

Securities code: 1878
June 11, 2020

To Our Shareholders

Katsuma Kobayashi
President and Representative Director,
Chief Executive Officer
Daito Trust Construction Co., Ltd.
16-1, Konan 2-chome, Minato-ku, Tokyo

Notice of Convocation of the 46th Ordinary General Meeting of Shareholders

We hereby inform you that the 46th Ordinary General Meeting of Shareholders of the Company will be held as described below.

In view of the current spread of the novel coronavirus disease, the Company decided to hold this meeting upon taking appropriate infection preventive measures.

From the perspective of preventing the spread of infection, shareholders are strongly recommended to refrain from attending the meeting and exercise your voting rights in advance via postal mail or the Internet.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on June 25, 2020 (Thursday).

1. **Date and Time:** June 26, 2020 (Friday) 1:00 p.m.
(Please note that the start time is different from the previous year.)
2. **Place:** 13-1, Takanawa 3-chome, Minato-ku, Tokyo
Grand Prince Hotel Takanawa B1F, Prince Room
(Please note that the venue is different from the previous year.)
3. **Agenda for the Meeting:**
Matters to be reported:
 1. The Business Report, the Consolidated Financial Statements and the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 46th Fiscal Term (April 1, 2019 to March 31, 2020)
 2. The Non-consolidated Financial Statements for the 46th Fiscal Term (April 1, 2019 to March 31, 2020)

Matters to be resolved:

Proposal: Appropriation of Surplus for the 46th Fiscal Term

Notes:

1. For those attending, please present the enclosed Voting Rights Exercise Form to the receptionist on arriving at the meeting. You are also requested to bring this document with you to the meeting for your reference.
2. If you vote by proxy, please make sure your proxy presents the Letter of Attorney along with the Voting Rights Exercise Form to the receptionist. In addition, pursuant to the provisions of the Articles of Incorporation of the Company, only one (1) shareholder holding the voting right of the Company is entitled to exercise a proxy voting right on your behalf.
3. If there are any amendments to the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements, and the Reference Documents for the General Meeting of Shareholders, the revised version will be posted on our website (<https://www.kentaku.co.jp/corporate/ir/kabunushi.html>).
4. As part of our efforts to be environmentally friendly, the attending officers and the meeting staff of the Company will dress in a "cool biz" style (without jacket and tie). Please dress lightly upon attending the meeting.
5. Disclosure on the Company's website of the documents to be included in this Notice of Convocation
The following items are not included in the Reference Documents attached to this notice but are posted in our website (<https://www.kentaku.co.jp/corporate/ir/kabunushi.html>) pursuant to the provisions of law and Article 16 of the Articles of Incorporation of the Company.
The Reference Documents attached to this notice are part of the information audited by the Accounting Auditor and Audit & Supervisory Board Members as part of their preparation of Accounting Auditor's Report and Audit & Supervisory Board Report,

respectively.

(1) Following matters in the Business Report:

- Main business
- Employees
- Main place of business
- Main creditors and borrowing amounts
- Other significant matters concerning shares
- Matters concerning share options of the Company

(2) Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements

(3) Non-consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements

Reference Documents for the General Meeting of Shareholders

Proposals and references:

Proposal: Appropriation of Surplus for the 46th Fiscal Term

Appropriation of surplus for the 46th Fiscal Term is reported as follows:

Year-End Dividend

The Company recognizes adequate profit return to shareholders as one of the most important management matters and practices it. For dividends, the Company, while taking the basic policy stance of providing stable dividends through ongoing reinforcement of our business foundation, aims to set the payout ratio at 50%, and includes a basic dividend of 100 yen and the profit return based on consolidated business performance. Based on these standards, the Company will set a dividend of 345 yen per share for the year-end dividend of the 46th Fiscal Term.

The annual dividend to be paid would be 653 yen per share (up 47 yen per share from the previous fiscal year) including the interim dividend of 308 yen per share paid in November last year.

(1) Type of dividend property

Cash

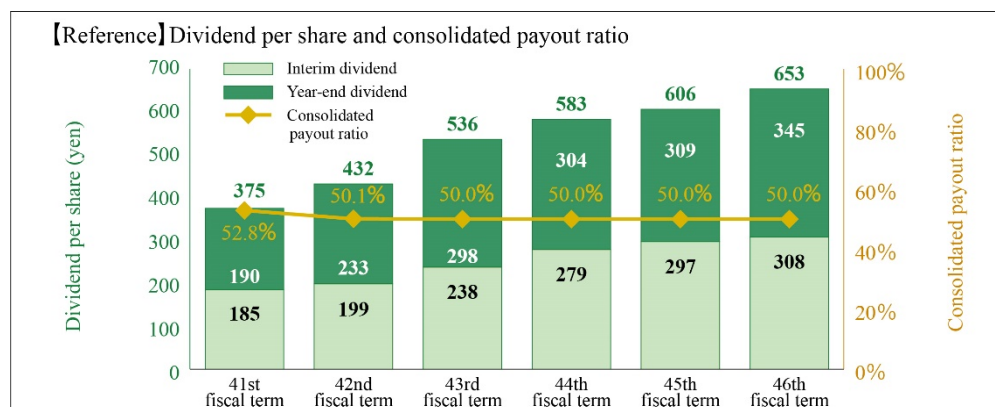
(2) Matters regarding dividend property's allocation to shareholders and total amount

Cash payment of dividend per share: 345 yen per common share of the Company

Total amount: 23,675,464,920 yen

(3) Effective date of dividend payment

June 29, 2020



(Appendix) Business Report
(From April 1, 2019 to March 31, 2020)

1. Current State of Enterprise Group

(1) Business Progress and Results

(i) Overview of Business Environment

In the fiscal year ended March 31, 2020, Japanese economy was recovering at a moderate pace due to improvement in corporate earnings and the employment environment. The outlook for the future, however, grew uncertain, given the increasing uncertainties over the global economy caused by the development of trade negotiations and concerns for falling consumption due to a consumption tax hike, as well as the immeasurable effect on the real economy caused by the global spread of novel coronavirus infection (COVID-19).

In the housing industry, new housing starts decreased by 7.3% on a cumulative basis from April 2019 to March 2020 compared to the same period of the previous fiscal year. Likewise, in the field of rental housing on which the Daito Group is focused, housing starts of rental residential properties decreased for the 19th consecutive month from the same month of the previous year due to, among others, tightening of loans by financial institutions.

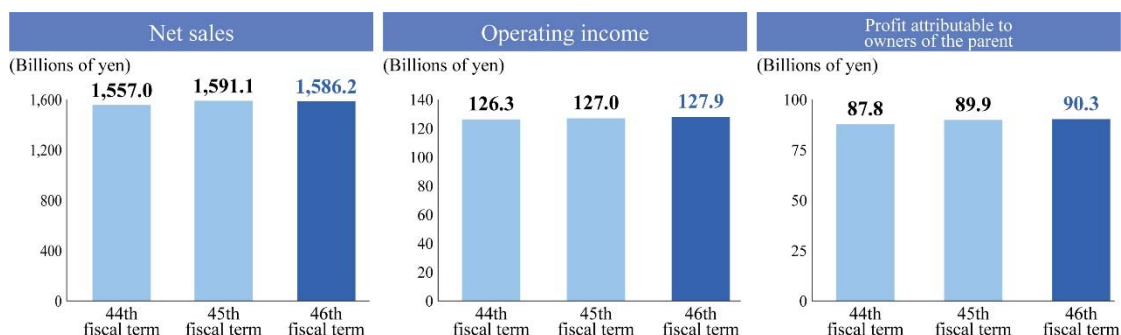
Meanwhile, demand for rental houses with high convenience, safety and comfort will continue to be steady. In the rental housing field, the Group is expected to acquire expertise about the management of sound rental buildings in accordance with tenants' demands and take the initiative in response to the diversifying needs of tenants, including the offering of disaster-resilient rental houses, environmentally-friendly rental houses and smart rental houses tailored to tenants' lifestyles.

