



October 27, 2017

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**Notice concerning an estimate of Extraordinary Loss (Impairment Loss) and revisions of Operating Results  
 Forecasts and Dividend Forecast**

Tabuchi Electric Co., Ltd. (Head Office: Yodogawa, Osaka; President and Chief Executive Officer: Toshihiro Kaihoshi) hereby announces that, We had not decided the forecast for the fiscal year ended at August 8, 2017, but as part of management improvement measures we recorded impairment loss on fixed assets and recent trends in the domestic solar photovoltaic market and additional management improvement measures, etc., We have announced that we have revised our earnings forecast and dividend forecast as described below

1. Revision of Consolidated Operating Results Forecast for the First Half of the fiscal year ending March 31, 2018 (From April 1, 2017 to September 30, 2017)

	Net sales	Operating income	Ordinary income	Net income attributable to parent company shareholders	Net income per share
Previous forecast (A) (Announced on August 8, 2017)	million yen —	million yen —	million yen —	million yen —	yen —
Revised forecast (B)	13,700	(2,100)	(2,100)	(4,300)	(106.39)
Change(B-A)	—	—	—	—	
Percentage change (%)	—	—	—	—	
(Reference) Previous year's result (The first half of the Fiscal year ending March 31, 2017)	12,984	(1,096)	(1,364)	(912)	(22.57)

Revision of Consolidated Operating Results Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017 through March 31, 2018)

	Net sales	Operating income	Ordinary income	Net income attributable to parent company shareholders	Net income per share
Previous forecast (A)	million yen —	million yen —	million yen —	million yen —	yen —
Revised forecast (B)	28,300	(2,000)	(2,100)	(4,300)	(106.39)
Change(B-A)	—	—	—	—	
Percentage change (%)	—	—	—	—	
(Reference) Previous consolidated results (FY ending March 31, 2017)	26,156	(3,333)	(3,415)	(5,782)	(143.07)

#### Reasons for the Revision

Regarding sales in the first half, sales of amusement power supplies are expected to increase significantly compared to the previous term, but solar inverters are expected to be subject to unexpected delays in certification procedures under the revised FIT law in the domestic market, total sales is expected to be 13.7 billion yen. In terms of profits, we are planning to reduce the inventory by approximately 600 million yen in addition to the decline in gross profit due to lower sales of solar inverters and falling selling prices, while operating income is 2.1 billion yen, net income, A loss of 4.3 billion yen is expected due to impairment of fixed assets of 2.2 billion yen in the energy solutions business.

Regarding the second half, we will begin to undertake development of automotive power supplies such as "DC - DC converter" and "car charger" indispensable for electric vehicles and hybrid cars expected to grow demand from TDK Corporation. As a result, we will aim to establish the third business segment following the power device business and energy solutions business. In the second half, sales of power supplies for amusement are expected to continue to be strong, and solar inverters are expected to recover the certification procedure that was behind in the domestic market, and overseas sales have gradually increased, then we are projecting 14.6 billion yen sales. In terms of profits, in addition to the fixed cost reduction plan initially anticipated at the beginning of the fiscal year, we will reduce costs by accelerating the transfer and consolidation of production, reducing fixed costs by optimizing domestic and overseas bases, and further reducing fixed costs. Along with the rearrangement of these business systems, we will realize a more efficient promotion structure for each business by the globalization of technology development system (Bangkok · Shanghai · Utilizing Hanoi's development base), As a result, operating profit in the second half is expected to be a surplus of 100 million yen.

As a result, net sales for the full year are expected to be 28.3 billion yen, operating loss is 2 billion yen, ordinary loss is 2.1 billion yen, and net loss is 4.3 billion yen.

The exchange rate is assumed to be 110 yen per dollar.

	Annual dividends (yen)		
	2Q-end dividend	Year-end	Annual Total
Latest forecast ( Announced on May 10, 2017)	0.00	—	—
Dividend for the fiscal year ended on March, 2018(Current Forecast)	0.00	0.00	0.00
Dividend for the fiscal year ended on March 31, 2018 (Actual)	—	—	—
Dividend for the fiscal year ended on March 31, 2017(Actual)	8.00	0.00	8.00

#### Reasons for the Revision

The Company positions the return of profits to its stakeholders as one of the most critical management tasks, and aims to sustain stable dividends with the full consideration given to operating results and financial conditions.

The business forecast is expected to be the net loss for the fiscal year ending March 31, 2018. In light of this situation, we are sorry to concentrate our management resources on our business activities and to make early recovery of earnings a top priority we have decided not to deliver a year-end dividend

Note: The forecasts above are based on information available as of the date of this material presentation and may differ from forecasts due to various factors in the future.

(NOTE) This document has been translated from Japanese original for reference purposes only. In the event of any discrepancy between this translated document and Japanese original, the original shall prevail.