

Earnings Briefing

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2024, and Updates on Growth Strategy

May 28, 2024

**YONEDA Tsuyoshi**  
President, CEO & CTO  
MIURA CO., LTD.

The Best Partner of  
Energy, Water and Environment



1	Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (FY2024)	3
2	Medium-Term Management Plan for FY2025-2027	5
3	Long-Term Strategic Road Map	8
4	Dividend Guidance	12
5	MIURA Global Strategy	14
6	Appendix	37

## 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, 2024 (FY2024)

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**YONEDA Tsuyoshi**  
President, CEO & CTO  
MIURA CO., LTD.

(In billions of yen unless otherwise indicated)

Based on IFRS	FY2023 result	FY2024 result	YoY change	FY2024 initial guidance	FY2025 initial guidance
Revenue	158.3	159.6	+1.3	151.5	175.5
Operating profit	21.9	23.0	+1.1	22.1	25.6
Operating profit margin	13.8%	14.4%	+0.6 points	14.6%	14.6%
Profit before income taxes	23.4	26.7	+3.3	24.6	29.2
Profit attributable to owners of parent	16.8	19.3	+2.4	18.0	21.4
Profit per share	149 yen	175 yen	+25 yen	159 yen	193 yen
Dividend rate	45 yen	53 yen	+8 yen	49 yen	55 yen

## Summary of Business Results for FY2024

- Sales of small once-through boilers, peripheral equipment, and compressors, as well as revenue in the Maintenance Business, were robust in Japan. However, the total revenue in the Equipment Sales Business in Japan was down YoY as a result of INAX CORPORATION becoming an equity-method affiliate.
- Revenue from operations outside Japan was bolstered by strong boiler sales in China and South Korea, as well as by the robust Maintenance Business.
- The Group's operating profit was up YoY, with an increase in materials costs and sales expenses more than offset by increased revenue and an increase in selling prices of products.

Note: The Company acquired all stakes of Cleaver-Brooks, Inc., on May 15, 2024 (U.S. time), as announced in press releases "Notice regarding Acquisition of Cleaver-Brooks, Inc." dated March 29, 2024, and "MIURA Acquires U.S.-based CBE ENTERPRISE, INC." dated May 16, 2024. The financial impact of this acquisition is not reflected in the revenue and profit guidance for FY2025 presented above.

## 2. Medium-Term Management Plan for FY2025-2027

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**YONEDA Tsuyoshi**  
President, CEO & CTO  
MIURA CO., LTD.

## Revenue and Operating Profit Targets for FY2025-2027 by Operating Segment

(In billions of yen)

	FY2023 result	FY2024 result	FY2025 target	FY2026 target	FY2027 target
Revenue from operations in Japan	122.3	118.8	124.1	128.6	134.5
Revenue from operations outside Japan	36.0	40.9	51.4	56.9	62.5
Total revenue	158.3	159.6	175.5	185.5	197.0
Operating profit	21.9	23.0	25.6	27.0	29.0
Operating profit margin	13.8%	14.4%	14.6%	14.6%	14.7%

## Key Business Objectives for FY2025-2027

Operations in Japan	Revenue growth	<ul style="list-style-type: none"> <li>Create more demand for our Total Solutions while expanding our business domains.</li> <li>Offer extension of maintenance contracts and energy-saving solutions in the Maintenance Business.</li> </ul>
	Profit growth	<ul style="list-style-type: none"> <li>Ensure a steady stream of profit by expanding maintenance contract coverage into non-boiler equipment.</li> <li>Achieve greater operational efficiency by offering one-stop services.</li> </ul>
Operations outside Japan	Revenue growth	<ul style="list-style-type: none"> <li>Achieve annual revenue growth of 10% or more by making a stronger push to sell our energy-efficient boilers and maintenance services.</li> </ul>
	Profit growth	<ul style="list-style-type: none"> <li>Expand our sales network and provide employee training programs, while watching over the bottom line.</li> </ul>

Note: The Company acquired all stakes of Cleaver-Brooks, Inc. on May 15, 2024 (U.S. time), as announced in press releases "Notice regarding Acquisition of Cleaver-Brooks, Inc." dated March 29, 2024, and "MIURA Acquires U.S.-based CBE ENTERPRISE, INC." dated May 16, 2024. The financial impact of this acquisition is not reflected in the revenue and profit targets for FY2025-2027 presented above.

## Revenue Targets for FY2025-2027 by Business Line

(In billions of yen)

	Business and region	FY2024 guidance	FY2024 result	FY2025 target	FY2026 target	FY2027 target
Japan	Boiler	69.7	74.0	76.4	79.0	81.8
	Water treatment equipment	8.2	7.9	8.4	8.9	9.5
	Marine equipment	9.8	11.2	12.6	12.2	12.9
	Food-processing and medical equipment	13.5	13.6	14.2	14.8	15.4
	Others (including laundry equipment, special-purpose equipment, and environmental solutions businesses and new business)	10.4	12.1	12.5	13.7	14.9
	Subtotal	111.6	118.8	124.1	128.6	134.5
Outside Japan	The Americas	11.1	11.4	14.2	15.7	17.9
	South Korea	10.3	11.3	11.9	13.4	14.5
	China	10.8	11.1	12.3	13.0	14.0
	Southeast Asia and other regions	7.6	7.1	13.0	14.8	16.1
	Subtotal	39.9	40.9	51.4	56.9	62.5
Total		151.5	159.7	175.5	185.5	197.0
Supplementary information: Revenue in the Laundry Equipment Business, including that of INAX CORPORATION		20.1	22.3	20.9	21.1	22.8

Note: The Company acquired all stakes of Cleaver-Brooks, Inc. on May 15, 2024 (U.S. time), as announced in press releases "Notice regarding Acquisition of Cleaver-Brooks, Inc." dated March 29, 2024, and "MIURA Acquires U.S.-based CBE ENTERPRISE, INC." dated May 16, 2024. The financial impact of this acquisition is not reflected in the revenue targets for FY2025-2027 presented above.

### 3. Long-Term Strategic Road Map

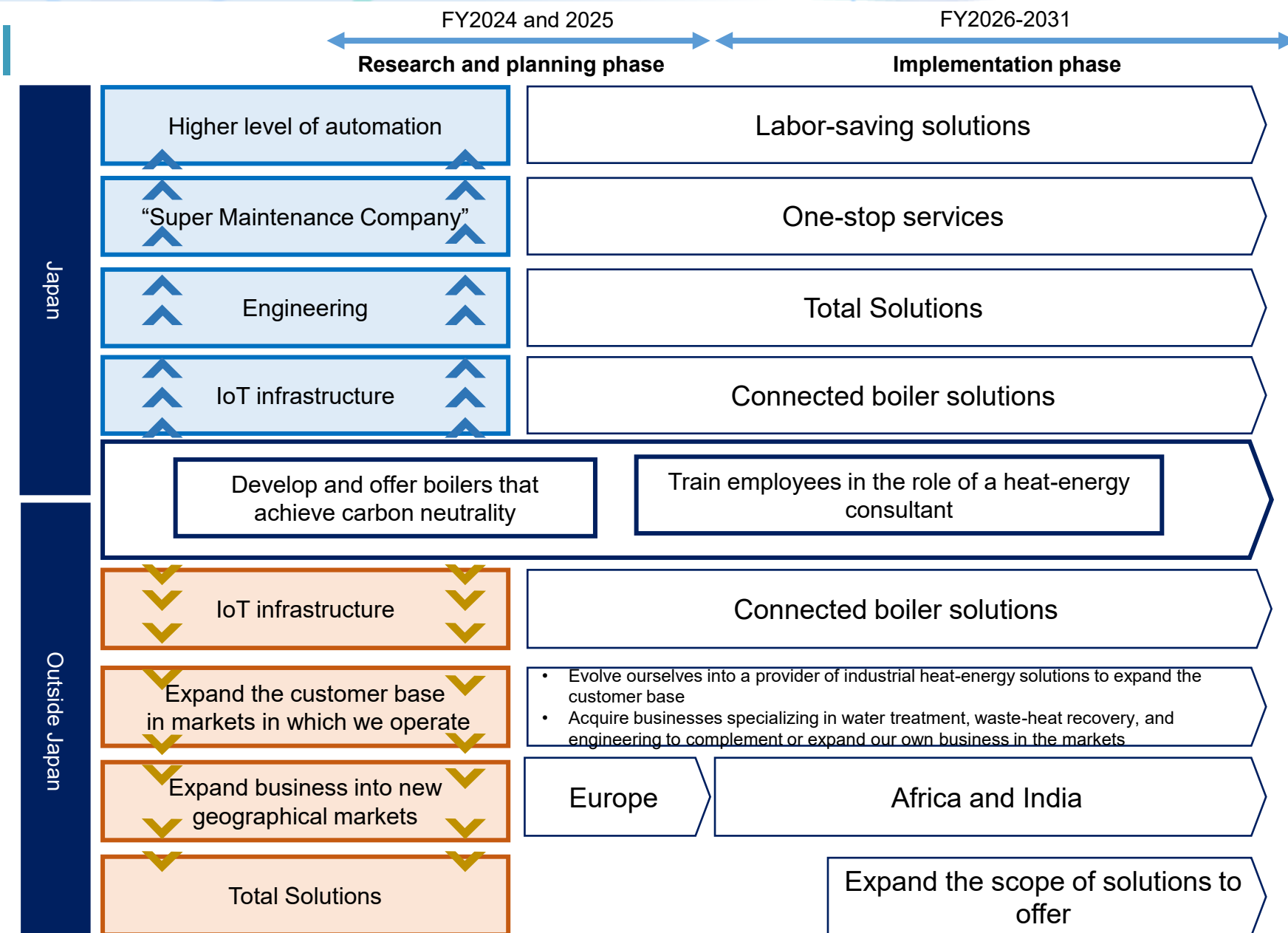
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**YONEDA Tsuyoshi**

President, CEO & CTO  
MIURA CO., LTD.



# 3 Long-Term Strategic Road Map



Business challenges: Carbon neutrality, rising energy costs, and labor shortages

## Key Scenario

- **Product development:** Develop and offer boilers fired by low-to-zero-carbon energy sources, such as hydrogen, ammonia, and electricity, that achieve carbon neutrality
- **Employee development:** Train employees in the role of a heat-energy consultant who has the knowledge and communication skills necessary to offer each customer the best solutions that meet their specific business needs

## Key initiatives

① <b>Develop an IoT infrastructure</b>	<ul style="list-style-type: none"> <li>• Develop products with network connectivity and software applications to support them</li> <li>• Expand the lineup of products with network connectivity to cover a broader range of our business lines</li> </ul>
② <b>Pursue engineering excellence</b>	<ul style="list-style-type: none"> <li>• Bundle products offered in two or more of our business lines into complete systems, instead of offering them as stand-alone products</li> </ul>
③ <b>Become a “Super Maintenance Company”</b>	<ul style="list-style-type: none"> <li>• Offer one-stop maintenance services to save customers time and effort for maintenance</li> </ul>
④ <b>Enable a higher level of automation</b>	<ul style="list-style-type: none"> <li>• Offer comprehensive solutions to assist customers in automating their factory operations and achieving greater productivity in material handling</li> </ul>

Business challenges: Carbon neutrality, energy-saving solutions, and talent development

### Key Scenario

- **Product development:** Expand product lineups to capture the top position in the industrial boiler market of the countries in which we operate
- **Employee development:** Train employees in the role of a professional provider of heat-energy solutions who has the knowledge and skill to understand customers' operational needs and offer the best heat-energy solutions

### Key initiatives

① <b>Develop an IoT infrastructure</b>	<ul style="list-style-type: none"> <li>• Add network connectivity to more products to monitor customers' operations and identify potential issues as part of building a relationship of trust with them</li> <li>• Add network connectivity to more products to achieve greater efficiency in maintenance work</li> </ul>
② <b>Expand the customer base</b>	<ul style="list-style-type: none"> <li>• Expand the boiler business by more aggressively offering comprehensive heat-energy solutions and maintenance packages</li> </ul>
③ <b>Expand business into new geographical markets</b>	<ul style="list-style-type: none"> <li>• Offer carbon-neutrality solutions in Africa, Europe, and India</li> </ul>
④ <b>Offer Total Solutions</b>	<ul style="list-style-type: none"> <li>• Expand business beyond the industrial boiler market</li> </ul>

## 4. Dividend Guidance

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**YONEDA Tsuyoshi**

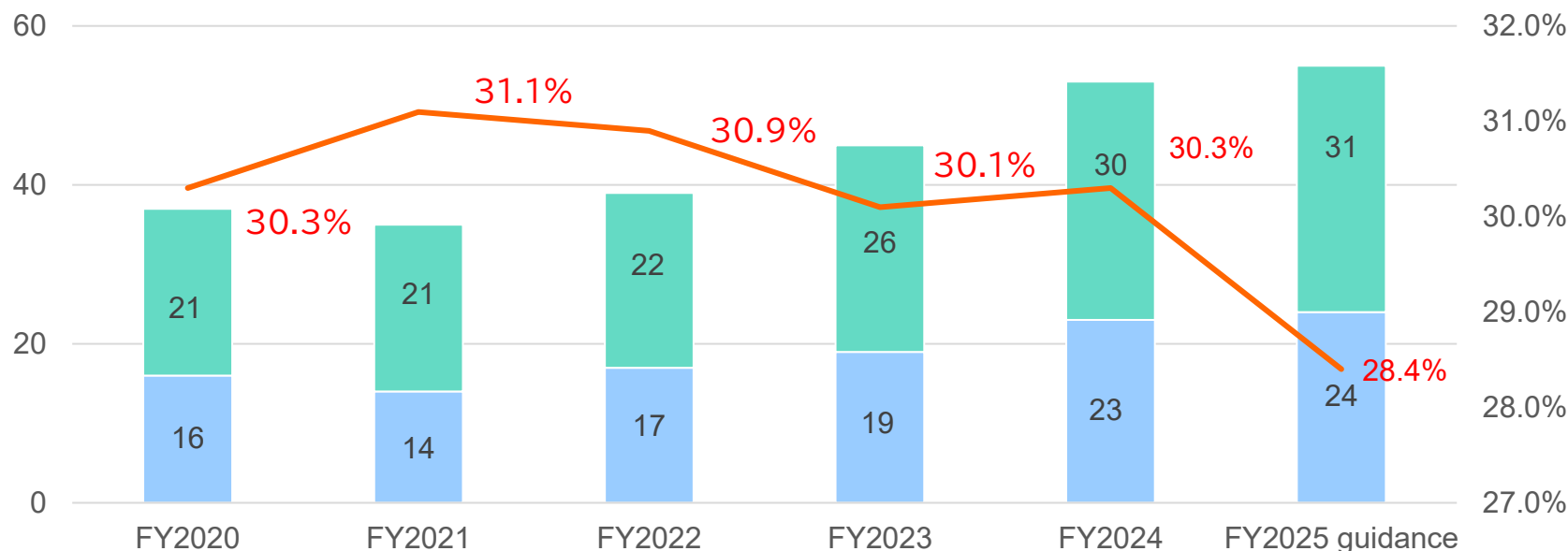
President, CEO & CTO  
MIURA CO., LTD.

