

News Release

August 10, 2007

Ardepro Co., Ltd.

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Notice of Private Placement of Newly Issued Stock and Convertible Bonds

The board of directors of Ardepro Co., Ltd. (the Company) approved a resolution on August 10, 2007 to sell about 20 billion yen of newly issued stock and about 10 billion yen of convertible bonds (convertible bond type notes with stock acquisition rights) to GS TK Holdings 4 Joint Company ("GSTK4" hereafter), which is owned by Goldman Sachs. (Hereafter, these issues of stock and convertible bonds are called the "private placement.")

1. Purpose of the Private Placement

At the end of the July 2007 fiscal year, Ardepro had a balance of products for which payment has been completed that amounted to about 29.5 billion yen. The balance of products for which purchase contracts had been signed amounted to about 26.5 billion yen. (These figures have not been audited by the independent accountant.) In the first quarter of the July 2008 fiscal year, Ardepro plans to purchase properties amounting to about 40 billion yen. Furthermore, the Company expects to continue increasing the balance of purchased properties. The Company plans to significantly increase opportunities to earn profits by purchasing more properties, mainly large properties. At the same time, the Company believes that establishing an even sounder financial base to support further rapid growth in business activities will contribute to maximizing its corporate value.

The Company is conducting this fund procurement to achieve the dual goals of procuring funds needed to purchase properties and improving financial soundness. In addition, as one element of exit strategies for large properties, the Company requires equity capital to establish special-purpose companies. The Company believes that this fund procurement is the best means of achieving these objectives for the following reasons.

(1) Procurement of funds to support growth and increase equity by issuing common stock
Ardepro expects to significantly reduce its debt-equity ratio from about 1.4 to about 0.9, based on interest-bearing liabilities as of July 31, 2007, by procuring about 20 billion yen through sale of newly issued common stock (not audited).

(2) Procurement of funds with limited dilution of earnings per share by issuing convertible bonds
The initial conversion price of the convertible bonds is 33,600 yen, which is 27.0% higher than the August 9, 2007 closing price of Ardepro stock on the Tokyo Stock Exchange. This will result in a smaller potential dilution of earnings per share than the sale of common stock at market price.

(3) Zero-coupon bonds to lower interest expenses

The convertible bonds will bear no interest, thereby lowering interest expenses compared with the procurement of funds using interest-bearing liabilities.

All shares and convertible bonds will be underwritten by GSTK4, a member of the Goldman Sachs Group. In addition, Ardepro plans to submit an individual from Goldman Sachs as a candidate for election as an external Ardepro director at the Ardepro annual shareholders meeting to be held in late October 2007. Furthermore, the Company will establish an Executive Committee to discuss important items concerning the Company's management and reach decisions. The Company plans to invite an individual from Goldman Sachs to join this committee.

2. Funds procured and use of proceeds

(1) Amount of funds procured (estimate of net proceeds)

About 29.9 billion yen

(2) Specific use of proceeds

Proceeds are to be used for the purchase of real estate.

(3) Planned timing for use of proceeds

September 2007 through July 2008

(4) Reasons for belief that this use of proceeds if proper

As was explained in item 1, Ardepro expects to use larger properties in its business operations than in previous years. This is expected to increase the demand for funding. Proceeds from this private placement will be used to purchase real estate. The Company believes these purchases are necessary to achieve further growth in sales and earnings. Furthermore, the Company believes this private placement will be beneficial from a management standpoint because of the resulting increase in equity.

3. Three-year Financial Highlights and Equity Financing Activity

(1) Three-year Consolidated Financial Highlights (million yen)

Years ended July 31	2004	2005	2006
Net sales	7,775	13,583	43,001
Operating income	1,178	3,110	7,171
Recurring profit	1,036	1,905	6,698
Net income	557	1,078	3,739
Earnings per share (yen)	10,308.74	1,763.17	5,572.12
Dividend per share (yen)	1,400	500	1,600
Net assets per share (yen)	32,862.76	6,080.47	15,694.78

Note: There was a 10-to-1 stock split on December 20, 2004 and a 5-to-1 stock split on August 1, 2006.

