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Securities code: 1878

June 2, 2011

To Our Shareholders

Isao Minabe
Representative Director and President
Daito Trust Construction Co., Ltd.
16-1, Konan 2-chome, Minato-ku, Tokyo

Notice of Convocation of the 37th Ordinary General Meeting of Shareholders

We would like to express first and foremost our deepest sympathies to all those who have been affected by the Great East Japan Earthquake that struck in March 2011. We hope that recovery will proceed quickly.

You are cordially invited to attend the 37th Ordinary General Meeting of Shareholders of the Company. The meeting will be held as described below.

If you are unable to attend the meeting, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting right by either of the following methods.

[Exercise of Voting Rights via Postal Mail]

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and send it back to us so that it will arrive no later than 5:00 p.m. on June 27, 2011 (Monday) in Japan time.

[Exercise of Voting Rights via the Internet]

Please enter your approval or disapproval of each proposal by 5:00 p.m. on June 27, 2011 (Monday) in Japan time.

1. **Date and Time:** June 28, 2011 (Tuesday) 10:00 a.m.
2. **Place:** 16-1, Konan 2-chome, Minato-ku, Tokyo
Shinagawa East One Tower 21F, Main Conference Room
3. **Agenda for the Meeting**
Matters to be reported:
 1. The Business Report, the Consolidated Financial Statements and Audit Reports of the Accounting Auditor and the Board of Corporate Auditors for the 37th Fiscal Term (April 1, 2010 to March 31, 2011)
 2. The Non-consolidated Financial Statements for the 37th Fiscal Term (April 1, 2010 to March 31, 2011)

Matters to be resolved:

- Proposal No. 1:** Appropriation of Surplus for the 37th Fiscal Term
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Twelve (12) Directors
Proposal No. 4: Granting of Retirement Benefits to Retiring Directors and Payment of Retirement Benefits for Termination Resulting from the Abolition of Retirement Benefits System

Proposal No. 5: Issuance of Subscription Rights to Shares in the form of Stock Options for Stock-linked Compensation to Directors

Notes:

1. For those attending, please present the enclosed Voting Rights Exercise Form as attendance to the receptionist.
2. If you vote by proxy, please make sure your proxy presents the Letter of Attorney along with the Voting Rights Exercise Form to the receptionist. In addition, only one shareholder holding the voting right of the Company is entitled to exercise a proxy voting right on your behalf.
3. If there are any amendments to the Reference Documents for the General Meeting of Shareholders or the financial reports, the revised version will be posted on our Website. (<http://www.kentaku.co.jp/ir/kabunushi.html>).
4. To cooperate with electricity-saving efforts, the thermostat of the air conditioning system at the venue will be set slightly higher than usual. Please dress lightly upon attending the meeting.

(Appendix)

Business Report

(From April 1, 2010 to March 31, 2011)

1. Current State of Enterprise Group

(1) Business Progress and Results

(i) Overview of Business Environment

In the fiscal year ended March 31, 2011, the domestic economy in the latter half of the year began to show signs of improvements in the business performance of companies that had tackled such issues as the prolonged deflation, appreciation of the Japanese yen and resources problems associated with the shortage of raw materials. However, the Great East Japan Earthquake that struck on March 11, 2011 turned Japan's socioeconomic environment upside down. The impact on the economy is uncertain, as exemplified by the evacuation of residents in a wide area and the shortage of electricity associated with the accident at Fukushima Daiichi Nuclear Power Station, in addition to the damage and loss of residential buildings and infrastructure as well as damage to production facilities and food crops caused by the earthquake and tsunami.

The housing industry had undergone gradual recovery due to such factors as the eco-point system for housing and enhanced tax breaks for homebuyers. While the outlook is uncertain for the procurement of materials, etc. due to the impact of the Great East Japan Earthquake, there are growing calls for the early provision of housing in disaster-stricken areas and safety in "housing", which is an indispensable component of social infrastructure.

Also in the field of leased housing on which the Daito Group is focused, the general public's calls for "safe and comfortable housing" are likely to become increasingly louder in the future, based on the robust demand for leased housing, compounded by the impact of the Great East Japan Earthquake.

On the other hand, the land utilization needs among landowners who supply leased housing have been robust from the viewpoint of asset inheritance, tax solutions and other various perspectives, regardless of economic fluctuations. Land utilization related to asset inheritance is expected to further increase in the future, as exemplified by the greater attention given by aging landowners to debates regarding the revision of inheritance taxes at the end of 2010.

In such an environment, companies that supply leased housing are required to not only "operate leased housing business in a stable manner over a long period of time spanning 30 to 40 years" but also "provide comfortable living". Expectations are likely to grow in the future for companies with expert knowledge and sophisticated know-how that specialize in providing and operating leased housing—which is an essential component of social infrastructure— as represented by the Company.

(ii) Overview of Daito Group

Daito Group posted increased sales and profits (operating income and ordinary income) on a consolidated basis for the third consecutive year, having recorded net sales in the amount of 1,001,169 million yen (up 2.9% year-on-year), and on the profit front, posted an operating income of 73,767 million yen (up 3.7% year-on-year) and ordinary income of 78,005 million yen (up 1.8% year-on-year). Net income decreased 4.9% year-on-year to 43,151 million yen as a result of recording an extraordinary loss totaling 5,828 million yen including the disaster-related extraordinary loss associated with the Great East Japan Earthquake amounting to 4,474 million yen.

Details of the extraordinary loss are as follows.

<1> Extraordinary loss due to disaster	Total	4,474 million yen
1) Properties under construction (Daito Trust Construction Co., Ltd.)		
(i) Written-off properties	14 buildings	889 million yen
a. Buildings swept away by tsunami:	4 buildings	
b. Buildings within 30km radius of nuclear power plant zone:	6 buildings	
c. Buildings affected by liquefaction:	4 buildings	
(ii) Partially-damaged properties	105 buildings	70 million yen
2) Existing properties (Daito Building Management Co., Ltd.)		
(i) Written-off properties	176 buildings	358 million yen
a. Buildings swept away by tsunami:	82 buildings	
b. Buildings within 30km radius of nuclear power plant zone:	94 buildings	
(Evacuation order: 58 buildings + Sheltering indoors order: 36 buildings)		
(ii) Major repairs	279 buildings	681 million yen
(iii) Minor repairs	7,744 buildings	932 million yen
3) Emergency payment of rent for disaster-affected properties (Daito Building Management Co., Ltd.)	455 buildings	189 million yen
Rent payable on March 31 for (i) completely-destroyed properties (176 buildings) and (ii) properties in need of major repairs (279 buildings)		
4) Burden of rent, etc. for properties provided free of charge (Daito Building Management Co., Ltd.)	177 buildings	127 million yen
Households with elderly, infants or other vulnerable members who have difficulty living in evacuation centers:	100 households	
Disaster-affected landlords:	77 households	
5) Amount of loss of Gaspal's LP gas equipment due to disaster (Gaspal Co., Ltd.):		284 million yen
6) Damage to materials in Sendai warehouse (Daito Trust Construction Co., Ltd.)		439 million yen
7) Allowance for balance of Daito Group's loans receivable e.g. Gaspal equipment loans, etc. (Daito Trust Construction Co., Ltd.)		409 million yen
8) Relief supplies (Daito Trust Construction Co., Ltd., Daito Building Management Co., Ltd.)		90 million yen
<2> Other extraordinary loss	Total	1,353 million yen
1) Loss on sale of short-term investment securities, etc. (Daito Trust Construction Co., Ltd.)		776 million yen
2) Asset retirement obligations (Daito Trust Construction Co., Ltd.)		389 million yen
3) Loss on disposal of fixed assets, etc.		188 million yen
<3> Total extraordinary loss (<1>+<2>)	Sum total	5,828 million yen

The state of damages incurred by leased buildings that are under construction and managed by the Daito Group as a result of the Great East Japan Earthquake and Daito Group's responses to such damages are as described below. Daito Group will make utmost efforts in repairs and other solutions to provide a safe residential environment to tenants and quickly resume sound leasing business for building owners.

	a. Properties under construction	b. Managed properties ^{*5}
Written-off	14 buildings ^{*2}	176 buildings (Including 94 buildings within 30km radius of nuclear power plant zone)
Requires major repairs	105 buildings ^{*3}	279 buildings
Requires minor repairs		7,744 buildings ^{*4}
Subtotal	119 buildings	8,199 buildings ^{*1}
Total (a+b)	8,318 buildings	

*1 This is based on the results of a survey targeted at 36,967 buildings in the area concerned.

