

Consolidated Results for First Half of FY2025

SHIMA SEIKI MFG., LTD.

November 2025

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I . Summary of Operating Results for Second Quarter of FY 2025

Summary of Operating Results for Second Quarter of FY 2025

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(million yen)	FY2025 2Q	FY2024 2Q	FY2024
Net Sales	18,092	14,771	32,520
Operating Income	(79)	(1,938)	(11,914)
Ordinary Income	780	(2,035)	(11,481)
Net income Attributable to owners of the parent	672	(2,124)	(14,275)

Exchange rate (JPY)	FY2025 2Q	FY2024 2Q	
USD/JPY	148.88	142.73	Exchange rate at the end of the period (Upper level)
	146.09	152.75	Average exchange rate used for translation of sales (Lower level)
EUR/JPY	174.47	159.43	
	168.21	166.07	

Operational Review

【 Flat knitting machines 】

• Asia

In Bangladesh, orders received were on a recovery trend because of the end of the confusion caused by the large antigovernment demonstration in July 2024, and sales volume of N.SVR® and N.SSR® with high production efficiency increased from the previous period.

In the Chinese market, prospects remained uncertain because of the delayed recovery, but demand for the replacement of facilities from major customers in Hong Kong remained solid, which led to an increase in net sales.

• European and Middle Eastern markets

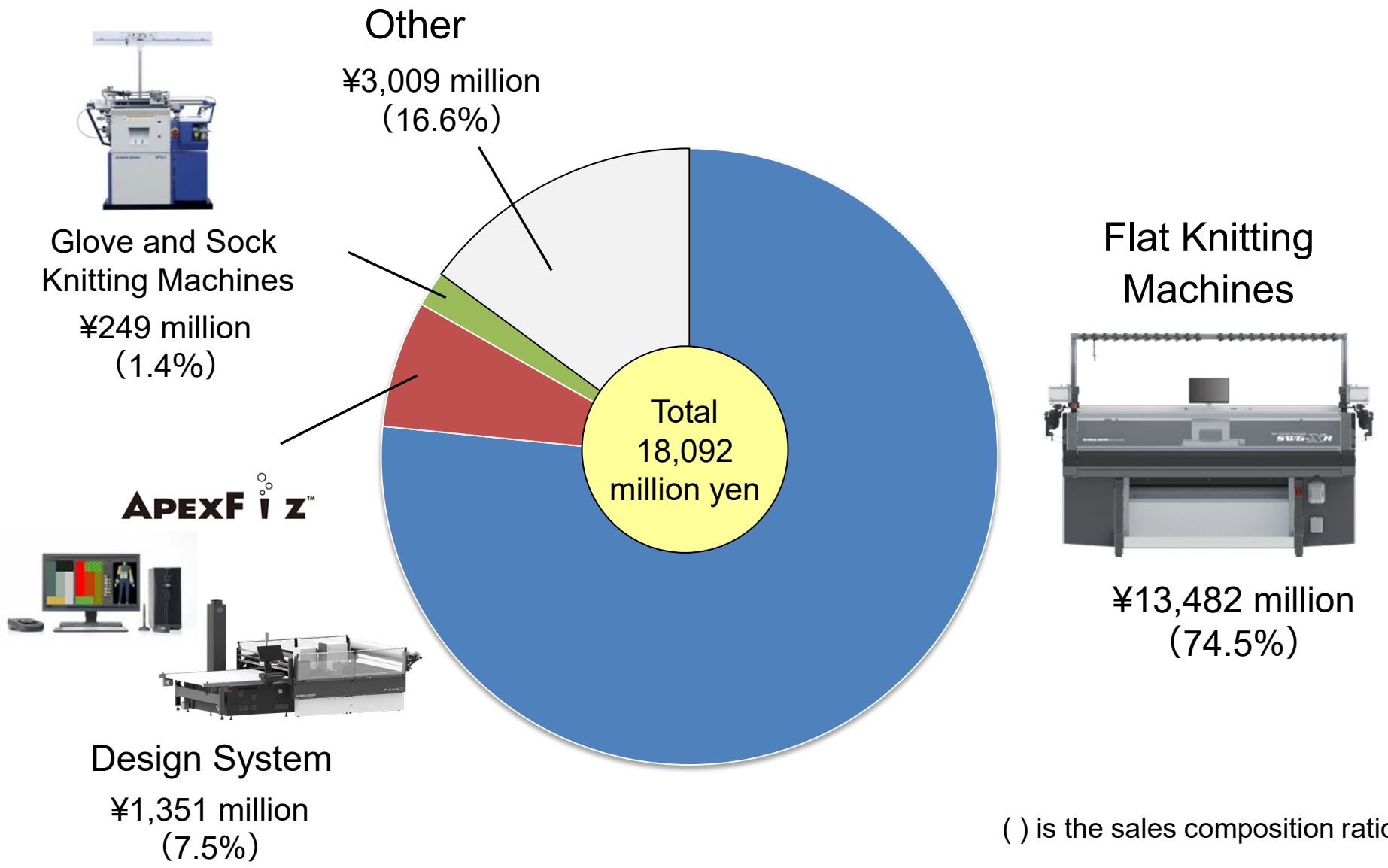
In the Italian market where customers are good at the development of high-value added products, there were signs of a recovery mainly in luxury brands and their suppliers, and the sales volume of both WHOLEGARMENT® flat knitting machines and molding machines increased.

