

FOR IMMEDIATE RELEASE

September 30, 2026

Company Name: **Leopalace21 Corporation**
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Notice Concerning Execution of Share Transfer Agreement regarding Transfer of Elderly Care Business (Transfer of Shares Involving Changes in Specified Subsidiaries)

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the "Company") announced in its "Notice Concerning Execution of Memorandum of Understanding regarding Transfer of Elderly Care Business (Transfer of Shares Involving Changes in Specified Subsidiaries) and Recording of Extraordinary Loss, as well as Revision of Earnings Forecast" dated September 14, 2026 (the "September 14 Release") that it had executed a memorandum of understanding with Japan Innovation Investment Company ("J-INC") regarding the transfer of all shares of Azu Life Care Co., Ltd. and Azu Residence Co., Ltd.*, specified subsidiaries engaged in the Company's Elderly Care Business, to an SPC whose direct or indirect shareholders are funds for which J-INC provides services, together with a series of transactions incidental to such share transfer (collectively, the "Transactions").

The Company hereby announces that, as of today, it has resolved to enter into and has entered into a share transfer agreement with AVA6 Co., Ltd., an SPC whose direct or indirect shareholders are funds for which J-INC provides services, as described below.

As announced in the September 14 Release, in connection with the implementation of the Transactions, the Company expects to record an extraordinary loss and revised, as of September 14, 2026, the earnings forecast announced on May 15, 2026. The expectation and forecast remain unchanged. For details, please refer to the September 14 Release.

- * Azu Residence Co., Ltd. succeeded to the rights and obligations relating to 22 fee-based nursing homes, of the Company's Elderly Care Business with the effective date of April 1, 2026, through an absorption-type company split. For details, please refer to "Notice Concerning Implementing Company Split - Simplified Absorption-type and Change in Subsidiary (Change in Specified Subsidiary)" dated January 30, 2026.

1. Expected Changes in Specified Subsidiaries

(1) Reason for and Method of Changes

In the Transactions, the Company plans to transfer all shares of Azu Life Care Co., Ltd. and Azu Residence Co., Ltd., specified subsidiaries of the Company, to AVA6 Co., Ltd. at a memorandum value. As a result, changes are expected in specified subsidiaries of the Company.

(2) Outline of Specified Subsidiaries to Be Transferred

Azu Life Care Co., Ltd.

(1)	Name	Azu Life Care Co., Ltd.		
(2)	Address	1-12-8 Honcho, Nakano-ku, Tokyo		
(3)	Representative	Takahiro Maeda, Representative Director President		
(4)	Business description	Elderly Care Business		
(5)	Capital	JPY 100 million		
(6)	Founded	December 20, 2013		
(7)	Major shareholders and shareholding ratio	Leopalace21 Corporation 100%		
(8)	Relationship between the Company and Azu Life Care Co., Ltd.	Capital Relationship	Wholly-owned subsidiary of the Company	
		Personnel Relationship	Three directors and two audit & supervisory board members of Azu Life Care Co., Ltd. are also employees of the Company, and the Company sends eleven employees on secondment.	
		Business Relationship	The Company has business relationship with Azu Life Care Co., Ltd. in referral of customers.	
(9)	Financial positions and business results of Azu Life Care Co., Ltd. for the past three years			
	Fiscal year end	Fiscal year ended March 2024	Fiscal year ended March 2025	Fiscal year ended March 2026
	Net assets (million yen)	(1,174)	1,131	1,317
	Total assets (million yen)	2,882	2,531	2,733
	Net assets per share (yen)	733,798.95	20,630.77	20,326.25
	Net sales (million yen)	10,411	10,175	10,235
	Operating loss (million yen)	(86)	(293)	(374)
	Recurring loss (million yen)	(43)	(301)	(269)
	Net loss (million yen)	(54)	(355)	(313)
	Net loss per share (yen)	(34,060.84)	(6,484.58)	(4,836.80)
	Dividend per share (yen)	—	—	—

Azu Residence Co., Ltd.