*2 For buildings under construction that are deemed difficult to be completed and handed over due to being affected by the disaster, removal of debris and other such work is being performed to restore it to vacant land.

*3 For partially-damaged buildings, additional repair work will be performed to continue and complete the construction work for quick delivery to the owner.

*4 For managed properties that have suffered minor damage, repair work has commenced simultaneously with obtaining the owner's consent, in view of mitigating the housing shortage in the disaster-stricken area.

*5 Treatment of rent of disaster-stricken managed properties

- Rent payable on March 31 (immediately after the Great East Japan Earthquake) has been paid as usual in view of landlord protection. In the event that disappearance, etc. of the landlord has been confirmed, consolation payment has been made.
- Likewise, rent payable on April 30 will be paid in full as usual in view of landlord protection. Overpayments will be settled depending on the outcome of confirming how much the property has been affected by the disaster.

(iii) Progress and Results by Segment

■ Construction Business

In the Company's mainstay construction business, net sales of completed construction contracts decreased 7.6% year-on-year to 430,226 million yen. From the fiscal year ended March 31, 2011, improvement and repair work of Daito Building Management Co., Ltd. in the amount of 28,043 million yen was accounted for in sales on real estate business in conjunction with the revision of the *Accounting Standard for Disclosures about Segments of an Enterprise and Related Information*. The gross profit margin for completed projects rose 3.0 percentage points from the previous fiscal year to 38.8%, as a result of cost reduction due in part to lower material procurement costs.

On the other hand, concerning orders received, we aggressively tapped potential demand among landowners based on the view that the current market environment presents a good opportunity, and directed our efforts at enhancing our relationship based on trust with owners for whom we have constructed leased buildings. We also focused our efforts on public relations activities to help financial institutions that provide construction funds to landowners gain a better understanding of the "robustness of demand for rental housing" and the "security of our business". Consequently, orders received increased 15.7% year-on-year to a record-high 503,417 million yen.

■ Real Estate Business

In the real estate business, an increase in whole-building lease agreements under our Lease Management Trust System allowed our leasing company, Daito Building Management Co., Ltd., to increase its rental income, resulting in a 12.8% rise in sales on real estate business year-on-year to 545,296 million yen.

The number of tenancy agreements concluded with respect to leased properties on a non-consolidated basis rose 13.3% year-on-year to 204,379, the success of measures to increase inquiries which included revamping our TV commercials and our website for searching units "e-Heya Net" and launching the industry-first "24 hours Room-finding Service", and other enhancement measures such as reinforcing our mutual cooperation system with local real estate

agencies and implementing “marugoto (entire)” fixture and room layout renovations. Consequently, the occupancy rate of leased residential properties in March increased 1.4 percentage points year-on-year to 96.0%, while the occupancy rate of leased commercial properties rose 0.8 percentage points to 92.1%.

■ Finance Business and Other Business

Sales generated by the finance business soared 118.3% year-on-year to 3,886 million yen. This included interest income, etc. on bridging loans provided to the client upon obtaining long-term loans from financial institutions to finance the construction to cover the period until the execution.

Sales generated by other business increased 0.2% year-on-year to 21,759 million yen. This was attributable to the increase in sales stemming from both the increase in the number of properties supplied with LP gas from Gaspal Co., Ltd. (an advanced safety system provider accredited by the Ministry of Economy, Trade and Industry) and the increase in the number of users of facilities operated by Care Partner Co., Ltd. (a daytime care service provider targeted at the elderly).

Segment Sales

Segment		Sales (million yen)	Percentage (%)	Year-on-year Change (%)
Construction business	Residential	426,616	42.6	(1.5)
	Commercial	1,197	0.1	(54.5)
	Other	2,413	0.3	(91.9)
	Total	430,226	43.0	(7.6)
Real estate business	Tenancy agreements	11,975	1.2	1.5
	Subleases	9,956	1.0	(36.2)
	Whole-building lease agreements	486,951	48.6	8.5
	Lease business	6,001	0.6	(5.8)
	Improvement/repair work	28,043	2.8	—
	Other	2,367	0.2	143.4
	Total	545,296	54.4	12.8
Finance business	Total	3,886	0.4	118.3
Other business	Total	21,759	2.2	0.2
Sum total		1,001,169	100.0	2.9

- Notes
1. From the fiscal year ended March 31, 2011, the Company has applied the *Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Statement No.17; March 27, 2009) and the *Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Guidance No.20; March 21, 2008).
 2. Sales generated by subleases in the real estate business consist of rental income, etc. under sublease agreements of the Company.
 3. Sales generated by whole-building lease agreements in the real estate business consist of rental income, etc. under whole-building lease agreements of Daito Building Management Co., Ltd.

(2) Business Strategies

Since the tax burden of land ownership and inheritance remains heavy, the demand for effective land utilization has been robust. It has also been claimed in recent years that a growing number of people much prefer to rent rather than purchasing a home which involves the risk of declining property value and huge home loans, as a result of the benefits of leased housing suited to the tenant’s lifestyle and values being reconsidered.

Under these circumstances, the Daito Group will strive to expand its share in the leased housing market. As our medium/long-term management target for orders received, we will seek to realize 600 billion yen per year (while maintaining our share in the leased housing industry at 15% or above of

construction starts).

The Daito Group is committed to pursuing greater efficiency of assets (leased buildings) placed in our care by landowners and endeavoring to provide asset management that is valuable to our customers through our unique Lease Management Trust System, under which we assume responsibility for all aspects of lease property management. Amid the intensifying competition in the rental market, we will aggressively implement various measures to become the preferred choice of tenants as well, such as supplying products that are adapted to the market characteristics in the area and providing services tailored to the needs of tenants.

In the construction business, we opened five branches in April 2011. And we will reinforce our sales force to 3,150 staff members. While further promoting community-oriented sales activities, we will aggressively make such efforts as enhancing land utilization proposals from the angle of “asset utilization and asset inheritance”, which are of interest to landowners, as well as seeking to receive orders to rebuild superannuated buildings. We will also continue to reinforce our trusting relationship with financial institutions based on trust, and direct our efforts at developing and improving the environment for receiving orders by such measures as providing market information extensively to financial institutions on an ongoing basis.

In the real estate business, we will reinforce our sales force to 1,300 staff members, and endeavor to further boost the occupancy rate by such sales promotion measures as newly installing “unmanned terminals for searching units” in shopping centers, enhancing functions of our website for searching units “e-Heya Net”, accepting inquiries through our “24 hours Room-finding Service”, utilizing “*marugoto* (entire)” fixture and room layout renovations, as well as sustaining our system of cooperation with local real estate agencies.

Furthermore, we will proactively work on our peripheral business in pursuit of synergies with our core business. We will make greater enhancements to businesses related to our core business, including further increasing the number of homes supplied with LP gas by subsidiary Gaspal Co., Ltd., aggressively expanding daycare service centers of subsidiary Care Partner Co., Ltd. and expanding Care Partner into the childcare business, as well as conducting electricity aggregator business (which involves supplying electricity at low prices to leased homes.)

On the other hand, in response to the Great East Japan Earthquake, we will continually provide direct aid to disaster-stricken areas such as *providing leased housing free of charge, constructing emergency/temporary housing, and securing and transporting relief supplies*. To compensate for the expected housing shortage, we will also promote leased housing construction—which is our mainstay business—more aggressively and help disaster-stricken areas recover quickly by providing quality, secure homes.

We look forward to the continued support and guidance of all our shareholders.

(3) Capital Investment, etc.

In the fiscal year ended March 31, 2011, total capital investment amounted to 7,144 million yen, which primarily consisted of renovation work on properties of a fixed age leased by Daito Building Management Co., Ltd. under whole-building lease agreements.

(4) Financing

The Company borrowed 127,000 million yen in March 2011, to finance the tender offer for stock buyback for which a resolution was passed at the meeting of the Board of Directors held on January 31, 2011.

