

Securities code: 1878

June 3, 2013

To Our Shareholders

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

Notice of Convocation of the 39th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 39th Ordinary General Meeting of Shareholders of the Company. The meeting will be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights via postal mail or the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on June 25, 2013 (Tuesday).

1. **Date and Time:** June 26, 2013 (Wednesday) 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 39th Fiscal Term (April 1, 2012 to March 31, 2013)
 2. The Non-consolidated Financial Statements for the 39th Fiscal Term (April 1, 2012 to March 31, 2013)**Matters to be resolved:**
 - Proposal No. 1:** Appropriation of Surplus for the 39th Fiscal Term
 - Proposal No. 2:** Partial Amendment to the Articles of Incorporation
 - Proposal No. 3:** Election of Nine (9) Directors
 - Proposal No. 4:** Election of Three (3) Audit & Supervisory Board Members

Notes:

1. For those attending, please present the enclosed Voting Rights Exercise Form to the receptionist on arriving at the meeting. You are also requested to bring this document with you to the meeting for your reference.
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, pursuant to the provisions of the Articles of Incorporation of the Company, only one (1) shareholder holding the voting right of the Company is entitled to exercise a proxy voting right on your behalf.
3. Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements, which should be provided in conjunction with this notice, are not included in the documents attached to this notice, but are posted in our website (<http://www.kentaku.co.jp/ir/kabunushi.html>) pursuant to the provisions of law and Article 16 of the Articles of Incorporation of the Company.
The Consolidated Financial Statements and the Non-consolidated Financial Statements attached to this notice are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the accounting auditor and Audit & Supervisory Board Members as part of their preparation of Accounting Auditor's Report and Audit & Supervisory Board Member's Report, respectively.
4. If there are any amendments to the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements, and the Reference Documents for the General Meeting of Shareholders, the revised version will be posted on our website (<http://www.kentaku.co.jp/ir/kabunushi.html>).
5. As part of our electricity-saving efforts, the attending officers and the meeting staff of the Company will dress in a "cool biz" style (without jacket and tie). Please dress lightly upon attending the meeting.

(Appendix)

Business Report

(From April 1, 2012 to March 31, 2013)

1. Current State of Enterprise Group

(1) Business Progress and Results

(i) Overview of Business Environment

In the fiscal year ended March 31, 2013, the domestic economy recovered at a moderate pace on the back of demand fueled by reconstruction activities following the Great East Japan Earthquake. During the second half of the fiscal year, the expectation for monetary easing policies and emergency economic stimulus measures under the new administration led to some signs of economic recovery such as the correction of yen appreciation and rising stock prices.

In the housing industry, housing starts for the period from April 2012 to March 2013 increased by 6.2% year on year*. In the field of leased housing on which the Daito Group is focused, housing starts of rental residential properties for the period from April 2012 to March 2013 increased by 10.7% year on year*. On the back of the inheritance tax reform, the rental residential market started to pick up as demand is rising for rental residential properties that can be used for tax saving purposes. For aging landowners, the succession of assets to the next generation is an important concern beyond tax saving. Accordingly, companies intending to propose leased housing construction are required to offer a comprehensive asset management proposal that “can make asset inheritance feasible” rather than a simple tax-saving proposal.

On the back of the ongoing rebuilding of old rental residential properties into “new high quality rental residential properties,” the demand is rising in major cities for the rebuilding of “an old owner-occupied residential property” into “a rental residential property combined with an owner-occupied house.” In light of these circumstances, we expect that the construction demand for leased housing will continue to be robust in the future.

* Source: Policy Bureau of Ministry of Land, Infrastructure, Transport and Tourism, “Data of the Current Survey on Construction Statics”

(ii) Overview of Daito Group

The Daito Group posted increased sales and profits (operating income and ordinary income) on a consolidated basis for the fifth consecutive year, having recorded net sales in the amount of 1,152,413 million yen (up 6.0% year-on-year), and on the profit front, posted an operating income of 82,411 million yen (up 0.5% year-on-year), ordinary income of 85,539 million yen (up 1.5% year-on-year), and net income of 51,674 million yen (up 9.7% year-on-year). These sales and income amounts are all historic highs for the Group.

(iii) Progress and Results by Segment

■ Construction Business

In the Company's mainstay construction business, net sales of completed construction contracts increased 4.5% year-on-year to 489,545 million yen supported by strong orders received since the previous year. The gross profit margin for completed projects dropped 2.2 points from the previous fiscal year to 35.2% due to the rise in the labor cost in response to the reconstruction demand following the Great East Japan Earthquake.

For acquiring orders, we strived to strengthen land utilization proposals, hold seminar events on such topics as asset inheritance, open new sales offices in major cities and urban areas, and promote reconstruction of old and deteriorated buildings. As a result, orders received increased 7.1% year-on-year to a record-high 655,162 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 6.9% rise in net sales on real estate business year-on-year to 630,428 million yen.

The number of tenancy agreements concluded with respect to leased properties on a non-consolidated basis rose 2.7% year-on-year to 220,059 owing to the success of measures to increase inquiries from prospective tenants including revamping our website for searching residential units, 24-hour acceptance of room searching inquiries and opening of unattended sales offices where visitors can search residential units, and to reinforce our mutual cooperation system with local real estate agencies. Consequently, the occupancy rate of leased residential properties under whole-building lease arrangements as of March 31, 2013 decreased 0.1 points year-on-year to 96.7%, while the occupancy rate of leased commercial properties under whole-building lease arrangements rose 1.4 points to 95.5%.

■ Finance Business and Other Business

Total of net sales of the finance business and other business increased 13.6% year-on-year to 32,439 million yen.

Sales generated by the finance business increased 6.6% year-on-year to 4,156 million yen. This included interest income, etc. on bridge loans provided to the client to finance the construction to cover the period until the execution of long-term loans from financial institutions (from the contract execution to the completion of construction).

Sales generated by other business increased 14.6% year-on-year to 28,283 million yen. This was attributable to, among others, the increase in sales stemming from both the increase in the number of properties supplied with LP gas from Gaspal Co., Ltd. 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	484,613	42.0	5.3
	Commercial	719	0.1	(29.6)
	Other	4,211	0.4	(42.5)
	Total	489,545	42.5	4.5
Real estate business	Whole-building lease agreements (Note 1)	575,898	49.9	8.0
	Improvement/repair work	30,918	2.7	2.7
	Tenancy agreements	13,485	1.2	(0.3)
	Lease business	6,008	0.5	0.4
	Subleases (Note 2)	910	0.1	(77.0)
	Other	3,207	0.3	10.2
	Total	630,428	54.7	6.9
Finance business	Total	4,156	0.4	6.6
Other business	Total	28,283	2.4	14.6
Sum total		1,152,413	100.0	6.0

- Notes
1. 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. Sales generated by subleases in the real estate business consist of rental income, etc. under sublease agreements of the Company.

