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Stock Code: 3003
March 4, 2011

TO OUR SHAREHOLDERS

Shoei Co., Ltd.
2-1, Kanda-Nishikicho 1-chome,
Chiyoda-ku, Tokyo
Masao Fujioka
Director, Representative Executive Officer and President

NOTICE OF THE 81st ORDINARY GENERAL MEETING OF SHAREHOLDERS

Shoei Co., Ltd. (hereinafter referred to as the “Company”) cordially requests your attendance at the 81st Ordinary General Meeting of Shareholders, which will be held as outlined below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet as outlined below. After reviewing the REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS attached hereto, please indicate your approval or disapproval of the proposal on the enclosed Exercise of Voting Rights Form, and return the Form to the Company with your selections, or access the designated website to exercise your voting rights via the Internet.

- 1. Date and Time:** Friday, March 25, 2011, 10 a.m.
- 2. Place:** Conference Room, 2nd Floor, Gakushi Kaikan
28, Kanda-Nishikicho 3-chome, Chiyoda-ku, Tokyo

3. Objectives

Matters to Be Reported:

1. The Business Report and the Consolidated Financial Statements for the 81st Business Term (From January 1, 2010 to December 31, 2010), as well as the Audit Reports of the Accounting Auditors and the Audit Committee on the Consolidated Financial Statements
2. The Non-Consolidated Financial Statements for the 81st Business Term (From January 1, 2010 to December 31, 2010)

Matter to Be Resolved:

Proposal: Election of Six (6) Directors

4. Other Matters related to the Exercise of Voting Rights

1. **Method of providing notification regarding amendments to the Reference Materials for the General Meeting of Shareholders and the attached documents**

Notification of amendments will be provided via the Internet on our website (<http://www.shoei.co.jp/>).

2. **Deadline for the exercise of voting rights in writing or via the Internet**

We kindly ask that you exercise your voting rights no later than 6 p.m. on the day prior to the General Meeting of Shareholders (Thursday, March 24, 2011).

3. **Handling of duplicated voting in which voting rights are exercised both in writing and via the Internet**

In the event of duplicate voting, the voting rights exercised via the Internet will be valid.

(Notes)

- You are kindly requested to present the enclosed Exercise of Voting Rights Form to the receptionist when you attend the meeting.

If attending the meeting as the proxy of a corporation, the proxy is kindly requested to prepare a power of attorney or a notice on deputation for duties and submit it together with the Exercise of Voting Rights Form to the receptionist.

- If you intend to exercise your voting rights via the Internet website (<http://www.it-soukai.com>), you are requested to review the “Exercise of Voting Rights via the Internet” attached hereto (Pages 17 and 18). The Company participates in the “Electronic Voting Platform for Institutional Investors” which is operated by ICJ, Inc.

[Attachment]

Extract From the Business Report (From January 1, 2010 to December 31, 2010)

This attachment document is an extract from the original Business Report.
For our financial statements, please refer to our “*Kessan Tanshin*” (Consolidated Earnings Report; in Japanese) and “Consolidated Earnings Report” (English translation) now available on our website. The following extract contains additional information not contained in this Consolidated Earnings Report and has been provided to shareholders as useful information on our management condition.

1. Matters Concerning Current Status of the Shoei Group

(1) Analysis of Operating Results

(i) Consolidated Results

Our country's economy during this consolidated accounting year continued its slow recovery supported by the governmental stimulating measures on the one hand and the satisfactory amount of export to the newly-rising nations on the other. At the same time, as the effects of the policies are weakening, the period of yen's appreciation does not seem to end, the improvements of the employment situation are also long overdue, and it is much too early to assume an optimistic attitude.

In the real estate leasing market, which is the core of our business, although the increase in the vacancy rates of the office buildings in the center of Tokyo has been more or less stopped, the rent prices are still in the downward trend and the situation is quite severe.

The situation being as it is, our group has decided upon its three-year medium-term management plan starting 2010, and has been steadily working on strengthening of earning capacity and financial standing in order to establish the foundations for the further growth. In the real estate business, we have made an effort to ensure stable profits by aiming at an improvement of the vacancy rates and rent through reinforcement of the leasing power, at the same time implementing measures aiming at overhead cost reduction. In the marketable securities investment business, we have advanced very carefully as the situation on the stock market is still uncertain. Also, with a view to concentrate management resources in the real estate business, on June 4, 2010 we transferred all the shares of the TOSMAC-i Co., Ltd., which was a consolidated subsidiary of our company shouldering the environmental business, to MITANI SEKISAN Co., Ltd.

As a result, net sales decreased 10.4% from the previous year to ¥13,979 million, operating income increased 12.3% to ¥5,618 million, and ordinary income increased 40.3% to ¥3,218 million. Also, net income for the year became ¥1,970 million. The valuation loss on the development project in Yonban-cho, Chiyoda Ward (sold during the current year) is the primary cause of the net loss of the previous term.

