
Notice Concerning Possibility of Non-Compliance with Fire Service Act and Regulations Pertaining to Reported Defects

Leopalace21 Corporation (headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; hereinafter "hereinafter ") has confirmed that the construction defects announced in press releases published on the Company's website on April 27, 2018, May 29, 2018, February 7, 2019 and May 29, 2019, may be in violation of the Fire Service Act or fire prevention ordinances, as well as the Building Standards Law, and therefore wishes to report the details and measures that will be taken by the Company.

The Company sincerely apologizes for the trouble caused for all of its stakeholders, including tenants and apartment owners, who experienced significant concern and inconvenience due to the construction defects in apartment walls on which the Company has been working since last year.

1. Details of defects confirmed in the recent investigation

Of the properties in which the construction defects were confirmed through investigations, all 267 buildings referred to hereafter may not comply with certain criteria specified in the Fire Service Act or fire prevention ordinances, as well as the Building Standards Law. Such defects will be eliminated through repair work that has already been announced by the Company.

(1) Construction discrepancies in the small-scale attic (press releases on April 27, 2018 and May 29, 2018)

Some properties may be in violation of the obligation to install indoor fire hydrant equipment as stipulated under the Fire Service Act or automatic fire alarm systems as stipulated under fire prevention ordinances, due to non-compliance in terms of the fireproof or semi-fireproof structure with respect to apartments whose floor areas exceed certain values, among the properties in which it was confirmed that partitioning walls were not constructed or construction was insufficient in the small-scale attic or roof as a result of the investigations.

Number of subject buildings: 254

(2) Exterior wall structures not meeting qualifications certified by the Minister of Land, Infrastructure and Transport (press release on February 7, 2019)

Some properties may be in violation of the obligation to install indoor fire hydrant equipment as stipulated under the Fire Service Act or automatic fire alarm systems

as stipulated under fire prevention ordinances, due to non-compliance in terms of the fireproof or semi-fireproof structure in apartments whose floor areas exceed certain values, among the properties in which it was confirmed that the exterior wall structures did not meet the qualifications certified by the Minister of Land, Infrastructure and Transport as a result of the investigations.

Number of subject buildings: 66

(3) Defects in construction of ceilings (press release on February 7, 2019)

Some properties may be in violation of the obligation to install indoor fire hydrant equipment as stipulated under the Fire Service Act or automatic fire alarm systems as stipulated under fire prevention ordinances, due to non-compliance in terms of the fireproof or semi-fireproof structures in apartments whose floor areas exceed certain values, among the properties in which it was confirmed that there were construction defects in ceilings as a result of the investigations.

Number of subject buildings: 76

(4) Fireproof parting wall structure not meeting qualifications certified by the Minister of Land, Infrastructure and Transport (press release on May 29, 2019)

Some properties may be in violation of the obligation to install indoor fire hydrant equipment as stipulated under the Fire Service Act or automatic fire alarm systems as stipulated under fire prevention ordinances, due to non-compliance in terms of the fireproof or semi-fireproof structures in apartments whose floor areas exceed certain values, among the properties in which it was confirmed that parting walls, which must be fireproof, did not meet the qualifications certified by the Minister of Land, Infrastructure and Transport as a result of the investigations.

Number of subject buildings: 33

*1. There is overlap in the number of subject properties referred to in (1) to (4). The total number excluding overlapping properties is 267. The distribution of the subject properties by prefecture is shown in the attachment.

*2. In addition to the abovementioned properties, there are 3,964 property buildings in which compliance with fire prevention and control ordinances needs to be confirmed.

2. Future course of action

The Company will continue to conduct investigations and repair work to eliminate non-compliance with fire prevention ordinances after discussion with fire service headquarters.

It will also talk with fire service headquarters about safety measures to be taken until the

repair work is completed and explain such measures to concerned parties, including owners and residents.

The Company has made this announcement to report on the properties in which it was confirmed that construction defects might be in violation of the Building Standards Law, may also be in breach of fire prevention ordinances as a result of the investigations. Therefore, the Company does not newly request the relocation to residents due to this announcement.

3. Impact on business results

The Company has made this announcement to report on the properties in which it was confirmed that construction defects might be in violation of the Building Standards Law, may be also in breach of fire prevention ordinances as a result of the investigation. The announcement does not mean that there is an increase in the number of properties that may have defects.

In addition, the discrepancies confirmed in the recent investigation will also be eliminated in the subject properties through repair work that has already been announced. Therefore, repair work expenses will not increase, excluding those for the abovementioned tentative safety measures.

Number of buildings by prefecture

(No. of buildings)

No.	Prefectures	Subject			No.	Prefectures	Subject		
		Automatic fire alarm systems	Indoor fire hydrant equipment	Total			Automatic fire alarm systems	Indoor fire hydrant equipment	Total
The whole country		149	118	267	24	Mie	-	-	-
1	Hokkaido	-	-	-	25	Shiga	-	3	3
2	Aomori	-	-	-	26	Kyoto	-	2	2
3	Iwate	-	-	-	27	Osaka	14	7	21
4	Miyagi	-	1	1	28	Hyogo	4	9	13
5	Akita	-	-	-	29	Nara	-	2	2
6	Yamagata	-	-	-	30	Wakayama	-	1	1
7	Fukushima	-	1	1	31	Tottori	-	-	-
8	Ibaraki	-	3	3	32	Shimane	-	-	-
9	Tochigi	-	2	2	33	Okayama	-	-	-
10	Gunma	-	2	2	34	Hiroshima	11	1	12
11	Saitama	-	9	9	35	Yamaguchi	-	1	1
12	Chiba	15	23	38	36	Tokushima	-	-	-
13	Tokyo	48	8	56	37	Kagawa	-	-	-
14	Kanagawa	41	15	56	38	Ehime	-	1	1
15	Niigata	-	3	3	39	Kochi	-	2	2
16	Toyama	-	-	-	40	Fukuoka	16	7	23
17	Ishikawa	-	-	-	41	Saga	-	-	-
18	Fukui	-	-	-	42	Nagasaki	-	-	-
19	Yamanashi	-	1	1	43	Kumamoto	-	3	3
20	Nagano	-	2	2	44	Oita	-	-	-
21	Gifu	-	3	3	45	Miyazaki	-	1	1
22	Shizuoka	-	4	4	46	Kagoshima	-	-	-
23	Aichi	-	1	1	47	Okinawa	-	-	-