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(Securities Code: 4321)
March 3, 2020

To Those Shareholders with Voting Rights

Taisuke Miyajima
CEO & President
Kenedix, Inc.
2-1-6 Uchisaiwaicho,
Chiyoda-ku, Tokyo

NOTICE OF THE 25th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 25th 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., Tuesday, March 24, 2020.

1. **Date and Time** 10:00 a.m., Wednesday, March 25, 2020
   (Attendance registration begins at 9:00 a.m.)
2. **Place** Hall B7, Tokyo International Forum
   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 25th Fiscal Term (from January 1, 2019 to December 31, 2019)
2. Non-Consolidated Financial Statements for the 25th Fiscal Term (from January 1, 2019 to December 31, 2019)

Proposals to be resolved:

Proposal No. 1: Dividends from Surplus
Proposal No. 2: Election of Nine (9) Directors
Proposal No. 3: Election of One (1) Corporate Auditor

Disclosure via the Internet

*Among the documents to be provided at the time of giving this Notice, those concerning 1) Notes to the Consolidated Financial Statements (for the 25th Fiscal Term) and 2) Notes to the Non-Consolidated Financial Statements (for the 25th Fiscal Term) are not disclosed in this Notice but instead presented on the Company's Internet website in compliance with the laws and ordinances as well as Article 15 of the Company's Articles of Incorporation. Therefore, the attached documents of this Notice are part of the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Corporate Auditors and the Accounting Auditor in preparation of their Audit Reports

*Any amendments to the Reference Documents for General Meeting of Shareholders, the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements will be posted on the Internet website (URL: http://www.kenedix.com/) of the Company.

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 policy, dividend payments from surplus for the current fiscal year will be as follows:

(1) Type of Dividend Property
Cash

(2) Dividend Property Allocation and Total Amount
Eight point five (8.5) yen per share of the Company's common stock
Total amount: 1,874,940,200 yen

As the Company has paid an interim dividend of 7.5 yen per share, the annual dividend for the current fiscal year will be 16 yen per share, an increase of nine yen from the previous fiscal year.

(3) Effective Date of Dividends from Surplus
March 26, 2020

(Reference) Results of shareholder returns

	Year ended December 31, 2016	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2019 (schedule)
Dividend per share	4 yen	6 yen	7 yen	16 yen
Total amount of dividends	1,003 million yen	1,438 million yen	1,576 million yen	3,535 million yen
Payout ratio	10.1%	13.7%	12.9%	33.1%
Total amount of stock buybacks	4,999 million yen	4,999 million yen	9,999 million yen	2,499 million yen
Total payout ratio	59.1%	61.2%	93.8%	56.5%

Note: The total payout ratio is the ratio of the combined value of total amounts of dividends and stock buybacks divided by profit attributable to owners of parent.

Proposal No. 2: Election of Nine (9) Directors

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

The candidates for Directors are as follows:

No.	Name	Current status and assignment in the Company	Percentage of attendance at Board of Directors' meetings
1	Reappointment Taisuke Miyajima	CEO & President	100% (21/21 times)
2	Reappointment Soushi Ikeda	Managing Director, Head of Strategic Investment Department	100% (21/21 times)
3	Reappointment Koju Komatsu	Director, Head of Equity Investment Department (Responsible for Corporate Planning Department)	100% (21/21 times)
4	Reappointment Marie Kitsuda	Director, Head of Corporate Communications Office	100% (21/21 times)
5	New appointment Akihiro Asano		-
6	Reappointment Shuhei Shiozawa Independent Director Candidate for Outside Director	Outside Director	100% (21/21 times)
7	Reappointment Hiroki Yaze Independent Director Candidate for Outside Director	Outside Director	100% (21/21 times)
8	Reappointment Koji Kotaka Independent Director Candidate for Outside Director	Outside Director	100% (21/21 times)
9	Reappointment Shinzo Hara Independent Director Candidate for Outside Director	Outside Director	100% (16/16 times)

Notes: 1. Mr. Shuhei Shiozawa, Mr. Hiroki Yaze, Mr. Koji Kotaka and Mr. Shinzo Hara are candidates for Outside Directors.

