

News Release

CONCORDIA
Financial Group

November 9, 2018

Company Name: Concordia Financial Group, Ltd.

Representative: Representative Director, President Kenichi Kawamura

Code No. 7186, First Section, Tokyo Stock Exchange

**Re: Notice of Revision of Consolidated Earnings and Dividend Forecast for
FY2018 and Notice of Change of Shareholder Return Policy for FY2018**

Concordia Financial Group, Ltd. (Representative Director, President: Kenichi Kawamura) has revised its forecast of Consolidated Earnings and Dividend Forecast for the year ending March 31, 2019, and changed its Shareholder Return Policy for the year ending March 31, 2019, which were announced on May 11, 2018. Therefore, we hereby inform you as follows:

1. Revision of Consolidated Earnings Forecast

Revision of Consolidated Earnings Forecast for the year ending March 31, 2019

(Unit: Millions of Yen, except per share data and percentages)

	Ordinary Profit	Profit A ttributable to Owners of Parent	Net Income per Share
Previous announced Forecast (A)	103,000	70,000	¥55.86
Revised Forecast (B)	90,000	60,000	¥47.86
Increase (decrease) (B-A)	(13,000)	(10,000)	
Increase (decrease) ratio (%)	(12.6)	(14.2)	
(Reference) Previous Fiscal Year (Fiscal year ended March 31,2018)	98,022	66,413	¥52.36

Reason for the revision

Based on the recent business trends such as decrease in market-related gains or losses, we revise previous announcement of our Consolidated Earnings Forecast for the year ending March 31, 2019 downward.

2. Change of Shareholder Return Policy for FY2018

(Before the change)

Our Shareholder Return Policy for FY 2018 is to ensure an annual dividend of 13.00 yen per share, regardless of business results. Therefore, we will pay an ordinary dividend of 6.50 yen per share as an interim dividend and an end of the term dividend of 6.50 yen per share.

In addition, we will flexibly execute our share buyback program based on the market condition and our performance. Furthermore, we will pay a special dividend in the case where profit attributable to owners of parent exceeds 60 billion yen and set approximately 50% of the profit as a guide for our consideration of the total annual shareholder return ratio.

(After the change)

- Our Shareholder Return Policy for FY 2018 is as follows:
- We will pay an ordinary dividend of 16.00 yen per share. Therefore, we will pay an ordinary dividend of 6.50 yen per share as an interim dividend and an end of the term dividend of 9.50 yen per share.
- We will flexibly execute our share buyback program based on the market condition and our performance.
- We will set approximately 50% of the profit as a guide for our consideration of the total annual shareholder return ratio.

Reason for the change

Based on the revision of the full-year consolidated earnings forecast, we decided to change dividend payment policy by special dividend and clarify the dividend for the current term with a clear and fixed amount. The policy of “We will set approximately 50% of the profit as a guide for our consideration of the total annual shareholder return ratio” is unchanged.

3. Revision of Dividend Forecast for FY2018

1. Revision of Dividend Forecast

			Annual Cash Dividends per Share				
			1 st Quarter -End	2 nd Quarter -End	3 rd Quarter -End	Fiscal Year -End	Total
Previous Forecast (Announced on May 11, 2018)	Fiscal year ending March 31, 2019 (Forecast)	In the case of paying ordinary dividends only	—	¥6.50	—	¥6.50	¥13.00
		In the case of paying special dividends of ¥2.50	—	¥6.50	—	¥9.00	¥15.50
Revised Forecast	Fiscal year ending March 31, 2019 (Forecast)	In the case of paying ordinary dividends only			—	¥9.50	¥16.00
Actual			—	¥6.50			
(Reference) Previous Fiscal Year (FY2018)			—	¥6.50	—	¥9.00	¥15.50

Reason for the change

We revised based on the shareholder return policy stated in “2. Change of Shareholder Return Policy for FY 2018” above.

*The description of future performance of this report is based on information which is presently available and certain assumptions which are considered to be reasonable, and it does not guarantee future performance. Please take note that future performance may differ from forecasts.