

November 10, 2014

Company name: Kenedix, Inc.
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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 Progress in the Medium-term Management Plan

The Kenedix Group expects to achieve goals involving major items of the medium-term management plan that was announced on February 14, 2013. The plan was subsequently revised on August 9, 2013 and then partially revised on February 14, 2014.

1. Summary

The Kenedix Group has made progress as follows concerning the medium-term management plan.

(1) Strengthen the stable base for earnings by increasing assets under management (AUM)

The goal is to raise AUM to 1,400 billion yen by the end of 2014. On October 31, 2014, the Kenedix Group's AUM totaled 1,477.3 billion yen. AUM may change because of sales of real estate and other activities.

(2) Raise investment returns by making extensive use of co-investments

Kenedix will make principal investments as quickly as possible, primarily by using co-investments, in order to increase AUM and earn returns on investments. Principal investments made in 2013 are contributing to a steady improvement in investment returns. Principal investments made in 2014 were over 30 billion yen.

(3) Strengthen the asset management business and rebuild an operating framework that may include M&A and other new activities in the future

On October 1, 2013, Kenedix Real Estate Fund Management, Inc. began operations, and on October 16, Kenedix acquired shares of Space Design, Inc., which is engaged primarily in the operation of serviced apartments and offices. In addition, Kenedix Property Management, Inc. was established in January 2014 to provide property management and building management services primarily for office buildings. Kenedix plans to continue to add new services associated with real estate in order to increase revenue from fee income, thereby creating sources of stable earnings as well as more growth.

(4) Resume dividend payments

Based on the previous items (1) to (3), Kenedix anticipate to resume dividend payment applicable to the fiscal year 2014 as planned. Kenedix plans to pay a dividend of 3 yen per share for the fiscal year 2014.

2. 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.

Kenedix plans to announce the next medium-term management plan when 2014 results of operations are announced in February 2015.

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.