

Financial Result and MIURA Growth Strategy

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MIURA CO.,LTD.

May 23rd, 2018 (Wed)

The Best Partner of
Energy, Water and Environment



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Attention

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

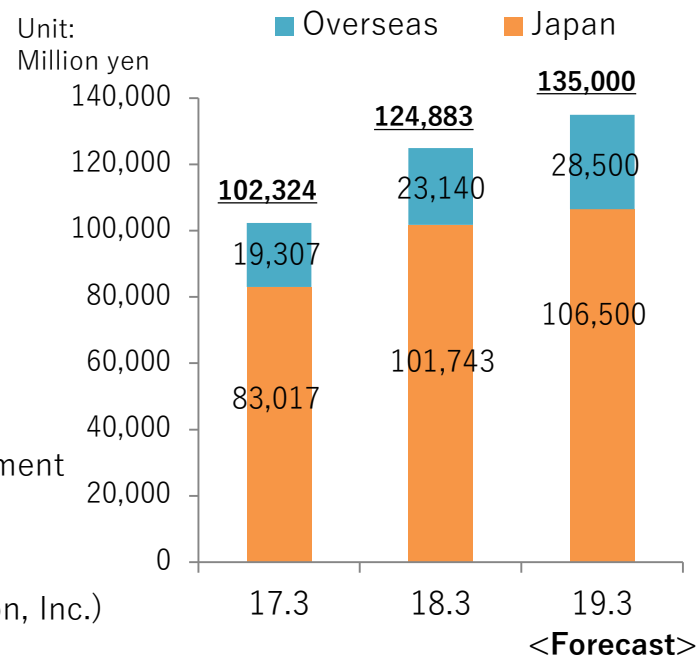
1. Company Profile

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Energy, Water and Environment



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

【Consolidated Net Sales】



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

2. FY2017 Summary Overview

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Result

[Unit: Million yen]

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

Overview of financial summary

Japan

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

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

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

Laundry business: Steady sales due to hotel linen demand increase

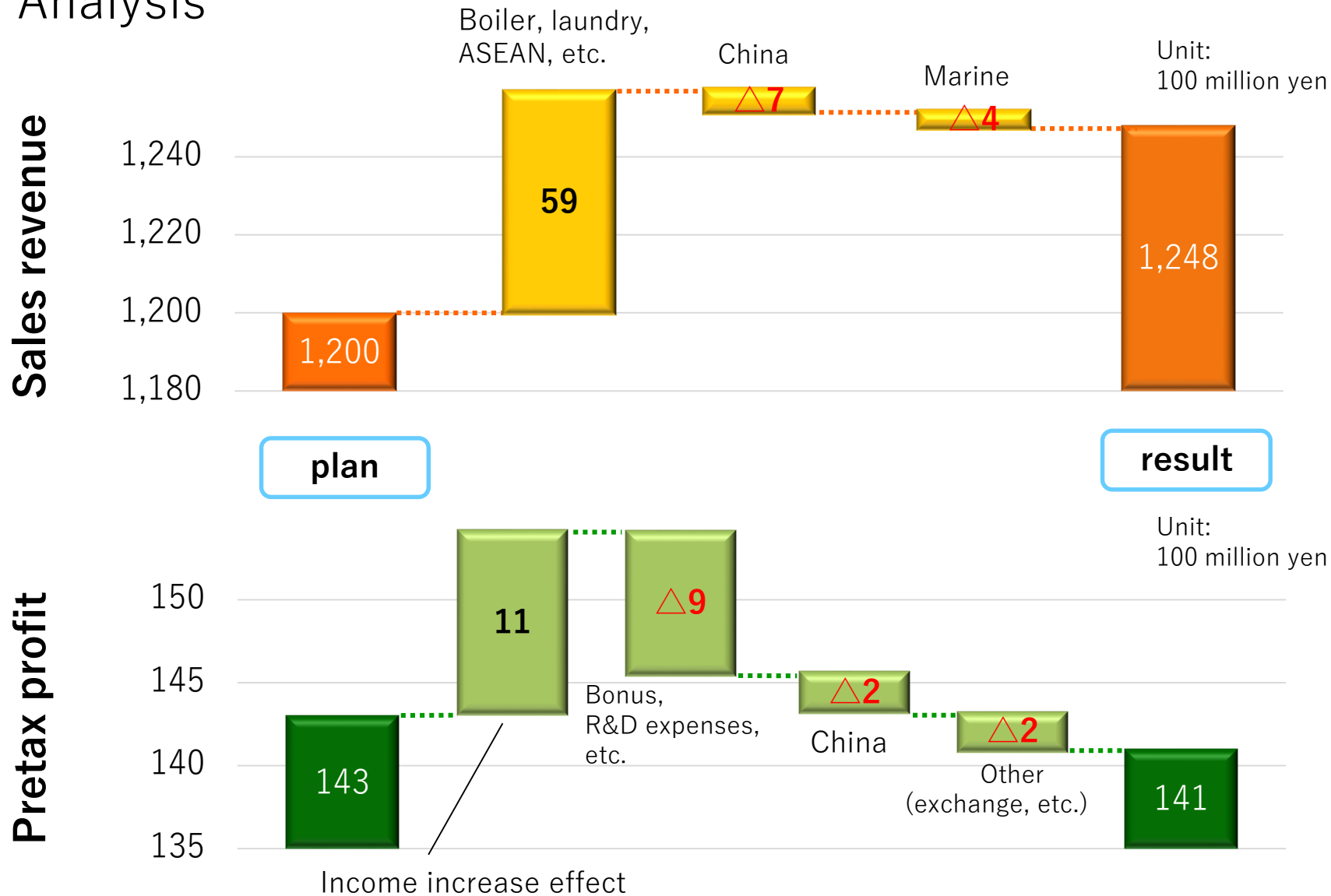
Overseas

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

China: Increasing demand of replacement by gas-fired boiler

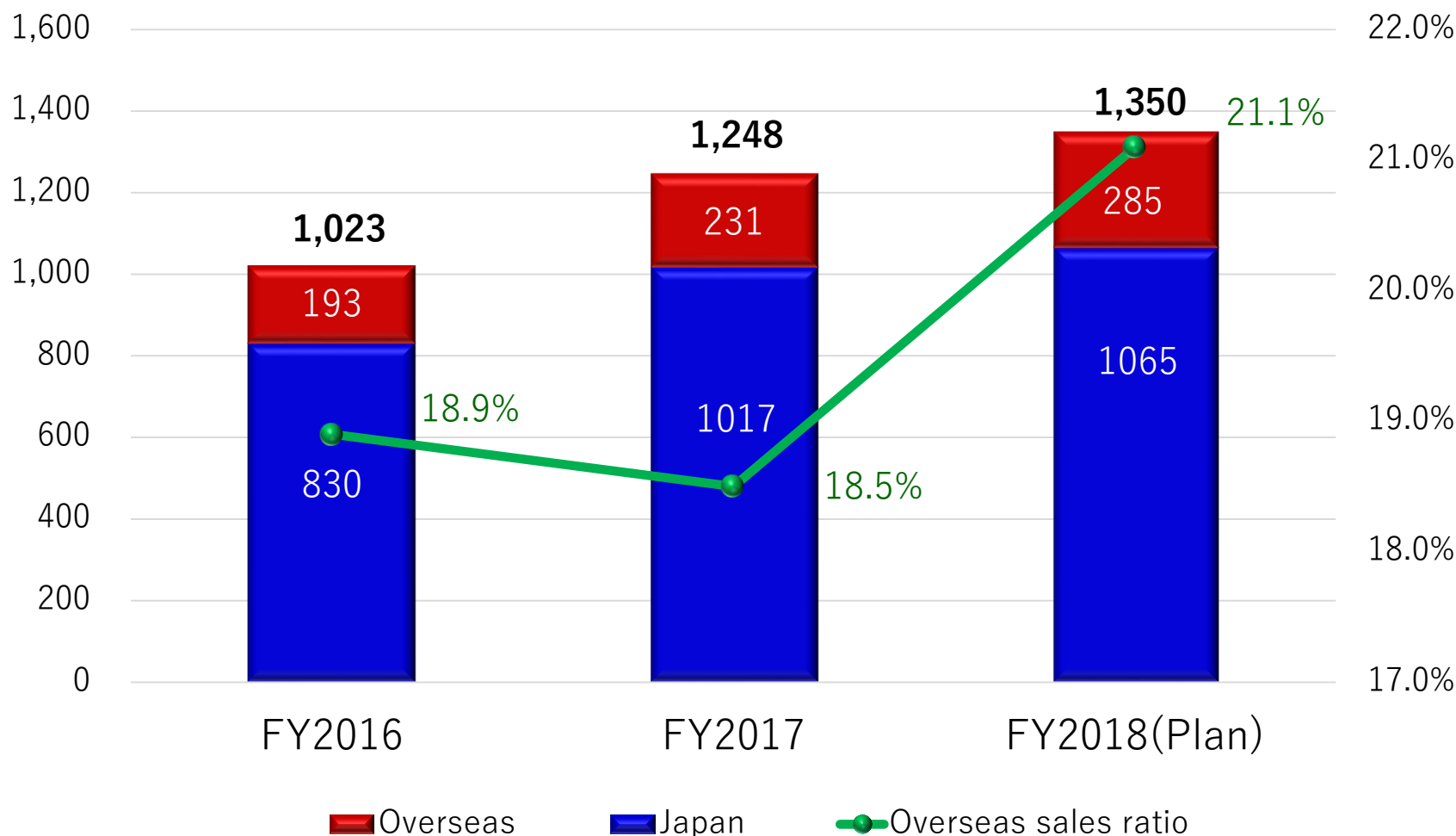
ASEAN region, etc.: Favorable sales
Korea and Americas: Steady sales

