

March 13, 2006

Ardepro Co., Ltd.

Representative: Tatsuya Akimoto, Chief Executive Officer
(Stock code: 8925, Tokyo Stock Exchange Mothers Market)
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Notice of Establishment of Subsidiary

Ardepro Co., Ltd. announces that the Board of Directors on March 13, 2006 approved a resolution to establish a subsidiary, as follows.

1. Descriptions

(1) Reason for establishing subsidiary

Our consolidated subsidiary of Property Management Division, Japan Realty Supervision Co., Ltd. headquartered in Kyoto City in Kyoto and other consolidated subsidiary, Planet Support Co., Ltd. headquartered in Shinjuku-ku in Tokyo signed an agreement to merge on November 1, 2005. The remaining company is named Japan Realty Supervision Co., Ltd. The major business domains of these two companies do not duplicate. The two companies showed their respective marketing strength in customers' bases and major business areas. The synergy of the merger started to bear fruit.

In addition to the nine branch offices that were opened in the July 2005 fiscal year, the Company already has 9 sales offices. The Company is planning to open 20 more sales offices in the major cities of the nation in the July 2006 fiscal year. In accordance with the fact that the Company's business domains are expecting to spread nationwide, the Company believes that the mobile and smooth management of the nationwide property management business is a key management issue to promote the synergy of our Group.

In order to perform the property management business on a nationwide scale from now on, the Company came to realize the need for a new company that is responsible to consolidate this nationwide business in addition to Japan Realty Supervision Co., Ltd that conducts this business in Kyoto and Tokyo.

The newly establishing company named Ardepro Property Management Co., Ltd will be responsible for leasing management, sub-leasing, renovations, and leasing, etc. In case of property management business, business characteristics and contract practices, etc. varies from locality to locality. Consequently, the Company plans to form business and equity alliances with property management companies that are thoroughly familiar with the locality characteristics throughout Japan to strengthen real estate service line-up and service offering capabilities on a nationwide scale. This will better facilitate the provision of comprehensive solutions to real estate fund companies and asset management companies that are our major customers in the real estate financial market.

In the beginning, the Company was in the used condominium revitalization business. Nowadays, the Company handles the real estate sales business and the newly built housing sales business. At this time, the Group has become a trinity of a general real estate company consisting of its consolidated subsidiaries, Ardepro Asset Management Co., Ltd., and a newly establishing company, Ardepro Property Management Co., Ltd. and the Company. In this line-up, the Group strives to become a substantial entity in the real estate market by further accelerating the medium-term management plan and executes corporate social responsibility (CSR).

2. Company profile

Company name: Ardepro Property Management Co., Ltd.
Location: Shinjuku-ku, Tokyo
Established: Mid-March 2006
Capital: 100,000,000 yen (Outstanding shares 2,000 shares)
Representative: Takashi Niiyama, President (Current Senior Managing Director of Ardepro)
Major shareholder: Ardepro Co., Ltd. (ownership 100%)
Main business: Leasing management, property management, sub-leasing, renovations, and leasing, etc.

3. Outlook

The impact on Ardepro's operating results will be minimal. An announcement will be made promptly if there is any need to revise forecasts.