

October 28, 2016

News Release

Company: SMS Co., Ltd.  
Name of Representative: CEO Natsuki Goto  
(Code: 2175, TSE first section)  
Contact: CFO Masato Sugizaki  
(TEL : +81-3-6721-2400)

## Notice of Forecast Revision

In light of the recent performance trends, the forecast announced on April 28, 2016 is revised as follows.

### ● Earnings Forecast Revision

The revised forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

|  | Net Sales       | Operating income | Ordinary income | Profit attributable to owners of parent | Earnings per Share |
|--|-----------------|------------------|-----------------|---|--------------------|
|  | Millions of yen | Millions of yen  | Millions of yen | Millions of yen                         | yen                |
| Previous forecast (A)  | 24,051          | 3,432            | 4,215           | 2,718                                   | 67.03              |
| Revised forecast (B)   | 24,051          | 3,650            | 4,450           | 2,800                                   | 69.03              |
| Net Increase (B-A)   | —               | 217              | 234             | 81                                      |                    |
| Change (%)   | —               | 6.3              | 5.6             | 3.0                                     |                    |
| (Reference)<br>Result for the fiscal year<br>ended March 31,2016 | 19,069          | 2,756            | 3,509           | 2,265                                   | 55.86              |

Reasons for the revision:

As per the “Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016” announced today (October 28, 2016), the forecast of consolidated financial results for the year ending March 31, 2017 has been revised.

With regards to the performance for the first half of this fiscal year, Net sales were in line with the forecast and, due to partial employment delays and improved operation efficiencies and cost control,, profits exceeded the forecasted figures for business performance.

Along with reflecting business performance for the first half of this fiscal year, this revision of the forecast for consolidated business takes into account some investment in the second half of the year - such as the new employment in our recruiting agent services – looking towards the future growth from the next period.

End