

May 12, 2017

To All Persons Concerned

Name of Public Listed Company: SHINKAWA LTD.
President and CEO, Representative Director: Takashi Nagano
(Company Code of Tokyo Stock Exchange 1st Section: 6274)
Contact Person-in-Charge: Takuya Mori, Chief Financial Officer, Director
(Phone: +81-42-560-4848)

Notice of Posting of Non-operating Income and Differences between Forecast and Actual of Consolidated Financial Results for the Fiscal Year ended March 31, 2017

SHINKAWA LTD. (“the Company”) announces posting of non-operating income and differences between forecast, announced in February 10, 2017, and actual of consolidated financial results for the fiscal year ended March 31, 2017.

1. Details of Non-operating Income

- 1) A dividend income of 66 million yen was posted in non-operating income due to the Company’s financial instruments creating investment profits.
- 2) The Company posted a foreign exchange profit of 76 million yen as a non-operating income in the third quarter of the fiscal year ended March 31, 2017 (April 1, 2016 to December 31, 2016) 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 35 million yen was occurred in the fourth quarter of the fiscal year ended March 31, 2017 (January 1, 2017 to March 31, 2017). Therefore, a foreign exchange profit of 41 million yen was recorded as a non-operating income in the fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017).

2. Differences between forecast and actual of Consolidated Financial Results for the Fiscal Year ended March 31, 2017(April 1, 2016 to March 31, 2017)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share (yen)
Previous forecast (A)	16,400	240	370	160	8.80
Actual results (B)	16,438	294	432	243	13.37
Difference (B-A)	38	54	62	83	—
Difference (%)	0.2	22.7	16.7	51.9	—
(Reference) Actual results for the previous fiscal year (ended March 31, 2016)	12,662	-1,035	-1,444	-1,849	-101.75

Reasons for the differences between forecast and actual results

We made cost reduction, had an impact on favorable exchange rate and posted an extraordinary income by selling some of the company’s assets. As a result, financial results for the fiscal year ended March 31, 2017 exceeded previously announced forecast.