

Financial Results for the Year Ended March 31, 2017

May 1, 2017

SHIMA SEIKI MFG., LTD.

Stock listings: Tokyo Stock Exchange (1st section)

Code number: 6222

URL: <http://www.shimaseiki.co.jp/>

Representative: Masahiro Shima, President

(Amounts less than one million yen are omitted)

1. Consolidated financial results for the year ended March 31, 2017

(April 1, 2016 - March 31, 2017)

(1) Consolidated operating results

(%: change from the same period of previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2017	62,432	25.9	11,262	94.8	10,043	121.6	7,198	120.0
Year ended March 31, 2016	49,582	2.5	5,781	0.6	4,532	-46.5	3,271	-10.3

Note: Comprehensive income

Year ended March 31, 2017: 7,798 million yen (533.5%)

Year ended March 31, 2016: 1,231 million yen (-80.9%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2017	209.97	209.68	7.1	7.5	18.0
Year ended March 31, 2016	95.61	—	3.3	3.6	11.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2017	141,931	104,879	73.8	3,039.66
As of March 31, 2016	126,415	98,293	77.6	2,867.00

Reference: Shareholders' equity

As of March 31, 2017: 104,815 million yen

As of March 31, 2016: 98,102 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2017	6,988	-1,241	2,470	18,286
Year ended March 31, 2016	1,257	-2,350	-1,776	9,752

2. Dividends

	Cash dividends per share					Total amount of dividends	Dividends payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2016	—	15.00	—	22.50	37.50	1,283	39.2	1.3
Year ended March 31, 2017	—	20.00	—	25.00	45.00	1,546	21.4	1.5
Year ending March 31, 2018 (forecast)	—	25.00	—	25.00	50.00		17.2	

3. Forecast of consolidated financial results for the year ending March 31, 2018

(April 1, 2017 - March 31, 2018)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	38,000	28.3	8,000	45.4	8,000	246.2	5,300	214.8	153.70
Full year	73,000	16.9	15,000	33.2	15,000	49.4	10,000	38.9	290.00

4. Others

(1) Changes in significant subsidiaries during the year: None

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

- 1) Changes in accounting policies due to amendment of accounting standards: Yes
- 2) Changes in accounting policies other than those above: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of outstanding shares (common stock)

- 1) Number of shares outstanding at the end of the year (including treasury stock)
 - As of March 31, 2017: 36,600,000 As of March 31, 2016: 36,600,000
- 2) Number of treasury stock at the end of the year
 - As of March 31, 2017: 2,117,503 As of March 31, 2016: 2,382,183
- 3) Average number of shares outstanding during the year
 - Year ended March 31, 2017: 34,284,968
 - Year ended March 31, 2016: 34,218,318

<Reference>

1. Non-consolidated financial results for the year ended March 31, 2017

(April 1, 2016 - March 31, 2017)

(1) Non-consolidated operating results

(%: change from the same period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2017	52,160	21.5	7,988	20.7	5,706	3.5	4,001	2.1
Year ended March 31, 2016	42,940	6.1	6,618	23.1	5,514	-32.7	3,918	-19.7

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended March 31, 2017	116.72	116.56
Year ended March 31, 2016	114.52	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2017	128,201	92,300	72.0	2,675.11
As of March 31, 2016	114,044	88,448	77.4	2,579.60

Reference: Shareholders' equity

As of March 31, 2017: 92,244 million yen

As of March 31, 2016: 88,268 million yen

2. Forecast of non-consolidated financial results for the year ending March 31, 2018

(April 1, 2017 - March 31, 2018)

	Net sales		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	32,500	31.3	6,700	—	4,500	—	130.50
Full year	63,000	20.8	12,000	110.3	8,000	99.9	232.00

Notes:

1. The summary of financial results is exempt from the review procedures

2. Forward-looking statements

Statements contained in this summary regarding the Company's plans, strategies, and expectations for future performance, which are based on information available to the Company at the time of writing. They are therefore subject to a number of uncertainties and unknowable factors, and actual results may thus differ substantially from those projected.