

Financial Results for 3rd Quarter FY2023

SHIMA SEIKI MFG., LTD.

February 2024

Summary of Operating Results for 3rd Quarter of the Fiscal Year Ending March 31, 2024

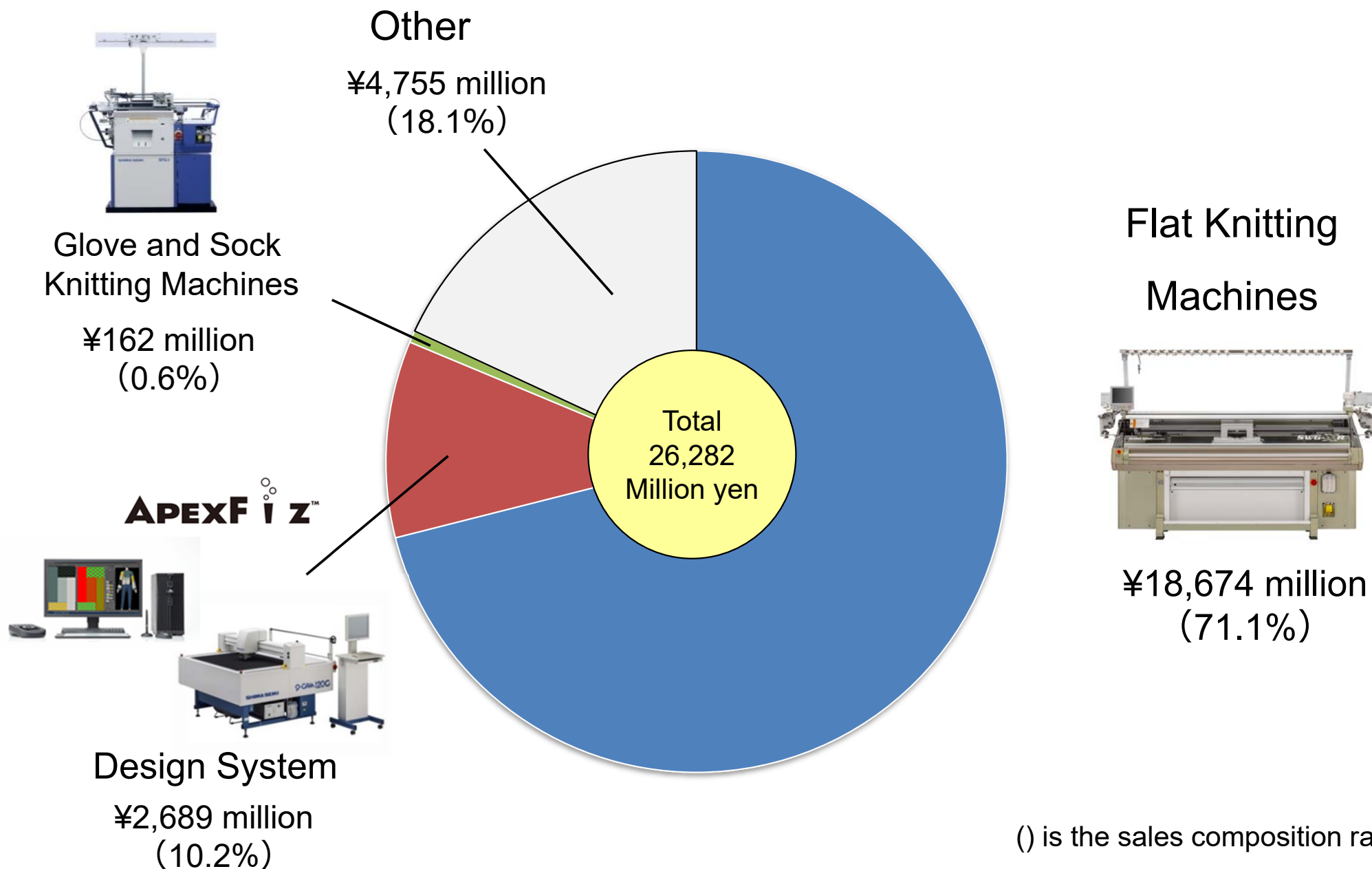
SHIMA SEIKI

(Terms: million yen)

