

October 28, 2019

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, Dividend Payment from Retained Earnings 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 April 25, 2019, based on recent business performance and trends.

Elematec would also like to make an announcement that the Company at the board of directors meeting held on October 28, 2019 decided to pay dividends from retained earnings at the end of the second quarter of the fiscal year ending March 2020 with a date of record of September 30, 2019 and revised 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)	201,000	6,750	6,500	4,550	111.12yen
Revised forecast (B)	188,000	5,700	5,500	3,950	96.47yen
Increase/decrease (B-A)	-13,000	-1,050	-1,000	-600	-
Percentage change (%)	-6.5%	-15.6%	-15.4%	-13.2%	-
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

Business conditions have largely been deteriorating due partly to the effect of a slowdown in the Chinese economy along with prolonged trade friction between the U.S. and China, and are expected to remain severe over the second half of the fiscal year. Although, amid such circumstances, the Group has been steadily expanding its automotive-related business, it will revise its business forecast for the fiscal year ending March 2020. This is mainly due to the delay in the placement of new project orders which were incorporated in the original forecast and the lower-than-expected performance of its smartphone-related business against the backdrop of a sluggish market.

2. Revision to dividends from surplus and year-end dividend forecast

(1) Details of payment of dividends

	Payment of dividends decided on October 28,2019	Recent dividend forecast (Announced on April 25,2019)	Year-end dividend for FY2019 (Year ended March 31,2019)
Record date	September 30,2019	Same as on the left	September 30,2018
Dividend per Share (yen)	17.00	20.00	(※)30.00
Total amount of dividends	696 million yen		614 million yen
Effective date	December 3,2019		December 4,2018
Source of dividend	Retained earnings		Retained earnings

※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) Description of revision

	Annual dividend (yen)		
	End of 2Q	Year-end	Total
Previous forecast	20	25	45
Revised forecast		22	39
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.

(3) 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 dividends again, the Company has resolved to pay 17 yen per share as the dividends from retained earnings at the end of the second quarter of the fiscal year ending March 2020.The Company has also revised the estimated year-end dividend to 22 yen per share.

Accordingly, annual dividend per share will be 39 yen and a dividend payout ratio (consolidated) will be 40.4%.

(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.