

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 and dividends forecast, and reduction in remuneration for directors

SHIMA SEIKI MFG., LTD. (the "Company") announces that it has revised its earnings forecast and dividends forecast for the fiscal year ending March 31, 2013 announced on May 2, 2012 based on recent performance trends.

In addition, the Company also announces that, as a result of these changes to the forecast, it has resolved to reduce the remuneration of the directors at the Board of Directors Meeting held on October 19, 2012.

Notes

1. Revision to earnings forecast

- (1) Revised consolidated earnings forecast for the 2nd quarter of the year ending March 31, 2013
(April 1, 2012 – September 30, 2012)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	20,000	800	800	700	Yen 20.45
Revised forecast (B)	14,600	-1,200	-2,700	-2,000	-58.43
Increase or decrease (B-A)	-5,400	-2,000	-3,500	-2,700	—
Percentage change (%)	-27.0	—	—	—	—
<Reference> Previous results (2 nd quarter of FY2012)	23,446	2,264	-1,034	-791	-22.88

- (2) Revised consolidated earnings forecast for the year ending March 31, 2013
(April 1, 2012 - March 31, 2013)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	43,000	3,000	3,000	2,000	Yen 58.43
Revised forecast (B)	34,000	0	-1,400	-1,300	-37.98
Increase or decrease (B-A)	-9,000	-3,000	-4,400	-3,300	—
Percentage change (%)	-20.9	—	—	—	—
<Reference> Previous results (FY2012)	37,327	883	-212	-642	-18.60

(3) Revised non-consolidated earnings forecast for the 2nd quarter of the year ending March 31, 2013
(April 1, 2012 – September 30, 2012)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	16,000	300	500	300	Yen 8.76
Revised forecast (B)	11,400	-1,200	-2,200	-1,500	-43.82
Increase or decrease (B-A)	-4,600	-1,500	-2,700	-1,800	—
Percentage change (%)	-28.8	—	—	—	—
<Reference> Previous results (2 nd quarter of FY2012)	19,138	1,174	-1,219	-663	-19.20

(4) Revised non-consolidated earnings forecast for the year ending March 31, 2013
(April 1, 2012 - March 31, 2013)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	36,000	1,800	2,000	1,000	Yen 29.21
Revised forecast (B)	28,500	-300	-1,000	-1,000	-29.21
Increase or decrease (B-A)	-7,500	-2,100	-3,000	-2,000	—
Percentage change (%)	-20.8	—	—	—	—
<Reference> Previous results (FY2012)	31,036	178	-261	-564	-16.37

2. Revision to dividends forecast

	Dividend per share				
	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Total
Previous forecast (May 2, 2012)	—	Yen 15.00	—	Yen 15.00	Yen 30.00
Revised forecast	—	10.00	—	Not decided	—
Current results	—	—	—		
Previous results (FY2012)	—	17.50	—	22.50	40.00

3. Reduction in remuneration of the directors

Taking seriously the foregoing revisions in earnings and dividend projections, the Company will reduce the remuneration for directors to clarify the responsibility of management as follows. The Company also announces that the Corporate Auditors voluntarily offered to give up and return their remuneration to the Company.

(1) Details of directors' remuneration

Representative director	30% reduction in monthly remuneration
Directors with titles	20% reduction in monthly remuneration
Other directors	15% reduction in monthly remuneration

(2) Details of voluntarily return of auditors' remuneration

Corporate Auditors	10% return of monthly remuneration
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(3) Applicable period

From October 2012 to March 2013