

Financial Results for 1st Quarter FY2023

SHIMA SEIKI MFG., LTD.

August, 2023

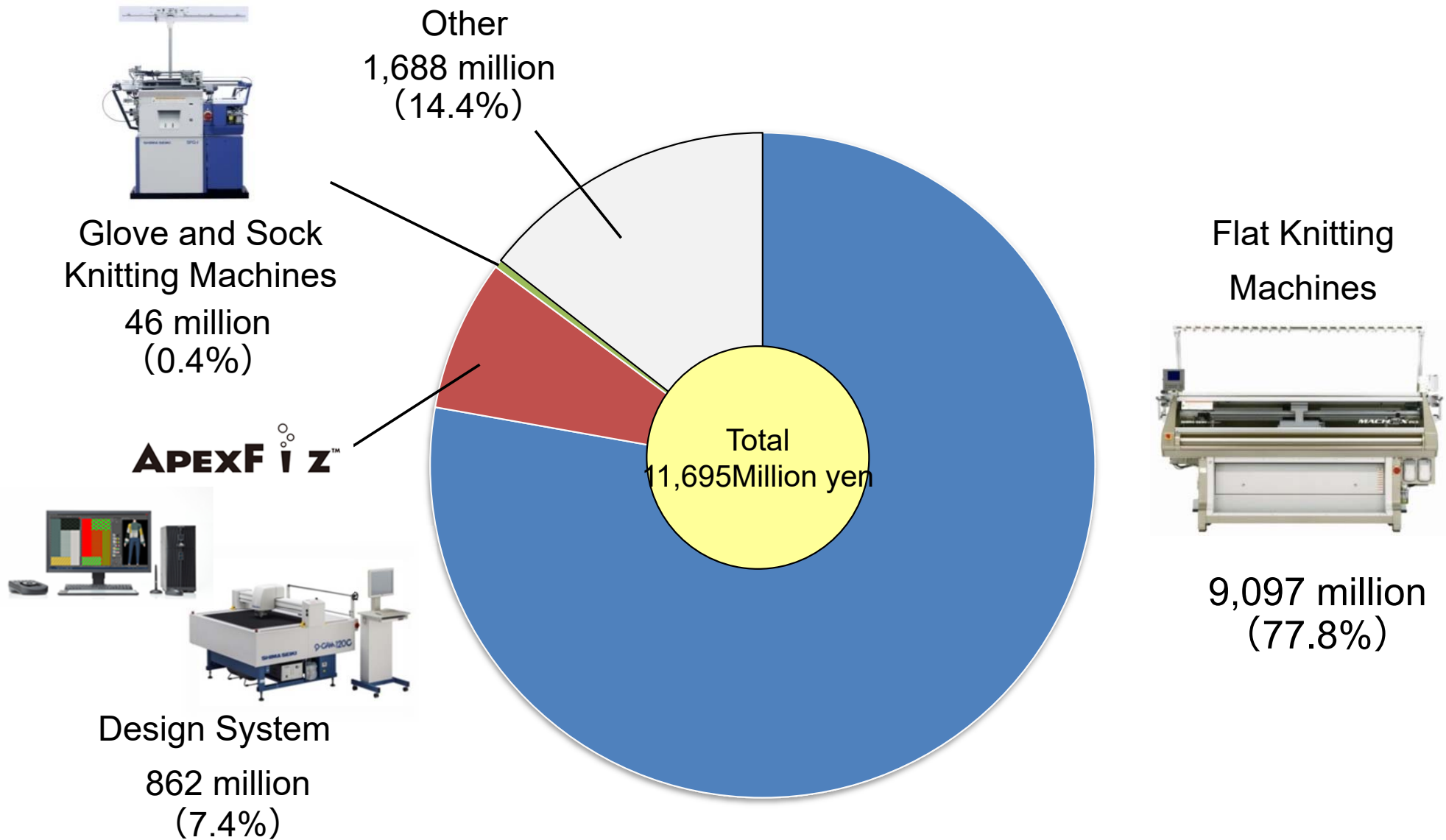
Summary of Operating Results for 1Q of the Fiscal Year Ending March 31, 2024

