



News Release

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ARDEPRO Co., Ltd.

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Notice Concerning Results for the First Half of the Year and Revised Earnings Forecast for the Full Year Ending July 2009

ARDEPRO Co., Ltd. has not previously disclosed earnings forecasts for the first half of the year ending July 2009 (August 1, 2008 to January 31, 2009) or the full year ending July 2009 (August 1, 2008 to July 31, 2009). The environment surrounding the real industry is undergoing severe change, and we have been reviewing our earnings forecasts extremely carefully because it has become more difficult than ever before to predict the future due to the growing tendency for earnings to fluctuate widely depending on the timing of the sale of our properties. We are now releasing a comparison of our earnings results for first half of the year ending July 2009 (August 1, 2008 to January 31, 2009) and the year-earlier figures.

We have also drawn up an earnings forecast for the full year ending July 2009 based on the trends seen in the first half of the year ending July 2009, and this is presented below.

1. Difference between results for the first half of the year ending July 2009 (consolidated) and the year earlier results (consolidated)

	Net sales	Operating profit	Recurring profit	First half net income	First half net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Prior year first half results (A)	51,218	7,719	6,705	3,915	953.87
Announced results (B)	6,024	(8,456)	(9,085)	(17,458)	(4,139.29)
Difference (B-A)	(45,194)	(16,175)	(15,790)	(21,373)	(5,093.16)
Change (%)	-88.2%	---	---	---	---

2. Reasons for differences between this year's results and last year's results

Sales declined 88.2% from a year earlier to 6,024 million yen first half of the year ending July 2009. This resulted in an operating loss of 8,456 million yen, a recurring loss of 9,085 million yen and a net loss of 17,458 million yen for the first half of the fiscal year.

(1) Consolidated net sales

The highest priority for our core real estate revitalization business is to sell properties quickly and thereby reduce interest-bearing liabilities. However, the property market was weak in the second

half of the fiscal year, and the situation is becoming even worse due to a series of property company bankruptcies. Although we have worked to shrink inventory and reduce interest-bearing liabilities, property sales have not proceeded as expected and sales fell 88.2% from a year earlier to 6,024 million yen.

(2) Consolidated operating profit, recurring profit, and first-half net income

Although we have worked to reduce fixed overhead costs through measures such as closing branches, we posted an operating loss of 8,456 million yen and a recurring loss of 9,085 million yen because property sales did not proceed as expected and profit margins eroded.

In the first quarter of the fiscal year we recorded an impairment charge of 6.0 billion on properties held for resale, and as a result we posted a net loss of 17,458 million yen for the first half of the fiscal year.

3. Consolidated forecast for the full year ending July 2009

	Net sales	Operating profit	Recurring profit	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Prior year results (A)	64,638	3,166	1,129	(10,413)	(2,502.56)
Forecast (B)	28,300	(10,700)	(12,100)	(21,800)	(4,214.99)
Change in yen (B-A)	(36,338)	(13,866)	(13,229)	(11,387)	(1,712.43)
Change (%)	-56.2%	---	---	---	---

4. Earnings forecast elements

We are proceeding with the sale of inventory property during the fiscal year ending July 2009. We are forecasting the net sales presented above because interest in properties up for sale is gradually increasing and we are pursuing a strategy of selling our properties quickly. But in view of the recent state of the property market, we expect profit margins to deteriorate, resulting in the forecast shown above. For information regarding our business plan for the year ending 2010, please see the "Notice of Business Plan for the Year Ending July 2010," also released today.