

Financial Results for 1st Quarter FY2022

SHIMA SEIKI MFG., LTD.

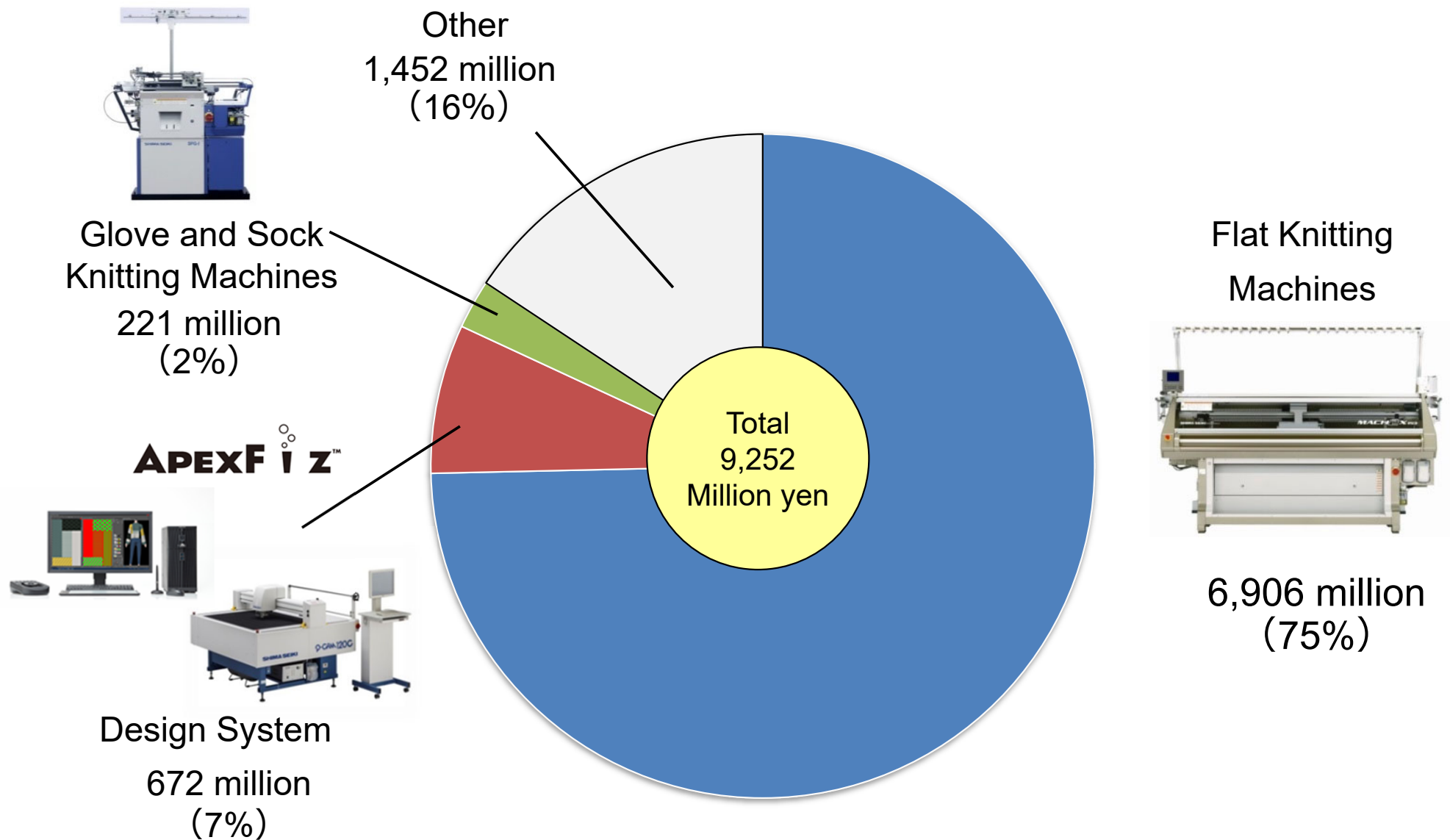
August, 2022

Summary of Operating Results for 1Q of the Fiscal Year Ending March 31, 2023

(Terms: Millions of yen)

