

April 23, 2013

Company name: Kenedix, Inc.
Representative: Taisuke Miyajima, CEO & President
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
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General Manager of Corporate
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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 regarding Issuance of Stock Options (Stock Acquisition Rights)

Kenedix, Inc. (the "Company") hereby announces that its Board of Directors approved a resolution today to establish the following terms and conditions regarding the offering of stock acquisition rights as stock options to its directors and employees, and to solicit subscribers to these stock acquisition rights.

1. Reason for the Issuance of Stock Acquisition Rights as Stock Options

Continual recruiting of talented individuals and having them contribute to growth is extremely important in order to sustain growth as a competitive asset management company and increase shareholder value. From this standpoint, the policy for executive compensation is based on the following three elements:

- (1) Consistency with the interests of shareholders.
- (2) Reflect the performance of the company and the individual.
- (3) Contribution to the company's preservation and advancement as a going concern.

The Company has decided to issue stock acquisition rights as stock options in accordance with this policy.

2. Details of the Issuance of Stock Acquisition Rights

- (1) Name of the stock acquisition rights: Kenedix, Inc. Stock Acquisition Rights No. 6
- (2) Total number of stock acquisition rights: 2,578

The above number is the maximum number of the stock acquisition rights that are expected to be allotted and, accordingly, in the event that the total number of application for subscription of the stock acquisition rights does not reach the above-mentioned number or there occurs a reduction in the total number of the stock acquisition rights to be allotted, the total number of the stock acquisition rights shall be equal to the total number of the stock acquisition rights that are actually allotted.

- (3) Class and number of shares to be issued upon exercise of the stock acquisition rights

Class of shares to be issued upon exercise of stock acquisition rights shall be common stock of the Company, and the number of shares to be issued upon the exercise of each stock acquisition right (the "number of shares granted") shall be one share. However, the number of shares granted shall be adjusted by using the following formula in the event that, after the date of allotment of the stock acquisition rights (the "allotment date"), there is a split of the Company's common stock (including gratis issue of the Company's common stock, hereafter same shall apply to the description of stock split) or consolidation of this stock. Fractions less than one share resulting from the adjustment shall be discarded.

Number of shares granted after adjustment = Number of shares granted before adjustment x Ratio of stock split or stock consolidation

Number of shares granted after adjustment shall apply from the next day of the record date of the stock split (if record date is not set, from the effective date), or from the effective date of stock consolidation. However, if the stock split shall be conducted on the condition that (i) a resolution of the general meeting of shareholders indicating that the amount of surplus will be reduced and capital and capital reserve shall be increased accordingly will be approved and (ii) the record date of such stock split will be set prior to the date of completion of such general meeting of shareholders, number of shares granted after adjustment shall, after the next day of completion of such general meeting of shareholders, apply retroactively from the next day of such record date.

In addition, if there is a need to adjust the number of shares granted due to a merger, divestiture or similar event after the allotment date, the Company may adjust the number of shares granted in an appropriate manner.

Furthermore, the Company shall, in adjusting the number of shares granted, notify or report each holder of the stock acquisition rights registered in the Stock Acquisition Rights Register (the "rights holders") of the relevant matters by no later than the day immediately preceding the date from which the number of shares granted after adjustment is to be applied, however, in the event the Company is unable to give such notice or report prior to such date, the Company shall promptly give such notice thereafter.

(4) Value of assets to be contributed upon the exercise of the stock acquisition rights

The value of the assets to be contributed upon the exercise of each stock acquisition right shall be the amount calculated by multiplying the number of shares granted by one yen, the exercise price per share granted upon the exercise of each stock acquisition right.

(5) Period during which the stock acquisition rights may be exercised

From May 17, 2016 to May 16, 2019

(6) Matters regarding the amount of capital and capital reserve to be increased as a result of the issuance of shares upon the exercise of the stock acquisition rights

(a) The amount by which the capital will be increased as a result of the issuance of shares upon the exercise of the stock acquisition rights shall be the maximum amount of increase in capital, etc. to be calculated in accordance with Paragraph 1, Article 17 of the Corporate Accounting Rules multiplied by 0.5. Fraction less than one yen resulting from the calculation shall be rounded up to the nearest one yen.

(b) The amount by which the capital reserve will be increased as a result of the issuance of shares upon the exercise of the stock acquisition rights shall be the above-mentioned maximum amount of increase in capital, etc. minus the above-mentioned amount of capital increase.

(7) Restriction on transfer of the stock acquisition rights to be offered

Transfer of the stock acquisition rights to be offered shall be subject to an approval of the Board of Directors of the Company.

(8) Conditions of acquisition of the stock acquisition rights

The Company may acquire the stock acquisition rights free of charge on a date to be separately determined by the Board of Directors of the Company in the event the following proposals (a), (b), (c), (d) and (e) are approved by a resolution of the general meeting of shareholders of the Company (in case resolution of the general meeting of shareholders is not required, by a resolution of the Board of Directors of the Company).

(a) A proposal for an approval of a merger agreement under which the Company shall be the dissolving company.

- (b) A proposal for an approval of a company split agreement or a company split plan under which the Company shall be the splitting company.
- (c) A proposal for an approval of a share exchange agreement or a share transfer plan under which the Company shall be the wholly owned subsidiary.
- (d) A proposal for an approval of an amendment to the Articles of Incorporation to establish new provisions by which any transfer of shares to be issued by the Company will be subject to the Company's approval.
- (e) A proposal for an approval of amendments to the Articles of Incorporation to establish new provisions by which any acquisition by way of transfer of the class of any shares to be issued upon exercise of stock acquisition rights to be offered will be subject to the Company's approval or the Company may acquire all of the shares in the relevant class (if any) to be issued upon exercise of stock acquisition rights following the resolution made by the general meeting of the shareholders.