(5) Trends in Assets and Income

(i) Trends in Assets and Income of Enterprise Group

Category	34 th fiscal term: Fiscal year ended March 31, 2008	35 th fiscal term: Fiscal year ended March 31, 2009	36 th fiscal term: Fiscal year ended March 31, 2010	37 th fiscal term: Fiscal year ended March 31, 2011 (under review)
Net sales (million yen)	641,045	954,881	972,616	1,001,169
Ordinary income (million yen)	69,609	73,976	76,663	78,005
Net income (million yen)	44,478	42,129	45,353	43,151
Earnings per share (EPS)	367.29	349.25	386.41	384.28
Total assets (million yen)	532,155	540,477	558,129	532,957
Net assets (million yen)	301,429	296,341	312,631	132,252

(ii) Trends in Assets and Income of the Company

Category	34 th fiscal term: Fiscal year ended March 31, 2008	35 th fiscal term: Fiscal year ended March 31, 2009	36 th fiscal term: Fiscal year ended March 31, 2010	37 th fiscal term: Fiscal year ended March 31, 2011 (under review)
Net sales (million yen)	511,543	514,372	484,569	460,230
Ordinary income (million yen)	54,092	66,264	78,041	66,707
Net income (million yen)	30,465	36,418	48,991	37,815
Earnings per share (EPS)	251.57	301.91	417.40	336.77
Total assets (million yen)	463,548	478,507	476,064	424,531
Net assets (million yen)	271,837	266,740	287,240	103,121

2. The Company's Stock

(1) **Number of shares authorized** 329,541,100 shares

(2) **Number of shares issued** 78,897,692 shares (excluding treasury stock: 1,712,587 shares)

(Note) Pursuant to Article 178 of the Corporation Law, 36,914,853 shares of treasury stock were retired effective March 31, 2011. As a result, the number of shares issued including treasury stock decreased by 36,914,853 shares from the previous fiscal year end (March 31, 2010).

(3) **Number of shareholders** 16,098 shareholders

(4) **Principal shareholders**

Name of shareholder	Number of shares owned (thousand shares)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (held in trust)	4,014	5.08
The Master Trust Bank of Japan, Ltd. (held in trust)	2,981	3.77
Mellon Bank NA as Agent for Its Client Mellon Omnibus US Pension	2,847	3.60
State Street Bank and Trust Company 505225	1,964	2.48
Co-op Suppliers' Stock Holding	1,660	2.10
Sumitomo Realty & Development Co., Ltd.	1,606	2.03
JP Morgan Chase Bank 380055	1,490	1.88
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Banking Corporation Retirement Benefit Trust Account re-entrusted by Sumitomo Trust & Banking Co., Ltd.)	1,474	1.86
State Street Bank—West Pension Fund Clients—Exempt	1,289	1.63
Daito Trust Construction Co., Ltd. Employee stock ownership	1,214	1.53

(Note) Shareholding ratio is calculated after deducting treasury stock (1,712,000 shares).

(5) Other significant stock-related information

The Company acquired treasury stock as follows pursuant to the provision of Article 156 of the Corporation Law reinterpreted and applied under the provision of Article 165, Item 3 of said Law, based on the stock buyback resolution passed at the meeting of the Board of Directors held on January 31, 2011.

- | | |
|-----------------------------------|--|
| (i) Tender offer period | From February 1, 2011 to March 1, 2011 |
| (ii) Number of shares bought back | 36,914,853 shares |
| (iii) Total amount of buyback | 201,001,374,585 yen |
| (iv) Stock buyback method | By method of tender offer |

4. Corporate Officers

(1) Name, etc. of Directors and Corporate Auditors

Position	Name	Responsibilities, Principal Occupation and Significant Concurrent Positions Held
Representative Director and Chairman	Katsumi Tada	Representative Director and President of Daishou Co., Ltd. Director of Daisho Development Singapore Pte. Ltd. Director of Daisho Asia Development (M) Sdn Bhd. Director of Daisho Development USA Inc. Director of Daisho Development Sydney Pty Ltd. Director of Daisho Hotels Sydney Pty Ltd.
Representative Director and President	Isao Minabe	General Manager of Sales Headquarters
Managing Director	Naomi Kumakiri	General Manager of Higashi-Kanto Sales Department
Managing Director	Akio Inada	General Manager of Keihanshin Sales Department
Managing Director	Hideki Asano	General Manager of Tohoku Sales Department
Managing Director	Takashi Igawa	General Manager of Shutoken Sales Department
Director	Hisaharu Jin	In charge of CSR
Director	Hideyuki Nakaita	General Manager of Legal Affairs Division
Director	Tetsuzo Nakasato	General Manager of Administration Headquarters
Director	Hitoshi Kadouchi	General Manager of Building Management Department and Representative Director & President of Daito Building Management Co., Ltd.
Director	Shuji Nakada	Representative Director & President of Care Partner Co., Ltd.
Director	Hiroshi Kawaguchi	General Manager of Tenant Recruiting Management Department
Director	Tetsuo Takeda	Representative Director of Takeda Management Systems Co., Ltd. Representative Director of Etiquette Service Advance Association Representative Director of Career Guidance Support Prier
Standing Corporate Auditor	Masayasu Uno	
Corporate Auditor	Hideo Hachiya	Attorney at Law
Corporate Auditor	Sakumichi Yamada	Certified Public Accountant Representative Director of Ace Consulting Ltd. Representative Director of Venture Zeirishi Kenkyukai Corporation
Corporate Auditor	Koji Murata	

- Notes
1. Director Mr. Tetsuo Takeda is an Outside Director.
 2. All Corporate Auditors of the Company are Outside Auditors.
 3. Corporate Auditors Mr. Masayasu Uno and Mr. Sakumichi Yamada are qualified as Certified Public Accountants, and have considerable financial and accounting knowledge.
 4. The Company has designated Director Mr. Tetsuo Takeda and Corporate Auditors Mr. Masayasu Uno, Mr. Hideo Hachiya and Mr. Koji Murata as independent officers under the provisions set forth by the Tokyo Stock Exchange and Nagoya Stock Exchange and has notified said Exchanges accordingly.

5. Changes in Directors' Positions, Responsibilities and Significant Concurrent Positions Held since Fiscal Year End

(The following shows only Directors subject to changes as at April 1, 2011)

Position	Name	Responsibilities, Principal Occupation and Significant Concurrent Positions Held
Director and Chairman	Katsumi Tada	Director and President of Daishou Co., Ltd. Representative Director of Daisho Development Singapore Pte. Ltd. Director of Daisho Asia Development (M) Sdn Bhd. Director of Daisho Development USA Inc. Director of Daisho Development Sydney Pty Ltd. Director of Daisho Hotels Sydney Pty Ltd.
Representative Director and President	Isao Minabe	
Senior Managing Director and Executive Officer	Naomi Kumakiri	General Manager of East Japan Sales Headquarters
Senior Managing Director and Executive Officer	Akio Inada	General Manager of West Japan Sales Headquarters
Senior Managing Director	Hideki Asano	In charge of Engineering Division and Earthquake Disaster Reconstruction Promotion Group
Senior Managing Director	Takashi Igawa	In charge of Administrative Functions Promotion Department and Information System Department
Director	Hideyuki Nakaita	In charge of Legal Services Department
Director and Executive Officer	Hitoshi Kadouchi	General Manager of Building Management Department and Representative Director and President of Daito Building Management Co., Ltd.
Director and Executive Officer	Hiroshi Kawaguchi	General Manager of Tenant Recruiting Management Department
Director	Hisaharu Jin	
Director	Tetsuzo Nakasato	

(Reference) Name and responsibilities of Executive Officers other than those who concurrently serve as Directors as of April 1, 2011 are as follows.

