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(Securities Code: 4321)
March 3, 2016

To Those Shareholders with Voting Rights

Taisuke Miyajima
CEO & President
Kenedix, Inc.
6-5 Nihombashi Kabutocho,
Chuo-ku, Tokyo

NOTICE OF THE 21st ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 21st Ordinary General Meeting of Shareholders of Kenedix, Inc. (the "Company"). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights either in writing or by electromagnetic means via the Internet, etc. Please review the "Reference Documents for General Meeting of Shareholders" mentioned below, and exercise your voting rights by no later than 5:30 p.m., Thursday, March 24, 2016.

1. **Date and Time** 10:00 a.m., Friday, March 25, 2016
   (Attendance registration begins at 9:00 a.m.)
2. **Place** Tokyo International Forum, Hall B7, 3-5-1 Marunouchi, Chiyoda-ku, Tokyo
3. **Agenda of the Meeting:**

Matters to be reported:

1. Details of the Business Report, the Consolidated Financial Statements and Audit Reports of the Accounting Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements for the 21st Fiscal Term (from January 1, 2015 to December 31, 2015)
2. Non-Consolidated Financial Statements for the 21st Fiscal Term (from January 1, 2015 to December 31, 2015)

Proposals to be resolved:

Proposal No. 1: Dividends from Surplus
Proposal No. 2: Reduction of Capital Reserve
Proposal No. 3: Election of Eight (8) Directors
Proposal No. 4: Election of One (1) Corporate Auditor
Proposal No. 5: Election of Two (2) Substitute Corporate Auditors

Disclosure via the Internet

*If any circumstance occurs such that the attached documents and Reference Documents for General Meeting of Shareholders must be modified, the modifications will be posted on the Internet website of the Company (http://www.kenedix.com/eng/).

*Among the documents to be provided at the time of giving this Notice, those concerning 1) Notes to the Consolidated Financial Statements (for the 21st Fiscal Term) and 2) Notes to the Non-Consolidated Financial Statements (for the 21st Fiscal Term) are not disclosed in this Notice but instead presented on the Company's Internet website (http://www.kenedix.com/), in compliance with the laws and ordinances as well as Article 15 of the Company's Articles of Incorporation.

Reference Documents for General Meeting of Shareholders

Proposals and References

Proposal No. 1: Dividends from Surplus

The Company views the return of profits to its shareholders as an important management agenda, and holds sustained dividend payments based on its business results as its fundamental principle. Dividend amounts are comprehensively determined considering the following: results of operations; sufficient internal reserves for future growth; dividend payout ratio; and other factors.

In accordance with the aforementioned dividend policy, dividend payments from surplus will be increased in the current fiscal year as follows:

(1) Type of Dividend Property
Cash

(2) Dividend Property Allocation and Total Amount
Four (4) yen per share of the Company's common stock
Total amount: 1,046,566,400 yen

(3) Effective Date of Dividends from Surplus
March 28, 2016

Proposal No. 2: Reduction of Capital Reserve

The Company proposes to reduce capital reserve and transfer the full amount of reduction to other capital surplus, based on the provisions of Paragraph 1, Article 448 of the Companies Act, for the purpose of securing mobility of its capital policy going forward, including stock repurchase.

(1) Amount of Capital Reserve to be Reduced
Capital reserve: 10,000,000,000 yen (out of 28,782,247,600 yen)

(2) Effective Date of Reduction in Capital Reserve
June 1, 2016

Proposal No. 3: Election of Eight (8) Directors

The term of office of all eight Directors will expire at the close of this General Meeting of Shareholders. Accordingly, the Company proposes the election of eight Directors.

The candidates for Directors are as follows:

No.	Name		Status and assignment in the Company	Percentage of attendance at Board of Directors' meetings
1	Atsushi Kawashima	Reappointment	Chairman	92.3% (24/26 times)
2	Taisuke Miyajima	Reappointment	CEO & President	100% (26/26 times)
3	Taiji Yoshikawa	Reappointment	Director	100% (26/26 times)
4	Soushi Ikeda	Reappointment	Director, Head of Strategic Investment Department	100% (26/26 times)
5	Masahiko Tajima	Reappointment	Director, CFO, and Head of Corporate Planning Department (Responsible for Corporate Planning Department, General Administration and Human Resources Department, Finance & Accounting Department, and Business Control Department)	96.2% (25/26 times)
6	Shuhei Shiozawa	Reappointment Independent Director Candidate for Outside Director	Outside Director	96.2% (25/26 times)
7	Yasuo Ichikawa	Reappointment Independent Director Candidate for Outside Director	Outside Director	100% (26/26 times)
8	Ko Sekiguchi	Reappointment Independent Director Candidate for Outside Director	Outside Director	88.5% (23/26 times)

Notes: 1. Mr. Shuhei Shiozawa, Mr. Yasuo Ichikawa and Mr. Ko Sekiguchi are candidates for Outside Directors.