(9) Grant of the stock acquisition rights in relation to organizational restructuring

In the case where the Company conducts any merger (limited to cases where the Company is the dissolving company), absorption-type company split, incorporation-type company split (limited to cases where the Company is the splitting company in each case), share exchange or share transfer (limited to cases where the Company becomes a wholly owned subsidiary in each case) (collectively, the "organizational restructuring"), each rights holder that holds the stock acquisition rights that are outstanding immediately prior to the time at which the organizational restructuring becomes effective (in case of absorption-type merger, the date on which it takes effect; in case of consolidation-type merger, the date on which the company incorporated through consolidation-type merger is established; in case of absorption-type company split, the date on which it takes effect; in case of incorporation-type company split, the date on which the company incorporated through incorporation-type company split is established; in case of share exchange, the date on which it takes effect; and in case of share transfer, the date on which the wholly owning parent company incorporated through share transfer is established+; The same shall apply hereafter) (the "outstanding stock acquisition rights") shall be granted the stock acquisition rights to acquire shares in the respective company "*kabushiki kaisha*" as set forth in Article 236, Paragraph 1, Item 8(a) to 8(e) of the Companies Act (the "successor company"), however, this shall be on condition that the issuance of the stock acquisition rights by the successor company in accordance with the following terms and conditions is set forth in the relevant absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement or incorporation-type company split plan, share exchange agreement or share transfer plan.

(a) Number of the stock acquisition rights to be issued by the successor company

Same number as the outstanding stock acquisition rights held by the right holders.

(b) Class of shares to be issued upon exercise of the stock acquisition rights

Common stock in the successor company.

(c) Number of to be issued upon exercise of the stock acquisition rights

To be determined in accordance with (3) above, upon taking into account the terms and conditions of the organizational restructuring.

(d) Value of assets to be contributed upon the exercise of the stock acquisition rights

Value of assets to be contributed upon the exercise of the stock acquisition rights shall be the amount calculated by multiplying the post-reorganization exercise price by the number of shares to be issued upon exercise of each stock acquisition right as set forth in (c) above. The post-reorganization exercise price shall be one yen per share of the successor company to be granted upon the exercise of the issued each stock acquisition right.

(e) Period during which the stock acquisition rights may be exercised

The period commencing on the later of (i) the first day of the period during which the stock acquisition rights may be exercised as set forth in (5) above or (ii) the date on which the organizational restructuring becomes effective, and ending on the expiration date of the period during which the stock acquisition rights may be exercised as set forth in (5) above.

(f) Matters regarding the amount of capital and capital reserve to be increased as a result of the issuance of shares upon the exercise of the stock acquisition rights

To be determined in accordance with (6) above.

(g) Restrictions on transfer of the stock acquisition rights

Transfer of the stock acquisition rights to be offered shall be subject to an approval of the Board of Directors of the successor company.

(h) Conditions of acquisition of the stock acquisition rights

To be determined in accordance with (8) above.

(i) Other conditions for exercising the stock acquisition rights

To be determined in accordance with (11) below.

(10) Treatment of fractional share resulting from the exercise of the stock acquisition rights

If there arises any fractional share of less than one whole share as a result of exercising the stock acquisition rights, such fractional share shall be discarded.

(11) Other conditions for exercising the stock acquisition rights

The rights holders may not exercise any of the stock acquisition rights that they have abandoned their rights.

(12) Calculation method for the amount to be paid upon allocation of stock acquisition rights

The amount to be paid upon allocation of each stock acquisition right shall be the amount derived by multiplying the option price per share calculated based on the following formula (fraction less than one yen shall be rounded), which is the Black-Scholes model, and the basic values in (b) through (g) below, by the number of shares granted.

$$C = Se^{-qT} N(d) - Xe^{-rT} N(d - \sigma\sqrt{T})$$

in which

$$d = \frac{\ln\left(\frac{S}{X}\right) + \left(r - q + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

(a) Option price per share (C)

(b) Stock price (S): The closing price of the Company's common stock under normal trading on the Tokyo Stock Exchange on May 17, 2013 (in case there is no closing price, the basic price on the first trading date after May 17, 2013)

(c) Exercise price (X): One yen

(d) Expected remaining period (T): 4.5 years

(e) Volatility (σ): The fluctuation rate calculated based on the closing price of the common stock of the Company on each of the trade dates during the 4.5 years (from November 17, 2008 to May 17, 2013)

(f) Risk-free interest rate (r): Interest rate on a government bond, the outstanding years of which corresponds to the expected remaining period.

(g) Dividend yield (q): Dividend per share (dividend paid for the fiscal year ended December 31, 2012) divided by the stock price as set forth in (b) above.

(h) Cumulative distribution function for standard normal distribution ($N(\cdot)$)

* The amounts calculated as described above are the fair value of the stock acquisition rights. These rights were not issued at favorable terms. For individuals who receive these rights, the amount that is receivable as remuneration from the Company, which corresponding to the total amount paid for these rights, offsets the amount that is owed to the Company for these rights.

(13) Date of the allotment of the stock acquisition rights: May 17, 2013

(14) Due date for payment in exchange for the stock acquisition rights: May 17, 2013

(15) Allottees of the allotment of stock acquisition rights, and the number of persons and the number of stock acquisition rights that are expected to be allotted

Allottees	Number of allottees	Number of stock acquisition rights to be allotted
The Company's directors (except external directors)	3	566
The Company's employees	45	2,012