2. The Company has executed liability limitation agreements with Mr. Shuhei Shiozawa, Mr. Hiroki Yaze, Mr. Koji Kotaka and Mr. Shinzo Hara as Outside Directors in accordance with Paragraph 1, Article 427 of the Companies Act. Pursuant to the agreements, the Outside Directors shall be liable for damages up to the minimum liability amount stipulated in Paragraph 1, Article 425 of the Companies Act, on the condition that they act in good faith and are not grossly negligent in performing their duties. Upon the election of the four Outside Directors in accordance with the proposal in its original form, the Company shall extend the current liability limitation agreements.

1 Taisuke Miyajima Date of Birth: April 17, 1962
Age: 57

Reappointment



Years of appointment (at the close of this General Meeting of Shareholders)	8 years
Conflict of interest in the Company	None
Number of the Company's shares held	114,100 shares
Percentage of attendance at Board of Directors' meetings	100% (21/21 times)

Career history, status, and assignment	
April 1998	Joined the Company
October 2004	Representative Director, KW REIT 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. Director, Kenedix, Inc.
March 2013	President & CEO, Kenedix, Inc. (present post)
April 2013	Representative Director, Kenedix Asset Management, Inc.
March 2017	Director, Space Design, Inc. (present post)
June 2017	Director, Bit Realty, Inc. (present post)

Important concurrent positions
Director, Space Design, Inc. Director, Bit Realty, Inc.

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 President & CEO 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.

Notes:
1. The years of appointment for each candidate in this proposal is from their election until the end of this General Meeting of Shareholders.
2. The age of each candidate in this proposal is at the time of this General Meeting of Shareholders.
3. When it is determined that the candidate will retire from important concurrent positions by the time he or she takes office after his or her election at this shareholder meeting or soon after his or her assumption of the position, such positions are omitted in this material.

2 Soushi Ikeda Date of Birth: September 29, 1967
Age: 52

Reappointment



Years of appointment (at the close of this General Meeting of Shareholders)	6 years
Conflict of interest in the Company	None
Number of the Company's shares held	8,100 shares
Percentage of attendance at Board of Directors' meetings	100% (21/21 times)

Career history, status, and assignment	
June 2003	Joined the Company
October 2004	Director, Head of Investment Management Department, KW REIT 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
March 2018	Managing 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 successively served as Director of a subsidiary of the Company and the Company and has abundant experience and achievements as a manager of the investment division. The Company believes that Mr. Ikeda, 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. Ikeda as a candidate for Director.

3 Koju Komatsu Date of Birth: October 25, 1973
Age: 46

Reappointment



Years of appointment (at the close of this General Meeting of Shareholders)	3 years
Conflict of interest in the Company	None
Number of the Company's shares held	13,600 shares
Percentage of attendance at Board of Directors' meetings	100% (21/21 times)

Career history, status, and assignment

April 2005	Joined the Company
June 2007	Compliance Officer, Kenedix REIT Management, Inc.
September 2009	Head of Investment Management Department
February 2012	Director, Head of Investment Management Department
October 2012	Head of Equity Investment Department, Kenedix, Inc.
March 2014	Executive Officer, Head of Equity Investment Department
March 2017	Director (Responsible for Corporate Planning Department), Head of Equity Investment Department (present post)

Important concurrent positions

Not applicable

Reasons for nominating Mr. Komatsu as a candidate for Director

Mr. Koju Komatsu has successively served as Director of a subsidiary of the Company and Director of the Company, and has abundant experience and achievements as a manager of investment management department. The Company believes that Mr. Komatsu, 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. Komatsu as a candidate for Director.