Under such circumstances, in the first year of the medium-term management plan "New Five-year Plan" (FY2019-FY2023), the Company embarked on new initiatives outside the rental housing business under the basic policy of "a company that is entrusted with dreams and the future while achieving sustainable growth."

(ii) Overview of Daito Group

During the fiscal year ended March 31, 2020, the Daito Group posted increased profits on a consolidated basis for the twelfth consecutive year despite decreased sales, having recorded net sales in the amount of 1,586,293 million yen (down 0.3% year-on-year), and posted an operating income of 127,956 million yen (up 0.7% year-on-year), ordinary income of 133,028 million yen (up 0.6% year-on-year), and current term profit attributable to owners of the parent of 90,380 million yen (up 0.5% year-on-year).

We owe this result to the earnest support of our stakeholders, including owners, tenants and business partners.



(iii) Progress and Results by Segment

■ Construction Business

In the construction business, net sales of completed construction contracts decreased by 9.6% year-on-year to 551,103 million yen. The gross profit margin for completed projects dropped 1.2 points from the previous fiscal year to 28.9% due to, among others, a relative rise in the fixed cost ratio associated with a decrease in net sales of completed construction contracts.

Orders received decreased 18.3% year-on-year to 519,271 million yen and construction orders in hand as of March 31, 2020 decreased 7.2% year-on-year to 829,949 million yen.

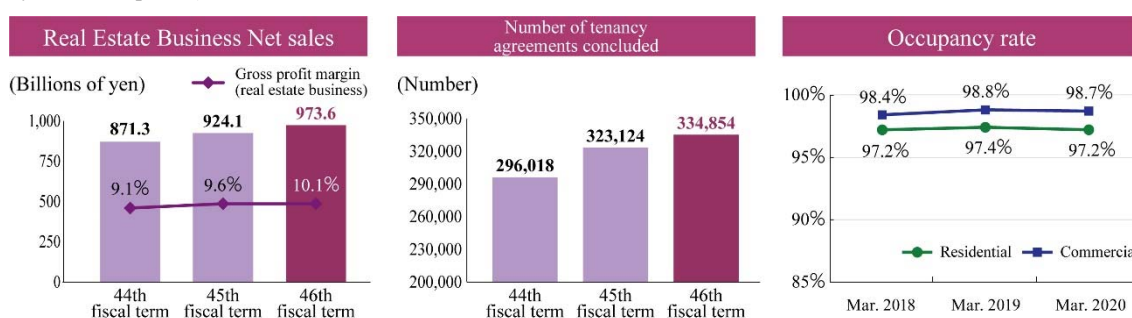


■ Real Estate Business

In the real estate business, an increase in whole-building lease agreements under our Lease Management Trust System allowed our leasing company, Daito Kentaku Partners Co., Ltd. to increase its rental income, while House Leave Co., Ltd., which offers joint guarantor-free services, increased its revenues, resulting in a 5.4% rise in net sales of the real estate business year-on-year to 973,694 million yen.

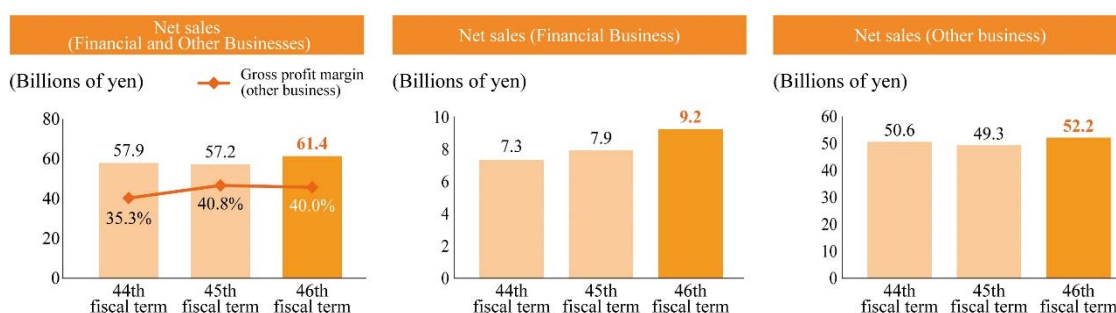
In terms of tenant recruiting activities, we attracted the attention of customers looking for apartments and raised the Company's profile by airing new TV commercials of the lease brokerage brand, "e-Heya Net" and by focusing on our annual promotions. As a result of such efforts, the number of tenancy agreements concluded (*) rose 3.6% year-on-year to 334,854. Consequently, the occupancy rate of our leased residential properties as of March 31, 2020 decreased 0.2 points year-on-year to 97.2%, while the occupancy rate of our leased commercial properties dropped 0.1 points year-on-year to 98.7%.

(*) Total number of Daito Kentaku Leasing Co., Ltd. and Daito Kentaku Partners Co., Ltd. (including properties managed by other companies)

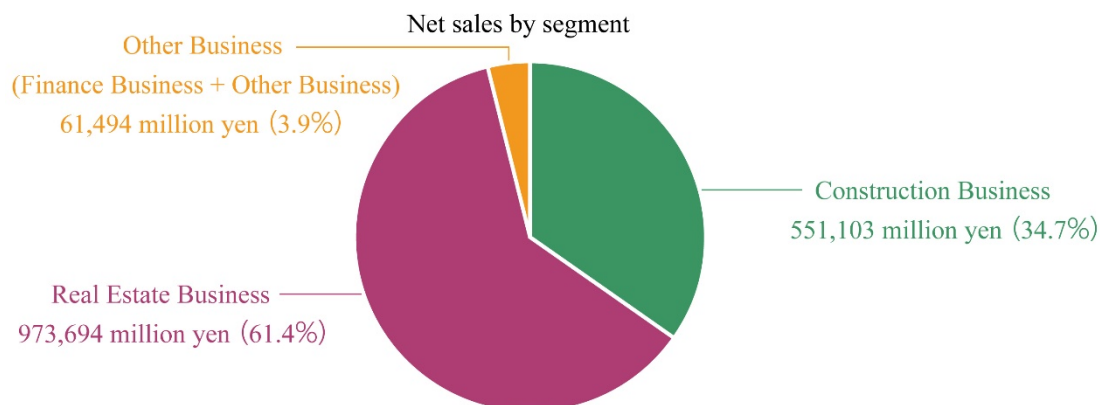


■ Other Business (Financial Business and Other Business)

Total of net sales of other business increased 7.3% year-on-year to 61,494 million yen. This was attributable to increases in the number of properties supplied with gas from the Gaspal Group, including Gaspal Co., Ltd., and the number of customers using daytime care service facilities targeted at the elderly provided by Care Partner Co., Ltd., as well as an increase in the interest income received by Daito Finance Co., Ltd.