- ① Maintain a **steady** increase in dividend rates
- ② Projected to offer a **higher dividend rate** for FY2025 than for FY2024

Dividend rate	FY2023 result	FY2024 result	FY2025 guidance
Midyear	¥19	¥23	¥24
Year-end	¥26	¥30	¥31
Total	¥45	¥53	¥55

### Dividend Rate in yen

Midyear Year-end Dividend payout ratio



ROE

10.6

9.1

9.3

10.3

11.1

10.9

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

Note: The number of issued shares: 110,249,519, excluding 15,041,593 treasury shares, as of March 31, 2024

## 5. MIURA Global Strategy

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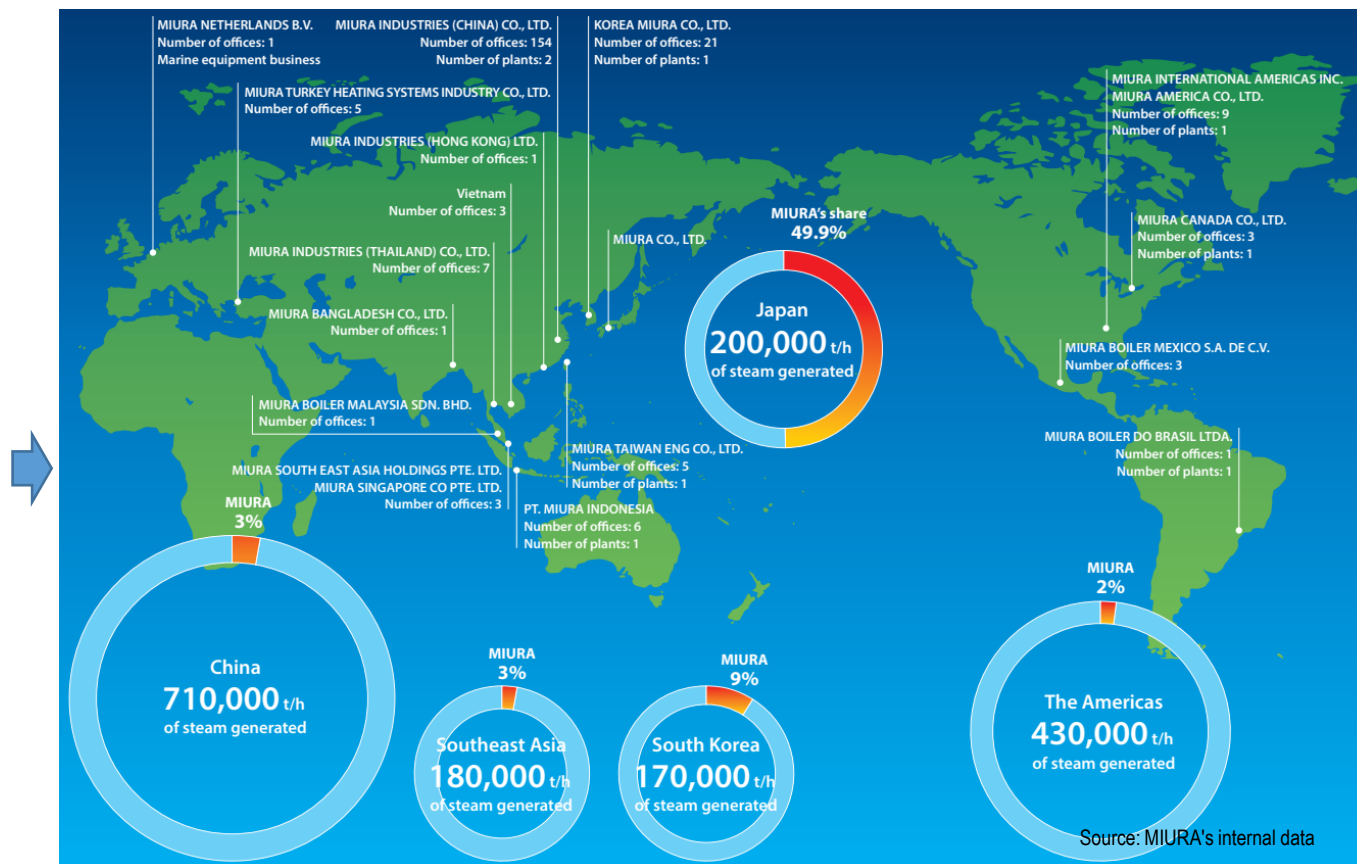
**MIYAUCHI Daisuke**

Chairman of the Board, Chief Global Group Officer  
MIURA CO., LTD.

## MIURA Group's Global Network and Market Share

Our years of efforts to extend the success we have had in the once-through boiler business in Japan into the global market have not bolstered our market share outside Japan to the level we had hoped.

We must accelerate the expansion of our business outside Japan



by pursuing a more coherent global strategy.

The MIURA Group has 17 subsidiaries and 8 plants operating in 24 countries and regions worldwide. We provide products that meet regulatory requirements and customer needs in the markets in which we operate.

Pursue a more coherent global strategy

## In the past

- We were focused on marketing designed-in-Japan once-through boilers in the global market in an attempt to extend the business model proven successful in Japan into the market outside Japan.



## Going forward

**We intend to become a provider of industrial heat-energy solutions (a heat-energy consultant) tailored to each market in which we operate.**





## Boilers by Type

Boilers turn water into steam or hot water and provide heat energy for industrial and residential applications.

## Applications

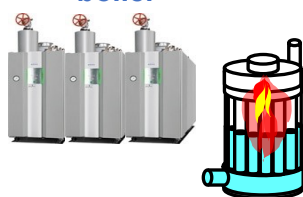
Indoor heating, hot-water supply, thermal treatment, sterilization and disinfection

A boiler works just like a kettle.



## Types

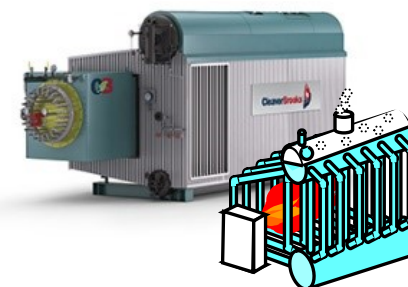
Once-through boiler



Firetube boiler



Watertube boiler



Comparison	Once-through boiler	Firetube boiler	Watertube boiler
Amount of steam generated per unit	Small	Medium	Large
Load followability	High	Low	Medium
High temperature (high pressure) limit	Medium (up to 230°C and 3 MPa)	Medium (up to 230°C and 3 MPa)	High (more than 360°C and 20 MPa)

Note: Most once-through boilers do not require a technical license to operate or a regular statutory inspection in Japan, which provides a labor-saving benefit to business operators.

## Industries that use boilers



Food



Brewing



Textile



Automobile



Paper



Chemical

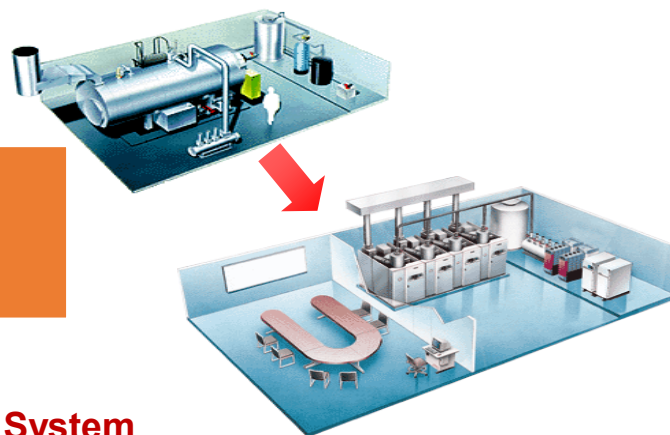
## MIURA's Successful Business Model in Japan

### MIURA took out a patent on its MI System\* in 1986.

\* **MIURA Multiple Installation System:** A groundbreaking system of a series of small once-through boilers working together to generate steam much more efficiently than a single larger traditional boiler can

The MIURA MI System controls multiple modular boilers to adjust their operations to fluctuations in steam demand in order to save on fuel costs and reduce CO<sub>2</sub> and NO<sub>x</sub> emissions.

Since the early days, MIURA has been developing once-through boilers that offer compelling value and competitive advantage.



### Benefits of the MIURA MI System

① Greater energy-saving performance	Energy costs are high in Japan, which depends largely on imported fuel.
② Smaller footprint	Many factories have limited floor space in Japan.
③ Greater labor-saving opportunities	Small once-through boilers, with proven safety records, do not require a technical license to operate or regular mandatory inspections in Japan.
④ Reduced emissions of harmful substances	Japanese businesses are environmentally conscious.

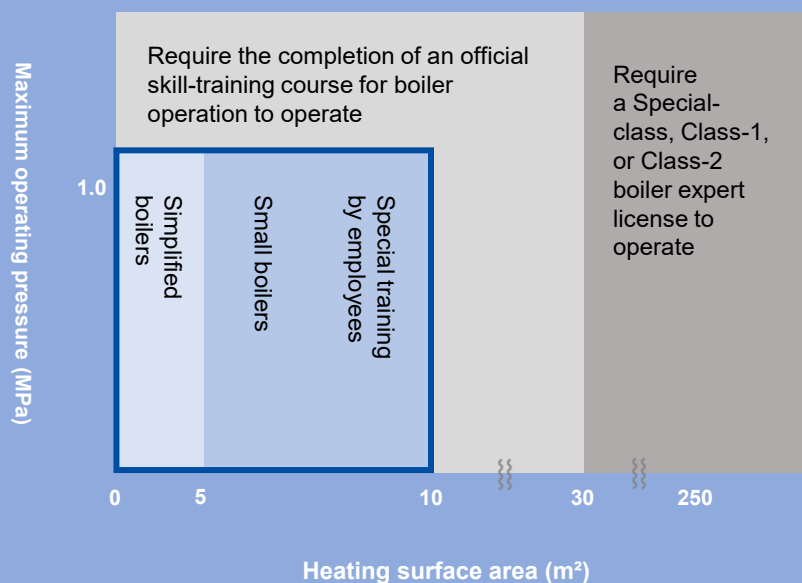
Note: These four benefits apply to operations in Japan. Benefits may vary from country to country.

## Qualification for Operating Small Once-Through Boilers Unique to Japan

Small once-through boilers can be operated by anybody without a technical license after receiving special training by the employee.

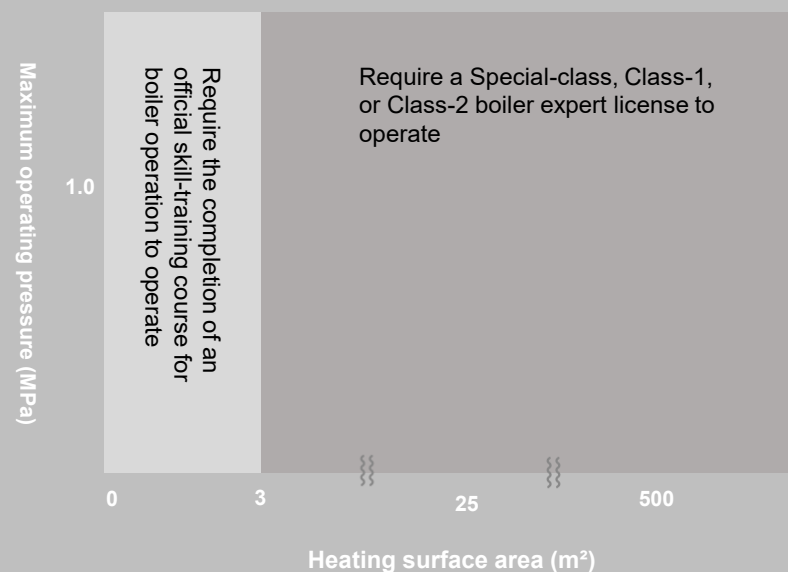
No fatal explosion accidents have ever been reported that involved MIURA boilers.

### Once-through boilers



VS

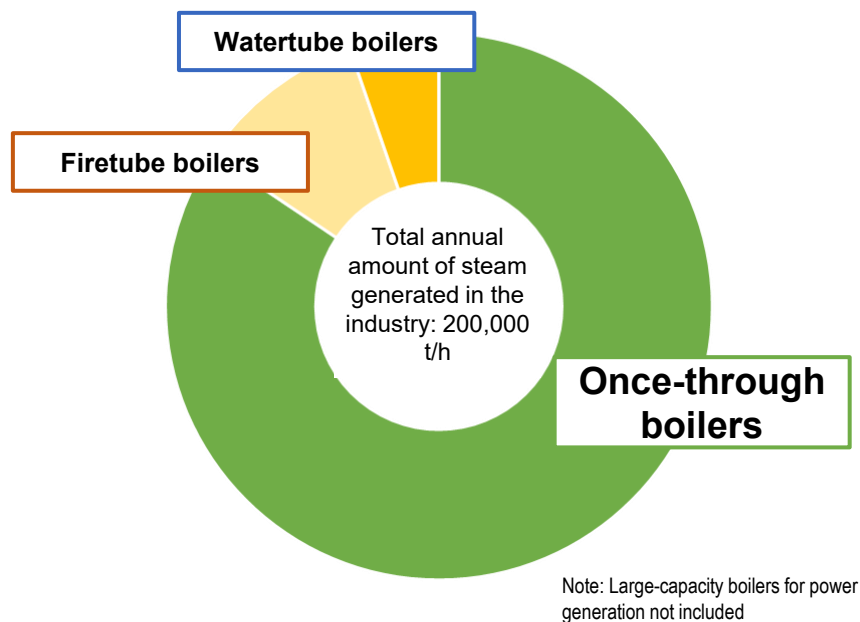
### Firetube and watertube boilers



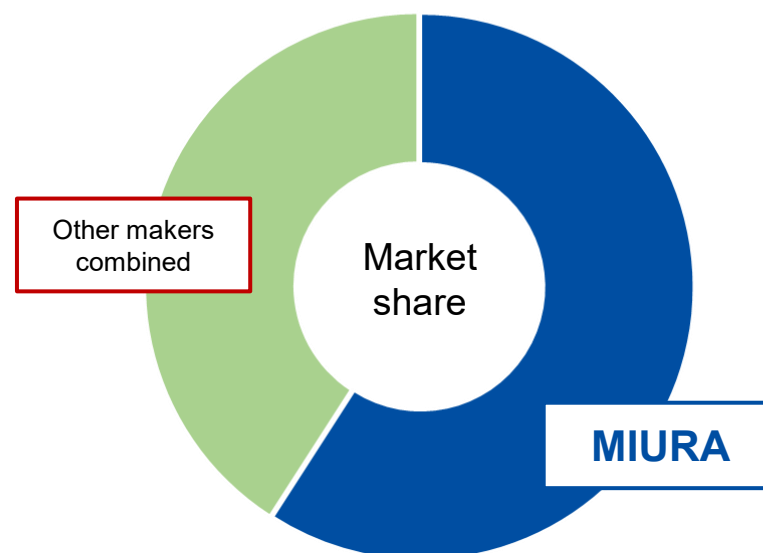
## Industrial Boiler Market in Japan

The Japanese industrial boiler market is dominated by once-through boilers. MIURA is an industry leader in the once-through boiler market.

