

Note: The original disclosure in Japanese was released on November 1, 2019 at 15:00. (GMT +9).

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Company name: JCU CORPORATION  
 Representative: Keiji Ozawa, Chairman and CEO  
 Stock code: 4975 / Tokyo Stock Exchange, First Section  
 Contact: Yoji Inoue, Executive Officer,  
 General Manager of Management Strategy Office  
 (Tel: +81-3-6895-7004)

## Notice of Differences between the Consolidated Forecast and Results for the First Half of FY3/20 and Revisions to the Consolidated Forecast for FY3/20

JCU CORPORATION is announcing the following information concerning the differences between the consolidated results announced today for the first half of the fiscal year ending on March 31, 2020 (April 1, 2019 to September 30, 2019) and the consolidated forecast that was announced on May 8, 2019. Based on the current performance trends, JCU has revised its consolidated forecast for the fiscal year ending March 31, 2020.

### 1. Differences between the Consolidated Forecast and Results for the First Half of FY3/20

(April 1, 2019 to September 30, 2019)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	11,400	3,000	3,100	2,150	79.40
Results (B)	10,184	2,919	2,869	2,027	74.88
Change (B-A)	(1,216)	(81)	(231)	(123)	
Change (%)	(10.7)	(2.7)	(7.5)	(5.7)	
Reference: Previous first half results (First half ended September 30, 2018)	13,078	3,427	3,495	2,559	91.95

### 2. Revisions to the Consolidated Forecast for FY3/20 (April 1, 2019 to March 31, 2020)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	25,000	7,200	7,300	5,000	184.79
Revised forecast (B)	22,000	6,150	6,100	4,250	157.07
Change (B-A)	(3,000)	(1,050)	(1,200)	(750)	
Change (%)	(12.0)	(14.6)	(16.4)	(15.0)	
Reference: Previous fiscal year's results (Fiscal year ended March 31, 2019)	24,866	7,072	7,192	4,963	178.55

### 3. Reasons for the Differences and Revisions

Amid the prolonged trade friction between the U.S. and China, the economic slowdown spread in China and even further to Taiwan and South Korea. Against this background, the first half of the fiscal year ending March 31, 2020 saw a decrease in demand for chemicals, and results fell below our initial forecast.

Regarding the full-year consolidated forecast for the fiscal year ending March 31, 2020, although demand for chemicals is expected to increase gradually towards commercialization of the 5G generation mobile communication system, full-scale market recovery is expected to begin in the next fiscal year. In addition, the operating profit margin for the full year is expected to be lower than in the first half as some of the sales in the Machine Business segment expected for the first half are being delayed until the second half. For these reasons, JCU judged that it would be difficult to achieve the initial forecast, and decided to revise the full-year forecast.

The above projections are based on information available at the time of release of this summary report. Actual results may differ significantly from these projections due to changes in the economic environment and other factors in the future.