4 Marie Kitsuda Date of Birth: April 14, 1962
Age: 57

Reappointment



Years of appointment (at the close of this General Meeting of Shareholders)	2 years
Conflict of interest in the Company	None
Number of the Company's shares held	None
Percentage of attendance at Board of Directors' meetings	100% (21/21 times)

Career history, status, and assignment	
April 1985	Joined The Mitsubishi Trust and Banking Corporation (present Mitsubishi UFJ Trust and Banking Corporation)
July 1993	Singapore Branch
July 1995	Corporate Finance Department
April 2002	Real Estate Consulting Department
May 2012	General Manager, Real Estate Consulting Department
April 2018	Director, Head of Corporate Communications Office, Kenedix, Inc. (present post)

Important concurrent positions

Expert Advisor of Land Appraisal Committee, Ministry of Land, Infrastructure, Transport and Tourism
Member of Fixed Assets Valuation Review Committee, Tokyo Metropolitan Government

Reasons for nominating Ms. Kitsuda as a candidate for Director

Ms. Marie Kitsuda has abundant experience and insight in the real estate field and has contributed to improving the Company's corporate value as a manager in charge of ESG initiatives. The Company believes that Ms. Kitsuda, with her 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 Ms. Kitsuda as a candidate for Director.

5 Akihiro Asano Date of Birth: June 8, 1971
Age: 48

New Appointment



Conflict of interest in the Company	None
Number of the Company's shares held	10,600 shares

Career history, status, and assignment	
January 2004	Joined the Company
January 2013	General Manager of Strategic Investment Team 1
March 2014	Executive Officer, General Manager of Strategic Investment Department
September 2014	Director & COO, Head of Retail REIT Department, Kenedix Real Estate Fund Management, Inc. (present post)
October 2014	Executive Director, Kenedix Retail REIT Corporation (present post)

Important concurrent positions
Not applicable

Reasons for nominating Mr. Asano as a candidate for Director
Mr. Akihiro Asano has successively served as Executive Officer of the Company, Director of a subsidiary of the Company and Executive Director of an investment corporation, and has abundant experience and achievements as a manager. The Company believes that Mr. Asano, 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. Asano as a candidate for Director.

6 Shuhei Shiozawa Date of Birth: September 19, 1955 Age: 64

Outside Director | Reappointment | Independent Director



Years of appointment (at the close of this General Meeting of Shareholders)	8 years
Conflict of interest in the Company	None
Number of the Company's shares held	None
Percentage of attendance at Board of Directors' meetings	100% (21/21 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
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)
April 2019	Professor Emeritus, Keio University (present post)
	President, Tokyo International University (present post)

Important concurrent positions
Professor Emeritus, Keio University President, Tokyo International University Outside Director, KYB Corporation Outside Director, Ahresty Corporation

Reasons for nominating Mr. Shiozawa as a candidate for Outside Director
Based on ample knowledge and experience as an economist, 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 as Director of the Company, he has supervised management of the Company 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.

Note: Mr. Shiozawa has been an Outside Director of KYB Corporation since June 2016. In October 2018, it was found out that nonconforming acts were committed during the inspection process, etc. for seismic isolation/mitigation oil dampers for buildings manufactured by KYB Corporation and its subsidiary. While Mr. Shiozawa was not aware of these facts until the problem was revealed, he had always proposed the ideal state for a company from the perspective of compliance at the Board of Directors' meetings of KYB Corporation and other occasions, bringing attention to the compliance issue.
After the above facts were revealed, Mr. Shiozawa has been fulfilling his duties by grasping the situation by receiving successive reports on the progress of the investigation of the facts and other matters, expressing various opinions on the appropriateness and validity of the investigation method as well as the investigation of the causes and verification of safety at the Board of Directors' meetings of KYB Corporation, as well as requesting that the company take appropriate measures to prevent the reoccurrence of similar cases.