Consolidated Results

	FY09	FY10	Change	(¥ million) %
Net sales	15,610	13,979	- 1,630	- 10.4
Operating income	5,002	5,618	616	12.3
Ordinary income	2,293	3,218	924	40.3
Extraordinary income	1,437	4,913	3,475	-
Extraordinary loss	- 16,034	- 3,093	12,941	-
Net income/loss	- 7,072	1,970	9,043	-

(ii) Results by Segment

(Real Estate Business)

During this consolidated accounting year, although there was an increase in the rent income due to the full fiscal year operation of the housing completed during the previous consolidated accounting year, and also due to completion of "PASSAGGIO", etc., as a consequence of the decrease in rent income due to sales of property, etc., net sales decreased to ¥11,347 million (with a 3.1% decrease compared with the preceding term). On the other hand, as a result of the decrease in depreciation expenses due to housing overhead cost reduction as well as the change of depreciation method from declining-balance method to straight-line method, etc., operating income went up to ¥4,953 million (with an increase by 11.8% compared with the preceding term).

Business Results of the Real Estate Operational Department

	(¥ million)			
	FY09	FY10	Change	%
Net sales	11,707	11,347	- 359	- 3.1
Operating income	4,430	4,953	522	11.8

Although we had to operate in severe market conditions, in the leasing business we made an effort to prevent tenants from leaving by strengthening our connections with them, at the same time striving to get new tenants by strengthening our information gathering force. As a result, the vacancy rates of office buildings that the Company owns in Tokyo decreased significantly below the market level to 1.54% as of December 31, 2010.

Tokyo Office Building Vacancy Rates

	(%)		
	December 2009	June 2010	December 2010
The Company's properties	2.43	4.41	1.54
Market	8.09	9.14	8.91

(Market data source: Miki Shoji Co., Ltd.; data is for the central five wards of Tokyo)

(Marketable Securities Investment Business)

During this consolidated accounting year, we have advanced very carefully as the situation on the stock market is still uncertain, so the dividend earned from stocks went down, net sales also went down to ¥1,404 million (with a 3.5% decrease compared with the preceding term), while operating income went up to ¥1,365 million (with an increase of 21.2% compared with the preceding term, as the effects of the loss on the investment funds posted in the previous year wore off). Non-operating income decreased to ¥407 million (with a 60.2% decrease compared with the preceding term) due to the fact that there was a decrease of the profit made on sale resulting from a downturn of stock prices, and also because some of the shares with a latent loss were sold for the purpose of the improvement of the portfolio, etc.

Marketable Securities Investment Business Results

	(¥ million)			
	FY09	FY10	Change	%
Net sales	1,455	1,404	- 50	- 3.5
Operating income	1,126	1,365	239	21.2
Non-operating income (operating loss)	1,022	407	- 614	- 60.2
Operating income and non-operating loss total	2,148	1,772	- 375	- 17.5

(Environmental Business)

The environmental business was transferred on June 4, 2010. Therefore, the business results for it are posted only up to the second quarter.

Environmental Business Results

	(¥ million)			
	FY09	FY10	Change	%
Net sales	2,447	1,226	- 1,220	- 49.9
Operating income	373	167	- 206	- 55.3

(Note) Business results from October, 2008 to September, 2009 are shown as the results for the previous term.
Business results from October, 2009 to March, 2010 are shown as the results for the current term.

(2) Key Issues for the Company

(i) Management Policies

Our company strives to ensure stable profits centering on leasing income. We have decided upon a medium-term management plan for 3 years starting from the 2010 fiscal year, and shall put every effort every year to achieve operating income of ¥5.0 billion or more, and strengthen our financial base.

(ii) Medium-term Management Plan (Target Indices and Key Issues for the Company)

In the 2010 fiscal year, the first year of the plan, although we had to operate in a severe business environment with real estate market conditions continually aggravating, we made an effort to strengthen the leasing power and reduce overhead costs, and were able to reach the operating income of ¥5.0 billion. Moreover, we could further improve the financial base by such measures as asset reduction, returning ¥32,100 million of borrowings.

For the 2011 fiscal year, we plan to put all might and main to ensure the operating income of ¥5.0 billion and to improve the operating cash flow, which has declined due to assets reduction.

Specifically, we shall continue to enforce the following measures.

(a) Strengthening profitability

- Aim for operating income ¥5.0 billion or more each year.
- Strive to improve vacancy rates and rent by strengthening the Company's leasing power regarding owned real estate.
- Tackle overhead cost reduction by improving the methods of management of estate in possession, etc.

(b) Further strengthening the financial base

- Aim at ensuring stable funds, fully observing financial regulations.

(c) Improving the quality of owned real estate

- Implement renewal works of various facilities including measures to address environmental issues.
- Consider replacing owned real estate with better quality real estate when opportunities arise.

(d) Raising the capability of personnel

- Support the improvement of employee knowledge in order to form a hand-picked elite professional group.

(iii) Management Vision (Medium and Long-term Management Strategy)

The Company contributes to the development of society as a real estate professional by providing society with secure, comfortable and environmentally friendly real estate. Also, by truly understanding that it owes its prosperity to the support of the many stakeholders, and by acting with sincerity and earnestness, the Company is deepening its relationship of trust with these people.

Corporate Vision

- The Company shall contribute to the development of society by providing its customers with secure and comfortable offices and living environments.
- The Company shall deepen its relationship of trust with the shareholders and other stakeholders by constantly striving to transform itself and by acting with sincerity and earnestness.