(2) Shares Issued and Common Stock Equivalents (August 10, 2007)

	Number of shares	Pct. of shares issued
Shares issued	3,458,595	100%
Common stock equivalents at current conversion price (exercise price)	6,800	0.20%
Common stock equivalents at minimum conversion price (exercise price)	6,800	0.20%
Common stock equivalents at maximum conversion price (exercise price)	6,800	0.20%

(3) Summary of This Equity Financing

Private placement of newly issued stock

Date of issue	August 28, 2007
Funds procured	20,000,008,800 yen (issue price of 26,450 yen)
Shares issued at time of private placement	3,458,595
Shares issued for private placement	756,144
Shares issued after private placement	4,214,739
Purchaser of shares	GS TK Holdings 4 Joint Company
Common stock equivalents at time of private placement	None

Private placement of convertible bonds

Date of issue	August 28, 2007
Funds procured	10,002,720,000 yen
Shares issued at time of private placement	3,458,595
Purchaser of convertible bonds	GS TK Holdings 4 Joint Company
Common stock equivalents at time of private placement	297,700 shares at conversion price of 33,600 yen

(4) Equity Financing Activity During Past Three Years

Public offering of stock

Date of issue	May 26, 2005
Funds procured	1,107,990,000 yen (issue price of 36,933 yen)
Shares issued at time of private placement	607,120
Shares issued for this offering	30,000
Initial use of proceeds	Purchase of real estate and other working capital requirements
Planned timing for use of proceeds	June 2005 through December 2005
Actual use of proceeds	Proceeds were used to purchase real estate

Private placement of stock

Date of issue	May 22, 2006
Funds procured	3,499,596,000 yen (issue price of 164,000 yen)
Shares issued at time of private placement	667,840
Shares issued for this private placement	21,339
Purchasers	DKR Soundshore Oasis Holding Fund Ltd. 10,975 shares Tera Brains Co., Ltd. 6,097 shares BSL Co., Ltd. (currently Oak Capital Co., Ltd.) 3,048 shares Cedar DKR Holding Fund Ltd. 1,219 shares
Initial use of proceeds	Funds for mergers and acquisitions for growth of the Ardepro Group and for the purchase of real estate
Planned timing for use of proceeds	June 2006 through December 2006
Actual use of proceeds	Proceeds were used to purchase real estate

(5) Stock Price Information

1) Three-year summary

Years ended July 31	2005	2006	2007
Open	420,000	67,000	29,100
High	522,000 *79,200	272,000 *30,200	44,850
Low	342,000 *39,600	51,700 *24,310	28,230
Close	65,700	29,570	33,300

Note: Asterisk (*) indicates highs and lows after stock splits.

2) Summary for most recent six months

	February	March	April	May	June	July
Open	41,250	40,200	42,700	41,000	39,800	38,750
High	43,900	42,600	44,350	43,100	42,750	39,550
Low	37,600	37,100	37,150	37,350	37,600	31,750
Close	39,800	42,300	40,300	39,450	38,450	33,300

3) Stock price on trading day prior to resolution approving the private placement

	August 9, 2007
Open	28,100

High	28,720
Low	25,870
Close	26,450

4. Major Shareholders After Private Placement

Before Private Placement (July 31, 2007)		After Private Placement (with dilution)	
Shareholder	Pct.	Shareholder	Pct.
Tatsuya Akimoto	49.99	Tatsuya Akimoto	41.02
Fidelity Investments	5.26	GS TK Holdings 4 Joint Co.	17.94
Goldman Sachs International	2.14	Fidelity Investments	4.32
State Street Bank and Trust	2.02	Goldman Sachs International	1.75
The Chase Manhattan NA, London SL Omnibus Account	1.51	State Street Bank and Trust	1.66
Japan Trustee Service Bank (Trust account)	1.28	The Chase Manhattan NA, London SL Omnibus Account	1.24
Bank of New York GCM Client Accounts E ISG	1.22	Japan Trustee Service Bank (Trust account)	1.05
The Master Trust Bank of Japan (Trust account)	0.99	Bank of New York GCM Client Accounts E ISG	1.00
Tera Brains Co., Ltd.	0.88	The Master Trust Bank of Japan (Trust account)	0.81
Dresdner Bank AG, Frankfurt Equities Customers Account	0.84	Tera Brains Co., Ltd.	0.72

