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(Securities Code: 4321)

March 7, 2012

**To Those Shareholders with Voting Rights**

Atsushi Kawashima  
President  
Kenedix, Inc.  
2-2-9, Shimbashi, Minato-ku,  
Tokyo

**NOTICE OF THE 17<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 17<sup>th</sup> Ordinary General Meeting of Shareholders of the Company. The meeting will be held as described below.

If you are unable to attend the meeting, you 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., Monday, March 26, 2012.

- 1. Date and Time** 10:00 a.m., Tuesday, March 27, 2012
- 2. Place** Main Hall, 7F, Koku Kaikan, 1-18-1, Shimbashi, Minato-ku, Tokyo
- 3. Agenda of the Meeting:**
  - Matters to be reported:**
    1. Contents 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 17<sup>th</sup> Fiscal Term (from January 1, 2011 to December 31, 2011)
    2. Non-Consolidated Financial Statements for the 17<sup>th</sup> Fiscal Term (from January 1, 2011 to December 31, 2011)
  - Proposals to be resolved:**
    - Proposal No. 1:** Partial Amendments to the Articles of Incorporation
    - Proposal No. 2:** Election of Five (5) Directors
    - Proposal No. 3:** Election of One (1) Corporate Auditor

#### **4. Other matters with regard to convocation of the General Meeting of Shareholders**

[When exercising voting rights in writing]

Please vote on the proposals in the enclosed Voting Rights Exercise Form, and return it so that it will arrive by the aforementioned exercise deadline.

[When exercising voting rights by electromagnetic means (via Internet, etc.)]

For exercising your voting rights via the Internet, etc., access the website designated by the Company for exercising voting rights (<http://www.web54.net/>), and, using the “voting rights exercise code” and “password” as displayed on the Voting Rights Exercise Form, input approval or disapproval on the proposals.

Note that if you exercise your voting rights by two different methods, that is, via the Internet as well as in writing, the votes that arrive later shall be deemed valid; however, if two votes arrive on the same day, the votes via the Internet shall be deemed valid.

[To institutional investors]

In addition to the above method for exercising your voting rights via the Internet, you may use the electronic voting rights exercise platform operated by ICJ, Inc., a joint venture established by Tokyo Stock Exchange, Inc. and others, only if you have applied in advance.

[When exercising voting rights by authorizing a proxy]

You can exercise your voting rights by authorizing another shareholder with voting rights to act as your proxy.

- (1) If any circumstance occurs such that the attached documents and Reference Documents for General Meeting of Shareholders must be modified, the matters after modification will be posted on the Internet website of the Company (<http://www.kenedix.com/eng/>).
- (2) For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk upon arrival at the Meeting.

## Reference Documents for General Meeting of Shareholders

### Proposals and references

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

##### (1) Reasons for the Amendments

The Company proposes to change the total number of shares authorized to be issued by the Company as stipulated in Article 6 of the current Articles of Incorporation.

The Company's current capacity to issue shares under the Articles of Incorporation is limited to approximately 100,000 shares (accounting for approximately 4.5% of the total number of shares authorized to be issued under the current Articles of Incorporation). In light of this, the Company believes that it is prudent to increase the total number of shares authorized to be issued by the Company from the current 2,400,000 shares to 3,500,000 shares, in order to maintain available shares for flexible issuance as a way of promptly achieving various business objectives, such as a strategic capital alliance or flexible capital policy, that the Company anticipates to arise in the future course of its efforts to maintain and improve corporate value.

Please note that this amendment is intended to secure flexibility in the Company's financial and growth strategies and not to introduce takeover prevention measures. Also, at present, we do not anticipate any specific events that may pose a threat of takeover.

