

Notice of Adjustment to Forecast Business Results and Forecast Dividend for the Fiscal Year Ending March 2018

Haseko Corporation (the “Company”) announces that it has adjusted its forecast business results for the fiscal year ending March 2018 (April 1, 2017 – March 31, 2018), as announced on November 10, 2017, and forecast dividend for the fiscal year, as announced on May 12, 2017, as described below, in view of the recent performance trends and other factors.

1. Adjustment to Forecast Business Results for the Fiscal Year Ending March 2018 (April 1, 2017 – March 31, 2018)

(1) Consolidated

(Millions of yen, except per share data)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Earnings per share (Yen)
Previous forecast (A)	800,000	96,000	95,000	66,000	221.96
New forecast (B)	820,000	101,000	100,000	70,000	235.41
Change (B-A)	+ 20,000	+ 5,000	+ 5,000	+ 4,000	
Rate of change (%)	+ 2.5	+ 5.2	+ 5.3	+ 6.1	
Reference: Results of the previous fiscal year (Ended March 31, 2017)	772,328	89,032	88,827	58,762	195.48

(2) Non-consolidated

(Millions of yen, except per share data)

	Net sales	Operating income	Ordinary income	Net income	Earnings per share (Yen)
Previous forecast (A)	560,000	82,000	81,500	55,000	184.96
New forecast (B)	580,000	85,500	85,000	60,000	201.78
Change (B-A)	+ 20,000	+ 3,500	+ 3,500	+ 5,000	
Rate of change (%)	+ 3.6	+ 4.3	+ 4.3	+ 9.1	
Reference: Results of the previous fiscal year (Ended March 31, 2017)	534,898	76,232	75,967	56,459	187.82

2. Reason for the Adjustment to Forecast Business Results

(1) Forecast business results on a consolidated basis

The adjustment has been made because, on top of the adjustment to the forecast business results on a non-consolidate basis, certain consolidated subsidiaries are expected to perform better than what was projected in the previously announced forecast.

(2) Forecast business results on a non-consolidated basis

Net sales will surpass the forecast mainly due to an increase anticipated in real estate transactions. Operating income, ordinary income and net income will be larger than the forecast, respectively, mainly due to gross profit margin of completed construction contracts for construction of condominiums expected to improve.

3. Adjustment to Forecast Full-Year Dividend for the Fiscal Year Ending March 2018 (April 1, 2017 – March 31, 2018)

(1) Reason for the adjustment

The Company makes it a basic policy to implement stable dividend payments while securing internal reserves for the purpose strengthening its financial standing and making investments under its growth strategy for the future, and return profits to shareholders with considerations given to business results and other factors. Based on this policy, comprehensively taking into account the fact that its business performance has been strong during the fiscal year, as well as the business management environment going forward and business results forecasts, the Company has decided to adjust its forecast of year-end dividend for the fiscal year ending March 2018 to 40 yen per share. This, combined with the interim dividend of 10 yen that has already been paid, will make the forecast full-year dividend payments at 50 yen per share. Furthermore, the Company plans to propose this matter to the 101st Ordinary General Meeting of Shareholders, scheduled to be held in late June 2018, as an agenda for approval.

(2) Details of the Adjustment

	Annual dividend payments (¥)		
	End of second quarter	Year end	Full year
Previous forecast	—	30.00 (Ordinary dividend: 10.00) (Special dividend: 20.00)	40.00 (Ordinary dividend: 20.00) (Special dividend: 20.00)
Latest adjusted forecast	—	40.00 (Ordinary dividend: 10.00) (Special dividend: 30.00)	50.00 (Ordinary dividend: 20.00) (Special dividend: 30.00)
Results for the current fiscal year	10.00 (Ordinary dividend: 10.00) (Special dividend: —)	/	
Results for the previous fiscal year (Ended March 2017)	0.00	30.00	30.00

Note: The Company has determined the above forecast of dividend based on information available to the management as of the date of this announcement. The actual business results and dividend amount may eventually be different from the forecast figure described above due to various factors.