(Terms: Millions of yen)

	FY2023 1Q	FY2022 1Q	FY2022
Net Sales	11,695	9,252	37,886
Operating income	695	(712)	(2,184)
Ordinary income	918	(516)	(1,700)
Net income attributable to owners of the parent	740	(686)	(5,644)

Exchange rate	FY2023 1Q	FY2022 1Q	
USD/JPY	144.99	136.68	Exchange rate at the end of the period (upper row)
	135.74	128.58	Average exchange rate for translation of sales (lower row)
EUR/JPY	157.60	142.67	
	147.71	137.30	

Sales Composition by Segment [Consolidated](FY 2023 1Q)



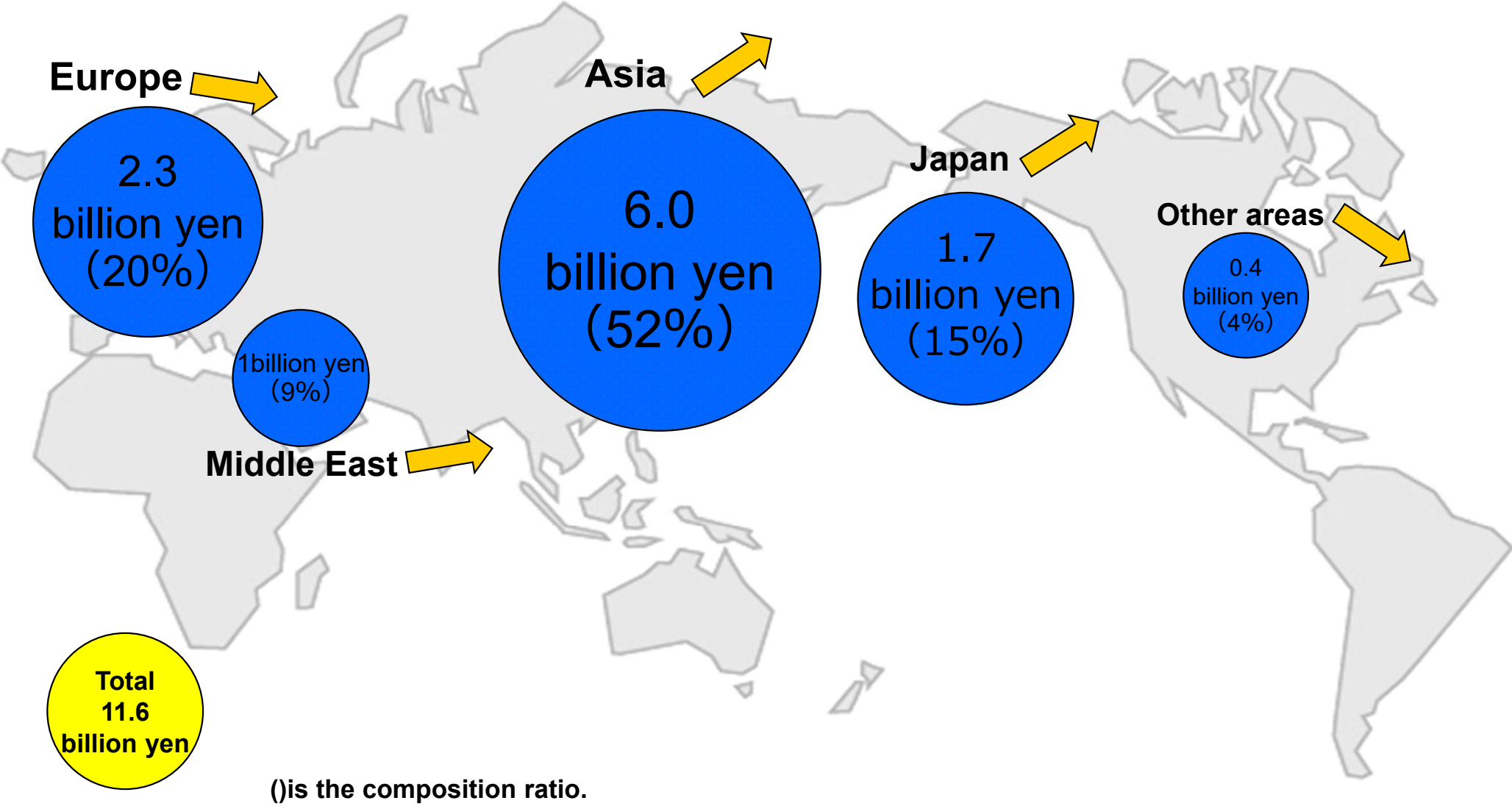
(%) is the sales composition ratio.

