

[Translation]

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## Notice of reversal of deferred tax assets of consolidated subsidiaries and revision of consolidated financial forecasts for the fiscal year ended December 31, 2018

OYO Corporation (the “Company”) expects to reverse deferred tax assets of consolidated subsidiaries in fiscal year ended December 31, 2018. In line with this, the Company has made the following revision to the consolidated financial forecasts for the fiscal year ended December 31, 2018, which were announced on February 14, 2018.

### 1. Reversal of deferred tax assets

The Company’s U.S. consolidated subsidiaries are carefully reviewing their estimates of future taxable income and the possibility of recovering deferred tax assets in light of their FY2018 and future performance forecasts. As a result, deferred tax assets are expected to be reversed in the fiscal year ended December 31, 2018.

Accordingly, deferred tax assets of 412 million yen are expected to be reversed for the consolidated financial statements for the fiscal year ended December 31, 2018, and the same amount is expected to be included in income taxes-deferred.

### 2. Revision of financial forecasts

Revision of consolidated financial forecasts for the fiscal year ended December 31, 2018 (From January 1, 2018 to December 31, 2018)

(Unit: Million yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (yen)
Previous Forecast (A)	47,000	1,400	1,800	1,200	45.71
Revised forecast (B)	45,000	1,400	1,800	600	22.90
Change (B-A)	(2,000)	-	-	(600)	
Change (%)	(4.3)	-	-	(50.0)	
(References) Results of previous fiscal year ended December 31, 2017	45,957	855	1,220	747	27.62

#### Reason for the revision

In the consolidated financial results for the fiscal year ended December 31, 2018, the net income attributable to owners of parent was less than the financial forecast announced on February 14, 2018 mainly due to the reversal of deferred tax assets as described above.

(NOTE) The forecasts above are based on information available at the date of notice, and actual results may differ due to various factors.