

Consolidated Results for FY 2024

SHIMA SEIKI MFG., LTD.

MAY 2025

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I . Summary of Operating of the Fiscal Year Ended March 31, 2025

Summary of Operating of the FY 2024

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(million yen)	FY 2024	Comparison with previous year (%)	FY 2023
Net Sales	3 2 , 5 2 0	(9 . 4)	3 5 , 9 1 0
Operating Income	(1 1 , 9 1 4)	—	4 3 0
Ordinary Income	(1 1 , 4 8 1)	—	1 , 0 1 8
Net income Attributable to owners of the parent	(1 4 , 2 7 5)	—	1 , 0 3 0

Exchange rate (JPY)	FY 2024	FY 2023	
USD/JPY	1 4 9 . 5 2	1 5 1 . 4 1	Exchange rate at the end of the period (Upper level)
	1 5 2 . 6 5	1 4 2 . 7 1	Average exchange rate used for translation of sales (Lower level)
EUR/JPY	1 6 2 . 0 8	1 6 3 . 2 4	
	1 6 3 . 8 5	1 5 5 . 0 0	

Business summary

【 Flat knitting machines 】

• Asia market

In the Chinese market, capital investment for domestic demand was weak because of the delayed economic recovery. The main models, including N.SVR®, for Southeast Asia were primarily purchased by major Hong Kong customers, but net sales decreased for all flat knitting machines.

In Bangladesh, net sales increased from the previous period, but sales volume decreased over the estimation because the massive antigovernment demonstrations after the middle of July caused the closing of production plants and subsequent stagnancy in the supply chain and consequently, the timing of capital investments by customers was delayed.

• European and Middle Eastern markets

In the Italian market, sales volume decreased for both WHOLEGARMENT® flat knitting machines and molding machines because the appetite for capital investments was weaker for the entire market, including well-known apparel brands, because of the economic slowdown and the mild winter last year.

In the Turkish market, net sales decreased from the previous period because of weakened orders for fast-fashion apparel caused by decreased demand for domestic apparel brands and the economic slowdown in the EU market.

• Domestic market

In the domestic market, sales volume generally decreased for computerized flat knitting machines from the previous period.