[Action Policy]

1. Fully understand the link between customer satisfaction and the Company's prosperity and in all activities consider what should be done for the sake of customer satisfaction.
2. Act with sincerity and earnestness in dealings with the various stakeholders who support us.
3. Abide by the rules such as laws and regulations, and internal regulations, and carry out actions based on morality and ethics.
4. Learn the advanced skills and operational competencies required as a professional.

2. Matters Concerning Officers

(1) Directors and Executive Officers

(i) Directors

Position at the Company	Name	Business in charge	Status of important concurrent positions
Chairperson of the Board of Directors	Yukio Obara	Chairman of the Nomination Committee Member of the Audit Committee Chairman of the Remuneration Committee	Outside Auditor, Showa Denko K.K.
Director	Masao Fujioka	Member of the Nomination Committee	
Director	Kenichiro Otake	Member of the Nomination Committee Member of the Remuneration Committee	Vice Chairman, Representative Director, Otsuka Holdings Co., Ltd. Chairman, TKC National Federation
Director	Kimikazu Noumi	Member of the Nomination Committee Member of the Audit Committee Member of the Remuneration Committee	Representative Director and CEO, Innovation Network Corporation of Japan Outside Director, FIDEA Holdings Co., Ltd.
Director	Sadahiko Yoshimura	Member of the Nomination Committee Chairman of the Audit Committee Member of the Remuneration Committee	Outside Corporate Auditor, ISHIHARA HOLDINGS INC. Special-appointment Professor, Graduate School of Aoyama Gakuin University Outside Corporate Auditor, JAFCO Co., Ltd.

(Notes)

- Kenichiro Otake, Kimikazu Noumi and Sadahiko Yoshimura are outside directors as prescribed in Article 2, item 15 of the Companies Act.
- Audit Committee member Yukio Obara served as Representative Director and Deputy President of Mizuho Bank, Ltd. and held other important positions and has a respectable degree of knowledge in finance and accounting.
Audit Committee member Kimikazu Noumi served as President of Norinchukin Zenkyoren Asset Management Co., Ltd. and Chairman and Representative Director, Chief Executive Officer of Aozora Bank, Ltd. and held other important positions and has a respectable degree of knowledge in finance and accounting.
Audit Committee member Sadahiko Yoshimura is qualified as a certified public accountant and has acquired a wealth of experience and expert knowledge from his involvement in the financial affairs of a large number of enterprises and has a high degree of knowledge in finance and accounting.

(ii) Outside Officers

Status of important concurrent positions

Position at the Company	Name	Concurrent positions in other organizations	Notes
Outside director	Kenichiro Otake	Vice Chairman, Representative Director, Otsuka Holdings Co., Ltd. Chairman, TKC National Federation	(Note)
	Kimikazu Noumi	Representative Director and CEO, Innovation Network Corporation of Japan Outside Director, FIDEA Holdings Co., Ltd.	(Note)
	Sadahiko Yoshimura	Outside Corporate Auditor, ISHIHARA HOLDINGS INC. Special-appointment Professor, Graduate School of Aoyama Gakuin University Outside Corporate Auditor, JAFSCO Co., Ltd.	(Note)

(Note) The Company has no important business relations with the organization(s).

Major activities during the fiscal year under review

Position at the Company	Name	Major activities
Outside director	Kenichiro Otake	Kenichiro Otake attended all 14 meetings of the board of directors, all 5 meetings of the Nomination Committee, and all 7 meetings of the Remuneration Committee. He gained broad experience and insight through long-standing and wide-ranging involvement across the entire business industry while working at the Ministry of Finance and National Tax Agency, and also has experience as Vice Chairman, Representative Director of Otsuka Holdings Co., Ltd. Based on such experience and insight, he has made comments on various issues from a broad perspective.
	Kimikazu Noumi	Kimikazu Noumi attended 13 of the 14 meetings of the board of directors, 9 of the 10 meetings of the Audit Committee, 4 of the 5 meetings of the Nomination Committee, and 6 of the 7 meetings of the Remuneration Committee. He has the experience of serving in financial and investment businesses for many years and excellent insight obtained from his abundant CEO experiences as President of Norinchukin Zenkyoren Asset Management Co., Ltd. and Chairman and Representative Director of Aozora Bank, Ltd. Based on such experience and insight, he has made comments on various issues from a broad perspective, mainly in such areas as finance and investment.
	Sadahiko Yoshimura	Sadahiko Yoshimura attended all 14 meetings of the board of directors, all 10 meetings of the Audit Committee, all 5 meetings of the Nomination Committee, and all 7 meetings of the Remuneration Committee. He has acquired a wealth of experience and expert knowledge as a certified public accountant from his involvement in the financial affairs of a large number of enterprises. Based on these experience and knowledge, he has made a variety of comments from the standpoint of strengthening the Company's financial structures, etc., and in terms of supervising the Company's business execution and establishing internal control over the reliability of financial reporting.

