

Financial Results for 3rd Quarter FY2025

SHIMA SEIKI MFG., LTD.

February 2026

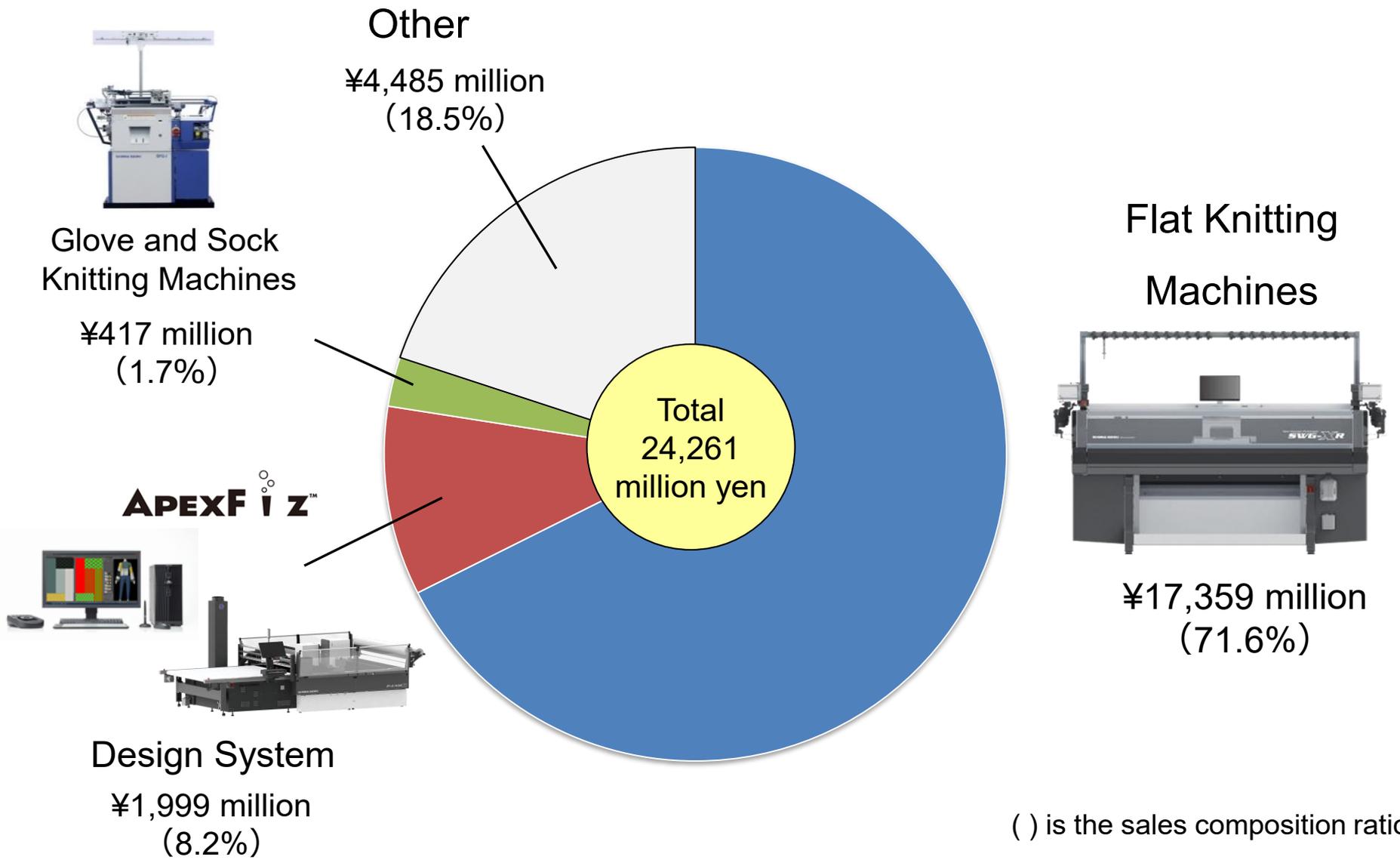
**I . Summary of Operating Results for 3rd Quarter
of the Fiscal Year Ending March 31, 2026**

