group>



We will contribute to creating a society that is environmentally friendly and ways of living that are clean and comfortable through our work in the field of the Energy, Water, and Environment.

5 Laundry Business

Typical customers

Dry cleaning

Laundry cleaning of ordinary households

- Suit
- Shirt
- Skirt
- Dress



Hotel linens-supply

Rental & cleaning

- Sheets
- Towel
- Pillowcase
- Yukata



Hospital bedding

Rental & cleaning

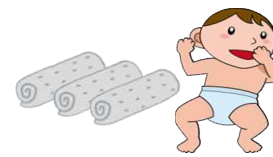
- Blanket
- Wiping cloth
- Patient's garment
- Mattress



Diaper or wet towel rental

Rental & cleaning

- Wet towel
- Diaper



Dust control

Rental & cleaning

- Mop
- Door mat
- Roll towel
- Workshop rag



In-house equipment

Facility-dedicated washing equipment

- Welfare facility
- Bath facility
- Workwear
- Brewery
- Medical institution



Coin-operated laundry

Washer/dryer

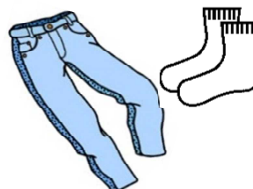
- Coin-operated laundry store



Textile processing

Dyeing, stonewashing, etc.

- Jeans
- Socks
- Stockings



Uniforms

Rental & cleaning

- Surgical/nursing gown
- Car manufacturing factory
- Semiconductor factory
- Food factory
- Restaurant
- Convenience store



Others

Rental & cleaning of textile products, building materials, etc.

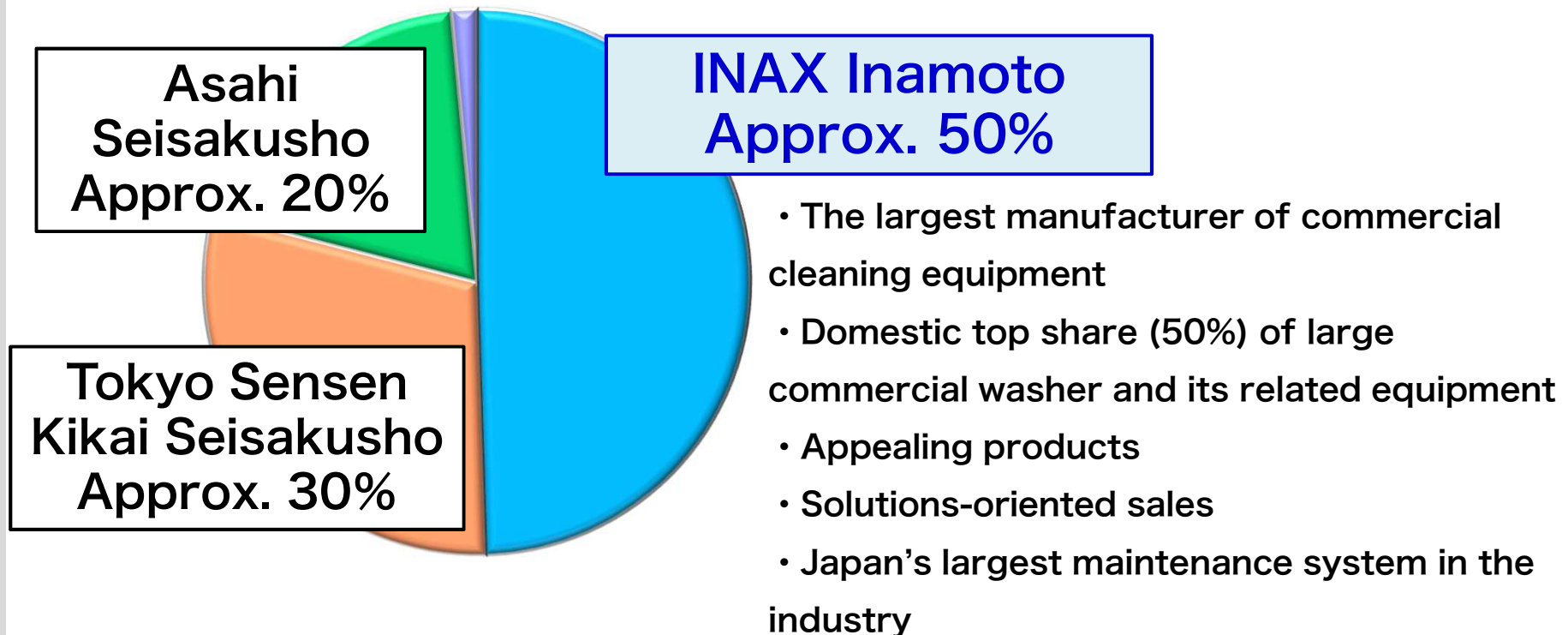
- Railroad/airline company
- Taxi company
- Building material company
- Livestock company
- Sugar manufacturer



5 Laundry Business

Domestic market share of commercial cleaning equipment

*As of March 2018



**“Engineering” and “Maintenance”
for large-scale linens-supply factories and cleaning
factories**

Difference between cleaning and linens-supply

Cleaning

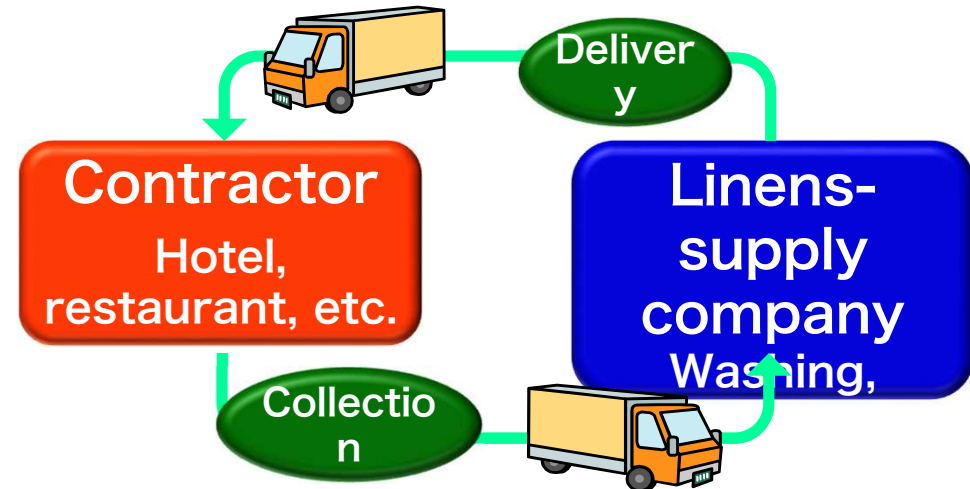
Washes goods in terms of general cleaning



Linens-supply

Provides rental linen items and washes them after use

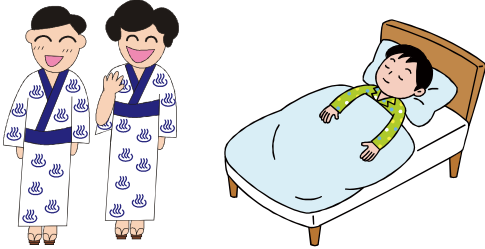
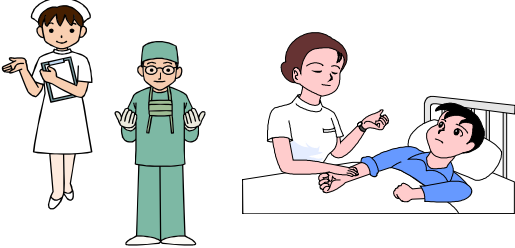

Combined service of rental & cleaning



< Advantages >

- ① The fund for linens procurement is not required.
- ② Inventory management is not required.
→ Reduction of labor costs and stock spaces
- ③ Massive washing & hygienic finishing

Main demand of linens-supply

Business category	Demand
Hotel linens 	Rental of hotel bedding, towels, etc.
Hospital linens 	Rental of hospital bedding, etc.
Dust control goods 	Rental of cleaning mop, floor cloth, door mat, etc.

5 Laundry Business

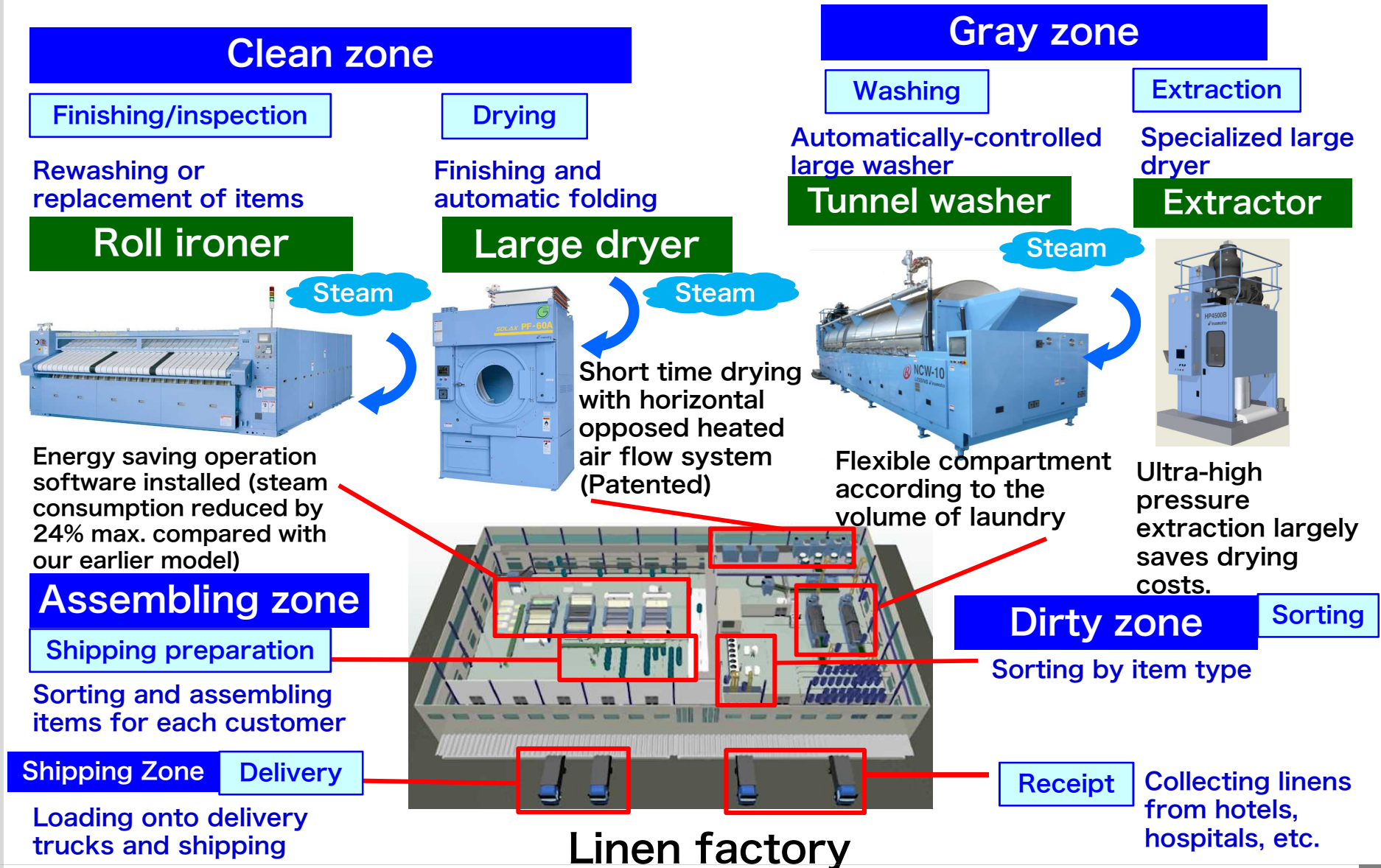
| Linens-supply factory

Video Approx. 5 min.