	FY 2023 3Q	FY 2022 3Q	FY 2022
Net Sales	26,282	26,847	37,886
Operating Income	758	(644)	(2,184)
Ordinary Income	1,198	(405)	(1,700)
Net income Attributable to owners of the parent	985	(1,058)	(5,644)

Exchange rate (JPY)

	FY 2023 3Q	FY 2022 3Q	
USD/JPY	141.83	132.70	Exchange rate at the end of the period (Upper level)
	139.81	135.17	Average exchange rate used for translation of sales (Lower level)
EUR/JPY	157.12	141.47	
	153.30	140.09	

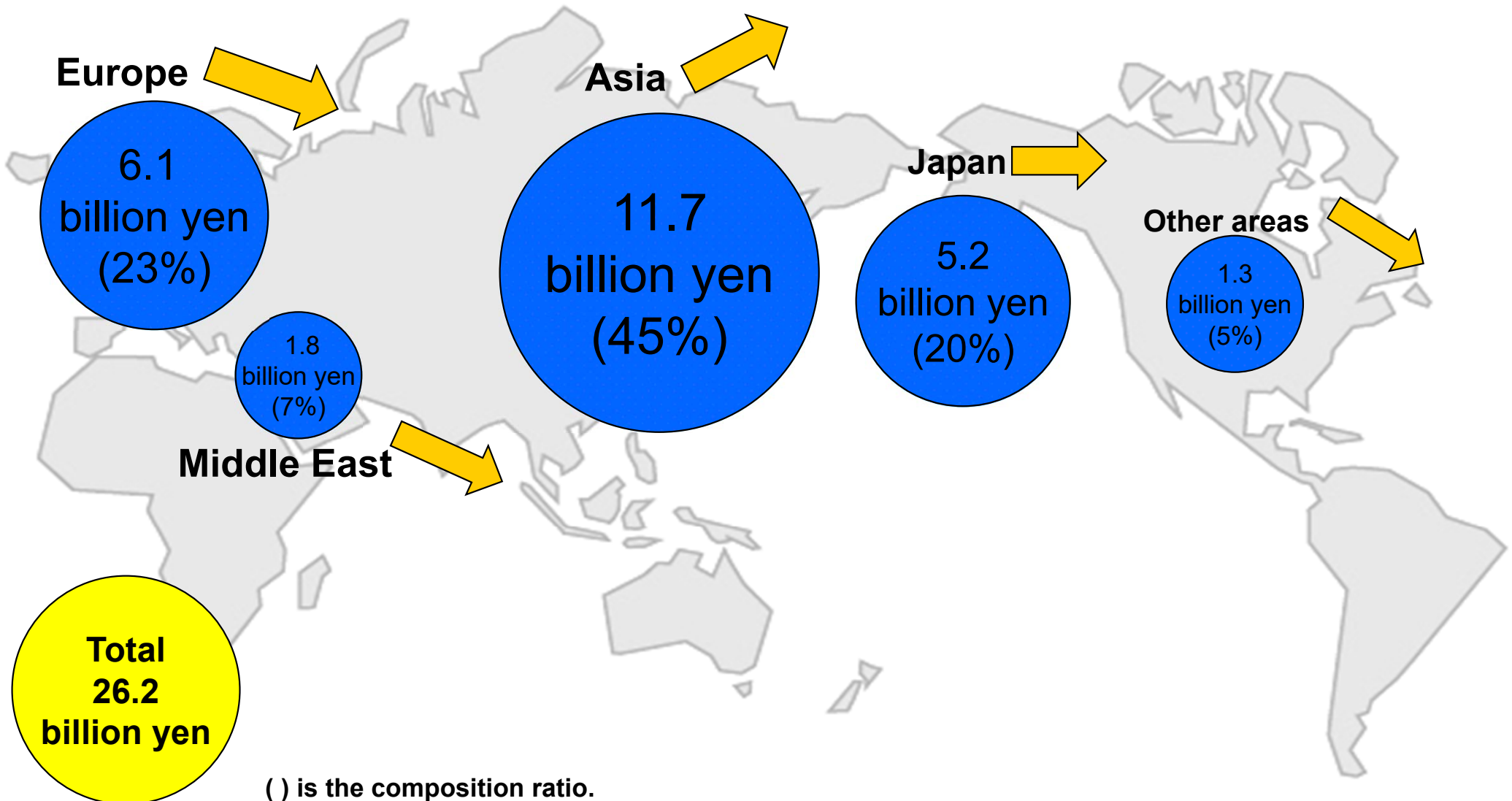


Sales and Operating Income Composition by Segment (FY 2023 3Q)