Summary of Operating Results for 3rd Quarter of the Fiscal Year Ending March 31, 2026

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(Terms: million yen)	FY 2025 3Q	FY 2024 3Q	FY 2024
Net Sales	24,261	21,863	32,520
Operating Income	(1,061)	(9,793)	(11,914)
Ordinary Income	504	(9,520)	(11,481)
Net income Attributable to owners of the parent	392	(11,281)	(14,275)

Exchange rate (JPY)	FY 2025 3Q	FY 2024 3Q	
USD/JPY	156.56	158.18	Exchange rate at the end of the period (Upper level)
	148.94	152.70	Average exchange rate used for translation of sales (Lower level)
EUR/JPY	184.33	164.92	
	172.24	164.97	

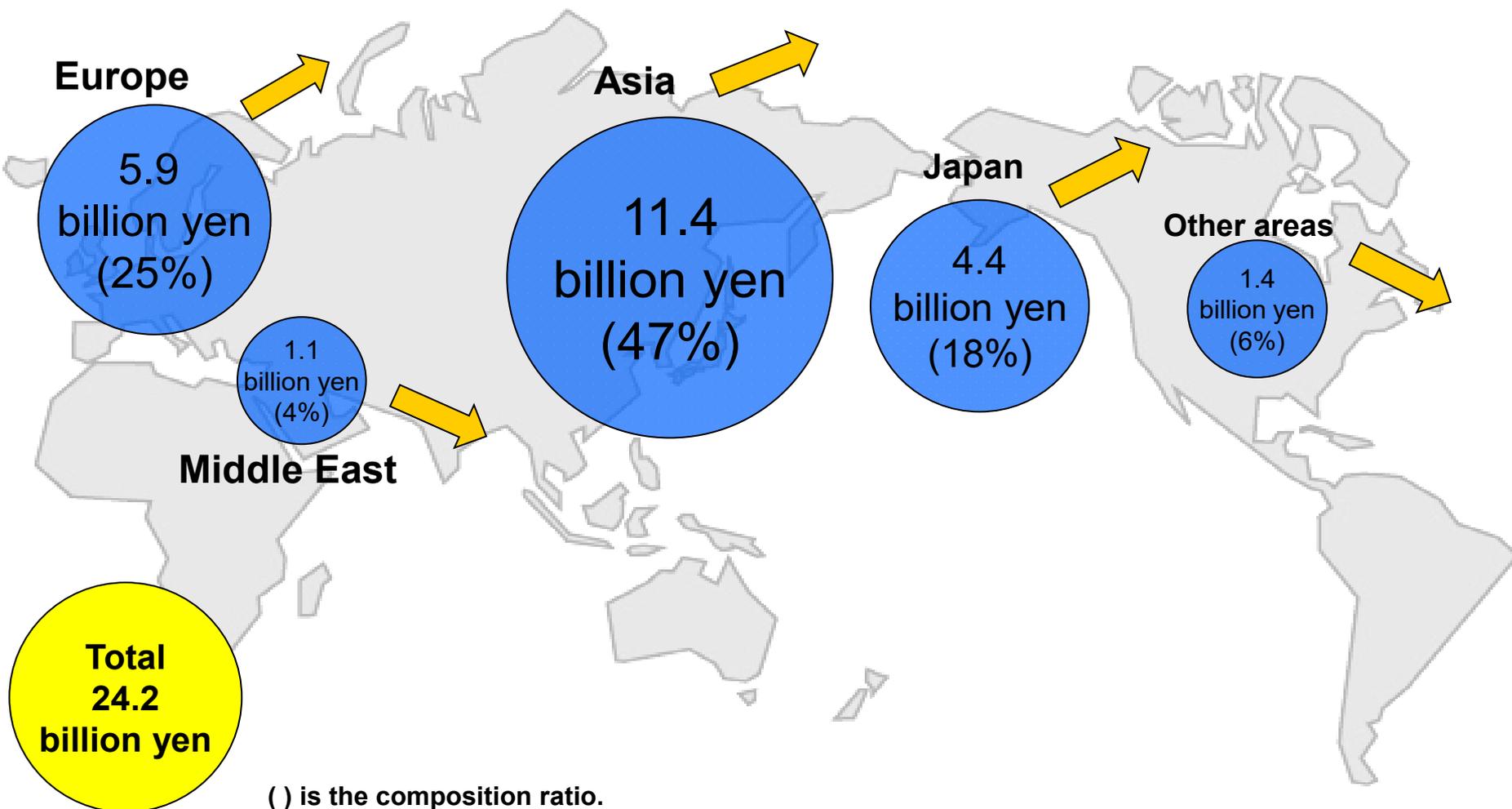


Sales and Operating Income Composition by Segment (FY 2025 3Q)

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(million yen)	Net Sales	Comparison with previous year (%)	Operating income	Comparison with previous year (%)
Flat Knitting Machine	17,359	+17.6	2,184	—
Design System	1,999	-8.2	386	+174.3
Glove and Sock Knitting Machines	417	-26.5	73	—
Other	4,485	+3.1	809	—
Corporate elimination			(4,514)	
Total	24,261	+11.0	(1,061)	—

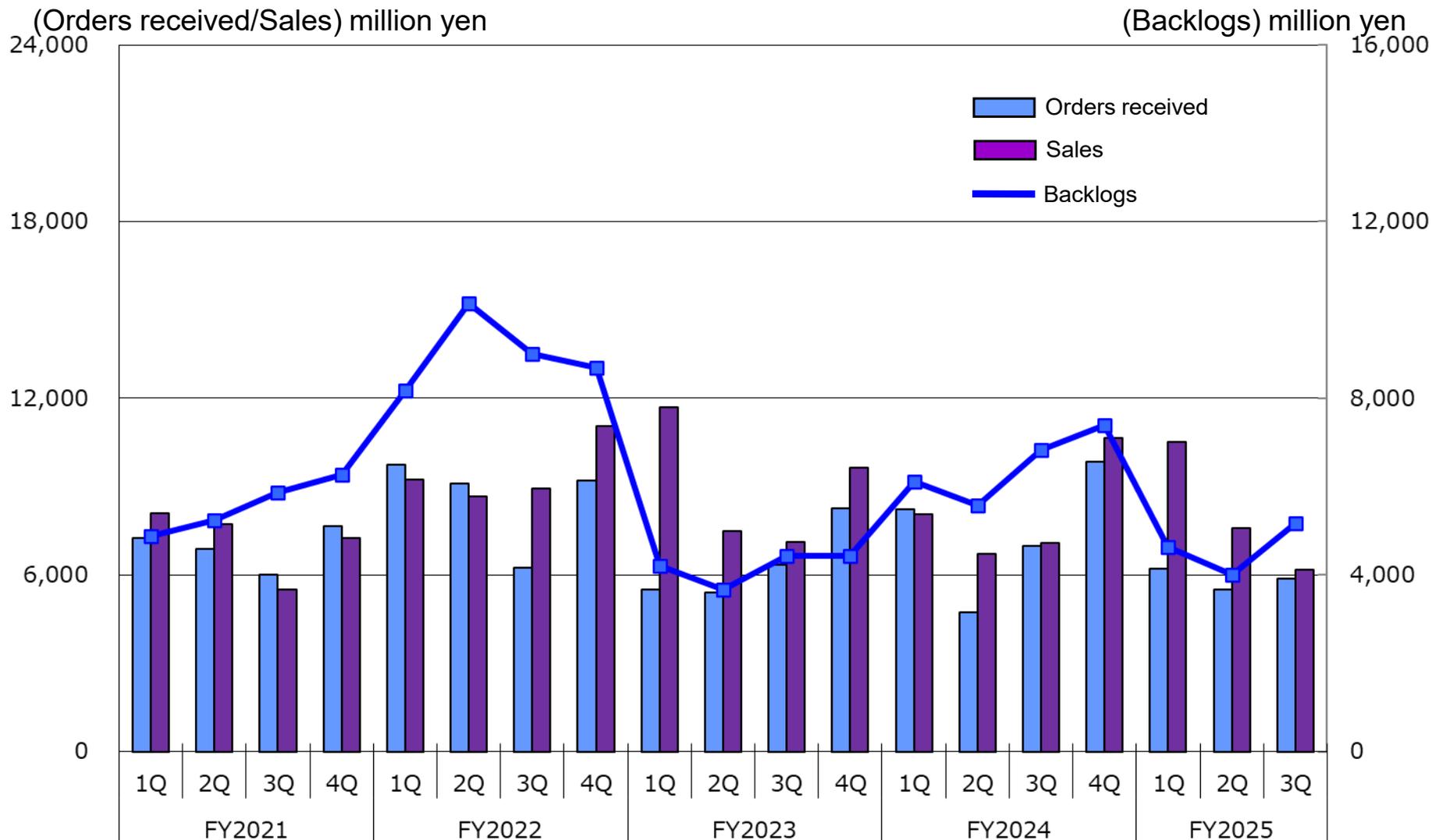
Sales by Region [Consolidated] (FY 2025 3Q)