Sadahiko Yoshimura has been reported as an independent officer as prescribed in the provisions of Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

Outline of limited liability agreement

The Company has entered into a limited liability agreement with all of the 3 outside directors pursuant to the Company's Articles of Incorporation. The outline of the agreement is as follows:

- In the event that outside directors are liable to the Company for damages after the conclusion of said agreement pursuant to Article 423, paragraph 1 of the Companies Act and they have acted in good faith and without gross negligence in the performance of their duties, the liability of the outside directors shall be limited to the aggregate total of the amounts prescribed in each of the items of Article 425, paragraph 1 of the Companies Act.

(iii) Executive Officers

Position at the Company	Name	Business in charge or important concurrent positions
Representative Executive Officer, President and CEO	Masao Fujioka	
Senior Executive Officer and CFO	Kazuo Kojima	General Manager of Marketable Securities Investment, Public Relations & Investors Relations
Senior Executive Officer	Takeshi Nakagawa	Group General Manager of Real Estate Group Real Estate Business Promotion
Managing Executive Officer	Minoru Kagita	Vice Group General Manager of Real Estate Group Real Estate Planning
Managing Executive Officer and CCO	Yutaka Yamauchi	General Manager of Corporate Auditing, Secretary and Human Resources

(Note) Masao Fujioka concurrently serves as a director and an executive officer.

(2) Remuneration for Directors and Executive Officers

Classification	Number of persons	Remuneration (¥ thousand)
Directors	7	61,926
(of the above, outside directors)	(5)	(32,220)
Executive officers	6	93,391
Total	13	155,317

(Notes)

1. The amount to be paid to executive officers does not include the employee salaries of executive officers who concurrently serve as employees, or ¥32,750 thousand.
2. The amount to be paid to directors who concurrently serve as executive officers is ¥52,151 thousand, which is included in the remuneration for executive officers.
3. The above-mentioned amounts include incentive stock options and stock options exercisable after retirement value of ¥17,355 thousand (¥3,477 thousand for directors, ¥13,878 thousand for executive officers) and bonuses (excluding incentive stock options and stock options exercisable after retirement) of ¥14,855 thousand (¥0 thousand for directors, ¥14,855 thousand for executive officers).

(3) Policy for Determining Details of Remuneration for Executive Officers and Other Officers

The Company gives priority to the sustainable growth of shareholder value, and remuneration for officers shall be granted based on a structure conducive to the priority.

(i) Policy

- (A) In order to increase incentives for better business performance and to secure qualified personnel, greater remuneration shall be granted to officers who make greater contributions to the improvement of business performance.
- (B) The principal duty of directors is to supervise the execution of company operations, and their responsibilities and contributions are not directly linked to the sustainable growth of shareholder value. In view of this fact, their remuneration shall not be performance-based but shall be a fixed amount in principle. By contrast, executive officers take primary responsibility for business performance, and their remuneration shall be linked with achieved performance.
- (C) Accordingly, remuneration systems for directors and executive officers (including executive officers who concurrently serve as directors) shall be different from each other.
While an annual salary for management oversight duties shall be paid to directors, a cash bonus as a short-term incentive shall not be paid, and, from the viewpoint of sharing the sustainable growth of corporate value and potential risks with shareholders, stock options exercisable after retirement as a long-term incentive shall be granted to directors. As the role of executive officers lies in the sustainable growth of shareholder value, their remuneration shall include an annual salary linked to their responsibilities and cash bonuses linked to their contribution to business performance and, from the viewpoint of sharing the sustainable growth of corporate value and potential risks with shareholders, stock options exercisable after retirement as a long-term incentive shall be granted to executive officers.
- (D) From the viewpoint of granting bonuses according to business performance, cash bonuses shall be linked to consolidated net income.
- (E) Each component of remuneration shall be of the appropriate level according to assigned responsibilities in terms of value and structural proportion, taking into account the result of an external institution's survey regarding the remuneration of domestic and foreign corporate managers.

(ii) Remuneration Structure for Officers

The remuneration structure for officers is as follows.

Directors

- Annual salary
- Stock options exercisable after retirement (long-term incentive)

Executive officers

- Annual salary
- Cash bonus
- Stock options exercisable after retirement (long-term incentive)

- (A) Cash bonuses shall be up to 3% of consolidated net income.
- (B) Stock options exercisable after retirement with a 20-year exercise period whose exercise price is based on the market price at the time of granting, and which are considered as a long-term incentive, shall be of fixed numbers in consideration of the oversight function with regard to directors, and shall be granted in accordance with responsibilities and contribution to the enhancement of corporate value with regard to executive officers.

The Company has abolished the granting of medium-term incentive-type stock options for fiscal 2010 and thereafter.

3. Accounting Auditors

(1) Name: KPMG AZSA LLC

(2) Remuneration for the Fiscal Year Under Review

Remuneration with respect to the operations prescribed in Article 2, paragraph 1 of the Certified Public Accountant Act (Act No. 103 of 1948): ¥36 million

(Note) Since the remuneration for the audit operations pursuant to the Companies Act and the remuneration for the audit operations pursuant to the Financial Instruments and Exchange Act are not clearly separated in the audit contract between the Company and accounting auditors and cannot be substantively separated, the above-stated amount represents the aggregate amount of these remunerations.