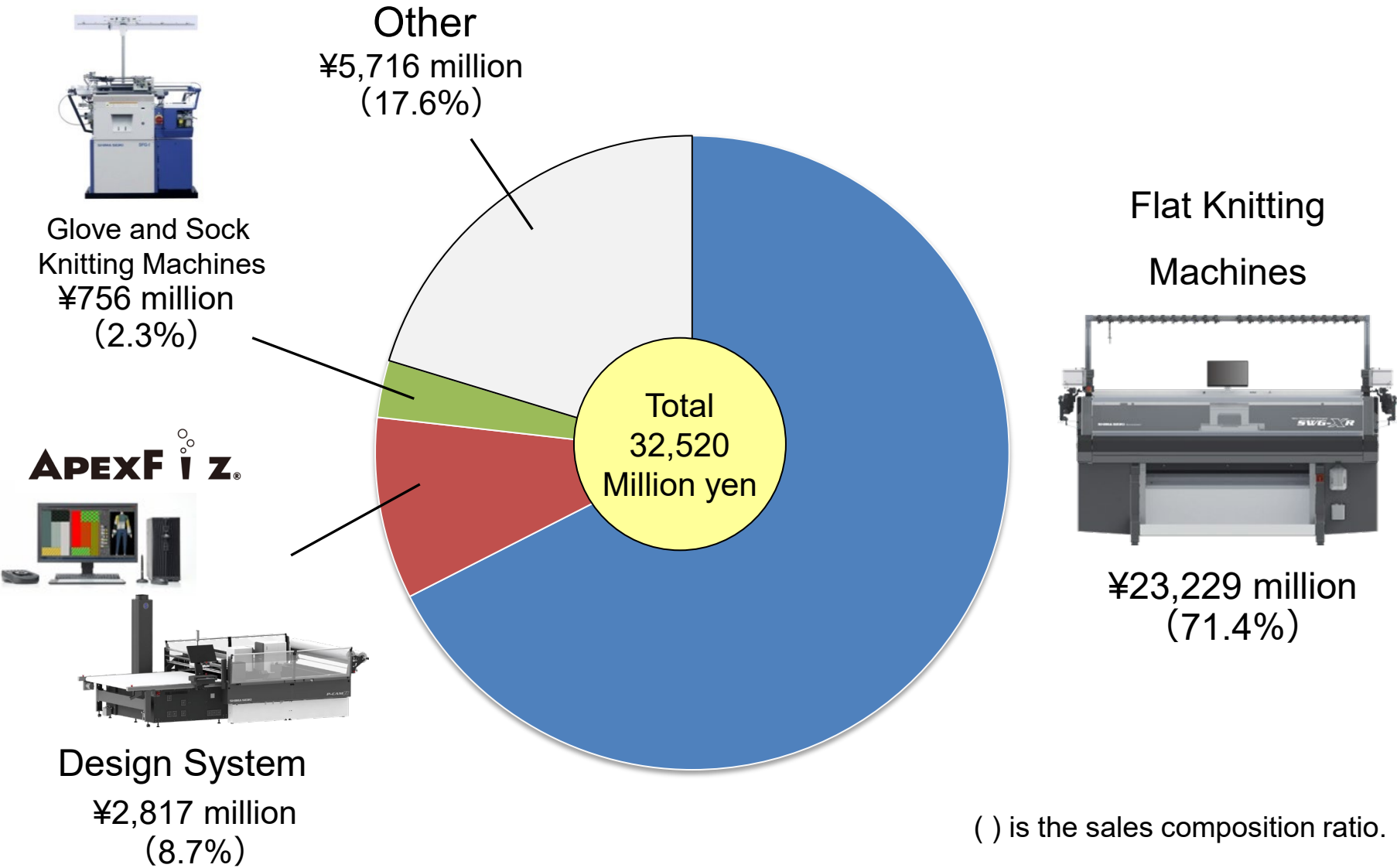
【 Design systems 】

• For APEXFiz®, the subscription service for the SDS®-ONE APEX software, both new and renewed license contracts increased mainly with Western and Japanese major apparel brands.

• Sales volume decreased for the P-CAM® computerized cutting machine.

【Glove and Sock Knitting Machine】

• Net sales increased within the segment because of an increase in capital investments by major overseas users..



Sales and Operating Income Composition by Segment

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(million yen)	Net Sales	Comparison with previous year (%)	Operating income	Comparison with previous year (%)
Flat Knitting Machine	23,229	(10.3)	(5,019)	—
Design System	2,817	(18.7)	113	(86.8)
Glove and Sock Knitting Machines	756	69.2	25	(58.8)
Other	5,716	(6.5)	(113)	—
Corporate elimination			(6,900)	
Total	32,520	(9.4)	(11,914)	—

Flat Knitting Machines Segment

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WHOLEGARMENT® Flat Knitting Machine

- SWG®-XR and MACH2®XS sterically knitting the whole wear
- Realizing environment-friendly manufacturing
- SWG®-N2 is best for manufacturing of knitted caps and gloves.



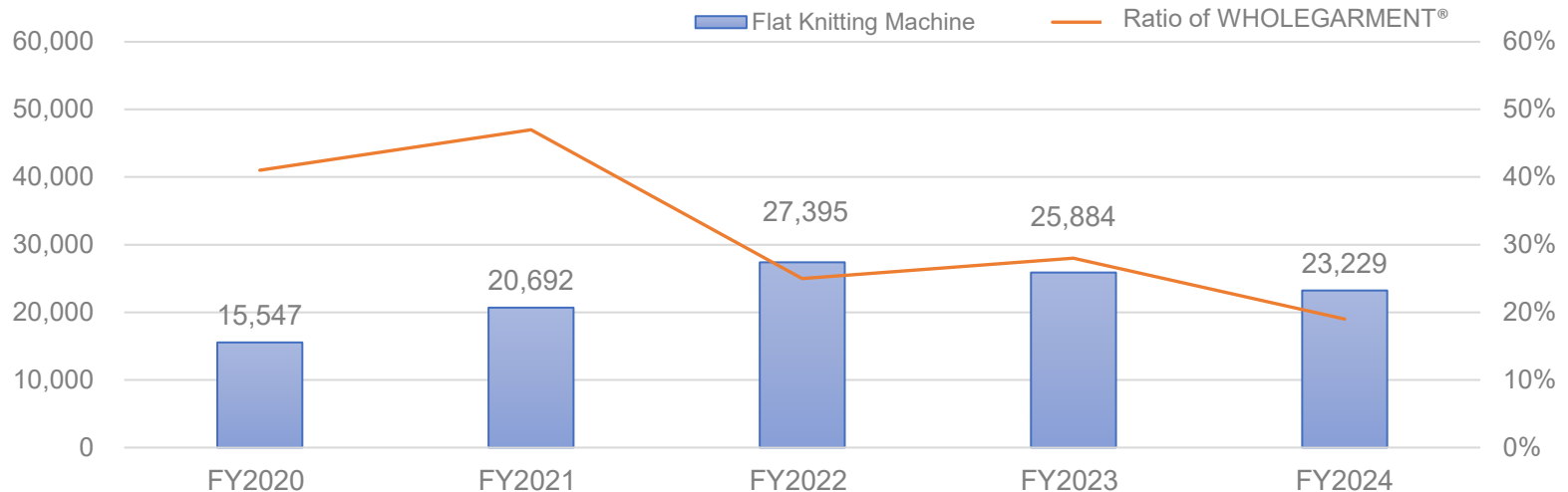
Computerized Flat Knitting Machine

- Making wear by knitting the fabric for each part, sewing and linking
- SRY®, N.SIR®, N.SVR®SP and N.SVR® adding value to knitting fabric
- N.SSR® used to manufacture the volume zone for Asia

