

## News Release

October 26, 2007

### ARDEPRO Co., Ltd.

Representative: Reishi Kubo, President and Chief Operating Officer

Stock code: 8925, Tokyo Stock Exchange, Mothers Market

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Division

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### (Correction)

#### Announcement of Corrections to Financial Results for the Fiscal Year Ended July 2007

ARDEPRO Co., Ltd. has made certain corrections to the Financial Results for the Fiscal Year Ended July 2007 that were released on September 14, 2007. Corrections are underlined.

Page 21

#### 4. Consolidated Financial Statements

##### (4) Consolidated Cash Flow Statements

(Before correction)

Thousand yen

		Fiscal year ended July 31, 2006 August 1, 2005 - July 31, 2006	Fiscal year ended July 31, 2007 August 1, 2006 - July 31, 2007	Change
Account	Note	Amount	Amount	Amount
I. Cash flow from operating activities (omitted)				
Subtotal		(6,110,708)	(3,404,029)	2,706,678
Interest and dividends received		1,976	4,959	
Interest paid		(305,437)	(747,461)	
Income taxes paid		(1,040,087)	(4,393,944)	
Head office relocation expenses paid		(8,842)	<u>400,000</u>	
Net cash used in operating activities		(7,463,098)	(8,140,477)	(677,378)

(After correction) Yen in thousands

Thousand yen				
		Fiscal year ended July 31, 2006 August 1, 2005 - July 31, 2006	Fiscal year ended July 31, 2007 August 1, 2006 - July 31, 2007	Change
Account	Note	Amount	Amount	Amount
I. Cash flow from operating activities (omitted)				
Subtotal		(6,110,708)	(3,404,029)	2,706,678
Interest and dividends received		1,976	4,959	
Interest paid		(305,437)	(747,461)	
Income taxes paid		(1,040,087)	(4,393,944)	
Head office relocation expenses paid		(8,842)	—	
Cash gift income		—	400,000	
Net cash used in operating activities		(7,463,098)	(8,140,477)	(677,378)

Page 30

4. Consolidated Financial Statements

Notes to Consolidated Financial Statements

Notes to Consolidated Balance Sheets

Fiscal year ended July 2007 (As of July 31, 2007)

※ 3. Assets pledged as collateral and corresponding liabilities

(Before correction)

(After correction)

Thousand yen			
(Before correction)		(After correction)	
Assets pledged		Assets pledged	
Cash and deposits	150,000	Cash and deposits	150,000
Real estate for sale	21,273,027	Real estate for sale	21,987,450
Buildings	5,125	Buildings	5,125
Land	64,037	Land	64,073
Total	21,492,189	Total	22,206,649
Corresponding liabilities		Corresponding liabilities	
Short-term borrowings	22,371,400	Short-term borrowings	22,684,400
Deposits	967,000	Deposits	967,000
Total	23,338,400	Total	23,651,400

## 5. Non-consolidated Financial Statements

## (7) Notes to Non-consolidated Financial Statements

## Notes to Non-consolidated Balance Sheets

Fiscal year ended July 2007 (As of July 31, 2007)

## ※ 1. Assets pledged as collateral and corresponding liabilities

(Before correction)

(After correction)

Thousand yen

Assets pledged		Assets pledged	
Cash and deposits	150,000	Cash and deposits	150,000
Real estate for sale	<u>21,273,027</u>	Real estate for sale	<u>21,987,450</u>
Buildings	5,125	Buildings	5,125
Land	<u>741,485</u>	Land	<u>64,073</u>
Total	<u>19,685,517</u>	Total	<u>22,206,649</u>
Corresponding liabilities		Corresponding liabilities	
Short-term borrowings	<u>23,905,404</u>	Short-term borrowings	<u>22,684,400</u>
Deposits	967,000	Deposits	967,000
Total	<u>24,872,404</u>	Total	<u>23,651,400</u>

## ※ 2. The Company has an overdraft facility with a bank. The balance of unused credit lines under these agreements as of the end of fiscal year was as follows:

(Before correction)

(After correction)

Thousand yen

Current account overdraft	8,100,000	Current account overdraft	8,000,000
Credit used	<u>2,925,000</u>	Credit used	<u>2,825,000</u>
Credit available	5,175,000	Credit available	5,175,000