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To Whom It May Concern:

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Revision to Consolidated Earnings Forecast

We hereby notify you that, based on recent business trends, the Company has revised the consolidated earnings forecast for the fiscal year ending in December 2019, which was announced on February 13, 2019, as described below.

1. Revision to consolidated earnings forecast

Revision to the consolidated earnings forecast for the first and second quarters (January 1, 2019 to June 30, 2019) of the fiscal year ending in December 2019

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	Yen
Previously announced forecast (A)	5,600	850	880	580	30.57
Forecast revised this time (B)	5,000	600	630	450	23.72
Difference (B-A)	(600)	(250)	(250)	(130)	
Percentage change (%)	(10.7)	(29.4)	(28.4)	(22.4)	
(Reference) Results for the previous first six months (Six months ended June 30, 2018)	5,499	1,039	1,042	889	46.39

Revision to the full-year consolidated earnings forecast for the fiscal year ending in December 2019 (January 1, 2019 to December 31, 2019)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	Yen
Previously announced forecast (A)	11,800	2,050	2,100	1,500	79.07
Forecast revised this time (B)	10,700	1,550	1,600	1,150	60.61
Difference (B-A)	(1,100)	(500)	(500)	(350)	
Percentage change (%)	(9.3)	(24.4)	(23.8)	(23.3)	
(Reference) Results for the previous term (Year ended December 31, 2018)	11,328	2,222	2,236	1,778	92.85

Translation

2. Reason for the revision

Regarding the results for the first half of the fiscal year under review, sales of chemicals are expected to decrease due to sluggish sales of smartphones caused by the U.S.–China trade friction and the tough market environment due to soft shipments of automobiles. Net sales are expected to be 5,000 million yen. With regard to profits, we expect to post operating income of 600 million yen, ordinary income of 630 million yen, and net income attributable to owners of parent of 450 million yen due to the decrease in sales.

Although demand for 5G data center servers and smartphones is expected to recover, we are revising the full-year earnings forecast because we believe this recovery will not compensate for the decline in the first half. We expect to post net income of 10,700 million yen, operating income of 1,550 million yen, ordinary income of 1,600 million yen, and net income attributable to owners of parent of 1,150 million yen.

Note: The above forecasts were calculated based on the currently available information as of the date of this announcement and certain assumptions that are deemed reasonable, and actual results may differ from these forecasts owing to various factors.