

February 13, 2018

To All Persons Concerned

Name of Company U-Shin Ltd.
 Name of Representative Kanae Okabe, President, Representative Director
 (Code number: 6985, The First Section of the Tokyo Stock Exchange)
 Person for Inquiry Kazuya Tao, Executive Officer, Executive General Manager of Accounting & Finance Division
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Notice of Recording Extraordinary Loss, Revision of Consolidated Full-Year Forecast, and Year-end Dividend (No Dividend)

Based on the latest performance movement, U-Shin Ltd. (hereinafter: “the Company”) revised the forecast of performance for FY2017, which was announced on January 13, 2017. At the same time, the Company resolved not to pay dividend of surplus with a record date of December 31, 2017 at the board of directors’ meeting held today.

1. Revision of Consolidated Performance Forecast for FY2017 (December 1, 2016 – December 31, 2017)

(1) Revision of Forecast

(Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Previous Forecast (A)	154,400	4,910	3,640	3,870	JPY139.63
Revised Forecast (B)	168,632	5,397	3,754	4,086	JPY137.31
Change in Amount (B)-(A)	14,232	487	114	216	—
Rate of Change (%)	9.2	9.9	3.1	5.6	—
(Ref.) Last Year Results (FY2016)	153,894	3,269	2,271	(9,659)	(JPY348.52)

(2) Reason of Revision

As on the above, net sales, operating income, ordinary income, and net income are revised upward.

Increase of net sales and operating income was reflected on steady movements with a focus on domestic and China for both automotive and industrial equipment. At the same time, yen/euro exchange has experienced depreciation of the yen against euro, and it increased overseas sales and operating income after converting to yen. As for ordinary income, while the Company recorded foreign exchange loss at non-operating expenses, financial expenses decreased such as interest payment.

As for net income, the Company recorded impairment loss of 1,444 million yen as extraordinary loss. Concerning Nevers plant in France which has underperformed the Company’s plan, recovery possibility was estimated based on accounting standard, and impairment loss was recognized. On the other hand, the Company sold partial investment securities and recorded extraordinary profit of 2,907 million yen. Tax expenses also decreased due to recording deferred tax assets along with liquidation of subsidiary in U.S.A.

2. Dividend of Surplus (No Dividend for Fiscal Year-End)

(1) Description of Dividend

	Dividend Decided	Latest Dividend Forecast (Announced on July 14, 2017)	Results of Previous Year (FY2016)
Record Date	December 31, 2017	Same as on the left	November 30, 2016
Dividend per Share	0.00 yen	Undecided	0.00 yen
Total Dividend Payment	—	—	—
Effective Date	—	—	—
Dividend Resource	—	—	—

(2) Reason

The Company recognizes continuous stable dividend as dividend policy, and distribution of profit to shareholders is important business task. To strengthen the management foundation and invest business development, the Company has a basic policy to improve substantial internal reserves and continue stable dividend corresponding to the business results. Following this basic policy, dividend in each fiscal year is decided by taking into account entirely with financial conditions, periodic profit, and payout ratio.

As for the year-end dividend of the FY2017, it was undecided at the financial results for FY2016 announced on January 13, 2017. As on the above, although the Company prospects to record net income and return to black for consolidated and unconsolidated profit and loss statement, in view of the conditions of net assets, the Company regrettably decided not to pay year-end dividend for FY2017. There is no change for the shareholder perks.

Considering the things in the above, the Company currently prospects to pay no dividend for FY2018 for both interim and year-end dividend.

(Reference) Breakdown of Annual Dividend

Record Date	Dividend per Share (Yen)		
	Second Quarter-end	Fiscal Year-end	Total
Results of FY2017	0.00 yen	0.00 yen	0.00 yen
Results of FY2016	0.00 yen	0.00 yen	0.00 yen