

## PRESS RELEASE

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Company Name: **Leopalace21 Corporation**  
Representative: Bunya Miyao, President and CEO  
Code Number: 8848 (Tokyo Stock Exchange, First Section)  
Contact: Kiyoshi Arai, Executive Officer  
Tel: +81-3-5350-0216  
E-mail: ir@leopalace21.com

### **Notice Concerning “Notice Regarding Non-compliance with Specifications Approved Based on Building Standards Act” Announced on May 29, 2019**

Leopalace21 Corporation (the “Company”) announced in the press release titled “Notice Regarding Non-compliance with Specifications Approved Based on Building Standards Act” on May 29, 2019 that despite the fact that the Building Standards Act requires that fire-resistant structures be used as a parting wall, certain buildings do not meet the specifications certified by the Minister of Land, Infrastructure, and Transport (Fire-resistant structure: FP060NP-9173 and FP060NP-9371, sound-insulation: SOI-9074) provided in the construction design documents (“subject defects”). There is a possibility that these buildings violate the Building Standards Act.

The number of fire-resistant buildings that need fire-resistant parting walls need to be determined in order to investigate these subject defects. However, we could not confirm the specifications of 510 buildings as of May 29, 2019. The Company announces that the confirmation work has been completed and the number of buildings subject to the investigation related to the subject defects has been determined.

#### **The number of buildings subject to the investigation of subject defects**

As a result of the investigation of documents on 510 buildings that had not yet been confirmed, it was confirmed that there were 55 fire-resistant buildings and 455 buildings other than fire-resistant buildings. As a result, we confirmed that of the 39,085 properties subject to all-building investigations, 16,809 were steel frame structures, of which 2,295 (2,240 at the time of release on May 29) were constructed as fire-resistant buildings subject to the investigation of the subject defects.

We have confirmed that 14,514 steel-frame properties that are not fire-resistant buildings (14,059 properties as of the announcement on May 29) have been certified as semi-fireproof and other buildings for which no fire-resistant walls are required.