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Notice of Revisions to Earnings Forecasts and Dividends Forecasts

Nippon Electric Glass Co., Ltd. (the “Company”) hereby announces that it has revised the forecasts disclosed on October 29, 2019 for its full-year consolidated earnings results and year-end cash dividend for the fiscal year ended December 31, 2019 as detailed below.

1. Earnings forecast

(1) Revision to consolidated earnings forecast for the fiscal year ended December 31, 2019 (January 1, 2019 to December 31, 2019)

(Unit: Millions of yen, except earnings per share)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (Yen)
Previous forecast announced on July 29, 2019 (A)	270,000	18,000	16,000	8,000	82.80
Revised forecast (B)	257,000	16,000	15,000	(34,000)	(351.91)
Change (B - A)	(13,000)	(2,000)	(1,000)	(42,000)	
Change (%)	(4.8)	(11.1)	(6.3)	-	
Results for the fiscal year Ended December 31, 2018	300,326	24,865	19,832	15,199	154.26

(2) Reasons for revision

Since the third quarter (July 1, 2019 to September 30, 2019), shipments of substrate glass for FPDs fell short of our projection due to the impact of reduced production at display panel manufacturers. With respect to glass fibers, the negative impact of higher costs arising from sluggish shipments and resulting production adjustments because of slower-than-expected recovery of demand continued.

Under these circumstances, as announced in the “Notice regarding the Closure of a Plant of a US Glass Fiber Business Subsidiary and Recognition of Extraordinary Loss related to US and Europe Glass Fiber Business” dated December 16, 2019, the Company will recognize an extraordinary loss in its consolidated financial results for fiscal year ended December 31, 2019.

In response to these business conditions, the Company will reverse deferred tax assets.

As a result, the Company has revised the full-year consolidated earnings forecasts for the fiscal year ended December 31, 2019 as shown in the above table.

2. Dividends forecast

(1) Revision to forecast for dividends for the consolidated fiscal year ended December 31, 2019 (January 1, 2019 to December 31, 2019)

(Unit: Yen)

	Interim dividends	Year-end dividends	Full year dividends
Previous forecast announced on February 5, 2019	50.00	60.00	110.00
Revised forecast		50.00	100.00
Paid dividend in FY2019	50.00		
Results for FY2018	50.00	50.00	100.00

(2) Reasons for revision

The Company's basic policy for shareholders return is to continue stable dividend payments on a long-term basis without being significantly affected by fluctuations in the operating results, with dividend on equity ratio (DOE) targeted at 2% or higher. The Company determines the amount of dividends by considering financial status and other factors.

As for the dividend for the fiscal year ended December 31, 2019, the Company had announced that the interim dividends would be 50 yen per share (paid on August 30, 2019) and the year-end dividends would be 60 yen per share, totaling 110 yen per share on a full-year basis, which would increase by 10 yen per share from the previous fiscal year.

However, considering the above-stated revision to the earnings forecast and the financial status, the Company has decided to pay 50 yen per share as the year-end dividends, making the full-year dividend 100 yen per share, which remains the same as the previous fiscal year.

Note: The above forecasts are based on information available as of the date of this announcement. The actual operating results may differ from these forecasts due to various future factors.