

**FOR IMMEDIATE RELEASE**

December 23, 2022

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

**Change in Disclosure: Notice Concerning Change in Consolidated Subsidiary (Transfer of Shares) and Recording of Extraordinary Loss**

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the "Company") announced the Notice Concerning Change in Consolidated Subsidiary (Transfer of Shares) and Recording of Extraordinary Loss on September 9, 2022. The Company disclosed the change in recording amount of extraordinary loss related to the transfer of shares in Morizou Co., Ltd. (hereinafter "Morizou") which used to be a consolidated subsidiary of the Company.

1. Details of the change

In the said announcement dated September 9, 2022, the Company was going to record extraordinary loss of JPY 4 million on a consolidated basis, and JPY 350 million on a non-consolidated basis for the first half of fiscal year ending March 2023. The Company is recording extraordinary loss of JPY 141 million on a consolidated basis, and JPY 461 million on a non-consolidated basis due to Morizou's deteriorated business performance.

2. Background of the change

The deal of transferring shares in Morizou set preconditions for eliminating Morizou's excessive liabilities. Morizou's business deteriorated, however, more than expected mainly due to the seventh wave impact of COVID-19 and resulted in an increase in various expenses.

END