### Industrial Boiler Market by Type in Japan



### Once-through Boiler Market in Japan

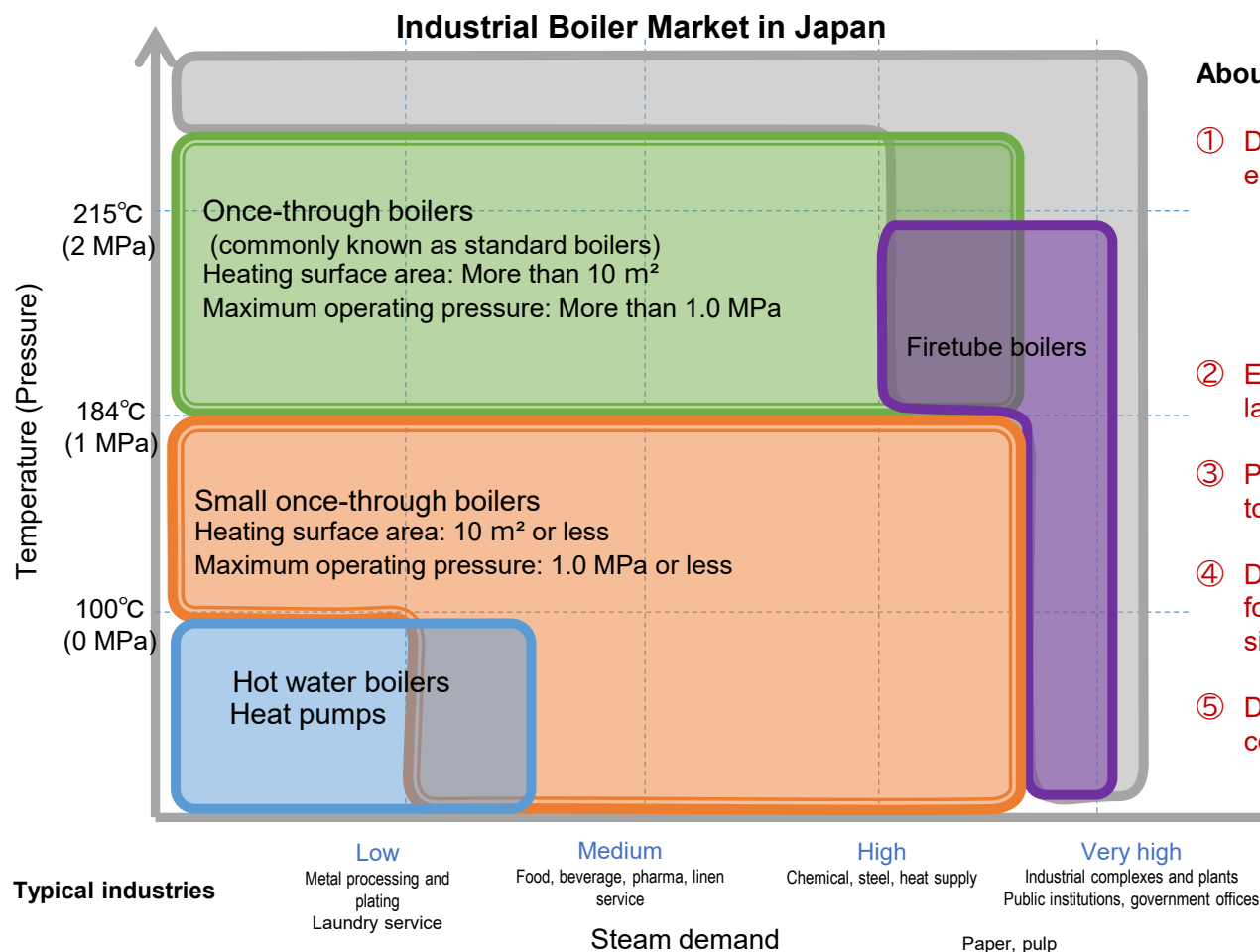


Source: MIURA's internal data compiled in March 2023

Popular multiple-installation systems of once-through boilers have taken a market share from firetube and watertube boilers in Japan, in which once-through boilers account for 85% of the industrial boiler market; MIURA has 60% of the once-through boiler market.

## Applications of Industrial Boilers in Japan

- Popular multiple-installation systems of once-through boilers have taken a market share from firetube and watertube boilers in Japan.
- Once-through boilers account for 85% of the industrial boiler market; MIURA has 60% of the once-through boiler market.



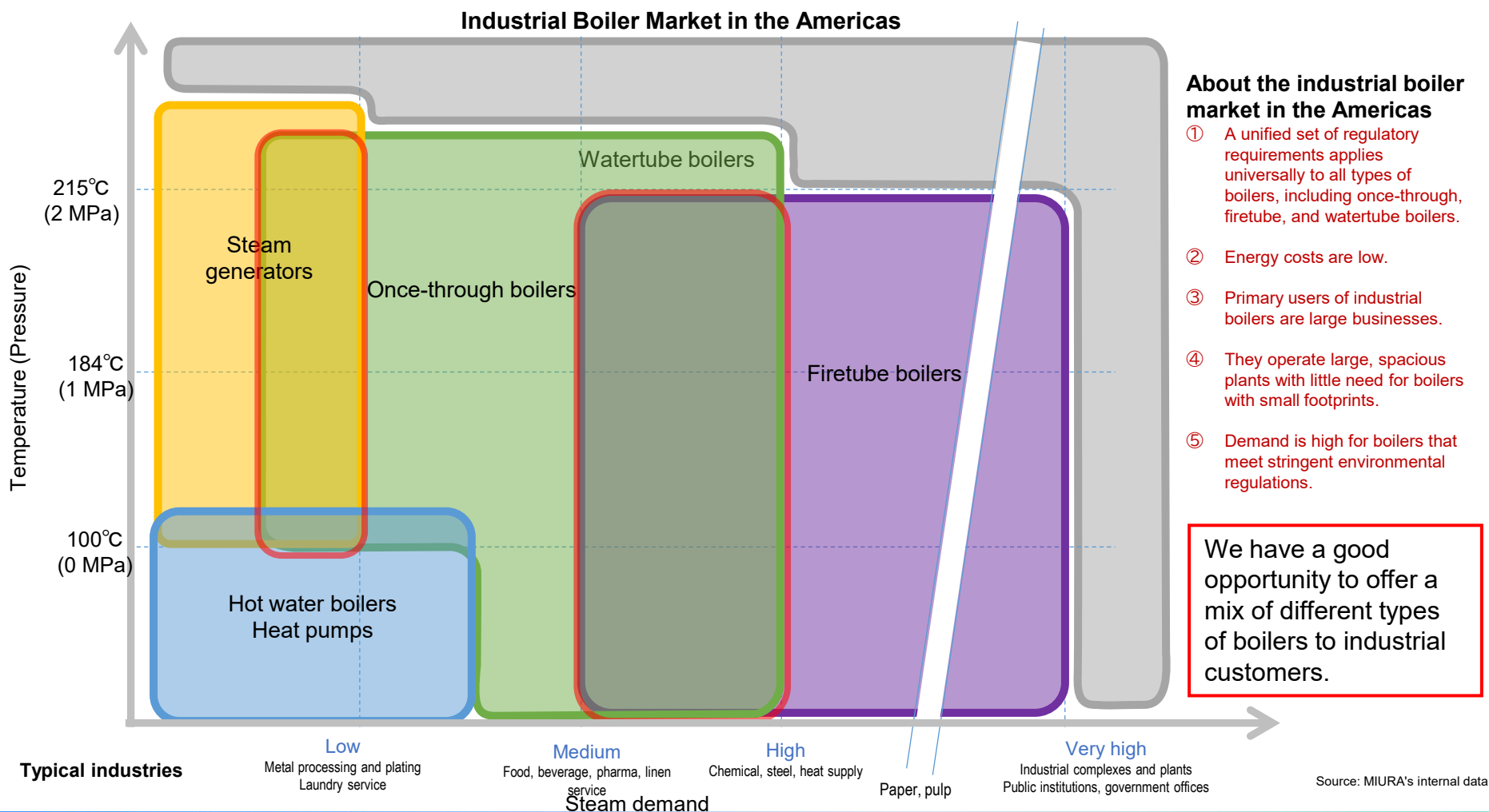
### About the Japanese industrial boiler market

- ① Different sets of regulatory requirements are established for different types of boilers.  
 ◎ Regulatory requirements are less stringent for once-through boilers, in terms of qualifications of operators and statutory inspection)
- ② Energy costs are high as the country depends largely on imported fuel.
- ③ Primary users of industrial boilers are small-to medium-sized businesses.
- ④ Demand is high for boilers with smaller footprints for installation in small and medium-size plants.
- ⑤ Demand is high for boilers that meet the country's stringent environmental regulations.

Source: MIURA's internal data

## Applications of Industrial Boilers in the Americas

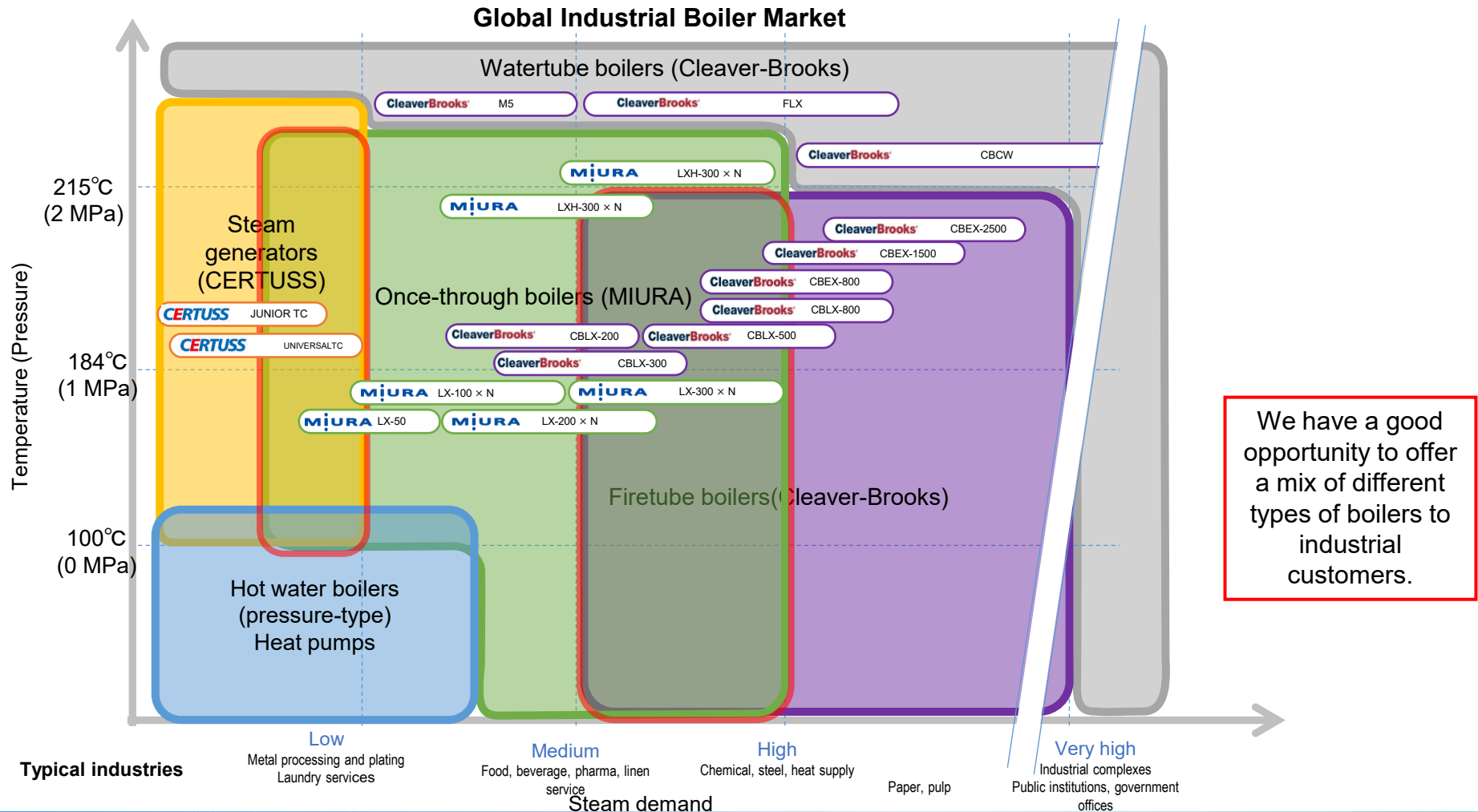
- Unlike in Japan, multiple-installation systems of once-through boilers have not taken a market share from firetube or watertube boilers in the Americas.
- This is because of the difference in market dynamics at play between Japan and the Americas.





The MIURA Group's lineup of industrial boilers covers the global market.

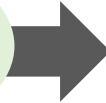
- With the acquisition of Cleaver-Brooks and CERTUSS, we have a broader range of industrial boilers that covers every segment of the market as shown below, and can offer the right products to meet any needs of customers.



