FOR IMMEDIATE RELEASE

May 15, 2026

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Notice Concerning Update to Medium-term Management Plan "New Growth 2028"

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the "Company") announced that it had updated its current Medium-term Management Plan, "New Growth 2028," originally released on May 9, 2025, in light of the latest business environment and performance trends.

In the Leasing Business, the Company revised its occupancy rate forecast based on the occupancy rate at the end of the fiscal year ended March 2026. In addition, reflecting a solid demand environment underpinned by corporate customers' demand, the Company raised its forecast for average unit rent for new contracts. Although the Company incorporated expected increases in various costs due to inflation, it ultimately revised its earnings forecasts upward across the board, from net sales through net income.

Please refer to the attached materials for further details.

END

Medium-term Management Plan

- New Growth 2028 Updated -

Leopalace21Corporation
（Code：8848）

May 15, 2026

Leasing Business

We have adjusted our occupancy rate forecast based on the occupancy rate at the end of the fiscal year 2025. In addition, we have raised our forecast for average unit rent for new contracts to reflect the robust demand environment driven by corporate customers.

FY 2027 Average unit rent for new contracts (index)

116

(original 109)

Earnings Forecast

The plan to achieve both net sales and profit growth over the three-year period remains unchanged; however, the forecast has been revised upward to account for higher average unit rent for new contracts and order intake in Development Business in the fiscal year 2025 significantly above plan, despite increased cost of sales and personnel expenses resulting from inflation and workforce expansion.

FY 2027 OP Plan

JPY 43.1 billion

(original JPY 41.3 billion)

Leasing Business: Numerical Targets

We have revised the forecasts to reflect the increase in average unit rent for new contracts in the fiscal year 2025 and the actual occupancy rate at the end of the fiscal year 2025.

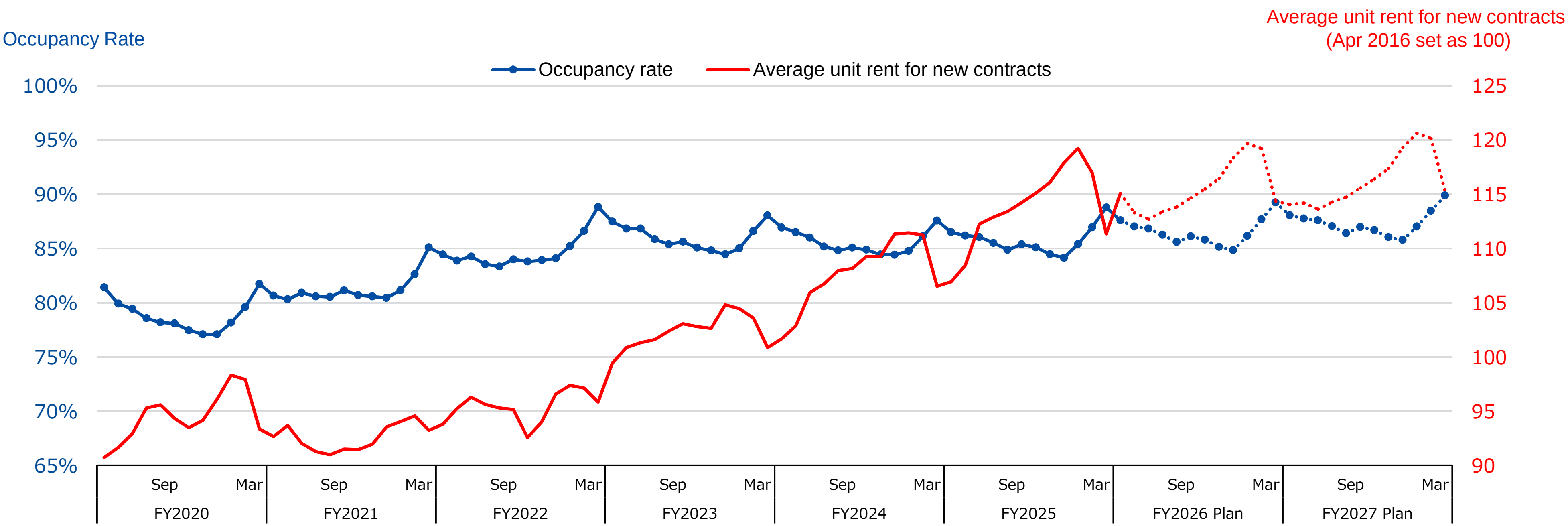
Occupancy rate

	FY2024 Result	FY2025 Result	FY2026 Plan	FY2027 Plan
Average occupancy rate	85.56%	85.78%	<u>86.49</u>%	<u>87.30</u>%
Year-end occupancy rate	87.57%	88.78%	<u>89.24</u>%	<u>89.88</u>%

Average unit rent for new contracts (index)

FY2024 Result	FY2025 Result	FY2026 Plan	FY2027 Plan
108	114	<u>116</u>	<u>116</u>

Changes in Occupancy Rate and Average Unit Rent for New Contracts



The underlined numbers indicate revisions from the previously published figures.