Analysis



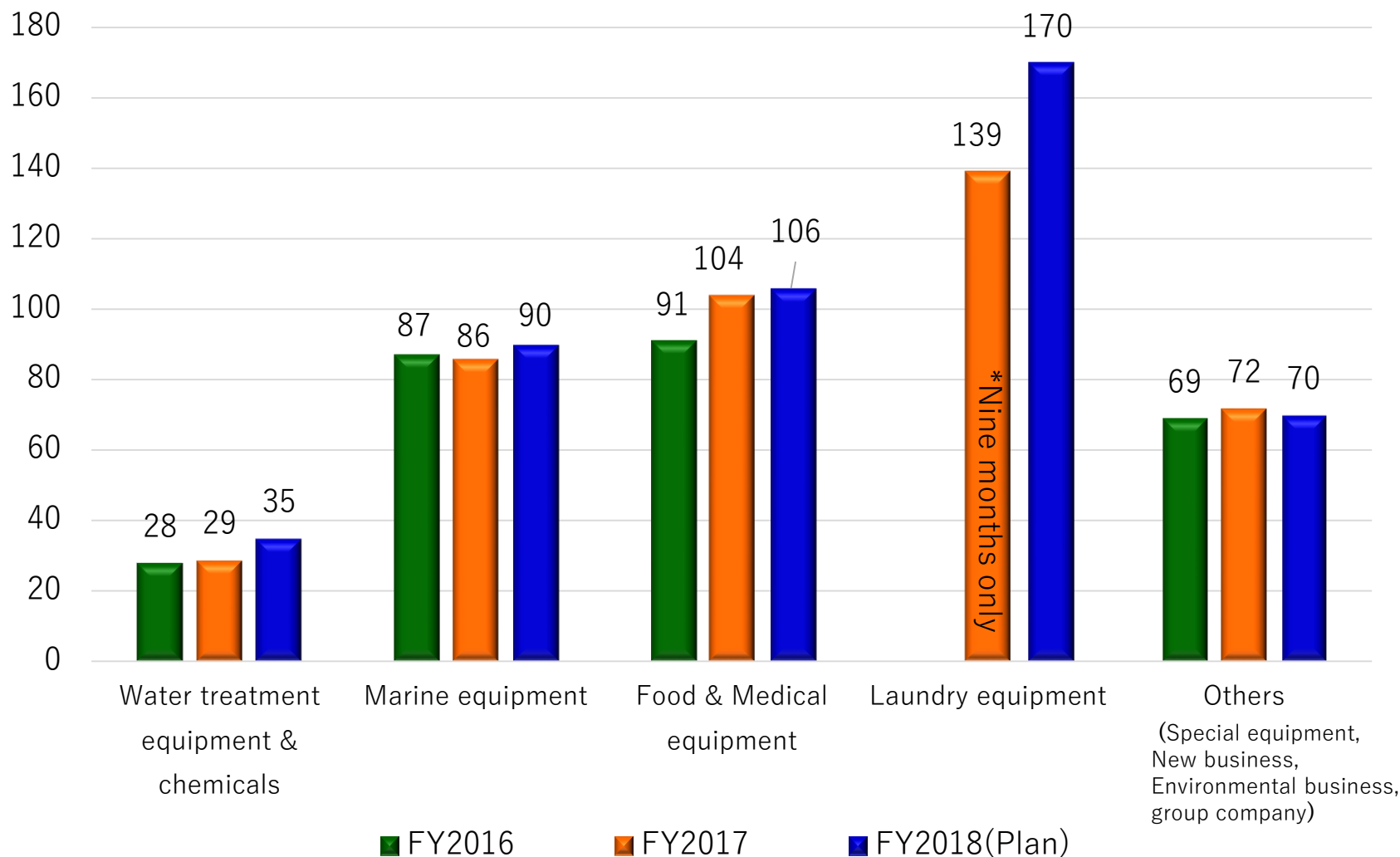
Domestic/overseas sales (IFRS)