2. The Company has executed liability limitation agreements with Mr. Shuhei Shiozawa, Mr. Yasuo Ichikawa and Mr. Ko Sekiguchi as Outside Directors in accordance with Paragraph 1, Article 427 of the Companies Act and Article 28 of the Articles of Incorporation of the Company to prescribe that liability for damages to the Company due to negligence of his/her duties can be limited to a certain scope. Upon the election of the three Outside Directors in accordance with the proposal in its original form, the Company shall extend the current liability limitation agreements.

   Summary of the relevant agreement is as follows:

   1) A liability amount borne by an Outside Director to the Company due to negligence of his/her duties shall be limited to the amount as set forth in the laws and ordinances.
   2) The above liability limit shall be admitted only when there is no willful misconduct or gross negligence by the Outside Director in the execution of duties that create the liability.

1 Atsushi Kawashima Date of Birth: January 4, 1959 Reappointment
Age: 57

Years of appointment (at the close of this General Meeting of Shareholders)	Conflict of interest in the Company	Number of the Company's shares held	Percentage of attendance at Board of Directors' meetings
11 years	None	172,800 shares	92.3% (24/26 times)

Career history, status, and assignment

June 1998	Joined the Company
March 2001	Director and Executive Vice President
January 2003	Director and Executive Officer
March 2003	Executive Officer, COO
October 2004	Director, KW REIT Management, Inc. (present Kenedix Real Estate Fund Management, Inc.)
March 2005	Director and Executive Officer, COO, Kenedix, Inc.
March 2007	CEO & President President and Representative Director, Kenedix Advisors, Inc. (present Kenedix Real Estate Fund Management, Inc.)
December 2009	Representative Director, Kenedix Asset Management, Inc. (present Kenedix Real Estate Fund Management, Inc.)
May 2010	Director, MAX-REALTY INC.
March 2013	Chairman, Kenedix, Inc. (present post)
October 2013	Representative Director, Space Design, Inc. (present post)
October 2014	Outside Director, NIPPON PARKING DEVELOPMENT CO., LTD. (present post)

Important concurrent positions

Representative Director, Space Design, Inc.
Outside Director, NIPPON PARKING DEVELOPMENT CO., LTD.

Reasons for nominating Mr. Kawashima as a candidate for Director

Mr. Atsushi Kawashima has successively served as Representative Director of subsidiaries of the Company and CEO & President and Chairman of the Company and has abundant experience and achievements as a manager. The Company believes that Mr. Kawashima, with his experience and insight, would be well qualified to be a Director of the Company. Accordingly, the Company nominated Mr. Kawashima as a candidate for Director.

Notes: 1. Years of appointment of each candidate in this proposal is from their election until the end of this General Meeting of Shareholders.
2. Age of each candidate in this proposal is at the time of this General Meeting of Shareholders.

2 Taisuke Miyajima Date of Birth: April 17, 1962 Reappointment
Age: 53

Years of appointment (at the close of this General Meeting of Shareholders)	Conflict of interest in the Company	Number of the Company's shares held	Percentage of attendance at Board of Directors' meetings
4 years	None	85,800 shares	100% (26/26 times)

Career history, status, and assignment

April 1998	Joined the Company
October 2004	CEO & President, KW REIT Management, Inc. (present Kenedix Real Estate Fund Management, Inc.)
May 2005	Executive Director, Kenedix Realty Investment Corporation (present Kenedix Office Investment Corporation)
February 2012	Corporate Advisor, Kenedix, Inc.
March 2012	Director, Kenedix Asset Management, Inc. (present Kenedix Real Estate Fund Management, Inc.) Director, Kenedix, Inc.
March 2013	CEO & President (present post)
April 2013	Representative Director, Kenedix Asset Management, Inc. (present Kenedix Real Estate Fund Management, Inc.)

Important concurrent positions

Not applicable

Reasons for nominating Mr. Miyajima as a candidate for Director

Mr. Taisuke Miyajima has successively served as Representative Director of a subsidiary of the Company, Executive Director of an investment corporation and CEO & President of the Company and has abundant experience and achievements as a manager. The Company believes that Mr. Miyajima, with his experience and insight, would be well qualified to be a Director of the Company to lead sustainable growth of the Company. Accordingly, the Company nominated Mr. Miyajima as a candidate for Director.

