

December 30, 2016

Notice Concerning Execution of the Partial Early Redemption of No. 3 Zero Coupon Convertible Bonds and Correction of “Notice Concerning Partial Early Redemption of No. 3 Zero Coupon Convertible Bonds”

ARDEPRO Co., Ltd. (“the Company”) announced that the Company has executed the partial early redemption (2.2 billion yen) of No. 3 zero coupon convertible bonds (“the CB”) issued on December 29, 2014.

In addition, the Company has made a correction in the press release entitled “Notice Concerning Partial Early Redemption of No. 3 Zero Coupon Convertible Bonds” of November 17, 2016.

1. Early Redemption

- (1) Bonds for early redemption: ARDEPRO Co., Ltd. No. 3 zero coupon convertible bonds
- (2) Early redemption date: December 30, 2016
- (3) Principal amount: 2.2 billion yen
- (4) Price of early redemption: 100 yen per 100 yen face value
- (5) Reason for early redemption: the CB has fallen under the provision of early redemption pursuant to the option of the bondholder stated in the issue requirement of the CB (15. Condition and term of redemption of bonds (4)①) as follows:

15. Condition and term of redemption of bonds (4)①

The bondholder may request the Company to redeem all or part of the bonds held by the bondholder at a price of 100 yen per 100 yen face value by making a request not less than 20 business days and not more than 30 business days in advance of any day set as the redemption date after December 30, 2016, if the closing price of ordinary transactions of the Company's common stock on the Tokyo Stock Exchange falls below the conversion price on any trading day after November 15, 2016.

- (6) Conversion price: 174.1yen
- (7) Effect on the Company's business: There is no impact on the Company's business results
- (8) Funds for redemption: The CB has been redeemed by the Company's own capital and borrowing.

Due to the early redemption of 2.2 billion yen of the CB, 12,636,415 dilutive securities (5.33% of 237,063,105 standard shares outstanding) have expired. Moreover, combined with 2,297,300 dilutive securities as the Company announced today in the press release entitled “Notice Concerning Expiration of No. 7 Subscription Rights to Shares and Recording of Extraordinary Income,” 35,611,715 dilutive securities (15.02% of the above total) have expired.

2. Correction of the Press Release Entitled “Notice Concerning Partial Early Redemption of No. 3 Zero Coupon Convertible Bonds” of November 17, 2016

As mentioned above, today the Company has redeemed the CB through borrowing in addition to the Company's own capital, and the Company's correction is as follows. The correction is underlined. Since the amount of

borrowing is less than 30% of the amount of consolidated net assets (4,809 million yen) as of the end of the fiscal year ended July 31, 2016, the Company will refrain from announcing the details.

Before correction

8. Funds for redemption: The CB will be redeemed by the Company's own capital

After correction

8. Funds for redemption: The CB has been redeemed by the Company's own capital and borrowing.

(Reference)

Outline of the CB

(1) Issue date: December 29, 2014

(2) Issue amount: 4 billion yen

(3) Unredeemed amount as of December 30, 2016: 1.5 billion yen

(4) Interest rate: 0 coupon

(5) Original redemption date: December 29, 2016