FOR IMMEDIATE RELEASE

May 27, 2025

Company Name: **Leopalace21 Corporation**
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Notice Concerning Judgment in Lawsuit (Appeal) Against the Company

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the "Company") announced that the Tokyo High Court has rendered a judgment in the lawsuit filed by Amakusa Unso Co., Ltd. on May 27, 2025 (hereinafter referred to as "Amakusa") as announced in its "Notice Concerning Lawsuit Filed Against Leopalace21" dated May 31, 2022.

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

Tokyo High Court
May 27, 2025

2. Development of Things to the Lawsuit

The Company concluded a loan agreement of JPY250,000,000 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 JPY119,174,865 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 JPY48,503,922 to Amakura 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 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.

Amakusa filed an appeal against the judgment, and in response, our company also filed an incidental appeal.

Regarding the lawsuit of appeal, the Tokyo High Court has rendered a judgment as described in below.

3. Summary of Judgment

The Tokyo High Court, upon receiving our incidental appeal, partially modified the original judgment and dismissed all Amakusa's claims for confirmation of the non-existence of debt. On the other hand, like the original judgment, the court did not acknowledge Amakusa's assertion that the

aforementioned loan was a fictitious claim. Additionally, the court determined that both the aforementioned loan and the aforementioned accounts receivable claims had expired due to the statute of limitations.

Consequently, the remainder of the appeals and incidental appeals were dismissed.

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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