FOR IMMEDIATE RELEASE

October 4, 2019

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

Notice Concerning Sale of Non-current Assets

Leopalace21 Corporation ("the Company") announces the sale of the following non-current assets based on the resolution at the meeting of Board of Directors on October 4, 2019.

I. Sale of hotels

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 basis.

2. Hotels to be sold

Hotel details	Sale value	Book value	Gain on sale*	Current state
Hotel Leopalace Sapporo 8-6-1 Minami-nijo-nishi, Chuo-ku, Sapporo-shi Land: 2,274.81 m^2 Building: 14,055.24 m^2	16,000 million yen	10,128 million yen	5,285 million yen	Hotel facilities
Hotel Leopalace Sendai 4-6-28 Tsutsujigaoka, Miyagino-ku, Sendai-shi Land: 1,633.15 m^2 Building: 6,596.15 m^2				
Hotel Leopalace Hakata 2-5-33 Hakata-eki-higashi, Hakata-ku, Fukuoka-shi Land: 1,459.77 m^2 Building: 9,248.46 m^2				

Note:
Gain on sale is the estimated amount which is calculated as the difference between the sale value and the book value with deducting the sale associated expenses.

3. Purchaser

The name of the purchaser is not disclosed in accordance with the agreement. There

are no particularly notable capital, personal or business relationships between the Company and the purchaser. In addition, the purchaser is not the related party of the Company.
The Company has also confirmed that the purchaser is not the anti-social organization.

4. Timeline

Resolution at the Board of Directors' Meeting	October 4, 2019
Conclusion of sale agreement and ownership transfer	October 31, 2019 (planned)

5. Impacts on the business forecast
The Company plans to post an extraordinary profit of approximately 5.3 billion yen as a result of the sale in its consolidated and non-consolidated financial statements for the period ending March, 2020.
After reviewing elements including the sale of the non-current assets which may affect the business forecast, the Company intends to promptly disclose the relevant forecast when such disclosure becomes necessary.

6. Operations of to-be sold hotels
(1) Cease of operation under the Company management
The operation of the three hotels continues to be managed by the Company until around April, 2020. The Company will announce the fixed schedule on its website when the details get available.
(2) Handling of shareholder benefit plan
- For the shareholders of record as at the end of September, 2019 for right allotment:
The shareholders are entitled to use the 50 percent discount coupons for the three hotels in Japan including Hotel Leopalace Nagoya for the period between January 1 and the end of March, 2020.
- For the shareholders of record as at the end of March, 2020 for right allotment:
The Company will not provide the 50 percent discount coupons for the hotels in Japan.

II. Sale of housing properties and the like for rent
The Company sold 14 apartment buildings and one office building, a part of the Company's rental properties. The Company plans to post an extraordinary profit of approximately 2.6 billion yen as a result of the sale of the rental properties.
The name of the purchaser is not disclosed in accordance with their intention. There are no particularly notable capital, personal or business relationships between the Company and the purchaser. In addition, the purchaser is not the related party of the

Company.
The sale value of the rental properties and the three hotels totals to approximately 30.5 billion yen along with the gain on sale of approximately 7.8 billion yen.

1. Rental properties sold

Properties	Sale value	Book value	Gain on sale*
Apartment buildings and office building for rental use, 15 in total	14,500 million yen	11,302 million yen	2,573 million yen

Note:
Gain on sale is the estimated amount which is calculated as the difference between the sale value and the book value with deducting the sale associated expenses.

2. Sale-related dates

Conclusion of sale agreement	September 3, 2019
Ownership transfer	September 26, 2019

END