

FOR IMMEDIATE RELEASE

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Notice Concerning Recording of Non-Operating Expense

Leopalace21 Corporation announces that it has incurred the following non-operating expense (foreign exchange loss) during the first half of the fiscal year ending March 31, 2010 (April 1, 2009 – September 30, 2009).

1. Content of the Non-Operating Expense

Leopalace21 and its overseas consolidated subsidiaries have incurred a loss on foreign currency exchange due to the appreciation of the yen. A foreign exchange loss of approximately ¥ 4.3 billion (¥ 0.6 billion on a non-consolidated basis) will be recorded as a non-operating expense during the first half of the fiscal year ending March 31, 2010.

This loss is a valuation exchange loss in foreign currency markets at the end of the first half of the fiscal year ending March 31, 2010 (September 30, 2009). The amount of the foreign exchange loss may change as a result of foreign currency markets at the end of the fiscal year ending March 31, 2010.

2. Outlook

The impact on the first half and full year results is unclear at the present time. If necessary, a revision to earnings forecasts will be issued as early as possible.

End