

Notice Regarding Differences between Projected Financial Results and Actual Financial Results 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, 2020 (April 1, 2019 to March 31, 2020) that had been previously announced on February 6, 2020. In addition, the Company resolved at the Board of Directors’ meeting held on May 13, 2020 to pay dividends from retained earnings at regarded March 31, 2020 as the record date. The details are as follows:

1. Differences between Forecast of Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020) 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)	30,000	100	120	100	12.39
Fiscal Year Ended March 31, 2020 (B)	29,881	277	344	276	34.23
Difference (B-A)	(119)	177	224	176	-
% Change	(0.4)	177.0	186.7	176.0	-
(Reference) Fiscal Year Ended March 31, 2019	28,457	47	381	(475)	(58.95)

Reason

Regarding net sales, it was almost in line with the forecast of consolidated financial results that was previously announced on February 6, 2020 because the impact of the new coronavirus in the fourth quarter (January-March) was smaller than expected. In terms of profit, it exceeded the previous forecast because the effect of price corrections and the recording of gain on sales of non-current assets and transfer of business that exceeded the initial forecast.

2. Details of Dividends

	Dividend Declared of the Fiscal Year Ended March 2020	Previous Forecast (Announced on November 13, 2019)	Result of the Fiscal Year Ended March 2019
Record Date	March 31, 2020	Same as left	March 31, 2019
Dividend per Share	JPY 15	—	JPY 5
Total Dividends Paid	JPY 121 million	—	JPY 40 million
Effective Date	June 29, 2020	—	June 28, 2019
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.

The Company celebrated its 60th anniversary in November 2019. We appreciate your continued support. Therefore, the Company decided to pay 15 yen per share as a year-end dividend, including an ordinary dividend of 5 yen per share and a commemorative dividend of 10 yen, though we had been undecided on November 13, 2019.

(Reference) Breakdown of Annual Dividends

Record Date	Dividend per Share		
	End of Second Quarter	Year-End	Annual
Fiscal Year Ended March 31, 2020	JPY 5	JPY 15	JPY 20
Fiscal Year Ended March 31, 2019	JPY 10	JPY 5	JPY 15