



November 8, 2016

To whom it may concern:

VITAL KSK HOLDINGS, INC.

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Notice of Revision of Full-year Consolidated Earnings Forecast

In light of recent earnings trends and other factors, VITAL KSK HOLDINGS, INC. (hereinafter the “Company”) hereby announces a revision of its consolidated earnings forecast for the fiscal year ending March 31, 2017 (April 1, 2016 to March 31, 2017) released on May 12, 2016, as follows.

1. Revision of consolidated earnings forecast for the fiscal year ending March 31, 2017

(April 1, 2016 to March 31, 2017)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	Million yen 616,000	Million yen 4,800	Million yen 8,500	Million yen 5,800	Yen 102.92
Revised forecast (B)	584,200	2,500	6,100	4,100	72.75
Difference (B-A)	(31,800)	(2,300)	(2,400)	(1,700)	
Increase/decrease (%)	(5.2)	(47.9)	(28.2)	(29.3)	
(Reference) Results for the previous fiscal year (ended March 31, 2016)	621,040	6,892	10,584	6,556	117.25

2. Reasons for the revision

In the pharmaceutical wholesale business, Japan’s medical expense curbing policy led to drug price revision in April 2016, which lowered drug price standards by 7.8%. Sales of long-listed drugs continued its previous decline due to category changes. In the medical payment revisions in April 2016 as well, further measures for promoting use of generic drugs

were proposed, and declines in sales of long-listed drugs are persistent during the fiscal year under review. Furthermore, the market scale for hepatitis C medication, which demonstrated explosive sales during the previous fiscal year, contracted earlier than the Company's forecast.

As a result, net sales are expected to fall below previously announced forecasts. In line with this, operating income, ordinary income and net income attributable to owners of parent are also expected to fall below previously announced forecasts. Therefore, the consolidated earnings forecast has been revised as shown above.

Note: The above earnings forecasts are compiled based on materials available at the time of announcement. Actual results may differ from forecasts due to various factors.