

**FOR IMMEDIATE RELEASE**

January 28, 2022

Company Name: **Leopalace21 Corporation**  
Representative: Bunya Miyao, President and CEO  
Code Number: 8848 (Tokyo Stock Exchange, First Section)  
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**Notice Concerning Incident that Provoked Securities and Exchange  
Surveillance Commission's Recommendation**

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the "Company") regrettably announced that the Securities and Exchange Surveillance Commission made an announcement on its recommendation to the Commissioner of Financial Services Agency because of violating the Financial Instruments and Exchange Act (insider trading control) to issue surcharge payment order to a recipient of information from an employee of the Company.

We deeply apologize that the incident caused concerns to our shareholders, investors and other stakeholders, although the Company and its employee were not judged that they had violated the Financial Instruments and Exchange Act.

The Company enacted and revised the internal rules against insider trading and has provided regular training to prevent insider trading. The Company took the incident seriously and will take preventive measures against recurrence by further strengthening the information management system and by making the compliance fully known to directors and employees for prevention of insider trading.

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