【 Design systems 】

- The number of license contracts for APEXFiz®, a subscription service of the SDS®-ONE APEX software, increased mainly from fashion-related educational institutions in Japan and overseas. Additionally, sales of SDS®-ONE APEX grew because of a sales increase in flat knitting machines.
- Sales volume decreased for the P-CAM® computerized cutting machine.

【Globe knitting machines】

- Net sales decreased because capital spending by overseas major users remained weak.



Sales and Operating Income Composition by Segment (FY2025 2Q)

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(million yen)	Net Sales	Comparison with previous year (%)	Operating income	Comparison with previous year (%)
Flat Knitting Machine	13,482	+35.2	1,751	+245.2
Design System	1,351	(1.4)	288	(10.7)
Glove and Sock Knitting Machines	249	(41.9)	39	+12.3
Other	3,009	+0.3	603	+47.4
Corporate elimination			(2,763)	
Total	18,092	+22.5	(79)	—

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 covering small-type merchandise such as manufacturing of small fashion goods and masks

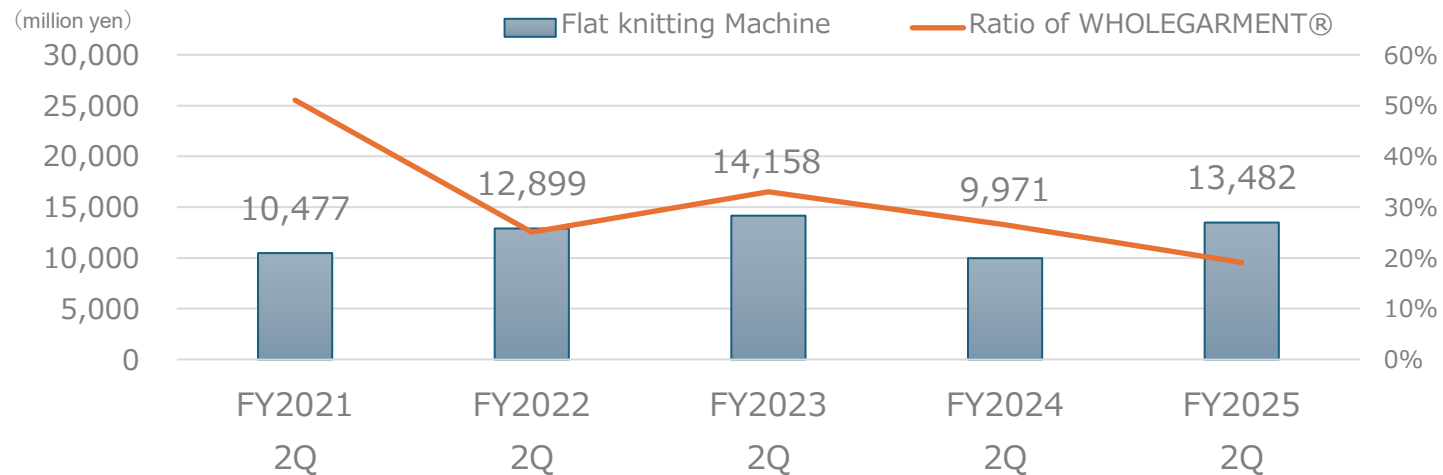


Computerized Flat Knitting Machine

- 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% (27% in the same period last year)

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



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.

