

October 25, 2018

**Basic Policy of the Medium-Term Business Plan
of ARDEPRO Co., Ltd.**

The new board members of ARDEPRO Co., Ltd. (“the Company”), hereby announce the basic policy of the medium-term business plan of the Company.

○ Shareholder-oriented management

The company aims to emphasize the 3S’s: Shareholder Satisfaction, Customer Satisfaction and Employee Satisfaction.

With the new management structure, the Company will focus particularly on Shareholder Satisfaction. The Company is supported by more than 30,000 shareholders, and the Company would like to grow with its shareholders.

(1) Enhancing corporate value

The Company is undertaking a fundamental review of its capital and shareholder composition to enhance corporate value.

The Company will start with the foundation for improving the per-share value with the cancellation of treasury stock (common stock) and the cancellation policy of preferred stock.

In addition, the Company will promote IR activity including overseas IR to interest more investors in the Company.

The Company intends to achieve a dividend payout ratio of more than 30%.

(2) Financial indicators

Comprehensive capabilities:

Improve ROE and ROA

Growth potential:

Shift to a profitability focus rather than the amount sold

Safety level:

Improve the equity ratio

Profitability:

Improve the sales margin ratio and reduce the interest rate on borrowed funds

(3) Medium-term business basic plan

The Company will determine and announce the medium-term management plan, which will emphasize EPS at an early stage.

The Company will look to overseas markets by making full use of the experience of the new management team, which has expertise in finance, securities, M&A, investment, business consulting and overseas business.

The Company also aims to establish a new real estate business model including entering into unprecedented areas at an early stage.