<Segment Sales>



Segment		(Reference) 45th Fiscal Term Sales (million yen)	46th Fiscal Term Sales (million yen)	Year-on-year Change (%)
Construction business	Residential	600,272	536,551	(10.6)
	Commercial	3,315	5,175	56.1
	Other	6,190	9,377	51.5
	Total	609,778	551,103	(9.6)
Real estate business	Whole-building lease agreements	843,537	884,186	4.8
	Improvement/repair work	26,612	32,023	20.3
	Real estate brokerage	19,048	20,302	6.6
	Rent guarantee business	13,007	14,256	9.6
	Power generation business	7,306	7,241	(0.9)
	Lease business	6,401	6,628	3.6
	Other	8,199	9,056	10.4
Total	924,112	973,694	5.4	
Financial business	Total	7,972	9,240	15.9
Other business	Total	49,314	52,254	6.0
Sum total		1,591,178	1,586,293	(0.3)

(2) Business Strategies

The spread of novel coronavirus infection has forced the Daito Group to take measures including voluntary restraint and cutdown on its sales activities, and temporary closure and limited operation of construction sites. In the case of further spread and prolongation of the infection, the construction business is expected to see decreases in orders and net sales of completed construction contracts, while the real estate business will face an increase in the number of tenants leaving due to economic downturn and deterioration of employment situation, as well as a decline in the occupancy rate. The other business has seen the effect already, including decreased users of nursing care and childcare services due to request for the business closure, and declines in the operation rate of hotels in Malaysia. While taking measures with safety of employees and their families as the first priority, including the early introduction of telework and staggered commuting, the Daito Group continues to monitor future trends in order to fulfill sound corporate activities and contribute to society.

Meanwhile, the products and services that the Daito Group offers are all related to “housing” in “clothing, food and housing,” which are the necessities of life. Demand is therefore projected to recover to a certain level after the circumstances surrounding the infectious disease settle down. In addition, this adversity will have no small effect on people’s values, and customers are expected to become even more discerning in their choice of products and services. The Daito Group deems it necessary to remain sensitive to changes in people’s values, and change its products and services, as well as its sales methods, rather than being bound by the conventional methods. In addition, we need to evolve into a total lifestyle support company in concert with our 84 thousand owners and 2 million tenants, with its current mainstay businesses of the construction business and the real estate business as its core, in order to continue sustainable growth amid a long-term downward trend in the population and the number of households.

In the fiscal year ended March 31, 2020, the Daito Group has formulated the “New Five-year Plan” toward the fiscal year ending March 2024 as the final year, aiming at further growth in this market environment, and has embarked on various initiatives toward achieving the plan.

The outline of the “New Five-year Plan” and the initiatives to be taken by each segment to achieve the plan are as follows.

(i) Outline of “New Five-year Plan”

Envisioning a company that is entrusted with dreams and the future while achieving sustainable growth, the Daito Group aims to become a “total lifestyle support company” focusing on the comprehensive leasing business by expanding our business areas to leasing businesses other than housing, including commercial facilities and rental offices, and other community-rooted services such as energy service in addition to enhancing the Daito Group’s core businesses (the rental housing field), the construction business and the real estate business.

In terms of numerical targets for the fiscal year ending March 2024, we aim to achieve net sales of 2,200 billion yen, operating income of 180 billion yen, consolidated operating profit margin of 7% or more and ROE (return on equity) of 20% or more, and for housing starts of rental residential properties, to acquire a market share of 20% or more.

New Five-year Plan [Fiscal Year Ending March 31, 2024 (50th Fiscal Term) Plan]

Net sales 2,200.0 billion yen	Operating income 180.0 billion yen		
Net sales of completed construction contracts: 30% or higher	Consolidated operating income margin: 7% or higher		
Share of new rental housing construction starts: 20% or higher	Rent-based vacancy rate: 4% or less	Payout ratio / total return ratio: 50%	(Acquisition of treasury stock is suspended; funds will be invested in growth investments instead)

(ii) Segment strategies

■ Construction Business

In the construction business, we will develop our sites based on a marketing survey covering about 4,600 areas nationwide to allow for effective distribution of the management resources after assessing the market growth potential. While striving to increase contract opportunities through diversifying introduction and responsiveness channels and increasing partners, we will strengthen initiatives for reconstruction market, using introduction and renovation as a gateway. In addition, we will continuously work on strengthening collaboration with our partners to control construction cost, secure labor and strengthen the construction system. In addition, while continuing to bolster direct sales, which is our strength, we will actively consider adopting non-face-to-face sales methods, such as digital marketing and remote sales, in light of the current infectious disaster.

■ Real Estate Business

In the real estate business, we intend to continuously offer the stable building leasing business supported by high occupancy rates through the offering of services in response to the diversifying needs of tenants, including heightened awareness of security and the demand for living with pets. We will also continue to offer services that provide quality housing environment and lives tailored to tenants' lifestyles. In addition, to respond to various needs beyond the real estate-related lease brokerage, we will expand our real estate trading brokerage service nationwide to expand our business. We will also implement initiatives, such as store branding and sales promotion campaigns with the use of social media in tie-ups with stores as well as distribution of store introduction contents, to further capitalize on and expand the customer base of the lease brokerage brand, "e-Heya Net."

■ Other Business (Financial Business and Other Business)

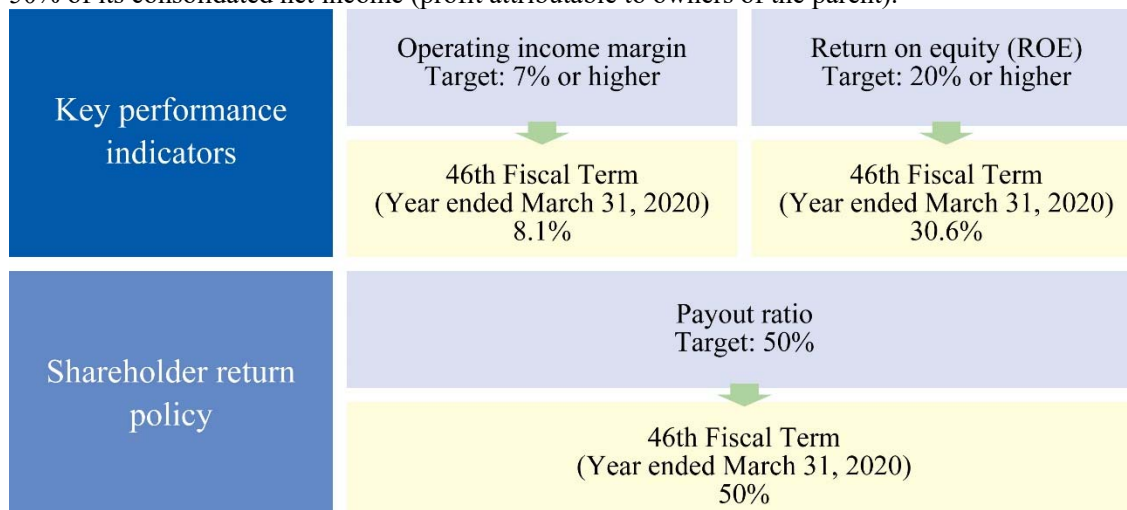
In other businesses, we intend to further increase the number of properties supplied with LP gas from the Gaspal Group, including Gaspal Co., Ltd. and the number of nursing care and childcare facilities operated by Care Partner Co., Ltd. We also aim to expand our business territory by promoting the service office business, for which we established a joint company in 2019, and real estate investment, etc.

