

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023, and Updates on the Group's Growth Strategy

May 23, 2023

MIYAUCHI Daisuke
President & CEO
MIURA CO., LTD.

The Best Partner of
Energy, Water and Environment



1	Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (FY2023)	3
2	Medium-Term Management Plan (MTMP) for FY2024-2026	13
3	Dividend Guidance and Capital Policy	18
4	Updates and Outlook Regarding the Group's Boiler Business in China	21
5	Updates and Outlook Regarding the Group's Boiler Business in the Americas	32
6	Updates and Outlook Regarding the Group's Laundry Equipment Business	43
7	Appendix	43
8	Supplementary Information: Planning Basis for MTMP for FY2024-2026	43

Disclaimer on forward-looking statements

Forward-looking statements about the Company's business plan and guidance presented in this document are based on currently available information. We caution that significant risks and uncertainties could cause actual performance to differ materially from what is discussed in the forward-looking statements. While we make every effort to ensure the integrity of the information provided in this document, we assume no responsibility whatsoever for any loss or damage resulting from actions taken based on the information presented here.

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (FY2023)

HIROI Masayuki

Director and Executive Managing Officer
General Manager of the Administration Headquarters
MIURA CO., LTD.

(In billions of yen unless otherwise indicated)

Based on IFRS	FY2022 results	FY2023 results	YoY change	FY2023 guidance	FY2024 guidance
Revenue	143.5	158.3	+14.8	155.0	151.5
Operating profit	19.4	21.9	+2.5	20.0	22.1
Operating margin	13.5%	13.8%	+0.3 points	12.9%	14.6%
Profit before income taxes	20.2*	23.4	+3.2	21.2	24.6
Profit attributable to owners of parent	14.2*	16.8	+2.6	15.2	18.0
Profit per share	126 yen*	149 yen	+23 yen	134 yen	159 yen
Dividend rate	39 yen	45 yen	+6 yen	41 yen	48 yen

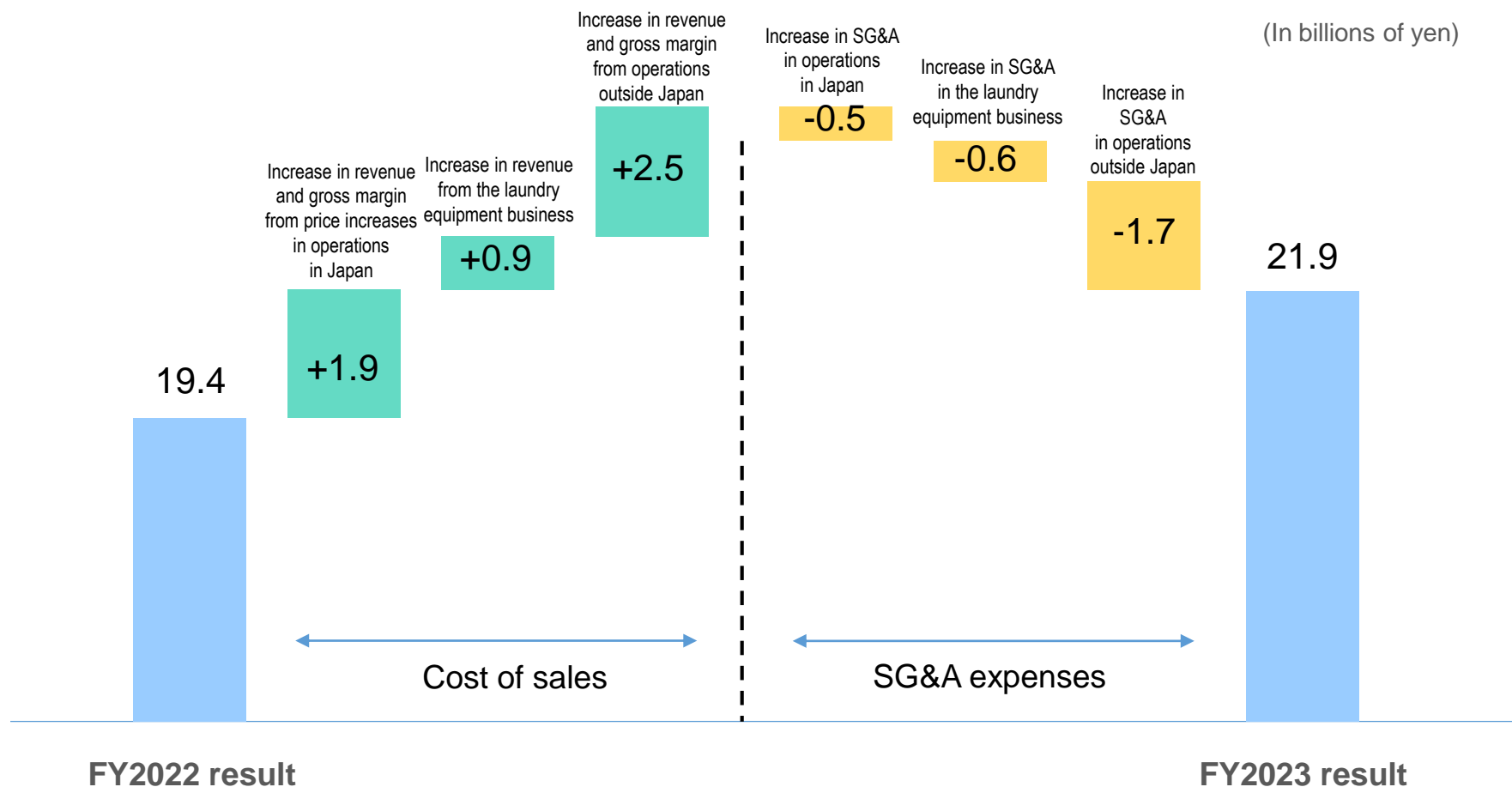
Summary of Business Results for FY2023

- The Group achieved a YoY increase in sales of compact once-through boilers, which are our key products in the equipment sales business, as well as in revenue from the laundry equipment business and the maintenance business, in Japan.
- The Group's revenue from operations outside Japan also jumped, helped by strong boiler sales in the Americas and favorable changes in currency exchange rates.
- The Group's operating profit was up YoY, with an increase in materials costs and sales expenses more than offset by increased revenue and a rise in selling prices of products.

Note: INAX Corporation became a joint venture between MIURA and JENSEN-GROUP NV and became MIURA's equity-method affiliate effective April 2023. INAX's projected revenue or operating profit is not included in the Company's consolidated revenue or operating profit guidance for FY2024, but the share of INAX's profit accounted for by using equity method is included in the guidance for consolidated profit before income taxes for the year.

* Results for FY2022 were retroactively adjusted to reflect the finalized accounting treatment applied during the October-December quarter of FY2023 to Kobelco Compressors Corporation, which became an equity-method affiliate of the Company effective January 5, 2022.

Breakdown of YoY Changes in Operating Profit



The Group's operating profit for FY2023 was up YoY, with an increase in materials costs and sales expenses more than offset by increased revenue, a rise in selling prices of products, and favorable changes in currency exchange rates.

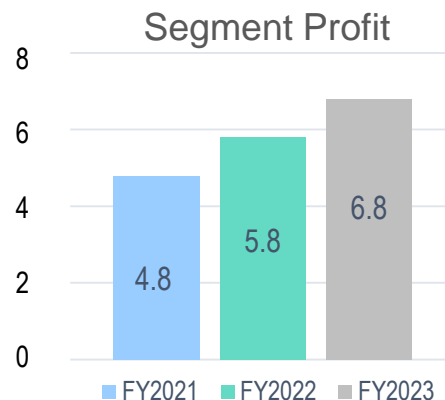
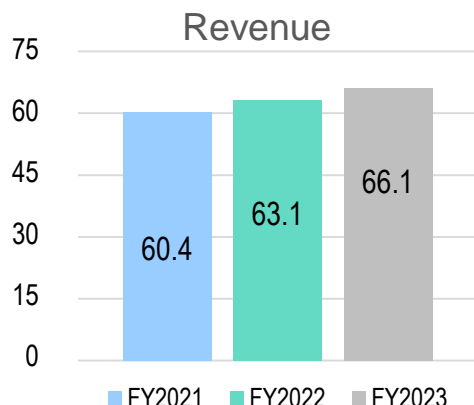
Revenue and Operating Profit by Operating Segment

(In billions of yen)

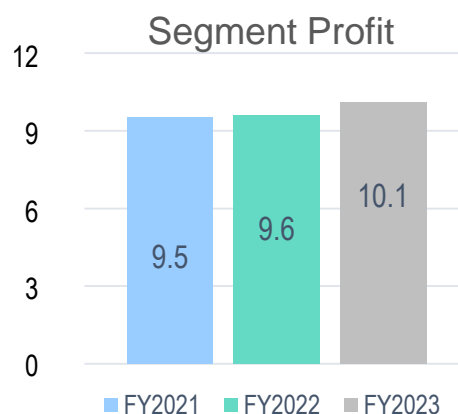
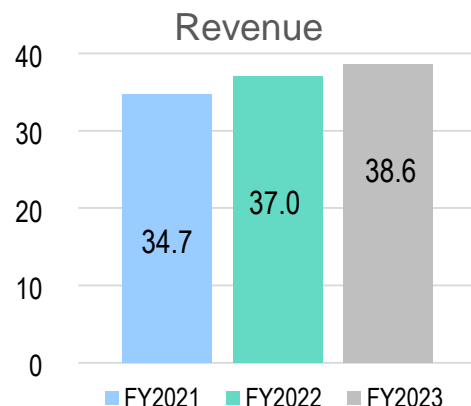
	Revenue				Operating profit			
	FY2022 results	FY2023 results	YoY change	FY2023 guidance	FY2022 results	FY2023 results	YoY change	FY2023 guidance
Equipment Sales Business in Japan	63.1	66.1	+3.0	68.9	5.8	6.8	+0.9	7.0
Maintenance Business in Japan	37.0	38.6	+1.5	40.0	9.6	10.1	+0.5	10.5
Laundry Equipment Business	13.1	17.4	+4.3	2.7	0.3	0.7	+0.3	0.1
Equipment Sales Business outside Japan	22.4	26.5	+4.0	29.7	2.3	2.9	+0.6	3.0
Maintenance Business outside Japan	7.7	9.5	+1.8	10.2	1.3	1.3	+0.08	1.5
Total	143.5	158.3	+14.8	151.5	19.4	21.9	+2.5	22.1
Supplementary information on INAX Corporation	13.1	15.0	+1.9	17.4	0.3	0.6	+0.3	0.6

Revenue and Profit by Operating Segment

(In billions of yen)

Equipment Sales Business in Japan: Revenue for FY2023 up 4.9% YoY; profit up 16.7%

- Revenue for FY2023 was bolstered by strong sales of boilers and peripheral equipment, as well as by increased demand for the installation of energy-saving solutions.
- Segment profit was bolstered by increased revenue and a rise in selling prices of products.

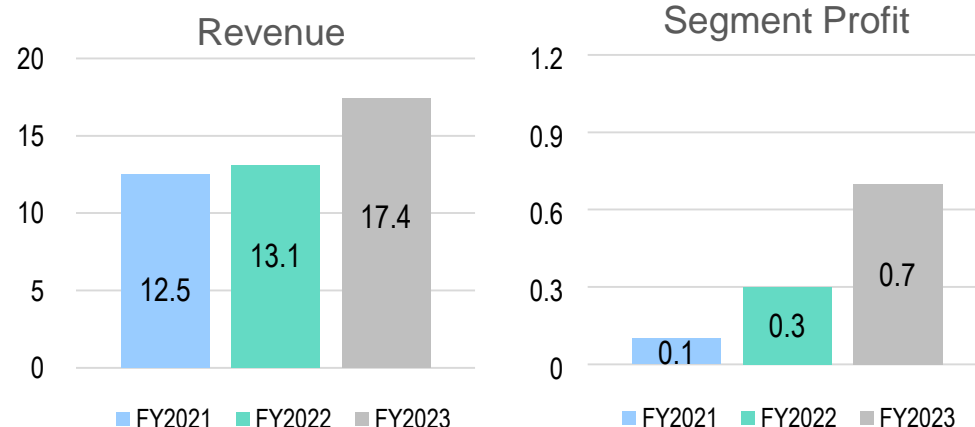
Maintenance Business in Japan: Revenue for FY2023 up 4.3% YoY; segment profit up 5.5%

- Revenue for FY2023 was bolstered by signing up more customers for fee-based maintenance packages that offer an extended period of contract performance and by increased demand for energy-saving solutions.

Revenue and Profit by Operating Segment

(In billions of yen)

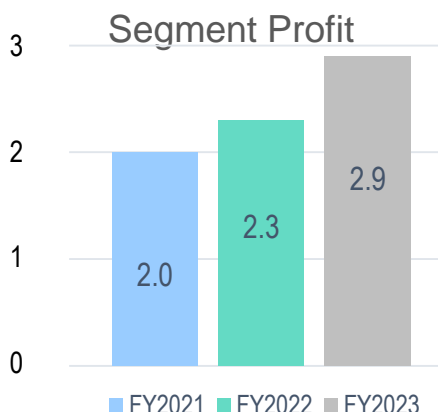
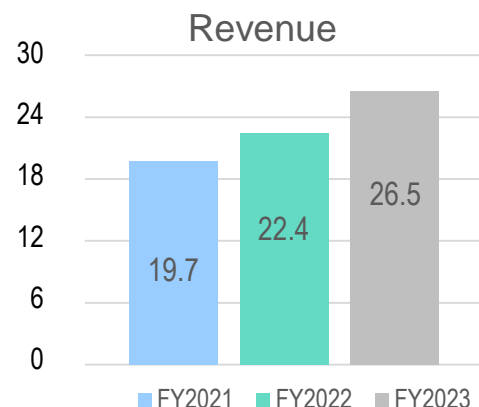
Laundry Equipment Business in Japan: Revenue for FY2023 up 32.9% YoY; segment profit up 117.8%



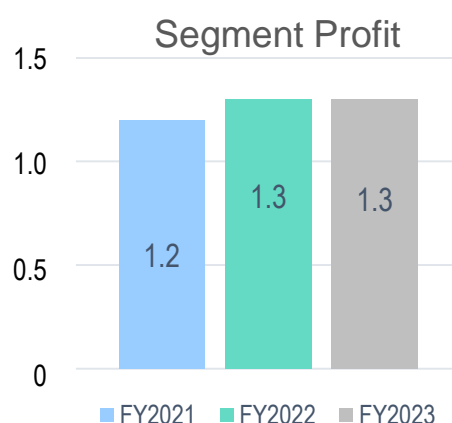
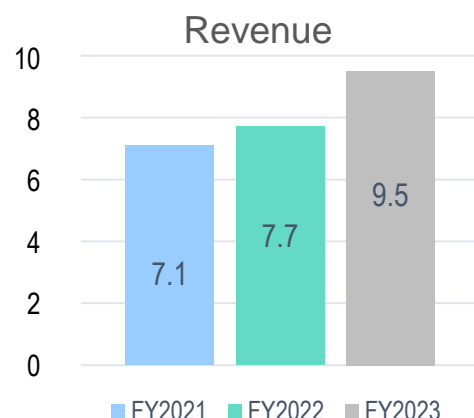
- Revenue for FY2023 was bolstered by accounting treatment of a newly consolidated subsidiary and by a rebound in demand among laundry service providers for upgrading their outdated equipment to more energy-efficient, automated models to better meet growing demand for linen services from hotel operators that saw overnight guests returning as the pandemic was settling down.
- Segment profit was bolstered by increased revenue.

