



News Release

March 12, 2009

ARDEPRO Co., Ltd.
Representative: Tatsuya Akimoto, President and Chief Operating Officer
Stock code: 8925, Tokyo Stock Exchange, Mothers Market
Contact: Reishi Kubo, Director, Executive Vice President
Telephone: +81-3-5367-2001

Notice of Private Placement of Stock and Changes in Controlling and Other Major Shareholders

The board of directors of ARDEPRO Co., Ltd. approved a resolution today to issue stock for sale through a private placement as follows. In addition, due to this private placement, the company expects the following changes in controlling shareholders and major shareholder on April 22, 2009.

I. Private placement of newly issued stock

1. Purpose of private placement of newly issued stock

ARDEPRO reported consolidated sales of 64.6 billion yen, down 17.3% from one year earlier, and a net loss of 10.4 billion yen in the fiscal year that ended on July 31, 2008. In addition, ARDEPRO has reached an agreement with financial institutions to delay the repayment dates for certain loans. Due to these events, ARDEPRO stated that there are significant doubts concerning the assumption that the company is a going concern.

Japan's real estate market remains lackluster in the current fiscal year, which ends in July 2009. The operating environment in the real estate industry is still extremely challenging. In some cases, real estate companies have abruptly become insolvent and terminated operations.

As was announced separately today in a release titled "Notice Concerning Management Plan," ARDEPRO has completed work on a management plan for the following fiscal year. Under this plan, ARDEPRO will concentrate on the revitalization of existing condominiums, which is the company's original business model. The goal is to return to profitability in the fiscal year ending in July 2010. ARDEPRO has decided to conduct a private placement of newly issued stock in order to procure funds needed to purchase properties for the condominium revitalization business.

ARDEPRO representative director Tatsuya Akimoto did not participate in today's discussion and vote by the board of directors concerning this private placement because he is an interested party.

2. Amount of funds procured and use

(1) Amount of funds procured (net amount after estimated fees)

1,500,000,060 yen (1,490,000,000 yen after fees)

The amount of funds procured from the private placement of stock, which is approximately 1.5 billion yen, was determined based on ARDEPRO's plan for returning to profitability in the next fiscal year and on matters involving the purchaser of this stock. ARDEPRO estimates that fees for this private placement will be approximately 10 million yen, including administrative fees paid to the transfer agent due to the issuance of stock and expenses for printing associated documents.

(2) Specific uses of funds procured

Estimated net proceeds of 1,490 million yen will be used to purchase existing condominiums to conduct the condominium revitalization business. The subprime loan crisis has caused a sharp downturn in Japan's real estate market. In particular, the market for existing properties, which was once very active, has become lackluster. Despite this weakness, there is a gradual upturn in interest among individuals in purchasing properties for use as a primary residence. Demand for existing condominiums is solid because these condominiums cost about 30% to 40% less than comparable new condominiums. By returning to a focus on the existing condominium business, ARDEPRO plans to return to profitability in the following fiscal year and afterward.

The payment for the common stock to be issued for this private placement is to be made to ARDEPRO's bank account on April 22, 2009. Following this date, ARDEPRO will be able to use these funds at any time for the above purpose. Until the time that the net proceeds from the common stock issue are used, the funds will remain in this bank account and will not be used temporarily for any other purposes.

(3) Planned timing for use of funds procured

Although prices of properties purchased will vary greatly depending on the size, structure and other factors, ARDEPRO expects to use the funds procured between April and July 2009.

(4) Position concerning suitability of use of funds procured

The condominium revitalization business is the original business model of ARDEPRO. In this business, ARDEPRO purchases an entire company housing unit, existing condominium building or other building, divides the building into many units and then sells these units to the public. Beginning in the fiscal year that ended in July 2008, ARDEPRO has expanded this business from the revitalization of existing condominiums to include the revitalization of large real estate developments, large office buildings and other structures. However, this expansion led to a decline in earnings as the real estate market downturn caused an increase in inventories. The revitalization of large developments and office buildings creates a substantial financial burden due to the long period of time required to complete these projects. On the other hand, the condominium revitalization business has a much shorter time frame than these larger projects do. This will allow ARDEPRO to operate more efficiently because the loans from financial institutions are shorter and interest expenses are lower.

ARDEPRO plans to use the funds procured from this private placement to purchase existing condominiums with the aim of returning its focus to the original core business and reinvigorating sales and earnings. Since ARDEPRO expects that this will result in the accomplishment of its plan to return to profitability starting in the next fiscal year, the company believes this use of funds procured is suitable.

3. Three-year financial highlights and equity financing activity

(1) Three-year financial highlights (consolidated)

(Million yen)

Years ended July 31	2006	2007	2008
Net sales	43,001	78,184	64,638
Operating income	7,171	12,505	3,166
Ordinary income	6,698	11,617	1,129
Net income	3,739	6,512	(10,413)
Earnings per share (yen)	5,572.12	1,884.08	(2,502.56)
Dividends per share (yen)	1,600	560	230
Net assets per share (yen)	15,694.78	4,468.84	5,573.33

Note: There was a 5-to-1 stock split on August 1, 2006.

