



April 13, 2018

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Notice of Revision of the Financial Forecast

Kansai Paint Co., Ltd. has revised its consolidated financial forecast for the FY 2017 ending March 31, 2018, announced on Nov 10, 2017, as follows reflecting recent business performance trend.

1. Revision of Consolidated Financial Forecast for FY2017 (April 1, 2017 – March 31, 2018)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	400,000	39,000	43,500	26,000	101.05
Revised forecast (B)	400,000	36,000	33,500	18,000	69.96
Difference (B-A)	0	(3,000)	(10,000)	(8,000)	-
Percentage change (%)	0.0	(7.7)	(23.0)	(30.8)	-
(Reference) Actual results for the previous FY2016(ended March 31, 2017)	330,235	35,310	40,025	24,168	93.16

2. Reasons for the Revision

Due to a delay in the originally forecasted business plan for the business in the Middle East region, causing lower than anticipated profitability, we are currently expecting a potential goodwill impairment. In addition, due to an affiliated company's underperforming sales, the profitability in the Asian business is expected to be lower than originally forecasted. Furthermore, within the Japan business, profitability is expected to be reduced due to, among other items, accruing an allowance for doubtful receivables for the Middle East business and negative impact from elevated procurement costs.

As a result, the operating income, ordinary income and net income attributable to owners of the parent has been revised downward from the previous forecast for the end of fiscal year March 2018 full year consolidated results.

NOTE) The revised forecast above is based on the information available to the company as the date of this press release. Actual results going forward may vary from the forecast due to various unforeseen factors