

February 14, 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.

Establishment of Property Management Subsidiary and Business Acquisition

Kenedix Property Management, Inc. (KPM), a subsidiary of Kenedix, Inc. established to perform property management operations, will acquire the building management and other operations (the "Business Acquisition") of INF Building Management Co., Ltd. and its related companies.

1. Reason for establishing KPM and the Business Acquisition

Strengthening the stable base for earnings, primarily with fee income, is one of the priorities of the medium-term management plan that Kenedix announced on February 14, 2013 (and subsequently partially revised on August 9 and February 14, 2014). To accomplish this goal, Kenedix is taking steps aimed at increasing assets under management (AUM). The reorganization of the Kenedix Group was completed on October 1, 2013. One result is the establishment of a new framework for strengthening the asset management business. In addition, Kenedix Real Estate Fund Management, Inc. has started fund management operations. To further diversify sources of fee income by adding a new real estate service, Kenedix acquired Space Design, Inc. in October 2013, a company engaged primarily in the operation of serviced apartments and offices.

Acquiring the operations of INF Building Management is expected to contribute to growth in fee income, which is a source of stable earnings, by further expanding property-related services at Kenedix. KPM was established on January 31, 2014 as a building management company that handles primarily office buildings. Kenedix believes that combining the establishment of this company with the acquisition of the operations of INF Building Management will enable KPM to start expanding its operations quickly.

2. Overview of the Business Acquisition

(1) Details of businesses to be acquired

Primarily property management and building management businesses conducted by INF Building Management and its related companies

(2) Results of operations of acquiring business

Revenue: 0.6 billion yen

(3) Acquisition price

The acquisition price is not disclosed.

3. Summary of company, etc. involving the acquisition

(1) INF Building Management

(1) Name	INF Building Management Co., Ltd.
(2) Address	8-1 Shiba 3-chome, Minato-ku, Tokyo
(3) Representative	President: Miyuki Onishi

Kenedix has no significant financial or personnel relationships with INF Building Management. Furthermore, there are no significant items concerning relationships between related parties or companies of Kenedix and INF Building Management. However, Kenedix Real Estate Fund Management, Inc., a consolidated subsidiary of Kenedix, outsources some of its building management and other operations to INF Building Management and its related companies.

4. Summary of KPM (the purchaser, a consolidated subsidiary of Kenedix)

(1) Name	Kenedix Property Management Inc.
(2) Address	6-1 Kayabacho 2-chome, Nihonbashi, Chuo-ku, Tokyo
(3) Representative	President: Keizo Katayama
(4) Business	Consulting on real estate transactions, management, and operations Maintenance and supervision, cleaning and security services for buildings and building facilities Transaction, leasing, brokerage, management and appraisal for real estate Type 2 financial instruments dealer business operation
(5) Capital	100 million yen
(6) Established	January 31, 2014

5. Schedule

(1) Establishment of KPM	January 31, 2014
(2) Board of Directors' resolution of the Business Acquisition	February 14, 2014
(3) Transfer date	February 28, 2014 (planned)

6. Outlook

The impact of this business acquisition on the 2014 results is negligible. The 2014 consolidated forecast announced on February 14, 2014 already incorporated this matter.

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.