(3) Total amount of cash and other property benefits to be paid by the Company and its consolidated subsidiaries to accounting auditors: ¥36 million

(4) Policy for Decisions on Dismissal or Non-reappointment of Accounting Auditors

In cases where the Audit Committee deems that an accounting auditor is having difficulty in conducting audit operations appropriately, or where it deems the dismissal or non-reappointment of the accounting auditor to be appropriate for any other reason, the Company shall propose the dismissal or non-reappointment of the accounting auditor as an agenda item at a general meeting of shareholders.

In the case where it is deemed that the accounting auditor is subject to any of the reasons for dismissal prescribed in Article 340, paragraph 1 of the Companies Act, the Audit Committee shall dismiss the accounting auditor and the committee member selected by the committee shall report the dismissal and the reasons thereof at the first general meeting of shareholders held since the dismissal.

[Reference]

Companies Act

Gist of Article 340 (Dismissal of Accounting Auditors by Audit Committee)

(in accordance with the word replacement applied subject to the provision of paragraph 5 of the same Article)

(1) The Audit Committee may dismiss an accounting auditor if that accounting auditor:

(i) has breached his or her duty in the course of his/her duties, or neglected his/her duties;

(ii) has engaged in conduct inappropriate for an accounting auditor; or

(iii) has difficulty in, or is unable to cope with the execution of his/her duties due to mental or physical disability.

4. Corporate System and Policy

(1) Policy for Decisions on Distribution of Surplus

In order to achieve medium- and long-term growth and increase shareholders' returns, the Company makes it its basic dividend policy to sustain the consolidated dividend payout ratio of 30%, considering the balance between the increase in internal reserves and the return of profits to shareholders.

For the fiscal year under review, the Company has decided to pay a year-end dividend of ¥5 per share (annual dividend of ¥10 per share) as originally planned, as our business performance was almost the same as expected.

Although the severe business environment is expected to continue in the next fiscal year, the Company plans to pay a full-year dividend of ¥10 per share (including an interim dividend of ¥5 per share), the same as the fiscal year under review.

(2) System to Ensure the Properness of Operations

The following are the key points of the decisions made by the board of directors in order to develop a system to ensure the properness of operations of the Company.

The Company's corporate vision is to contribute to the development of society by providing its customers with secure and comfortable offices and living environments, and to deepen its relationship of trust with the shareholders and other stakeholders by constantly striving to transform itself and by acting with sincerity and earnestness. To this end, the Company is working to establish a corporate governance system by strengthening the power of execution and reinforcing the function of the board of directors' "checks and balances" for operating divisions.

- (i) Matters concerning directors and employees responsible for assisting with the duties of the Audit Committee
The body responsible for assisting with the duties of the Audit Committee shall be the Corporate Auditing Office.

Employees responsible for assisting with the duties of the Audit Committee shall belong to the Corporate Auditing Office.

- (ii) Matters concerning the independence of such directors and employees from executive officers (hereinafter including division executives, described in (viii) below)

The consent of the Audit Committee shall be required to determine personnel changes, performance appraisals, and salaries with respect to the employees.

- (iii) System to report to the Audit Committee by executive officers and employees, and other systems to report to the Audit Committee

Matters to be reported by executive officers and employees to the Audit Committee are as follows.

- Where they discover any facts that may cause serious damage to the Company, they shall report on matters related to said facts.

- The executive officer in charge of the accounting and tax planning group shall report on details regarding profit and loss and assets.

- General managers and executive officers in charge of business operations shall report on the status of risk management implemented by each committee of each operating division.

- The chief compliance officer shall report on the activities of the Corporate Ethics Committee and any actions reported by executive officers and employees that violate the "Shoei Group Code of Corporate Conduct."

- The general manager of the Corporate Auditing Office shall report on the status of implementation of internal audits.

- (iv) Other systems aimed at ensuring effective audits by the Audit Committee

In order to enhance the auditing functions of the Audit Committee and to appropriately verify and oversee management operations, the committee chairman who serves as outside director shall attend the meetings of the board of directors and other important committees related to internal controls. The members of the Audit Committee (full-time) regularly attend the important company meetings and inspect and examine important documents, such as internal circulars for managerial decisions. All members of the Audit Committee shall attend the meetings of the Internal Audit Committee, whose members consist of the president and CCO. At these meetings, they are to report on the results of internal audits and seek responses to matters to be corrected from relevant divisions, offices, and groups. They provide instructions on corrections, conduct follow-ups for the implementation of corrections, and report on the results thereof to the president. The Internal Audit Committee fulfills the checks-and-balances mechanisms within operating divisions, in coordination with the Audit Committee. In order to ensure the appropriateness of financial reporting, the

representative executive officer and president establishes an internal control system and has the Corporate Auditing Office evaluate the effectiveness thereof.

- (v) System to ensure the properness of operations in the corporate group comprised of the Company, its parent company (if any) and subsidiaries

The jurisdiction and matters to be implemented annually of the Real Estate Group and subsidiaries of the Company shall be precisely prescribed in the “company regulations” and the annual management plan for each year. Subsidiaries shall be managed in accordance with the “regulations on business management of subsidiaries.” Moreover, in order to establish internal controls across the Group, representatives of subsidiaries shall be appointed as group officers who are assigned responsibility for internal controls within their respective company. The group officers shall report on business performance and a range of management issues at the monthly performance report meeting. Furthermore, any decision on the matters concerning subsidiaries that meet certain standards requires consultation with the relevant division of the Company and the approval of the president. In principle, the general manager of the Corporate Auditing Office shall hold the concurrent post of corporate auditor of subsidiaries and conduct periodic audits of subsidiaries.

