

March 29, 2016

Company name: Freund Corporation  
 Representative: Iwao Fusejima, President & CEO  
 Listing: Tokyo Stock Exchange (JASDAQ)  
 Stock code: 6312  
 Contact: Yuji Takanami, General Manager,  
 Corporate Administration Division  
 Tel: +81-3-5292-0240

## Notice Regarding Forecast Revision and Extraordinary Loss Associated with the Sale of Consolidated Subsidiary (Disclosure Progress Report)

Freund Corporation has revised as follows the consolidated forecast that was announced on April 8, 2015 due to recent changes in the business climate.

On February 4, 2016, Freund sold all shares of consolidated subsidiary Freund Pharmatec Ltd. to Sigmoid Pharma Ltd., which is based in Ireland. At that time, the effect on results of operations in the fiscal year that ended in February 2016 had not been determined. The effect of the sale of this stock has now been determined and the following extraordinary loss has been recorded.

### 1. Revision of Consolidated Forecast

#### (1) Revisions to consolidated forecasts for the fiscal year ended February 29, 2016

(March 1, 2015 – February 29, 2016)

	Net sales (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net sales (Million yen)	Net income per share (Yen)
Previous forecast (A)	18,500	1,350	1,370	800	92.78
Revised forecast (B)	19,000	1,340	1,390	940	109.02
Change (B-A)	500	(10)	20	140	
Percentage change (%)	2.7	(0.7)	1.5	17.5	
Reference: Previous fiscal year results (FY2/15)	17,424	1,150	1,249	695	80.72

Note: Freund conducted a stock split effective on March 1, 2016. Net income per share is calculated based on the number of shares prior to the stock split.

#### (2) Reasons for Forecast Revisions

In association with the sale of stock of a consolidated subsidiary, valuation losses recorded in prior fiscal years have been recognized. Due to the resulting decrease in taxes, net income is expected to be higher.

Accordingly, the consolidated forecast announced on April 8, 2015 has been revised as shown above.

### 2. Extraordinary Loss Associated with the Sale of Consolidated Subsidiary

Non-consolidated extraordinary loss: 426 million yen  
 Consolidated extraordinary loss: 217 million yen

End