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Notice Concerning Revision of Earnings Forecasts

Leopalace21 Corporation (“the Company”), in consideration of recent performance, announces the following revisions to its earnings forecasts for the six months ended September 30, 2014 (April 1, 2014 through September 30, 2014) from those announced on May 9, 2014.

1. Revision of Earnings Forecasts

- (1) Revision to consolidated earnings forecasts for the six months ended September 30, 2014 (April 1, 2014 through September 30, 2014)

(Million yen)

	Net sales	Operating profit	Recurring profit	Net income	Net income per share (yen)
Previous forecast (A)	233,500	4,000	3,500	3,000	11.41
Revised forecast (B)	233,000	6,000	5,500	5,000	19.27
Amount change (B – A)	(500)	2,000	2,000	2,000	
Percentage change	-0.2%	50.0%	57.1%	66.7%	
(Reference) Results for the six months ended September 30, 2013	231,673	5,369	4,375	3,921	18.53

- (2) Revision to non-consolidated earnings forecasts for the six months ended September 30, 2014 (April 1, 2014 through September 30, 2014)

(Million yen)

	Net sales	Recurring profit	Net income	Net income per share (yen)
Previous forecast (A)	235,500	3,500	3,000	11.41
Revised forecast (B)	234,300	5,300	4,600	17.72
Amount change (B – A)	(1,200)	1,800	1,600	
Percentage change	-0.5%	51.4%	53.3%	
(Reference) Results for the six months ended September 30, 2013	228,107	3,819	3,419	16.16

2. Reasons for the Revision

Net sales are expected to slightly decrease from previous forecasts due to a decrease in Construction business sales, while sales in the Leasing and other businesses are progressing steadily. Operating profit, recurring profit, and net income are expected to drastically increase from previous forecasts due to reductions in cost of goods sold and selling, general and administrative expenses.

Note: Revised business forecasts are calculated based on information available to the Company as of this announcement. Actual results may differ from these forecasts for a variety of reasons.

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