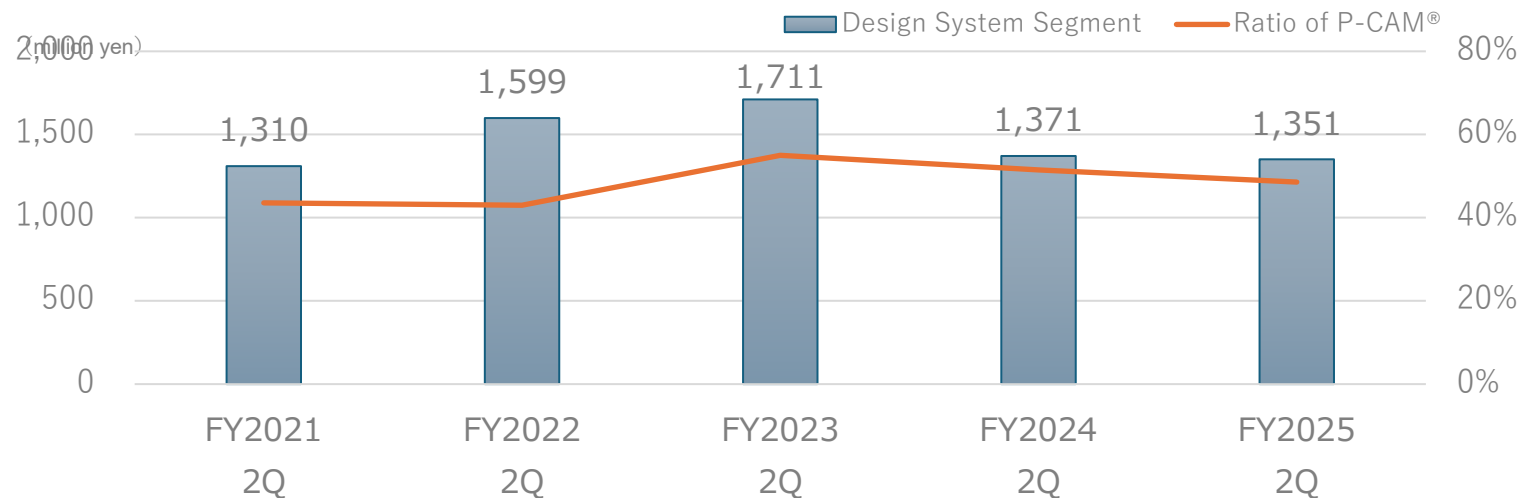


P-CAM® Cutting Machines

- 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.