Sales and Operating Income Composition by Segment (FY 2023 1Q)

(Terms: million yen)

	Net Sales	Comparison with previous year (%)	Operating income	Comparison with previous year (%)
Flat Knitting Machine	9,097	+31.7%	1,438	+159.1%
Design System	862	+28.1%	229	+84.6%
Glove and Sock Knitting Machines	46	-79.1%	2	—
Other	1,688	+16.3%	529	+104.2%
Corporate elimination			(1,505)	
Total	11,695	+26.4%	695	—

Sales by Region [Consolidated] (FY 2023 1Q)



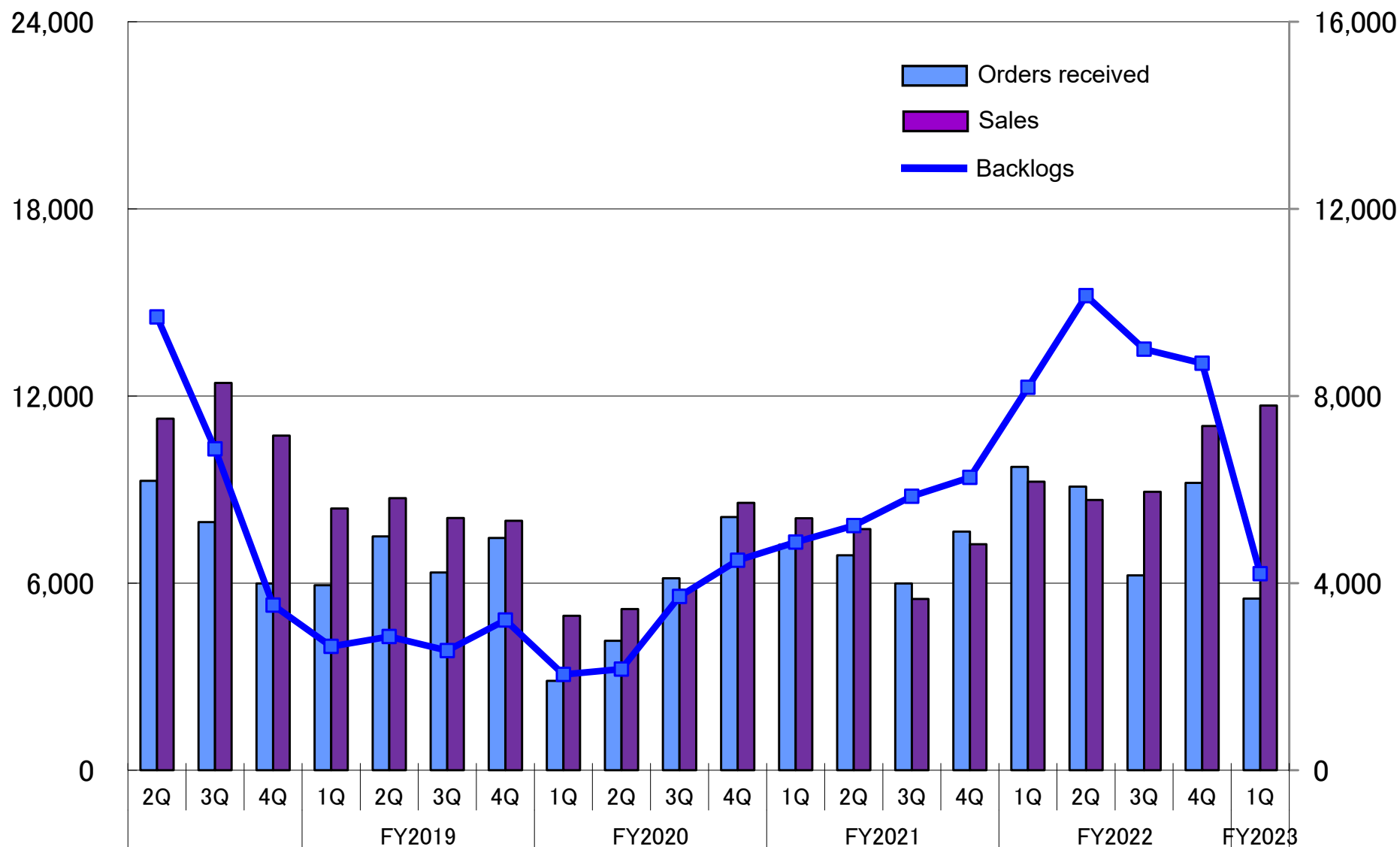
Consolidated Sales by Region [Consolidated] (FY 2023 1Q)

