



## Summary of Non-consolidated Financial Results for the Nine Months Ended April 30, 2007

June 6, 2007

Company name: Ardepro Co., Ltd.

(Stock code: 8925, TSE Mothers Market)

(URL: <http://www.ardepro.co.jp/>)

Representative: Tatsuya Akimoto, Chief Executive Officer

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### 1. Significant Accounting Policies in the Preparation of Quarterly Non-consolidated Financial Statements

- (1) Accounting standards for the preparation of quarterly non-consolidated financial statements: Standards for interim financial statements  
 (2) Changes in accounting treatment from the most recent fiscal year: None  
 (3) Auditing process by independent accountants: Yes

The quarterly non-consolidated financial statements has been through auditing process in accordance with the supplementary provisions "Standards of Auditors' Opinion for the Quarterly Financial Statements" of the "Instructions for the Application of the Regulations for Timely Disclosure of Corporate Information by Issuers of Listed Securities" as set by the Tokyo Stock Exchange.

### 2. Non-consolidated Financial Results for the Nine Months Ended April 30, 2007 (August 1, 2006 – April 30, 2007)

#### (1) Non-consolidated Results of Operations

(All amounts are rounded down to the nearest million yen)

	Sales		Operating profit		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
Nine months ended April 2007	53,231	80.5	9,352	82.1	8,969	89.3
Nine months ended April 2006	29,493	220.9	5,134	268.4	4,737	268.2
(Reference) Year ended July 2006	41,385		7,275		6,801	

	Net income		Net income per share (basic)	Net income per share (diluted)
	Million yen	%	Yen	Yen
Nine months ended April 2007	5,007	100.6	1,449.05	1,444.14
Nine months ended April 2006	2,496	261.6	3,745.94	3,700.39
(Reference) Year ended July 2006	3,800		5,663.43	5,601.54

Notes: 1. Percentages for sales, operating profit and other figures represent year-on-year percentage change.

2. A 5-for-1 stock split was conducted on August 1, 2006.

#### (2) Non-consolidated Financial Position

(All amounts are rounded down to the nearest million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Nine months ended April 2007	47,319	13,996	29.6	4,046.85
Nine months ended April 2006	24,019	6,070	25.3	9,089.49
(Reference) Year ended July 2006	32,501	10,874	33.5	15,752.10

Note: Reclassifications in the presentations for the nine months ended April 2006: "Shareholders' equity" under the former accounting standards is presented as "Net assets." "Shareholders' equity ratio" under the former accounting standards is presented as "Equity ratio." "Shareholders' equity per share" under the former accounting standards is presented as "Net assets per share."

### 3. Non-consolidated Forecast for the Fiscal Year Ending July 31, 2007 (August 1, 2006 - July 31, 2007)

	Sales	Recurring profit	Net income
	Million yen	Million yen	Million yen
Full year	81,250	13,163	7,551

Reference: Estimated net income per share for the full year: 2,183.26 yen

\*Forecasts regarding future performance in these materials are based on judgments made in accordance with information available at the time this presentation was prepared. Actual results may differ significantly from these forecasts for a number of factors.

### 4. Dividends

Cash dividends	Dividend per share (Yen)		Annual
	Interim	Year-end	
Year ended July 2006	250.00	1,350.00	1,600.00
Year ending July 2007 (actual)	280.00	-	
Year ending July 2007 (forecast)	-	280.00	560.00

Note: Dividend per share for the year ending July 2007 (forecast) reflects the 5-for-1 stock splits on August 1, 2006.

**5. Quarterly Non-consolidated Financial Statements**  
**(1) Quarterly Non-consolidated Balance Sheets**

Thousand yen

Account	Note	Nine months ended Apr. 2006 (As of Apr. 30, 2006)		Nine months ended Apr. 2007 (As of Apr. 30, 2007)		Year ended Jul. 2006 Summary (As of Jul. 31, 2006)	
		Amount	%	Amount	%	Amount	%
Assets							
I Current assets							
1. Cash and deposits	*2	1,131,767		6,365,802		8,150,194	
2. Trade notes and accounts receivable		1,383,741		5,409		570,985	
3. Inventories	*2	-		31,437,139		-	
4. Real estate for sale	*2	16,160,471		-		19,597,304	
5. Work in process		129,570		-		142,423	
6. Advances		505,767		3,509,848		534,308	
7. Short-term loans to affiliates		1,750,000		-		530,000	
8. Others	*3	468,280		2,537,124		589,355	
Allowance for doubtful accounts		(94,139)		(49,403)		(34,870)	
Total current assets		21,435,460	89.2	43,805,920	92.6	30,079,701	92.5
II Fixed assets							
1. Tangible fixed assets	*1,2	138,337		205,157		160,036	
2. Intangible fixed assets		8,212		6,877		8,378	
3. Investments and other assets							
(1) Affiliate stock		1,973,922		2,895,258		1,100,000	
(2) Others		463,365		406,647		1,153,160	
Total fixed assets		2,583,837	10.8	3,513,940	7.4	2,421,575	7.5
Total assets		24,019,297	100.0	47,319,861	100.0	32,501,276	100.0

