

SHIMA SEIKI MFG., LTD.

Representative: Masahiro Shima, President

Code number: 6222

Stock listings: Tokyo Stock Exchange (1st section)

Notice regarding non-operating expense (foreign exchange loss)

SHIMA SEIKI MFG., LTD. (the “Company”) announces that it has incurred the following exchange loss for the first quarter of the fiscal year ending in March 2017 (April 1, 2016 - June 30, 2016).

Notes

1. Description of foreign exchange loss

As a result of recent fluctuations in exchange rates, the Company has incurred a foreign exchange loss in the amount of ¥3,113 million on a consolidated basis. The loss was recorded as a non-operating expense for the first quarter ended June 30, 2016.

The above amount is mainly a valuation loss of receivables denominated in foreign currencies converted at the exchange rate as of the end of this first quarter and may change in accordance with future rate fluctuations.

2. Impact on earnings

For the effect of the exchange loss on corporate performance, please refer to the “Financial Results for the First Quarter Ended June 30, 2016” released today (July 29, 2016).

With regard to the forecast of consolidated business results for the second quarter and full year, there is no change in the forecast we announced on May 2, 2016, as the exchange loss is expected to fluctuate according to the exchange rate.