

(Translation)

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To whom it may concern:

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Notice Regarding Revision of Full-Year Performance Forecasts and Dividend Forecasts for the Fiscal Year Ending March 31, 2021

In the “Consolidated Financial Results for the Three-Month Period Ended June 30, 2020 (Japanese GAAP),” which were announced on August 4, 2020, the full-year performance forecasts and dividend forecasts for the fiscal year ending March 31, 2021 (April 1, 2020, to March 31, 2021) were not yet determined. The Company hereby provides notice regarding these forecasts, as follows.

1. Revision of Full-Year Performance Forecasts

(1) Revision of consolidated performance forecasts for the fiscal year ending March 31, 2021

(April 1, 2020, to March 31, 2021)

	Operating revenues	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share — basic
Previous forecast (A)	Millions of yen —	Millions of yen —	Millions of yen —	Millions of yen —	Yen —
Revision (B)	291,700	(32,300)	(31,400)	(28,400)	(180.76)
Change (B-A)	—	—	—	—	—
% change	—	—	—	—	—
(Reference) Results in previous year (Fiscal year ended March 31, 2020)	432,644	49,406	50,613	31,495	198.16

(2) Revision of non-consolidated performance forecasts for the fiscal year ending March 31, 2021
(April 1, 2020, to March 31, 2021)

	Operating revenues	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share — basic
Previous forecast (A)	Millions of yen —	Millions of yen —	Millions of yen —	Millions of yen —	Yen —
Revision (B)	145,000	(24,500)	(15,800)	(11,400)	(72.56)
Change (B-A)	—	—	—	—	—
% change	—	—	—	—	—
(Reference) Results in previous year (Fiscal year ended March 31, 2020)	214,892	34,398	40,584	28,698	180.56

(3) Reason for revision

Previously, the Company had not yet determined the full-year performance forecasts for the fiscal year ending March 31, 2021, because revenue trends were very unclear as a result of the COVID-19 infection, and it was difficult to make a rational calculation.

The Company is still unable to forecast the timing of the resolution of the COVID-19 crisis. However, with consideration for revenue trends since the lifting of the state of emergency, and with certain assumptions based on information that is available at this point, the Company has calculated performance forecasts, and accordingly is making this announcement.

Note that these forecasts do not anticipate large-scale limitations on social activities, such as another declaration of a state of emergency. Also, in regard to the recovery expenses for damages from the heavy rains in July 2020, which occurred throughout Kyushu in July 2020, those expenses for which it is difficult to make a rational estimate at this point are not included.

2. Revision of dividend forecast

(1) Revision of dividend forecast for the fiscal year ending March 31, 2021

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Previous forecast	Yen —	Yen —	Yen —	Yen —	Yen —
Revision	—	0.00	—	93.00	93.00
(Reference) Results in previous year (Fiscal year ended March 31, 2020)	—	46.50	—	46.50	93.00

(2) Reason for revision

The Company views the return of profits to shareholders as one of its most important management tasks. Accordingly, the Company believes it is important to provide stable shareholder returns over the long term. Over the period to the fiscal year ending March 31, 2022, the Company will aim for a consolidated dividend payout ratio of 35%, with a minimum dividend per share of ¥93. In addition, to increase capital efficiency, the Company will implement share repurchases depending on the situation.

The Company is forecasting extremely severe results for the fiscal year ending March 31, 2021. However, as a result of consideration in accordance with the above policy, the Company has decided to set the dividend forecast for the fiscal year ending March 31, 2021, at ¥93 per share.

Under the Articles of Incorporation, the Company is able to pay interim dividends, with a record date of September 30, through resolution of the Board of Directors, and the Company has paid dividends from retained earnings in two parts — an interim dividend and a year-end dividend. However, matters such as the influence of COVID-19 on future results will require careful consideration, and accordingly the Company has decided to suspend the interim dividend for FY2021.3 and plans to pay dividends in one part through the year-end dividend.

* Performance forecasts and dividend forecasts are based on currently available information and specific assumptions deemed rational and are not assurances that the Company will achieve these forecasts. Actual performance and dividends may vary greatly depending on various factors such as the timing of the resolution of the COVID-19 crisis, fluctuations in interest rates, fluctuations in share prices, changes in exchange rates, fluctuations in the value of assets, changes in the economic and financial environment, changes in the conditions of competition, occurrences of large-scale and other disasters, and changes in regulations.

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