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FALCO SD Holdings Co., Ltd.

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Announcement of a Revision in the Earnings Forecast (Consolidated) for the Full Term for the Period Ended March 2010

We hereby announce that the company has changed its earnings forecasts announced on April 30, 2010 for the full term (consolidated) ended March 2010 (September 21, 2009 to March 31, 2010) as shown below.

Revisions to consolidated earnings forecast for the full term for the period ended March 2010 (September 21, 2009 to March 31, 2010)

Consolidated

(Unit: ¥ million)

	Sales	Operating income	Ordinary income	Net income	Net income per share
Previously announced forecast (A)	19,884	649	552	196	16.45
Currently revised forecast (B)	19,884	649	552	145	12.20
Change in value (B – A)	0	0	0	(51)	
Rate of change (%)	100.0	100.0	100.0	(26.0)	
(Reference) Result for the previous term (Figures for the period ended September 2009)	39,458	1,751	1,561	619	51.59

Reasons for revision to earnings forecasts for the full term for the period ended March 2010 (Consolidated)

We initially envisaged a change in the calculation method for the retirement benefit system and employment retirement benefit liabilities (application of projected benefit obligations) at consolidated subsidiaries, but ended up making calculations based on the simplified valuation method as there were uncertain elements regarding the calculation method, including assumed conditions, etc. As a result, we revise the consolidated earnings forecast as shown above.

(Note) The earnings forecasts above were prepared based on the information available on the date this data was announced. Actual earnings may differ from the forecast figures due to various factors arising in the future.