

May 15, 2018

Notice Concerning Transition to a Holding Company Structure

ARDEPRO Co., Ltd. (“the Company”), today announced that its Board of Directors, at a meeting held on May 15, 2018, passed a resolution to begin considering transition to a holding company structure with November 1, 2018, as the tentative date, as follows.

The Company plans to change its name on November 1, 2018 (planned), following transition to a holding company structure and plans to retain its stock listing on the Tokyo Stock Exchange as a holding company.

The effect of the transition and the change of trade name are subject to approval of the related proposals at the ordinary shareholders meeting planned to be convened on October, as well as receipt from the competent authorities of permits and approvals necessary for the performance of business.

1. Background and Purpose of Transition

For further development of the Company, the Company is working on a redevelopment adjustment project as the core of its real estate revitalization business as announced in a press release, “Expansion of Basic Strategies under the Mid-term Management Plan,” dated August 21, 2014. On the other hand, the Company is seeking to expand business in new fields as a source of revenue, such as by concluding a business alliance on a cryptocurrency settlement service as announced in a press release, “Notice Concerning a Business Alliance,” dated March 23, 2018.

Under these circumstances, from the business activities of the real estate business alone, the Company intends to enter the Minpaku (private lodging) business utilizing real estate for sale owned by the Company group and properties to be acquired in the future, and/or the Fintech business.

In addition, the Company is considering entry into the renewable energy business through solar power generation and biomass power generation on the premise of the acquisition of a company that has already acquired the solar FIT (Feed-in tariff) certification.

Thus, without depending on the real estate business, the Company group intends to establish an organizational framework that can respond flexibly to an M&A strategy to explore and acquire new business areas with high profitability and growth potential.

For this future vision of the Company group, the Company discussed the necessity of building a framework to formulate a management strategy, optimally allocate management resources, train management human resources, strengthen corporate governance, and strengthen flexible and efficient information control. Consequently, the Company decided to consider transition to a holding company structure to consolidate important

functions of supervising subsidiaries with different industries into a holding company.

The specific scheme of the transition to the holding company structure and framework of the management, directors' personnel matters and the business operation system will be further discussed at the Board of Directors of the Company and announced once resolved.

2. Overview of Transition

(1) Method of transition

The specific transition scheme and the structure after the effective date of the transition will be discussed and announced once resolved by the Board of Directors of the Company.

(2) Schedule of transition

Determination of details for the transition	Mid-August 2018 (planned)
Ordinary shareholders meeting approving the transition	Late October 2018 (planned)
Effective date of the transition	November 1, 2018 (planned)

3. Forecast

This event has no impact on the consolidated business results for the fiscal year ending July 2018.

4. Group organization following transition to a holding company structure

