

Summary of Business Results for the Fiscal Year Ended July 2018

[Japan GAAP] (Consolidated)

September 14, 2018

Company **ARDEPRO Co., Ltd.** Listed on the TSE
 Stock Code 8925 URL: <http://www.ardepro.co.jp/>
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 Expected date of annual shareholders' meeting: October 25, 2018 Expected starting date of dividend payment: TBD
 Expected date of filing of annual securities report: October 26, 2018
 Preparation of supplementary financial document: None
 Results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the fiscal year ended July 2018

(August 1, 2017 through July 31, 2018)

(1) Consolidated results of operations (% change from the previous corresponding period)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | |
|----------------------|-------------|-------|------------------|-------|-----------------|---|---|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Year ended Jul. 2018 | 11,491 | 48.6 | 1,102 | 34.4 | -722 | - | -1,193 | - |
| Year ended Jul. 2017 | 7,733 | -71.9 | 820 | -79.9 | -939 | - | 47 | -98.5 |

(Note) Comprehensive income:

Year ended July 2018: -135 million yen (- %)

Year ended July 2017: 47 million yen (-98.5%)

| | Net income per share | Diluted net income per share | Return on equity | Ratio of ordinary income to total assets | Ratio of operating income to net sales |
|----------------------|----------------------|------------------------------|------------------|--|--|
| | Yen | Yen | % | % | % |
| Year ended Jul. 2018 | -4.23 | - | -24.1 | -2.2 | 9.6 |
| Year ended Jul. 2017 | 0.18 | - | 0.8 | -3.7 | 10.6 |

(Reference) Investment earnings/loss on equity – method:

Year ended July 2018: - million yen

Year ended July 2017: - million yen

(2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|-----------------|--------------|-------------|----------------------------|----------------------|
| | Million yen | Million yen | % | Yen |
| As of Jul. 2018 | 33,712 | 7,456 | 17.6 | 13.83 |
| As of Jul. 2017 | 31,438 | 7,639 | 12.9 | 10.14 |

(Reference) Shareholders' equity:

As of July 2018: 5,852 million yen

As of July 2017: 4,064 million yen

(3) Consolidated results of cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of period |
|----------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Million yen | Million yen | Million yen | Million yen |
| Year ended Jul. 2018 | -3,633 | -151 | 2,350 | 717 |
| Year ended Jul. 2017 | -13,992 | 1,108 | 5,261 | 2,151 |

2. Dividends

| | Annual dividend | | | | | Total dividend (Total) | Dividend payout ratio (Consolidated) | Rate of total dividend to net assets (Consolidated) |
|----------------------------------|-----------------|-----------|-----------|----------|-------|------------------------|--------------------------------------|---|
| | End of 1Q | End of 2Q | End of 3Q | Year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Million yen | % | % |
| Year ended Jul. 2017 | — | 0.00 | — | 1.00 | 1.00 | 270 | 555.6 | — |
| Year ended Jul. 2018 | — | 0.00 | — | 0.00 | 0.00 | — | — | — |
| Year ending Jul. 2019 (forecast) | — | — | — | — | — | — | — | — |

Above figures are dividends associated with common stock. Dividend forecast for the fiscal year ending July 2019 has not yet been determined, and the company will announce as soon as it is determined.

3. Forecast of consolidated business results for the fiscal year ending July 2019

(August 1, 2018 through July 31, 2019)

The business forecasts for the fiscal year ending July 2019 will be announced when they become reasonably predictable, as it is highly likely that the results will fluctuate significantly depending on the status of sales of real estate for sale and beneficial interests in real estate trusts held by the Group. Under these circumstances, the business forecasts are yet to be determined.

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): Yes

Newly included: 2 (Company name) Japan Housing Development SPC., TSM147 LLC.

Excluded: 1 (Company name) Formula LLC.

(2) Changes in accounting policies, accounting estimates and restatement

- ① Changes in accounting policies associated with revision of accounting standards: : None
 ② Changes in accounting policies other than ① : None
 ③ Changes in accounting estimates : None
 ④ Restatement : None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of July 2018 334,800,259 shares
 As of July 2017 277,657,459 shares

② Treasury stock at the end of period:

As of July 2018 7,014,842 shares
 As of July 2017 7,012,932 shares

③ Average number of stock during period (cumulative period)

Year ended July 2018 283,011,507 shares
 Year ended July 2017 235,167,277 shares

(Reference) Summary of non-consolidated business results

1. Non-consolidated business results for the fiscal year ended July 2018

(August 1, 2017 through July 31, 2018)

(1) Non-consolidated results of operations (% change from the previous corresponding period)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|----------------------|-------------|-------|------------------|-------|-----------------|-------|-------------|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Year ended Jul. 2018 | 10,940 | 41.5 | 957 | 7.3 | 266 | 99.9 | 593 | -40.7 |
| Year ended Jul. 2017 | 7,733 | -71.8 | 891 | -78.2 | 133 | -96.1 | 1,001 | -67.8 |

| | Net income per share | Diluted net income per share |
|----------------------|----------------------|------------------------------|
| | Yen | Yen |
| Year ended Jul. 2018 | 2.08 | - |
| Year ended Jul. 2017 | 4.24 | - |

(2) Non-consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|-----------------|--------------|-------------|----------------------------|----------------------|
| | Million yen | Million yen | % | Yen |
| As of Jul. 2018 | 28,213 | 8,776 | 31.1 | 22.75 |
| As of Jul. 2017 | 23,343 | 5,201 | 22.3 | 14.35 |

(Reference) Shareholders' equity:

As of July 2018: 8,776 million yen

As of July 2017: 5,201 million yen

***Quarterly financial summary is not subject to quarterly auditing procedures by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. The company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.