

May 13, 2016

To All Persons Concerned

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(Company Code of Tokyo Stock Exchange 1st Section: 6274)
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**Notice of Posting of Non-operating Income, Non-operating Expenses, and Extraordinary Losses,
and Differences between Forecast and Actual of Consolidated
Financial Results for the Fiscal Year Ended March 31, 2016**

SHINKAWA LTD. (“the Company”) announces posting of non-operating income, non-operating expenses, and extraordinary losses, and differences between forecast, announced in February 8, 2016, and actual of consolidated financial results for the fiscal year ended March 31, 2016.

1. Details of Non-operating Income

A dividend income of 64 million yen was posted in non-operating income due to the Company’s financial instruments creating investment profits.

2. Details of Non-operating Expenses

The Company posted a foreign exchange loss of 263 million yen as a non-operating expense in the third quarter of the fiscal year ended March 31, 2016 (April 1, 2015 to December 31, 2015) because of the evaluation of foreign currency-denominated assets and etc. Meanwhile, due to the fluctuations of the future exchange rate, a foreign exchange loss of 271 million yen was occurred in the fourth quarter of the fiscal year ended March 31, 2016 (January 1, 2016 to March 31, 2016). Therefore, a foreign exchange loss of 535 million yen was recorded as a non-operating expense in the fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016).

3. Details of Extraordinary Losses

In order to prepare for the loss from investment in a subsidiary company, the allowances for investment loss for subsidiaries and affiliates was recorded with considering the reduction in asset value of a subsidiary company, future recovery prospects, and etc. Along with this, the provision of allowance for investment loss for subsidiaries and affiliates of 93 million yen was recorded on non-consolidated statements. Since this provision of allowance for investment loss for subsidiaries and affiliates will be eliminated in the consolidated settlement of accounts, there will be no effect on the consolidated financial statements.

4. Differences between forecast and actual of Consolidated Financial Results for the Fiscal Year ended March 31, 2016

(April 1, 2015 to March 31, 2016)

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Profit (loss) attributable to owners of parent	Basic earnings per share (yen)
Previous forecast (A)	12,300	-1,060	-1,200	-1,400	-77.03
Actual results (B)	12,662	-1,035	-1,444	-1,849	-101.75
Difference (B-A)	362	25	-244	-449	—
Difference (%)	2.9	—	—	—	—
(Reference) Actual results for the previous fiscal year (ended March 31, 2015)	11,352	-2,669	-1,784	-1,894	-104.19

Reasons for the Differences between forecast and actual results

Although the net sales were higher than expected in the previous forecast regarding to the increase of automotive-related demand, the reduction of the operating losses was modest due to fluctuations of exchange rate. In addition, since the foreign exchange loss was recorded more than expected, the ordinary loss and loss attributable to owners of parent were expanded in a deficit rather than previous forecast.