



November 1st, 2019

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Announcement Regarding the Difference between the Cumulative Second Quarter Financial Forecast and Actual Results, and the Adjustment of the Consolidated Financial Forecast and Dividends Forecasts for Fiscal 2019

Topy Industries Limited hereby gives notice regarding the difference that has risen between the financial forecasts announced on May 10th, 2019 for cumulative second quarter of the accounting year ending in March 31st, 2020 (April 1st, 2019 to September 30th, 2019) and the actual financial result announced today, as below. In addition, this announcement is with regard to the decision made at the Board of Directors meeting held on November 1st, 2019 to adjust the consolidated financial forecast the dividends forecast for Fiscal 2019 (April 1st, 2019 to March 31st, 2020) originally announced on May 12th, 2017.

● Regarding the Difference between Financial Forecasts and Actual Results

Difference from the estimated values of the cumulative second quarter financial forecasts for fiscal year 2019 (April 1st, 2019 - September 30th, 2019)

	Net Sales	Operating Income	Ordinary Income	Net income for second quarter attributable to shareholders of the parent company	Net Income for second quarter per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous Forecast (A) (Announced May 10 th , 2019)	149,000	4,200	4,400	3,100	131.94
Revised Forecast (B)	137,196	2,325	1,552	858	36.52
Difference (B-A)	△11,803	△1,874	△2,847	△2,241	
Percentage of Increase/Decrease (%)	△7.9%	△44.6%	△64.7%	△72.3%	
(Ref.) Pervious Results (the second quarter of FY ending March 2019)	135,173	3,348	3,381	2,245	95.60

Difference from the estimated values of the consolidated financial forecasts for fiscal year 2019 (April 1st, 2019 – March 31st, 2020)

	Net Sales	Operating Income	Ordinary Income	Net income attributable to shareholders of the parent company	Net Income per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous Forecast (A) (Announced May 10 th , 2019)	307,000	11,000	11,400	8,000	340.49
Revised Forecast (B)	270,000	6,500	7,000	4,500	191.53
Difference (B-A)	△37,000	△4,500	△4,400	△3,500	
Percentage of Increase/Decrease (%)	△12.1%	△40.9%	△38.6%	△43.8%	
(Ref.) Previous Results (FY ending March 2019)	286,227	7,505	9,357	7,114	302.85

Reason for the Difference

In terms of the actual financial result for the cumulative second quarter of fiscal 2019, amid growing uncertainty over the global economy partly due to the intensification of US-China trade friction and the associated slowdown of the Chinese economy, sales volume fell short of the forecast in the automotive/industrial machinery components business with respect to undercarriage components for construction equipment and wheels for mining equipment, among other products. Mainly because of these factors, net sales, operating income, ordinary income and net income attributable to shareholders of the parent company were lower than those in the previous forecast.

In terms of consolidated financial results for fiscal 2019, with tough demand environments expected to continue in the automotive/industrial machinery components business, going forward, net sales, operating income, ordinary income and net income attributable to shareholders of the parent company are forecast to fall short of those in the previous forecast.

Please note that the outlook explained here is based upon currently available information, and the actual performance could be influenced by various uncertainties.

●Regarding the Amendment of Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year
	Yen	Yen	Yen	Yen	Yen
Previous Forecast (Announced May 10 th , 2019)	—	40.00	—	50.00	90.00
Revised Forecast	—	—	—	20.00	60.00
Actual Result (Fiscal Year 2019)	—	40.00	—		
Previous Year Results (FY ending March 31 st , 2019)	—	20.00	—	70.00	90.00

Reason for the Revision

Consolidated results for fiscal 2019 are expected to fall short of the previous forecast. According to the previously announced dividend policy, the year-end dividend is expected to be ¥20 per share (a decrease of ¥30 from the amount announced on May 10, 2019).

Note: This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the original shall prevail.

The original disclosure in Japanese was released on November 1st, 2019 at 13:30 (GMT+9).

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