

SHIMA SEIKI MFG., LTD.

Representative: Masahiro Shima, President

Code number: 6222

Stock listings: Tokyo Stock Exchange (1st section)**Notice regarding revision of earnings forecast**

SHIMA SEIKI MFG., LTD. announces that it has revised its earnings forecast announced on April 30, 2014 based on recent performance trends.

Notes

Revision to earnings forecast

- (1) Revised consolidated earnings forecast for the 2nd quarter of the year ending March 31, 2015
(April 1, 2014 - September 30, 2014)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	22,000	2,700	2,500	1,700	Yen 49.68
Revised forecast (B)	25,700	3,000	4,300	3,000	87.67
Increase or decrease (B-A)	3,700	300	1,800	1,300	
Percentage change (%)	16.8	11.1	72.0	76.5	
<Reference> Previous results (2 nd quarter of the fiscal year ended March 31, 2014)	20,942	1,887	4,360	3,176	92.83

- (2) Revised consolidated earnings forecast for the year ending March 31, 2015
(April 1, 2014 - March 31, 2015)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	45,000	6,000	5,500	3,700	Yen 108.12
Revised forecast (B)	51,000	6,000	6,800	4,600	134.43
Increase or decrease (B-A)	6,000	0	1,300	900	
Percentage change (%)	13.3	0.0	23.6	24.3	
<Reference> Previous results (Fiscal year ended March 31, 2014)	40,636	2,731	7,352	4,863	142.13

(3) Revised non-consolidated earnings forecast for the 2nd quarter of the year ending March 31, 2015
(April 1, 2014 - September 30, 2014)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	18,000	1,700	2,200	1,100	Yen 32.15
Revised forecast (B)	20,900	2,600	3,900	2,500	73.06
Increase or decrease (B-A)	2,900	900	1,700	1,400	
Percentage change (%)	16.1	52.9	77.3	127.3	
<Reference> Previous results (2 nd quarter of the fiscal year ended March 31, 2014)	16,843	1,616	3,841	2,500	73.06

(4) Revised non-consolidated earnings forecast for the year ending March 31, 2015
(April 1, 2014 - March 31, 2015)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	38,000	4,800	5,200	3,000	Yen 87.67
Revised forecast (B)	43,000	5,800	6,600	4,300	125.66
Increase or decrease (B-A)	5,000	1,000	1,400	1,300	
Percentage change (%)	13.2	20.8	26.9	43.3	
<Reference> Previous results (Fiscal year ended March 31, 2014)	33,872	3,400	7,601	4,823	140.94

(5) Reasons behind the revisions

Equipment investment in computerized flat knitting machines throughout the current second quarter has remained more active than assumed early on in the Asian market. As a result, the Company is expected to see larger growth both in sales and operating income than initially anticipated. In the non-operating profit and loss account, foreign exchange gains are also expected to log about ¥1.1 billion on a consolidation basis and about ¥1 billion on a non-consolidation basis, respectively. Thus, the Company is on track to see ordinary income and current net income substantially topping the previous forecasts. Hence, it will revise its earnings forecasts (both on a consolidation and non-consolidation basis).

The Company is also resolved to make further efforts for the achievement of sales that will surpass the initial forecasts in the second half as well by further strengthening operating activities. And it will therefore revise the initial earnings forecasts for the full year (on the basis of both consolidation and non-consolidation).

Meanwhile, for the exchange rate of the second half and at the year-end, the Company is assuming ¥107 to the dollar and ¥135 to the euro.

*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.