3 Taiji Yoshikawa Date of Birth: November 2, 1952 Reappointment
Age: 63

Years of appointment (at the close of this General Meeting of Shareholders)	Conflict of interest in the Company	Number of the Company's shares held	Percentage of attendance at Board of Directors' meetings
13 years	None	68,600 shares	100% (26/26 times)

Career history, status, and assignment

February 1998	Joined the Company
October 2001	Head of Management Division
January 2003	Executive Officer, CFO
March 2003	Director, Executive Officer and CFO
January 2007	Representative Director, C & K Co., Ltd. (present post)
March 2009	Director, Kenedix, Inc. (present post)

Important concurrent positions

Representative Director, C & K Co., Ltd.

Reasons for nominating Mr. Yoshikawa as a candidate for Director

Mr. Taiji Yoshikawa has successively served as Director of the Company and Representative Director of a subsidiary of the Company and has abundant experience and achievements as a manager of management division and overseas business. The Company believes that Mr. Yoshikawa, with his experience and insight, would be well qualified to be a Director of the Company. Accordingly, the Company nominated Mr. Yoshikawa as a candidate for Director.

4 Soushi Ikeda Date of Birth: September 29, 1967 Reappointment
Age: 48

Years of appointment (at the close of this General Meeting of Shareholders)	Conflict of interest in the Company	Number of the Company's shares held	Percentage of attendance at Board of Directors' meetings
2 years	None	None	100% (26/26 times)

Career history, status, and assignment

June 2003	Joined the Company
October 2004	Director, General Manager, Investment Management Department, KW REIT Management, Inc. (present Kenedix Real Estate Fund Management, Inc.)
April 2008	Executive Officer, Head of Investment Business Department, Kenedix, Inc.
January 2010	Executive Officer, Head of Strategic Investment Department
March 2014	Director, Head of Strategic Investment Department (present post)

Important concurrent positions

Not applicable

Reasons for nominating Mr. Ikeda as a candidate for Director

Mr. Soushi Ikeda has abundant experience and achievements as a manager of investment division of a subsidiary of the Company and the Company. The Company believes that Mr. Ikeda, with his experience and insight, would be well qualified to be a Director of the Company to lead business division of the Company. Accordingly, the Company nominated Mr. Ikeda as a candidate for Director.

5 Masahiko Tajima Date of Birth: July 18, 1965 Reappointment
Age: 50

Years of appointment (at the close of this General Meeting of Shareholders)	Conflict of interest in the Company	Number of the Company's shares held	Percentage of attendance at Board of Directors' meetings
2 years	None	None	96.2% (25/26 times)

Career history, status, and assignment

May 2005	Joined the Company General Manager, Financial Planning Division, Kenedix REIT Management, Inc. (present Kenedix Real Estate Fund Management, Inc.)
June 2007	Director, General Manager, Financial Planning Division, Kenedix REIT Management, Inc.
February 2012	Executive Officer, Head of Corporate Planning Department, Kenedix, Inc.
October 2013	Director, Kenedix Real Estate Fund Management, Inc. (present post)
March 2014	Outside Director, Space Design, Inc. (present post) Director, Head of Corporate Planning Department, Kenedix, Inc.
May 2014	Director, Japan Senior Living Partners Co., Ltd. (present post)
January 2015	Director, Head of Corporate Planning Department, Kenedix, Inc. (Responsible for Corporate Planning Department, General Administration and Human Resources Department, Finance & Accounting Department, and Business Control Department)
January 2015	Director, CFO, and Head of Corporate Planning Department (Responsible for Corporate Planning Department, General Administration and Human Resources Department, Finance & Accounting Department, and Business Control Department) (present post)

Important concurrent positions

Director, Kenedix Real Estate Fund Management, Inc.
Outside Director, Space Design, Inc.
Director, Japan Senior Living Partners Co., Ltd.

Reasons for nominating Mr. Tajima as a candidate for Director

Mr. Masahiko Tajima has abundant experience and achievements as a manager of finance and corporate planning division of a subsidiary of the Company and the Company. The Company believes that Mr. Tajima, with his experience and insight, would be well qualified to be a Director of the Company to supervise management division as a whole. Accordingly, the Company nominated Mr. Tajima as a candidate for Director.