Thousand yen

Account	Note	Nine months ended Apr. 2006 (As of Apr. 30, 2006)		Nine months ended Apr. 2007 (As of Apr. 30, 2007)		Year ended Jul. 2006 Summary (As of Jul. 31, 2006)	
		Amount	%	Amount	%	Amount	%
<b>Liabilities</b>							
<b>I Current liabilities</b>							
1. Accounts payable		75,857		77,560		17,521	
2. Short-term borrowings	*2,4	14,493,700		27,770,342		16,674,920	
3. Current portion of long-term borrowings		4,440		-		4,440	
4. Accrued income taxes		1,958,994		2,393,428		2,750,238	
5. Advances received		40,280		-		147,580	
6. Allowance for employees' bonuses		56,013		51,709		25,867	
7. Allowance for directors' bonuses		-		5,662		3,850	
8. Others	*3	859,420		2,567,483		1,543,556	
Total current liabilities		17,488,705	72.8	32,866,185	69.5	21,167,973	65.1
<b>II Long-term liabilities</b>							
1. Corporate bonds		450,000		450,000		450,000	
2. Long-term borrowings		4,090		-		2,980	
3. Allowance for retirement benefits		6,178		7,240		5,401	
Total long-term liabilities		460,268	1.9	457,240	1.0	458,381	1.4
Total liabilities		17,948,974	74.7	33,323,426	70.4	21,626,355	66.5
<b>Shareholders' equity</b>							
<b>I Common stock</b>							
1. Common stock		1,180,700	4.9	-	-	-	-
<b>II Capital surplus</b>							
1. Additional paid-in capital		1,021,670		-		-	
Total capital surplus		1,021,670	4.3	-	-	-	-
<b>III Retained earnings</b>							
1. Legal reserve		75,000		-		-	
2. Voluntary reserve		1,400,000		-		-	
3. Unappropriated retained earnings at end of period		2,392,953		-		-	
Total retained earnings		3,867,953	16.1	-	-	-	-
Total shareholders' equity		6,070,323	25.3	-	-	-	-
Total liabilities and shareholders' equity		24,019,297	100.0	-	-	-	-
<b>Net assets</b>							
<b>I Shareholders' equity</b>							
1. Common stock		-	-	2,937,965	6.2	2,930,948	9.0
2. Capital surplus		-	-	2,778,935	5.9	2,771,918	8.5
(1) Additional paid-in capital		-	-	2,778,935	5.9	2,771,918	8.5
Total capital surplus		-	-	2,778,935	5.9	2,771,918	8.5
3. Retained earnings		-	-	75,000	0.2	75,000	0.2
(1) Legal reserve		-	-	75,000	0.2	75,000	0.2
(2) Other retained earnings		-	-	4,000,000	10.6	1,400,000	3.6
Special reserve		-	-	4,000,000	10.6	1,400,000	3.6
Retained earnings carried forward		-	-	4,204,535	10.8	3,697,055	9.3
Total retained earnings		-	-	8,279,535	17.5	5,172,055	15.9
Total shareholders' equity		-	-	13,996,435	29.6	10,874,921	33.5
Total net assets		-	-	13,996,435	29.6	10,874,921	33.5
Total liabilities and net assets		-	-	47,319,861	100.0	32,501,276	100.0

**(2) Quarterly Non-consolidated Income Statements**

Thousand yen

Account	Note	Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)		Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)		Year ended Jul. 2006 Summary (Aug. 1, 2005 – Jul. 31, 2006)	
		Amount	%	Amount	%	Amount	%
I Sales		29,493,956	100.0	53,231,329	100.0	41,385,823	100.0
II Cost of sales		23,149,385	78.5	40,462,718	76.0	32,421,480	78.3
Gross profit		6,344,571	21.5	12,768,611	24.0	8,964,342	21.7
III Selling, general and administrative expenses		1,209,868	4.1	3,416,495	6.4	1,688,398	4.1
Operating profit		5,134,702	17.4	9,352,115	17.6	7,275,943	17.6
IV Non-operating income	*1	41,489	0.1	565,954	1.1	83,482	0.2
V Non-operating expenses	*2	438,528	1.5	948,812	1.8	558,199	1.3
Recurring profit		4,737,662	16.1	8,969,257	16.8	6,801,226	16.4
VI Extraordinary gains	*3	-	-	3,530	0.0	17,010	0.0
VII Extraordinary losses	*4	65,048	0.2	201,218	0.4	65,317	0.2
Net income before income taxes		4,672,614	15.8	8,771,569	16.5	6,752,919	16.3
Current income taxes		2,364,542		3,954,807		3,144,092	
Deferred income taxes		(188,361)	7.4	(191,136)	7.1	(191,708)	7.1
Net income		2,496,433	8.5	5,007,898	9.4	3,800,535	9.2
Earnings brought forward		63,119		-		-	
Interim dividends		166,600		-		-	
Unappropriated retained earnings at end of period		2,392,953		-		-	