The ratio of WHOLEGARMENT® net sales stood at around 19% (28% in the same period last year)

Developments in net sales of flat knitting machines and ratio of WHOLEGARMENT®

(million yen)



Design systems Segment

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3D Design system SDS®-ONE APEX4

- Installing software specializing in the programming of knitting machines and pattern CAD, as well as textile design, including flat knitting, fabric, print, and circular knitting and simulation

Design Software 「APEXFiz®」



- Subscription software of Design System
- The software can be downloaded to PCs and makes it possible to create designs anytime and anywhere.

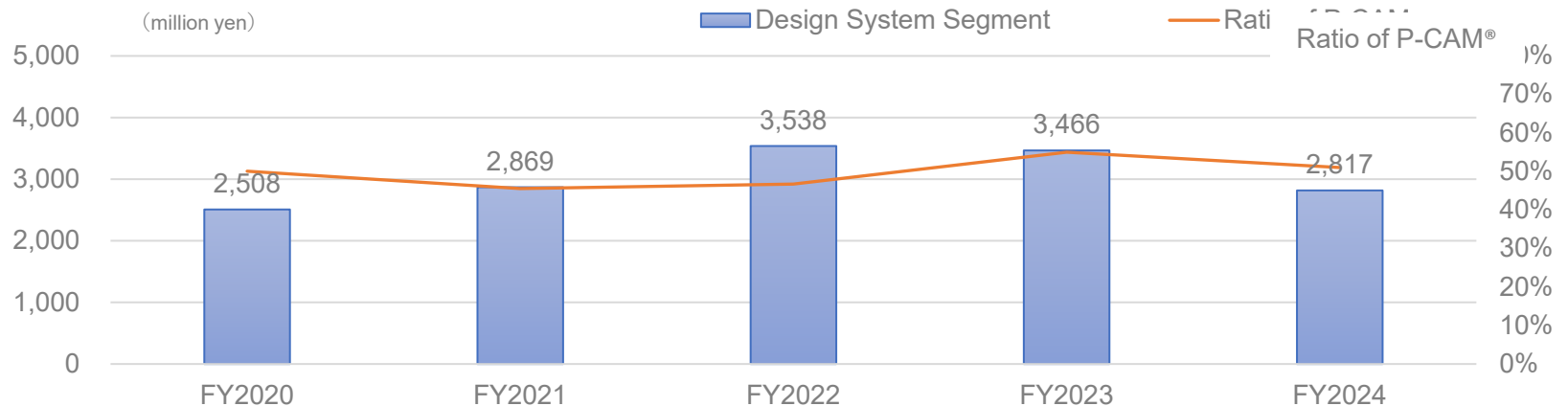


P-CAM® Cutting Machines

- Providing the automated cutting machine, as well as the spreading, labeling, and pick-up equipment, to save manpower in the processes before and after fabric cutting. Penetration is sought into a variety of industries that include apparel, automobiles, and industrial materials as Shima Cutting Solutions.