Notes:

1. Figures for prior to the private placement (as of July 31, 2007) are based on shareholder records as of January 31, 2007. Adjustments have been made based on estimates in cases where Ardepro has received a report from a shareholder concerning a purchase or sale since January 31, 2007 up to and including July 31, 2007.
2. Ownership of GS TK Holdings 4 Joint Company will become 23.35% if this company converts into stock all of the convertible bonds purchased through this private placement.

5. Effect on Operating Results

Ardepro has announced forecasts for the fiscal year ending in July 2008 in a press release dated August 10, 2007 titled "Notice of Revisions to Short-term Earnings Plan for the Fiscal Year Ending July 2008."

6. Suitability of Issue Terms

- (1) Basis for calculating issue price of stock

In consideration of price movements of Ardepro stock, the issue price was set at 26,450 yen, which represents a 0% discount to the closing price on the Tokyo Stock Exchange on August 9, 2007, the day before the resolution by the board of directors to conduct this offering.

- (2) Basis for calculating conversion price of convertible bonds

Ardepro believes the issue price of the convertible bonds (100% of face value) is appropriate based on an analysis of various factors affecting the value of the convertible bonds. The conversion price was set at 33,600 yen, which represents a 27.0% premium to the closing price of 26,450 yen for Ardepro stock on the Tokyo Stock Exchange on August 9, 2007, the day before the resolution by the board of directors to conduct this offering.

(3) Basis for belief that the number of shares issued and degree of dilution of stock are appropriate
 The stock and convertible bonds issued for this private placement will represent about 18% of all shares issued following the placement and, including common stock equivalents, about 23%. Ardepro believes that the funds procured from this private placement will contribute to further growth in its business operations, contributing in turn to growth in corporate value and shareholder value. As a result, the Company believes that the size of this private placement is appropriate. For these reasons, the Company has decided that the number of shares issued and degree of stock dilution associated with this private placement are appropriate.

7. Reason for Selection of Purchaser

(1) Profile of purchaser

Name	GS TK Holdings 4 Joint Company	
Activities	Purchase and ownership of securities	
Established	January 29, 2007	
Head office	46 th floor, Roppongi Hills Mori Tower 6-10-1 Roppongi, Minato-ku, Tokyo	
Name and title of CEO	Ankur A. Sahu, Executive Officer Representative, GS PIA Holdings Joint Company	
Capital	1 million yen	
Shareholder	GS PIA Holdings Joint Company (100%)	
Relationship with Ardepro	Capital	None
	Business	None
	Personnel	None
	Related parties	None

Notes:

1. There is no information concerning operating results because this company was established on January 29, 2007.
2. GS PIA Holdings Joint Company, the shareholder of GS TK Holdings Joint Company, is wholly owned member of the Goldman Sachs Group.

(2) Reason for selection of purchaser

Goldman Sachs has a deep understanding of Ardepro's business model. Furthermore, the Company believes that it can build a strong partnership with this company that includes measures to improve corporate governance. For example, Ardepro plans to add an executive from Goldman Sachs to its board of directors and its Executive Committee.

(3) Policy of purchaser concerning Ardepro stock and convertible bonds

The Company understands that Goldman Sachs plans to hold Ardepro stock and convertible bonds over the medium to long term, in principle, participating in the Company's management with the goal of increasing corporate value.

Ardepro plans to include a provision that requires the purchaser to submit a report concerning any sale of all or part of the private placement stock within two years of the stock issue date.

