**FOR IMMEDIATE RELEASE**

May 30, 2025

Company Name: **Leopalace21 Corporation**
Representative: Bunya Miyao, President and CEO
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# Notice Concerning Reduction of the Amount of Common Stock and Capital Reserve

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the "Company") has announced it has decided, under the approval of the Board of Directors on May 30, 2025, to submit a proposal on reduction of the amount of common stock and capital reserve to the 52nd Ordinary General Shareholders' Meeting which is scheduled for June 26,2025.

## 1. Purpose of Reduction of the Amount of Common Stock and Capital Reserve

The Company intends to realize flexibility and agility of a capital policy going forward by reduction of the amount of common stock and capital reserve.

## 2. Details of Reduction of the Amount of Common Stock

Subject to the increase in the amount of common stock of JPY 9,617,129,216 by the exercise of the 5th series stock acquisition rights issued by the Company, the amount of common stock will be reduced by JPY 9,617,129,216 and the same amount will be transferred to other capital surplus and the amount of common stock after the reduction will be JPY 100,000,000*, in accordance with Article 447, Paragraph 1 of the Companies Act.

* If the other stock acquisition rights issued by the Company are exercised by the effective date of reduction of the amount of common stock, the amount of common stock increased by such exercise will not be subject to reduction, and the amount of common stock after the reduction may not be the said amount.

## 3. Details of Reduction of the Amount of Capital Reserve

Subject to the increase in the amount of capital reserve of JPY 9,617,129,215 by the exercise of the 5th series stock acquisition rights issued by the Company, the amount of capital reserve will be reduced by JPY 9,617,129,215 and the same amount will be transferred to other capital surplus and the amount of capital reserve after the reduction will be JPY 10,000,000,000*, in accordance with Article 448, Paragraph 1 of the Companies Act.

* If the other stock acquisition rights issued by the Company are exercised by the effective date of reduction of the amount of capital reserve, the amount of capital reserve increased by such exercise will not be subject to reduction, and the amount of capital reserve after the reduction may not be the said amount.

## 4. Schedule for Reduction of the Amount of Common Stock and Capital Reserve

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| (1) May 30, 2025 | Date of approval at the Board of Directors |
| (2) June 26, 2025 (planned) | Date of resolution at the Ordinary General Shareholders' Meeting |
| (3) July 28, 2025 (planned) | Final date for creditors to file objections |
| (4) July 31, 2025 (planned) | Effective date |

**5. Outlook**

These transactions are accounting transfers within the net assets section, and consequently, the Company's net assets will remain unchanged and will not affect business results. The matter is subject to approval at the 52nd Ordinary General Shareholders' Meeting to be held on June 26, 2025.

END