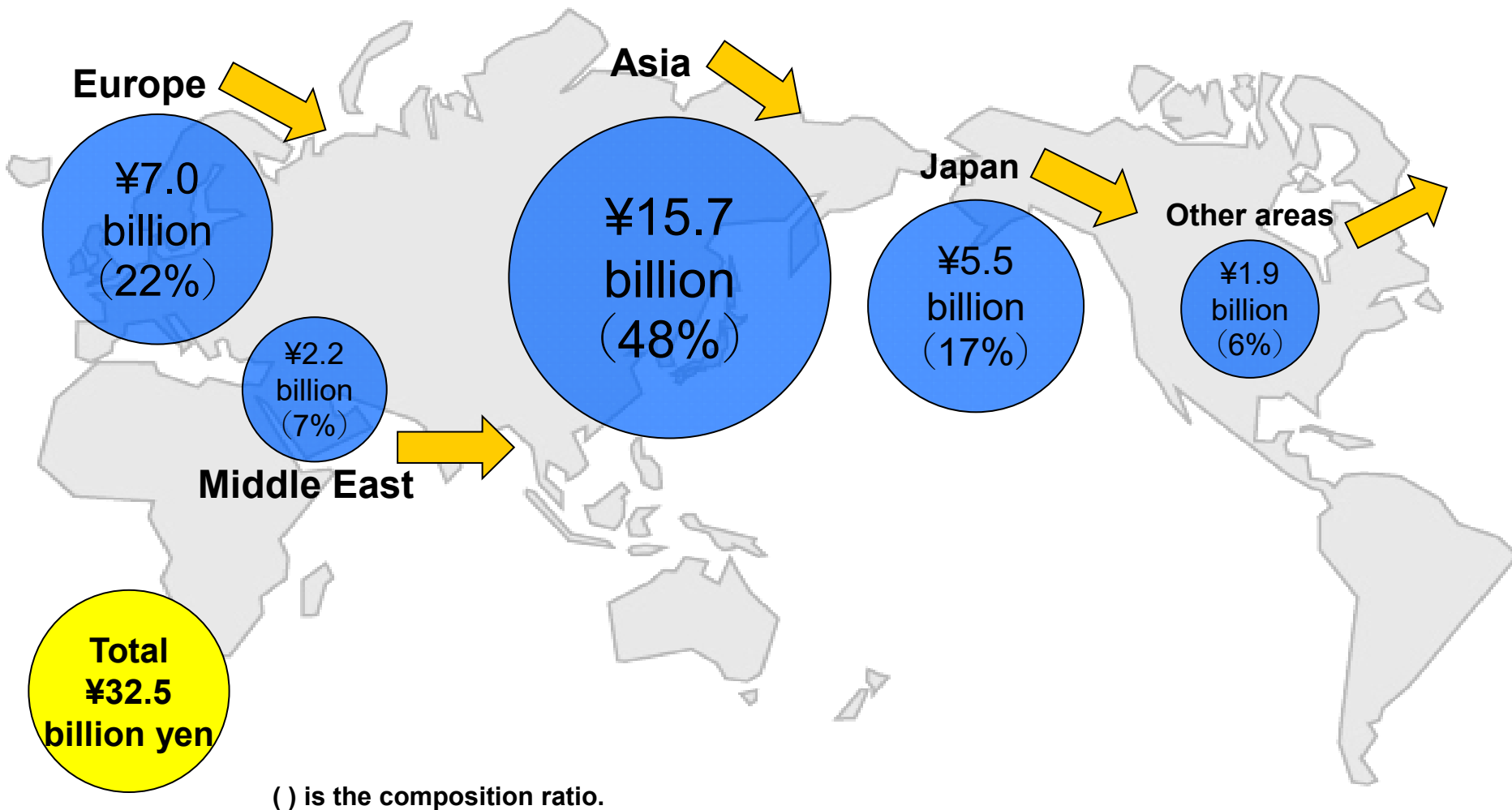
Net sales ratio of P-CAM® is about 51%.
(55% in the same period last year)

Developments in net sales of Design Systems and ratio of P-CAM®



Sales by Region [Consolidated]

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Consolidated Sales by Region [Consolidated]

