

February 12, 2019

To All Persons Concerned

Name of Public Listed Company: SHINKAWA LTD.
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Notice of Posting of Forecast of Consolidated Financial Results
and Forecast Dividend for the Fiscal Year Ending March 31, 2019

SHINKAWA LTD. (the Company) announces that the forecast of consolidated results and forecast dividend for the fiscal year ending March 31, 2019, have been revised as detailed below.

1. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2019
(from April 1, 2018 to March 31, 2019)

(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)	—	—	—	—	—
Actual results (B)	11,500	-2,980	-3,000	-3,120	-171.59
Change (B-A)	—	—	—	—	—
Change (%)	—	—	—	—	—
(Reference) Results of the corresponding period of the previous fiscal year (FY2017)	15,214	-620	-488	563	31.00

Reasons

In the semiconductor industry, demand for automotive devices and data centers is expected to increase in the medium to long term. However, market growth has slowed due to sluggish smartphone sales and a decline in memory prices, as well as reductions in capital investment by Chinese enterprises resulting from the US-China dispute including national security issues.

Full-scale growth is expected to be seen after 2020.

The market environment surrounding the Shinkawa group is expected to continue for a while. It may take some time before capital investment resumes even in the back-end equipment market. The Group will continue to invest in cutting-edge R&D with a view to future market recovery and optimizing overall company operations. Furthermore, it will create synergies for expanding sales with PFA Corporation, which entered the Group in June last year, that will improve its corporate value.

The assumed exchange rate is 105 yen to the dollar.

2. Revisions to dividends forecasts

(Yen)

	Cash dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
Previous forecast (Announced on May 14, 2018)	—	—	—	—	—
Revised forecasts	—	—	—	0.00	0.00
Dividend paid for the current fiscal year ending March 31, 2019	—	0.00	—		
Dividend paid for the previous fiscal year ended March 31, 2018	—	0.00	—	0.00	0.00

Reason for Revisions

The Group regards the redistribution of the profit to shareholders as one of the most important corporate responsibilities, and continuous and stable dividend payments as a fundamental policy. At the same time, the Group would like to redistribute the profit according to its business performance.

The Group expects to post a deficit for fiscal year 2018 as mentioned above. Since the Group considers strengthening the business base a priority, it regrettably announces that it will decline its dividend for the current term.

(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.