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Announcement Regarding Revision to Consolidated Performance Results Forecast for Fiscal 2020

POLA ORBIS HOLDINGS INC. (the “Company”) hereby announces that the consolidated performance results for the fiscal year ending December 31, 2020 is expected to largely below the previous forecast announced on February 14, 2020, and therefore, has revised its consolidated performance results forecast for fiscal 2020 as outlined below.

Details

1. Revisions to the Consolidated Performance Results Forecast for Fiscal 2020 (January 1 – December 31, 2020)

Millions of yen (except per share data and percent)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	217,000	31,200	30,700	20,000	90.41
Revised forecast (B)	190,000	19,000	16,500	8,400	37.97
Amount changes (B – A)	(27,000)	(12,200)	(14,200)	(11,600)	
Percent changes (%)	(12.4)	(39.1)	(46.3)	(58.0)	
Fiscal 2019 Results (Reference)	219,920	31,137	30,630	19,694	89.04

2. Main Reasons for Revision

The revision to net sales reflects the fact that sales of the POLA and other Group brands at retail stores have been significantly below plan because of the spread of the novel coronavirus. The effect of the novel coronavirus is expected to continue beyond the second quarter.

The revision to operating income reflects a decline in gross profit in line with the lower forecast for net sales.

The revision to ordinary income incorporates the lower forecast for operating income, as well as an increase in non-operating expenses from the emergence of foreign exchange losses.

The revision to profit attributable to owners of parent incorporates the lower forecast for ordinary income, as well as the impairment losses at stores associated with decreased sales of the Group’s brands in the first quarter.

Note: These forecasts were made based on the information available at the time this news release was prepared, and actual results may differ from these forecasts as a result of changes in various factors going forward.