

October 24, 2011

To whom it may concern:

Company Name: Kenedix, Inc.
Representative: Atsushi Kawashima, President
Stock Code: 4321
Listing: First Section, Tokyo Stock Exchange
Contact: Taiji Yoshikawa, Director

Please note that this document is a translation of the official announcement that was released in Tokyo. The translation is prepared and provided for the purpose of the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version of the news release for complete and accurate information.

Notice of Obtainment of Grant for Agency by Discretionary Trust at a Consolidated
Subsidiary and Initiative for a Residential J-REIT Listing

The Kenedix Group (“the Group”) hereby announces that Kenedix Residential Partners, Inc. (“KRP”) has obtained a grant for agency by discretionary trust under Article 50-2 of the Building Lots and Buildings Transaction Business Law from the Ministry of Land, Infrastructure, Transport and Tourism today. Going forward, KRP plans to prepare to file a registration application for the financial instruments trading business under the Financial Instruments and Exchange Law, and upon completion of the registration, establish a real estate investment corporation focused on residential facilities such as rented apartments (“residential J-REIT”). And as a residential J-REIT asset management company, KRP plans to prepare to file for a listing of this residential J-REIT under appropriate real estate investment market and capital market conditions.

The Group identifies stable growth of assets under management (“AUM”) as its most important strategic objective. This initiative to establish a residential J-REIT provides the Group with an opportunity to access new client investor segments, and shall contribute to realizing continued AUM growth and new fee revenue opportunities. The Group currently manages two listed J-REITs, Kenedix Realty Investment Corporation which focuses on mid-sized office buildings and Japan Logistics Fund, Inc. that specializes in logistics facilities. And the Group presently manages approximately 212.8 billion yen in AUM of residential facilities (as of September 30, 2011) as a whole. The Group will support the growth of the residential J-REIT, the third J-REIT for the group, with the experience and management skills it has accumulated through its operational history.

The Group will continue to steadily seek revenue opportunities while flexibly and speedily responding to changing market conditions, and wishes to contribute to the further development of the J-REIT and Japanese real estate investment markets through our initiative to create this residential J-REIT.

Profile of Kenedix Residential Partners, Inc.

Company Name	Kenedix Residential Partners, Inc.
Address	2-2-9, Shimbashi, Minato-ku, Tokyo
Representative	Akira Tanaka, President
Nature of Business	Asset management of a residential J-REIT (planned)
Ownership	100% owned by Kenedix, Inc.

Cautionary Statement Concerning Forward-Looking Information

This press release contains forward-looking statements that include “intends,” “will” and other similar words and phrases, statements regarding the intent, belief, strategy, plans or current expectations of the Group. Such forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. The Group does not undertake any obligation to update the forward-looking statements contained herein, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by law.