We look forward to the continued support and guidance of all our shareholders.

[Reference] Basic Capital Policy of the Company

As its key performance indicators, the Company aims for an operating income margin of 7% or higher and a return on equity (ROE) of 20% or higher and seeks the optimal balance between financial soundness, capital efficiency and shareholder returns.

In addition, the Company has disclosed in its shareholder return policy, where it targets a payout ratio of at least 50% of its consolidated net income (profit attributable to owners of the parent).



In the fiscal year ended March 31, 2020, as a result of acquiring 4,167 thousand shares of treasury stock amounting to 59.1 billion yen, the total return ratio was 115.7%, added with the 50% attributable to dividends. Together with the 2,542 thousand shares of treasury stock acquired amounting to 40.9 billion yen in the previous fiscal year, 6,709 thousand shares of treasury stock amounting to approximately 100.0 billion yen in total were retired on March 31, 2020.

(3) Capital Investment, etc.

In the fiscal year ended March 31, 2020, total capital investment amounted to 26,172 million yen, which primarily consisted of the acquisition of revenue-generating real estate, construction of exhibition halls and the development of the new backbone system.

(4) Financing

No significant funding to be noted was made during the fiscal year under review.

(5) Trends in Assets and Income

(i) Trends in Assets and Income of Enterprise Group

Category	43rd fiscal term: Fiscal year ended March 31, 2017	44th fiscal term: Fiscal year ended March 31, 2018	45th fiscal term: Fiscal year ended March 31, 2019	46th fiscal term: Fiscal year ended March 31, 2020 (under review)
Net sales (million yen)	1,497,104	1,557,017	1,591,178	1,586,293
Operating income (million yen)	120,162	126,369	127,047	127,956
Ordinary income (million yen)	124,509	131,533	132,240	133,028
Profit attributable to owners of the parent (million yen)	82,168	87,829	89,930	90,380
Earnings per share < EPS > (yen)	1,072.64	1,165.29	1,212.20	1,306.71
Total assets (million yen)	781,431	842,978	859,772	880,289
Net assets (million yen)	275,485	297,039	302,298	286,161

(ii) Trends in Assets and Income of the Company

Category	43rd fiscal term: Fiscal year ended March 31, 2017	44th fiscal term: Fiscal year ended March 31, 2018	45th fiscal term: Fiscal year ended March 31, 2019	46th fiscal term: Fiscal year ended March 31, 2020 (under review)
Net sales (million yen)	646,878	634,848	614,059	553,359
Operating income (million yen)	68,568	64,398	61,468	55,474
Ordinary income (million yen)	85,422	92,553	110,612	97,875
Net income (million yen)	59,926	69,020	88,932	78,464
Earnings per share < EPS > (yen)	782.29	915.73	1,198.75	1,134.43
Total assets (million yen)	535,839	577,128	583,819	583,695
Net assets (million yen)	136,759	146,945	153,636	125,430

2. The Company's Stock

- (1) **Number of shares authorized** 329,541,100 shares
- (2) **Number of shares issued** 68,624,536 shares (excluding treasury stock: 294,443 shares)
- (3) **Number of shareholders** 18,136 shareholders
- (4) **Principal shareholders**

Name of shareholder	Number of shares owned (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	5,133	7.48
SSBTC CLIENT OMNIBUS ACCOUNT	4,351	6.34
Japan Trustee Services Bank, Ltd. (Trust account)	3,407	4.96
Japan Trustee Services Bank, Ltd. (Trust account 7)	1,836	2.68
Sumitomo Realty & Development Co., Ltd.	1,606	2.34
Japan Trustee Services Bank, Ltd. (Trust account 5)	1,531	2.23
Co-op Suppliers' Stock Holding	1,514	2.21
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Retirement Benefit Trust Account)	1,474	2.15
THE BANK OF NEW YORK MELLON 140044	1,301	1.90
JP Morgan Chase Bank 385635	1,182	1.72

- (Notes) 1. Shareholding ratio is calculated after deducting treasury stock (294 thousand shares).
2. The Company holds 294 thousand shares of treasury stock, excluding 131 thousand shares held by the ESOP Trust, 246 thousand shares held by the J-ESOP and 59 thousand shares held by Board Incentive Plan (BIP).

3. Corporate Officers

(1) Names, etc., of Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities and Significant Concurrent Positions Held
President and Representative Director (CEO)	Katsuma Kobayashi	General Manager of Construction Business Headquarters
Managing Director	Shuji Kawai	General Manager of Corporate Management Headquarters and Subsidiary Business Headquarters
Managing Director	Kei Takeuchi	General Manager of Real Estate Business Headquarters
Director	Kanitsu Uchida	General Manager of Subsidiary Business Headquarters in charge of Nursing Care and Childcare Business and Overseas Business
Director	Kazuhiko Saito	General Manager of Construction Business Management Headquarters
Director	Takeshi Nakagawa	General Manager of Business Strategy Department in charge of Energy Business
Director	Koji Sato	Representative Director and President of Daito Kentaku Partners Co., Ltd.
Director	Fumiaki Nakagami	Deputy General Manager of Construction Business Management Headquarters
Director (Outside)	Toshiaki Yamaguchi	Chairman of Governance Committee Representative Attorney, Yamaguchi Toshiaki Law Firm Director, Japan Internal Control Association Director of Japan Corporate Governance Network Outside Audit & Supervisory Board Member of Osaka Metro Co., Ltd.
Director (Outside)	Mami Sasaki	Committee Member of Governance Committee Outside Director of Sumitomo Mitsui Trust Asset Management Co., Ltd.
Director (Outside)	Takashi Shoda	Committee Member of Governance Committee Outside Director, Audit and Supervisory Committee Member, Ube Industries, Ltd.
Standing Audit & Supervisory Board Member (Outside)	Masayasu Uno	Committee Member of Governance Committee
Audit & Supervisory Board Member (Outside)	Hideo Hachiya	Committee Member of Governance Committee Representative Attorney, Hachiya Law Firm
Audit & Supervisory Board Member (Outside)	Kazumitsu Futami	Committee Member of Governance Committee
Audit & Supervisory Board Member (Outside)	Kazuo Fujimaki	Committee Member of Governance Committee Representative, Fujimaki Sogo Consulting

- (Notes)
1. Mr. Naomi Kumakiri retired due to the expiration of the term of office at the conclusion of the 45th Ordinary General Meeting of Shareholders held on June 25, 2019.
 2. Mr. Takeshi Nakagawa resigned as Director on March 31, 2020.
 3. Mr. Toshiaki Yamaguchi, Ms. Mami Sasaki and Mr. Takashi Shoda are Outside Directors.
 4. All Audit & Supervisory Board Members of the Company are Outside Audit & Supervisory Board Members.
 5. Audit & Supervisory Board Member Mr. Masayasu Uno is qualified as a Certified Public Accountant and has considerable financial and accounting knowledge.
 6. Audit & Supervisory Board Member Mr. Kazuo Fujimaki is qualified as a U.S. Certified Public Accountant and has considerable international financial and accounting knowledge.
 7. The Company has designated Directors Mr. Toshiaki Yamaguchi, Ms. Mami Sasaki and Mr. Takashi Shoda, and Audit & Supervisory Board Members Mr. Masayasu Uno, Mr. Hideo Hachiya, Mr. Kazumitsu Futami and Mr. Kazuo Fujimaki as independent officers under the provisions set forth by the Tokyo Stock Exchange and the Nagoya Stock Exchange and has notified said Exchanges accordingly.
 8. The names, responsibilities and significant concurrent positions held by Directors and Audit & Supervisory Board Member as of April 1, 2020 are as follows.