##### (2) Details of the Proposed Amendments

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER II SHARES (Total Number of Shares Authorized to be Issued) Article 6 The total number of shares authorized to be issued by the Company shall be <u>two million and four hundred thousand (2,400,000)</u> shares.	CHAPTER II SHARES (Total Number of Shares Authorized to be Issued) Article 6 The total number of shares authorized to be issued by the Company shall be <u>three million and five hundred thousand (3,500,000)</u> shares.

**Proposal No. 2: Election of Five (5) Directors**

The term of office of all five Directors will expire at the close of this General Meeting. Therefore, it is proposed that five Directors be elected. The candidates for Directors are as follows.

New candidates for Directors are marked with \*.

Candidate No.	Name (Date of Birth)	Career history, status, assignment and important concurrent positions	Number of shares of the Company held	Conflict of interest in the Company
1	Atsushi Kawashima (January 4, 1959)	<p>June 1998      Joined the Company</p> <p>March 2001    Director (Executive Vice President)</p> <p>January 2003   Director and Executive Officer (General Manager, Real Estate Investment Advisory Division)</p> <p>March 2003    Executive Officer, COO (General Manager, Real Estate Investment Advisory Division)</p> <p>August 2004   Executive Officer, COO</p> <p>March 2005    Director and Executive Officer, COO</p> <p>January 2007   Director, COO</p> <p>March 2007    President and Representative Director (present post)</p> <p>May 2010      Director, MAX-REALTY INC. (present post)</p> <p>[Important concurrent positions] Representative Director, Kenedix Asset Management, Inc. Outside Director, MAX-REALTY INC.</p>	2,706 shares	None

Candidate No.	Name (Date of Birth)	Career history, status, assignment and important concurrent positions	Number of shares of the Company held	Conflict of interest in the Company
2	Taiji Yoshikawa (November 2, 1952)	<p>February 1998 Joined the Company</p> <p>October 2001 General Manager, Management Division</p> <p>January 2003 Executive Officer, CFO</p> <p>March 2003 Director, Executive Officer and CFO</p> <p>January 2007 Director, CFO</p> <p>March 2009 Director (Responsible for Corporate Planning Department and Research Strategy Department)</p> <p>February 2010 Director, General Manager, Corporate Planning Department</p> <p>September 2010 Director (Responsible for Corporate Planning Department and General Administration and Human Resources Division)</p> <p>October 2011 Director (Responsible for Corporate Planning Department, General Administration and Human Resources Division, Finance &amp; Accounting Department, and Business Control Department) (present post)</p> <p>[Important concurrent positions] Representative Director, C &amp; K Co., Ltd.</p>	686 shares	None
3	* Taisuke Miyajima (April 17, 1962)	<p>April 1998 Joined the Company</p> <p>January 2004 External assignment as a CEO &amp; President, KW REIT Management, Inc. (present Kenedix REIT Management, Inc.)</p> <p>April 2005 Transferred as a CEO and President, Kenedix REIT Management, Inc.</p> <p>May 2005 Executive Director, Kenedix Realty Investment Corporation (present post)</p> <p>February 2012 Corporate Advisor (present post)</p> <p>February 2012 Director, Kenedix REIT Management, Inc. (present post)</p> <p>[Important concurrent positions] Executive Director, Kenedix Realty Investment Corporation Director, Kenedix REIT Management, Inc.</p>	858 shares	None

Note: Mr. Taisuke Miyajima will resign Executive Director of Kenedix Realty Investment Corporation and Director of Kenedix REIT Management, Inc. on March 15, 2012.

