

Financial Results for Third Quarter FY2017

SHIMA SEIKI MFG., LTD.

February, 2018

Summary of Operating Results for 3Q of the Fiscal Year Ending March 31, 2018

	FY2017 3Q	FY2016 3Q	FY2016
Net Sales	51,845	40,545	62,432
Operating income	11,254	6,399	11,262
Ordinary income	12,400	4,940	10,043
Net income attributable to owners of the parent	8,951	3,486	7,198

Exchange rate
(for 3Q)

USD/JPY	113.00	116.49
	111.65	107.43
EUR/JPY	134.94	122.70
	129.44	118.51

Exchange rate at the end of the period (upper row)

Average exchange rate for translation of sales (lower row)

Business Segment

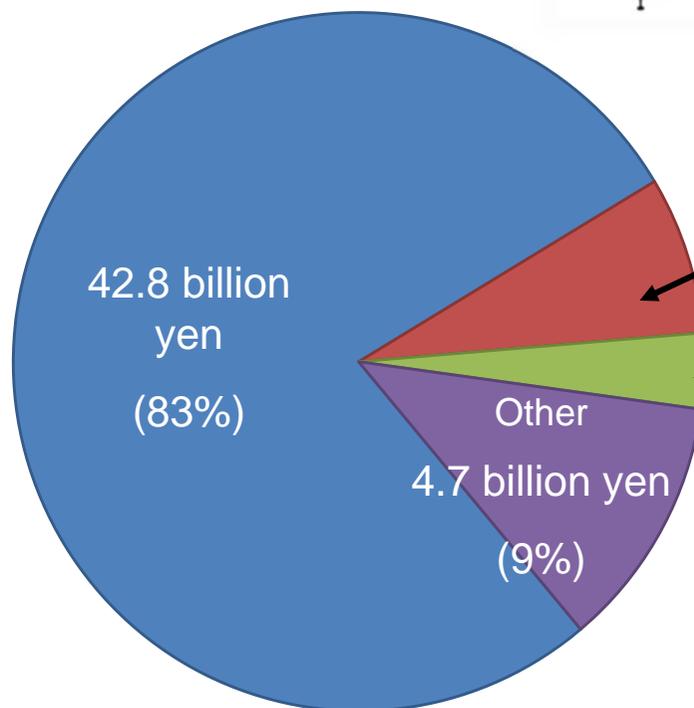
Computerized Flat Knitting Machines



Consolidated sales: 51.8 billion yen
() is the composition ratio.



Design Systems
2.8 billion yen (6%)



