

## Furusato Announces Revision to Earnings Forecasts

Furusato Industries, Ltd. (Furusato) has announced today a revision to its earnings forecasts for the year ended March 31, 2018 (FY2017) based on the recent earnings trend, which were previously announced on May 8, 2017. The details are as follows:

### ● Revision to the earnings forecasts

Consolidated full-year earnings forecasts (from April 1, 2017 to March 31, 2018)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income Per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	97,600	3,280	3,590	2,340	161.41
Revised forecasts (B)	99,000	3,120	3,450	2,270	156.58
Change (B-A)	1,400	(160)	(140)	(70)	
% Change	1.4	(4.9)	(3.9)	(3.0)	
(Reference) FY2016	94,109	3,163	3,445	2,335	161.06

### ➤ Reason for the revision to the earnings forecasts

During the year ended March 31, 2018, the Japanese economy continued its moderate recovery trend, backed by rising capital investment, increased demand for steel frame buildings and improved corporate earnings. Under this business environment, Furusato Group is expected to record growth in sales in all segments, the Machine and Facility Business, the Equipment and Tools Business, and the Construction and Piping Products Business. Meanwhile, gross profit is expected to fall below the previous forecast due to a lower-than-expected gross profit margin, impacted by a fierce competition in the Machine and Facility Business, decreased back margin in the Equipment and Tools Business and growing ratio of supply to housing manufacturers and a system building field.

In addition, we expect to record provision for environmental measures of ¥55 million for the site of former Shiga Plant under extraordinary losses, which was not expected in the previous forecast.

Consequently, consolidated operating income, ordinary income and net income attributable to owners of parent are expected to fall below the previous forecast.

In regard to the dividends forecasts, Furusato will revise them according to its dividend policy as soon as the net income is finalized. (Dividends policy; Approx. 30% of consolidated net income)

\*The forecasts presented above are based on information currently available. The statements involve various factors that could cause actual results to be materially different.