Candidate No.	Name (Date of Birth)	Career history, status, assignment and important concurrent positions	Number of shares of the Company held	Conflict of interest in the Company
4	Takashi Uematsu (January 29, 1949)	<p>April 1973      Joined Nomura Real Estate Development Co., Ltd.</p> <p>June 1994      General Manager, Business Planning Department, Nomura Real Estate Development Co., Ltd.</p> <p>June 1997      Director, General Manager, Business Department, Nomura Real Estate Development Co., Ltd.</p> <p>June 2001      Managing Director, Head of Investment Management &amp; Advisory Company and Manager of IT Strategy Promotion Office, Nomura Real Estate Development Co., Ltd.</p> <p>June 2003      Executive Managing Director, Head of Investment Management &amp; Advisory Company, Nomura Real Estate Development Co., Ltd.</p> <p>March 2008      President &amp; Chief Executive Officer, Tokio Marine Property Investment Management, Inc.</p> <p>March 2011      Director (present post)</p> <p>[Important concurrent positions]  Visiting Professor, National Graduate Institute for Policy Studies  Part-time Professor, Graduate School of Nihon University  Managing Director, Japan Association for Real Estate Sciences</p>	None	None
5	* Shuhei Shiozawa (September 19, 1955)	<p>November 1986      Ph.D. (Economics) in University of Minnesota</p> <p>April 1987      Associate Professor, Economics, Keio University</p> <p>April 1994      Professor, Economics, Keio University (present post)</p> <p>January 2001      Cabinet Counselor (Global Economics)</p> <p>October 2005      Dean, Faculty of Economics, Keio University</p> <p>April 2008      Member of CPA Examination Committee</p> <p>[Important concurrent positions]  Professor, Economics, Keio University</p>	None	None

Note: Mr. Takashi Uematsu and Mr. Shuhei Shiozawa are candidates for the Outside Directors.

Further, the Company has made a submission designating Mr. Takashi Uematsu as independent director/corporate auditor as stipulated in Rule 436-2 of Securities Listing Regulations of Tokyo Stock Exchange. Upon election of Mr. Takashi Uematsu and Mr. Shuhei Shiozawa as Outside Directors in accordance with the proposal in its original form, both are to be designated as independent directors/corporate auditors.

“Reasons for having Mr. Uematsu and Mr. Shiozawa as candidates for Outside Directors and concerning the liability limitation agreement with Outside Directors”

(1) Reasons for having Mr. Uematsu and Mr. Shiozawa as candidates for Outside Directors

It is expected that Mr. Takashi Uematsu will make good use of his ample work experience and expert knowledge of the real estate securitization business in management of the Company, and so it is proposed that he be elected as Outside Director again.

Mr. Uematsu’s term of office as Outside Director will be one year as of the conclusion of this meeting.

It is expected that Mr. Shuhei Shiozawa will continue to make good use of his expert knowledge and experience as university professor in management of the Company, and so it is proposed that he be elected as Outside Director.

(2) Concerning the liability limitation agreement with Outside Directors

The Company has executed liability limitation agreements with the Outside Directors to prescribe that liability for damage to the Company due to negligence of his/her duties can be limited to a certain scope.

Upon the election of both Mr. Takashi Uematsu and Mr. Shuhei Shiozawa as Outside Directors in accordance with the proposal in its original form, the current agreement with Mr. Takashi Uematsu shall continue to be effective, and a new such agreement is expected to be executed with Mr. Shuhei Shiozawa.

Summary of the relevant agreement contents is as follows:

- 1) The maximum liability amount borne by an Outside Director to the Company due to negligence of his/her duties shall be the amount as set forth in the laws and ordinance.
- 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.

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

The terms of office of Corporate Auditors Shintaro Kanno and Tamon Ohmura will expire at the close of this General Meeting and Corporate Auditor Ohmura will retire from the position. Therefore, it is proposed that one Corporate Auditor, Mr. Kanno, be elected again.

Regarding the submission of this proposal, the consent of the Board of Corporate Auditors has been obtained.

The candidate for Corporate Auditor is as follows.