Unit: 100 million yen



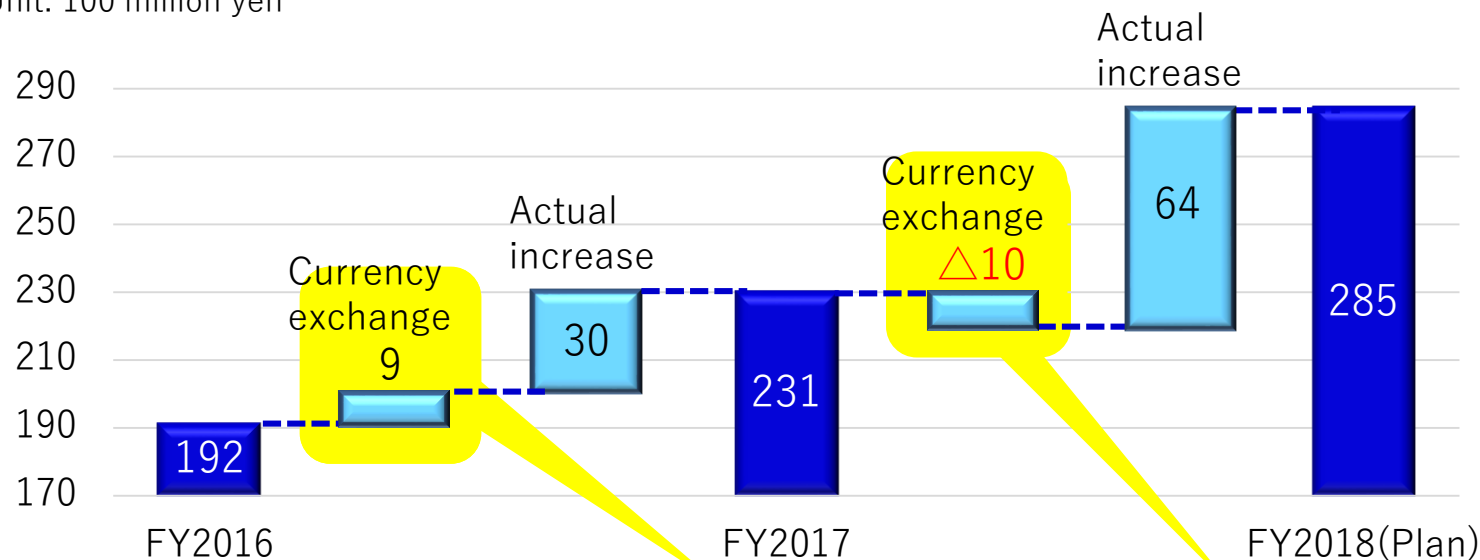
Analysis of Japan domestic sales

Unit: 100 million yen



Factor analysis of overseas sales increase

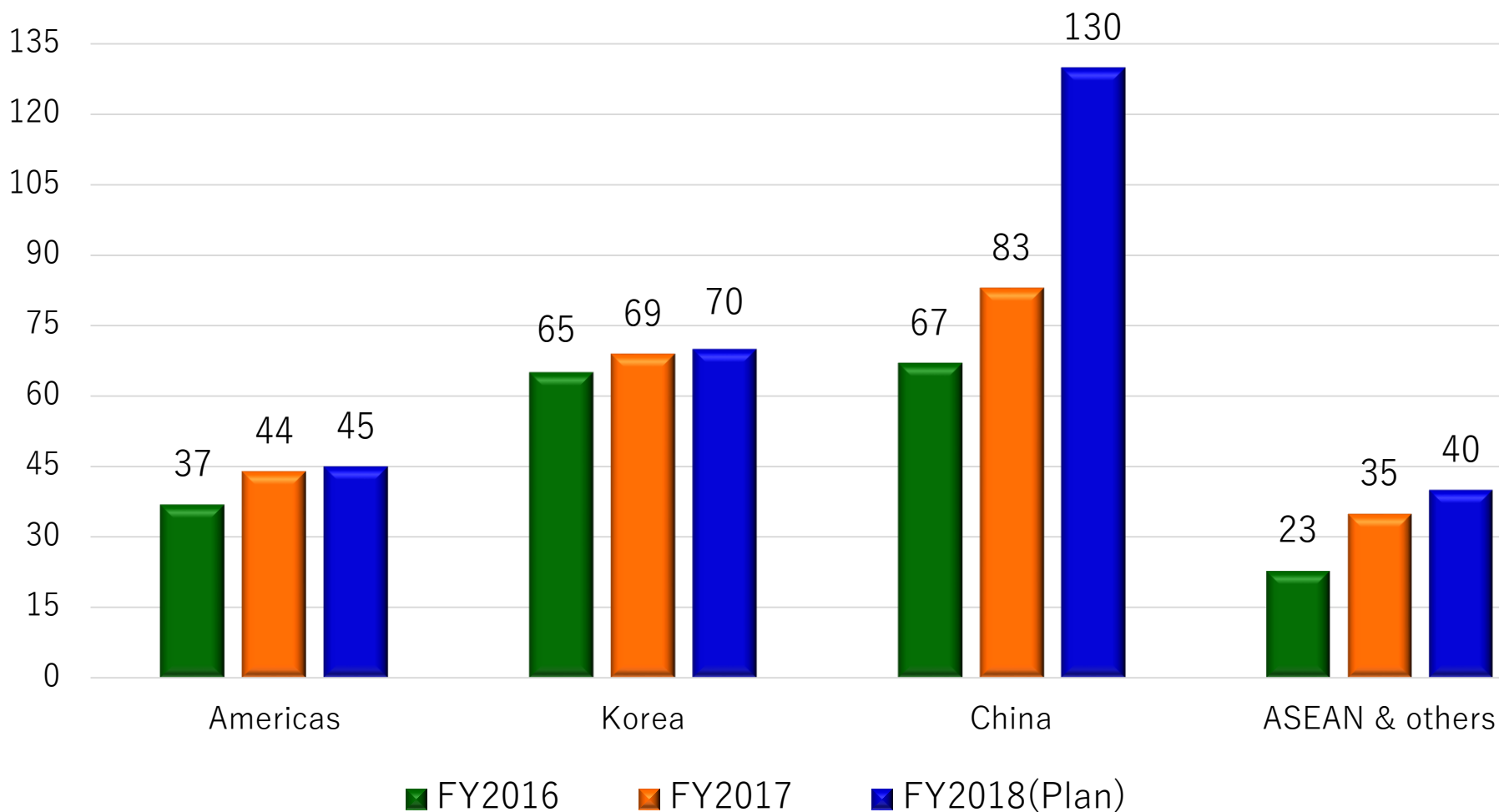
Unit: 100 million yen



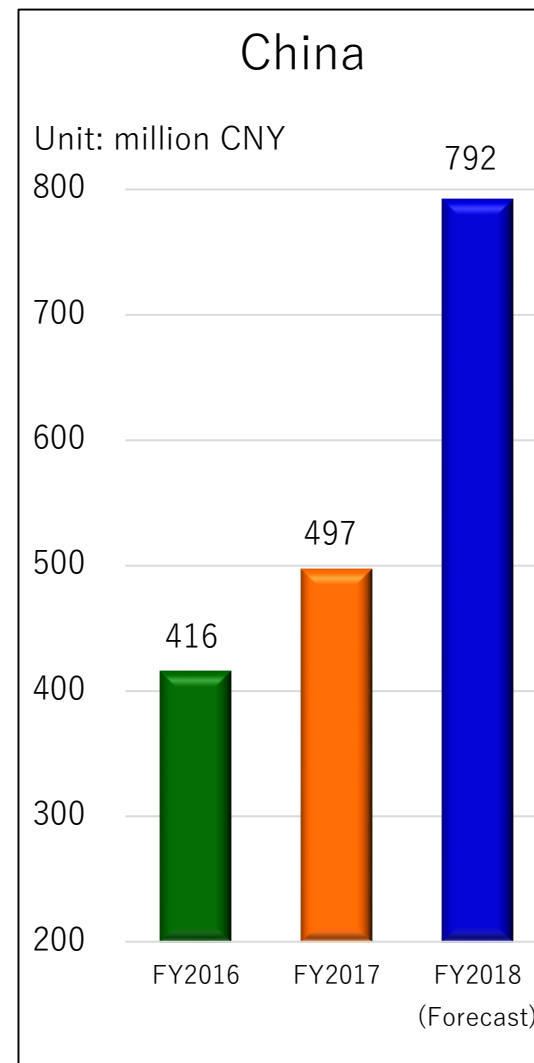
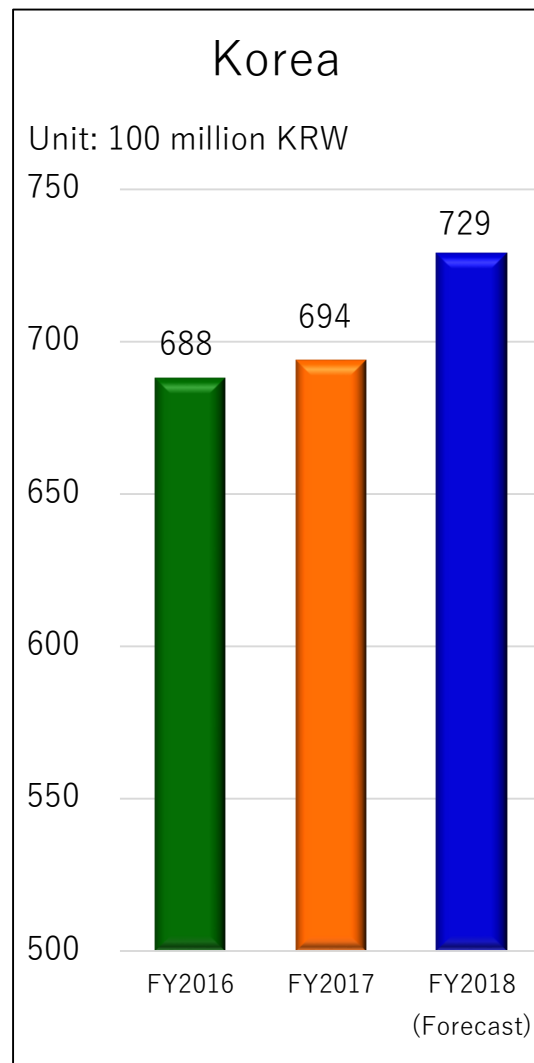
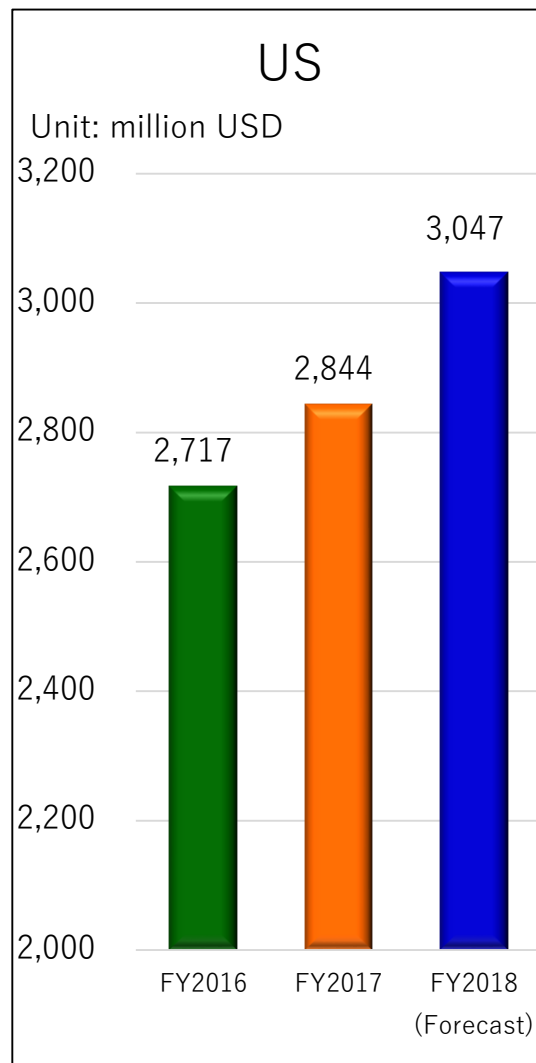
Average exchange rate	FY2016	FY2017	Increase rate	FY2018 plan	Increase rate
USD	108.34	110.85	2.3%	105.00	- 5.3%
CAD	82.50	86.43	4.8%	82.00	- 5.1%
CNY	16.10	16.74	4.0%	16.40	- 2.0%
KRW (100 W)	9.45	10.00	5.8%	9.60	- 4.0%
IDR (100 Rp)	0.82	0.83	1.0%	0.80	- 3.6%
NTD	3.42	3.70	8.2%	3.50	- 5.4%
BRL	32.93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

