## FOR IMMEDIATE RELEASE

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## Notice Concerning Partial Amendment to Articles of Incorporation

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") announced the decision, under the approval of the Board of Directors on May 14, 2021, to submit a proposal on Partial Amendment to Articles of Incorporation to the Ordinary General Shareholders' Meeting to be held on June 29, 2021.

1. Rationale for amendment

The Company's outstanding number of shares including dilutive securities as a result of capital policy executed last year is 489,138,215 shares. The Company would like to increase the number of authorized shares to 750,000,000 by amending Article 6 (Authorized number of shares) in preparation for ensuring the speedy fundraising in the future.

The Company may enter into a liability limitation agreement with an Outside Director, under its Articles of Incorporation, Article 28, limit liability for damage in the event that he/she fails to perform his/her duties, so that he/she can fully play his/her expected roles and with which the Company can attract competent candidates as Outside Director.

The Company would like to include non-executive Directors not serving as Outside Director by amending Article 28 (Liability limitation agreement with an Outside Director) and include all Audit & Supervisory Board Members by amending Article 38 (Liability limitation agreement with an Outside Audit & Supervisory Board member).

The effective term of the resolution for election of a Substitute Audit & Supervisory Member shall expire at the close of the first Ordinary General Shareholders' Meeting, namely one year. In order to mitigate the cumbersome procedure of preparing a proposal every year, the Company would like extend the effective term of the resolution for election by amending Article 30 to include a rule of electing a Substitute Audit & Supervisory Board Member and setting the effective term of the resolution for election expiring at the close of the Ordinary General Shareholders' Meeting for the last fiscal year ending within four years from his/her election, namely four years.

In addition, Article 35 (Rules of the Audit & Supervisory Board) needs to be corrected because of an error in terms.

2. Details of amendment Please see the Exhibit.

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3. Timeline

Date of General Shareholders' Meeting to approve the partial amendment to Article ofIncorporationJune 29, 2021Effective DateJune 29, 2021

Exhibit

Exhibit	(Portions of amendments are underlined.)
Existing Articles of Incorporation	New Articles of Incorporation
Article 1 – 5 <omitted></omitted>	Article 1 – 5 <as articles="" existing="" per=""></as>
(Authorized number of shares)	(Authorized number of shares)
Article 6 The total number of issuable shares	Article 6 The total number of issuable shares
shall be <u>500,000,000</u> .	shall be <u>750,000,000</u> .
Article 7 – 27 <omitted></omitted>	Articles 7 – 27 <as articles="" existing="" per=""></as>
(Liability limitation agreement with an Outside	(Liability limitation agreement with a Director)
Director)	Article 28 The Company may enter into a
Article 28 The Company may enter into a	liability limitation agreement with a
liability limitation agreement with an	Director, but excluding an executive
Outside Director, pursuant to the	Director, pursuant to the provisions
provisions of Article 427, Paragraph	of Article 427, Paragraph 1 of the
1 of the Company Act to limit the	Company Act to limit the liability
liability provided in Article 423,	provided in Article 423, Paragraph 1
Paragraph 1 of the Company Act.	of the Company Act. Provided,
Provided, however, that the	however, that the maximum amount
maximum amount of liability under	of liability under such agreement
such agreement shall be the	shall be the amount stipulated by
amount stipulated by laws and	laws and regulations.
regulations.	
Article 29 <omitted></omitted>	Article 29 <as article="" existing="" per=""></as>
(Election of Audit & Supervisory Board	(Election of Audit & Supervisory Board
Member)	Member)
Article 30 The Company shall elect the Audit	Article 30 The Company shall elect the Audit
& Supervisory Board Member at a	& Supervisory Board Member at a
General Shareholders' Meeting.	General Shareholders' Meeting.
2 The resolution for the election of	2 The resolution for the election of
Audit & Supervisory Board Member	Audit & Supervisory Board Member
shall be adopted by a majority of	shall be adopted by a majority of
the votes of shareholders present at	the votes of shareholders present at
a General Shareholders' Meeting a	a General Shareholders' Meeting a
quorum of which is shareholders	quorum of which is shareholders
holding shares representing not	holding shares representing not
less than one-third (1/3) of the total	less than one-third (1/3) of the total
number of the voting rights of	number of the voting rights of