(2) Business Strategies

Since the tax burden of land ownership and inheritance remains heavy, the demand for effective land utilization has increased and is expected to remain robust supported by asset inheritance and tax saving needs of aging landowners. Although the population will continue to shrink due to the declining birthrate and aging population, it is predicted that the number of households will continue to increase until 2019 due to the nuclearization of the family and a growing tendency of late marriage and will decline thereafter at a moderate pace. The number of households living in rental residential properties has traditionally accounted for over one third of the total number of households and we expect that this percentage will remain the same in future.

Under these circumstances, the Daito Group aims to achieve a 23% share in construction starts of leased residential properties by the fiscal year ending March 2018 (which is roughly equivalent to orders received of 750 billion yen) as a medium/long-term management target.

The Daito Group will provide stable management of the residential property leasing business over a long-term period of 30 to 50 years to landowners as a method for effective asset inheritance and utilization, and convenient and safe living to tenants of our leased properties.

In the construction business, we will continue to carry out corporate sales to propose effective utilization of land to corporate landowners, in addition to land utilization proposals from the perspective of “effective asset utilization / asset succession,” mobilization of resources commensurate with the market size, and new openings of business locations in major cities and urban areas where the market potential is high.

In the real estate business, through our leasing brokerage brand “e-Heya Net”, we will continue to expand the sales office network (including unattended sales offices), offer the “24 hours Room-finding Service,” renew television commercials, improve the room searching website, and reinforce the channel through, among others, the reinforcement of the collaborative relationship with local real estate companies, in order to maintain a high occupancy rate. We will also focus on providing valuable services to leased housing tenants such as the “zero lease deposit & fixed cleaning expense” plan, which lowers the initial cost at the beginning of the lease term, and aggressive promotion of properties that can take advantage of photovoltaic power generation or electric aggregators.

In addition, we will expand businesses that are related to our core business, including further increasing the number of homes supplied with LP gas by subsidiary Gaspal Co., Ltd. and expanding daycare service centers and childcare business facilities of subsidiary Care Partner Co., Ltd.

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

(3) Capital Investment, etc.

In the fiscal year ended March 31, 2013, total capital investment amounted to 5,916 million yen, which primarily consisted of the development of the backbone system in the Company and renovation work on properties of a fixed age leased by Daito Building Management Co., Ltd. under whole-building lease agreements.

(4) Financing

In the fiscal year ended March 31, 2013, no significant financing activities requiring disclosure were conducted.

(5) Trends in Assets and Income

(i) Trends in Assets and Income of Enterprise Group

Category	36th fiscal term: Fiscal year ended March 31, 2010	37th fiscal term: Fiscal year ended March 31, 2011	38th fiscal term: Fiscal year ended March 31, 2012	39th fiscal term: Fiscal year ended March 31, 2013 (under review)
Net sales (million yen)	972,616	1,001,169	1,087,128	1,152,413
Ordinary income (million yen)	76,663	78,005	84,239	85,539
Net income (million yen)	45,353	43,151	47,103	51,674
Earnings per share (EPS)	386.41	384.28	594.53	648.57
Total assets (million yen)	558,129	532,957	569,079	617,738
Net assets (million yen)	312,631	132,252	152,009	186,592

(ii) Trends in Assets and Income of the Company

Category	36th fiscal term: Fiscal year ended March 31, 2010	37th fiscal term: Fiscal year ended March 31, 2011	38th fiscal term: Fiscal year ended March 31, 2012	39th fiscal term: Fiscal year ended March 31, 2013 (under review)
Net sales (million yen)	484,569	460,230	491,599	508,404
Ordinary income (million yen)	78,041	66,707	61,469	57,029
Net income (million yen)	48,991	37,815	34,119	34,556
Earnings per share (EPS)	417.40	336.77	430.64	433.72
Total assets (million yen)	476,064	424,531	444,116	475,024
Net assets (million yen)	287,240	103,121	110,267	125,236

2. The Company's Stock

- (1) Number of shares authorized 329,541,100 shares
 (2) Number of shares issued 79,658,354 shares (excluding treasury stock: 951,925 shares)
 (3) Number of shareholders 16,380 shareholders
 (4) Principal shareholders

Name of shareholder	Number of shares owned (thousand shares)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (held in trust)	3,315	4.16
The Master Trust Bank of Japan, Ltd. (held in trust)	3,247	4.07
JP Morgan Chase Bank 380055	2,969	3.72
State Street Bank and Trust Company 505225	2,239	2.81
Mellon Bank NA as Agent for Its Client Mellon Omnibus US Pension	1,938	2.43
Co-op Suppliers' Stock Holding	1,663	2.08
Sumitomo Realty & Development Co., Ltd.	1,606	2.01
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Banking Corporation Retirement Benefit Trust Account re-entrusted by Sumitomo Mitsui Trust & Banking Co., Ltd.)	1,474	1.85
Daito Trust Construction Co., Ltd. Employee stock ownership	1,258	1.57
Mellon Bank NA Treaty Client Omnibus	1,097	1.37

- (Notes) 1. Shareholding ratio is calculated after deducting treasury stock (951,000 shares).
 2. The Company holds 951,000 shares of treasury stock, excluding 458,000 shares held by the ESOP Trust and 414,000 shares held by the J-ESOP.

(5) Other significant stock-related information

- (i) The Company, pursuant to the resolution of the Board of Directors' meeting held on June 17, 2011, introduced the "ESOP Trust" as an incentive plan for the Daito Group's employees for the purpose of improving the employee health and welfare benefit plans in order to raise the morale of the Daito Group's employees and enhance the enterprise value of the Daito Group by raising their awareness about the operating results and stock price of the Company.

Under this plan, the Company establishes a trust whose beneficiaries are employees participating in Daito Trust Construction Co., Ltd. Employee stock ownership who satisfy certain conditions. This trust has acquired, during a period specified in advance, a certain number of shares in the Company that are expected to be acquired by Daito Trust Construction Co., Ltd. Employee stock ownership over five (5) years after the establishment of the trust. This trust will sell these shares to Daito Trust Construction Co., Ltd. Employee stock ownership on a specified date each month.