(millions of yen)	FY 2023 1Q	FY 2022 1Q	Comparison with previous year (%)
Japan	1,732	1,460	+18.6%
Europe	2,326	2,403	-3.2%
Asia	6,090	3,980	+53.0%
Middle East	1,046	859	+21.8%
Other Areas (Overseas)	499	548	-9.0%
Total	11,695	9,252	+26.4%

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)

	FY2021				FY2022				FY2023
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Net sales	8,081	7,733	6,691	8,491	9,252	8,665	8,929	11,038	11,695
Operating income	(644)	(913)	(1,624)	(1,113)	(712)	276	(208)	(1,540)	695
Ordinary income	(154)	(689)	(1,473)	(1,082)	(516)	309	(198)	(1,294)	918
Net income attributable to owners of the parent	(271)	(797)	(1,567)	(952)	(686)	174	(545)	(4,586)	740
Orders received	7,235	6,897	5,994	7,651	9,726	9,093	6,251	9,216	5,507
Backlogs	4,877	5,229	5,858	6,260	8,186	10,145	9,001	8,700	4,201

Forecast [Consolidated]

(Millions of yen)

	FY2023 (forecast)	Comparison with the previous year (%)	FY2022
Net sales	43,000	+13.5%	37,886
Operating income	1,000	—	(2,184)
Ordinary income	1,700	—	(1,700)
Net income Attributable to owners of the parent	1,200	—	(5,644)

