FOR IMMEDIATE RELEASE

February 13, 2026

Company Name: **Leopalace21 Corporation**
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Notice Concerning Refinancing of Funds Borrowed from Mizuho Bank, Ltd. and Signing of Loan Agreement with Financial Covenants

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") announced that, pursuant to a resolution of the Board of Directors held on February 13, it has resolved to enter into a term loan agreement containing the financial covenants (the "Loan Agreement") with Mizuho Bank, Ltd. ("Mizuho Bank") for the purpose of refinancing the loan borrowed from Mizuho Bank on March 14, 2025 (the "Existing Loan"), as described below.

1. Background to the Loan Agreement

As announced in the notice dated March 7, 2025, titled "Notice Concerning Debt Financing from Mizuho Bank, Ltd (Refinancing)", the Company borrowed JPY 30.0 billion from Mizuho Bank on March 14, 2025, for the purpose of refinancing the JPY 30.0 billion loan it had borrowed from Biwa Godo Kaisha, an affiliated entity of Fortress Investment Group LLC, on December 25, 2023.

The Loan Agreement will be used to repay the existing debt with Mizuho Bank, and the revised terms and conditions of the Loan Agreement are expected to strengthen the Company's financial base.

2. Outline of the Loan Agreement

(1) Lender	Mizuho Bank, Ltd.
(2) Type of loan	Term loan
(3) Loan amount	JPY 30.0 billion (30,000,000,000)
(4) Date of agreement	February 20, 2026 (scheduled)
(5) Term of agreement	February 27, 2026 to February 28, 2029
(6) Applicable interest rate	JPY Tibor + 1.10%
(7) Repayment method	Lump-sum repayment on the maturity date
(8) Collateral and guarantee	None

3. Financial covenants of the Loan Agreement

(i) From and including the fiscal year ending March 31, 2026 onward, the Company shall ensure that the consolidated income statement's operating profit remains non-negative in all subsequent accounting periods.

(ii) From and including the fiscal year ending March 31, 2026 onward, the Company shall ensure that the consolidated income statement's recurring profit remains non-negative in all subsequent accounting periods.

(iii) The net debt-to-EBITDA ratio shall not exceed five (5) times

4. Outlook

The impact of this Loan Agreement on the Company's results for the fiscal year ending March 31, 2026 will be minimal. Given the anticipated decline in interest rates, interest expenses, recorded as non-operating expenses, for the fiscal year ending March 31, 2027, are expected to decrease by approximately JPY 0.7 billion, compared with the scenario in which the Existing Loan's term-out option is exercised.

END