- (ii) The Company, pursuant to the resolution of the Board of Directors' meeting held on July 4, 2011, introduced the "J-ESOP" as an incentive plan for the Company's employees for the purpose of raising their motivation and morale toward higher stock prices and operating results by clarifying the relationship between the operating results and the stock value of the Company and aligning the interests of the employees and shareholders.

Under this plan, points are granted to certain employees of the Company selected based on their performance and results in accordance with the Share-based Benefits Regulations established by the Company in advance. These employees are granted shares in the Company corresponding to the points granted to them subject to certain conditions.

- (iii) The shares in the Company held by the ESOP Trust and the J-ESOP have the same shareholders' rights, such as voting rights and rights to dividends, as other ordinary shares in the company. In addition, they are not deducted in the calculation of the distributable amount prescribed in Article 461, Paragraph 2 of the Corporation Law.

However, given the prevailing accounting practice that such shares are accounted for in the same manner as treasury stock under the Corporation Law, the Company presents the shares in the Company held by the ESOP Trust and the J-ESOP under the line item "Treasury stock" in the consolidated balance sheet, consolidated statements of changes in net assets, non-consolidated balance sheet, and non-consolidated statement of changes in net assets in the same manner as treasury stock under the Corporation Law, after consulting with the Accounting Auditor.

The shares in the Company held by the ESOP Trust and the J-ESOP that are presented under the line item "Treasury stock" are as follows:

	Number of shares	Amount (millions of yen)
ESOP Trust	458,700	3,281
J-ESOP	414,444	2,973
Total	873,144	6,254

3. Corporate Officers

(1) Names, etc. of Directors and Audit & Supervisory Board Member

Position	Name	Responsibilities and Significant Concurrent Positions Held
Representative Director and President	Isao Minabe	
Senior Managing Director	Naomi Kumakiri	General Manager of East Japan Construction Sales Headquarters, General Manager of Metropolitan Construction Sales Headquarters
Senior Managing Director	Akio Inada	General Manager of West Japan Construction Sales Headquarters
Senior Managing Director	Hideki Asano	In charge of Technological Division
Senior Managing Director	Hitoshi Kadouchi	General Manager of Management Service Department, In charge of Tenant Recruiting Management Department, Representative Director & President of Daito Building Management Co., Ltd.
Senior Managing Director	Shuji Nakada	General Manager of Functional Management Department
Senior Managing Director	Katsuma Kobayashi	General Manager of Sales Management Department
Director	Hideyuki Nakaïta	General Manager of Legal Services Department
Director	Hiroshi Kawaguchi	General Manager of Minami-Kansai Construction Sales Department
Director	Tomoyuki Nishimura	General Manager of Corporate Management Department
Director	Shuji Kawai	General Manager of Corporate Planning Division
Director	Yujiro Sasamoto	Director of Makoru Co., Ltd. Part-time lecturer at Jissen Women's University Part-time lecturer at Aoyama Gakuin University
Director	Marcus Merner	Managing Director of GreenOak Real Estate Advisors LP Director of GreenOak Investment Management Co., Ltd.
Standing Audit & Supervisory Board Member	Masayasu Uno	
Audit & Supervisory Board Member	Hideo Hachiya	Attorney at Law
Audit & Supervisory Board Member	Sakumichi Yamada	Certified Public Accountant Representative Director of Ace Consulting Ltd. Representative Director of Venture Zeirishi Kenkyukai Corporation
Audit & Supervisory Board Member	Kazumitsu Futami	Representative Director and President of Jeï Keï Kikaku Co., Ltd.

- Notes
1. Mr. Katsuma Kobayashi and Mr. Shuji Kawai were newly appointed as Directors and assumed office as resolved at the 38th Ordinary General Meeting of Shareholders held on June 27, 2012.
 2. Mr. Kazumitsu Futami was newly appointed as Audit & Supervisory Board Member and assumed office as resolved at the 38th Ordinary General Meeting of Shareholders held on June 27, 2012.
 3. Mr. Takashi Igawa resigned as Director at the close of the 38th Ordinary General Meeting of Shareholders held on June 27, 2012.
 4. Mr. Koji Murata resigned as Audit & Supervisory Board Member upon expiration of his term of office at the close of the 38th Ordinary General Meeting of Shareholders held on June 27, 2012.
 5. Directors Mr. Yujiro Sasamoto and Mr. Marcus Merner are Outside Directors.
 6. All Audit & Supervisory Board Members of the Company are Outside Auditors.
 7. Audit & Supervisory Board Members Mr. Masayasu Uno and Mr. Sakumichi Yamada are qualified as Certified Public Accountants, and have considerable financial and accounting knowledge.
 8. The Company has designated Audit & Supervisory Board Members Mr. Masayasu Uno, Mr. Hideo Hachiya and Kazumitsu Futami as independent officers under the provisions set forth by the Tokyo Stock Exchange and Nagoya Stock Exchange and has notified said Exchanges accordingly.

(Reference) Names, responsibilities and significant concurrent positions held by Directors and Audit & Supervisory

Board Member as of April 1, 2013 are as follows.

Position	Name	Responsibilities and Significant Concurrent Positions Held
Representative Director and President	Naomi Kumakiri	In charge of Construction Business Headquarters and Corporate Management Headquarters
Representative Director and Executive Vice President	Hitoshi Kadouchi	General Manager of Management Service Department, In charge of Real Estate Business Headquarters and Subsidiaries Business Headquarters, Representative Director and President of Daito Building Management Co., Ltd.
Senior Managing Director	Akio Inada	General Manager of East Japan Construction Business Headquarters, Officer Responsible for Post-Quake Restoration Company
Senior Managing Director	Shuji Nakada	General Manager of Corporate Management Headquarters
Senior Managing Director	Katsuma Kobayashi	General Manager of Sales Management Department
Director	Hideyuki Nakaita	General Manager of Legal Services Department
Director	Shuji Kawai	General Manager of Subsidiaries Business Headquarters, General Manager of Corporate Planning Division
Director	Isao Minabe	
Director	Hideki Asano	
Director	Hiroshi Kawaguchi	
Director	Tomoyuki Nishimura	
Director	Yujiro Sasamoto	Director of Makoru Co., Ltd. Part-time lecturer at Jissen Women's University Part-time lecturer at Aoyama Gakuin University
Director	Marcus Merner	Managing Director of GreenOak Real Estate Advisors LP Director of GreenOak Investment Management Co., Ltd.
Standing Audit & Supervisory Board Member	Masayasu Uno	
Audit & Supervisory Board Member	Hideo Hachiya	Attorney at Law
Audit & Supervisory Board Member	Sakumichi Yamada	Certified Public Accountant Representative Director of Ace Consulting Ltd. Representative Director of Venture Zeirishi Kenkyukai Corporation
Audit & Supervisory Board Member	Kazumitsu Futami	Representative Director and President of Jei Kei Kikaku Co., Ltd.