Position	Name	Responsibilities
Managing Executive Officer	Koichi Ebihara	General Manager of Higashi-Kanto Sales Department
Executive Officer	Masami Fujiyoshi	General Manager of Engineering Promotion Department
Executive Officer	Minoru Osawa	General Manager of Minami-Kyushu Sales Department
Executive Officer	Tomoyuki Nishimura	General Manager of Business Management Headquarters and Head of J-SOX Promotion Division
Executive Officer	Takeshi Nakagawa	Representative Director and President of Gaspal Co., Ltd.
Executive Officer	Sachio Washi	Director and General Manager of Childcare Business Department of Care Partner Co., Ltd.
Executive Officer	Hiroshi Sugiyama	General Manager of Shutoken Sales Department
Executive Officer	Hirosuke Tanimichi	General Manager of Chugoku Sales Department
Executive Officer	Takuya Oyama	General Manager of Design Management Department
Executive Officer	Katsuma Kobayashi	General Manager of Sales Management Department
Executive Officer	Masayoshi Tanaka	General Manager of Administrative Functions Promotion Department
Executive Officer	Yukio Daimon	General Manager of Construction Management Department
Executive Officer	Hideaki Ueki	General Manager of Information System Department

(2) Amount of Remuneration, etc. of Directors and Corporate Auditors

Category	Number of persons paid	Amount paid
Director	13 persons	1,347 million yen
Corporate Auditor	4 persons	42 million yen
Total (Outside Directors/Auditors)	17 persons (5 persons)	1,389 million yen (47 million yen)

- Notes
1. The amount paid to Directors does not include the employee salary portion of Directors concurrently serving as an employee.
 2. The amount paid to Directors includes the increase in the provision for directors' retirement benefits in the amount of 691 million yen in the fiscal year ended March 31, 2011.
 3. Directors' remuneration is the sum of the fixed portion which is capped at 1 billion yen per year (including the Outside Directors' remuneration capped at 50 million yen) and the variable portion which is capped at 1.5% of consolidated net income for the fiscal year under review (not exceeding 1 billion yen, and not payable if consolidated net income for the fiscal year under review falls short of 20 billion yen), not including the employee salary portion of Directors concurrently serving as an employee, as resolved at the 33rd Ordinary General Meeting of Shareholders of the Company held on June 27, 2007.
 4. Corporate Auditors' remuneration is capped at 100 million yen per year as resolved at the 33rd Ordinary General Meeting of Shareholders of the Company held on June 27, 2007.
 5. In addition to the above, the total amount of remuneration, etc. received by outside officers from subsidiaries of the Company in the capacity of officers is 1 million yen.

(3) Outside Officers

(i) Director Tetsuo Takeda

Mr. Takeda is Representative Director of Takeda Management Systems Co., Ltd. and Representative Director of Etiquette Service Advance Association and Career Guidance Support Prier, none of which has any business relationship with the Company.

Main activities: Mr. Takeda attended 16 meetings of the Board of Directors out of 17 meetings held during the fiscal year, and expressed his opinions on customer satisfaction (CS) from a technical standpoint.

Mr. Takeda has entered into a Limited Liability Agreement with the Company, the outline of which is as described below:

- In the event that the Company bears a liability for damages caused by neglect of the Outside Director's duty, the liability amount shall be the minimum amount set forth in Article 425, Item 1 of the Corporation Law.
- The limited liability stated above shall be applicable only when the Outside Director performs his duty in good faith and without material negligence.

(ii) Standing Corporate Auditor Masayasu Uno

Main activities: Mr. Uno attended all meetings of the Board of Directors held during the fiscal year, and expressed his opinions on business execution by making the most of his specialized knowledge of financial and accounting and his extensive experience and insight as a business entrepreneur. He also attended all meetings of the Board of Corporate Auditors held during the fiscal year, reported the progress of execution of audits based on the audit plan and exchanged opinions on audit policies, etc. In addition, he attended important management-related meetings and conducted audits targeted at major business establishments, etc.

Mr. Uno has entered into a Limited Liability Agreement with the Company, the outline of which is as described below:

- In the event that the Company bears a liability for damages caused by neglect of the Outside Auditor's duty, the liability amount shall be the minimum amount set forth in Article 425, Item 1 of the Corporation Law.
- The limited liability stated above shall be applicable only when the Outside Auditor

performs his duty in good faith and without material negligence.

(iii) Corporate Auditor Hideo Hachiya

Main activities: Mr. Hachiya attended 14 meetings of the Board of Directors out of 17 meetings held during the fiscal year, and expressed his opinions on business execution from his standpoint as a legal expert. He also attended all meetings of the Board of Corporate Auditors held during the fiscal year, received reports on the progress of audits and exchanged opinions on audit policies, etc.

Mr. Hachiya has entered into a Limited Liability Agreement with the Company, the outline of which is as described below:

- In the event that the Company bears a liability for damages caused by neglect of the Outside Auditor's duty, the liability amount shall be the minimum amount set forth in Article 425, Item 1 of the Corporation Law.
- The limited liability stated above shall be applicable only when the Outside Auditor performs his duty in good faith and without material negligence.

(iv) Corporate Auditor Sakumichi Yamada

Mr. Yamada is a Representative Director of Ace Consulting Ltd. and Venture Zeirishi Kenkyukai Corporation, neither of which has any business relationship with the Company.

Main activities: Mr. Yamada attended 16 meetings of the Board of Directors out of 17 meetings held during the fiscal year, and expressed his opinions on business execution from his standpoint as a financial and accounting expert. He also attended all meetings of the Board of Corporate Auditors held during the fiscal year, received reports on the progress of audits and exchanged opinions on audit policies, etc.

Mr. Yamada has entered into a Limited Liability Agreement with the Company, the outline of which is as described below:

- In the event that the Company bears a liability for damages caused by neglect of the Outside Auditor's duty, the liability amount shall be the minimum amount set forth in Article 425, Item 1 of the Corporation Law.
- The limited liability stated above shall be applicable only when the Outside Auditor performs his duty in good faith and without material negligence.

(v) Corporate Auditor Koji Murata

Main activities: Mr. Murata attended all meetings of the Board of Directors held during the fiscal year, and expressed his opinions on business execution by making the most of his knowledge of leased housing management business, loan guarantee business, etc. based on many years of experience. He also attended all meetings of the Board of Corporate Auditors held during the fiscal year, received reports on the progress of audits and exchanged opinions on audit policies, etc.

Mr. Murata has entered into a Limited Liability Agreement with the Company, the outline of which is as described below:

- In the event that the Company bears a liability for damages caused by neglect of the Outside Auditor's duty, the liability amount shall be the minimum amount set forth in Article 425, Item 1 of the Corporation Law.
- The limited liability stated above shall be applicable only when the Outside Auditor performs his duty in good faith and without material negligence.

Consolidated Balance Sheet
(March 31, 2011)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets:	369,153	Current liabilities:	193,227
Cash and deposits	185,014	Accounts payable for construction contracts	35,390
Accounts receivable from completed construction contracts and other	44,169	Current portion of long-term loans payable	12,715
Short-term investment securities	779	Lease obligations	217
Costs on uncompleted construction contracts	5,727	Income taxes payable	24,375
Other inventories	4,055	Advances received on uncompleted construction contracts	22,639
Prepaid expenses	43,100	Advances received	41,966
Deferred tax assets	14,846	Provision for bonuses	12,905
Operating loans	63,631	Provision for warranties for completed construction	1,268
Other	8,200	Deposits received	6,784
Allowance for doubtful accounts	(371)	Other	34,963
Noncurrent assets:	163,803	Noncurrent liabilities:	207,477
Property, plant and equipment	80,181	Long-term loans payable	114,284
Buildings and structures	35,725	Lease obligations	768
Tools, furniture and fixtures	1,316	Provision for retirement benefits	8,724
Land	42,000	Provision for directors' retirement benefits	2,838
Lease assets	867	Provision for repairs on whole building lease	16,950
Other	270	Long-term guarantee deposits	60,859
Intangible assets	455	Other	3,051
Investments and other assets	83,167	Total liabilities	400,705
Investment securities	14,546	Net Assets	
Subordinated bonds	10,913	Shareholders' equity:	143,380
Deferred tax assets	15,601	Capital stock	29,060
Deferred tax assets for land revaluation	3,164	Capital surplus	34,540
Other	41,805	Retained earnings	88,987
Allowance for doubtful accounts	(2,864)	Treasury stock	(9,208)
		Accumulated other comprehensive income	(12,201)
		Valuation difference on available-for-sale securities	297
		Deferred gains or losses on hedges	(181)
		Revaluation reserve for land	(4,610)
		Foreign currency translation adjustment	(7,707)
		Subscription rights to shares	253
		Minority interest	819
		Total net assets	132,252
Total assets	532,957	Total liabilities and net assets	532,957

Consolidated Statement of Income
(From April 1, 2010 to March 31, 2011)

(Millions of yen)

