

SHIMA SEIKI MFG., LTD.

Representative: Masahiro Shima, President

Code number: 6222

Stock listings: Tokyo Stock Exchange (1st section)

Notice regarding danger of uncollectible or delayed receivables

SHIMA SEIKI MFG., LTD. (the "Company") announces that there is the emerging danger of uncollectible or delayed collection of receivables by the Company and its group company, SHIMA SEIKI (HONG KONG) LTD.

Notes

1. Overview of the subsidiary of the Company

- (1) Trade name: SHIMA SEIKI (HONG KONG) LTD.
- (2) Location: 1901, 19/F Lu Plaza, No.2 Wing Yip Street, Kwun Tong, Kowloon, HONG KONG
- (3) Representative: IKUTO UMEDA

2. Overview of the business client

- (1) Trade name: PT. JABA GARMINDO
- (2) Location: JALAN SAWAH LIO RAYA II NO.12, JEMBATAN LIMA, JAKARTA 11250, INDONESIA
- (3) Representative: DJONI GUNAWAN
- (4) Type of Business: Manufacturing of knitwear products
- (5) Capital: Rp 85,397,765,000

3. Summary of circumstances that led to possible uncollectible or delayed collection of receivables.

On January 28, 2015, the business client was granted temporary postponement payment (PKPU Procedures) based on the Indonesia Insolvency Law from The Jakarta center district court Commercial Court (publicly released on February 2, 2015.)

As such, the Company and its subsidiary SHIMA SEIKI (HONG KONG) LTD. have filed a proof of receivables to the relevant business client, and the collation meeting for such receivables was held pursuant to the said procedures on February 25, 2015.

4. Type and amount of receivables in relation to the business client

	SHIMA SEIKI MFG., LTD.	SHIMA SEIKI (HONG KONG) LTD.	Total	Percentage to the consolidated net asset
	Thousand USD (million yen)	Thousand USD (million yen)	Thousand USD (million yen)	
Receivables	1,105 (131)	20,618 (2,448)	21,723 (2,580)	
Guarantee liabilities made to banks incidental to sale of receivables	176 (20)	1,037 (123)	1,213 (144)	
Total	1,281 (152)	21,655 (2,572)	22,937 (2,724)	2.9%

※The said receivables are contracts for the reservation of property rights. The value/assessment of properties is under close scrutiny.

※The foreign exchange rate as of February 25, 2015, is used as the yen equivalent.

※Consolidated net asset is calculated on the basis of the actual results as of the end of March 31, 2014.

5. Future outlook

Any impact on the earnings forecast for fiscal year ending March 31, 2015, bears close monitoring, which will be disclosed upon completion.