

FOR IMMEDIATE RELEASE

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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 from those announced on October 27, 2009.

1. Revision of Earnings Forecasts

- (1) Revision to consolidated earnings forecasts for the fiscal year ending March 31, 2010 (April 1, 2009 through March 31, 2010)

(Million yen)

	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A)	639,400	(11,100)	(17,100)	(19,100)	(126.17)
Revised forecast (B)	624,800	(28,200)	(33,300)	(35,100)	(231.82)
Amount change (B – A)	(14,600)	(17,100)	(16,200)	(16,000)	—
Percentage change	(2.3%)	—	—	—	—
(Reference) Results for the fiscal year ended March 31, 2009	733,235	50,156	46,785	9,951	63.54

- (2) Revision to non-consolidated earnings forecasts for the fiscal year ending March 31, 2010 (April 1, 2009 through March 31, 2010)

(Million yen)

	Net sales	Operating income (loss)	Recurring income (loss)	Net income (loss)	Net income (loss) per share
Previous forecast (A)	634,500	(10,100)	(15,300)	(17,600)	(116.27)
Revised forecast (B)	619,000	(27,200)	(32,200)	(34,400)	(227.20)
Amount change (B – A)	(15,500)	(17,100)	(16,900)	(16,800)	—
Percentage change	(2.4%)	—	—	—	—
(Reference) Results for the fiscal year ended March 31, 2009	727,316	51,381	48,823	9,116	58.21

2. Reasons for the Revision

For the full year of the fiscal year ending March 31, 2010, the forecast for net sales has been revised downward as the impact from the continuing economic slowdown has been greater than anticipated. The forecast for operating income (loss), despite an ongoing effort to streamline operations and cut operating expenses, has also been revised downward due to the slow recovery in the occupancy rate in the Leasing Business and ensuing addition to the provision for apartment vacancy loss. The forecasts for recurring income (loss) and net income (loss) have been revised downward to incorporate losses on foreign currency exchange and other factors.

3. Other Information

Leopalace21 expects to post a substantial loss for the subject fiscal year as a result of the economic slowdown. The Company will continue to strengthen operating structure, supported by all the directors, and work to achieve profitability by implementing fundamental business restructuring measures. Leopalace21 will present a business plan at the announcement of results for the subject fiscal year (ending March 2010).

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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