(2) Number of shares issued and common stock equivalents (March 12, 2009)

Type	Number of shares	Pct. of shares issued
Shares issued	4,217,839	100%
Common stock equivalents at current conversion price (exercise price)	2,598,100	61.6%
Common stock equivalents at minimum conversion price (exercise price)	2,598,100	61.6%
Common stock equivalents at maximum conversion price (exercise price)	2,598,100	61.6%

(3) Stock price information

1) Three-year stock price summary (yen)

Years ended July 31	2006	2007	2008
Open	67,000	29,100	33,250
High	272,000 *30,200	44,850	41,400
Low	51,700 *24,310	28,230	4,320
Close	29,570	33,300	4,340

Note: Asterisk is high and low after the stock split.

2) Six-month stock price summary (yen)

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Open	2,400	2,305	1,591	1,100	931	800
High	4,950	2,450	1,651	1,280	1,285	858
Low	1,830	1,102	998	765	766	360
Close	2,025	1,531	1,160	900	803	420

3) Stock price on day prior to private placement resolution (yen)

	As of March 11, 2009
Open	440
High	448
Low	431
Close	435

(4) Summary of this equity financing

Private placement

Issue date	April 22, 2009
Funds procured	1,500,000,060 (435 yen) (Estimated net proceeds 1,490,000,060 yen)
Shares issued before private placement	4,217,839
Shares issued for private placement	3,448,276
Shares issued after private placement	7,666,115
Purchaser of shares	Tatsuya Akimoto, President and Representative Director of ARDEPRO

(5) Three-year equity financing activity summary

Private placement of stock

Issue date	May 22, 2006
Funds procured	3,499,596,000 (Issue price: 164,000 yen)
Shares issued before private placement	667,840
Shares issued for private placement	21,339
Purchasers of shares	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 plan for use of proceeds	M&A to expand the ARDEPRO Group and purchases of real estate
Planned timing for use of proceeds	June to December 2006
Actual use of proceeds	Proceeds were used to purchase real estate

Private placement of stock

Issue date	August 28, 2007
Funds procured	20,000,008,800 yen (Issue price: 26,450 yen)
Shares issued before private placement	3,458,595
Shares issued for private placement	756,144
Purchasers of shares	GS TK Holdings 4 Joint Company
Initial plan for use of proceeds	Purchases of real estate
Planned timing for use of proceeds	September 2007 to July 2008
Actual use of proceeds	Almost all proceeds were used to purchase real estate

Private placement of first issue of convertible bonds

Issue date	August 28, 2007
Funds procured	10,002,720,000 yen
Shares issued before private placement	3,458,595
Common stock equivalents due to private placement	297,700 shares at initial conversion price of 33,600 yen
Conversion of bonds	Stock issued upon conversion: 0 (Balance: 0, Conversion price: 33,600 yen) (Offset with 2nd issue of convertible bonds on August 27, 2008)
Initial plan for use of proceeds	Purchases of real estate
Purchaser of bonds	GS TK Holdings 4 Joint Company
Planned timing for use of proceeds	September 2007 to July 2008
Actual use of proceeds	Almost all proceeds were used to purchase real estate

Private placement of second issue of convertible bonds

Issue date	August 27, 2008
Funds procured	10,002,720,000 yen
Shares issued before private placement	4,217,839
Common stock equivalents due to private	2,598,100 shares at initial conversion price of

placement	3,850 yen
Conversion of bonds	Stock issued upon conversion: 0 (Balance: 10,002,720,000 yen, Conversion price: 3,850 yen)
Initial plan for use of proceeds	Offset 1st issue of convertible bonds
Purchaser of bonds	GS TK Holdings 4 Joint Company
Planned timing for use of proceeds	August 27, 2008
Actual use of proceeds	All proceeds were used to offset the 1st issue of convertible bonds

4. Major shareholders and holding percentage

Before private placement (January 31, 2009)	After private placement
Tatsuya Akimoto, 40.99%	Tatsuya Akimoto, 67.53%
GS TK Holdings 4 Joint Co., 17.93%	GS TK Holdings Joint Co., 9.86%
Akimoto International Scholarship Foundation, 2.37%	Akimoto International Scholarship Foundation, 1.30%
Pictet & Cie 2.27%	Pictet & Cie 1.25%
Fortis Private Banking Singapore Limited Account Clients, 0.91%	Fortis Private Banking Singapore Limited Account Clients, 0.50%
Credit Suisse Zurich, 0.68%	Credit Suisse Zurich, 0.37%
Japan Securities Finance Co., Ltd., 0.56%	Japan Securities Finance Co., Ltd., 0.31%
BBH FOR Japan Opportunities Fund LP, 0.25%	BBH FOR Japan Opportunities Fund LP, 0.14%
Kenkichi Ogata, 0.23%	Kenkichi Ogata, 0.12%
MLPFS Custody Account, 0.22%	MLPFS Custody Account, 0.12%

5. Outlook for effect on performance

ARDEPRO plans to use the proceeds of this private placement to purchase real estate for its condominium revitalization business with the goal of returning to profitability in the fiscal year ending in July 2010. Please refer to today's release titled "Notice Concerning Management Plan" for more information.

