

FOR IMMEDIATE RELEASE

June 5, 2020

Company Name: **Leopalace21 Corporation**
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Notice Concerning Abolishing Shareholder Benefits Program

Pursuant to a resolution at an extraordinary meeting of the Board of Directors held on June 4, 2020, Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") announces that the Company will abolish the shareholder benefits program as follows.

1. Reasons for abolishing the shareholder benefits program

We appreciated our shareholders' ongoing support and have operated the shareholder benefits program with the aim of enhancing the value of the Company shares and increasing the number of shareholders who hold the shares over the medium to long term.

On the other hand, as announced today in the "Notice Concerning Implementing Structural Reforms based on Strategic Review Results for Drastic Business Strategies Reconstruction," we decided to shift from a strategy of business diversification to a strategy of selective concentration with the leasing business placed in a central core and strengthening its profitability. In addition, we will strive to drastically improve our financial base and implement structural reforms aiming at improved corporate value.

Based on this policy, we have carefully examined the shareholder benefits program from the perspective of thoroughly reducing selling, general and administrative expenses and others, as a part of reviewing the business strategies. Consequently, we have decided to abolish the shareholder benefits program and we will prioritize fundamental improvement of financial base and structural reforms to enhance corporate value.

2. Time of abolishing the shareholder benefits program

As noted above, we regret to abolish the shareholder benefits program and stop giving complimentary tickets and discount coupons to the shareholders who are listed on the shareholder registry as of March 31, 2020.

Going forward, we will make concerted efforts to meet the expectations of our shareholders by improving fundamental financial base and implementing structural reforms aiming at enhancing corporate value.

We would appreciate if you could kindly understand our decision.

3. Details of the shareholder benefits program to be abolished

Number of shares and period in shareholder's possession	Complimentary tickets at Leopalace Resort Guam	
	Less than three years	Three years or more
100 shares or more	Two tickets	Three tickets

Number of shares and period in shareholder's possession	Discount entitlements for monthly rent reduction for apartments under Leopalace21 management		Discount entitlements for Leopalace21 construction price of building	Discount entitlements for Morizou Co., Ltd's construction price of housing
	Less than three years	Three years or more	One year or more	One year or more
100 – 299 shares	—	—	—	—
300 – 499 shares	One coupon 10,000 yen	One coupon 15,000 yen	One coupon 100,000 yen	One coupon 0.3% of construction contract price
500 – 999 shares	One coupon 20,000 yen	One coupon 25,000 yen	One coupon 200,000 yen	One coupon 0.5% of construction contract price
1,000 shares or more	One coupon 30,000 yen	One coupon 35,000 yen	One coupon 300,000 yen	One coupon 1.0% of construction contract price

END