

**FOR IMMEDIATE RELEASE**

July 5, 2018

Company Name: **Leopalace21 Corporation**  
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### **Comments on Certain Media Reports**

In an article published in the Nikkei on July 5, 2018, it was reported that there is a possibility that repair costs due to parting wall construction deficiencies of properties constructed by Leopalace21 Corporation (the “Company”) may exceed 10 billion yen, and the impact on the forecasted consolidated net income for the fiscal year ending March 31, 2019 will not be minor. However, this was not announced by the Company.

There is a possibility that repair costs related to parting wall construction deficiencies could impact the future financial position and operating results of the Company, but it is difficult to rationally estimate the amount at this moment as the Company just started the investigation of individual properties.

As previously announced, as of May 26, investigations have been commenced in 474 buildings, of which there were no deficiencies in 268 buildings and deficiencies were confirmed in 206 buildings. As of June 22, investigations have been commenced in 896 buildings, of which there were no deficiencies in 352 buildings and deficiencies were confirmed in 399 buildings. We will continue to disclose our investigation progress on our website below.

<http://www.leopalace21.co.jp/info/en/>

Should any matter arise which needs to be disclosed, including revisions to earnings forecasts, we will promptly announce the information in a timely manner.

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