Revenue and Profit by Operating Segment

(In billions of yen)

Equipment Sales Business outside Japan: Revenue for FY2023 up 18.0% YoY; profit up 26.1%

- Boiler sales were slow in China in FY2023, as we suspended field sales activities under travel restrictions imposed by the government amid increasing cases of COVID-19.
- Revenue for FY2023 was up YoY in the Americas, buoyed by joint promotional efforts with distributors and a rise in selling prices of products.

Maintenance Business outside Japan: Revenue for FY 2023 up 23.3%; profit up 6.4%

- Revenue for FY 2023 was up YoY, as we signed up more customers for fee-based maintenance contracts.

Revenue by Business Line

(In billions of yen)

		FY2021 results	FY2022 results	FY2023 results	YoY change
Japan	Boilers	58.5 (60.0)*	63.9 (64.8)*	67.4	+3.5
	Water-treatment equipment	6.1 (4.6)*	7.3 (6.4)*	7.6	+0.3
	Marine equipment	11.7	9.6	9.8	+0.2
	Food and medical equipment	11.3	12.6	12.9	+0.3
	Laundry equipment	12.6	13.1	17.4	+4.3
	Others (including special-purpose equipment, new businesses, and environmental business)	7.5	6.8	7.2	+0.4
	Subtotal	107.7	113.3	122.3	+9.0

* Revenue was reclassified retroactively between the boiler and water-treatment equipment businesses for FY2021 and FY2022. Numbers before reclassification are presented in parentheses.

Summary of Revenue from Operations in Japan for FY2023

- In the equipment sales business in Japan, sales of boilers and peripheral equipment were up, and so was revenue from the installation of energy-saving solutions.
- Revenue from the laundry equipment business was bolstered by accounting treatment of a newly consolidated subsidiary and by a rebound in demand among laundry service providers for upgrading their outdated equipment to more energy-efficient, automated models to better meet growing demand for linen services from hotel operators that saw overnight guests returning as the pandemic was settling down.
- Revenue from the maintenance business in Japan was bolstered by signing up more customers for fee-based maintenance packages that offer an extended period of contract performance and by increased demand for energy-saving solutions.

Revenue by Business Line

(In billions of yen)

		FY2022 results	FY2023 results	FY2023 results	YoY change
Overseas	The Americas (Brazil, Canada, Mexico, and the United States)	5.1	6.7	10.2	+3.5
	South Korea	7.8	8.0	9.0	+1.0
	China	9.9	10.4	10.4	0
	ASEAN and other regions	4.1	5.1	6.5	+1.4
	Subtotal	26.9	30.2	36.1	+5.9

Summary of Revenue from Operations Outside Japan for FY2023

- Boiler sales were slow in China, as we suspended field sales activities under travel restrictions imposed by the government amid increasing cases of COVID-19.
- Revenue was up in the Americas, buoyed by joint promotional efforts with distributors and a rise in selling prices of products.
- Revenue from the maintenance business was up, as we signed up more customers for fee-based maintenance contracts.

Consolidated Balance Sheet

(In billions of yen)

		As of March 31, 2022	As of March 31, 2023	YoY change
Assets	Current assets	124.9	147.9	+23.0
	Cash and cash equivalents	40.0	30.5	-9.5
	Trade and other receivables	42.6	41.5	-1.1
	Other financial assets	17.8	23.1	+5.3
	Inventories	23.4	26.8	+3.4
	Other current assets	0.8	5.3	+4.5
	Assets held for sale	0	20.3	+20.3
	Non-current assets	94.0	81.6	-12.4
	Total assets	218.9	229.5	+10.6
Liabilities and equity	Current liabilities	51.8	56.1	+4.3
	Trade and other payables	15.9	12.3	-3.6
	Other	35.8	43.8	+8.0
	Non-current liabilities	7.1	4.4	-2.7
	Total liabilities	58.9	60.6	+1.7
	Total equity	160.0	168.9	+8.9

- Cash and cash equivalents were down YoY due to the buyback of treasury stock and the execution of an M&A deal.
- Assets and liabilities held by INAX Corporation were reclassified into "Assets held for sale," when a portion of its stock was contributed in kind to JENSEN-GROUP NV.

Note: Results for FY2022 were retroactively adjusted to reflect the finalized accounting treatment applied during the October-December quarter of FY2023 to Kobelco Compressors Corporation, which became an equity-method affiliate of the Company effective January 5, 2022.

2. Medium-Term Management Plan (MTMP) for FY2024-2026

MIYAUCHI Daisuke
President & CEO
MIURA CO., LTD.

MIURA Group's Consolidated Financial Results and Targets

(In billions of yen)

	FY2023 guidance	FY2023 results	FY2024 targets	FY2025 targets	FY2026 targets
Revenue from operations in Japan	113.3	122.3	111.6	114.4	118.6
Revenue from operations outside Japan	30.2	36.0	39.9	44.5	48.9
Total revenue	143.5	158.3	151.5	158.9	167.5
Operating profit	19.4	21.9	22.1	23.0	24.1
Operating profit margin	13.5%	13.8%	14.6%	14.5%	14.4%

How to achieve revenue and profit growth for FY2024-2026

Operations in Japan	Revenue	<ul style="list-style-type: none"> Expand business domains with a focus on compressors, heat pumps, and industrial laundry equipment and offer total solutions to corporate customers to better meet their needs Continue to offer add-on service packages that complement maintenance services
	Profit	<ul style="list-style-type: none"> Earn a steady stream of profit by signing up more corporate customers for maintenance contracts for boiler and non-boiler equipment Achieve greater operational efficiency by providing one-stop maintenance services on site
Operations outside Japan	Revenue	Achieve annual revenue growth of 10% or more on average by stepping up sales efforts for energy-efficient boilers and signing up more corporate customers for maintenance contracts
	Profit	Resume investing in expanding a sales network and developing talent, which was postponed during the pandemic, while maintaining profit

Note: INAX Corporation became a joint venture between MIURA and JENSEN-GROUP NV and became MIURA's equity-method affiliate effective April 2023. INAX's projected revenue or operating profit is not included in the Company's consolidated revenue or operating profit targets for FY2024 and beyond, but the share of INAX's profit accounted for by using equity method is included in the targets for consolidated profit before income taxes (now shown here).

Revenue Targets by Business Line

(In billions of yen)

	Business/Region	FY2023 guidance	FY2023 results	FY2024 targets	FY2025 targets	FY2026 targets
Japan	Boiler	66.3	67.4	69.7	71.7	73.8
	Water-treatment equipment	6.9	7.6	8.2	8.9	9.6
	Marine equipment	9.8	9.8	9.8	9.9	10.3
	Food and medical equipment	13.3	12.9	13.5	13.9	14.4
	Laundry equipment*	16.6	17.4	2.7	1.9	1.9
	Others (including special-purpose equipment, new businesses, and environmental business)	7.1	7.2	7.7	8.1	8.6
	Subtotal	120.0	122.3	111.6	114.4	118.6
Overseas	The Americas	7.9	10.2	11.1	12.0	13.5
	South Korea	9.3	9.0	9.4	11.3	12.1
	China	11.9	10.4	11.7	12.8	13.8
	ASEAN and other regions	5.9	6.5	7.6	8.5	9.5
	Subtotal	35.0	36.1	39.9	44.5	48.9
Total		155.0	158.4	151.5	158.9	167.5
Supplementary information: Combined revenue from the laundry equipment business of MIURA and INAX		16.6	17.4	20.1	19.9	21.3

*INAX Corporation became a joint venture between MIURA and JENSEN-GROUP NV and became MIURA's equity-method affiliate effective April 2023. The MIURA Group's revenue targets for the laundry equipment business for FY2024 and beyond do not include INAX's projected revenue.

Key Management Metrics for Increasing MIURA Group's Enterprise Value

Business growth = Increase revenue x Increase asset turnover x Improve capital efficiency

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024-2026
ROE (%)	10.1	10.6	9.1	9.3*	10.3	10.0 or more

Shareholder return: Stable, consistent, and flexible

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024-2026
Dividend payout ratio (%)	30.2	30.3	31.1	30.9*	30.1	30.0 or more



* Results for FY2022 were retroactively adjusted to reflect the finalized accounting treatment applied during the October-December quarter of FY2023 to Kobelco Compressors Corporation, which became an equity-method affiliate of the Company effective January 5, 2022.

Investment News

On May 11, 2023, MIURA signed a strategic partnership with the U.S.-based Modern Hydrogen Inc. for generating clean hydrogen using the existing natural gas infrastructure, which will be used as non-carbon fuels to power boilers.

• About Modern Hydrogen

A startup based in Seattle, Washington, specializing in developing technology solutions for hydrogen and heat generation. Its distributed hydrogen production systems enable on-site generation of clean hydrogen with low carbon footprint.

• What this partnership means to MIURA

The combination of MIURA's hydrogen-powered boiler technology and Modern Hydrogen's distributed hydrogen production technology enables the development of novel solutions for decarbonizing industrial heat. This clean hydrogen and heat generation leverages the existing natural gas infrastructure and complements other means of generating and delivering hydrogen.

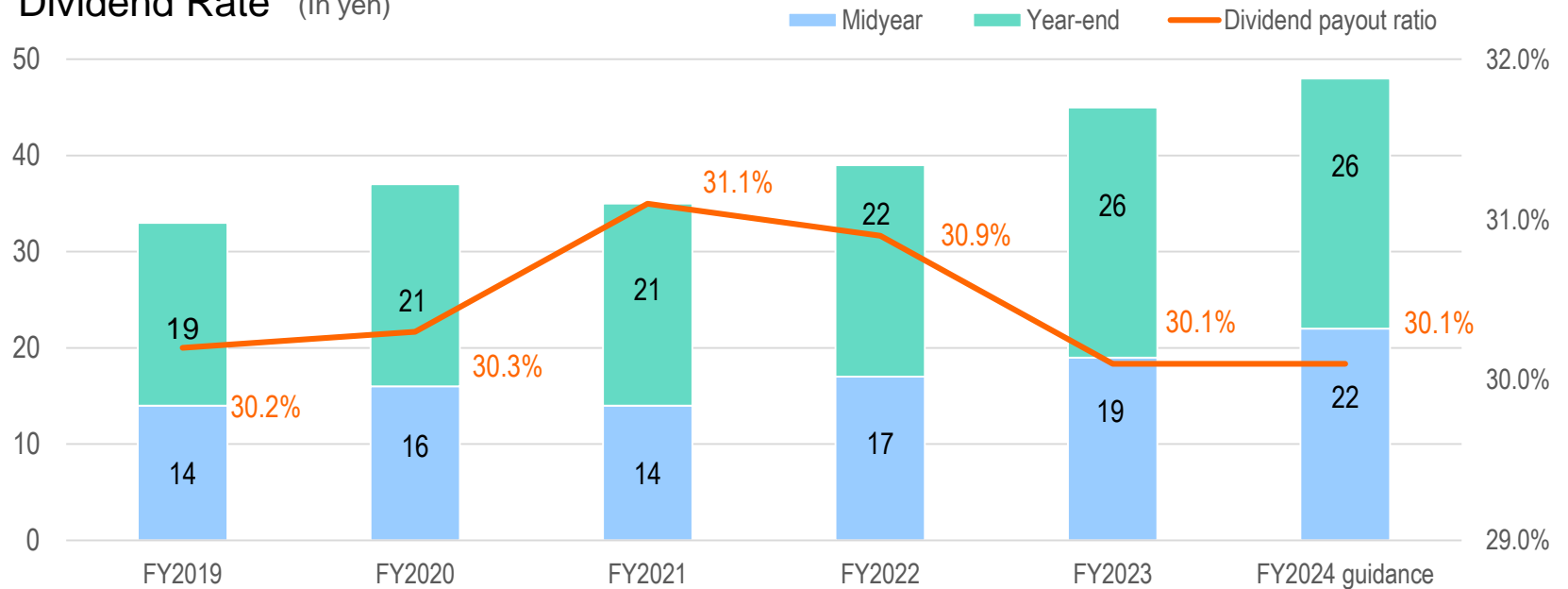
3. Dividend Guidance and Capital Policy

MIURA's Dividend Policy

- Maintain a **steady increase** in dividend rates
- Maintain a consolidated dividend payout ratio at or around **30%**

Dividend rate	FY2022 result	FY2023 result	FY2024 guidance
Midyear	¥17	¥19	¥22
Year-end	¥22	¥26	¥26
Total	¥39	¥45	¥48

Dividend Rate (In yen)



ROE (%)

10.1

10.6

9.1

9.3

10.3

10.9

The Group's internal target for ROE is 10% or more.

