

May 14, 2021

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 Articles of Incorporation**

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the “Company”) announced the decision, under the approval of the Board of Directors on May 14, 2021, to submit a proposal on Partial Amendment to Articles of Incorporation to the Ordinary General Shareholders’ Meeting to be held on June 29, 2021.

#### 1. Rationale for amendment

The Company’s outstanding number of shares including dilutive securities as a result of capital policy executed last year is 489,138,215 shares. The Company would like to increase the number of authorized shares to 750,000,000 by amending Article 6 (Authorized number of shares) in preparation for ensuring the speedy fundraising in the future.

The Company may enter into a liability limitation agreement with an Outside Director, under its Articles of Incorporation, Article 28, limit liability for damage in the event that he/she fails to perform his/her duties, so that he/she can fully play his/her expected roles and with which the Company can attract competent candidates as Outside Director.

The Company would like to include non-executive Directors not serving as Outside Director by amending Article 28 (Liability limitation agreement with an Outside Director) and include all Audit & Supervisory Board Members by amending Article 38 (Liability limitation agreement with an Outside Audit & Supervisory Board member).

The effective term of the resolution for election of a Substitute Audit & Supervisory Member shall expire at the close of the first Ordinary General Shareholders’ Meeting, namely one year. In order to mitigate the cumbersome procedure of preparing a proposal every year, the Company would like extend the effective term of the resolution for election by amending Article 30 to include a rule of electing a Substitute Audit & Supervisory Board Member and setting the effective term of the resolution for election expiring at the close of the Ordinary General Shareholders’ Meeting for the last fiscal year ending within four years from his/her election, namely four years.

In addition, Article 35 (Rules of the Audit & Supervisory Board) needs to be corrected because of an error in terms.

#### 2. Details of amendment

Please see the Exhibit.

3. Timeline

Date of General Shareholders' Meeting to approve the partial amendment to Article of

Incorporation June 29, 2021

Effective Date June 29, 2021

Exhibit

(Portions of amendments are underlined.)

| Existing Articles of Incorporation  | New Articles of Incorporation   |
|---|---|
| Article 1 – 5 <Omitted>   | Article 1 – 5 <As per existing Articles>  |
| (Authorized number of shares)<br>Article 6 The total number of issuable shares shall be <u>500,000,000</u> .  | (Authorized number of shares)<br>Article 6 The total number of issuable shares shall be <u>750,000,000</u> .  |
| Article 7 – 27 <Omitted>  | Articles 7 – 27 <As per existing Articles>  |
| (Liability limitation agreement with <u>an Outside Director</u> )<br>Article 28 The Company may enter into a liability limitation agreement with <u>an Outside Director</u> , pursuant to the provisions of Article 427, Paragraph 1 of the Company Act to limit the liability provided in Article 423, Paragraph 1 of the Company Act. Provided, however, that the maximum amount of liability under such agreement shall be the amount stipulated by laws and regulations.          | (Liability limitation agreement with <u>a Director</u> )<br>Article 28 The Company may enter into a liability limitation agreement with <u>a Director, but excluding an executive Director</u> , pursuant to the provisions of Article 427, Paragraph 1 of the Company Act to limit the liability provided in Article 423, Paragraph 1 of the Company Act. Provided, however, that the maximum amount of liability under such agreement shall be the amount stipulated by laws and regulations. |
| Article 29 <Omitted>  | Article 29 <As per existing Article>  |
| (Election of Audit & Supervisory Board Member)<br>Article 30 The Company shall elect the Audit & Supervisory Board Member at a General Shareholders' Meeting.<br>2 The resolution for the election of Audit & Supervisory Board Member shall be adopted by a majority of the votes of shareholders present at a General Shareholders' Meeting a quorum of which is shareholders holding shares representing not less than one-third (1/3) of the total number of the voting rights of | (Election of Audit & Supervisory Board Member)<br>Article 30 The Company shall elect the Audit & Supervisory Board Member at a General Shareholders' Meeting.<br>2 The resolution for the election of Audit & Supervisory Board Member shall be adopted by a majority of the votes of shareholders present at a General Shareholders' Meeting a quorum of which is shareholders holding shares representing not less than one-third (1/3) of the total number of the voting rights of           |

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| <p>shareholders who may exercise voting rights.</p>   | <p>shareholders who may exercise voting rights.</p> <p><u>3 The Company may elect a Substitute Audit &amp; Supervisory Board Member provided in Article 329, paragraph 2 of the Company Act in preparation for the shortage of the number of Audit &amp; Supervisory Board Members stipulated in the relevant laws and regulations.</u></p> <p><u>4 The effective term of the resolution for election of a Substitute Audit &amp; Supervisory Board Member in the preceding paragraph shall expire at the close of an Ordinary General Shareholders' Meeting relating to the last fiscal year ending within four (4) years from his/her election.</u></p> |
| <p>Articles 31 – 34 &lt;Omitted&gt;</p>   | <p>Articles 31 – 34 &lt;As per existing Articles&gt;</p>  |
| <p>(<u>Rules</u> of Audit &amp; Supervisory Board)<br/> Article 35 Except as provided by laws, ordinances or this Articles of Incorporation, the Audit &amp; Supervisory Board shall be administered in accordance with the <u>Rules</u> of the Audit &amp; Supervisory Board of which shall be adopted by a resolution of the Audit &amp; Supervisory Board.</p>   | <p>(<u>Regulations</u> of Audit &amp; Supervisory Board)<br/> Article 35 Except as provided by laws, ordinances or this Articles of Incorporation, the Audit &amp; Supervisory Board shall be administered in accordance with the <u>Regulations</u> of the Audit &amp; Supervisory Board of which shall be adopted by a resolution of the Audit &amp; Supervisory Board.</p>   |
| <p>Articles 36 – 37 &lt;Omitted&gt;</p>   | <p>Articles 36 – 37 &lt;As per existing Articles&gt;</p>  |
| <p>(Liability limitation agreement with <u>an Outside Audit &amp; Supervisory Board Member</u>)<br/> Article 38 The Company may enter into a liability limitation agreement with an <u>Outside Audit &amp; Supervisory Board Member</u>, pursuant to the provisions of Article 427, Paragraph 1 of the Company Act to limit the liability provided in Article 423, Paragraph 1 of the Company Act. Provided, however, that the maximum amount of liability under such agreement</p> | <p>(Liability limitation agreement with <u>an Audit &amp; Supervisory Board Member</u>)<br/> Article 38 The Company may enter into a liability limitation agreement with <u>an Audit &amp; Supervisory Board Member</u>, pursuant to the provisions of Article 427, Paragraph 1 of the Company Act to limit the liability provided in Article 423, Paragraph 1 of the Company Act. Provided, however, that the maximum amount of liability</p>  |

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| shall be the amount stipulated by laws and regulations. | under such agreement shall be the amount stipulated by laws and regulations. |
| Articles 39 – 42 <Omitted>                              | Articles 39 – 42 <As per existing Articles>                                  |

END