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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

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Kenedix Private Investment Corporation to Begin Operations and Sell Investment Units to Kenedix

Kenedix Private Investment Corporation (KPI) will start operations on March 28 and Kenedix, Inc. will purchase KPI investment units to provide support to this REIT.

1. Overview

Operations will start on March 28 at KPI, which is the first private REIT established by Kenedix. Furthermore, to provide support to KPI, Kenedix will purchase KPI investment units by making an investment of about 5.5 billion yen (acquiring an interest of approximately 35%).

2. Purposes

As was announced on October 8, 2013 in a release titled "Notice of Preparations to Form an Open-end Unlisted Private Real Estate Investment Corporation," Kenedix has established KPI to create a stable source of medium to long-term earnings that is not directly vulnerable to changes in financial and capital markets. This will give the Kenedix Group another type of REIT along with its current listed REITs.

KPI will start operations on March 28 with asset management by Kenedix consolidated subsidiary Kenedix Real Estate Fund Management, Inc. To provide support to KPI, Kenedix will purchase investment units of this private REIT.

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. The Kenedix Group will continue to provide support for the further growth of REITs.

3. Outlook

Kenedix expects to record a non-operating income of approximately 0.2 billion yen in 2014 because KPI will become an equity-method affiliate of Kenedix. 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.