

Company Name: **Leopalace21 Corporation**
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**Notice Concerning Differences between Earnings Forecasts and
 Actual Results for the First Half, and Revisions of Earnings Forecasts for FY2023**

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the "Company") announced the differences between its both consolidated and non-consolidated financial forecasts for the first half ended September 30, 2023 announced on May 12, 2023 and actual results announced on November 10, 2023. The Company also announced that following revision for both consolidated and non-consolidated of earnings forecasts considering the recent performance trends.

Revision of Earnings Forecasts

(1) Outline of revised earnings forecasts

[Consolidated]

Differences between earnings forecasts and actual results for the 1st half of fiscal year ending March 31, 2024 (April 1, 2023 – Sep 30, 2023) (JPY Million)

	Net sales	Operating profit	Recurring profit	Net income attributable to shareholders of the parent for H1	Net income per share for H1 (JPY)
Previous forecast (A)	209,100	8,000	5,700	4,500	13.68
Actual results (B)	211,848	14,828	13,111	11,850	36.47
Amount change (B – A)	2,748	6,828	7,411	7,350	
Percentage change (%)	1.3	85.4	130.0	163.3	
(Reference) Results for the 1st half of the fiscal year ended March 31, 2023	202,460	6,962	5,434	3,691	11.22

Revision to earnings forecasts for the full fiscal year ending March 31, 2024

(April 1, 2023 – March 31, 2024)

(JPY Million)

	Net sales	Operating profit	Recurring profit	Net income attributable to shareholders of the parent	Net income per share (JPY)
Previous forecast (A)	419,800	13,900	9,400	7,400	22.49
Revised forecast (B)	421,700	18,100	14,100	12,000	36.93
Amount change (B – A)	1,900	4,200	4,700	4,600	
Percentage change (%)	0.5	30.2	50.0	62.2	
(Reference) Results for the fiscal year ended March 31, 2023	406,449	9,879	6,526	19,810	60.22

[Non-consolidated]

Differences between earnings forecasts and actual results for the 1st half of fiscal year ending March 31, 2024 (April 1, 2023 – Sep 30, 2023) (JPY Million)

	Net sales	Recurring profit	Net income for H1	Net income per share for H1 (JPY)
Previous forecast (A)	199,000	5,200	5,100	15.50
Actual results (B)	201,793	13,785	12,804	39.41
Amount change (B – A)	2,793	8,585	7,704	
Percentage change (%)	1.4	165.1	151.1	
(Reference) Results for the 1st half of the fiscal year ended March 31, 2023	195,769	6,682	5,132	15.60

Revision to earnings forecasts for the full fiscal year ending March 31, 2024 (April 1, 2023 – March 31, 2024) (JPY Million)

	Net sales	Recurring profit	Net income	Net income per share (JPY)
Previous forecast (A)	400,000	9,000	9,000	27.35
Revised forecast (B)	401,800	13,900	13,100	40.32
Amount change (B – A)	1,800	4,900	4,100	
Percentage change (%)	0.4	54.4	45.6	
(Reference) Results for the fiscal year ended March 31, 2023	391,259	9,121	22,695	68.98

(2) Reasons for Differences between Earnings Forecasts and Actual Results for 1st Half of Fiscal Year ending March 2024

The Company's net sales has exceeded the initial forecast because of unit rent increase despite the occupancy rates falling short of the plan from July to September.

In addition, profit items including operating profit have also substantially exceeded the initial forecasts due to partial postponement of property maintenance to the second half of fiscal year and restricted utilities expenses for monthly contracts in cost of sales, and restrained mid-career hiring of employees with improved operational efficiency through DX promotion in SG&A expenses.

(3) Reasons for Revision of Earnings Forecasts for Full Fiscal Year ending March 2024

In addition to an expected increase in provision for performance-linked bonuses in conjunction with increased operating profit, the Company expects to record property maintenance expenses that have been put off to the second half of the fiscal year. In the meantime the Company has decided to revise upward its forecasts for net sales and earnings at each stage, due to keeping the elevated levels of the unit rent and expected lower utilities expenses than the initial forecast throughout the full fiscal year.

Note: The forecasts of financial results reported herein were prepared based on the

information available as of the date on which this material was announced, and actual results may differ from the forecasts due to the future factors.

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