Position	Name	Responsibilities and Significant Concurrent Positions Held
Managing Director	Kei Takeuchi	General Manager of West Japan Construction Business Headquarters
Director	Kazuhiko Saito	General Manager of East Japan Construction Business Headquarters
Director	Koji Sato	General Manager of Real Estate Business Headquarters Representative Director and President of Daito Kentaku Partners Co., Ltd.
Director	Fumiaki Nakagami	

(Reference) Names and responsibilities of Executive Officers as of April 1, 2020 are as follows.

Position	Name	Responsibilities
Executive Officer	Takashi Suzuki	General Manager of Chukyo Area Construction Business Department
Executive Officer	Masafumi Tate	General Manager of Design Management Department
Executive Officer	Shoji Yamada	General Manager of West Kanto Area Construction Business Department
Executive Officer	Masayoshi Tanaka	Representative Director & President of Daito Mirai Trust Co., Ltd.
Executive Officer	Kazunori Fukuda	Representative Director & President of Daito Corporate Service Co., Ltd.
Executive Officer	Yoshihiro Mori	Representative Director and President, Daito Kentaku Leasing Co., Ltd.
Executive Officer	Eiji Kawahara	Senior Managing Director, Daito Kentaku Partners Co., Ltd.
Executive Officer	Masayuki Koishikawa	General Manager of Sales Management Department
Executive Officer	Kouichi Nakamura	General Manager of West Japan Construction Business Headquarters
Executive Officer	Jun Matsufuji	General Manager of Central Tokyo Area Construction Business Department
Executive Officer	Tetsuya Shibata	General Manager of Real Estate Business Development Department
Executive Officer	Kazuhiro Izumi	General Manager of Construction Management Department
Executive Officer	Takeshi Nakamura	General Manager of Business Management Department
Executive Officer	Takeshi Shirasaki	General Manager of Hokkaido and Hokushin Area Construction Business Department
Executive Officer	Kunihiro Takenaka	General Manager of East Japan Construction Business Headquarters
Executive Officer	Tsukasa Okamoto	General Manager of Accounting Department

(2) Outline of Limited Liability Agreements

The Company has entered into a Limited Liability Agreement with one (1) Director who does not execute business (Non-executive Director), all three (3) Outside Directors and all four (4) Outside Audit & Supervisory Board Members, the outline of which is as described below:

- A. Limited Liability Agreements with a Director who does not execute business (Non-executive Director)
 - In the event that the Company bears liability for damages caused by neglect of the Non-executive Director's duty, the liability amount shall be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.
 - The limited liability stated above shall be applicable only when the Non-executive Director performs his duty in good faith and without material negligence.
- B. Limited Liability Agreements with Outside Directors
 - In the event that the Company bears liability for damages caused by neglect of the Outside Director's duty, the liability amount shall be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.
 - The limited liability stated above shall be applicable only when the Outside Director performs his duty in good faith and without material negligence.
- C. Limited Liability Agreements with Outside Audit & Supervisory Board Members
 - In the event that the Company bears liability for damages caused by neglect of the Outside Audit & Supervisory Board Member's duty, the liability amount shall be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.
 - The limited liability stated above shall be applicable only when the Outside Audit & Supervisory Board Member performs his duty in good faith and without material negligence.

(3) Amount of Remuneration, etc., of Directors and Audit & Supervisory Board Members

Category	Number of persons paid	Amount paid
Director	12 persons	1,161 million yen
Audit & Supervisory Board Member	4 persons	63 million yen
Total (Outside Directors/Audit & Supervisory Board Members)	16 persons (7 persons)	1,224 million yen (99 million yen)

- (Notes)
1. The amount paid to Directors indicated in the above table does not include the employee salary portion of Directors concurrently serving as employees.
 2. The amount paid to Directors indicated in the above table includes an expense of 311 million yen recognized for the fiscal year ended March 31, 2020 in relation to the subscription rights to shares granted as stock options and a provision of 313 million yen recognized as stock compensation for the fiscal year ended March 31, 2020.
 3. The number of Directors (excluding Outside Directors) paid includes one (1) Director who retired at the conclusion of the 45th Ordinary General Meeting of Shareholders held on June 25, 2019. The headcount as of the end of the fiscal year under review is eleven (11) Directors and four (4) Audit & Supervisory Board Members.
 4. Directors' remuneration is the sum of the fixed portion which is capped at 1 billion yen per year (including the Outside Directors' remuneration capped at 50 million yen) and the variable portion which is capped at 0.45% of consolidated net income (Profit attributable to owners of the parent) for the fiscal year under review (not exceeding 1 billion yen, and not payable if consolidated net income [Profit attributable to owners of the parent] for the fiscal year under review falls short of 20 billion yen), not including the employee salary portion of Directors concurrently serving as an employee, as resolved at the 33rd Ordinary General Meeting of Shareholders of the Company held on June 27, 2007.
The stock compensation for Directors (excluding Outside Directors) approved at the 45th Ordinary General Meeting of Shareholders of the Company held on June 25, 2019 is operated separately from the aforementioned amount of remuneration.
 5. Audit & Supervisory Board Members' remuneration is capped at 100 million yen per year as resolved at the 33rd Ordinary General Meeting of Shareholders of the Company held on June 27, 2007.
 6. In addition to the above, the Company paid retirement benefits of 22 million yen in total to one (1) Director eligible for the payment of retirement benefits for termination resulting from the abolition of the retirement benefits system, which was resolved at the 37th Ordinary General Meeting of Shareholders held on June 28, 2011.

(4) Policy for the determination of remuneration of Directors and Audit & Supervisory Board Members

(i) Details and determination method of remuneration of Directors

a. Details of remuneration of Directors

Remuneration of Directors comprises basic remuneration as fixed remuneration, and bonuses and stock compensation which form the performance-linked remunerations. Both types of remunerations shall not be more than an amount, which has been approved by the General Meeting of Shareholders.

- **Basic remuneration (fixed remuneration)**

The basic remuneration of each Director shall be determined in consideration of quantitative factors such as corporate earnings, remuneration paid by other related companies, rate of increase in employees' salary, and years of employment as well as qualitative factors such as management capability, achievement, and contribution of each Director.

The total basic remuneration shall be no more than 1.0 billion yen per year (including the Outside Directors' remuneration which shall be no more than 50 million yen per year).

- **Bonuses (short-term performance-linked remunerations)**

Bonuses shall be determined in consideration of the achievement, contribution, etc., of each Director during the fiscal year and be paid from the total amount of bonuses which is determined by multiplying consolidated net income (Profit attributable to owners of the parent) for the fiscal year under review by a certain ratio determined by the Board of Directors (0.45%), conditional upon the achievement of certain earnings results. However, Outside Directors are not entitled to receive any bonuses.

Bonuses shall not exceed 1.0 billion yen, and not payable if consolidated net income (Profit attributable to owners of the parent) for the fiscal year under review falls short of 20.0 billion yen.

