

Financial Results for Third Quarter FY2018

SHIMA SEIKI MFG., LTD.

February, 2019

Summary of Operating Results for 3Q of the Fiscal Year Ending March 31, 2019

(Terms: Millions of yen)

	FY2018 3Q	FY2017 3Q	FY2017
Net Sales	40,620	51,845	71,858
Operating income	5,601	11,254	14,905
Ordinary income	5,844	12,400	15,525
Net income attributable to owners of the parent	4,162	8,951	11,279

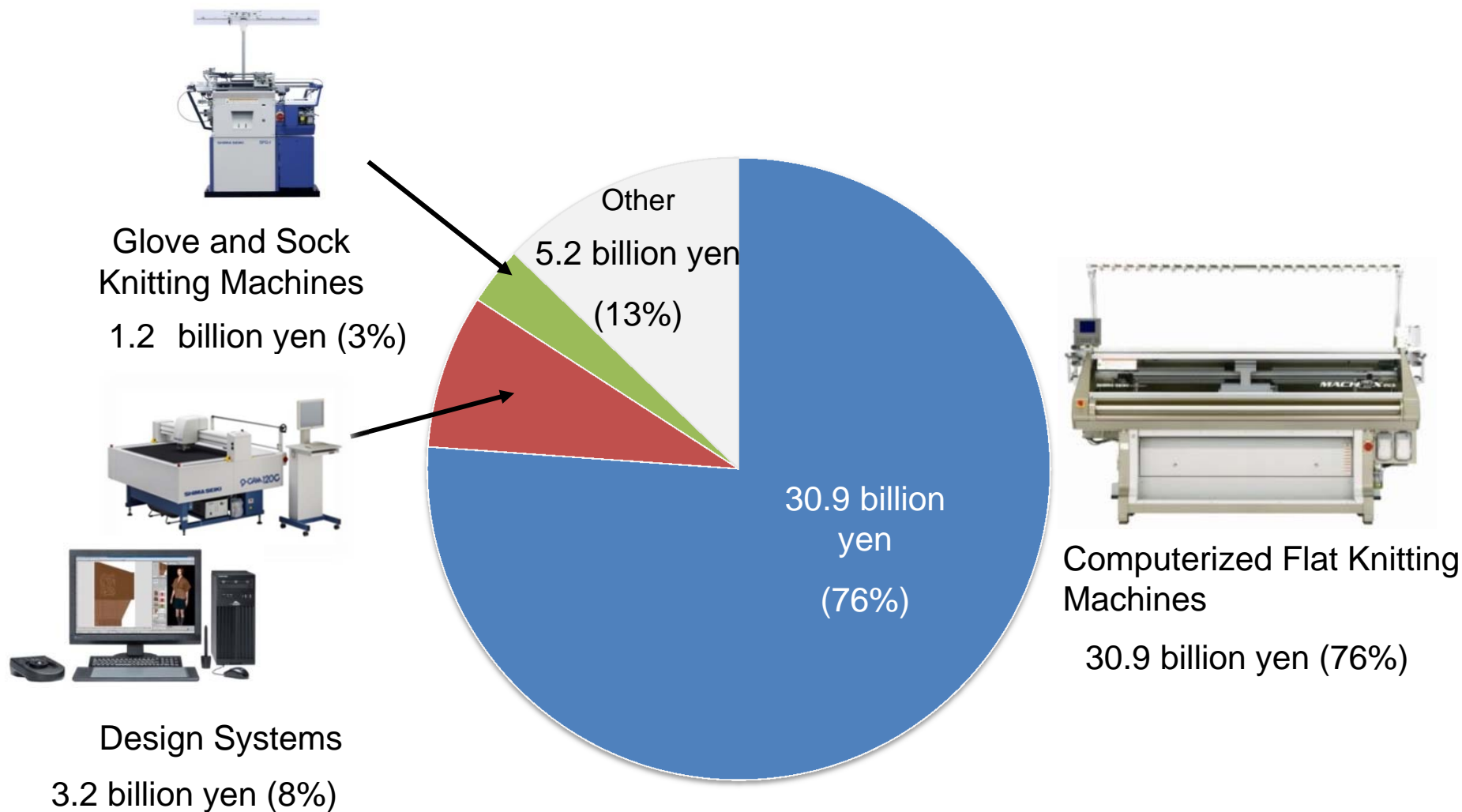
Exchange rate
(for 3Q)

USD/JPY	111.00	113.00
	110.94	111.65
EUR/JPY	127.00	134.94
	130.06	129.44

Exchange rate at the end of the period (upper row)

Average exchange rate for translation of sales (lower row)