- (vi) System for the preservation and management of information regarding the execution of duties by executive officers

Important information shall be preserved and managed in accordance with the “regulations on management of documents, etc.,” and must be made available for inspection by the Audit Committee at any time.

- (vii) Regulation on the management of risk of loss, and other systems

Pursuant to the “crisis management regulations” and “risk management regulations,” a risk management system shall be developed and the operation thereof shall be enhanced under the leadership of the chief compliance officer. As for risk management, the Company regards it as important that structures to reduce potential risk factors be incorporated in business operations, and such structures be monitored as to whether they are working properly or not. Potential risks shall be examined primarily at theme-specific meetings such as the marketable securities investment meeting, the financial strategy meeting, and management meetings of subsidiaries. The state of risks of the entire Group shall be reviewed at Comprehensive Risk Management Conferences held every quarter, and the necessary countermeasures shall be implemented.

- (viii) System to ensure efficiency in the execution of duties by executive officers

As a company adopting the committee system, the Company adopts the structures in which the directors’ function of management supervision shall be separated from the executive officers’ function of business execution; thereby the directors supervise the executive officers’ execution of duties. With regard to the function of business execution, executive officers play the part of business execution pertaining to overall management (corporate and business management, creation of overall corporate strategy, formulation and execution of business plans). Under the supervision of executive officers, division executives assume responsibilities of managing the relevant division, operations and advanced professional projects, as well as formulating and executing individual business strategies. The board of directors shall examine draft annual plans formulated by operating divisions and decide on a final annual plan. Executive officers in charge of business divisions shall, based on their authorities, formulate specific policy items in line with the annual plan and implement them. With regard to business management, time schedules pertaining to the planning, execution and progress of projects shall be managed on a monthly basis, and the results shall be reported at the monthly performance report meeting, followed by instructions on matters to be solved and the prompt solutions thereof. In addition to quarterly financial results reported by executive officers every three months, the board of directors shall receive reports from the monthly performance report meeting and provide instructions such as the revision of targets, if necessary. Relevant operating divisions shall revise the plan in line with these instructions and implement the new plan. In areas where the Company deems that further reforms are required (reviewed annually), specialized committees (attended by the directors and the relevant executive offices) shall be established to discuss the matters. One outside director takes part in each committee, in consideration of the respective fields of expertise of outside directors.

- (ix) System to ensure compliance of execution of duties by employees with laws and regulations and the Articles of Incorporation

With regard to internal controls, the implementation of business management, operational control, compliance, risk management and internal audit shall be accompanied by the observance of various rules, deliberations at committees, etc.

In particular, internal control frameworks to ensure accuracy and reliability in financial reporting shall be reinforced.

With a view to fulfilling corporate social responsibility in terms of compliance, the Company shall ensure thorough compliance with laws and regulations and the Articles of Incorporation, and rejects any relationship with antisocial forces, which threaten public order and safety and impede economic activities.

The Company also commits itself to the upholding of corporate ethics and the assurance of sound management practices. The Corporate Ethics Committee shall verify the state of compliance in accordance with the “Shoei Group Code of Corporate Conduct.”

The Company has introduced the following checking system. Internal circular resolution matters are checked by specialized divisions from the perspectives of respective professional fields. Then the division in charge of compliance checks the matter in a comprehensive manner. Each of these divisions provides signature confirmation and comments as necessary in the space provided on the internal circular to the effect that the final approver is able to make his/her decision taking the record on the internal circular into consideration.

REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposal: Election of Six (6) Directors

The terms of office of all five (5) directors expire at the closing of this meeting. Accordingly, we hereby propose that six (6) directors be elected based on the decision of the Nomination Committee.

As the Company has adopted the committee system, the board of directors plays a role in supervising the Company's business execution.

We also propose to increase the number of directors who concurrently serve as executive officers by one (1) to facilitate future business operations.

The nominees for directors and reasons for recommendation are as follows:

Nominee No.	Name (Date of birth)	Brief personal history, position, business in charge and important concurrent positions	Number of the Company's shares held	Special interests in the Company
1	Yukio Obara (February 8, 1947)	April 2002 Representative Director, Deputy President, Mizuho Holdings, Inc. January 2003 Representative Director, Deputy President, Mizuho Financial Group, Inc. March 2003 Representative Director, Deputy President, Mizuho Bank, Ltd. June 2004 Corporate Auditor (full-time), Mizuho Financial Group, Inc. June 2004 Corporate Auditor, Mizuho Holdings, Inc. June 2004 Corporate Auditor, Mizuho Corporate Bank, Ltd. June 2005 President & CEO, Mizuho Information & Research Institute, Inc. March 2010 Chairperson of the Board of Directors, Shoei Co., Ltd. (Present) March 2010 Auditor, Showa Denko K.K. (Present)	10,100	None
2	Masao Fujioka (August 19, 1950)	April 2002 General Manager of Otemachi Corporate Banking Division No.1, Mizuho Corporate Bank, Ltd. March 2003 Executive Officer, General Manager of Otemachi Corporate Banking Division No.1, Mizuho Corporate Bank, Ltd. April 2004 Managing Executive Officer in charge of Corporate Banking, Mizuho Corporate Bank, Ltd. March 2006 Managing Executive Officer, Chief Risk Officer, Chief Human Resources Officer, Mizuho Corporate Bank, Ltd. April 2007 Managing Director and Managing Executive Officer, Chief Risk Officer, Chief Human Resources Officer, Mizuho Corporate Bank, Ltd. March 2009 Retired from Mizuho Corporate Bank, Ltd. March 2009 Director, Senior Executive Officer and CSO, General Manager of Public Relations & Investors Relations, Shoei Co., Ltd. March 2010 Director, Representative Executive Officer, President and CEO, Shoei Co., Ltd. (Present)	23,100	None

