

## SHIMA SEIKI MFG., LTD.

Representative: Masahiro Shima, President

Code number: 6222

Stock listings: Tokyo Stock Exchange (1<sup>st</sup> section)

### Notice regarding revision of earnings forecast

SHIMA SEIKI MFG., LTD. announces that it has revised its earnings forecast announced on May 1, 2015.

#### Notes

#### Revision of earnings forecast

Revised consolidated earnings forecast for FY2016 (April 1, 2015 - March 31, 2016)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A)	51,000	7,000	7,500	5,000	Yen 146.12
Revised forecast (B)	49,500	5,700	4,500	3,300	96.44
Increase or decrease (B-A)	-1,500	-1,300	-3,000	-1,700	
Percentage change (%)	-2.9	-18.6	-40.0	-34.0	
<Reference> Previous results (FY2015)	48,354	5,745	8,470	3,645	106.54

Revised non-consolidated earnings forecast for FY2016 (April 1, 2015 - March 31, 2016)

(Millions of yen)

	Net sales	Ordinary income	Net income	Net income per share
Previous forecast (A)	44,000	7,200	4,800	Yen 140.27
Revised forecast (B)	42,900	5,500	3,900	113.98
Increase or decrease (B-A)	-1,100	-1,700	-900	
Percentage change (%)	-2.5	-23.6	-18.8	
<Reference> Previous results (FY2015)	40,455	8,200	4,879	142.61

#### Reasons behind the revisions

The Company saw net sales in group performance of computerized flat knitting machines substantially grow as the end of fiscal year draws near. However, overall actual results failed to reach the figures initially forecast. As the selling and general administrative expenses such as the increased reserve for doubtful accounts arose more than expected, operating income ended up falling below early

expectations. In ordinary income and net income attributable to owners of the parent, an accrual of 1.9 billion yen foreign exchange loss in addition to the foregoing reasons was a primary factor to have caused a deviation in the plan from the earnings forecast. Almost the same reasons are seen in the non-consolidated earnings with the foreign exchange loss estimated to log about 1.5 billion yen.

\*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.