

June 9, 2010

**To Our Shareholders**

Eisei Miyama  
President and CEO  
Leopalace21 Corporation  
2-54-11 Honcho, Nakano-ku, Tokyo

**Notice of the 37th Ordinary General Shareholders' Meeting**

You are cordially invited to attend the 37th Ordinary General Shareholders' Meeting of Leopalace21 Corporation ("the Company"). The meeting will be held as described below.

**If you are unable to attend the meeting, you may exercise your voting rights by either of the following methods. Please exercise your voting rights no later than 6:00 p.m. on Thursday, June 24, 2010.**

**[Exercising your voting rights in writing]**

Please refer to pages 3 to 8 of the Reference Materials for the General Shareholders' Meeting, indicate "for" or "against" for each agenda item shown on the enclosed Voting Rights Exercise Form and return it in time for delivery by the deadline mentioned above.

In the event that no indication of "for" or "against" has been made, this shall be treated as the intent of approval.

**[Exercising your voting rights via the Internet, etc.]**

Please access the Voting Rights Exercise Site: <http://www.evote.jp/>, which is designated by the Company. Enter the "Login ID" and "Temporary Password" noted on the enclosed Voting Rights Exercise Form, refer to pages 3 to 8 of the Reference Materials for the General Shareholders' Meeting or reference materials on the Voting Rights Exercise Site, follow the instructions on the screen, and indicate "for" or "against" for each agenda item.

In addition, if you exercise your voting rights both in writing and via the Internet, the voting via the Internet shall prevail.

## Details

1. **Date and Time:** June 25, 2010 (Friday), 10:00 a.m.
2. **Place:** Leopalace21 Corporation, Head Office,  
Event Hall on B1 floor  
2-54-11 Honcho, Nakano-ku, Tokyo
3. **Agenda for the Meeting**  
**Matters to be reported:**
  1. Report on the Business Report, Consolidated Financial Statements, and Results of Audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors for the 37th Fiscal Term (from April 1, 2009 to March 31, 2010)
  2. Report on Non-consolidated Financial Statements for the 37th Fiscal Term (from April 1, 2009 to March 31, 2010)  
**Matters to be resolved:**
  - Proposal No. 1:** Amendments to the Articles of Incorporation
  - Proposal No. 2:** Appointment of Eight (8) Directors
  - Proposal No. 3:** Appointment of One (1) Corporate Auditor

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Note: For those attending the meeting in person, please present the enclosed Voting Rights Exercise Form at the reception desk.

Should any amendments be made to the Reference Materials for the General Shareholders' Meeting, the Business Report, Non-consolidated Financial Statements or Consolidated Financial Statements, such amendments will be posted on the Company website at <http://www.leopalace21.co.jp/IR/>.

Trust banks and other nominee shareholders (including standing proxies) who have applied in advance to use the electronic voting platform operated by ICJ, Inc. (a joint-venture company established by Tokyo Stock Exchange, Inc. and others) may use this platform rather than voting via the Internet to electronically exercise voting rights for the Company's General Shareholders' Meeting.

We would like to seek shareholders' understanding that, taking into account the recent economic conditions and the Company's financial results for the fiscal term under review, we have decided not to hold a party where a light meal is served after the General Shareholders' Meeting, which we had held until last year, and not to give gifts to shareholders.

## Reference Materials for the General Shareholders' Meeting

### Proposal No. 1: Amendments to the Articles of Incorporation

#### 1. Rationale for amendments

- (1) To facilitate the recruitment of outstanding people with a high level of independence to serve as Outside Directors and make it possible for these people to show their abilities sufficiently and fulfill the roles expected of them when executing their duties, the Company has newly established in the Articles of Incorporation provisions (Amendment Proposal No. 28) allowing it to enter into agreements limiting their liability in accordance with Article 427-1 of the Companies Act. The new establishment of this provision has been consented to by each Corporate Auditor.
- (2) To facilitate the recruitment of outstanding people with a high level of independence to serve as Outside Corporate Auditors and make it possible for these people to show their abilities sufficiently and fulfill the roles expected of them when executing their duties, the Company has newly established in the Articles of Incorporation provisions (Amendment Proposal No. 38) allowing it to enter into agreements limiting their liability in accordance with Article 427-1 of the Companies Act.

#### 2. Details of amendments

Details of the amendments are as follows.

