

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](mailto:ir@leopalace21.com)

**Notice Concerning Acquisition of Treasury Stock  
in the Fiscal Year Ended March 2019**

Leopalace21 Corporation (the "Company") announces the following notice concerning acquisition of treasury stock during the fiscal year ended March 2019 (April 1, 2018 to March 31, 2019).

The Company repurchased a total of 5,012,350,200 yen of our own shares from June 14 to August 23, 2018 (the "share buyback") in accordance with the resolution of the Board of Directors on May 11, 2018. This share buyback was conducted within the amount available for distribution to shareholders at the time of the share buyback. However, at the Board of Directors meeting held today, the Company approved the financial statements for the fiscal year ended in March 2019, resulting in a deficit. As a result, the amount available for distribution to shareholders was insufficient with regards to conducting the share buyback.

This matter is still under investigation, but the main reason is that the scope of construction defects has expanded amid the progress of all-building investigations, and we have set aside a reserve to respond to these construction defects. We believe it was difficult to predict this situation at the time of the share buyback, even if we are managing our company with a constant awareness of its financial condition.

The Audit & Supervisory Board will also consider this matter carefully.