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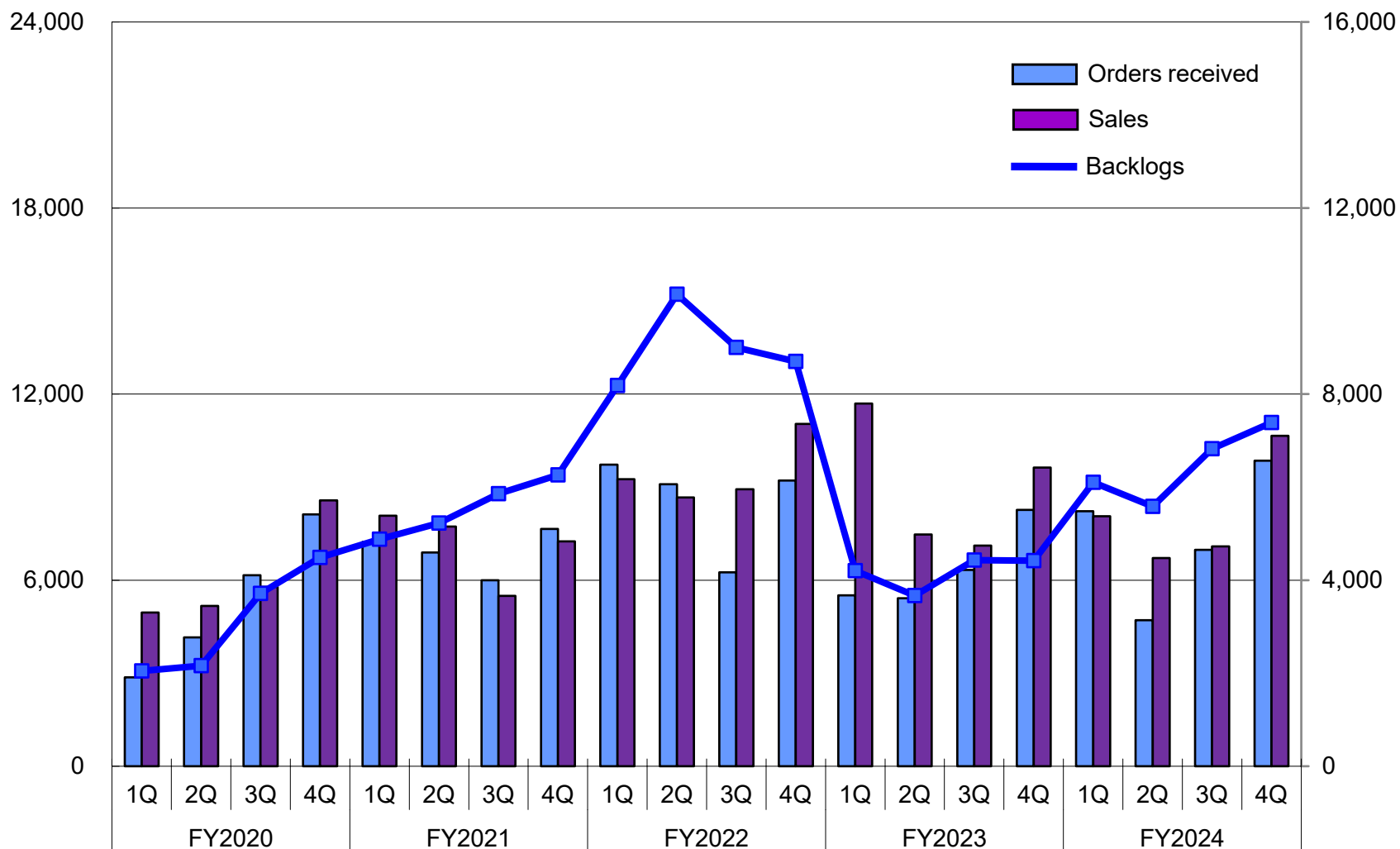
(million yen)	FY 2024	FY 2023	Comparison with previous year (%)
Japan	5,500	6,887	-20.1
Europe	7,065	7,990	-11.6
Asia	15,732	16,981	-7.4
Middle East	2,275	2,234	+1.9
Other Areas (Overseas)	1,946	1,816	+7.1
Total	32,520	35,910	-9.4

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

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(Orders received/Sales) million yen

(Backlogs) million yen



Developments in Quarterly Results〔Consolidated〕

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(million yen)	FY2022				FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	9,252	8,665	8,929	11,038	11,695	7,474	7,112	9,628	8,061	6,710	7,091	10,656
Operating income	(712)	(276)	(208)	(1,540)	695	(327)	(391)	(328)	(493)	(1,444)	(7,854)	(2,121)
Ordinary income	(516)	309	(198)	(1,294)	918	(353)	633	(180)	(343)	(1,692)	(7,484)	(1,961)
Net income attributable to owners of the parent	(686)	174	(545)	(4,586)	740	(372)	616	44	(380)	(1,744)	(9,153)	(2,994)

Orders received	9,726	9,093	6,251	9,216	5,507	5,413	6,333	8,263	8,224	4,712	6,982	9,850
Backlogs	8,186	10,145	9,001	8,700	4,201	3,669	4,428	4,419	6,102	5,584	6,825	7,385

Balance Sheet [Consolidated]

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Cash and deposits :14,129 million yen at the end of the current period (14,822 million yen at the end of the previous period),
down 693 million yen from the end of the previous period

Trade accounts receivable :35,341 million yen at the end of the current period (45,502 million yen at the end of the previous period),
down 10,160 million yen from the end of the previous period

Inventories :24,982 million yen at the end of the current period (26,297 million yen at the end of the previous period),
down 1,315 million yen from the end of the previous period

Capital adequacy ratio: :78.2% (85.2% at the end of the previous year) Net assets per share : 2,251 yen

(million yen)	FY 2024	FY 2023	Increase / decrease
Current assets	74,205	84,019	(9,813)
Fixed assets	25,200	23,785	1,415
(Property, plant, and equipment)	14,186	15,066	(880)
(Intangible fixed assets)	78	152	(74)
(Investments and other assets)	10,936	8,566	2,370
Total assets	99,405	107,804	(8,398)
Current liabilities	17,632	11,836	5,795
Long-term liabilities	4,032	4,040	(7)
Total liabilities	21,665	15,877	5,788
Shareholder's equity	65,983	80,599	(14,615)
Accumulated other comprehensive income	11,718	11,290	428
Equity warrants	13	16	(3)
Non-controlling interest	25	21	4
Total net assets	77,740	91,926	(14,186)
Total liabilities and net assets	99,405	107,804	(8,398)

(Figures of less than one million are rounded down)

Statements of Cash Flows〔Consolidated〕

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Cash flows from operating activities : A cash decrease of 4,461 million yen due to net loss before income taxes.