6 Shuhei Shiozawa Date of Birth: September 19, 1955 Age: 60 [Reappointment] [Outside Director] [Independent Director]

Years of appointment (at the close of this General Meeting of Shareholders)	Conflict of interest in the Company	Number of the Company's shares held	Percentage of attendance at Board of Directors' meetings
4 years	None	None	96.2% (25/26 times)

Career history, status, and assignment

November 1986 Ph.D. (Economics) in University of Minnesota
April 1987 Associate Professor, Economics, Keio University
April 1994 Professor, Economics, Keio University (present post)
January 2001 Cabinet Counselor (Global Economics)
October 2005 Dean, Faculty of Economics, Keio University
April 2008 Member of CPA Examination Committee
March 2012 Outside Director, Kenedix, Inc. (present post)

Important concurrent positions

Professor, Economics, Keio University

Reasons for nominating Mr. Shiozawa as a candidate for Outside Director

Based on ample knowledge and experience as a university professor in economics, Mr. Shuhei Shiozawa provides the Company with advice and suggestions on business management with a focus on shareholder value as one of the supervisors monitoring the Directors' management operation. Although Mr. Shiozawa has not been involved in company management other than at the Company, he has contributed to the Company by supervising the management with his extensive knowledge and experience. Accordingly, the Company nominated Mr. Shiozawa as a candidate for Outside Director.

Independency

The Company has made a submission to the Tokyo Stock Exchange designating Mr. Shuhei Shiozawa as an independent director as provided by the Tokyo Stock Exchange. There is no transaction relationship between Mr. Shiozawa and the Company.

7 Yasuo Ichikawa Date of Birth: July 15, 1948 Age: 67 | Reappointment | Outside Director | Independent Director

Years of appointment (at the close of this General Meeting of Shareholders)	Conflict of interest in the Company	Number of the Company's shares held	Percentage of attendance at Board of Directors' meetings
3 years	None	5,000 shares	100% (26/26 times)

Career history, status, and assignment

April 1971	Joined The Sumitomo Bank, Limited (present Sumitomo Mitsui Banking Corporation)
May 2000	Executive Officer, Head of Tokyo First Corporate Banking Division and Head of Kanagawa Corporate Banking Division, The Sumitomo Bank, Limited
March 2001	Resigned from The Sumitomo Bank, Limited
April 2001	Corporate Advisor, Sumitomo Real Estate Sales Co., Ltd.
June 2001	Managing Director, Sumitomo Real Estate Sales Co., Ltd.
June 2004	Senior Managing Director, Sumitomo Real Estate Sales Co., Ltd.
June 2005	Executive Managing Director, Kumagai Gumi Co., Ltd.
April 2011	Executive Officer, Executive Vice President, Kumagai Gumi Co., Ltd.
June 2011	Director, Executive Vice President, Kumagai Gumi Co., Ltd.
March 2013	Outside Director, Kenedix, Inc. (present post)

Important concurrent positions

Not applicable

Reasons for nominating Mr. Ichikawa as a candidate for Outside Director

Based on extensive work experience and profound managerial insight in the financial, construction and real estate industries, Mr. Yasuo Ichikawa provides the Company with advice and suggestions on business management with a focus on shareholder value as one of the supervisors monitoring the Directors' management operation. Accordingly, the Company nominated Mr. Ichikawa as a candidate for Outside Director.

Independency

The Company has made a submission to the Tokyo Stock Exchange designating Mr. Yasuo Ichikawa as an independent director as provided by the Tokyo Stock Exchange. Although Mr. Ichikawa held a position at The Sumitomo Bank, Limited (present Sumitomo Mitsui Banking Corporation), which is one of the primary banks of the Company, a due amount of time has passed since his departure in March 2001. Accordingly, there is no conflict of interest with general shareholders. There is no transaction relationship between Mr. Ichikawa and the Company.

8 Ko Sekiguchi Date of Birth: May 4, 1948 Age: 67 | Reappointment | Outside Director | Independent Director

Years of appointment (at the close of this General Meeting of Shareholders)	Conflict of interest in the Company	Number of the Company's shares held	Percentage of attendance at Board of Directors' meetings
2 years	None	None	88.5% (23/26 times)

Career history, status, and assignment

April 1973	Joined Mitsubishi Corporation
May 1990	Joined The Boston Consulting Group, Inc.
January 1996	General Manager, Sterrad Business Division, Johnson & Johnson Medical K.K. (present Johnson & Johnson K.K. Medical Company)
November 1998	Representative Director and President, Janssen-Kyowa Co., Ltd. (present Janssen Pharmaceutical K.K.)
July 2009	Representative Director and Chairman, Janssen-Kyowa Co., Ltd.
October 2009	Senior Advisor, Janssen-Kyowa Co., Ltd.
August 2010	Professor, Kenichi Ohmae Graduate School of Business (present post)
January 2012	Director, General Incorporated Association DIA Japan (present post)
March 2014	Outside Director, Kenedix, Inc. (present post)

Important concurrent positions

Professor, Kenichi Ohmae Graduate School of Business
Director, General Incorporated Association DIA Japan

Reasons for nominating Mr. Sekiguchi as a candidate for Outside Director

Based on Mr. Ko Sekiguchi's ample management experience at multi-national companies and extensive knowledge as a graduate school professor, Mr. Sekiguchi provides the Company with advice and suggestions on business management with a focus on shareholder value as one of the supervisors monitoring the Directors' management operation. Accordingly, the Company nominated Mr. Sekiguchi as a candidate for Outside Director.