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(Terms: million yen)	Net Sales	Comparison with previous year (%)	Operating income	Comparison with previous year (%)
Flat Knitting Machine	18,674	-1.7	3,301	+12.8
Design System	2,689	+3.8	720	+24.1
Glove and Sock Knitting Machines	162	-77.9	(3)	—
Other	4,755	+5.3	1,197	+53.5
Corporate elimination			(4,456)	
Total	26,282	-2.1	758	—

Sales by Region [Consolidated] (FY 2023 3Q)



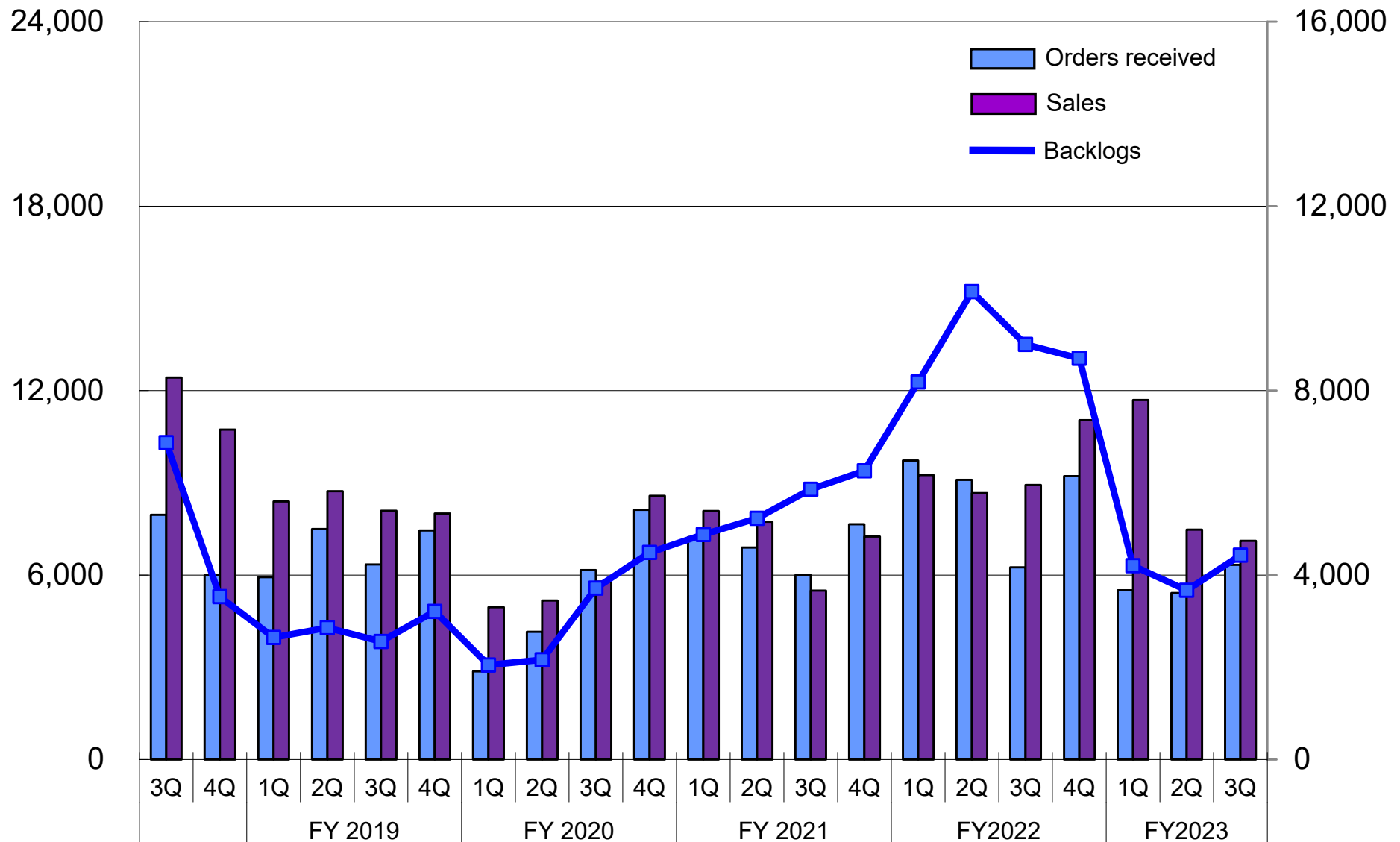
Consolidated Sales by Region [Consolidated] (FY 2023 3Q) **SHIMA SEIKI**

