

March 4, 2013

Company name: Kenedix, Inc.
Representative: Atsushi Kawashima, President
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
Contact: Masahiko Tajima, Executive Officer,
General Manager of Corporate
Planning Department

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 Acquisition of Subsidiary

Kenedix, Inc. has decided to purchase the preferred capital of Tokutei Mokuteki Kaisha (specific-purpose company) Shibuya East (the "Fund") on March 4, 2013 and completed this purchase on the same day. As a result, the Fund has become a subsidiary of Kenedix. Details are as follows.

1. Reason for Purchasing the Preferred Capital

This purchase was made for the purposes of expanding the asset management business of Kenedix and increasing assets under management.

2. Overview of the Fund

(1) Name	Tokutei Mokuteki Kaisha Shibuya East	
(2) Location	12-4 Nagata-cho 2-chome, Chiyoda-ku, Tokyo	
(3) Representative	Director: Akira Sugai	
(4) Business	Receipt of specified assets in accordance with an asset securitization plan based on the Act on Securitization of Assets, administrative and disposal operations involving these assets, and all other associated activities	
(5) Established	May 30, 2006	
(6) Amount of specified capital	996 million yen	
(7) Amount of preferred capital	3,724 million yen	
(8) Relationships between the Fund and Kenedix	Capital	The Fund will become a subsidiary of Kenedix following the acquisition of the preferred equity account.
	Personnel	Not applicable.
	Business	Not applicable.
(9) Results of operations and financial condition for the last three years	In accordance with the request of the seller of the preferred capital, and as stated in "6. Outlook," the Fund will be a non-consolidated subsidiary. Therefore, results of operations and financial condition are not disclosed because the Fund will have only a negligible effect on the consolidated financial statements of Kenedix.	

3. Summary of Seller of Preferred Capital

No information about the seller of the preferred capital can be disclosed because of a confidentiality obligation between this party and Kenedix. There is no significant capital, personnel or business relationship between Kenedix and the seller.

4. Acquisition Price, Investment Ratio, etc.

Total acquisition price: 2 yen (purchase at a memorandum price)

Investment ratio in the preferred capital: 100%

5. Schedule

Date of decision: March 4, 2013

Execution date: March 4, 2013

6. Outlook

There is no change in the 2013 forecast announced on February 14, 2013. An announcement will be made promptly if a forecast revision is needed because of changes in the operating environment, real estate market, results of operations or other items.

The Fund has become a specified subsidiary (*Tokutei Kogaisha*) of Kenedix. However, the associated risk and return are extremely small primarily because the total acquisition price of the preferred capital is only 2 yen and the Fund is not expected to pay any dividends. As a result, Kenedix will treat the Fund as a non-consolidated subsidiary because consolidation of the Fund could lead to significant errors in decisions made by related parties. The Kenedix Group will perform asset management services for the Fund by replacing the existing asset management contracts.

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 Company. 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 Company 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.