Account item	Amount	
Net sales		
Net sales of completed construction contracts	430,226	
Sales on real estate business	545,296	
Other business revenue	25,646	1,001,169
Cost of sales		
Cost of sales of completed construction contracts	263,197	
Cost of sales on real estate business	526,052	
Cost of sales on other business	16,607	805,857
Gross profit		
Gross profit on completed construction contracts	167,029	
Gross profit-real estate business	19,243	
Gross profit-other business	9,039	195,312
Selling, general and administrative expenses		121,544
Operating income		73,767
Non-operating income		
Interest income	2,163	
Dividends income	270	
Commission fee	2,457	
Miscellaneous income	1,097	5,989
Non-operating expenses		
Interest expenses	80	
Loss on valuation of securities	200	
Provision of allowance for doubtful accounts	144	
Tender-offer-related expenses	863	
Other	463	1,751
Ordinary income		78,005
Extraordinary income		
Reversal of allowance for doubtful accounts	375	
Gain on sales of investment securities	481	857
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	104	
Impairment loss	36	
Loss due to disaster	4,474	
Loss on sales of investment securities	695	
Loss on devaluation of investment securities	0	
Loss on investments in money held in trust	80	
Loss on adjustment for changes of accounting standard for asset retirement obligations	437	5,828
Income before income taxes and minority interests		73,034
Income taxes – current	35,921	
Income taxes – deferred	(6,144)	29,777
Income before minority interests		43,256
Minority interests in income		105
Net income		43,151

Consolidated Statement of Changes in Net Assets
(From April 1, 2010 to March 31, 2011)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2010	29,060	34,540	266,773	(8,553)	321,822
Changes of items during the period					
Dividends from surplus			(22,951)		(22,951)
Net income			43,151		43,151
Purchase of treasury stock				(201,043)	(201,043)
Disposal of treasury stock		498		1,903	2,402
Retirement of treasury stock		(498)	(197,986)	198,485	-
Net changes of items other than shareholders' equity during the period					
Total changes of items during the period	-	-	(177,786)	(654)	(178,441)
Balance as of March 31, 2011	29,060	34,540	88,987	(9,208)	143,380

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance as of March 31, 2010	557	(249)	(4,610)	(6,005)	(10,306)	401	714	312,631
Changes of items during the period								
Dividends from surplus								(22,951)
Net income								43,151
Purchase of treasury stock								(201,043)
Disposal of treasury stock								2,402
Retirement of treasury stock								-
Net changes of items other than shareholders' equity during the period	(260)	68	-	(1,701)	(1,894)	(148)	105	(1,937)
Total changes of items during the period	(260)	68	-	(1,701)	(1,894)	(148)	105	(180,378)
Balance as of March 31, 2011	297	(181)	(4,610)	(7,707)	(12,201)	253	819	132,252

Non-consolidated Balance Sheet

(March 31, 2011)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets:	289,682	Current liabilities:	192,520
Cash and deposits	163,321	Accounts payable for construction contracts	33,700
Accounts receivable from complete construction contracts	38,927	Current portion of long-term loans payable	12,715
Short-term investment securities	779	Lease obligations	133
Costs on uncompleted construction contracts	5,784	Accounts payable - other	17,422
Raw materials and supplies	3,774	Income taxes payable	17,829
Short-term loans receivable from subsidiaries and affiliates	60,440	Accrued consumption taxes	1,877
Prepaid expenses	1,110	Advances received on uncompleted construction contracts	22,609
Deferred tax assets	9,305	Advances received	635
Accounts receivable - other	2,146	Deposits received	73,035
Advances paid	3,826	Provision for bonuses	10,136
Other	629	Provision for warranties for completed construction	1,267
Allowance for doubtful accounts	(364)	Other	1,158
Noncurrent assets:	134,848	Noncurrent liabilities:	128,888
Property, plant and equipment	61,131	Long-term loans payable	114,284
Buildings	19,783	Lease obligations	265
Structures	688	Provision for retirement benefits	6,438
Vehicles	0	Provision for directors' retirement benefits	2,831
Tools, furniture and fixtures	878	Long-term guarantee deposits	4,841
Land	39,401	Other	226
Lease assets	378		
Intangible assets	258	Total liabilities	321,409
Leasehold right	10	Net Assets	
Other	248	Shareholders' equity:	107,362
Investments and other assets	73,459	Capital stock	29,060
Investment securities	13,804	Capital surplus	34,540
Subordinated bonds	10,913	Legal capital surplus	34,540
Stocks of subsidiaries and affiliates	29,003	Retained earnings	52,969
Long-term loans receivable from subsidiaries and affiliates	1,380	Legal retained earnings	7,265
Deferred tax assets	8,196	Other retained earnings	45,703
Deferred tax assets for land revaluation	3,164	Other reserve	157,300
Guarantee deposits	3,715	Retained earnings brought forward	(111,596)
Long-term time deposits	2,300	Treasury stock	(9,208)
Other	3,192	Valuation and translation adjustments:	(4,494)
Allowance for doubtful accounts	(2,210)	Valuation difference on available-for-sale securities	297
		Deferred gains or losses on hedges	(181)
		Revaluation reserve for land	(4,610)
		Subscription rights to shares	253
		Total net assets	103,121
Total assets	424,531	Total liabilities and net assets	424,531

Non-consolidated Statement of Income
(From April 1, 2010 to March 31, 2011)

(Millions of yen)

Account item	Amount	
Net sales		
Net sales of completed construction contracts	435,186	
Sales on real estate business, etc.	25,043	460,230
Cost of sales		
Cost of sales of completed construction contracts	267,229	
Cost of sales on real estate business, etc.	29,293	296,522
Gross profit		
Gross profit on completed construction contracts	167,957	
Gross loss-real estate business, etc.	(4,250)	163,707
Selling, general and administrative expenses		102,174
Operating income		61,532
Non-operating income		
Interest income	1,112	
Interest on securities	1,600	
Dividends income	744	
Commission fee	2,230	
Miscellaneous income	1,166	6,855
Non-operating expenses		
Interest expenses	70	
Loss on valuation of securities	200	
Provision of allowance for doubtful accounts	144	
Tender-offer-related expenses	863	
Other	401	1,680
Ordinary income		66,707
Extraordinary income		
Gain on reversal of allowance for doubtful accounts	751	
Gain on sales of investment securities	481	1,232
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	73	
Loss due to disaster	1,891	
Loss on sales of investment securities	695	
Loss on devaluation of investment securities	0	
Loss on investments in money held in trust	80	
Loss on adjustment for changes of accounting standard for asset retirement obligations	389	3,130
Income before income taxes		64,809
Income taxes – current	26,896	
Income taxes – deferred	98	26,994
Net income		37,815

Non-consolidated Statement of Changes in Net Assets
(From April 1, 2010 to March 31, 2011)

(Millions of yen)

	Shareholders' equity									Treasury stock	Total Shareholders' equity
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings			Total Retained earnings		
		Legal capital surplus	Other capital surplus	Total Capital surplus		Other retained earnings	General reserve	Retained earnings brought forward			
Balance as of March 31, 2010	29,060	34,540	-	34,540	7,265	157,300	71,526	236,091	(8,553)	291,139	
Changes of items during the period											
Dividends from surplus							(22,951)	(22,951)		(22,951)	
Net income							37,815	37,815		37,815	
Purchase of treasury stock									(201,043)	(201,043)	
Disposal of treasury stock			498	498					1,903	2,402	
Retirement of treasury stock			(498)	(498)			(197,986)	(197,986)	198,485	-	
Net changes of items other than shareholders' equity during the period											
Total changes of items during the period	-	-	-	-	-	-	(183,122)	(183,122)	(654)	(183,777)	
Balance as of March 31, 2011	29,060	34,540	-	34,540	7,265	157,300	(111,596)	52,969	(9,208)	107,362	

	Valuation and translation adjustments				Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance as of March 31, 2010	557	(249)	(4,610)	(4,301)	401	287,240
Changes of items during the period						
Dividends from surplus						(22,951)
Net income						37,815
Purchase of treasury stock						(201,043)
Disposal of treasury stock						2,402
Retirement of treasury stock						-
Net changes of items other than shareholders' equity during the period	(260)	68	-	(192)	(148)	(341)
Total changes of items during the period	(260)	68	-	(192)	(148)	(184,118)
Balance as of March 31, 2011	297	(181)	(4,610)	(4,494)	253	103,121

Reference Documents for the General Meeting of Shareholders

Proposals and references:

Proposal No. 1: Appropriation of Surplus for the 37th Fiscal Term

Appropriation of Surplus for the 37th Fiscal Term is reported as follows:

1. Year-End Dividend

The Company recognizes adequate profit return to shareholders as the most important matter and practices it.

For dividends, the Company, while taking the basic policy stance of providing stable dividends through ongoing reinforcement of our business foundation, aims to set the payout ratio at 50%, and includes a basic dividend of 100 yen and the profit return based on consolidated business performance.

