

September 27, 2018

**Notice Concerning the Sale of Trust Beneficiary Rights
for Real Estate at Subsidiaries, the Repayment of Borrowings
and Change to a Subsidiary**

Godo Kaisha TSM147, a subsidiary of ARDEPRO Co., Ltd. (“the Company”), settled a sales contract for trust beneficiary rights for real estate. In addition, a subsidiary will be changed as follows.

1. The Sale of Trust Beneficiary Rights for Real Estate in Chuo-ku, Tokyo

(1) Outline of the sales contract

Godo Kaisha TSM147, a subsidiary of the Company, settled a sales contract for trust beneficiary rights for real estate 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.

Location	Type	Gross floor area (m ²)	Land area (m ²)
Chuo-ku, Tokyo	Land	—	251.98

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

(2) Outline of the buyer and the transaction

The name of the buyer and the sales price of the aforementioned trust beneficiary rights for real estate cannot be disclosed due to the non-disclosure agreement agreed with the buyer of these sales contracts for trust beneficiary rights. The Company has no capital, personal or transactional relationship with the buyer, and the buyer is not considered to be the Company’s related party. The sales price is more than 10% of the amount of the Company’s consolidated sales for the fiscal year ended July 31, 2018 (10,940 million yen).

2. The Repayment of Borrowings

Regarding the borrowing of 9,990 million yen 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,” on March 29, 2018, from a domestic corporation, Godo Kaisha TSM147 would repay the borrowings by the sale of the aforementioned trust beneficiary rights for real estate.

(Reference) Status of borrowings and corporate bonds in the consolidated results from the repayment on September 27, 2018

(unit: million yen)

Item	Before the repayment	Reduction by the repayment on September 27, 2018	After the repayment
Short-term loans payable	16,076	-9,990	6,086
Current portion of long-term loans payable	4,347	—	4,347

Debt	4,840	—	4,840
Loans payable	233	—	233

3. Change to a Subsidiary

Dissolution of Godo Kaisha TSM147 by the sale of the aforementioned trust beneficiary rights for real estate is scheduled for the end of December 2018, and Godo Kaisha TSM147 will be changed from a consolidated subsidiary of the Company.

- (1) Name: Godo Kaisha TSM147
 - (2) Address: 1-7, Motoakasaka 1-chome, Minato-ku, Tokyo
 - (3) Operator: Godo Kaisha TSM147
 - (4) Representative: Representative partner: TSM147
Executive member: Terumitsu Nosaka
 - (5) Established: January 26, 2018
 - (6) Business: Beneficiary rights for real estate dealing
 - (7) Invested amount: 4,955 million yen
 - (8) Settlement: December
 - (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. (99.8%)
 - (11) Most recent financial position and operating results: Not applicable
- Notes: Some information cannot be disclosed in accordance with the request of the other investor.

4. Forecast

The sale of the aforementioned trust beneficiary rights for real estate will be recorded in the business results for the fiscal year ending July 31, 2019. The Company's consolidated financial forecast for the fiscal year ending July 31, 2019, is currently under scrutiny and will be disclosed when it is determined.

The Company will strive to stabilize its financial base and improve its performance.