(Proposed amendments are underlined)

Existing Articles of Incorporation	Proposed Amendments
Article 1. - 27. <Omitted> (Newly established)	Article 1. - 27. <As per the existent article> <u>(Agreements Limiting the Liability of Outside Directors)</u> Article 28. <u>In accordance with the provision of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with an Outside Director to the effect that his/her liability as provided for under Article 423, Paragraph 1 of the Companies Act is limited. This limit, however, shall be the amount stipulated by laws and regulations.</u>
Article 28. - 36. <Omitted> (Newly established)	Article 29. - 37. <As per the existent article> <u>(Agreements Limiting the Liability of Outside Corporate Auditors)</u> Article 38. <u>In accordance with the provision of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with an Outside Corporate Auditor to the effect that his/her liability as provided for under Article 423, Paragraph 1 of the Companies Act is limited. This limit, however, shall be the amount stipulated by laws and regulations.</u>
Article 37. - 39. <Omitted>	Article 39. - 41. <As per the existent article>

## Proposal No. 2: Appointment of Eight (8) Directors

The term of office of all nine (9) Directors will expire at the conclusion of this Ordinary General Shareholders' Meeting. Accordingly, it is proposed that eight (8) Directors (including five (5) candidates for reappointment) be appointed.

(\* means a new candidate.)

Candidate number	Name (Date of birth)	Career summary, and positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
1	Eisei Miyama (November 13, 1957)	<p>October 1977      Joined Leopalace21 Corporation</p> <p>April 1990        Manager of the 3rd Sales Department, Leopalace21 Corporation</p> <p>June 1990        Director, Leopalace21 Corporation</p> <p>January 1993     Manager of the Saitama Sales Department, Leopalace21 Corporation</p> <p>January 1996     Executive Director of Management, Leopalace21 Corporation</p> <p>November 1996   General Manager of the Leasing Business Headquarters, Leopalace21 Corporation</p> <p>April 2003        Senior Managing Director, Leopalace21 Corporation</p> <p>June 2006        General Manager of the Broadband Business Headquarters, Leopalace21 Corporation</p> <p>October 2006     General Manager of the East Japan Sales Headquarters, Leasing Business Headquarters, Leopalace21 Corporation</p> <p>June 2007        General Manager of the Leasing Business Headquarters, Leopalace21 Corporation</p> <p>April 2008        Deputy General Manager of the Sales Headquarters, Leopalace21 Corporation General Manager of the Silver Business Headquarters, Leopalace21 Corporation General Manager of the Hotel Business Headquarters, Leopalace21 Corporation</p> <p>April 2009        Senior Managing Director and Senior Executive Officer, Leopalace21 Corporation Manager of the Management Planning Headquarters, Leopalace21 Corporation</p> <p>November 2009   Manager of the Leasing Business Division, Leopalace21 Corporation Supervising Manager of Leopalace Center, Leasing Business Division, Leopalace21 Corporation Manager of the BB Promotion Department, Leasing Business Division, Leopalace21 Corporation</p> <p>December 2009   Vice President and Representative Director, Leopalace21 Corporation Manager of the 1st Sales Department, Leasing Business Division, Leopalace21 Corporation</p> <p>February 2010    President and CEO, Leopalace21 Corporation (incumbent) Manager of the Marketing and Sales Headquarters, Leopalace21 Corporation (incumbent)</p>	115,400 shares