Name (Date of Birth)	Career history, status and important concurrent positions	Number of shares of the Company held	Conflict of interest in the Company
Shintaro Kanno (July 1, 1970)	<p>June 2001 Corporate Auditor (present post)</p> <p>March 2003 Opened CPA Shintaro Kanno Office (present post)</p> <p>April 2004 Corporate Auditor, KW Pension Fund Advisors Co., Ltd. (present Kenedix Advisors Co., Ltd.) (present post)</p> <p>[Important concurrent positions] Representative, CPA Shintaro Kanno Office Corporate Auditor, Kenedix Advisors Co., Ltd.</p>	2 shares	None

Note: Mr. Shintaro Kanno is a candidate for Outside Corporate Auditor.

“Reasons for having Mr. Shintaro Kanno as a candidate for Outside Corporate Auditor and concerning the Liability Limitation Agreement with Outside Corporate Auditor”

(1) Reasons for having Mr. Kanno as a candidate for Outside Corporate Auditor

It is expected that Mr. Kanno will continue to make good use of his expert viewpoints and abundant experience as CPA in auditing of the Company, and so it is proposed that he be elected as Outside Corporate Auditor again.

Mr. Kanno’s term of office as Outside Corporate Auditor will be ten years and ten months as of the conclusion of this meeting.

(2) Concerning liability limitation agreement with the Outside Corporate Auditor

The Company has executed a liability limitation agreement with the Outside Corporate Auditor to prescribe that liability for damage to the Company due to negligence of his/her duties can be limited to a certain scope. Upon the election of Mr. Shintaro Kanno as the Outside Corporate Auditor in accordance

with the proposal in its original form, the current agreement with Mr. Shintaro Kanno shall continue to be effective.

Summary of the relevant agreement contents is as follows:

- 1) The maximum liability amount borne by an Outside Corporate Auditor to the Company due to negligence of his/her duties shall be the amount as set forth in laws and ordinance.
- 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.



**Consolidated Balance Sheet**  
(As of December 31, 2011)

(Millions of yen)

<b>Assets</b>		<b>Liabilities</b>	
Account title	Amount	Account title	Amount
<b>Current assets</b>	<b>30,161</b>	<b>Current liabilities</b>	<b>41,665</b>
Cash and deposits	7,706	Accounts payable — trade	492
Deposits held in trust	2,375	Short-term borrowings	6,489
Accounts receivable — trade	2,041	Long-term borrowings — due within one year	32,121
Real estate for sale	15,306	Corporate bonds — due within one year	300
Acquired non-performing loans	1,587	Accrued income taxes	520
Income taxes refundable	380	Other	1,741
Deferred tax assets	61	<b>Long-term liabilities</b>	<b>77,324</b>
Other	1,207	Bonds payable	1,600
Allowance for doubtful accounts	(506)	Long-term borrowings	69,256
<b>Fixed assets</b>	<b>160,264</b>	Deferred tax liabilities	1,564
<b>Property and equipment</b>	<b>137,707</b>	Allowance for employees' retirement benefits	65
Buildings and structures	54,658	Long-term security deposits	4,472
Land	82,927	Other	364
Other	120	<b>Total liabilities</b>	<b>118,990</b>
<b>Intangible assets</b>	<b>165</b>	<b>Net Assets</b>	
Goodwill	117	<b>Shareholders' equity</b>	<b>61,613</b>
Other	48	<b>Common stock</b>	<b>31,322</b>
<b>Investment and other assets</b>	<b>22,391</b>	<b>Additional paid-in capital</b>	<b>31,581</b>
Investment securities	16,524	<b>Retained earnings</b>	<b>(1,289)</b>
Investment in capital	422	<b>Accumulated other comprehensive income</b>	<b>(696)</b>
Long-term loans receivable	548	<b>Net unrealized holding gains/losses on other securities</b>	<b>(206)</b>
Deferred tax assets	472	<b>Foreign currency translation adjustments</b>	<b>(490)</b>
Other	4,624	<b>Minority interests</b>	<b>10,518</b>
Allowance for doubtful accounts	(201)	<b>Total net assets</b>	<b>71,435</b>
<b>Total assets</b>	<b>190,426</b>	<b>Total liabilities and net assets</b>	<b>190,426</b>