### (3) Quarterly Non-consolidated Statements of Change in Shareholders' Equity

Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)

Thousand yen

	Shareholders' equity							Total shareholders' equity	Total net assets
	Common stock	Capital surplus		Legal reserve	Retained earnings		Total retained earnings		
		Additional paid-in capital	Total capital surplus		Special reserve	Retained earnings carried forward			
Balance as of Jul. 31, 2006	2,930,948	2,771,918	2,771,918	75,000	1,400,000	3,697,055	5,172,055	10,874,921	10,874,921
Changes during the period									
Issuance of new share	7,017	7,017	7,017	-	-	-	-	14,034	14,034
Dividend of surplus	-	-	-	-	-	(1,900,418)	(1,900,418)	(1,900,418)	(1,900,418)
Special reserve	-	-	-	-	2,600,000	(2,600,000)	-	-	-
Net income	-	-	-	-	-	5,007,898	5,007,898	5,007,898	5,007,898
Changes (net) in items other than shareholders' equity	-	-	-	-	-	-	-	-	-
Total changes during the period	7,017	7,017	7,017	-	2,600,000	507,479	3,107,479	3,121,513	3,121,513
Balance as of Apr. 30, 2007	2,937,965	2,778,935	2,778,935	75,000	4,000,000	4,204,535	8,279,535	13,996,435	13,996,435

Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)

Thousand yen

	Shareholders' equity							Total shareholders' equity	Total net assets
	Common stock	Capital surplus		Legal reserve	Retained earnings		Total retained earnings		
		Additional paid-in capital	Total capital surplus		Special reserve	Retained earnings carried forward			
Balance as of Jul. 31, 2005	1,178,930	1,019,900	1,019,900	75,000	675,000	1,077,111	1,827,111	4,025,941	4,025,941
Changes during the fiscal year									
Issuance of new share	1,752,018	1,752,018	1,752,018	-	-	-	-	3,504,036	3,504,036
Dividend of surplus	-	-	-	-	-	(451,741)	(451,741)	(451,741)	(451,741)
Bonuses to directors in the appropriation of retained earnings	-	-	-	-	-	(3,850)	(3,850)	(3,850)	(3,850)
Special reserve	-	-	-	-	725,000	(725,000)	-	-	-
Net income	-	-	-	-	-	3,800,535	3,800,535	3,800,535	3,800,535
Total changes during the fiscal year	1,752,018	1,752,018	1,752,018	-	725,000	2,619,944	3,344,944	6,848,980	6,848,980
Balance as of Jul. 31, 2006	2,930,948	2,771,918	2,771,918	75,000	1,400,000	3,697,055	5,172,055	10,874,921	10,874,921