Appendix

1. Newly Issued Stock

(1) Number of shares	756,144
(2) Issue price	26,450 yen per share
(3) Aggregate issue price	20,000,008,800 yen
(4) Portion included in capital	10,000,004,400 yen (13,225 yen per share)
(5) Subscription/allocation method	Private placement of newly issued stock
(6) Application date	August 28, 2007 (Tuesday)
(7) Payment date	August 28, 2007 (Tuesday)
(8) Delivery of stock certificates	New stock certificates will not be delivered because the purchaser plans to ask for ownership without certificates
(9) Other required items in Securities Report concerning issuance of stock	None

2. Convertible Bonds

1. Name of bonds	Ardepro First Series of Unsecured Convertible Bonds; the bonds are made up of bonds and stock acquisition rights.
2. Aggregate proceeds	10,002,720,000 yen
3. Price per bond	100,027,200 yen, one type
4. No bond certificates	Ardepro will not issue bond certificates for this issue of convertible bonds. Furthermore, as prescribed in Article 254, Paragraphs 2 and 3 of the Company Law, holders of these convertible bonds cannot transfer ownership of the bond portion and stock acquisition right portion separately.
5. Coupon	The convertible bonds will bear no interest.
6. Amount paid per bond	100,027,200 yen (100 yen per 100 yen of face value)
7. Redemption price	100 yen per 100 yen of face value
8. Application date	August 28, 2007 (Tuesday)
9. Payment and issue date	August 28, 2007 (Tuesday)
10. Subscription method	Private placement in which all convertible bonds will be purchased by GS TK Holdings 4 Joint Company
11. Collateral and guarantee	There is no physical collateral or guarantee for the convertible bonds. Furthermore, no assets have been set aside for the convertible bonds.
12. No bond administrator	Since the convertible bonds fulfill the conditions of the provisory clause of Article 702 of the Company Law, there is no bond administrator.

13. Redemption method and time

- (1) The bonds will be redeemed on August 27, 2008 at 100 yen per 100 yen of face value.
- (2) 1 If any of the following events occur, the holder of the convertible bonds has the right to demand that Ardepro redeem all or part of the bonds at 100 yen per 100 yen of face value.
 - (i) A tax revision results in the deduction at source or other deduction of taxes concerning payments made by Ardepro with regard to the bonds
 - (ii) An official decision that causes Ardepro's obligations concerning the convertible bonds to be transferred to a third party. Such decisions include a corporate reorganization (defined in item 14 (16)); the sale or transfer of all of Ardepro's assets, or effectively all of Ardepro's assets (but only if conditions of the sale or transfer result in the transfer to a third party of obligations concerning the convertible bonds); and other corporate reorganizations.
 - (iii) Ardepro's shares are delisted

2 If a holder of the convertible bonds requests an early redemption as prescribed in item 1, the holder must submit a request on the form prescribed by Ardepro (the early redemption request form) no later than 30 days prior to the requested redemption date. The form must include the amount of the bonds to be redeemed, the redemption date and other information along with the holder's official seal. Furthermore, the form must be submitted at the redemption payment location designated in Article 19 (Location for Redemption Payments).

3 The request for early redemption will become effective when the early redemption request form arrives at the redemption payment location. The convertible bond holder who submits the early redemption request cannot cancel the request afterward.

(3) If the redemption date prescribed in this document is a bank holiday, the redemption date will be the next bank business day.

(4) Ardepro can repurchase and retire the bonds at any time beginning on the day following the issue date.

14. Items Concerning Stock Acquisition Rights

(1) Number of stock acquisition rights attached to the bonds

Ardepro will issue a total of 100 stock acquisition rights, with one right attached to each bond.

(2) Cash payment upon exchange of stock acquisition rights for stock

No payment is needed.

(3) Distribution date for stock acquisition rights

August 28, 2007. However, the stock acquisition rights will be distributed only if Ardepro receives the required payment on the payment date as prescribed in Item 9.

(4) Type of stock delivered upon exercise of stock acquisition rights calculation method for number of shares per type

Ardepro common stock will be delivered upon exercise of the stock acquisition rights. The Company will deliver either newly issue common stock or stock held as treasury stock. The number of shares is the largest whole number obtained by dividing the total amount paid for the bonds to which the stock acquisition rights being exercised are attached divided by the conversion price in Item (8) 2 in this section (or the adjusted conversion price as prescribed in Item (10)). Fractions of shares will be discarded and a cash payment made instead.

