

May 12, 2020

(Translation of report filed with the Tokyo Stock Exchange by Chuo Kagaku Co., Ltd on May 12, 2020)

Notice Regarding Revision of Consolidated and Non-Consolidated 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 full-year consolidated and non-consolidated earnings forecasts that were announced on May 13, 2019 as below.

1. Revised Forecasts

- (1) Revisions to full-year consolidated earnings forecasts (for period beginning on April 1, 2019 and ending on March 31, 2020)

	Net Sales (million yen)	Operating Income (million yen)	Ordinary Income (million yen)	Net Income (million yen)	Net Income Per Share (yen)
Previous Forecast (A)	54,000	1,100	800	600	29.78
Revised Forecast (B)	48,034	1,107	751	479	23.78
Difference (B-A)	- 5,965	7	- 48	- 120	
Difference (%)	- 11.0%	0.7%	- 6.1%	- 20.1%	
(Reference) Previous Year*	52,261	752	417	1,084	53.84

* Previous Year - April 1, 2018 to March 31, 2019

- (2) Revisions to full-year non-consolidated earnings forecasts (for period beginning on April 1, 2019 and ending on March 31, 2020)

	Net Sales (million yen)	Ordinary Income (million yen)	Net Income (million yen)	Net Income Per Share (yen)
Previous Forecast (A)	48,000	700	500	24.82
Revised Forecast (B)	42,203	354	95	4.76
Difference (B- A)	- 5,796	- 345	- 404	
Difference (%)	- 12.1%	- 49.4%	- 80.8%	
(Reference) Previous Year*	46,039	451	1,119	55.55

* Previous Year – April 1, 2018 to March 31, 2019

2. Reasons for Revision

(1) Consolidated Figures

The revised forecast for net sales is expected to be 5,965 million yen lower than the previous forecast, mainly due to a decline in non-consolidated results (see below). As for profits, operating income is expected to exceed the previous forecast of 7 million yen due to improved earnings from business with China that will more than offset, decrease in income due to sales declines in non-consolidated business. Ordinary income and net income are expected to be 48 million yen and 120 million yen lower than the forecast, respectively, as Chuo has been unable to cover its decrease in sales despite companywide efforts to strengthen internal coordination and reduce costs.

(2) Non-consolidated Figures

The revised forecast for net sales is expected to be 5,796 million yen lower than the previous forecast, reflecting among other factors sales-portfolio reviews carried out since the previous fiscal year, a decline in household spending resulting from the consumption tax increase, natural disasters, abnormal weather (including the long rainy season and warm winter), and a decrease in demand for packaging containers due to efforts to minimize food loss. Ordinary income and net income are expected to be 345 million yen and 404 million yen lower than the forecast, respectively, as Chuo has been unable to cover its decrease in sales despite companywide efforts to strengthen internal coordination and reduce costs.

Remarks

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 a variety of factors.