

March 18, 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 Sales of Fixed Assets and Revenue from Asset Management-related Business**

Kenedix, Inc. expects to record an extraordinary loss due to the decision in March 18, 2014 to sell fixed assets as explained below. In addition, in association with the decision to sell real estate owned by a fund that receives asset management services from Kenedix, a revenue from asset management-related business are also expected.

#### 1. Sales of fixed assets

##### (1) Overview and reason for sale

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. As part of these steps, Kenedix decided to sell fixed asset (XEBIO Matsumoto) owned by its consolidated subsidiary to Kenedix Private Investment Corporation. Kenedix believes that selling this property will contribute to the growth of REITs managed by Kenedix.

##### (2) Overview of assets to be sold

Description and location	Selling price (Million yen)	Book value (Million yen)	Gain or loss on sales* (Million yen)	Category
XEBIO Matsumoto (Matsumoto City, Nagano)	2,700	2,937	(330)	Retail facility

\* Loss on sales (net of expenses)

##### (3) A consolidated subsidiary to purchase the property

Tokumei Kumiai KRF33

Operator: Godo Kaisha KRF33

##### (4) Name of the purchaser

Kenedix Private Investment Corporation

##### (5) Date of sale

March 28, 2014 (planned)

##### (6) Outlook

Kenedix expects to record an extraordinary loss of approximately 0.3 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.

## 2. Revenue from asset management-related business

### (1) Overview

Kenedix expects to record a revenue from asset management-related business in association with the sale of an office building owned by a special-purpose company (SPC) that receives asset management services from Kenedix.

### (2) Outlook

Kenedix expects to record a revenue of approximately 0.4 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.