Furthermore, the Company executed a tender offer for treasury stock in the period from February 1, 2011 to March 1, 2011 according to the resolution passed at the meeting of the Board of Directors held on January 31, 2011, which involved acquiring and retiring 36,914,853 shares effective March 31, 2011. As a result, the number of shares issued has decreased by the same quantity.

Based on the above, the Company will set a dividend of 131 yen per share for the year-end dividend of the 37th Fiscal Term.

The annual dividend to be paid would be 229 yen per share with the interim dividend of 98 yen per share paid in December last year.

(1) Type of dividend property

Cash

(2) Matter and total amount regarding dividend property's allocation to shareholders

Cash payment of dividend per share: 131 yen per common share of the Company

Total amount: 10,335,597,652 yen

(3) Effective date of dividend payment

June 29, 2011

2. Other Matters concerning Appropriation of Surplus

For the purpose of resolving the deficit in retained earnings brought forward, we hereby propose that other reserves be reversed and the amount be transferred to retained earnings brought forward as follows.

As stated in "Year-End Dividend" above, the Company has retired 36,914,853 shares of treasury stock acquired through tender offer at 201,001,374,585 yen. As this has given rise to a deficit in retained earnings brought forward amounting to 111,596,089,847 yen as at the fiscal year end, said appropriation of surplus will be executed to cover this deficit.

(1) Surplus item subject to decrease and amount of decrease

Other reserves: 157,300,000,000 yen

(2) Surplus item subject to increase and amount of increase

Retained earnings brought forward: 157,300,000,000 yen

Proposal No. 2: Amendment to the Articles of Incorporation

1. Reasons for the Amendment

For the purpose of expanding the stock business segment which generates substantial synergies with our core business and establishing a stable revenue base, we hereby propose to make additions and changes to the business purpose set forth in Article 2 (Purpose) of the existing Articles of Incorporation.

- (1) Item 33 of Article 2 shall be added to reflect the commencement of business relating to the production and sale of agricultural produce by the Company’s subsidiary for the purpose of effectively utilizing commercial properties managed by the Company’s subsidiary and creating jobs for disabled persons.
- (2) Change to item 34 of Article 2 involves the renumbering of said item associated with the aforementioned addition.

2. Description of the Amendment

The Company proposes that the Articles of Incorporation of the Company be amended as follows:

(Amendments shown by underlines.)

Existing Articles of Incorporation	Proposed Amendments
(Purpose)	(Purpose)
<p>Article 2 The Company’s objective shall be to operate the following businesses and control and manage business activities of companies that operate the following businesses by acquiring and owning shares/interest of such companies.</p> <p>1. to 32. (Omitted) (New establishment)</p> <p><u>33.</u>Any business incidental or related to the previous items.</p>	<p>Article 2 The Company’s objective shall be to operate the following businesses and control and manage business activities of companies that operate the following businesses by acquiring and owning shares/interest of such companies.</p> <p>1. to 32. (Same as at present)</p> <p><u>33. Production, production guidance, processing and sale of agricultural produce</u></p> <p><u>34.</u>Any business incidental or related to the previous items.</p>

Proposal No. 3: Election of Twelve (12) Directors

The term of office of all thirteen (13) Directors is to expire at the conclusion of this Ordinary General Meeting of Shareholders. For these reasons, the Company proposes that shareholders elect twelve (12) Directors (including nine (9) re-nominated candidates).

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary and position & charge in the Company (including representation in other companies)	Number of the Company shares held
1	Isao Minabe (May 19, 1952)	<p>April, 1984 Joined the Company</p> <p>June, 1989 Director, General Manager of Tenant Recruiting Management Department</p> <p>April, 1997 Managing Director, General Manager of Building Management Department, General Manager of Administration Department</p> <p>April, 2000 Senior Managing Director, General Manager of Administration Headquarters, General Manager of Corporate Planning Division, General Manager of TQC Promotion Division</p> <p>April, 2006 Managing Director in charge of Building Management Department, General Manager of TQC Promotion Division</p> <p>October, 2007 Representative Director and President (current position)</p>	21,420 shares
2	Naomi Kumakiri (September 26, 1958)	<p>April, 1984 Joined the Company</p> <p>April, 2001 Executive Officer, General Manager of Housing Sales Department</p> <p>June, 2004 Director, General Manager of Tenant Recruiting Management Headquarters</p> <p>April, 2006 Managing Director, General Manager of Administration Headquarters, General Manager of Legal Affairs Headquarters</p> <p>April, 2011 Senior Managing Director, Executive Officer, General Manager of East Japan Sales Headquarters (current position)</p>	10,600 shares

No.	Name (Date of birth)	Career summary and position & charge in the Company (including representation in other companies)	Number of the Company shares held
3	Akio Inada (November 5, 1954)	<p>January, 1992 Joined the Company</p> <p>April, 2001 Executive Officer, General Manager of Tokai Sales Department</p> <p>June, 2003 Director, General Manager of Tokai Sales Department</p> <p>October, 2007 Managing Director, General Manager of East Japan Sales Headquarters</p> <p>April, 2011 Senior Managing Director, Executive Officer, General Manager of West Japan Sales Headquarters (current position)</p>	10,000 shares
4	Hideki Asano (March 31, 1953)	<p>May, 1988 Joined the Company</p> <p>June, 1992 Director, General Manager of Product Development Department</p> <p>April, 1997 Managing Director, General Manager of Product Development Department, General Manager of Housing Development Department</p> <p>October, 1999 Director in charge of Keihanshin Sales Department</p> <p>April, 2000 Executive Officer, General Manager of West Japan Sales Headquarters, General Manager in charge of Keihanshin Sales Department</p> <p>June, 2006 Director, General Manager of Design Management Department</p> <p>April, 2009 Managing Director, General Manager of Tohoku Sales Department</p> <p>April, 2011 Senior Managing Director, In charge of Engineering Department and Earthquake Disaster Reconstruction Promotion Group (current position)</p>	10,200 shares

No.	Name (Date of birth)	Career summary and position & charge in the Company (including representation in other companies)	Number of the Company shares held
5	Takashi Igawa (September 14, 1951)	September, 1989 Joined the Company April, 2001 Executive Officer, General Manager of General Construction Headquarters April, 2002 Managing Executive Officer, General Manager of General Construction Headquarters June, 2002 Director, General Manager of General Construction Headquarters January, 2005 Executive Officer, General Manager of Engineering Headquarters June, 2007 Director, General Manager of Construction Management Department April, 2009 Managing Director, General Manager of Sales Management Department, Director in charge of special missions; in charge of Loan, Contracts and Construction Starts April, 2011 Senior Managing Director, In charge of Administrative Functions Promotion Department and Information System Department (current position)	9,000 shares
6	Hideyuki Nakaita (October 15, 1971)	June, 2004 Standing Corporate Auditor of the Company June, 2007 Director, General Manager of Administration Headquarters, General Manger of Legal Affairs Division, General Manager of Total Quality Management Division April, 2011 Director, In charge of Legal Services Department (current position)	10,000 shares

No.	Name (Date of birth)	Career summary and position & charge in the Company (including representation in other companies)	Number of the Company shares held
7	Hitoshi Kadouchi (June 27, 1955)	<p>September, 1980 Joined the Company</p> <p>April, 2001 Executive Officer, General Manager of Related Operation Headquarters</p> <p>June, 2009 Director, General Manager of Building Management Department, Director in charge of special missions; in charge of Owners Club, Asset Planning, Sales Promotion, and Education</p> <p>April, 2011 Director, Executive Officer, General Manager of Building Management Department, Representative Director and President of Daito Building Management Co., Ltd. (current position)</p>	19,400 shares
8	Shuji Nakada (March 9, 1954)	<p>March, 1989 Joined the Company</p> <p>April, 2004 Executive Officer, General Manager of Building Management Department</p> <p>June, 2010 Director, Representative Director and President of Care Partner Co., Ltd. (current position)</p>	1,000 shares
9	Hiroshi Kawaguchi (January 10, 1953)	<p>September, 1990 Joined the Company</p> <p>April, 2003 Executive Officer, General Manager of Minami Kansai Sales Department</p> <p>October, 2005 General Manager of Hokuriku and Gifu Sales Department</p> <p>April, 2008 Executive Officer, General Manager of Hokuriku and Shinetsu Sales Department</p> <p>June, 2010 Executive Officer, General Manager of Tenant Recruiting Management Department</p> <p>April, 2011 Director, Executive Officer, General Manager of Tenant Recruiting Management Department (current position)</p>	1,000 shares
10	*Tomoyuki Nishimura (October 27, 1952)	<p>August, 2000 Joined the Company</p> <p>April, 2008 Executive Officer, General Manager of General Accounting Department</p> <p>April, 2011 Executive Officer, General Manager of Management Control Headquarters, Head of J-SOX Promotion Division (current position)</p>	9,800 shares

