

## SHIMA SEIKI MFG., LTD.

Representative: Mitsuhiro Shima, President

Code number: 6222

Stock listings: Tokyo Stock Exchange (1<sup>st</sup> section)

### Notice regarding revision of earnings forecast

SHIMA SEIKI MFG., LTD. announces that it has revised its consolidated and non-consolidated earnings forecasts for the second quarter of the fiscal year ending March 31, 2022 announced on May 7, 2021 based on recent performance trends.

#### Notes

#### 1. Revision of earnings forecast

- (1) Revised consolidated earnings forecast for the 2<sup>nd</sup> quarter of the year ending March 31, 2022  
(April 1, 2021 – September 30, 2021)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A)	13,000	-3,500	-3,100	-3,100	Yen -89.83
Revised forecast (B)	15,800	-1,700	-1,000	-1,200	-34.77
Increase or decrease (B-A)	2,800	1,800	2,100	1,900	—
Percentage change (%)	21.5	—	—	—	—
<Reference> Previous results (2 <sup>nd</sup> quarter of FY2020)	10,126	-4,183	-3,135	-3,208	-92.98

- (2) Revised non-consolidated earnings forecast for the 2<sup>nd</sup> quarter of the year ending March 31, 2022  
(April 1, 2021 – September 30, 2021)

(Millions of yen)

	Net sales	Ordinary income	Net income	Net income per share
Previous forecast (A)	9,900	-2,700	-2,700	Yen -78.23
Revised forecast (B)	12,800	-900	-900	-26.08
Increase or decrease (B-A)	2,900	1,800	1,800	—
Percentage change (%)	29.3	—	—	—
<Reference> Previous results (2 <sup>nd</sup> quarter of FY2020)	6,896	-2,929	-2,890	-83.76

## **2. Reasons for the revision**

For the first half of FY2021, net sales are expected to be above the initial forecast because the flat knitting machine business increased sales of the WHOLEGARMENT flat knitting machines due to active capital spending in China and Europe in preparation for the resumption of economic activities, and the globe and socks knitting machine business increased sales due to steady capital spending of Japanese and major overseas users. It is expected that operating loss declined mainly due to an increase in the capacity utilization rate of factories and continuing cost cutting, and ordinary loss and quarterly net loss attributable to owners of the parent declined mainly due to posting of the gains from the reversal of the allowance for doubtful accounts in non-operating items. Given these results, the company has revised earnings forecasts for the second quarter (consolidated and unconsolidated).

At present, the company will keep the full-year earnings forecasts, which were announced on May 7, 2021, unchanged because it is uncertain how business activities will be affected by the globally tight supply of semiconductors and other raw materials and higher global transportation costs resulting from the spread of COVID-19. In case we think it is necessary to revise the full-year earnings forecasts in light of future development of business results, revisions will be announced immediately.

(Note) The above earnings forecasts are based on the information available and certain assumptions considered reasonable as of now, and actual business results may differ from forecasts due to various future factors.