



March 23, 2021

To whom it may concern:

VITAL KSK HOLDINGS, INC.
 Representative: Mr. Taisuke Murai, President & CEO
 Company address: 1-9-12, Muromachi, Nihonbashi,
 Chuou-ku, Tokyo
 (Code number: 3151, Tokyo Stock Exchange, First Section)
 Contact: Mr. Kenta Sato, General Manager,
 Corporate Communications
 (Tel. +81-3-3275-3303)

Notice regarding Consolidated Earnings Forecast and Dividends Forecast

VITAL KSK HOLDINGS, INC. (hereinafter the “Company”) hereby announces that it made the following decisions, at the meeting of the Board of Directors held on March 23, 2021, regarding the consolidated earnings forecast released on August 3, 2020 and the dividends forecast released on November 5, 2020, in view of the impact of the spread of COVID-19.

1. Revision to the consolidated earnings forecast for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

	Net Sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	Million yen Pending	Million yen Pending	Million yen Pending	Million yen Pending	Yen Pending
Revised forecast (B)	537,800	(3,300)	(400)	500	7.09
Difference (B-A)	—	—	—	—	—
Increase/decrease (%)	—	—	—	—	—
(Reference) Results for the previous fiscal year (the fiscal year ended March 31, 2020)	562,505	3,556	6,404	4,642	83.33

Reasons for the revision

Demand for pharmaceuticals declined significantly as a result of restraints on medical examination and the postponement of operations and other medical treatment, due to the impact of the spread of COVID-19. Additionally, affected by the two drug price revisions in October 2019 and April 2020, which lowered drug price standards, net sales have decreased significantly. Furthermore, price competition with other companies in the same industry also had a negative impact on us, and gross profit fell substantially. Consequently, despite our efforts to control selling, general and administrative expenses, including those to reduce personnel expenses, we expect to record our first operating loss since the fiscal year ended March 31, 2011, in which the Great East Japan Earthquake occurred.

2. Revision to the year-end dividends forecast for the fiscal year ending March 31, 2021

	Annual dividends		
	2nd quarter-end	Year-end	Total
Previously announced forecast	Yen —	Yen Pending	Yen Pending
Revised forecast	—	0.00	12.00
Dividends to be paid in the current fiscal year	12.00	—	—
Dividends paid in the previous fiscal year (Fiscal year ended March 31, 2020)	11.00	13.00	24.00

Reasons for the revision

The Group recognizes the return of profits to shareholders as a management task of paramount importance. To fulfill this task, the Group has been making efforts to maintain stable and continuous dividend payment and to enhance internal reserves from the long-term perspective of maximizing corporate value. However, as stated above, gross profit declined significantly in the fiscal year ending March 31, 2021, and though we have made efforts to curb selling, general and administrative expenses, including those to cut personnel expenses, we expect to have extremely severe financial results. We paid interim dividends for the fiscal year ending March 31, 2021. However, we regret to inform you that we are not going to pay year-end dividends for the fiscal year ending March 31, 2021, in view of the balance between internal reserves to reinforce the management base and enhancement of shareholder returns.