Business Segment



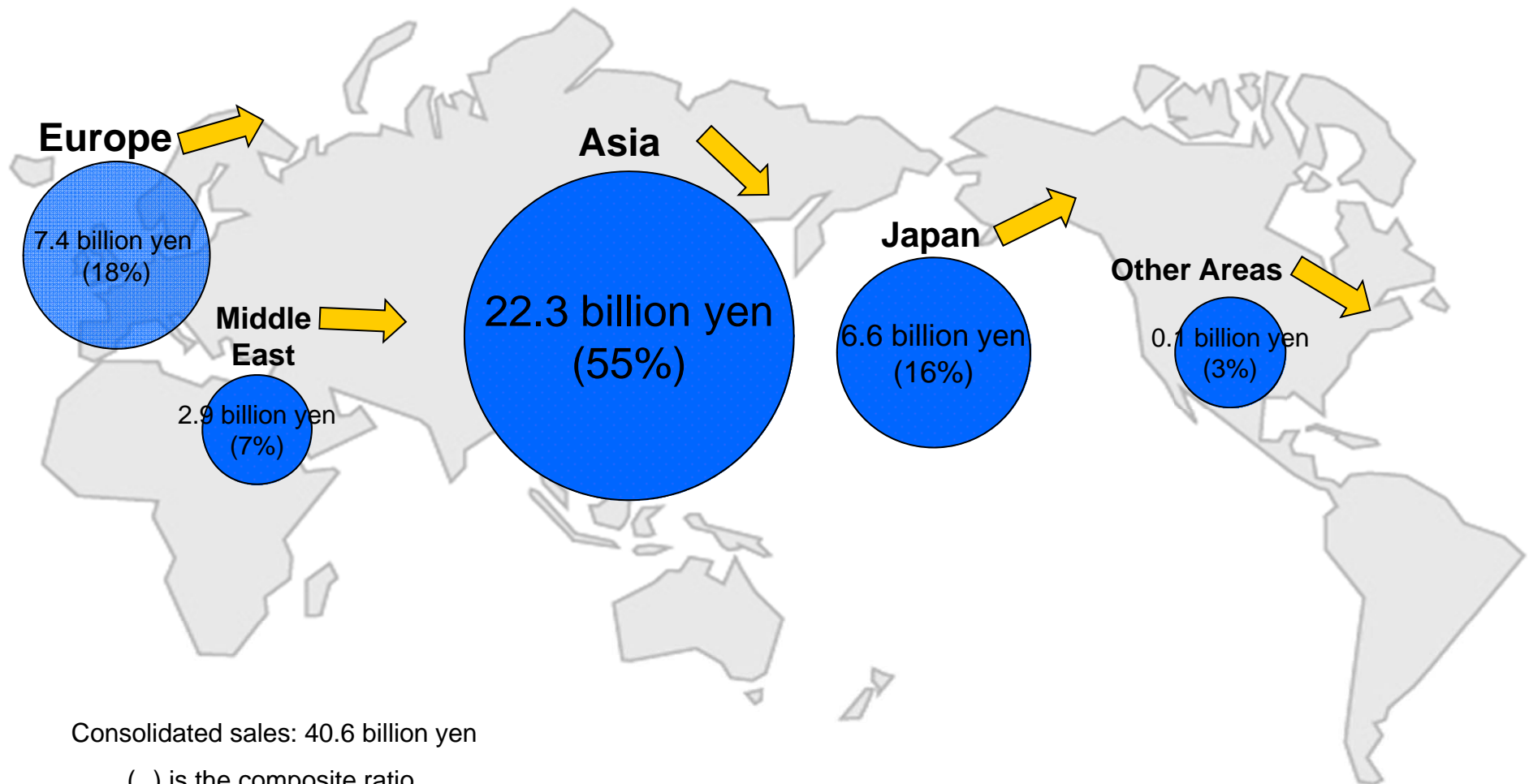
Consolidated sales: 40.6 billion yen
() is the composition ratio.