No.	Name (Date of birth)	Career summary and position & charge in the Company (including representation in other companies)	Number of the Company shares held
11	*Yujiro Sasamoto (May 16, 1959)	<p>April, 1984 Joined Fuji Xerox Co., Ltd.</p> <p>March, 2005 Established Makoru Co., Ltd. Director of Makoru Co., Ltd. (current position)</p> <p>April, 2006 Part-time lecturer of Department of Humanities and Social Sciences, Jissen Women's University (current position)</p> <p>April, 2008 Researcher and lecturer of Graduate School of Law, Aoyama Gakuin University (current position)</p>	-
12	*Marcus Merner (May 15, 1972)	<p>July, 1994 Joined Morgan Stanley & Co.</p> <p>October, 1997 Joined The Shidler Group</p> <p>June, 1998 Joined Morgan Stanley Japan Securities Co., Ltd. (current Morgan Stanley MUFG Securities Co., Ltd.)</p> <p>December, 2007 Director, Morgan Stanley Capital K.K.</p> <p>October, 2008 Representative Director, Morgan Stanley Capital K.K.</p> <p>November, 2010 Managing Director, GreenOak Real Estate Advisors LP (current position)</p>	-

(Notes) 1. The asterisk (*) preceding the name denotes new candidates for Directors.

2. There is no special interest between any of the candidates for Directors and the Company.

3. Candidates for Directors Mr. Yujiro Sasamoto and Mr. Marcus Merner are candidates for Outside Directors.

4. Special notes regarding the candidates for Outside Director are as follows:

- (i) The Company selected Mr. Yujiro Sasamoto as a candidate for Outside Director, believing that his wealth of knowledge of and experience in corporate legal affairs, compliance and internal controls could be very useful and helpful for the management of the Company.

The Company plans to enter into a Limited Liability Agreement with Mr. Sasamoto after his election as an Outside Director. Outlines of this Limited Liability Agreement are described below:

- In the event that the Company bears a liability for damages caused by neglect of the Outside Director's duty, the liability amount shall be the minimum amount set forth in Article 425, Item 1 of the Corporation Law.
- The limited liability stated above shall be applicable only when the Outside Director performs his duty in good faith and without material negligence.

- (ii) The Company selected Mr. Marcus Merner as a candidate for Outside Director, believing that his wealth of knowledge of and experience in real-estate-investment-related advisory business and asset management business could be very useful and helpful for the management of the Company.

The Company plans to enter into a Limited Liability Agreement with Mr. Merner after his election as an Outside Director. Outlines of this Limited Liability Agreement are described below:

- In the event that the Company bears a liability for damages caused by neglect of the Outside Director's duty, the liability amount shall be the minimum amount set forth in Article 425, Item 1 of the Corporation Law.
- The limited liability stated above shall be applicable only when the Outside Director performs his duty in good faith and without material negligence.

Proposal No. 4: Granting of Retirement Benefits to Retiring Directors and Payment of Retirement Benefits for Termination Resulting from the Abolition of Retirement Benefits System

The Company proposes that retirement benefits be granted to Mr. Katsumi Tada, Mr. Hisaharu Jin and Mr. Tetsuzo Nakasato, who will retire from their respective positions of Director upon the expiry of their terms of office at the conclusion of this Ordinary General Meeting of Shareholders, to reward them for their service during their tenure based on the standards determined by the Company.

Mr. Katsumi Tada has led and managed the Daito Trust Construction Co., Ltd. (former trade name: Daito Sangyo Co., Ltd.) as Representative Director for as long as 37 years since establishment in June 1974. Since the Company's listing on the Second Section of the Nagoya Stock Exchange in March 1989 (and on the First Section of the Tokyo Stock Exchange in February 1992), he has continued to engage in aggressive management, and has propelled the Company to its leading status in the leased housing industry.

Mr. Hisaharu Jin and Mr. Tetsuzo Nakasato, whom are also retiring from their respective positions of Director upon the expiry of their terms of office, have endeavored to ensure the Company's business performance in the field of tenancy agreements of leased housing and in the field of personnel, general and accounting-related administrative functions, respectively.

The Company would like to additionally grant a special merit reward to Mr. Katsumi Tada for his extraordinary achievements in having developed the Company since establishment into an industry-leading company as it is today.

[Reference: Katsumi Tada's Achievements]

- 1974: Founded the Company as a sole proprietor.
- 1979: Completed unique business model "Trust Construction System", which incorporates rent guarantee into managed leased buildings.
- 1981~: Started expanding branches on a full scale; At present, there are 209 branches covering all prefectures in Japan.
- 1989: Listed on Nagoya Stock Exchange.
- 1990: Relocated headquarters to Tokyo.
- 1992: Listed on First Section of Tokyo Stock Exchange.
- 1995~: Introduced 2×4 construction method with high earthquake resistance into the field of leased housing.
Currently the industry leading supplier/manufacturer of homes based on this construction method.
- 1995: Established local subsidiaries in USA and Canada completing the overseas 2×4 construction material procurement network.
- 1996: Expanded overseas business into China and Malaysia.
- 1997~: Ranked No.1 in number of leased housing under management, and has since kept No.1 spot each year (according to survey conducted by Zenkoku Chintai Jyutaku Shimbun).
- 2003: Completed head office building in Minato-ku, Tokyo.
- 2004: Launched website for searching units "e-Heya Net".
- 2006: Commenced Lease Management Trust System sales.
- 2011: Fiscal year ended March 31, 2011: Exceeded 1 trillion yen in net sales
Currently boasts industry-leading level of annual construction starts/completions in leased housing.
Served as Representative Director for more than 36 years in total.

16 subsidiaries including leased housing management company, agency for leased housing, LP gas supply company and daycare service company.

The Company proposes that the total amount to be paid to the three retiring Directors be capped at 3,018,600,000 yen (consisting of 3,003,600,000 yen to Mr. Katsumi Tada, 11,600,000 yen to Mr. Hisaharu Jin and 3,400,000 yen to Tetsuzo Nakasato).

The decisions on the specific date, method of payment, etc. of the retirement benefits be entrusted to the Board of Directors.

The career summary of the retiring Directors is as follows.

Name	Career Summary	
Katsumi Tada	June, 1974	Representative Director and President
	April, 2004	Representative Director and Chairman
	April, 2006	Director and Chairman
	September, 2006	Representative Director and Chairman
	October, 2006	Representative Director, Chairman and President
	October, 2007	Representative Director and Chairman
	April, 2011	Director and Chairman (current position)
Hisaharu Jin	June, 2005	Director (current position)
Tetsuzo Nakasato	June, 2009	Director (current position)

Moreover, as part of efforts to review the officer remuneration system, the Company has decided at the meeting of the Board of Directors held on May 20, 2011 to abolish the retirement benefits system at the conclusion of this Ordinary General Meeting of Shareholders. In conjunction with this, the Company proposes to make payment of retirement benefits to nine (9) Directors (excluding Outside Directors) to be reappointed if Proposal No.3 (Election of Twelve (12) Directors) is approved as is, as retirement benefits corresponding to their respective terms of office up until the conclusion of this Ordinary General Meeting of Shareholders according to the standards set forth by the Company, totaling 215,300,000 yen (consisting of 108,200,000 yen to Mr. Isao Minabe, 22,500,000 yen to Mr. Naomi Kumakiri, 22,000,000 yen to Mr. Akio Inada, 32,000,000 yen to Mr. Hideki Asano, 16,600,000 yen to Mr. Takashi Igawa, 7,700,000 yen to Mr. Hideyuki Nakaita, 3,300,000 yen to Mr. Hitoshi Kadouchi, 1,500,000 yen to Mr. Shuji Nakada and 1,500,000 yen to Mr. Hiroshi Kawaguchi).

The payment of retirement benefits shall be made individually at the time of the retirement of the Directors, and the payment method, etc. shall be left to the discretion of the Board of Directors.

The career summary of Directors entitled to payment of retirement benefits for resulting from the abolition of the retirement benefits system is as follows.