**Consolidated Statement of Income**  
(From January 1, 2011 to December 31, 2011)

(Millions of yen)

Account title	Amount	
<b>Revenue</b>		<b>19,486</b>
<b>Cost of revenue</b>		<b>8,876</b>
<b>Gross profit</b>		<b>10,609</b>
<b>Selling, general and administrative expenses</b>		<b>3,678</b>
<b>Operating income</b>		<b>6,931</b>
Non-operating income		
Interest income	51	
Dividends income	28	
Interest on refund	3	
Consumption taxes differential (after being offset by suspense payments and receipt)	217	
Refunded consumption taxes	263	
Other	146	711
Non-operating expenses		
Interest expenses	3,929	
Commissions paid	324	
Equity in losses of affiliates	720	
Other	201	5,177
<b>Ordinary income</b>		<b>2,464</b>
Extraordinary income		
Gain on sales of investment securities	25	
Gain on sales of fixed assets	364	
Gain on reversal of allowance for doubtful accounts	114	
Other	32	537
Extraordinary loss		
Loss on sales of investment securities	191	
Loss on valuation of investment securities	113	
Impairment loss	83	
Loss on disaster	277	
Other	41	707
<b>Income before income taxes and profit distribution to silent partners</b>		<b>2,294</b>
Profit distribution to silent partnerships		0
<b>Income before income taxes</b>		<b>2,294</b>
Current income taxes	780	
Deferred income taxes	(286)	494
<b>Income before minority interests</b>		<b>1,799</b>
Minority interests		486
<b>Net income</b>		<b>1,313</b>

**Consolidated Statement of Changes in Net Assets**

(From January 1, 2011 to December 31, 2011)

(Millions of yen)

	Shareholders' equity			
	Common stock	Additional paid-in capital	Retained earnings	Total shareholders' equity
Balance as of December 31, 2010	31,322	31,581	(2,594)	60,308
Changes in the fiscal year				
Net income	—	—	1,313	1,313
Change of scope of consolidation	—	—	(8)	(8)
Net changes of items other than shareholders' equity	—	—	—	—
Total changes in the fiscal year	—	—	1,305	1,305
Balance as of December 31, 2011	31,322	31,581	(1,289)	61,613

	Accumulated other comprehensive income			Minority interests	Total net assets
	Net unrealized holding gains/losses on other securities	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance as of December 31, 2010	(84)	(157)	(242)	11,080	71,147
Changes in the fiscal year					
Net income	—	—	—	—	1,313
Change of scope of consolidation	—	—	—	—	(8)
Net changes of items other than shareholders' equity	(122)	(332)	(454)	(562)	(1,016)
Total changes in the fiscal year	(122)	(332)	(454)	(562)	288
Balance as of December 31, 2011	(206)	(490)	(696)	10,518	71,435

**Non-consolidated Balance Sheet**

(As of December 31, 2011)

(Millions of yen)