(Reference) Names and responsibilities of Executive Officers other than those who concurrently serve as Directors as of April 1, 2013 are as follows.

Position	Name	Responsibilities
Senior Managing Executive Officer	Koichi Ebihara	General Manager of Higashi-Kanto Construction Business Department
Managing Executive Officer	Hirosuke Tanimichi	General Manager of West Japan Construction Business Headquarters
Managing Executive Officer	Takeshi Nakagawa	Representative Director and President of Gaspal Co., Ltd.
Managing Executive Officer	Takuya Ishii	General Manager of Metropolitan Construction Business Headquarters
Executive Officer	Hiroshi Sugiyama	General Manager of Kita-Kanto Construction Business Department
Executive Officer	Masayoshi Tanaka	General Manager of Sales Control Department
Executive Officer	Yukio Daimon	General Manager of Construction Management Department
Executive Officer	Hideaki Ueki	General Manager of Information Technology Department
Executive Officer	Hideo Gorai	Branch Manager of Kashiwa Branch
Executive Officer	Katsuya Touge	General Manager of Higashi-Shutoken Construction Business Department
Executive Officer	Kanitsu Uchida	General Manager of Design Management Department
Executive Officer	Kei Takeuchi	General Manager of Tenant Recruiting Management Department
Executive Officer	Shoji Yamada	General Manager of Chukyo Construction Business Department
Executive Officer	Hitoshi Wada	Branch Manager of Matsudo Branch
Executive Officer	Naoki Naito	Branch Manager of Nagoya Branch
Executive Officer	Yoshihiro Hashimoto	General Manager of Corporate Planning Division
Executive Officer	Hiromichi Ono	General Manager of Subsidiaries Business Headquarters
Executive Officer	Sachio Washi	General Manager of Human Resources and General Affairs Department
Executive Officer	Kazuhiko Saito	General Manager of Tohoku Construction Business Department, Officer Responsible for Local Post-Quake Restoration
Executive Officer	Takashi Suzuki	General Manager of Minami-Kanto Construction Business Department
Executive Officer	Eiji Okamoto	General Manager of Chu-Shikoku Construction Business Department
Executive Officer	Yoshito Ikemoto	General Manager of Technological Development Department
Executive Officer	Kazunori Fukuda	General Manager of General Accounting Department

(2) Amount of Remuneration, etc. of Directors and Audit & Supervisory Board Members

Category	Number of persons paid	Amount paid
Director	14 persons	969 million yen
Audit & Supervisory Board Member	4 persons	73 million yen
Total (Outside Directors/Audit & Supervisory Board Members)	18 persons (6 persons)	1,042 million yen (90 million yen)

- Notes
1. The amount paid to Directors indicated in the above table does not include the employee salary portion of Directors concurrently serving as employees.
 2. The amount paid to Directors indicated in the above table includes an expense of 79 million yen recognized for the fiscal year ended March 31, 2013 in relation to the subscription rights to shares granted as stock options.
 3. The number of persons paid indicated in the above table includes the one (1) person who resigned as Directors upon expiration of the term of office at the close of the 38th Ordinary General Meeting of Shareholders held on June 27, 2012. As of March 31, 2012, the numbers of Directors and Audit & Supervisory Board Members are thirteen (13) and four (4), respectively.
 4. 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.
In addition to the aforementioned amount of remuneration, etc., the amount of remuneration relating to stock options as stock-linked compensation for Directors (excluding Outside Directors) is capped at 530 million yen per year, as resolved at the 37th Ordinary General Meeting of Shareholders of the Company held on June 28, 2011.
 5. Audit & Supervisory Board Members' 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.
 6. 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.
 7. In addition to the above, the Company paid retirement benefits of 16 million yen in total to one (1) Director. This amount includes the amount of provision for Directors' retirement benefits (11 million yen) that was included in the amount of remuneration, etc. of Directors as stated in the business report for the previous fiscal year.
 8. In addition to the above, the Company intends to pay retirement benefits of 198 million yen in total to eight (8) Directors at the time of their resignation as Director pursuant to the resolution passed at the 37th Ordinary General Meeting of Shareholders held on June 28, 2011 concerning the payment of retirement benefits for termination resulting from the abolition of retirement benefits system.

(3) Outside Officers

(i) Director Yujiro Sasamoto

Mr. Sasamoto is a Director of Makoru Co., Ltd., which has no business relationship with the Company.

Main activities: Mr. Sasamoto attended seventeen (17) meetings (twelve (12) ordinary and five (5) extraordinary meetings) of the Board of Directors out of eighteen (18) meetings (twelve (12) ordinary and six (6) extraordinary meetings) held during the fiscal year and expressed his opinions by making the most of his extensive experience and insight of corporate legal affairs, compliance and internal control. He also made useful recommendations regarding internal compliance training and attended the Compliance Promotion Meeting to provide advice, as appropriate.

Mr. Sasamoto 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 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, Paragraph 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) Director Marcus Merner

Mr. Merner is a Managing Director of GreenOak Real Estate Advisors LP, which has no business relationship with the Company.

Mr. Merner also is a Director of GreenOak Investment Management Co., Ltd. There is an advisory contract concerning the provision of advice on real estate transactions between GreenOak Investment Management Co., Ltd. and the Company. However, the amount of the fees paid to him under this contract was less than 5 million yen in the current fiscal year. Given the relative size of net sales of the Company, these arrangements were not significant enough to give rise to a special interest between the Company and Mr. Merner.

Main activities: Mr. Merner attended fifteen (15) meetings (nine (9) ordinary and six (6) extraordinary meetings) of the Board of Directors out of eighteen (18) meetings (twelve (12) ordinary and six (6) extraordinary meetings) held during the fiscal year and expressed his opinions based on his extensive experience and insight as a professional who has been involved in real estate investment advisory business and asset management business. He also attended internal meetings on the Company's real estate business development in overseas markets and provided useful advice.

Mr. Merner 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 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, Paragraph 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.

