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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 a Kenedix REIT-able Fund and Investment in Silent Partnership

The Kenedix Group has decided to establish a REIT-able fund ("the Fund") that will hold primarily real estate and other assets that meet the investment standards of listed REITs of the Group and has signed an investment agreement with several client investors.

In addition, Kenedix will make a silent partnership (tokumei kumiai) investment in G.K. Creek Investment III, which is a special-purpose company (SPC) that will purchase three residential properties in Tokyo and is the first holding of the Fund.

1. Profile of the Fund*

Total assets	Maximum of about 35 billion yen (planned)
Investors	Kenedix and several investors in Japan
Management period	Around three years
Investment structure	Silent partnership investment in a G.K.(godo kaisha)
Investment properties	Real estate that meets the investment standards of Kenedix Office Investment Corporation, Kenedix Residential Investment Corporation or Japan Logistics Fund (the "KDX Sponsored REITs")

*Note that the term "the new fund" refers collectively to all G.K. entities established for individual investments.

2. Purpose of establishing the new fund

(1) Growth of Kenedix Group assets under management (AUM)

The new REIT-able fund will contribute to growth of AUM at Kenedix because Kenedix will perform asset management for the Fund. Furthermore, Kenedix believes that the Fund will be a consistent source of external growth opportunities for the KDX Sponsored REITs. In principle, the Fund will purchase eligible assets as well as receive joint investments from the KDX Sponsored REITs. Additionally, with the joint investments, the KDX Sponsored REITs will obtain the preferential negotiation rights.

(2) Expansion of client investors to include more investor segments

By establishing the Fund, Kenedix is creating opportunities for joint investments in real estate and other assets that meet the investment standards of the KDX Sponsored REITs. Kenedix believes that the continuous provision of investment products in the mid-range risk and return category will enable Kenedix to serve client investors in a broader range of investor segments.

With the consent of the Fund's original investors, the Fund can seek new investors.

(3) Use of principal investments

In principle, Kenedix will invest in the Fund. Kenedix believes that the Fund will accelerate Kenedix's principal investments while at the same time achieving greater diversification.

3. Silent partnership investment

(1) Overview

The first investment of the new REIT-able fund will be the purchase by G. K. Creek Investment III of three residential properties (at an aggregate cost of 5,885 million yen, including associated expenses). This purchase will be a joint investment by Kenedix, Kenedix Residential Investment Corporation and some of the investors in the new fund.

(2) Amount and ratio of investment in silent partnership

Kenedix, Inc.	265 million yen (approx. 18.7%)
Kenedix Residential Investment Corporation	150 million yen (approx. 10.6%)
Some investors of the new REIT-able fund	Total 1,000 million yen (approx. 70.7%)

(3) Summary of properties to be purchased through the SPC

	(1)	(2)	(3)
Property name*	KDX Residence Tachikawa	KDX Residence Seijo	KDX Residence Akihabara
Location	Akebono-cho 2-chome, Tachikawa-shi, Tokyo	Seijyo 4-chome, Setagaya-ku, Tokyo	Taito 2-chome, Taito-ku, Tokyo
Completion	March 2008	April 2007	January 2008
Site area	1,134.31m ²	2,229.32m ²	473.62m ²
Floor area	4,835.58m ²	2,283.81m ²	2,174.81m ²

*The properties are to be renamed after the acquisitions and the new names are shown in this table.

(4) Schedule

Date of investment in the SPC	July 9, 2014 (planned)
Date of asset purchase through the SPC	July 10, 2014 (planned)

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.