

September 24, 2014

Company name: Kenedix, Inc.
Representative: Taisuke Miyajima, CEO & President
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
Contact: Masahiko Tajima, Director,
Head 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 Change in Subsidiary and Acquisition of Fixed Assets

The Board of Directors of Kenedix, Inc. approved a resolution on September 24, 2014 to make a silent partnership (tokumei kumiai) investment in Y.K. KF (the SPC), which will become a consolidated subsidiary for the purpose of acquiring 50% interest of the quasi co-ownership of trust beneficiary rights backed by Tokyo Bay Maihama Hotel Club Resort.

1. Reason for the acquisition

Our goals for the medium-term management plan include raising assets under management (AUM) to 1.4 trillion yen by the end of 2014 and raising investment returns by making principal investments during 2014. Kenedix believes that this investment will contribute to increasing principal investment returns as well as the growth in AUM.

2. Summary of the SPC acquiring the property

(1) Name	Y.K. KF	
(2) Address	7-7 Kudan Minami 3-chome, Chiyoda-ku, Tokyo	
(3) Representative	Hiroschi Sasaki, Director	
(4) Business	Purchasing, holding, disposing, etc. of real estate or real estate trust beneficiary rights	
(5) Established	March 10, 2005	
(6) Capital	3 million yen	
(7) Relationships between Kenedix and Y.K. KF	Capital, personnel and business	There are no significant personnel and business relationships between the two companies, and there are no significant personnel and business relationships between persons or companies affiliated with Kenedix, and persons or companies affiliated with Y.K. KF.
	Related parties	Y.K. KF is not related to Kenedix, and no persons or companies affiliated with Y.K. KF are related to Kenedix.
(8) Results of operations and financial condition for the last three years	No sales and other figures are shown because the SPC was inactive in these periods.	

3. Amount and ratio of investment

Subordinated TK investments (Investment ratio)	2,500 million yen (100%)
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4. Summary of the seller

(1) Name	Hulic Co., Ltd.	
(2) Address	7-3 Oodenma-cho, Nihonbashi, Chuo-ku, Tokyo	
(3) Representative	Saburo Nishiura, President and Chief Executive Officer	
(4) Business	Real estate holding, leasing, sales and brokerage	
(5) Capital	22,279 million yen (as of June 30, 2014)	
(6) Established	March 1957	
(7) Major shareholders and shareholding ratios		Name of shareholders
		Shareholding ratio
		Meiji Yasuda Life Insurance Company 7.98%
		Sompo Japan Insurance Inc. 7.98%
		Tokyo Tatemono Co., Ltd. 7.01%
	(as of June 30, 2014)	
(8) Relationships between Kenedix and Hulic	Capital	There are no significant capital relationship between the two companies, and there are no significant capital relationship between persons or companies affiliated with Kenedix, and persons or companies affiliated with Hulic.
	Personnel	There are no significant personnel relationship between the two companies, and there are no significant personnel relationship between persons or companies affiliated with Kenedix, and persons or companies affiliated with Hulic.
	Business	There are no significant business relationship between the two companies, and there are no significant business relationship between persons or companies affiliated with Kenedix, and persons or companies affiliated with Hulic.
	Related parties	Hulic is not related to Kenedix, and no persons or companies affiliated with Hulic are related to Kenedix.

5. Outline of the property

(1) Name	Tokyo Bay Maihama Hotel Club Resort (50% interest of the quasi co-ownership of the real estate trust beneficiary rights)
(2) Location	Maihama, Urayasu City, Chiba
(3) Acquisition price	The acquisition price is not disclosed according to the agreement with the seller.
(4) Category	Hotel

6. Schedule

Resolution date	September 24, 2014
Contract signing	September 30, 2014 (planned)
Date of acquisition	September 30, 2014 (planned)

7. Outlook

The impact on the 2014 results of operations is negligible. There is no change in the 2014 consolidated forecast announced on August 7, 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.