5 Laundry Business

Typical linens-supply factory and main products



5 Laundry Business

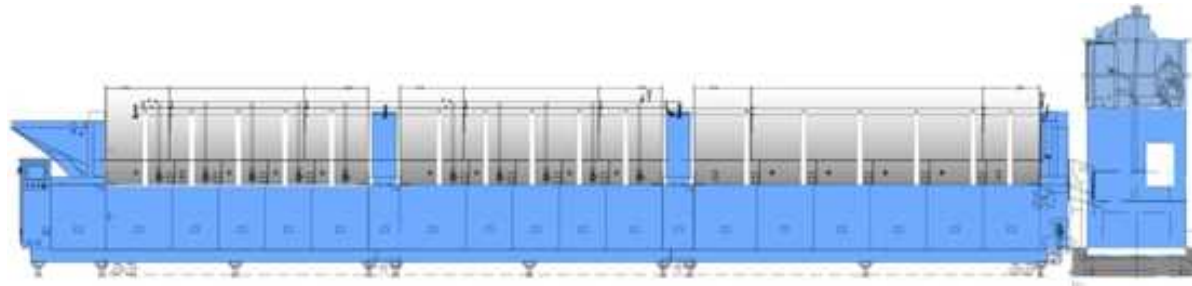
| Main product: Tunnel washer

Massive washer at a linens-supply factory

Size comparison

Tunnel washer

Total length:
17.8 m



Yamanote line
train

Total length:
20.0 m



<Features>

- ① Hygienic thanks to use of high-temperature cleaning in washing process
- ② Washing up to 60 kg of clothing per batch for 2 to 3 minutes continuously
- ③ Water saving thanks to rinse water recycling
- ④ Compact design

Solution for challenging problem in linens-supply factory

Too many...Do I have to work overtime?



Problem in linens-supply factory

Washing machines are too large for factory spaces.

Wet laundry items such as sheets are too heavy to handle.

Much laundry needs considerable labor and time.

Washing method differs according to the category of business (e.g. Food industry, manufacturing industry, medical industry, etc.)

What a heavy sheet!



**INAX Inamoto's specialty
"Engineering" totally solves problems!**

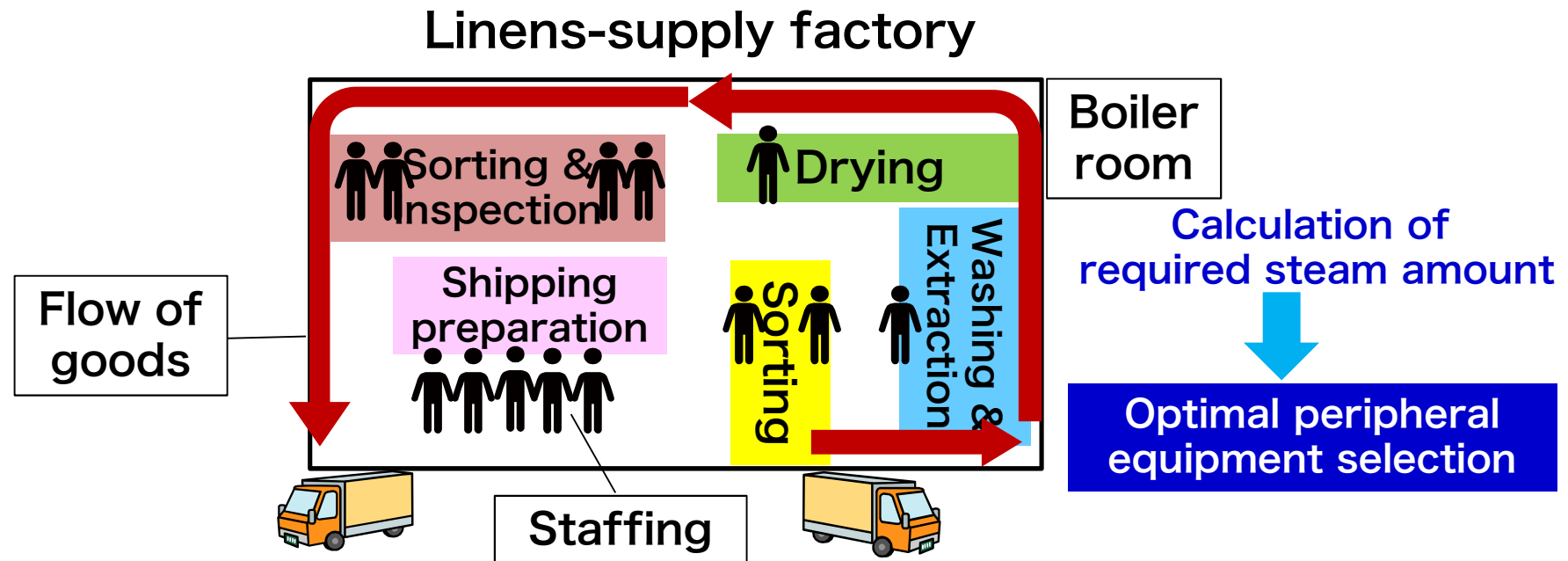
Energy
saving

Labor
saving

Automating

Suggestion regarding new establishment/renovation of factory, manufacture, installation, and operation regarding equipment, as well as after-sales follow-ups

Engineering improves productivity!



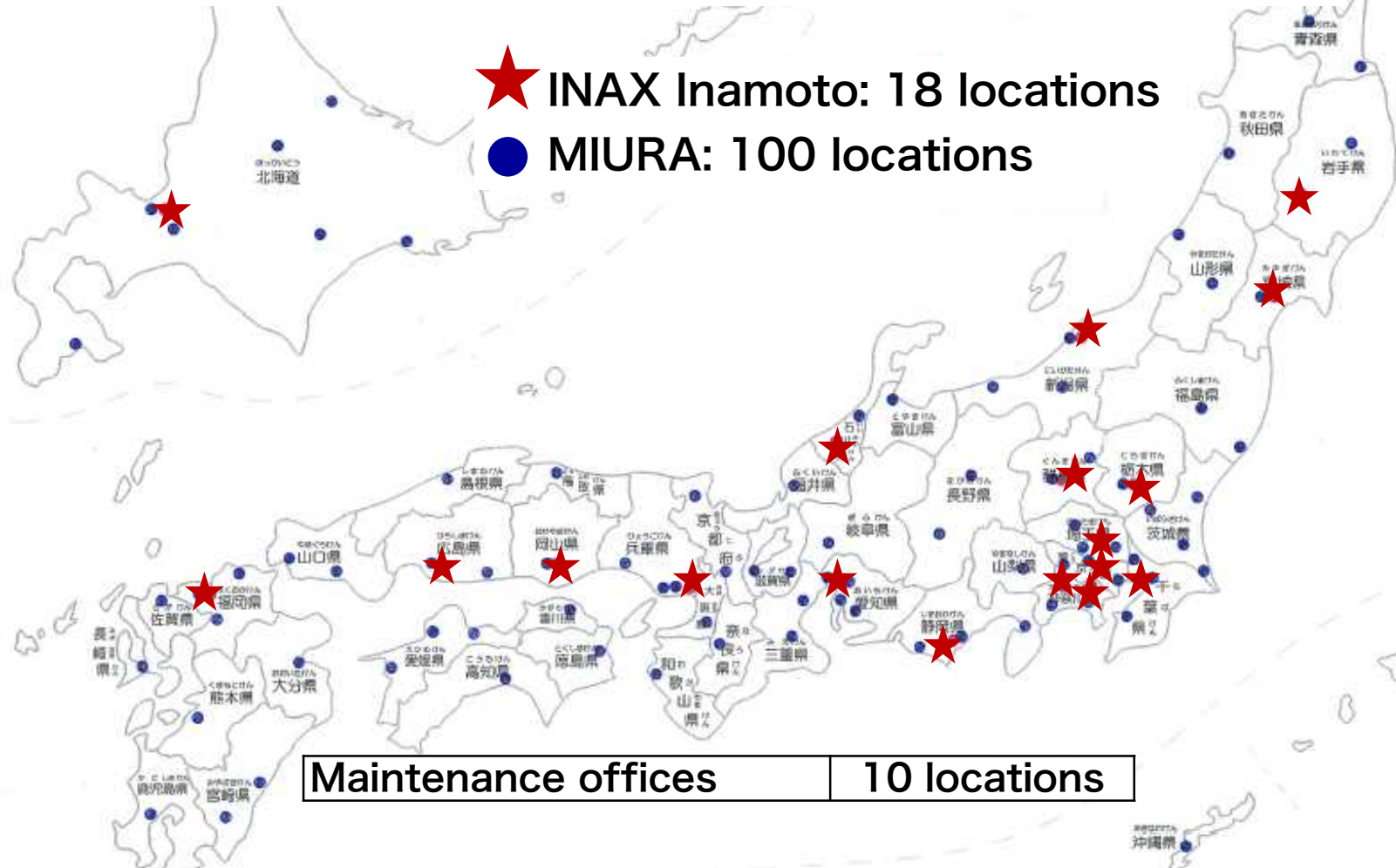
Equipment and systems optimal for limited spaces

Efficiency improvement of labor and workflow
enables massive processing in a short time.

Productivity increase & energy saving by fuel cost cut

Meticulous follow-ups *As of March

Our 24 customer service centers respond to you 24/7.