Nominee No.	Name (Date of birth)	Brief personal history, position, business in charge and important concurrent positions	Number of the Company's shares held	Special interests in the Company
3	Shuji Ayabe (March 15, 1956)	<p>April 2004 General Manager of Real Estate Finance Division, Mizuho Corporate Bank, Ltd.</p> <p>April 2005 General Manager of Corporate Banking Division No.17, Mizuho Corporate Bank, Ltd.</p> <p>April 2007 Executive Officer, General Manager of Corporate Banking Division No.17, Mizuho Corporate Bank, Ltd.</p> <p>April 2009 Managing Executive Officer in charge of Corporate Banking, Mizuho Corporate Bank, Ltd. (Present)</p>	0	None
4	Kenichiro Otake (July 10, 1946)	<p>June 2001 Director-General of the Tax Bureau, Ministry of Finance</p> <p>July 2004 Commissioner, National Tax Agency</p> <p>July 2005 Deputy President, the Shoko Chukin Bank</p> <p>July 2008 Vice Chairman, Representative Director, Otsuka Holdings Co., Ltd. (Present)</p> <p>March 2009 Director, Shoei Co., Ltd. (Present)</p> <p>July 2009 Chairman, TKC National Federation (Present)</p>	12,700	None
5	Kimikazu Noumi (October 24, 1945)	<p>June 2002 Senior Managing Director, the Norinchukin Bank</p> <p>June 2004 President, Norinchukin Zenkyoren Asset Management Co., Ltd.</p> <p>February 2007 Chairman and Representative Director, Chief Executive Officer, Aozora Bank, Ltd.</p> <p>May 2008 Special-appointment Professor, Graduate School of Hitotsubashi University</p> <p>March 2009 Director, Shoei Co., Ltd. (Present)</p> <p>July 2009 Representative Director and CEO, Innovation Network Corporation of Japan (Present)</p> <p>October 2009 Director, FIDEA Holdings Co., Ltd. (Present)</p>	10,000	None
6	Sadahiko Yoshimura (October 18, 1947)	<p>May 2002 Executive Director, Shin Nihon & Co. (now Ernst & Young ShinNihon LLC)</p> <p>May 2004 Deputy Chief Executive Officer, Ernst & Young ShinNihon LLC</p> <p>August 2008 Senior Advisor, Ernst & Young ShinNihon LLC</p> <p>March 2009 Director, Shoei Co., Ltd. (Present)</p> <p>July 2009 Corporate Auditor, ISHIHARA HOLDINGS INC. (Present)</p> <p>April 2010 Special-appointment Professor, Graduate School of Aoyama Gakuin University (Present)</p> <p>June 2010 Corporate Auditor, JAFCO Co., Ltd. (Present)</p>	10,000	None

(Note) Nominee for director Shuji Ayabe will leave his present position above on March 24, 2011.

Nominees Kenichiro Otake, Kimikazu Noumi and Sadahiko Yoshimura are the candidates for the outside directors.

The reasons for recommending the respective nominees are as follows:

Yukio Obara will be able to fulfill a key role in decision-making concerning serious management issues and overseeing business execution. He will have served as director for the Company for one year at the conclusion of this meeting.

Masao Fujioka has been in charge of decision-making concerning the Company's serious management issues and business execution since March 2009 as Director and Senior Executive Officer of the Company, and since March 2010 as Director, Representative Executive Officer and President of the Company. These experiences will enable him to fulfill a key role in business execution. He will have served as director for the Company for two years at the conclusion of this meeting.

Shuji Ayabe has served in corporate finance and real estate finance businesses for many years in Mizuho Corporate Bank, Ltd., which will enable him to fulfill a key role in decision-making concerning the Company's serious management issues and business execution.

Kenichiro Otake worked in the Ministry of Finance and National Tax Agency and thus has a broad connection

with the business industry. His broad experience and judgment as well as experience as Deputy President of the Shoko Chukin Bank will enable him to play a major role in decision-making concerning the Company's serious management issues and supervising the execution of its operations, and he is well qualified as an outside director. He will have served as director for the Company for two years at the conclusion of this meeting.

