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News Release: ARDEPRO Co., Ltd.
(8925 TSE Standard)

February 27, 2023

**Notice Concerning the Conversion of an Equity Method Affiliate
to a Consolidated Subsidiary**

At the Board of Directors meeting held today, ARDEPRO Co., Ltd. ("the Company") passed a resolution to acquire an equity interest in Special-Purpose Company Japan Housing Development, an equity method affiliate of the Company, and to make it a consolidated subsidiary of the Company as follows.

1. Purpose of acquisition of equity interest

As announced in the "(Disclosure Update) Notice Concerning the Conversion of Special-Purpose Company Japan Housing Development into an Equity-Method Affiliate" dated December 13, 2019, the Company acquired an equity interest in Special-Purpose Company Japan Housing Development ("JHD") as an equity-method affiliate from the viewpoint of ensuring effective control.

The Company has now determined that it would be beneficial for it to acquire all of the equity interests from the other preferred investors and proceed with sales activities for the real estate for sale held by JHD at its discretion. To this end, the Company has decided to convert JHD into a consolidated subsidiary.

2. Outline of the subsidiary to be transferred

(1)	Company name	Special-Purpose Company Japan Housing Development	
(2)	Address	1-11-1 Marunouchi, Chiyoda-ku, Tokyo	
(3)	Title and name of representative	Kazuhiro Matsuzawa, Director	
(4)	Content of business	Businesses related to the transfer of specified assets in accordance with asset securitization plans based on the Act on the Securitization of Assets and the management and disposal thereof	
(5)	Capital	¥100,000	
(6)	Date established	July 30, 2015	
(7)	Total amount of investment by the Company	¥1,963 million	
(8)	Ratio of underwriting to total amount of preferred equity	The Company: 56.7%	
(9)	Relationships between the Company and JHD	Capital ties	JHD is an equity-method affiliate of the Company.
		Personal relationships	Not applicable.

		Business relationships	We are involved in sales and purchase transactions of real estate for sale.
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3. Status of equity interest owned before and after the acquisition

(1) Percentage of equity interest owned before the change	56.7%
(2) Equity interest to be acquired	5,100 units
(3) Acquisition cost	¥436 million
(4) Percentage of equity interest owned after the change	100%

(Note) Due to confidentiality obligations with the counterparties, the Company refrains from disclosing a summary of the counterparties of the acquisition (three corporations).

4. Schedule

(1) Date of resolution by the Board of Directors	February 27, 2023
(2) Date of conclusion of contract	February 27, 2023
(3) Date of acquisition of equity interest	March 31, 2023

5. Future directions

The impact of this matter on the consolidated business results forecast for the fiscal year ending July 31, 2023 is expected to be negligible. If any matters arise that should be disclosed in the future, the Company shall promptly announce them.