	FY2022 1Q	FY2021 1Q	FY2021
Net Sales	9,252	8,081	30,998
Operating income	(762)	(644)	(4,296)
Ordinary income	(516)	(154)	(3,400)
Net income attributable to owners of the parent	(686)	(271)	(3,589)
Exchange rate	FY2022 1Q	FY2021 1Q	
USD/JPY	136.68	110.58	Exchange rate at the end of the period (upper row)
	128.58	109.85	Average exchange rate for translation of sales (lower row)
EUR/JPY	142.67	131.58	
	137.30	131.83	

Sales Composition by Segment [Consolidated](FY 2022 1Q)



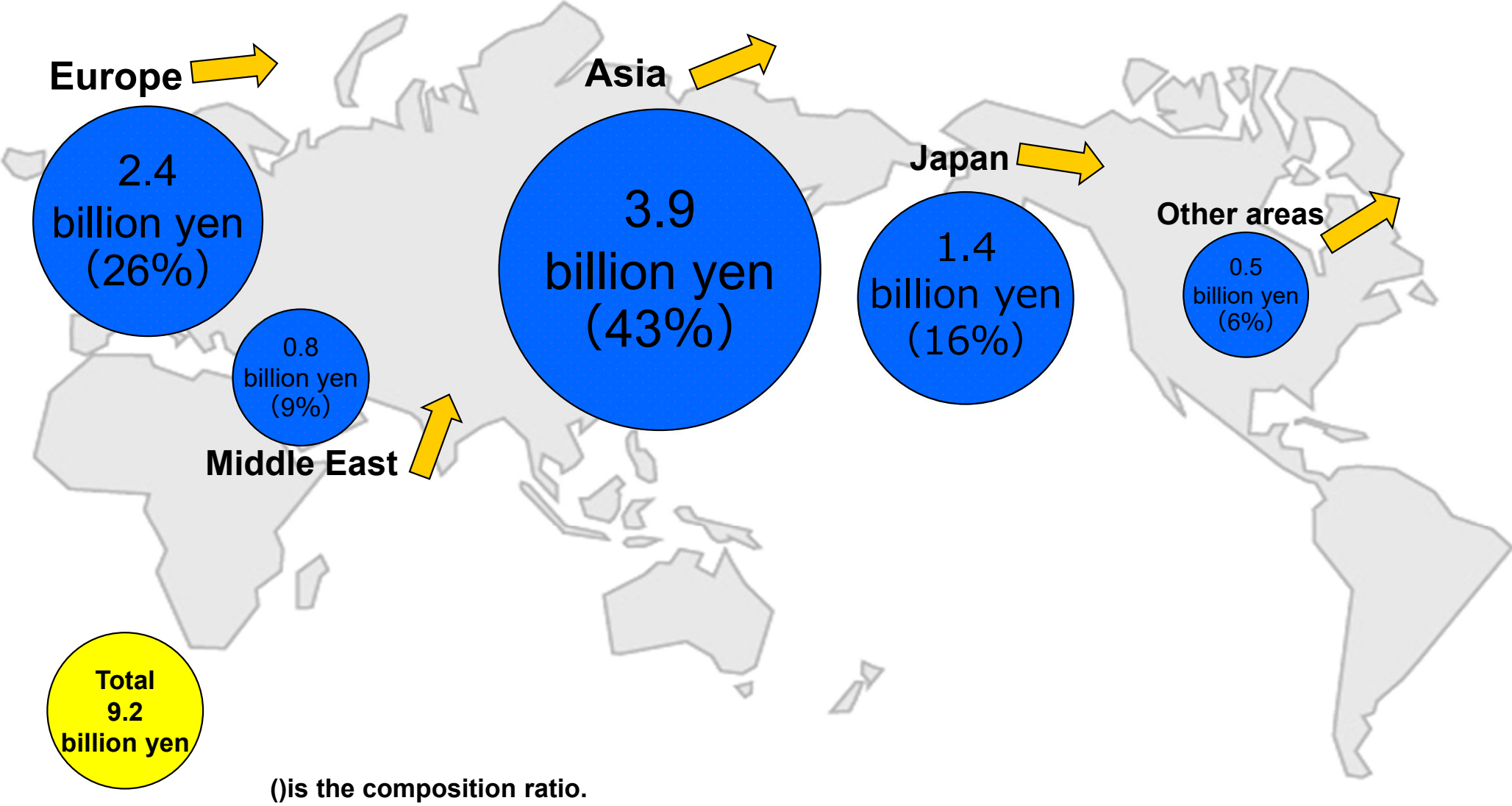
(%) is the sales composition ratio.

