

Company Name: **Leopalace21 Corporation**
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**Notice Concerning Establishing Procurement Department and Strengthening Implementation of
Leopalace21 Group CSR Procurement Guidelines**

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the “Company”) announced to establish the Procurement Department in the Corporate Management Headquarters on January 26, 2022 to strengthen the implementation of Leopalace21 Group CSR Procurement Guidelines.

■ **Background and objective of establishing the Procurement Department**

The Company has been engaged in various measures to improve the business performance and has reported the improved operating profit as a result.

To accomplish the Company’s purpose and its mission of providing rental housing as social infrastructure in addition to further striving for better business performance, the Company has determined to implement more stringent procurement process for goods and services and selection of adequate suppliers in accordance with Leopalace21 Group CSR Procurement Guidelines.

Specifically, the Company will widen and strengthen the supply chain through more transparent and stringent procurement process such as bidding in selecting suitable goods and services per transaction and per item to be sourced. The Company has invited a number of tenders on a one-off basis for various items and organized a large-sized bidding for telecommunication equipment last year. The newly established Procurement Department will in the future plan and implement the renewed procurement process including soliciting individual biddings on the Company website.

The new course of action may require existing suppliers for complying with necessary procedures and it could happen that the Company consequently may source some of the goods and services from the suppliers other than the existing ones. The Company appreciates if its intent is understood and accepted of early recovery of the performance including excessive liabilities elimination and aiming at accomplishing the Company’s purpose and social responsibilities.

The Company remains committed to striving to increase value for society as a whole as stated in the mission statement through reinforcing the governance structure and strengthened operations of the CSR procurement.