

December 17, 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 Extraordinary Loss on Sale of Fixed Assets**

On December 17, 2014, Kenedix, Inc. decided to sell the following assets held by its consolidated subsidiary.

#### 1. Reason for sale

Altering the composition of assets held by selling real estate is one of the major initiatives of the medium-term management plan that Kenedix announced on February 14, 2013 (and subsequently partially revised on August 9, 2013).

#### 2. Assets to be sold

Description and location	Selling price (Million yen, net of taxes)	Book value (Million yen)	Gain or loss on sales (Million yen)	Category
Sakurabashi Toyo Building (Osaka City, Osaka)	8,100	8,521 <sup>*1</sup>	-768 <sup>*2</sup>	Office

\*1: As of November 30, 2014

\*2: Estimated loss on sales (net of expenses, including approximately 0.3 billion yen in exterior wall construction cost for the account of the subsidiary.) The above figures are estimates and may be revised.

#### 3. Outline of subsidiary selling assets

Name	G.K. Swift
Address	6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo
Representative	Representative Partner: Ippan Shadan Hojin Deimos Executor: Nobuko Ishimoto
Business	1. Purchasing, holding, disposing of, lending and managing real estate; 2. Purchasing, holding, disposing of real estate trust beneficiary interests 3. All businesses related to the above items
Established	December 19, 2012
Capital	1 million yen

#### 4. Outline of purchaser

The purchaser is a general business corporation in Japan. No information can be provided because of the agreement with the purchaser. There are no financial, personnel or business relationships between Kenedix, persons or companies affiliated with Kenedix, and the purchaser. The purchaser is not related to Kenedix.

#### 5. Schedule

Contract signing and closing date	December 19, 2014 (tentative)
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#### 6. Outlook

Kenedix expects to record an extraordinary loss of approximately 0.7 billion yen in 2014 because of the sale of this property. There is no change in the 2014 consolidated forecast announced on August 7, 2014 because the forecast already incorporated this loss. 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.