(5) Exercise period

Holders of the convertible bonds can exercise the stock acquisition rights at any time from August 29, 2007 through August 26, 2008. However, if the last day is a bank holiday, the exercise period will end on the next bank business day. In addition, the stock acquisition rights cannot be exercised (1) after the Company purchases and retires the bond to which the right is attached as stipulated in Item 13 (4) and (2) beginning on the day that the Company defaults on the bonds. In addition, if a holder of convertible bonds requests early redemption of the bond as stipulated in Item 13 (2), the applicable stock acquisition rights cannot be exercised from the time the early redemption request form is submitted to the redemption payment location. The stock acquisition rights will be cancelled at the time they can no longer be exercised under the provisions of Article 287 of the Company Law.

(6) Other conditions for exercise of stock acquisition rights

Partial exercise of the stock acquisition rights is not allowed.

(7) Purchase of stock acquisition rights by Ardepro

No items are prescribed concerning the purchase of stock acquisition rights.

(8) Description and amount of assets to be paid upon exercise of stock acquisition rights

1) When a stock acquisition right is exercised, the bond attached to that right is the asset used to pay for the stock. The price of the applicable bond is the same as the amount paid for the bond.

2) The amount to be paid per share (conversion price) upon exercise of a stock acquisition right is initially 33,600 yen. However, the conversion price may be adjusted as described in Item (10).

(9) Increase in paid-in capital and legal reserve due to exercise of stock acquisition rights

1) When shares are newly issued upon the exercise of stock acquisition rights, the increase in paid-in capital will be half of the maximum increase in paid-in capital, calculated in accordance with Article 40-1 of the Company Calculation Rules. All amounts resulting from this calculation will be rounded up to the nearest whole yen.

2) When shares are newly issued upon the exercise of stock acquisition rights, the increase in the legal reserve is the maximum increase in paid-in capital less the increase in paid-in capital as described in item 1).

(10) Adjustment of conversion price

1) Ardepro may adjust the conversion price as follows.

If an event described in section 2) (i) or (ii) occurs following the issue of the convertible bonds, the conversion price will be adjusted using the following conversion price adjustment formula.

$$\text{Adjusted exercise price} = \text{Exercise price before adjustment} \times \frac{\text{Number of outstanding shares} + \frac{\text{Number of shares delivered} \times \text{Amount paid per share}}{\text{Market price per share}}}{\text{Number of outstanding shares} + \text{Shares delivered}}$$

- 2) The following items apply to adjustment of the conversion price of the convertible bonds using the conversion price adjustment formula and the time at which the adjusted conversion price becomes effective.
- (i) If Ardepro delivers its common stock at a price that is less than the market price prescribed in item 3) (ii) below (however, this does not apply to (a) the receipt of stock upon the exercise of stock acquisition rights received in exchange for the receipt of securities (rights) listed in (iii) below or in exchange for the receipt of the securities (rights) in this private placement or (b) stock received in exchange for the receipt of stock received through the exercise of stock acquisition rights in item (iv) below or the stock acquisition rights in this private placement), the adjusted conversion price will become effective starting on the day after the payment date for this common stock (the final day when there is a payment period of two or more days, same hereafter) or, if there is a record date for shareholders to receive this stock as an allocation, the day after this record date.
 - (ii) When Ardepro conducts a stock split or gratis share distribution of its common stock The adjusted conversion price becomes effective (a) on the day following the record date for a common stock split, (b) on the day after the record date for the right to receive a gratis distribution of common stock, and (c) the day after the stock split becomes effective if there is no record date for the right of shareholders to receive the gratis share distribution.
 - (iii) This item is applicable if the Company issues at a price below the market price prescribed in item 3) (ii) (a) common stock, (b) stock that can be received in exchange for Ardepro common stock or that requires an exchange of Ardepro common stock, (c) securities (rights) that can be received in exchange for stock acquisition rights for the receipt of Ardepro common stock or securities (rights) that require this exchange; (d) stock acquisition rights (including stock acquisition rights attached to convertible bonds, same hereafter) for the receipt of stock, where Ardepro common stock can be received by exercising the rights or stock can be received in exchange for Ardepro common stock. This item include gratis share distributions. In this case, all securities (rights) and stock acquisition rights issued (securities with acquisition rights hereafter) will be deemed to have been acquired under the original terms or exercised to receive Ardepro common stock (in the case of (a) stock that is acquired in exchange for Ardepro common stock or that requires this exchange; (b) securities (rights) obtained in exchange for stock acquisition rights that can demand the delivery of Ardepro common stock, or that require this exchange; (c) stock acquisition rights for the receipt of stock that can be obtained in exchange for Ardepro common stock, or that requires this exchange; additionally, it is deemed that all such stock or stock acquisition rights have been acquired at the initial terms and have been exercised to receive Ardepro common stock). The adjusted conversion price will be calculated based on the conversion price adjustment formula and this adjusted price will become effective on the payment date (allocation date in the case of stock acquisition rights and convertible bonds) or the day after the gratis share distribution becomes effective.