(iii) Standing Audit & Supervisory Board Member Masayasu Uno

Main activities: Mr. Uno attended all eighteen (18) meetings (twelve (12) ordinary and six (6) extraordinary 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 thirteen (13) meetings of the Audit & Supervisory Board 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 compliance promotion 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 liability for damages caused by neglect of the Outside Audit & Supervisory Board Member's duty, the liability amount shall be the minimum amount set forth in Article 425, Paragraph 1 of the Corporation Law.
- The limited liability stated above shall be applicable only when the Outside Audit & Supervisory Board Member performs his duty in good faith and without material negligence.

(iv) Audit & Supervisory Board Member Hideo Hachiya

Main activities: Mr. Hachiya attended fifteen (15) meetings (twelve (12) ordinary and three (3) extraordinary meetings) of the Board of Directors out of eighteen (18) meetings (twelve (12) ordinary and six (6) extraordinary meetings) held during the fiscal year and expressed his opinions on business execution from his standpoint as a legal expert. He also attended all thirteen (13) meetings of the Audit & Supervisory Board held during the fiscal year, received reports on the progress of audits and exchanged opinions on audit policies, etc.

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

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

(v) Audit & Supervisory Board Member 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 fifteen (15) meetings (twelve (12) ordinary and three (3) extraordinary meetings) of the Board of Directors out of eighteen (18) meetings (twelve (12) ordinary and six (6) extraordinary 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 thirteen (13) meetings of the Audit & Supervisory Board held during the fiscal year, received reports on the progress of audits and exchanged opinions on audit policies, etc.

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

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

(vi) Audit & Supervisory Board Member Kazumitsu Futami

Mr. Futami is a Representative Director and President of Jei Kei Kikaku Co., Ltd., which has no business relationship with the Company.

Main activities: Mr. Futami attended fourteen (14) meetings (nine (9) ordinary and five (5) extraordinary meetings) of the Board of Directors out of fifteen (15) meetings (nine (9) ordinary and six (6) extraordinary meetings) held during the fiscal year after his assumption of office as Audit & Supervisory Board Member as of June 27, 2012, and expressed his opinions on business execution by making the most of his extensive experience and insight of housing administration and loan guarantee business for construction loans for rental residential property development. He also attended all nine (9) meetings of the Audit & Supervisory Board held during the fiscal year after his assumption of office as Audit & Supervisory Board Member, received reports on the progress of audits and exchanged opinions on audit policies, etc.

Mr. Futami 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 liability for damages caused by neglect of the Outside Audit & Supervisory Board Member's duty, the liability amount shall be the minimum amount set forth in Article 425, Paragraph 1 of the Corporation Law.
- The limited liability stated above shall be applicable only when the Outside Audit & Supervisory Board Member performs his duty in good faith and without material negligence.

Consolidated Balance Sheet
(As of March 31, 2013)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets:	435,777	Current liabilities:	213,166
Cash and deposits	264,191	Accounts payable for construction contracts	44,230
Accounts receivable from completed construction contracts and other	33,103	Short-term loans payable	300
Short-term investment securities	10,324	Current portion of long-term loans payable	14,974
Costs on uncompleted construction contracts	8,042	Lease obligations	298
Other inventories	3,848	Income taxes payable	25,975
Prepaid expenses	50,386	Advances received on uncompleted construction contracts	40,973
Deferred tax assets	15,137	Advances received	29,263
Operating loans	42,590	Provision for bonuses	16,223
Other	8,465	Provision for warranties for completed construction	1,089
Allowance for doubtful accounts	(314)	Deposits received	6,919
		Other	32,919
Noncurrent assets:	181,960	Noncurrent liabilities:	217,978
Property, plant and equipment	81,522	Long-term loans payable	95,524
Buildings and structures	35,727	Lease liabilities	1,030
Tools, furniture and fixtures	1,478	Provision for retirement benefits	9,295
Land	42,109	Provision for repairs on whole building lease	36,995
Lease assets	1,240	Long-term guarantee deposits	69,199
Other	965	Other	5,933
Intangible assets	1,690		
Investments and other assets	98,747	Total liabilities	431,145
Investment securities	18,084		
Subordinated bonds and subordinated trust beneficiary rights	12,881	Net Assets	
Deferred tax assets	19,403	Shareholders' equity:	192,744
Deferred tax assets for land revaluation	2,703	Capital stock	29,060
Other	48,531	Capital surplus	34,540
Allowance for doubtful accounts	(2,856)	Retained earnings	140,702
		Treasury stock	(11,559)
		Accumulated other comprehensive income	(7,775)
		Valuation difference on available-for-sale securities	3,419
		Revaluation reserve for land	(4,881)
		Foreign currency translation adjustment	(6,314)
		Subscription rights to shares	73
		Minority interests	1,550
		Total net assets	186,592
Total assets	617,738	Total liabilities and net assets	617,738

Consolidated Statement of Income
(From April 1, 2012 to March 31, 2013)

(Millions of yen)

Account item	Amount	
Net sales		
Net sales of completed construction contracts	489,545	
Sales on real estate business	630,428	
Other business revenue	32,439	1,152,413
Cost of sales		
Cost of sales of completed construction contracts	317,437	
Cost of sales on real estate business	595,072	
Cost of sales on other business	21,477	933,987
Gross profit		
Gross profit on completed construction contracts	172,107	
Gross profit-real estate business	35,356	
Gross profit-other business	10,961	218,425
Selling, general and administrative expenses		136,014
Operating income		82,411
Non-operating income		
Interest income	760	
Dividends income	147	
Commission fee	2,791	
Miscellaneous income	1,304	5,003
Non-operating expenses		
Interest expenses	1,176	
Provision of allowance for doubtful accounts	183	
Other	516	1,876
Ordinary income		85,539
Extraordinary income		
Reversal of provision for loss on disaster	339	
Gain on reversal of subscription rights to shares	1	341
Extraordinary loss		
Loss on sales and retirement of noncurrent assets		
Impairment loss	291	
Loss on change in equity	230	522
Income before income taxes and minority interests		85,357
Income taxes – current	38,395	
Income taxes – deferred	(4,839)	33,556
Income before minority interests		51,801
Minority interests in income		127
Net income		51,674

