

June 30, 2022

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Notice of Lease of Non-Current Assets to a Consolidated Subsidiary

The Board of Directors of Apaman Co., Ltd. approved a resolution today for the lease by Apaman of non-current assets concerning the next-generation AOS (Apamanshop Operation System) to consolidated subsidiary Apaman Network Co., Ltd. The acquisition of AOS software was announced on November 12, 2021 in a press release titled “Notice of Purchase of Software by a Consolidated Subsidiary.”

1. Reason for use of a lease

A lease will be used for the AOS software because this scheme results in the efficient use of capital.

Apaman plans to sign a joint leasing contract (with a provision for the transfer of the software upon completion of the lease) with eight companies led by Kyushu Leasing Service Co., Ltd., in two installments depending on the development status. At the end of the lease, all rights for the AOS software will be transferred from the leasing companies to Apaman. The software will then be leased by Apaman to Apaman Network under the same terms as in the original lease contract.

On June 13, 2022, Apaman announced its plan to transfer to AOS software in October 2022 or afterward in a press release titled “(Changes in Disclosures) Notice of Purchase of Software by a Consolidated Subsidiary.” The transfer is now planned to take place when the lease begins as listed in the timetable in section 4 below.

2. Summary of the leased assets

(1) Name	Next-generation AOS (Software)
(2) Location	Chiyoda-ku, Tokyo
(3) Description	A central business operations system for property management, customer management, management of sales and earnings, and all other activities concerning the real estate rental brokerage business
(4) Total lease payments	1,949 million yen
(5) Acquisition cost	1,778 million yen
(6) Lease period	7 years

3. Profile of counterparty (Lead underwriter: Kyushu Leasing Service Co., Ltd.)

(1) Name	KYUSHU LEASING SERVICE CO., LTD.
(2) Location	4-3-18 Hakataekimae, Hakata-ku, Fukuoka City
(3) Representative	Seiji Isoyama, President and CEO
(4) Business	Leasing and installment sales, finance, real estate, businesses generating fees, environmental solutions
(5) Capital	2,933 million yen
(6) Established	November 1, 1974

(7)	Net assets	33,095 million yen (as of March 31, 2022)	
(8)	Total assets	163,586 million yen (as of March 31, 2022)	
(9)	Major shareholder and shareholding ratio (as of March 31, 2022)	FUKUOKA JISHO CO.,LTD.	16.34%
		Nishi-Nippon Financial Holdings, Inc.	6.73%
		City Ascom Co.,Ltd.	6.38%
		THE NISHI-NIPPON CITY BANK, LTD.	4.86%
		The Master Trust Bank of Japan, Ltd. (Retirement benefit trust Zenrin account)	4.63%
		Custody Bank of Japan, Ltd. (Trust E account)	4.36%
(10)	Relationships between Apaman and Kyushu Leasing Service	Capital	Not applicable.
		Personnel	Not applicable.
		Business	Leasing, installment sales and other activities
		Related parties	Not applicable.

* None of the seven other leasing companies involved with this transaction with Kyushu Leasing Service is a related party of Apaman.

4. Schedule

Resolution of the Board of Directors of APAMAN:	June 30, 2022
Resolution of the Board of Directors of Apaman Network	June 30, 2022
Signing of lease contracts 1 and 2	June 30, 2022
Start of least contract 1	June 30, 2022
Start of least contract 2 (tentative)	December 31, 2022

5. Outlook

The change from the acquisition to the leasing of non-current assets will have only a negligible effect on results of operations in the current fiscal year. An announcement will be made promptly if a significant effect emerges or there is a need to revise the forecast for the current fiscal year.