Independency

The Company has made a submission to the Tokyo Stock Exchange designating Mr. Ko Sekiguchi as an independent director as provided by the Tokyo Stock Exchange. There is no transaction relationship between Mr. Sekiguchi and the Company.

Proposal No. 4: Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Mr. Shintaro Kanno will expire at the close of this General Meeting of Shareholders. Accordingly, the Company proposes the election of one Corporate Auditor.

The Board of Corporate Auditors consents to this submitted proposal.

The candidate for Corporate Auditor is as follows:

Shintaro Kanno Date of Birth: July 1, 1970 Age: 45 [Reappointment] [Outside Corporate Auditor] [Independent Auditor]

Years of appointment (at the close of this General Meeting of Shareholders)	Conflict of interest in the Company	Number of the Company's shares held	Percentage of attendance at Board of Directors' meetings	Percentage of attendance at Board of Corporate Auditors' meetings
14 years and 9 months	None	200 shares	100% (26/26 times)	100% (9/9 times)

Career history and status

October 1994	Joined Tohmatsu & Co. (present Deloitte Touche Tohmatsu LLC)
March 2001	Joined Yoshikazu Akamatsu CPA Joint Office
June 2001	Corporate Auditor, Kenedix, Inc. (present post)
April 2002	Registered as a CPA
March 2003	Established CPA Shintaro Kanno Office, Representative (present post)
April 2004	Corporate Auditor, KW Pension Fund Advisors Co., Ltd. (present Kenedix Real Estate Fund Management, Inc.) (present post)

Important concurrent positions

Representative, CPA Shintaro Kanno Office
Corporate Auditor, Kenedix Real Estate Fund Management, Inc.

Reasons for nominating Mr. Kanno as a candidate for Outside Corporate Auditor

Mr. Shintaro Kanno has made good use of his expert insight and abundant experience as CPA in auditing of the Company. Accordingly, the Company nominated Mr. Kanno as a candidate for Outside Corporate Auditor

Independency

The Company has made a submission to the Tokyo Stock Exchange designating Mr. Shintaro Kanno as an independent auditor as provided by the Tokyo Stock Exchange. There is no transaction relationship between Mr. Kanno and the Company.

Notes:
1. Mr. Shintaro Kanno is a candidate for Outside Corporate Auditor.
2. Years of appointment of Corporate Auditor is from his election until the end of this General Meeting of Shareholders.
3. Age of the candidate is at the time of this General Meeting of Shareholders.
4. Mr. Shintaro Kanno is a Corporate Auditor (Non-executive Officer) of Kenedix Real Estate Fund Management, Inc., a subsidiary of the Company.
5. The Company has executed liability limitation agreement with Mr. Shintaro Kanno as Outside Corporate Auditor in accordance with Paragraph 1, Article 423 of the Companies Act and Article 39 of the Articles of Incorporation of the Company to prescribe that liability for damages to the Company due to negligence of his/her duties can be limited to a certain scope. Upon the election of Mr. Shintaro Kanno in accordance with the proposal in its original form, the Company shall extend the current liability limitation agreement.

   Summary of the relevant agreement is as follows:
   1) A liability amount borne by an Outside Corporate Auditor to the Company due to negligence of his/her duties shall be limited to the amount as set forth in the laws and ordinances.
   2) The above liability limit shall be admitted only when there is no willful misconduct or gross negligence by the Outside Corporate Auditor in the execution of duties that create the liability.

Proposal No. 5: Election of Two (2) Substitute Corporate Auditors

As the tenure of the current Substitute Corporate Auditor ceases effective at the beginning of this General Meeting of Shareholders, in order to prepare for the case where the number of Corporate Auditors specified by laws and regulations may lack, the Company proposes the election of two Substitute Corporate Auditors.

The candidates for Substitute Corporate Auditors are as follows. The Company proposes the election of Mr. Yuji Kamimura as substitute for Full-time Corporate Auditor Mr. Tetsuo Ueda, and Ms. Yoko Sanuki as substitute for Outside Corporate Auditor Mr. Haruo Funabashi and Outside Corporate Auditor Mr. Shintaro Kanno when the proposal No.4 "Election of One (1) Corporate Auditor" is approved and passed in its original form.

