

FOR IMMEDIATE RELEASE

June 29, 2012

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Notice Concerning Recording of Non-Operating Expense (Foreign Exchange Loss)

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, 2013 (April 1, 2012 – June 30, 2012).

1. Content of the Non-Operating Expense

Leopalace21 and its overseas consolidated subsidiaries have incurred a loss of about ¥1.6 billion on foreign currency exchange due to the appreciation of the yen during the first quarter of the fiscal year ending March 31, 2013.

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, 2013 (June 30, 2012). 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, 2013.

2. Outlook

At the present time, there are no changes to first half and full year forecasts. If necessary, a revision to earnings forecasts will be issued as early as possible.

End