



November 7, 2017

To whom it may concern:

VITAL KSK HOLDINGS, INC.  
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### Notice of Revision of Full-year Earnings Forecast and Medium-Term Management Plan

In light of recent earnings trends and other factors, VITAL KSK HOLDINGS, INC. (hereinafter the “Company”) hereby announces that at a Board of Directors meeting held on November 7, 2017, the Company decided to revise its earnings forecast for the fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018) released on May 12, 2017, and its third medium-term management plan for the period from the fiscal year ended March 31, 2017 to the fiscal year ending March 31, 2019 released on May 12, 2016 in the Consolidated Financial Statements for the Fiscal Year Ended March 31, 2016, as follows.

#### 1. Revision of earnings forecast for the fiscal year ending March 31, 2018

(April 1, 2017 to March 31, 2018)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	Million yen 578,000	Million yen 2,100	Million yen 5,800	Million yen 4,070	Yen 72.22
Revised forecast (B)	570,000	2,100	5,800	4,070	72.22
Difference (B-A)	(8,000)	—	—	—	
Increase/decrease (%)	(1.4)	—	—	—	
(Reference) Results for the previous fiscal year (ended March 31, 2017)	581,079	3,207	6,987	4,778	84.78

## 2. Revision of the third medium-term management plan earnings targets

(April 1, 2016 to March 31, 2019)

(Million yen)	Results for the fiscal year ended March 31, 2017	Revised forecast for the fiscal year ending March 31, 2018	Initial target for the fiscal year ending March 31, 2019	Revised target for the fiscal year ending March 31, 2019
Net sales	581,079	570,000	617,000	<b>580,000</b>
Operating income	3,207	2,100	5,000	<b>2,600</b>
Ordinary income	6,987	5,800	9,000	<b>6,200</b>
Net income attributable to owners of parent	4,778	4,070	6,000	<b>4,300</b>

## 3. Reasons for the revision

In the prescription pharmaceuticals market, sales of long-listed drugs have been continuing to decline due to category changes. In the medical payment revisions in April 2016, further measures for promoting the use of generic drugs were also proposed, and declines in sales of long-listed drugs are persistent. In addition, the scale of the prescription pharmaceuticals market has been continuing to shrink since the previous fiscal year, owing to the effects of such factors as a market scale contraction for hepatitis C medication, significantly lowered drug prices due to market expansion re-pricing, etc. of the drug price revision in April 2016, and an emergency price revision of OPDIVO, an antineoplastic agent. In light of these factors, the consolidated earnings forecast for the fiscal year ending March 31, 2018 and the earnings targets for the fiscal year ending March 31, 2019, the final year of the third medium-term management plan, have been revised as shown above.

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