6. Justification of issue terms

(1) Basis for calculating issue price

Since the closing price of ARDEPRO common stock on the Tokyo Stock Exchange on March 11, 2009, the day prior to approval of the private placement by the ARDEPRO board of directors was 435 yen, the issue price was set at 435 yen (0% discount).

(2) Basis for decision that the number of shares and degree of dilution are reasonable

ARDEPRO will issue 3,448,276 shares for this private placement, which is 81.8% of shares currently issued. This will dilute the value of shares already issued.

However, as is explained in "1. Purpose of private placement of newly issued stock," ARDEPRO believes that this private placement is necessary for increasing corporate value by concentrating on the condominium revitalization business, thereby returning the company to profitability in the following fiscal year and creating a sounder financial position.

Consequently, ARDEPRO believes that the number of shares issued and degree of stock dilution are reasonable for existing shareholders, too.

7. Reason for selection of purchaser

(1) Profile of purchaser

Name	Tatsuya Akimoto
Address	Meguro-ku, Tokyo
Relationship with ARDEPRO	President and representative director
Investment in ARDEPRO	1,728,847 shares (40.99%) (January 31, 2009)

(2) Reason for selection of purchaser

Tatsuya Akimoto is the president and representative director of ARDEPRO. Mr. Akimoto feels responsible for the downturn in the company's performance and problems this has caused for ARDEPRO stakeholders. Mr. Akimoto thus decided to take responsibility by making this investment with the aim of achieving a recovery in the company's performance.

Under the forceful leadership of Mr. Akimoto, who is the founder of ARDEPRO, all executives and employees of the company are determined to work together to overcome challenges posed by the difficult real estate market and achieve a recovery in performance.

(3) Holding policy of purchaser

There are no agreements between ARDEPRO and the purchaser concerning the continued holding or placement in a trust of the private placement shares. However, Mr. Akimoto has stated his intention of being a medium to long-term holder of these shares, in principle.

There is an agreement between ARDEPRO and the purchaser under which the purchaser will promptly notify the company in writing of any sale of the private placement shares within two years of the issue date.

(Supplementary information)

- (1) Number of shares issued 3,448,276 shares of common stock
- (2) Issue price 435 yen per share
- (3) Aggregate issue price 1,500,000,060 yen
- (4) Portion included in common stock 751,724,168 yen
- (5) Sale or allocation method Private placement with all shares allocated to Tatsuya Akimoto
- (6) Application date April 22, 2009
- (7) Payment date April 22, 2009
- (8) The above items assume that valid documents will be submitted as prescribed in the Financial Instruments and Exchange Law.

II. Change in Controlling Shareholder

1. Reason for change

This change is expected to occur in conjunction with this private placement.

2. Profile of controlling shareholder

- (1) Name: Tatsuya Akimoto
- (2) Address: Meguro-ku, Tokyo
- (3) Relationship with ARDEPRO: President and representative director

3. Change in voting rights and ownership pct. of Tatsuya Akimoto due to the private placement (March 12, 2009)

	Category	No. of voting rights			Pct. of voting rights		
		Direct ownership	Additional rights	Total	Direct ownership	Additional rights	Total
Before (March 12, 2009)	—	1,728,847 rights (1,728,847 shares)	441 rights (441 shares)	1,729,288 rights (1,729,288 shares)	40.99%	0.01%	41.00%
After (April 22, 2009)	Controlling shareholder	5,177,123 rights (5,177,123 shares)	441 rights (441 shares)	5,177,564 rights (5,177,564 shares)	67.53%	0.01%	67.54%

Note: Tatsuya Akimoto is a major shareholder and the largest shareholder.

4. Date of change

April 22, 2009 (Payment date for the above private placement)

5. Outlook

In principle, Mr. Akimoto plans to be a medium to long-term holder of the private placement shares.

III. Change in Major Shareholder

1. Reason for change

This change is expected to occur in conjunction with this private placement.

2. Profile of major shareholder

- (1) Name: JS TK Holdings 4 Joint Company
(2) Address: 46th floor, Roppongi Hills Mori Tower
6-10-1 Roppongi, Minato-ku, Tokyo
(3) Representative: Sahu Ankur, Executive Officer
Representative, GS PIA Holdings Joint Company
(4) Activities: Purchase and ownership of securities

3. Number of shares (voting rights) held and percentage of voting rights

	Number of voting rights (Number of shares)	Pct. of voting rights	Shareholder ranking
Before private placement (March 12, 2009)	756,144 rights (756,144 shares)	17.93%	2nd
After private placement (April 22, 2009)	756,144 rights (756,144 shares)	9.86%	2nd

Note:

Shares with no voting rights deducted from shares issued: 0 shares

Shares issued as of March 12, 2009: 4,217,839 shares

4. Outlook

In principle, JS TK Holdings 4 Joint Company plans to be a medium to long-term shareholder.