Consolidated Sales by Region [Consolidated] (FY 2025 3Q)

(million yen)	FY 2025 3Q	FY 2024 3Q	Comparison with previous year (%)
Japan	4,431	3,987	+11.1
Europe	5,944	4,855	+22.4
Asia	11,416	9,902	+15.3
Middle East	1,072	1,541	-30.5
Other Areas (Overseas)	1,398	1, 576	-11.3
Total	24,261	21,863	+11.0

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



Developments in Quarterly Results [Consolidated]

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(million yen)

	FY2023				FY2024				FY2025		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net sales	11,695	7,474	7,112	9,628	8,061	6,710	7,091	10,656	10,519	7,573	6,169
Operating income	695	(327)	391	(328)	(493)	(1,444)	(7,854)	(2,121)	307	(387)	(982)
Ordinary income	918	(353)	633	(180)	(343)	(1,692)	(7,484)	(1,961)	1,012	(232)	(276)
Net income attributable to owners of the parent	740	(372)	616	44	(380)	(1,744)	(9,153)	(2,994)	907	(235)	(279)

Orders received	5,507	5,413	6,333	8,263	8,224	4,712	6,982	9,850	6,207	5,498	5,861
Backlogs	4,201	3,669	4,428	4,419	6,102	5,584	6,825	7,385	4,641	4,008	5,177

II. Revision of Plan for Financial Results for Fiscal Year Ending March 2026

1. Revision to Full-Year Financial Results Forecast

The Company had planned to launch cost-performance model shaping machines mainly in the Asian region, which is the main market for our products, after the third quarter. However, the launch timing has been delayed beyond the initial projections, resulting in sales falling short of the plan. As a result, net sales and operating profit are expected to be below the levels projected in the previous forecast.

2. Expected recording of extraordinary income

The resolution was adopted to sell some of the investment securities owned by us at the meeting of the board of directors on January 30, 2026. As a result, extraordinary income is expected to be recorded.

