The following is an English translation of the Notice of the 56th Ordinary General Meeting of Shareholders of SHIMA SEIKI MFG., LTD. to be held on June 28, 2017.
The Company provides this translation for your reference and convenience only and without any guarantee as to its accuracy.

Securities Code: 6222
June 6, 2017

## To Our Shareholders

85 Sakata, Wakayama
SHIMA SEIKI MFG., LTD.
Masahiro Shima
President

# Notice of the 56th Ordinary General Meeting of Shareholders

We would like to take this opportunity to thank you for your kind and continuous support.
SHIMA SEIKI MFG., LTD. (the "Company") will hold the 56th Ordinary General Meeting of Shareholders as stated below, and we would like to request your participation.
If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. In such case, please review the Reference Document for the General Meeting of Shareholders provided below and cast your vote by 5:45 p.m., Tuesday, June 27, 2017.

1. **Date and Time** 10:00 a.m., Wednesday, June 28, 2017
2. **Place** High-Vision Hall, Company Headquarters, 85 Sakata, Wakayama
3. **Objectives**

**Matters to be reported**

1. The business report, the consolidated financial statements, and the results of consolidated financial statement audits by the Accounting Auditor and the Board of Corporate Auditors for the 56th business period from April 1, 2016 to March 31, 2017.
2. The non-consolidated financial statements for the 56th business period from April 1, 2016 to March 31, 2017.

**Proposals to be resolved**

**Proposal No. 1：** Appropriation of Surplus
**Proposal No. 2：** Partial Amendment to the Articles of Incorporation

◎ Shareholders attending the meeting are requested to submit the enclosed voting form to the receptionist at the venue.

◎ Any amendments to the reference documents for the general meeting of shareholders, the business report, the consolidated financial statements or the non-consolidated financial statements will be posted on the Company website (http://www.shimaseiki.co.jp/irj/irj.html).

◎ Of the documents that need to be provided, the following documents are posted on the Company's website on the Internet (http://www.shimaseiki.co.jp/irj/irj.html) in accordance with laws and regulations and Article 16 of the Company's Articles of Incorporation, and thus are not included in the documents attached to this Notice.

(i) Notes to the consolidated financial statements

(ii) Notes to the non-consolidated financial statements

The notes to the consolidated financial statements and the non-consolidated financial statements are part of the consolidated financial statements and the non-consolidated financial statements audited by the Corporate Auditors for the preparation of the audit report and by the Accounting Auditor for the preparation of the independent auditor's report.

◎ On the meeting date, small gifts will be handed to attending shareholders at the venue—one gift for one attending shareholder regardless of the number of voting forms held.

## Information on the Method of Exercising Voting Rights

The following method is available to exercise voting rights. Please exercise voting rights upon consideration of the reference documents enclosed for General Meeting of Shareholders:

**When attending the General Meeting of Shareholders:**
Please present the enclosed voting form to the receptionist at the meeting.
Time and date of the meeting: 10:00 a.m., Wednesday, June 28, 2017

**When exercising in writing:**
After indicating the approval or disapproval in relation to the proposals on the enclosed voting form, please send back the completed from to the Company.
Exercise period: No later than 5:45 p.m., Tuesday, June 27, 2017

**When exercising via the Internet:**
Please access the website for exercising voting rights specified by the Company (http://www.evote.jp/) by personal computer, smartphone or mobile phone with the "Login ID" and "Tentative Password" printed on the enclosed voting form and enter approval or disapproval according to the guidance on the screen.
Please refer to the next page for details.

*If the voting rights are exercised both in writing and via the Internet, the content of exercising voting rights via the Internet will be deemed to be valid. In cases where the voting rights are exercised more than once via the Internet, the last exercise will be looked upon as a valid exercise of the voting rights. If the voting rights are exercised more than once through personal computer, smartphone and mobile phone, those exercised on the last occasion will be deemed to be effective and valid.

## Exercise of Voting Rights via the Internet

Before exercising your voting rights via the Internet, please note the following matters. If you attend the General Meeting of Shareholders in person, the procedures for exercising voting rights by postal mail (voting card) or via the Internet are unnecessary.

