

(Appendix 1) Series of Events Regarding Discussions with Leopalace

April 12, 2019: Meeting

Held a meeting with President (at the time) Miyama, Director and Managing Executive Director (at the time) Miyao, and Director Taya, and conducted a hearing about the construction defects problem as well as the directions going forward for the overall business of the company.

Proposed that this would be the right opportunity to re-evaluate the company's assets under ownership, preparing the company for a new start leaving behind any negative legacies.

April 18, 2019: Letter

Sent a letter given the results of the discussion on April 12.

Communicated our opinion that the company should be run under the current management structure at least until the problems are contained, as the discussions led us to the conclusion that the directions of Former President Miyama were generally in line with our thoughts.

May 20, 2019: Meeting

Held a meeting with President (at the time) Miyama and Director and Managing Executive Director (at the time) Miyao, and presented ideas on structural reforms of the company's businesses.

Suggested incorporating outside board directors that have the perspective of a shareholder. Former President Miyama commented that he is not in disagreement with the ideas of increasing the number of outside board directors and adding outside board directors that have the perspective of a shareholder. Understanding that a large profit for that fiscal year may be difficult due to the company being in the process of recovery, we asked Former Director Miyao (current President) to improve business results as if his role as representative director was at stake if business results largely fall short of the business result expectations that were announced at the time. Former Director Miyao accepted.

July 12, 2019: Meeting

Held a meeting with President Miyao, and told him of our concerns with the delay in rectifying the construction defects problem.

Also asked for appropriate estimation and disclosure of any impact on business results and finances as a result of this delay in rectification.

President Miyao commented that he intends to disclose impacts on business results in a timely manner. Also shared our thoughts that achieving the fiscal year's goals (announced at the end of the prior fiscal year) seemed difficult based on the occupancy rates of rented homes, and asked for appropriate revisions and proactive disclosure if that is indeed the situation.

August 5, 2019: Letter

Sent a letter in response to the notification we received, regarding how President Miyao will not be attending the meeting scheduled for August 9, being replaced by Executive Officer Miyao and General Manager Yamaguchi going forward, as per the advice of their legal advisors.

Communicated that we believe it is wrong that top management evades discussions with shareholders, and also requested appropriate revisions and proactive disclosure regarding the business results forecasts for the fiscal year ending March 2020, as it was objectively expected that achieving them would be difficult.

August 9, 2019: Meeting

Held a meeting with Executive Officer Arai and General Manager Yamaguchi.

Requested appropriate revisions and proactive disclosure for the business results forecasts for the full fiscal year, as they had not been revised at the first quarter business results announcements despite it already being unlikely that they will be achieved.

Also shared our opinion regarding the share buybacks that had been conducted during the 46th fiscal year that it will be difficult to prove that there was no negligence on the part of the directors of the time.

August 15, 2019: Letter

Sent a letter as a result of the discussions on August 9.

Communicated (1) our opinion on the share buybacks that had been conducted during the 46th fiscal year, (2) the need for accountability regarding the root causes of the construction defects problem, and (3) our request for transparency in management as well as proactive, timely disclosures.

September 20, 2019: Letter

Checked and sent data on rented home occupancy rates disclosed as of September 6.

Communicated the need for appropriate revisions, as we thought that the company's forecasts for the fiscal year ending March 2020 were unrealistic.

November 19, 2019: Meeting

Held a meeting with Executive Officer Arai and General Manager Yamaguchi.

Communicated the need for a renewal of the current management team, citing as reasons belated information disclosure, repeated downward revisions in business results forecasts, and delays in rectifying the construction defects problem.

Requested the company to shift to a management structure with the majority being outside directors nominated by large shareholders, and to make a public announcement as such by December 16, 2019. Also communicated that we will consider submitting a demand for the convocation of an extraordinary

shareholders' meeting if such announcement is not made.

November 19, 2019: Letter

Sent letter reiterating the content of the meeting held on November 19. Communicated that we would be ready for any discussions if necessary.

December 4, 2019: Letter

Reiterated request for the new management structure for the next fiscal year and beyond. Communicated that we will be submitting a demand for the convocation of an extraordinary shareholders' meeting if no public announcement is made by December 16.

Also sent outside lawyer's (Atsumi & Sakai) opinion on the share buybacks that had been conducted during the 46th fiscal year.

Reiterated that we would be ready for any discussions if necessary.

December 10, 2019: Letter

Reiterated that we will be submitting a demand for the convocation of an extraordinary shareholders' meeting if no public announcement is made by December 16 regarding the company proposal to make the majority of the board directors that have been nominated by large shareholders at the general shareholders' meeting for the 47th fiscal year.

Communicated that we believe that prior discussions are necessary before the demand for the convocation of an extraordinary shareholders' meeting is submitted, as we believe that discussion and cooperation for the common goal to make the company better are crucial.