(i) Shares to be sold: one (1) issue, (ii) Date of sale: March 2026 (scheduled), (iii) Gain on sale of investment securities: 1,250 million yen

	(million yen)		(million yen)
	FY 2025	Comparison with the previous year (%)	FY 2024
Net Sales	33,000	+1.5	32,520
Operating income	(1,300)	—	(11,914)
Ordinary Income	200	—	(11,481)
Net income Attributable to owners of the parent	1,300	—	(14,275)

Forecast of currency rates for March 2026: 150 JPY/USD, 174 JPY/EUR

Ⅲ. Shareholder Returns

Shareholder Returns

1.Acquired one million treasury stocks (2.90%:total number of shares issued [excluding treasury shares])

*Announced on May 9 and completely acquired on September 24

2.Canceled one million treasury stocks (2.79%:total number of shares issued before cancellation)

*Announced on May 9 and canceled on October 31

3.Fiscal year ending March 31, 2026 (Plan):

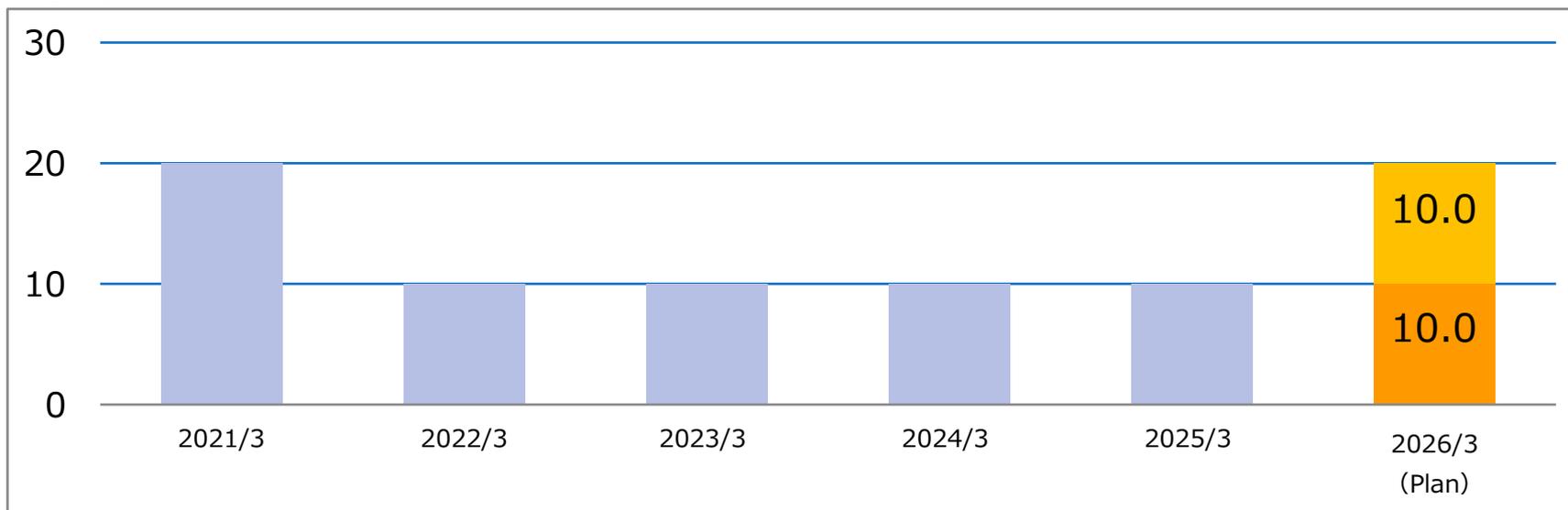
Interim dividend of 10.0 yen, Year-end dividend of 10.0 yen

*There will be no change to the year-end dividend forecast.