- **Stock compensation (medium- to long-term performance-linked remuneration)**

Starting from the fiscal year under review, in place of the previous stock option scheme as stock-linked compensation, the Company introduced a medium- to long-term performance-linked stock compensation plan pursuant to the resolution passed at the 45th Ordinary General Meeting of Shareholders held on June 25, 2019, for the purpose of raising Directors' willingness to contribute to the medium- to long-term improvement in the financial performance and enhancement of the enterprise value of the Company by clarifying the linkage between the financial performance and the shareholder value of the Company and sharing of common interests with shareholders.

The new plan covers the three fiscal years (hereinafter referred to as the "Covered Period") from the fiscal year under review to the fiscal year ending March 31, 2022 and each consecutive period of three fiscal years thereafter. The Company will contribute a total amount of up to 1.9 billion yen as compensation to Directors for each Covered Period to establish the trust for a 3-year trust period, the beneficiaries of which are Directors who meet the beneficiary requirements. During the trust period, the Company will grant points to Directors, and the total number of points to be granted to Directors per three fiscal years as the Covered Period (number of the Company shares) shall be up to 210,000 points (210,000 shares) on the condition that 20% ROE and 50% payout ratio are achieved.

The plan is comprised of a performance-linked portion and a non-performance-linked portion. For the performance-linked portion, points to be determined based on job titles are granted every year and are multiplied by the achievement level (0 to 150%) of the Company's performance targets, etc. (the Company adopted the consolidated operating income growth rate as the relevant performance indicator for the plan established in 2019) after the expiry of the Covered Period. For the non-performance-linked portion, points to be determined based on job titles are granted every year.

The trust will deliver the Company shares, etc., to Directors and the money equivalent to the amount gained from the sale of such shares according to the number of points. Such delivery is made after the expiry of the Covered Period for the performance-linked portion and upon the retirement of Directors for the non-performance-linked portion.

Upon the expiry of the trust period of the trust, the Company plans to continue the plan by setting up a new trust or amending the trust agreement and making an additional trust (such amendment to the trust agreement and additional trust, if any, shall be deemed equivalent to the establishment of the trust). In case where the plan is continued by amending the trust agreement, the trust period shall be

extended for three years, and the three fiscal years after the extension of the trust period shall be deemed as the new Covered Period. The Company shall make an additional contribution within the total amount of 1.9 billion yen for each extended trust period and continue to grant points to Directors during such extended trust period, whereas the trust shall continue to transfer and deliver the Company shares, etc., to Directors during such extended trust period; provided, however, that, in the case that such additional contribution is made, if the Company shares and money remain in the trust property at the end of the trust period before such extension (excluding the Company shares, etc., that correspond to the points granted but have not been transferred and delivered to Directors), the total amount of such remaining shares, etc., and the trust money to be additionally contributed by the Company shall be within the range of 1.9 billion yen.

b. Determination method

The total amount of Directors' remuneration shall be no more than the aggregate amount of Directors' remuneration approved by the General Meeting of Shareholders and specific amounts of remuneration for each Director shall be determined by allocating the aggregate amount pursuant to the resolution of the Board of Directors.

In addition, the Company conducts mutual evaluations each year of the business execution and management supervision of its Directors mainly through the Governance Committee, which comprises the Representative Directors, all Outside Directors and all Audit & Supervisory Board Members. The results of these evaluations are reflected in the management structure for the following fiscal year and the basic remuneration, bonuses and stock compensation of the Directors (excluding Outside Directors).

(ii) Details and determination method of remuneration of Audit & Supervisory Board Members

a. Details of remuneration of Audit & Supervisory Board Members

The total amount of Audit & Supervisory Board Members' remuneration shall be no more than 100 million yen, which was approved by the General Meeting of Shareholders.

b. Determination method

The total amount of remuneration of Audit & Supervisory Board Members shall be no more than the aggregate amount of remuneration of Audit & Supervisory Board Members approved by the General Meeting of Shareholders and specific amounts of remuneration of each Audit & Supervisory Board Member shall be determined by allocating the aggregate amount pursuant to the deliberation by the Audit & Supervisory Board.

(Reference) Structure of remuneration, etc., of Directors

Type of remuneration		Contents	Fixed/ Variable	Maximum amount/Conditions
Basic remuneration		Determined in consideration of corporate earnings, rate of increase in employees' salary, years of employment, remuneration paid by industry peers, and contribution, etc.	Fixed	<Maximum amount>: 1.0 billion yen in total per year (including 50 million yen or less to Outside Directors)
Bonuses		Total amount is determined by multiplying consolidated net income by 0.45%. Amount of payment to each Director is determined in consideration of contribution, etc. made by each Director in a single fiscal year.	Variable	<Maximum amount>: 1.0 billion yen in total per year (not paid to Outside Directors) <Condition>: Consolidated net income of 20.0 billion yen or more and achievement of certain earnings results
Stock compensation	Performance-linked	Amount based on job titles, multiplied by the achievement level (0 to 150%) of performance targets for three years. Granted after the expiry of the Covered Period (three fiscal years).	Variable	<Maximum amount>: Contribution of 1.9 billion yen in total over a three-year period and 210,000 shares of common stock over a three-year period <Condition>: ROE of 20% or higher and payout ratio of 50% or higher
	Non-performance-linked	Determined based on job titles. Granted upon the retirement of Directors.	Fixed	
(Stock options) *Not to be newly allotted in the fiscal year ended March 31, 2020 onward.		Determined based on a single year evaluation.	Variable	<Maximum amount>: 530 million yen per year and stock acquisition rights of 92,000 shares in total per year

(5) Outside Officers

(i) Important concurrent positions and relationship with the Company

a. Outside Directors

Name	Parties with which important concurrent positions are held and details of positions held concurrently	Relationship between such parties and the Company
Toshiaki Yamaguchi	Representative Attorney, Yamaguchi Toshiaki Law Firm	There is no business transactional relationship between these parties and the Company.
	Director, Japan Internal Control Association	
	Director of Japan Corporate Governance Network	
	Outside Audit & Supervisory Board Member of Osaka Metro Co., Ltd.	
Mami Sasaki	Outside Director of Sumitomo Mitsui Trust Asset Management Co., Ltd.	There is no business transactional relationship between the party and the Company.
Takashi Shoda	Outside Director, Audit and Supervisory Committee Member, Ube Industries, Ltd.	There is no business transactional relationship between the party and the Company.

b. Outside Audit & Supervisory Board Members

Name	Parties with which important concurrent positions are held and details of positions held concurrently	Relationship between such parties and the Company
Masayasu Uno	Not applicable.	-
Hideo Hachiya	Representative Attorney, Hachiya Law Firm	There is no business transactional relationship between this party and the Company.
Kazumitsu Futami	Not applicable.	-
Kazuo Fujimaki	Representative, Fujimaki Sogo Consulting	There is no business transactional relationship between this party and the Company.

(Note) In July 2011, Audit & Supervisory Board Member, Mr. Hideo Hachiya entered into a construction work contract with the Company for the contract amount of 23 million yen, and the construction work was completed in January 2012 and delivery of the construction was completed.

The contract amount was determined based on conditions identical to that of other customers.

