



April 1, 2009

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## Foreign Exchange Losses

Leopalace21 Corporation (“the Company”) has experienced foreign exchange losses for the fiscal year ended March 2009 as detailed below.

### Details

#### 1. Details of Foreign Exchange Loss (Non-Operating Expense)

The appreciation of the yen has resulted in foreign exchange losses by the Company and its overseas consolidated subsidiaries. Accordingly, the Company recorded approximately 2.2 billion yen (including approximately 1.3 billion yen on a non-consolidated basis) in full-year foreign exchange losses (non-operating expense) for the fiscal year ended March 2009.

This amount represents a translation loss at the exchange rates as of the last day of the fiscal year ended March 2009.

#### 2. Future Outlook

The Company announced earnings projections for the fiscal year ending March 2009 on January 5, 2009. These projections included foreign exchange losses of approximately 6.2 billion yen (including approximately 1.7 billion yen on a non-consolidated basis) as of the end of the fiscal third quarter. As indicated above, the full-year foreign exchange loss has been revised to approximately 2.2 billion yen (including approximately 1.3 billion yen on a non-consolidated basis).

As a result, full-year earnings have changed for the better in the amount of approximately 4.0 billion yen. The Company is currently working to finalize the exact details, at which time an announcement will be made.

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