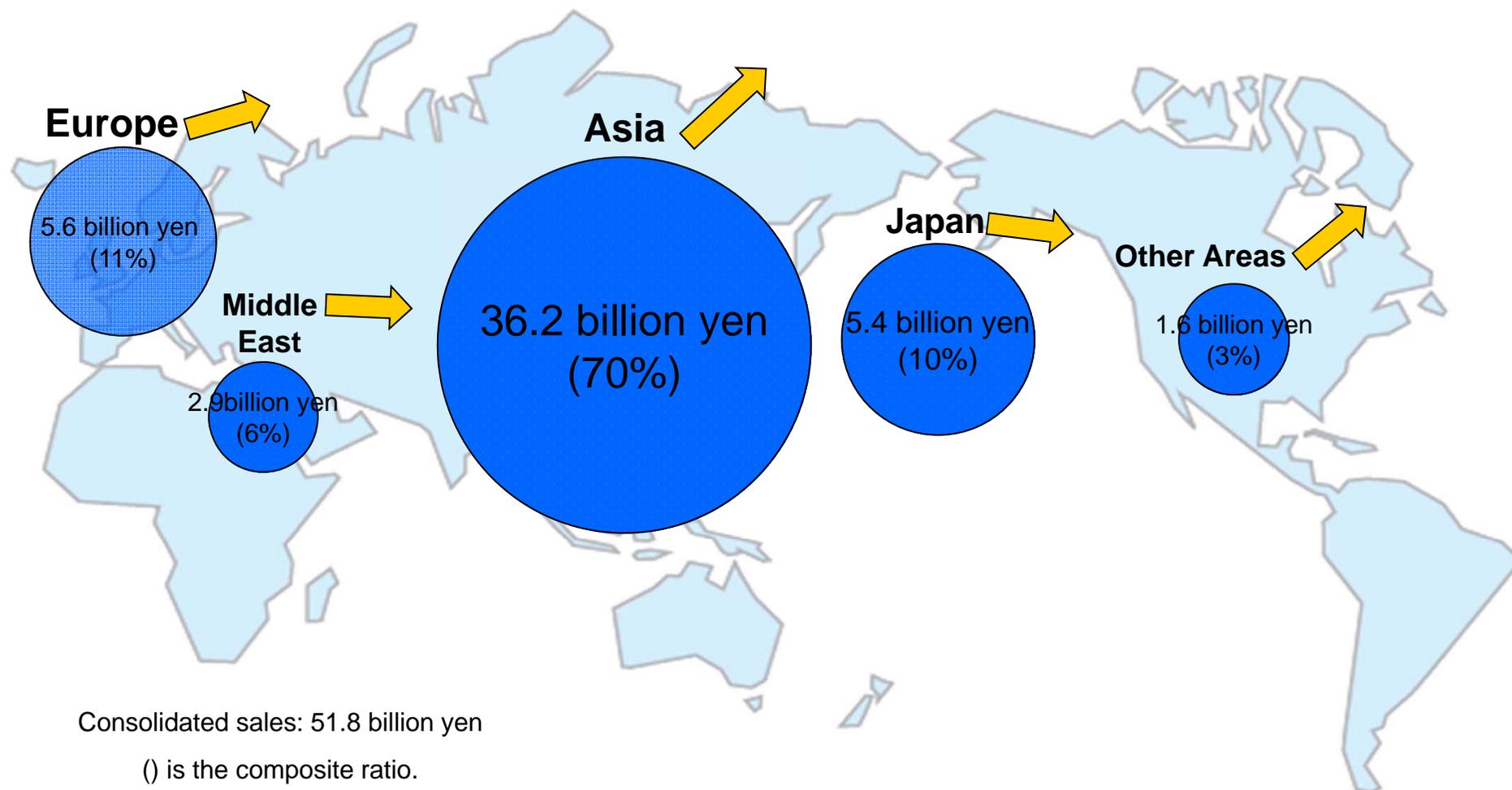
Glove and Sock
Knitting Machines
1.3 billion yen (3%)

Sales and Operating Income by Segment (Third quarter)

(Terms: Millions of yen)

	Net Sales	Comparison with previous year	Operating income	Comparison with previous year
Computerized Flat Knitting Machines	42,856	+36.5	14,479	+59.0
Design Systems	2,898	(2.6)	843	+20.2
Glove & Sock Knitting Machines	1,359	(4.3)	281	+10.6
Other	4,729	(0.4)	524	(21.0)
Corporate elimination			(4,873)	
Total	51,845	+27.9	11,254	+75.9