【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)



Overseas trade show

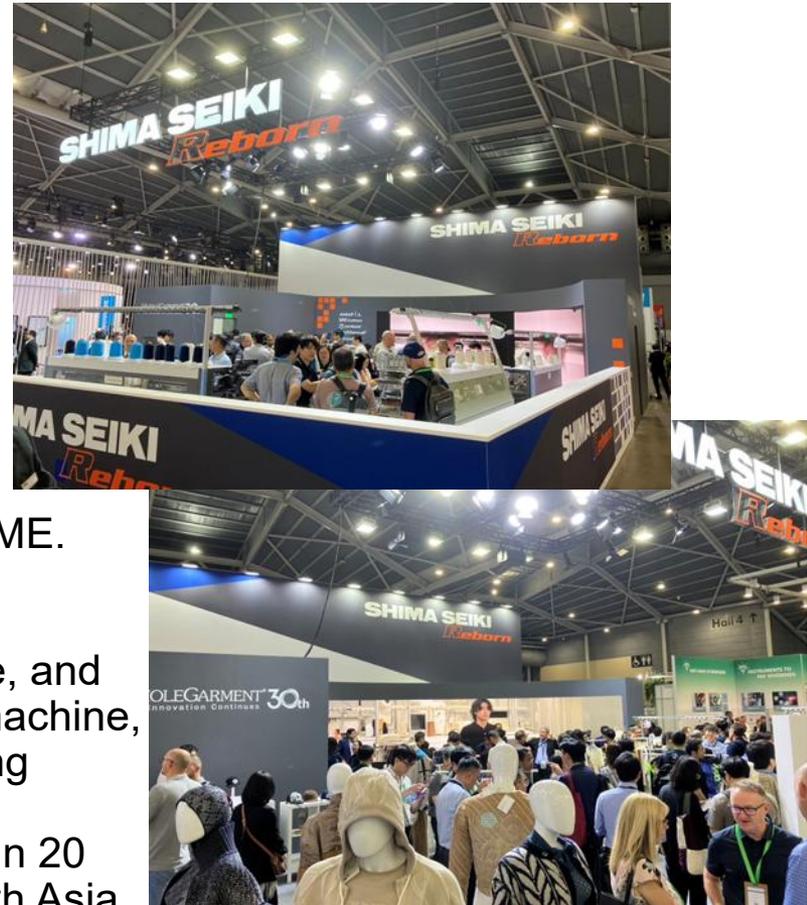
ITMA ASIA+CITME 2025

(October 28–31, 2025, in Singapore)

ITMA ASIA + CITME, one of the largest global tech expos for textile and apparel industries in Asia, is a large-scale combined exhibition of ITMA Asia and CITME. The Company exhibited the SWG-XR® 18L WHOLEGARMENT flat knitting machine, the SES-R® Advanced i-Plating high value-added shaping machine, and the N.SSR® 132E cost-performance model shaping machine, design software and the SDS® KnitPaint-Online knitting software at the expo.

The exhibition was held in Singapore for the first time in 20 years, and the event attracted many visitors from South Asia.

The Company could effectively make approaches, particularly to representatives of the Indian and Bangladeshi markets. The exhibition of samples showing the technology and works created in collaboration with designers was also appreciated. We will enhance the promotion of sales for the N.SSR® 132E in the Chinese market where there are strong competitors, as well as the Indian and Bangladeshi markets.



Domestic trade show

17th JAPAN BEST KNIT SELECTION

(Tokyo Metropolitan Industrial Trade Center [Hamamatsucho-Kan]
for November 5–6, 2025)

The JAPAN BEST KNIT SELECTION (JBKS) 2025 was designed to enhance cooperation in the industry under the theme of Solidarity in order to deal with such challenges as the contracting market and the shortfall in human resources. The Company exhibited many products and services, including the APEXFiz® Design, SDS® KnitPaint-Online, SHIMA Datamall™, and yarnbank®, which provide assistance for sustainable production by customers. Among them, the color combination function of the APEX Fiz® and SDS® KnitPaint-Online particularly attracted attention among many customers other than those in the apparel and fashion industries. The exhibition gave us an opportunity to make proposals to expand the possibility of knitting. Opinions and information were actively exchanged with customers visiting the exhibition, and we took a step toward technological innovation and a resolution of the shortfall in human resources. We will continue to further promote the offering of multiple solutions for added value, resource saving, and productivity increases.



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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.