



January 12, 2021

To whom it may concern

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**Notice regarding revision of the business performance forecast and dividend forecast,  
 and reduction of remuneration for executives**

Takihyo Co., Ltd. ("Takihyo") hereby announces that it will revise the dividend forecast and business performance forecast for the fiscal year ending February 2021, which was disclosed in the "Summary Report on Financial Results for the Second Quarter of the Fiscal Year Ending February 2021 [Japanese Standards] (Consolidated)" dated October 9, 2020.

In addition, Takihyo also announces that it has decided to reduce the remuneration for executives. Details are as follows.

1. Revision of the business performance forecast

(1) Consolidated business performance forecast for the second quarter of the fiscal year ending February 2021 (from March 1, 2020 to February 28, 2021)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Profit per share Net income
Previous forecast (A)	million yen Pending	million yen Pending	million yen Pending	million yen Pending	yen sen Pending
<b>Revised forecast (B)</b>	<b>50,300</b>	<b>(1,140)</b>	<b>(940)</b>	<b>(1,240)</b>	<b>(133.12)</b>
Amount of increase/decrease (B - A)	-	-	-	-	-
Rate of increase/decrease (%)	-	-	-	-	-
(Reference) Previous fiscal year results (fiscal year ended February 2020)	60,274	(103)	1	45	4.86

(2) Non-consolidated business performance forecast for the fiscal year ending February 2021 (from March 1, 2020 to February 28, 2021)

	Net sales	Ordinary income	Net income	Profit per share Net income
Previous forecast (A)	million yen Pending	million yen Pending	million yen Pending	yen sen Pending
<b>Revised forecast (B)</b>	<b>47,490</b>	<b>(1,220)</b>	<b>(950)</b>	<b>(101.99)</b>
Amount of increase/decrease (B - A)	-	-	-	-
Rate of increase/decrease (%)	-	-	-	-
(Reference) Previous fiscal year results (fiscal year ended February 2020)	54,274	(256)	(203)	(21.81)

(3) Reason for revision of the consolidated business performance forecast

Takihyo has set the business performance forecast for the fiscal year ending February 2021 to a pending status owing to the difficulty of rationally predicting the impact of the spread of COVID-19 against its business performance. However, it has calculated the business performance forecast based on the results of the third quarter announced today, available information and forecasts, etc. at the moment.

Net sales for the fiscal year ending February, 2021 are expected to be 50,300 million yen (down 16.5% from the previous fiscal year) due to a decrease in sales in the main apparel and textile-related business. Operating income will be at a 1,140 million yen loss (103 million yen loss in the previous fiscal year), ordinary income will be at a 940 million yen loss (1 million yen profit in the previous fiscal year), and net income attributable to owners of parent will be at a 1,240 million yen loss (45 million yen profit in the previous year).

(4) Reason for revision of non-consolidated business performance forecast

Takihyo will revise the non-consolidated business performance forecast on the same grounds as those for the consolidated business performance forecast.

2. Revision of dividend forecast

(1) Dividend forecast for the fiscal year ending February 2021

	At the end of the second quarter	At the end of the fiscal year	Total
	yen sen	yen sen	yen sen
Previous forecast	-	Pending	Pending
<b>Revised forecast</b>	<b>-</b>	<b>10.00</b>	<b>20.00</b>
Current fiscal year results	10.00	-	-
(Reference) Previous fiscal year results (fiscal year ended February 2020)	20.00	20.00	40.00

(2) Reasons for revision

We acknowledge that redistribution of profits to shareholders is an important issue, and make it a basic policy to provide proactive and stable dividends that take into consideration the business performance trends, payout ratio, and internal reserves, etc.

Based on the above basic policy and the business performance forecast for the second quarter of the fiscal year ending February 2021, we will set the interim dividend for the current term to 10 yen per share, reducing it by 10 yen from the previous fiscal year result of 20 yen. As a result, annual dividends are expected to be 20 yen per share, reducing it by 20 yen from the previous fiscal year result of 40 yen.

3. Reduction of remuneration for executives

Based on the business performance and dividend forecasts for the fiscal year ending February 2021, Takihyo hereby announces that at the Board of Directors' Meeting held today, it resolved to reduce the remuneration for executives as below.

In addition, at the Audit Committee meeting held on the same day, it also resolved to reduce the remuneration for directors who are members of the Audit Committee.

(1) Details regarding the reduction of remuneration for directors (excluding directors who are members of the Audit Committee)

Representative Director 20% reduction of monthly remuneration  
Directors (including Outside Directors) 10% reduction of monthly remuneration

(2) Details regarding the reduction of remuneration for directors who are members of the Audit Committee

Directors who are members of the Audit Committee (including Outside Directors)  
10% reduction of monthly remuneration

(3) Target period

Two months from January 2021 to February 2021