## Miura Global Vision

MIURA leverages its extensive expertise in product development and customer-relationship building to evolve from a supplier of boilers into a **global provider of industrial heat-energy solutions** and better serve customers in each market.

Supplier of industrial boilers



Evolve into a global **provider of industrial heat-energy solutions** that serves as a **heat-energy consultant** for customers

### Heat-energy consultant

A professional who leverages extensive expertise and experience in heat-energy supply for industrial use to understand an industrial customer's operational needs and priorities and offer the best heat-energy solutions and trouble-free operations





Global Tactics 2024 : Become a professional in heat energy as a first step toward offering Total Solutions

## Basic Strategy

Identify industrial customers' operational needs and priorities as part of establishing broader and deeper relationships with them

**Implement a sophisticated customer relationship management system, which has driven the success of MIURA's business in Japan, in MIURA Group companies outside Japan**























### Key initiatives

- ◆ **Assess industrial customers' operational needs and priorities on site**
  - ✓ Build a proprietary database of customers operating in the industries that consume a large amount of heat energy
- ◆ **Expand the installed base of MIURA products with network connectivity**
  - ✓ Share a data-driven understanding of customers' operations to add value to the operational data
- ◆ **Extend the range of product offerings in each market**
  - ✓ Establish engineering know-how to provide customers with the best heat-energy solutions based on a broad range of products, including offering carbon-neutral boilers powered by clean energy

## About Cleaver-Brooks, Inc. (1)

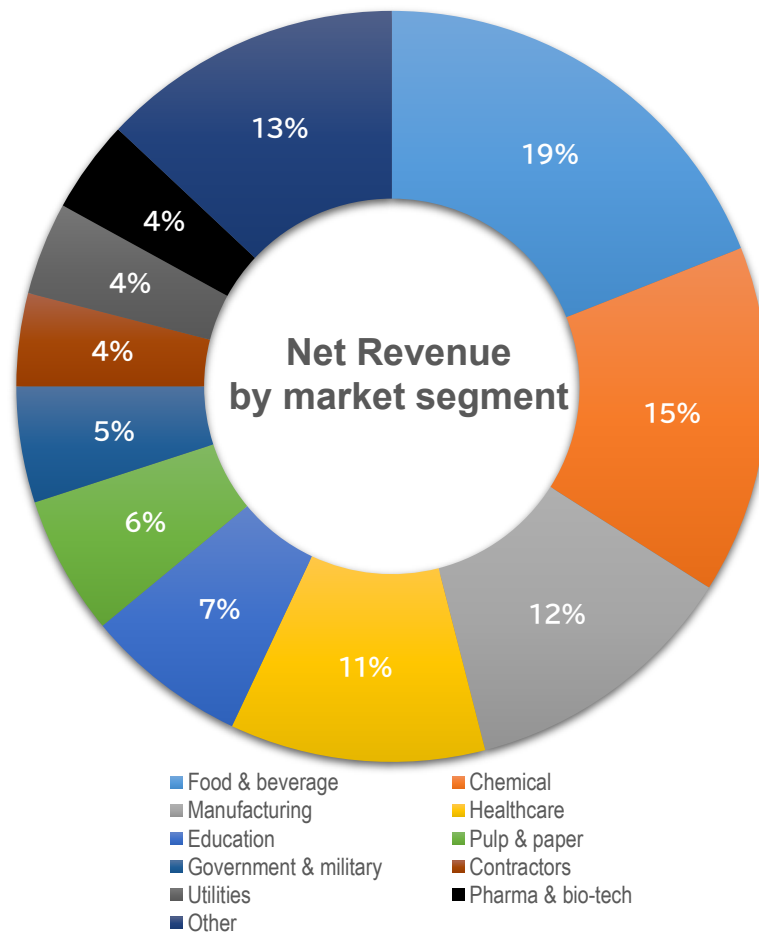
Offers a wide range of industrial boilers of various capacities, including hot-water, electric, firetube, and watertube boilers, to meet diverse customer needs.

Boasts considerable expertise in offering the industry’s most extensive lines of hydronic and steam solutions.

	Product offerings		Recurring solutions and services	
Main product lines	<div>Packaged boilers</div> <div> Hydronic boilers</div> <div> Electric boilers</div> <div> Firetube boilers</div>	<div>Engineered boiler systems</div> <div> Industrial watertube boilers</div> <div> Heat-recovery steam generators</div>	<div>Asset lifecycle management</div> <div> Replacement parts</div> <div> Controls</div> <div> Replacement tubes</div> <div> Burners</div>	<div>Boiler services</div> <div> Repair and installation services</div> <div> Rental services</div>
	Primary demand drivers and competitive advantages	 Highly configurable	 Engineer-specified	 OEM Agnostic, technology enabled solutions
 Market-leading innovations		 Maximum operational efficiency	 Predictable, repeatable small orders	 High-complexity capabilities
 High-efficiency, low-emission solutions		 Premium solutions	 Significant installed base	 Broad, target-rich coverage area

## About Cleaver-Brooks (2)

Leading provider of efficient, fully integrated boiler room solutions and services worldwide for commercial, industrial, and facility applications



## About Cleaver-Brooks' business

### ◆ Provider of efficient, low-emission boiler solutions

- ✓ Leverages more than 90 years of innovation and expertise to deliver sophisticated control systems and intelligent systems.

### ◆ Installed base

- ✓ More than 65,000 boilers in operation, installed by the company

### ◆ Business model

- ✓ 72% of its EBITDA comes from recurring solutions and replacement for existing boilers, and sales of equipment, aftermarket parts, and services.

### ◆ Customer base

- ✓ Doing business with 4,500 corporate customers in diverse industries

### ◆ Service network

- ✓ Operates the industry's largest service network in the United States, complemented by a network of authorized service providers operating in more than 50 locations around the country.

### ◆ Business vision

- ✓ The experienced leadership team drives the revenue and profit growth.

# Cleaver-Brooks' Sales and Operations Network

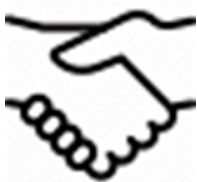
Has a robust sales and operations network in the Americas and the rest of the world.

More than 1,500 authorized sales representatives worldwide

116 sales representative outside the United States

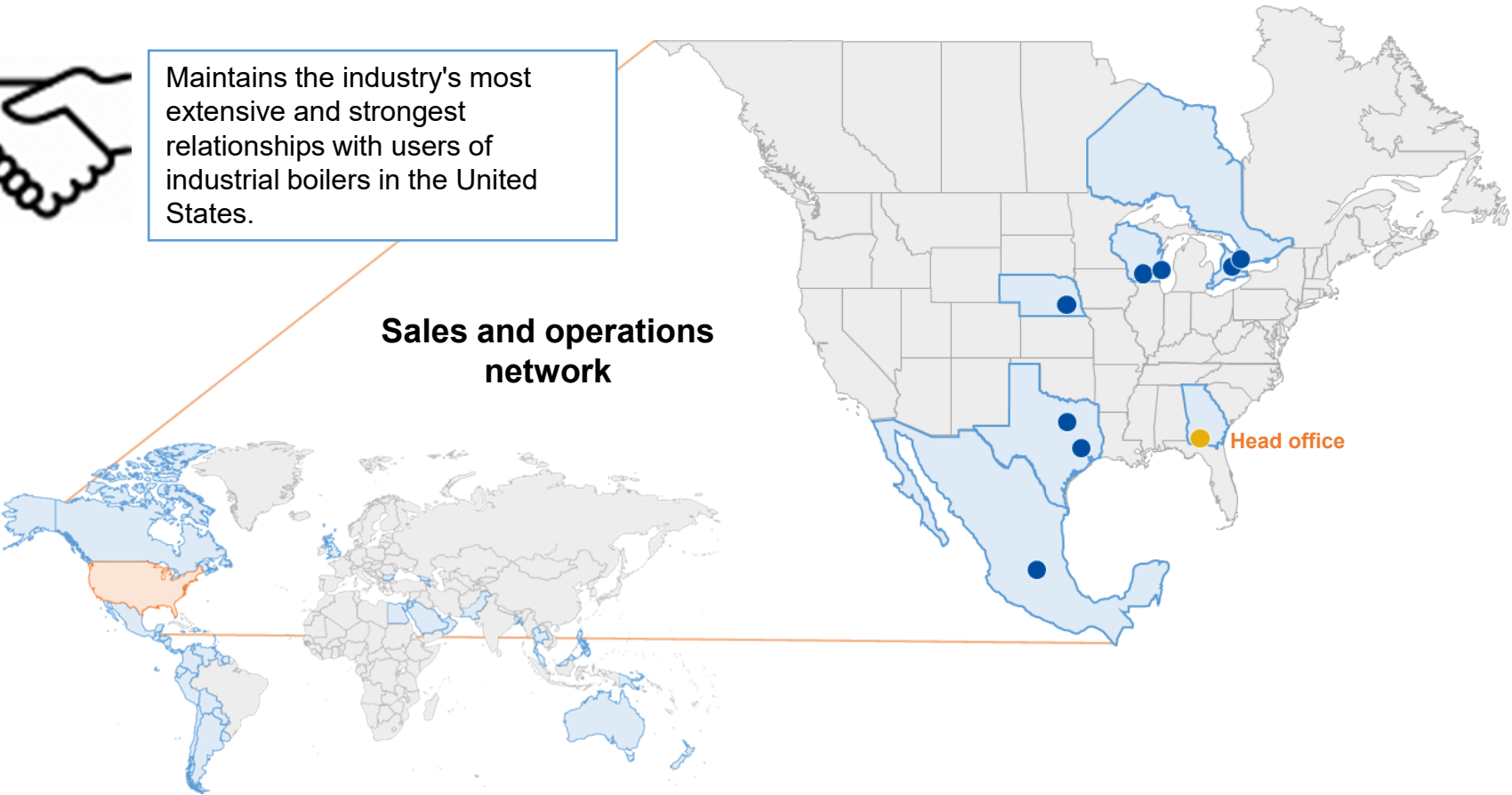
Sales offices in more than 50 countries

Cleaver-Brooks boilers in operation in more than 65 countries



Maintains the industry's most extensive and strongest relationships with users of industrial boilers in the United States.

## Sales and operations network

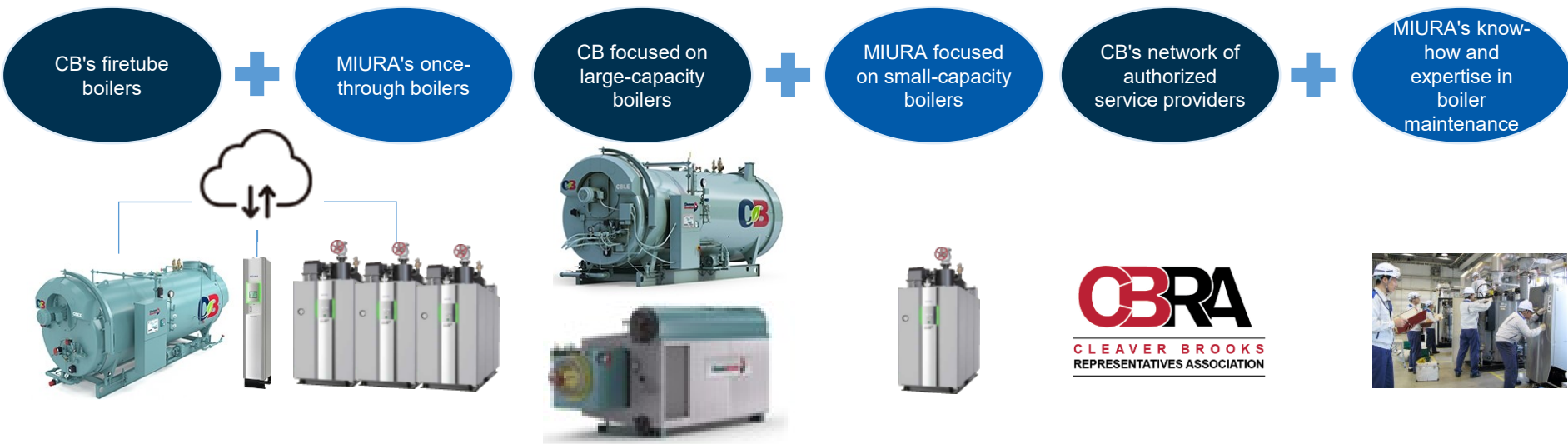


Cleaver-Brooks complements and adds value to MIURA's boiler solutions in the Americas

With the acquisition of Cleaver-Brooks, the **MIURA Group is much better positioned to evolve into a global provider of industrial heat-energy solutions and accelerate its business growth globally.**



- 1 Highly efficient boiler solutions
- 2 Mutually complementary product lineups
- 3 Expanded service network in the United States



## About CERTUSS Dampfautomaten GmbH & Co. KG (1)



**CERTUSS boilers are called steam generators and command a large market share in Europe.**

## About CERTUSS's business

### ◆ Outstanding operational safety

- ✓ CERTUSS products are classified as steam generators in Europe and widely recognized for their outstanding operational safety. They meet complex European boiler regulations.

### ◆ Compatible with multi-installation boiler systems

- ✓ CERTUSS steam generators are compatible with multi-installation boiler systems, just as MIURA small once-through boilers are.
- ✓ Over the past 10 to 15 years, CERTUSS has shifted its business focus from commercial segments to industrial segments, most notably from the laundry industry to the food and beverage industry.

