

*June 27, 2018*

**(Progress) Notice Concerning the Initial Preparations for the Transition to a Holding Company Structure through the Company Split and Establishment of a Successor Preparatory Company**

ARDEPRO Co., Ltd. (“the Company”), at its Board of Directors’ meeting on June 26, 2018, decided to transition to a holding company structure through a company split and passed a resolution to establish a wholly owned subsidiary “ARDEPRO Co., Ltd. Preparatory Corporation” (hereinafter “the Successor Preparatory Company”) as a successor preparatory company by July 20, 2018.

**1. Purpose of Establishment of a Successor Preparatory Company**

As announced in a press release, “Notice Concerning Transition to a Holding Company Structure,” dated May 15, 2018, following approval at the Company’s ordinary general meeting of shareholders to be held in late October, the Company will officially transition to a holding company structure. The Successor Preparatory Company will be established in preparation for the transition to a holding company structure through the company split.

**2. Outline of the Company Split**

**(1) Schedule of establishment of a successor preparatory company**

Approval of the establishment of a successor preparatory company by the Company’s Board of Directors

June 26, 2018

Incorporation of a successor preparatory company

July 20, 2018 (planned)

**(2) Method of the company split**

The method is an absorption-type company split in which the Company is the splitting company and the Successor Preparatory Company, a wholly owned subsidiary of the Company, is the successor company.

**3. Outline of the Subsidiary (a Successor Preparatory Company) to be Established for the Transition to a Holding Company Structure**

(1) Company name	ARDEPRO Co., Ltd. Preparatory Corporation
(2) Address	1-24, Shinjuku 3-chome, Shinjuku-ku, Tokyo
(3) Representative	Yuichi Shiitsuka, Representative director and president
(4) Main business	Real estate revitalization business
(5) Capital	10 million yen
(6) Incorporation date	July 20, 2018 (planned)
(7) Number of issued shares	200 shares

(8) Settlement	July 31	
(9) Largest shareholder and shareholding ratio	ARDEPRO Co., Ltd., 100%	
(10) Relationship with the Company	Capital	A wholly owned subsidiary of the Company
	Personnel	A director to be dispatched from the Company
	Transactional	N/AA director to be dispatched from the Company

#### 4. Forecast

Because the Successor Preparatory Company, the successor company, is a wholly owned subsidiary of the Company, this event has a minor impact on the Company's consolidated financial results for the year ending July 31, 2018. Further details of the absorption split and the Company's structure after the transition to a holding company will be disclosed as soon as they are determined.