

*December 15, 2016*

**Notice Concerning Announcement on the Posting of Deferred Tax Assets,  
and Consolidated Financial Forecasts**

ARDEPRO Co., Ltd. (“the Company”) announced the posting of deferred tax assets through the first quarter of the fiscal year ended July 31, 2017, and consolidated business forecasts.

**1. Posting of Deferred Tax Assets**

The Company has applied “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, issued March 28, 2016, hereafter “the Implementation Guidance”) from the beginning of the first quarter of the fiscal year ended July 31, 2017, and based on recent performance trends and other factors, the Company has revised the recoverability of deferred tax assets. As a result, during the first quarter of the fiscal year ended July 31, 2017, deferred tax assets were additionally recorded in the consolidated financial statements, with 1,551 million yen to be credited as income taxes-deferred.

**2. Consolidated Financial Forecasts**

The Company announced a shift to non-consolidated settlement in its press release titled “Regarding the Shift to Non-Consolidated Settlement and Full-Year Non-Consolidated Business Forecasts” on August 1, 2016. As the Company announced in its press release titled “Notice Concerning Change to a Subsidiary, and Borrowing” on September 27, 2016 the Company has taken a majority position in a silent partnership investment in Huron GK (“the SPC”) that acquired trust beneficiary rights and real estate on September 28, 2016 and the SPC has become a consolidated subsidiary. As a result, the Company’s Summary of Business Results for the First Quarter Ended October 31, 2016 is a consolidated settlement and the Company announced consolidated financial forecasts as follows.

**3. Consolidated Financial Forecasts for the Full Fiscal Year (August 1, 2016 to July 31, 2017)**

Net sales, operating income and ordinary income in the consolidated financial forecasts for the full fiscal year ending July 31, 2017 are expected to be equivalent to the previously announced non-consolidated financial forecasts for the full fiscal year ending July 31, 2017. Regarding net income attributable to the owners of the parent, by applying the Implementation Guidance from the fiscal year ending July 31, 2017 as stated in 1 above, the Company recorded deferred tax assets expected to amount to 1.5 billion yen. Please refer to the revised consolidated financial forecasts for the full fiscal year below.

(Unit: million yen, except where stated)

	Net sales	Operating income	Ordinary income	Net income attributable to the owners of the parent	Net income per share (yen)
Revised forecasts	49,000	9,100	8,000	8,800	38.01
(Reference) Previous results (fiscal year ended July 31, 2016)	27,474	4,079	3,361	3,094	13.21