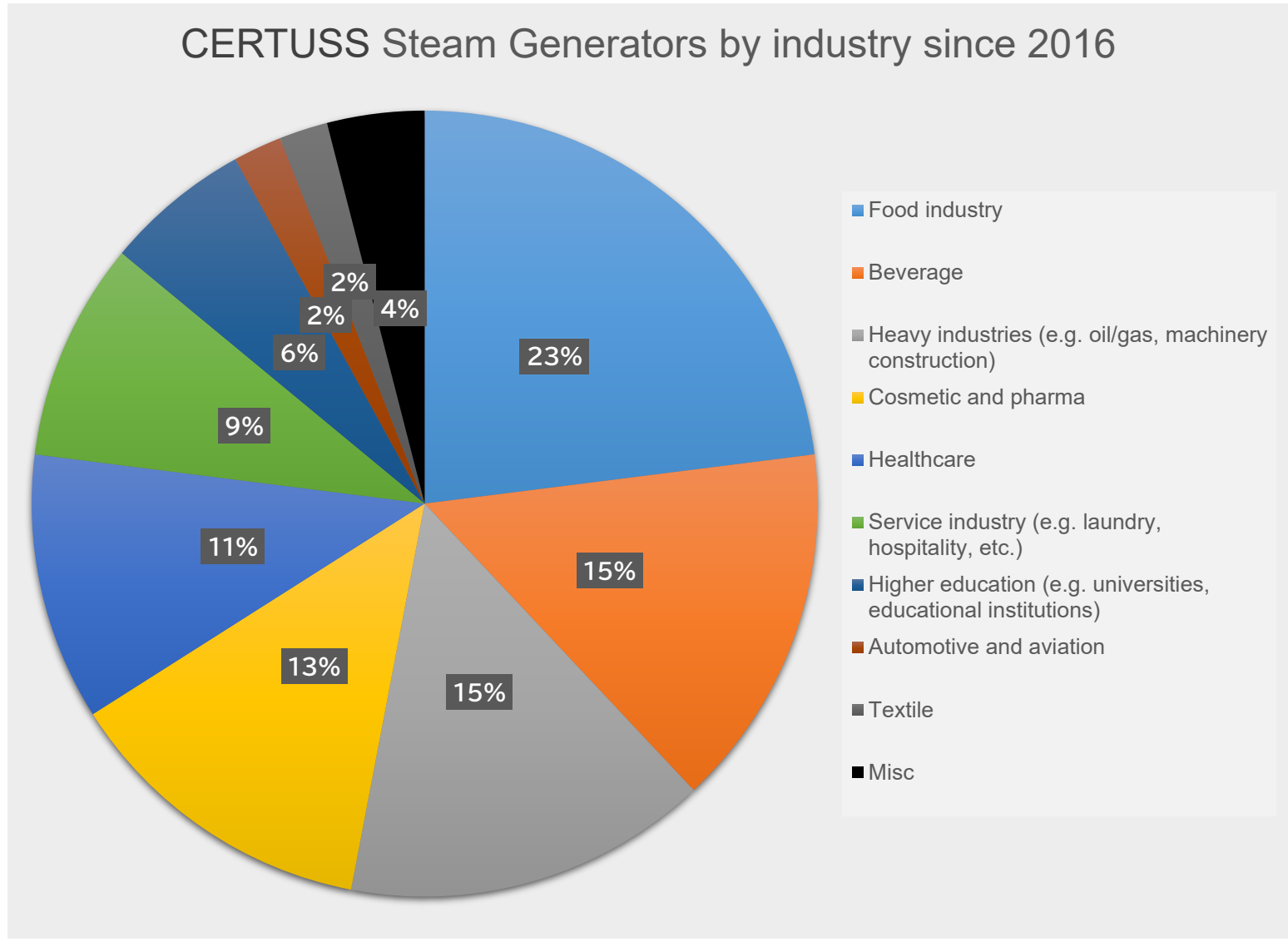
### ◆ Business portfolio aligned with the market trend

- ✓ European healthcare, cosmetic, and pharma industries have either stopped using steam or switched to smaller steam boilers in their plants. CERTUSS's business portfolio is perfectly aligned with this trend, and MIURA has an opportunity to bundle its products with CERTUSS's offerings.
- ✓ Reduced use of steam boilers, space-saving need, improved turndown ratio, and labor shortages have combined to drive automated operations in plants in Europe, which increases the need for product safety and benefits CERTUSS.

### ◆ Installed base and market trend

- ✓ The company installed its steam generators in 2,295 steam boiler plants between 2016 and 2023.
- ✓ As most steam plants use modular or multiple steam generators, the number of boilers in operation per plant is on the rise.

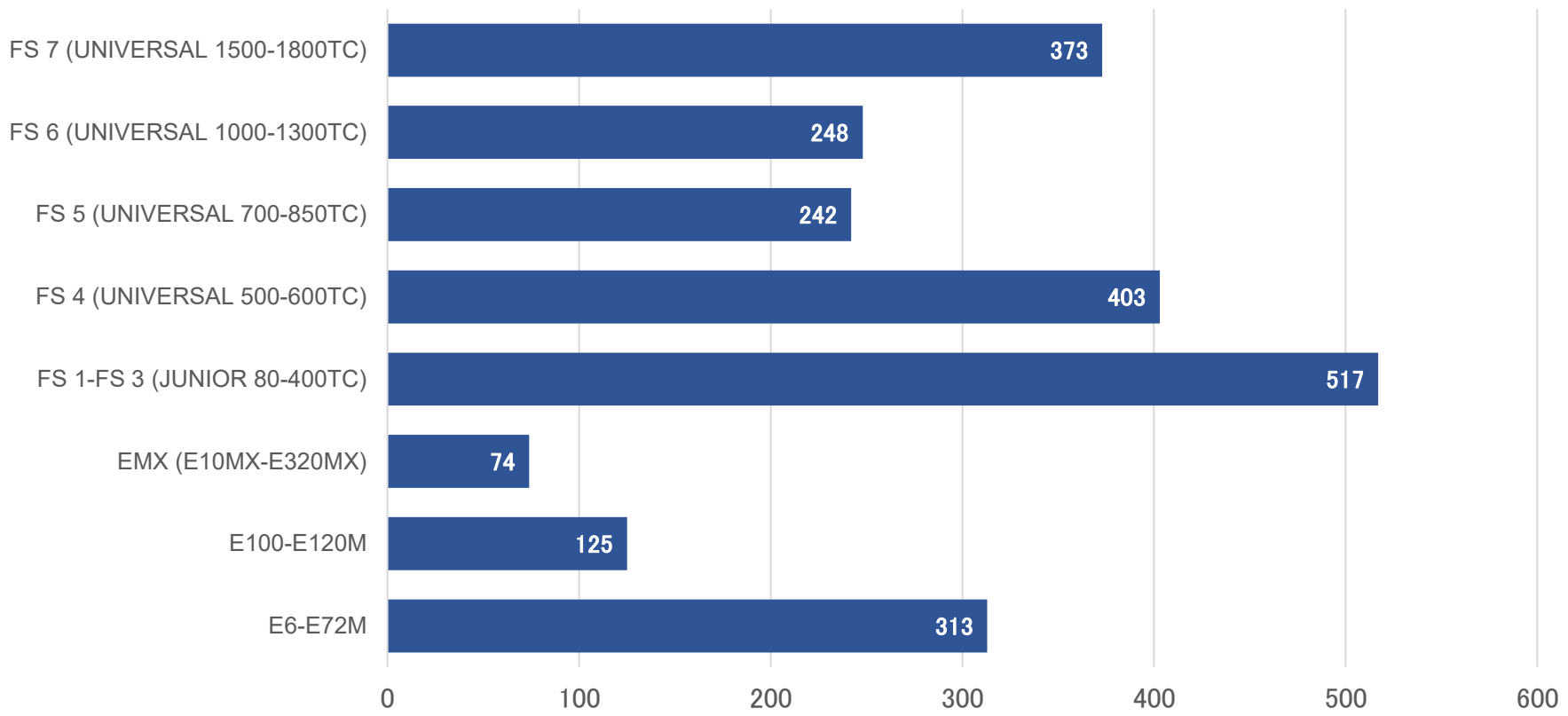
About CERTUSS (2)





About CERTUSS (3)

Number of CERTUSS Steam Generators Built from 2016 to 2023

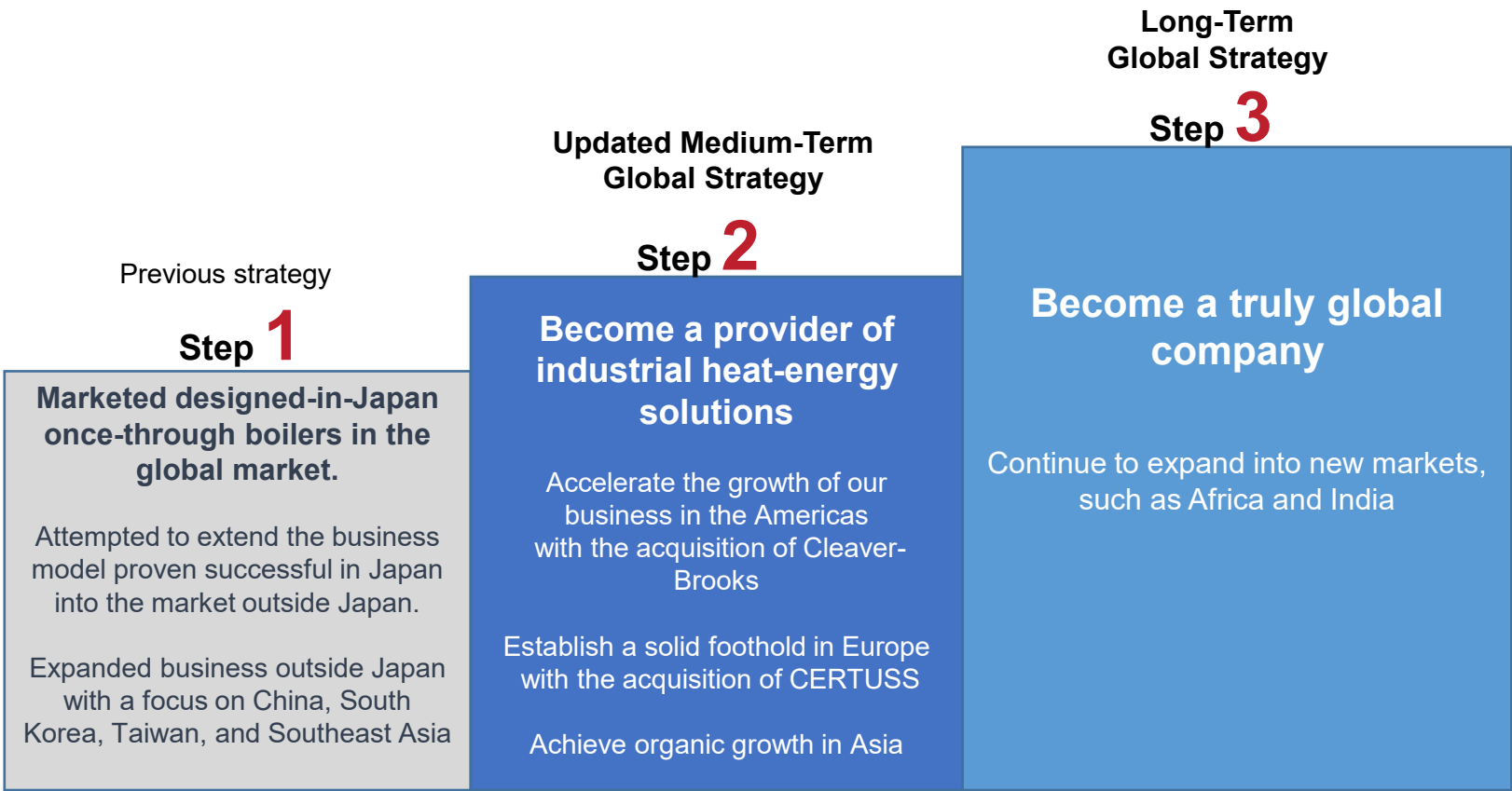


Note: EMX manufactured since mid of 2022



MIURA's Three-Step Scenario to Achieve Sustainable Business Growth Globally

**Business operations outside Japan drive the MIURA Group's growth.**



## Concept of MIURA's Updated Medium-Term Global Strategy

**MIURA intends to become a provider of industrial heat-energy solutions tailored to each market in which we operate.**



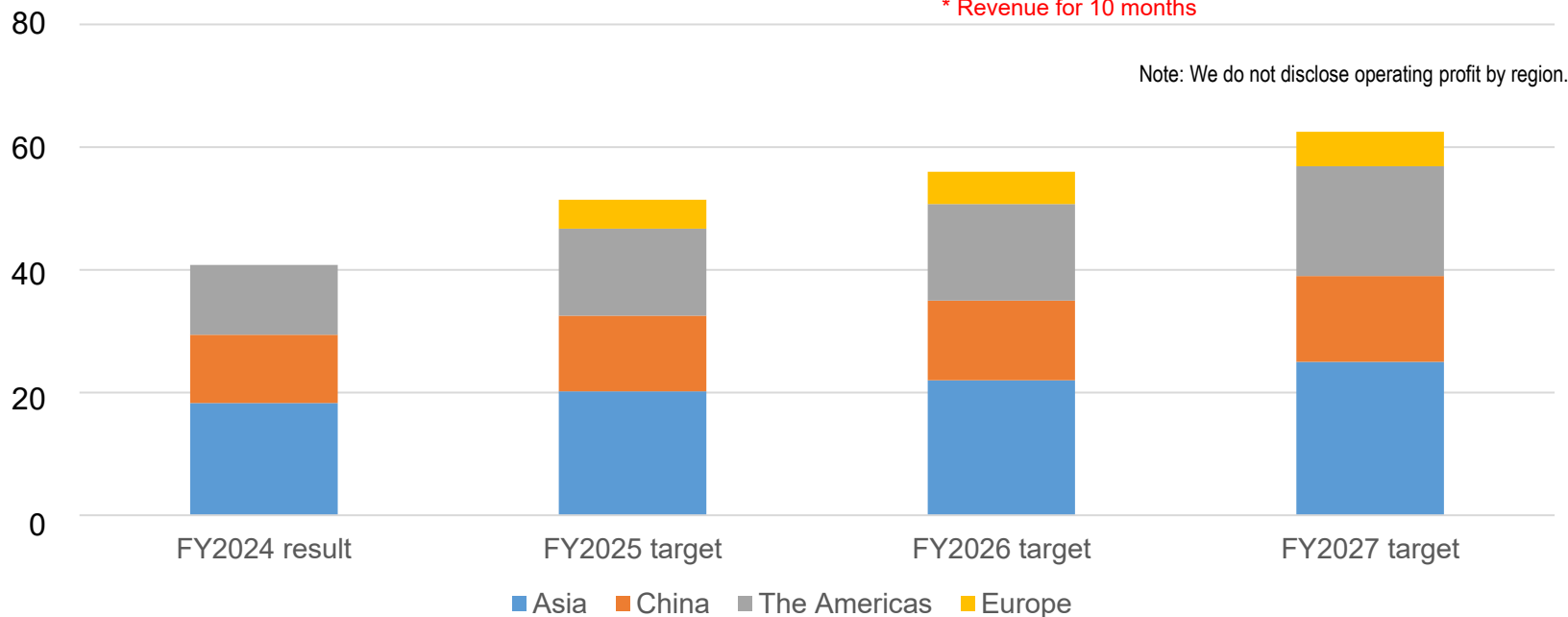
## Projected Revenue from Operations outside Japan

Note: Revenue in the Americas does not include that of Cleaver-Brooks.

