



October 30, 2018

To whom it may concern:

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### Revision to Forecasts

CHUGOKU MARINE PAINTS, LTD. (the “Company”) hereby announces that the following revisions have been made to the consolidated forecasts announced on July 31, 2018 for the first half and full year of the fiscal year ending March 31, 2019, in light of factors including recent business performance trends.

#### 1. Revisions to the consolidated forecasts for the fiscal year ending March 31, 2019

##### (1) Consolidated forecast for the first half (April 1, 2018 to September 30, 2018)

(Millions of yen, unless otherwise stated)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (Yen)
Previously announced forecast (A)	43,000	(300)	(200)	(350)	(5.39)
Revised forecast (B)	43,170	(237)	(64)	(505)	(7.90)
Changes (B – A)	+170	+62	+135	-155	
Change rate (%)	0.4	—	—	—	
(Reference) Results for the first half ended September 30, 2017	39,855	2,285	2,465	1,467	22.41

##### (2) Consolidated forecast for the full year (April 1, 2018 to March 31, 2019)

(Millions of yen, unless otherwise stated)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (Yen)
Previously announced forecast (A)	88,000	200	300	100	1.54
Revised forecast (B)	88,000	(500)	(200)	(500)	(7.81)
Changes (B – A)	—	-700	-500	-600	
Change rate (%)	—	—	—	—	
(Reference) Results for the fiscal year ended March 31, 2018	82,980	3,761	3,912	2,447	37.36

\*The earnings per share used for these revisions to the forecasts for the first half and full year of the fiscal year ending March 31, 2019 were based on the average number of shares during the first half ended September 30, 2018.

## 2. Reasons for the revision

### (1) First half

Net sales and operating profit for the first half under review are expected to exceed forecasts as business performance was stronger than predicted in the previously announced forecasts. Ordinary profit is also expected to outperform the forecast due to factors such as improved foreign exchange gains or losses in addition to the upturn in operating profit. Meanwhile, profit attributable to owners of parent is expected to fall below the forecast because certain overseas subsidiaries reversed deferred tax assets.

### (2) Full year

As net sales are expected to remain robust in the second half, previous forecasts will not be changed.

Although the Company will continue various measures to improve profitability including the sales expansion of high-profit products and curbing manufacturing costs and expenses, substantial time will be required for their effects to emerge, mainly because the highs in raw material prices are foreseen to persist longer than assumed in the previously announced forecasts, and the transfer of these costs to sales prices remains limited. Therefore, the Company's return to profitability is expected to be moved back to the next fiscal year onward.

As the Company plans to dispose of part of its cross-shareholdings pursuant to the principles of Japan's Corporate Governance Code in the second half, a gain on sales of investment securities is to be posted.

In light of the above circumstances, the revision has been made to the full-year forecasts as described above.

Note: The above forecasts are based on the information available at the date of release. Actual results may differ from these forecasts as a consequence of various factors.