

FOR IMMEDIATE RELEASE

July 30, 2020

Company Name: **Leopalace21 Corporation**
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Notice Concerning Sale of Non-current Assets

Pursuant to a resolution at the Board of Directors meeting held on July 30, 2020, Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the “Company”) announces that the Company determined to sell the hotel in Nagoya and 17 residential properties for lease which are owned by the Company.

1. Reason for the sale

The sale is intended for the Company to realize the efficient utilization of its resources and to strengthen the financial base.

2. Properties to be sold

| Name | Address | Land area (m ²) | Building area (m ²) |
|------------------------------------|---|-----------------------------|---------------------------------|
| Hotel Leopalace Nagoya | Uchiyama 3-chome 4-4, Chikusa-ku, Nagoya City | 1,966.61 | 9,268.29 |
| Leopalace RX Minamikanon | Minamikanon 3-chome 721-10, Nishi-ku, Hiroshima City | 210.97 | 501.95 |
| Leopalace Hakata | Sumiyoshi 2-chome 24-1, Hakata-ku, Fukuoka City | 1,074.53 | 4,058.02 |
| Leopalace RX Nakamura-koen No.4 | Oshikidacho 2-chome 10-12, Nakamura-ku, Nagoya City | 241.85 | 331.88 |
| Leopalace RX Komagome No.3 | Honkomagome 5-chome 187-1, Bunkyo-ku, Tokyo | 193.63 | 391.2 |
| Leopalace RX Kaminoge | Kaminoge 4-chome, 81-9, Setagaya-ku, Tokyo | 150.61 | 319.37 |
| Leopalace RX Sakaemachi | Sakaemachi 5-chome, 12-5, Toyota City | 297.52 | 528.18 |
| Leopalace RX Kanshuji | Kanshuji Higashikanagasaki 41- 1, Yamashina-ku, Kyoto City | 273.25 | 511.3 |

| Name | Address | Land area (m ²) | Building area (m ²) |
|------------------------------------|--|-----------------------------|---------------------------------|
| Leopalace RX Unoki | Unoki 3-chome 15-10, Ota-ku, Tokyo | 96.65 | 183.2 |
| Leopalace RX Kitaikebukuro No.3 | Ikebukurohoncho 1-chome, 93- 7, Toshima-ku, Tokyo | 99.17 | 83.19 |
| Leopalace RX Kannai | Maganecho 2-chome 14-14, Minami-ku, Yokohama City | 100.68 | 289.62 |
| Leopalace RX Tsutsumi | Tsutsumi 1-chome 340-10, Jonan-ku, Fukuoka City | 274.44 | 543.63 |
| Leopalace RX Toyochō | Toyo 1-21-4, 5, 23-32, 33, Koto- ku, Tokyo | 352.24 | 1,095.05 |
| Leopalace RX Iwatsuka No.2 | Okitacho 210-1, Nakamura-ku, Nagoya City | 199.33 | 346.24 |
| Leopalace RX Nagata | Miyagawacho 6-chome 4-1, Nagata-ku, Kobe City | 231.83 | 425.97 |
| Leopalace RX Parkside Shinnanyo | Shimizu 2-chome 1384-14, Shunan City, Yamaguchi | 314.1 | 986 |
| Leopalace RX Nakanosakaue | Chuo 1-chome 36-6, Nakano- ku, Tokyo | 613.64 | 1,126.35 |
| Leopalace Honmoku | Honmokucho 2-chome, 293-1, Naka-ku, Yokohama City | 254.03 | 429.82 |

3. Value of assets to be sold

| Sale value | Book value | Loss on sale* | Current state |
|-------------------|-------------------|-------------------|------------------|
| 3,661 million yen | 7,022 million yen | 3,486 million yen | Hotel, Residence |

*The loss on sale is the approximate amount calculated by subtracting the book value and other associated expenses from the sale value.

4. Purchasers

We refrain from disclosing the name of the purchasers in accordance with the sale contracts. There are no particularly notable capital, personal or business relationships between the Company and the purchasers. In addition, the purchasers are not the related parties of the Company. We have confirmed that the purchasers are not anti-social organizations.

5. Dates related to the sale

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|---|------------------------------------|
| (1) Board resolution | July 30, 2020 |
| (2) Conclusion of the sale contracts and transfer of ownership | Until September 30, 2020 (planned) |

6. Impacts on the business forecast

Due to the sale of the above non-current assets, we expect to record an impairment loss of approximately 3,634 million yen as a subsequent event for adjustment on a consolidated and non-consolidated basis for the first quarter of the fiscal year ending March 2021. We are examining including other elements the impacts which may affect the earnings forecasts for the second quarter and the full fiscal year ending March 2021 and will promptly disclose any revisions in case we confirm it is necessary.

End