

Company Name: **Leopalace21 Corporation**  
Representative: Bunya Miyao, President and CEO  
Code Number: 8848 (Tokyo Stock Exchange, Prime Market)  
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### **Comments on Certain Media Report on January 23, 2023**

Leopalace21 (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the "Company") recognized that a certain media including Kyodo News reported on January 23, 2023 that the authorities including the Ministry of the Environment inspected the Company. It is true that the Ministry of the Environment conducted the inspection. As reported on July 4, 2022 in the announcement titled "Comments on Certain Media Report on June 30, 2022\*," the Company has been in the process of rectifying the handling process of the waste home appliances under the guidance of the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

\* The announcement can be referred to by the following URL.

<https://eg.leopalace21.co.jp/ir/news/2022/pdf/0704.pdf>

The Company understands its responsibility in handling the waste home appliances in terms of rectification and actions going forward as follows.

#### **1. Things to be rectified**

Since the Company purchased home appliances and installed them in the apartments under management, and received payment from apartment owners, the Company is considered a retailer under the Home Appliances Recycling Act. Retailers are obligated to issue, control, and store the recycling tickets when disposing of home appliances according to the Act. However, because the Company did not consider itself a retailer, it consigned the disposal of home appliances to contractors with payment but not issuing recycling tickets. It was in violation of the obligation to pick up home appliances from the owners under Article 9 and deliver them to appliance manufacturers under Article 10 of the Act. The contractors paid the recycling fees.

#### **2. Actions going forward**

The Company has begun the new handling method formulated under the guidance of the Ministry of the Environment and the Ministry of Economy, Trade and Industry for a part of its operation and will migrate to the new handling method in the future.

The matter will not have an impact on the Company's consolidated business performance.