However, the adjusted conversion price becomes effective on the day after the record date if there is a record date for the right to receive a shareholder allocation.

Irrespective of the above items, in cases where the value of Ardepro common stock delivered upon an acquisition or exercise cannot be determined at the time the securities with acquisition rights were issued, it will be deemed that all securities with acquisition rights

issued at the time the value was determined were acquired or exercised under terms in force when the value was determined, and that Ardepro common stock was delivered (in the case of (a) stock that is acquired in exchange for Ardepro common stock or that requires this exchange; (b) securities (rights) obtained in exchange for stock acquisition rights that can demand the delivery of Ardepro common stock, or that require this exchange; (c) stock acquisition rights for the receipt of stock that can be obtained in exchange for Ardepro common stock, or that requires this exchange; additionally, it is deemed that all such stock or stock acquisition rights have been acquired at the initial terms and have been exercised to receive Ardepro common stock). In this case, the adjusted conversion price will be calculated using the conversion price adjustment formula in 1) (i) and become effective beginning on the day that the applicable value was determined.

- (iv) For transactions described in item 2) (i) through (iii), irrespective of the contents of the above sections (i) through (iii), the adjusted conversion price will become effective on the day after the price has been approved in cases where (a) a record date has been established for granting shareholders the right to receive an allocation and (b) this transaction(s) becomes effective only if approval is granted at a shareholders meeting, directors meeting or other Ardepro management body on or after the record date.

In this case, Ardepro common stock will be distributed based on the following formula to holders of stock acquisition rights who exercise these rights. The distribution will take place between the day after the record date and no later than the day that approval of the transaction by a management body is given. However, the delivery of stock certificates must conform to the rules in Item (14).

$$(\text{Conversion price} - \text{Adjusted conversion price}) \times \text{Number of shares delivered at the pre-adjustment conversion price during the applicable period}$$

Adjusted conversion price

Any fraction of less than one share will be discarded and a cash payment made instead.

- 3) (i) The conversion price adjustment formula will be used to calculate the conversion price to the hundredths place, and the figure in the hundredths place will be discarded.
- (ii) The market price used in the conversion price adjustment formula in Item 1) (i) is the average of the closing prices on the Tokyo Stock Exchange for Ardepro common stock for the period of 30 trading days (excluding days when there was no closing price) that starts on the 45th trading day prior to the application date for the adjusted conversion price (the record date in the case of Item 2) (iv).

The average will be calculated to the hundredths place, and the figure in the hundredths place will be discarded.

- (iii) The number of shares issued in the conversion price adjustment formula in Item 1) (i) is as of the record date if there is one. If there is no record date, this number will be calculated by subtracting the number of shares of Ardepro common stock held by the Company from the number of shares issued as of one month prior to the date when the adjusted conversion price becomes effective. In the case of a stock split as described in Item 2) (ii), the number

of shares delivered in the conversion price adjustment formula does not include shares delivered for Ardepro common stock held by the Company as of the record date.