(ii) Main activities during the fiscal year under review

a. Outside Directors

Name	Attendance at Board of Directors meetings (Attendance ratio)	Main activities
Toshiaki Yamaguchi	13 times out of 13 meetings (100.0%)	In the Board of Directors meetings, he expressed his opinions by making the most of his strong expertise and extensive experience as a lawyer with thorough knowledge of corporate legal affairs, risk management and corporate governance. In addition, as a Chairman of the Governance Committee, he compiled the evaluation results of the mutual evaluations of executive Directors and conducted individual interviews, playing a central role in the mutual evaluations, as well as commented, as necessary, on the next medium-term business plan formulated by the Representative Directors.
Mami Sasaki	13 times out of 13 meetings (100.0%)	In the Board of Directors meetings, she expressed her opinions by making the most of her extensive knowledge and experience of organizational management in the global financial business. In addition, as a Committee Member of the Governance Committee, she confirmed the evaluation results of the mutual evaluations of executive Directors and the individual interview results as well as commented, as necessary, on the next medium-term business plan formulated by the Representative Directors.
Takashi Shoda	13 times out of 13 meetings (100.0%)	In the Board of Directors meetings, he expressed his opinions by making the most of his extensive experience and knowledge acquired in the course of long-term involvement as a corporate manager in companies that operate global business, and his considerable insights on CSR activities acquired in the course of active engagement as a corporate manager. In addition, as a Committee Member of the Governance Committee, he confirmed the evaluation results of the mutual evaluations of executive Directors and the individual interview results, as well as commented, as necessary, on the next medium-term business plan formulated by the Representative Directors.

b. Outside Audit & Supervisory Board Members

Name	Attendance at Board of Directors meetings (Attendance ratio)	Attendance at Audit & Supervisory Board meetings (Attendance ratio)	Main activities
Masayasu Uno	13 times out of 13 meetings (100.0%)	13 times out of 13 meetings (100.0%)	<p>In the Board of Directors meetings, he expressed his opinions on business execution by making the most of his strong specialized knowledge of financial and accounting as a certified public accountant and his extensive experience and insight as a business entrepreneur.</p> <p>In the Audit & Supervisory Board meetings, he reported the progress of execution of audits based on the audit plan and exchanged opinions on audit policies, etc.</p> <p>In addition, he attended important meetings on business execution and compliance promotion meetings and conducted audits targeted at major business establishments, etc.</p> <p>In addition, as a Committee Member of the Governance Committee, he confirmed the evaluation results of the mutual evaluations of executive Directors and the individual interview results as well as commented, as necessary, on the next medium-term business plan formulated by the Representative Directors.</p>
Hideo Hachiya	13 times out of 13 meetings (100.0%)	13 times out of 13 meetings (100.0%)	<p>In the Board of Directors meetings, he expressed his opinions on business execution by making the most of his strong expertise and extensive experience as a lawyer.</p> <p>In the Audit & Supervisory Board meetings, he received reports on the progress of audits and exchanged opinions on audit policies, etc.</p> <p>In addition, as a Committee Member of the Governance Committee, he confirmed the evaluation results of the mutual evaluations of executive Directors and the individual interview results as well as commented, as necessary, on the next medium-term business plan formulated by the Representative Directors.</p>
Kazumitsu Futami	13 times out of 13 meetings (100.0%)	13 times out of 13 meetings (100.0%)	<p>In the Board of Directors meetings, he expressed his opinions on business execution by making the most of his extensive experience and insight of housing administration and loan guarantee business for construction loans for rental residential property development.</p> <p>In the Audit & Supervisory Board meetings, he received reports on the progress of audits and exchanged opinions on audit policies, etc.</p> <p>In addition, as a Committee Member of the Governance Committee, he confirmed the evaluation results of the mutual evaluations of executive Directors and the individual interview results as well as commented, as necessary, on the next medium-term business plan formulated by the Representative Directors.</p>

Name	Attendance at Board of Directors meetings (Attendance ratio)	Attendance at Audit & Supervisory Board meetings (Attendance ratio)	Main activities
Kazuo Fujimaki	13 times out of 13 meetings (100.0%)	13 times out of 13 meetings (100.0%)	<p>In the Board of Directors meetings, he expressed his opinions on business execution by making the most of his experience in serving as an Outside Audit & Supervisory Board Member at a listed company, specialized knowledge as a U.S. certified public accountant, and his extensive experience and insight gained through his involvement in management as a consultant.</p> <p>In the Audit & Supervisory Board meetings, he received reports on the progress of audits and exchanged opinions on audit policies.</p> <p>In addition, as a Committee Member of the Governance Committee, he confirmed the evaluation results of the mutual evaluations of executive Directors and the individual interview results as well as commented, as necessary, on the next medium-term business plan formulated by the Representative Directors.</p>

(iii) Family Relationships of Outside Directors and Outside Audit & Supervisory Board Members

None of the Outside Directors or Outside Audit & Supervisory Board Members is an executive person of a subsidiary, associate or major business partner of the Company, or a spouse, any family within the third degree of kinship of a Director or Audit & Supervisory Board Member of the Company or a similar person.

Consolidated Balance Sheet

(Millions of yen)

Assets			Liabilities		
Account item	(Reference) 45th Fiscal Term (As of March 31, 2019)	46th Fiscal Term (As of March 31, 2020)	Account item	(Reference) 45th Fiscal Term (As of March 31, 2019)	46th Fiscal Term (As of March 31, 2020)
Current assets:	484,700	490,604	Current liabilities:	290,155	318,519
Cash and deposits	188,614	159,930	Accounts payable for construction contracts	45,687	54,760
Money held in trust	16,000	14,000	Current portion of long-term loans payable	19,816	21,640
Accounts receivable from completed construction contracts and other	67,325	76,456	Lease obligations	200	210
Short-term investment securities	12,509	4,028	Income taxes payable	28,324	30,081
Costs on uncompleted construction contracts	14,144	12,098	Advances received on uncompleted construction contracts	48,141	40,258
Other inventories	7,412	4,329	Advances received	65,867	89,571
Prepaid expenses	66,861	69,187	Provision for bonuses	21,363	14,131
Operating loans	93,259	127,592	Provision for warranties for completed construction	1,016	819
Other	18,881	23,462	Deposits received	8,782	10,003
Allowance for doubtful accounts	(308)	(481)	Other	50,957	57,041
Noncurrent assets:	375,071	389,684	Noncurrent liabilities:	267,318	275,609
Property, plant and equipment	166,595	175,304	Long-term loans payable	72,300	61,110
Buildings and structures	51,415	58,782	Lease liabilities	648	514
Machinery and equipment	34,476	35,641	Deferred tax liabilities	297	308
Tools, furniture and fixtures	2,117	2,787	Provision for repairs on whole building lease	134,732	151,862
Land	76,364	76,432	Net defined benefit liability	13,387	15,228
Lease assets	1,211	974	Long-term guarantee deposits	34,109	33,644
Other	1,010	685	Other	11,843	12,940
Intangible assets	27,896	28,282	Total liabilities	557,473	594,128
Investments and other assets	180,579	186,098	Net Assets		
Investment securities	53,167	45,799	Shareholders' equity:	305,988	295,929
Subordinated bonds and subordinated trust beneficiary rights	11,140	10,642	Capital stock	29,060	29,060
Deferred tax assets	71,406	83,234	Capital surplus	34,540	34,540
Other	49,354	51,548	Retained earnings	297,952	243,349
Allowance for doubtful accounts	(4,488)	(5,127)	Treasury stock	(55,565)	(11,021)
			Accumulated other comprehensive income	(7,071)	(13,412)
			Valuation difference on available-for-sale securities	6,486	767
			Deferred gains or losses on hedges	222	258
			Revaluation reserve for land	(7,584)	(7,584)
			Foreign currency translation adjustment	(3,207)	(3,841)
			Remeasurements of defined benefit plans	(2,989)	(3,011)
			Subscription rights to shares	491	482
			Non-controlling interests	2,889	3,161
			Total net assets	302,298	286,161
Total assets	859,772	880,289	Total liabilities and net assets	859,772	880,289

