

*July 31, 2018*

**Notice Concerning Revision of the Consolidated Financial Forecast and  
Announcement of the Non-Consolidated Financial Forecast**

ARDEPRO Co., Ltd. (“the Company”), today announced that it had revised its consolidated financial forecast for the full fiscal year ended July 31, 2018 (from August 1, 2017, to July 31, 2018) that had been announced on June 14, 2018. In addition, the Company announced its non-consolidated financial forecast for the fiscal year ended July 31, 2018.

**1. Revision of the 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)	20,509	2,819	816	832	2.90
Revised forecast (B)	11,556	1,211	−622	−1,479	−5.23
Amount of change (B − A)	−8,953	−1,608	−1,438	−2,311	—
% change (%)	−43.7	−57.0	—	—	—
(Reference) Financial results of the previous fiscal year (ended July 31, 2017)	7,733	820	−939	47	0.18

**2. Reason for the Revision of the Consolidated Financial Forecast**

In a press release, “Notice Concerning the Financial Forecast,” dated June 14, 2018, the Company had anticipated an increase in sales and profits with the expectation that a property in Tokyo would be sold by the end of July 2018 as a prospective buyer had expressed the intent to purchase.

However, regarding the property in Tokyo, the decision making of the prospective candidate was delayed and the Company concluded that it would be difficult to sell the property by the end of July 2018. Consequently, the Company revised its prospects for sales and profit.

The amount of net income attributable to parent company shareholders will be the figure in the table above.

The [“Additional”?] reasons for the revision to net income attributable to parent company shareholders is as follows: First, Godo Kaisha Formula, a consolidated subsidiary of the Company, had

transferred trust beneficiary rights to Godo Kaisha TSM147, another consolidated subsidiary of the Company, and had distributed 1,164 million yen of profit to such partners other than the Company during the fiscal year ended July 31, 2018, as announced in a press release, "Notice Concerning Conclusion of a Subordinated Silent Partnership Agreement, Transfer of Trust Beneficiary Rights for Real Estate, and Change to a Subsidiary," dated March 29, 2018.

Then, however, after a review of the accounting, the Company concluded that recording net income attributable to non-controlling shareholders of 1,164 million yen, which was the cost incurred through the former subsidiary of the Company, is conservative and appropriate.

The Company has recorded the costs that already occurred during the relevant calculation period, such as borrowing interest rates, composition and maintenance costs of subsidiaries, and distribution to priority anonymous investors. Therefore, if the aforementioned trust beneficiary right for sale held by TSM147 is sold to a third party and profit on sale is obtained, the profit is expected to be included in the consolidated financial result.

3. Announcement of the Non-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)	Net income (loss) per share
Previous forecast (A)	—	—	—	—	—
Revised forecast (B)	11,556	1,211	−622	−1,479	−5.23
Amount of change (B − A)	—	—	—	—	—
% change (%)	—	—	—	—	—
(Reference) Financial results of the previous fiscal year (ended July 31, 2017) (C)	7,733	891	133	1,001	4.24
(Reference) Amount of change from the corresponding period of the previous year (B − C) [these figures do not reflect B − C]	3,209	145	125	−378	—
(Reference) % change from the corresponding period of the previous year (%) [figures not accurate for C relative to B]	41.5	16.3	94.0	−37.8	—

#### 4. Reason for the Announcement of the Non-Consolidated Financial Forecast

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

Net income attributable to non-controlling shareholders of 1,164 million yen is treated in consolidated accounting and will not affect the Company's non-consolidated financial result.

(Note)

The financial forecast described in this press release is made based on information available as of today and contains risks and uncertainties.

Accordingly, the actual financial results could differ materially due to a range of factors in the future.