

February 3, 2017

Whom It May Concern

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Revision of Consolidated Financial Forecasts

TOKYO, Japan (February 3, 2017) —KYORIN Holdings, Inc., announced today that the company has revised consolidated financial forecasts for the fiscal year ending March 31 2017, which previously announced on May 12, 2016.

1. The Revision of Consolidated Financial Forecasts for the Year ending March 31, 2017
(April 1, 2016 to March 31, 2017)

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Basic earnings per share
Original forecast (A)	120,000	14,500	14,900	10,700	145.23
Revised forecast (B)	115,000	10,000	10,400	6,600	89.81
Change (A-B)	-5,000	-4,500	-4,500	-4,100	—
Change (%)	-4.2	-31.0	-30.2	-38.3	—
(for reference) Results of the previous period	119,483	19,636	19,995	13,639	184.28

2. Reasons for the revision of the consolidated financial results forecast

The sales forecast for new pharmaceutical products was lowered because, in new pharmaceutical products (Japan), sales of core products were lower than initially forecast and in new pharmaceutical products (overseas), upfront payment income relating to an in-licensed product is now expected to be postponed to a subsequent term. The sales forecast for generic drugs is being raised because sales of Montelukast tablets KM are now expected to exceed the initial forecast. Accordingly, the initial forecast was lowered because overall sales are expected to be lower than forecast.

The forecasts for operating income, ordinary income and net income were lowered mainly because net sales are now expected to be less than the initial forecast. In addition, expenses of around 1,000 million yen relating to the settlement of a lawsuit for violation of U.S. antitrust laws in connection with an in-licensed product (Gatifloxacin eyedrops) were recorded as an extraordinary loss in the third quarter.

There is no change to the dividend forecast (annual dividend of 58 per share) announced on May 12, 2016.

Supplementary material

1. About Sales

(unit : ¥ billion)

	Mar/2016 (A)	Mar/2017 (B) (original forecast)	Mar/2017 (C) (revised forecast)	Change (C-A)	Change (C-B)
Sales	119.5	120.0	115.0	-4.5	-5.0
Ethical drugs business	114.0	114.0	109.1	-4.9	-4.9
Sales of new ethical drugs	98.5	92.4	84.9	-13.6	-7.5
Japan	92.9	88.5	84.0	-8.9	-4.5
Overseas	5.6	3.8	0.8	-4.8	-3.0
Generic drugs	15.5	21.5	24.1	+8.6	+2.6
Healthcare business	5.5	6.0	5.9	+0.4	-0.1

2. About Main Product Sales

(unit : ¥ billion)

	Mar/2016 (A)	Mar/2017 (B) (original forecast)	Mar/2017 (C) (revised forecast)	Change (C-A)	Change (C-B)
New ethical drugs (Japan)					
Kipres	44.1	33.3	31.9	-12.2	-1.4
Flutiform	7.2	12.9	10.1	+2.9	-2.8
Uritos	7.5	7.8	7.6	+0.1	-0.2
Desalex	—	1.9	1.9	+1.9	0
Pentasa	16.1	15.8	15.5	-0.6	-0.3
Mucodyne	13.0	10.8	9.7	-3.3	-1.1
Generic drugs					
MONTELUKAST Tablets “KM”※	—	4.1	7.1	+7.1	+3.0

※Authorized generic drug for KIPRES