

**FOR IMMEDIATE RELEASE**

February 4, 2013

Company Name: **Leopalace21 Corporation**  
 Representative: Eisei Miyama, President and CEO  
 Code Number: 8848 (Tokyo Stock Exchange, First Section)  
 Contact: Bunya Miyao, General Manager  
 Tel: +81-3-5350-0216  
 E-mail: ir@leopalace21.com

**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)**

Leopalace21 reports the following exercise status between February 1 to February 4, 2013 (“subject period”), concerning the 2<sup>nd</sup> series of stock acquisition rights (“SARs”) issued through third party allotment on February 27, 2012. The following completes the exercise of all 14,000 thousand SARs in the 2<sup>nd</sup> series.

1. Name of SARs	Leopalace21 Corporation 2 <sup>nd</sup> Series of Stock Acquisition Rights (issued through third party allotment)
2. Shares granted during the subject period	5,000,000 shares (5,000,000 SARs)
3. Exercised face value during the subject period and ratio of exercised to total SARs issued	1,500,000 thousand yen (35.71% of total SARs issued)
4. Number of unexercised SARs as of the end of January 2013	5,000,000 SARs (5,000,000 shares)
5. Number of unexercised SARs as of the end of the subject period	0 SARs (0 shares)

6. Status of exercise during the subject period (February 1 to February 4, 2013)

Exercise date	Shares granted		Strike price (yen)	Total face value of exercise (thousand yen)
	New issues (shares)	Transferred Treasury stock (shares)		
Feb 4 (Mon)	5,000,000	—	300	1,500,000

\* Shares outstanding as of the end of January 2013: 198,443,915 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) (%)
5,000,000	175,443,915	2.85

\*Shares outstanding and common stock (as of February 4, 2013)

Shares outstanding: 203,443,915 shares (of which, Treasury stock: 4,569,120 shares)

Common stock: 60,415,913,829 yen

The stock acquisition rights issued through third party allotment on February 27, 2012 is comprised of three series (14,000 thousand SARs each), and announcements will be made when approval of exercise is granted and SARs are exercised for the remaining 3<sup>rd</sup> series.

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

END