Cash flows from investing activities : A cash decrease of 3,222 million yen mainly due to the acquisition of property, plants, and equipment.

Cash flows from financing activities : A cash increase of 5,376 million yen mainly due to an increase in short-term borrowings.

Balance of cash and cash equivalents at the end of period : A decrease of 2,446 million yen from the end of the previous period.

(million yen)		
(Terms: million yen) Title of accounts	FY 2024	FY 2023
Cash flows from operating activities	(4,461)	(4,120)
Cash flows from investing activities	(3,222)	(167)
Cash flows from financing activities	5,376	348
Effect of exchange rate changes on cash and cash equivalents	(138)	1,232
Increase (decrease) in cash and cash equivalents	(2,446)	(2,707)
Cash and cash equivalents at beginning of year	12,809	15,517
Cash and cash equivalents at end of year	10,363	12,809

(Figures of less than one million are rounded down)

II. Forecast [Consolidated]

Forecast〔Consolidated〕

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(million yen)

	FY 2025	Comparison with the previous year (%)	FY 2024
Net Sales	44,500	36.8	32,520
Operating income	1,500	—	(11,914)
Ordinary Income	2,300	—	(11,481)
Net income Attributable to owners of the parent	2,000	—	(14,275)

Forecast of currency rates for March 2026: 140 JPY/USD, 160 JPY/EUR

Sales and Operating Income Forecast by Segment

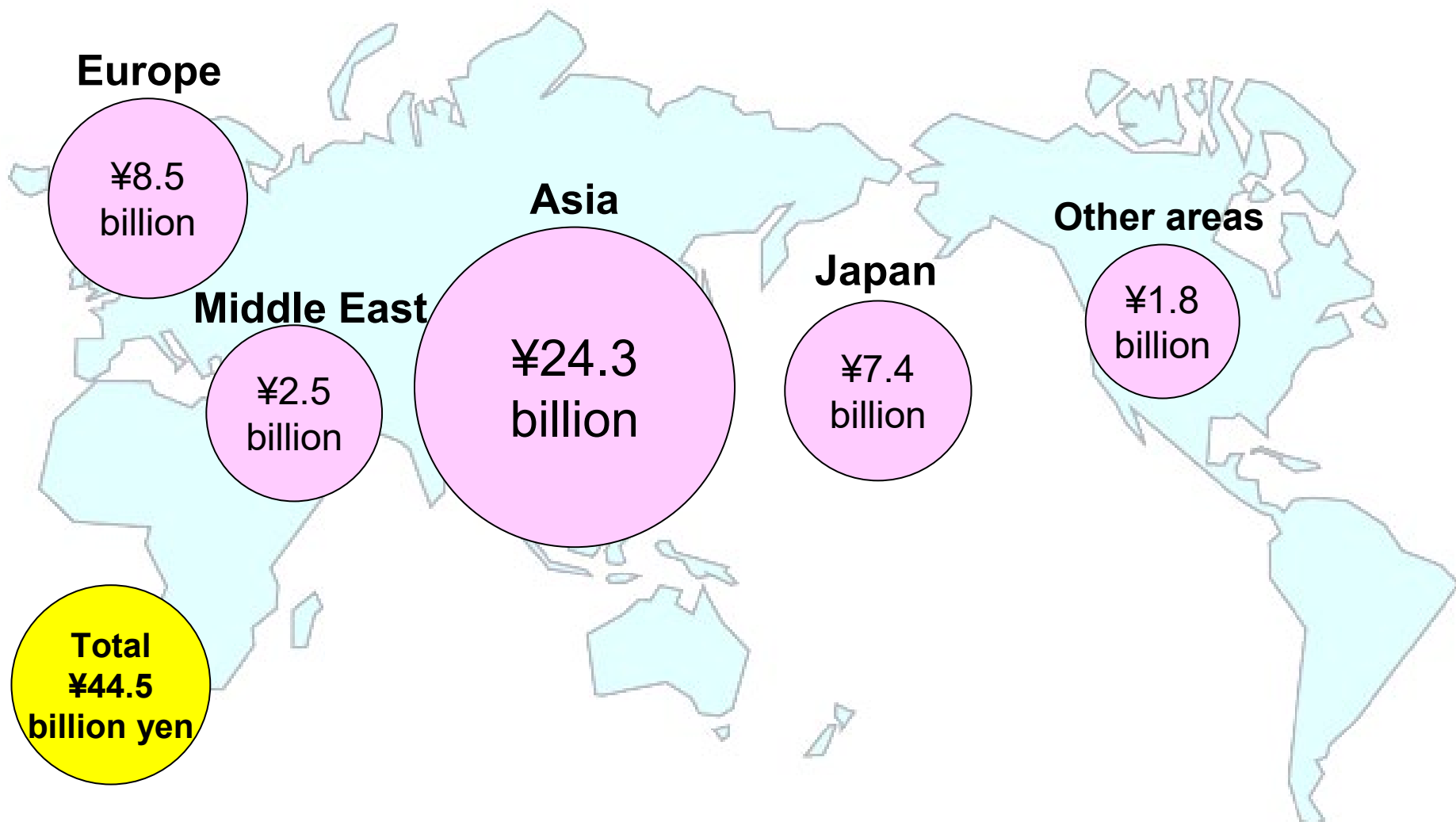
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	(million yen)	
	Net Sales	Comparison with previous year (%)
	Full-year forecast	
Flat Knitting Machine	34,800	49.8
Design System	3,000	6.75
Glove and Sock Knitting Machines	700	(7.4)
Other	6,000	5.0
Corporate elimination		
Total	44,500	36.8

