



July 31, 2020

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Representative: Tatsuyuki Isogawa, President and Chief Executive Officer

(Code number: 7224; Tokyo Stock Exchange, 1st Section)

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**Notice Regarding Consolidated Financial Results Forecast and Dividend Forecast, and
Revision of Medium-term Management Plan Business Performance Targets**

ShinMaywa Industries, Ltd. (the “Company”) hereby announces that it has made the determinations as set forth below regarding the consolidated financial results forecast and dividend forecast for the fiscal year ending March 31, 2021 (April 1, 2020–March 31, 2021), which had not yet been determined at the time of announcement of the “Consolidated Financial Results for Fiscal Year 2019” on May 14, 2020.

In conjunction with this, the Company also announces that, at a meeting of the Board of Directors held on July 31, 2020, the Company resolved to revise the business performance targets as set forth below for the final fiscal year of its Medium-term Management Plan “Change for Growing, 2020 (April 2018–March 2021)” (“CFG2020”) announced in May 2018.

1. Consolidated Financial Results Forecast

(1) Consolidated Financial Results Forecast for FY2020 (April 1, 2020–March 31, 2021)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	yen
Previous forecast (A)	—	—	—	—	—
Current forecast (B)	210,000	8,500	8,700	5,000	76.05
Amount of change (B-A)	—	—	—	—	
Percentage change (%)	—	—	—	—	
(Reference) Results for the previous fiscal year (FY2019)	227,231	12,836	12,375	7,378	113.11

(2) Consolidated Financial Results Forecast - Background to Determination

At the time of release of the financial results for the fiscal year 2019, the consolidated financial results forecast had yet to be determined as it was difficult to make reasonable calculations of the impact of COVID-19. However, the forecast has now been determined, based on the following information and circumstances.

As Boeing, the main customer of the Aircraft segment, has announced a temporary suspension of production and downward revision of future plans due to COVID-19, the Company has responded to this by also significantly reducing production. In addition, taking into consideration the attendance limits set by the Company at its offices, even in segments other than the Aircraft segment, during the first quarter of the fiscal year ending March 31, 2021, and concerns for the impact on production activities based on the outlook of future market trends, the Company has now determined this consolidated financial results forecast.

2. Dividend Forecast

(1) Dividend Forecast for FY2020 (April 1, 2020–March 31, 2021)

	Annual Dividends				
	First Quarter	Interim	Third Quarter	Year-End	Full-Year
	yen	yen	yen	yen	yen
Previous forecast	—	—	—	—	—
Current forecast		19.00	—	19.00	38.00
Results for the fiscal year	—				
(Reference) Results for the previous fiscal year (FY2019)	—	66.00	—	21.00	87.00

(Note) Details of the interim dividend for FY2019:

Ordinary dividend of 21 yen and commemorative dividend of 45 yen

(2) Dividend Forecast – Background to Determination

As the consolidated financial results forecast had not yet been determined at the time of announcement of the “Consolidated Financial Results for Fiscal Year 2019,” the dividend forecast for the fiscal year ending March 31, 2021 was not determined. In association with the determination of the consolidated results forecast for the fiscal year ending March 31, 2021, as referred to above, the Company has also determined the dividend forecast.

In CFG2020, which is currently being implemented, the Company adopted a basic policy of providing shareholder returns with a consolidated payout ratio of 40% to 50%. Based on this policy, the dividend forecast for the fiscal year ending March 31, 2021 will be 38 yen per share (interim dividend 19 yen; year-end dividend 19 yen).

3. Revision of Business Performance Targets of Medium-term Management Plan (CFG2020)

In conjunction with the determination of the consolidated financial results forecast for the fiscal year ending March 31, 2021, as referred to above, the Company has revised the numerical targets for the final year of CFG2020, which was announced in May 2018.

As regards the plans per segment presented as “Measures for expanded scale and increased profit of key businesses,” we are continuing to work on matters that can be carried out even during the COVID-19 crisis.

(Million yen)

	FY2018	FY2019	FY2020(final fiscal year)	
	Results	Results	CFG2020 business performance targets	Revised targets (fiscal year results forecast values)
Consolidated net sales	217,297	227,231	230,000	210,000
Consolidated operating income	10,708	12,836	14,000	8,500
ROE	6.8%	8.9%	8.0% or more	6.0%

* The forecast values stated in these materials have been prepared based on information available at the time and include some uncertain elements. Actual business performance, etc. may differ from forecast values, based on various factors. If revised forecasts are required due to the future status of COVID-19 infections or other matters, they will be announced promptly.

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