Note: The number of issued shares: 111,932,065, excluding 13,359,047 treasury shares, as of March 31, 2023

Share Buyback (as announced on November 4, 2022)

1. Reason for share buyback

To maintain flexibility in the company's capital policy to be able to better adapt to fast-changing business environments

2. Details of share buyback

(1) Type of share to buy back	Common stock of MIURA CO., LTD.
(2) Number of shares to buy back	Up to 4 million shares (Representing 3.5% of the total number of issued shares, not including treasury shares)
(3) Total buyback cost	Up to 10 billion yen
(4) Buyback period	From November 7, 2022, through November 6, 2023
(5) Method of buyback	Market purchasing

Progress as of April 30, 2023

	Number of shares bought back	Paid buyback amount
Total	1,537,700	4,987,607,160 yen
Percentage of the ceiling	38.4%	49.9%

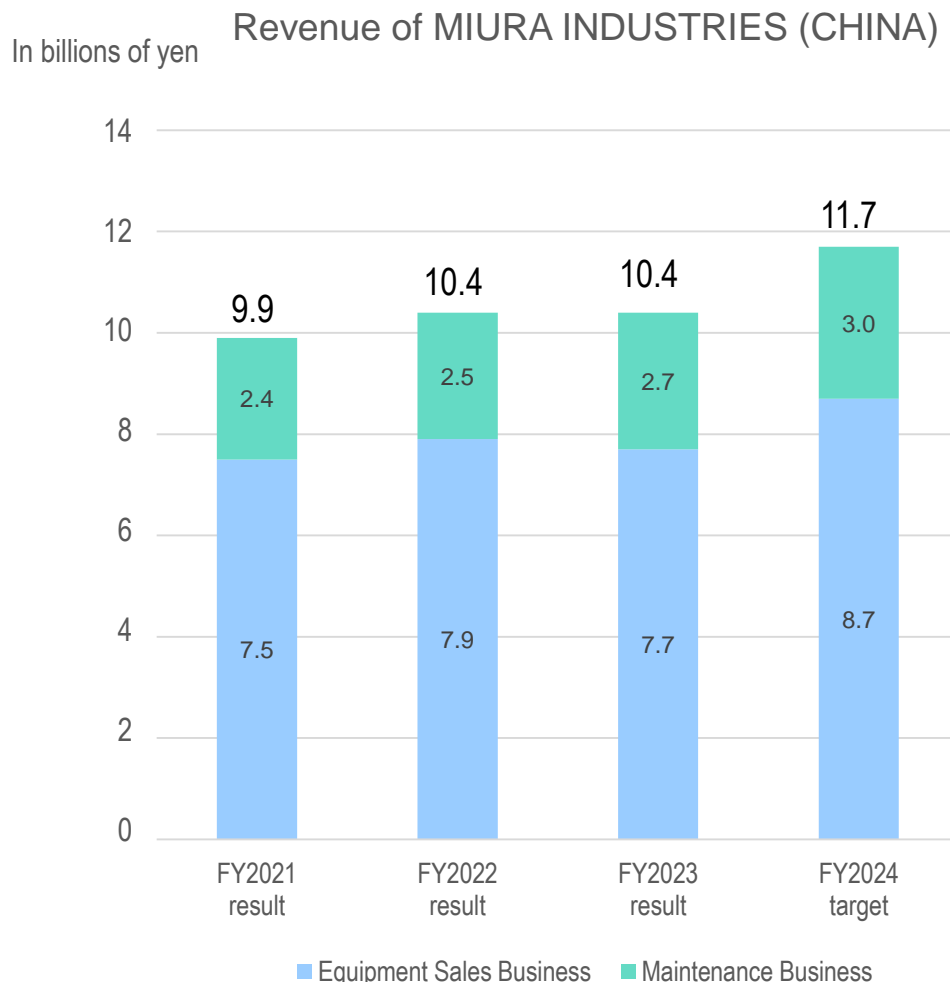
4. Updates and Outlook Regarding the Group's Boiler Business in China

KOJIMA Yoshihiro

Director and Executive Managing Officer
General Manager of the Global Business Headquarters
MIURA CO., LTD.

Information current as of May 23, 2023

Revenue Result for FY2023 and Target for FY2024

**MIURA's business strategy in China**

1. Offer more energy-efficient boilers not subject to environmental regulations to:
 - Encourage customers to switch from competitors' gas-fired boilers to ours
 - Encourage customers to replace their gas-fired boilers with ours
2. Focus sales efforts on companies in the following four robust industry sectors driven primarily by domestic demand:
 - Food, dairy, chemicals (including batteries), and pharmaceuticals

Supplementary information

- Impact of favorable changes in currency exchange rates for FY2023: An increase of 1.2 billion yen YoY
- Impact of favorable changes in currency exchange rates projected for FY2024: None

Political and Economic Landscapes in China



The Chinese government's goal is to achieve carbon neutrality by 2060 while remaining on a steady growth path.













The First Session of the 14th National People's Congress was held in March 2023.

- The target for annual economic growth rate was set conservatively at 5.0% for 2023, compared with the 5.5% target for 2022.
- Expand domestic demand with a focus on shoring up consumption
- Step up efforts to attract and utilize foreign capital
- Accelerate the transition to a model of green development

Chinese economy: Increasing signs of an economic slowdown have been reported, raising the need for monetary easing.

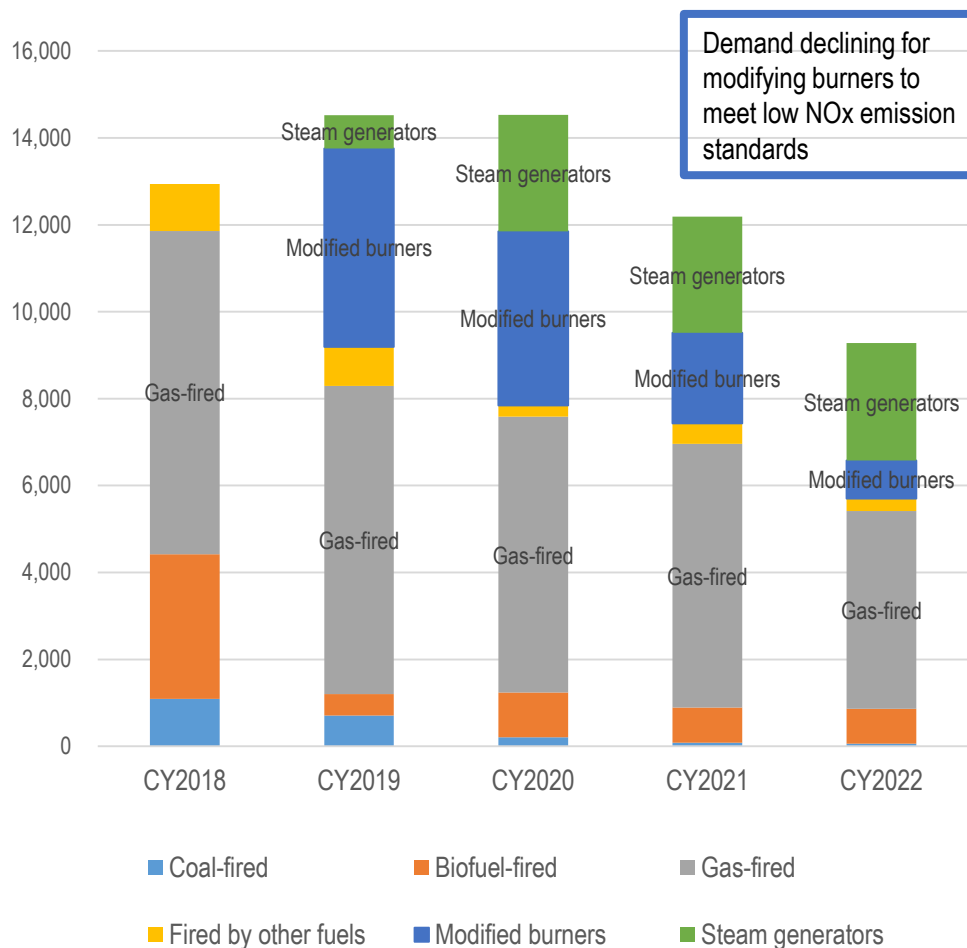
- The China Caixin manufacturing purchasing managers' index (PMI) was down by 2.7 points from 51.9% in March 2023 to 49.2% in April, reflecting a slowdown in domestic production and stagnant overseas demand.
 - ✓ Uncertainties have intensified over post-COVID-19 economic recovery in China.
- An increasing number of manufacturers have suspended new hiring amid fears of an economic downturn.
 - ✓ The nation's employment index in April was the lowest of the past three months.
 - ⇒ **The pace of enforcing environmental regulations varies from region to region.**
- After an extended inflationary trend, the factory price index has begun to fall, driving selling prices of goods down.

What's happening in the Chinese Market

Political factors	Chinese economy and capital expenditures have remained sluggish even after the government ended the zero-COVID-19 policy.		
Environmental policy 1	Environmental regulations to encourage a switch from coal and biofuels to natural gas	Not vigorously enforced	
Environmental policy 2	Regulatory requirements for low NOx emissions to mandate modification of burners	Not vigorously enforced	
Environmental policy 3	Stringent effluent and emission regulations to force the relocation of plants from urban to rural areas		
Environmental policy 4	Promoting the research and development of new energy sources, such as hydrogen	Their application for boilers not within sight	
Anti-poverty programs	Promoting factory agriculture and fisheries: Food-processing and mushroom-cultivation plants		
Aftermath of COVID-19	Business outlook is mixed by sector and by enterprise; a shakeup has started in some sectors.		
Food industry	Strong demand for commercial- and home-use processed food, extracts, health food	Increasingly health-conscious population	
Machinery	Demand for automobiles bolstered by government incentives and for fuel cells for EV applications seems to have peaked.		
Fabric dyeing	Production shifting to other parts of Asia		
Cardboard	Strong demand fueled by the growing popularity of home delivery services	Squeezed profit margins due to surging materials costs	
Pharmaceuticals	Strong demand for over-the-counter pills and items with health benefits, such as Chinese herbal medicine, vitamin supplements, and extracts		

The Industrial Boiler Market in China

Number of Units Sold in the Market



Changes observed in the industrial boiler market in China from 2021 to 2022

- Industrial boiler sales fell amid the weakening in capital expenditures and the pandemic.
 - ✓ More and more businesses intended to recoup their investments faster within 18 months.
- Industry sales of coal-fired boilers remained weak.
 - ✓ Sales permits were granted only to large boilers weighing 35 metric tons or more.
- Industry sales of steam generators remained strong.
- Industry sales of gas-fired boilers fell sharply.

MIURA continues to encourage industrial customers to switch from competitors' gas boilers to ours.

What's happening in 2023

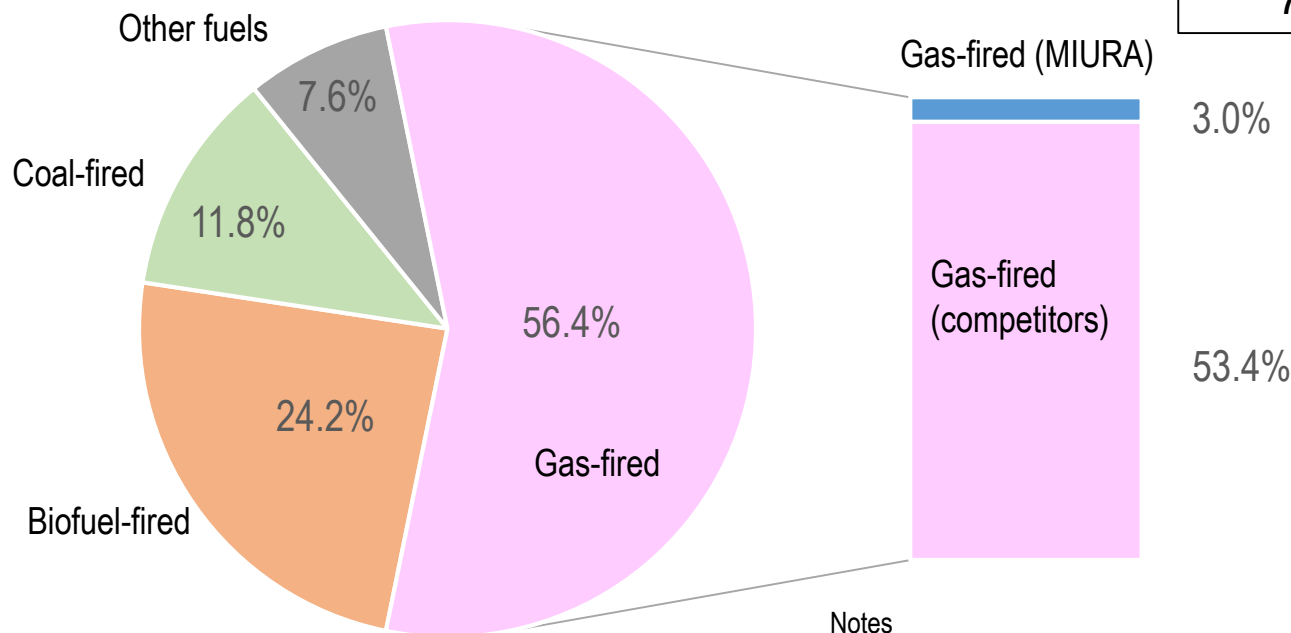
Environmental regulations are not being vigorously enforced.