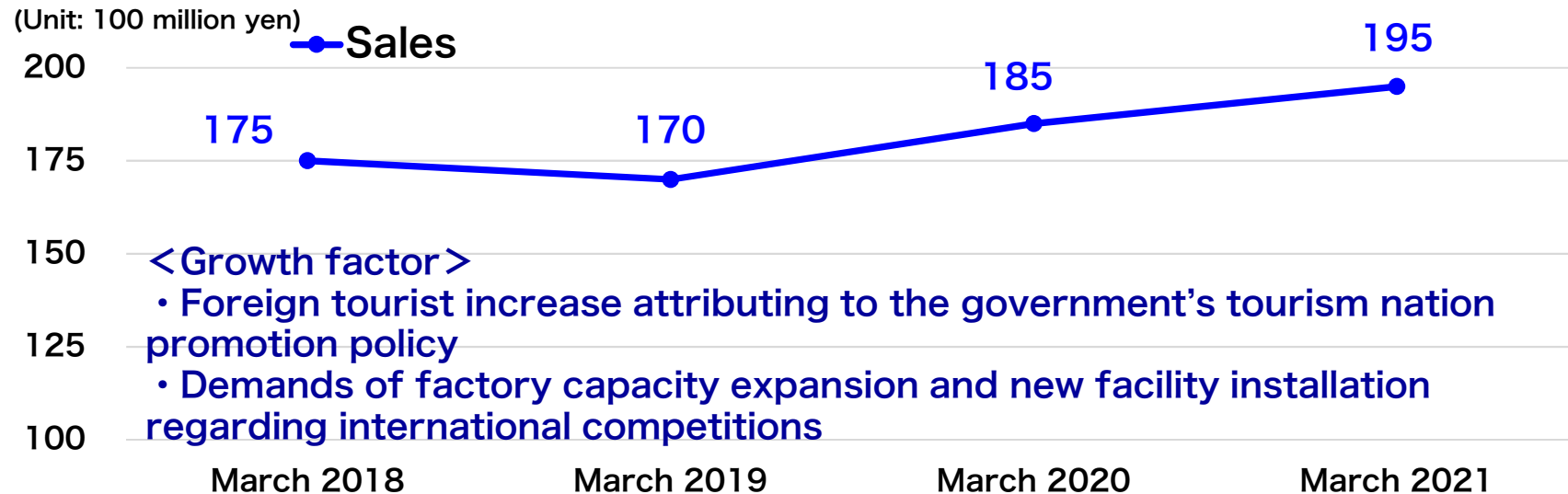


*Separate 8 sales offices (including the Head office in Tokyo)

*Hakusan factory and Hakusan technical center in Ishikawa pref. are not included above.

5 Laundry Business

Mid-term management of laundry business

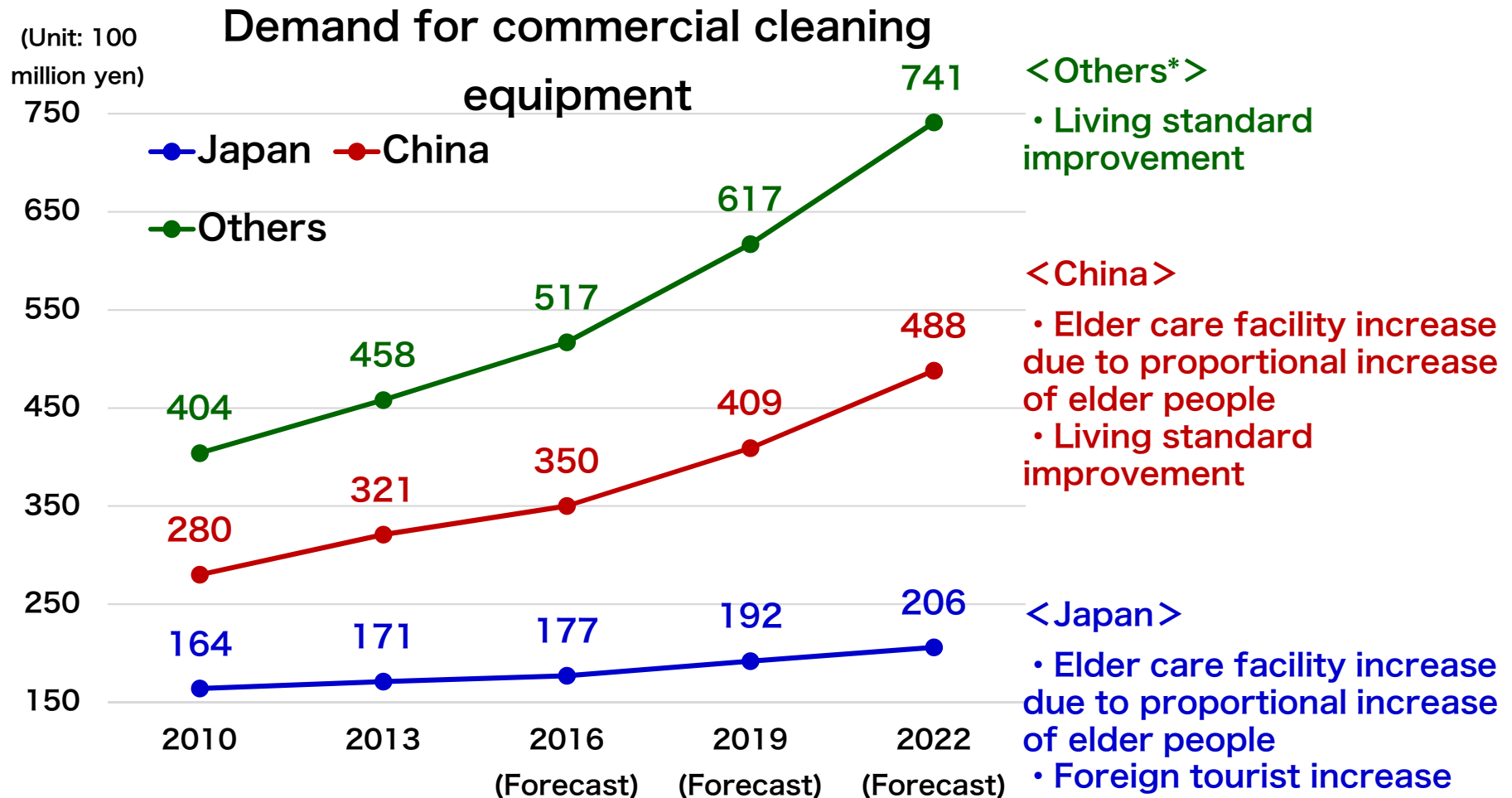


The cabinet of the Japanese government approved the “Tourism Nation Promotion Basic Plan” to boost inbound tourism consumption.

Item	Target from 2017 to 2020	2015 result
Japanese domestic travel expenditure	21 trillion yen	20.4 trillion yen
Number of international visitors	40 million	19.74 million
Travel expenditure of international visitors	8 trillion yen	3.5 trillion yen
Number of repeaters out of international visitors	24 million	11.59 million
Number of total guests out of international visitors in rural areas	70 million person-nights	25.14 million person-nights

Source: Internet site of the Japan Tourism Agency of the Ministry of Land, Infrastructure, Transport and Tourism

Overseas prosperity in the future



*Australia, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, and Thailand

Note 1: Global Industry Analysts' estimate

Note 2: Displayed in yen. 1 USD = yen 111.4 at the exchange rate of the end of April 2017

Source : COMMERCIAL LAUNDRY MACHINERY - A GLOBAL STRATEGIC BUSINESS REPORT 06/16 (Global Industry Analysts, Inc.)

6. MIURA's New Showroom

“Total solutions” for customers all over the world

Construction started: March 2017
Completion: May 2018
Total construction costs:
Approx. 2.2 billion yen

Building area
Show room building: Approx. 400 m²
West unit: Approx. 1,200 m²
Architectural area
Show room building: Approx. 770 m²
West unit: Approx. 4,600 m²

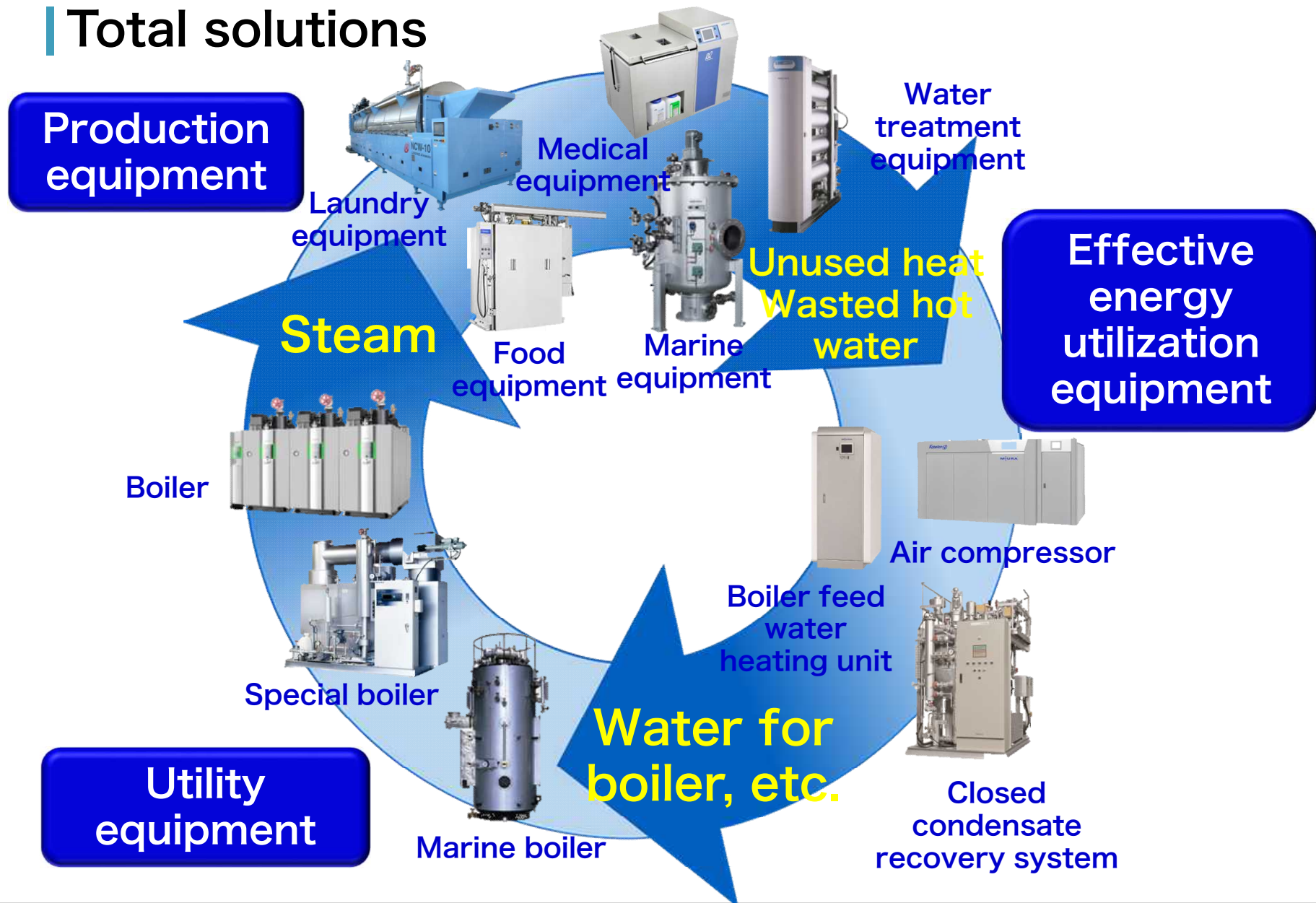
- Equipment exhibition
- Introduction of our history and founder Tamotsu Miura
- Theater room, etc.

