

**FOR IMMEDIATE RELEASE**

February 28, 2024

Company Name: **Leopalace21 Corporation**  
Representative: Bunya Miyao, President and CEO  
Code Number: 8848 (Tokyo Stock Exchange, Prime Market)  
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**Notice Concerning Introduction of Employee Incentive Plan**

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the “Company”) announced that it resolved to introduce an incentive plan for the employees (hereinafter, the “Plan”) , at the Board of Directors meeting held on February 28, 2024.

**1. Purpose of introducing the Plan**

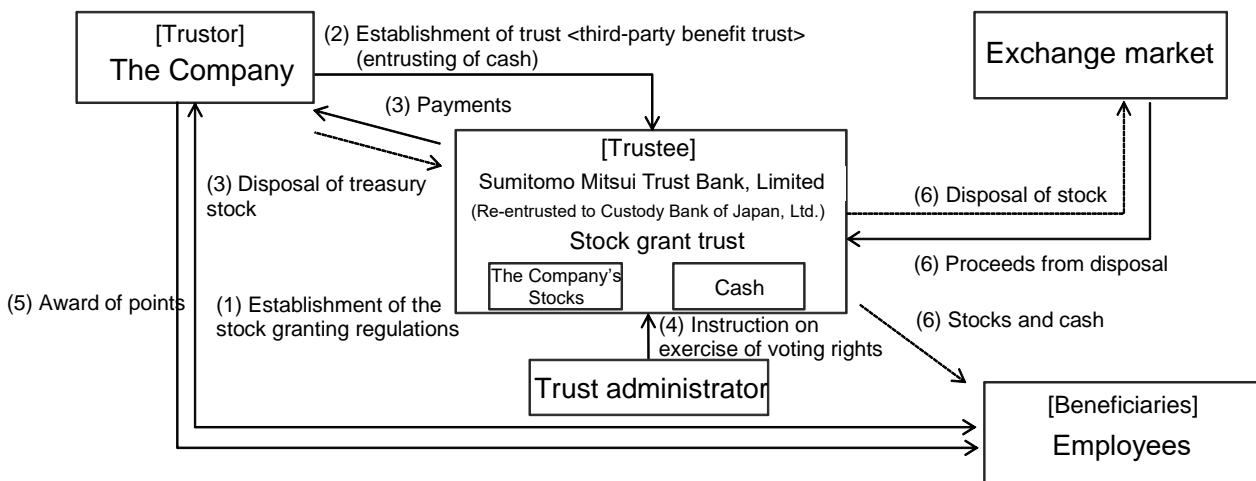
The Company will introduce the Plan with the aim of increasing the Company's corporate value over the medium to long term by investing in human resources and enhancing employee engagement through expansion of the welfare system for the Company employees (hereinafter, the “Employees”) and by raising awareness among the Employees of the Company's performance and stock price rise from the same perspective as shareholders and management through employee ownership of common stocks of the Company (hereinafter, the “Company's Stocks”).

**2. Overview of the Plan**

The Plan is an incentive plan under which the Company establishes a trust (hereinafter, the “Trust”) through a monetary contribution. The Trust acquires the Company's Stocks and grants them to the Employees in a number corresponding to the points awarded to the Employees who meet certain requirements. The points are awarded to the Employees according to the Employee's grading and performance evaluation in accordance with the stock granting regulations established by the Company's Board of Directors. The number of the Company's Stocks to be granted to the Employees is determined based on the number of points awarded.

The funds for the acquisition of the Company's Stocks by the Trust will be contributed entirely by the Company, so there will be no burden on the Employees.

<Overview of the Plan scheme>



- (1) The Company shall establish stock granting regulations for the Employees.
- (2) The Company shall establish a stock grant trust (third-party benefit trust), or the Trust, with Employees as its beneficiaries. The Company shall entrust to the trustee an amount of money equivalent to the funds needed to acquire the shares.
- (3) The trustee shall acquire, in a single tranche, a number of the Company's Stocks corresponding to the number expected to be granted in the future through the disposal of treasury stock.
- (4) A trust administrator, a party who is independent of the Company and its officers, shall be appointed to protect the interests of the beneficiaries stated in the stock granting regulations and to supervise the trustee throughout the trust period. The trust administrator shall issue instructions on the exercise of voting rights associated with the Company's Stocks held in the Trust to the trustee, and the trustee shall exercise voting rights in accordance with such instructions throughout the trust period.
- (5) The Company shall award points to the Employees based on the stock granting regulations.
- (6) The Employees who have satisfied the requirements stipulated in the stock granting regulations and the trust agreement for the Trust shall receive the Company's Stocks from the trustee, in a number corresponding to the points awarded, as beneficiaries of the Trust. In addition, if certain reasons stipulated in advance in the stock granting regulations and the trust agreement apply, a portion of the Company's Stocks to be granted shall be sold on the exchange market and money shall be delivered.

Sumitomo Mitsui Trust Bank, Limited, the trustee, shall re-entrust the management of trust assets to Custody Bank of Japan, Ltd. in the Plan.

### 3. Overview of the Trust

(1) Name	Stock Grant Trust for the Employees
(2) Trustor	The Company
(3) Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-entrusted to: Custody Bank of Japan, Ltd.)
(4) Beneficiaries	The Employees who satisfy the requirements for beneficiaries
(5) Trust administrator	A third party that is independent of the Company and its officers will be appointed
(6) Exercise of voting rights	The trustee will exercise voting rights throughout the trust period based on instructions from the trust administrator
(7) Type of trust	Trust of money other than money trust (third-party benefit trust)
(8) Date of trust agreement	March 15, 2024 (planned)
(9) Date of entrustment of funds	March 15, 2024 (planned)
(10) End of trust period	End of August 2028 (planned)

### 4. Matters regarding the acquisition of the Company's Stocks by the trustee of the Trust

(1) Class of shares to be acquired	Common stock
(2) Amount to be entrusted by the Company as funds for acquiring shares	JPY 2,649,961,000
(3) Total number of shares to be acquired	6,162,700 shares
(4) Stock acquisition method	Acquisition by disposal of treasury stock
(5) Timing of stock acquisition	March 15, 2024 (planned)

End