MIURA's actions

- Approach prospective customers more often
- Expand offerings of energy-efficient solutions
- Expand the installed base of boilers with network connectivity to achieve greater efficiency in their maintenance

The Industrial Boiler Market in China by Type of Fuel Used

Percentage of Installed Industrial Boilers by Type of Fuel Used



Notes

- Boilers for power generation not included
- Percentages are based on total evaporation (Source: MIURA's data compiled March 2023)

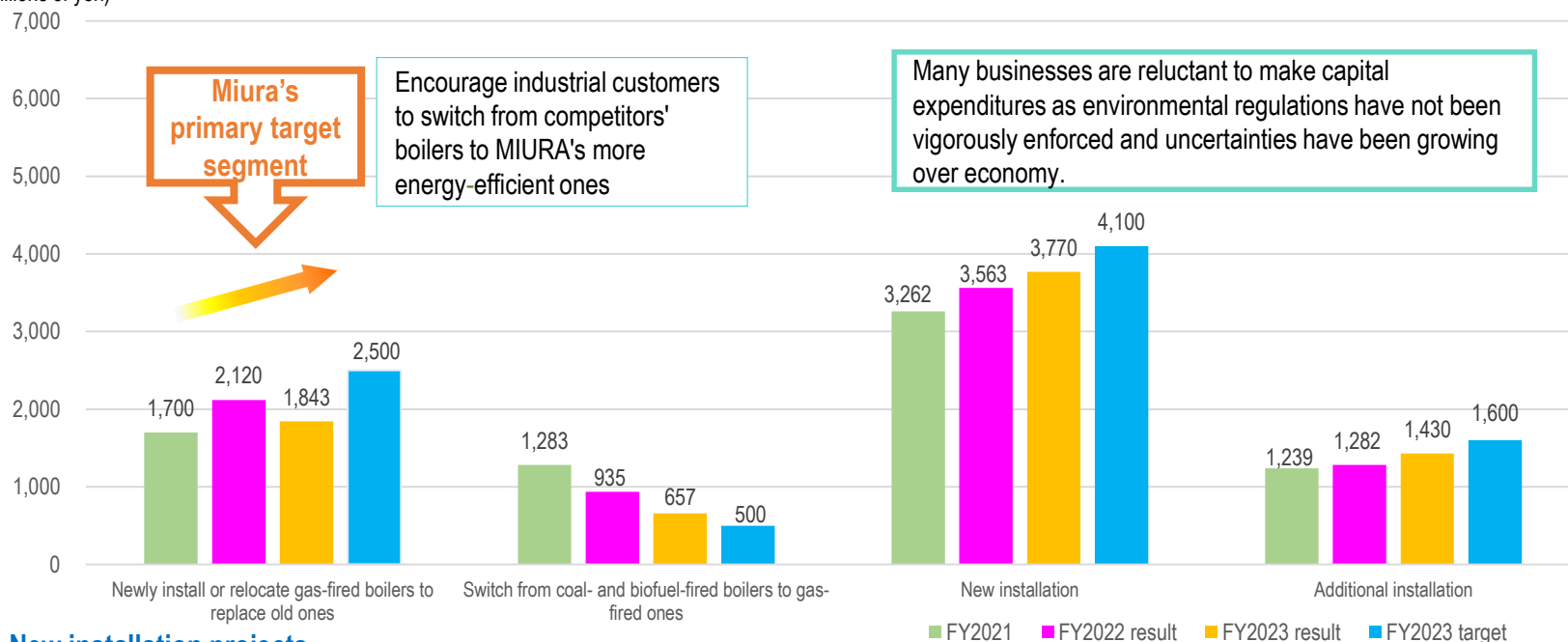
- The shift from coal-fired boilers to gas-fired boilers reduced total evaporation from 800,000 t/h in 2021 to 710,000 t/h in 2022. This is because smaller-capacity gas-fired boilers perform as well as larger-capacity coal-fired boilers.
- The growing installed base of gas-fired boilers gives us a good opportunity to pursue a conversion strategy.

Purchase Patterns for MIURA Boilers Observed among Industrial Customers

Our efforts to encourage customers to switch from competitors' gas-fired boilers to ours have not produced the intended results.

- Challenges: More and more businesses intend to recoup their investments in boilers faster, within 18 months.
- MIURA's actions:
 - ✓ Focus sales efforts on prospects more likely to benefit from boilers with greater fuel-to-steam efficiency
 - ✓ Resubmit estimates to prospects likely to recoup investments within 18 months as surging fuel costs provide competitive advantages to energy-efficient boilers
 - ✓ Give sales pitches to prospects' decision-makers to establish long-term relationships

(In millions of yen)



New installation projects

- Larger businesses are building new plants to capture the market vacated by small and medium-sized businesses that have gone out of business or bankrupt.
- More and more businesses are relocating their plants to areas where environmental regulations on effluent and chemicals are less stringent.
- Industrial customers who in the past have purchased our boilers with greater fuel-to-steam efficiency to replace old ones are more likely to place orders with us for new installations.

Sales of MIURA Boilers by Industry Sector

YoY Changes in MIURA's boiler sales to the four focused industry sectors from FY2022 to FY2023:

Sales were up for food and pharmaceuticals, flat for cardboard, and down for feed sectors.



Focused sectors updated for FY2024:

Food, dairy, chemicals (including batteries), and pharmaceuticals

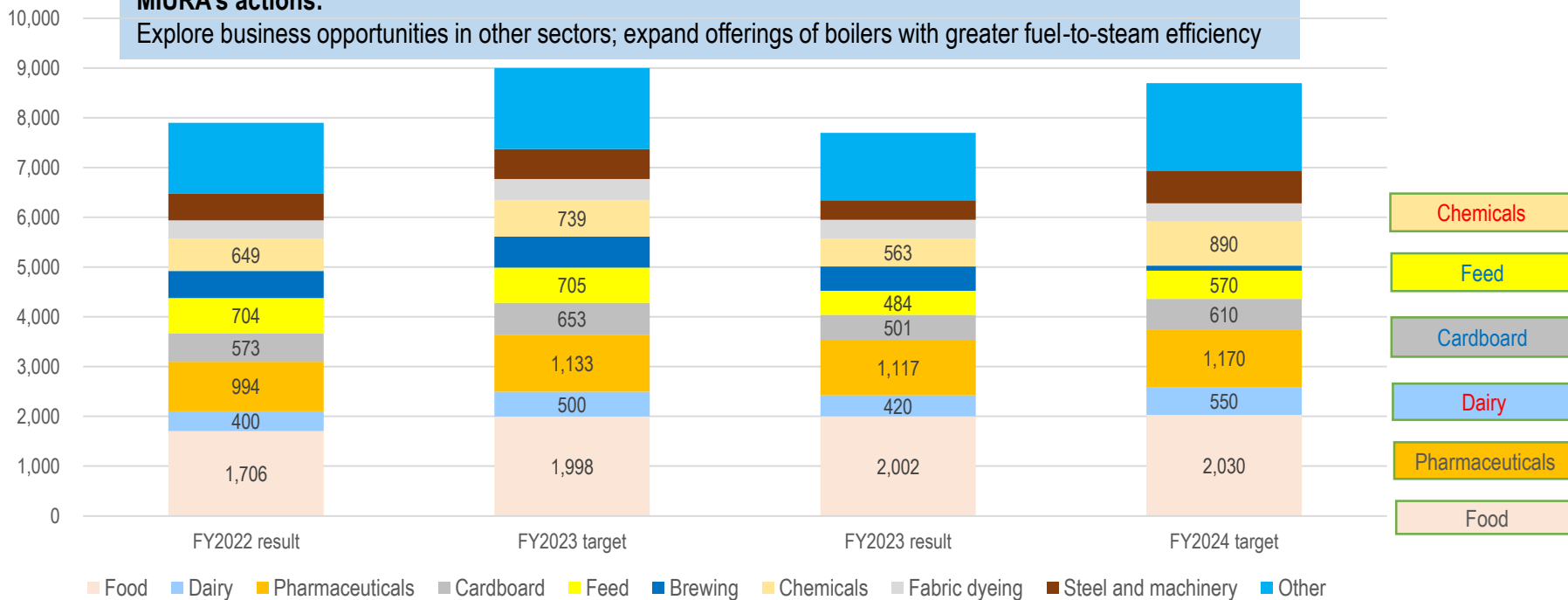
Challenges:

- Economic downturn
- Environmental regulations unlikely to be vigorously enforced anytime soon
- Feed manufacturers likely to be hit hard by surging costs of imported raw materials
- Cardboard manufacturers unable to pass on the rising costs of paperboard rolls to end customers

MIURA's actions:

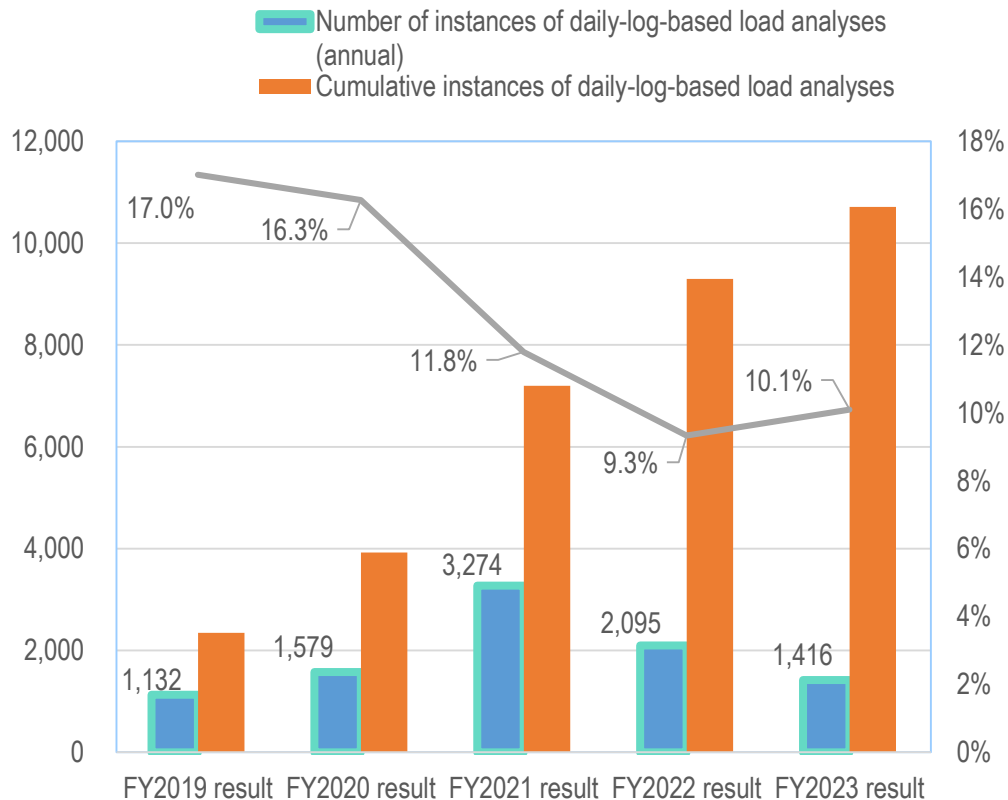
Explore business opportunities in other sectors; expand offerings of boilers with greater fuel-to-steam efficiency

(In millions of yen)



Step up sales efforts to encourage industrial customers to switch from competitors' gas-fired boilers to MIURA's gas-fired boilers that offer greater fuel-to-steam efficiency

Offer more energy-efficient boilers to customers, based on daily-log-based load analyses of competitors' boilers the customers operate



Challenges:

- Businesses are reluctant to commit to capital expenditures amid the growing economic uncertainties.
- Businesses go ahead with capital expenditures only if they are sure of recouping them within 18 months.
- Instances of load analyses declined during FY2022 and FY2023 due to travel restrictions imposed by the government amid the pandemic.

Analysis findings:

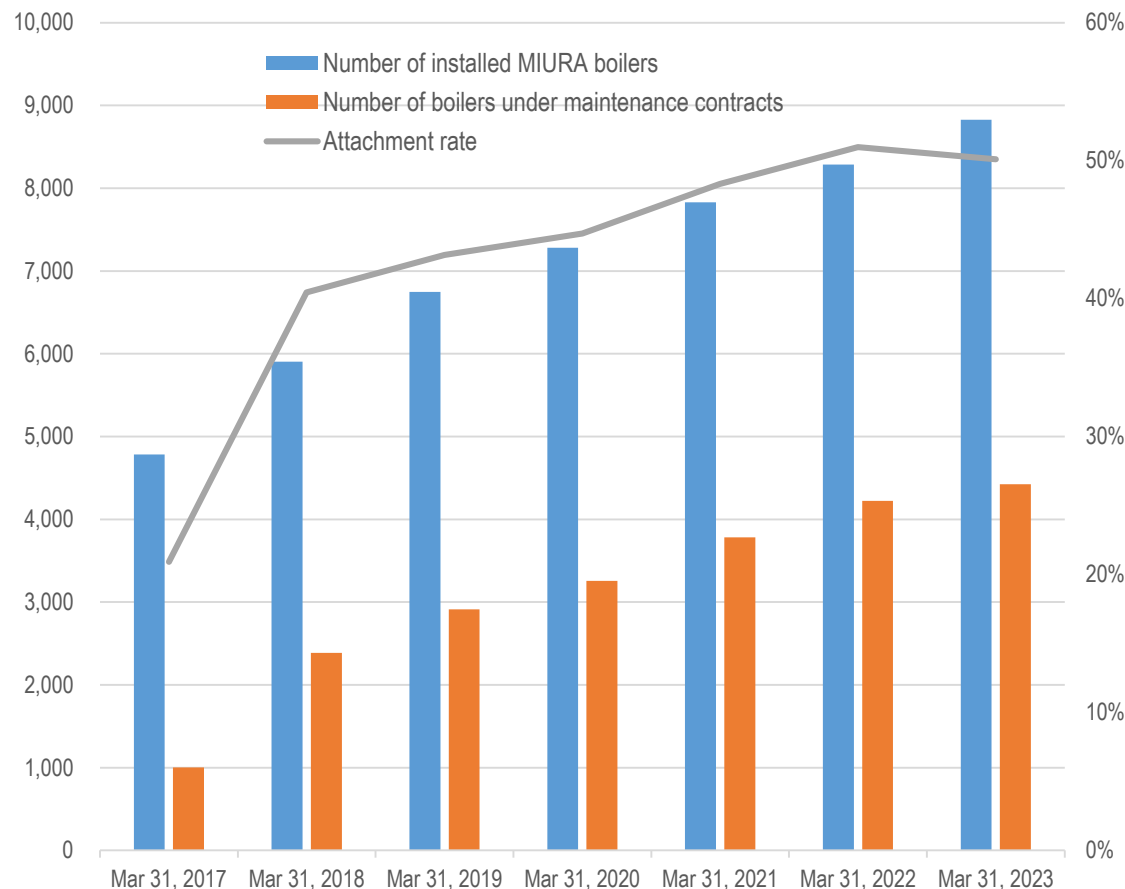
- Corporate customers more likely to recoup their investments within 18 months: 7.9%
- Corporate customers more likely to recoup their investments within 36 months: 61.7%

MIURA's actions:

- Reselect prospects for which to conduct load analyses
- Identify prospects most likely to consider our proposals amid surging fuel costs, based on accumulated findings from load analyses
- Offer a variety of options, including leasing and BOT (build, operate, transfer) schemes, that meet customers' requirements

Conduct more daily-log-based load analyses as a basis for identifying prospects to whom we offer our energy-efficient gas-fired boilers to replace existing ones

Updates on Maintenance Contracts Signed



MIURA's strategy for signing up more customers for maintenance contracts

- Started bundling maintenance contracts with initial purchase contracts of boilers in 2017.
 - Offer the first 12 months of maintenance at a discount
 - ZMP maintenance program
 - Report to a customer's decision-maker
 - Conduct load analyses and water-quality inspections
- ↓
- Result in greater customer satisfaction
- ↓
- Greater chance of renewing a maintenance contact

Actions being taken:

- Every boiler we offer customers must have network connectivity to enable online maintenance.
- ↓
- Get customer buy-in to the effectiveness of online maintenance in order to increase the renewal rate of maintenance contracts
 - Make maintenance services more efficient

5. Updates and Outlook Regarding the Group's Boiler Business in the Americas

KOJIMA Yoshihiro

Director and Executive Managing Officer
General Manager of the Global Business Headquarters
MIURA CO., LTD.