- Boiler demonstration room
- Soft water experience
- CSR initiatives, etc.



6 MIURA's New Showroom

Total solutions

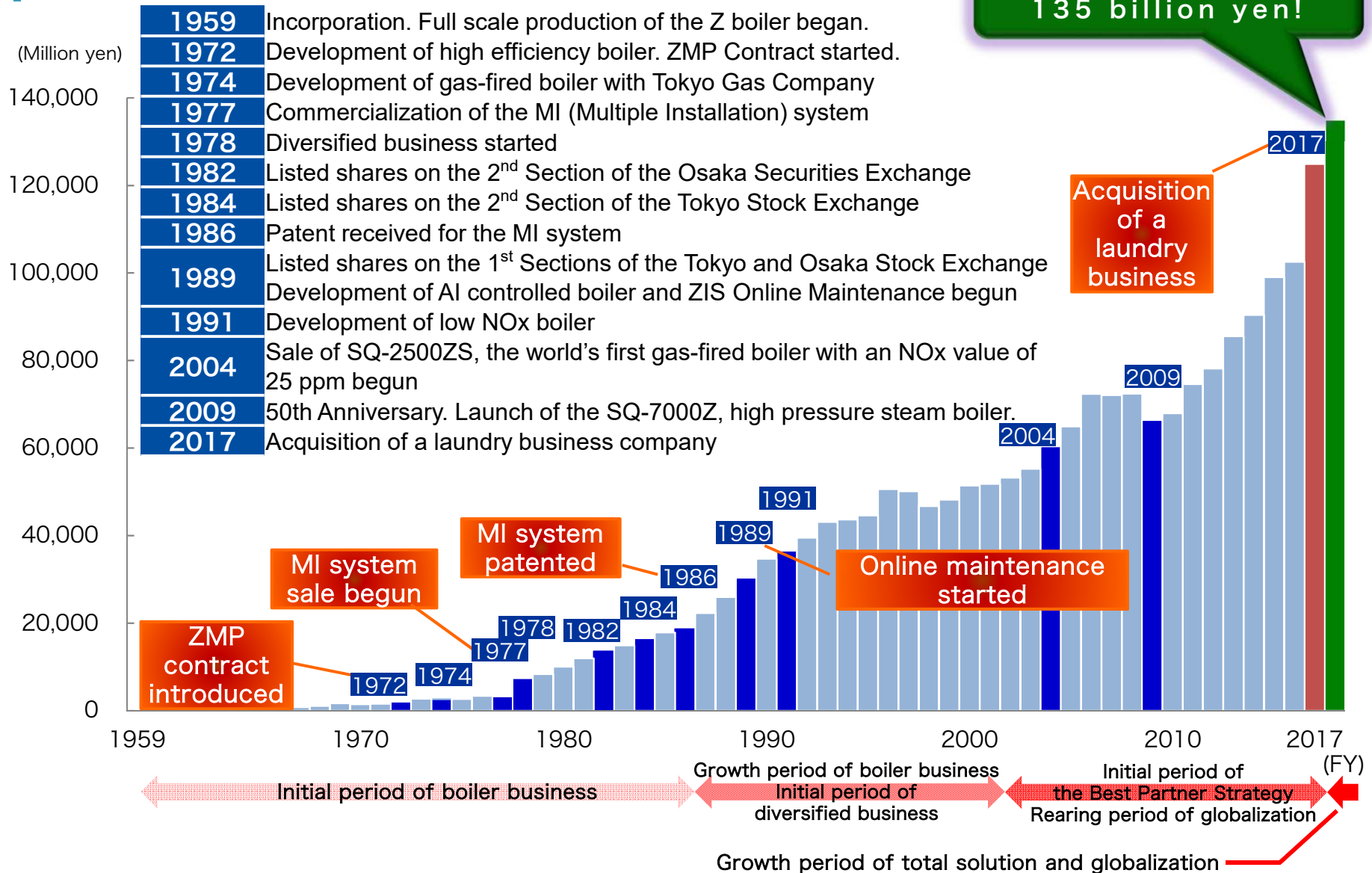


7. Reference

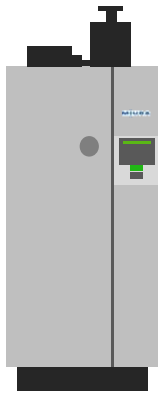


7 Reference

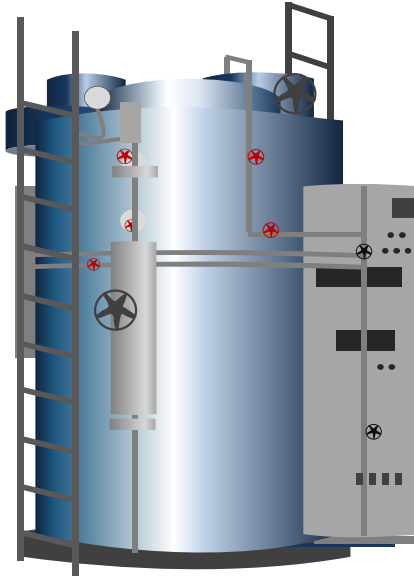
History



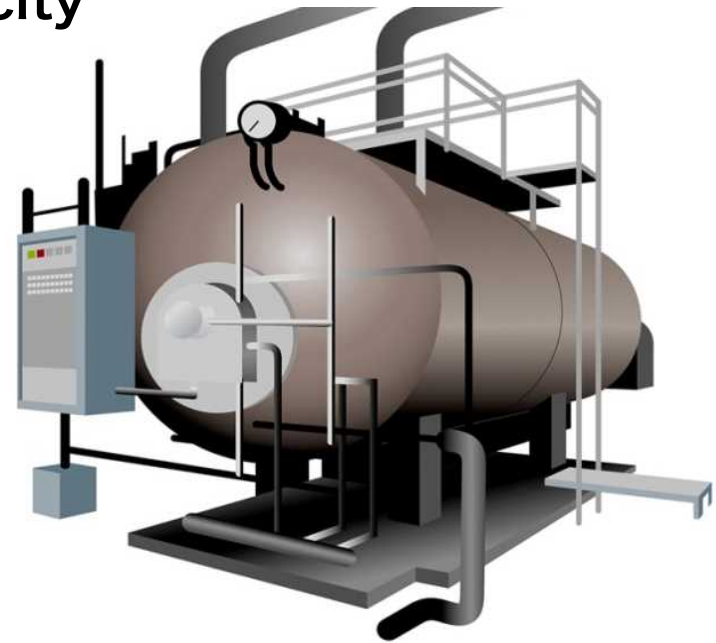
| Types of boilers — Same capacity



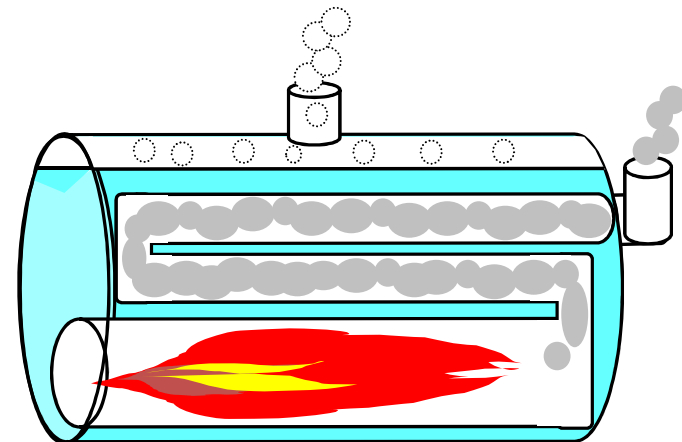
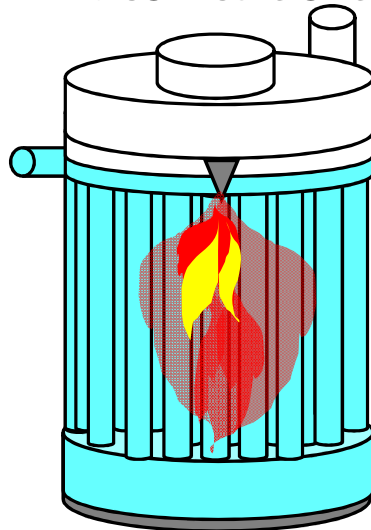
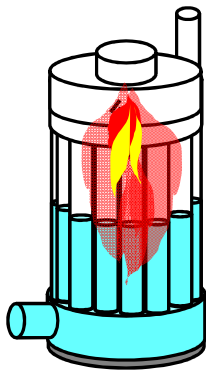
Once-through boiler




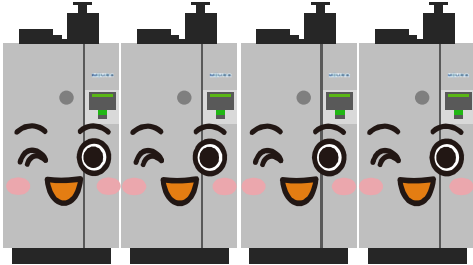
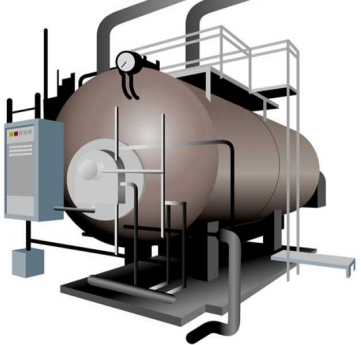