Sales and Operating Income by Segment (Third quarter)

(Terms: Millions of yen)

	Net Sales	Comparison with previous year(%)	Operating income	Comparison with previous year(%)
Computerized Flat Knitting Machines	30,923	(27.8)	8,469	(41.5)
Design Systems	3,261	+12.5	734	(12.9)
Glove & Sock Knitting Machines	1,225	(9.9)	205	(27.2)
Other	5,210	+10.2	954	+82.0
Corporate elimination			(4,762)	
Total	40,620	(21.7)	5,601	(50.2)

Consolidated Sales and Ratio by Region



Consolidated Sales by Region (Third Quarter)

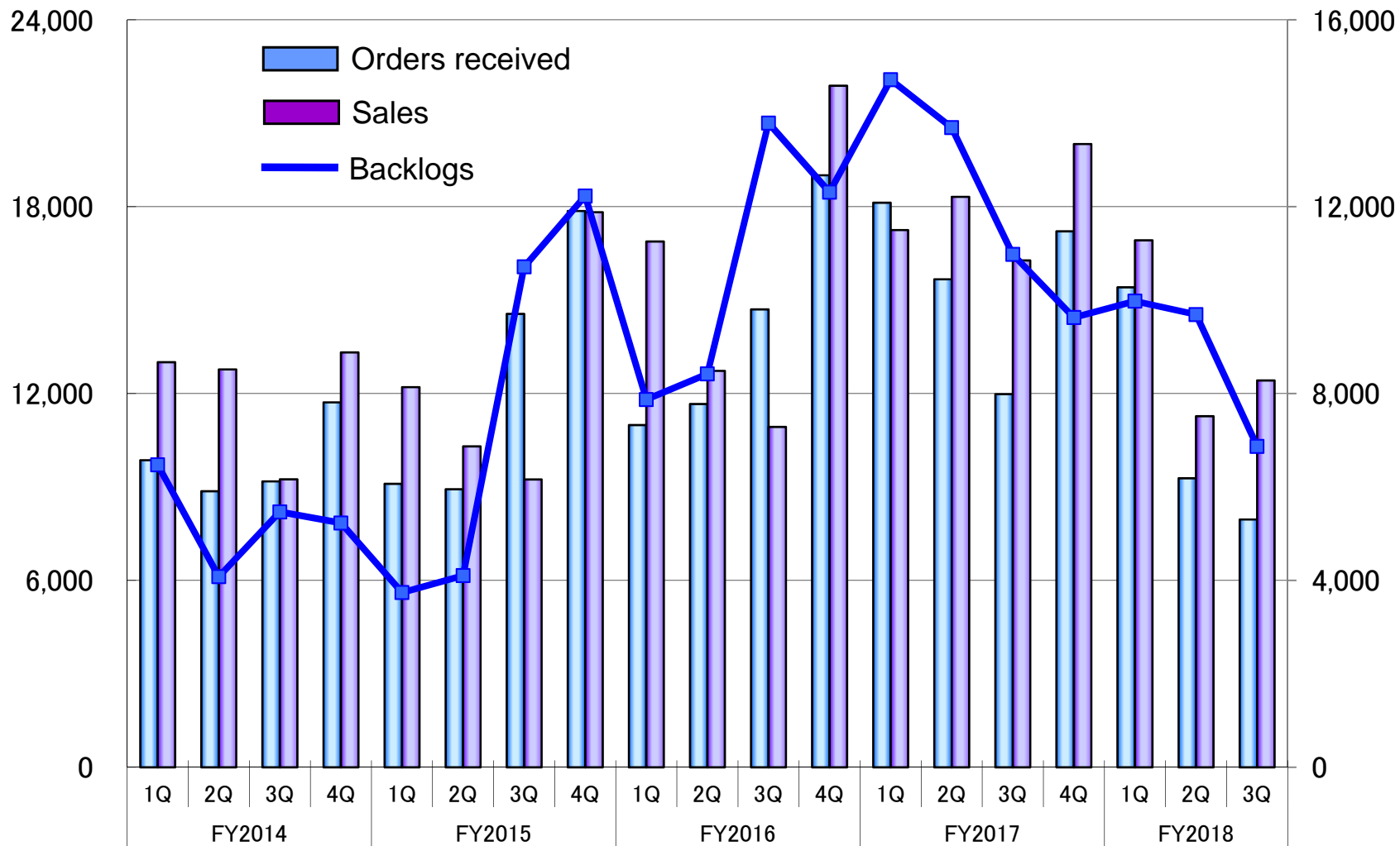
(Terms: Millions of yen)

Area	FY2018 3Q	FY2017 3Q	Comparison with previous year (%)
Japan	6,622	5,402	+22.6
Europe	7,414	5,649	+31.2
Asia	22,366	36,210	(38.2)
Middle East	2,970	2,901	+2.4
Other Areas (overseas)	1,246	1,681	(25.9)
Total	40,620	51,845	(21.7)

Trends of Orders Received, Sales, and Backlog [Consolidated]

(Orders received/Sales)
Millions of yen

(Backlog)
Millions of yen



Trend of Operating Results by Quarter [Consolidated]

(Terms: Millions of yen)

