

Company Name: **Leopalace21 Corporation**
Representative: Bunya Miyao, President and CEO
Code Number: 8848 (Tokyo Stock Exchange, Prime Market)
Contact: Shinji Takekura, Director, Chief of the Corporate Management Headquarters
Tel: +81-50-2016-2907
E-mail: ir@leopalace21.com

Notice Concerning Judgment in Lawsuit Against the Company

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the "Company") announced that the Tokyo District Court has rendered a judgment in the lawsuit filed by Amakusa Unso Co., Ltd. (hereinafter referred to as "Amakusa") as announced in its "Notice Concerning Lawsuit Filed Against Leopalace21" dated May 31, 2022, on July 16, 2024.

1. Court where Judicial Decision was Rendered and Date of Rendition

Tokyo District Court
July 16, 2024

2. Development of Things to the Lawsuit

The Company concluded a loan agreement of JPY 250,000,000 with the claiming company, Amakusa, on April 1, 1989. Both parties, after making a number of change agreements for extending due date, confirmed in an acknowledgment of debt dated February 10, 2012 that the claiming company owed the Company JPY 119,174,865 and the late payment fee at an annual interest rate of 14.6% starting from January 1, 2012 until the completion of repayment. Subsequently, when the regional tax bureau seized Amakusa's accounts receivable from the Company, the Company offset accounts payable for February and March 2012 of JPY 48,503,922 to Amakusa against the corresponding amount out of the outstanding loan.

Amakusa insisted that the said loan was fictitious and they were not liable for the loan which was confirmed by the acknowledgment of debt, and the Company still owe them the accounts payable because offsetting is null and void. In response, the Company filed a countersuit against Amakusa, demanding payment of the loan and late payment fee.

Regarding the lawsuit, the Tokyo District Court has rendered a judgment as described in below.

3. Summary of Judgment

The Tokyo District Court did not accept Amakusa's claim that the above loan was a fictitious claim. In addition, the Tokyo District Court concluded that the above loan and the above accounts receivable had been extinguished due to the statute of limitations.

4. Future Prospects

This judicial decision has no impact on the consolidated financial results of the Company, and if any future event which should be disclosed arises, the Company will announce it promptly.

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