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October 30, 2026

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Notice Concerning Recording of Non-Operating Expense (Foreign Exchange Loss)

SHIMA SEIKI MFG., LTD. (the "Company") announces the recording of non-operating expenses (foreign exchange losses) during the second quarter of the consolidated fiscal year ending March 31, 2027 (July 1, 2026 through September 30, 2026).

1. Details of Non-operating Expense (Foreign Exchange Loss)

The Company recorded foreign exchange losses of ¥355 million under non-operating expenses during the second quarter of the consolidated fiscal year ending March 31, 2027, due to fluctuations in foreign exchange rates during the same period. These losses primarily reflect the revaluation of foreign-currency-denominated assets and liabilities held by the Company and its overseas consolidated subsidiaries as of the end of the second quarter.

As the Company recorded foreign exchange gains of ¥111 million under non-operating income during the first quarter of the same fiscal year, foreign exchange losses of ¥243 million were recorded under non-operating expenses for the first six months of the consolidated fiscal year ending March 31, 2027.

2. Impact on Profit and Loss

Regarding the impact of recording the non-operating expense (foreign exchange loss) described above on the Company's financial results, please refer to the Financial Results for the Second Quarter Ended September 30, 2026 released today.