**Significant Accounting Policies in the Preparation of Quarterly Non-consolidated Financial Statements**

Item	Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)	Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)																								
1. Valuation criteria and methods for securities	<p>(1) Securites</p> <p>1) Subsidiary stock Stated at cost, cost being determined by the moving-average method.</p> <p>2) Other securities Securities with market quotations</p> <p>—————</p> <p>Securities without market quotations Stated at cost, cost being determined by the moving-average method.</p> <p>(2) Inventories</p> <p>1) Real estate for sale, and work in process Stated at cost, cost being determined by the specific identification method.</p> <p>2) Supplies Stated at cost, cost being determined by the method of most recent purchase price.</p>	<p>(1) Securites</p> <p>1) Subsidiary stock Same as on the left.</p> <p>2) Other securities Securities with market quotations Securities with market quotations are carried at fair value on the balance sheet date with changes in unrealized holding gain or loss included directly in net assets.</p> <p>Securities without market quotations Same as on the left.</p> <p>(2) Inventories</p> <p>1) Real estate for sale, and work in process Same as on the left.</p> <p>2) Supplies Same as on the left.</p>	<p>(1) Securites</p> <p>1) Subsidiary stock Same as on the left.</p> <p>2) Other securities Securities with market quotations</p> <p>—————</p> <p>Securities without market quotations Same as on the left.</p> <p>(2) Inventories</p> <p>1) Real estate for sale, and work in process Same as on the left.</p> <p>2) Supplies Same as on the left.</p>																								
2. Accumulated depreciation of fixed assets	<p>(1) Tangible fixed assets Depreciation of tangible fixed assets is calculated by the declining-balance method. Depreciation of buildings (excluding attached equipment) acquired on and after April 1, 1998 is calculated by the straight-line method.</p> <p>Useful lives of major items are as follows (years):</p> <table border="0" data-bbox="359 1545 702 1736"> <tr> <td>Buildings</td> <td>28</td> </tr> <tr> <td>Buildings and attached structures</td> <td>3-15</td> </tr> <tr> <td>Vehicles</td> <td>2-6</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>3-10</td> </tr> </table> <p>(2) Intangible fixed assets Software Software development costs are amortized over an expected useful life of five years by the straight-line method.</p>	Buildings	28	Buildings and attached structures	3-15	Vehicles	2-6	Tools, furniture and fixtures	3-10	<p>(1) Tangible fixed assets Same as on the left.</p> <p>Useful lives of major items are as follows (years):</p> <table border="0" data-bbox="727 1545 1070 1736"> <tr> <td>Buildings</td> <td>28</td> </tr> <tr> <td>Buildings and attached structures</td> <td>3-15</td> </tr> <tr> <td>Vehicles</td> <td>2-6</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>3-20</td> </tr> </table> <p>(2) Intangible fixed assets Software Same as on the left.</p>	Buildings	28	Buildings and attached structures	3-15	Vehicles	2-6	Tools, furniture and fixtures	3-20	<p>(1) Tangible fixed assets Same as on the left.</p> <p>Useful lives of major items are as follows (years):</p> <table border="0" data-bbox="1096 1545 1439 1736"> <tr> <td>Buildings</td> <td>28</td> </tr> <tr> <td>Buildings and attached structures</td> <td>3-15</td> </tr> <tr> <td>Vehicles</td> <td>2-6</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>3-10</td> </tr> </table> <p>(2) Intangible fixed assets Software Same as on the left.</p>	Buildings	28	Buildings and attached structures	3-15	Vehicles	2-6	Tools, furniture and fixtures	3-10
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Item	Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)	Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
	<p style="text-align: center;">_____</p> <p>(3) Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.</p>	<p style="text-align: center;">_____</p> <p>(3) Long-term prepaid expenses Same as on the left.</p>	<p>(Supplementary information) The goodwill recognized in the current fiscal year was amortized and the expense charged to income as extraordinary loss since no future economic benefits are expected to flow to the Company.</p> <p>(3) Long-term prepaid expenses Same as on the left.</p>
3. Accounting for allowances	<p>(1) Allowance for doubtful accounts To prepare for credit losses on receivables, an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on the historical write-off ratio, and bad receivables based on a case-by-case determination of collectibility.</p> <p>(2) Allowance for employees' bonuses To provide for employee bonus obligation, an amount accrued for the current period among the estimated future obligations is designated in the reserve account.</p> <p>(3) Allowance for directors' bonuses _____</p> <p>(4) Allowance for retirement benefits To provide for accrued employees' retirement benefits, an allowance is provided in the amount deemed to have accrued at the end of current period based on projected benefit obligations.</p>	<p>(1) Allowance for doubtful accounts Same as on the left.</p> <p>(2) Allowance for employees' bonuses Same as on the left.</p> <p>(3) Allowance for directors' bonuses To provide for director bonus obligation, an amount accrued for the current period among the estimated future obligations.</p> <p>(4) Allowance for retirement benefits Same as on the left.</p>	<p>(1) Allowance for doubtful accounts Same as on the left.</p> <p>(2) Allowance for employees' bonuses To provide for employee bonus obligation, an amount accrued for the current fiscal year among the estimated future obligations is designated in the reserve account.</p> <p>(3) Allowance for directors' bonuses To provide for director bonus obligation, an amount accrued for the fiscal year among the estimated future obligations.</p> <p>(4) Allowance for retirement benefits To provide for accrued employees' retirement benefits, an allowance is provided in the amount deemed to have accrued at the end of fiscal year based on projected benefit obligations.</p>
4. Other significant accounting policies	Accounting for consumption taxes Consumption taxes are accounted by the tax-exclusion method.	Accounting for consumption taxes Same as on the left.	Accounting for consumption taxes Same as on the left.

