



January 31, 2019

Listed Company Name: ESPEC CORP.
 Representative: Masaaki Ishida, President
 Listed Stock Exchange:
 Tokyo Stock Exchanges, First Section
 Securities Code: 6859
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Notice of Revisions of Consolidated Full-Year Financial Forecast and Year-End Dividend Forecast

ESPEC CORP. hereby announces that it resolved at the Board of Directors meeting held on January 31, 2019, to revise the consolidated full-year financial forecast and revise the year-end dividend forecast as follows.

Description

1. Revision of financial forecasts

Revision of consolidated financial forecast figures for fiscal 2018 (from April 1, 2018 to March 31, 2019)

| | Net Sales | Operating Income | Ordinary Income | Profit attributable to owners of parent | Net Income Per Share |
|---|-----------------------|----------------------|----------------------|---|----------------------|
| Previous Forecast (A) (May 15, 2018) | Million Yen 48,000 | Million Yen 4,800 | Million Yen 4,900 | Million Yen 3,550 | Yen 155.31 |
| Revised Forecast (B) | 49,000 | 5,100 | 5,200 | 3,800 | 166.24 |
| Difference (B-A) | 1,000 | 300 | 300 | 250 | |
| Difference as Percentage (%) | 2.1 | 6.3 | 6.1 | 7.0 | |

As detailed in the press release dated May 15, 2018, the full-year figures presented above include the results of a 15-month period (hitherto a 12-month period) for overseas consolidated subsidiaries, assuming that the overseas consolidated subsidiaries will change their fiscal year-end to the same date shared by all subsidiaries. Consolidated operating results forecasts assuming a 12-month period for overseas consolidated subsidiaries, as before, are presented below.

(Reference) Consolidated operating results forecast assuming a 12-month period for overseas consolidated subsidiaries

| | Net Sales | Operating Income | Ordinary Income | Profit attributable to owners of parent | Net Income Per Share |
|---|-----------------------|----------------------|----------------------|---|----------------------|
| Previous Forecast (C) (May 15, 2018) | Million Yen 45,500 | Million Yen 4,700 | Million Yen 4,800 | Million Yen 3,500 | Yen 153.12 |
| Revised Forecast (D) | 46,500 | 5,000 | 5,100 | 3,750 | 164.06 |
| Difference (D-C) | 1,000 | 300 | 300 | 250 | |
| Difference as Percentage (%) | 2.2 | 6.4 | 6.3 | 7.1 | |
| Results for Previous Period (Fiscal Year Ended March 2017) | 44,069 | 4,602 | 4,746 | 3,308 | 144.76 |

Reasons for the revisions

Based on the consolidated financial results for the first nine months of fiscal 2018, the year ending March 31, 2019, and the current production schedule, net sales, operating income, ordinary income, and profit attributable to owners of parent are now expected to surpass the previously announced financial forecast. Accordingly, the Company has upwardly revised the consolidated full-year financial forecast for fiscal 2018.

2. Revision of dividend forecasts

Revision of year-end dividend forecasts for fiscal 2018

| | Cash Dividends Per Share | | |
|---|--------------------------------|-------------------|-----------------|
| | End of 2 nd Quarter | Year-end Dividend | Annual Dividend |
| Forecast Previously Announced (May 15, 2018) | yen | yen 40.00 | yen 62.00 |
| Forecast Announced Today | | 46.00 | 68.00 |
| Results for The Current Fiscal Year | 22.00 | | |
| (Reference) Results for Previous Period (Fiscal Year Ended March 2017) | 20.00 | 38.00 | 58.00 |

Reasons for the revisions

The company decides dividends in consideration of continuity and consolidated dividend payout ratio, and we regard the return of profits to shareholders as one of our priority management challenges.

In light of the Company's results for the revision of the consolidated full-year financial forecast, the Company has decided to increase the year-end dividend by 6 yen per share to 46 yen.

As a result, the annual dividend forecast is now 68 yen per share.

Note: It should be noted that the above financial forecasts were compiled based on the management's reasonable assessment of the information available at the time of the compilation, and may change due to factors that may arise in the future.