7 Hiroki Yaze

Date of Birth: August 8, 1954
Age: 65

Reappointment | Outside Director | Independent Director



Years of appointment (at the close of this General Meeting of Shareholders)	2 years
Conflict of interest in the Company	None
Number of the Company's shares held	2,000 shares
Percentage of attendance at Board of Directors' meetings	100% (21/21 times)

Career history, status, and assignment

April 1978	Joined The Sumitomo Bank, Limited (present Sumitomo Mitsui Banking Corporation)
January 1996	General Manager, Kurume Branch
October 1997	General Manager, Credit Business Office
April 2001	General Manager, Dotonbori Corporate Business Office
April 2005	General Manager, Credit Dept. III, Wholesale Banking Unit
April 2006	General Manager, Marunouchi Corporate Business Office
June 2008	Resigned from Sumitomo Mitsui Banking Corporation
	Full-time Corporate Auditor, Sumitomo Mitsui Banking Corporation
June 2015	Retired from Sumitomo Mitsui Banking Corporation
	Representative Director and Senior Managing Executive Officer, GINSEN CO., LTD.
March 2018	Outside Director, Kenedix, Inc. (present post)
June 2018	Resigned from GINSEN CO., LTD.

Important concurrent positions

Not applicable

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

Based on his ample management experience in the financial industry and insight as a manager, Mr. Hiroki Yaze provides the Company with advice and suggestions on business management with a focus on shareholder value as one of the supervisors monitoring the management operation of the Board of Directors. Accordingly, the Company nominated Mr. Yaze as a candidate for Outside Director.

Independency

The Company has made a submission to the Tokyo Stock Exchange designating Mr. Hiroki Yaze as an independent director as provided by the Tokyo Stock Exchange. Although Mr. Yaze was a business executive until June 2008 at The Sumitomo Mitsui Banking Corporation, which is one of the primary banks of the Company, a due amount of time of more than ten years has passed since he retired as a business executive, and he is not in a position to be influenced by the said Bank.

8 Koji Kotaka Date of Birth: May 14, 1958 Age: 61

Reappointment | Outside Director | Independent Director



Years of appointment (at the close of this General Meeting of Shareholders)	2 years
Conflict of interest in the Company	None
Number of the Company's shares held	10,000 shares
Percentage of attendance at Board of Directors' meetings	100% (21/21 times)

Career history, status, and assignment	
April 1987	Registered as attorney at law Joined Sato and Tsuda Law Office
August 1990	Joined Goldman Sachs Japan (present Goldman Sachs Japan Co., Ltd.)
November 1998	Managing Director
November 2006	Partner
December 2009	Joined Nishimura & Asahi
January 2011	Established Koji Kotaka Law Office, Representative (present post)
May 2015	Supervisory Director, Japan Senior Living Investment Corporation
March 2018	Outside Director, Kenedix, Inc. (present post)

Important concurrent positions

Representative, Koji Kotaka Law Office
Outside Director, LINE Corporation

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

Based on his legal knowledge as an attorney at law and ample management experience in the investment bank industry, Mr. Koji Kotaka provides the Company with advice and suggestions on business management with a focus on shareholder value as one of the supervisors monitoring the management operation of the Board of Directors. Accordingly, the Company nominated Mr. Kotaka as a candidate for Outside Director.

Independency

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

9 Shinzo Hara Date of Birth: February 13, 1958 Age: 62

Reappointment | Outside Director | Independent Director



Years of appointment (at the close of this General Meeting of Shareholders)	1 year
Conflict of interest in the Company	None
Number of the Company's shares held	None
Percentage of attendance at Board of Directors' meetings	100% (16/16 times)

Career history, status, and assignment	
April 1981	Joined the former Ministry of Finance
July 2007	Director-General, Tohoku Local Finance Bureau
July 2009	Director-General, Nagoya Customs
October 2010	Regional Commissioner, Kantoshinetsu Regional Taxation Bureau
July 2011	Chief of the Okayama Prefectural Police Headquarters
April 2014	Resigned from the Ministry of Finance
	Representative Director, Hara Jisho, Co., Ltd. (present post)
February 2016	Director (Audit and Supervisory Committee Member), HOTEL NEWGRAND CO., LTD.
February 2018	Representative Director (present post)
March 2019	Outside Director, Kenedix, Inc. (present post)

Important concurrent positions
Representative Director, HOTEL NEWGRAND CO., LTD.

