

FOR IMMEDIATE RELEASE

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**Notice Concerning Repair Plan of Construction Defects for Buildings
Constructed by Leopalace21**

Leopalace21 (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the “Company”) announces the following repair plan for September onward considering the instruction given by the Ministry of Land, Infrastructure, Transport and Tourism dated June 8, 2020.

We sincerely apologize to all of our stakeholders, including tenants and apartment owners, for the great anxiety and inconvenience caused by the construction defects problem.

1. Consultation with the respective specified administrative agencies

The Company disclosed in the release dated July 21, 2020 that there were 4,444 buildings across Japan which have obvious defects and require prior consultation for repair works but yet pending with specified administrative agencies. 4,444 buildings consist of 646 of the product series subject to priority investigations (note 1) and 3,798 buildings of the other product series (note 2). As of August 25, the Company completed the consultation with the specified administrative agencies for 404 buildings of the product series for priority investigations and 593 buildings of the other product series.

The Company aims to complete administrative consultations on the remaining 3,447 buildings by the end of December, 2020.

2. Plan for repair works for September onward

As the Company is reallocating manpower and physical resources, including carrying out the voluntary retirement program as part of the structural reforms amid ongoing difficult business and financial conditions, we temporarily reduced the scale of repair works and organizational setup to respond to the construction defects.

Under the above-mentioned circumstances the Company adopted a provisional repair

plan given the downsized repair operations, and put the plan into action with the goal of completing by the end of December, 2020, approximately 2,000 rooms which mainly consist of the vacant rooms where the tenant recruitment is suspended due to the construction defects.

We will announce the subsequent repair plan which may come with restoring the scale of repair works and organizational setup, once we have clear prospects for business performance recovery in the future.

As part of our efforts to improve business performance by increasing the occupancy rate, we aim to reduce the number of vacant rooms suspended for recruitment from about 50,000 rooms at the end of July, 2020 to about 30,000 rooms by the end of March, 2021.

(note 1) The product series subject to priority investigations

These refer to properties that fall under the following product series which we announced as suspicious series for having construction defects in the news release dated April 27, 2018 and the news release dated May 29, 2018.

"Gold Nail" and "New Gold Nail"

"Gold Residence," "New Silver Residence," "New Gold Residence," "Special Steel Residence," "Better Steel Residence," and "Con Grazia"

(note 2) The other product series

These refer to the 42 product series that we identified for investigations, excluding those subject to priority investigations.

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