Sales and Operating Income Composition by Segment (FY 2022 1Q)

(Terms: million yen)

	Net Sales	Comparison with previous year (%)	Operating income	Comparison with previous year (%)
Flat Knitting Machine	6,906	+28.0%	510	-1.2%
Design System	672	+3.6%	121	-18.5%
Glove and Sock Knitting Machines	221	-72.4%	(25)	—
Other	1,452	+17.6%	257	+47.6%
Corporate elimination			(1,626)	
Total	9,252	+14.5%	(762)	—

Sales by Region [Consolidated] (FY 2022 1Q)



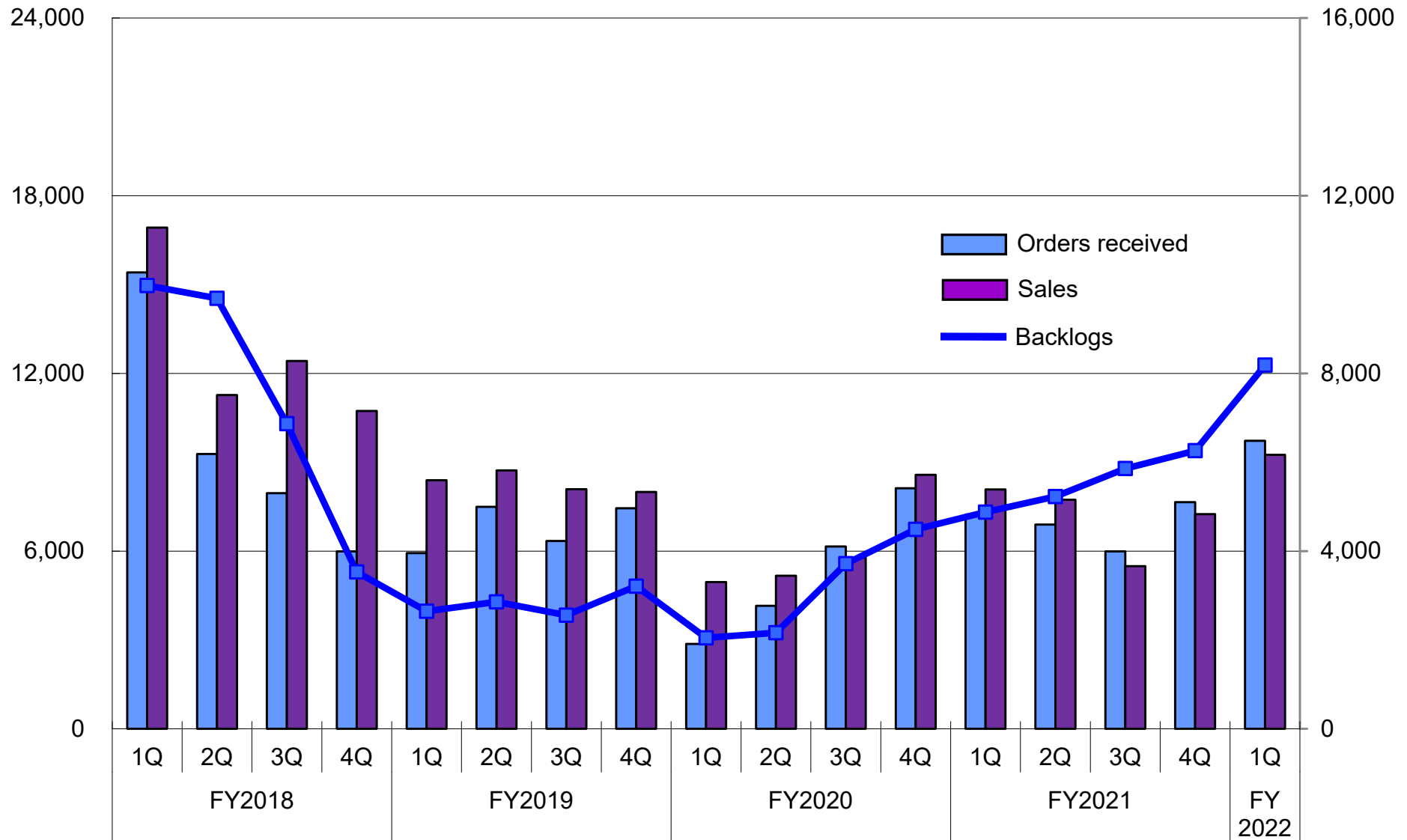
Consolidated Sales by Region [Consolidated] (FY 2022 1Q)