Operating income
Full-year forecast
6,600
600
0
1,000
(6,700)
1,500

Forecast Sales by Region [Consolidated]

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III. Shareholder Returns

Shareholder Returns

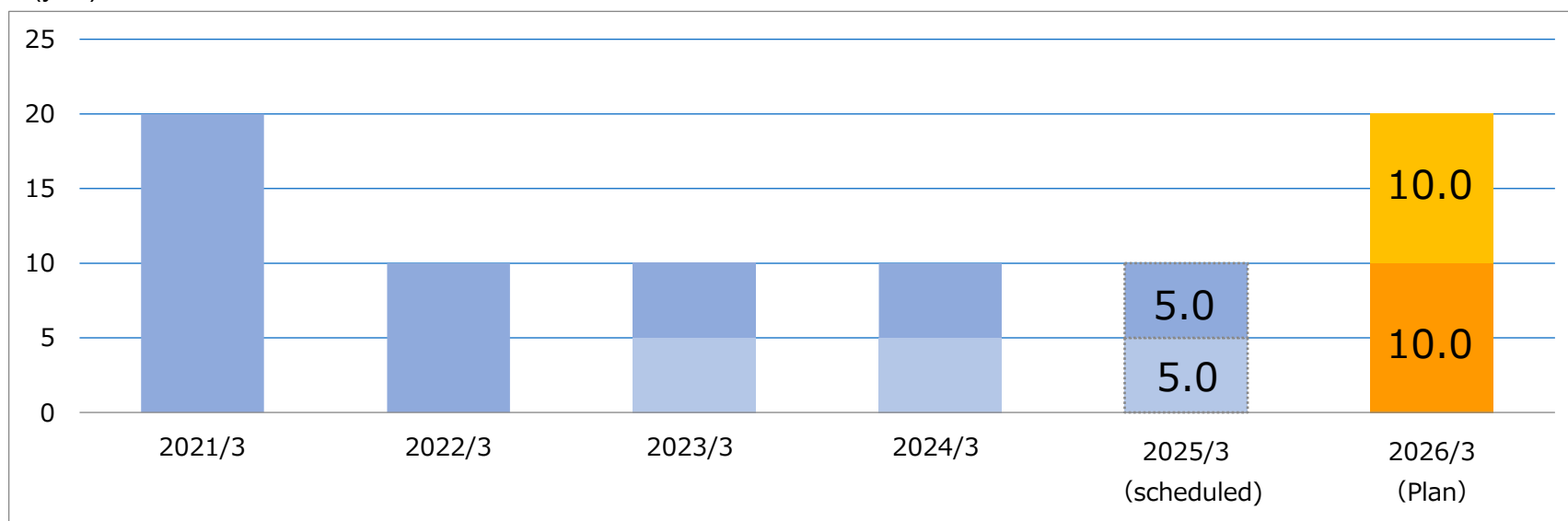
Fiscal year ended March 31, 2025 (Scheduled):
Interim dividend of 5.0 yen and year-end dividend of 5.0 yen

Fiscal year ending March 31, 2026 (Plan):
Interim dividend of 10.0 yen, Year-end dividend of 10.0 yen

【Revisions to the forecast】

We are committed to enhancing shareholder returns by paying dividends to shareholders with a target consolidated dividend payout ratio of 40 percent while endeavoring to make proactive growth investments for increased profitability and to strengthen our financial position in accordance with Ever Onward 2026, our three-year medium-term management plan.

