

FOR IMMEDIATE RELEASE

May 11, 2012

Company Name: **Leopalace21 Corporation**
Representative: Eisei Miyama, President and CEO
Code Number: 8848 (Tokyo Stock Exchange, First Section)
Contact: Bunya Miyao, General Manager
Tel: +81-3-5350-0216
E-mail: ir@leopalace21.com

Notice Concerning Formulation of the New Medium-Term Management Plan “Creating Future”

Fiscal year 2012 is the 40th anniversary of Leopalace21 Corporation. We have created a three-year New Medium-Term Management Plan “Creating Future” launching April 2012, and disclose the outline of the plan below.

Under this New Medium-Term Management Plan “Creating Future,” in correspondence to the present business environment, we have made clear the future image of our group which to aim for, and will establish a stronger management base lead by our core businesses, the Leasing Business and Construction Business. Also we will establish new businesses contributing to our group growth, and create a new social value.

1. Basic Policy of the New Medium-Term Management Plan “Creating Future”

“Establish a stable profit structure with balance between Leasing Business and Construction Business”

- (1) Establish a solid profit structure with a stock-based business (Leasing Business) as a central axis
- (2) Maximize group profit with our core businesses as a main shaft
- (3) Establish an earnings management structure of non-core businesses
- (4) Maintain a low-cost structure, with selection and concentration of strategic costs
- (5) Execution of business measures creating a new social value, and pursue growth by new businesses

2. Future Image of Our Group

(1) Corporate vision

Following our corporate philosophy of “creating new value,” we aim to:

- i. Create new value that is unique to the Company through the teamwork of all employees taking part in planning with flexible ideas and drive while steadily focusing on the needs of the present day.
- ii. By making our clients’ happiness our happiness, to continue growth as a company that is always evolving its products, services, and technology.
- iii. As a leading company in the industry, to create new value for all of society by contributing to the creation of an affluent society with a pleasant lifestyle.

(2) Corporate slogan

The logo for "Creating Future" features the word "Creating" in a blue, sans-serif font, followed by "Future" in a white, sans-serif font. The text is set against a blue background that tapers to the right, resembling a stylized arrow or a modern architectural element.

Leopalace21 will create the future by “creating new value” with our customers.

3. Plan Period

We have set the plan period for three years, from April 2012 to March 2015.

4. Numerical Target Figures (Consolidated)

(100 Million Yen)	Plan period (FY 2013/3 – FY 2015/3)			
	FY 2012/3 (Actual)	FY 2013/3 (Plan)	FY 2014/3 (Plan)	FY 2015/3 (Plan)
Net sales	4,594	4,639	4,674	4,765
Operating income	45	80	141	169
Recurring income	23	61	122	151
Net income	15	55	110	135
Net assets	338	428	580	765
Equity ratio	12.8%	17.0%	23.1%	29.5%
ROE	4.7%	14.3%	21.8%	20.0%
EPS (Yen)	9.0	29.2	54.2	62.4
ROA	0.6%	2.2%	4.4%	5.2%

5. Business Strategies

- (1) Leasing Business
 - i. Develop leasing outlets including franchises in accordance with the Channel Strategy
 - ii. Expand corporate clients (industrial corporations, medical corporations, educational institutions)
 - iii. Implement business measures in accordance with client needs
 - iv. Reduce costs in general (mainly rent paid to owners)
- (2) Construction Business
 - i. Supply new apartment buildings based on the Area Strategy
 - ii. Introduce strategic products that are of high quality and ahead of its time
 - iii. Promote non-residential buildings such as elderly care facilities and retail shops with operations by third parties
- (3) Other related businesses (Hotel Resort Business, Elderly Care Business, Other Business)
 - i. Maximize profitability and efficiency by strengthening group liaison
 - ii. Improve occupancy and pursue cost reduction

6. Financial Strategies

- (1) Focus on Cash flow management
- (2) Continue “Motazaru Keiei” (non-ownership management)
- (3) Enhance the soundness of the financial position (Equity ratio 29.5%, ROA 5.2%)

7. Promotion of CSR Management

Leopalace21 Group has established the four basic policies below, and promotes to “contribute as a corporate citizen to the realization of a sustainable society”.

- (1) Offer services of superior quality and a lifestyle of affluence
- (2) Ensure sound and highly transparent business activities
- (3) Contribute to local communities and create favorable work environments
- (4) Realize a society considerate of the global environment

*The forecasts contained in this document are based on certain preconditions, and are not intended as a guarantee of future performance. Accordingly, actual revenue and earnings may differ substantially from these forecasts.

END