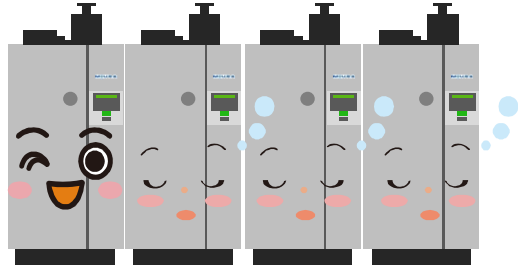
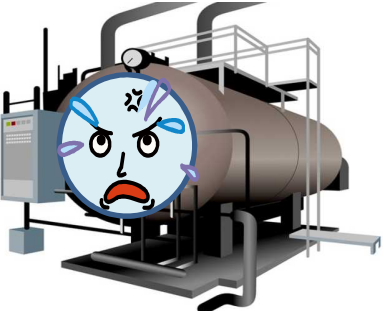
Water tube boiler



Fire tube boiler



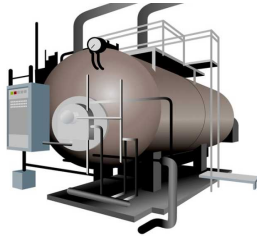
Merit of Once-through Boiler

	Human activities	MI system (Multiple installation)	Large boiler
Daytime: High load		 Once-through boilers	 Fire tube boiler
Night time: Low load		 Only required number of boiler in operation ◎ Higher efficiency	 Operation regardless of load × Poor efficiency

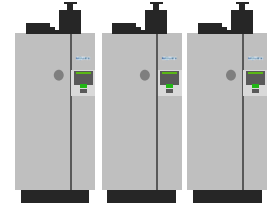
MIURA MI (Multiple Installation) System

Provides steam of required amount when needed, reducing operation costs and emission of CO₂ and NO_x.

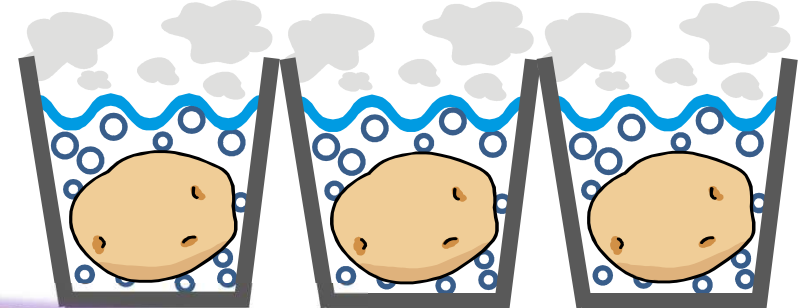
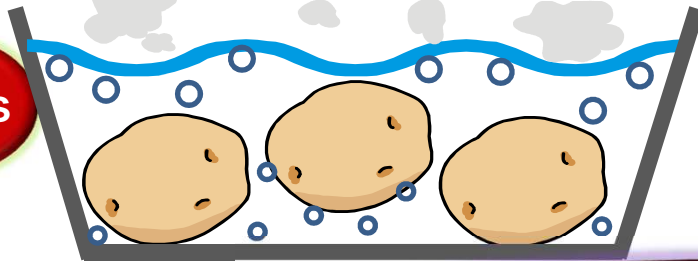
One large capacity boiler



Small capacity boilers in MI system

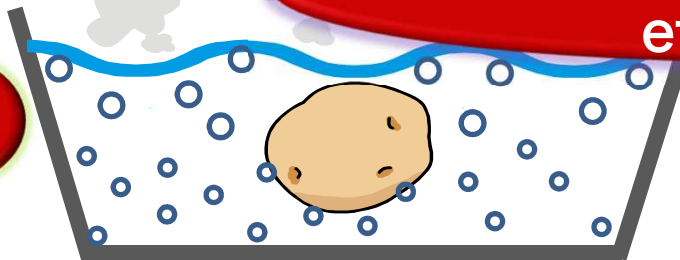


3 pcs



Why is MI system efficient?

1 pc



Same water content even if the number of potatoes reduced

Water content reduced when the number of potatoes reduced

Energy Saving

Space Saving

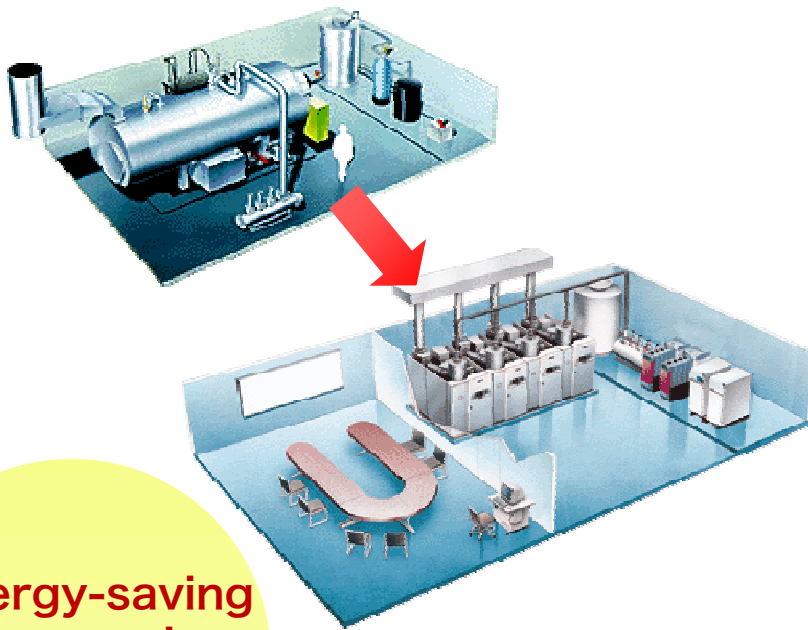
Labor Saving

Low pollution

In 1986 M I system patented

M I system (Multiple Installation system)

Once-through boiler design makes energy savings a reality.

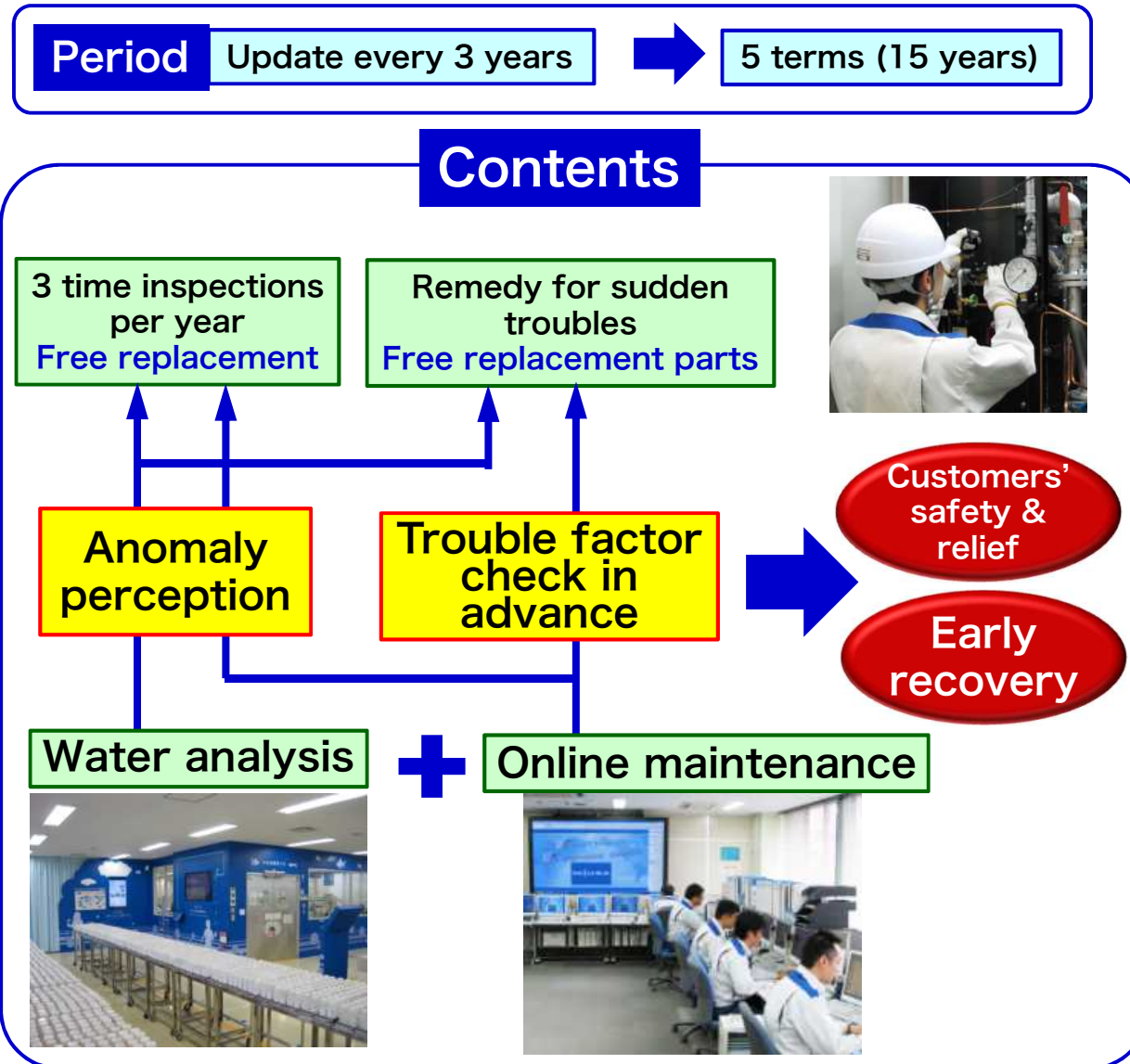


- Energy-saving
- Space-saving
- Labor-saving
- Low pollution



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

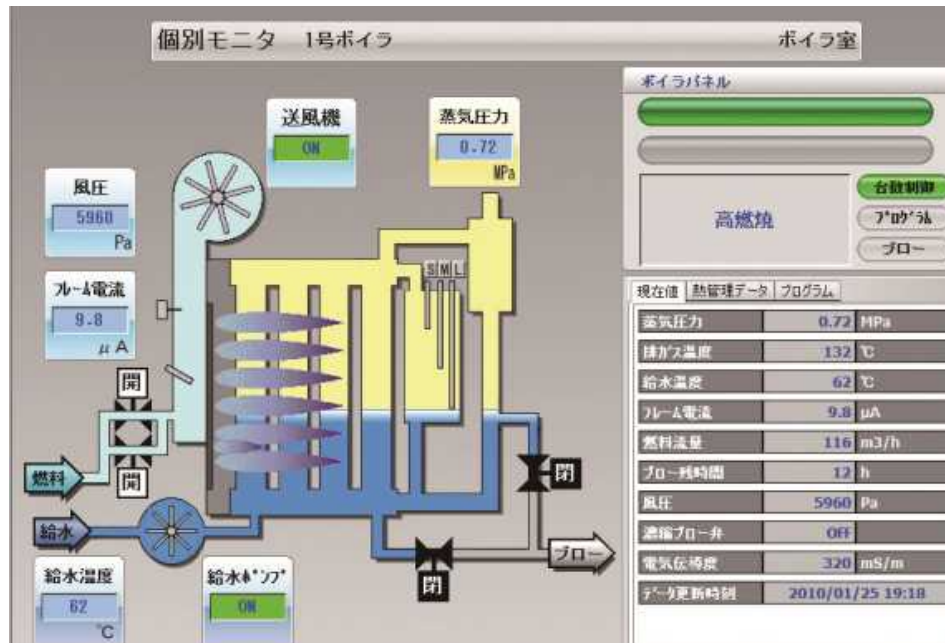
What is ZMP Contract?



