

January 7, 2013

Company Name: **Leopalace21 Corporation**
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**Notice Concerning Approval for Exercise of Stock Acquisition Rights
(with option to reset strike price) issued through Third Party Allotment
(Target Issue Program “TIP” subject to Issuer’s approval for exercise)**

Leopalace21 announces that it has granted approval for exercise of the 2nd series of stock acquisition rights (“SARs”) issued to Deutsch Bank AG, London Branch (“DBL”) through third party allotment on February 27, 2012, based upon prior agreement with DBL with respect to the SARs (Target Issue Program “TIP” subject to issuer’s approval for exercise).

1. Name of SARs	Leopalace21 Corporation 2 nd Series of Stock Acquisition Rights
2. Notification date of approval for exercise	January 4, 2013
3. Period during which SARs may be exercised	Within 20 business days of the notification date of approval for exercise (January 7, 2013 to February 4, 2013)
4. Number of SARs permitted to be exercised	14,000,000 (14,000,000 SARs in the 2 nd series, of which 14,000,000 SARs unexercised)
5. Class and number of shares issued upon exercise of SARs	Common stock One share issued for each SAR
6. Strike price of SARs	JPY 300

Exercise of the 1st series of stock acquisition rights (“SARs”) was completed on December 27, 2012. For more information please see “Notice Concerning Exercise and Completion of Exercise of Stock Acquisition Rights (with option to reset strike price) issued through Third Party Allotment (Target Issue Program “TIP” subject to Issuer’s approval for exercise)” released on December 27, 2012.

This translation is prepared for information purposes only. In the event of any inconsistency, the original terms in Japanese language should prevail.