### 1. Website for Exercising Voting Rights

(1) The exercise of voting rights via the Internet is possible only by accessing the website for the exercise of voting rights designated by the Company (http://www.evote.jp/) from a personal computer, smartphone, or mobile phone (i-mode, EZweb, or Yahoo! Mobile*).
(However, please note that voting on the designated website is not possible between the hours of 2:00 a.m. and 5:00 a.m.)
*i-mode, EZweb, and Yahoo! are trademarks or registered trademarks of NTT DOCOMO, Inc., KDDI CORPORATION, and Yahoo! Inc.(U.S.A), respectively.

(2) You may not be able to exercise voting rights via a personal computer or smartphone depending on your Internet settings, service available, models in use.

(3) Although the exercise of voting rights via the Internet is possible until 5:45 p.m. on Tuesday, June 27, 2017, shareholders are advised to vote early. Please contact the Help Desk if you have any questions.

### 2. How to Exercise Voting Rights via the Internet

(1) On the website for the exercise of voting rights (http://www.evote.jp/), please use the "Login ID" and "Tentative Password" printed on the enclosed voting form and enter approval or disapproval according to the guidance on the screen.

(2) To prevent unauthorized access (impersonation) by third parties other than shareholders and to prevent the alteration of votes, shareholders who vote via the Internet are requested to change the temporary password on the designated voting website.

### 3. Costs Incurred When Accessing the Website for the Exercise of Voting Rights

All costs incurred when accessing the website for exercising voting rights (Internet connection charges, call charges, etc.) are borne by the shareholder. In addition, when voting via mobile phone, packet communication charges and other charges for the use of a mobile phone are required, and these charges are also borne by the shareholder.

**Contact for Technical Inquiries**
Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk)
Phone: 0120-173-027 (9:00 a.m. to 9:00 p.m.; toll-free, within Japan only)

### [Information on the Electronic Voting Platform (To Institutional Investors)]

Nominal shareholders (including standing proxies) such as master trust banks and other companies that have applied in advance to use the electronic voting platform operated by ICJ, Inc., may use the platform.

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

**Proposal No. 1：** Appropriation of Surplus

The Company, which considers returning profits to shareholders to be one of its top management priorities, believes that this should be done based on enhanced performance and in consideration of, among other factors, future earnings prospects and business development, while continuously paying stable dividends over the long term.

It is the Company's policy to proactively use retained earnings to enhance its management foundation and prepare for future business development, including investments in equipment and research and development activities from medium- to long-term perspectives.

Under these policies, the Company wishes to pay the year-end dividend for the current fiscal year totaling 25 yen per share as described below, which includes the ordinary dividend of 22.50 yen plus the commemorative dividend of 2.50 yen marking the 55th anniversary of the Company's foundation.

Year-End Dividends

(1) Type of dividend property
Cash

(2) Matters concerning allocation and the total amount of dividends to shareholders
25 yen per share of common stock of the Company.
This will amount to the total dividends of 862,062,425 yen.

(3) Effective date of the distribution of retained earnings
June 29, 2017

As the Company paid 20 yen per share as an interim dividend, annual dividends to be paid for the year amount to 45 yen per share, up 7.50 yen from the previous fiscal year.

**Proposal No. 2：** Partial Amendment to the Articles of Incorporation

1. Reason for Proposal

   The amendment is to add a provision allowing directors to appoint a Chairman as a titled director in order to seek to establish the business management system enabling us to immediately respond to changes in the business environment and further strengthen and improve the business base.

2. Details of Amendment

   The details of the amendment are as follows.

(The underlines indicate amendments.)

| Current Articles of Incorporation | Proposed amendment |
|---|---|
| (Titled Director)<br>Article 25：The Company may appoint one President and several Executive Vice Presidents, Senior Executive Directors and Executive Directors upon a resolution by the Board of Directors. | (Titled Director)<br>Article 25: The Company may appoint <u>one Chairman</u>, one President and several Executive Vice Presidents, Senior Executive Directors and Executive Directors upon a resolution by the Board of Directors. |