

**FOR IMMEDIATE RELEASE**

May 15, 2017

Company Name: **Leopalace21 Corporation**  
Representative: Eisei Miyama, President and CEO  
Code Number: 8848 (Tokyo Stock Exchange, First Section)  
Contact: Bunya Miyao, Director  
Tel: +81-3-5350-0216  
E-mail: ir@leopalace21.com

### **Notice Concerning Revision of Director Remuneration**

Leopalace21 Corporation (the “Company”) announces that at a meeting of its Board of Directors held today resolved to change the system for remuneration for officers, the amount of remuneration for directors and the amount of remuneration under the stock option program with stock-based compensation for directors, as follows.

This change will be officially approved by resolution of the 44th Ordinary General Meeting of Shareholders to be held on June 29, 2017.

#### **1. Purpose of Change of the System for Remuneration for Officers**

This change of the system for remuneration for officers will be made as part of efforts by directors and executive officers to further improve and enhance the earnings and corporate value of the Company and its group. The purpose of the change is for the officers of the Company to share the shareholder value through the system for remuneration for officers.

#### **2. Outline of Change of the System for Remuneration for Officers**

As components of remuneration for officers, in addition to the existing basic remuneration, the Company will create a bonus for a single fiscal year and stock options with stock-based compensation, in addition to a bonus for the period of the Medium-Term Management Plan which is linked to the achievement of the plan.

While the basic remuneration is fixed compensation, the bonus for a single fiscal year for the purpose of achieving the annual plan and stock options with stock-based compensation linked to medium-to-long-term earnings and the stock price are components designed to ensure an increase in corporate value. In addition to these components, a bonus for the period of the Medium-Term Management Plan for the purpose of achieving the plan will be introduced to put in place a system conducive to improving earnings and enhancing corporate value across all ranges.

In addition, this change to the system for remuneration for officers increases the variable component linked to earnings and strengthens the link between the amount of remuneration and the improvement of earnings and enhancement of corporate value, while maintaining the existing level of remuneration in the standard evaluation.

With this change, through its system of remuneration the Company will encourage its officers to better carry out their duties to enhance shareholder value.

### 3. Specifics of the Proposals to Be Referred to the General Meeting of Shareholders

Upon the change of the system for remuneration for officers described above, a proposal for a change to the amount of remuneration for directors will be referred to the Shareholders' Meeting to prepare for an increase in the amount payable in the case of good business results, as follows.

#### (1) Specifics of Change of the Amount of Remuneration for Directors

The amount of remuneration for directors shall be changed from 500 million yen or less annually to 800 million yen or less annually.

#### (2) Specifics of Change of the Amount of Remuneration under the Stock Option Program with Stock-Based Compensation for Directors

The amount of remuneration under the stock option program with stock-based compensation for directors (other than outside directors) shall be changed from 150 million yen annually to 300 million yen or less annually.

END