



October 29, 2020

For Immediate Release

Ryosan Company, Limited

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Notice Concerning Forecast of Business Results, Dividends of Surplus (Interim Dividend) and Dividend Forecast (Year-end)

Ryosan Company, Limited (“the Company”) hereby announces its forecast of full-year business results for the consolidated fiscal year 2020 (April 1, 2020 to March 31, 2021), as well as the dividends of surplus (interim dividend) and dividend forecast (year-end), which were previously undisclosed.

1. Forecast of Business Results

(1) Forecast of Full-Year Business Results for the Consolidated Fiscal Year 2020

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	—	—	—	—	—
Revised forecast (B)	200,000	2,200	2,600	2,200	93.90
Change (B-A)	—	—	—	—	
Rate of change (%)	—	—	—	—	
Reference: Business results for the previous fiscal year (April 1, 2019 to March 31, 2020)	227,297	3,108	2,916	1,193	50.96

(2) Reason

The COVID-19 pandemic is depressing demand, particularly in the automotive sector, taking a significant toll on the business activities of the Company. In the consolidated business results for the

fiscal year ending March 31, 2021, the Company forecasts net sales of 200,000 million yen (down 12.0% against the previous fiscal year), operating income of 2,200 million yen (down 29.2%) and ordinary income of 2,600 million yen (down 10.9%). Profit attributable to owners of parent, on the other hand, is forecast to rise to 2,200 million yen (up 84.3%), due to an absence of incidents such as impairment losses from domestic branch restructuring and a transient extraordinary loss from implementation of voluntary retirement in the previous fiscal year.

2. Dividends of Surplus (Interim Dividend) and Dividend Forecast (Year-end)

(1) Details of Dividends of Surplus (Interim Dividend)

	Decision	Most recent dividend forecast (Published May 14, 2020)	Dividends in previous fiscal year (Interim period of fiscal year ended March 31, 2020)
Record date	September 30, 2020	September 30, 2020	September 30, 2019
Dividend per share (yen)	30.00	—	50.00
Total amount of dividends (million yen)	702	—	1,171
Effective date	November 27, 2020	—	November 29, 2019
Dividend resource	Retained earnings	—	Retained earnings

(2) Details of Dividend Forecast (Year-end)

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Previous forecast	—	—	—	—	—
Revised forecast	—	—	—	30.00	60.00
Dividends in current fiscal year	—	30.00			
Dividends in previous fiscal year (April 1, 2019 to March 31, 2020)	—	50.00	—	30.00	80.00

(3) Reason

The Company regards the return of earnings to shareholders as one of the most important elements of management and is making every effort to increase basic earnings per share. Ryosan's basic policy is to achieve a consolidated payout ratio of 50% or higher, to maintain a stable, high dividend.

At the Board Meeting of October 29, 2020, the Company resolved to issue an interim dividend of 30 yen per share. The annual dividend per share is expected to be 60 yen.