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Summary of Consolidated Financial Results for the Year Ended March 31, 2025 [Under Japanese GAAP]

May 9, 2025

Company name: SHIMA SEIKI MFG., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 6222
 URL: <https://www.shimaseiki.co.jp/>
 Representative: Mitsuhiro Shima President and Representative Director
 Inquiries: Shosaku Kitagawa Director, Managing Executive Officer General Manager of the Corporate Planning Division
 Telephone: +81-73-471-0511
 Scheduled date of annual general meeting of shareholders: June 26, 2025
 Scheduled date to commence dividend payments: June 27, 2025
 Scheduled date to file annual securities report: June 27, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	32,520	(9.4)	(11,914)	-	(11,481)	-	(14,275)	-
March 31, 2024	35,910	(5.2)	430	-	1,018	-	1,030	-

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ (13,844) million [-%]
 Fiscal year ended March 31, 2024: ¥ 6,161 million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	(413.58)	-	(16.8)	(11.1)	(36.6)
March 31, 2024	29.85	29.84	1.2	1.0	1.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ - million
 Fiscal year ended March 31, 2024: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	99,405	77,740	78.2	2,251.04
March 31, 2024	107,804	91,926	85.2	2,662.21

(Reference) Equity: As of March 31, 2025: ¥ 77,701 million
 As of March 31, 2024: ¥ 91,889 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	(4,461)	(3,222)	5,376	10,363
March 31, 2024	(4,120)	(167)	348	12,809

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	5.00	-	5.00	10.00	345	33.5	0.4
March 31, 2025	-	5.00	-	5.00	10.00	345	(2.4)	0.4
Fiscal year ending March 31, 2026 (Forecast)	-	10.00	-	10.00	20.00		34.5	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	44,500	36.8	1,500	-	2,300	-	2,000	-	57.94

* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: Yes

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 35,800,000 shares

March 31, 2024: 35,800,000 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 1,281,734 shares

March 31, 2024: 1,283,801 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 34,517,858 shares

Fiscal Year ended March 31, 2024: 34,515,970 shares

(Reference) Overview of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)****(1) Non-consolidated Operating Results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	25,873	(13.2)	(7,113)	-	(7,595)	-	(9,729)	-
March 31, 2024	29,818	(2.3)	(1,092)	-	(786)	-	(535)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	(281.88)	-
March 31, 2024	(15.50)	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	88,135	59,212	67.2	1,715.01
March 31, 2024	92,372	68,524	74.2	1,984.83

(Reference) Equity: As of March 31, 2025: ¥ 59,199 million
As of March 31, 2024: ¥ 68,508 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Cautions concerning the use of earnings forecasts)

Forward-looking statements provided in this document, including earnings forecasts, are based on the information currently available to the Company and certain assumptions considered reasonable. Actual business and other results may differ materially from the forecasts depending on various factors.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	14,822	14,129
Notes receivable - trade	15,283	14,654
Accounts receivable - trade	30,218	20,687
Merchandise and finished goods	13,526	12,428
Work in process	841	858
Raw materials and supplies	11,929	11,695
Other	1,532	1,364
Allowance for doubtful accounts	(4,135)	(1,612)
Total current assets	84,019	74,205
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,928	27,739
Accumulated depreciation	(21,714)	(22,029)
Buildings and structures, net	6,213	5,709
Machinery, equipment and vehicles	6,044	5,951
Accumulated depreciation	(5,343)	(5,292)
Machinery, equipment and vehicles, net	701	658
Tools, furniture and fixtures	6,969	7,073
Accumulated depreciation	(6,110)	(6,162)
Tools, furniture and fixtures, net	858	911
Land	6,583	6,397
Leased assets	5,306	4,363
Accumulated depreciation	(4,681)	(3,907)
Leased assets, net	625	456
Construction in progress	82	51
Total property, plant and equipment	15,066	14,186
Intangible assets	152	78
Investments and other assets		
Investment securities	5,493	6,115
Distressed receivables	2,411	11,335
Retirement benefit asset	1,202	1,225
Deferred tax assets	589	303
Other	1,261	1,425
Allowance for doubtful accounts	(2,392)	(9,468)
Total investments and other assets	8,566	10,936
Total non-current assets	23,785	25,200
Total assets	107,804	99,405

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,867	1,475
Electronically recorded obligations - operating	768	587
Short-term borrowings	2,500	8,800
Lease liabilities	673	511
Income taxes payable	242	206
Contract liabilities	1,734	1,536
Provision for bonuses	1,328	1,135
Provision for product warranties	-	292
Provision for loss on guarantees	80	38
Other	2,639	3,047
Total current liabilities	11,836	17,632
Non-current liabilities		
Long-term accounts payable - other	53	44
Lease liabilities	836	670
Deferred tax liabilities	865	1,081
Deferred tax liabilities for land revaluation	17	18
Retirement benefit liability	1,997	2,016
Other	269	201
Total non-current liabilities	4,040	4,032
Total liabilities	15,877	21,665
Net assets		
Shareholders' equity		
Share capital	14,859	14,859
Capital surplus	23,422	23,420
Retained earnings	46,236	31,615
Treasury shares	(3,919)	(3,912)
Total shareholders' equity	80,599	65,983
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,702	2,542
Revaluation reserve for land	33	33
Foreign currency translation adjustment	10,319	9,781
Remeasurements of defined benefit plans	(766)	(638)
Total accumulated other comprehensive income	11,290	11,718
Share acquisition rights	16	13
Non-controlling interests	21	25
Total net assets	91,926	77,740
Total liabilities and net assets	107,804	99,405

