

**Shima Seiki Mfg., Ltd.**

Representative: Masahiro Shima, President

Code number: 6222

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

*Notice regarding non-operating expense (foreign exchange loss)*

Shima Seiki Mfg., Ltd. announces that it has incurred the following exchange loss for the third quarter of the current fiscal year ending in March 2011 (April 1, 2010 - December 31, 2010).

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 ¥5,210 million on a consolidated basis. The loss was recorded as a non-operating expense for the third quarter ended December 31, 2010.

Meanwhile, the foregoing exchange loss from the impact of currency exchange rates as of the end of this third quarter is subject to change hereafter.

2. Impact on earnings

For the effect of the exchange loss on corporate performance, please refer to the “Financial Results for the Third Quarter Ended December 31, 2010” released today (January 28, 2011).