

March 23, 2020

To Whom It May Concern

Company Representative	Elematec Corporation Chairman of the Board (Stock Code 2715 TSE First Section)	Jun Kato
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Notice Concerning Revisions to Consolidated Business Forecasts for the Fiscal Year Ending March 2020 and Revision to Year-end Dividend Forecast

Elematec Corporation announces a revision to the business forecast for the fiscal year ending March 2020, which was announced on October 28, 2019, based on recent business performance and trends. Elematec would also like to make an announcement that revision to the year-end dividend forecast for the fiscal year ending March 2020, as follows.

1. Revisions to business forecasts

(1) Revisions to consolidated business forecasts for the fiscal year ending March 2020
(April 1, 2019 to March 31, 2020)

(Million yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A)	188,000	5,700	5,500	3,950	96.47yen
Revised forecast (B)	172,000	4,550	4,300	3,150	76.93yen
Increase/decrease (B-A)	-16,000	-1,150	-1,200	-800	-
Percentage change (%)	-8.5	-20.2	-21.8	-20.3	-
Previous results (Ref.) (fiscal year ended Mar. 2019)	183,399	6,335	6,188	3,364	(※)82.17yen

※The company implemented a two-for-one stock split of its common stock with an effective date of June 1, 2019. Accordingly, Net income per share stated above is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year (Fiscal Year 2019).

(2) Reason for revision

Against the backdrop of a slowdown of Chinese economy, etc., as well as reduced capital investment and a delay in the recovery of automobile production, related businesses of Elematec Group remain at a lower-than-expected level. Under these circumstances, the consolidated business forecast for the fiscal year ending March 31, 2020 is expected to fall short of the previous forecast. Accordingly, Elematec has revised the full-year business forecast as above. This revision also incorporates some degree of impact from the spread of the new coronavirus (COVID-19).

2. Revision to dividend forecast

(1) Revision to the year-end dividend forecast for the fiscal year ended March 2020

	Annual dividend (yen)		
	End of 2Q	Year-end	Total
Previous forecast		22	39
Revised forecast		14	31
Current results	17		
Previous results (Year ended Mar. 2019)	(※)30	(※)36	(※)66

※ The company implemented a two-for-one stock split of its common stock with an effective date of June 1, 2019. For the Fiscal Year 2019, the amounts of Dividends before the stock split are recorded.

(2) Reason for revision

As we position redistribution of profits to our shareholders as an important management issue, our basic principle is set to 40% or more dividend payout ratio(consolidated), taking into account the status of cash flow based on medium-term performance outlook and investment plan.

Taking into the account the above-mentioned revision to the business forecast, the Company has calculated the dividend again and revised estimated year-end dividend for the fiscal year ended March 2020 to 14yen per share.

Accordingly, annual dividend per share will be 31 yen and a dividend payout ratio (consolidated) will be 40.3%.

(Note)

The above forecast regarding future performance are based on information available at the time this report was prepared and embody uncertainties. Therefore, actual results may differ from the above forecasts due to changes in business conditions and other factors.