

August 7, 2019

**Attention:** All concerned parties

**Toyo Tanso Co., Ltd.**

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(Stock Exchange Code: 5310, 1st Section, Tokyo Stock Exchange)

**Notification of Differences between Consolidated Earnings Forecasts for First Half of Fiscal Year and Actual Results, and Revisions to Consolidated Earnings Forecasts for Fiscal Year**

The consolidated earnings forecasts announced on February 14, 2019 for the first half of the fiscal year ending December 31, 2019 (January 1, 2019 – June 30, 2019) differ from the actual results announced today, as noted below.

Also, based on the latest business circumstances, we have revised the earnings forecast for the consolidated fiscal year (January 1, 2019 – December 31, 2019) as follows.

**Particulars**

1. Differences between consolidated earnings forecasts and actual results for the first half of the fiscal year ending December 31, 2019 (January 1, 2019 – June 30, 2019)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous forecast (A)	19,500	2,400	2,400	1,700	81.06
Actual results (B)	19,141	3,158	3,066	2,303	109.83
Amount of increase/decrease (B-A)	358	758	666	607	—
Percentage of increase/decrease (%)	(1.9)	31.6	27.8	35.5	—
(Ref.) Results for the first half of the previous fiscal year (first half of the fiscal year ended December 31, 2018)	22,056	4,179	4,092	3,055	146.11

2. Revision of figures in consolidated earnings forecast for the year ending December 31, 2019  
(January 1, 2019 – December 31, 2019)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous forecast (A)	40,000	5,000	5,000	3,500	166.88
Revised forecast (B)	37,000	5,800	5,800	4,000	190.72
Amount of increase/decrease (B-A)	(3,000)	800	800	500	—
Percentage of increase/decrease (%)	(7.5)	16.0	16.0	14.3	—
(Ref.) Previous fiscal year results (Year ended December 31, 2018)	41,132	7,009	7,057	4,910	234.52

3. Reasons for differences and revision

In the first half of the consolidated fiscal year under review, net sales were generally in line with expectations, supported by demand in electronics applications led by applications for single-crystal silicon manufacturing. Operating income exceeded the plan due notably to lower-than-expected fixed costs such as personnel costs, in addition to the yen depreciating more than the assumed exchange rates.

Given the growing uncertainties in today's business environment surrounding the Group, with concerns over the effects of escalating trade frictions between the United States and China as well as export control issues between Japan and South Korea, net sales in the third quarter and beyond are by and large projected to decline in all applications. For this reason, we have revised the full-year forecast for net sales to 37,000 million yen, representing a decrease of 3,000 million yen (down 7.5%) from the forecasts released on February 14, 2019. On the income side, despite decrease in net sales, we project operating income in the second half to be generally in line with our initial plan of 2,600 million yen as costs in the third quarter and beyond are expected to be maintained more or less at the same level as the first half through continued efforts to keep costs down. In light of these conditions and the results for the first half of the consolidated fiscal year under review, we have revised the full-year forecast for operating income to 5,800 million yen, or an increase of 800 million yen (up 16.0%). In line with this revision, forecasts for ordinary income and profit attributable to owners of parent are also revised.

(Assumed exchange rate for the third quarter and beyond: 105 yen/US\$, 125 yen/EUR, 15.5 yen/CNY.)

Note: The above forecasts are based on the information available when these materials were released, and actual results may differ from these forecasts due to various factors.

Please direct inquiries regarding the current situation to:

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