

November 6, 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 Commencement of Business Activities in the ASEAN Region

The Board of Directors of Kenedix, Inc. approved a resolution on November 6, 2014 to commence the operating business for extended-stay hotel and residential properties in the ASEAN region.

1. Overview

Kenedix and its subsidiary Space Design, Inc. will establish an operating company for extended-stay hotels and residential properties in the ASEAN region, aiming is to start overseas operating business, primarily in the ASEAN member countries. Kenedix and Space Design plan to invest approximately 300 million yen in the new company.

2. Outline of operating company

Company name	Aisa Hotel & Residence Pte. Ltd.
Brand name	Aisa Hotel & Residence*
Target properties	Extended-stay hotels and residential properties that are ideally suited to the requirements of the Japanese business persons assigned to overseas posts who need long-term accommodations
Target areas	Indonesia, Vietnam, Malaysia, Thailand, Philippines and other ASEAN countries
Chairman (Board member)	Atsushi Kawashima
CEO (Board member)	Kazunobu Takita

* Aisa Hotel & Residence (provisional name) is a new hotel brand that stands for accommodations with a variety of functions and amenities for medium to long-term stays. The hotels will target the rapidly growing demand for extended accommodations in the ASEAN region. In addition to conventional hotel services, these hotels will offer guests a broad array of amenities for their convenience. For example, there may be a convenience store, rental shop, swimming pool, exercise room and multi-purpose lounge. The goal is to offer guests a home away from home. Kenedix and Space Design plan to manage and operate Aisa Hotel & Residence jointly with Global Hospitality Corporation Pte. Ltd. (board members: Kazunobu Takita, Yutaka Maruyama).

3. 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 revision is needed 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.