



October 31, 2016

TOKAI Holdings Corporation
 Katsuhiko Tokita, President & CEO
 (Code No. 3167 Tokyo Stock Exchange First Section)

To whom it may concern

**Notice Regarding Difference between Earnings Forecasts and Financial Results
 for the First Half of the Fiscal Year Ending March 31, 2017
 and Revision to Full-Year Earnings Forecasts**

TOKAI Holdings Corporation (hereinafter, the “Company”) announces that differences were recorded between earnings forecasts for the first half of the fiscal year ending March 31, 2017 (April 1, 2016 to September 30, 2016), announced on May 10, 2016, and actual results during the period. Additionally, in light of recent business trends, full-year earnings forecasts, announced on May 10, 2016, have also been revised as follows.

1. Differences with earnings forecasts and revisions

Differences between Earnings Forecast Figures and Actual Figures for the First Half of the Fiscal Year Ending March 31, 2017 (April 1, 2016 to September 30, 2016)

	Sales	Operating Profit	Recurring Profit	Quarterly Net Income Attributable to Owners of the Parent	Quarterly Net Income per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A)	85,300	3,380	3,270	1,120	9.89
Results (B)	82,201	4,406	4,428	2,384	21.00
Difference (B – A)	-3,098	1,026	1,159	1,264	
Rate of Change (%)	-3.6	30.4	35.4	112.9	
(Reference) First Half of the Fiscal Year Ended March 31, 2016	84,773	1,856	1,779	277	2.39

Revision to Earnings Forecast Figures for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

	Sales	Operating Profit	Recurring Profit	Net Income Attributable to Owners of the Parent	Net Income per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A)	187,100	12,560	11,830	6,240	55.13
Revised Forecasts (B)	179,700	12,750	12,360	6,500	57.23
Difference (B – A)	-7,400	190	530	260	
Rate of Change (%)	-4.0	1.5	4.5	4.2	
(Reference) Fiscal Year Ended March 31, 2016	180,940	8,245	8,150	3,458	30.01

2. Reasons for differences and revisions

Concerning earnings results for the first half of the fiscal year ending March 31, 2017, although sales fell short of forecast announced on May 10, 2016, owing to factors such as lower selling prices stemming from a decline in gas procurement prices, profitability improvements in the Hikari Collaboration and Aqua businesses—areas of focus for the current fiscal year—progressed more rapidly than expected, causing operating profit, recurring profit, and quarterly net income to surpass earnings forecasts by large margins.

As a result, earnings forecasts for the fiscal year ending March 31, 2017 for sales and all profit items have also been revised as shown above.

(Note) The above forecasts are based on the most accurate information available as the time of the release of this document. Actual results may differ from forecasts due to various factors going forward.

Contact: Hiroyuki Ozawa
 Managing Executive Officer
 General Manager of Administrative Headquarters
 TEL: +81-(0)54-669-7676
 Email: overseas_IR@tokaigroup.co.jp