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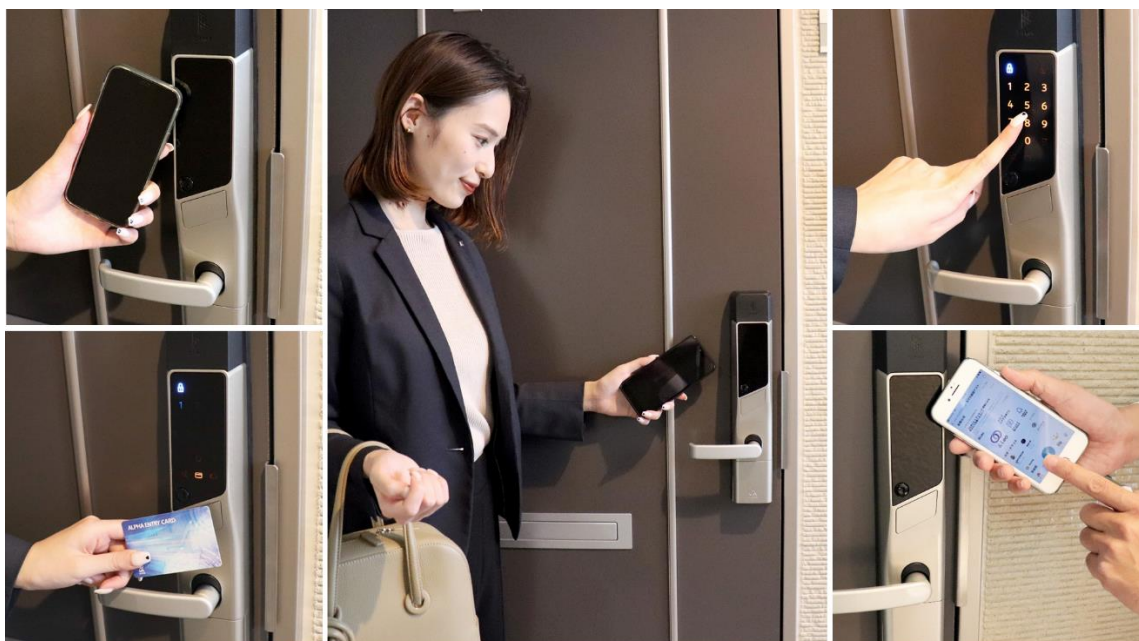
January 24, 2022

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Notice Concerning Installing Smart Locks in 440 Thousand Apartment Units in Steps to Mark the Industry’s Largest Scale*: Smarter Way to Avoid Risks of Lost Key and Forgetting to Lock, and to Save Time for Key Handover

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the “Company”) announced that the Company is going to install the smartphone-enabled Smart Locks to 440 thousand apartment units, or approximately 80% of its apartment units under management, starting from June 2022. The introduction of Smart Locks is intended for increasing the tenants’ convenience by unlocking the entrance door with a smartphone or other ways instead of a door key and for realizing the Company’s strategy of promoting Real Estate Tech. The Company believes that the installation of Smart Locks to its rental apartment units will be of the largest scale* in Japan’s rental housing management industry.

* In terms of number of smart locks installed in the rental houses managed by a company or an individual person (as per the Company’s own investigation as of end of January, 2022)



The customers can view rooms during apartment hunting or simply move into the room after concluding the rental contract, without taking the time to visit the leasing sales office just to receive the key. On top of saving time and effort, it prevents face-to-face key handover procedure as a protective measure against infectious diseases. It brings about the benefits to the tenants of being free from paying attention to the key when going out and to the owners of enhancing the value of existing properties by increased security due to additional functionality such as self-locking door.

■ Features and benefits of the Smart Lock being introduced

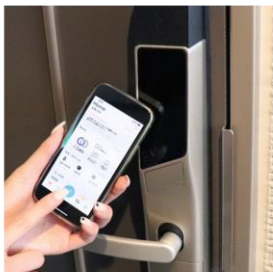
The Smart Lock enables the entrance door to be unlocked by multiple authentication methods, such as a dedicated application on a smartphone, a smart card, or a PIN entry by a numeric keypad, hence the tenants do not need to be bothered by managing the key to avoid the loss. The tenants can unlock the entrance door by utilizing a pre-registered second key such as a smart card or a PIN in case of troubles such as being locked out with the smartphone left in the room. Even in the absence of a tenant, the visiting family or friends can unlock and enter the room by receiving a one-time key to the smartphone with the application or one-time passcode which is sent by the tenant. The Smart Lock has functions of self-locking and holding lock/unlock records to provide a perfect security measure.

In addition, customers looking for a room can receive one-time key to their smartphone with the dedicated application which allows the customers to unlock the entrance door for once and enter the room for viewing without face-to-face key handover by visiting the leasing sales office and without being attended by a sales staff. Furthermore, after the rental contract is signed, the procedure using SMS or email save the tenants a visit to the leasing sales office for key handover when moving in, which reduces travel time and effort.