Candidate number	Name (Date of birth)	Career summary, and positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
2	Tadahiro Miyama (January 21, 1966)	<p>September 1985    Joined Leopalace21 Corporation</p> <p>July 1998        General Manager of the Kanagawa Sales Headquarters, Leopalace21 Corporation</p> <p>October 2002    Manager of the Sales and Marketing General Headquarters, Leopalace21 Corporation</p> <p>June 2003        Director, Leopalace21 Corporation Deputy General Manager of the Sales and Marketing General Headquarters, Leopalace21 Corporation</p> <p>June 2006        Deputy General Manager of the Subcontracting Business Headquarters, Leopalace21 Corporation</p> <p>October 2006    Director and Managing Executive Officer, Leopalace21 Corporation General Manager of the Subcontracting Business Headquarters, Leopalace21 Corporation</p> <p>May 2007        Executive Director of Management, Leopalace21 Corporation</p> <p>June 2007        General Manager of the East Japan Sales Headquarters, Subcontracting Business Headquarters, Leopalace21 Corporation</p> <p>April 2009       Executive Director of Management and Managing Executive Officer, Leopalace21 Corporation (incumbent) Manager of the Sales and Marketing General Headquarters, Leopalace21 Corporation Manager of the Subcontracting Business Department, Leopalace21 Corporation Manager of the Subcontracting Sales Department, Leopalace21 Corporation</p> <p>October 2009    Manager of the Sales Planning Department, Subcontracting Business Division, Leopalace21 Corporation</p> <p>April 2010       Manager of the Construction Subcontracting Business Division, Leopalace21 Corporation (incumbent) Manager of the Eastern Japan Construction Subcontracting Department, the Construction Subcontracting Business Division, Leopalace21 Corporation (incumbent)</p>	3,300 shares
3	Hiroyuki Miyata (November 7, 1947)	<p>April 2008       Joined Leopalace21 Corporation Senior Executive Officer, Leopalace21 Corporation General Manager of the Administrative Headquarters, Leopalace21 Corporation</p> <p>June 2008        Director and Senior Executive Officer, Leopalace21 Corporation (incumbent)</p> <p>April 2009        Manager of the Management Headquarters, Leopalace21 Corporation (incumbent)</p> <p>November 2009   Manager of the Business Planning Headquarters, Leopalace21 Corporation (incumbent)</p>	4,700 shares

Candidate number	Name (Date of birth)	Career summary, and positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
4	Yoshikazu Miike (July 8, 1957)	<p>October 1980      Joined Leopalace21 Corporation</p> <p>April 1999        Manager of the Sales and Marketing General Headquarters, Leopalace21 Corporation</p> <p>June 1999        Director, Leopalace21 Corporation Deputy General Manager of the Sales and Marketing General Headquarters, Leopalace21 Corporation</p> <p>October 2003     Deputy General Manager of the Leasing Business Headquarters, Leopalace21 Corporation</p> <p>October 2006     Director and Managing Executive Officer, Leopalace21 Corporation (incumbent) Representative in charge of the Kyushu region, West Japan Sales Headquarters, Leasing Business Headquarters, Leopalace21 Corporation</p> <p>June 2007        Representative in charge of the West Japan regions, Leasing Business Headquarters, Leopalace21 Corporation</p> <p>April 2008        Representative in charge of the East Japan regions, Leasing Business Headquarters, Leopalace21 Corporation</p> <p>April 2009        Manager of the Related Business Headquarters, Leopalace21 Corporation Manager of the Silver Business Department, Leopalace21 Corporation</p> <p>April 2010        Manager of the Leasing Business Division, Leopalace21 Corporation (incumbent) Manager of the Western Japan Leasing and Administration Department, Leasing Business Division, Leopalace21 Corporation (incumbent)</p>	63,400 shares
5	Kou Kimura (January 19, 1955)	<p>May 1984        Joined Leopalace21 Corporation</p> <p>May 1995        Manager of the Construction Department, Construction Division, Leopalace21 Corporation</p> <p>June 1999        Director, Leopalace21 Corporation</p> <p>May 2002        Manager of the Construction Division, Leopalace21 Corporation</p> <p>June 2006        General Manager of the Construction Headquarters, Leopalace21 Corporation</p> <p>October 2006     Director and Managing Executive Officer, Leopalace21 Corporation (incumbent)</p> <p>April 2009        Manager of the Construction Division, Leopalace21 Corporation</p> <p>April 2010        Manager of the Core Business Management Division, Leopalace21 Corporation (incumbent)</p>	25,700 shares
6	*Fumiaki Yamamoto (April 1, 1957)	<p>April 1979        Joined The Kyowa Bank, Ltd. (now Resona Bank, Limited.)</p> <p>November 2002    General manager, credit 3rd department, The Asahi Bank, Ltd.</p> <p>April 2004        Executive Officer, vice head and general manager of credit administration department, Resona Bank, Limited.</p> <p>April 2008        Executive Officer, in charge of credit planning department, Resona Bank, Limited.</p> <p>April 2010        Joined Leopalace21 Corporation Managing Executive Officer, Leopalace21 Corporation (incumbent) Manager of the Business Structure Reform Headquarters, Leopalace21 Corporation (incumbent)</p>	—

