

SHIMA SEIKI MFG., LTD.

Representative: Masahiro Shima, President

Code number: 6222

Stock listings: Tokyo Stock Exchange and Osaka Securities Exchange (1st section)

Notice regarding revision of earnings forecast

SHIMA SEIKI MFG., LTD. (the "Company") announced that it has revised its earnings forecast announced on October 24, 2011, based on recent performance trends.

Notes

Revised consolidated earnings forecast for the year ending March 31, 2012

(April 1, 2011 - March 31, 2012)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	46,000	4,500	1,500	1,000	28.92
Revised forecast (B)	38,500	1,500	-2,000	-1,700	-49.17
Increase or decrease (B-A)	-7,500	-3,000	-3,500	-2,700	
Percentage change (%)	-16.3	-66.7	—	—	
<Reference> Actual data of the previous fiscal year	42,781	5,907	2,838	769	22.26

Revised non-consolidated earnings forecast for the year ending March 31, 2012

(April 1, 2011 - March 31, 2012)

	Net sales	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	40,000	1,000	300	8.68
Revised forecast (B)	32,000	-1,800	-1,800	-52.06
Increase or decrease (B-A)	-8,000	-2,800	-2,100	
Percentage change (%)	-20.0	—	—	
<Reference> Actual data of the previous fiscal year	37,210	1,756	-117	-3.40

Reasons behind the revisions

The difficult business conditions are expected to continue due to the economic downturn in Europe and the United States, suppressed capital investment in the knitting industry and continuing appreciation of

the Yen. The Company Group will market the unique and innovative products utilizing advanced technologies in order to overcome its current severe business environment and will focus on a proactive sales campaign to revitalize the industry. In addition, it will further increase profitability by reducing manufacturing costs and operating expenses. However, as recovery in capital spending in the knit manufacturing sector cannot be expected at an early stage under severe economic conditions, the Company is announcing a downward revision of its fiscal forecast (consolidated as well as parent only) as above.

In addition, our assumed exchange rates for the year are ¥77 to the U.S. dollar and ¥100 to the euro.

*The above figures were estimated according to the related information available at the time the data were made public. Hence, actual operating results may differ due to a variety of the factors arising in the future.