(million yen)	FY 2023 3Q	FY 2022 3Q	Comparison with previous year (%)
Japan	5,255	5,229	+0.5
Europe	6,151	7,746	-20.6
Asia	11,754	9,381	+25.3
Middle East	1,803	2,276	-20.8
Other Areas (Overseas)	1,317	2,212	-40.5
Total	26,282	26,847	-2.1

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

(Orders received/Sales) million yen

(Backlogs) million yen



(Terms: million yen)

	FY2021				FY2022				FY2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net sales	8,081	7,733	6,691	8,491	9,252	8,665	8,929	11,038	11,695	7,474	7,112
Operating income	(358)	(997)	(1,639)	(1,273)	(712)	276	(208)	(1,540)	695	(327)	391
Ordinary income	(154)	(689)	(1,473)	(1,082)	(516)	309	(198)	(1,294)	918	(353)	633
Net income attributable to owners of the parent	(271)	(797)	(1,567)	(952)	(686)	174	(545)	(4,586)	740	(372)	616
Orders received	7,235	6,897	5,994	7,651	9,726	9,093	6,251	9,216	5,507	5,413	6,333
Backlogs	4,877	5,229	5,858	6,260	8,186	10,145	9,001	8,700	4,201	3,669	4,428

Revised earnings forecast, which had been published on January 31, 2024, as follows in light of recent earnings trend.

	(million yen)		(million yen)
	FY 2023	Comparison with the previous year (%)	FY 2022
Net Sales	34,700	-8.4	37,886
Operating income	250	—	(2,184)
Ordinary Income	750	—	(1,700)
Net income Attributable to owners of the parent	750	—	(5,644)

