

Notice Regarding Revision of Financial Results Forecast, Payment of Dividend from Retained Earnings (for the second quarter of the fiscal year ending March 31, 2017) and Revision of Dividends Forecast

DAISHINKU CORP. (hereinafter, the “Company”) hereby announces that a revised forecast of consolidated financial results for the fiscal year ending March 31, 2017 (April 1, 2016 to March 31, 2017) that was previously announced on May 13, 2016. In addition, the Company resolved at the Board of Directors’ meeting held on November 11, 2016 to pay dividends from retained earnings regarding September 30, 2016 as record date and to revise dividends per Share for the fiscal year ending March 31, 2017 that was previously announced on May 13, 2016. The details are as follows:

1. Revision of Financial Results Forecast

(1) Revised Consolidated Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(Units: Millions of Yen)

	Net Sales	Operating Income	Recurring Income	Profit attributable to owners of parent	Net Income per share (Yen)
Original Forecast (A)	33,000	900	640	150	18.57
Revised Forecast (B)	31,000	1,100	360	150	18.57
Difference (B-A)	(2,000)	200	(280)	0	-
% Change	(6.1)	22.2	(43.8)	0.0	-
(Reference) Fiscal Year Ended March 31, 2016	32,182	693	697	139	17.31*

*The Company has implemented the share consolidation of common stocks at a ratio of one share per five shares effective as of October 1, 2016. Accordingly, net income per-share is calculated on the assumption that the share consolidation was implemented at the beginning of the previous fiscal year.

(2) Reasons for Revision

Regarding Net Sales, it expected to fall below the original forecast because the exchange rate remained stronger yen compared to the previous assumption (110 yen per US dollar). On the other hand, operating income is expected to exceed the original forecast due to the improvement of product mix and the reducing expenses. However, recurring income is expected to fall below the original forecast because recorded foreign exchange loss as non-operating expenses due to influence of stronger-than-expected yen rate against the US dollar (assumed exchange rate of the second half of the fiscal year: 102 yen per US dollar). Profit attributable to owners of parent is expected not to change the original forecast because recorded the gain on contribution of securities to retirement benefit trust of 124 million yen as extraordinary income. Therefore, the Company revised the forecast of consolidated financial results for the fiscal year ending March 31, 2017 as shown above.

(Notes)

The forecasts are based on assumptions of the future economic environment using the data available at the time of disclosure. Actual consolidated financial results may differ from the forecasts, due to various factors.

2. Payment of Dividend from Retained Earnings (for the second quarter of the fiscal year ending March 31, 2017) and Revision of Dividends Forecast

(1) Details of Dividends

	Dividend Declared of the Second Quarter of the Fiscal Year Ending March 31, 2017	Original Forecast (Announced on May 13, 2016)	Result of the Second Quarter of the Fiscal Year Ended March 31, 2016
Record Date	September 30, 2016	Same as on the left	September 30, 2015
Dividend per Share	JPY 1	—	JPY 0
Total Dividends Paid	40 million yen	—	—
Effective Date	December 6, 2016	—	—
Dividend Resource	Retained Earnings	—	—

(2). Revised Dividend Forecast

	Annual Dividend		
	End of Second Quarter	Year-End	Annual
Original Forecast (Announced May 13, 2016)	—	—	—
Revised Forecast	—	JPY 10*	—*
Fiscal Year Ending March 31, 2017	JPY 1	—	—
Fiscal Year Ended March 31, 2016	JPY 0	JPY 2	JPY 2

* The Company has implemented the share consolidation of common stocks at a ratio of one share per five shares effective as of October 1, 2016. In accordance with it, the year-end dividend of the revised forecast is calculated in consideration of the share consolidation and the annual dividend of the revised forecast is shown as “—”.

(3) Reasons for Decision and Revision

DAISHINKU CORP.'s basic profit sharing policy focuses on maintaining a continuous and stable payout of dividends. Taking its financial results and business environments into account, the Company decided to pay a dividend of 1.00 yen per share for the second quarter of the fiscal year ending March 2017 that had been undecided when it had announced the forecast on May 13, 2016. Furthermore, the Company revised dividend forecast for the fiscal year ending March 31, 2017 to 10.00 yen per share.