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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, 2017 (April 1, 2017 through September 30, 2017) from those announced on May 15, 2017.

1. Revision of Earnings Forecasts

- (1) Revision to consolidated earnings forecasts for the six months ended September 30, 2017
 (April 1, 2017 through September 30, 2017)

(Million yen)

	Net sales	Operating profit	Recurring profit	Net income attributable to shareholders of the parent	Net income per share (yen)
Previous forecast (A)	258,000	9,700	9,500	7,500	28.58
Revised forecast (B)	258,700	13,900	13,800	9,400	36.68
Amount change (B – A)	700	4,200	4,300	1,900	
Percentage change	0.3%	43.3%	45.3%	25.3%	
(Reference) Results for the six months ended September 30, 2016	255,190	11,337	10,742	9,688	36.85

- (2) Revision to non-consolidated earnings forecasts for the six months ended September 30, 2017 (April 1, 2017 through September 30, 2017)

(Million yen)

	Net sales	Recurring profit	Net income	Net income per share (yen)
Previous forecast (A)	248,000	9,000	7,000	26.63
Revised forecast (B)	248,800	13,700	9,700	37.61
Amount change (B – A)	800	4,700	2,700	
Percentage change	0.3%	52.2%	38.6%	
(Reference) Results for the six months ended September 30, 2016	246,162	10,181	8,892	33.83

2. Reasons for the Revision

Although net sales are progressing in accordance with plans, operating profit, recurring profit, and net income are expected to increase compared to previous forecasts, due to improvements of profit margins led by a reduction in cost of goods sold and selling, general, and administrative expenses.

There are no changes to the full-year forecasts as of the present time.

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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