

November 9, 2018

To All Persons Concerned

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Notice of Revisions to Full Year Consolidated
 Financial Forecasts for the Fiscal Year ending March 31, 2019

Based on the current business performance, we discontinued our annual projections for the Group's future consolidated business performance announced on August 10, 2018. Instead, we disclose only the business projections of the nine months that can be formulated at this time.

1. The third quarter consolidated financial results forecast (from April 1, 2018 to December 31, 2018)

(Millions of yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Basic Earnings per Share (yen)
Previous forecasts (A)	—	—	—	—	—
Revised forecasts (B)	9,300	-2,130	-2,130	-2,220	-122.11
Change (B-A)	—	—	—	—	—
Change (%)	—	—	—	—	—
(Reference) Results of the corresponding period of the previous fiscal year (Third quarter of FY2017)	10,508	-531	-349	-424	-23.34

2. Full year consolidated financial results forecast (from April 1, 2018 to March 31, 2019)

(Millions of yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Basic Earnings per Share (yen)
Previous forecasts (A)	18,900	-1,270	-1,330	-1,500	-82.54
Revised forecasts (B)	—	—	—	—	—
Change (B-A)	—	—	—	—	—
Change (%)	—	—	—	—	—
(Reference) Results of the corresponding period of the previous fiscal year(FY2017)	15,214	-620	-488	563	31.00

3. Reasons for Revisions

There is no change in circumstances in that the semiconductor market is expected to expand over the medium to long term, and there will be an increase in investment thanks to the arrival of an era of the data economy. However, the current trade friction between the United States and China has become serious to the level of what has been called "a new cold war between the US and China." Furthermore, investments in the memory market and the Chinese market, which have been a driving force of the semiconductor manufacturing equipment market, have been postponed and frozen to a great extent. Therefore, it is extremely difficult to forecast future market trends, including the influence of political factors, as to whether the slowdown in the investment trend will be reversed during the current term.

Since expected revenue based on current inquiries fluctuates so much, making it difficult to reasonably predict, we will discontinue our annual projections for the Group's future consolidated business performance that were revised and announced in August this year. Instead, we only disclose the business projections of the nine months that can be formulated at this time.

For the semiconductor industry in the third quarter, growth of the market is slowing due to the sluggish smartphone market and a decline in memory prices. The cooldown of investment in memory and logic devices will also impact the market for the foreseeable future. Against this backdrop, it may take some time to regain an upward momentum.

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 this year, that will improve its future corporate value.

The expected foreign exchange rate is 110 yen per U.S. dollar.

(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.