

FOR IMMEDIATE RELEASE

February 12, 2020

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

**Notice Concerning a Requesting Shareholders' Document
Delivered to the Shareholders of the Company**

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") was informed by a lot of its shareholders that Reno, Inc. and S-Grant Corporation (hereinafter collectively the "Requesting Shareholders"), sent to a part of the shareholders of the Company a document with a title of "Explanation of the Shareholders' Proposal at the Extraordinary General Meeting of Shareholders" (hereinafter "Requesting Shareholders' Document") dated February 5, 2020.

In the appendix to the Requesting Shareholders' Document, Mr. Masahiro Omura (hereinafter "Mr. Omura"), a director candidate pertaining to the Requesting Shareholders' proposal makes his statement on the proviso that he is appointed as an outside director of the board at the extraordinary general meeting of shareholders (hereinafter "EGM"). However, the fact is that Mr. Omura is not proposed as an outside director candidate.

The Requesting Shareholders' initial proposals contained the dismissal of the current ten directors of the Company and the appointment of Mr. Omura as 'non-outside' director and President candidate. The Requesting Shareholders revoked the dismissal of the current directors and the appointment of two director candidates other than Mr. Omura, which means that Mr. Omura remains as a candidate for 'non-outside' director.

We consider that Mr. Omura is unable to perform his duty as director in view of the said appendix where Mr. Omura describes himself as a candidate for an outside director, which is not the case.

Mr. Omura is a candidate for 'non-outside' director. Assuming a hypothetical case that Mr. Omura is considered an outside director candidate, we do not believe that it is necessary to have Mr. Omura as an outside director in light of the fact that the Company's board has already five outside directors and the Company proposed that two additions at the EGM taking account of the Company's issues and improving the corporate governance.

On the other hand, Mr. Omura has acted only as an advocate for the interest of the Requesting Shareholders, who are our major shareholders, and is employed by one of the Requesting Shareholders. It is obvious that he is not suitable as an outside director for representing the common interests of the general shareholders.

The Company clarified its argument and maintained that it is opposed to the shareholders' proposal in the news release dated January 30, "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." We kindly ask the shareholders to agree to our opinion.

END