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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 fiscal year ended March 31, 2014 (April 1, 2013 through March 31, 2014) from those announced on May 10, 2013.

1. Revision of Earnings Forecasts

- (1) Revision to consolidated earnings forecasts for the fiscal year ended March 31, 2014
 (April 1, 2013 through March 31, 2014)

(Million yen)

	Net sales	Operating income (loss)	Recurring income (loss)	Net income	Net income per share (yen)
Previous forecast (A)	467,400	14,100	12,200	11,000	51.15
Revised forecast (B)	471,000	13,600	11,500	14,900	65.95
Amount change (B – A)	3,600	(500)	(700)	3,900	
Percentage change	+0.8%	-3.5%	-5.7%	+35.5%	
(Reference) Results for the fiscal year ended March 31, 2013	454,222	7,413	11,091	13,335	74.50

- (2) Revision to non-consolidated earnings forecasts for the fiscal year ended March 31, 2014
 (April 1, 2013 through March 31, 2014)

(Million yen)

	Net sales	Recurring income	Net income	Net income per share (yen)
Previous forecast (A)	460,500	10,700	9,600	45.38
Revised forecast (B)	469,600	11,300	14,600	64.68
Amount change (B – A)	9,100	600	5,000	
Percentage change	2.0%	5.6%	52.1%	
(Reference) Results for the fiscal year ended March 31, 2013	448,266	9,426	11,798	65.91

2. Reasons for the Revision

Net sales are expected to increase from previous forecasts due to steady progress in both the Leasing and Construction Business. Consolidated operating and recurring income will decrease compared to previous forecasts due to increases in selling, general, and administrative expenses, but decrease will be small since earnings improved in the Leasing Business. Income tax adjustments of -4.9 billion yen resulted in a drastic increase in net income compared to previous forecasts.

3. Revision to the Medium-term Management Plan

Leopalace21 has been operating under the Medium-term Management Plan “Creating Future” (fiscal year ended March 2013 to March 2015) announced on May 11, 2012. However, due to changes in the economic and business environment, the Company has decided to revise the plan before the final year (fiscal year ending March 2015) and is in the process of creating a new Medium-term Management Plan (fiscal year ending March 2015 to March 2017). An overview of the new plan will be disclosed after the results for the fiscal year ended March 2014 have been determined.

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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