

May 16, 2022

Company Name: **Leopalace21 Corporation**  
Representative: Bunya Miyao, President and CEO  
Code Number: 8848 (Tokyo Stock Exchange, Prime Market)  
Contact: Shinji Takekura, Executive Officer  
Tel: +81-50-2016-2907  
E-mail: ir@leopalace21.com

**Notice Concerning Progress and Revision of the Announcement of “Notice Concerning Postponing Disclosure of Financial Results for Fiscal Year Ended March 2022”**

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the “Company”) had announced that the Company delayed the disclosure of financial results for the fiscal year ended March 2022 to May 20, 2022 in the announcement dated May 13 of “Notice Concerning Postponing Disclosure of Financial Results for Fiscal Year Ended March 2022”. This is because there was a report to the auditing firm of the Company and the Company was requested to investigate and verify the content of the report on the same day.

The Company decided to revise the date of announcement of financial results for fiscal year ended March 2022 to today (May 16, 2022) since it has been concluded that the report will not affect the financial results for the fiscal year ended March 2022. The outline of the report and results of the verification are as follows.

**1. Outline of the Revision**

(Before) Date of announcement of financial results after postponement	May 20, 2022.
(After) Date of announcement of financial results after postponement	May 16, 2022 around 9am*.

\*All dates and times reported in this announcement are in the Japanese Standard Time.

**2. Outline of the Report to the Auditing Firm**

(1) An insubstantial loan of JPY 250 million was made with Company A, a business partner of the Company, in 1989 and the loan was recorded in the financial statements of the Company.

(2) The Company pays the brokerage fees to someone by regarding direct leasing contracts between the Company and tenants as contracts through brokerage companies.

(3) The Company offers illegal operation in order to disclose the monthly occupancy rate intentionally high and makes impacts on its accounting.

### 3. Results of the Verification

(1) The outside lawyer has already investigated the loan of JPY 250 million with Company A. The loan agreements, the change agreements, and the debt approvals all have legal agreements with seals of Company A and a joint guarantor on. There is no evidence that it is an insubstantial loan. Therefore it is not recognized as affecting the financial results of the Company.

(2) It has been confirmed that multiple leasing sales offices of the Company had unauthorized brokerage contracts and unauthorized sublease contracts from 2015 to 2021. The investigation has been completed already and the strict punishments for the employees had been carried out based on the Company regulations. The Company has formulated the preventive measures for recurrence in order to prevent recurrences. About JPY 6 million has already been collected out of the damage of about JPY 10 million and the rest of about JPY 4 million is also expected to be collected. Therefore it is not recognized as affecting the financial results of the Company.

(3) The occupancy rate is calculated mechanically and cannot be changed artificially. In addition, no intentional tampering has been confirmed on our business operation. Therefore it is not recognized as affecting the financial results of the Company.

The briefing session for the fiscal year ended March 2022 for institutional investors and securities analysts will be held at 15:00 on May 17, 2022\* (Tuesday) which was originally scheduled at 17:00 on May 13, 2022\*.

We are sorry for causing troubles and concerns to the shareholders, investors, business partners, and other stakeholders.

END