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	35,910	32,520
Cost of sales	21,221	23,886
Gross profit	14,689	8,633
Selling, general and administrative expenses	14,258	20,548
Operating profit (loss)	430	(11,914)
Non-operating income		
Interest income	696	694
Dividend income	162	214
Rental income	69	57
Other	351	167
Total non-operating income	1,279	1,133
Non-operating expenses		
Interest expenses	51	48
Rental expenses on non-current assets	37	23
Foreign exchange losses	590	611
Provision of allowance for doubtful accounts	-	4
Other	12	13
Total non-operating expenses	691	701
Ordinary profit (loss)	1,018	(11,481)
Extraordinary income		
Subsidy income	45	-
Gain on sale of investment securities	249	-
Total extraordinary income	295	-
Extraordinary losses		
Loss on sale and retirement of non-current assets	-	51
Loss on valuation of investment securities	-	439
Impairment losses	-	1,495
Provision for product warranties	-	292
Total extraordinary losses	-	2,278
Profit (loss) before income taxes	1,313	(13,760)
Income taxes - current	191	232
Income taxes - deferred	90	280
Total income taxes	282	512
Profit (loss)	1,031	(14,272)
Profit attributable to non-controlling interests	0	2
Profit (loss) attributable to owners of parent	1,030	(14,275)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit (loss)	1,031	(14,272)
Other comprehensive income		
Valuation difference on available-for-sale securities	786	839
Revaluation reserve for land	-	(0)
Foreign currency translation adjustment	4,948	(538)
Remeasurements of defined benefit plans, net of tax	(604)	128
Total other comprehensive income	5,130	428
Comprehensive income	6,161	(13,844)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,160	(13,847)
Comprehensive income attributable to non-controlling interests	0	2

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,859	23,423	45,551	(3,926)	79,908
Changes during period					
Dividends of surplus			(345)		(345)
Profit (loss) attributable to owners of parent			1,030		1,030
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		7	7
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	685	6	690
Balance at end of period	14,859	23,422	46,236	(3,919)	80,599

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	916	33	5,371	(161)	6,159	19	19	86,107
Changes during period								
Dividends of surplus								(345)
Profit (loss) attributable to owners of parent								1,030
Purchase of treasury shares								(1)
Disposal of treasury shares								7
Net changes in items other than shareholders' equity	786	-	4,948	(604)	5,130	(3)	2	5,128
Total changes during period	786	-	4,948	(604)	5,130	(3)	2	5,819
Balance at end of period	1,702	33	10,319	(766)	11,290	16	21	91,926

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,859	23,422	46,236	(3,919)	80,599
Changes during period					
Dividends of surplus			(345)		(345)
Profit (loss) attributable to owners of parent			(14,275)		(14,275)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(1)		7	5
Net changes in items other than shareholders' equity					
Total changes during period	-	(1)	(14,621)	7	(14,615)
Balance at end of period	14,859	23,420	31,615	(3,912)	65,983

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,702	33	10,319	(766)	11,290	16	21	91,926
Changes during period								
Dividends of surplus								(345)
Profit (loss) attributable to owners of parent								(14,275)
Purchase of treasury shares								(0)
Disposal of treasury shares								5
Net changes in items other than shareholders' equity	839	(0)	(538)	128	428	(3)	4	429
Total changes during period	839	(0)	(538)	128	428	(3)	4	(14,186)
Balance at end of period	2,542	33	9,781	(638)	11,718	13	25	77,740

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	1,313	(13,760)
Depreciation	995	1,189
Increase (decrease) in allowance for doubtful accounts	(924)	4,660
Increase (decrease) in provision for product warranties	-	292
Increase (decrease) in retirement benefit liability	114	127
Interest and dividend income	(858)	(908)
Interest expenses	51	48
Foreign exchange losses (gains)	840	60
Loss on sales of retirement of property, plant and equipment	-	51
Loss (gain) on sale of investment securities	(249)	-
Loss (gain) on valuation of investment securities	-	439
Impairment losses	-	1,495
Subsidy income	(45)	-
Decrease (increase) in trade receivables	1,070	895
Decrease (increase) in inventories	(5,547)	1,135
Increase (decrease) in other current assets	(171)	174
Increase (decrease) in trade payables	(963)	(546)
Increase in other current liabilities	(266)	(227)
Other, net	238	(235)
Subtotal	(4,403)	(5,108)
Interest and dividends received	841	927
Interest paid	(51)	(53)
Income taxes refund (paid)	(553)	(226)
Subsidies received	45	-
Net cash provided by (used in) operating activities	(4,120)	(4,461)
Cash flows from investing activities		
Payments into time deposits	(2,572)	(5,908)
Proceeds from withdrawal of time deposits	2,754	3,922
Purchase of property, plant and equipment	(715)	(1,405)
Proceeds from sale of property, plant and equipment	62	324
Proceeds from sale of investment securities	513	-
Other, net	(210)	(156)
Net cash provided by (used in) investing activities	(167)	(3,222)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,500	6,300
Repayments of finance lease liabilities	(804)	(577)
Purchase of treasury shares	(1)	(0)
Dividends paid	(345)	(344)
Other, net	0	0
Net cash provided by (used in) financing activities	348	5,376
Effect of exchange rate change on cash and cash equivalents	1,232	(138)
Net increase (decrease) in cash and cash equivalents	(2,707)	(2,446)
Cash and cash equivalents at beginning of period	15,517	12,809
Cash and cash equivalents at end of period	12,809	10,363