

February 4, 2016

**Notice Regarding Revision to Business Forecasts**

YAMASHIN-FILTER CORP. at the Board of Directors meeting on February 4, 2016 determined that its full-year business forecasts for the fiscal year ending March 31, 2016 (April 1, 2015 to March 31, 2016) was likely to diverge from the forecasts announced on October 15, 2015. In accordance with the provisions in Rule 405 of the Securities Listing Regulations and Rule 407 of the Enforcement Rules for Securities Listing Regulations, the Company hereby revised its business forecasts as follows.

## 1. Revisions to full-year business forecasts for the fiscal year ending March 2016

(April 1, 2015 to March 31, 2016)

(Unit: million yen)

	Net Sales	Operating income	Ordinary income	Net Income attributable to owners of parent	Net income per share (yen)
Previous forecasts (A)	10,351	526	503	329	26.52
Revised forecasts (B)	9,406	368	372	200	16.14
Increase/decrease (B-A)	(944)	(158)	(131)	(129)	-
Percentage change (%)	(9.1%)	(30.0%)	(26.1%)	(39.2%)	-
(Ref.) Previous results (Fiscal year ended Mar. 2015)	10,703	869	830	430	38.35

(Note) The company conducted 2-for-1 stock split effective on September 1, 2015, based on the resolution of the board of the directors meeting held August 4, 2015. Therefore, "net income per share" is calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.

## 2. Reasons for revisions

With regard to the outlook for the construction machinery market for the fiscal year ending March 31, 2016, production volume at the company's principal customers seems to be bottoming out compared with at the time when the previous full-year forecasts were announced on October 15, 2015. However, unit sales continue to decline and especially unit sales in the Chinese market are significantly lower.

As it is likely to take a while for demand to turn around under the current business environment, the company revised its full-year business forecasts announced on October 15, 2015.

a. With regard to net sales, sales of line parts are expected to decrease by about 7.5% compared with the previous forecast due to a decline in unit sales mainly in the Chinese market. Sales of service parts are expected to decrease by about 10.9% compared with the previous forecast, as its sales are affected by the customers' inventory adjustments since the operating hours of construction machinery decreased due to the effect of sluggish Chinese market. As a result, overall net sales are expected to decrease by 9.1% compared with the previous forecast.

b. With regard to operating income, although the company is striving to meet its profit goals by implementing cost reduction measures to ensure profitability, operating income is expected to decrease by 30.0% compared with the previous forecast due mainly to the decline in sales.

c. With regard to ordinary income, it is expected to decrease by 26.1% compared with the previous forecast due to the decrease in operating income.

d. With regard to net income attributable to owners of the parent, it is expected to decrease by 39.2% compared with the previous forecast due to the decrease in ordinary income.

Regarding the dividend forecasts and shareholders benefit program, the company made no revision to the figures and contents in “Notice of Stock Split, Change to Articles of Incorporation and Revision to Dividend Forecast” announced on August 4, 2015 and “Notice Concerning Shareholders Benefit Program” (Japanese) announced on August 5, 2015.

(Note)The above-mentioned earnings forecasts have been made in accordance with the company's judgement and on the basis of the information currently available as of the publication date of these materials. The actual results may differ from the forecast estimates given above.