(millions of yen)	FY 2022 1Q	FY 2021 1Q	Comparison with previous year (%)
Japan	1,460	1,556	-6.2%
Europe	2,403	2,368	+1.5%
Asia	3,980	3,508	+13.5%
Middle East	859	264	+224.3%
Other Areas (Overseas)	548	383	+43.2%
Total	9,252	8,081	+14.5%

Developments in Quarterly Orders Received, Sales and Backlogs [Consolidated]

(Orders received/Sales) Millions of yen

(Backlogs) Millions of yen



Developments in Quarterly Results 〔Consolidated〕

(Terms: Millions of yen)

	FY2020				FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Net sales	4,954	5,171	5,787	8,574	8,081	7,733	6,691	8,491	9,252
Operating income	(1,970)	(2,213)	(2,371)	(2,588)	(644)	(913)	(1,624)	(1,113)	(762)
Ordinary income	(1,414)	(1,721)	(1,777)	(2,360)	(154)	(689)	(1,473)	(1,082)	(516)
Net income attributable to owners of the parent	(1,463)	(1,745)	(1,861)	(12,796)	(271)	(797)	(1,567)	(952)	(686)
Orders received	2,868	4,153	6,160	8,120	7,235	6,897	5,994	7,651	9,726
Backlogs	2,048	2,163	3,716	4,489	4,877	5,229	5,858	6,260	8,186

Forecast [Consolidated]

(Millions of yen)

	FY2022 (forecast)	Comparison with the previous year (%)	FY2021
Net sales	47,000	+51.6%	30,998
Operating income	1,000	—	(4,296)
Ordinary income	1,600	—	(3,400)
Net income Attributable to owners of the parent	1,200	—	(3,589)

Forecast of currency rates for March 2023 : 125 JPY/USD, 135 JPY/EUR

Sensitivity of operating income where the exchange rates fluctuate by 1 yen :

26 million yen for the USD, 13 million yen for the EUR

Developments in R&D Expenses and Capital Investment [Consolidated]

