

February 4, 2014

Company name: Kenedix, Inc.
Representative: Taisuke Miyajima, CEO & 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.

Announcement Concerning the Position of Kenedix Regarding Shareholder Proposals

Kenedix, Inc. received notification on January 16, 2014 that a shareholder will exercise the right to submit proposals at the Company's 19th ordinary general meeting of shareholders that is scheduled for March 26, 2014. On February 4, 2014, the Kenedix Board of Directors approved a resolution to oppose these proposals.

1. Shareholder

Name: Not disclosed because the shareholder is an individual
Number of voting rights held: 390 (0.01% of all voting rights)

2. Summary of shareholder's proposals and opposition of Kenedix Board of Directors

The proposals have been submitted by one shareholder.

The details for each proposal are translations of the original text with no revisions and in the order the proposals were submitted.

(Reasons for the proposals have been omitted.)

Shareholder's Proposal 1: Partial Amendment to the Articles of Incorporation

(Responsibility of directors under the New Companies Act in the event of an MBO)

◆Details of proposal

It is proposed that the following provision be added to the Articles of Incorporation:

When there is a request from a controlling shareholder for the approval of a demand to sell stock, etc. pursuant to Article 179-3-1 of the New Companies Act (Amended Companies Act based on Legislative bill submitted by the cabinet 185 No. 22 "Proposal to Partially Amend the Companies Act"), the directors shall ask for the payment for the sale of stock, etc.

2) The directors may not approve a withdrawal of the demand to sell stock, etc. pursuant to Article 179-6 of the New Companies Act.

3) This provision shall become effective on the day that the New Companies Act is enacted.

◆Opinion of the Kenedix Board of Directors

The Kenedix Board of Directors **opposes this proposal.**

Making management decisions that protect the interests of shareholders and maximize their benefits is the highest priority of Kenedix. We regard our shareholders as extremely important stakeholders.

At the time that the Board of Directors is submitting this opinion, the New Companies Act (the "Amended Companies Act" Legislative bill submitted by the cabinet 185 No. 22 "Proposal to Partially Amend the Companies Act") had not been passed by the Japanese Diet and therefore has not yet been officially announced or enacted.

Kenedix believes that it is not proper to add in advance to the Articles of Incorporation a provision concerning a system that has not been established and a law that has not been enacted involving a demand for the sale of stock,

etc. by a special controlling shareholder.

Consequently, Kenedix believes that establishing a provision like this proposal to the Articles of Incorporation is unnecessary.

Shareholder's Proposal 2: Partial Amendment to the Articles of Incorporation
(Prohibits discrimination of foreign shareholders)

◆Details of proposal

It is proposed that the following provision be added to the Articles of Incorporation:

There shall be no discrimination of foreign investors by executives, employees and shareholders of Kenedix, such as by referring to these shareholders as “vultures.”

◆**Opinion of the Kenedix Board of Directors**

The Kenedix Board of Directors **opposes this proposal.**

Kenedix is dedicated to maintaining sound relationships with all stakeholders in Japan and other countries. In addition, since its establishment, Kenedix has conducted a large number of major projects jointly with overseas investors.

Consequently, Kenedix believes that adding a provision like this proposal to the Articles of Incorporation is unnecessary.

Shareholder's Proposal 3: Partial Amendment to the Articles of Incorporation
(Prohibits treating blank ballots as approval of a company proposal and opposition of a shareholder proposal)

◆Details of proposal

It is proposed that the following provision be added to the Articles of Incorporation:

For blank ballots in which approval or opposition is not entered in the voting document for a shareholders meeting, there shall be no unfair treatment concerning company proposals and shareholder proposals.

◆**Opinion of the Kenedix Board of Directors**

The Kenedix Board of Directors **opposes this proposal.**

When there are no voting instructions on a ballot, laws, regulations and court rulings all permit a company to record votes for company proposals and against shareholder proposals.

This is a well-established standard practice that is used by most publicly owned companies in Japan.

Kenedix has established a system for handling ballots with no voting instructions and an explanation of this system is included in the ballot.

When a shareholder returns a ballot without entering voting instructions, there are almost always no instructions for all of the proposals. Kenedix believes that shareholders who submit blank ballots are entrusting Kenedix, which provided the ballot, with making voting decisions.

Consequently, Kenedix believes that treating blank ballots as abstentions is inconsistent with the wishes of the many shareholders who have gone to the trouble of returning ballots with no voting instructions. Kenedix therefore believes that there is no need to add a provision like this proposal to the Articles of Incorporation.

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.