Overseas sales

Unit: 100 million yen



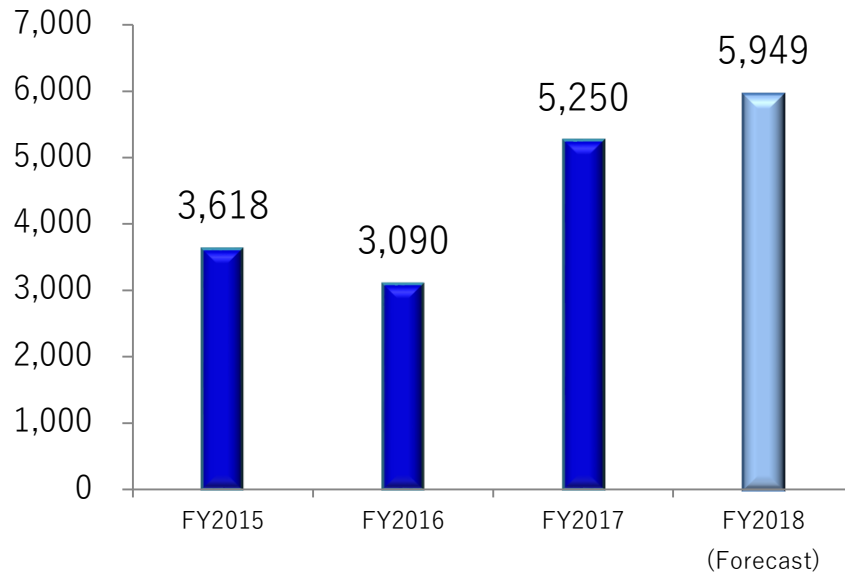
Main overseas sales (in local currency)



Business investment

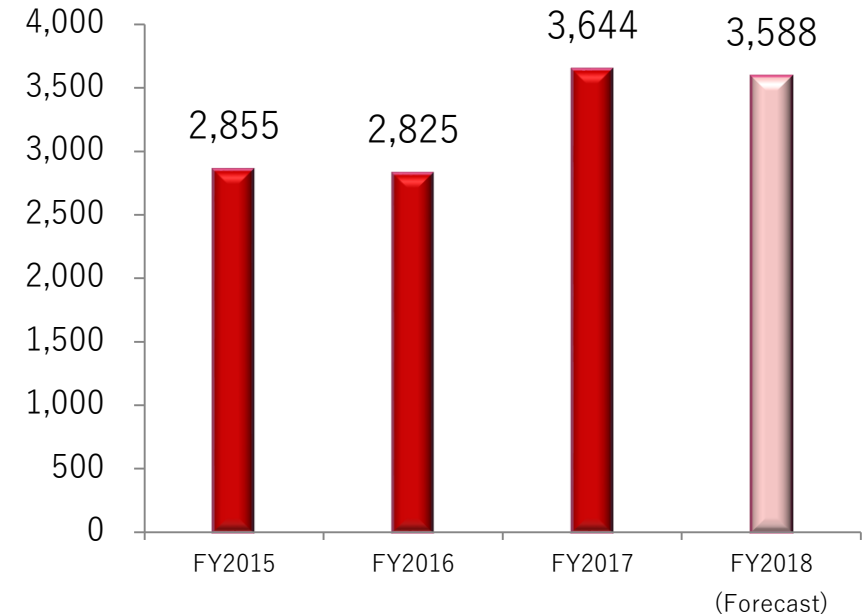
【Capital investment】

[Unit: Million yen]



【 Depreciation and amortization 】

[Unit: Million yen]

