

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*

Shima Seiki Mfg., Ltd. announced that it revised its earnings forecast announced on July 31, 2009, based on recent performance trends.

Notes

Revised consolidated earnings forecast for the 2nd quarter of the year ending March 31, 2010**(April 1, 2009 - September 30, 2009)**

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	25,000	3,000	2,500	1,300	Yen 37.60
Revised forecast (B)	18,900	0	-850	-930	-26.90
Increase or decrease (B-A)	-6,100	-3,000	-3,350	-2,230	
Percentage change (%)	-24.4	-100.0	-	-	
<Reference> Actual data for the 2 nd quarter of the previous fiscal year	33,787	9,512	8,906	4,965	137.35

Revised consolidated earnings forecast for the year ending March 31, 2010**(April 1, 2009 - March 31, 2010)**

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	48,000	5,500	5,000	2,500	Yen 72.30
Revised forecast (B)	40,000	1,500	0	-1,000	-28.92
Increase or decrease (B-A)	-8,000	-4,000	-5,000	-3,500	
Percentage change (%)	-16.7	-72.7	-100.0	-	
<Reference> Actual data of the previous fiscal year	48,970	8,528	4,814	1,765	49.88

Revised non-consolidated earnings forecast for the 2nd quarter of the year ending March 31, 2010
(April 1, 2009 - September 30, 2009) (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	20,000	2,000	1,500	1,000	Yen 28.92
Revised forecast (B)	14,300	300	200	100	2.89
Increase or decrease (B-A)	-5,700	-1,700	-1,300	-900	
Percentage change (%)	-28.5	-85.0	-86.7	-90.0	
<Reference> Actual data for the 2 nd quarter of the previous fiscal year	26,679	6,655	5,584	3,498	96.78

Revised non-consolidated earnings forecast for the year ending March 31, 2010

(April 1, 2009 - March 31, 2010)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	40,000	4,000	3,500	2,000	Yen 57.84
Revised forecast (B)	34,000	1,800	1,200	200	5.78
Increase or decrease (B-A)	-6,000	-2,200	-2,300	-1,800	
Percentage change (%)	-15.0	-55.0	-65.7	-90.0	
<Reference> Actual data of the previous fiscal year	39,486	5,474	1,414	240	6.79

Reasons behind the revisions

Against a backdrop of a growing downturn in the global economy, the second quarter is expected to see consolidated sales fall significantly below the previous estimates, impacted by the intensifying market price competition and less active capital spending for computerized flat knitting machines in the user industry globally.

In earnings performance, the Company will post ordinary and net losses falling below the plans because of the decline in sales, which made it difficult to secure operating profit. An approximately 1.2 billion yen exchange loss arose on a consolidated basis with the strengthening of the yen (weakened dollar), and the company recognized loss on revaluation of investment securities.

Looking forward, the Company is set to put the following into action during and after the 3rd quarter: further strengthening to develop and market new competitive products; continuing to reduce personnel costs including executive officer and management-level employee wages that have started since the beginning of the year; and thoroughly cutting manufacturing costs and operating expenses, thereby ensuring profitability. However, it is expected to take time before the tough business environment is reversed.

For the above reasons, the Company revised its earnings forecast for six months ended September 30, 2009 as well as for the full year ending March 31, 2009, respectively. The same will apply to the parent-only earnings.