FOR IMMEDIATE RELEASE

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Notice Concerning Recording Income Taxes-Deferred (Profit) and Differences between Earnings Forecast and Actual Results for FY2023

Leopalace21 Corporation (Headquarters: Nakano-ku, Tokyo; President and CEO: Bunya Miyao; the "Company") announced the recording of income taxes–deferred (profit) and differences between earnings forecast for the fiscal year 2023 dated November 10, 2023 and actual results which were released on May 10, 2024.

1. Recording of Income Taxes–Deferred (Profit)

Considering the recoverability of deferred tax assets in light of the future business performance forecast, the Company decided on recording the recoverable portion as deferred tax assets. Consequently, it recorded income taxes-deferred (profit) of JPY 26,564 million on a consolidated basis and JPY 27,063 million on a non-consolidated basis.

2. Differences between Earnings Forecast and Actual Results

(1) Outline of differences

[Consolidated]

Differences between previous earnings forecast and actual results for the fiscal year 2023 (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)	421,700	18,100	14,100	12,000	36.93
Actual results (B)	422,671	23,313	19,476	42,062	130.91
Amount change (B – A)	971	5,213	5,376	30,062	
Percentage change (%)	0.2	28.8	38.1	250.5	
(Reference) Results for fiscal year 2022	406,449	9,879	6,526	19,810	60.22

[Non-consolidated]

Differences between previous earnings forecast and actual results for the fiscal year 2023 (April 1, 2023 – March 31, 2024)

(JPY Million)

	Net sales	Recurring profit	Net income	Net income per share (JPY)
Previous forecast (A)	401,800	13,900	13,100	40.32
Actual results (B)	403,461	21,879	44,554	138.67
Amount change (B – A)	1,661	7,979	31,454	
Percentage change (%)	0.4	57.4	240.1	
(Reference) Results for fiscal year 2022	391,259	9,121	22,695	68.98

(2) Reasons for Differences between Earnings Forecast and Actual Results for Fiscal Year 2023

The Company's net sales have exceeded the previous forecast due to improved average unit rent affected by COVID-19 impact as a result of focusing on price-focused strategy to increase the profitability, along with increased number of corporate contracts backed by strong demand for company housing. Operating profit has substantially exceeded the previous forecast due to restricted SG&A expenses which stemmed from less than planned mid-career hiring.

In addition, net income was significantly higher than the previous forecast due to recording of the income taxes-deferred (profit) as mentioned earlier.

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