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Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
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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.

Announcement of Revisions to the Medium-term Management Plan

The Kenedix Group has made the following revisions to parts of the medium-term management plan that was announced on February 14, 2013 and covers the three-year period starting in 2013. The revisions were made primarily to reflect progress made thus far concerning the plan's goals.

1. Summary of revisions

Since the announcement of the medium-term management plan in February, there have been significant changes in the Kenedix Group's operating environment, notably clear signs of a recovery in the real estate investment market. Consequently, the plan has been revised as follows to reflect the steady progress made toward reaching the plan's goals.

(1) Strengthen the stable base for earnings by increasing assets under management (AUM)

Based on the outlook for a continuation in the steady growth in REIT AUM, the Kenedix Group is now aiming to reach the AUM target of 1,400 billion yen before the initial target of December 2015.

(2) Raise investment returns by making extensive use of co-investments

The Kenedix Group has achieved steady growth in principal investments, primarily using co-investments, in order to increase AUM. Due to this progress, the plan for principal investments (mainly co-investments) during the medium-term plan has been increased from the range of 13 billion yen to 15 billion yen to about 30 billion yen.

(3) Strengthen the asset management business and rebuild an operating framework that may include M&A and other new activities in the future

Preparations have been completed for building an operating framework for the purpose of strengthening the asset management business, as was announced on July 10, 2013 in a news release titled "Notice Concerning Reorganization of the Kenedix Group."

(4) Resume dividend payments by no later than 2015, the new plan's final year

Based on the accomplishments and revised goals outlined in the previous three items, Kenedix has established the goal of resuming dividend payments starting from fiscal2014. (Note)

2. Reasons for revisions

The Kenedix Group has been taking many actions in accordance with the three major initiatives of the medium-term management plan announced on February 14, 2013: (1) strengthen the stable base for earnings by increasing AUM; (2) raise investment returns by making extensive use of co-investments; and (3) enhance other operating frameworks. As is explained above in the summary of revisions to this plan, the operating environment has changed significantly as the recovery of Japan's real estate investment market gains momentum. Furthermore, with the announcement of the reorganization of the Kenedix Group, preparations have been completed for reinforcing the group's operating frameworks. As a result, the decision was made to revise the medium-term management plan in order to further increase principal investments, raise the speed of AUM growth and make the Kenedix Group even more profitable.

Note: As announced on July 10, 2013 in our news release titled "Notice of Assumption and Forgiveness of Debt of a Consolidated Subsidiary," we will recognize a loss of approximately 12.9 billion yen in 2013 as loss on the assumption of debt, which will result in a retained earnings deficit on a non-consolidated basis. In order to resume dividend payments, the necessary amount of funds available for distribution will have to be secured on a non-consolidated basis. This require procedures including approvals at a general meeting of shareholders (to be held after our earnings announcement for 2013) of a transfer of amounts in our non-consolidated accounts from capital reserve to other capital surplus and then from other capital surplus to other retained earnings in order to offset the deficit and make available funds for distribution

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.