

Notice Regarding Differences between Projected Financial Results and Actual Financial Results, Posting of Impairment Loss (Extraordinary Losses) and Dividends from Retained Earnings

DAISHINKU CORP. (hereinafter, the “Company”) announced that there were differences between the forecast of financial results for the fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017) that had been previously announced on February 10, 2017 and the actual financial results that were announced today and posting of impairment loss (extraordinary losses) in the 4th quarter current fiscal year (January 1, 2017 to March 31, 2017). In addition, the Company resolved at the Board of Directors’ meeting held on May 12, 2017 to pay dividends from retained earnings regarded March 31, 2017 as the record date. The details are as follows:

1. Differences between Forecast of Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017) and the Actual Financial Results

(Units: Millions of Yen)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income per share (Yen)
Previous Forecast (A)	31,000	1,100	860	690	85.41
Fiscal Year Ended March 31, 2017 (B)	30,959	1,395	1,551	695	86.13
Difference (B-A)	(41)	295	691	5	-
% Change	(0.1)	26.8	80.3	0.7	-
(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.

Reason

Regarding net sales, it was almost in line with the plan. However, operating income exceeded the previous forecast because cost reduction at overseas factories progressed more than expected. Besides, ordinary income also exceeded the previous forecast because subsidy income from Tottori prefecture and Tottori city (313 million yen) due to introduction of new facilities was posted as non-operating income and foreign exchange losses (255 million yen) was posted as non-operating expenses.

2. Posting of Impairment Loss (Extraordinary Loss)

For the idle equipment held by the Company, the Company posted an impairment loss of 211 million yen in the 4th quarter current fiscal year that based on "Accounting Standard for Impairment of Fixed Assets".

3. Details of Dividends

	Dividend Declared of the Fiscal Year Ended March 2017	Previous Forecast (Announced on November 11, 2016)	Result of the Fiscal Year Ended March 2016
Record Date	March 31, 2017	Same as left	March 31, 2016
Dividend per Share	JPY 25	JPY 10	JPY 2
Total Dividends Paid	JPY 202 million	—	JPY 80 million
Effective Date	June 30, 2017	—	June 30, 2016
Dividend Resource	Retained Earnings	—	Retained Earnings

Reason

The Company strives to maximize corporate competitiveness and take into consideration the reinforcement of business structure and so forth. The Company recognizes that it is important basic policy in paying stable dividends to shareholders. In addition, the Company intends to further strengthen the management structure by attaining sufficient retained earnings in order to prepare capital demand for future business expansion, such as capital investment and research and development.

In accordance with the financial results for the current fiscal year announced today, the Company decided to pay 25.00 yen per share as a year-end dividend, though the Company had announced to pay 10.00 yen per share as a year-end dividend on November 11, 2016.

(Reference) Breakdown of Annual Dividends

Record Date	Dividend per Share		
	End of Second Quarter	Year-End	Annual
Previous Forecast (Announced November 11, 2016)	—	JPY 10*	—*
Fiscal Year Ended March 31, 2017	JPY 1	JPY 25*	—*
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 “—” .