



January 8, 2019

Company Name: ShinMaywa Industries, Ltd.

Representative: Tatsuyuki Isogawa, President and Chief Executive Officer
(Code number: 7224; Tokyo Stock Exchange, 1st Section)

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Notice Regarding Revision of Year-end Dividend Forecast for the Fiscal Year Ending March 31, 2019, and Policy on Shareholder Return for the Fiscal Year Ending March 31, 2020, Including Implementation of a Commemorative Dividend for the 70th Anniversary of the Establishment of the Company and 100th Anniversary of the Founding of the Business

ShinMaywa Industries, Ltd. (the “Company”) hereby announces that, at a meeting of the Board of Directors held today, the Company adopted resolutions as described below with respect to revision of its year-end dividend forecast for the fiscal year ending March 31, 2019, and its policy on shareholder return for the fiscal year ending March 31, 2020, including implementation of a commemorative dividend for the 70th anniversary of the establishment of the Company and the 100th anniversary of the founding of the business.

1. Revision of Year-end Dividend Forecast for the Fiscal Year Ending March 31, 2019

(1) Reason for Revision of Dividend Forecast

At a meeting of the Board of Directors of the Company held on July 30, 2018, the Company resolved to acquire treasury shares and the acquisition of 3,608,200 treasury shares was completed in the period from July 31, 2018 to December 20, 2018. Also, at a meeting of the Board of Directors of the Company held on December 21, 2018, the Company resolved to cancel those 3,608,200 treasury shares (3.61% of the total number of issued shares before the cancellation), and the cancellation of the shares took effect on December 28, 2018. As a result, the total number of issued shares of the Company as of that date was reduced to 91,855,164 shares (excluding remaining treasury shares).

In the meantime, notwithstanding the reduction in the number of issued shares stated above, the Company plans to maintain the total amount of the year-end dividend for the fiscal year ending March 31, 2019. Accordingly, the cash dividend forecast announced on April 27, 2018 has been revised to 19 yen per share (a dividend increase in real terms).

(2) Details of Revision

	Annual Cash Dividend (per share)		
	Interim	Year-end	Full-year
Previous forecast (Fiscal year ending March 31, 2019)		18 yen	36 yen
Revised forecast (Fiscal year ending March 31, 2019)		19 yen	37 yen
Results for the current fiscal year (Fiscal year ending March 31, 2019)	18 yen		
Results for the previous year (Fiscal year ended March 31, 2018)	7 yen	16 yen	23 yen

2. Policy on Shareholder Return for the Fiscal Year Ending March 31, 2020, Including the Implementation of a Commemorative Dividend for the 70th Anniversary of the Establishment of the Company and 100th Anniversary of the Founding of the Business

While taking into consideration strategic business investment for the future and the internal reserves required for maintaining and expanding the Company's management foundation, we are aware that appropriate return of profit to shareholders is an important management issue. In that regard, in our Medium-term Management Plan for the three years to the end of the fiscal year ending March 31, 2021, "Change for Growing, 2020," (the "Medium-term Management Plan"), which was announced in May 2018, we set up a basic payout ratio on a consolidated basis of 40-50% and carrying out flexible acquisition of treasury shares with a focus on improvement of capital efficiency as basic shareholder return policies.

While maintaining the above basic policies as its premises, the Company will commemorate the 70th anniversary of its establishment and the 100th anniversary of the founding of the business in the fiscal year ending March 31, 2020. To respond to our shareholders' constant support, the Company has determined, as a policy on return to shareholders for the fiscal year ending March 31, 2020, to implement a commemorative dividend of 45 yen per share, which will be separate from the usual interim dividend, for all shareholders as of the last day of the second quarter of that fiscal year (September 30, 2019).

The plan for the commemorative dividend will be placed on the agenda of the Company's Board of Directors meeting to be held in October 2019, where a final decision will be made.

3. Other (Commencement of Consideration of Stock Compensation Plan)

The Company also resolved today to commence preparation, from the fiscal year ending March 31, 2020, for the introduction of a new Stock Compensation Plan as a measure for heightening awareness among executives and employees of the contribution of management to increasing shareholder value.

We are aiming to introduce the Stock Compensation Plan by March 31, 2021, during the term of the Medium-term Management Plan. Details of the Stock Compensation Plan have not yet been determined and will be announced as soon as they are finalized.

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