

SHIMA SEIKI MFG., LTD.

Representative: Mitsuhiro Shima, President

Code number: 6222

Stock listings: Tokyo Stock Exchange (1st section)

Notice of Transition to a Company with Audit and Supervisory Committee

SHIMA SEIKI MFG., LTD. (the “Company”) announces that at the Board of Directors' Meeting held on March 24, 2020, it resolved a policy of transition to a company with an audit and supervisory committee.

The transition will be implemented subject to its approval at our 59th ordinary general meeting of shareholders scheduled to be held in June 2020.

Notes

1. Purpose of the transition

The transition to a company with an audit and supervisory committee is to accelerate decision-making and increase the efficiency of management by establishing an audit and supervisory committee, where in Outside Directors account for a majority of members, to strengthen the audit/supervisory function of the Board of Directors, and further improve corporate governance as well as by delegating a part of the authority of the Board of Directors to determine execution of significant operations to Directors.

2. Timing of the transition

We will transit to a company with an audit and supervisory committee after obtaining approval on the required amendments to the articles of incorporation at our 59th ordinary general meeting of shareholders scheduled to be held in June 2020.

3. Other

The details regarding the transition including changes to the Articles of Incorporation and executive personnel will be notified upon determination.