Consolidated Sales and Ratio by Region

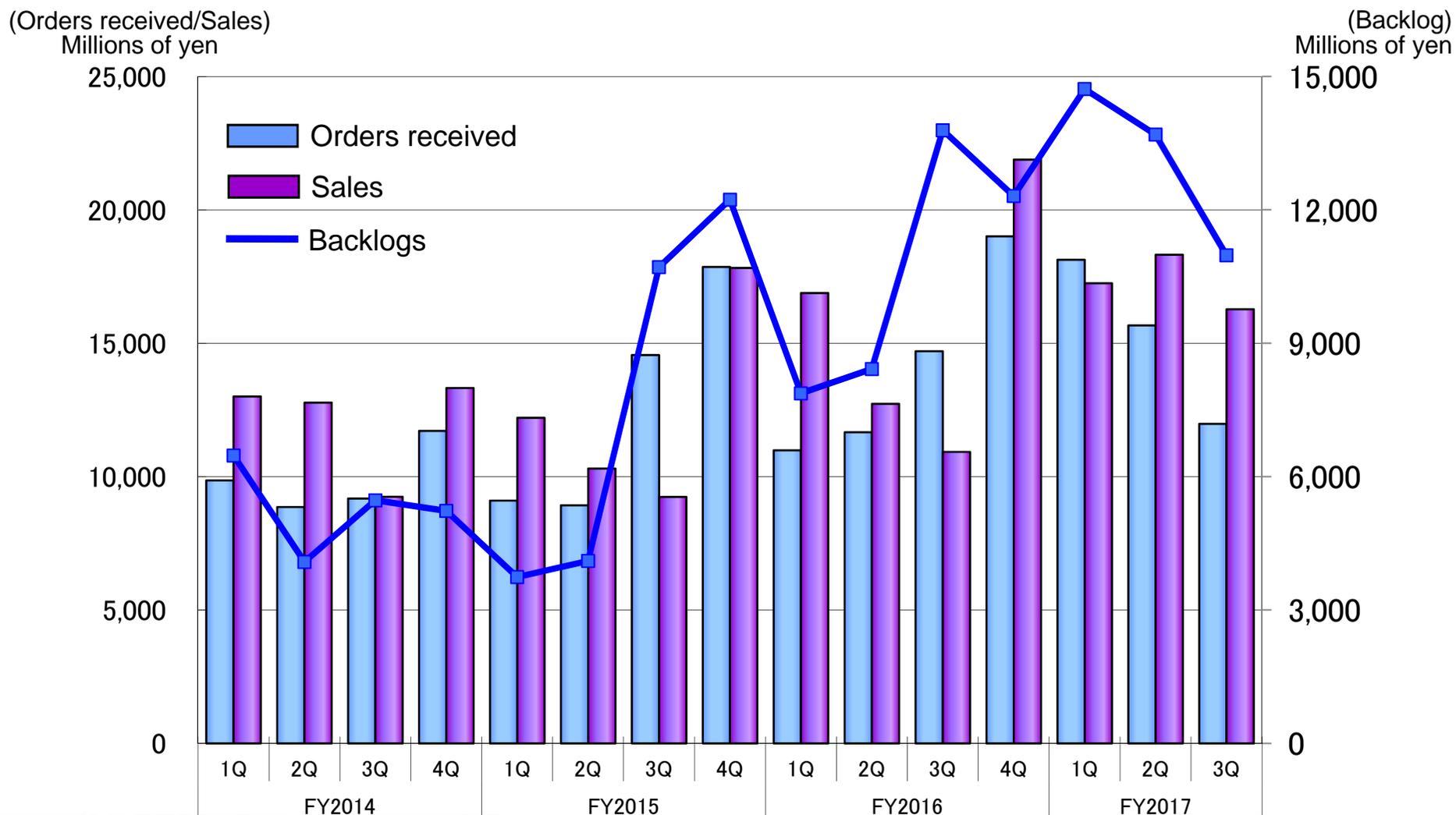


Consolidated Sales by Region (Third quarter)

(Terms: Millions of yen)

Area	FY2017 3Q	FY2016 3Q	Comparison with previous year
Japan	5,402	5,857	(7.8)
Europe	5,649	5,253	+7.5
Asia	36,210	24,953	+45.1
Middle East	2,901	3,080	(5.8)
Other Areas (overseas)	1,681	1,400	+20.1
Total	51,845	40,545	+27.9

Trends of Orders Received, Sales, and Backlog [Consolidated]



Trend of Operating Results by Quarter [Consolidated]

	2017/3				2018/3		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	16,885	12,730	10,929	21,886	17,251	18,318	16,275
Operating Income	3,791	1,709	899	4,862	3,747	4,313	3,194
Ordinary Income	990	1,320	2,629	5,102	4,181	4,702	3,516
Net income attributable to owners of the parent	873	810	1,802	3,711	3,048	3,480	2,422

Orders received	10,989	11,665	14,704	19,011	18,130	15,670	11,982
Backlog	7,873	8,421	13,790	12,312	14,718	13,693	10,979

Operating Results Forecast for the Fiscal Year Ending March 31, 2018

(Millions of yen)	FY2017 (forecast)	Comparison with the previous year (%)	FY2016
Net Sales	73,000	+16.9	62,432
Operating income	15,000	+33.2	11,262
Ordinary income	15,000	+49.4	10,043
Net income attributable to owners of the parent	10,000	+38.9	7,198

Assumption of exchange rate for the full-year forecast: 110 JPY/ USD, 120 JPY/EUR

Sensitivity of operating income where the exchange rates fluctuate by 1 yen: 430 million yen for the USD, 20 million yen for the EUR

Sales and Operating Income Forecast by Segment (for the Year Ending March 31, 2018)

