FOR IMMEDIATE RELEASE

March 7, 2025

Company Name: **Leopalace21 Corporation**
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Notice Concerning Debt Financing from Mizuho Bank, Ltd. (Refinancing)

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") hereby announces that, in accordance with the resolution of its Board of Directors today, the Company determined to enter into a commitment line agreement with a term-out option (the "Loan Agreement") with Mizuho Bank, Ltd. ("Mizuho Bank") and to make borrowings, for the purpose of refinancing the loan obtained as of December 25, 2023 from Biwa Godo Kaisha, an affiliated entity of Fortress Investment Group LLC ("FIG"), as described below.

1. Background to the Loan Agreement

As announced in the press release dated December 22, 2023, titled "Notice Concerning Debt Financing (Refinancing)", on December 25, 2023, the Company borrowed JPY 30 billion (the "Biwa Loan") from Biwa Godo Kaisha for the purpose of refinancing the JPY 30 billion borrowed from Kaede Godo Kaisha, an affiliated entity of FIG, on November 2, 2020.

The Company has continued to consider a financial strategy for refinancing the Biwa Loan due in November this year, and this transaction is an important milestone in achieving that goal. By entering into the Loan Agreement, in addition to the release of security interests and guarantees granted for the Biwa Loan, interest rates will be reduced and principal repayments will no longer be required during the term of the loan as the loan to be made under the Loan Agreement will be repaid in a lump sum on maturity. Therefore, the Loan Agreement enables the Company to secure the cash flow necessary to promote its growth strategy.

Furthermore, the Loan Agreement will eliminate short-term refinancing risk and further strengthen the Company's financial base by establishing financial covenants in line with the Company's balance sheet strategy. This will provide a foundation for flexible implementation of measures that will contribute to long-term enhancement of shareholder value.

2. Outline of the Loan Agreement

(1) Lender	Mizuho Bank, Ltd.
(2) Type of loan	Commitment line with a term-out option (Note 1)
(3) Maximum loan amount	JPY 30 billion (30,000,000,000)
(4) Date of agreement	March 7, 2025
(5) Initial loan drawdown date	March 14, 2025 (scheduled)
(6) Term of agreement	1.Commitment period: one (1) year from the initial loan drawdown date 2.Term loan period: three (3)-year anniversary of the last day of the commitment period

(7) Applicable interest rate, etc.	1. Commitment line - Interest rate on loan balance: JPY Tibor + 2.50% - Commitment fee on unused balance: 0.10% 2. Term loan - JPY Tibor + 3.50%
(8) Repayment method	Lump-sum repayment on maturity
(9) Security interests / Guaranty	Unsecured / non-guaranteed
(10) Financial covenants	1. Prohibition of incurring an operating loss in and after the fiscal year ending March 31, 2026 2. Prohibition of incurring a recurring loss in and after the fiscal year ending March 31, 2026 3. Net debt-to-EBITDA ratio not to exceed five (5) times

(Note 1) A commitment line agreement with a term-out option is an agreement for a commitment line that allows the borrower to convert the loan amount into a long-term loan in accordance with an agreement with the lender upon expiration of the commitment period.

(Note 2) As announced in the press release dated December 22, 2023 and the press release dated October 1, 2020, titled "Notice Concerning Issuance of New Shares through Third Party Allotment and Issuance of the 5th Series Stock Acquisition Rights in connection with the Loan with Stock Acquisition Rights through Third Party Allotment, Issuance of Preferred Stock by Consolidated Subsidiary, and Expected Changes in Major Shareholders and the Largest Shareholder among the Major Shareholders", it was agreed in the loan agreement concerning the Biwa Loan, which was a so-called loan with stock acquisition rights, that, with respect to the 5th series stock acquisition rights (the "Stock Acquisition Rights") that the Company allocated to Chidori Godo Kaisha, an affiliated entity of FIG, if cash contributions were made upon the exercise of the Stock Acquisition Rights, the amount of such cash contributions would be used to prepay a portion of the principal amount of the loan principal receivables and the loan interest receivables held against the Company under the loan agreement concerning the Biwa Loan. It was also agreed that, if contributions in kind of the loan principal receivables and the loan interest receivables were made upon exercise of the Stock Acquisition Rights, the loan principal receivables and the loan interest receivables so contributed would be deemed to have become due and payable and extinguished by merger up to the amount of such claims at the same time as such contributions. However, upon the prepayment of the Biwa Loan, the agreed matters described above will be terminated. There will be no change in the terms and conditions of the Stock Acquisition Rights held by Chidori Godo Kaisha.

3. Future Outlook

The impact of this matter on the Company's business performance for the current fiscal year will be limited, and the Company will promptly announce any matters that should be disclosed in the future .

END