

Company Name: **Leopalace21 Corporation**
Representative: Eisei Miyama, President and CEO
Code Number: 8848 (Tokyo Stock Exchange, First Section)
Contact: Bunya Miyao, Director
Tel: +81-50-2016-2907
E-mail: ir@leopalace21.com

Notice Concerning Establishment of External Investigation Committee

Leopalace21 Corporation (the “Company”) announces the establishment of an external investigation committee, resolved at the meeting of the board of directors on February 27, 2019.

1. Course of events leading to the establishment of an investigation committee

As announced in press releases published on April 27, May 29, 2018, and February 7, 2019, we confirmed construction defects in certain properties constructed by the Company (“subject defects”). To objectively verify the causes of these subject defects, we have decided to establish an external investigation committee comprised of neutral and fair experts whom are completely independent from the Company. The investigation committee is set up in accordance with the Japan Federation of Bar Associations’ “Guidelines for Third-party Committees Relating to Corporate Scandals.” The chairperson is Mr. Tetsuo Ito, former Deputy Prosecutor-General of the Supreme Public Prosecutors’ Office.

The Company will fully cooperate with the investigation committee.

2. Members of the investigation committee

The investigation committee is comprised of three external lawyers whom have no interests with the Company. Also, law firm Nishimura & Asahi has no interests with the Company.

Chairperson	Tetsuo Ito	Lawyer, Nishimura & Asahi
Member	Hiroshi Kimeda	Lawyer, Nishimura & Asahi
Member	Norimitsu Yamamoto	Lawyer, Nishimura & Asahi

3. Roles of the investigation committee

The investigation committee will conduct a strict and thorough investigation concerning causes of the subject defects, and an interim report is scheduled to be prepared on March 18, 2019. Afterwards, a final report concerning measures to prevent recurrence and responsibilities of internal directors is scheduled to be prepared. We will announce the contents of the reports in a timely manner once we receive them.

Also, as noted in the press release “Progress Report of All-building Investigations and Notice Concerning Newly Confirmed Construction Defects” announced on February 7, 2019, the cause, future courses of action, and the responsibilities of internal directors will be objectively examined by outside directors. Reports by the investigation committee will become the basis of these examinations.

We sincerely apologize to our tenants, apartment owners, shareholders, and all our stakeholders for the trouble we have caused.