

FOR IMMEDIATE RELEASE

June 25, 2026

Company Name: **Leopalace21 Corporation**
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Notice Concerning Judgment in Shareholder Derivative Lawsuit

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the “Company”) announced that a judgment was rendered on June 25, 2026 in the shareholder derivative lawsuit (the “Lawsuit”) as previously announced in the “Notice Concerning Shareholder Derivative Lawsuit” dated December 13, 2023 and “Notice Concerning Shareholder Derivative Lawsuit” dated October 7, 2024.

The Lawsuit was filed by TENZAN Co., Ltd. (shareholding ratio: 0.0003%), a corporate shareholder that previously had business transactions with the Company, and three individual shareholders of the Company (the “Plaintiffs”), against twenty-two (22) current and former Directors and five (5) current and former Audit & Supervisory Board Members of the Company, seeking payment of damages to the Company.

1. Court and Date of Judgment

Tokyo District Court
June 25, 2026

2. Summary of the Judgment

The Tokyo District Court determined that none of the Directors or Audit & Supervisory Board Members at the relevant time breached their duty of care claimed by the Plaintiffs and that all claims of the Plaintiffs should be dismissed.

3. Background of the Lawsuit

The Lawsuit was filed on the grounds that, in connection with the Company’s outsourcing of the processing and reuse of furniture and home appliances, the fact that the Company paid, through TENZAN Co., Ltd., certain fees including recycling fees, to Sekaiz Co., Ltd. in the form of monthly outsourcing fees (maintenance service fees), as well as the fact that such monthly outsourcing fees were remitted to TENZAN Co., Ltd. constituted a breach of the duty of care of a good

manager by 26 individuals who were then Directors and Audit & Supervisory Board Members of the Company (the “Defendants”).

The Plaintiffs sought that the Defendants be held jointly and severally liable to pay approximately JPY 3,500 million, plus delay damages, to the Company.

In addition, regarding the tender process conducted in February 2022 for the delivery, installation, and removal of furniture and home appliances, the Plaintiffs claimed that the tender period was too short to ensure a proper bidding process in accordance with the Company’s CSR Procurement Guidelines, resulting in insufficient cost reductions. The Plaintiffs alleged that eight (8) Directors and Audit & Supervisory Board Members at the time breached their duty of care and sought damages of approximately JPY 400 million.

As announced in the “Notice Concerning Assisting Intervention in Shareholder Derivative Lawsuit” dated December 22, 2023, the Company recognizes that the Lawsuit was filed for the purpose of benefiting the Plaintiffs or causing damage to the Company. The Company has therefore participated in the proceedings as an assisting intervener on the side of the defendants, asserting that the Plaintiffs’ claims lack merit and seeking an appropriate judgment from the court.

4. Outlook

At present, the Company believes that this Lawsuit will have no material impact on its business performance or financial results. The Company will promptly disclose any matters that should be announced in connection with this Lawsuit, if any arise in the future.

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