

March 17, 2017

Present Status of ARDEPRO Co., Ltd.

ARDEPRO Co., Ltd. (“the Company”) hereby announces the present status of the Company and its forecast for the fiscal year. The Company has released “Summary of Business Results for the Second Quarter Ended January 31, 2016 [Japan GAAP] (Consolidated)” as of March 17, 2017.

1. Inventories and Beneficiary Rights to Real Estate

The amount of inventories was 12.67 billion yen, and beneficiary rights to real estate totaled 11.23 billion yen as of the end of January 2017. In addition, as announced in the press release entitled “Notice Concerning Purchase Contract for Real Estate for Sale” on March 17, 2017, the price of these purchases comprises more than 30% of the Company’s net assets in the previous fiscal year (4,809 million yen). We have sufficient real estate for sale, including inventories of our group to the amount of net sales (49 billion yen) in the full-year consolidated financial forecast of the fiscal year ending July 2017.

2. Outlook for the Sale of Real Estate for Sale

With respect to sales activities, the amount of the total sales price for the properties announced in the press release entitled “Notice Concerning the Sales for Real Estate for Sale” on March 17, 2017 is above 10% of the amount of the Company’s consolidated sales for the fiscal year ended July 31, 2016 (27.4 billion yen). The Company expects that profits from sales will surpass 30% of its consolidated ordinary income (3.3 billion yen) and net income attributable to owner of parent (3 billion yen) for the fiscal year ended July 31, 2016. In addition, we are continuing negotiations with potential buyers to sell other real estate for sale, including the beneficiary rights to real estate in Chuo-ku, Tokyo, announced in the press release entitled “Notice Concerning the Purchase Contract for Real Estate for Sale” on July 1, 2016, during the fiscal year. If this real estate for sale is sold, the target for the full-year consolidated financial forecast for the fiscal year ending July 31, 2017 is expected to be achieved.

3. Capital Policy

With regard to the No. 3 zero-coupon convertible bonds (“the CB”) issued on December 29, 2014 to EVO FUND, we are currently discussing early redemption of the remaining balance of the CB at a face value of 1.5 billion yen. If early redemption is carried out, 8,615,738 dilutive shares would expire and there would be no dilution.