

October 31, 2018

### Regarding Controlling Shareholders of the Company

Regarding Dragon Power Co., Ltd., an other associated company of ARDEPRO Co., Ltd. (“the Company”), the updated status of the Company’s controlling shareholders is as follows.

1. Trade names of parent companies, controlling shareholders (excluding parent companies), other associated companies and parent companies of associated companies

(As of July 31, 2018)

Name	Status	Ratio of the voting rights held (%)			Financial markets where the issued shares are traded
		Direct ownership	Indirect ownership	Total	
Dragon Power Co., Ltd.	Other associated companies	16.74%	—	16.74%	—

2. Rank of companies in the parent company’s group as well as the relationship and business ties to the parent company

Dragon Power Co., Ltd., is the Company’s major shareholder with 16.74% of the voting rights. Although the Company borrows money from the company, there are no business restrictions from Dragon Power Co., Ltd.

3. Transactions with the controlling shareholder and other items

Type	Name	Location	Capital or investment (thousand yen)	Business or position	Ratio of the voting rights held
Companies in which major shareholders hold majority voting rights	Dragon Power Co., Ltd.	Shibuya, Tokyo	3,000	Trading, ownership, investment, and purchase and sale of stock and other securities	Direct ownership 16.7%

Relationship with controlling shareholder	Transaction	Transaction amount (thousand yen)	Item	Balance at the end of term (thousand yen)
Underwriting of ordinary corporate bonds	Underwriting of ordinary corporate bonds	2,250,000	—	—
	Interest on corporate bonds	120,658	—	—

Borrowing of funds	Borrowing of funds	8,550,000	Short-term loans payable	3,800,000
	Interest	50,389	—	—
Underwriting of capital increases	Underwriting of capital increases	3,999,996	—	—
	Gain on forgiveness of debts	743,824		
Business consignment	Business consignment remuneration	30,000	—	—

Notes:

1. The transaction amounts above do not include consumption tax.
2. Trading conditions and means of determining trading conditions
  - Transaction conditions are determined based on an arms-length transaction.
  - The borrowing of funds and the interest rate of corporate bonds are reasonably determined taking market interest rates into consideration.
  - The underwriting of capital increases is by debt equity swaps.
  - Tatsuya Akimoto, the Company's major shareholder, owns 100% of the voting rights of Dragon Power Co., Ltd., which is the Company's major shareholder with 16.74% of the voting rights. Dragon Power Co., Ltd., is categorized as an "other associated company" under the influence concept.