

NEWS RELEASE

Notice on the Differences between the Forecasts and the Actual of the Consolidated Financial Results for the First Half of the Fiscal Year Ending April 2017, and the Revision of the Forecasts of the Consolidated Financial Results for the Full Year

1. Differences between the Forecasts and the Actual of the Consolidated Financial Results for the First Half of the Fiscal Year Ending April 2017 (May 1, 2016 - October 31, 2016) (Unit: million yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share (yen) (Common Stock)
Previous forecasts (A)	255,400	12,100	11,000	6,700	53.16
Actual results (B)	258,083	14,324	13,531	8,923	71.27
Difference (B-A)	2,683	2,224	2,531	2,223	18.11
Change (%)	1.1%	18.4%	23.0%	33.2%	34.1%
(Reference) Previous year (ended April 30, 2016)	252,877	10,014	9,844	5,706	45.08

* Differences in earnings per share of Class-A Preferred Stock

Previous forecasts	58.16 yen
Actual results	76.27 yen
(Reference) Previous year (ended April 30, 2016)	50.08 yen

2. Revision of the Forecasts of the Consolidated Financial Results for the Full Year (May 1, 2016 - April 30, 2017) (Unit: million yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share (yen) (Common Stock)
Previous forecasts (A)	471,500	20,000	19,400	11,800	93.30
Revised forecasts (B)	475,000	20,500	19,500	12,000	94.93
Difference (B-A)	3,500	500	100	200	1.63
Change (%)	0.7%	2.5%	0.5%	1.7%	1.7%
(Reference) Previous year (ended April 30, 2016)	465,579	17,243	15,074	8,615	67.37

3. Reasons for the differences and revision

In the business performance for the first half of the fiscal year ending April 30, 2017, sales of Japanese Tea /Healthy Tea category and coffee beverages, the core products of the Company, were stronger than expected in the Tea Leaves and Beverages Business Segment. The Company also improved profitability by further reducing costs, strengthening the control of sales promotion expenses in consideration of the cost-benefit performance and enhancing the management of business performance in regional sales divisions. The operating performance also remained steady at Group companies in Japan and overseas, particularly in Tully's Coffee Japan Co., Ltd., and this contributed to the consolidated results as well. As a consequence, actual result exceeded the previous forecast by Net sales, Operating income, Ordinary income and Profit attributable to owners of parent.

On the basis of the consolidated financial results for the first half of the fiscal year ending April 30, 2017, and in the view of the economic situation and trend in the business environment going forward, the company has revised its forecast of the consolidated financial result of the fiscal year ending April 30, 2017.