(In billions of yen)

	Country and Region	FY2024 result	FY2025 target	FY2026 target	FY2027 target
Revenue	Asia	18.3	20.2	22.9	25.0
	China	11.1	12.3	13.0	14.0
	The Americas	11.4	14.2	15.7	17.9
	Europe	0.1	4.7	5.3	5.6
	Supplementary information: Cleaver-Brooks	0	75.0*	93.0	96.0

\* Revenue for 10 months



Technology with heart.

Products with heart.

Services with heart.

Asking ourselves what we can do;

This is our foundation.

Ideas with heart.



## 6. Appendix

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1. Consolidated Financial Results for FY2024
2. Multiyear Consolidated Financial Results
  - ① Revenue by Operating Segment
  - ② Revenue from Operations in Japan by Business Line
  - ③ Operating Profit by Operating Segment
  - ④ Revenue by Region
  - ⑤ Cash Flows
  - ⑥ Capital Expenditures, Depreciations and Amortizations, Research and Development Expenses
  - ⑦ Currency Exchange Rates
3. Updates and Outlook Regarding the Group's Boiler Business in China

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.

## Breakdown of YoY Changes in Operating Profit



- Operating profit increased in operations in Japan, with an increase in materials costs and selling expenses more than offset by a favorable change in product mix and an increase in revenue from maintenance services.
- Operating profit decreased in operations outside Japan, with a favorable impact of increased revenue more than offset by an increase in personnel expenses and SG&A resulting from stepped-up sales efforts.

## Revenue and Operating Profit by Operating Segment

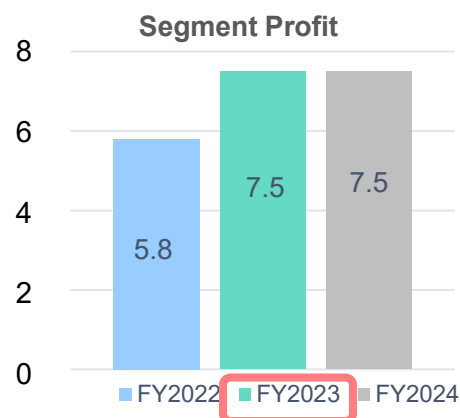
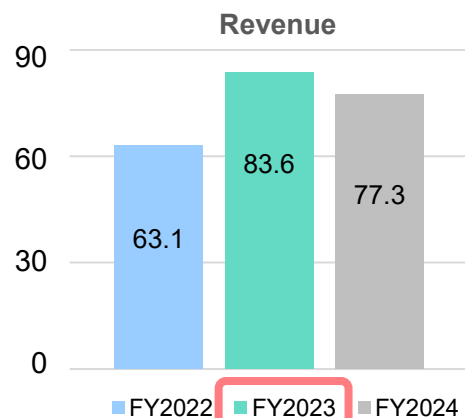
(In billions of yen)

	Revenue				Operating profit			
	FY2023 result	FY2024 result	YoY change	FY2024 guidance	FY2023 result	FY2024 result	YoY change	FY2024 guidance
Equipment Sales Business in Japan	83.6	77.3	-6.2	71.6	7.5	7.5	+0.04	7.1
Maintenance Business in Japan	38.6	41.4	+2.8	40.0	10.1	11.3	+1.2	10.5
Equipment Sales Business outside Japan	26.5	29.6	+3.1	29.7	2.9	2.8	-0.1	3.0
Maintenance Business outside Japan	9.5	11.1	+1.5	10.2	1.3	1.4	+0.04	1.5
Total	158.3	159.6	+1.3	151.5	21.9	23.0	+1.1	22.1
Supplementary information: Revenue in the Laundry Equipment Business, including that of INAX CORPORATION	17.4	22.3	+4.9	20.1	1.3	1.9	+0.6	1.3

Note: The consolidated financial results for FY2023 were retroactively adjusted to reflect the reclassification of business segments that resulted in the inclusion of the Laundry Equipment Business in the Equipment Sales Business in Japan in financial reporting, effective Q2 FY2024.

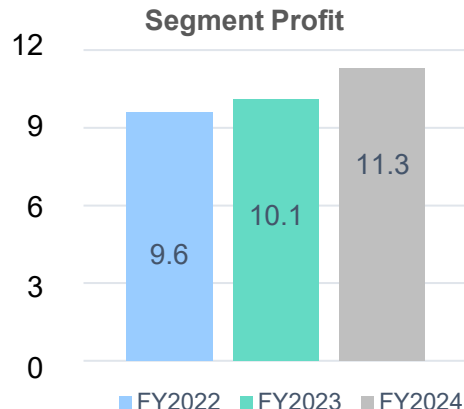
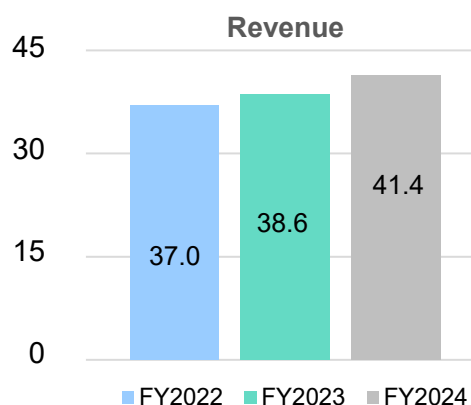
## Revenue and Segment Profit by Operating Segment

(In billions of yen)

**Equipment Sales Business in Japan:** Revenue for FY2024 down 7.5% YoY and segment profit up 0.6%

- Revenue for FY2024 decreased YoY as strong sales of compact once-through boilers, peripheral equipment, and compressors were more than offset by the impact of INAX CORPORATION becoming an equity-method affiliate.
- Segment profit was up YoY, due to a favorable change in product mix.

Note: The consolidated financial results for FY2023 were retroactively adjusted to reflect the reclassification of business segments that resulted in the inclusion of the Laundry Equipment Business in the Equipment Sales Business in Japan in financial reporting, effective Q2 FY2024.

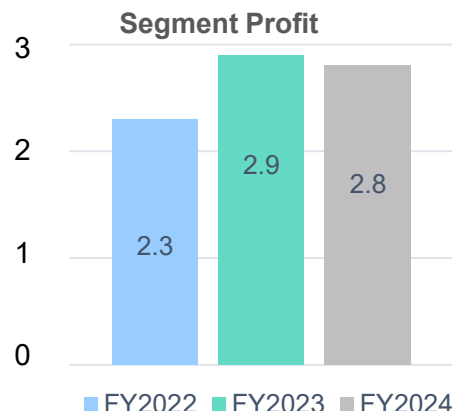
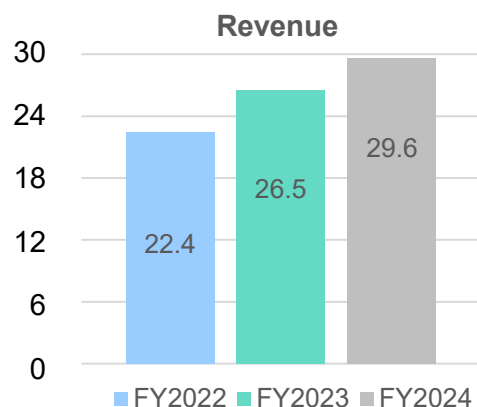
**Maintenance Business in Japan:** Revenue for FY2024 up 7.3% YoY and segment profit up 12.1%

- Revenue for FY2024 was bolstered by signing up more business customers for fee-based maintenance packages that offer an extended period of contract performance, as well as by an increase in sales of parts for marine equipment.

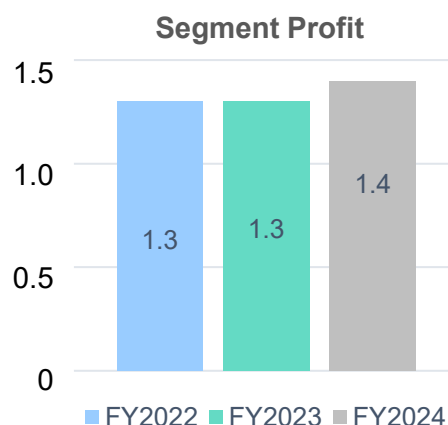
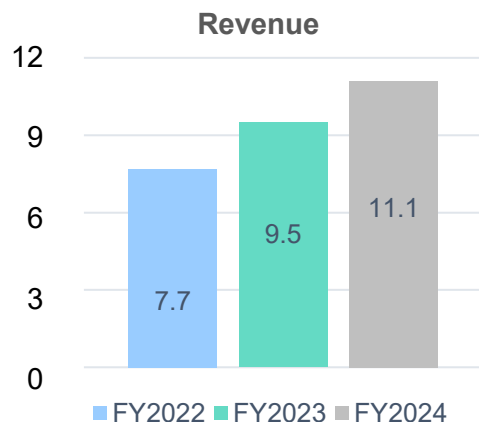


## Revenue and Segment Profit by Operating Segment

(In billions of yen)

**Equipment Sales Business outside Japan:** Revenue for FY2024 up 11.9% YoY and segment profit down 5.7%

- Revenue jumped in FY2024, helped partly by strong boiler sales in China and South Korea.
- Segment profit decreased due to an increase in personnel expenses and SG&A resulting from stepped-up sales efforts.

**Maintenance Business outside Japan:** Revenue for FY2024 up 16.7% YoY and segment profit up 3.3%

- Revenue for FY2024 was up YoY, as we signed up more business customers for fee-based maintenance contracts.
- Segment profit was up, with an increase in personnel expenses and SG&A resulting from stepped-up sales efforts more than offset by a revenue increase.

## Revenue by Business Line in Japan

(In billions of yen)

		FY2022 result	FY2023 result	FY2024 result	YoY change
Japan	Boiler	64.8	67.4	74.0	+6.6
	Water treatment equipment	6.4	7.6	7.9	+0.3
	Marine equipment	9.6	9.8	11.2	+1.4
	Food-processing and medical equipment	12.6	12.9	13.6	+0.7
	Others (including laundry equipment, special-purpose equipment, and environmental solutions businesses and new business)	6.8	24.4*	12.1	-12.3**
	Laundry equipment	13.1	-*	-	-
	Subtotal	113.3	122.3	118.8	-3.5**
Supplementary information: Revenue in the Laundry Equipment Business, including that of INAX CORPORATION		13.1	17.4	22.3	+4.9

- Sales of boilers, peripheral equipment, and compressors for FY2024 were up YoY.
- Maintenance revenue for FY2024 was bolstered by signing up more business customers for fee-based maintenance packages that offer an extended period of contract performance, as well as by an increase in parts sales for marine equipment.

\*Revenue for FY2023 was retroactively adjusted to reflect the reclassification of business segments that resulted in the inclusion of the Laundry Equipment Business in the Equipment Sales Business in Japan in financial reporting, effective Q2 FY2024.

\*\*Revenue from operations in Japan was down as a result of INAX CORPORATION becoming an equity-method affiliate.

## Revenue by Business Line outside Japan

(In billions of yen)

		FY2022 result	FY2023 result	FY2024 result	YoY change
Outside Japan	The Americas (Brazil, Canada, Mexico, and the United States)	6.7	10.2	11.4	+1.2
	South Korea	8.0	9.0	11.3	+2.3
	China	10.4	10.4	11.1	+0.7
	Southeast Asia and other regions	5.1	6.5	7.0	+0.5
	Subtotal	30.2	36.1	40.8	+4.7

- Equipment sales were up YoY, helped partly by strong boiler sales in China and South Korea.
- Revenue from the maintenance business was up YoY, as we signed up more business customers for fee-based maintenance contracts.

## Abbreviated Consolidated Balance Sheet

(In billions of yen)

		As of March 31, 2023	As of March 31, 2024	YoY change
Assets	Current assets	147.9	138.1	-9.7
	Cash and cash equivalents	30.5	37.2	+6.7
	Trade receivables	41.5	47.9	+6.3
	Other financial assets	23.1	20.5	-2.6
	Inventories	26.8	30.0	+3.1
	Other current assets	5.3	2.3	-2.9
	Assets held for sale	20.3	-	-20.3
	Non-current assets	81.6	102.7	+21.1
	<b>Total assets</b>	<b>229.5</b>	<b>240.9</b>	<b>+11.4</b>
Liabilities and equity	Current liabilities	56.1	54.5	-1.6
	Trade payables	12.3	14.2	+1.8
	Other	43.8	40.3	-3.5
	Non-current liabilities	4.4	4.0	-0.4
	<b>Total liabilities</b>	<b>60.6</b>	<b>59.4</b>	<b>-1.2</b>
	<b>Total equity</b>	<b>168.9</b>	<b>181.5</b>	<b>+12.6</b>
	<b>Total liabilities and equity</b>	<b>229.5</b>	<b>240.9</b>	<b>+11.4</b>

- 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.
- The increase in non-current assets was attributed primarily to stocks of JENSEN-GROUP NV and INAX CORPORATION, both of which became equity-method affiliates of the Company.

## ① Revenue by Operating Segment

(In billions of yen)

	FY2021 result	Percentage to total	FY2022 result	Percentage to total	FY2023 result	Percentage to total	FY2024 result	Percentage to total	FY2025 guidance	Percentage to total
Equipment Sales Business in Japan	60.4	45%	63.1	44%	83.6*	53%*	77.3	48%	80.6	46%
Maintenance Business in Japan	34.7	26%	37.0	26%	38.6	24%	41.4	26%	43.5	25%
Equipment Sales Business outside Japan	19.7	15%	22.4	16%	26.5	17%	29.6	19%	39.4	22%
Maintenance Business outside Japan	7.1	5%	7.7	5%	9.5	6%	11.1	7%	12.0	7%
Laundry equipment	12.5	9%	13.1	9%	-*	-*	-	-	-	-
Total	134.7	100 %	143.5	100 %	158.3	100 %	159.6	100 %	175.5	100 %
Supplementary information: Revenue in the Laundry Equipment Business, including that of INAX CORPORATION	12.5	-	13.1	-	17.4	-	22.3	-	20.9	-

Note: The consolidated financial results for FY2023 were retroactively adjusted to reflect the reclassification of business segments that resulted in the inclusion of the Laundry Equipment Business in "Equipment Sales Business in Japan" in financial reporting, effective Q2 FY2024.