Reasons for nominating Mr. Hara as a candidate for Outside Director
Based on his long-term experience at administrative organizations and management experience at a hotel management company, Mr. Shinzo Hara provides the Company with advice and suggestions on business management with a focus on shareholder value as one of the supervisors monitoring the management operation of the Board of Directors. Accordingly, the Company nominated Mr. Hara as a candidate for Outside Director.

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

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

The term of office of Corporate Auditor Mr. Shintaro Kanno will expire at the conclusion 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:

Takako Okada

Date of Birth: September 11, 1965
Age: 54

Outside Corporate Auditor
New appointment | Independent Auditor



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

Career history and status	
October 1992	Joined Tohmatsu & Co. (present Deloitte Touche Tohmatsu LLC)
April 1996	Registered as Certified Public Accountant
September 2004	Transferred to Tohmatsu Tax Co. (present Deloitte Tohmatsu Tax Co.)
November 2011	Registered as Certified Tax Accountant
January 2019	Opened Takako Okada CPA Tax Firm, Representative (present post)

Important concurrent positions
Representative, Takako Okada CPA Tax Firm Outside Corporate Auditor, Ichikawa Co., Ltd

Reasons for nominating Ms. Okada as a candidate for Outside Corporate Auditor
Based on her professional insight and ample experience as a certified public accountant and certified tax accountant, the Company believes that Ms. Takako Okada would be able to appropriately fulfill the duties of an Outside Corporate Auditor of the Company. Accordingly, the Company nominated Ms. Okada as a candidate for Outside Corporate Auditor. Although Ms. Okada has not been involved in company management other than as an Outside Corporate Auditor, the Company believes, for the above reasons, that she would be able to appropriately fulfill the duties of an Outside Corporate Auditor.

Independency
Ms. Takako Okada meets the requirement as an independent auditor as provided by the Tokyo Stock Exchange. The Company intends to make a submission to the Tokyo Stock Exchange designating Ms. Okada as an independent auditor when the election of Ms. Okada is approved in this proposal.

Notes:
1. The age of each candidate in this proposal is at the time of this General Meeting of Shareholders.
2. Ms. Takako Okada is a candidate for Outside Corporate Auditor.
3. The Company has executed liability limitation agreements with Outside Corporate Auditors in accordance with Paragraph 1, Article 427 of the Companies Act. Pursuant to the agreements, the Outside Corporate Auditors shall be liable for damages up to the minimum liability amount stipulated in Paragraph 1, Article 425 of the Companies Act, on the condition that they act in good faith and are not grossly negligent in performing their duties. The Company intends to conclude a liability limitation agreement with Ms. Takako Okada if she is elected as an Outside Corporate Auditor in accordance with the proposal in its original form.

Consolidated Balance Sheet (As of December 31, 2019)

(Millions of yen)

Account title	Amount	Account title	Amount
Assets		**Liabilities**	
Current assets	85,820	Current liabilities	24,351
Cash and deposits	57,183	Accounts payable — trade	460
Deposits held in trust	1,481	Long-term borrowings — due within one year	6,378
Accounts receivable — trade	2,050	Long-term non-recourse borrowings — due within one year	12,073
Operating loans	2,121	Accrued income taxes	1,903
Real estate for sale	13,852	Other	3,534
Real estate for sale in progress	5,120	Long-term liabilities	47,901
Other	4,011	Non-recourse bonds payable	1,492
Allowance for doubtful accounts	(2)	Long-term borrowings	12,409
Fixed assets	86,102	Long-term non-recourse borrowings	30,210
Property and equipment	37,606	Deferred tax liabilities	196
Buildings and structures	15,784	Net defined benefit liability	222
Land	21,459	Provision for management board incentive plan trust	631
Other	362	Provision for stock payment	136
Intangible assets	4,042	Long-term security deposits	1,853
Leasehold right	3,567	Other	748
Goodwill	377	Total liabilities	72,253
Other	98	**Net Assets**	
Investment and other assets	44,452	Shareholders' equity	96,527
Investment securities	40,491	Common stock	40,320
Investment in capital	332	Additional paid-in capital	8,725
Deferred tax assets	745	Retained earnings	48,478
Other	2,883	Treasury stock	(998)
		Accumulated other comprehensive income	1,487
		Net unrealized holding gains/losses on other securities	1,637
		Foreign currency translation adjustments	(149)
		Non-controlling interests	1,654
		Total net assets	99,669
Total assets	171,922	Total liabilities and net assets	171,922