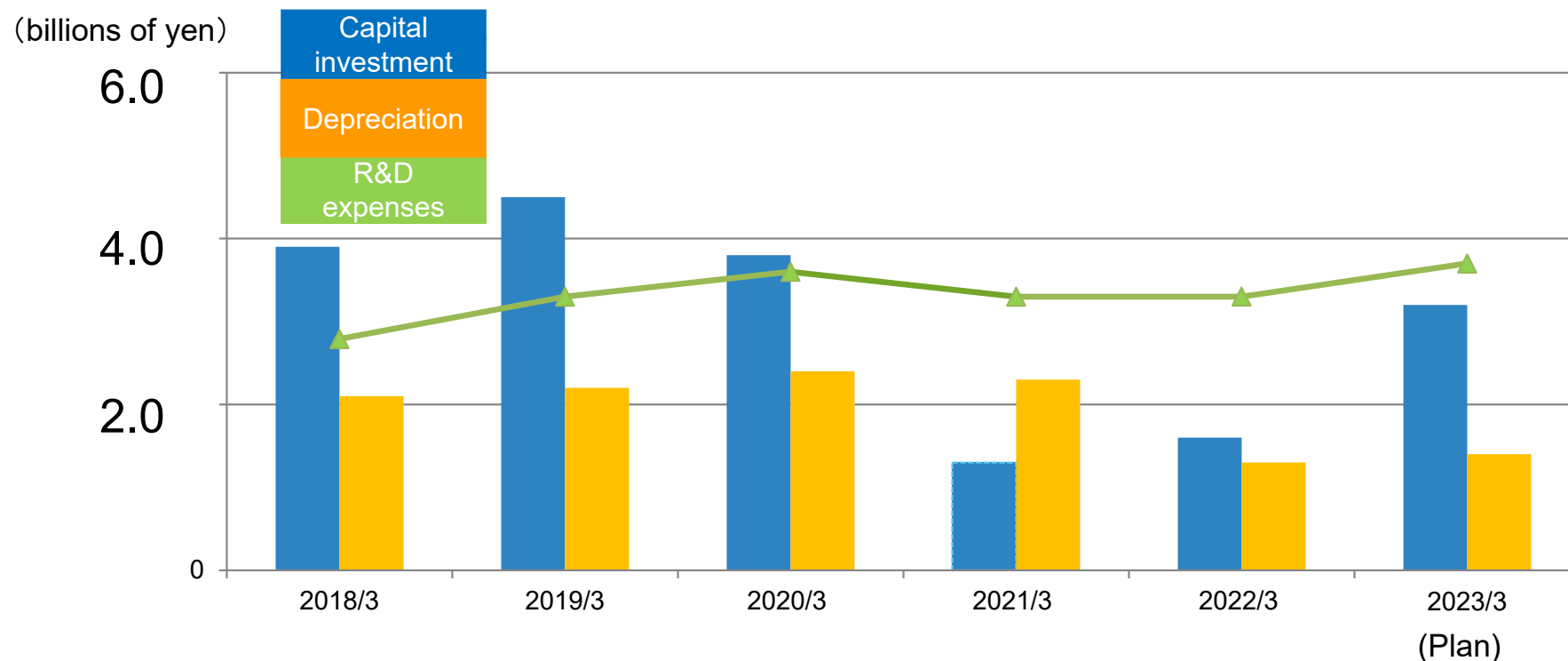
Expand R & D investment and capital investment

Fiscal year ending March 2022 (Actual results)

Capital investment of 1.6 billion yen (including leased assets of 0.3 billion yen), depreciation and amortization of 1.3 billion yen, R&D of 3.3 billion yen

Fiscal year ending March 2023 (Plan)

Capital investment of 3.2 billion yen (including leased assets of 1.7 billion yen), depreciation and amortization of 1.4 billion yen, R&D of 3.7 billion yen



