

January 6, 2017

Company name: **Sugi Holdings Co., Ltd.**
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Notification on Revision of Consolidated Earnings Forecast

In light of recent trends in operating performance, Sugi Holdings Co., Ltd. hereby announces that it has revised the full-year of the fiscal year ending February 28, 2017, which were announced on April 5, 2016.

● **Revision of consolidated earnings forecast**

Revision of consolidated earnings forecast for the fiscal year ending February 28, 2017

(March 1, 2016 to February 28, 2017)

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
Previous forecast (A)	445,000	24,000	25,000	15,700	¥247.97
Revised forecast (B)	430,000	22,000	23,000	13,850	¥218.75
Changed Amount (B-A)	△15,000	△2,000	△2,000	△1,850	
Changed Ratio (%)	△3.4	△8.3	△8.0	△11.8	
(For reference) Year-ago results (Fiscal year ended February 29, 2016)	414,885	23,112	23,810	14,605	¥230.67

Reasons for the revision

In this fiscal year, the Company has made efforts to strengthen selling power, such as expanding its product lineups to meet changes in market needs. However, net sales and profit have so far fallen short of the initial forecast due to larger-than-expected negative impacts including reduced drug prices associated with revised remunerations for medical treatment, a sharp decrease in sales of drugs for treatment of hepatitis C, and a slowdown in sales of goods to inbound tourists. Since the Company has found it difficult to boost net sales and profit on a full-year basis as initially planned, it has decided to revise downward its forecast of net sales and profit.

The above forecasted figures are based on currently available information. Therefore, actual results may differ from those figures due to various factors.