

February 9, 2017

(Translation of report filed with the Tokyo Stock Exchange by Chuo Kagaku Co., Ltd on February 9, 2017)

### **Revision of Full-year Earnings Forecasts**

In light of recent trends in the company's financial results and other factors, Chuo Kagaku Co., Ltd, (Chuo) has made the following revisions to its earnings forecasts that were announced on May 10, 2016.

#### 1. Revised Forecasts:

(1) Revisions to full-year consolidated earnings forecasts (for period beginning on April 1, 2016 and ending on March 31, 2017)

	Net Sales (million yen)	Operating Income (million yen)	Ordinary Income (million yen)	Net Income (million yen)	Net Income Per Share (yen)
Previous Forecast (A)	60,000	1,200	1,000	700	34.74
Revised Forecast (B)	60,000	400	100	- 200	- 9.92
Difference (B-A)	0	- 800	- 900	- 900	- 44.66
Difference (%)	0.0%	- 66.7%	- 90.0%	-128.6%	- 128.6%
(Reference) Previous Year*	59,397	800	602	603	29.97

\* Previous Year - April 1, 2015 to March 31, 2016

(2) Revisions to full-year non-consolidated earnings forecasts (for period beginning on April 1, 2016 and ending on March 31, 2017)

	Net Sales (million yen)	Ordinary Income (million yen)	Net Income (million yen)	Net Income Per Share (yen)
Previous Forecast (A)	53,000	1,000	700	34.74
Revised Forecast (B)	53,000	200	100	4.96
Difference(B-A)	0	- 800	- 600	- 39.70
Difference (%)	0.0%	- 80.0%	- 85.7%	- 85.7%
(Reference) Previous Year*	52,773	541	538	26.73

\* Previous Year – April 1, 2015 to March 31, 2016

## 2. Reasons for Revision

### (1) Non-consolidated figures

Although growth in food sales, which have a direct impact on the food packaging industry, have been sluggish at department stores and supermarkets, convenience stores have seen increased demand and a gradual recovery of sales. In consideration of this business environment, Chuo Kagaku took steps to enhance the development, production, and sales of C-APG, an eco-friendly product made from recycled pet resin, and other high value-added products. Delays in the production, confirmation of required specifications, and delivery of C-APG, however, prompted Chuo Kagaku to focus on bolstering sales for its existing range of products. As a result, the full-year Non-consolidated Net Sales forecast is expected to be roughly the same as the original plan.

Despite steady growth in the sales of existing products, however, profits are expected to be less than initially forecast. This is due mainly to the aforementioned delays in the development and production of eco-friendly and high value-added products and the resulting increases in development and production costs. Consequently, full-year Non-consolidated Ordinary Income and Non-consolidated Net Income are expected to finish 0.8 billion yen and 0.6 billion yen less respectively, compared to forecasts at the beginning of the period. Due to delays in the introduction of high value-added products and the resulting incurrence of additional development costs, full-year Non-consolidated Ordinary Income and Non-consolidated Net Income are expected to decrease compared to the previous period.

(2) Consolidated figures

The full-year Consolidated Net Sales forecast, like the Non-consolidated full-year Net Sales forecast, is expected to be roughly the same as the original plan.

On the other hand, the full-year revised forecast for Consolidated Operating Income is expected to be 0.8 billion yen less than forecast at the beginning of the period, reflecting decreases in the Non-consolidated figures. The revised full-year Consolidated Ordinary Income and Consolidated Net Income is expected to be 0.9 billion yen less than the original plan, reflecting decreases in Non-consolidated figures as well as a 0.1 billion yen increase in Non-Operating Expenses.

Similarly to Non-consolidated figures, revised full-year Consolidated Operating Income, Consolidated Ordinary Income, and Consolidated Net Income figures are expected to decrease compared to the previous period due to the incurrence of development costs and delays in introducing high value-added products during the current period.

Remark

Please note that the above-mentioned forecasts were prepared on the basis of information available as of the date of this announcement and that the actual results may differ from the forecasts due to subsequent fluctuations in the exchange rate, raw material costs, products sales prices and other factors.