

FOR IMMEDIATE RELEASE

November 4, 2020

Company Name: **Leopalace21 Corporation**
Representative: Bunya Miyao, President and CEO
Code Number: 8848 (Tokyo Stock Exchange, First Section)
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Notice Concerning Partial Amendment to Issuance of New Shares through Third Party Allotment and Issuance of the 5th Series Stock Acquisition Rights in connection with the Loan with Stock Acquisition Rights through Third Party Allotment, Issuance of Preferred Stock by Consolidated Subsidiary, and Expected Changes in Major Shareholders and the Largest Shareholder among the Major Shareholders

Leopalace 21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") announces that, regarding the issuance of the new shares and the 5th series of stock acquisition rights in connection with the loan with stock acquisition rights of the Company through third party allotment and the issuance of the Class A Preferred Stock by the Company's wholly-owned subsidiary (collectively "Fundraising"), in connection with which the Company released the "Notice Concerning Issuance of New Shares through Third Party Allotment and Issuance of the 5th Series Stock Acquisition Rights in connection with the Loan with Stock Acquisition Rights through Third Party Allotment, Issuance of Preferred Stock by Consolidated Subsidiary, and Expected Changes in Major Shareholders and the Largest Shareholder among the Major Shareholders" on September 30, 2020 in Japanese and on October 1, 2020 in English and the "Notice Concerning Partial Correction on Issuance of New Shares through Third Party Allotment and Issuance of the 5th Series Stock Acquisition Rights in connection with the Loan with Stock Acquisition Rights through Third Party Allotment, Issuance of Preferred Stock by Consolidated Subsidiary, and Expected Changes in Major Shareholders and the Largest Shareholder among the Major Shareholders" on October 2, 2020, the Company has determined to make an amendment to the scheduled timing of the expenditure of a part of the funds raised from the Fundraising as follows.

1. Reason for amendment

Among the uses the Company specifically intended for the funds raised from the Fundraising, the payments for the redemption of the outstanding bonds of the Company ("Bonds") were scheduled to be made during the period from March 2021 to September 2022. However, through consultation with Sumitomo Mitsui Banking Corporation and Resona Bank, Limited., who are the holders of the Bonds (collectively, "Bondholders"), the Company has determined, prior to each of their redemption dates, to redeem all of the Bonds in a lump sum in November 2020.

2. Details of amendment

(Note) The amended parts of the release, which the Company issued on September 30 in Japanese and on October 1 in English, are shown with underlines as follows.

(Before Amendment)

4. Amount of proceeds to be raised, and uses and scheduled timing of expenditure thereof

(2) Specific uses of proceeds to be raised

The aggregate amount to be raised from the Third Party Allotment is scheduled to be 42,215,654,745 yen (Estimated net proceeds: 39,674,654,745 yen), which is the sum of (i) 11,999,994,000 yen, which is the aggregate amount to be paid for the New Shares, (ii) 215,660,745 yen, which is the aggregate amount to be paid for the Stock Acquisition Rights, and (iii) 30 billion (30,000,000,000) yen, which is the aggregate amount of borrowing under the Loan Agreement. In addition, together with 15 billion (15,000,000,000) yen (Estimated net proceeds: 14,336,000,000 yen), which is the amount to be raised from the issuance of the Preferred Stock by Leopalace Power Corporation to the Scheduled Allottee of

Preferred Stock, as stated in “3. Outline of fundraising method and reasons for selection” above, which was resolved by Leopalace Power Corporation on the same date as the date on which the Third Party Allotment was resolved, the aggregate amount of proceeds to be raised is expected to be 57,215,654,745 yen (Estimated net proceeds: 54,010,654,745 yen), and specific uses thereof, and the amount to be used and scheduled timing of expenditure for each use are as follows.

Specific uses	Amount	Scheduled timing of expenditure
(i) Payment of repair work expenses related to construction defects such as parting walls in the properties constructed by the Company	34,033 million yen	In and after October 2020
(ii) Repayment of borrowings obtained by subsidiary	13,407 million yen	From October to December 2020
(iii) Funds for redemption of bonds	6,570 million yen	<u>From March 2021 to September 2022</u>

(Omitted)

(iii) Funds for redemption of bonds

To be appropriated to the redemption of the outstanding bonds of the Company.

Outline of the bonds are as follows. (as of September 30, 2020)

Name of bond	Leopalace 21 Corporation 14th unsecured straight bond
Aggregate amount of bond	11,900 million yen
Date of issuance	September 30, 2015
Redemption date	September 30, 2020
Bond balance	3,570 million yen
Interest rates	6 month yen TIBOR
Security interests	N/A
Guaranty	Joint and several guarantees by Sumitomo Mitsui Banking Corporation
Use of funds	Working capital

Name of bond	Leopalace 21 Corporation 15th unsecured straight bond
Aggregate amount of bond	10,000 million yen
Date of issuance	September 30, 2015
Redemption date	September 30, 2022
Bond balance	3,000 million yen
Interest rates	0.630%
Security interests	N/A
Guaranty	Joint and several guarantees by Resona Bank, Limited
Use of funds	Working capital

The proceeds that are raised will be maintained in a bank account until they are actually used.

(After Amendment)

4. Amount of proceeds to be raised, and uses and scheduled timing of expenditure thereof

(2) Specific uses of proceeds to be raised

The aggregate amount to be raised from the Third Party Allotment is scheduled to be 42,215,654,745 yen (Estimated net proceeds: 39,674,654,745 yen), which is the sum of (i) 11,999,994,000 yen, which is the aggregate amount to be paid for the New Shares, (ii) 215,660,745 yen, which is the aggregate amount to be paid for the Stock Acquisition Rights, and (iii) 30 billion (30,000,000,000) yen, which is the

aggregate amount of borrowing under the Loan Agreement. In addition, together with 15 billion (15,000,000,000) yen (Estimated net proceeds: 14,336,000,000 yen), which is the amount to be raised from the issuance of the Preferred Stock by Leopalace Power Corporation to the Scheduled Allottee of Preferred Stock, as stated in “3. Outline of fundraising method and reasons for selection” above, which was resolved by Leopalace Power Corporation on the same date as the date on which the Third Party Allotment was resolved, the aggregate amount of proceeds to be raised is expected to be 57,215,654,745 yen (Estimated net proceeds: 54,010,654,745 yen), and specific uses thereof, and the amount to be used and scheduled timing of expenditure for each use are as follows.

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Bond balance	3,570 million yen
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Security interests	N/A
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Use of funds	Working capital

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The proceeds that are raised will be maintained in a bank account until they are actually used.

End