Consolidated Statement of Income

(Millions of yen)

Account item	(Reference) 45th Fiscal Term (From April 1, 2018 to March 31, 2019)		46th Fiscal Term (From April 1, 2019 to March 31, 2020)	
Net sales				
Net sales of completed construction contracts	609,778		551,103	
Sales on real estate business	924,112		973,694	
Other business revenue	57,286	1,591,178	61,494	1,586,293
Cost of sales				
Cost of sales of completed construction contracts	426,014		391,992	
Cost of sales on real estate business	835,194		874,962	
Cost of sales on other business	33,925	1,295,134	36,874	1,303,829
Gross profit				
Gross profit on completed construction contracts	183,764		159,111	
Gross profit-real estate business	88,918		98,731	
Gross profit-other business	23,361	296,044	24,620	282,463
Selling, general and administrative expenses		168,996		154,506
Operating income		127,047		127,956
Non-operating income				
Interest income	509		436	
Dividends income	248		268	
Commission fee	3,456		3,101	
Share of profit of entities accounted for using equity method	229		829	
Miscellaneous income	1,616	6,059	1,572	6,209
Non-operating expenses				
Interest expenses	229		210	
Provision of allowance for doubtful accounts	96		92	
Commission expenses	91		—	
Loss on transfer of receivables	—		274	
Miscellaneous expenses	450	867	559	1,137
Ordinary income		132,240		133,028
Extraordinary income				
Gain on sales of noncurrent assets	60		22	
Gain on sales of investment securities	1,065	1,126	960	982
Extraordinary loss				
Loss on sales and retirement of noncurrent assets	665		620	
Impairment loss	29		34	
Loss on disaster	12		216	
Loss on sales of investment securities	316		7	
Loss on valuation of investment securities	—	1,024	118	997
Income before income taxes and non-controlling interests		132,342		133,014
Income taxes – current	51,736		51,572	
Income taxes – deferred	(9,753)	41,982	(9,272)	42,299
Net income		90,359		90,714
Profit attributable to non-controlling interests		428		334
Profit attributable to owners of the parent		89,930		90,380

Non-consolidated Balance Sheet

(Millions of yen)

Assets			Liabilities		
Account item	(Reference) 45th Fiscal Term (As of March 31, 2019)	46th Fiscal Term (As of March 31, 2020)	Account item	(Reference) 45th Fiscal Term (As of March 31, 2019)	46th Fiscal Term (As of March 31, 2020)
Current assets:	332,337	329,253	Current liabilities:	344,317	380,832
Cash and deposits	137,726	105,732	Accounts payable for construction contracts	41,533	50,306
Accounts receivable from completed construction contracts	55,598	63,903	Current portion of long-term loans payable	19,816	21,640
Short-term investment securities	12,499	3,998	Lease liabilities	34	35
Costs on uncompleted construction contracts	13,843	11,538	Accounts payable - other	19,732	17,625
Raw materials and supplies	6,735	3,612	Income taxes payable	10,806	10,898
Short-term loans receivable from subsidiaries and affiliates	94,050	128,380	Accrued consumption taxes	2,861	1,719
Prepaid expenses	813	700	Advances received on uncompleted construction contracts	47,825	39,778
Accounts receivable - other	4,738	5,728	Advances received	531	114
Advances paid	4,666	4,456	Deposits received	183,246	227,422
Other	1,970	1,680	Provision for bonuses	15,315	9,817
Allowance for doubtful accounts	(305)	(478)	Provision for warranties for completed construction	924	739
Noncurrent assets:	251,482	254,442	Other	1,690	734
Property, plant and equipment	28,762	35,970	Noncurrent liabilities:	85,865	77,433
Buildings	1,971	8,823	Long-term loans payable	72,300	61,110
Structures	49	263	Lease liabilities	88	59
Machinery and equipment	279	198	Provision for retirement benefits	7,057	8,533
Tools, furniture and fixtures	521	927	Other	6,419	7,729
Land	25,132	25,435	Total liabilities	430,183	458,265
Lease assets	114	87	Net Assets		
Construction in progress	692	234	Shareholders' equity:	146,675	124,699
Intangible assets	23,707	23,820	Capital stock	29,060	29,060
Software	13,925	17,823	Capital surplus	34,540	34,540
Software in progress	9,627	5,844	Legal capital surplus	34,540	34,540
Other	154	153	Retained earnings	138,639	72,118
Investments and other assets	199,012	194,650	Legal retained earnings	7,265	7,265
Investment securities	31,824	23,770	Other retained earnings	131,374	64,853
Subordinated bonds and subordinated trust beneficiary rights	11,140	10,642	Retained earnings brought forward	131,374	64,853
Stocks of subsidiaries and affiliates	122,536	122,839	Treasury stock	(55,565)	(11,021)
Long-term loans receivable from subsidiaries and affiliates	-	80	Valuation and translation adjustments:	6,500	279
Deferred tax assets	10,352	11,583	Valuation difference on available-for-sale securities	6,486	231
Guarantee deposits	10,094	10,107	Deferred gains or losses on hedges	222	258
Other	13,520	16,209	Revaluation reserve for land	(209)	(209)
Allowance for doubtful accounts	(456)	(582)	Subscription rights to shares	460	451
Total assets	583,819	583,695	Total net assets	153,636	125,430
			Total liabilities and net assets	583,819	583,695

Non-consolidated Statement of Income

(Millions of yen)

Account item	(Reference) 45th Fiscal Term (From April 1, 2018 to March 31, 2019)		46th Fiscal Term (From April 1, 2019 to March 31, 2020)	
Net sales				
Net sales of completed construction contracts	610,468		551,382	
Sales on real estate business, etc.	3,591	614,059	1,977	553,359
Cost of sales				
Cost of sales of completed construction contracts	422,484		384,617	
Cost of sales on real estate business, etc.	1,802	424,287	565	385,183
Gross profit				
Gross profit on completed construction contracts	187,984		166,764	
Gross profit-real estate business, etc.	1,788	189,772	1,412	168,176
Selling, general and administrative expenses		128,304		112,702
Operating income		61,468		55,474
Non-operating income				
Interest income	248		311	
Interest on securities	284		263	
Dividends income	43,796		36,866	
Commission fee	3,149		2,815	
Miscellaneous income	2,463	49,942	2,817	43,074
Non-operating expenses				
Interest expenses	210		198	
Provision of allowance for doubtful accounts	96		80	
Commission expenses	91		—	
Miscellaneous expenses	400	798	395	673
Ordinary income		110,612		97,875
Extraordinary income				
Gain on sales of investment securities	1,065		960	
Gain on sales of shares of subsidiaries and associates	—	1,065	45	1,005
Extraordinary loss				
Loss on sales and retirement of noncurrent assets	222		105	
Loss on sales of investment securities	12		7	
Loss on valuation of investment securities	—	234	118	231
Income before income taxes		111,443		98,648
Income taxes – current	20,725		18,670	
Income taxes – deferred	1,786	22,511	1,514	20,184
Net income		88,932		78,464