(1) Name	Azu Residence Co., Ltd.	
(2) Address	2-54-11 Honcho, Nakano-ku, Tokyo (This location is the registered head office address; actual operations are conducted at the location below.) 1-12-8 Honcho, Nakano-ku, Tokyo	
(3) Representative	Takahiro Maeda, Representative Director President	
(4) Business description	Elderly Care Business	
(5) Capital	JPY 192 million	
(6) Founded	June 25, 2025	
(7) Major shareholders and shareholding ratio	Leopalace21 Corporation 100%	
(8) Relationship between the Company and Azu Residence Co., Ltd.	Capital Relationship	Wholly-owned subsidiary of the Company
	Personnel Relationship	Three directors and two audit & supervisory board members of Azu Residence Co., Ltd. are also employees of the Company
	Business Relationship	The Company has business relationship with Azu Residence Co., Ltd. in referral of customers.
(9) Financial positions and business results of Azu Residence Co., Ltd. for the past three years		
Fiscal year end	Fiscal year ended March 2026	
Net assets (thousand yen)	1,602	
Total assets (thousand yen)	2,000	
Net assets per share (yen)	40,057.25	
Net sales (thousand yen)	—	
Operating loss (thousand yen)	(28)	
Recurring loss (thousand yen)	(345)	
Net loss (thousand yen)	(398)	
Net loss per share (yen)	(9,942.75)	
Dividend per share (yen)	—	

(Note) Since Azu Residence Co., Ltd. was established in June 2025, only the business results and financial positions for the fiscal year ended March 2026 are presented.

(3) Outline of the Counterparty to Transfer

(1) Name	AVA6 Co., Ltd.	
(2) Address	5-11-1 Toranomon, Minato-ku, Tokyo	
(3) Representative	Keisuke Shirai, Representative Director	
(4) Business description	Various nursing care, nursing and rehabilitation businesses under the Long-Term Care Insurance Act and other related businesses	
(5) Capital	JPY 5,001	
(6) Founded	August 21, 2026	
(7) Net assets	–	
(8) Total assets	–	
(9) Major shareholders and shareholding ratio	Avant Fund Cayman, LP 100%	
(10) Relationship between the Company and AVA6 Co., Ltd.	Capital Relationship	–
	Personnel Relationship	–
	Business Relationship	–

(Note) Since AVA6 Co., Ltd. was established in August 2026, information regarding net assets and total assets is omitted.

AVA6 Co., Ltd. is a special purpose company (SPC) whose direct or indirect shareholders include funds to which J-INC provides services.

(4) Number of Shares to be Transferred, Transfer Price, and Status of Shares Held before and after Transfer

Azu Life Care Co., Ltd.

(1) Number of shares held prior to transfer	64,800 shares (Voting rights ownership ratio: 100%)
(2) Number of shares transferred	64,800 shares (Voting rights ownership ratio: 100%)
(3) Transfer price	JPY 1 for all issued shares (64,800 shares)
(4) Number of shares held after transfer	0 shares (Voting rights ownership ratio: 0.0%)

Azu Residence Co., Ltd.

(1) Number of shares held prior to transfer	7,640 shares (Voting rights ownership ratio: 100%)
(2) Number of shares transferred	7,640 shares (Voting rights ownership ratio: 100%)
(3) Transfer price	JPY 1 for all issued shares (7,640 shares)
(4) Number of shares held after transfer	0 shares (Voting rights ownership ratio: 0.0%)

(5) Timeline for Transfer

(1)	Date of Board of Directors resolution	September 30, 2026
(2)	Execution date of the share transfer agreement	September 30, 2026
(3)	Execution date of the share transfer	October 30, 2026 (Scheduled)

2. Outlook

As announced in the September 14 Release, in connection with the implementation of the Transactions, the Company expects to record an extraordinary loss and revised, as of September 14, 2026, the earnings forecast announced on May 15, 2026. The expectation and forecast remain unchanged. For details, please refer to the September 14 Release.

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