Consolidated Statement of Changes in Net Assets
(From April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2012	29,060	34,540	113,761	(13,873)	163,489
Changes of items during the period					
Dividends from surplus			(24,519)		(24,519)
Net income			51,674		51,674
Purchase of treasury stock				(515)	(515)
Disposal of treasury stock			(91)	2,829	2,737
Reversal of revaluation reserve for land			(122)		(122)
Net changes of items other than shareholders' equity during the period					
Total changes of items during the period	-	-	26,941	2,313	29,254
Balance as of March 31, 2013	29,060	34,540	140,702	(11,559)	192,744

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance as of April 1, 2012	713	(5,003)	(8,762)	(13,052)	70	1,501	152,009
Changes of items during the period							
Dividends from surplus							(24,519)
Net income							51,674
Purchase of treasury stock							(515)
Disposal of treasury stock							2,737
Reversal of revaluation reserve for land							(122)
Net changes of items other than shareholders' equity during the period	2,706	122	2,447	5,276	3	48	5,328
Total changes of items during the period	2,706	122	2,447	5,276	3	48	34,583
Balance as of March 31, 2013	3,419	(4,881)	(6,314)	(7,775)	73	1,550	186,592

Non-consolidated Balance Sheet

(As of March 31, 2013)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets:	338,344	Current liabilities:	240,524
Cash and deposits	237,545	Accounts payable for construction contracts	41,964
Accounts receivable from completed construction contracts	26,609	Current portion of long-term loans payable	14,974
Short-term investment securities	9,980	Lease liabilities	132
Costs on uncompleted construction contracts	7,993	Accounts payable - other	17,327
Raw materials and supplies	3,417	Income taxes payable	17,894
Short-term loans receivable from subsidiaries and affiliates	37,150	Accrued consumption taxes	2,469
Prepaid expenses	842	Advances received on uncompleted construction contracts	40,926
Deferred tax assets	9,991	Advances received	114
Accounts receivable - other	1,137	Deposits received	90,073
Advances paid	3,487	Provision for bonuses	13,053
Other	460	Provision for warranties for completed construction	1,084
Allowance for doubtful accounts	(270)	Other	509
Noncurrent assets:	136,680	Noncurrent liabilities:	109,264
Property, plant and equipment	59,488	Long-term loans payable	95,524
Buildings	18,200	Lease liabilities	172
Structures	620	Provision for retirement benefits	6,394
Vehicles	0	Long-term guarantee deposits	4,009
Tools, furniture and fixtures	985	Other	3,163
Land	39,393		
Lease assets	288		
Intangible assets	1,509	Total liabilities	349,788
Software	980		
Software in progress	354	Net Assets	
Other	174	Shareholders' equity:	126,624
Investments and other assets	75,682	Capital stock	29,060
Investment securities	17,711	Capital surplus	34,540
Subordinated bonds and subordinated trust beneficiary rights	12,881	Legal capital surplus	34,540
Stocks of subsidiaries and affiliates	29,103	Retained earnings	74,582
Long-term loans receivable from subsidiaries and affiliates	885	Legal retained earnings	7,265
Deferred tax assets	4,794	Other retained earnings	67,317
Deferred tax assets for land revaluation	2,703	Retained earnings brought forward	67,317
Guarantee deposits	5,144	Treasury stock	(11,559)
Long-term time deposits	2,300	Valuation and translation adjustments:	(1,461)
Other	2,154	Valuation difference on available-for-sale securities	3,419
Allowance for doubtful accounts	(1,995)	Revaluation reserve for land	(4,881)
		Subscription rights to shares	73
		Total net assets	125,236
Total assets	475,024	Total liabilities and net assets	475,024

Non-consolidated Statement of Income
(From April 1, 2012 to March 31, 2013)

(Millions of yen)

Account item	Amount	
Net sales		
Net sales of completed construction contracts	490,831	
Sales on real estate business, etc.	17,573	508,404
Cost of sales		
Cost of sales of completed construction contracts	320,642	
Cost of sales on real estate business, etc.	19,998	340,640
Gross profit		
Gross profit on completed construction contracts	170,188	
Gross loss-real estate business, etc.	(2,424)	167,763
Selling, general and administrative expenses		115,046
Operating income		52,717
Non-operating income		
Interest income	381	
Interest on securities	624	
Dividends income	1,342	
Commission fee	2,560	
Miscellaneous income	1,233	6,140
Non-operating expenses		
Interest expenses	1,149	
Provision of allowance for doubtful accounts	229	
Other	449	1,829
Ordinary income		57,029
Extraordinary income		
Gain on reversal of subscription rights to shares	1	1
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	155	
Impairment loss	176	332
Income before income taxes		56,698
Income taxes – current	23,126	
Income taxes – deferred	(984)	22,142
Net income		34,556

Non-consolidated Statement of Changes in Net Assets
(From April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total Shareholders' equity
		Legal capital surplus	Total Capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total Retained earnings		
Balance as of April 1, 2012	29,060	34,540	34,540	7,265	57,494	64,759	(13,873)	114,487
Changes of items during the period								
Dividends from surplus					(24,519)	(24,519)		(24,519)
Net income					34,556	34,556		34,556
Purchase of treasury stock							(515)	(515)
Disposal of treasury stock					(91)	(91)	2,829	2,737
Reversal of revaluation reserve for land					(122)	(122)		(122)
Net changes of items other than shareholders' equity during the period								
Total changes of items during the period	-	-	-	-	9,822	9,822	2,313	12,136
Balance as of March 31, 2013	29,060	34,540	34,540	7,265	67,317	74,582	(11,559)	126,624

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance as of April 1, 2012	713	(5,003)	(4,290)	70	110,267
Changes of items during the period					
Dividends from surplus					(24,519)
Net income					34,556
Purchase of treasury stock					(515)
Disposal of treasury stock					2,737
Reversal of revaluation reserve for land					(122)
Net changes of items other than shareholders' equity during the period	2,706	122	2,828	3	2,832
Total changes of items during the period	2,706	122	2,828	3	14,968
Balance as of March 31, 2013	3,419	(4,881)	(1,461)	73	125,236

Reference Documents for the General Meeting of Shareholders

Proposals and references:

Proposal No. 1: Appropriation of Surplus for the 39th Fiscal Term

Appropriation of Surplus for the 39th Fiscal Term is reported as follows:

Year-End Dividend

The Company recognizes adequate profit return to shareholders as the most important management 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. Based on this policy, the Company will set a dividend of 165 yen per share for the year-end dividend of the 39th Fiscal Term.

The annual dividend to be paid would be 324 yen per share including the interim dividend of 159 yen per share paid in November last year.