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

Consolidated Statement of Income (From January 1, 2019 to December 31, 2019)

(Millions of yen)

Account title	Amount	
Revenue		70,326
Cost of revenue		46,937
Gross profit		23,389
Selling, general and administrative expenses		7,458
Operating income		15,931
Non-operating income		
Interest income	32	
Dividends income	139	
Equity in earnings of affiliates	132	
Refunded consumption taxes	344	
Consumption taxes differential (after being offset by suspense payments and receipt)	297	
Other	33	980
Non-operating expenses		
Interest expenses	850	
Commissions paid	190	
Other	29	1,070
Ordinary income		15,841
Extraordinary income		
Gain on sales of fixed assets	238	
Gain on sales of shares of subsidiaries and affiliates	30	
Gain on sales of investment in capital of subsidiaries and affiliates	64	
Compensation income	49	
Other	26	409
Extraordinary loss		
Loss on valuation of investment securities	107	
Loss on valuation of investments in capital	32	
Other	33	173
Profit before income taxes		16,078
Current income taxes	5,423	
Deferred income taxes	(184)	5,238
Profit		10,839
Profit attributable to non-controlling interests		166
Profit attributable to owners of parent		10,673

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

Consolidated Statement of Changes in Net Assets (From January 1, 2019 to December 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of January 1, 2019	40,305	8,710	43,271	(1,090)	91,197
Changes in the fiscal year					
Exercise of subscription rights to shares	15	15	—	—	30
Dividends of surplus	—	—	(3,236)	—	(3,236)
Purchase of treasury stock	—	—	—	(2,499)	(2,499)
Disposal of treasury stock				92	92
Retirement of treasury stock	—	—	(2,499)	2,499	—
Profit attributable to owners of parent	—	—	10,673	—	10,673
Change of scope of consolidation	—	—	271	—	271
Change in treasury stock of parent arising from transactions with non-controlling shareholders		(0)			(0)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes in the fiscal year	15	15	5,207	92	5,329
Balance as of December 31, 2019	40,320	8,725	48,478	(998)	96,527

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized holding gains/ losses on other securities	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance as of January 1, 2019	1,032	(193)	838	30	4,553	96,619
Changes in the fiscal year						
Exercise of subscription rights to shares	—	—	—	—	—	30
Dividends of surplus	—	—	—	—	—	(3,236)
Purchase of treasury stock	—	—	—	—	—	(2,499)
Disposal of treasury stock						92
Retirement of treasury stock	—	—	—	—	—	—
Profit attributable to owners of parent	—	—	—	—	—	10,673
Change of scope of consolidation	—	—	—	—	—	271
Change in treasury stock of parent arising from transactions with non-controlling shareholders						(0)
Net changes of items other than shareholders' equity	605	44	649	(30)	(2,898)	(2,279)
Total changes in the fiscal year	605	44	649	(30)	(2,898)	3,049
Balance as of December 31, 2019	1,637	(149)	1,487	—	1,654	99,669

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

Non-consolidated Balance Sheet (As of December 31, 2019)

(Millions of yen)

