

December 18, 2006

## **Ardepro Co., Ltd.**

Representative: Tatsuya Akimoto, Chief Executive Officer

(Stock code: 8925, Tokyo Stock Exchange Mothers Market)

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### **Current Statuses of Two Subsidiaries; Ardepro Property Management Co., Ltd. and Japan Realty Supervision Co., Ltd.**

Ardepro Co., Ltd. hereby announces the current statuses of its two subsidiaries, Ardepro Property Management Co., Ltd. (APM) and Japan Realty Supervision Co., Ltd. (JRS) as follows.

#### I. Current Status of Ardepro Property Management Co., Ltd.

##### 1. Capital increase

APM increased its capital as follows;

- |  |                            |
|--|----------------------------|
| 1) New shares issued:  | 4,000 shares               |
| 2) Issue price:  | 50,000 yen per share       |
| 3) Amount of the issue price not to be capitalized:                | 25,000 yen per share       |
| 4) Date of capital increase:                                       | October 25, 2006           |
| 5) Allocation method:  | Private placement of stock |
| 6) Allocation destination and no. of shares:                       |                            |
| (Address) 3-1-24, Shinjuku, Shinjuku-ku, Tokyo                     |                            |
| (Name) ARDEPRO Co., Ltd.; Tatsuya Akimoto, Chief Executive Officer |                            |
| (Number of shares) 4,000 shares                                    |                            |
| 7) Dividend accrual date:  | August 1, 2006             |
| 8) Common stock after capital increase:                            | 200 million yen            |

##### 2. Post-capital-increase business strategies

###### (1) Strengthening of business and/or capital alliance with regional property managers

APM, with its head office located in Shinjuku-ku, Tokyo, is a property management (PM) company, mainly engaged in leasing management, building management, sub-leasing, renovations and leasing.

Ardepro has a network of nine branches and 21 sales offices and is extending its services therefrom to cover all regions in the nation. APM was established in March 2006 as our sales activity was expanding, based on the conviction that a flexible and smooth operation of property management on a nationwide scale would increase synergy within our group. We are promoting capital and/or business alliances with major PM companies in each region of the nation that agree with us on our corporate philosophy. APM plans to invest part of the funds injected in such capital alliances.

APM made JRS, one of Ardepro's subsidiaries, APM's own subsidiary, and positioned it as the cornerstone PM company in the Kinki region. Furthermore, APM is going to make business alliances with Alive Community Co., Ltd., Japan Best Rescue System Co., Ltd., DIA-KANRI Co., LTD. and so on as well as build a close relationship with Re-plus Inc., Ardepro's partner in a business alliance. Taking these steps, APM is strengthening its PM function.

We believe that better functioning PM services, including maintenance of a condominium or office building, would increase value added of the building more than interior and exterior works, as is often said, increase value added on it. By promoting business and/or capital alliances with major PM companies in each region of the nation, APM will offer its PM function enhanced so to the properties under its management and increase customer satisfaction by such improved services.

## (2) Tightening internal management system in Pre-IPO stage

APM is reinforcing the organization and frameworks and constructing a network in a course to an IPO sometime in future. Part of the funds injected will be invested in hardware and software of the internal frameworks for their enhancement.

## II. Current Status of Japan Realty Supervision Co., Ltd.

### 1. Capital reduction

JRS, with its head office located in Kamigyo-ku, Kyoto, is engaged in building maintenance, condominium management, machinery controls, building management.

The extraordinary meeting of shareholders of JRS has convened on December 18, 2006 and approved a resolution to reduce its common stock as follows;

December 18, 2006	Extraordinary meeting of shareholders of JRS
December 28, 2006	Public notice of capital reduction
January 31, 2007	Effective date of capital reduction
Balance of common stock before capital reduction:	204.64 million yen
Balance of common stock after capital reduction:	90.00 million yen

As a result, JRS will not be subject to the pro forma taxation system, and consequently released from the tax burden of about two million yen per year.