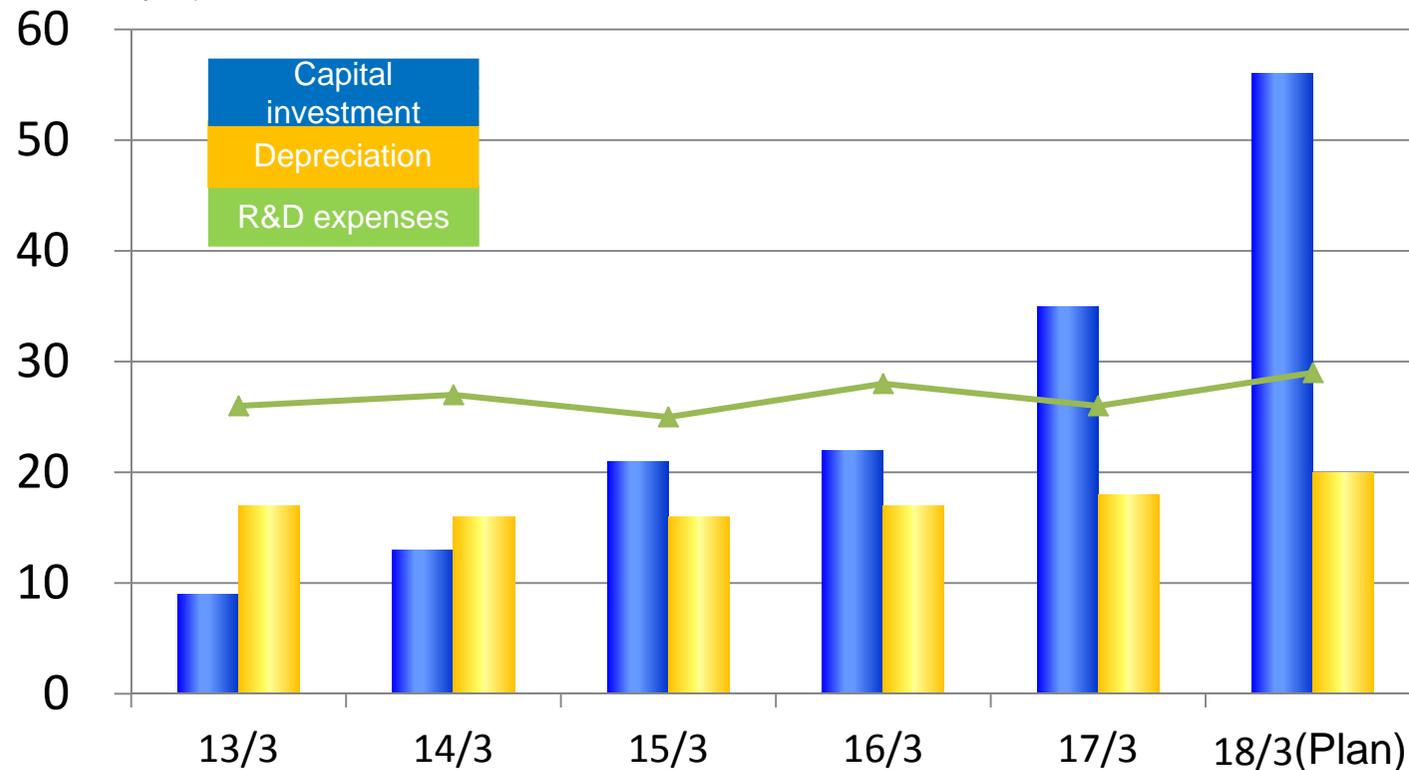
	Net Sales	Comparison with previous year (%)	Operating income	Comparison with previous year (%)
Computerized Flat Knitting Machines	59,260	+17.6%	18,590	+23.3%
Design Systems	5,140	+27.8%	1,240	+23.4%
Glove & Sock Knitting Machines	2,100	+11.3%	450	+22.6%
Other	6,500	+5.8%	720	+23.6%
Corporate elimination			(6,000)	-
Total	73,000	+16.9%	15,000	+33.2%

Trends of R&D Expenses and Capital Investment

2Q of the fiscal year ending March 31, 2018 (actual results): capital investment: JPY 2 billion yen, depreciation: JPY 1 billion, R&D expenses: JPY 1.4 billion

The fiscal year ending March 31, 2018 (plan): capital investment: JPY 5.6 billion, depreciation: JPY 2 billion, R&D expenses: JPY 2.9 billion

(100 millions of yen)



Dividend

1. Number of held treasury stock: 87,263 shares (0.24% of total stock issued)
Used 2 million treasury stocks for issuance of share acquisition rights
(August 25)

2. Dividend for the fiscal year ending March 31, 2018:
Interim dividend (already decided): 25.0 yen (up 5 yen y-o-y)
Year-end dividend (planned): 25.0 yen

