

April 28, 2014

Company name: Kenedix, Inc.
Representative: Taisuke Miyajima, CEO & President
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
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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.

Notice of Establishment of Pre-REIT Senior Living Fund

The Kenedix Group has decided to establish a pre-REIT and development fund as follows that will invest primarily in assisted-living and residential private nursing homes and serviced residential facilities for seniors.

1. Summary of the fund

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| (1) Total assets | About 100 billion yen |
| (2) Investors | Kenedix and institutional investors in Japan and overseas |
| (3) Management period | Around five years |
| (4) Investment target | |
| Investment scheme: | Investment in operating facilities and development projects, and acquisitions (purchase of stock, etc.) |
| Investment properties: | Assisted-living private nursing homes (specific facilities), residential private nursing homes, serviced residential facilities for seniors, hospitals, clinic malls, etc. |

2. Background of the fund establishment

Japan's population is aging and the percentage of older people will continue to increase. This is creating a need for the stable supply of senior living facilities, such as assisted-living and residential private nursing homes and serviced residential facilities for seniors. Kenedix has decided to establish a fund for the purpose of supplying properties to health care REITs. This decision reflects the importance to society of helping deal with the senior living problem in Japan as well as the growth potential of this market. In addition, Kenedix believes that establishing this fund will help contribute to growth in assets under management, which is one of the goals of the medium-term management plan, while playing a role in the provision and operation of quality senior living facilities in this aging society.

3. Use of principal investments

Goals of the medium-term management plan include increasing assets under management and making a substantial volume of principal investments. Kenedix plans to use principal investments, consisting chiefly of co-investments, to establish this fund quickly and rapidly increase the fund's holdings. Kenedix has increased the upper limit for annual principal investments from 30 billion yen to 40 billion yen.

4. Outlook

The impact on the 2014 results of operations is negligible. 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.