December 16, 2019: Letter

A public announcement is made on the Leopalace website regarding "Notice Concerning a New Policy in the Board of Directors Composition Aiming to Reinforce Corporate Governance System", without there being any communication between us and Leopalace. However, the release merely stated that the company intends to make the majority of the Directors of the Board outside directors, and as for the candidates, they only said "The Company will study the external directors' duties and responsibilities taking account of the Company's business requirements and examine the candidates from the available pool of talents in the market to achieve the governance policy considering the viewpoints of regaining trust by all the stakeholders including the customers."

Requested that the company make a separate announcement by December 20 stating that it will shift to a management structure in which the majority of directors will be those nominated by large shareholders, as the above conditions in the statement allow for the effective maintaining of the current board of directors.

December 17, 2019: Letter

Notified the company that we will make a demand for the convocation of an extraordinary shareholders' meeting on December 23 unless either President Miyao gives us an explanation by December 19, or the company releases a statement that is in line with our Proposal by December 20, as we wanted to hear the thoughts of President Miyao, who represents the company, regarding the structure of the board which is an important item that affects the future of the company.

December 20, 2019

Received message concerning President Miyao's request for a meeting. As this was behind schedule as was usually the case, we communicated that we will be willing to attend the meeting if the company's replies to the following questions were in good faith: (1) the reasons why meetings had been avoided up to this point, (2) confirmation that the company will conduct timely disclosures going forward, and (3) confirmation that a board will be structured with the majority being outside directors nominated by large shareholders from the next fiscal period onward.

Decided to conduct meeting, given the responses for the questions from Leopalace were: (1) the company had followed the advice of the legal advisors, but it will engage in proactive discussions with shareholders going forward, (2) the company will engage in proactive, timely disclosure going forward, and (3) the company would like to choose candidates carefully, upon continuous discussions with shareholders.

Set a one week deadline for the discussions prior to the meeting, and entered into a non-disclosure agreement for the duration of this period.

December 23, 2019: Meeting

Held a meeting with President Miyao, Executive Officer Arai and General Manager Yamaguchi.

Explained the necessity of a reformation into a structure whose majority are outside board members nominated by large shareholders, and reiterated our request for such a reformation. Given the current devaluation of the brand, we also suggested that an alternative idea to this structure change could be considered, in which a public announcement shall be made by December 30, 2019, regarding the launch by March 2020 of an initiative to maximize enterprise value through all fathomable means including business divestitures and reorganizations.

Communicated that we would be ready to attend a board meeting to explain our thoughts to all the directors, if given the opportunity.

December 25, 2019: Email

Received draft release (see Appendix 2) from Leopalace (with explanation that the content could change as it had not been approved at a board meeting yet, but nonetheless was scheduled for release on December 27).

Content consisted of a statement to engage in consideration of fundamental reforms that involve business alliances and reorganizations, announcing the results of the considerations at around the end of March 2020. We believed that the content would benefit stakeholders and that these actions should be promoted aggressively, but we communicated that it may be better if we were involved in the aforementioned consideration process too, as we could not just wait for approximately 3 months given that the current management team had been unable to execute on forecasts or schedules that they themselves had announced, repeatedly making belated downward revisions, and thus requested a meeting by December 27 for a discussion.

December 26, 2019: Email

Despite these important discussions being of a nature that will affect the future of the company, Leopalace ignored the fact that they had agreed to setting the week until December 30 as the discussion period, and did not agree to another meeting during said discussion period, giving reasons such as “the President’s schedule conflicts” or that “the company is closed for business after December 28”, etc. The reply also stated that the consideration of reforms shall be conducted by management on behalf of the shareholders, and that the company cannot accept our involvement in the process.

Given the denial for a meeting for such unbelievable reasons, we judged that it will be meaningless to continue discussions with a management team that is so lacking in ownership, and decided to demand the convocation of an extraordinary shareholders’ meeting.

Communicated that we will bring the document to demand the convocation of an extraordinary shareholders’ meeting the following day, on December 27.

December 27, 2019: Submission of Demand of Extraordinary Shareholders’ Meeting

Hand-delivered, at 15:00, the document to demand the convocation of an extraordinary shareholders’ meeting, as communicated the previous day.

Was told from Leopalace, suddenly, that they decided not to publicly release the aforementioned draft release.

Requested that the release be publicized as we believe that Leopalace should disclose information appropriately to shareholders and other stakeholders, but the request was not accepted.

December 30, 2019: Communication with Tokyo Stock Exchange

Communicated our opinion to the Tokyo Stock Exchange that we believe it is inappropriate for Leopalace to not disclose the aforementioned draft release.

December 31, 2019

Publicly released the draft release received on December 23 as a part of this document, as the aforementioned non-disclosure agreement expired on December 30.