As prescribed in Article 31 of the Articles of Incorporation of the Company, the appointment of Substitute Corporate Auditor shall be effective until the beginning of the first Ordinary General Meeting of Shareholders to be convened following his/her election.

The Board of Corporate Auditors consents to this submitted proposal.

1 Yuji Kamimura Date of Birth: May 25, 1957
Age: 58

Conflict of interest in the Company	Number of the Company's shares held
None	None

Career history and status	
April 1981	Joined The Long-Term Credit Bank of Japan, Limited (present Shinsei Bank, Limited)
June 2000	Compliance Officer, Compliance Supervisory Department, The Long-Term Credit Bank of Japan, Limited
September 2008	Compliance Officer, Kenedix REIT Management, Inc. (present Kenedix Real Estate Fund Management, Inc.)
October 2013	General Manager, Compliance Department and Compliance Officer, Kenedix Real Estate Fund Management, Inc.
July 2014	General Manager, Internal Audit Department, Kenedix Real Estate Fund Management, Inc. (present post) Head of Internal Audit Department, Kenedix, Inc. (present post)

Important concurrent positions
General Manager, Internal Audit Department, Kenedix Real Estate Fund Management, Inc.

Reasons for nominating Mr. Kamimura as a candidate for Substitute Corporate Auditor
Mr. Yuji Kamimura has successively served as Compliance Officer of a subsidiary of the Company, and as present Head of Internal Audit Department of the Company, Mr. Kamimura has practical experience on internal audit of the Company and the subsidiaries of the Company in cooperation with the Board of Corporate Auditors of the Company. The Company believes that Mr. Kamimura would be able to appropriately fulfill the duties of a Full-time Corporate Auditor of the Company. Accordingly, the Company nominated Mr. Kamimura as a candidate for Substitute Corporate Auditor.

Note: 1. Age of each candidate in this proposal is at the time of this General Meeting of Shareholders.

2 Yoko Sanuki Date of Birth: April 3, 1949
Age: 66

Outside Corporate Auditor | Independent Auditor

Conflict of interest in the Company	Number of the Company's shares held
None	None

Career history and status

April 1981	Registered as an attorney at law Joined Yonezu Godo Law Office
November 2001	Established NS Law Office, Representative (present post)
June 2003	Outside Corporate Auditor, KURAYA SANSEIDO Inc. (present MEDIPAL HOLDINGS CORPORATION)
June 2007	Outside Corporate Auditor, Meiji Dairies Corporation
April 2009	Outside Director, MEIJI Holdings Co., Ltd. (present post)
June 2011	Outside Director, Resona Bank, Limited
June 2012	Outside Director, Resona Holdings, Inc. (present post)

Important concurrent positions

Representative, NS Law Office
Outside Director, MEIJI Holdings Co., Ltd.
Outside Director, Resona Holdings, Inc.

Reasons for nominating Ms. Sanuki as a candidate for Substitute Corporate Auditor

Ms. Yoko Sanuki has expertise as an attorney at law and abundant experience in business management. The Company believes that Ms. Sanuki would be able to appropriately fulfill the duties of an Outside Corporate Auditor of the Company. Accordingly, the Company nominated Ms. Sanuki as a candidate for Substitute Corporate Auditor. Although Ms. Sanuki has not been involved with company management other than duties as an outside director or an outside corporate auditor, due to the above reasons, the Company determines that she is capable of appropriately fulfilling the duties as an Outside Corporate Auditor.

Independency

When the election of Ms. Yoko Sanuki is approved in this proposal, and she assumes the position as an Outside Corporate Auditor, the Company intends to make a submission to the Tokyo Stock Exchange designating Ms. Yoko Sanuki as an independent auditor as provided by the Tokyo Stock Exchange. There is no transaction relationship between Ms. Sanuki and the Company.

Notes: 1. Ms. Yoko Sanuki is a candidate for Substitute Outside Corporate Auditor.

2. The Company has executed liability limitation agreements with Outside Corporate Auditors in accordance with Paragraph 1, Article 423 of the Companies Act and Article 39 of the Articles of Incorporation of the Company to prescribe that liability for damages to the Company due to negligence of his/her duties can be limited to a certain scope. The Company intends to conclude a liability limitation agreement with Ms. Yoko Sanuki when she assumes the position as an Outside Corporate Auditor, provided that Ms. Sanuki is elected as a Substitute Outside Corporate Auditor in accordance with the proposal in its original form and the number of Corporate Auditors falls short of the number specified by laws and regulations.

