

Company Name: **Leopalace21 Corporation**
Representative: Bunya Miyao, President and CEO
Code Number: 8848 (Tokyo Stock Exchange, Prime Market)
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**Notice Concerning Some Numerical Data Corrections on Consolidated Financial Statements
(Japanese Accounting Standard, for Fiscal Year Ended March 31, 2023)**

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the “Company”) announced that there have been corrections made to the above-mentioned disclosure material released on May 12, 2023.

As corrections were also made to the numerical data (XBRL), the corrected numerical data were resent.

1. Reason for Corrections

The Company had presented obligations for some of the appliances installed in the apartment rooms managed by the Company as lease obligations. After the release of the financial statements for the fiscal year ended March 31, 2023, the Company decided to present them as accounts payable - other in Q4 of the fiscal year ended March 31, 2023, based on discussions with the audit firm regarding a new scheme for the installation of furniture and home appliances.

The corrections have no impact on profit and loss.

2. Details of Corrections

Corrections are underlined.

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1. Business Results

(2) Analysis of Consolidated Financial Position

<Before Corrections>

Total liabilities decreased by JPY 770 million from the end of the previous fiscal year to JPY 133,625 million. This was mainly attributed to the decrease of following items; JPY 852 million in accrued income taxes, JPY 1,583 million in provision for fulfillment of guarantees, JPY 503 million in provision for losses related to repairs, and decrease of JPY 2,042 million in provision for apartment vacancy loss, despite increase of JPY 2,699 million in accounts payable – other and increase of JPY 1,648 million in advances received and long-term advances received.

<After Corrections>

Total liabilities decreased by JPY 770 million from the end of the previous fiscal year to JPY 133,625 million. This was mainly attributed to the decrease of following items; JPY 852 million in accrued income taxes, JPY 1,583 million in provision for fulfillment of guarantees, JPY 503 million in provision for losses related to repairs, and decrease of JPY 2,042 million in provision for apartment vacancy loss, despite increase of JPY 3,550 million in accounts payable – other and increase of JPY 1,648 million in advances received and long-term advances received.

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1. Business Results

(3) Analysis of Cash Flows Position

(Reference) Trends in cash flow indicators

<Before Corrections>

	FY ended March 31, 2019	FY ended March 31, 2020	FY ended March 31, 2021	FY ended March 31, 2022	FY ended March 31, 2023
Equity ratio (%)	27.7	0.7	(5.3)	0.7	15.0
Market price based equity ratio (%)	18.5	33.0	31.1	45.7	70.5
Ratio of cash flows to interest- bearing debt (year)	—	—	—	—	<u>3.1</u>
Interest coverage ratio	—	—	—	—	2.4

<After Corrections>

	FY ended March 31, 2019	FY ended March 31, 2020	FY ended March 31, 2021	FY ended March 31, 2022	FY ended March 31, 2023
Equity ratio (%)	27.7	0.7	(5.3)	0.7	15.0
Market price based equity ratio (%)	18.5	33.0	31.1	45.7	70.5
Ratio of cash flows to interest- bearing debt (year)	—	—	—	—	<u>3.0</u>
Interest coverage ratio	—	—	—	—	2.4

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3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

<Before Corrections>

(JPY million)

	March 31, 2023	March 31, 2022
<Liabilities>		
Current liabilities		
Accounts payable	2,549	2,552
Accounts payable for completed projects	34	427
Short-term borrowings	59	53
Lease obligations	<u>2,006</u>	1,992
Accounts payable –other	<u>11,822</u>	9,123
Accrued income taxes	451	1,304
Advances received	34,134	31,733
Customer advances for projects in progress	144	268
Provision for warranty obligations on completed projects	4	7
Provision for fulfillment of guarantees	603	2,187
Provision for losses related to repairs	6,053	1,941
Provision for apartment vacancy loss	–	4,218
Others	3,860	3,732
Total current liabilities	61,724	59,542
Non-current liabilities		
Long-term debt	30,359	30,429
Lease obligations	<u>406</u>	569
Long-term advances received	6,399	7,151
Lease/guarantee deposits received	7,548	7,382
Provision for losses related to repairs	11,530	16,145
Deferred tax liabilities	13	11
Provision for apartment vacancy loss	3,590	1,414
Liability for retirement benefits	9,714	9,525
Others	<u>2,339</u>	2,222
Total non-current liabilities	71,901	74,854
Total liabilities	133,625	134,396

<After Corrections>

(JPY million)

	March 31, 2023	March 31, 2022
<Liabilities>		
Current liabilities		
Accounts payable	2,549	2,552
Accounts payable for completed projects	34	427
Short-term borrowings	59	53
Lease obligations	<u>1,155</u>	1,992
Accounts payable –other	<u>12,673</u>	9,123
Accrued income taxes	451	1,304
Advances received	34,134	31,733
Customer advances for projects in progress	144	268
Provision for warranty obligations on completed projects	4	7
Provision for fulfillment of guarantees	603	2,187
Provision for losses related to repairs	6,053	1,941
Provision for apartment vacancy loss	–	4,218
Others	3,860	3,732
Total current liabilities	61,724	59,542
Non-current liabilities		
Long-term debt	30,359	30,429
Lease obligations	<u>275</u>	569
Long-term advances received	6,399	7,151
Lease/guarantee deposits received	7,548	7,382
Provision for losses related to repairs	11,530	16,145
Deferred tax liabilities	13	11
Provision for apartment vacancy loss	3,590	1,414
Liability for retirement benefits	9,714	9,525
Others	<u>2,470</u>	2,222
Total non-current liabilities	71,901	74,854
Total liabilities	133,625	134,396

END