

August 31, 2020

Company Name: **Leopalace21 Corporation**
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**Notice Concerning Recording Gain on Sale of Investment Securities
in Extraordinary Income**

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") announces that the Company will record the gain on sale of investment securities as a result of completing the sale of the shares in a listed company of which partial sale the Company reported on August 18, 2020.

1. Reasons for the sale of the investment securities

The Company intends to make efficient use of the resources that the Company possesses and to aim at reinforcing the financial position.

2. Details of the investment securities

(i) Sold investment securities

Shares in a listed company that the Company held

(ii) Date of sale

Between July 10, 2020 and August 31, 2020

(iii) Gain on sale of the investment securities

4,063 million yen

3. Earnings forecast and Outlook

The Company will record the gain on sale of investment securities in extraordinary income for the second quarter of the fiscal year ending March 2021. The increase in net assets due to the gain on sale of the investment securities will be 3,016 million yen in the fiscal year ending March, 2021. It is because the increase in net assets should be calculated by deducting 1,047 million yen, which was recorded as net unrealized gains on other securities in the fiscal year ended March 2020, from the gain on sale of the investment securities.

We are examining the impact including other elements on the consolidated earnings forecast for the fiscal year ending March 2021 and will promptly notify any amendments as soon as they are confirmed to be necessary.

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