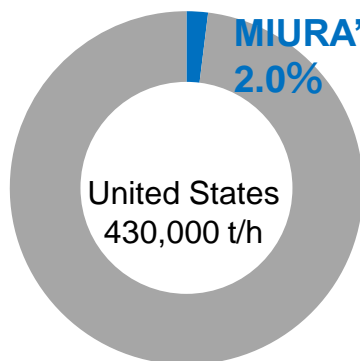
Information current as of May 23, 2023

MIURA Group's Operations in the Americas



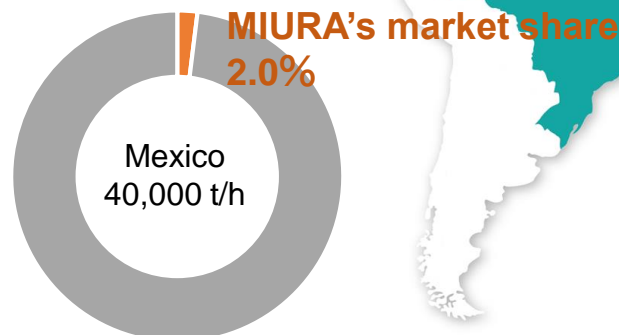
United States

No. of employees	188
No. of facilities	10 (including factories)



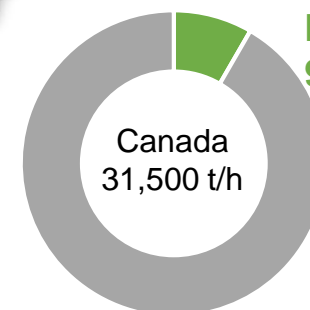
Mexico

No. of employees	35
No. of facilities	3 (including chemical factory)



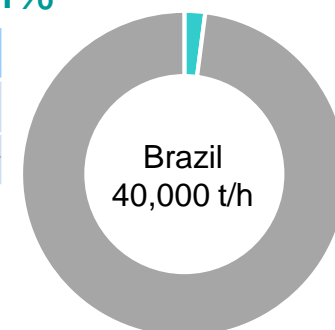
Canada

No. of employees	77
No. of facilities	3 (including factory)



Brazil

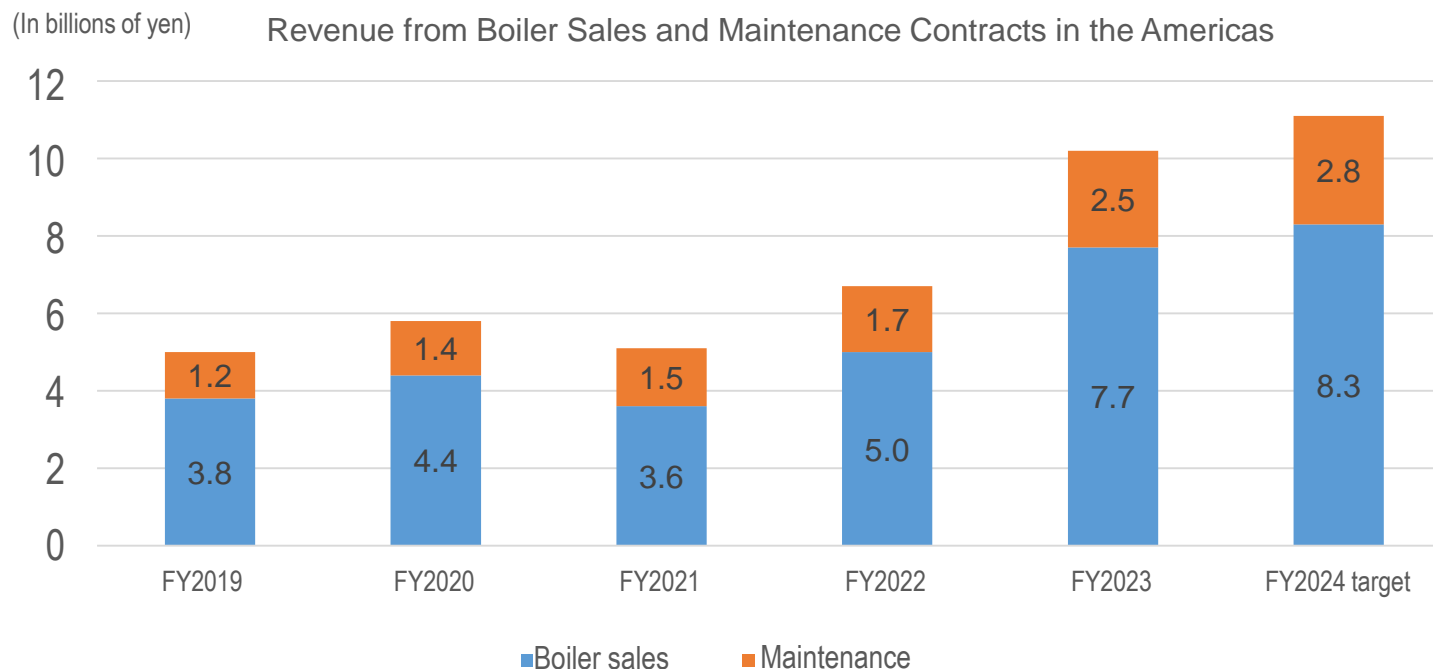
No. of employees	45
No. of facilities	1 factory



Notes

- The industrial boiler market does not include boilers for power generation.
- Market sizes and MIURA's shares are based on the total amount of evaporation (Source: MIURA's data compiled March 2023).

MIURA Group's Boiler Business in the Americas



FY2023

- Boiler sales in the United States were up from the previous year. Sales rebounded from the COVID-19 pandemic in Brazil, Canada, and Mexico.
- Price hikes and favorable foreign exchange rates bolstered revenue from boiler sales significantly. Revenue from maintenance contracts was also up year on year.

FY2024

- We intend to increase our boiler sales in the Americas by continuing to encourage corporate customers to switch to boilers with greater energy-saving performance.
- We also intend to improve profitability of operations in Canada and the United States by signing up more corporate customers for maintenance and water-treatment packages.

Shared objective of MIURA's boiler business in the Americas and challenges in each market: Sales strategy

Establish a foundation for the maintenance business and focus sales efforts on selected customers, while pursuing sales strategy tailored to each market

United States

1. Work more closely with current distribution partners (pursue a shared business model)
2. Sign up with additional distributors
3. Discontinue hot-water boilers and low-pressure boilers. Shift sales efforts to larger-capacity boilers
4. Raise selling prices of products in line with inflation

Canada

1. Shift sales efforts from small accounts to larger accounts
2. Bundle maintenance and water-treatment packages with every boiler to be sold

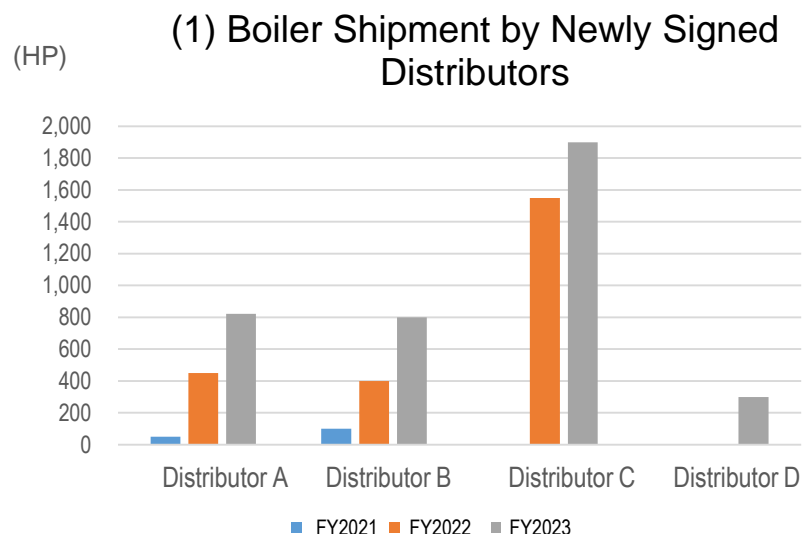
Mexico

1. Continue to focus sales efforts on tequila producers

Brazil

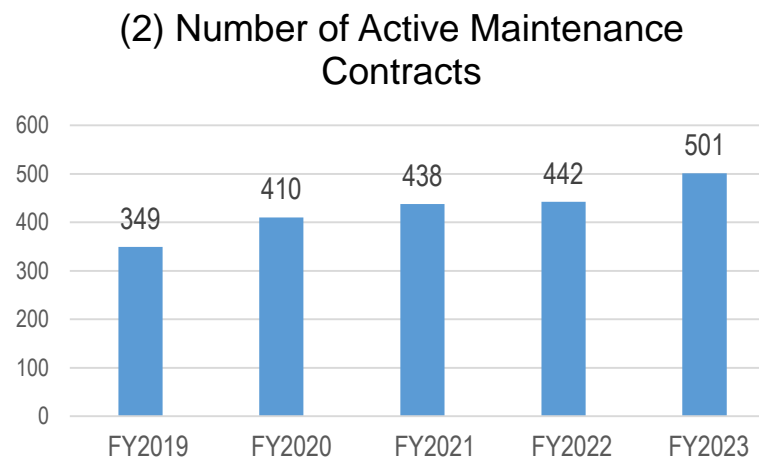
1. Continue to focus sales efforts on customers in pharmaceutical and a few other industries to achieve higher closure rates

We have taken three actions to improve our business performance in the United States: (1) Signing up with additional distributors; (2) Signing up more customers for maintenance contracts; and (3) Raising selling prices of products.



Newly signed distributors helped bolster boiler sales.

Note: Horsepower (HP) is a unit of energy.



Aggressive sales efforts, combined with greater collaboration with distributors, have been driving up the number of active maintenance contracts with customers.

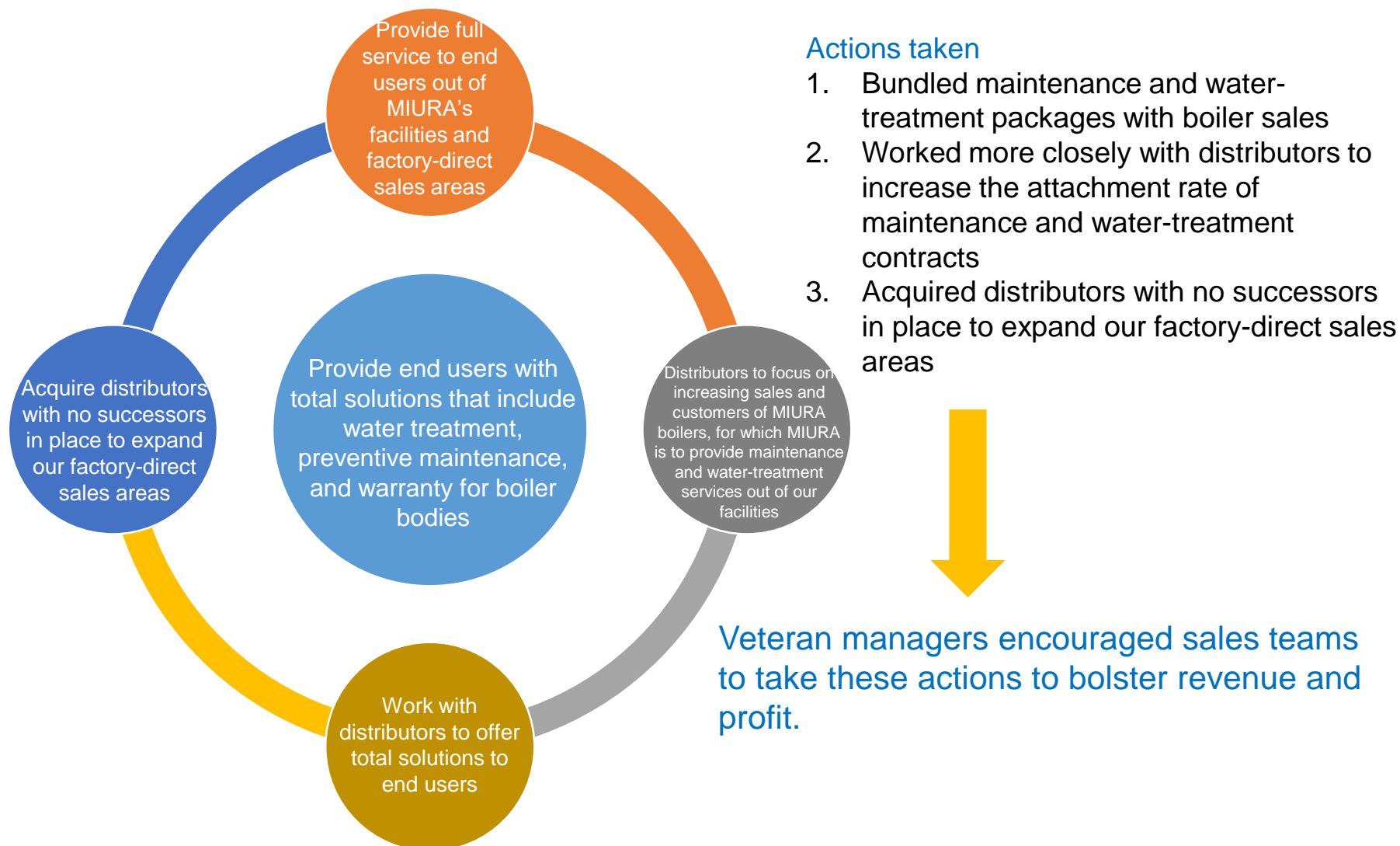
(3) Raising selling prices of products (Example)

	Mar 2018	Mar 2019	Apr 2020	Oct 2021	Apr 2022	Nov 2022	Jun 2023
LX-300	100	105	108	116	125	133	135

We have been raising the selling price of the model LX-300 in line with inflation, partly to improve our bottom line.

