

January 11, 2018

Company name: Apaman Co., Ltd.  
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## Notice of the Concerning Record of Extraordinary Income and Income Taxes, Repayment of Borrowings and Reduction of Lease and Guarantee Deposited on Transfer of Fixed Assets

Apaman Co., Ltd. (“Apaman”) hereby announces that its Board of Directors’ meeting held on January 11, 2018, resolved to transfer of fixed assets as follows.

### 1. Reason for the Transfer

In order to improve the efficiency of assets (mainly reduction of fixed assets, decrease of borrowings).

### 2. Details of the Assets to be Transferred

Details of the assets	Transfer price	Consolidated Book value	Current use
2-2-391, Asano, Kokurakita-ku, kitakyusyu-shi, Fukuoka, Japan And 1 parcel of land, 3buildings Land:22,799.65 m <sup>2</sup> Building: 114,117.51 m <sup>2</sup> (Total floor space)	¥16.6 billion	¥15.2 billion	Rental

※Nonconsolidated book value is ¥11.3 billion.

※Consolidated book value includes goodwill of approximately 2.8 billion yen in addition to tangible fixed assets related to this transferred assets.

※Consolidated book value is the assumed value of the transfer date.

### 3. Outline of Transferee

(1) Name	United Urban Investment Corporation
(2) Address	Shiroyama Trust Tower 18F 4-3-1 Toranomom, Minato-ku, Tokyo, Japan
(3) Representative	Ikuo Yoshida, Executive Officer
(4) Main business	Real estate investment business based on investment trust and investment corporation law

(5) Total Unitholders' Equity (note)	¥309,205 million
(6) Established	November 4, 2003
(7) Net assets (note)	¥351,801 million
(8) Total assets (note)	¥675,885 million
(9) Main investors and ratio (note)	Japan Trustee Services Bank, Ltd. (Trust account) 22.59% The Master Trust Bank of Japan, Ltd. (Trust account) 10.75% Trust & Custody Services Bank, Ltd. (Securities investment trust account) 7.49%
(10) Relationship with Apaman	No significant capital, personal, or business relationships. No circumstances that make the transferee a relevant party of Apaman.

(Note) at May 31, 2017

#### 4. Schedule of Transfer

- |                                                  |                  |
|--------------------------------------------------|------------------|
| (1) Date of resolution by the Board of Directors | January 11, 2018 |
| (2) Date of the contract                         | January 11, 2018 |
| (3) Due for the transfer (planned)               | January 26, 2018 |

#### 5. About lease etc. after transfer

After transferring this property, we will handle property management work in our group and will continue to operate “Aruaru City”. Coin parking and co-working space etc. of this property will be leased by the Group and will continue to be operated. For the lease, we plan to rent approximately ¥3.6 billion as a rent etc. during the lease term (mainly 5 to 10 years).

#### 6. Contents of transfer contract

The transfer contract includes the beneficiary right of the trust and the completion of repairing of the property, etc. If this stop condition is not fulfilled, the postponement of the property delivery date or the transfer contract will be withdrawn. We announce you again at the completion of property delivery.

#### 7. Outlook for the forecast

- i. The first quarter of the fiscal year ending September 30, 2018  
As a result of reviewing the tax effect schedule associated with this transfer, deferred tax assets of approximately ¥200 million are expected to be recorded for both non-consolidated and consolidated.
- ii. The second quarter of the fiscal year ending September 30, 2018 (Property Delivery Time)  
Along with the transfer of fixed assets, we plan to record extraordinary income of approximately ¥ 3.4 billion on a non-consolidated and approximately ¥ 200 million on consolidated as gains on sales of fixed assets excluding various expenses from trading value.  
In addition, due to the income tax expense and the reversal of deferred tax assets and liabilities from the extraordinary income, we plan to post approximately ¥1.1 billion on a non-consolidated and approximately ¥1 billion on consolidated as income taxes and income tax adjustments.  
In connection with this transfer, we plan to repay borrowings by approximately ¥11.5 billion and also plan to transfer the lease and guarantee deposited of approximately ¥2.5 billion to the buyer.

For consolidated earnings forecast for the fiscal year ending September 2018, please refer to “Notice of Revisions to the Consolidated Forecast”.

Nonconsolidated earnings forecast is as follows.

(JPY mil)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent
Forecast of FY2018	3,000	800	500	2,500
(Reference) Results for the full year of FY2017	4,127	1,115	529	460