TOPPAN FORMS CO., LTD.

October 27, 2017

Notice of Revision to Full-Year Consolidated Financial Results Forecasts for Fiscal Year Ending March 31, 2018

TOPPAN FORMS CO., LTD. (hereinafter the “Company”) announces that it has revised its full-year consolidated financial results forecasts for the fiscal year ending March 31, 2018 (April 1, 2017 – March 31, 2018) announced on April 28, 2017 in light of the recent business performance trends and other factors. Details are as follows.

1. Revision to consolidated financial results forecasts under review (April 1, 2017 – March 31, 2018)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced forecast (A)	270,000	11,000	11,500	6,500	58.56
Revised forecast (B)	240,000	7,000	7,200	3,200	28.83
Change (B – A)	-30,000	-4,000	-4,300	-3,300	
Change (%)	-11.1%	-36.4%	-37.4%	-50.8%	
(Reference) Actual result (FY2017/3)	257,734	9,474	10,065	5,876	52.94

* The abovementioned forecasts are based on economic conditions, market trends and other factors that the Company takes into consideration as of the date of the announcement of the material. Actual results may differ from the forecasts due to a variety of factors going forward.

2. Reason for the revision

Net sales are expected to be lower than the initial forecast. This is attributable to the expectation of a decrease in the revenue of domestic business forms, business processes outsourcing, overseas subsidiaries and the expectation of the limited expansion of the data print service and digital solutions, which were expected to grow.

The causes are a decrease in demand for paper media while IT/network advances, the emergence of the impact of negative interest rates on financial institutions, more accelerated market changes including a decrease in demand for computer-related products in the Hong Kong market and a sudden decrease in large-scale projects by some clients. Responding to this sudden environmental change is recognized as an urgent critical issue for the Company group.

The Company undertook diversified efforts such as the integration or closure of manufacturing facilities and the improvement of production efficiency through automation to reduce production costs. However, operating income will fall short of the initial forecast due to a decrease in income as a result of the abovementioned decline in sales as well as a rise in personnel expenses arising from tight supply and demand in the labor market, among other factors for the cost increase. In addition, extraordinary expenses were posted due to business restructuring. As a result, ordinary income and profit attributable to owners of parent are expected to decline as well.

In this situation, with the achievement of medium- to long-term growth in mind, the Company group will make business investments to strengthen its competitiveness and offer IT-based value-added and highly profitable new services and businesses more rapidly. In addition, it will seek to further enhance its corporate value through structural reforms including the consolidation of manufacturing facilities as well as the realignment of the Group companies and workstyle reform.

The dividend forecast remains unchanged for the fiscal year ending March 31, 2018.