

June 24, 2022

Company Name: **Leopalace21 Corporation**
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**Notice Concerning Repair Plan of Construction Defects for Buildings
Constructed by Leopalace21**

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") announced the following state of repair works till June 2022 and the repair plan for July 2022 onward considering the instructions given by the Ministry of Land, Infrastructure, Transport and Tourism dated June 25, 2021.

We sincerely apologize to all of our stakeholders, including tenants and apartment owners, for the serious concerns and inconvenience caused by the construction defects problem.

1. State of repair works till June 2022

The Company prioritized repairing the vacant rooms that were suspended for tenant recruitment due to obvious defects in order to materialize the early completion of repairing obvious defects and to increase business stability. The Company estimates that the accumulated number of rooms with repairs completed is reaching about 51,000 by the end of June 2022.

2. Repair plan for July 2022 onward

The Company will continuously improve the business performance to restore the robust financial base as announced in the consolidated financial statements for the fiscal year ended March 31, 2022 and resolve steadily the construction defects problem.

The total number of rooms requiring repairs is estimated approximately 37,500 which is comprised of roughly 22,500 which is confirmed to be defective out of about 95,500 and a projection of around 15,000 which is calculated using the occurrence ratio of obvious defect on the uninvestigated number of rooms out of 95,500. It is the number of rooms subtracting those with repairs completed from those requiring repairs as of end of May 2022,

The Company will gradually increase the scale of repair works to tackle the construction defects and complete approximately 6,000 rooms from July 2022 till March 2023 and the remaining 31,500 rooms by the end of 2024.

The Company will continue giving careful explanations for their understanding of the tenants, the apartment owners, and the relevant governmental bodies in good faith, and work to regain the trust by making steady progress toward resolving the problem.

END