

FOR IMMEDIATE RELEASE

February 1, 2013

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**Notice Concerning Monthly Exercise Status 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 reports the following exercise status for January 2013 concerning the 2nd series of stock acquisition rights (“SARs”) issued through third party allotment on February 27, 2012.

1. Name of SARs	Leopalace21 Corporation 2 nd Series of Stock Acquisition Rights
2. Shares granted during subject month	9,000,000 shares (9,000,000 SARs)
3. Exercised face value during subject month and ratio of exercised to total SARs issued	2,700,000 thousand yen (64.29% of total SARs issued)
4. Number of unexercised SARs as of the end of December 2012	14,000,000 SARs (14,000,000 shares)
5. Number of unexercised SARs as of the end of January 2013	5,000,000 SARs (5,000,000 shares)

6. Status of exercise during January 2013

Exercise date	Shares granted		Strike price (yen)	Total face value of exercise (thousand yen)
	New issues (shares)	Transferred Treasury stock (shares)		
January 11 (Fri)	6,000,000	—	300	1,800,000
January 16 (Wed)	500,000	—	300	150,000
January 30 (Wed)	2,500,000	—	300	750,000

* Shares outstanding as of December 2012: 189,443,915 shares (of which, Treasury stock: 4,569,120 shares)

7. Status concerning limitation of conversion (Compliance on limitation of conversion in pursuant to Securities Listing Regulation #434)

① Cumulate number of shares granted (shares)	② Shares outstanding as of the date of SAR issue (shares)	③ Exercise ratio concerning limitation of conversion (①/②) (%)
9,000,000	175,443,915	5.13

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

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