Account title	Amount	Account title	Amount
Assets		**Liabilities**	
Current assets	55,715	Current liabilities	8,409
Cash and deposits	43,615	Accounts payable — trade	9
Accounts receivable — trade	179	Long-term borrowings — due within one year	6,334
Money invested in real estate for sale	2,302	Accounts payable — other	221
Advance payments — trade	2,824	Accrued expenses	146
Prepaid expenses	68	Accrued income taxes	1,138
Operating loans	3,921	Deposits received	358
Other	2,805	Other	199
Allowance for doubtful accounts	(1)	Long-term liabilities	10,835
Fixed assets	55,636	Long-term borrowings	9,383
Property and equipment	425	Provision for management board incentive plan trust	604
Buildings	343	Provision for stock payment	136
Tools, furniture and fixtures	81	Allowance for employees' retirement benefits	196
Intangible assets	49	Deferred tax liabilities	369
Software	48	Other	145
Other	0	Total liabilities	19,244
Investment and other assets	55,162	**Net Assets**	
Investment securities	18,516	Shareholders' equity	89,976
Stocks of subsidiaries and affiliates	9,496	Common stock	40,320
Other securities of subsidiaries and affiliates	20,952	Additional paid-in capital	8,865
Investment in capital	275	Capital reserve	8,865
Long-term loans to subsidiaries and affiliates	5,411	Retained earnings	41,787
Other	560	Legal retained earnings	467
Allowance for doubtful accounts	(51)	Other retained earnings	41,320
		Retained earnings carried forward	41,320
		Treasury stock	(998)
		Valuation and translation adjustments	2,130
		Net unrealized holding gains/losses on other securities	2,130
		Total net assets	92,106
Total assets	111,351	Total liabilities and net assets	111,351

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

Non-consolidated Statement of Income (From January 1, 2019 to December 31, 2019)

(Millions of yen)

Account title	Amount	
Revenue		
Revenue on Asset Management Business	1,051	
Revenue on Real Estate Investment Business	9,614	
Revenue on Leasing Operations Business	358	11,024
Cost of revenue		
Cost of revenue on Asset Management Business	64	
Cost of revenue on Real Estate Investment Business	502	
Cost of revenue on Leasing Operations Business	183	749
Gross income		10,274
Selling, general and administrative expenses		2,902
Operating income		7,372
Non-operating income		
Interest income	154	
Dividends income	3,306	
Other	7	3,469
Non-operating expenses		
Interest expenses	214	
Commissions paid	48	
Foreign exchange losses	1	264
Ordinary income		10,576
Extraordinary income		
Gain on sales of stocks of subsidiaries and affiliates	94	
Gain on sales of investment securities	17	
Other	6	119
Extraordinary loss		
Loss on valuation of shares of subsidiaries and associates	740	
Other	98	838
Profit before income taxes		9,856
Current income taxes	2,292	
Deferred income taxes	107	2,399
Profit		7,457

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

Non-consolidated Statement of Changes in Net Assets (From January 1, 2019 to December 31, 2019)

(Millions of yen)

	Shareholders' equity					
	Common stock	Additional paid-in capital	Retained earnings		Treasury stock	Total shareholders' equity
		Capital reserve	Legal retained earnings	Other retained earnings		
				Retained earnings carried forward		
Balance as of January 1, 2019	40,305	8,850	143	39,923	(1,090)	88,133
Changes in the fiscal year						
Exercise of subscription rights to shares	15	15	—	—	—	30
Provision of legal retained earnings	—	—	323	(323)	—	—
Dividends of surplus	—	—	—	(3,236)	—	(3,236)
Purchase of treasury stock	—	—	—	—	(2,499)	(2,499)
Disposal of treasury stock	—	—	—	—	92	92
Retirement of treasury stock	—	—	—	(2,499)	2,499	—
Profit	—	—	—	7,457	—	7,457
Net changes of items other than shareholders' equity	—	—	—	—	—	—
Total changes in the fiscal year	15	15	323	1,396	92	1,843
Balance as of December 31, 2019	40,320	8,865	467	41,320	(998)	89,976

	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, 2019	1,438	1,438	30	89,602
Changes in the fiscal year				
Exercise of subscription rights to shares	—	—	—	30
Provision of legal retained earnings	—	—	—	—
Dividends of surplus	—	—	—	(3,236)
Purchase of treasury stock	—	—	—	(2,499)
Disposal of treasury stock	—	—	—	92
Retirement of treasury stock	—	—	—	—
Profit	—	—	—	7,457
Net changes of items other than shareholders' equity	691	691	(30)	661
Total changes in the fiscal year	691	691	(30)	2,504
Balance as of December 31, 2019	2,130	2,130	—	92,106

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