Name	Career Summary	
Isao Minabe	June, 1989 April, 1997 April, 2000 April, 2006 October, 2007	Director Managing Director Senior Managing Director Managing Director Representative Director and President (current position)
Naomi Kumakiri	June, 2004 April, 2006 April, 2011	Director Managing Director Senior Managing Director (current position)
Akio Inada	June, 2003 October, 2007 April, 2011	Director Managing Director Senior Managing Director (current position)
Hideki Asano	June, 1992 April, 1997 October, 1999 March, 2000 June, 2006 April, 2009 April, 2011	Director Managing Director Director Resigned from said position Director Managing Director Senior Managing Director (current position)
Takashi Igawa	June, 2002 December, 2004 June, 2007 April, 2009 April, 2011	Director Resigned from said position Director Managing Director Senior Managing Director (current position)
Hideyuki Nakaita	June, 2007	Director (current position)
Hitoshi Kadouchi	June, 2009	Director (current position)
Shuji Nakada	June, 2010	Director (current position)
Hiroshi Kawaguchi	June, 2010	Director (current position)

- (Notes) 1. Although the granting of retirement benefits corresponding to the term of office of Mr. Hideki Asano from June 1992 to March 2000 was already approved at the 26th Ordinary General Meeting of Shareholders of the Company held on June 29, 2000, no payments have been made yet; therefore, approval of retirement benefits corresponding to his cumulative term of office shall include the said term.
2. Although the granting of retirement benefits corresponding to the term of office of Mr. Takashi Igawa from June 2002 to December 2004 was already approved at the 31st Ordinary General Meeting of Shareholders of the Company held on June 29, 2005, no payments have been made yet; therefore, approval of retirement benefits corresponding to his cumulative term of office shall include the said term.

Proposal No. 5: Issuance of Subscription Rights to Shares in the form of Stock Options for Stock-linked Compensation to Directors

As stated in Proposal No.4, the Company has decided to abolish the retirement benefits system as part of efforts to review the officer remuneration system. In conjunction with this, the Company requests shareholders to approve the issuance of subscription rights to shares of up to 530 million yen per year, as remuneration relating to stock options as stock-linked compensation to Directors (excluding Outside Directors) for the purpose of making the link between the Company's business performance and stock value clearer in the Director's remuneration system, giving them greater motivation to make contributions to improve business performance and increase enterprise value in the medium and long run, and facilitating their sense of sharing value with shareholders.

The amount of remuneration relating to stock options as stock-linked compensation is to be set separately from the amount of remuneration of Directors^{*1} approved at the 33rd Ordinary General Meeting of Shareholders held on June 27, 2007.

The Company plans to issue stock options as stock-linked compensation in the form of the following two types of subscription rights to shares:

- (i) Stock Option Plan A as a substitute of the retirement benefits system aimed at improving business performance during the tenure of Directors; and
- (ii) Stock Option Plan B aimed at improving business performance in the medium run^{*2}.

If Proposal No.3 (Election of Twelve (12) Directors) is approved, ten (10) Directors (excluding two (2) Outside Directors) will be entitled to the allotment of the subscription rights to shares.

Information on the stock options as stock-linked compensation to be granted in the form of subscription rights to shares are as follows.

1. Information on subscription rights to shares issued as Stock Option Plan A

- (1) Type and number of shares to be issued upon exercise of subscription rights to shares

The total number of shares to be issued upon the exercise of subscription rights to shares within a year from the day on which the Ordinary General Meeting of Shareholders is held for each fiscal year shall be capped at 16,000 common shares of the Company^{*3}.

The number of shares to be issued per subscription right exercised (hereinafter referred to as "number of shares granted") shall be 100 common shares of the Company^{*4}.

- (2) Total number of subscription rights to shares

The number of subscription rights to shares to be issued within a year from the day on which the Ordinary General Meeting of Shareholders is held for each fiscal year shall be capped at 160.

- (3) Amount to be paid in for subscription rights to shares

The amount to be paid in per subscription right to shares (issue price) shall be the amount determined by the Board of Directors based on the fair value of the subscription right to shares calculated upon the allotment of the subscription rights to shares.

A recipient of the allotment of the subscription rights to shares shall set off his/her

claims for remuneration against the Company in lieu of payment of monies under the provision of Article 246, Item 2 of the Corporation Law.

(4) Value of assets to be invested upon the exercise of subscription rights to shares

The value of assets to be invested upon the exercise of subscription rights to shares shall be the amount to be paid in per share that can be received by exercising the subscription rights to shares, which shall be 1 (one) yen, multiplied by the number of shares granted.

(5) Period during which subscription rights to shares can be exercised

The exercise period shall be determined by the Board of Directors, to the extent that it does not exceed 30 years from the day subsequent to the allotment date of subscription rights to shares.

(6) Restriction of acquisition of subscription rights to shares by transfer

Acquisition of subscription rights to shares by transfer shall require the approval of the Board of Directors.

(7) Terms of exercise of subscription rights to shares

A recipient of the allotment of subscription rights to shares may only exercise the subscription rights to shares within ten (10) days from the day after losing his/her position as Director of the Company (if the 10th day falls on a non-business day, the following business day).

Other terms shall be as determined based on resolution of the Board of Directors.

(8) Other information on subscription rights to shares

Details of matters referred to in (1) through (7) above and other matters shall be determined by the Board of Directors, which decides the matters concerning the invitation to accept subscription rights to shares.

2. Information on subscription rights to shares issued as Stock Option Plan B

(1) Type and number of shares to be issued upon exercise of subscription rights to shares

The total number of shares to be issued upon the exercise of subscription rights to shares within a year from the day on which the Ordinary General Meeting of Shareholders is held for each fiscal year shall be capped at 76,000 common shares of the Company^{*3}.

The number of shares granted shall be 100 common shares of the Company^{*4}.

(2) Total number of subscription rights to shares

The number of subscription rights to shares to be issued within a year from the day on which the Ordinary General Meeting of Shareholders is held for each fiscal year shall be capped at 760.

(3) Amount to be paid in for subscription rights to shares

The amount to be paid in per subscription right to shares (issue price) shall be the amount determined by the Board of Directors based on the fair value of the subscription right to shares calculated upon the allotment of the subscription rights to shares.

A recipient of the allotment of the subscription rights to shares shall set off his/her claims for remuneration against the Company in lieu of payment of monies under the

provision of Article 246, Item 2 of the Corporation Law.

(4) Value of assets to be invested upon the exercise of subscription rights to shares

The value of assets to be invested upon the exercise of subscription rights to shares shall be the amount to be paid in per share that can be received by exercising the subscription rights to shares, which shall be 1 (one) yen, multiplied by the number of shares granted.

(5) Period during which subscription rights to shares can be exercised

The subscription rights to shares shall be exercised within five (5) years counting from the day on which three (3) years elapses from the allotment date of the subscription rights to shares.

(6) Restriction of acquisition of subscription rights to shares by transfer

Acquisition of subscription rights to shares by transfer shall require the approval of the Board of Directors.

(7) Terms of exercise of subscription rights to shares

A recipient of the allotment of subscription rights to shares shall be required to be in the position of either Director or Executive Officer of the Company as at the time of exercising his/her rights. Other terms of exercise shall be determined based on resolution of the Board of Directors.

(8) Other information on subscription rights to shares

Details of matters referred to in (1) through (7) above and other matters shall be determined by the Board of Directors, which decides the matters concerning the invitation to accept subscription rights to shares.

*1 The amount of remuneration of Directors approved at the 33rd Ordinary General Meeting of Shareholders held on June 27, 2007 is the sum of (i) and (ii) below:

(i) Fixed portion, capped at 1 billion yen per year (including Outside Directors' remuneration capped at 50 million yen); and

(ii) Variable portion, capped at 1.5% of consolidated net income for the fiscal year under review (not exceeding 1 billion yen, and not payable if consolidated net income for the fiscal year under review falls short of 20 billion yen).

*2 Upon granting Stock Option Plan B, performance fulfillment criteria shall be established separately.

*3 However, if adjustments are made to the number of shares granted, it shall be adjusted to the number of shares granted after the adjustment multiplied by the total number of subscription rights to shares.

*4 The number of shares granted shall be adjusted based on the following equation in cases where the Company executes a stock split (including gratis allotment of common shares of the Company) or stock consolidation after the day on which this Proposal is passed. Fractions of less than one share resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment × Stock split ratio or stock consolidation ratio

In addition to the above, if it is necessary to adjust the number of shares granted, the number of shares granted shall be adjusted to a reasonable extent.