

March 27, 2017

**Notice Concerning Conclusion of a Subordinated Silent Partnership Agreement,
Transfer of Trust Beneficiary Rights for Real Estate, and Change to a Subsidiary**

ARDEPRO Co., Ltd. ("the Company") hereby announces that the Company has decided to conclude a subordinated silent partnership agreement with Godo Kaisha Formula (Section 1).

In addition, Huron GK, a consolidated subsidiary of the Company, will transfer trust beneficiary rights to Godo Kaisha Formula (Section 2 and 3) and repay the fund (Section 4).

Godo Kaisha Formula, to which trust beneficiary rights are transferred, will become a consolidated subsidiary of the Company as of March 28, 2017, and Huron GK (Section 5) will become a non-consolidated subsidiary (Section 7).

As a result, the Company, Huron GK and Godo Kaisha Formula signed a noncumulative undertaking of obligation agreement (Section 6), in which Godo Kaisha Formula will undertake investment returning an obligation of Huron to the Company based on a subordinated silent partnership agreement as of March 28, 2017.

1. Outline of Godo Kaisha Formula

- (1) Name: Godo Kaisha Formula
- (2) Address: 1-4, 5-chome Toranomon, Minato-ku, Tokyo
- (3) Operator: Godo Kaisha Formula
- (4) Representative: Representative partner: Hashirimizu
Executive member: Takaaki Fukunaga
- (5) Established: October 20, 2015
- (6) Business: Beneficiary rights for real estate dealing
- (7) Invested amount: 3,890 million yen
- (8) Settlement: September
- (9) Investors: ARDEPRO Co., Ltd. (1-24, Shinjuku 3-chome, Shinjuku-ku, Tokyo) (CEO: Yuichi Shiitsuka)
One other company
- (10) Investment ratio: ARDEPRO Co., Ltd. (50.9%)
- (11) Most recent statement of financial position and operating results

	Fiscal year ended September 2016
Net assets	100,000 yen
Gross assets	100,000 yen
Net sales	—
Operating income	—
Ordinary income	—
Net income	—

- Notes: 1. Some information may not be disclosed in accordance with the request of the other investor.
2. The investment for Godo Kaisha Formula will be set off due to a noncumulative undertaking of obligation agreement (Section 6.)

2. Reason for Transfer of Trust Beneficiary Rights for Real Estate

The Company has arranged this transfer of trust beneficiary rights for real estate to refinance the investment capital (4.5 billion yen) for trust beneficiary rights for real estate.

The Company will change Godo Kaisha Formula in which the Company invests into a consolidated subsidiary and transfer trust beneficiary rights for real estate from Huron GK to Godo Kaisha Formula as of March 28, 2017. Since the transaction is between consolidated subsidiaries, it will be set off in consolidation. In addition, Huron GK will be liquidated.

3. Summary of the Property for Transfer (Trust Beneficiary Rights for Real Estate)

The trust beneficiary rights for real estate announced in the press release entitled "Notice Concerning Change to a Subsidiary, and Borrowing" on September 27, 2016:

No.	Location	Type	Gross floor area (m ²)	Land area (m ²)
1	Chuo-ku, Tokyo	Land with building	2,027.77	251.98

Note: The sale price may not be disclosed due to a non-disclosure agreement with the other investor.

4. Repayment of Funds

Regarding the borrowing of 4.5 billion yen announced in the press release entitled "Notice Concerning Change to a Subsidiary, and Borrowing" on September 27, 2016, Huron GK will repay it on March 28, 2017. Godo Kaisha Formula will undertake borrowing as follows.

(1) Outline of new borrowing

- (i) Use of funds: Refinancing capital for the borrowing of 4.5 billion yen on September 30, 2016
- (ii) Amount: 5.8 billion yen
- (iii) Lender: An overseas corporation
- (iv) Date of the borrowing: March 28, 2017

5. Outline of the Subsidiary to Be Changed

- (1) Name: Huron GK
- (2) Address: 1-6-1, Roppongi, Minato-ku, Tokyo
- (3) Operator: Huron GK
- (4) Representative: Representative partner: ISH Takao
Executive member: Takeshi Nakamura
- (5) Established: September 13, 2016
- (6) Business: Beneficiary rights for real estate dealing
- (7) Invested amount: 3,890 million yen
- (8) Settlement: December
- (9) Investors: ARDEPRO Co., Ltd. (1-24, Shinjuku 3-chome, Shinjuku-ku, Tokyo) (CEO: Yuichi Shiitsuka)
Two other companies
- (10) Investment ratio: ARDEPRO Co., Ltd. (51.7%)
- (11) Most recent financial position and operating results: Not applicable

Note: Some information may not be disclosed in accordance with the request of the other investors.

6. Outline of a Noncumulative Undertaking of Obligation Agreement

- (1) Creditors: ARDEPRO Co., Ltd.
- (2) Debtor: Huron GK
- (3) Underwriter: Godo Kaisha Formula

- (4) Type of obligation: Investment returning obligation based on an subordinated silent partnership agreement dated September 28, 2016
- (5) Obligation amount: 3,890 million yen
- (6) Effective date: March 28, 2017

7. Forecast

Huron GK will become a non-consolidated subsidiary as of its liquidation, and Godo Kaisha Formula will be treated as a consolidated subsidiary as of March 28, 2017.

An announcement will be made immediately if any cases are found that may affect the Company's financial results for the fiscal year ending July 31, 2017.