

**JASDAQ**

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To whom it may concern:

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**Notifications concerning business forecasts,
 dividend forecast revisions and the reduction of directors' remuneration**

This is to announce the amendments to business and dividend forecasts for the fiscal year ending September 2012, disclosed on the 9th of November 2011, along with the reduction of the Directors' remuneration.

Details

1. Revised Consolidated Earnings Projections

Full-Year (October 1, 2011 to September 31, 2012)

(Units : Millions of Yen)

	Net Sales	Operating Income /loss	Ordinary Income /loss	Net Income /loss	Net Income Per Share(yen)
Previous Projection (A)	15,000	100	100	70	617.44
Revised Projection (B)	11,800	-1,480	-1,500	-1,400	-12,348.73
Change (B - A)	-3,200	-1,580	-1,600	-1,470	
Change (%)	-21.3	—	—	—	
(Reference) FY September 2011	15,616	457	498	517	4,563.02

2. Revised Non-Consolidated Earnings Projections

Full-Year (October 1, 2011 to September 31, 2012)

(Units : Millions of Yen)

	Net Sales	Operating Income /loss	Ordinary Income /loss	Net Income /loss	Net Income Per Share(yen)
Previous Projection (A)	13,290	350	410	330	2,910.77
Revised Projection (B)	10,400	-1,350	-1,320	-1,250	-11,025.65
Change (B - A)	-2,890	-1,700	-1,730	-1,580	
Change (%)	-21.7	—	—	—	
(Reference) FY September 2011	14,038	435	452	504	4,451.02

3. Reasons for Revision

At the time the 3rd quarter financial result ending in September 2012 was disclosed (8th August 2012), the company expected a high demand for 10th generation photomasks. This expectation was due to the fact that there was an offer from a 10th generation photomask client at the beginning of the second half of this fiscal year (April 2012) consisting of a number of orders for the development of new technology and models throughout the 6 months up until September.

As the only manufacturer of 10th generation photomasks, a complete production system had been established to ensure that the orders would be delivered reliably. The company thus had confidence the expected sales and respective earnings of this fiscal year would be attained.

The recovery of the market for large screen LCD TVs were however delayed beyond expectation and consequently, the proposed orders had not been achieved.

In order to fulfil this year's business outlook, the company worked resolutely to secure orders and negotiated with our client for an increase in price with regard to the 10th generation photomasks. A certain number of orders were seen to be secured at the start of September; however, the expected sales and respective earnings that had been predicted at the beginning of the 3rd quarter had not been reached. For this reason, the company has had no choice but to revise the previously announced forecasts.

4. Revision of Dividend Projection

(1) Details of revision

Reference date	Dividend per Share (Yen)		
	End of 2Q	End of fiscal year	Annual
Previous Projection (9th November 2011)	yen — —	yen 1,000 00	yen 1,000 00
Revised Projection	— —	0 00	0 00
FY09/2012 results	— —		
FY09/2011 results		1,300 00 Of which, 300Yen for commemorative dividend	1,300 00 Of which, 300Yen for commemorative dividend

(2) Reasons for Revision

The redistribution of profits to shareholders stands as one of the company's top priorities. The dividend reflects fluctuations in business results, as well as fluctuations due to anticipation of future developments, increases in internal reserves and prospects for the advancement of business results. These factors are all carefully considered and comprehensively implemented as the basis of company policy.

However, the sudden deterioration of business circumstances have brought about an uncertain outlook for the recovery of the markets for LCD panels and photomasks in addition to downward revision of business forecasts as mentioned earlier. It is therefore with great regret that the company will pass the forecasted year-end dividend for September 2012.

The company sincerely apologises to all its shareholders. With the aim for a quick recovery, all efforts will be placed into returning and increasing company profitability. At this point in time, the company would like to ask for your understanding and continuous support.

5. Regarding the reduction of the directors' and managerial employees' remuneration:

In response to, as well as acknowledge managerial responsibility with regard to the amended forecasts for this fiscal year's business results and dividend, the directors' and employees' remuneration will be reduced as follows:

(1) Regarding the reduction of the directors' remuneration

The directors' monthly remuneration will be reduced for the time being by 15-30% as of October 2012. This will be in addition to the 10-20% decrease implemented in March 2012.

(2) Regarding the reduction of managerial employees' remuneration

The managerial employees' remuneration will be reduced for the time being by 5% as of October 2012. This will be in addition to the partial reduction of their perquisites, implemented in April 2012.

(3) Regarding the curtailment of expenses

Improvements to productivity aside, in addition to the above measures, reductions made to raw material costs (inclusive of overseas procurements) and logistics will be reviewed. From there, the company will implement various steps to further reduce the overall distribution costs and the like, in the hopes for a swift recovery.

* In relation to forward-looking statements:

Business result forecasts are based on information available to the company at the time of statement release and on certain assumptions deemed reasonable. Actual business results may therefore differ due to a variety of factors.

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