

June 14, 2018

Notice Concerning the Financial Forecast

ARDEPRO Co., Ltd. (“the Company”), today announced its financial forecast for the fiscal year ending July 31, 2018 (consolidated).

1. Consolidated Financial Forecast for the Current Fiscal Year (from August 1, 2017, to July 31, 2018)

(Unit: million yen)

	Sales	Operating income	Ordinary income (loss)	Net income (loss) attributable to owners of parent	Net income (loss) per share
Previous forecast (A)	—	—	—	—	—
Revised forecast (B)	20,509	2,819	816	832	2.90
Amount of charge (B – A)	—	—	—	—	
% change (%)	—	—	—	—	
(Reference) Financial results of the previous fiscal year (ended July 31, 2017)	7,733	820	–939	47	0.18

2. Reason for the Announcement of the Financial Forecast

The Company calculated its consolidated financial forecast for the fiscal year ending July 31, 2018, based on estimated prospects for sales of real estate for sale, rent income, selling and general administration expenses and non-operating expense such as interest during the fiscal year ending July 31, 2018.

As a main factor of the change in 4Q for the fiscal year ending July 31, 2018, the Company expects an increase in net sales and profits due to the sale of property in Tokyo.

A gain of 743 million yen on forgiveness of debts has been recorded in the fiscal year ending July 31, 2018, as announced in a press release, “(Progress) Notice Concerning the Recording of Extraordinary Profit on a Gain on Forgiveness of Debts,” dated May 14, 2018. Selling and general administration expenses and non-operating expense such as interest during the fiscal year ending July 31, 2018, are expected to be approximately 300 million yen and approximately 800 million yen, respectively.

Although net loss attributable to owners of parent for 3Q of the fiscal year ending July 31, 2018 was –288 million yen, the Company expects net income attribute to owners of parent of 832 million yen for the full year considering the above factors and other corporate taxes.

However, if the sale of the property in Tokyo cannot be settled by the end of July 2018, the above figures will not be reached. In that case, the Company will announce a revised forecast.