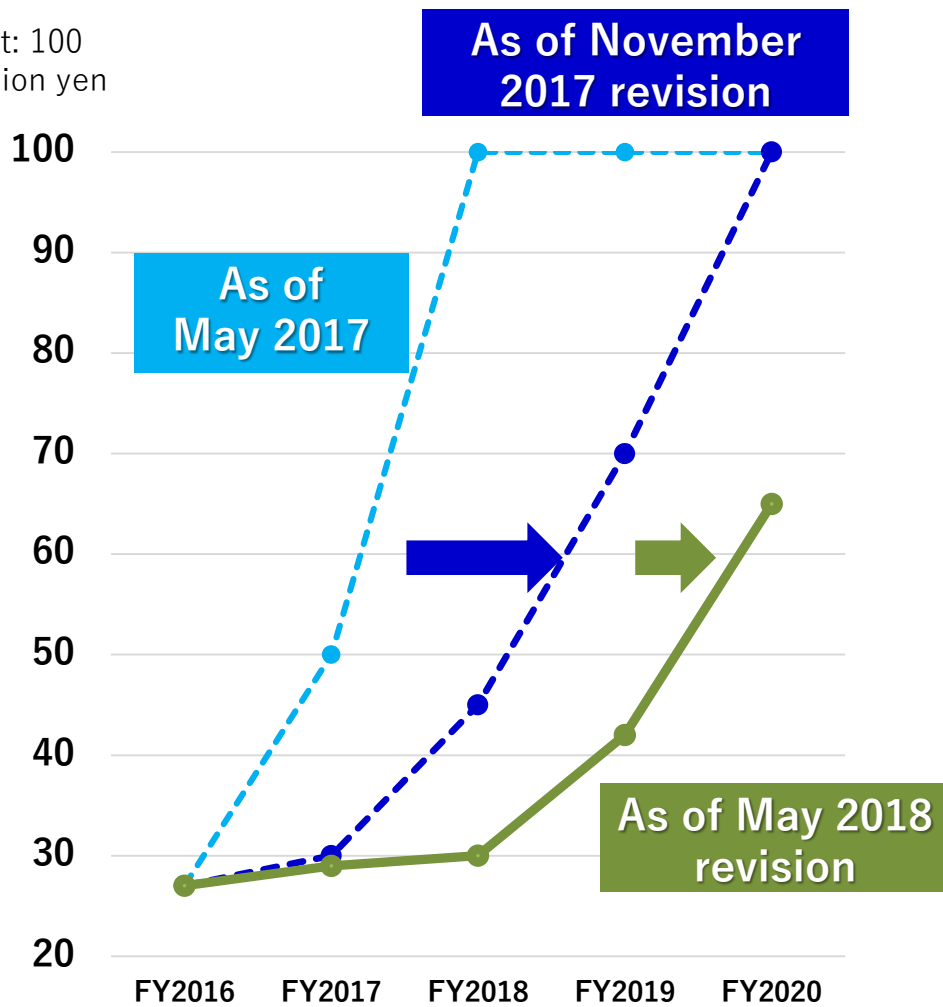


Investment examples

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

Sale plan revision of BWMS

Unit: 100
million yen



【BWMS installation timing changed】

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

2 year
postponement

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

【USCG TA obtaining plan changed】

By March 2018

delay

New schedule:
Application by March 2019

3. Profit Share and Stock

3 Profit Share and Stock

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

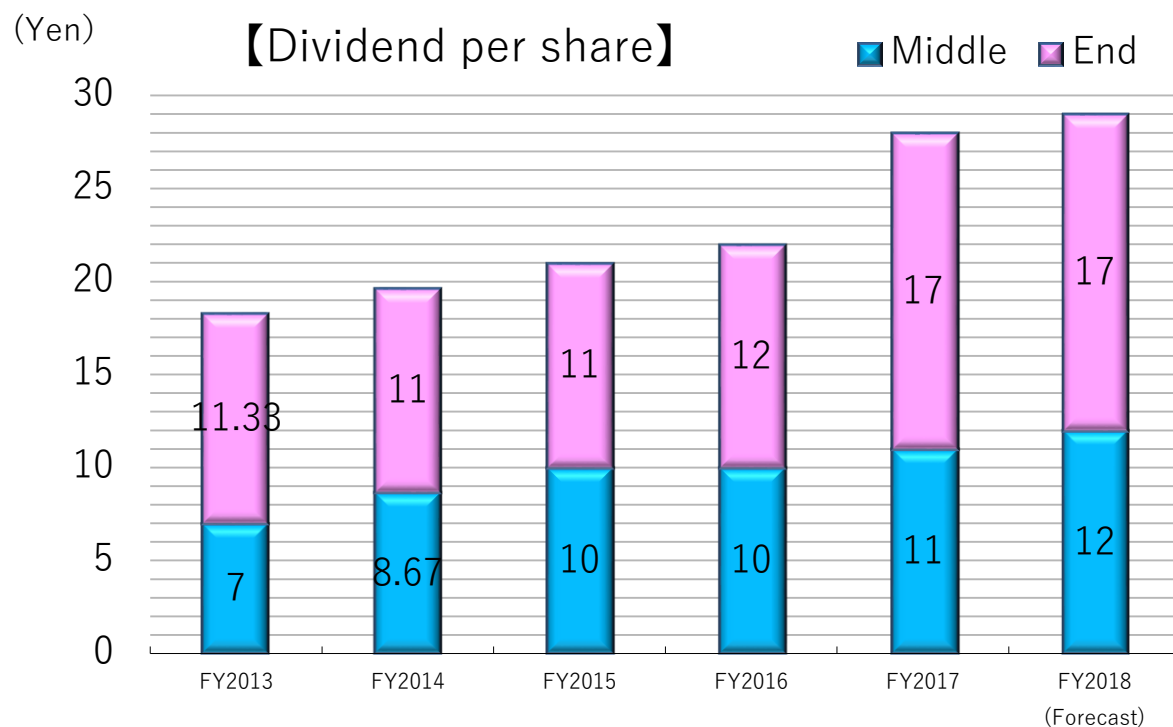


FY2017

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

FY2018

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



【 Reference 】

※ As of March 31st, 2018

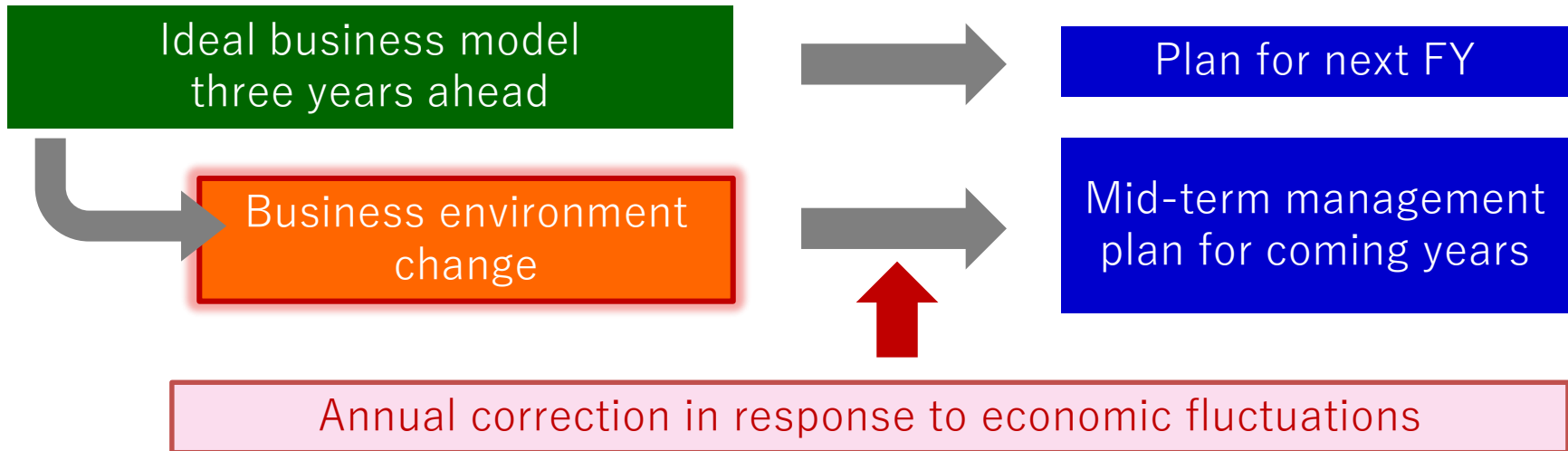
- Total issued shares
(treasury stock excluded)
112,546,472 shares
- Treasury stock
12,744,640 shares

4. Mid-Term Management Plan for 2018

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Mid-term management planning



Rolling plan

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

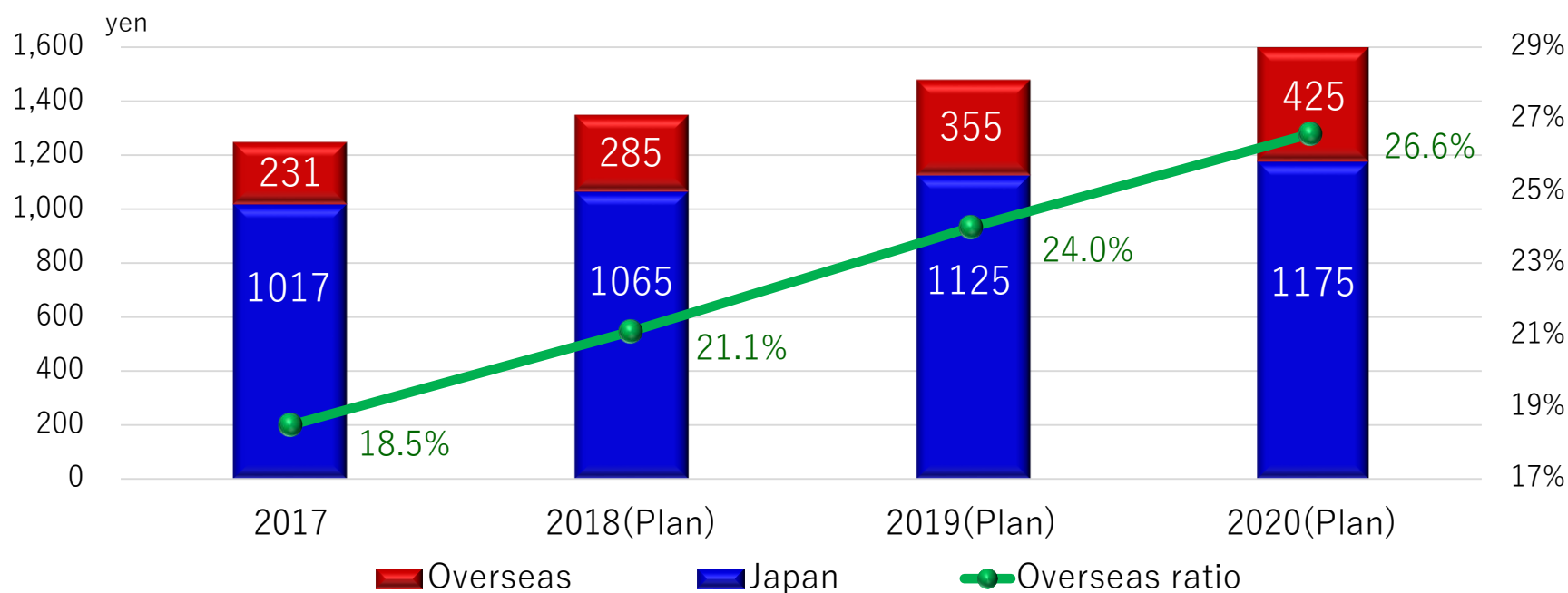
	F Y 2016	FY 2017	FY 2018	FY 2019	FY 2020
Mid-term management plan 2016	2016 – 2018				
Mid-term management plan 2017		2017 – 2019			
Mid-term management plan 2018			2018 – 2020		