Kimikazu Noumi has the experience of serving in financial and investment businesses for many years. His abundant CEO experiences as President of Norinchukin Zenkyoren Asset Management Co., Ltd. and Chairman and Representative Director of Aozora Bank, Ltd. will enable him to play a major role in decision-making concerning the Company's serious management issues and supervising the execution of its operations, and he is well qualified as an outside director. He will have served as director for the Company for two years at the conclusion of this meeting.

Sadahiko Yoshimura has acquired a wealth of experience and expert knowledge as a certified public accountant from his involvement in the financial affairs of a large number of enterprises. In matters such as strengthening the Company's financial structures, his experience and expert knowledge will enable him to play a major role in supervising the execution of the Company's operations, especially in terms of internal control over the reliability of financial reporting, and he is well qualified as an outside director. He has been reported as an independent officer as prescribed in the provisions of Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. He will have served as director for the Company for two years at the conclusion of this meeting.

Details regarding limited liability agreements with outside directors are as follows:

Pursuant to Article 427 of the Companies Act and Article 31 of the Articles of Incorporation, the Company entered into a limited liability agreement with each of the three incumbent outside directors. Under this agreement, if any damage is inflicted on the Company by outside directors who have acted in good faith and without gross negligence in the performance of their duties, the Company shall bear liability for the damage up to the two-year total of cash and other property benefits which the outside directors are to receive as a consideration for the execution of their duties during their tenure.

The Company plans to renew the agreements with Kenichiro Otake, Kimikazu Noumi and Sadahiko Yoshimura upon approval of their reappointment.

Exercise of Voting Rights via the Internet

1. You can exercise your voting rights by the following means.

You can:

- (a) attend the meeting in person, or
- (b) send the enclosed Exercise of Voting Rights Form to the Company by mail, or
- (c) exercise your voting rights via the Internet.

If you exercise your voting rights using any one of the above three methods, you need not additionally exercise your voting rights with any of the other two. For example, if you choose to adopt method (c), you are not required to send the Exercise of Voting Rights Form by mail.

2. Cautions regarding the exercise of voting rights via the Internet

Please carefully read and understand the following matters before you exercise your voting rights via the Internet.

- 1) Your exercise of voting rights is only available by way of accessing the designated websites (refer to the URLs below). Take note that you cannot vote via the Internet on a mobile phone. You need the “Exercise of Voting Rights Code” and the “Password” printed on the enclosed Exercise of Voting Rights Form.
- 2) The “Exercise of Voting Rights Code” and the “Password” that are sent for your use are effective only for the 81st Ordinary General Meeting of Shareholders. The Company will issue and give you another code and password for the next meeting.
- 3) If you have exercised your voting rights both by sending the Exercise of Voting Rights Form and via the Internet, only the exercise of voting rights via the Internet shall be deemed effective.
- 4) If you have exercised your voting rights several times via the Internet, only the final exercise shall be deemed as your effective exercise of voting rights.
- 5) The various expenses regarding the Internet (e.g., fee for connection with the provider, communication charge) shall be borne by the shareholders who exercise their voting rights via the Internet.

3. Procedure for the exercise of voting rights via the Internet

- 1) Please access a designated URL (either <http://www.it-soukai.com> or <https://daiko.mizuho-tb.co.jp>). However, you cannot access these URLs from 3 a.m. to 5 a.m., even during the exercise period.
- 2) Input first your “Exercise of Voting Rights Code” and “Password,” then click on the “Log In” button. The “Exercise of Voting Rights Code” and the “Password” are printed at the lower right on the enclosed Exercise of Voting Rights Form.
- 3) Enter your vote of approval or disapproval by following the instructions on the screen.
- 4) The exercise of voting rights is acceptable until 6 p.m. on Thursday, March 24, 2011.

4. PC environment for use

Personal computer (OS)	Windows [®] models (Not applicable to mobile phones, PDAs or game machines.)
Browser software	Microsoft [®] Internet Explorer 5.5 or later
Internet viewable environment	An Internet-compliant environment that allows you to use the Internet service under agreement with a provider
Screen resolution	A resolution of 1024 × 768 pixels or higher is recommended. Microsoft Windows is a registered trademark or brand of Microsoft Corporation, a U.S. corporation, in the U.S. and other countries.

5. Security

To prevent unauthorized access by anyone other than the Company's shareholders and/or falsification of the details in the exercise of voting rights, our Internet-based voting service adopts encryption technology (SSL 128 bit) for telecommunications security. You are requested to carefully handle the "Exercise of Voting Rights Code" and the "Password," both of which are critical to authenticate your identity. Please keep them secure at all times.

Please also understand that we will never contact shareholders to make an inquiry about their Password.

For Your Inquiries (Japanese only)

1) For all inquiries pertaining to the operation of a personal computer, etc., for the exercise of voting rights via the Internet, please contact:

Mizuho Trust & Banking Co., Ltd., Stock Transfer Agency Department **INTERNET HELPLINE**

Tel.: 0120-768-524 (toll free)

(Business hours: 9 a.m. to 9 p.m. excluding weekends and holidays)

2) For all other inquiries, including change of address, please contact:

Mizuho Trust & Banking Co., Ltd., Stock Transfer Agency Department

Tel.: 0120-288-324 (toll free)

(Business hours: 9 a.m. to 5 p.m. excluding weekends and holidays)