

FOR IMMEDIATE RELEASE

May 31, 2022

Company Name: **Leopalace21 Corporation**
Representative: Bunya Miyao, President and CEO
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Notice Concerning Lawsuit Filed Against Leopalace21

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the “Company”) announced that the Company was sued on May 9, 2022 with the following details.

1. Court Where the Lawsuit was Filed and Related Dates

Court where the lawsuit was filed: Tokyo District Court

Filing date: May 9, 2022

Complaint service date: May 26, 2022

2. Cause of the Lawsuit and Development of Things to the Lawsuit

The Company concluded a loan agreement of JPY 250,000,000 with the claiming company on April 1, 1989. The both parties, after making a number of change agreements for extending due date, confirmed in an acknowledgement of debt dated February 10, 2012 that the claiming company owed the Company JPY 119,174,865 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 the claiming company’s accounts receivable from the Company, the Company offset accounts payable for February and March 2012 of JPY 48,503,922 to the claiming company against the corresponding amount out of the outstanding loan.

The claiming company insisted that the said loan was fictitious and they were not liable for the loan which was confirmed by the acknowledgement of debt, and the Company is still owe them the accounts payable because offsetting is null and void.

3. Outline of the Party who Filed the Lawsuit

(1)	Name	Amakusa Unso Co., Ltd.
(2)	Location	45 Kikuicho, Shinjuku-ku, Tokyo
(3)	Representative’s title and name	Sanshiro Iwata, Representative Director

4. Details of the Lawsuit and Amount of Damage Claimed

(1) Outline of the lawsuit

- A confirmatory request to the following effect that the claiming company is not liable for JPY 119,174,865 loan repayment and the associated late payment fee at an annual interest rate of 14.6% starting from January 1, 2012 until the completion of repayment based on the acknowledgement of debt dated February 10, 2012
- Request for the Company to pay JPY 48,503,922 and associated late payment fee at an annual interest rate of 6% starting from the next day of complaint service date until the completion of payment

(2) Value of the subject matter of litigation

JPY 167,678,787

5. The Company's Position

The Company believes that it is related to the disclosure dated May 16, 2022, "Notice Concerning Progress and Revision of the Announcement of 'Notice Concerning Postponing Disclosure of Financial Results for Fiscal Year Ended March 2022.'" As already announced, the Company's loan to the claiming company was proved to be genuine in accordance with an outside lawyer's investigation, the Company therefore recognized that the claiming company's requests were groundless.

6. Outlook for the Future

The Company believes that there are differences between the parties in regards to the recognition of facts. The Company will examine the contents of complaint and deal with it properly. If an event arises which is required to be disclosed, the Company will promptly announce such event.

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