Summary

Unit: 100 million yen

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

Unit: Hundred million yen



4 Mid-Term Management Plan for 2018

By business category

Unit: 100 million yen





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

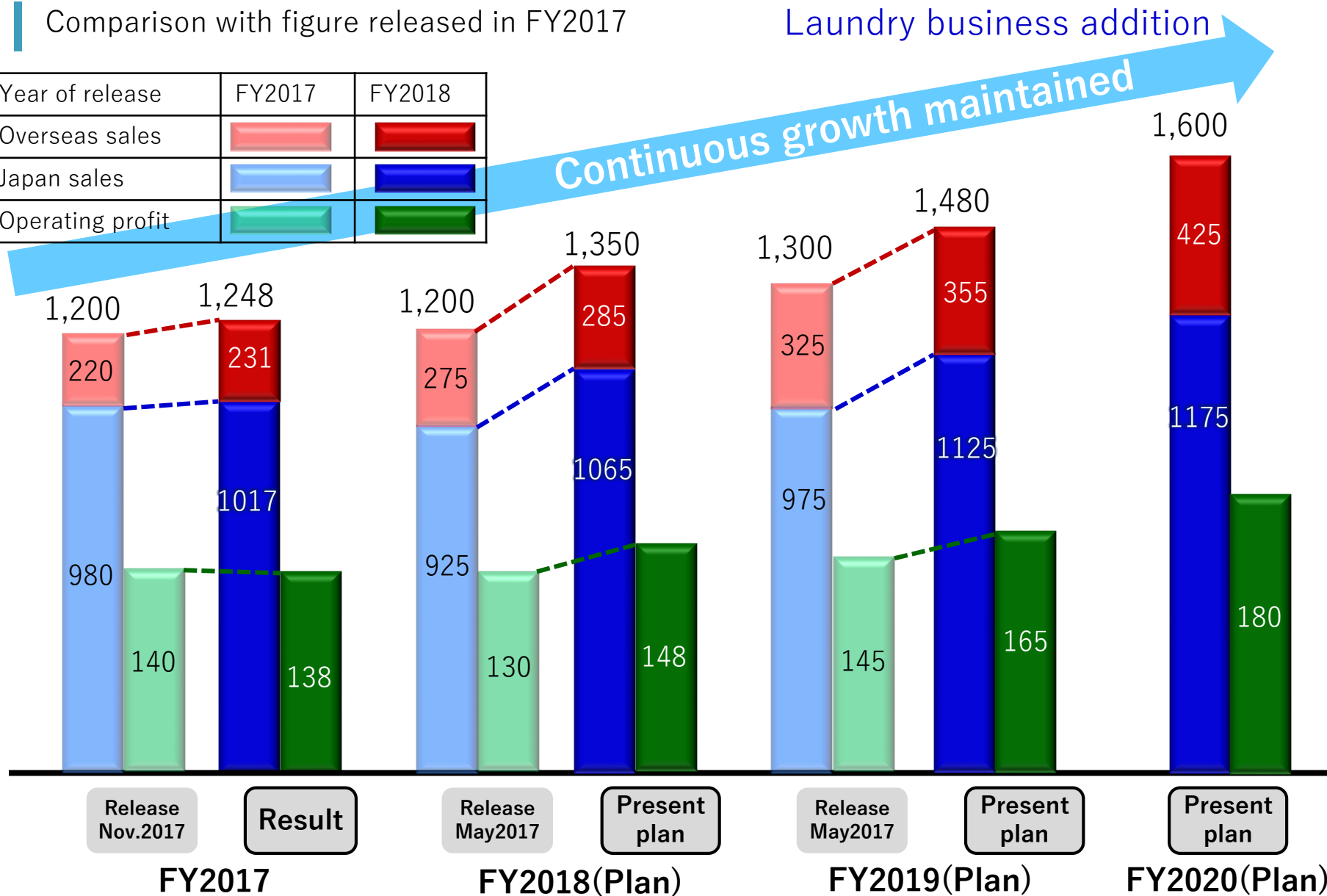
4 Mid-Term Management Plan for 2018

Unit: 100 million yen

Comparison with figure released in FY2017

Laundry business addition

Year of release	FY2017	FY2018
Overseas sales		
Japan sales		
Operating profit		



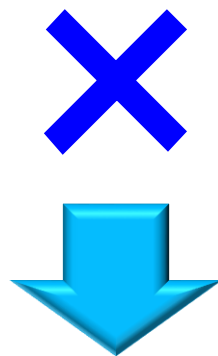
5. Laundry Business

INAX Inamoto's future

<INAX Inamoto>

Leading company of
commercial cleaning equipment

お客様の
未来をかたちに
「きれいと安心」のアイナックス稲本



<MIURA Group>



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

Typical customers

Dry cleaning

Laundry cleaning
of ordinary
households

- Suit
- Shirt
- Skirt
- Dress



Hotel linens- supply

Rental &
cleaning

- Sheets
- Towel
- Pillowcase
- Yukata



Hospital bedding

Rental &
cleaning

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



Diaper or wet towel rental

Rental &
cleaning

- Wet towel
- Diaper



Dust control

Rental &
cleaning

- Mop
- Door mat
- Roll towel
- Workshop rag



In-house equipment

Facility-dedicated
washing equipment

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



Coin-operated laundry

Washer/dryer

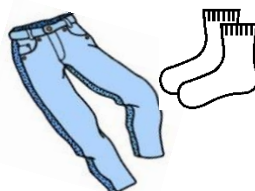
- Coin-operated laundry
store



Textile processing

Dyeing,
stonewashing,
etc.

- Jeans
- Socks
- Stockings



Uniforms

Rental &
cleaning

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



Others

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

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



Domestic market share of commercial cleaning equipment

*As of March 2018



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

Difference between cleaning and linens-supply

Cleaning

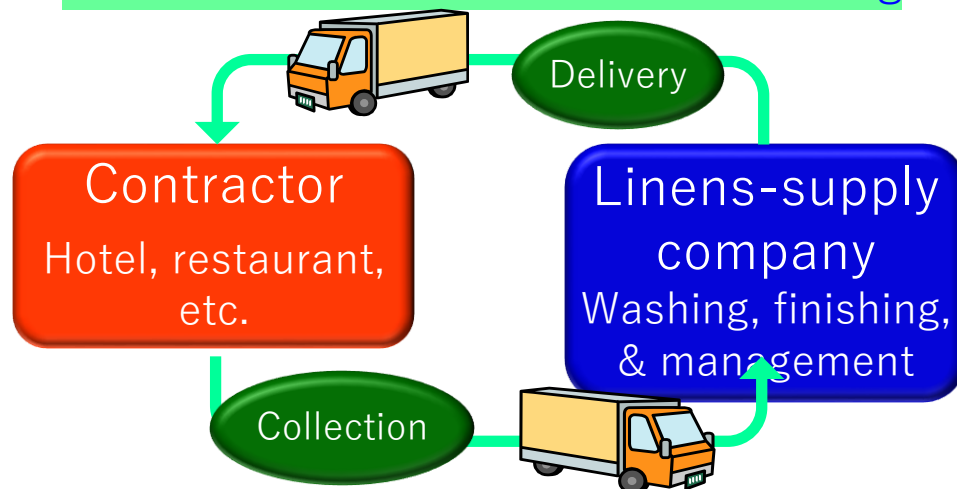
Washes goods in terms of general cleaning



