

Listed Company Name: **Chugai Mining Co., Ltd.**
 Stock Code Number: 1491
 Stock Exchange: Tokyo Stock Exchange (2nd Section)
 Website: www.chugaikogyo.co.jp
 Representative: Katsutoshi Haga, CEO and President
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Differences between Business Performance Outlook and Actual Results
for the Second Quarter of the Period Ending in March 2019
and Revisions to Business Performance Outlook for the Period Ending in March 2019

The actual performance numbers announced today differed from the business performance outlook for the second quarter of the period ending in March 2019 (April 1, 2018 – September 30, 2019) announced on May 14, 2018, as follows.

Also, the business performance outlook for the full fiscal year ending in March 2019 announced on May 14, 2018 has been revised as follows.

1. Differences between Business Performance Outlook and Actual Results

Cumulative Second Quarter of the Period Ending March 2019 (April 1, 2018 – September 30, 2018)

	Revenue	Operating Profit	Recurring Profit	Current Net Profit Attributable to Owners of the Parent	Current Net Profit per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previously Announced Outlook (A)	17,800	90	50	–20	–0.07
Revised Outlook (B)	14,318	–184	–215	–223	–0.77
Change in Value (B–A)	–3,481	–274	–265	–203	
Rate of Change (%)	–19.6	—	—	—	
Reference: Previous Year's Performance (Q2 of the Period Ending March 2018)	25,647	–272	–305	33	0.11

2. Revisions to Business Performance Outlook

Revisions to the business performance outlook for the current consolidated accounting period ending March 2019 (April 1, 2018 – March 31, 2019)

	Revenue	Operating Profit	Recurring Profit	Current Net Profit Attributable to Owners of the Parent	Current Net Profit per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previously Announced Outlook (A)	35,700	250	180	10	0.03
Revised Outlook (B)	24,600	50	–10	–110	–0.38
Change in Value (B–A)	–11,100	–200	–190	–120	
Rate of Change (%)	–31.1	–80.0	—	—	
Reference: Previous Year's Performance (Fiscal year ending March 2018)	52,109	–185	–262	–9	–0.03

3. Reason for the Differences and Revisions

As for the business performance in the cumulative second quarter of the period ending in March 2019, our revenues fell below the figures initially estimated influenced by facts such as the transaction value in our Precious Metal Business Division being significantly lower than our last estimation resulting in the revenue of 3,218 million yen and the operating profit of 74 million yen. Moreover, in our Investment Business Division, revenues from the trading of gold futures at Tokyo Commodity Exchange was lower than our last estimation at 136 million yen, and thus, resulting in decrease in the operating profit, recurring profit, and current net profit attributable to owners of the parent.

As for the consolidated business performance outlook for full year, we anticipate decrease in revenues as the volume of gold bullion transaction in the Precious Metal Division in the latter half of the fiscal year may remain smaller than what we have initially anticipated.

On the other hand, in consideration of our concern over the US-China trade friction as well as instability of gold prices due to the raising of interest rates by the U.S. government, we are keeping the performance outlook of the Investment Business Division for the second half of the fiscal year as it is, and therefore, revisions are being made on the operating profit, recurring profit, and the current net profit attributable to owners of the parent as listed on the previous page.

The Company will continue to promptly make public any necessary revisions on the business performance outlook.

Note: The above projection was established based on information available to the Company at the time of this announcement and the actual business performance may differ from these figures in the event of unforeseen elements taking effect after this announcement.

This is an English translation of the financial report created in Japanese.

Should there be any discrepancies between the Japanese original and the English translation, the Japanese original shall prevail.