Forecast of currency rates for March 2024: 140 JPY/USD, 155 JPY/EUR

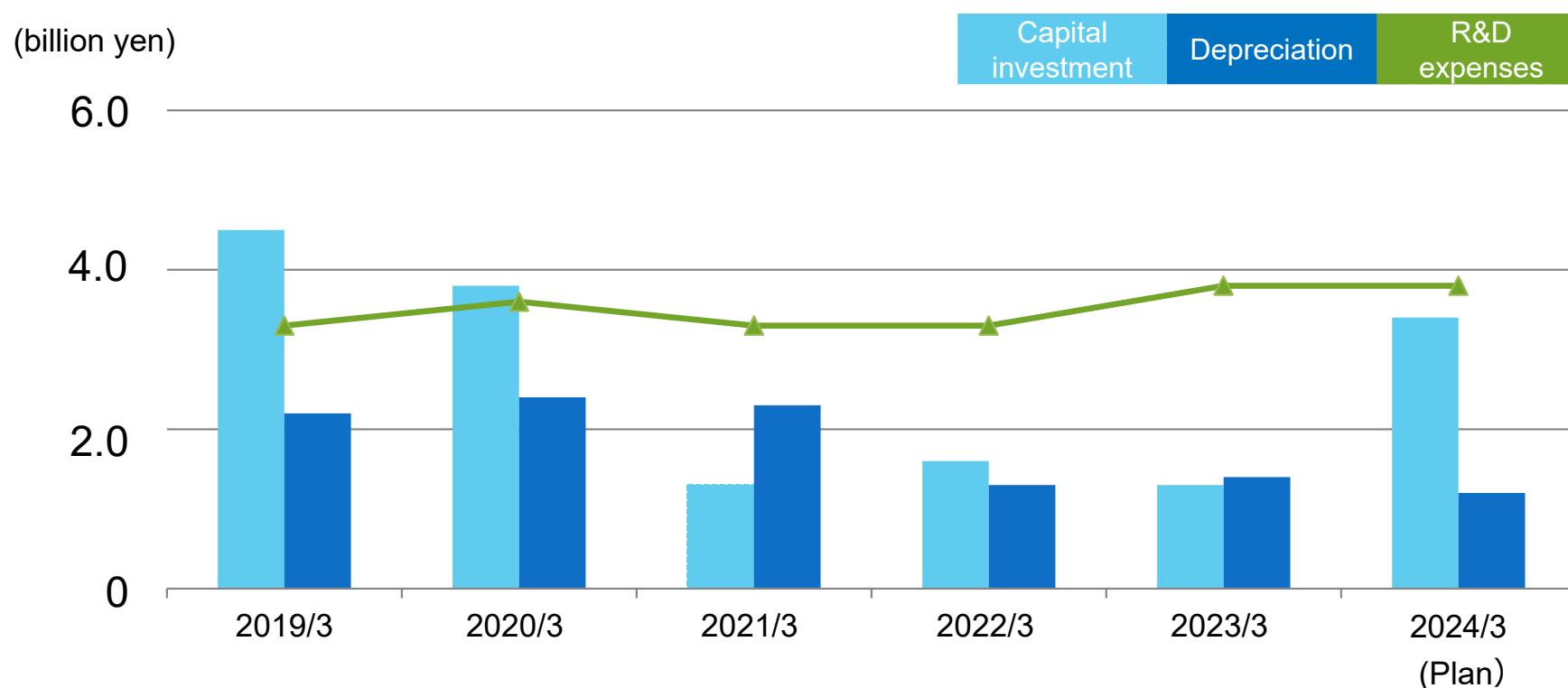
Developments in R&D Expenses and Capital Investment 〔Consolidated〕

Fiscal year ending March 2024 3Q (Actual results)

Capital investment of 0.56 billion yen (including leased assets of 0.02 billion yen), depreciation and amortization of 0.71 billion yen, R&D of 2.25 billion yen

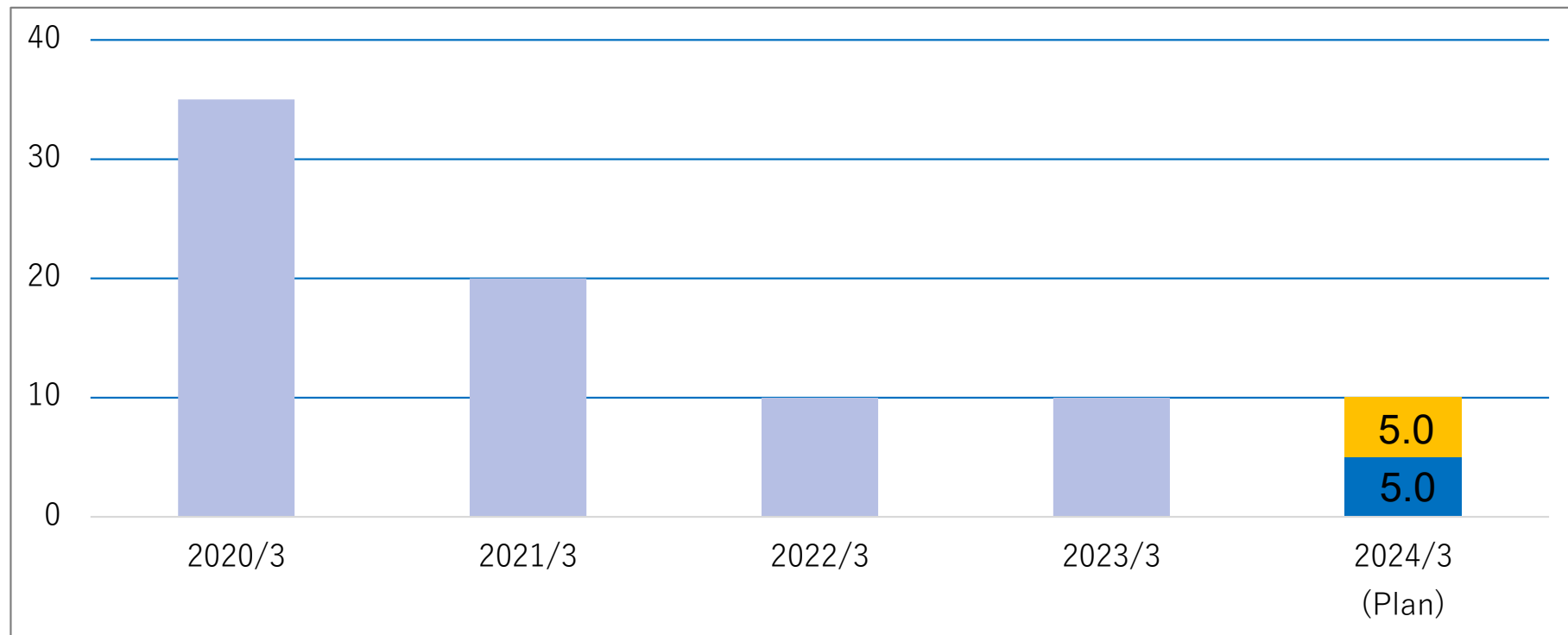
Fiscal year ending March 2024 (Plan)