Linens-supply

Provides rental linen items and washes them after use

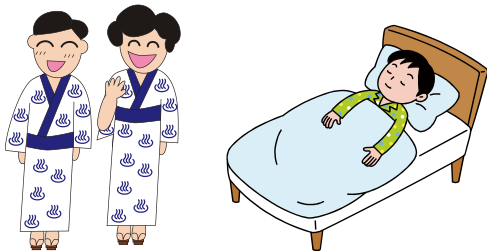
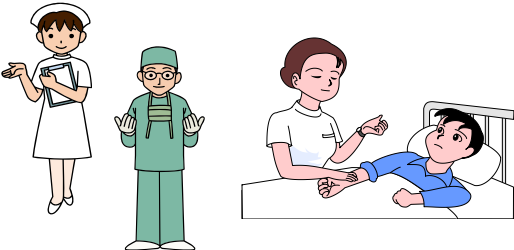

Combined service of rental & cleaning



< Advantages >

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

| Main demand of linens-supply

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

Linens-supply factory

Video Approx.
5 min.



Typical linens-supply factory and main products

Clean zone

Finishing/inspection

Rewashing or replacement of items

Roll ironer



Energy saving operation software installed (steam consumption reduced by 24% max. compared with our earlier model)

Drying

Finishing and automatic folding

Large dryer



Short time drying with horizontal opposed heated air flow system (Patented)

Gray zone

Washing

Automatically-controlled large washer

Tunnel washer



Flexible compartment according to the volume of laundry

Extraction

Specialized large dryer

Extractor



Ultra-high pressure extraction largely saves drying costs.

Assembling zone

Shipping preparation

Sorting and assembling items for each customer

Shipping Zone

Delivery

Loading onto delivery trucks and shipping

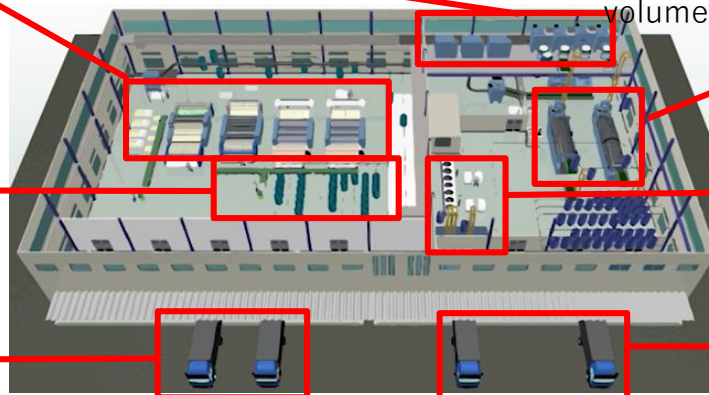
Dirty zone

Sorting

Sorting by item type

Receipt

Collecting linens from hotels, hospitals, etc.



Linen factory

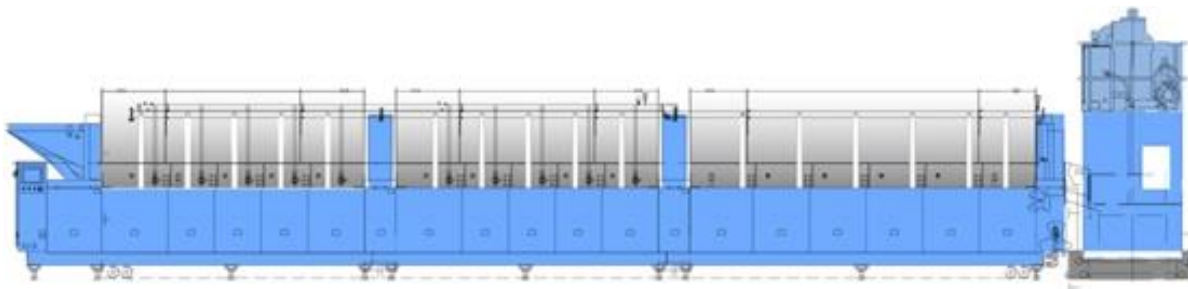
Main product: Tunnel washer

Massive washer at a linens-supply factory

Size comparison

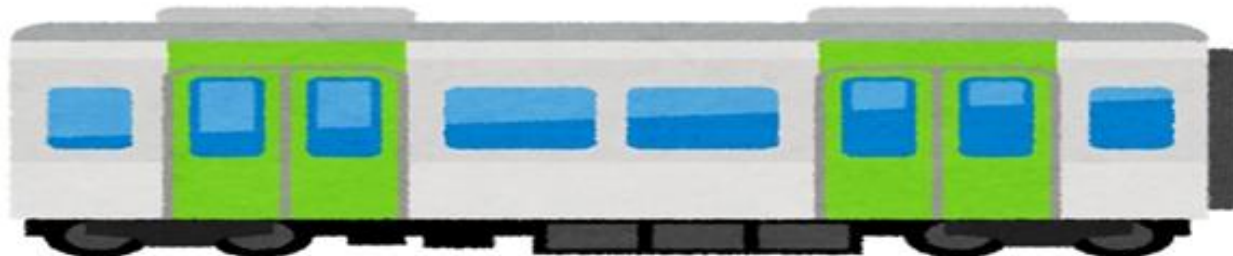
Tunnel washer

Total length:
17.8 m



Yamanote line train

Total length:
20.0 m



< Features >

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

Solution for challenging problem in linens-supply factory

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



Problem in linens-supply factory

Washing machines are too large for factory spaces.

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

Much laundry needs considerable labor and time.

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

What a heavy
sheet!



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

Energy
saving

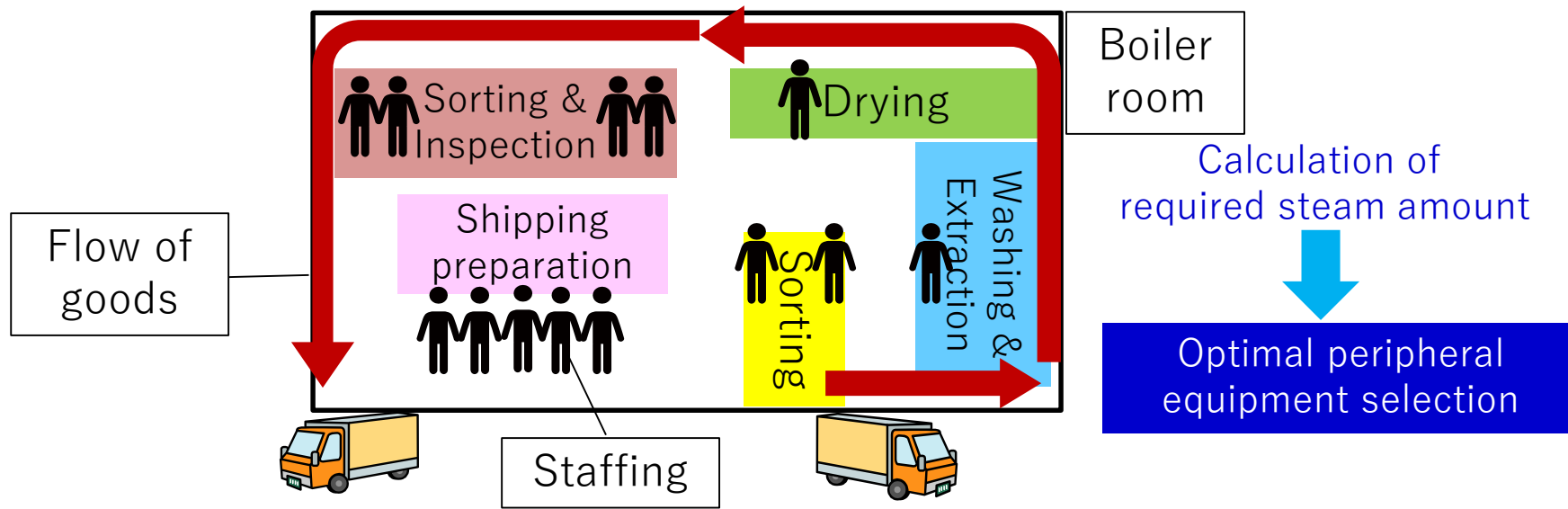
Labor
saving

Automating

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

Engineering improves productivity!

