

## News Release

October 8, 2008

### **ARDEPRO Co., Ltd.**

Representative: Reishi Kubo, Chief Executive Officer

Stock code: 8925, Tokyo Stock Exchange, Mothers Market

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### **Notice of Establishment of Subsidiary**

The board of directors of ARDEPRO Co., Ltd. today approved a resolution to establish a subsidiary as follows.

#### **1. Reason for establishing subsidiary**

Real estate revitalization is the core business of ARDEPRO. At this time, ARDEPRO has decided to establish a subsidiary that will be responsible exclusively for the sale of existing condominiums to individuals who will use these units as residences. There are a large number of buyers in the Tokyo area for condominiums to be used as a residence rather than an investment. Furthermore, the sale of condominiums to resident-owners was ARDEPRO's first business when the company was established. ARDEPRO therefore believes that it has many competitive advantages in this market.

ARDEPRO has realigned and consolidated its nationwide operations in order to concentrate on the Tokyo area. The company has been rapidly lowering expenses for its office network as well as for fixed expenses. ARDEPRO believes that establishing a subsidiary will further contribute to lowering fixed expenses by creating a separate business unit that reports earnings on its own.

ARDEPRO will concentrate on the revitalization of existing condominiums and office buildings that are sold to investors.

This division of roles between ARDEPRO and the new subsidiary will make it possible to concentrate resources only on the most important activities. In addition, creating a separate company will simplify the decision-making process. By operating with greater speed, the new subsidiary will be better able to take advantage of all opportunities to earn a profit.

ARDEPRO plans to submit an application for a permit under the Real Estate Specified Joint Enterprise Law. If approval is received to conduct a real estate special joint business, ARDEPRO will gain a new channel for procuring funds for business activities. Furthermore, this approval will allow ARDEPRO to conduct a real estate fund business in order to plan and develop investment products for individuals. The new subsidiary expects to make sales of these products another source of earnings.

## **2. Profile of new subsidiary**

Name	ARDEPRO Housing Sales Co., Ltd.
Address	Shinjuku-ku, Tokyo
Establishment	Middle of October 2008
Capital	¥10 million (200 shares)
CEO	Yasuo Takahashi, Representative Director (Director and General Manager of Business Operations Division, ARDEPRO)
Shareholders	Wholly owned subsidiary of ARDEPRO Co., Ltd.
Activities	Sale of existing properties
Fiscal year	Ends July 31

## **3. Effect on operating results**

At this time, ARDEPRO believes that the establishment of this subsidiary will not have a material effect on its outlook and operating results. An announcement will be made when this effect has been determined.