

FOR IMMEDIATE RELEASE

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Notice Concerning Completing Sales of 416 Buildings of Our Apartments

Leopalace21 Corporation (“the Company”) has been reviewing asset holdings as part of its financial strategy in its medium-term management plan “Creative Evolution 2020,” and has completed to sell 416 apartment buildings which the Company has owned.

Overview of fixed assets which were disposed

Of the 592 apartment buildings (6,568 rooms) which the Company owns as of March 31, 2017, 416 buildings (4,218 rooms) were disposed and transferred to several corporations in Tokyo (the “buyer”).

Area	No. of buildings	No. of rooms	Total land area (m ²)	Total floor area (m ²)
Hokkaido	10	126	2,631.26	3,189.78
Tohoku	13	128	3,479.26	2,867.51
North Kanto	21	284	5,312.62	5,617.80
Tokyo metropolitan	131	865	18,445.98	17,239.04
Hokuriku, Koshinetsu	39	512	11,599.49	10,152.63
Chubu	37	433	8,112.13	7,772.25
Kinki	102	1,065	20,751.37	19,494.25
Chugoku	25	332	6,594.43	6,481.88
Shikoku	5	50	971.29	958.51
Kyushu, Okinawa	33	423	9,294.70	8,818.50
Total	416	4,218	87,192.53	82,592.15

Details of the buyer and selling price will not be disclosed, due to a confidentiality agreement between the buyer and the Company. There are no capital or personnel relationships between the buyer and the Company. The settlement was closed on October 31, 2017,

implemented in several phases.

Although the Company has recorded extraordinary losses due to the sales of the apartments during Q1 in this fiscal year, earnings forecasts for the fiscal year will not be changed from previous figures, since the deferred tax asset from impairment losses of the disposed assets were recognized and tax expenses are expected to decrease. The sales apartments were deviated from our management units, but there is no big impact to our financial results.

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