

November 10, 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, Differences between Consolidated Financial Forecasts
and Actual Results for the First Half of the Fiscal Year ending March 31, 2018

SHINKAWA LTD. (the Company) announces non-operating income for the first half of the fiscal year ending March 31, 2018.

Also, the company announces differences between consolidated financial forecasts and actual results for the first half of the fiscal year ending March 31, 2018.

1. Posting of Non-operating Income

The Company posted a foreign exchange gain of 18 million yen as a non-operating income in the first quarter of the fiscal year ending March 31, 2018 (April 1, 2017 to June 30, 2017). Meanwhile, due to the subsequent fluctuations of exchange rate, a foreign exchange gain of 76 million yen was occurred in the second quarter of the fiscal year ending March 31, 2018 (July 1, 2017 to September 30, 2017). Therefore, a foreign exchange gain of 94 million yen was recorded as a non-operating gain in the first half consolidated financial results for the fiscal year ending March 31, 2018 (April 1, 2017 to September 30, 2017).

The above number is a valuation gain by the rate of exchange in the end of the first half of the fiscal year ending March 31, 2018, and is subject to change in accordance with future exchange rate fluctuations.

2. Differences between Consolidated Financial Forecasts and Actual Results for the First Half of the Fiscal Year ending March 31, 2018 (April 1, 2017 to September 30, 2017)

(Millions of yen)

	Net sales	Operating profit (loss)	Ordinary profit (loss)	Profit (loss) attributable to owners of parent	Profit (loss) per share (yen)
Previous forecasts (A) (Announced on August 7, 2017)	7,900	-230	-230	-320	-17.61
Actual results (B)	7,187	-322	-192	-256	-14.07
Difference (B-A)	-713	-92	38	64	—
Difference (%)	-9.0	—	—	—	—
(Reference) Actual results of the corresponding period of the previous fiscal year (First half of FY2017)	6,046	-507	-913	-995	-54.73

3. Reasons for the differences

For the business performance during the first six months of the fiscal year ending March 31, 2018, net sales and operating profit fell below the previous forecast. This is due to the fact that anticipated customers' investment plans in the second quarter have been shifting to the second half and the demand for mobile-related products has declined due to partial inventory adjustment in the Chinese smartphone market. Meanwhile, ordinary profit and quarterly profit attributable to owners of parent exceeded expectations due to recent fluctuations in foreign exchange rates.

Regarding our annual projections for the Group's future consolidated business performance, because the sales shifted to the second half are expected, there is no change from the announcement of "Notice of Revisions to the First Half and Full Year Consolidated Financial Forecasts for the Fiscal Year ending March 31, 2018" dated August 7, 2017.

(Note) The above forecasts are based on information currently available to SHINKAWA LTD. and certain assumptions determined as rational. Actual performance may significantly differ from these forecasts due to various factors in the future.