	2018/3				2019/3		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	17,251	18,318	16,275	20,013	16,923	11,273	12,423
Operating Income	3,747	4,313	3,194	3,650	3,307	1,036	1,257
Ordinary Income	4,181	4,702	3,516	3,125	3,670	957	1,215
Net income attributable to owners of the parent	3,048	3,480	2,422	2,328	2,571	740	849

Orders received	18,130	15,670	11,982	17,211	15,412	9,280	7,958
Backlog	14,718	13,693	10,979	9,627	9,979	9,691	6,869

Operating Results Forecast for the Fiscal Year Ending March 31, 2019

(Terms: Millions of yen)

(Millions of yen)	FY2018 (forecast)	Comparison with the previous year (%)	FY2017
Net Sales	58,000	(19.3)	71,858
Operating income	8,000	(46.3)	14,905
Ordinary income	8,200	(47.2)	15,525
Net income attributable to owners of the parent	6,000	(46.8)	11,279

Assumption of exchange rate for the full-year forecast: 110 JPY/ USD, 130 JPY/EUR

Sensitivity of operating income where the exchange rates fluctuate by 1 yen: 200 million yen for the USD, 30 million yen for the EUR

Sales and Operating Income Forecast by Segment (for the Year Ending March 31, 2019)

(Terms: Millions of yen)

	Net Sales	Comparison with previous year (%)	Operating income	Comparison with previous year (%)
Computerized Flat Knitting Machines	44,800	(24.5)	11,800	(39.2)
Design Systems	4,600	+16.9	1,100	(5.6)
Glove & Sock Knitting Machines	1,900	(19.9)	360	(24.2)
Other	6,700	+8.4	1,100	+945.7
Corporate elimination			(6,360)	
Total	58,000	(19.3)	8,000	(46.3)

Trends of R&D Expenses and Capital Investment

The fiscal year ending March 31, 2019 (Plan):

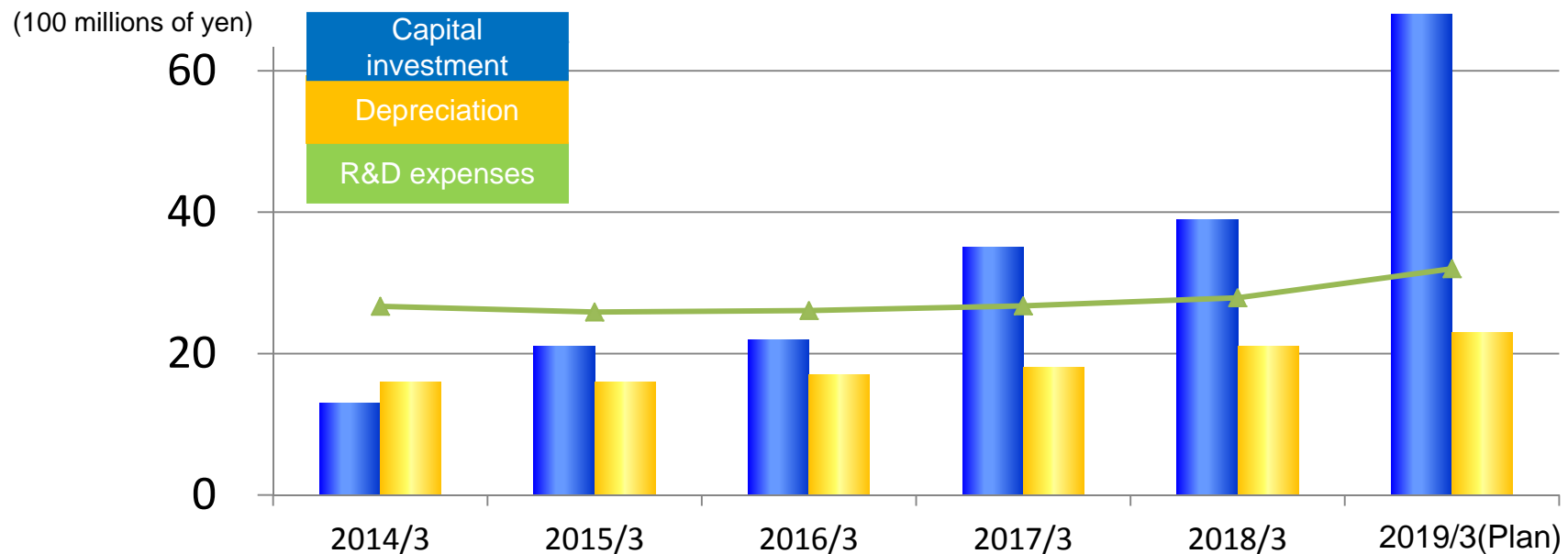
capital investment: JPY 6.8 billion (including leased assets of JPY 3.1 billion)

