(This notice has been translated from the original notice in Japanese. In the event of any discrepancy, the original in Japanese shall prevail.)

November 7, 2016

Name of Company: Sanshin Electronics Co., Ltd.
Representative: Toshiro Suzuki (Representative Director & COO)
(Code No. 8150 Listed in the First Section of the Tokyo Stock Exchange)
Enquiries to: Akio Misono (Director, Operating Officer and Senior General Manager of Finance & Accounting Division)
(Tel: +81-3-3453-5111)

For Immediate Release:

Notice Regarding Revision of Business Forecast and Dividend Forecast

Considering the recent business trend, we have decided on the business forecast for the full fiscal year, which had not been finalized before, as detailed below. Following the adjustment of the business forecast, the forecast for dividends has also been adjusted as described below.

Details

Regarding the Revision of the Business Forecast

Revision of the values in the consolidated business forecast for the fiscal year ending March 31, 2017
(April 1, 2016 to March 31, 2017)

(Million yen)

	Net sales	Operating profit	Ordinary profit	Net profit attributable to shareholders of parent company	Net profit per share (yen)
Previous Forecast (A)	—	—	—	—	—
Current Forecast (B)	164,600	350	(1,150)	(1,620)	(57.49)
Increase/Decrease (B-A)	—	—	—	—	
Rate of Increase/Decrease (%)	—	—	—	—	
(Reference) Results for Previous Term (Ended March 31, 2016)	199,075	1,913	1,500	977	34.70

Reason for Revision:

From the third quarter, the device business is expected to operate in continually challenging environment due to changes in strategies at client companies and suppliers, a persistently strong yen, and other factors, which shall result in a decrease of net sales, but the situation with profit and loss is expected to recover compared with the first half propelled by improvements made with the gross profit margin, expansion the Company made into new businesses, and other factors. The solution business is also expected to post a decrease in income and profits compared with the latter half of the previous year due to a downturn after the special demand following the digitalization of wireless communication for firefighting and emergency services, but with seasonal and other factors, this segment is expected to exceed the business results of the first half by far.

With all these variables, we expect that for the full fiscal year the Company will be in the black with operating profit, but in terms of ordinary profit and loss and net profit/loss, as the impact of the foreign exchange losses posted in the first half is likely to be quite substantial, we expect to be posting red figures. As a result, the Company has revised its forecast for the consolidated results of the term ending March 31, 2017 as detailed above.

With the aim of achieving an early return to profitability, the Group intends to make an effort to reinforce sales targeting loT and other promising markets, at the same time improving its cost structure through a number of measures including consolidation and integration of bases.

Note: The projected results and forward-looking statements included in this document reflect the Company's expectations based on information available at the time of release, and are not intended as a guarantee that the Company will achieve these targets. The actual performance may considerably differ from the forecast due to various factors.

Regarding the Revision of the Dividend Forecast

(Yen)

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
Previous Forecast (Announced on May 13, 2016)	—	10.00	—	30.00	40.00
Current Forecast	—	—	—	15.00	25.00
Results for the Current Term	—	10.00	—		
Results for Previous Term (Ended March 31, 2016)	—	10.00	—	30.00	40.00

Reason for Revision:

The Company regards the appropriate distribution of profits to its shareholders as an important management issue. In determining the dividend, our basic policy is to strive to ensure the consolidated payout ratio of 50% while keeping a good balance between redistribution of profits to shareholders, investments to ensure opportunities for growth, retaining profit to enable continuous growth, and achieving improvement in efficiency of capital. In accordance with this policy, as the Company is expected to post losses in its final profit/loss statement for the full fiscal year as stated above, we regret to say that we have reduced the year-end dividend from the initial forecast to 15 yen. The initially projected interim dividend of 10 yen per share has not changed.