

FOR IMMEDIATE RELEASE

December 16, 2019

Company Name: **Leopalace21 Corporation**
Representative: Bunya Miyao, President and CEO
Code Number: 8848 (Tokyo Stock Exchange, First Section)
Contact: Kiyoshi Arai, Director
Tel: +81-50-2016-2907
E-mail: ir@leopalace21.com

Notice Concerning a New Policy in the Board of Directors Composition Aiming to Reinforce Corporate Governance System

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") announces the new policy of making the majority of the Board of Directors to be outside directors to reinforce its corporate governance system as a part of preventing the recurrence of construction defects problem. The Board of Directors, on December 16, 2019, discussed and agreed upon submitting a proposal for the resolution of electing directors in line with the above policy to the Ordinary General Meeting of Shareholders, which is planned to be held in June, 2020.

The Audit & Supervisory Board, on the other hand, has been made up of more external auditors than the internal members.

In preparation for the nomination of the external director candidates, the Company will study the external directors' duties and responsibilities taking account of the Company's business requirements and examine the candidates from the available pool of talents in the market to achieve the governance policy considering the viewpoints of regaining trust by all the stakeholders including the customers.

END