

SHIMA SEIKI MFG., LTD.

Representative: Mitsuhiro Shima, President

Code number: 6222

Stock listings: Tokyo Stock Exchange (1st section)

Notice regarding revision of full-year earnings forecast

SHIMA SEIKI MFG., LTD. announces that it has revised its consolidated and non-consolidated earnings forecasts for 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 year ending March 31, 2022

(April 1, 2021 – March 31, 2022)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A)	28,000	-7,000	-6,300	-6,400	^{Yen} -185.45
Revised forecast (B)	29,500	-5,600	-4,600	-5,000	-144.87
Increase or decrease (B-A)	1,500	1,400	1,700	1,400	—
Percentage change (%)	5.4	—	—	—	—
<Reference> Previous results (FY2021)	24,489	-9,143	-7,273	-17,866	-517.71

(2) Revised non-consolidated earnings forecast for the year ending March 31, 2022

(April 1, 2021 – March 31, 2022)

(Millions of yen)

	Net sales	Ordinary income	Net income	Net income per share
Previous forecast (A)	21,400	-5,300	-5,300	^{Yen} -153.57
Revised forecast (B)	23,000	-4,200	-4,200	-121.69
Increase or decrease (B-A)	1,600	1,100	1,100	—
Percentage change (%)	7.5	—	—	—
<Reference> Previous results (FY2021)	18,340	-5,239	-14,648	-424.45

2. Reasons for the revision

As announced today, for the cumulative third quarter of the current consolidated fiscal year, sales of WHOLEGARMENT flat knitting machines increased in the flat knitting machine segment because of active capital spending in China and the European markets arising from the resumption of economic activities. Sales in the glove and socks knitting machine segment also increased because of steady capital spending by major Japanese and overseas users. As a result, sales are expected to be higher on a full-year basis than initially expected; however, the company makes the assumption that the troubled overseas logistic network caused by the spread of COVID-19 and the continuing tight supply of raw materials, including semiconductors and other electronic components, will cause problems in the production schedule and have an effect on the orders received and sales. All of the operating loss, ordinary loss, and net loss attributable to owners of the parent are expected to be reduced because of the increase in capacity utilization of plants and continuing cost reductions despite the impact of higher logistic expenses and raw material costs. Consequently, the company must revise its full-year earnings forecasts (consolidated and unconsolidated).

(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.