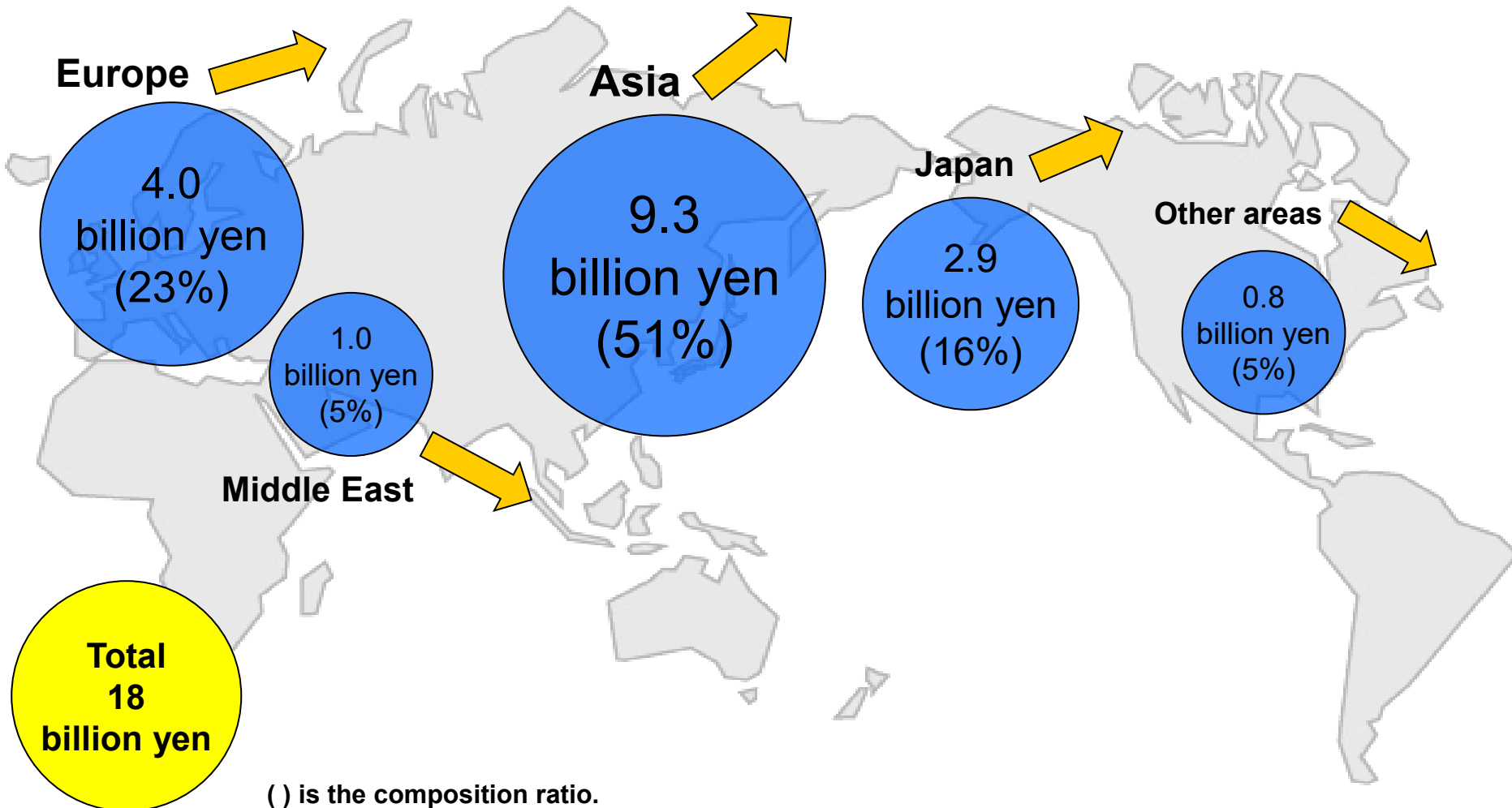
The ratio of P-CAM® to net sales increased to approximately 49%.
(52% in the same period last year)

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



Sales by Region [Consolidated] (FY2025 2Q)

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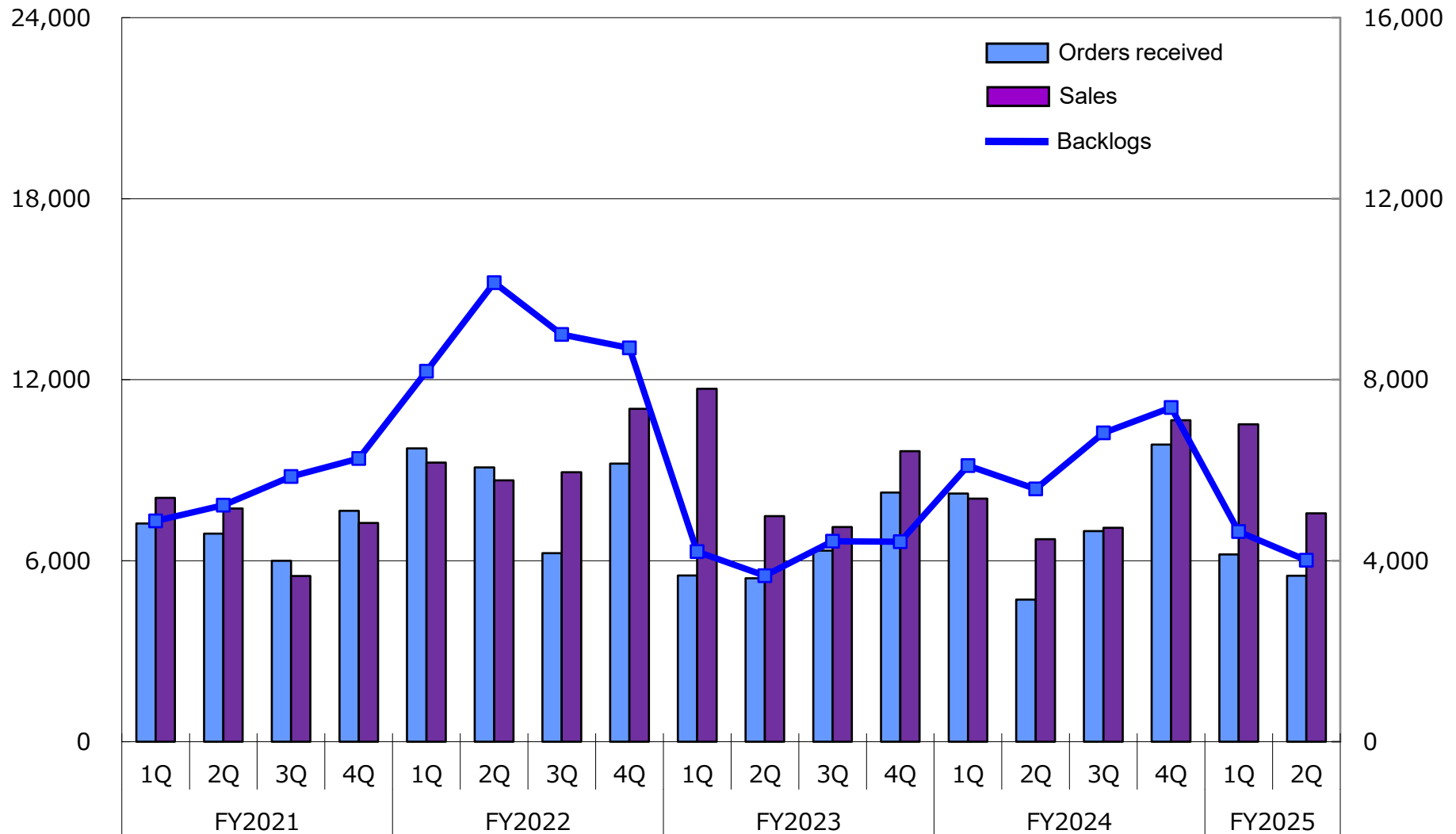
(million yen)	FY2025 2Q	FY2024 2Q	Comparison with previous year (%)
Japan	2,901	2,778	+4.4
Europe	4,083	3,387	+20.5
Asia	9,250	6,379	+45.0
Middle East	1,004	1,141	(12.0)
Other Areas (Overseas)	852	1,084	(21.4)
Total	18,092	14,771	+22.5

