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Notice of revised FY2018 earnings forecast

Tsubaki Nakashima advises that is revised the earnings forecast announced on February 14, 2018 considering recent trends.

Revision to consolidated earnings forecast for fiscal year ending December 31, 2018
（January 1, 2018 to December 31, 2018）

	Sales	Operating profit	Profit before tax	Net profit for the period attributable to owners of the parent	Basic earnings per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous forecast(A)	75,000	11,500	10,600	7,790	195.88
Revision(B)	75,000	10,350	9,300	7,100	178.52
Change(B-A)	―	(1,150)	(1,300)	(690)	(17.36)
Change (%)	―	(10.0%)	(12.3%)	(8.9%)	(8.9%)
(Reference) Previous year results (12/FY2017)	53,244	6,259	5,266	2,658	67.09

Reasons for Revision:

Sales is expected to be the same as previously announced. With regards to profits, we will revise because of following reasons.

1. Increase in raw material prices and time lag in passing through the cost increase.
2. Imposition of tariff on steel imports in US and resulting increase on cost of raw materials. Time lag in passing through the impact of tariff.
3. One-time decrease in output rate due to typhoon in Japan.
4. One-time expenses incurred due to inappropriate conduct in the past.

The assumed exchange rate is 112 yen for 1 dollar, 132 yen for 1 euro, 16.6 yen for 1 RMB as originally assumed.