Note: The starting price as of March 2018 was set as 100.

Actions taken to bolster our maintenance business in the United States



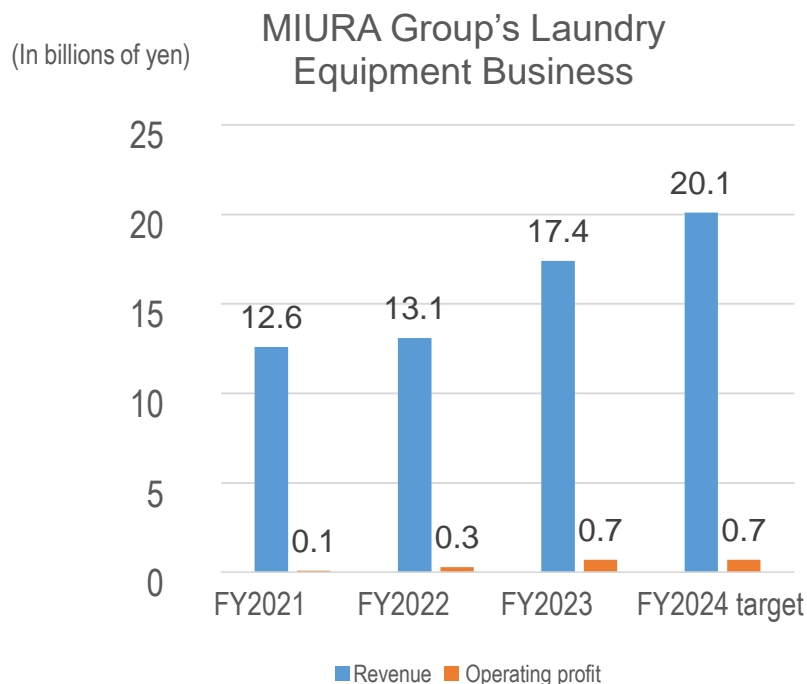
6. Updates and Outlook Regarding the Group's Laundry Equipment Business

YONEDA Tsuyoshi

Director and Executive Managing Officer
General Manager of the Laundry Business Headquarters
MIURA CO., LTD.

Information current as of May 23, 2023

Business Results for FY2023 and Plan for FY2024



Business results for FY2023

1. Achieved year-on-year increases in revenue and operating profit.
2. Industrial laundry service providers began to resume upgrading their outdated equipment after a pause during the pandemic.
3. Yabusame Co., Ltd., which markets industrial laundry equipment in Japan, became a consolidated subsidiary of MIURA Co., Ltd.

Outlook and Plan for FY2024

1. We expect to achieve year-on-year revenue growth with operating profit remaining flat.
2. Industrial laundry service providers are expected to continue to upgrade their equipment, which will be a plus to our business
3. We plan to increase product prices, which will have a time-delayed effect on our revenue, due to the elapsed time between order receipt and shipment/billing.
4. Materials costs expected to keep rising, affecting our profit margin.
5. Field sales expected to become more active, driving sales expenses up.

Industrial laundry service market: Hotel linen service providers were hit hard by the COVID-19 pandemic.

Home laundry services

Professional cleaning of:

- Suits
- Dress shirts
- Skirts
- Dresses



Hotel linen services

Rental and cleaning of:

- Bed sheets
- Towels
- Pillowcases
- Pajamas



Hospital linen services

Rental and cleaning of:

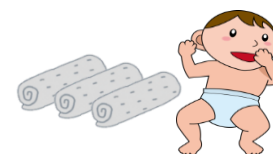
- Blankets, sheets, comforter covers
- Towels
- Patient gowns
- Mattresses



Rental hot towels and diapers

Rental and cleaning of:

- Oshibori (wet hand towels)
- Diapers



Dust control

Rental and cleaning of:

- Mops
- Doormats
- Roll towels
- Dusters



In-house laundries

Laundry equipment installed in:

- Nursing-care centers
- Hot baths
- Factories
- Breweries
- Hospitals



Self-service laundries

Washers and dryers for:

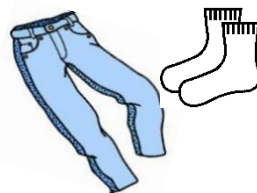
- Coin laundries



Textile processing

Dyeing and stone-washing of:

- Jeans
- Socks
- Pantyhose



Uniforms

Rental and cleaning of uniforms for:

- Hospitals (scrubs, white coats)
- Auto shops
- Chip plants
- Food factories and restaurants
- Convenience stores



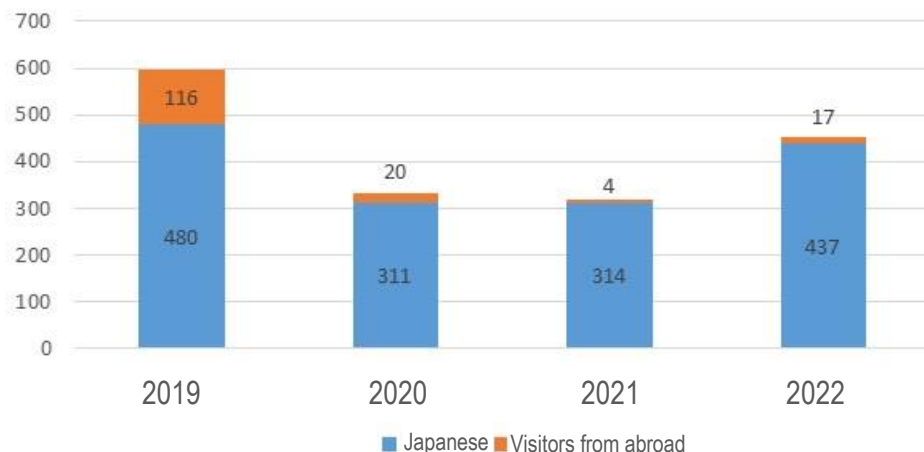
Other services

Rental and cleaning of textile products and building materials for:

- Railways and airlines
- Taxi companies
- Building materials companies
- Livestock companies
- Sugar companies

Market Environment: Total Number of Overnight Hotel Guests in Japan

(In millions) Total Number of Overnight Hotel Guests in Japan








(In millions)

	2019	2020	2021	2022
Japanese	480	311	314	437
Visitors from abroad	116	20	4	17
Total	596	332	318	454

Source: "Overnight Travel Statistics Survey" published by the Japan Tourism Agency

- The total number of overnight hotel guests reached 454 million (437 million Japanese and 17 million visitors from abroad) in 2022. This was 23.8% below the pre-pandemic level of 2019 (-9.0% for Japanese and -85.5% for visitors from abroad), indicating that the number of Japanese hotel guests returned close to the 2019 level.
- In March 2023, the total number of hotel guests was only 2.8% below the level of the same month of 2019 (+0.5% for Japanese and -17% for visitors from abroad). This indicates foreign visitor numbers began to show signs of returning to normal.
- The total number of hotel guests has begun to show signs of rebound as the pandemic is finally settling down. The demand for hotel linen services has been picking up, increasing the need for service providers to upgrade their outdated laundry equipment.

Market Environment: We have more opportunities than challenges.

No.	Changes in market environment	Impact on MIURA's business
1	Business and leisure travel numbers are returning to normal. ● Laundry service providers increasingly need to upgrade their laundry equipment to achieve greater productivity.	
2	Rising facility construction costs ● Some service providers have postponed building new laundry facilities.	
3	Soaring energy costs and the rising need to pursue low-carbon or carbon-free solutions ● Service providers are willing to invest in switching to more energy-efficient equipment and systems	
4	Increasing need to streamline and automate laundry operations to address labor shortages ● Offer solutions for streamlining and automating laundry operations	
5	Soaring materials costs ● Unable to pass on the rising materials costs, which has negatively affected our bottom line	

Partnership between the MIURA Group and JENSEN-GROUP



Jointly offer energy-efficiency and automation solutions to laundry service providers

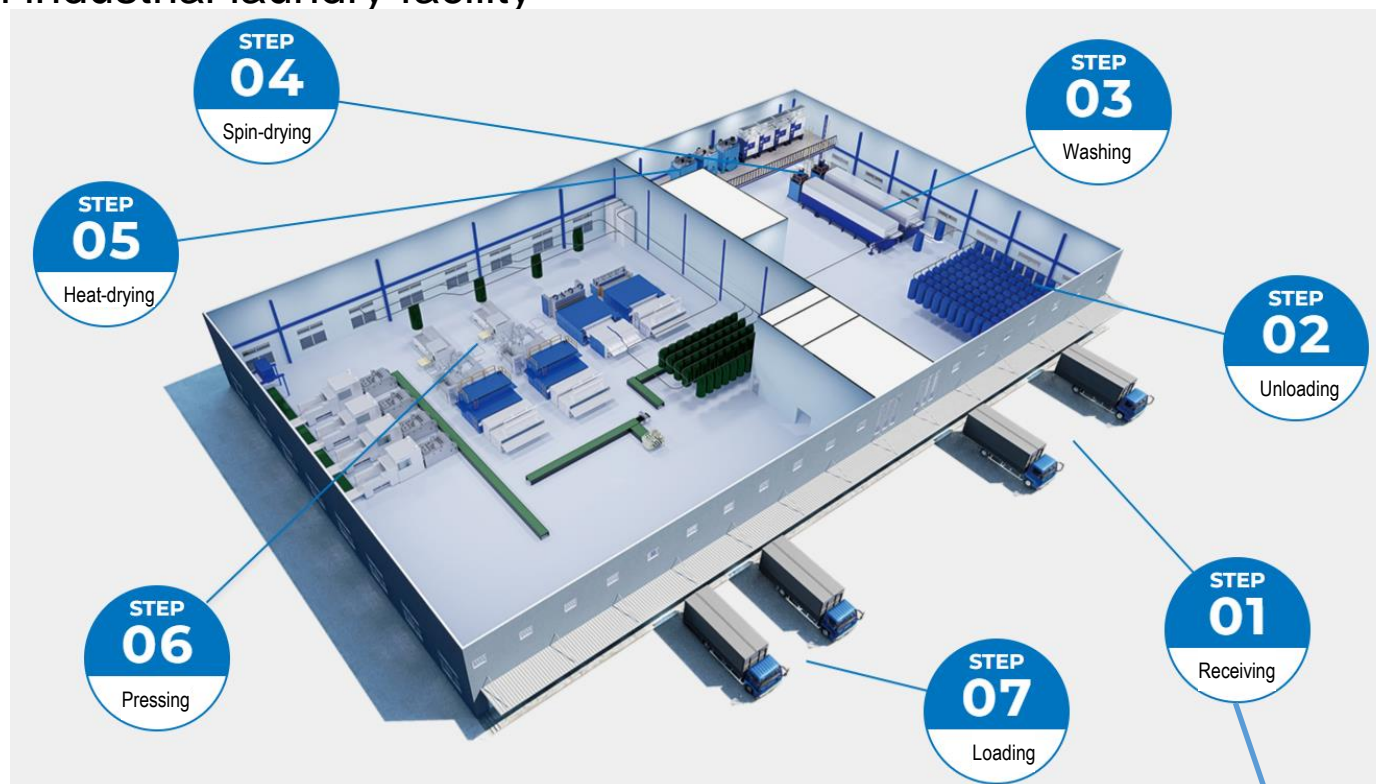
- MIURA Group: Leverages its proprietary energy and water solutions to offer energy-efficient equipment and systems that make greater use of exhaust heat.
- JENSEN-GROUP: Leverages its robotics technology to offer automated laundry systems that address the need to improve productivity amid labor shortages at industrial laundry facilities.

