FOR IMMEDIATE RELEASE

July 3, 2026

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Notice Concerning Q&A at Ordinary General Shareholders' Meeting on June 25, 2026

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the "Company") announced the overview of the questions which the shareholders asked prior to and during the 53rd Ordinary General Shareholders' Meeting and respective answers that were provided during the Meeting which was held on June 25, 2026.

<Questions asked prior to the Meeting>

1. Dividends

Q: Please clarify the Company's approach to increasing dividends.

A: We recognize dividend as an important means of returning profits to our shareholders. At the same time, to maintain stable dividends, we believe it is important to take a comprehensive approach that considers not only single-year performance, but also the status of our financial base and the balance with capital allocation aimed at enhancing medium- to long-term corporate value.

With respect to the year-end dividend for the fiscal year ended March 31, 2026, we have made our decision after comprehensively considering our performance, financial position, and capital allocation for sustained future growth, with a view to both shareholder returns and corporate value. We have also set a target dividend payout ratio of 30% for the fiscal year ending March 2028.

Going forward, we will strive to enhance medium- to long-term corporate value through improved profitability and appropriate capital policy, while also working to further enhance shareholder returns. We appreciate your continued support.

<Questions from the Floor>

1. Guam Business

Q: Considering Guam's economic situation, the outlook seems likely to remain challenging. Will the Company continue with its current approach, or is it considering alternative strategies? I would appreciate an explanation of the Company's future policy.

A: The Guam business continues to remain in a negative position. Even after the end of the COVID-19 pandemic, tourism has not recovered, partly due to factors such as yen depreciation.

In 2020, we announced our policy of transfer or withdrawal, and while we continue to explore possibilities, there has been no considerable progress to date. We are implementing measures to increase usage by Guam residents and personnel at U.S. military bases, and we are beginning to see some positive signs. However, our stated policy remains unchanged, and until the transfer or withdrawal is completed, we will continue efforts to improve profitability.

2. The organization called LP Owners' Association

Q: I believe the reason the public perception of Leopalace21 has not improved is due to the activities of the LP Owners' Association. This is preventing the share price from rising, and I request that you address this issue promptly.

A: We have reached a legal resolution regarding the LP Owners' Association and have communicated this to apartment owners through our newsletter. Going forward, if we identify any actions that may damage our credibility, we will respond firmly, including taking legal measures.

3. Interest on Borrowings

Q: Interest expenses on borrowings amounted to JPY 900 million. Will this situation continue? As interest rates are supposed to rise, I would like to see this situation improve.

A: Regarding our borrowings, at the time of refinancing with Mizuho Bank in March 2025, the arrangement was a one-year commitment line. Subsequently, in February of this year, we entered into an agreement with Mizuho Bank to extend this for an additional three years, and at the same time, significantly reduced the applicable interest rate.

4. Promotion to Individual Customers

Q: I would like the Company to aim for record-high occupancy rates. While it actively promotes its services to corporate customers, I would like to know what efforts are being made to reach individual customers. In the past, the Company actively advertised through television commercials and other media, and it enjoyed a good reputation at that time. I would appreciate it if the Company would consider such initiative again.

A: We believe we already have a certain level of brand recognition; however, we recognize that many people still hold outdated perceptions of our image. We therefore intend to establish and implement appropriate policies and strategies.

Regarding occupancy rates, while there is still room for improvement, as of the end of March this year, occupancy rate in Tokyo reached 99%, while Kanagawa, Chiba, and Saitama were at 96%. While occupancy rates have significantly increased in areas experiencing strong population inflows, there are still regions where performance is challenging. We will continue to conduct targeted initiatives with a clear focus going forward.

5. Response to Other Defects

Q: The Company has explained that it has largely addressed obvious defects. Going forward, how many units, what budget, and what timeframe are expected for addressing other defects? Also, how will the associated costs be accounted for?

A: With respect to other defects, we consulted with the relevant specified administrative authorities in accordance with guidance from the Ministry of Land, Infrastructure, Transport and Tourism. These issues are not major defects such as missing fire walls; rather, they involve minor gaps. After discussing the matter with the authorities, we concluded that the repairs should be carried out in a manner that minimizes inconvenience to tenants. Therefore, we will address them as units become vacant.

Regarding costs, we have already recorded the necessary provisions. We will use those provisions to fund the repairs going forward. Provided that the actual costs remain within the provisioned amount, we do not anticipate any impact on extraordinary losses.

6. New Product

Q: Please explain to shareholders what the new product recently announced is, and how it differs from existing products.

A: After extensive deliberation, we introduced a new product called *ArLk* last fiscal year. It is based on the concept of a new dimension for single-person living.

Unlike conventional studio-type housing for single occupants, this new product is designed with hotel-style features, offering a living environment similar to that of a hotel. For example, televisions are pre-installed as wall-mounted units on accent walls. In addition, the kitchen uses a movable IH heater rather than a fixed unit, providing greater counter space and flexibility for tenants. The specifications are designed to match modern lifestyles, particularly for single-person living. The layout also minimizes partitions and fixtures, creating an open and spacious feeling. We are confident that this product meets the needs of young people and single-person households.

7. Master Lease Rent

Q: While occupancy rates have improved and the Company's performance has been strong, borrowing costs for apartment owners are rising. I would like the Company to take this into consideration when reviewing the rent paid to owners under master lease agreements.

A: About rent revisions, we will continue to proceed while taking into consideration rental market conditions in the surrounding area. While each apartment has its own unique circumstances, we would like to carefully assess each situation and discuss it with the respective apartment owners. We appreciate your continued understanding and cooperation.

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