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Junya Suzuki

Chairman of the Board, President and CEO

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Exchanges Listed: Tokyo Stock Exchanges, First Section 7915

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Notice of Difference between Business Forecast and Actual Results in FY2019

We hereby announce that differences have arisen between the business forecast announced on November 8, 2019 and actual results for FY2019 (January 1, 2019 to December 31, 2019), as follows.

Difference between consolidated business forecast and actual results in FY2019 (January 1, 2019 to December 31, 2019)

(Millions of yen, except basic earnings per share)

	Net Sales	EBITDA	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (Yen)
(A) Previous Forecast	173,000	6,000	(3,800)	(5,000)	(2,100)	(42.07)
(B) Actual results	173,189	5,221	(4,307)	(4,696)	(4,131)	(82.77)
Changes in Amount (B) - (A)	189	(778)	(507)	303	(2,031)	
Percentage of Change (%)	0.1	(13.0)	—	—	—	
Reference: Results for the fiscal year ended December 31, 2018	207,404	17,343	8,080	7,380	4,318	85.70

(Note) In the fiscal year ended December 30, 2019, we finalized provisional accounting treatments for business combinations, which is reflected in the relevant figures for the results of the fiscal year ended December 31, 2018.

EBITDA is the total of operating profit, depreciation and amortization of goodwill.

Reasons for the difference

Net sales were progressed mostly as estimated, while EBITDA and operating profit fell below the previous forecast because improvements in profitability at overseas plants were limited in Industrial Materials segment. Ordinary profit exceeded the previous forecast mainly due to recording foreign exchange gains despite these negative effects in EBITDA and operating profit. Profit attributable to owners of parent was lower than the previous forecast primarily because of recording temporary expenses associated with termination of joint venture relationship with a company in China, as disclosed in “Notice of Termination of Joint Venture and Recording of Extraordinary Loss” announced on December 2, 2019.

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