## ② Revenue from Operations in Japan by Business Line

(In billions of yen)

	FY2021 result	Percentage to total	FY2022 result	Percentage to total	FY2023 result	Percentage to total	FY2024 result	Percentage to total	FY2025 guidance	Percentage to total
Boiler	60.0	56%	64.8	57%	67.4	55%	74.0	63%	76.4	62%
Water treatment equipment	4.6	4%	6.4	6%	7.6	6%	7.9	7%	8.4	7%
Marine equipment	11.7	11%	9.6	8%	9.8	8%	11.2	9%	12.6	10%
Food-processing and medical equipment	11.3	10%	12.6	11%	12.9	11%	13.6	11%	14.2	11%
Others (including laundry equipment, special-purpose equipment, and environmental solutions businesses and new business)	7.5	7%	6.8	6%	24.4*	20%*	12.1	10%	12.5	10%
Laundry equipment	12.6	12%	13.1	12%	-*	-*	-	-	-	-
Total	107.7	100%	113.3	100%	122.3	100%	118.8	100%	124.1	100%
Supplementary information: Revenue in the Laundry Equipment Business, including that of INAX CORPORATION	12.5	-	13.1	-	17.4	-	22.3	-	20.9	-

\*The consolidated financial results for FY2023 were retroactively adjusted to reflect the reclassification of business segments that resulted in the inclusion of the Laundry Equipment Business in "Others" in financial reporting, effective Q2 FY2024.

## ③ Operating Profit by Operating Segment

(In billions of yen)

	FY2021 result	Percentage to total	FY2022 result	Percentage to total	FY2023 result	Percentage to total	FY2024 result	Percentage to total	FY2025 guidance	Percentage to total
Equipment Sales Business in Japan <i>Operating profit margin</i>	4.8 8.1%	27%	5.8 9.2%	30%	7.5* 9.0%*	34%*	7.5 9.8%	33%	8.3 10.3%	32%
Maintenance Business in Japan <i>Operating profit margin</i>	9.5 27.4%	53%	9.6 26.0%	50%	10.1 26.3%	46%	11.3 27.5%	49%	12.5 28.7%	49%
Equipment Sales Business outside Japan <i>Operating profit margin</i>	2.0 10.4%	11%	2.3 10.5%	12%	2.9 11.2%	14%	2.8 9.4%	12%	3.2 8.1%	13%
Maintenance Business outside Japan <i>Operating profit margin</i>	1.2 17.2%	8%	1.3 16.9%	7%	1.3 14.6%	6%	1.4 12.9%	6%	1.6 13.3%	6%
Laundry Equipment Business in Japan <i>Operating profit margin</i>	0.17 1.4%	1%	0.3 2.5%	1%	-*	-*	-	-	-	-
Total <i>Operating profit margin</i>	17.8 13.3%	100%	19.4 13.5%	100%	21.9 13.8%	100%	23.0 14.4%	100%	25.6 14.6%	100%
Supplementary information: Operating profit in the Laundry Equipment Business, including that of INAX CORPORATION <i>Operating profit margin</i>	1.7 1.4%	-	0.3 2.5%	-	0.7 4.0%	-	1.9 8.5%	-	1.2 5.8%	-

Note: The consolidated financial results for FY2023 were retroactively adjusted to reflect the reclassification of business segments that resulted in the inclusion of the Laundry Equipment Business in "Equipment Sales Business in Japan" in financial reporting, effective Q2 FY2024.

## ④ Revenue by Region

(In billions of yen)

	FY2021 result	Percentage to total	FY2022 result	Percentage to total	FY2023 result	Percentage to total	FY2024 result	Percentage to total	FY2025 guidance	Percentage to total
Japan	107.7	80%	113.3	79%	122.3	77%	118.8	74%	124.1	71%
The Americas	5.1	4%	6.7	4%	10.2	6%	11.4	7%	14.2	8%
South Korea	7.8	6%	8.0	6%	9.0	6%	11.3	7%	11.9	7%
China	9.9	7%	10.4	7%	10.4	7%	11.1	7%	12.3	7%
Other regions	4.1	3%	5.1	4%	6.5	4%	7.0	4%	13.0	7%
Subtotal	26.9	20%	30.2	21%	36.1	23%	40.8	26%	51.4	29%
Total	134.6	100 %	143.5	100 %	158.4	100 %	159.6	100 %	175.5	100 %
Supplementary information: Revenue in the Laundry Equipment Business, including that of INAX CORPORATION	12.5	-	13.1	-	17.4	-	22.3	-	20.9	-



## ⑤ Cash Flows

(In millions of yen)

	FY2020 result	FY2021 result	FY2022 result	FY2023 result	FY2024 result
Net cash generated from operating activities	18,121	22,982	19,442	17,844	20,810
Net cash generated from (used in) investing activities	(10,300)	(11,073)	(14,481)	(12,535)	(1,270)
Free cash flows	7,821	11,909	4,961	5,309	19,540
Net cash generated from (used in) financing activities	(8,978)	(7,991)	(3,263)	(13,766)	(15,403)

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

(In millions of yen)

	FY2020 result	FY2021 result	FY2022 result	FY2023 result	FY2024 result
Capital expenditures (right-of-use assets not included)	4,570	3,646	3,847	2,868	3,532
Depreciations and amortizations	6,580	6,733	6,879	7,033	6,707
Research and development expenses	3,578	3,165	2,905	3,353	3,211

## ⑦ Currency Exchange Rates

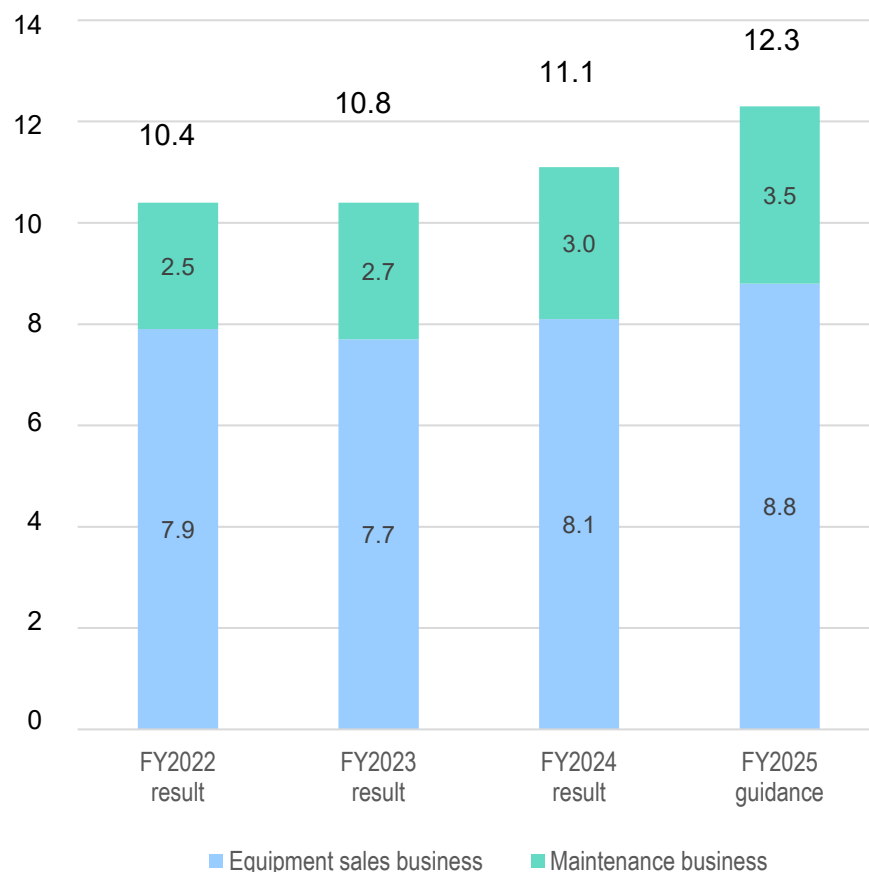
Average rate in JPY during period

Currency	FY2021 result	FY2022 result	FY2023 result	FY2024 result	YoY percentage change	Exchange rate used for FY2025 guidance
1 USD =	106.10	112.39	135.50	144.59	+6.7%	153.00
1 CAD =	80.34	89.65	102.47	107.22	+4.6%	112.00
1 yuan =	15.68	17.51	19.75	20.13	+1.9%	21.10
1 NTD =	3.67	4.03	4.46	4.60	+3.1%	4.50
100 won =	9.17	9.64	10.37	10.97	+5.8%	11.20
100 Rp =	0.73	0.79	0.90	0.95	+5.6%	0.96
1 BRL =	19.65	21.04	26.28	29.33	+11.6%	29.90
1 MXN =	4.93	5.53	6.90	8.35	+21.0%	9.10
1 THB =	3.42	3.44	3.84	4.11	+7.0%	4.10

## Revenue Performance for FY2024 and Annual Guidance for FY2025

## Revenue of MIURA INDUSTRIES (CHINA)

(In billions of yen)



## Business strategies pursued by MIURA INDUSTRIES (CHINA)

- ① Offer our energy-efficient boilers not subject to environmental regulations to:
  - ✓ Encourage industrial customers to replace competitors' gas-fired boilers with ours
  - ✓ Encourage them to replace their old gas-fired boilers with ours
- ② Focused sectors
  - ✓ Select sectors most likely to respond positively to our marketing efforts to encourage gas-to-gas switching

## Political and Economic Landscapes in China



**The Chinese government's goal is to achieve carbon neutrality by 2060 while keeping the nation on a solid track.**

- The cumulative installed capacity for renewable energy generation reached 1,405,000 MWh in China at the end of 2023, accounting for more than half of the total installed capacity for power generation and exceeding that for thermal power generation: 420,000 MWh for hydraulic power generation; 440,000 MWh for wind power generation; 540,000 MWh for solar power generation; and 40,000 MWh for biomass power generation
- Private enterprises are increasingly concerned about uncertainties over the government's sudden economic policy changes and overemphasis on national security. Annual foreign direct investments were reported to have fallen to 33 billion dollars in China in 2023, the lowest level over the past 30 years.

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

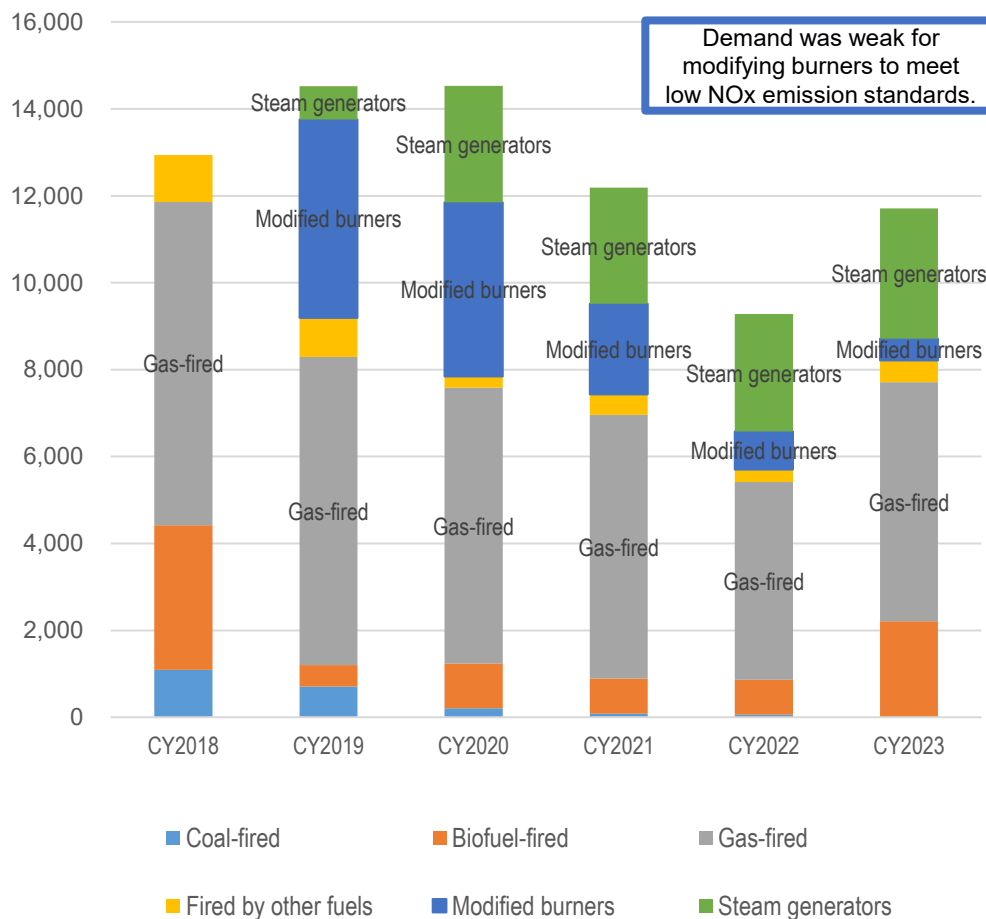
- The China Caixin manufacturing purchasing managers' index (PMI):  
51.1 in March 2024 and 51.4 in April, showing signs of picking up, albeit modestly  
While the robust pace of production has driven the manufacturing PMI above the critical threshold of 50 for two consecutive months, the new order index has fallen from the previous months amid a real estate slump, an indication of weak domestic demand. The Chinese government has offered consumers an incentive to replace old automobiles and home appliances with new ones as part of its effort to stimulate domestic demand.  
⇒ While the pace of enforcing environmental regulations by the authorities has been slowly gaining momentum, the enforcement of regulations has been pushed back in some regions.
- Trade frictions between China and the West are likely to dampen production at home.

## What's happening in the Chinese Market

Political factors	The Chinese government has placed maintaining national stability ahead of pursuing economic growth, which has led to a sluggish economy and the softening of capital expenditures.		
Environmental policy 1	Environmental regulations to encourage a switch from using coal and biofuels to using 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 forcing 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 fishery: Food-processing and mushroom-cultivation plants		
Aftermath of the pandemic	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 gas-powered vehicles plunging; materials costs of fuel cells for automobiles declining		
Fabric dyeing	Production shifting to offshore in other parts of Asia		
Cardboard	Demand fueled by growing popularity of home delivery services; smaller cardboard manufacturers going out of business	Squeezed profit margins due to surging material costs	
Pharma	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 Industrial Boilers Sold in the Market



#### Changes observed between 2022 and 2023

#### Developments in the industrial boiler market

- An economic downturn softened demand for capital expenditures.
  - ✓ More and more businesses intended to recoup investments faster—within 18 months.
- Industry sales of steam generators remained strong.
- Falling biofuel prices drove sales of biofuel-fired boilers.
- Sales of gas-fired boilers picked up in Guangzhou due to a more vigorous enforcement of environmental regulations.