shareholders who may exercise shareholders who may exercise   voting rights. 3 The Company may elect a   Substitute Audit & Supervisory Board Member provided in Artic   Board Member provided in Artic 329, paragraph 2 of the Compa   Act in preparation for the shorta of the number of Audit &   Supervisory Board Members stipulated in the relevant laws a   regulations. 4 The effective term of the resolut   for election of a Substitute Audii Supervisory Board Member in the   preceding paragraph shall expire Supervisory Board Member in the	ny ge nd ion t & re e at
3 The Company may elect a   Substitute Audit & Supervisory   Board Member provided in Artic   329, paragraph 2 of the Compa   Act in preparation for the shorta   of the number of Audit &   Supervisory Board Members   stipulated in the relevant laws a   regulations.   4 The effective term of the resolut   for election of a Substitute Audit   Supervisory Board Member in the	ny ge nd ion i & ne e at
Substitute Audit & Supervisory   Board Member provided in Artic   329, paragraph 2 of the Compa   Act in preparation for the shorta   of the number of Audit &   Supervisory Board Members   stipulated in the relevant laws a   regulations.   4 The effective term of the resolut   for election of a Substitute Audit   Supervisory Board Member in the	ny ge nd ion i & ne e at
Board Member provided in Artic 329, paragraph 2 of the Compa Act in preparation for the shorta of the number of Audit & Supervisory Board Members stipulated in the relevant laws a regulations. 4 The effective term of the resolut for election of a Substitute Audir Supervisory Board Member in the	ny ge nd ion i & ne e at
329, paragraph 2 of the Compa   Act in preparation for the shorta   of the number of Audit &   Supervisory Board Members   stipulated in the relevant laws a   regulations.   4 The effective term of the resolut   for election of a Substitute Audii   Supervisory Board Member in the	ny ge ion t & ne e at
Act in preparation for the shorta of the number of Audit & Supervisory Board Members stipulated in the relevant laws a regulations. 4 The effective term of the resolut for election of a Substitute Audir Supervisory Board Member in the	ge nd ion i & ne e at
of the number of Audit & Supervisory Board Members stipulated in the relevant laws a regulations. 4 The effective term of the resolut for election of a Substitute Audii Supervisory Board Member in the	nd ion t_& ne e_at
Supervisory Board Members stipulated in the relevant laws a regulations. 4 The effective term of the resolut for election of a Substitute Audir Supervisory Board Member in the	<u>ion</u> <u>&amp;</u> ne_ e at_
stipulated in the relevant laws a regulations. <u>4 The effective term of the resolut</u> for election of a Substitute Audir Supervisory Board Member in the	<u>ion</u> <u>&amp;</u> ne_ e at_
regulations. <u>4 The effective term of the resolut</u> <u>for election of a Substitute Audir</u> <u>Supervisory Board Member in th</u>	<u>ion</u> <u>&amp;</u> ne_ e at_
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for election of a Substitute Audi Supervisory Board Member in the	<u>t &amp; _</u> ne e at
Supervisory Board Member in the	<u>ne</u> e at
	e at
preceding paragraph shall expir	
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the close of an Ordinary Genera	<u>11                                   </u>
Shareholders' Meeting relating	0
the last fiscal year ending within	<u> </u>
four (4) years from his/her elect	on.
Articles 31 – 34 <omitted> Articles 31 – 34 <as articles="" existing="" per=""></as></omitted>	
(Rules of Audit & Supervisory Board) (Regulations of Audit & Supervisory Board	1)
Article 35 Except as provided by laws, Article 35 Except as provided by laws,	
ordinances or this Articles of ordinances or this Articles of	
Incorporation, the Audit & Incorporation, the Audit &	
Supervisory Board shall be Supervisory Board shall be	
administered in accordance with the administered in accordance with	ו the
Rules of the Audit & Supervisory Regulations of the Audit &	
Board of which shall be adopted by Supervisory Board of which sha	ll be
a resolution of the Audit & adopted by a resolution of the A	udit
Supervisory Board. & Supervisory Board.	
Articles 36 – 37 <omitted> Articles 36 – 37 <as articles="" existing="" per=""></as></omitted>	
(Liability limitation agreement with an Outside (Liability limitation agreement with an Aud	it &
Audit & Supervisory Board Member) Supervisory Board Member)	
Article 38 The Company may enter into a	
liability limitation agreement with an Article 38 The Company may enter into a	
Outside Audit & Supervisory Board liability limitation agreement with	ו <u>an</u>
Member, pursuant to the provisions Audit & Supervisory Board Mem	ıber,
of Article 427, Paragraph 1 of the pursuant to the provisions of Article 427, Paragraph 1 of the provisions of Art	icle
Company Act to limit the liability 427, Paragraph 1 of the Compa	ny
provided in Article 423, Paragraph 1 Act to limit the liability provided	-
of the Company Act. Provided, Article 423, Paragraph 1 of the	
however, that the maximum amount Company Act. Provided, howev	er,
of liability under such agreement that the maximum amount of lia	

shall be the amount stipulated by	under such agreement shall be the
laws and regulations.	amount stipulated by laws and
	regulations.
Articles 39 – 42 <omitted></omitted>	Articles 39 – 42 <as articles="" existing="" per=""></as>

END