- 4) In addition to the cases where the conversion price adjustment in Item 2 is needed, the conversion price may be adjusted as required in the following cases.
 - (i) When a conversion price adjustment is needed due to a stock consolidation, a merger where Ardepro is the surviving company, an absorption and split where Ardepro is the remaining company, or an exchange of stock in which Ardepro becomes a complete parent company.
 - (ii) Other cases where a conversion price adjustment is needed because of an event that will or may cause a change in the number of shares of common stock issued.
 - (iii) When there are two or more events that require a conversion price adjustment, and the effect of one event on the market price used to calculate the adjusted conversion price based on the other event must be taken into consideration.

- 11) When the conversion price is adjusted as prescribed in Item (10), Ardepro will provide notice of this action in writing to holders of the convertible bonds. The notice will include the reasons for making the adjustment, the current conversion price, the adjusted conversion price, the date the adjusted price becomes effective and other necessary items. However, The adjusted conversion price will become effective on or after the original date of effectiveness if the notice cannot be conducted by the day before the date of effectiveness.
- 12) Method for exercising stock acquisition rights
Requests for the exercise of the stock acquisition rights will be processed at the exercise request reception location designated in Article 21 (the exercise request processing location).
 - (1) To exercise a stock acquisition right, the holder must submit a request on the form prescribed by Ardepro (the stock acquisition right exercise request form). The form must include the amount of the convertible bonds to be submitted, the number and type of stock acquisition rights, the exercise date and other information along with the holder's official seal. The form must be submitted at the exercise request processing location during the exercise period.
 - (2) Parties that submit the documents required to exercise stock acquisition rights at the designated location may not subsequently cancel this request.

- 13) Timing of effectiveness of exercise of stock acquisition rights
Parties exercising these stock acquisition rights are holders of shares used for delivery upon the exercise of these rights as prescribed in Article 282 of the Company law.
- 14) Method of delivering stock certificates
Ardepro will deliver stock certificates immediately after the exercise of a stock acquisition right becomes effective.
- 15) Dividends from retained earnings
Regarding dividends from retained earnings (including monetary distributions as prescribed in Article 454-4 of the Company Law), The Company will treat parties that receive Ardepro common stock through the exercise of stock acquisition rights on or prior to a dividend record date in the same manner as all other holders of Ardepro common stock (except stock held by the Company) as of the dividend record date.
- 16) In the event of a merger in which Ardepro is dissolved, an absorption and spin-off, a spin-off to form a new company, an exchange of stock or transfer of stock (organizational realignment actions hereafter), The Company can replace remaining stock acquisition rights

held immediately prior to the date of effectiveness of the organizational realignment action with stock acquisition rights of an incorporated company (reorganization target company hereafter) as prescribed in Company Law Article 236-1 items (i) through (v) (successor stock acquisition rights hereafter). In this case, the stock acquisition rights will be cancelled on the date of effectiveness of the organizational realignment action and obligations concerning the bonds will be transferred to the reorganization target company. Holders of Ardepro stock acquisition rights will become holders of the successor stock acquisition rights. Furthermore, all provisions in this document concerning the stock acquisition rights will apply to the successor stock acquisition rights. If there is an absorption and spin-off or a spin-off to form a new company, holders of stock acquisition rights remaining immediately prior to the date of effectiveness of these actions will receive successor stock acquisition rights of the reorganization target company to replace the original stock acquisition rights. However, this replacement is applicable only in cases where the reorganization target company states in the absorption and spin-off contract or a new company spin-off plan that it will assume the obligations associated with the bonds.

1) Number of reorganization target company successor stock acquisition rights distributed

The number of successor stock acquisition rights distributed will be the same as the number of stock acquisition rights attached to the remaining bonds held by bondholders immediately prior to the date of effectiveness of the of the organizational realignment action.

2) Type of reorganization target company stock used for exercise of successor stock acquisition rights

Common stock of the reorganization target company

3) Number of reorganization target company shares used for exercise of successor stock acquisition rights

The conversion price of valid stock acquisition rights outstanding immediately prior to the date of effectiveness of the organizational realignment action will be adjusted as prescribed in Item (10) and determined as prescribed in Item (4). The conversion price of the successor stock acquisition rights following the date of effectiveness of the organizational realignment action will be adjusted as prescribed in Item (10).