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

#### Key objectives for MIURA's Chinese business in 2024

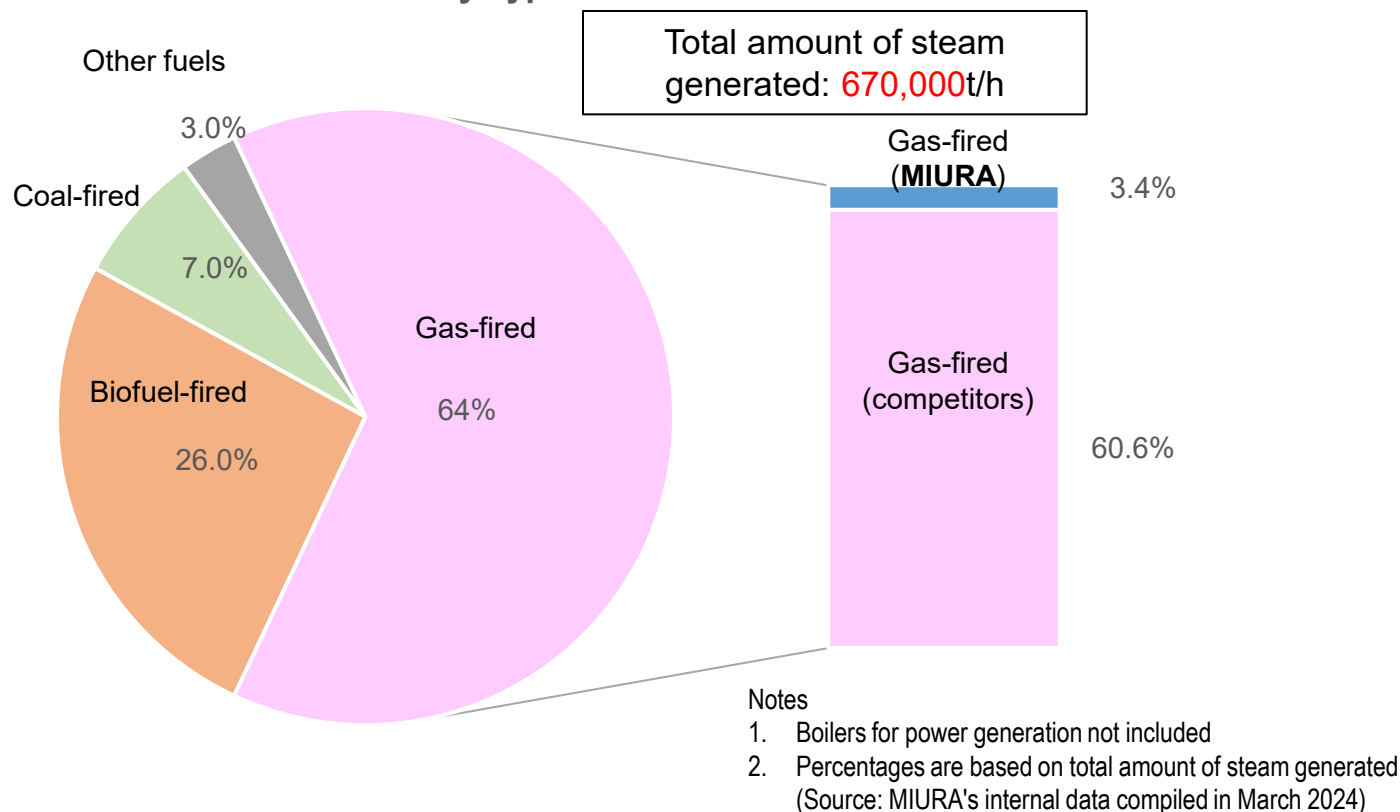
Environmental regulations are not being vigorously enforced.

#### MIURA's actions

- Step up sales efforts to increase the number of industrial customers by 20% who replace their old gas-fired boilers with our energy-efficient ones
- Expand offerings of energy-efficient solutions, such as installing heat exchangers to flue tubes
- Expand the installed base of boilers with network connectivity to achieve greater efficiency in maintenance

## The Industrial Boiler Market in China by Type of Fuel Used

### Percentage of Installed Industrial Boilers by Type of Fuel Used



- The shift from coal-fired boilers to gas-fired boilers reduced the total capacity from 710,000 t/h in 2022 to 670,000 t/h in 2023. 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

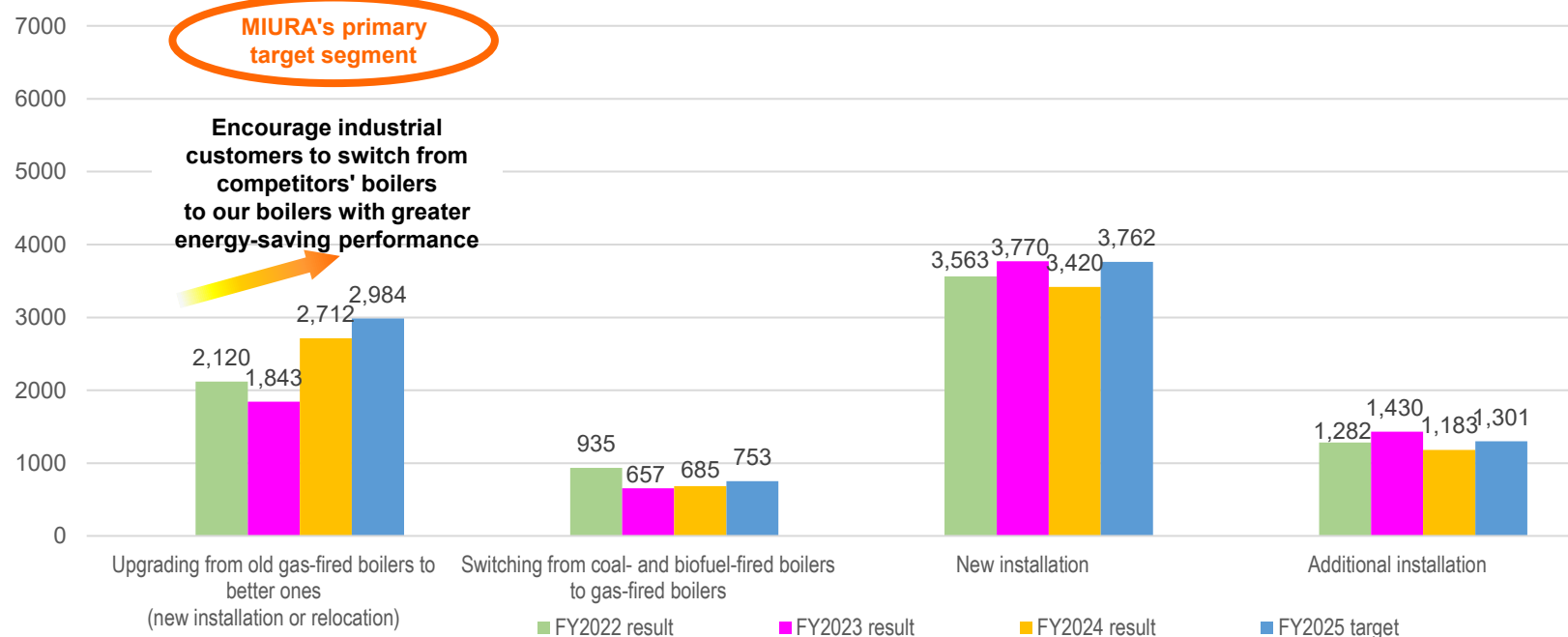
◆ Our efforts to encourage customers to switch from competitors' gas-fired boilers to ours have not produced the intended results.

**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 energy-saving performance
- 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.

## Industrial Boiler Sales by Industry Sector

## Focused sectors in FY2024

Food, dairy, chemical (including batteries), and pharma industries



## Focused sectors updated for FY2025

Select sectors most likely to respond positively to our marketing efforts to encourage gas-to-gas switching

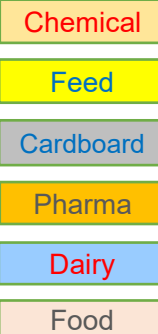
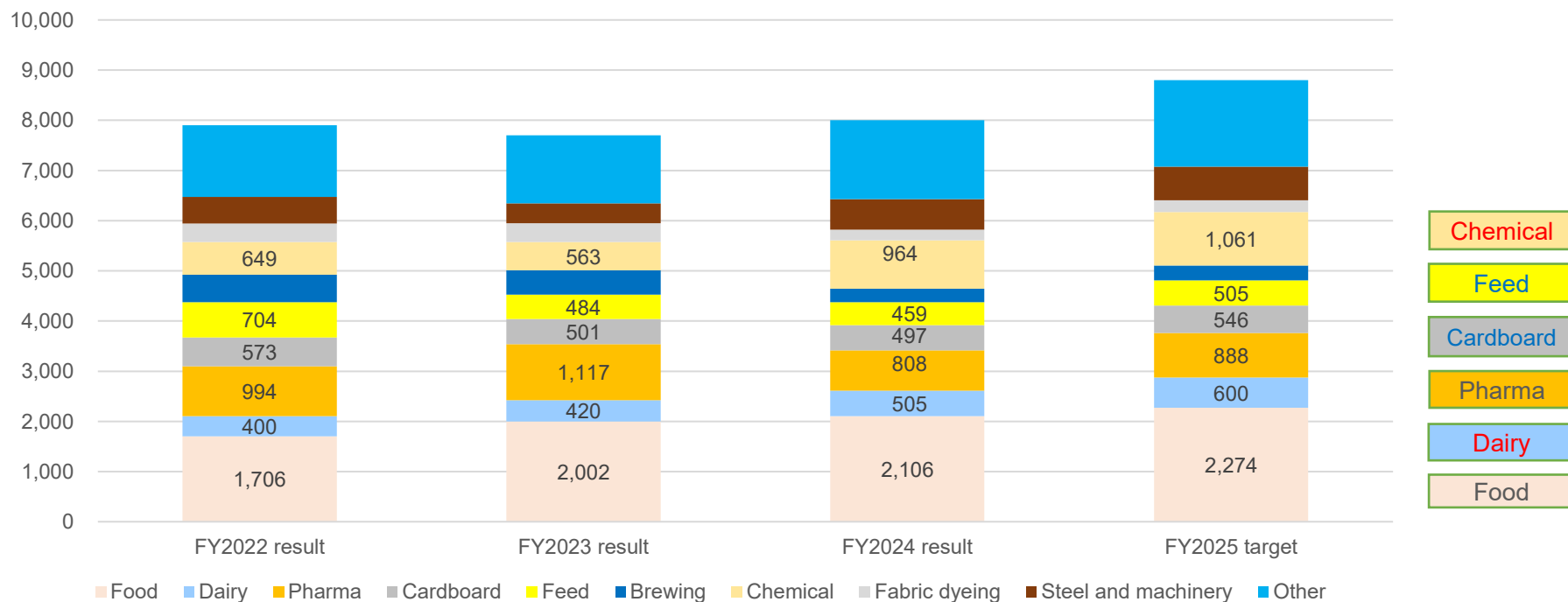
**Challenges:** Economic downturn

- Environmental regulations unlikely to be vigorously enforced anytime soon

**MIURA's actions**

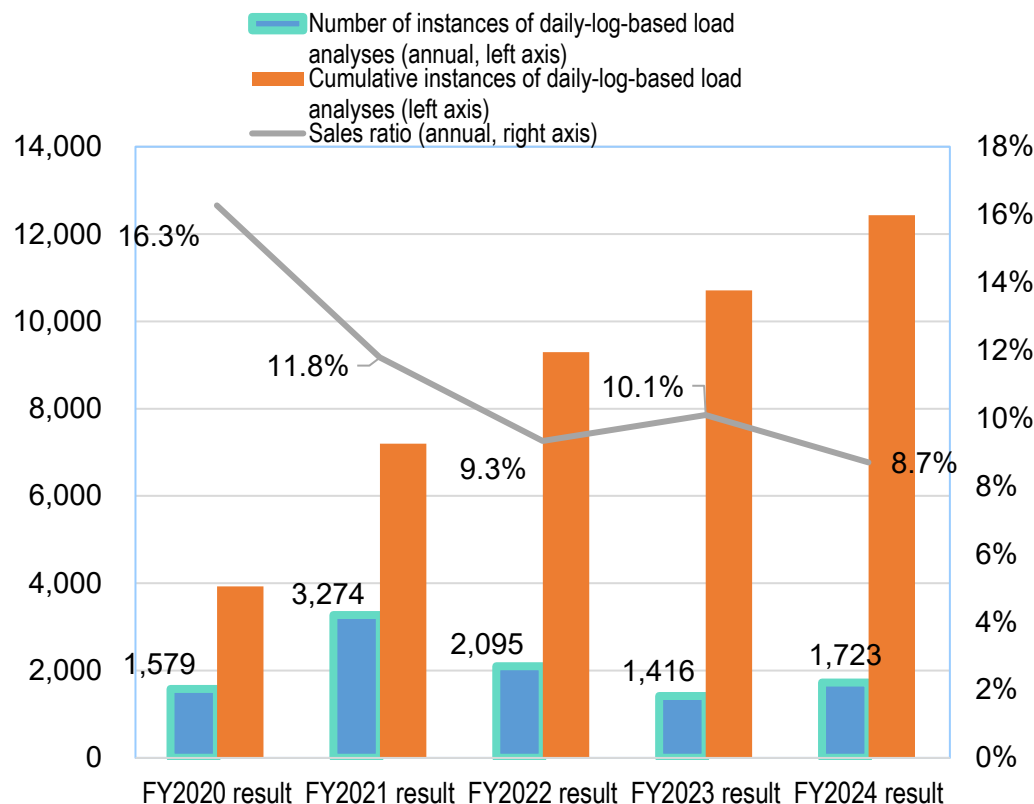
- Expand offerings of boilers with greater fuel-to-steam efficiency
- step up sales efforts

(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 with greater energy-saving performance

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



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

#### 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.

#### Analysis findings:

- ✓ Percentage of businesses more likely to recoup their investments within 18 months: 7.7%
- ✓ Percentage of businesses more likely to recoup their investments within 36 months: 57.1%

#### MIURA's actions:

- Reselect prospects for which to conduct load analyses with a focus on those in industry sectors most likely to benefit from energy-efficient solutions
- 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

The Best Partner of  
Energy, Water and Environment



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