   Summary of the relevant agreement is as follows:

   1) A liability amount borne by an Outside Corporate Auditor to the Company due to negligence of his/her duties shall be limited to the amount as set forth in the laws and ordinances.
   2) The above liability limit shall be admitted only when there is no willful misconduct or gross negligence by the Outside Corporate Auditor in the execution of duties that create the liability.

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Consolidated Balance Sheet (As of December 31, 2015)

(Millions of yen)

Account title	Amount	Account title	Amount
Assets		**Liabilities**	
Current assets	63,538	Current liabilities	17,963
Cash and deposits	47,545	Accounts payable — trade	1,189
Deposits held in trust	1,033	Short-term borrowings	519
Accounts receivable — trade	1,865	Short-term non-recourse borrowings	5,600
Operating loans	6,947	Non-recourse bonds — due within one year	1,889
Acquired non-performing loans	377	Long-term borrowings — due within one year	4,934
Income taxes refundable	2,280	Long-term non-recourse borrowings — due within one year	387
Deferred tax assets	1,545	Accrued income taxes	680
Other	1,986	Other	2,763
Allowance for doubtful accounts	(43)	Long-term liabilities	61,259
Fixed assets	108,036	Long-term borrowings	18,219
Property and equipment	73,312	Long-term non-recourse borrowings	37,757
Buildings and structures	20,775	Deferred tax liabilities	484
Land	49,679	Net defined benefit liability	150
Construction in progress	2,690	Provision for management board incentive plan trust	120
Other	167	Provision for stock payment	41
Intangible assets	4,334	Long-term security deposits	4,215
Leasehold right	3,313	Other	270
Goodwill	875	Total liabilities	79,222
Other	145	**Net Assets**	
Investment and other assets	30,388	Shareholders' equity	82,524
Investment securities	24,306	Common stock	40,237
Investment in capital	455	Additional paid-in capital	28,782
Deferred tax assets	314	Retained earnings	16,009
Other	5,321	Treasury stock	(2,504)
Allowance for doubtful accounts	(9)	Accumulated other comprehensive income	792
		Net unrealized holding gains/losses on other securities	911
		Deferred gains or losses on hedges	(3)
		Foreign currency translation adjustments	(116)
		Subscription rights to shares	168
		Minority interests	8,867
		Total net assets	92,353
Total assets	171,575	Total liabilities and net assets	171,575

(Note) Amounts less than the stated units are rounded down.

Consolidated Statement of Income (From January 1, 2015 to December 31, 2015)

(Millions of yen)

Account title	Amount	
Revenue		25,997
Cost of revenue		9,064
Gross profit		16,933
Selling, general and administrative expenses		6,814
Operating income		10,119
Non-operating income		
Interest income	46	
Collection from purchase receivable	151	
Equity in earnings of affiliates	418	
Other	95	712
Non-operating expenses		
Interest expenses	1,044	
Commissions paid	625	
Foreign exchange losses	13	
Other	19	1,703
Ordinary income		9,127
Extraordinary income		
Gain on sales of fixed assets	5,662	
Other	200	5,862
Extraordinary loss		
Loss on sales of fixed assets	5	
Impairment loss	2,683	
Dismantlement cost	548	
Other	363	3,601
Income before income taxes and profit distribution to silent partners		11,388
Profit distribution to silent partnerships	0	0
Income before income taxes		11,388
Current income taxes	1,224	
Deferred income taxes	(555)	668
Income before minority interests		10,720
Minority interests		913
Net income		9,807

(Note) Amounts less than the stated units are rounded down.

Consolidated Statement of Changes in Net Assets (From January 1, 2015 to December 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of January 1, 2015	40,237	28,782	6,967	—	75,986
Changes in the fiscal year					
Purchase of treasury stock	—	—	—	(2,504)	(2,504)
Dividends of surplus	—	—	(796)	—	(796)
Net income	—	—	9,807	—	9,807
Change of scope of consolidation	—	—	32	—	32
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes in the fiscal year	—	—	9,042	(2,504)	6,538
Balance as of December 31, 2015	40,237	28,782	16,009	(2,504)	82,524

	Accumulated other comprehensive income				Subscri-ption rights to shares	Minority interests	Total net assets
	Net unrealized holding gains/losses on other securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total accumulated other comprehens-ive income			
Balance as of January 1, 2015	1,334	(10)	(104)	1,219	110	8,035	85,351
Changes in the fiscal year							
Purchase of treasury stock	—	—	—	—	—	—	(2,504)
Dividends of surplus	—	—	—	—	—	—	(796)
Net income	—	—	—	—	—	—	9,807
Change of scope of consolidation	—	—	—	—	—	—	32
Net changes of items other than shareholders' equity	(422)	7	(11)	(426)	58	832	463
Total changes in the fiscal year	(422)	7	(11)	(426)	58	832	7,001
Balance as of December 31, 2015	911	(3)	(116)	792	168	8,867	92,353

(Note) Amounts less than the stated units are rounded down.

