

Notice of Adjustment to the Forecast of Operating Results and Recording of Deferred Tax Assets

Haseko Corporation (the “Company”) announces that it has adjusted the forecast of operating results for the fiscal year ending March 31, 2014 (from April 1, 2013 to March 31, 2014), disclosed when it announced its operating results for the previous fiscal year on May 9, 2013, in consideration of recent performance trends, sales of owned properties and other factors. The Company also announces that it will record deferred tax assets for the fiscal year ending March 31, 2014

1. Adjustment to the Forecast of Operating Results for the Year Ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

Adjustment to the forecast of consolidated operating results for the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014):

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
	(Million yen)				(Yen)
Previous forecast (A)	575,000	27,000	23,000	15,000	48.66
New forecast (B)	575,000	27,000	23,000	23,000	75.27
Change (B-A)	—	—	—	+8,000	
Rate of change (%)	—	—	—	+53.3	
Reference: Results of the previous fiscal year (Ended March 31, 2013)	558,919	24,329	19,976	13,064	41.72

Adjustment to the forecast of non-consolidated operating results for the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014):

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
	(Million yen)				(Yen)
Previous forecast (A)	415,000	18,500	17,000	12,000	38.35
New forecast (B)	415,000	18,500	17,000	17,000	55.31
Change (B-A)	—	—	—	+5,000	
Rate of change (%)	—	—	—	+41.7	
Reference: Results of the previous fiscal year (Ended March 31, 2013)	411,436	16,662	14,540	15,953	51.33

(Note) The Company consolidated its common stocks and class stocks at a ratio of 5 stocks to 1 stock as of October 1, 2013. Accordingly, net income per share for the previous fiscal year ended March 31, 2013 has been calculated on the assumption that the stock consolidation was conducted at the beginning of that fiscal year.

2. Reason for the Adjustment to the Forecast of Operating Result:

With regard to the forecast of consolidated operating results for the entire fiscal year, the Company has made no adjustments to net sales, operating income and ordinary income from the previously announced forecast. However, the Company expects net income to exceed the previous forecast figure by 8 billion yen because it will record 4.9 billion yen in gain on sale of fixed assets as special income, as described in the press release “Notification on Transfer of Fixed Assets (Trust Beneficiary Right) by a Consolidated Subsidiary” dated December 10, 2013, as well as due to a decrease of 4 billion yen in income tax – deferred, as described in 3. Recording of Deferred Tax Assets below, among other factors.

As for the variation in net income on a non-consolidated basis, the Company expects it to surpass the previous forecast figure by 5 billion yen, a difference of 3 billion yen compared with the adjusted forecast of consolidated net income, primarily because the Company will receive a dividend from the gain on sale of fixed assets on a consolidated basis less the amount equivalent to the loss of the relevant subsidiary (the losses recorded in previous fiscal years).

3. Recording of Deferred Tax Assets:

Reflecting such factors as the sale of for-sale real estate on which valuation loss was recorded in previous fiscal years, the Company has carefully reviewed the possibility of recovering the deferred tax assets related to the temporary differences and other items for tax purposes that will exist at the end of the fiscal year, and decided to record 4 billion yen in deferred tax assets for the portions expected to be collectible in the future.

Note: The above forecasts of operating results are calculated based on the information available to the management as of the date hereof. Actual results may differ from the forecasts described above due to any changes in a variety of factors in the future.