About JENSEN-GROUP

(1) Company name	JENSEN-GROUP NV		
(2) Head office	Neerhonderd 33 Wetteren Belgium		
(3) Headed by	Jesper Munch Jensen, Chief Executive Officer		
(4) Primary business	Manufacture, sales, maintenance, and after-sale service of industrial washing machines (automated laundry systems, washers, dryers, pressers)		
(5) Capital	30.7 million euro		
(6) Established	April 23, 1990		
(7) Consolidated financial results based on IFRS			
Fiscal year	Ended December 31, 2019	Ended December 31, 2020	Ended December 31, 2021
Net assets	132 million euro	136 million euro	155 million euro
Total assets	277 million euro	278 million euro	330 million euro
Net assets per share	17 euro	17 euro	20 euro
Revenue	332 million euro	245 million euro	260 million euro
Operating result	23 million euro	13 million euro	21 million euro
Profit	15 million euro	7 million euro	14 million euro

- MIURA acquired a 20% stake in JENSEN-GROUP NV and converted its consolidated subsidiary INAX Corporation into a joint venture between the two companies in April 2023.
- JENSEN-GROUP is a leading global manufacturer of industrial laundry equipment that operates in Europe and elsewhere and offers end-to-end laundry technology solutions for washing, drying, pressing, and transporting of garments. **Its competitive advantages lie in products and technologies for streamlining and automating industrial laundry operations.**

JENSEN-GROUP's automated sorting system installed in the unloading area of an industrial laundry facility



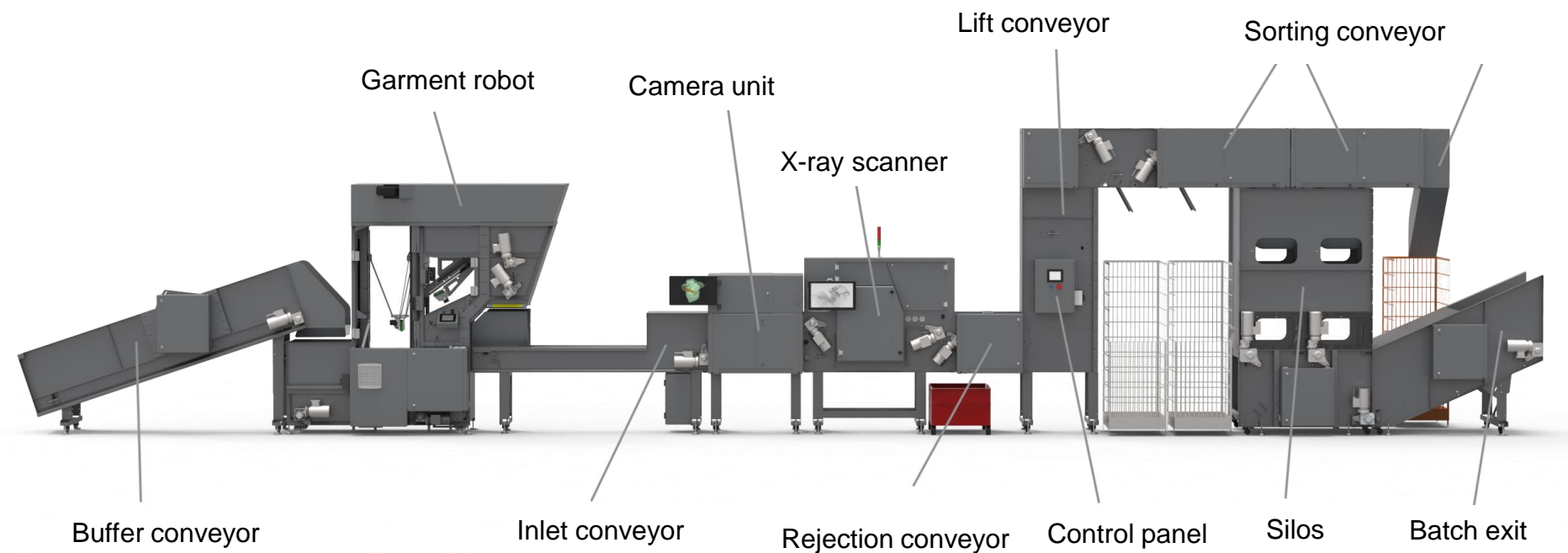
Manually sorting soiled linen items collected from hotels and hospitals before washing is labor-intensive and may be unsanitary.



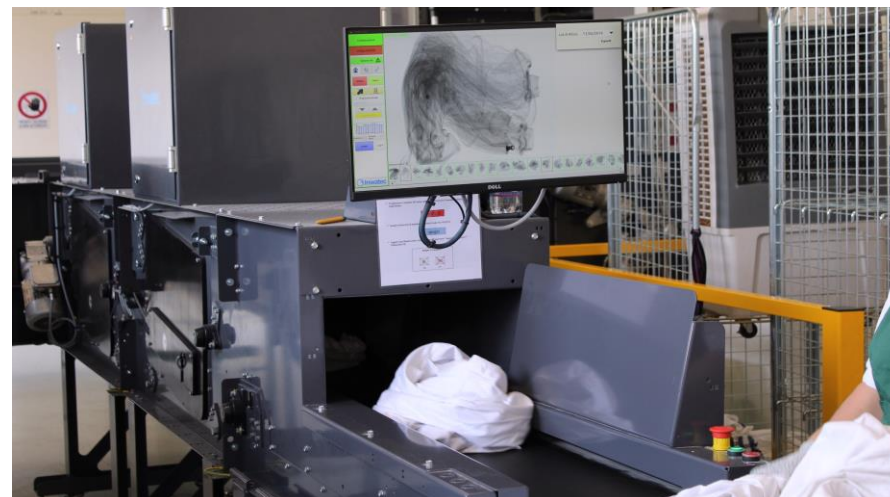
Automated linen sorting resolves the issues of labor shortage and worker sanitation.



JENSEN-GROUP's automated foreign-object detection and sorting system for white coats



JENSEN-GROUP's automated foreign-object detection and sorting system for white coats

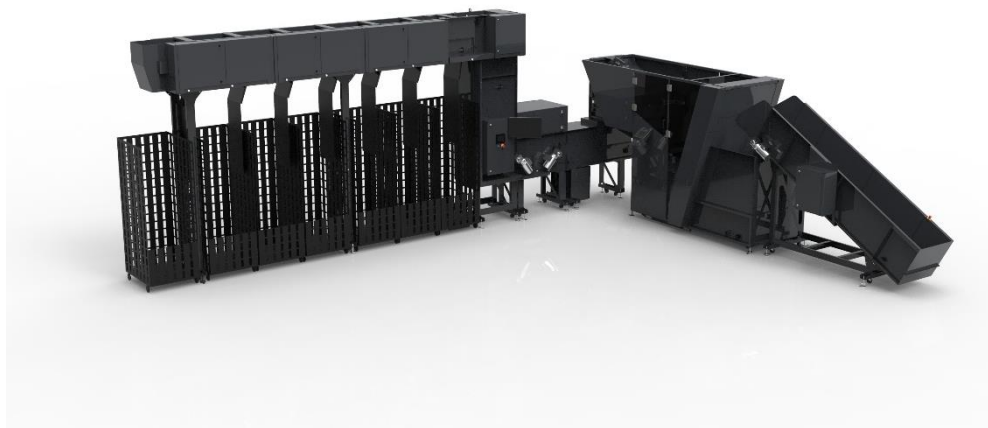


Fully automated foreign-object detection and garment sorting

- Automatic detection of foreign objects—such as pens, needles, and tape rolls—contained in soiled garments. Buttons and zippers on garments are not rejected.
- AI self-learning to continually improve detection and sorting performance
- Capable of sorting 2,200 garments per hour
- RFID* reader for automated sorting

*RFID: Radio frequency identification. A form of wireless communication that uses an IC tag to uniquely identify an object

JENSEN-GROUP's automatic vision identification and sorting system



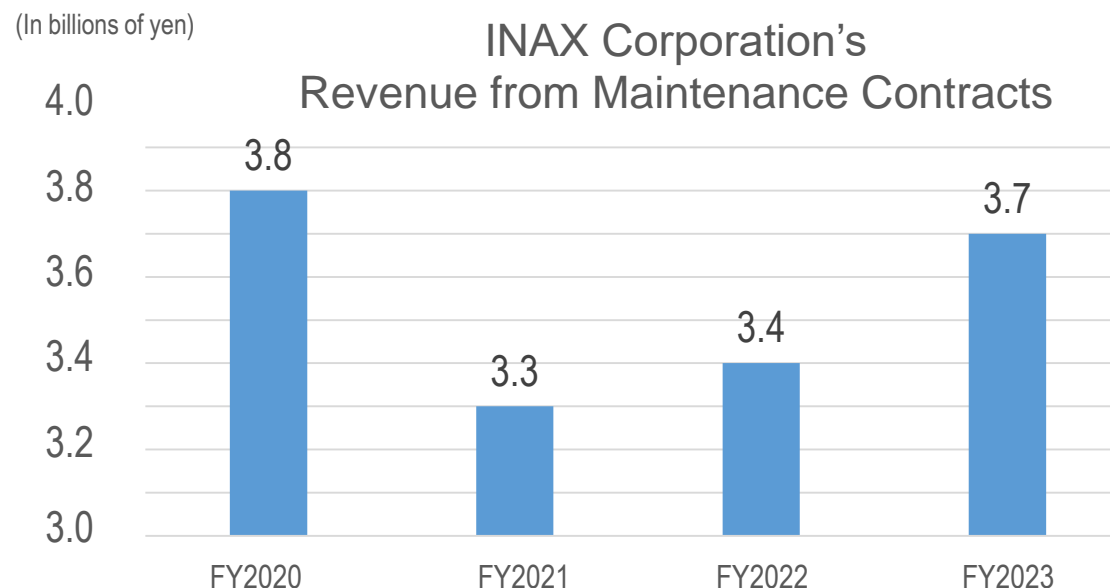
- High-resolution camera unit to identify and sort untagged linens and garments by size, color, and pattern
- Volume scanner
- AI self-learning to continually improve sorting performance



JENSEN-GROUP's automatic vision identification and sorting system

Color				Identify linen items by distinctive color, such as blue, green, red, and white
Pattern				Identify linen items by distinctive colored patterns on the entire surface
Texture				Identify linen items with identical colors and patterns by texture (capable of detecting the difference in texture between a flat sheet and a towel)
Size				Volume scanner identifies linen items with identical colors and patterns by size

Equipment Maintenance Business

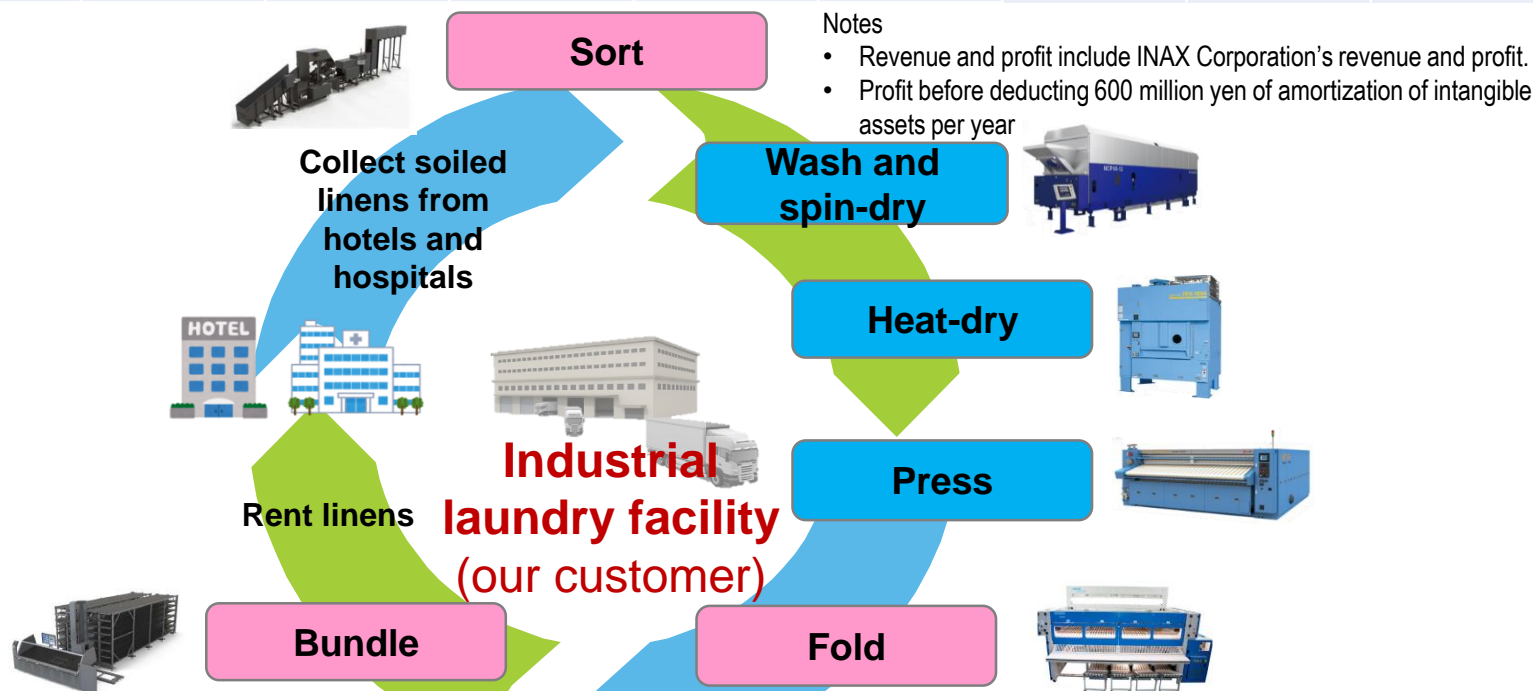


- Offered commercial laundry service providers a routine inspection program to reduce the chance of sudden equipment failure. Maintenance revenue for FY2023 returned close to the pre-COVID-19 level.
- The need for routine equipment maintenance is expected to grow as laundry operations become more streamlined and automated. We will continue our efforts to sign up more customers for maintenance contracts.

MIURA Group's Revenue and Profit from the Laundry Business

(In billions of yen)

	FY2019 result	FY2020 result	FY2021 result	FY2022 result	FY2023 result	FY2024 target	FY2025 target	FY2026 target
Revenue	20.0	19.0	12.6	13.1	17.4	20.1	19.9	21.3
Operating profit	1.3	1.0	0.1	0.3	0.7	0.7	1.1	1.3



- Create demand for solutions for streamlining and automating labor-intensive linen sorting and bundling processes
- Offer integrated end-to-end industrial laundry solutions
- Meet growing needs for maintenance among laundry service providers that switch to automated operations



Maximize value
propositions to
customers

Technology with heart.

Products with heart.

Services with heart.

Asking ourselves what we can do;

This is our foundation.

Ideas with heart.



7. Appendix

1. Consolidated Revenue by Operating Segment
2. Revenue from Operations in Japan by Business Line
3. Consolidated Operating Profit by Operating Segment
4. Revenue by Region
5. Consolidated Cash Flows
6. Capital Expenditures, Depreciations and Amortizations, Research and Development Expenses
7. Currency Exchange Rates

Note: Business results and forecasts of INAX Corporation are presented separately as supplementary information in the following pages, as INAX became an equity-method affiliate of the Company effective FY2024.