Non-consolidated Balance Sheet (As of December 31, 2015)

(Millions of yen)

Account title	Amount	Account title	Amount
Assets		**Liabilities**	
Current assets	47,568	Current liabilities	6,444
Cash and deposits	34,603	Accounts payable — trade	33
Accounts receivable — trade	493	Short-term borrowings	519
Advance payments — trade	730	Long-term borrowings — due within one year	4,890
Prepaid expenses	40	Accounts payable — other	76
Operating loans	6,947	Accrued expenses	150
Income taxes refundable	2,189	Accrued income taxes	134
Deferred tax assets	1,385	Deposits received	210
Other	1,178	Other	429
Allowance for doubtful accounts	(0)	Long-term liabilities	19,843
Fixed assets	60,521	Long-term borrowings	17,550
Property and equipment	132	Long-term borrowings payable to subsidiaries and affiliates	1,000
Buildings	80	Provision for management board incentive plan trust	120
Tools, furniture and fixtures	47	Provision for stock payment	41
Lease assets	4	Allowance for employees' retirement benefits	146
Intangible assets	47	Other	985
Software	40	Total liabilities	26,287
Lease assets	5	**Net Assets**	
Other	0	Shareholders' equity	80,699
Investment and other assets	60,342	Common stock	40,237
Investment securities	11,351	Additional paid-in capital	28,782
Stocks of subsidiaries and affiliates	14,113	Capital reserve	28,782
Other securities of subsidiaries and affiliates	31,652	Retained earnings	14,184
Investment in capital	431	Other retained earnings	14,184
Long-term loans to subsidiaries and affiliates	2,150	Retained earnings carried forward	14,184
Other	650	Treasury stock	(2,504)
Allowance for doubtful accounts	(9)	Valuation and translation adjustments	933
		Net unrealized holding gains/losses on other securities	933
		Subscription rights to shares	168
		Total net assets	81,802
Total assets	108,090	Total liabilities and net assets	108,090

(Note) Amounts less than the stated units are rounded down.

Non-consolidated Statement of Income (From January 1, 2015 to December 31, 2015)

(Millions of yen)

Account title	Amount	
Revenue		
Revenue on Asset Management Business	4,737	
Revenue on Real Estate Investment Business	9,940	
Revenue on Leasing Operations Business	532	15,210
Cost of revenue		
Cost of revenue on Asset Management Business	516	
Cost of revenue on Real Estate Investment Business	5,639	
Cost of revenue on Leasing Operations Business	666	6,822
Gross income		8,387
Selling, general and administrative expenses		3,139
Operating income		5,248
Non-operating income		
Interest income	59	
Dividends income	1,355	
Collection from purchase receivable	151	
Other	72	1,638
Non-operating expenses		
Interest expenses	446	
Commissions paid	161	
Foreign exchange losses	18	
Other	3	630
Ordinary income		6,257
Extraordinary income		
Gain on sales of stocks of subsidiaries and affiliates	30	
Other	4	34
Extraordinary loss		
Loss on valuation of investment securities	45	
Loss on valuation of investment in capital	17	
Other	0	63
Income before income taxes		6,228
Current income taxes	(507)	
Deferred income taxes	(72)	(579)
Net income		6,807

(Note) Amounts less than the stated units are rounded down.

Non-consolidated Statement of Changes in Net Assets (From January 1, 2015 to December 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
		Capital reserve	Other retained earnings		
			Retained earnings carried forward		
Balance as of January 1, 2015	40,237	28,782	8,173	—	77,193
Changes in the fiscal year					
Purchase of treasury stock	—	—	—	(2,504)	(2,504)
Dividends of surplus	—	—	(796)	—	(796)
Net income	—	—	6,807	—	6,807
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes in the fiscal year	—	—	6,010	(2,504)	3,506
Balance as of December 31, 2015	40,237	28,782	14,184	(2,504)	80,699

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Net unrealized holding gains/losses on other securities	Total valuation and translation adjustments		
Balance as of January 1, 2015	896	896	110	78,200
Changes in the fiscal year				
Purchase of treasury stock	—	—	—	(2,504)
Dividends of surplus	—	—	—	(796)
Net income	—	—	—	6,807
Net changes of items other than shareholders' equity	37	37	58	95
Total changes in the fiscal year	37	37	58	3,601
Balance as of December 31, 2015	933	933	168	81,802

(Note) Amounts less than the stated units are rounded down.