depreciation: JPY 2.3 billion, R&D expenses: JPY 3.2 billion

The fiscal year ending March 31, 2019 (Result of 3Q):

capital investment: JPY 3.1 billion (including leased assets of JPY 1.0 billion)

depreciation: JPY 1.5 billion, R&D expenses: JPY 1.6 billion



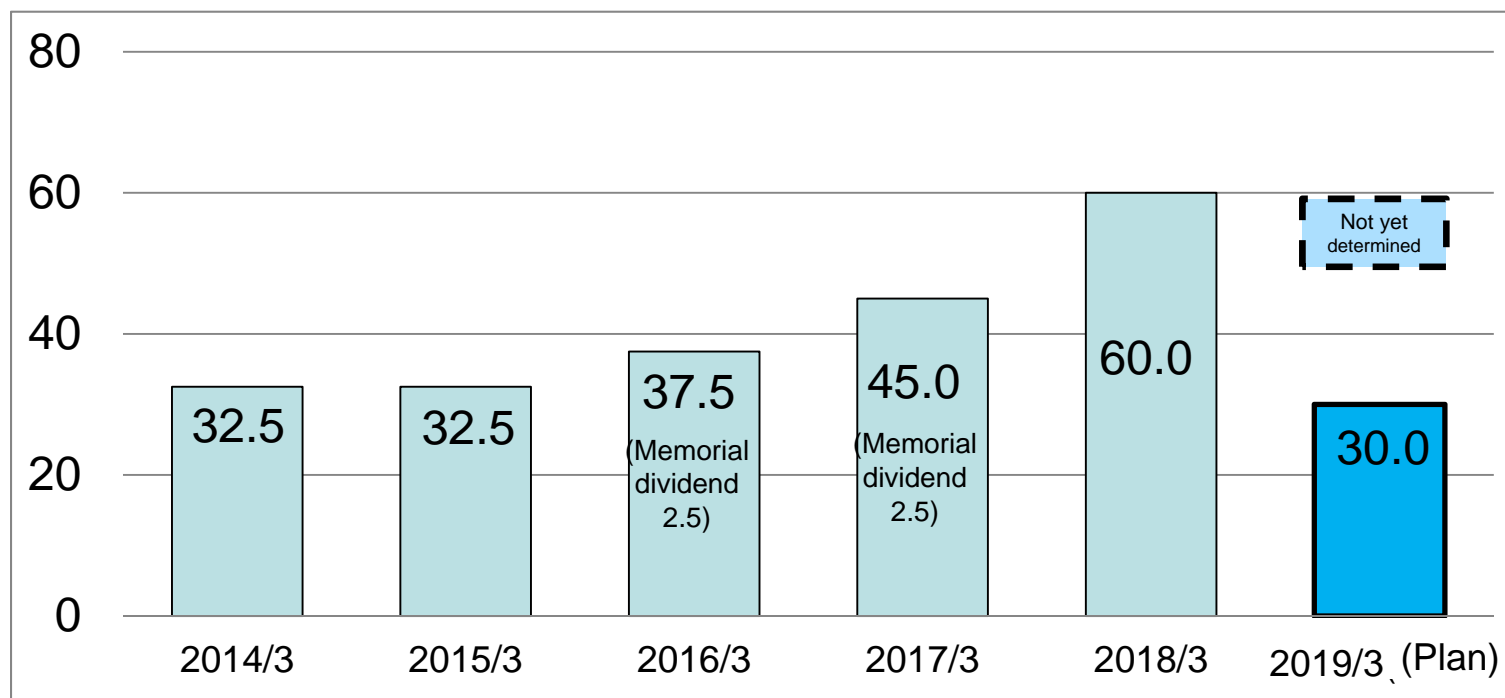
Return to shareholders


Dividends for the fiscal year ending March 2019 : Interim dividend: 30.0 yen
 Year-end dividend: Not yet determined (Plan)

Buyback on shares (November 16, 2018)

- (1) Total number of shares to acquire 1,000,000 shares (maximum)
 (Percent of number of shares outstanding (excluding treasury shares) 2.74%)
- (2) Total cost of share acquisition 4,000,000,000 yen (maximum)
- (3) Period of share acquisition November 19, 2018, to March 22, 2019
- (4) Cumulative total number of treasury shares acquired to January 31, 2019
 - Total number of shares acquired 652,200 shares
 - Total cost of share acquisition 2,194,173,500 yen

(Yen)





The plans, business result forecasts, and strategy of the Company described herein are based on information available as of the day of the announcement and specific assumptions considered reasonable, and so they may largely differ due to various factors. Please understand this in advance.