(1) Type of dividend property

Cash

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

Cash payment of dividend per share: 165 yen per common share of the Company

Total amount: 13,143,628,410 yen

(3) Effective date of dividend payment

June 27, 2013

Proposal No. 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the Amendment

- (1) Item 35 of Article 2 shall be added to reflect the commencement of the photovoltaic power generation business, which we undertake for the purpose of generating clean energy making use of the roofs of the leased buildings constructed and managed by the Daito Group in order to contribute to the protection of the global environment and safe and secure power generation.
- (2) Change to item 36 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 34. (Omitted) (New establishment)</p> <p><u>35.</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 34. (Same as at present)</p> <p><u>35. Power generation business using natural energy, etc. and the management and operation thereof along with the business relating to the sale, etc. of electricity</u></p> <p><u>36.</u> Any business incidental or related to the previous items.</p>

Proposal No. 3: Election of Nine (9) Directors

The terms of office of all thirteen (13) Directors are to expire at the conclusion of this year's Ordinary General Meeting of Shareholders. For this reason, the Company proposes that shareholders elect nine (9) Directors.

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	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, and Executive Officer, General Manager of East Japan Construction Sales Headquarters</p> <p>April, 2012 Senior Managing Director, General Manager of East Japan Construction Sales Headquarters, General Manager of Metropolitan Construction Sales Headquarters</p> <p>April, 2013 Representative Director, and President, In charge of Construction Business Headquarters and Corporate Management Headquarters (current position)</p>	12,600 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
2	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 Corporate Management Department, Director in charge of special missions; In charge of Owners Club, Asset Planning, Sales Promotion, and Education</p> <p>April, 2011 Director and Executive Officer, General Manager of Building Management Department Representative Director and President of Daito Building Management Co., Ltd.</p> <p>April, 2012 Senior Managing Director, General Manager of Management Service Department, In charge of Tenant Recruiting Management Department, Representative Director & President of Daito Building Management Co., Ltd.</p> <p>April, 2013 Representative Director and Executive Vice President, General Manager of Management Service Department, In charge of Real Estate Business Headquarters and Subsidiaries Business Headquarters, Representative Director and President of Daito Building Management Co., Ltd. (current position)</p>	20,400 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 Construction Sales Department</p> <p>June, 2003 Director, General Manager of Tokai Construction Sales Department</p> <p>October, 2007 Managing Director, General Manager of East Japan Construction Sales Headquarters</p> <p>April, 2011 Senior Managing Director and Executive Officer, General Manager of West Japan Construction Sales Headquarters</p> <p>April, 2012 Senior Managing Director, General Manager of West Japan Construction Sales Headquarters</p> <p>April, 2013 Senior Managing Director, General Manager of East Japan Construction Sales Headquarters, Officer in charge of Post-Quake Restoration Company (current position)</p>	11,000 shares
4	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.</p> <p>April, 2012 Senior Managing Director, General Manager of Functional Management Department</p> <p>April, 2013 Senior Managing Director, General Manager of Corporate Management Headquarters (current position)</p>	2,500 shares
5	Katsuma Kobayashi (June 16, 1961)	<p>February, 1986 Joined the Company</p> <p>April, 2011 Executive Officer, General Manager of Sales Management Department</p> <p>April, 2012 Managing Executive Officer, General Manager of Sales Management Department</p> <p>June, 2012 Senior Managing Director, General Manager of Sales Management Department (current position)</p>	3,125 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
6	Shuji Kawai (January 22, 1967)	<p>April, 1989 Joined the Company</p> <p>April, 2012 Executive Officer, General Manager of Corporate Planning Division</p> <p>June, 2012 Director, General Manager of Corporate Planning Division</p> <p>April, 2013 Director, General Manager of Subsidiaries Business Headquarters, General Manager of Corporate Planning Division (current position)</p>	2,100 shares
7	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 Part-time lecturer of Graduate School of Law, Aoyama Gakuin University (current position)</p> <p>June, 2011 Director of the Company (current position)</p>	-
8	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 Securities Co., Ltd. (currently 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> <p>June, 2011 Director of the Company (current position)</p> <p>September, 2011 Director, GreenOak Investment Management Co., Ltd. (current position)</p>	-

No.	Name (Date of birth)	Career summary and position & charge in the Company (including representation in other companies)	Number of the Company shares held
9	*Toshiaki Yamaguchi (June 26, 1960)	<p>March, 1990 Registered with Osaka Bar Association Joined Takeuchi and Inoue Law Office</p> <p>April, 1995 Established Yamaguchi-law-office Representative Attorney, Yamaguchi-law-office (current position)</p> <p>June, 2004 Outside Audit & Supervisory Board Member, Friendly Corporation</p> <p>December, 2006 Deputy Representative, Organization of Initial Public Offering (current position)</p> <p>April, 2007 Lecturer at Doshisha Law School</p> <p>April, 2008 Member of Attorney Work Reform Committee, Osaka Bar Association (current position)</p> <p>July, 2008 Leader of Corporate Compliance Project Team, Work Reform Committee, Japan Federation of Bar Associations (current position)</p> <p>October, 2008 Director, Japan Internal Control Association (current position)</p> <p>July, 2010 Director, Association of Certified Fraud Examiners (current position)</p> <p>July, 2012 Leader of Outside Director Guidelines Study Team, Judicial System Research Board, Japan Federation of Bar Associations (current position)</p> <p>March, 2013 Outside Director, Nissen Holdings Co., Ltd. (current position)</p>	-

(Notes) 1. * denotes newly appointed candidates for Director.

2. There is no special interest between any of the candidates for Directors and the Company. Candidate Mr. Marcus Merner is a Director of GreenOak Investment Management Co., Ltd. The Company has an advisory service agreement with the company concerning the provision of advice on real estate transaction. However, the amount of fees paid under said agreement was less than 5 million yen in the fiscal year ended March 31, 2013. Given the revenue size of the Company, this amount is not material to give rise to special interest that undermines the independence of Mr. Merner.
3. Candidates Mr. Yujiro Sasamoto, Mr. Marcus Merner and Mr. Toshiaki Yamaguchi are candidates for Outside Directors. The Company will designate Mr. Toshiaki Yamaguchi as an independent officer under the provisions set forth by the Tokyo Stock Exchange and Nagoya Stock Exchange and notify said Exchanges accordingly.
4. Special notes regarding the candidates for Outside Directors are as follows:
 - (i) The Company selected Mr. Yujiro Sasamoto as a candidate for Outside Director, believing that his wealth of experience in and knowledge of corporate legal affairs, compliance and internal control could be very useful and helpful for the management of the Company.