Shareholder Returns

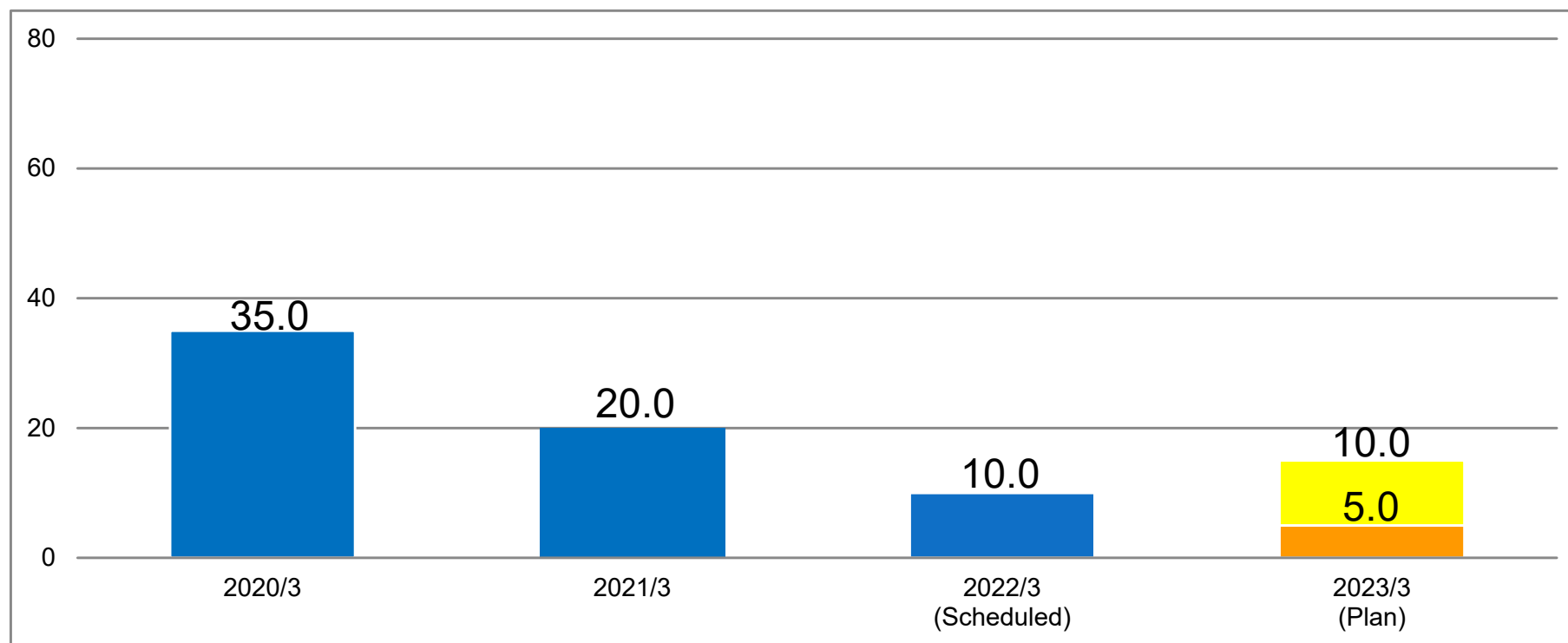
Fiscal year ended March 31, 2022:

Interim dividend of 5.0 yen and year-end dividend of 5.0 yen

Fiscal year ended March 31, 2023 (Plan):

Interim dividend of 5.0 yen and year-end dividend of 10.0 yen

(Yen)



Information on new products and services ①

• Announcement of the WHOLEGARMENT flat knitting machine SWG-XR

- 25% or higher increase in production efficiency over the existing models
- Realizing the diversification of designs and responding to all seasons
- Simplify operation of customers to save labor
- Popularizing WHOLEGARMENT as a flagship model



• Expansion of a lineup of CAD/CAM

July 2021: Release of APEXFiz PGM added as a model for automatic fabric cutting machine to APEXFiz

- Support for entire production from design of patterns in a range of sizes and cuttings
- Design that increases usability through manipulation based on the idea of surface.

March 2022: Release of the auto fabric cutting machine SATC90

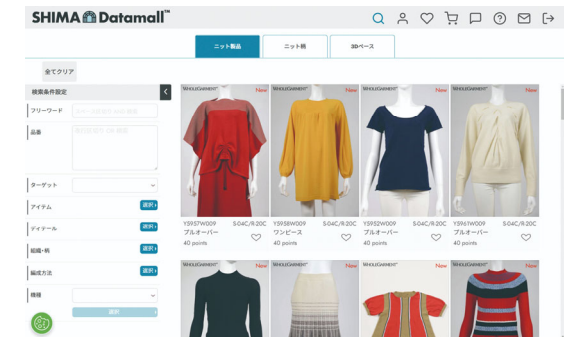
- Combination of image processing by high-definition cameras with good cutting technology
- Significant contribution to issues in the towel industry and large increase in productivity

Information on new products and services ②

Strengthening of the solution business

Releasing the digital data provision service Shima Datamall in June 2022

- Possible to search, view, and purchase a variety of digital data, including samples of knits usable in the SDS-ONE APEX series
- Advancing DX and sustainability of the apparel industry through a combination of a variety of products and services of the Company, including yarnbank



Resumption of exhibitions in the world

May 2022: JEC World Exhibition (France)

- Putting samples for use of industrial materials toward industries other than apparel and fashion industry on exhibitions

November 2022 (plan): ITMA ASIA + CITME 2022 (China)

SHIMA SEIKI

The plans, business result forecasts, and strategies of the Company as described herein are based on information available as of the day of the announcement with specific assumptions considered reasonable; consequently, they may largely differ due to a variety of different factors. Please understand this in advance.