

August 7, 2014

Company name: Kenedix, Inc.  
Representative: Taisuke Miyajima, CEO & President  
Stock code: 4321  
Listing: First Section, Tokyo Stock Exchange  
Contact: Masahiko Tajima, Director,  
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 Commencement of Preparation for Establishing a J-REIT Focused on Retail Facilities**

Kenedix, Inc. has decided to establish a real estate investment corporation focused on retail facilities (“retail facility REIT”) and to start preparation to get ready for listing of this retail facility REIT when real estate investment market and capital market conditions are favorable.

The Kenedix Group identifies stable growth of assets under management (“AUM”) as its most important strategic objective. This initiative to establish a retail facility REIT provides the Group with an opportunity to access new client investor segments, and shall contribute to realizing continued AUM growth and new fee revenue opportunities. Among the currently (as of July 31, 2014) listed J-REITs, only three specialize in retail facilities, which means that diversification to include J-REITs focusing on retail facilities is an excellent business opportunity for the Kenedix Group.

The Group will continue to steadily seek revenue opportunities while flexibly and speedily responding to changing market conditions, and wishes to contribute to the further development of the J-REIT and Japanese real estate investment markets through our initiative to create this retail facility REIT.

Reference: Profile of the retail facility REIT asset management company

Name	Kenedix Real Estate Fund Management, Inc.
Address	6-5 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo
Representative	Ryosuke Homma, President and Representative Director
Business	Investment management business, administration of the operation of the Investment Corporation
Investment ratio	Kenedix, Inc. (100%)

#### **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.