Forecast of currency rates for March 2023 : 130 JPY/USD, 140 JPY/EUR

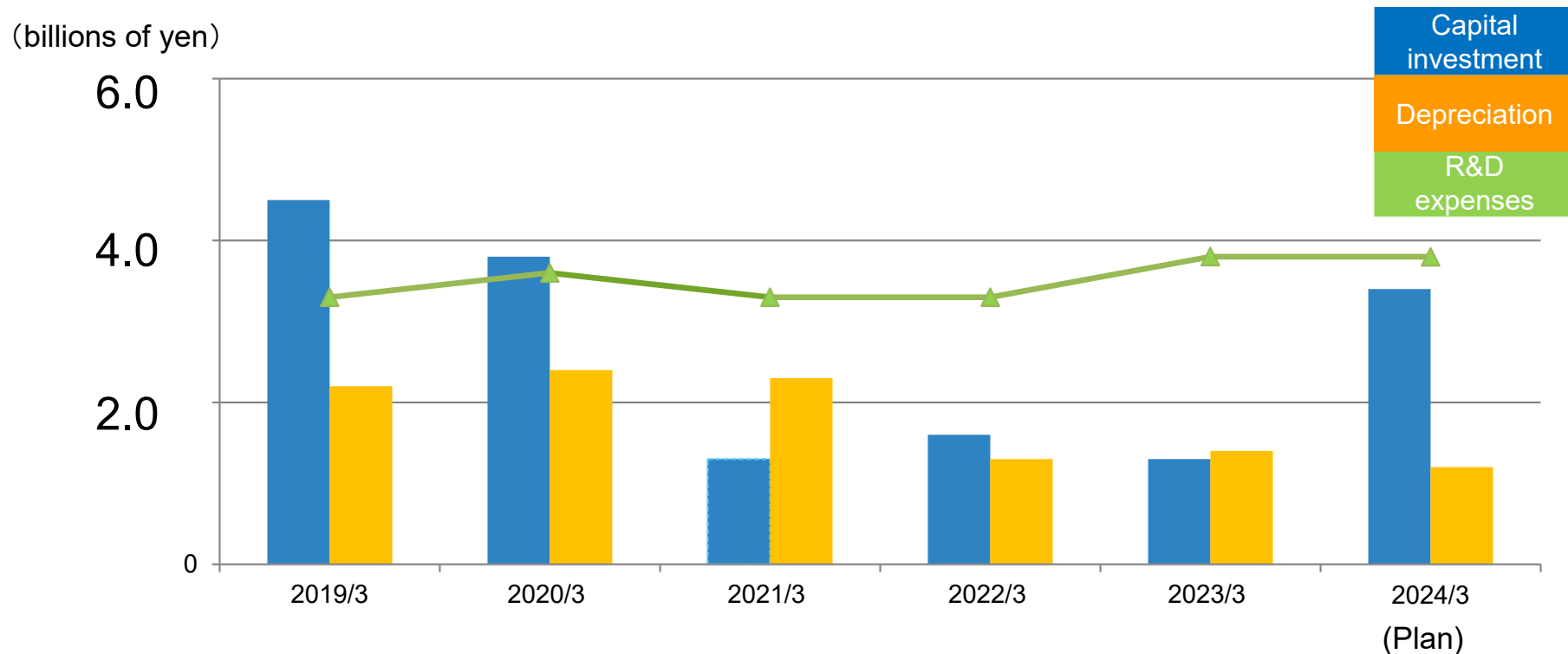
Developments in R&D Expenses and Capital Investment [Consolidated]

Fiscal year ending March 2023 (Actual results)

Capital investment of 1.3 billion yen (including leased assets of 90 million yen), depreciation and amortization of 1.4 billion yen, R&D of 3.8 billion yen

Fiscal year ending March 2024 (Plan)

Capital investment of 3.4 billion yen (including leased assets of 600 million yen), depreciation and amortization of 1.2 billion yen, R&D of 3.8 billion yen