(yen)



Exchange rate					(yen)
	FY 2023		FY 2024		FY2025 (Plan)
	Average exchange rate used for translation of sales	Exchange rate at the end of the period	Average exchange rate used for translation of sales	Exchange rate at the end of the period	
USD/JPY	1 4 2.7 1	1 5 1.4 1	1 5 2.6 5	1 4 9.5 2	1 4 0
EUR/JPY	1 5 5.0 0	1 6 3.2 4	1 6 3.8 5	1 6 2.0 8	1 6 0

Foreign exchange sensitivity

(impact of a one-yen change on operating income)

	FY2025 (Plan)
USD/JPY	1 0 0 million yen
EUR/JPY	3 0 million yen

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

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Fiscal year ended March 2025 (Actual results)

Capital investment of 2.09 billion yen (including leased assets of 280 million yen), depreciation and amortization of 1.18 billion yen, R&D of 3.75 billion yen

Fiscal year ending March 2026 (Plan)

Capital investment of 2.3 billion yen (including leased assets of 800 million yen), depreciation and amortization of 1 billion yen, R&D of 3.7 billion yen

(Billions of yen)

6.0

4.0

2.0

0

2022/3...

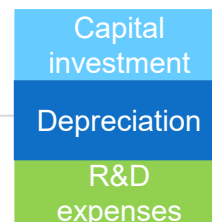
2023/3

2024/3

2025/3

2026/03

(Plan)



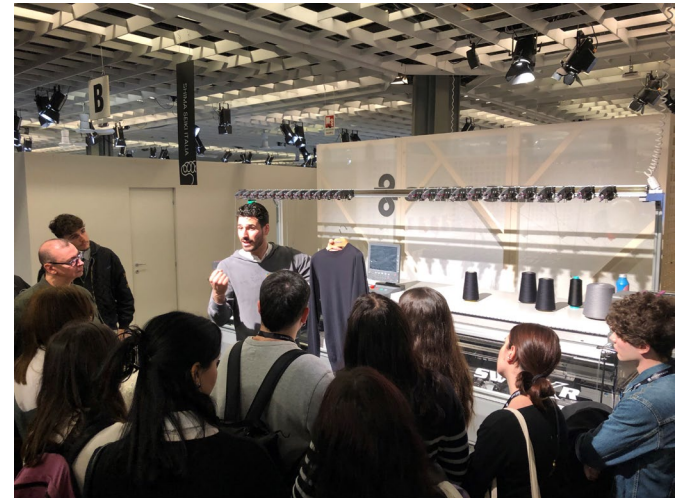
■ Public relations activities about the latest model of WHOLWGARMENT® flat knitting machines to luxury brands in Italy which are on track for recovery

Pitti Immagine Filati

(in Florence, Italy for January 28-30, 2025)

Historical international exhibition of strings and knit materials that officials of global apparel brands and knitted product manufacturers also visit.

At our booth, demonstration of knitting the latest model of the WHOLWGARMENT® flat knitting machine “SWG-XR®” , was conducted and packages of APEXFiz®, yarnbank® and others were proposed.



Additionally, we exhibited samples of knitted products produced by ten young designers, who are mainly composed of students, and held the contest in which visitors participated for the first time. This indicated new potential for knits driven by the power of idea of the new generation and became an opportunity to show our stance to development of human resources, including contributions to the fashion industry.

■ Strengthening of proposals to the growth market India

GMMSA Expo India

(in Ludhiana, India for February 7-10, 2025)

The exhibition held in India where sewing machines and the latest models and technology of the textile industry are introduced.

Our booth saw many visitors with interest in WHOLEGARMENT® and was appreciated by many of these visitors. Additionally, the N.SSR®112 series, the molding machine achieving high cost-effectiveness, attracted attention with prices and productivity. We have a presence in technology as well as price competitiveness.

GTE'25

(in Greater Noida, India for February 12-15, 2025)

International trade show for textile and fashion industries
Visitors included staff from global apparel brands where buying offices are located in the capital Delhi near the venue. The exhibition became an opportunity for us to further grow our presence. Sale expansion is highly expected of computerized flat knitting machines and the Apex series, including WHOLEGARMENT®, as well as a wide variety of online services.



The logo for SHIMA SEIKI, featuring the company name in a bold, blue, sans-serif font. The text is centered horizontally and is set against a light blue rectangular background that has a subtle gradient.

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.