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

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

Balance Sheet [Consolidated] (FY 2025 2Q)

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Cash and deposits	18,796 million yen in the first half of the fiscal year ending March 31, 2026 (14,129 million yen at the end of the previous period), increase 4,667 million yen from the end of the previous period
Trade accounts receivable	36,008 million yen in the first half of the fiscal year ending March 31, 2026 (35,341 million yen at the end of the previous period), increase 666 million yen from the end of the previous period
Inventories	23,223 million yen in the first half of the fiscal year ending March 31, 2026 (24,982 million yen at the end of the previous period), down 1,758 million yen from the end of the previous period
Equity Ratio	75.8% (78.2% End of fiscal year ended March 31, 2025)

(million yen)	FY 2025 2Q	FY 2024	Increase / decrease
Current assets	77,798	74,205	3,593
Fixed assets	26,237	25,200	1,036
(Property, plant, and equipment)	14,120	14,186	(66)
(Intangible fixed assets)	102	78	24
(Investments and other assets)	12,014	10,936	1,078
Total assets	104,036	99,405	4,630
Current liabilities	21,108	17,632	3,475
Long-term liabilities	4,004	4,032	(28)
Total liabilities	25,112	21,665	3,446
Shareholder's equity	65,545	65,983	(438)
Accumulated other comprehensive income	13,335	11,718	1,617
Equity warrants	14	13	1
Non-controlling interest	28	25	3
Total net assets	78,923	77,740	1,183
Total liabilities and net assets	104,036	99,405	4,630

(Figures of less than one million are rounded down)

Statements of Cash Flows〔Consolidated〕

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Cash flows from operating activities	Increase of 1,656 million yen mainly due to an increase in inventories.
Cash flows from investing activities	Decrease of 5,334 million yen resulting from time deposits and the acquisition of property, plant, and equipment.
Cash flows from financing activities	Increase of 3,432 million yen mainly due to an increase in borrowings.
Cash and cash equivalents at end of year	Decrease of 92 million yen from the end of the previous year.