He is one of the current Outside Director of the Company and two years will have passed at the close of this General Meeting of Shareholders since his first assumption of office.

The Company has entered into a Limited Liability Agreement with Mr. Sasamoto. Outlines of this Limited Liability Agreement are described below:

- In the event that the Company bears 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, Paragraph 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 experience in and knowledge of real estate investment advisory business and asset management business could be very useful and helpful for the management of the Company.

He is one of the current Outside Director of the Company and two years will have passed at the close of this General Meeting of Shareholders since his first assumption of office.

The Company has entered into a Limited Liability Agreement with Mr. Merner. Outlines of this Limited Liability Agreement are described below:

- In the event that the Company bears 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, Paragraph 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.

- (iii) The Company selected Mr. Toshiaki Yamaguchi as a candidate for Outside Director, believing that his wealth of experience and high level of expertise as an attorney at law with extensive knowledge of corporate legal affairs, compliance and internal control could be very useful and helpful for the management of the Company.

The Company will enter into a Limited Liability Agreement with Mr. Yamaguchi upon election. Outlines of this Limited Liability Agreement are described below:

- In the event that the Company bears 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, Paragraph 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: Election of Three (3) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Masayasu Uno, Hideo Hachiya, and Sakumichi Yamada are to expire at the conclusion of this Ordinary General Meeting of Shareholders. For this reason, the Company proposes that shareholders elect three (3) Audit & Supervisory Board Members.

The Company has obtained the consent of the Audit & Supervisory Board on this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Career summary and position in the Company (including representation in other companies)	Number of the Company shares held
1	Masayasu Uno (August 23, 1954)	<p>August, 1981 Joined Chuo Accounting Office</p> <p>September, 1984 Joined Integran, Inc.</p> <p>October, 1996 Representative Director and President of US Robotics Co., Ltd.</p> <p>November, 1997 Representative Director and Vice President, 3COM Japan</p> <p>October, 1998 Director and General Manager of Sales Division of Lucent Technologies, Japan (currently Alcatel-Lucent Japan, Ltd.)</p> <p>October, 2000 Representative Director and President, Avaya Japan, Ltd.</p> <p>March, 2005 Representative Director and President, NetIndex Inc. (currently NCXX Inc.)</p> <p>November, 2007 Director of Index Holdings (currently Index Corporation)</p> <p>June, 2009 Audit & Supervisory Board Member of the Company (current position)</p>	-
2	Hideo Hachiya (May 31, 1942)	<p>April, 1968 Joined Honda Motor Co., Ltd.</p> <p>April, 1981 Registered as an attorney with the Daini Tokyo Bar Association Established Hachiya Law firm Representative Attorney, Hachiya Law firm (current position)</p> <p>June, 1991 Audit & Supervisory Board Member of the Company (resigned in June 1995)</p> <p>June, 1999 Audit & Supervisory Board Member of the Company (current position)</p>	-

No.	Name (Date of birth)	Career summary and position in the Company (including representation in other companies)	Number of the Company shares held
3	*Kazuo Fujimaki (December 20, 1950)	<p>April, 1976 Joined Hazama Corporation (currently Hazama Ando Corporation)</p> <p>April, 1979 Joined Mitsubishi Motors Corporation</p> <p>November 1989 Joined Nikko Securities Inc. (currently SMBC Nikko Securities Inc.)</p> <p>April, 1999 Joined Ohta Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>April, 2002 Established Fujimaki Sogo Consulting Representative, Fujimaki Sogo Consulting (current position)</p> <p>December, 2006 Outside Audit & Supervisory Board Member, Yumeshin Holdings Co., Ltd.</p>	-

(Notes) 1. * denotes newly appointed candidates for Audit & Supervisory Board Member.

2. There is no special interest between the Company and any of the candidates for Audit & Supervisory Board Members.
3. Candidates Mr. Masayasu Uno, Mr. Hideo Hachiya, and Mr. Kazuo Fujimaki are candidates for Outside Audit & Supervisory Board Members.

The Company has designated Mr. Masayasu Uno and Mr. Hideo Hachiya as independent officers under the provisions set forth by the Tokyo Stock Exchange and Nagoya Stock Exchange and has notified said Exchanges accordingly.

The Company will designate Mr. Kazuo Fujimaki as an independent officer under the provisions set forth by the Tokyo Stock Exchange and Nagoya Stock Exchange and notify said Exchanges accordingly.

4. Special notes regarding the candidates for Outside Audit & Supervisory Board Members are as follows:

- (i) The Company selected Mr. Masayasu Uno as a candidate for Outside Audit & Supervisory Board Member, believing that his expertise in finance and accounting as a certified public accountant and his wealth of experience in and knowledge as a business entrepreneur could be very useful and helpful for the audit of the Company.

He is one of the current Outside Audit & Supervisory Board Member of the Company and four years will have passed at the close of this General Meeting of Shareholders since his first assumption of office.

The Company has entered into a Limited Liability Agreement with Mr. Uno. Outlines of this Limited Liability Agreement are described below:

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

- (ii) The Company selected Mr. Hideo Hachiya as a candidate for Outside Audit & Supervisory Board Member, believing that his wealth of experience as a lawyer and his expertise in corporate legal affairs could be very useful and helpful for the audit of the Company, although he has not been directly involved in the management of a company.

He is one of the current Outside Audit & Supervisory Board Member of the Company and fourteen years will have passed at the close of this General Meeting of Shareholders since his first assumption of office.

The Company has entered into a Limited Liability Agreement with Mr. Hachiya. Outlines of this Limited Liability Agreement are described below:

- In the event that the Company bears liability for damages caused by neglect of the Outside Audit & Supervisory Board Member's duty, the liability amount shall be the minimum amount set forth in Article 425, Paragraph 1 of the Corporation Law.
 - The limited liability stated above shall be applicable only when the Outside Audit & Supervisory Board Member performs his duty in good faith and without material negligence.
- (iii) The Company selected Mr. Kazuo Fujimaki as a candidate for Outside Audit & Supervisory Board Member, believing that his expertise in international accounting as a U.S. certified public accountant and his wealth of experience in and knowledge of business activities gained through his long time involvement in advisory services in the areas of M&A and business rehabilitation could be very useful and helpful for the audit of the Company.

The Company will enter into a Limited Liability Agreement with Mr. Fujimaki upon election. Outlines of this Limited Liability Agreement are described below:

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