

(Translation)



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To whom it may concern

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Notice regarding revision of the business performance forecast

Takihyo Co., Ltd. ("Takihyo") hereby announces that taking into consideration recent trends in business performance, etc., it will revise the business performance forecast initially announced on March 31, 2016. Details of the revision are as follows.

1. Revision of consolidated business performance forecast for the first six-month period of the fiscal year ending February 28, 2017 (March 1, 2016 to August 31, 2016)

	Net Sales	Operating income	Ordinary income	Net income for the quarter attributable to owners of parent	Net income for the quarter per share
Previous forecast (A)	million yen 39,300	million yen 1,070	million yen 1,210	million yen 820	Yen 17.60
Revised forecast (B)	38,320	770	720	410	8.79
Amount of increase/decrease (B - A)	(980)	(300)	(490)	(410)	-
Rate of increase/decrease (%)	(2.5)	(28.0)	(40.5)	(50.0)	-
(Reference) The second quarter results for the previous fiscal year (the second quarter of the fiscal year ended February 29, 2016)	38,945	1,032	1,162	811	17.41

2. Revision of non-consolidated business performance forecast for the first six-month period of the fiscal year ending February 28, 2017 (March 1, 2016 to August 31, 2016)

	Net Sales	Operating income	Ordinary income	Net income for the quarter	Net income for the quarter per share
Previous forecast (A)	million yen 36,200	million yen 870	million yen 960	million yen 630	Yen 13.52
Revised forecast (B)	35,400	600	540	290	6.22

Amount of increase/decrease (B - A)	(800)	(270)	(420)	(340)	-
Rate of increase/decrease (%)	(2.2)	(31.0)	(43.8)	(54.0)	-
(Reference) The second quarter results for the previous fiscal year (the second quarter of the fiscal year ended February 29, 2016)	35,924	865	957	627	13.47

3. Reasons for revision

Although the business performance for the first quarter saw increased sales and increased operating profit, with regard to the second quarter, sales grew slowly owing to a prolonged slowdown in personal consumption and consumers' being firmly savings-oriented, to which were added the impact of typhoons on stores, and it is expected that sales for the first six-month period of the fiscal year will be lower than the previously announced forecast.

With regard to profits, even though we tried to suppress sales, general and administrative expenses, in addition to a decrease in sales, an increase in the cost of products led to a decrease in the gross profit margin, which caused gross profit to decline. As a result, it is expected that operating profit, ordinary income, and net profit for the quarter attributable to parent company shareholders (net profit for the quarter for non-consolidated business performance) will all be lower than the previously announced forecast. Please note that, as we have disclosed separately today, we posted a 98.2 million yen extraordinary loss in relation to the settlement of a matter requiring investigation with a customer.

Regarding the full-year business performance forecast, while looking at future business performance trends, etc., if the necessity of a forecast revision arises, we will make an announcement promptly.