Title of accounts (Terms: million yen)	FY 2025 2Q	FY 2024 2Q
Cash flows from operating activities	1,659	(1,651)
Cash flows from investing activities	(5,334)	(747)
Cash flows from financing activities	3, 432	3,025
Effect of exchange rate changes on cash and cash equivalents	153	(532)
Increase (decrease) in cash and cash equivalents	(92)	93
Cash and cash equivalents at beginning of year	10,363	12,809
Cash and cash equivalents at end of year	10,271	12,903

(Figures of less than one million are rounded down)

Ⅱ. Forecast〔Consolidated〕

Forecast〔Consolidated〕

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	(million yen)		(million yen)
	FY2025	Comparison with the previous year (%)	FY2024
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

III. 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)

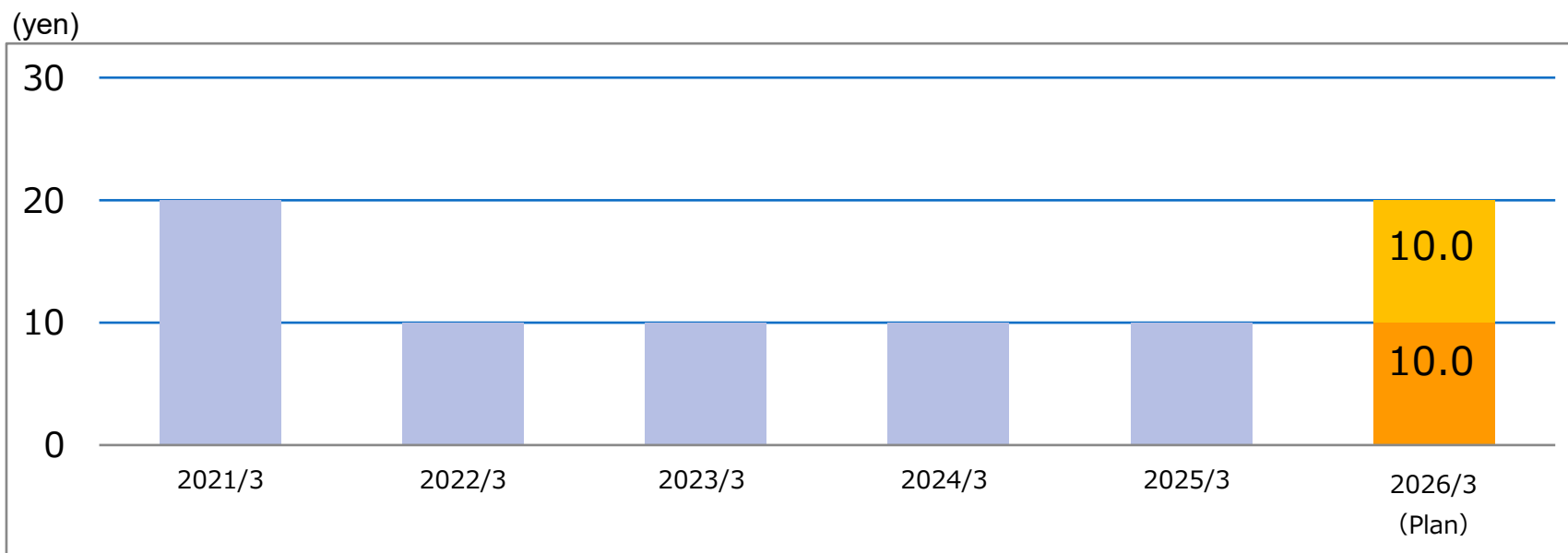
*Announced on May 9 and canceled on October 31

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

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

【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.



Overseas trade show

Pitti Immagine Filati 97

(Florence, Italy, for July 1-3, 2025)

Set up a booth at the 97th Pitti Immagine Filati where related parties of global apparel brands and knitwear manufacturers visited from 50 countries or more.

The company introduced three models, including flat knitting machines exhibited for the first time in Italy, as well as digital solutions, including yarnbank® and SHIMADatamall™ and the latest knit products. These new technologies, which materialize complex knitted fabrics and delicate expression of design, attracted the attention of many people.

Additionally, the company exhibited works of students from the global fashion academy in Florence to deliver the attraction of flat-knitted works made by new creators. We made an appeal about the technical and proposal capacities as well as sought to develop future designers of knitted products and to increase the recognition of flat-knitted products among young people.



Domestic trade show

The 100th Tokyo International Gift Show Fall 2025

(Tokyo for September 3–5)

The Tokyo International Gift Show in September 2025 is one of the largest trade shows in Japan where about 2,000 companies set up booths and 140,000 persons visited.

The company made a strong appeal about innovative technology and concrete cases of uses for many visitors, performing a demonstration of making business card cases from genuine and artificial leathers with cutting machines.

Setting up a booth at the gift show generated good results in terms of the development of new customers, and we got a response toward future growth.



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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.