

## FOR IMMEDIATE RELEASE

July 1, 2010

Company Name: Leopalace21 Corporation  
Representative: Eisei Miyama, President and CEO  
Code Number: 8848 (Tokyo Stock Exchange, First Section)  
Contact: Masumi Iwakabe, General Manager  
Public Relations Department  
Tel: +81-3-5350-0216

### **Notice Concerning Recording of Non-Operating Expense**

Leopalace21 Corporation announces that it has incurred the following non-operating expense (foreign exchange loss) during the first quarter of the fiscal year ending March 31, 2011 (April 1, 2010 – June 30, 2010).

#### **1. Content of the Non-Operating Expense**

Leopalace21 and its overseas consolidated subsidiaries have incurred a loss on foreign currency exchange due to the appreciation of the yen. A foreign exchange loss of approximately ¥2.6 billion (¥0.5 billion on a non-consolidated basis) will be recorded as a non-operating expense during the first quarter of the fiscal year ending March 31, 2011.

This loss is a valuation exchange loss in foreign currency markets at the end of the first quarter of the fiscal year ending March 31, 2011 (June 30, 2010). The amount of the foreign exchange loss may change as a result of foreign currency markets at the end of the fiscal year ending March 31, 2011.

#### **2. Outlook**

In terms of the impact on the first half and full year results, Leopalace21 is currently finalizing financial statements. If necessary, a revision to earnings forecasts will be issued as early as possible.

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