



September 8, 2017

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, 2017. Details of the revision are as follows.

1. Revision of the consolidated business performance forecast for the first six-month period of the fiscal year ending February 28, 2018  
 (March 1, 2017 to August 31, 2017)

	Net sales	Operating income	Ordinary income	Net income for the quarter attributable to parent company shareholders	Net income for the quarter per share
Previous forecast (A)	million yen 37,500	million yen 300	million yen 300	million yen 2,900	Yen 310.91
<b>Revised forecast (B)</b>	<b>34,800</b>	<b>(800)</b>	<b>(740)</b>	<b>2,300</b>	<b>246.58</b>
Amount of increase/decrease (B - A)	(2,700)	(1,100)	(1,040)	(600)	-
Rate of increase/decrease (%)	(7.2)	-	-	(20.7)	-
(Reference) The second quarter results for the previous fiscal year (the second quarter of the fiscal year ended February 28, 2017)	38,408	774	722	411	44.16

2. Revision of the consolidated business performance forecast for the full business year ending February 28, 2018  
(March 1, 2017 to February 28, 2018)

	Net sales	Operating income	Ordinary income	Current net income attributable to parent company shareholders	Current net income per share
Previous forecast (A)	million yen 80,000	million yen 1,300	million yen 1,300	million yen 3,500	Yen 375.23
<b>Revised forecast (B)</b>	<b>74,700</b>	<b>(460)</b>	<b>(380)</b>	<b>2,500</b>	<b>268.02</b>
Amount of increase/decrease (B - A)	(5,300)	(1,760)	(1,680)	(1,000)	-
Rate of increase/decrease (%)	(6.6)	-	-	(28.6)	-
(Reference) The previous fiscal year results (the fiscal year ended February 28, 2017)	77,952	1,101	1,089	676	72.55

3. Revision of the non-consolidated business performance forecast for the first six-month period of the fiscal year ending February 28, 2018  
(March 1, 2017 to August 31, 2017)

	Net sales	Ordinary income	Net income for the quarter	Net income for the quarter per share
Previous forecast (A)	million yen 34,200	million yen 100	million yen 2,800	Yen 300.19
<b>Revised forecast (B)</b>	<b>31,500</b>	<b>(600)</b>	<b>2,500</b>	<b>268.02</b>
Amount of increase/decrease (B - A)	(2,700)	(700)	(300)	-
Rate of increase/decrease (%)	(7.9)	-	(10.7)	-
(Reference) The second quarter results for the previous fiscal year (the second quarter of the fiscal year ended February 28, 2017)	35,399	540	287	30.79

4. Revision of the non-consolidated business performance forecast for the full business year ending February 28, 2018  
(March 1, 2017 to February 28, 2018)

	Net sales	Ordinary income	Current net income	Current net income per share
Previous forecast (A)	million yen 74,000	million yen 1,000	million yen 3,300	Yen 353.79
<b>Revised forecast (B)</b>	<b>68,100</b>	<b>(350)</b>	<b>2,600</b>	<b>278.74</b>
Amount of increase/decrease (B - A)	(5,900)	(1,350)	(700)	-
Rate of increase/decrease (%)	(8.0)	-	(21.2)	-
(Reference) The previous fiscal year results (the fiscal year ended February 28, 2017)	72,011	777	502	53.91

(Note) Takiho carried out a consolidation of shares at a ratio of one share per five common shares on September 1, 2017. The net income for the quarter per share and the current net income per share have been calculated by supposing that this consolidation of shares had been carried out at the beginning of the previous consolidated fiscal year.

5. Reasons for revision

With regard to the first six-month period of this fiscal year, Takiho is proceeding with a review of the work from the planning stage / proposal stage with regard to materials, design, functionality, fashionability, etc., with a view to restructuring the OEM (Original Equipment Manufacturing) and ODM (Original Design Manufacturing) lines of business, which have been strengths up to now. However, women's apparel, which is our main line of business, has been facing challenges owing to a lack of orders for spring and summer products, and in addition, we predict that recovery through autumn and winter products will be difficult owing to the impact of this summer's unseasonable weather.

Amid circumstances such as these, with regard to the business performance for the first six-month period of the fiscal year, we had to post an operating loss and ordinary loss as well as a decrease in sales, and it is expected that the net income for the quarter attributable to parent company shareholders (net income for the quarter in the case of non-consolidated business performance) will also be lower than the previously announced forecast.

We are also reviewing the full-year business performance forecast.

Please note that at this point in time, there are no changes to the previously announced annual dividend forecast.