

**FOR IMMEDIATE RELEASE**

November 29, 2012

Company Name: **Leopalace21 Corporation**  
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**Notice Concerning Approval for 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 announces that it has granted approval for exercise of the 1<sup>st</sup> series of stock acquisition rights (“SARs”) issued to Deutsch Bank AG, London Branch (“DBL”) through third party allotment on February 27, 2012, based upon prior agreement with DBL with respect to the SARs (Target Issue Program “TIP” subject to issuer’s approval for exercise).

1. Name of SARs	Leopalace21 Corporation 1 <sup>st</sup> Series of Stock Acquisition Rights
2. Notification date of approval for exercise	November 29, 2012
3. Period during which SARs may be exercised	Within 20 business days of the notification date of approval for exercise (from November 29, 2012 to December 27, 2012)
4. Number of SARs permitted to be exercised	7,375,400 (Total number of 1 <sup>st</sup> series of SARs: 14,000,000, of which 7,375,400 unexercised)
5. Class and number of shares issued upon exercise of SARs	Common stock One share issued for each SAR
6. Strike price of SARs	JPY 250

[Reference] Previous exercise approval and exercise status

## 1. Previous exercise approval

1. Name of SARs	Leopalace21 Corporation 1 <sup>st</sup> Series of Stock Acquisition Rights
2. Notification date of approval for exercise	September 5, 2012
3. Period during which SARs may be exercised	September 5, 2012 to October 3, 2012
4. Number of SARs permitted to be exercised	9,382,100
6. Strike price of SARs	JPY 250

2. Status of exercise during exercise period

Exercise date	Shares granted		Strike price (yen)	Total face value of exercise (thousand yen)
	New issues (shares)	Transferred Treasury stock (shares)		
September 6 (Thu)	700,400	—	250	175,100
September 10 (Mon)	733,900	—	250	183,475
September 18 (Tue)	572,400	—	250	143,100
Total	2,006,700	—	250	501,675

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