1. Consolidated Revenue by Operating Segment

(In billions of yen)

	FY2020 results	Percentage	FY2021 results	Percentage	FY2022 results	Percentage	FY2023 results	Percentage	FY2024 guidance	Percentage
Equipment Sales Business in Japan	64.3	45%	60.4	45%	63.1	44%	66.1	42%	68.9	45%
Maintenance Business in Japan	33.0	23%	34.7	26%	37.0	26%	38.6	24%	40.0	26%
Laundry Equipment Business	19.0	13%	12.5	9%	13.1	9%	17.4	11%	2.7	2%
Equipment Sales Business outside Japan	20.7	14%	19.7	15%	22.4	16%	26.5	17%	29.7	20%
Maintenance Business outside Japan	6.4	5%	7.1	5%	7.7	5%	9.5	6%	10.2	7%
Total	143.6	100%	134.7	100%	143.5	100%	158.3	100%	151.5	100%
Supplementary information: Revenue of INAX Corporation	19.0	-	12.5	-	13.1	-	15.0	-	17.4	-

2. Revenue from Operations in Japan by Business Line

(In billions of yen)

	FY2020 results	Percentage	FY2021 results	Percentage	FY2022 results	Percentage	FY2023 results	Percentage	FY2024 guidance	Percentage
Boilers	63.5	55%	60.0	56%	64.8	57%	67.4	55%	69.7	62%
Water-treatment equipment	4.0	3%	4.6	4%	6.4	6%	7.6	6%	8.2	8%
Marine equipment	11.4	10%	11.7	11%	9.6	8%	9.8	8%	9.8	9%
Food and medical equipment	11.3	10%	11.3	10%	12.6	11%	12.9	11%	13.5	12%
Laundry Equipment Business	19.0	16%	12.6	12%	13.1	12%	17.4	14%	2.7	2%
Others (including special-purpose equipment, new businesses, and environmental business)	7.2	6%	7.5	7%	6.8	6%	7.2	6%	7.7	7%
Total	116.4	100%	107.7	100%	113.3	100%	122.3	100%	111.6	100%
Supplementary information: Revenue of INAX Corporation	19.0	-	12.6	-	13.1	-	15.0	-	17.4	-

3. Consolidated Operating Profit by Operating Segment

(In billions of yen)

	FY2020 results	Percentage	FY2021 results	Percentage	FY2022 results	Percentage	FY2023 results	Percentage	FY2024 guidance	Percentage
Equipment Sales Business in Japan <i>Operating margin</i>	5.1 8.1%	29%	4.8 8.1%	27%	5.8 9.2%	30%	6.8 10.3%	31%	7.0 10.2%	32%
Maintenance Business in Japan <i>Operating margin</i>	9.4 28.5%	51%	9.5 27.4%	53%	9.6 26.0%	50%	10.1 26.3%	46%	10.5 25.9%	47%
Laundry Equipment Business <i>Operating margin</i>	1.0 5.6%	5%	0.17 1.4%	1%	0.3 2.5%	1%	0.7 4.0%	3%	0.1 3.7%	1%
Equipment Sales Business outside Japan <i>Operating margin</i>	2.1 10.2%	11%	2.0 10.4%	11%	2.3 10.5%	12%	2.9 11.2%	14%	3.0 10.1%	13%
Maintenance Business outside Japan <i>Operating margin</i>	0.7 12.1%	4%	1.2 17.2%	8%	1.3 16.9%	7%	1.3 14.6%	6%	1.5 14.7%	7%
Total <i>Operating margin</i>	18.5 12.9%	100%	17.8 13.3%	100%	19.4 13.5%	100%	21.9 13.8%	100%	22.1 14.6%	100%
Supplementary information: Operating profit of INAX Corporation <i>Operating margin</i>	1.0 5.6%	-	0.17 1.4%	-	0.3 2.5%	-	0.6 4.0%	-	0.6 3.4%	-

4. Revenue by Region

(In billions of yen)

	FY2020 results	Percentage	FY2021 results	Percentage	FY2022 results	Percentage	FY2023 results	Percentage	FY2024 guidance	Percentage
Japan	116.4	81%	107.7	80%	113.3	79%	122.3	77%	111.6	74%
The Americas	5.7	4%	5.1	4%	6.7	4%	10.2	6%	11.1	7%
South Korea	8.1	6%	7.8	6%	8.0	6%	9.0	6%	9.4	6%
China	8.5	6%	9.9	7%	10.4	7%	10.4	7%	11.8	8%
Other regions	4.9	3%	4.1	3%	5.1	4%	6.5	4%	7.6	5%
Subtotal	27.2	19%	26.9	20%	30.2	21%	36.1	23%	39.9	26%
Total	143.6	100%	134.6	100%	143.5	100%	158.4	100%	151.5	100%
Supplementary information: Total revenue including that of INAX Corporation	143.6	-	134.6	-	143.5	-	158.4	-	168.9	-

5. Consolidated Cash Flows

(In millions of yen)

	FY2019 results	FY2020 results	FY2021 results	FY2022 results	FY2023 results
Net cash generated from operating activities	17,134	18,121	22,982	19,442	17,844
Net cash generated from (used in) investing activities	(2,552)	(10,300)	(11,073)	(14,481)	(12,535)
Free cash flows	14,582	7,821	11,909	4,961	5,309
Net cash generated from (used in) financing activities	(7,064)	(8,978)	(7,991)	(3,263)	(13,766)

6. Capital Expenditures, Depreciations and Amortizations, Research and Development Expenses

(In millions of yen)

	FY2019 results	FY2020 results	FY2021 results	FY2022 results	FY2023 results
Capital expenditures (right-of-use assets not included)	4,478	4,570	3,646	3,847	2,868
Depreciations and amortizations	3,678	6,580	6,733	6,879	7,033
Research and development expenses	3,728	3,578	3,165	2,905	3,353

7. Currency Exchange Rates

Average rate in JPY during period

Currency	FY2020 results	FY2021 results	FY2022 results	FY2023 results	YoY change	Rates used for internal planning for FY2024
1 USD =	108.70	106.10	112.39	135.50	+20.6%	137.00
1 CAD =	81.73	80.34	89.65	102.47	+14.3%	103.00
1 yuan =	15.60	15.68	17.51	19.75	+12.8%	19.80
1 NTD =	3.54	3.67	4.03	4.46	+10.7%	4.40
100 won =	9.21	9.17	9.64	10.37	+7.6%	10.30
100 Rp =	0.77	0.73	0.79	0.90	+13.9%	0.91
1 BRL =	26.52	19.65	21.04	26.28	+24.9%	26.30
1 MXN =	5.60	4.93	5.53	6.90	+24.8%	7.10
1 THB =	3.51	3.42	3.44	3.84	+11.6%	3.70


8. Supplementary Information: Planning Basis for MTMP for FY2024-2026

Predicted Business Environments

Business Environments in Japan

- ❑ The commercial steam boiler market is expected to wane until FY2031, after which the market is predicted to shrink at an accelerated pace.
 - While the mainstream steam boiler market is predicted to contract due to shrinking population and the growing need to curb CO₂ emissions, we expect the demand for MIURA boilers with clear competitive advantages to remain strong through FY2026.
- ❑ A low-carbon transition, rather than an aggressive carbon-free transition, is the name of the game for the next few years.
 - A complete switch to hydrogen fuels and other carbon-free energy sources is unlikely to happen in the commercial boiler market by FY2026. Comprehensive low-carbon solutions for boilers and supporting equipment will become increasingly in demand among industrial customers.

Business Environments outside Japan

- ❑ The commercial boiler market, which is subjected to regulatory scrutiny and control that varies from country to country, will undergo changes at varying degrees in each country.
 - Our competitors are operating in increasingly challenging business environments.
 - The need to develop technology solutions for boilers powered by low- and zero-emission energy sources is growing. A shake-up is inevitable in the boiler industry.
- ❑ Efforts on carbon-free energy solutions vary from country to country, depending on how the energy situation plays out in each country.
 - The pace for achieving carbon neutrality varies greatly from country to country.

Key Strategic Objective

Leverage the Group's extensive experience and expertise in every aspect of business to offer upgraded total solutions to customers

Building a stronger trust and broader relationships with customers

Key Initiatives

Carbon neutrality

Offer diverse, environmentally responsible solutions by achieving the right balance between encouraging customers to make the most of their existing equipment and preparing them to switch to low-emission energy sources

Global operations

- Focus sales and marketing efforts on selected promising industries, and approach multinationals for potential business
- Establish offices and offer carbon-neutral solutions in Europe and other regions in which we have no presence today

ESG

E: Make existing lines of boilers more energy efficient and develop boilers powered by low- and zero-emission energy sources
S: Update talent management policies and practices with a focus on achieving greater diversity and inclusion
G: Monitor and track governance practices in each department and via review meetings

Growth Strategy

Basic strategy (organic approach)

Offer upgraded total solutions to customers

to support an entire utility infrastructure of their factories and help them achieve greater energy efficiency and reduce CO₂ emissions

Offer one-stop maintenance services

that cover boilers and other equipment and make the most of operation data on non-MIURA equipment in use on customers' premises

Make the talent base more robust

by providing training, updating performance appraisal policy, and offering the right assignments and positions

Expand business domains and launch new business to accelerate growth

Supporting strategy (leveraging approach)

- Expand business domains through M&A
- Broaden product lines through partnerships

Compressors, heat pumps, industrial laundry equipment

- Step up R&D and technology transfers
- Invest in startups and ventures

New business

Use DX solutions to add more value to the basic strategy and supporting strategy

DX solutions

Make the IT infrastructure more robust

Upgrade the enterprise system

Proactive

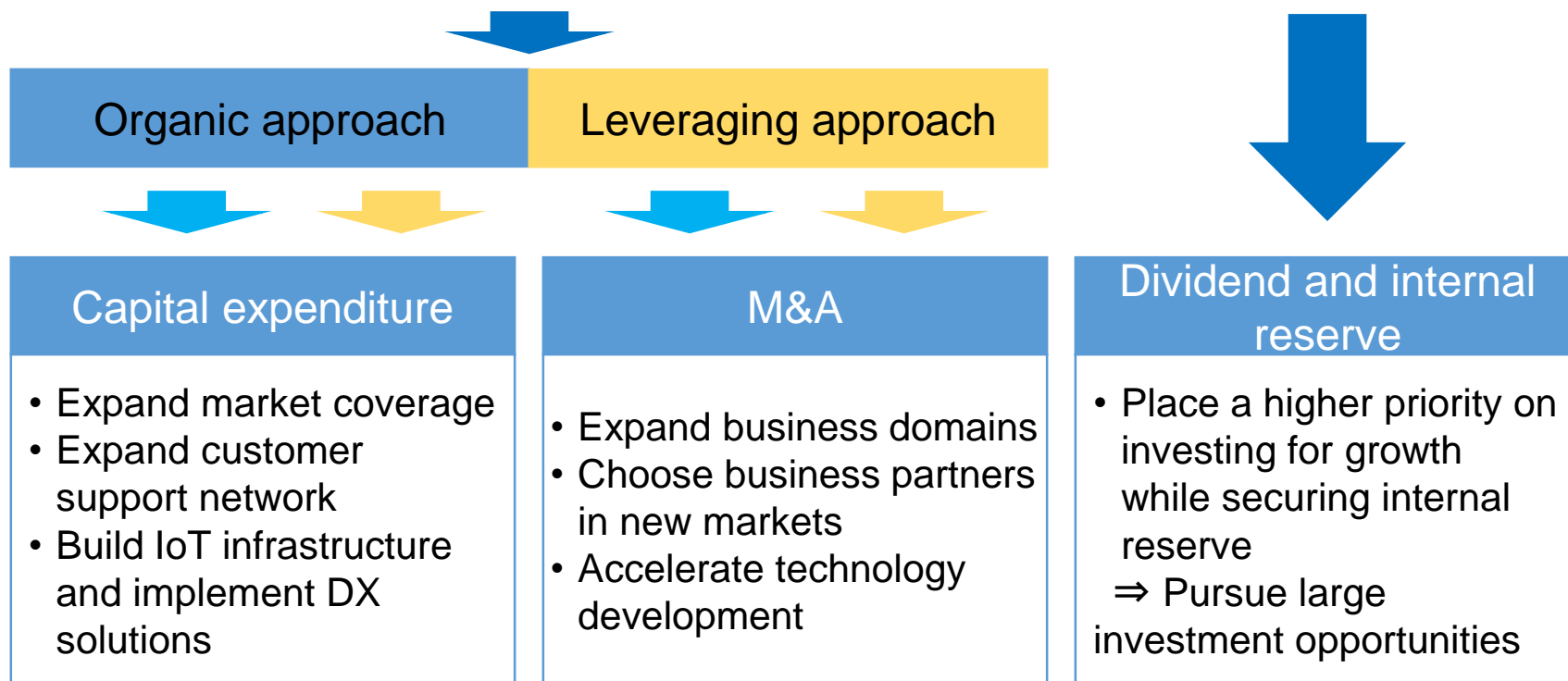
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Reactive

Capital Allocation Policy for FY2024-2026

- **Place a high priority on investing in business domains most relevant and complementary to our existing business lines**
- **Invest aggressively in enhancing our existing business lines and developing new products and services**

Cash generated from operating activities: 70 billion yen for the medium term



Achieve greater capital efficiency

Achieve ROE of
10% or more

- Increase ROIC through organic approach
- Use WACC to make investment and other business decisions

DX solutions

Shift employees' focus from mundane, repetitive tasks to **value-added** tasks

Total solutions

Offer customers **value-added** solutions not just for stand-alone products but for an end-to-end system

One-stop maintenance services

Offer customers **value-added** services by field engineers for a broader range of connected products efficiently

Monitoring of outcomes

Establish an internal hurdle rate by which to monitor and evaluate the progress and outcomes of capital expenditures and R&D projects

The Best Partner of
Energy, Water and Environment



For inquiries, contact:

Management Planning Department
MIURA CO., LTD.

TEL: +81-89-979-7045

FAX: +81-89-979-7011

URL <https://www.miuraz.co.jp/en/>