7 Reference

Online Maintenance

Maintaining high profitability with “IoT” for 29 years



Remote monitoring

Monitoring

User

Troubleshooting via Telephone (Data collection/analysis)

Approx. 60,000 units under contract
*Including equipment other than boiler
(As of April 2018)

Visit

Trouble factor grasped

Preparation in advance

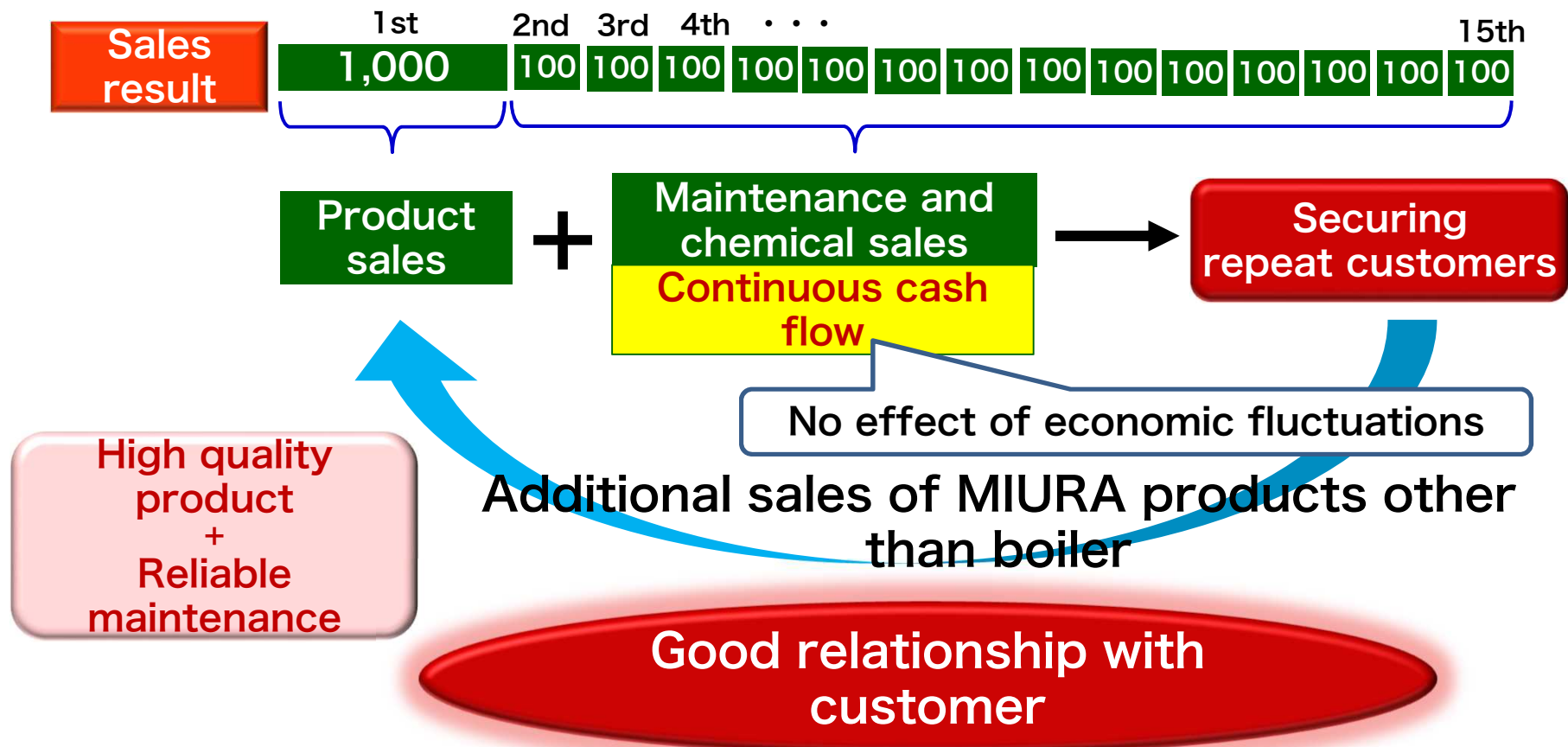
Early recovery

Much more effective, easier maintenance work

Boiler Lifespan and MIURA Business Model

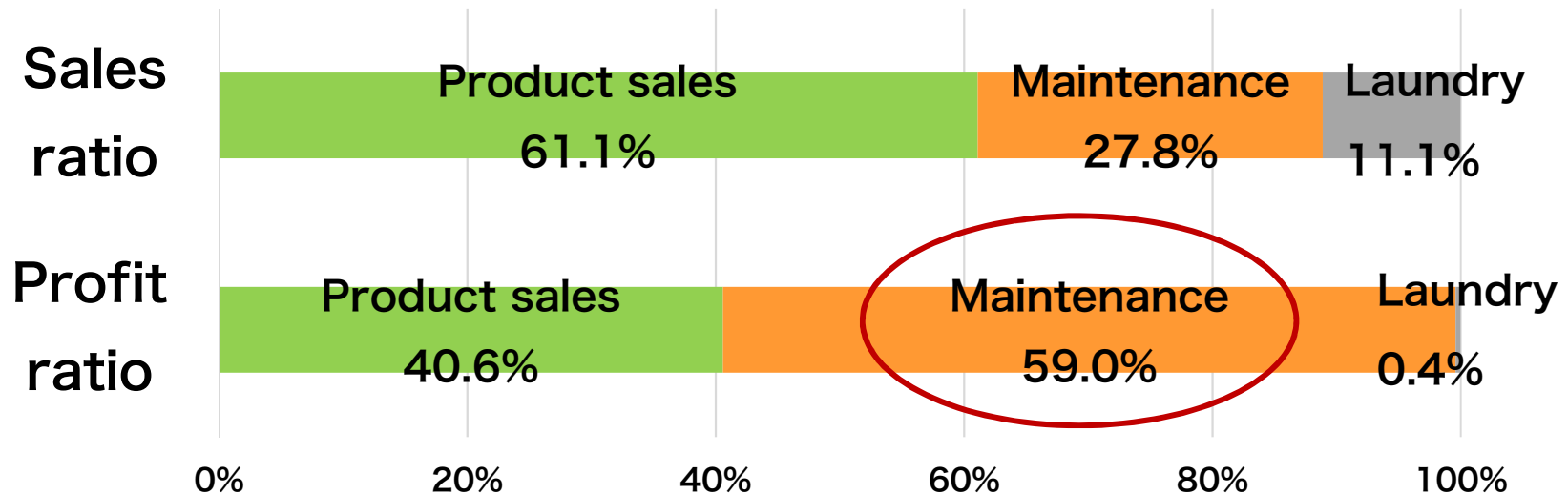
Not only the product sales, but maintenance & consumables sales

Assuming a boiler has a lifespan of 15 years,



Maintenance Brings Profits

*The whole MIURA group as of March, 2018



MIURA Maintenance Network

Offices

Approx. 100 offices

Service Engineers

Approx. 1,100 engineers



● : 本社・統括部
● : 支店・営業所

Mid & Long Term Management Strategy

Domestic

① Total solution

- Improving energy efficiency all over the factory & plant all equipped with MIURA products achieving one-stop maintenance

② BWMS

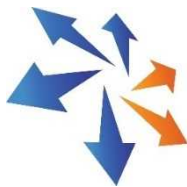
- Obtaining USCG type approval
- Taking full advantages of our technology, maintenance, and customers' trust in MIURA



Overseas

① Deployment of our Japanese business model

- Appealing advantages of MI system and suggesting energy-saving boiler system
- Globalizing MIURA boiler while increasing installation



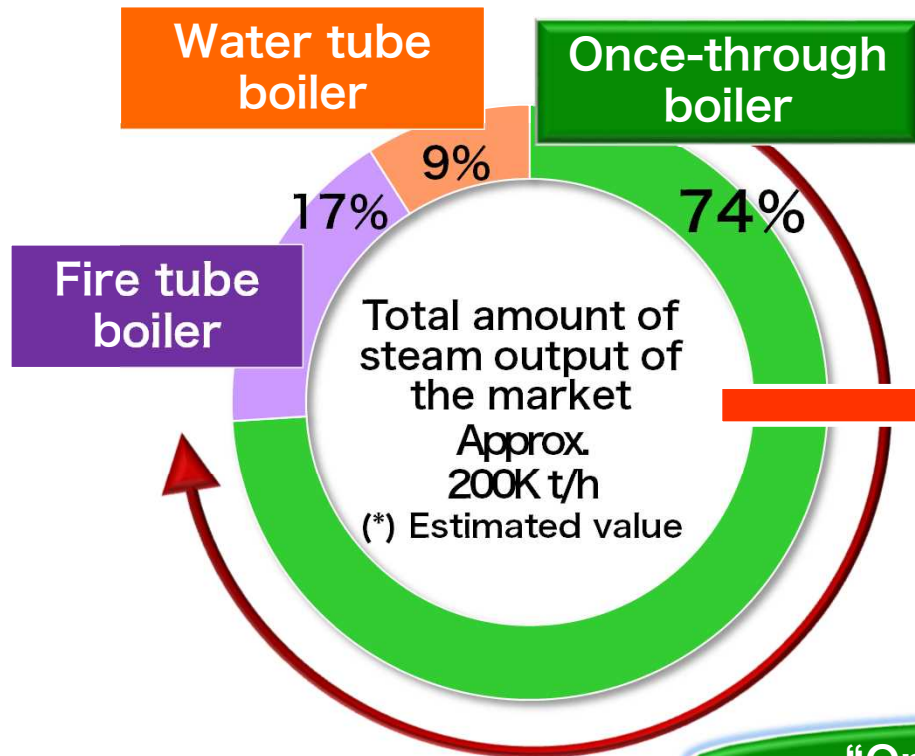
② Coal-fired boiler replacement in China