Capital investment of 3.4 billion yen (including leased assets of 0.6 billion yen), depreciation and amortization of 1.2 billion yen, R&D of 3.8 billion yen



Fiscal year ended March 31, 2024:
Interim dividend of 5.0 yen and year-end dividend of 5.0 yen (plan)

(yen)



ITMA 2023 (Milan, Italy)

*Held on June 8-14, 2023

【The world's largest international textile and garment technology exhibition】

- In this ITMA, there were a total of 110,000 visitors.
- We could have made a significant impact and surprised visiting customers by announcing new technology at this ITMA under the concept of Reborn.
- We exhibited a full lineup of next-generation models of the R series, including the SWG-XR, the WHOLEGARMENT flat knitting machine with cutting-edge functions.



08 — 14
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ITMA ASIA + CITME (Shanghai, China)

*Scheduled for November 19–23, 2023

【Asia's Leading Business Platform for Textile Machinery】

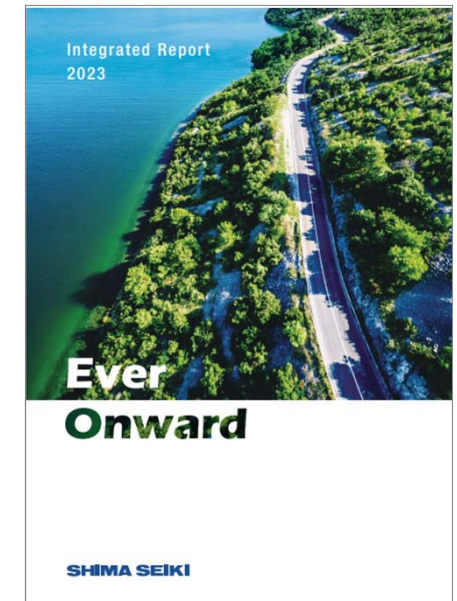
- In keeping with the ITMA Milan exhibition concept of "Reborn," the latest machine types were exhibited, including the SWG-XR 22L (prototype), a next-generation WHOLEGARMENT knitting machine.
- The company's high-level product development capabilities have enabled it to deliver products and solutions that improve production efficiency and add value to its main markets.



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Integrated Report was published for the fiscal year ending in March, 2023

"Integrated Report 2023" was published in November 2023. In addition to a future vision by the President, the report also includes a message from the Accounting and Finance Director and an interview with members of the Audit and Supervisory Committee. The report is aimed at a wide range of stakeholders, including future business strategies and value creation stories aimed at enhancing corporate value.



We have further enhanced non-financial information, such as specific initiatives related to sustainability and our relationship with each stakeholder.

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.