

FOR IMMEDIATE RELEASE

December 27, 2019

Company Name: **Leopalace21 Corporation**
Representative: Bunya Miyao, President and CEO
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**Notice Concerning Shareholders' Demand for Calling
an Extraordinary General Meeting of Shareholders**

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") announces that the Company received on December 27, 2019 a demand to call an extraordinary general meeting of shareholders from the shareholders as described in the following particulars.

Particulars

1. The shareholders who sent the demand to the Company (hereinafter "Demanding Shareholders")

The following two shareholders demanded to call an extraordinary general meeting of shareholders.

Reno, Inc. Hironaho Fukushima, President & CEO

S Grant Corporation Tatsuya Ikeda, President & CEO

The Demanding Shareholders claimed that they jointly hold not less than three hundredths of the votes of all shareholders consecutively for the preceding six months.

2. Description of demand for calling

- (1) Purpose of the extraordinary general meeting of shareholders

Resolution 1: Remove ten directors (Bunya Miyao, Shigeru Ashida, Katsuhiko Nanameki, Seishi Okamoto, Mayumi Hayashima, Tadashi Kodama, Tetsuji Taya, Yoshiko Sasao, Yoshitaka Murakami, and Hisafumi Koga)

Resolution 2: Appoint three directors (Candidates: Masahiro Ohmura, Hironaho Fukushima, and Fuminori Nakashima)

- (2) Outline of reasons for demanding the call

Current management team (i) allows improper information disclosure like repeated major downside revision of earnings forecasts subsequent to the parting wall defects and the like (hereinafter "Construction Defects Problem") in the apartment buildings which the Company developed and sold, (ii) announced delayed completion plan of the Construction Defects Problem soon after the announcement of original plan

which demonstrated lack of managing capability to resolve the Construction Defects Problem, and (iii) generated deficit in the amount available for distribution to the shareholders because of the acquisition of the treasury shares between May and August, 2018, for which all the current directors are responsible for compensation. Because of the described reasons, the Demanding Shareholders have no longer confidence in the current directors to manage the Company and therefore demand to remove the current ten directors and newly appoint three directors instead. The Demanding Shareholders believe it should be beneficial for the shareholders to approve the proposed resolutions to increase the shareholder value and therefore demanded the extraordinary general meeting of shareholders.

3. The Company's response to the demand for calling

We will carefully examine the details of the demand and announce the Company's position and the grounds in response to the demand when we are ready.

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