## Changes in the Accounting Policies

Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)	Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
<p>(Accounting standard for impairment of fixed assets) Effective from the current period, the Company has adopted “Statement of Opinion, Accounting for Impairment of Fixed Assets” (Business Accounting Council, August 9, 2002) and “Guidance on Accounting Standards for Impairment of Fixed Assets” (ASBJ Guidance No. 6: Accounting Standards Board of Japan, October 31, 2003). The effect of this change is insignificant.</p>	<p style="text-align: center;">—————</p>	<p>(Accounting standard for impairment of fixed assets) Effective from the current fiscal year, the Company has adopted “Statement of Opinion, Accounting for Impairment of Fixed Assets” (Business Accounting Council, August 9, 2002) and “Guidance on Accounting Standards for Impairment of Fixed Assets” (ASBJ Guidance No. 6: Accounting Standards Board of Japan, October 31, 2003). The effect of this change is insignificant.</p>
<p style="text-align: center;">—————</p>	<p>(Accounting standard for directors’ bonuses) The Company has adopted “Accounting Standard for Directors’ Bonuses” (ASBJ Statement No. 4: Accounting Standards Board of Japan, November 29, 2005) for the current period. The effect of this change was to decrease operating profit, recurring profit and net income before income taxes by 9,362,000 yen respectively, compare to the previous method.</p>	<p>(Accounting standard for directors’ bonuses) Effective from the current fiscal year, the Company has adopted “Accounting Standard for Directors’ Bonuses” (ASBJ Statement No. 4: Accounting Standards Board of Japan, November 29, 2005). The effect of this change was to decrease operating profit, recurring profit and net income before income taxes by 3,850,000 yen respectively, compare to the previous method.</p>
<p style="text-align: center;">—————</p>	<p>(Accounting standard for presentation of net assets on balance sheet) The Company has adopted “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Statement No. 5: Accounting Standards Board of Japan, December 9, 2005) and “Guidance on Accounting Standards for Presentation of Net Assets in Balance Sheet” (ASBJ Guidance No. 8: Accounting Standards Board of Japan, December 9, 2005) for the current period. The effect of this change is insignificant. Under the former accounting standard, amounts equivalent to “Total shareholders’ equity” totaled 13,996,435,000 yen.</p> <p>Changes in presentation in non-consolidated balance sheets to conform to the revision of the regulations of interim non-consolidated financial statements:</p> <ol style="list-style-type: none"> <li>1. Effective from the current period, “Shareholders’ equity” section is renamed “Net assets” section. “Net assets” section comprises “Shareholders’ equity.”</li> <li>2. Effective from the current period, “Common stock,” “Capital surplus,” “Retained earnings,” stated as line items in prior periods, is presented under “Shareholders’ equity.”</li> </ol>	<p>(Accounting standard for presentation of net assets on balance sheet) Effective from the current fiscal year, the Company has adopted “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Statement No. 5: Accounting Standards Board of Japan, December 9, 2005) and “Guidance on Accounting Standards for Presentation of Net Assets in Balance Sheet” (ASBJ Guidance No. 8: Accounting Standards Board of Japan, December 9, 2005). The effect of this change is insignificant. Under the former accounting standard, amounts equivalent to “Total shareholders’ equity” totaled 10,874,921,000 yen.</p> <p>Changes in presentation in non-consolidated balance sheets to conform to the revision of the regulations of non-consolidated financial statements:</p> <ol style="list-style-type: none"> <li>1. Effective from the current fiscal year, “Shareholders’ equity” section is renamed “Net assets” section. “Net assets” section comprises “Shareholders’ equity.”</li> <li>2. Effective from the current fiscal year, “Common stock,” “Capital surplus,” “Retained earnings,” stated as line items in prior periods, is presented under “Shareholders’ equity.”</li> </ol>

## Reclassifications

Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)	Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)
<p style="text-align: center;">—————</p>	<p>(Balance sheets)</p> <p><b>Real estate for sale</b> Effective from the current period, “Real estate for sale,” stated as a separate item in the prior periods, is reclassified and included in “Inventories” under current assets. In the current period, “Real estate for sale” amounted to 30,739,047,000 yen.</p> <p><b>Work in process</b> Effective from the current period, “Work in process,” stated as a separate item in the prior periods, is reclassified and included in “Inventories” under current assets since the amount of “Work in process” decreased to less than 5% as a percentage of “Total assets.” In the current period, “Work in process” amounted to 698,091,000 yen.</p> <p><b>Short-term loans to affiliates</b> Effective from the current period, “Short-term loans to affiliates,” stated as a separate item in the prior periods, is reclassified and included in “Others” under current assets since the amount of “Short-term loans to affiliates” decreased to less than 5% as a percentage of “Total assets.” In the current period, “Work in process” amounted to 180,000,000 yen.</p> <p><b>Advances received</b> Effective from the current period, “Advances received,” stated as a separate item in the prior periods, is reclassified and included in “Others” under current liabilities since the amount of “Advances received” decreased to less than 5% as a percentage of “Total assets.” In the current period, “Work in process” amounted to 12,210,000 yen.</p>

## Supplementary Information

Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)	Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
<p style="text-align: center;">—————</p>	<p><b>Formal notice of payment</b> The Company on July 3, 2006 received a formal notice from Tozai Asset Management demanding 178,634,000 yen as damages for breach of contract regarding referral of real estate. We are examining the justification of the claim. However, at the moment, we are the opinion that there is no need to pay.</p>	<p><b>Formal notice of payment</b> Same as on the left.</p>

