

October 27, 2017

Notice on the Revision to Financial Forecasts

Company name : **SMC Corporation**
 Stock exchange listing : Tokyo Stock Exchange first section
 Security code : 6273
 URL : <http://www.smcworld.com/ir/en/>
 Representative : Katsunori Maruyama, President
 Contact person : Ikuji Usui, Director and Senior Managing Executive Officer

Based on the trends of its recent business performance, SMC Corporation hereby announces the revision to consolidated financial forecasts announced on May 12, 2017.

1. Revision to consolidated financial forecasts for the 2nd Quarter ended September 30, 2017 (Period from April 1, 2017 through September 30, 2017)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Net Income per share
Previous Forecasts (A) (announced on May 12, 2017)	(Millions of Yen) 260,000	(Millions of Yen) 75,000	(Millions of Yen) 77,500	(Millions of Yen) 58,000	(Yen) 863.13
Revised Forecasts (B)	291,000	95,000	103,000	74,000	1,101.07
Changes (B-A)	31,000 11.9%	20,000 26.7%	25,500 32.9%	16,000 27.6%	—

<Reference>

Results of the 2Q, FY 2016 (2Q ended September 30, 2016)	229,861	67,830	54,162	45,854	682.44
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2. Revision to consolidated financial forecasts for the year ending March 31, 2018 (Period from April 1, 2017 through March 31, 2018)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Net Income per share
Previous Forecasts (A) (announced on May 12, 2017)	(Millions of Yen) 510,000	(Millions of Yen) 145,000	(Millions of Yen) 150,000	(Millions of Yen) 112,000	(Yen) 1,666.74
Revised Forecasts (B)	550,000	170,000	180,000	130,000	1,934.31
Changes (B-A)	40,000 7.8%	25,000 17.2%	30,000 20.0%	18,000 16.1%	—

<Reference>

Results of the FY 2016 (Year ended March 31, 2017)	487,625	141,107	148,237	113,095	1,683.12
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**3. Difference between the non-consolidated financial forecasts for the year ending March 31, 2018 and actual results for the year ended March 31, 2017
(Period from April 1, 2017 through March 31, 2018)**

	Net Sales	Operating Profit	Ordinary Profit	Profit	Net Income per share
Results of the FY 2016 (A) (Year ended March 31, 2017)	(Millions of Yen) 315,875	(Millions of Yen) 82,791	(Millions of Yen) 87,194	(Millions of Yen) 70,423	(Yen) 1,048.06
Newly Announced Forecasts (B)	360,000	103,000	108,000	77,000	1,145.70
Changes (B-A)	44,125 14.0%	20,209 24.4%	20,806 23.9%	6,577 9.3%	—

4. Reason for the revision

In this second quarter, both sales and profits are expected to exceed the previous forecast largely as a result of increased demand mainly from semiconductor-related customers, and stable trends of foreign currency exchange rates. Along with this, SMC revises its consolidated financial forecasts for the second quarter ended September 30, 2017 and full-year ending March 31, 2018. Also SMC newly announces non-consolidated financial forecast for the full-year ending March 31, 2018 that are expected to make a substantial difference from the results for the previous fiscal year.

The average exchange rates for the full-year as a premise of above forecasts are changed to 1 US\$ = 110 yen (previous forecast 105 yen), 1 EUR = 126 yen (previous forecast 115 yen), 1 CNY = 16.30 yen (previous forecast 15.80 yen), respectively.

Cautionary statements

The above forecasts are based on information and certain premises that we consider to be reasonable at the time of release of this announcement.

Some factors could cause actual results to differ from expectations.