Multiple ways of authentication for unlocking the entrance door

Use of a Smartphone

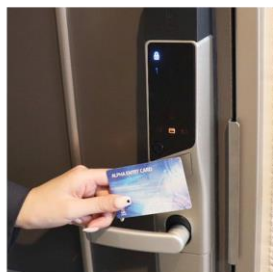
Activate a smartphone app. and tap the screen for unlocking the door



Enables room viewing without face-to-face procedure but by one-time key transmitted to a smartphone

Use of a Smart Card

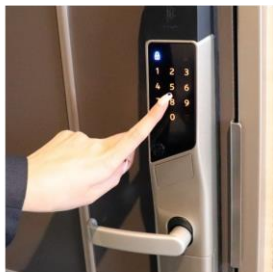
Put a pre-registered Smart Card or a Smartphone equipped with mobile FeliCa* functionality



Pre-registered Card as a second key to ensure peace of mind in case of a smartphone running out of battery

Use of a PIN

Enter pre-determined passcode by the numeric keypad



Enables family or friends to unlock the door temporarily with the one-time passcode

* FeliCa is a registered trademark or a trademark of Sony Group Corporation or its affiliates.
 * FeliCa is a contactless IC Card technology developed by Sony Corporation

By installing a room viewing reservation system, the real estate agents can save telephone calls to the leasing sales office, status check of the room and the key handover for room viewing. By making a reservation on the system, the agents can issue one-time key to the customer who wants to view the room and save the effort of controlling the key.



Screen image of the reservation system

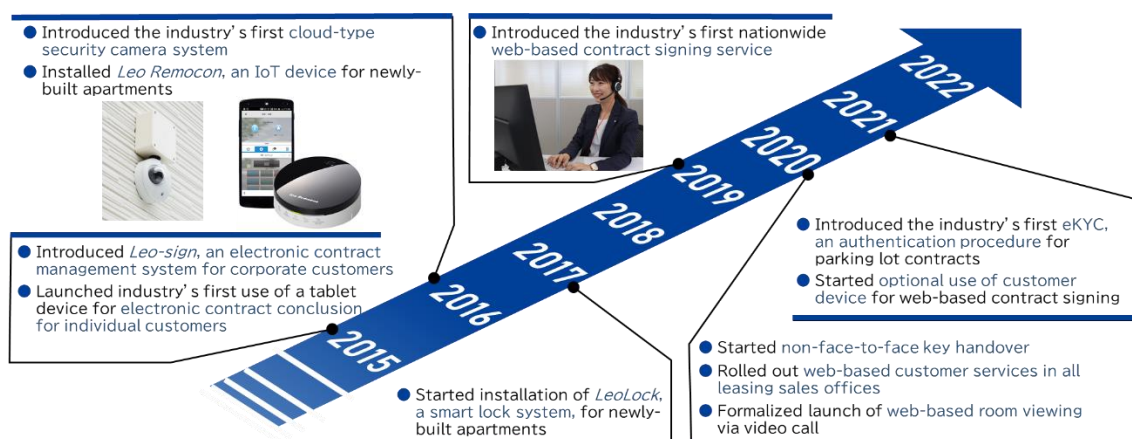
■ Background to the Introduction of the Smart Lock

The Company understood that it should reduce the tenants' burden of visiting the leasing sales office for receiving the key when they move in. In the growing needs of promoting DX solutions and protecting against infectious diseases, the rental housing management industry is required to respond to such social demands for non-face-to-face and non-contact business transactions in recent years. Although the Company has been promoting Real Estate Tech business and has been moving forward with web-based room search consultations and rental contract signing, there have been restrictive cases where it managed to offer the digitized method for the key handover.

The introduction of *ed Lock PLUS BT* (manufactured by ALPHA Corporation) and *bitlock MINI/bitreader+* (manufactured by Bitkey Inc.), both of which are sold by Bitkey Inc. (Chuo-ku, Tokyo), will improve occupancy promotion by raising convenience for customers looking for a room, and increase tenant satisfaction.

■ The Company's initiatives so far in promoting Real Estate Tech services

The Company has been promoting Real Estate Tech by real estate and IT integration, and improving services through the adoption of DX at the forefront of offering such solutions in the industry. The Smart Lock introduction this time allows the Company to operate the administrative procedures remotely online for most of its apartment units under management.



■ Future Outlook

The Company will prioritize the installation for the rooms that have new tenants starting from June 2022. The plan for the first 12 months is approximately 132 thousand units, followed by 308 thousand units for the next 12 months, totaling 440 thousand units in the two years up to May 2024, which is equivalent to about 80% of all the units under management. The Company remains committed to increasing tenant convenience and enhancing the value of leased properties through promoting Real Estate Tech as a leading company in the industry.

■ Corporate Profile

Leopalace21 Corporation



Established:	August 17, 1973
Stock Listing:	First Section, Tokyo Stock Exchange Security Code: 8848
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Representative Director:	Bunya Miyao, President and CEO
Corporate Website:	http://eg.leopalace21.com/
Leasing Business Website:	https://en.leopalace21.com/

Bitkey Inc.



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Head Office Address:	104-0031 3-1-1 Kyobashi, Chuo-ku, Tokyo Tokyo Square Garden 9F
Representative Directors:	Yuki Ejiri, CEO Masaki Fukuzawa, COO Masamori Hotsuki, CCO
Corporate Website:	https://bitkey.co.jp/

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