

FOR IMMEDIATE RELEASE

February 3, 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 a Letter to the Requesting Shareholders

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") announced in its "Notice of Partial Change to the Notice Concerning Holding of an Extraordinary General Meeting of Shareholders and the Company's Board of Directors' Opinion on the Shareholders' Proposals due to Approval of Partial Revoke of the Shareholders' Proposals" dated January 30, 2020, that its Board of Directors is still opposed to the shareholders' proposal.

The Company announces that it has sent a letter on January 31 as included in the appendix hereto to the Requesting Shareholders, i.e., Reno, Inc. and S Grant Corporation, and Mr. Masahiro Ohmura, the candidate for director in the shareholders' proposal.

END

January 31, 2020

Mr. Masahiro Ohmura

Mr. Hironao Fukushima, President & CEO of Reno, Inc.

Mr. Tatsuya Ikeda, President & CEO of S Grant Corporation

Since Reno, Inc. ("**Reno**") and S Grant Corporation (collectively with Reno, "**you**") have submitted a proposed agenda to select Mr. Masahiro Ohmura, who is an employee of Reno ("**Mr. Ohmura**"), as a candidate for director of Leoplace21 Corporation (the "**Company**") at the extraordinary general meeting of shareholders scheduled to be held by the Company on February 27, 2020 (the "**EGM**"), the Company considers that you are required to submit:

- (1) a written pledge to the effect that Mr. Ohmura, companies or partnerships for which Mr. Ohmura serves as an officer, representative, agent, or employee, and joint holders of such companies or partnerships, including you ("**Mr. Ohmura's Related Parties**"), will never buy or sell shares of the Company using the Company's inside information, whether or not doing so would conflict with or has the risk of coming into conflict with the regulation on insider trading prescribed in Article 166 of the Financial Instruments and Exchange Act, in all their joint names

to the Company, because if Mr. Ohmura is appointed as a director of the Company at the EGM, we consider that it is necessary to prevent insider trading, etc. involving the Company's directors and to maintain the Company's social credibility, considering that you are major shareholders holding share units of more than 10% of the voting rights of all shareholders of the Company and Mr. Ohmura is an employee of Reno.

In addition, from the viewpoint of preventing conflicts of interest between Mr. Ohmura's Related Parties and shareholders of the Company other than Mr. Ohmura's Related Parties (the "**Company's General Shareholders**"), the Company considers that you are required to submit to the Company:

- (2) a written pledge in the joint names of all of Mr. Ohmura's Related Parties to the effect that Mr. Ohmura declines (or will be caused to decline) to attend (including attendance as an observer) the Board of Directors and other conferences of the Company which discuss various transactions, etc. (including, but not limited to, any reorganization act such as a merger, company split, share exchange, and share transfer, as well as other

M&A transactions, between the following parties and the Company) in which there may be conflicts of interest between Mr. Ohmura's Related Parties, direct or indirect shareholders, investors or members of Mr. Ohmura's Related Parties, or managing partners or persons who continuously provide advice regarding investments of partnerships, etc. which constitute Mr. Ohmura's Related Parties and the Company and the Company's General Shareholders.

Accordingly, we would like you to submit the written pledges in (1) and (2) above. Please let us know whether you and Mr. Ohmura intend to submit the written pledges in (1) and (2) above within 3 business days after receipt of this letter.

Sincerely yours,

Bunya Miyao, President and CEO
Leopalace21 Corporation