- Introducing gas-fired boiler technology in Japan to meet legal requirements on the fuel shift from coal to gas regarding serious air pollution in China which have been tightened
- Expanding maintenance network to provide maintenance as in Japan

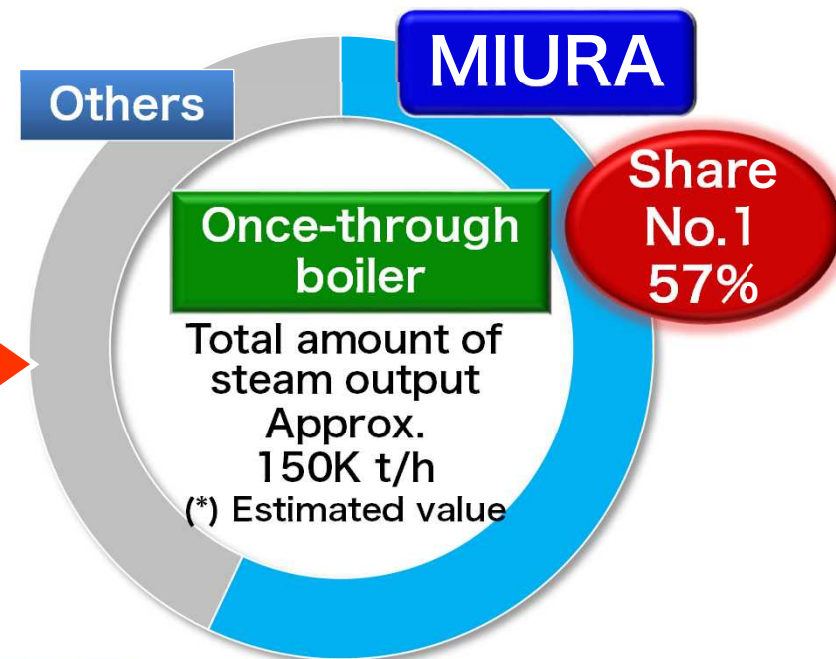
Domestic share

*Boilers for power generation excluded
(Based on an in-house investigation, September 2017)

Domestic boiler market



Domestic once-through boiler market



“Once-through-ism” movement

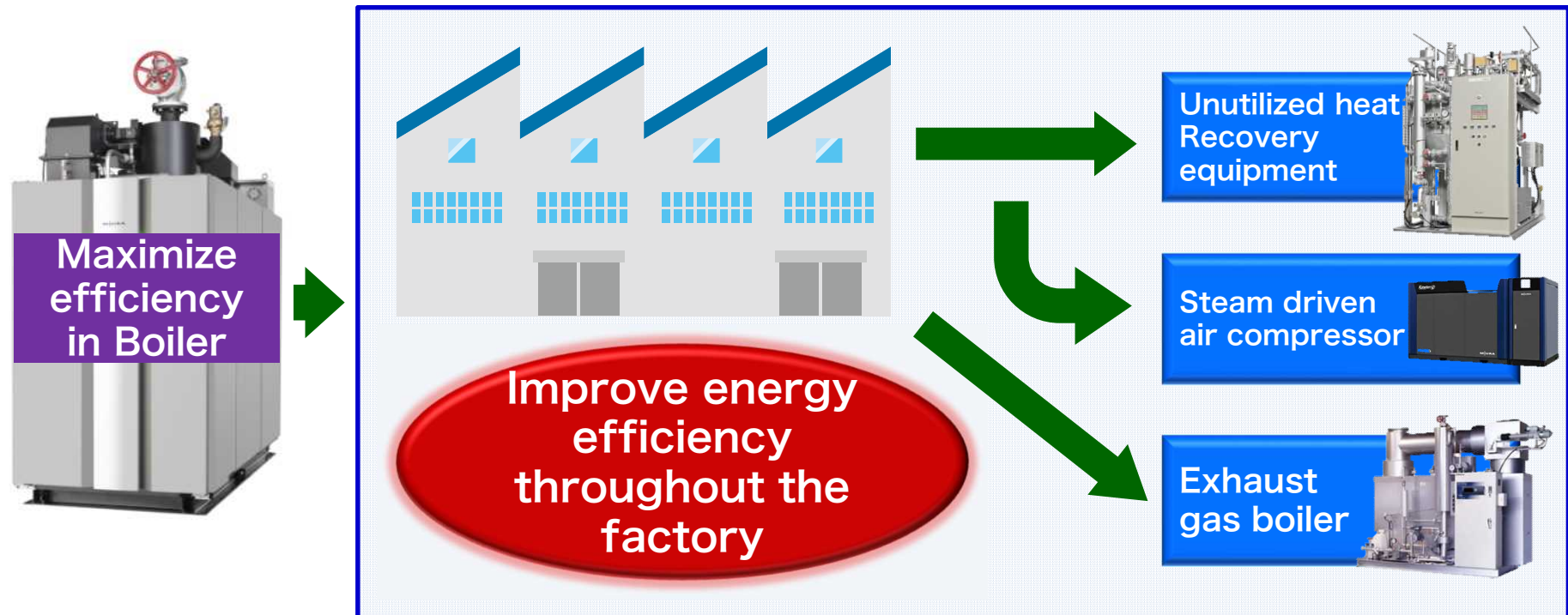
Competitors

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

7 Reference

What will we offer for the matured market in Japan?



Other than Boilers

Water treatment equipment



Food processing equipment



Medical equipment



Laundry equipment



Marine equipment

Marine boilers



Ballast water management system



7 Reference

Ehime Prefectural Central Hospital

~Preparation for Emergencies regarding BCP (Business continuity planning)~



Fuel selectable
boiler



Vacuum
cooler



Steam sterilizer
system

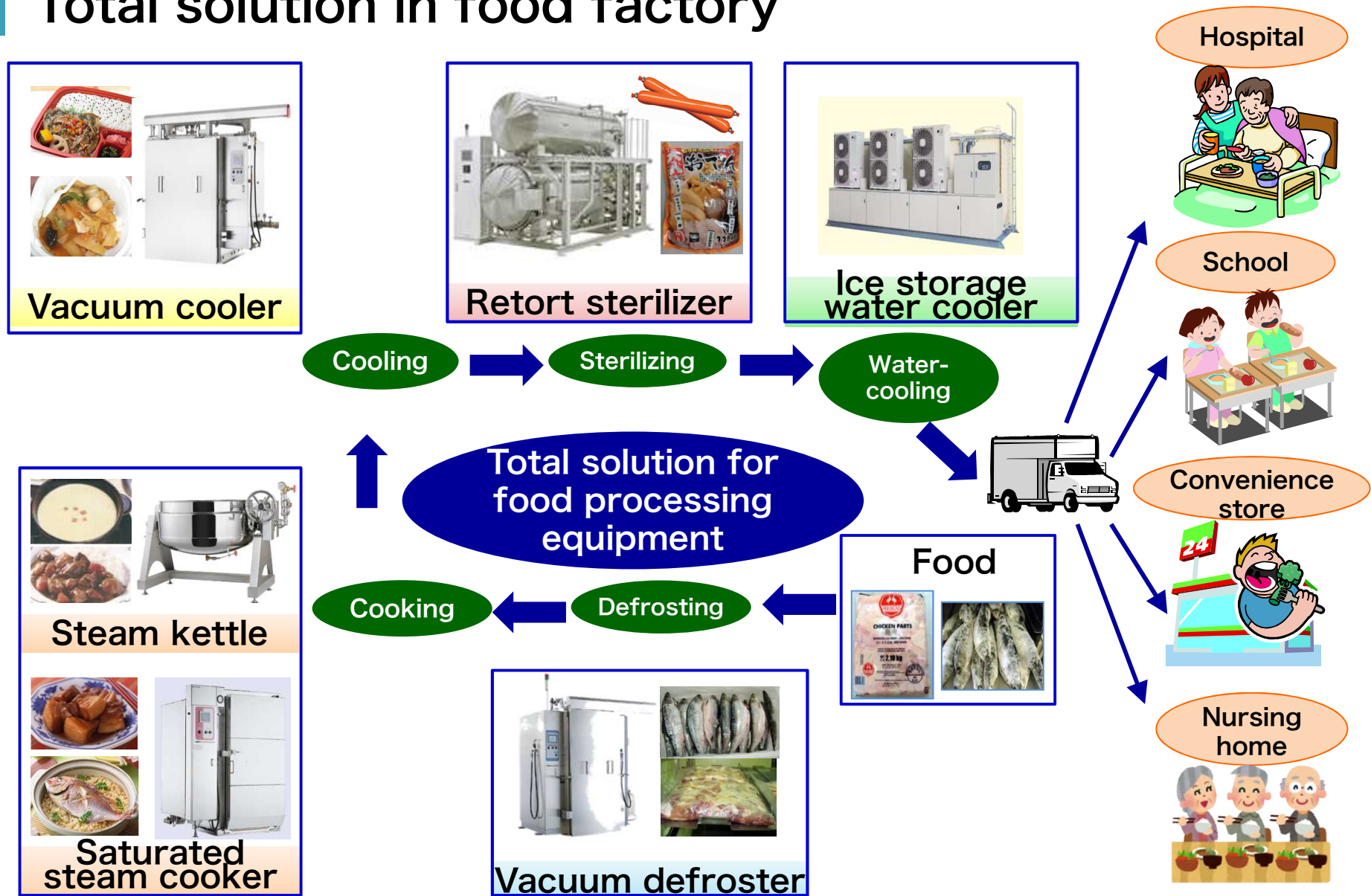


Vacuum-boiling
washer



Filtration
equipment

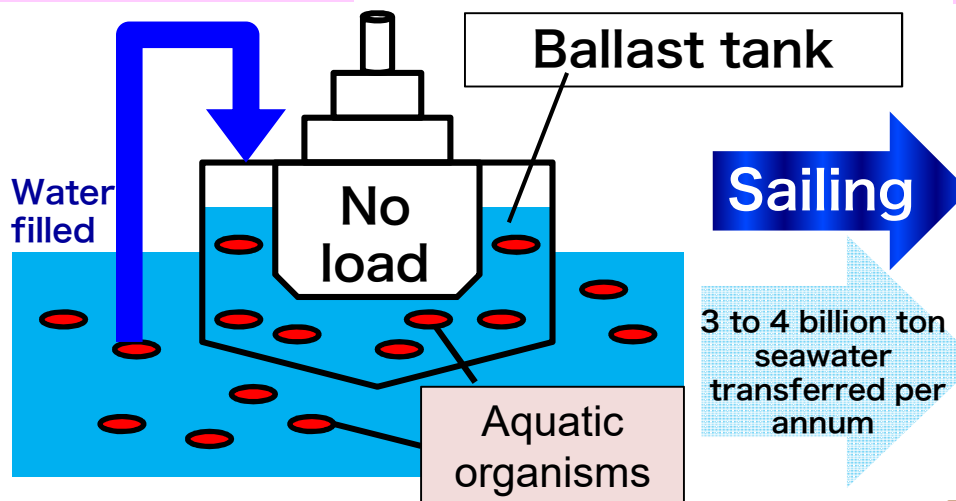
Total solution in food factory



Ballast water problem “A new market born”

