

January 22, 2020

Reno, Inc.  
S-GRANT.CO., LTD.

Regarding the Press Release by Leopalace 21 Corporation Dated January 22, 2020

Leopalace 21 Corporation (“Leopalace” hereafter), in its press release “Notice Concerning the Company’s Position on Reno, Inc.’s Statement dated January 20, 2020”, states the opinions of its current board directors on our press release; our thoughts on these comments are as follows.

As we have been stating in our previous press releases, we do not find it ideal to leave the management of Leopalace in the hands of the current management team and take no further action for 4 months (or 1/3 of a full fiscal year), when the Company is in a critical state.

The Demand for the Convocation of an Extraordinary Shareholders’ Meeting that we are currently processing has been submitted because we would like all shareholders, and not the current Directors, to decide whether the current Directors shall be dismissed and whether new Directors shall be appointed.

Given the above, we have decided to disclose our intentions publicly in advance to have all the shareholders understand our thoughts on the businesses of Leopalace before making a decision at the extraordinary shareholders’ meeting, as we believe that this would be the transparent and fair way to handle the situation.

Additionally, we would like to reiterate that we have been stating, from the outset, that we would consider nominations for candidates for newly appointed Directors in the case that there are nominations from other major shareholders.