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

August 4, 2017
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

Considering the recent business trend, we have revised the business forecast for the first half ending September 30, 2017 (April 1, 2017 to September 30, 2017) released at the time of the announcement of financial statements on May 15, 2017, as follows:

Details

Regarding the Revision of the Business Forecast

Revision of the values in the consolidated business forecast for the first half ending September 30, 2017 (April 1, 2017 to September 30, 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)	89,000	480	410	(150)	(5.32)
Current Forecast (B)	79,000	480	450	100	3.55
Increase/Decrease (B-A)	(10,000)	0	40	250	
Rate of Increase/Decrease (%)	(11.2)	0.0	9.8	—	
(Reference) Results for First Half of Previous Term (Ended September 30, 2016)	85,308	(192)	(1,684)	(1,966)	(69.79)

Reason for Revision:

Sanshin Electronics runs two major businesses: device business and solution business. In the device business segment, we sell mainly semiconductors and electronic components, but also provide technical support. In the solution business segment, we offer mainly ICT solutions. Of these, the solution business has been showing steady progress in both sales and profit in line with the initial plan.

Meanwhile, in the device business segment, net sales in social and industrial fields will likely be significantly lower than forecast, due to lackluster performance in the mobile and materials sectors. In addition, the contract terms in a new large-scale business were changed so that net sales may only include revenue commissions from delivery agents, leading to a forecasted substantial shortfall compared with our initial plan. Please note that, regarding profit, in addition to an improved gross profit margin and reduction in SG&A expenses, lower interest expenses and other improvements in non-operating P/L will likely offset the foregoing decline in net sales.
As a result, the Company revised its forecast for the consolidated results of the first half ending September 30, 2017 as detailed above. Please note that the Company anticipates the posting of net profit attributable to shareholders of parent company thanks to a lower-than-expected decrease in extraordinary loss from limiting retirees to 29, as per the "Notice Regarding Retirement Solicitation Results" published on June 6, 2017.
The forecast for the full consolidated fiscal year business performance is unchanged at this stage, however, any necessary revision will be disclosed immediately based on a thorough examination of market and customer trends and planned SG&A expenses. Furthermore, the initially projected annual dividend of ¥25 per share (¥10 interim dividend and ¥15 fiscal year-end dividend) was not changed.

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.