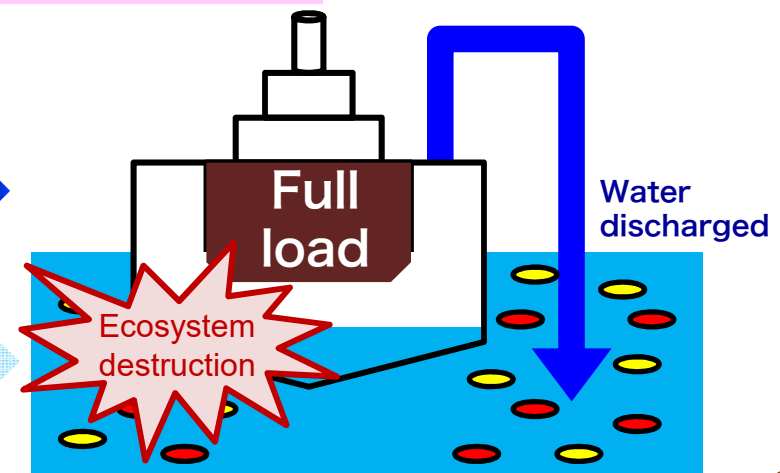
“Ballast water” is the seawater taken into a ship’s tank to provide stability to the ship.

Port of unloading



Port of loading

Reference: document issued by the MLIT



Aquatic organisms transferred from the port of unloading to that of loading

Environmental problems such as ecosystem destruction

The Ballast Water Management Convention (adopted in 2004)
→ **Installation of ballast water treatment equipment is obliged**

Obligatory since Sep. 2017

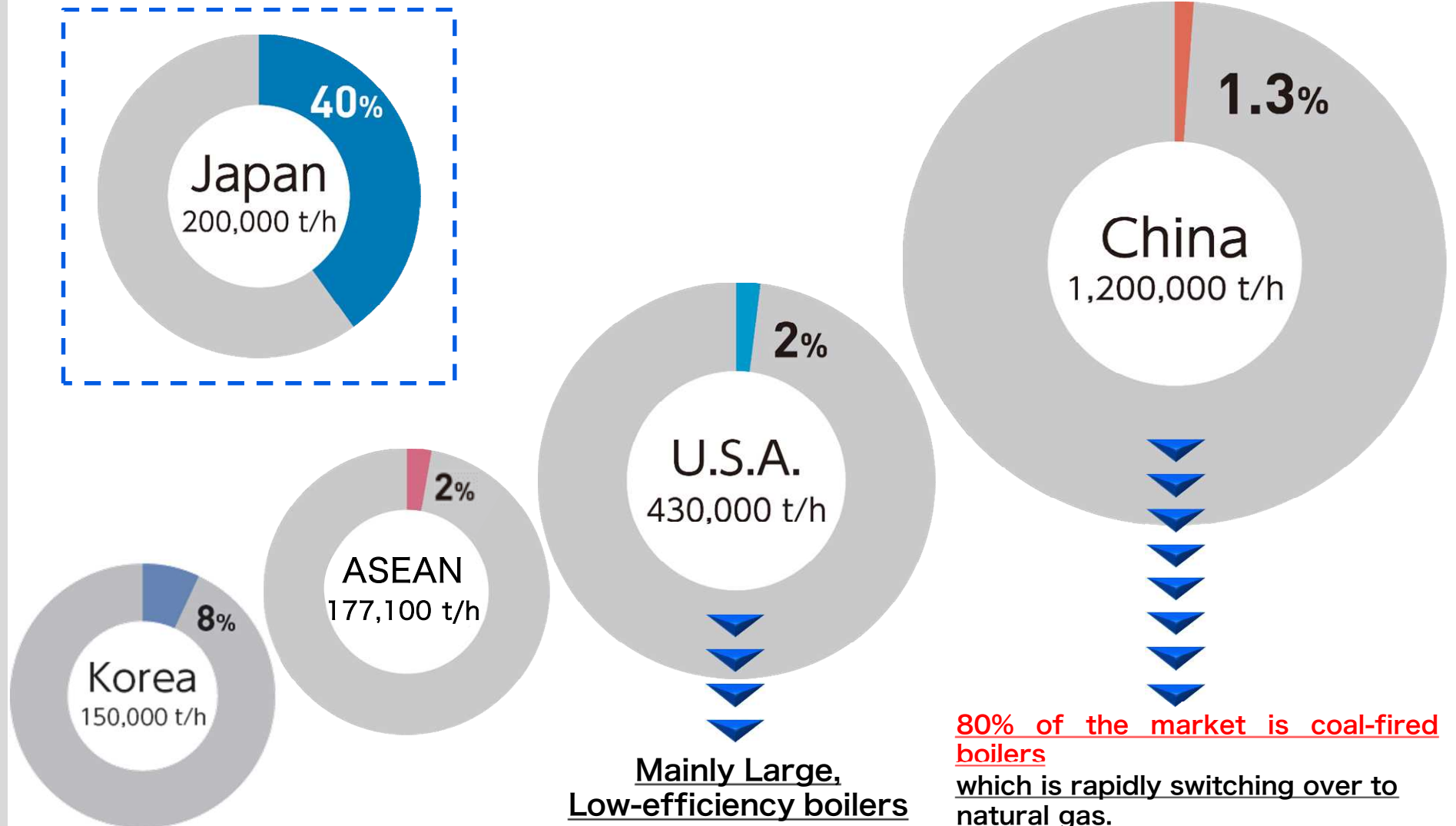
Newly built ships

Obligatory since Sep. 2019

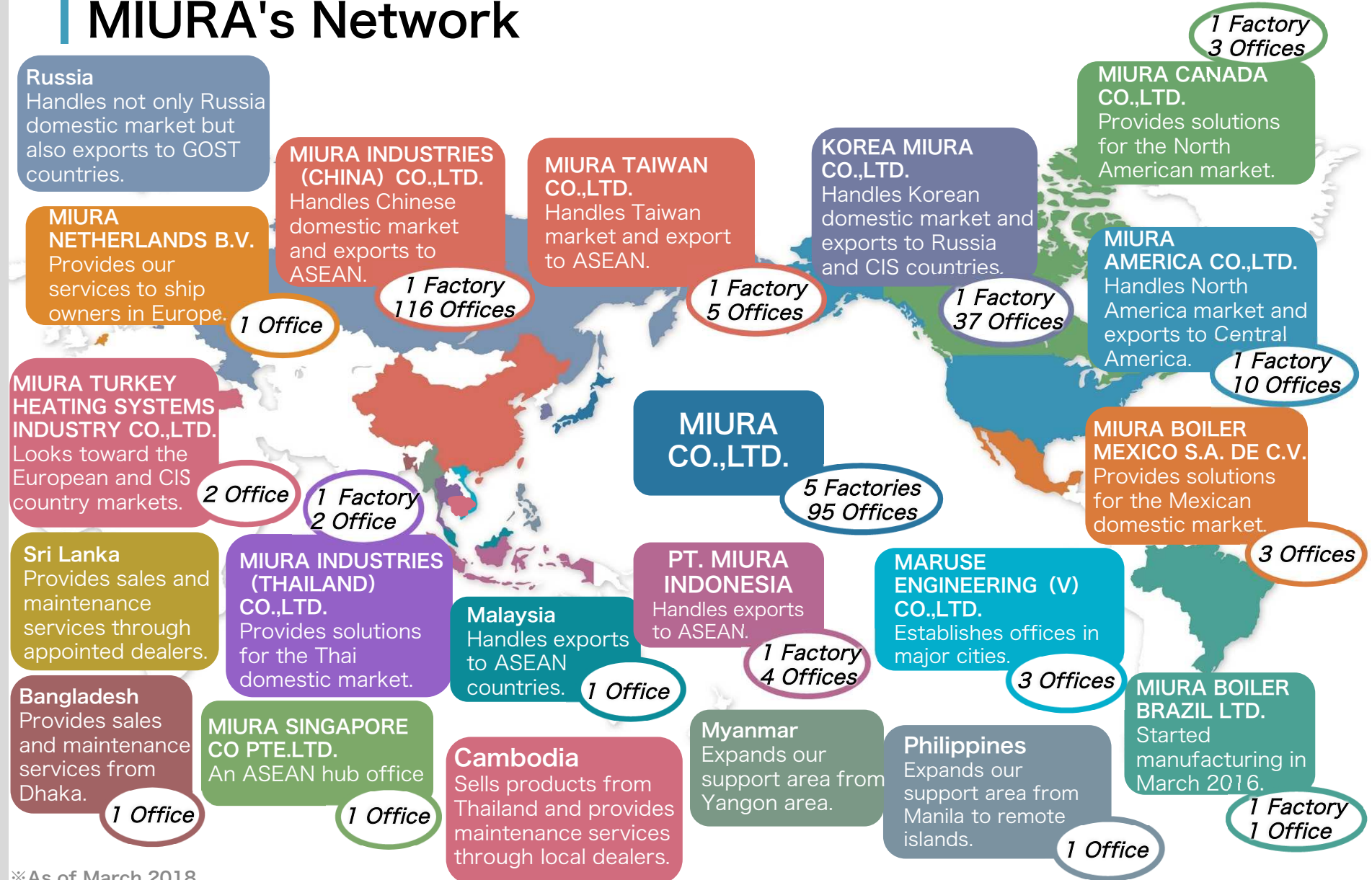
Existing ships

Boiler market share

*Based on total amount of steam output
(Based on an in-house investigation, March 2018)



MIURA's Network



※As of March 2018

**The Best Partner of
Energy, Water and Environment**



Contact

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