

FOR IMMEDIATE RELEASE

April 3, 2024

Company Name: **Leopalace21 Corporation**
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Notice Concerning Judgment in Lawsuit Against the Company

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the "Company") announced that the Tokyo District Court has rendered a judgment in the lawsuit filed by TENZAN Co., Ltd. to claim for performance of a contractual obligation. The court ruled in favor of Leopalace21, resulting in a complete victory for the Company.

This is the same legal entity that filed a lawsuit against the Company announced in "Notice Concerning Shareholder Derivative Lawsuit" disclosed on December 13, 2023, and is also an affiliate of Amakusa Unso Co., Ltd. which filed a lawsuit announced in the "Notice Concerning Lawsuit Filed Against Leopalace21" disclosed on May 31, 2022.

1. Dates of Filings and Judgments

March 1, 2022	TENZAN filed a petition for provisional disposition order with the Tokyo District Court. (Case No. yo-537, 2022)
June 6, 2022	TENZAN filed a lawsuit with the Tokyo District Court. (Case No. wa-13771, 2022)
June 30, 2022	The Tokyo District Court dismissed the petition.
July 11, 2022	TENZAN filed an immediate appeal against a judicial decision to dismiss the petition with the Tokyo High Court. (Case No. ra-1619, 2022)
December 23, 2022	The Tokyo High Court dismissed the appeal against the judicial decision.
March 29, 2024	The Tokyo District Court dismissed the claim filed on June 6, 2022.

2. Plaintiff of the Lawsuits

- (1) Name: TENZAN Co., Ltd.
- (2) Location: 2-1-18, Yahara, Nerima-ku, Tokyo Japan 177-0032
- (3) Name of representative and title: Muneyoshi Onji, Representative Director

3. Cause of the Lawsuit and Development of Things to the Lawsuit

The Company has been entrusting the operations related to furnished apartments with furniture and appliances in the rental business to TENZAN Co., Ltd. based on the contracts concluded between the Company and TENZAN Co., Ltd. However, in September 2019, the Company established the CSR Procurement Guidelines, and in January 2022, the Company announced the establishment of the Procurement Department to strengthen the operation of the guidelines and publicly disclosed its intention to conduct bidding for these operations.

Therefore, regarding the various tasks that were entrusted to TENZAN Co., Ltd., the Company submitted the termination notice or did not make contract extension based on the provisions stipulated in each contract with TENZAN Co., Ltd. on February 8, 2022 and also contacted TENZAN Co., Ltd. requesting their participation in a general bidding process. However, TENZAN Co., Ltd. filed for a provisional disposition order with the Tokyo District Court and initiated a lawsuit to claim that the termination was invalid and to request for confirmation of their contractual status until the expiration dates specified in each contract.

On June 30, 2022, the petition for provisional disposition order by TENZAN Co., Ltd. was dismissed, and TENZAN Co., Ltd. filed an immediate appeal to the Tokyo High Court. However, in December of the same year, the appeal was dismissed.

Subsequently, TENZAN Co., Ltd. added a claim for compensation for damages regarding the loss of anticipated profit resulting from the assumed business from June 2022 to December 2022, and withdrew the request for confirmation of their contractual status as stated in the petition.

In response to this, on March 29, 2024, the Tokyo District Court issued a judgment in favor of the Company, ruling in the complete winning.

4. Summary of Judgment

- (1) Plaintiff's claims shall be dismissed.
- (2) Litigation costs shall be borne by the plaintiff TENZAN Co., Ltd.

5. Future Prospects

This judicial decision is the recognition of the validity of the Company's claim and has no impact on the consolidated financial results of the Company.

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