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November 7, 2022

Name of Company: Sanshin Electronics Co., Ltd.

Representative: Toshiro Suzuki (Representative Director, COO)

(Code No. 8150 Listed in the Prime Market of the Tokyo Stock Exchange)

Enquiries to: Jun-ichi Murakami (Director, Operating Officer and Senior General
Manager of Finance & Accounting Division)

(Tel: +81-3-3453-5111)

For Immediate Release:

Notice Regarding Discrepancies in Forecast of First Half Business Results and Actual Results, Revision of Forecast of Full-Term Business Results, and Revision of Dividend Forecast

Discrepancies occurred between the consolidated business results forecast for the first half of the fiscal year ending March 31, 2023 published on August 5, 2022 and the actual results that were announced today.

In view of these differences, the consolidated full-term business results forecast and dividend forecast for the fiscal year ending March 31, 2023 have been revised as follows.

Details

1. Discrepancies with consolidated business results forecast for the first half of the fiscal year ending March 31, 2023 (April 1, 2022 to September 30, 2022)

(1) Details of discrepancies

	Net sales	Operating profit	Ordinary profit	Net profit attributable to shareholders of parent company	Net profit per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous Forecast (A) (Announced on August 5, 2022)	77,000	3,120	2,270	1,660	136.25
Results Announced Today (B)	82,994	4,247	2,934	2,160	177.30
Increase/Decrease (B-A)	5,994	1,127	664	500	
Rate of Increase/Decrease (%)	7.8	36.1	29.3	30.1	
(Reference) Results for the First Half of Previous Term (Six Months Ended September 30, 2021)	57,047	1,346	1,147	789	45.61

(2) Reason

The Group is composed of two businesses: the device business, which mainly sells semiconductors/electronic components and provides technical support, and the solution business, which mainly develops ICT solutions.

In the consolidated first half under review, as the result of demand for semiconductors remaining at a high level and the weakening of the yen in foreign exchange markets, results in the device business exceeded the previously announced forecast. As a result, net sales, operating profit, ordinary profit, and net profit attributable to shareholders of parent company all exceeded the previously announced forecast.

2. Revision of the consolidated business results forecast for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Details of revision

	Net sales	Operating profit	Ordinary profit	Net profit attributable to shareholders of parent company	Net profit per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous Forecast (A) (Announced on May 20, 2022)	131,500	3,030	2,900	2,100	172.36
Current Forecast (B)	155,600	6,200	4,500	3,300	270.66
Increase/Decrease (B-A)	24,100	3,170	1,600	1,200	
Rate of Increase/Decrease (%)	18.3	104.6	55.2	57.1	
(Reference) Results for Previous Term (Ended March 31, 2022)	123,583	4,209	3,560	2,524	171.12

(2) Reason

From the third quarter onwards, in the device business, we expect that some of the projects (including those that had been handled for a limited period of time) that had been driving performance due to the tight supply and demand of semiconductors, etc., will come to an end. In the solution business, we have concerns about delivery delays for some products such as servers and communication equipment due to tight supply and demand. However, we have decided to revise our consolidated financial results for the fiscal year ending March 31, 2023 upward as described above, based on the progress of our business results in the consolidated first half of the current fiscal year, the current situation, and our evaluation of the degree of impact due to foreign exchange, the situation in Ukraine, etc.

3. Revision of the dividend forecast

(1) Details of revision

	2Q-end	Year-end	Annual
Previous Forecast (Announced on May 20, 2022)	Yen 30.00	Yen 55.00	Yen 85.00
Current Forecast		105.00	135.00
Results for Current Term (Ending March 31, 2023)	30.00		
Results for Previous Term (Ended March 31, 2022)	30.00	70.00	100.00

(2) Reason for revision

While aiming for a consolidated payout ratio of 50%, our basic policy is to decide on dividends while considering a balance of return to shareholders, investment for acquiring growth opportunities, maintenance of internal reserves for enabling sustainable growth, and improvement of capital efficiency. In view of this basic policy, and in tandem with the upward revision of the forecasted figure of net profit attributable to shareholders of parent company for the fiscal year ending March 31, 2023, the dividend forecast is revised upward as described above.

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. Actual performance may differ considerably from the forecast due to various factors.

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