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July 10, 2015

Company Name: Kuroda Electric Co., Ltd.
Name of Representative: Koichi Hosokawa, President
(Securities Code:7517 First Section of the Tokyo Stock
Exchange)

**Notice of Formulation of Policy for Shareholder Returns and
Revision of Dividend Forecast for Fiscal Year ending March 31, 2016**

Please be advised that Kuroda Electric Co., Ltd. (hereinafter referred to as “the Company”) has formulated its policy for shareholder returns and at a meeting of the Board of Directors held on July 10, 2015 decided to revise its dividend forecast for the fiscal year ending March 31, 2016 based on this policy, as follows:

1. Background to formulation of policy for shareholder returns

While it has historically been the Company’s basic policy to continue making sustained, stable dividend payments from a long-term perspective, by taking into consideration in a comprehensive manner the rate of return for shareholders, future business expansion and enhancement of the Company’s financial position, the Company has also been reviewing shareholder returns specifically.

Based on the results of this review, the Company has determined its policy for shareholder returns as follows, and decided to implement this policy from this fiscal year onwards, in conjunction with the commencement of the implementation of Japan’s Corporate Governance Code in June 2015. This policy seeks to make returns to shareholders proactively, while taking into account investment opportunities for future growth and considering trends in capital markets and the future business environment, and will be implemented during the period of the Company’s Mid-Term Management Plan (from the fiscal year ending March 31, 2016 to the fiscal year ending March 31, 2018).

2. Description of policy for shareholder returns

It is the Company’s basic policy to make sustained stable dividend payments from a long-term perspective, by taking into consideration in a comprehensive manner the rate of return for

shareholders, future business expansion and enhancement of the Company's financial position.

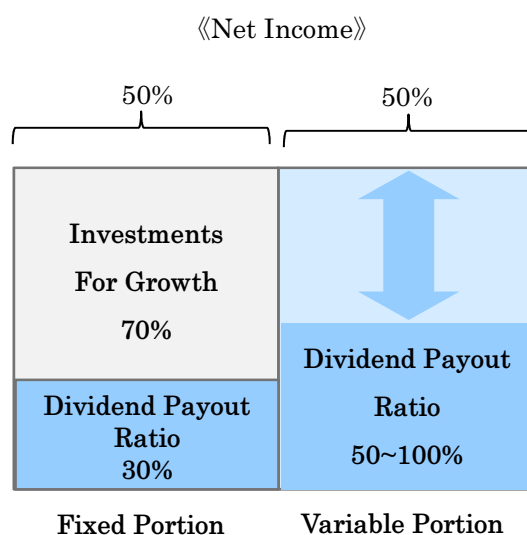
As its policy for shareholder returns in specific terms, the Company has decided to share the fruits of *consolidated net income* with shareholders in the following manner.

(1) With respect to the amount corresponding to 50% of *consolidated net income*, the dividend payout ratio will be set at 30%, while 70% will be allocated to growth investments.

(2) With respect to the amount corresponding to the remaining 50% of *consolidated net income*, the dividend payout ratio will be determined at between 50% and 100%, by making an overall judgment with respect to the economic climate and the Company's demand for funds at the time.

In accordance with the formulation of this specific policy, the dividend payout ratio in each fiscal year will be at a level between 40% and 65%.

<Schematic View of Policy for Shareholder Returns>



3. Regarding revision of dividend forecast for fiscal year ending March 31, 2016

(1) Reason for revision

Based on the aforesaid formulation of policy for shareholder returns, the Company has decided to revise its dividend forecast.

(2) Description of revision

Record Date	Dividend per Share (Yen)		
	End of Second Quarter	End of Fiscal Year	Per Year
Previous Forecast (Announced on May 8, 2015)	18 Yen	18 Yen	36 Yen
Forecast of Revision	47 Yen	47 Yen	94 Yen
Previous Performance (Fiscal Year ended March 31, 2015)	16 Yen	20 Yen	36 Yen

End