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Notice Concerning Changes in Organizational Structure

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the “Company”) announced the following changes in the organizational structure.

1. Organizational structure

Change as of May 1, 2022

The Company will be implementing the new organizational structure which contains Leasing Business Headquarters, Elderly Care Business Division, Architectural Engineering Division, Corporate Management Headquarters, Compliance Promotion Headquarters, Construction Defects Response Headquarters, and Auditing Department.

2. Changes in respective headquarters/division

Leasing Business Headquarters

It consists of four divisions: Property Management Division, Corporate Sales Division, Wealth Management Division, and Business Planning Division. The Headquarters contains 22 departments in total.

- Property Management Division consists of seven Property Management Departments.
- Wealth Management Division is integrated into the Leasing Business Headquarters so that the Division should contribute to profitability improvement in the whole process of setting the master lease rent with apartment owners, tenant recruitment, and management of apartment.
- Business Planning Division is established for consolidating planning and administration function of each Division in order to promote standardizing the business flow as a key of Leasing Business execution.

Property Management Division

It consists of seven departments: East Japan Property Management Department, Tokyo Metropolitan 1st Property Management Department, Tokyo Metropolitan 2nd Property Management Department, Central Japan Property Management Department, Kansai Property Management Department, Chugoku and Shikoku Property Management Department, Kyushu Property Management Department.

Corporate Sales Division

It consists of eight departments and one group: 1st Corporate Sales Department, 2nd Corporate Sales Department, 3rd Corporate Sales Department, 4th Corporate Sales Department, 5th Corporate Sales Department, 6th Corporate Sales Department, 7th

Corporate Sales Department, 8th Corporate Sales Department, and Corporate Sales Support Group.

- Since Corporate Sales Division is responsible for approximately 70% of the business-to-business sales, the number of departments increase from five to eight.
- The number of Sales Departments is increased from three to four which are based in Tokyo, to strengthen sales activities considering the geographical locations of serviceable number of companies in Tokyo metropolitan area of Tokyo and three neighboring prefectures.
- Apart from Tokyo metropolitan area, four Sales Departments service the rest of Japan centering on regional major cities.

Wealth Management Division

It consists of two departments and seven groups: East Japan Wealth Management Department, West Japan Wealth Management Department, East Japan 1st Wealth Management Group, East Japan 2nd Wealth Management Group, Central Japan Wealth Management Group, West Japan 1st Wealth Management Group, West Japan 2nd Wealth Management Group, Solution Offering Sales Group, and Wealth Management Contract Renewal Group.

- Solution Offering Sales Group (former Asset Strategy Department) is integrated into the Division in order to provide brokerage services to the apartment owners whose contracts reach the expiry of the master lease.
- Wealth Management Contract Renewal Group is established to be responsible for the contractual adjustment of master lease rent, a part of functions former Wealth Management Planning and Promotion Department.

Business Planning Division

It consists of five departments: Leasing Planning Department, Wealth Management Planning Department, Leasing Sales Promotion Department, Business Management Department, and Leasing Administration Department.

- The former functions performed by Leasing Planning Department, Corporate Sales Planning Department, Leasing Management Planning Department, and Wealth Management Planning and Administration Department are reorganized into Leasing Planning Department and Wealth Management Planning Department in order to promote standardizing the business flow as a key of Leasing Business execution.
- While Business Planning Division is responsible for providing analyzed data and historical information, working on product brand improvement measures, and promoting web-based services so that the responsible managers in charge of serving the customers should consider sales measure alternatives, make timely decisions for implementation.
- Business Management Department is established to perform cost management, monitor the progress of business plans, and set up proper governance system.
- Leasing Administration Department takes over the jobs performed by Consigned Operation and Management Group of former Asset Strategy Department, and is responsible for consigned management for the apartments which were built by somebody other than the Company.

Elderly Care Business Division

It consists of Elderly Care Operation Department and Elderly Care Administration Management Department.

Architectural Engineering Division

It consists of Design Department, Construction Department, and Construction Defects Measures Response Department.

- Engineering Planning Department is abolished. Quality Engineering Group is reorganized into Design Department, Procurement Group is reorganized into Construction Department, and Quality Safety Group is standalone directly under Architectural Engineering Division.
- Construction Defects Measures Management Department, East Japan Construction Defects Measures Response Department and West Japan Construction Defects Measures Response Department are integrated and renamed to Construction Defects Measures Response Department.

Corporate Management Headquarters

It consists of five divisions: Corporate Planning Department, Human Resources and General Affairs Department, Information Systems Department, Procurement Department, and Financial Accounting Department.

Corporate Planning Department

Public Relations & IR Group and Advertising Group are integrated and renamed to Public Relations, IR & Advertising Group.

Financial Accounting Department

Financial Accounting Group is abolished. It consists of Controller Section, Tax Section, Accounting Section and Master Lease Rent Management Section whose job was transferred from Accounting Section under Wealth Management Division.

Compliance Promotion Headquarters

It consists of Compliance Promotion Department.

Construction Defects Response Headquarters

It is responsible for the overall construction defects response while Construction Defects Measures Response Department in Architectural Engineering Division is responsible for repairing the defects.

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