Linens-supply factory



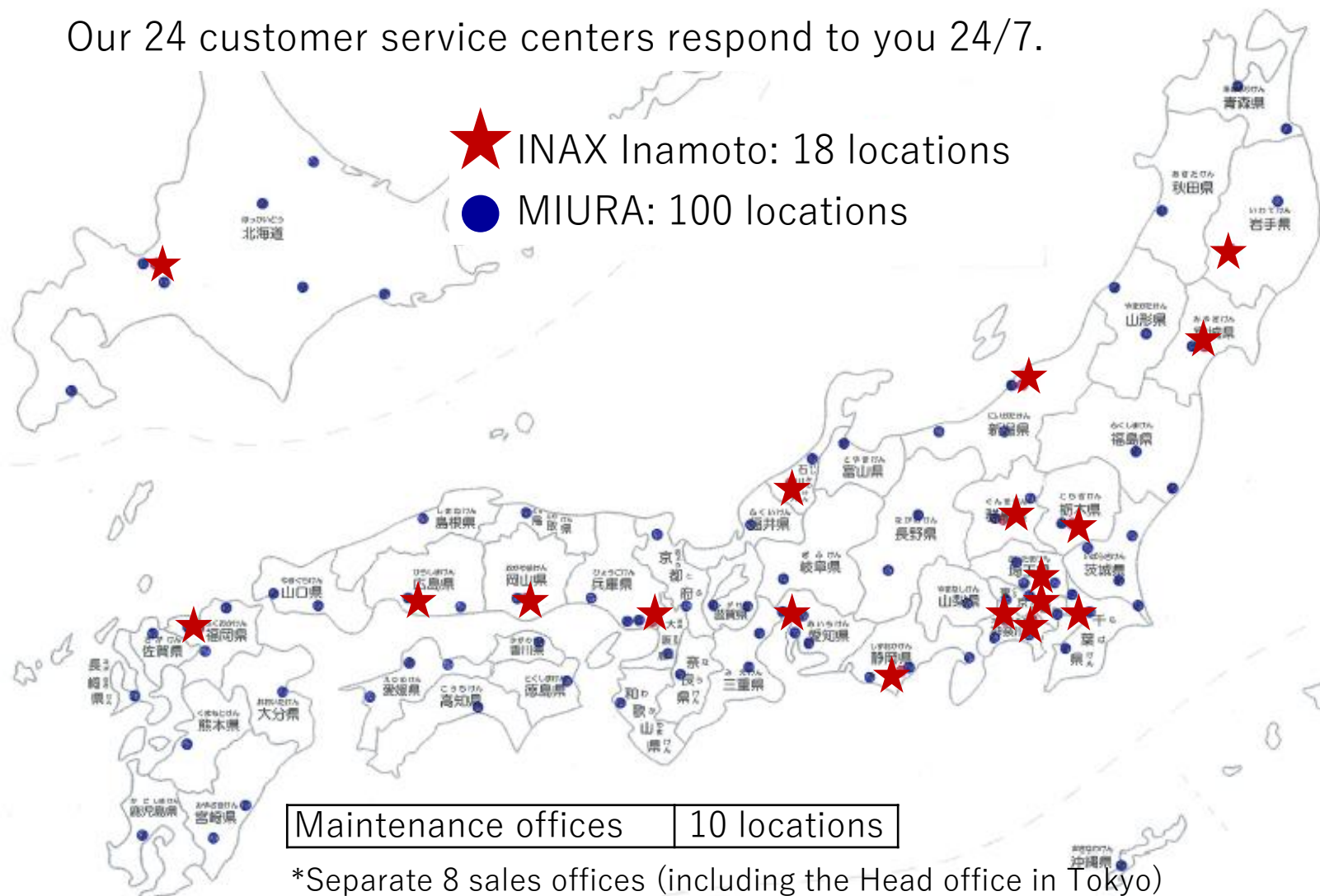
Equipment and systems optimal for limited spaces

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

Productivity increase & energy saving by fuel cost cut

Meticulous follow-ups *As of March 2018

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



Mid-term management of laundry business

(Unit: 100 million yen)



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

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

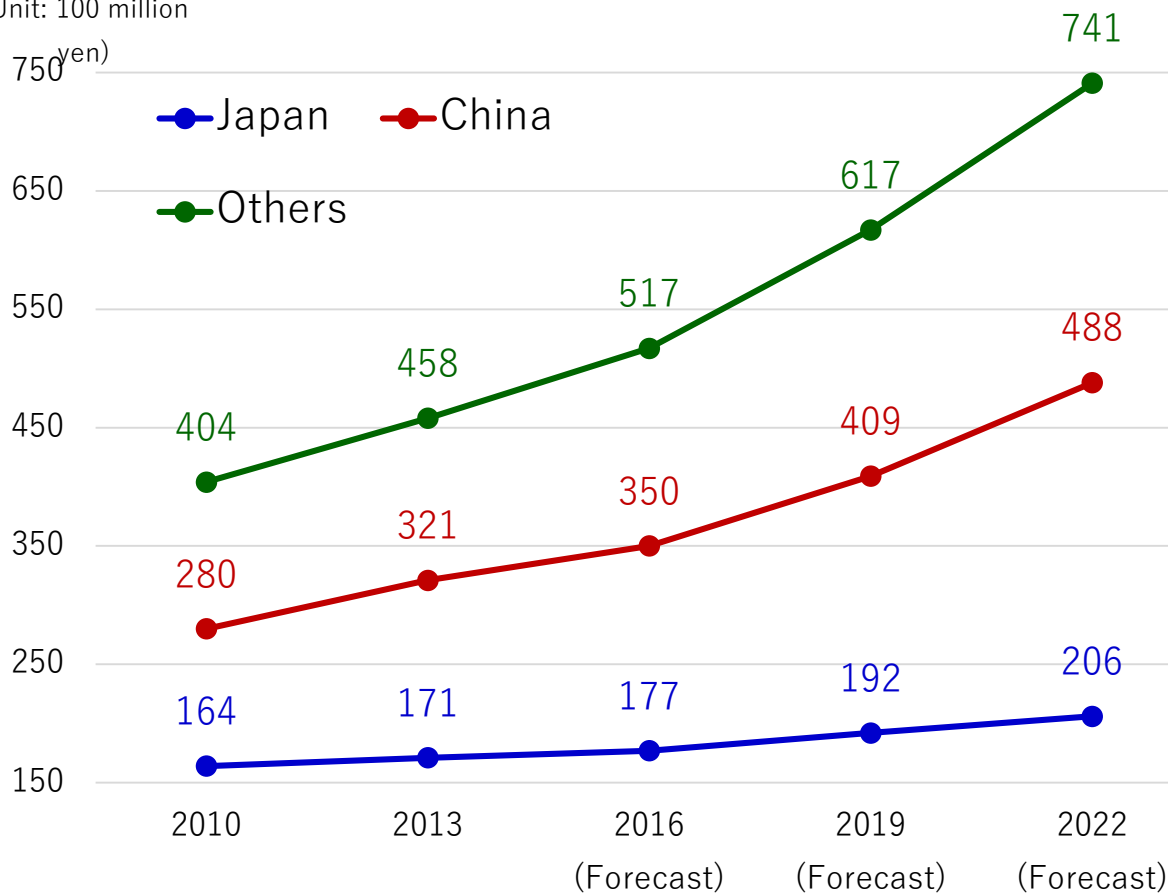
Source: Internet site of the Japan Tourism Agency of the Ministry of Land, Infrastructure, Transport and Tourism

Overseas prosperity in the future

Demand for commercial cleaning equipment

(Unit: 100 million

yen)



< Others* >

- Living standard improvement

< China >

- Elder care facility increase due to proportional increase of elder people
- Living standard improvement

< Japan >

- Elder care facility increase due to proportional increase of elder people
- Foreign tourist increase

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

Note 1: Global Industry Analysts' estimate

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

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

6. MIURA's New Showroom

“Total solutions” for customers all over the world

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

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

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

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



Total solutions

