

FOR IMMEDIATE RELEASE

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Notice Concerning Recording of Non-Operating Profit (Foreign Exchange Gain)

Leopalace21 Corporation announces the following notice concerning non-operating profit (foreign exchange gain) for the fiscal year ending March 31, 2013.

1. Content of the Non-Operating Profit

Leopalace21 and its overseas consolidated subsidiaries will record a non-operating profit of roughly ¥3.3 billion from foreign exchange gains concerning foreign currency denominated debt during the fourth quarter of the fiscal year ending March 31, 2013 (January 1, 2013 to March 31, 2013). Since a foreign exchange gain of roughly ¥2.2 billion has been recorded during the nine months of the subject fiscal year (April 1, 2012 to December 31, 2012), a foreign exchange gain of roughly ¥5.6 billion will be recorded in the subject fiscal year.

The above foreign exchange gain is mainly due to loan claims against Leopalace21's consolidated subsidiary Leopalace Guam Corporation. The amount is based on foreign currency rates of March 26, 2013, the date the debt equity swap was enforced, as mentioned in the "Notice Concerning Execution of Debt Equity Swap Against Subsidiary" announced today.

The above amount may change slightly since other foreign currency denominated assets will be converted using rates as of the end of the fiscal year (March 31, 2013).

2. Outlook

There is a possibility that revisions to the full year forecasts will become necessary due to the above recording of foreign exchange gains. At the present time, there will be no changes to the full year forecasts, but a revision will be issued as early as possible if necessary, based on market conditions and finalization of financial statements.

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