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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
for Reaching Goals Faster**

The Kenedix Group has made the following revisions to its medium-term management plan (the Plan) covering the three-year period starting in 2013, that was announced on February 14, 2013 and revised on August 9, 2013. The revisions were made primarily to reflect the decision to fulfill the plan's goals one year earlier than initial target.

1. Summary of revisions

Since the announcement of the medium-term management plan in February 2013, there have been significant changes in the Kenedix Group's operating environment, notably clear signs of a recovery in the real estate market. As these changes occurred, Kenedix has made steady progress toward reaching the plan's goals. In September 2013, Kenedix issued stock through a public offering to procure funds for accelerating the pace of progress toward these goals. Proceeds from the offering have been used for principal investments and make strategic investments to expand business operations. To reflect these activities, Kenedix has revised the medium-term management plan as follows with the aim of fulfilling the plan's goals by the end of 2014, one year earlier than the initial target.

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

The Kenedix Group is now aiming to reach the AUM target of 1,400 billion yen by the end of 2014 (AUM at the end of 2013 was 1,206 billion yen). To accomplish this goal, Kenedix will provide extensive support for its affiliated REITs: Kenedix Office Investment Corporation, Kenedix Residential Investment Corporation and Kenedix Private Investment Corporation (a privately owned REIT to begin operations in March 2014). Kenedix plans to make these REITs the primary source of AUM growth while also establishing private funds to increase AUM.

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

Kenedix will make principal investments as quickly as possible, primarily by using co-investments, in order to increase AUM and earn returns on investments. The goal is to make 30 billion yen of principal investments during 2014.

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

On October 1, 2013, Kenedix Real Estate Fund Management, Inc. began operations, and on October 16, Kenedix acquired shares of Space Design, Inc., which is engaged primarily in the operation of serviced

apartments and offices. In addition, Kenedix Property Management, Inc. was established in January 2014 to provide building management services primarily for office buildings. Kenedix plans to continue to add new services associated with real estate in order to increase revenue from fee income, thereby creating sources of stable earnings as well as more growth.

(4) Resume dividend payments

Based on the accomplishments and revised goals outlined in the previous three items, Kenedix has established the goal of resuming dividend payments from the fiscal year 2014. Kenedix plans to pay a dividend of 3 yen per share for the fiscal year 2014. For more information, please refer to “Summary of Consolidated Financial Results for the Year Ended December 31, 2013” released on February 14, 2014. (Note)

Note: The resumption of dividend payments will require procedures including approval of resolutions at the ordinary general meeting of shareholders (to be held after our earnings announcement for 2013) in order to offset the accumulated loss on the Kenedix non-consolidated financial statements.

2. Quantitative plan after revisions

(1) To reach the AUM target of 1,400 billion yen by the end of 2014 (net increase of about 200 billion yen)

- fulfill the Plan’s goals one year earlier primarily by increasing AUM mostly at REITs

(2) Make over 30 billion yen of principal investments (mainly co-investments) in 2014

(3) Replace assets with other holdings by selling about 25 billion yen (book value) of owned real estate in 2014 (goal is 50 billion yen of sales during the Plan period).

(4) Achieve ordinary income of 4.1 billion in 2014

- fulfill the Plan’s goals one year earlier mainly by increasing asset management fees income

3. Reasons for revisions

The Kenedix Group has been taking many actions in accordance with the three major initiatives of the Plan announced on February 14, 2013 and partially revised on August 9, 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 the Plan, the operating environment has changed significantly as the recovery of Japan’s real estate market gains momentum. In addition, Kenedix used the September 2013 public offering of stock to procure funds for principal investments and strategic investments for growth. Furthermore, with 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 with the aim of fulfilling the Plan’s goals earlier than initial target.

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.