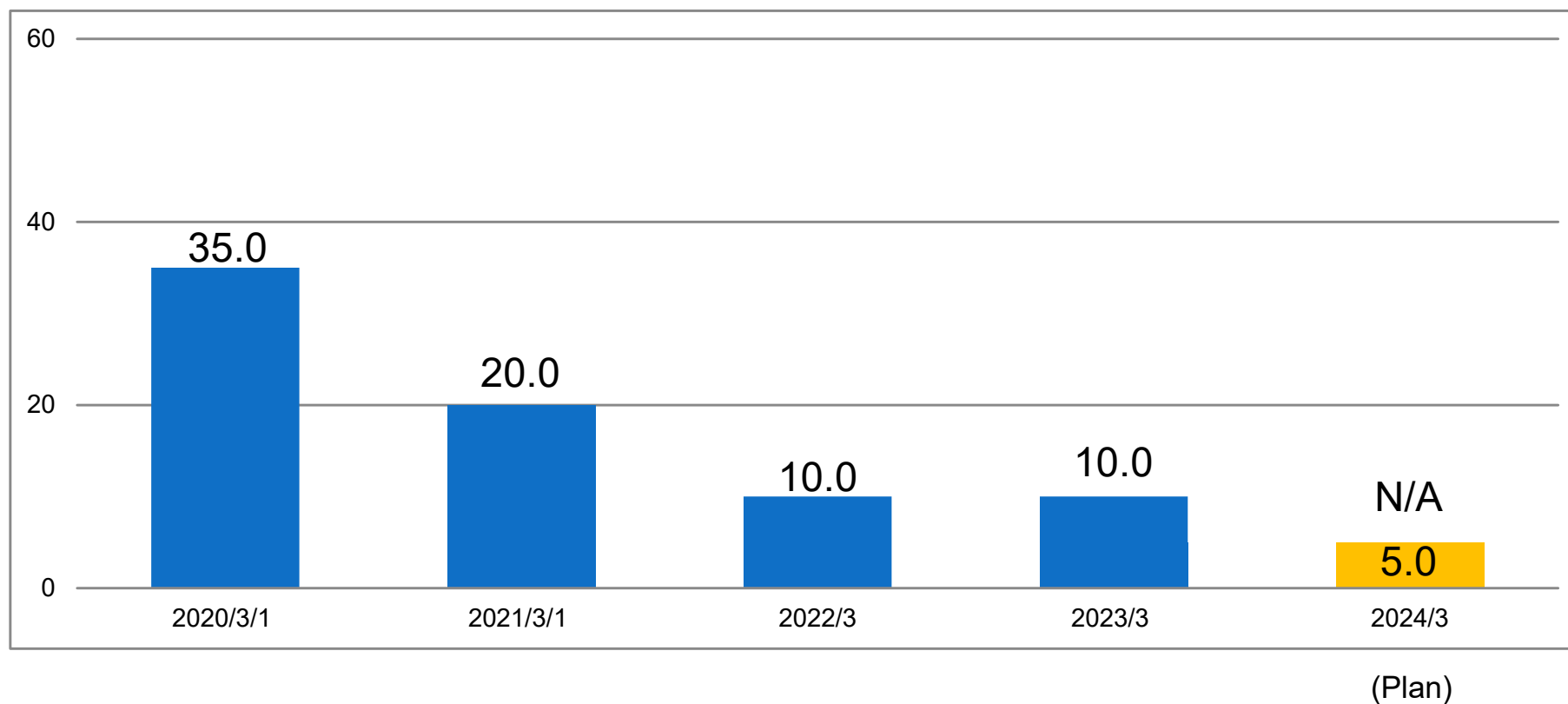


Shareholder Returns

Fiscal year ended March 31, 2023 (scheduled):
Interim dividend of 5.0 yen and year-end dividend of 5.0 yen

Fiscal year ended March 31, 2024 (Plan):
Interim dividend of 5.0 yen, Year-end dividend: Not yet determined

(Yen)



Sales Activities for FY 2023

ITMA 2023 (Milano, Italy)

Held for June 8–14, 2023

One of world's largest textile machine trade shows



08 — 14
JUNE 2023

FIERA MILANO RHO
MILAN . ITALY
www.itma.com

ITMA ASIA + CITME (Shanghai, China)

Scheduled to be held in November 2023 (postponed from 2022)

One of Asia's largest textile machine trade shows

- Scheduled to exhibit cutting-edge flat knitting machines, design system, automated fabric cutting machines, glove and sock knitting machines, and solutions

New product and service information

SWG-XR WHOLEGARMENT flat knitting machine

- Increasing production efficiency by 25% or more from conventional models
- Realizing diversification of design and support for all seasons
- Simplifying the operations of customers to save labor and work
- Penetrating WHOLEGARMENT as a flagship model



P-CAM R automatic fabric cutting machine

Developed the P-CAM R whose cutting function was fundamentally reviewed under the motto “Try to be the world’s best cutting technology”



SPG-R glove knitting machine

Expanded the lineup through development of the next generation model of the SPG-R pile glove knitting machine

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.