

September 30, 2019

Company name: Apaman Co., Ltd.
Representative: Koji Omura, President and CEO
Securities code: 8889 (JASDAQ)
Inquiries: Masahiro Takata, Deputy Executive
Manager, Administration Division
TEL: +81-3-3231-8020

Notice of Extraordinary Loss on Sale of Non-current Assets

The Board of Directors of Apaman Co., Ltd. approved a resolution on September 30, 2019 to sell the following non-current asset.

1. Reason for sales

This asset has been sold in order to use the company's remaining assets more efficiently.

2. Asset to be sold

Asset sold	Sale price	Book value	Category
Building and attached facilities 1-280-3, Sunatsu, Kokurakita-ku, Kitakyushu, Fukuoka Land area: 1,451.92 m ² Total floor space: 5,779.50 m ²	360 million yen	670 million yen	Leasing

3. Overview of purchaser

The identity of the purchaser cannot be disclosed because of a confidentiality agreement.

The purchaser is a Japanese company that has no relationship with Apaman concerning equity or personnel and is not a related party of Apaman.

4. Schedule

- (1) Resolution of the Board of Directors: September 30, 2019
- (2) Contract signing: September 30, 2019
- (3) Closing date: September 30, 2019

5. Outlook

Apaman plans to record an extraordinary loss of approximately 317 million yen in the fiscal year ending on September 30, 2019 for the loss on sales of non-current assets. This loss is the difference between the sale price and the book value and various expenses of the asset that was sold. Due to this extraordinary loss and a prior-year impairment loss the building that was sold, Apaman plans to post a deduction of approximately 262 million yen in its income taxes and deferred income taxes. Consequently, the sale of this building will have a negative impact of about 55 million yen on the forecast for the current fiscal year, which is the result of deducting 262 million yen from the 317 million yen loss on the sale of the building.

Apaman is currently examining the effect of this sale and other items on its results of operations and will make an announcement concerning the forecast for the fiscal year ending in September 2019 promptly once this forecast has been finalized.