

March 12, 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.

Notice of Change in Subsidiary and Acquisition of Fixed Assets

The Board of Directors of Kenedix, Inc. approved a resolution on March 12, 2014 to make a silent partnership (tokumei kumiai) investment in a special-purpose company, Godo Kaisha KRF50 (the SPC), which will become a consolidated subsidiary for the purpose of acquiring 65% interest of the quasi co-ownership of trust beneficiary rights backed by KDX Toyosu Grandsquare.

1. Reason for the acquisition

One goal of the Kenedix medium-term management plan is to raise assets under management (AUM) to 1.4 trillion yen by the end of 2014. As one way to reach this goal, Kenedix is taking steps to add AUM chiefly at REITs. Kenedix believes that acquiring KDX Toyosu Grandsquare will contribute to the future growth of REITs managed by Kenedix.

The remaining 35% interest of the quasi co-ownership of the trust beneficiary rights backed by KDX Toyosu Grandsquare is to be acquired by Kenedix Private Investment Corporation.

2. Summary of the SPC acquiring the property

(1) Name	Tokumei Kumiai KRF50 Operator Godo Kaisha KRF50	
(2) Address	6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo	
(3) Representative	Representative Partner: Ippan Shadan Hojin KRF50 Executor: Tadatsugu Ishimoto	
(4) Business	Purchasing, holding, disposing, etc. of real estate or real estate trust beneficiary interests	
(5) Established	February 27, 2014	
(6) Capital	1 million yen	
(7) Relationships between Kenedix and KRF50	Capital, personnel and business	Kenedix has made an investment in Ippan Shadan Hojin KRF50. There are no significant personnel and business relationships between the two companies, and there are no significant personnel and business relationships between persons or companies affiliated with Kenedix, and persons or companies affiliated with KRF50.
	Related parties	KRF50 is not related to Kenedix, and no persons or companies affiliated with KRF50 are related to Kenedix.
(8) Results of operations and financial condition for the last three years	No figures are shown because KRF50 was established in February 27, 2014.	

3. Amount and ratio of investment in silent partnership

(1) Kenedix investment before change	-
(2) Kenedix investment after change (ratio)	6,625 million yen (100%)

4. Summary of the seller

(1) Name	Gateway Tokutei Mokuteki Kaisha	
(2) Address	4-1 Nihonbashi 1-chome, Chuo-ku, Tokyo	
(3) Representative	Masanori Nakatsu, Director	
(4) Business	Receipt of specified assets in accordance with an asset securitization plan based on the Act on Securitization of Assets, administrative and disposal operations involving these assets All other activities associated with securitization of the aforementioned specified assets	
(5) Specified capital	100,000 yen	
(6) Established	May 27, 2009	
(7) Major shareholders and shareholding ratios	(*Not disclosed)	
(8) Relationships between Kenedix and Gateway Tokutei Mokuteki Kaisha	Capital	There are no significant capital relationships between the two companies, and there are no significant capital relationships between persons or companies affiliated with Kenedix, and persons or companies affiliated with Gateway Tokutei Mokuteki Kaisha.
	Personnel	There are no significant personnel relationships between the two companies, and there are no significant personnel relationships between persons or companies affiliated with Kenedix, and persons or companies affiliated with Gateway Tokutei Mokuteki Kaisha.
	Business	Kenedix sold KDX Toyosu Grandsquare through its consolidated subsidiary to Gateway Tokutei Mokuteki Kaisha in June 2009.
	Related parties	Gateway Tokutei Mokuteki Kaisha is not related to Kenedix, and no persons or companies affiliated with Gateway Tokutei Mokuteki Kaisha are related to Kenedix.

5. Outline of the property

(1) Name	KDX Toyosu Grandsquare (65% interest of the quasi co-ownership of the real estate trust beneficiary rights)
(2) Location	Shinonome, Koto-ku, Tokyo
(3) Acquisition price	22,490 million yen
(4) Category	Office, retail space

6. Schedule

Resolution date	March 12, 2014
Contract signing	March 14, 2014
Date of sale	March 28, 2014

7. Outlook

Kenedix expects to record an ordinary income of approximately 0.2 billion yen in 2014. There is no change in the 2014 consolidated forecast announced on February 14, 2014. An announcement will be made promptly if a forecast is revised due to changes in the operating environment, real estate market or results of operations.

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.