Notes

Notes to Quarterly Non-consolidated Balance Sheets

Thousand yen

Nine months ended Apr. 2006 (As of Apr. 30, 2006)	Nine months ended Apr. 2007 (As of Apr. 30, 2007)	Year ended Jul. 2006 (As of Jul. 31, 2006)
<p>*1. Accumulated depreciation of tangible fixed assets</p> <p style="text-align: right;">20,363</p>	<p>*1. Accumulated depreciation of tangible fixed assets</p> <p style="text-align: right;">45,225</p>	<p>*1. Accumulated depreciation of tangible fixed assets</p> <p style="text-align: right;">28,133</p>
<p>*2. Assets pledged as collateral and corresponding liabilities</p> <p>Assets pledged as collateral</p> <p>Real estate for sale      15,789,925</p> <p>Buildings                      5,265</p> <p>Land                              1,506</p> <p>Corresponding liabilities</p> <p>Short-term borrowings    13,915,500</p>	<p>*2. Assets pledged as collateral and corresponding liabilities</p> <p>Assets pledged as collateral</p> <p>Cash and deposits            150,000</p> <p>Real estate for sale        22,993,462</p> <p>Buildings                      67,692</p> <p>Land                              1,506</p> <p>Corresponding liabilities</p> <p>Short-term borrowings    25,613,952</p> <p>Incidentally, a revolving mortgage of maximum amount of 1,000 million yen and settlement of a mortgage are set to the above stated land.</p>	<p>*2. Assets pledged as collateral and corresponding liabilities</p> <p>Assets pledged as collateral</p> <p>Cash and deposits            150,000</p> <p>Real estate for sale        17,130,921</p> <p>Buildings                      5,265</p> <p>Land                              1,506</p> <p>Corresponding liabilities</p> <p>Short-term borrowings    16,357,120</p>
<p>*3. Appropriation of consumption taxes</p> <p>Consumption taxes suspense payments and receipts are balanced out and included in the "Others" under current assets.</p>	<p>*3. Appropriation of consumption taxes</p> <p>Consumption taxes suspense payments and receipts are balanced out and included in the "Others" under current assets.</p>	<p>*3. Appropriation of consumption taxes</p> <p style="text-align: center;">—————</p>
<p>*4. The Company has an overdraft facility with a bank. The balance of unused credit lines under these agreements as of the end of period was as follows:</p> <p>Current account overdraft    3,500,000</p> <p>Credit used                      <u>2,705,800</u></p> <p>Credit available                <u>794,200</u></p>	<p>*4. The Company has an overdraft facility and commitment line agreements with six banks. The balance of unused credit lines under these agreements as of the end of period was as follows:</p> <p>Current account overdraft    7,000,000</p> <p>and commitment line</p> <p>Credit used                      <u>2,913,000</u></p> <p>Credit available                <u>4,087,000</u></p>	<p>*4. 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:</p> <p>Current account overdraft    3,200,000</p> <p>Credit used                      <u>2,234,190</u></p> <p>Credit available                <u>965,810</u></p>
<p>5. Contingent liabilities</p> <p style="text-align: center;">—————</p>	<p>5. Contingent liabilities</p> <p>Guarantees for loans from financial institutions</p> <p>Japan Realty Supervision Co., Ltd.</p> <p style="text-align: right;">39,000</p>	<p>5. Contingent liabilities</p> <p style="text-align: center;">—————</p>

## Notes to Quarterly Non-consolidated Income Statements

Thousand yen

Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)	Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
*1. Major items of “Non-operating income”	*1. Major items of “Non-operating income”	*1. Major items of “Non-operating income”
Interest income 2,478	Interest income 10,676	Interest income 16,030
Consumption taxes refund 14,571	Dividend income 400,250	Commission income 16,500
*2. Major items of “Non-operating expenses”	*2. Major items of “Non-operating expenses”	*2. Major items of “Non-operating expenses”
Interest expenses 203,703	Interest expenses 549,686	Interest expenses 298,484
Commissions paid 48,328	Commissions paid 243,038	Commissions paid 68,113
New share issue expenses 1,090	Consumption tax adjustment loss 134,594	Consumption tax adjustment loss 75,481
		New share issue expenses 21,810
*3. Major items of “Extraordinary gains”	*3. Major items of “Extraordinary gains”	*3. Major items of “Extraordinary gains”
—————	Reversal of allowance for doubtful accounts 3,530	Gain on sales of affiliate stock 17,010
*4. Major items of “Extraordinary losses”	*4. Major items of “Extraordinary losses”	*4. Major items of “Extraordinary losses”
Loss on removal of fixed assets 9,136	Loss on valuation of investment securities 199,454	Loss on removal of fixed assets 9,136
Amortization of goodwill 28,571		Head office relocation expenses 7,889
		Amortization of goodwill 28,571
		Structural and other tests of real estate for sale 19,719
5. Depreciation and amortization	5. Depreciation and amortization	5. Depreciation and amortization
Tangible fixed assets 9,954	Tangible fixed assets 22,387	Tangible fixed assets 17,723
Intangible fixed assets 919	Intangible fixed assets 1,501	Intangible fixed assets 1,403

## Notes to Quarterly Non-consolidated Statements of Changes in Shareholders' Equity

Nine months ended Apr. 2007(Aug. 1, 2006 – Apr. 30, 2007)

Type and number of treasury stock

Not applicable.

Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)

Type and number of treasury stock

Not applicable.

**Lease Transaction**

Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)

No reportable information because no single lease contract has an aggregate value of more than 3 million yen.

Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)

No reportable information because no single lease contract has an aggregate value of more than 3 million yen.

Year ended Jul. 2006 (Aug. 1, 2005 - Jul. 31, 2006)

No reportable information because no single lease contract has an aggregate value of more than 3 million yen.

**Securities**

Nine months ended Apr. 2006 (As of Apr. 30, 2006)

The Company did not hold subsidiary stock with market quotations.

Nine months ended Apr. 2007 (As of Apr. 30, 2007)

The Company did not hold subsidiary stock with market quotations.

Year ended Jul. 2006 (As of Jul. 31, 2006)

The Company did not hold subsidiary stock with market quotations.

## Per Share Data

Yen

Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)		Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)		Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)																	
Net assets per share	9,089.49	Net assets per share	4,046.85	Net assets per share	15,752.10																
Net income per share (basic)	3,745.94	Net income per share (basic)	1,449.05	Net income per share (basic)	5,663.43																
Net income per share (diluted)	3,700.39	Net income per share (diluted)	1,444.14	Net income per share (diluted)	5,601.54																
<p>The Company implemented a 5-for-1 stock split on August 1, 2006. Assuming the stock split was implemented at the start of the previous fiscal year, per share data for each period would be as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">Nine months ended Apr. 2006</th> </tr> </thead> <tbody> <tr> <td>Net assets per share</td> <td>1,817.89</td> </tr> <tr> <td>Net income per share (basic)</td> <td>749.18</td> </tr> <tr> <td>Net income per share (diluted)</td> <td>740.07</td> </tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">Year ended Jul. 2006</th> </tr> </thead> <tbody> <tr> <td>Net assets per share</td> <td>3,150.42</td> </tr> <tr> <td>Net income per share (basic)</td> <td>1,132.68</td> </tr> <tr> <td>Net income per share (diluted)</td> <td>1,120.30</td> </tr> </tbody> </table>						Nine months ended Apr. 2006		Net assets per share	1,817.89	Net income per share (basic)	749.18	Net income per share (diluted)	740.07	Year ended Jul. 2006		Net assets per share	3,150.42	Net income per share (basic)	1,132.68	Net income per share (diluted)	1,120.30
Nine months ended Apr. 2006																					
Net assets per share	1,817.89																				
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Year ended Jul. 2006																					
Net assets per share	3,150.42																				
Net income per share (basic)	1,132.68																				
Net income per share (diluted)	1,120.30																				

Note: Basis for calculation

### 1. Net assets per share

Thousand yen

Item	Nine months ended Apr. 2006 (As of Apr. 30, 2006)	Nine months ended Apr. 2007 (As of Apr. 30, 2007)	Year ended Jul. 2006 (As of Jul. 31, 2006)
Total net assets on the balance sheets	-	13,996,435	10,874,921
Net assets applicable to common stock	-	13,996,435	10,874,921
Difference between the amounts of total net assets on the balance sheets and net assets applicable to common stock used in calculation of net assets per share	-	-	-
Number of shares outstanding (common stock)	-	3,458,595 shares	690,379 shares
Number of treasury stock (common stock)	-	-	-
Number of common stock used in calculation of net assets per share	-	3,458,595 shares	690,379 shares

### 2. Net income per share (basic) and net income per share (diluted)

Thousand yen

Item	Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)	Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
Net income per share (basic)			
Net income	2,496,433	5,007,898	3,800,535
Amount not belonging to common shareholders	-	-	-
Net income applicable to common stock	2,496,433	5,007,898	3,800,535
Average number of shares outstanding (common stock)	666,438 shares	3,455,969 shares	671,065 shares
Net income per share (diluted)			
Adjusted net income	-	-	-
Increase in common stock (of which stock acquisition rights)	8,203 shares (8,203 shares)	11,752 shares (11,752 shares)	7,415 shares (7,415 shares)
Summary of non-dilutive stock equivalents not used in calculation of net income per share (diluted)	-	-	-

