

May 11th, 2020

Tokyo Seimitsu Announces Year-end Dividend for FY2020/3

Company name: TOKYO SEIMITSU CO., LTD.

(Stock code: 7729, Tokyo Stock Exchange 1st Section)

Representative: Hitoshi Yoshida, President and CEO

Inquiries: Koichi Kawamura, Representative Director and CFO (Tel: +81-(0)42-642-1701)

The Board of Directors of TOKYO SEIMITSU CO., LTD. (the Company) endorsed today the Company's year-end dividend for FY2020/3 ended March 31st, 2020. The final year-end dividend will be maintained at the level previously announced and will be proposed for ratification at the 97th Annual General Meeting of Shareholders to be held on June 22nd, 2020.

1. Final Dividend for FY2020/3 ended March 31st, 2020

	Final Dividend for FY2020/3	Previous Forecast (Announced on Feb. 14 th , 2020)	Final Dividend for FY2019/3 (Ended March 31 st , 2019)
Rights allotment date	March 31 st , 2020	Same as at left	March 31 st , 2019
Dividend per share	38 Yen	38 Yen	66 Yen
Total dividend	1,583 Million Yen	-	2,743 Million Yen
Effective date of distribution	June 23 th , 2020	-	June 25 th , 2019
Source of dividend	Retained Earnings	-	Retained Earnings

2. Background to endorsing the dividend

The Tokyo Seimitsu policy for Profit Distribution to shareholders is to target a consolidated dividend payout ratio of 35% (see below). However, for FY2020/3, the Company has brought to account an extraordinary loss (an impairment loss) relating to the required rebuilding of its newly acquired *Hino* Plant, located in Hino city, Tokyo. A major reconstruction of the plant will be undertaken in order to provide expanded capacity to meet future upside in demand for Semiconductor Production Equipment. Despite the accounting impact of this, the Company has decided to maintain its previously forecast year-end dividend of ¥38 per share.

Consequently, including the previously paid interim dividend (¥38 per share), dividend payments in the FY2020/3 will total ¥76 per share resulting in a dividend payout ratio of 44% for the FY2020/3.

(Reference) Dividends per Fiscal Year

Rights allotment date	Per Share Dividend		
	Q2 End	FY End	Total
Dividend per share FY2020/3	38 Yen	38 Yen	76 Yen
Paid Dividend during FY2019/3 (Ended March 31 st , 2019)	59 Yen	66 Yen	125 Yen

*Note: Dividends for FY2019/3 included a special 70th anniversary commemorative dividend of 10 Yen each for Q2 and FY End, totaling 20 Yen bonus dividends for that year.

< Policy for Profit Distribution to Shareholders >

The Company considers maintaining a core policy regarding the distribution of profits linked to the business performance of the Company and aims to pay stable dividends targeting a consolidated dividend payout ratio of 35%. Also, considering the aim to provide stable and continuous dividend payments, the Company deems to maintain an annual dividend of ¥20 per share regardless of consolidated profits of the Company. However, it is at the discretion of the Board to review this basic policy if the Company experiences losses in two consecutive years.

Retained earnings will be used effectively for the research and development and capital investment that are necessary for growing existing businesses and improving our competitiveness, strength and optimization of production and sales activities, expansion of overseas sales, sophistication of information security systems, new business development, and M&A investment. Also, since our product lines are greatly impacted by economic fluctuations, the Company considers it important to strengthen our financial position and prepare for possible economic downturns.

The Company's acquisition of its own outstanding stock is one of the returns that supplement its dividends from retained earnings. The Company will analyze its cash flows and retained earnings before undertaking stock acquisition.

End of document