

(This notice has been translated from the original notice in Japanese. In the event of any discrepancy, the original in Japanese shall prevail.)

August 4, 2016

Name of Company: Sanshin Electronics Co., Ltd.

Representative: Toshiro Suzuki (Representative Director & COO)

(Code No. 8150 Listed in the First Section of the Tokyo Stock Exchange)

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For Immediate Release:

Notice Regarding Revision of Business Forecast

Considering the recent business trend, we have revised the business forecast for the first half ending September 30, 2016 (April 1, 2016 to September 30, 2016) released at the time of the announcement of financial statements on May 13, 2016, as follows:

Meeting Details

Regarding the Revision of the Business Forecast

Revision of the values in the consolidated business forecast for the first half ending September 30, 2016 (April 1, 2016 to September 30, 2016)

(Million yen)

	Net sales	Operating profit	Ordinary profit	Net profit attributable to shareholders of parent company	Net profit per share (yen)
Previous Forecast (A)	86,000	240	240	140	4.97
Current Forecast (B)	83,000	(350)	(1,900)	(1,800)	(63.88)
Increase/Decrease (B-A)	(3,000)	(590)	(2,140)	(1,940)	
Rate of Increase/Decrease (%)	(3.5)	—	—	—	
(Reference) Results for First Half of Previous Term (Ended September 30, 2015)	103,391	1,153	1,151	800	28.40

Reason for Revision:

Sanshin Electronics runs two major businesses: device business and solution business. In the device business segment, we sell mainly semiconductors and electronic components, but also provide technical support. In the solution business segment, we offer mainly ICT solutions. Of these, the solution business has been showing steady progress in both sales and profit in line with the initial plan. The device business, however, continued to perform

weak, with stagnant sales due to sluggish growth in the smartphone market and the economic slowdown in China on the whole, but also given the delayed launch of new business initiatives with higher margin premises. In addition, we now expect results of the device business to significantly fall short of our initial plan. This forecast accounts for projections of a loss on inventory valuation and foreign exchange losses of approximately ¥1,500 million owing to the yen's sharp appreciation.

As a result, the Company has revised its forecast for the consolidated results of the first half year ending September 30, 2016 as detailed above. However, considering that there are still many uncertain factors, the forecast for the business performance of the full fiscal year ending March 31, 2017 is yet to be determined and will be disclosed immediately upon its determination based on a thorough investigation of market and customer trends. The initially projected annual dividend of 40 yen per share has not changed.

Note: The projected results and forward-looking statements included in this document reflect the Company's expectations based on information available at the time of release, and are not intended as a guarantee that the Company will achieve these targets. The actual performance may considerably differ from the forecast due to various factors.