## Subsequent Events

Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)	Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)																
<p>I. New share issue</p> <p>The Company's Board of Directors on April 28, 2006 approved the sale of newly issued shares through a private placement with a payment date of May 22, 2006.</p> <p>(1) Type and number of shares Common stock: 21,339 shares</p> <p>(2) Issue price 164,000 yen per share</p> <p>(3) Total amount credited to capital 1,749,798,000 yen</p> <p>(4) Payment date May 22, 2006</p> <p>(5) Dividend record date February 1, 2006</p> <p>(6) Use of funds</p> <p>Proceeds from the sale of these shares are to be used for mergers and acquisitions to enlarge the Group's operations and for the purchase of properties.</p> <p>II. Stock split</p> <p>1. Purpose of stock split</p> <p>We are pleased to report that our shareholder base is expanding steadily, as the Condominium Revitalization Business and the Real Estate Sales Business of the Company and its Group win greater understanding among investors. Reflecting these factors, the number of shareholders increased from 5,015 as of July 31, 2005 to 17,618 as of January 31, 2006. In order to make it even easier for investors to take an interest in Ardepro, the Company is conducting a stock split that will further reduce the minimum investment per share. This is expected to increase the liquidity of Company stock and attract a broader range of shareholders, thereby raising awareness of the Company in securities markets. The stock split is also aimed at earning the trust of a large number of stakeholders by fulfilling the Company's obligations as a publicly owned company.</p> <p>2. Details of the stock split</p> <p>(1) Method of split</p> <p>For shareholders and beneficial shareholders, as well as registered shareholders, of record as of July 31, 2006 (Monday), each share will be split into 5 shares.</p> <p>(2) Increase in the number of shares</p> <p>The number of total issued common shares outstanding as of July 31, 2006 (Monday) will be increased by a factor of four.</p>	<p style="text-align: center;">—————</p>	<p>I. Regarding stock split</p> <p>The Company's Board of Directors on June 1, 2006 approved a resolution to issue new shares through a stock split on August 1, 2006. Details are as follows:</p> <p>1. Method of split</p> <p>For shareholders and beneficial shareholders, as well as registered shareholders, of record as of July 31, 2006, each share will be split into 5 shares.</p> <p>2. Increase in the number of shares</p> <p>The number of total issued common shares outstanding as of July 31, 2006 increased by a factor of four.</p> <p>The following table shows per share information, if the stock split had been conducted at the beginning of the previous fiscal year.</p> <table border="1" data-bbox="1029 943 1445 1339"> <thead> <tr> <th colspan="2" style="text-align: right;">Yen</th> </tr> <tr> <th>Previous fiscal year</th> <th>Current fiscal year</th> </tr> </thead> <tbody> <tr> <td>Net assets per share</td> <td>Net assets per share</td> </tr> <tr> <td>1,213.08</td> <td>3,150.42</td> </tr> <tr> <td>Net income per share (basic)</td> <td>Net income per share (basic)</td> </tr> <tr> <td>349.35</td> <td>1,132.68</td> </tr> <tr> <td>Net income per share (diluted)</td> <td>Net income per share (diluted)</td> </tr> <tr> <td>327.51</td> <td>1,120.30</td> </tr> </tbody> </table>	Yen		Previous fiscal year	Current fiscal year	Net assets per share	Net assets per share	1,213.08	3,150.42	Net income per share (basic)	Net income per share (basic)	349.35	1,132.68	Net income per share (diluted)	Net income per share (diluted)	327.51	1,120.30
Yen																		
Previous fiscal year	Current fiscal year																	
Net assets per share	Net assets per share																	
1,213.08	3,150.42																	
Net income per share (basic)	Net income per share (basic)																	
349.35	1,132.68																	
Net income per share (diluted)	Net income per share (diluted)																	
327.51	1,120.30																	

Nine months ended Apr. 2006 (Aug. 1, 2005 – Apr. 30, 2006)	Nine months ended Apr. 2007 (Aug. 1, 2006 – Apr. 30, 2007)	Year ended Jul. 2006 (Aug. 1, 2005 – Jul. 31, 2006)
<p>3. Schedule Reference date: July 31, 2006 (Mon) Effective date: August 1, 2006 (Tue) Issue date: September 20, 2006 (Wed)</p> <p>4. Number of authorized shares The Board of Directors, meeting on June 1, 2006, and pursuant to Article 184-2 of the Company Law, approved an amendment to Article 5 of the Articles of Incorporation effective from August 1, 2006, increasing the number of shares issued from 1,024,000 to 5,120,000 shares, following the stock split explained above.</p> <p>5. Other matters relating to this stock split are to be determined at a future meeting of the Board of Directors.</p>	<p style="text-align: center;">—————</p>	<p style="text-align: center;">—————</p>

*\* This financial report is solely a translation of Japanese “Kessan Tanshin” (including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer English translation.*