4) Description and amount of assets to be paid upon exercise of successor stock acquisition rights

When a successor stock acquisition right is exercised, the bond attached to that right is the asset used to pay for the stock. The price of the applicable bond is the same as the amount paid for the bond as prescribed in Item (8).

5) Successor stock acquisition right exercise period

The exercise period will begin on either the starting date of the exercise period for the original stock acquisition rights prescribed in Item (5) or the date of effectiveness of the organizational realignment action, whichever is later, and end on the ending date of the exercise period prescribed in Item (5).

6) Other conditions for exercise and purchase of successor of stock acquisition rights

Same as in Items (6) and (7)

7) Increase in paid-in capital and legal reserve resulting from shares issued due to exercise of successor stock acquisition rights

Same as in Item (9)

15. Reason for elimination of need to pay cash in exchange for the stock acquisition rights and basis of calculation of price of assets submitted upon exercise

The stock acquisition rights are attached to convertible bonds. The rights cannot be detached and sold separately. Furthermore, a bond is the payment used when a stock acquisition right is exercised. In consideration of (a) the close mutual relationship between the bonds and stock acquisition rights, (b) the value of the stock acquisition rights and the economic value concerning the issue terms, including the interest rate, early redemption and issue price, the Company decided that no cash payment would be needed in exchange for the stock acquisition rights. In addition, since these are convertible bond type notes with stock acquisition rights, the Company made the amount of assets to be submitted upon the exercise of one right the same as the issue price of one bond. The initial conversion price is equivalent to 127% of the closing price of Ardepro common stock on the Tokyo Stock Exchange on August 9, 2007.

16. Ranking of the Bonds

In accordance with bond terms for the convertible bonds, the bonds are an ordinary liability for which compulsory execution is possible. Furthermore, this is a direct, unconditional, unsecured and non-subordinated liability of Ardepro. All bonds have the same ranking; there is no preference or subordination among the bonds regarding the timing of their issuance or any other reason.

17. Default and Special Clause for Early Redemption

Ardepro will be in default concerning the bonds (and the stock acquisition rights can no longer be exercised) if items (4) through (6) below are applicable, as well as in the case that any holder of the convertible bonds submits an applicable demand in writing to the Company.

- (1) The Company is in violation of a provision for the convertible bonds and fails to fulfill its obligation or make a correction within 30 days of receipt of a notice from a bondholder demanding corrective actions.
- (2) The Company defaults on another bond issue or is unable to make a repayment that has come due.
- (3) The Company defaults on a debt other than its bonds or is unable to make a repayment that has come due. Or the Company is unable to fulfill its responsibilities concerning a guarantee extended by the Company for the bonds or debts of a third party. However, these events do not constitute a default if the total liability does not exceed 100 million yen (or the equivalent in foreign currency).
- (4) The Company begins bankruptcy, civil rehabilitation, corporate rehabilitation or special liquidation proceedings, or the board of directors approves a resolution to submit a liquidation resolution at the shareholders meeting (except in the case of a merger).
- (5) The Company decides to begin bankruptcy, civil rehabilitation or corporate rehabilitation proceedings or receives an order to begin special liquidation.
- (6) The Company's shareholders approve a liquidation resolution (except in the case of a merger).

18. Public Notices for Holders of the Convertible Bonds

Public notices for holders of the convertible bonds will, except when prescribed otherwise by laws or regulations, be made using the Ardepro's designated electronic public notice method. Furthermore, the Company will quickly notify bondholders that an electronic public notice has been made. However, if the Company is unable to conduct an electronic public notice due to an

accident or other unavoidable circumstances, the notice will be placed in a newspaper as specified in the Company's Articles of Incorporation. Furthermore, the Company will quickly notify bondholders that a public notice has been placed in the newspaper. However, except in cases where prescribed otherwise by laws or regulations, the Company can contact bondholders directly instead of making a public announcement.

19. Redemption Payment Office (Location for redemption payments)
Business Administration Division of Ardepro

20. Exercise Request Processing Location
Ardepro stock transfer agent: Head Office, Stock Transfer Agency Division, Sumitomo Trust & Banking Co., Ltd.