<b>Assets</b>		<b>Liabilities</b>	
Account title	Amount	Account title	Amount
<b>Current assets</b>	<b>5,882</b>	<b>Current liabilities</b>	<b>16,029</b>
Cash and deposits	2,636	Accounts payable — trade	18
Accounts receivable — trade	449	Short-term borrowings	6,489
Money invested in real estate for sale	1,447	Long-term borrowings — due within one year	8,818
Acquired non-performing loans	3	Corporate bonds — due within one year	300
Prepaid expenses	61	Accounts payable — other	109
Income taxes refundable	220	Accrued expenses	118
Short-term loans to subsidiaries and affiliates	1,080	Accrued income taxes	71
Other	363	Deposits received	82
Allowance for doubtful accounts	(378)	Other	20
<b>Fixed assets</b>	<b>106,999</b>	<b>Long-term liabilities</b>	<b>20,801</b>
<b>Property and equipment</b>	<b>72</b>	Long-term borrowings	20,265
Buildings	51	Long-term borrowings payable to subsidiaries and affiliates	230
Tools, furniture and fixtures	21	Allowance for employees' retirement benefits	61
<b>Intangible assets</b>	<b>21</b>	Other	244
Software	20	<b>Total liabilities</b>	<b>36,831</b>
Other	0	<b>Net Assets</b>	
<b>Investment and other assets</b>	<b>106,905</b>	<b>Shareholders' equity</b>	<b>76,243</b>
Investment securities	6,364	<b>Common stock</b>	<b>31,322</b>
Stocks of subsidiaries and affiliates	9,657	<b>Additional paid-in capital</b>	<b>31,581</b>
Other securities of subsidiaries and affiliates	73,233	Capital reserve	31,581
Investment in capital	379	<b>Retained earnings</b>	<b>13,340</b>
Long-term loans to subsidiaries and affiliates	16,769	Other retained earnings	13,340
Other	962	Retained earnings carried forward	13,340
Allowance for doubtful accounts	(463)	<b>Valuation and translation adjustments</b>	<b>(192)</b>
		<b>Net unrealized holding gains/losses on other securities</b>	<b>(192)</b>
		<b>Total net assets</b>	<b>76,050</b>
<b>Total assets</b>	<b>112,881</b>	<b>Total liabilities and net assets</b>	<b>112,881</b>

**Non-consolidated Statement of Income**  
(From January 1, 2011 to December 31, 2011)

(Millions of yen)

Account title	Amount	
<b>Revenue</b>		
Revenue on Asset Management Business	1,648	
Revenue on Real Estate Investment Business	1,101	
Revenue on Real Estate Lease Business	2,571	<b>5,321</b>
<b>Cost of revenue</b>		
Cost of revenue on Asset Management Business	202	
Cost of revenue on Real Estate Investment Business	1,700	
Cost of revenue on Real Estate Lease Business	633	<b>2,536</b>
<b>Gross income</b>		<b>2,784</b>
Selling, general and administrative expenses		1,649
<b>Operating income</b>		<b>1,135</b>
Non-operating income		
Interest income	527	
Dividends income	80	
Other	25	632
Non-operating expenses		
Interest expenses	1,176	
Bonds interest	67	
Commissions paid	122	
Other	271	1,638
<b>Ordinary income</b>		<b>129</b>
Extraordinary income		
Gain on sales of investment securities	25	
Gain on liquidation of subsidiaries and affiliates	25	
Gain on reversal of allowance for doubtful accounts	440	
Other	31	523
Extraordinary loss		
Loss on sales of investment securities	190	
Loss on investments in silent partnerships	272	
Other	31	494
<b>Income before income taxes</b>		<b>157</b>
Current income taxes	5	
Deferred income taxes	2	7
<b>Net income</b>		<b>149</b>

**Non-consolidated Statement of Changes in Net Assets**

(From January 1, 2011 to December 31, 2011)

(Millions of yen)

	Shareholders' equity			
	Common stock	Additional paid-in capital	Retained earnings	Total shareholders' equity
		Capital reserve	Other retained earnings	
Retained earnings carried forward				
Balance as of December 31, 2010	31,322	31,581	13,190	76,093
Changes in the fiscal year				
Net income	—	—	149	149
Net changes of items other than shareholders' equity	—	—	—	—
Total changes in the fiscal year	—	—	149	149
Balance as of December 31, 2011	31,322	31,581	13,340	76,243

	Valuation and translation adjustments		Total net assets
	Net unrealized holding gains/losses on other securities	Total valuation and translation adjustments	
Balance as of December 31, 2010	(183)	(183)	75,910
Changes in the fiscal year			
Net income	—	—	149
Net changes of items other than shareholders' equity	(9)	(9)	(9)
Total changes in the fiscal year	(9)	(9)	140
Balance as of December 31, 2011	(192)	(192)	76,050