

Company Name: **Leopalace21 Corporation**
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Notice Concerning Partial Correction on Revision of Earnings Forecasts, Recording of Provision of Allowance for Doubtful Accounts, Additional Extraordinary Losses, and Income Tax-deferred (Profit)

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the “Company”) announced the following partial correction is required on the “Notice Concerning Revision of Earnings Forecasts, Recording of Provision of Allowance for Doubtful Accounts, Additional Extraordinary Losses, and Income Tax-deferred (Profit)” which the Company released on May 10, 2023.

1. Revision of Earnings Forecasts

(Before Correction)

(1) Outline of Revised Earnings Forecasts

[Consolidated]

Revision to earnings forecasts for fiscal year ended March 2023 (Apr 1, 2022 – Mar 31, 2023)

(JPY Million)

	Net sales	Operating profit	Recurring profit	Net income attributable to shareholders of the parent	Net income per share (yen)
Previous forecast (A)	410,800	11,700	6,800	24,900	75.71
Revised forecast (B)	406,400	11,000	7,700	20,900	63.53
Amount change (B – A)	(4,400)	(700)	900	(4,000)	
Percentage change (%)	(1.1)	(6.0)	13.2	(16.1)	
(Reference) Results for FY ended March 2022	398,366	1,774	(2,151)	11,854	36.04

[Non-consolidated]

Revision to earnings forecasts for fiscal year ended March 2023 (Apr 1, 2022 – Mar 31, 2023)

(JPY Million)

	Net sales	Recurring profit	Net income	Net income per share (yen)
Previous forecast (A)	394,700	7,900	27,600	83.92
Revised forecast (B)	391,300	10,300	23,800	72.34
Amount change (B – A)	(3,400)	2,400	(3,800)	
Percentage change (%)	(0.9)	30.4	(13.8)	
(Reference) Results for FY ended March 2022	382,822	(1,050)	14,251	43.33

(After Correction)**(1) Outline of Revised Earnings Forecasts**

[Consolidated]

Revision to earnings forecasts for fiscal year ended March 2023 (Apr 1, 2022 – Mar 31, 2023)

(JPY Million)

	Net sales	Operating profit	Recurring profit	Net income attributable to shareholders of the parent	Net income per share (yen)
Previous forecast (A)	410,800	11,700	6,800	24,900	75.71
Revised forecast (B)	406,400	<u>9,900</u>	<u>6,500</u>	<u>19,800</u>	<u>60.18</u>
Amount change (B – A)	(4,400)	<u>(1,800)</u>	<u>(300)</u>	<u>(5,100)</u>	
Percentage change (%)	(1.1)	<u>(15.4)</u>	<u>(404)</u>	<u>(20.5)</u>	
(Reference) Results for FY ended March 2022	398,366	1,774	(2,151)	11,854	36.04

[Non-consolidated]

Revision to earnings forecasts for fiscal year ended March 2023 (Apr 1, 2022 – Mar 31, 2023)

(JPY Million)

	Net sales	Recurring profit	Net income	Net income per share (yen)
Previous forecast (A)	394,700	7,900	27,600	83.92
Revised forecast (B)	391,300	<u>9,100</u>	<u>22,700</u>	<u>69.00</u>
Amount change (B – A)	(3,400)	<u>1,200</u>	<u>(4,900)</u>	
Percentage change (%)	(0.9)	<u>(15.2)</u>	<u>(17.8)</u>	
(Reference) Results for FY ended March 2022	382,822	(1,050)	14,251	43.33

2. Reason for Correction

The Company recorded some of the home appliances as leased assets which are installed in the apartment rooms managed by the Company. As a result of discussions with the auditing firm regarding the new scheme for appliances installation, the Company decided to expense some appliances as cost of sales in the Q4 of the fiscal year ended March 31, 2023.

END