Development Business: Numerical Plan

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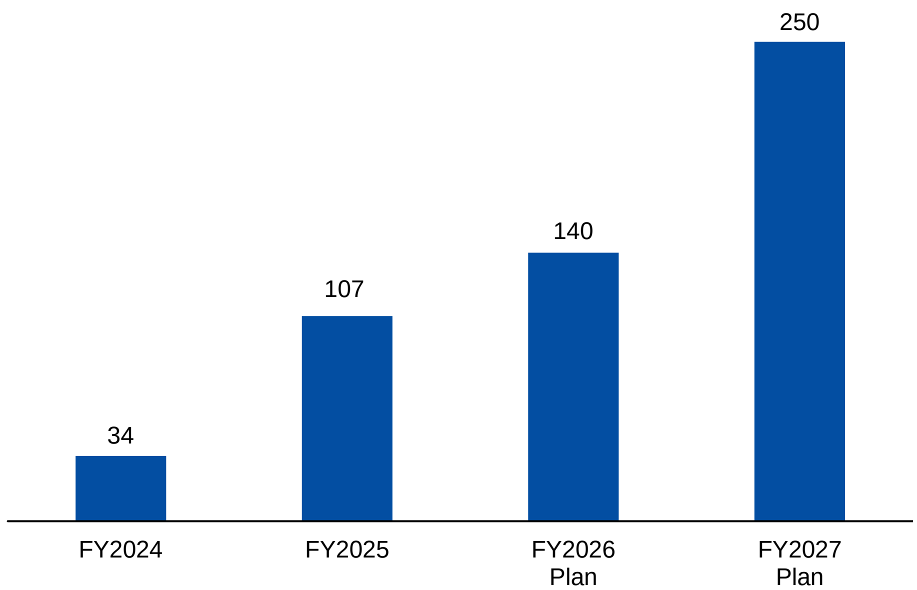
Reflecting the strong order intake significantly above plan in the fiscal year 2025, we have adjusted our target for the number of units under management by 1,000 units for the fiscal year 2027.

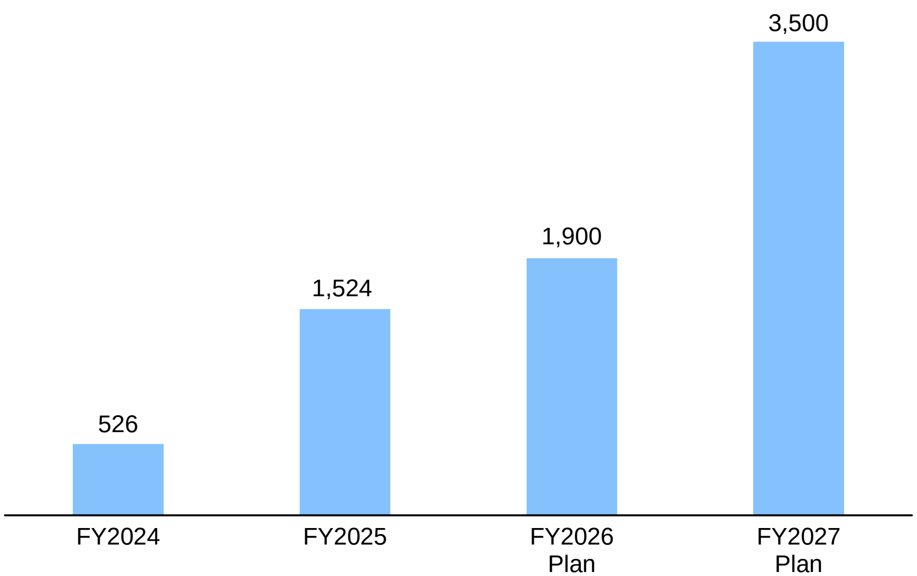
Changes in the number of apartment units under management

FY2024	FY2025	FY2026 Plan	FY2027 Plan
546,000	540,000	537,000	534,000 (original 533,000)

Number of order receipts for apartment buildings



Number of order receipts in terms of apartment units



The underlined number indicate revisions from the previously published figure.

Earnings Forecast

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(JPY million)	Original Plan Announced May 2025		Updated Plan		Change	
	FY2026	FY2027	FY2026	FY2027	FY2026	FY2027
Net sales	456,300	468,000	**465,000**	**477,800**	+8,700	+9,800
Cost of sales	362,100	368,900	**368,200**	**374,600**	+6,100	+5,700
Gross profit	94,200	99,100	**96,800**	**103,200**	+2,600	+4,100
%	20.6%	21.2%	**20.8%**	**21.6%**	+0.2 p	+0.4 p
SG&A	55,700	57,800	**58,300**	**60,100**	+2,600	+2,300
Operating profit	38,500	41,300	**38,500**	**43,100**	+0	+1,800
%	8.4%	8.8%	**8.3%**	**9.0%**	△0.1 p	+0.2 p
Recurring profit	37,300	40,100	**38,100**	**42,700**	+800	+2,600
Net income	22,100	23,900	**22,200**	**25,000**	+100	+1,100

N.B. New lease accounting standard which is applicable for FY2027 onward is not considered in the above forecast.

Elements behind the changes

Net Sales:
FY2026: The forecast was revised upward to reflect order intake above plan in the Development Business in FY2025 and an increase in average unit rent for all occupied units in the Leasing Business.
FY2027: The forecast was also revised upward due to the continued increase in leasing income driven by higher average unit rent.

Cost of sales:
FY2026: Costs are expected to rise due to strong order intake above plan in the Development Business and various expenses such as maintenance costs are expected to increase due to inflation
FY2027: Various expenses such as maintenance costs are expected to increase due to inflation.

SG&A:
Reflected increased personnel expenses due to staff expansion and salary increases, as well as an increase in other operating expenses.

Non-operating expenses:
Reflected the impact of lower interest rates resulting from the refinancing conducted in February 2026.

For inquiries regarding investor information and sustainability, please contact us here.

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