Candidate number	Name (Date of birth)	Career summary, and positions and duties in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares held
7	*Yuzuru Sekiya (September 1, 1957)	<p>April 1980      Joined The Sumitomo Bank, Limited (now Sumitomo Mitsui Banking Corporation)</p> <p>April 2004      Manager of Tokyo Credit Business Dept IV, Sumitomo Mitsui Banking Corporation</p> <p>April 2008      Head of Credit Monitoring Dept. of Credit Dept. I, Middle Market Banking Unit, Sumitomo Mitsui Banking Corporation</p> <p>April 2010      Joined Leopalace21 Corporation on loan Executive Officer, Leopalace21 Corporation (incumbent) Deputy General Manager of the Management Headquarters, Leopalace21 Corporation (incumbent)</p>	—
8	*Tetsuji Taya (December 14, 1963)	<p>April 1987      Joined The Fuji Bank, Limited (now Mizuho Corporate Bank, Ltd.)</p> <p>May 2003      Managing Director, The Industrial Revitalization Corporation of Japan</p> <p>April 2007      Board Member &amp; Managing Director, Industrial Growth Platform, Inc.</p> <p>September 2009      Representative Director, Industrial Growth Platform, Inc. (incumbent)</p>	—

Notes:

1. Mr. Tetsuji Taya is a candidate for Outside Director.
2. Mr. Tetsuji Taya will use his abundant knowledge and experience accumulated during his career as well as his keen insight to provide advice on the overall management of the Company and strengthen the monitoring functions of the execution of duties, therefore, we ask for his appointment as Outside Director. The Company has been paying remunerations under a consulting agreement for the past two (2) years to Industrial Growth Platform, Inc., where he serves as Representative Director.
3. Other than the above, there is no particular conflict of interest between any of the candidates and the Company.
4. If this Proposal and Proposal No. 1 are approved as proposed, the Company shall enter into an agreement with candidate for Outside Director Tetsuji Taya limiting his liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of same, whereby the maximum amount of liability under said agreement shall be the amount prescribed by laws and regulations.

### Proposal No. 3: Appointment of One (1) Corporate Auditor

As Mr. Masami Matsushita, Corporate Auditor, will resign at the conclusion of this Ordinary General Shareholders' Meeting, it is proposed that one (1) Corporate Auditor be appointed as substitute for Mr. Masami Matsushita.

The term of office of the Corporate Auditor, if appointed, shall be until the expiration of the previous Corporate Auditor's term in accordance with the Articles of Incorporation of the Company.

The Board of Corporate Auditors has already given consent to this proposal.

The candidate for Corporate Auditor is as follows:

(\* means a new candidate.)

Name (Date of birth)	Career summary and positions in the Company (Significant concurrent positions outside the Company)		Number of the Company's shares held
*Masahiko Nakamura (October 25, 1947)	April 1966	Joined Sendai Regional Taxation Bureau, National Tax Agency	-
	July 1994	Deputy District Director of Musashino Tax Office, National Tax Agency	
	July 2002	District Director of Suginami Tax Office, Tokyo Regional Taxation Bureau, National Tax Agency	
	July 2006	Assistant Regional Commissioner (Fourth Large Enterprise Examination), Tokyo Regional Taxation Bureau, National Tax Agency	
	August 2007	Established Masahiko Nakamura Certified Tax Accountant Office (incumbent)	

#### Notes:

1. There is no particular conflict of interest between the candidate and the Company.
2. Mr. Masahiko Nakamura is a candidate for Outside Corporate Auditor. Mr. Masahiko Nakamura is the Company's candidate for independent officer as stipulated in Article 436, Paragraph 2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
3. Mr. Masahiko Nakamura has abundant experience and expert knowledge as a certified tax accountant. It is judged, therefore, that he will be able to objectively conduct proper supervision of the management of the Company, and he is nominated as a candidate for Outside Corporate Auditor.  
Although Mr. Masahiko Nakamura has never participated in the management of a company other than as Outside Director or Outside Corporate Auditor, it is judged that he is able to execute the duties incumbent thereof for the aforementioned reasons.
4. If this Proposal and Proposal No. 1 are approved as proposed, the Company shall enter into an agreement with the candidate for Outside Corporate Auditor, Mr. Masahiko Nakamura, limiting his liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of same, whereby the maximum amount of liability under said agreement shall be the amount prescribed by laws and regulations.