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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.

Announcement of Long-term Vision and New Medium-term Management Plan

The Kenedix Group has advanced to a new stage of growth as it accomplished the goals of the medium-term management plan, which was announced in February 2013, in 2014, one year earlier than expected.

Kenedix has established mission statement as one way to mark its 20th anniversary in April 2015. In addition, Kenedix has developed the Kenedix Vision 2025 to define the basic long-term direction of the Kenedix Group over the next decade. In order to take the first steps toward realizing this vision, Kenedix has created a medium-term management plan called Partners in Growth 2017 that covers the three-year period ending in 2017.

1. Mission Statement

Kenedix is dedicated to realizing the full potential of real estate

2. Kenedix Vision 2025

Delivering Growth via the Kenedix Model

Goals for 2025 are AUM of 4 trillion yen, Kenedix Group market cap of 2 trillion yen and ROE of 15%

· The Kenedix Group market cap includes the market value of REITs where Kenedix serves as the main sponsor.

3. Partners in Growth 2017 (New Medium-term Management Plan)

A . Basic Policies

- (1) Increase stable earnings mainly through growth of the Asset Management Business
- (2) Expand the Real Estate Investment Business primarily by using co-investments
- (3) Achieve the proper balance between financial soundness and shareholder distributions

B . Quantitative Plan (consolidated Basis)

	Numerical targets
Increase stable earnings	Base Earnings ^{*1} : 4 billion yen (2017)
Improve capital efficiency	Three-year average ROE ^{*2} : 8.0%

*1: Base Earnings are gross operating income from the Asset Management Business and Real Estate Related Business less selling, general and administrative expenses.

Kenedix will change its business segments in 2015. Please see the presentation materials for 2014 results of operations dated February 10, 2015 for more information about the new business segments.

*2: The three-year average ROE is the return on equity in each year which is calculated by dividing net income by the average of equity at the beginning and end of each year.

These two targets do not incorporate the effects of goodwill resulting from acquisitions.

C . Major Initiatives

(1) Increase stable earnings mainly through growth of the Asset Management Business

The goal is to build a more powerful profit structure centered on the Asset Management Business by taking the following actions.

- Use asset management expertise to expand AUM in many categories
- Add new categories of AUM, such as health care and infrastructure
- Offer more non-asset real estate services and provide services that raise the value of AUM
- Expand overseas operations by forming ties with new investors, making more overseas investments and other activities
- Further strengthen administrative operations, the foundation for improving asset management skills and the quality of services

(2) Expand the Real Estate Investment Business primarily by using co-investments

Manage a real estate investment portfolio with emphasis on earning returns and sustaining growth while preserving the proper balance between recovering current investments and making new investments.

- Make co-investments with client investors
- Make investments that contribute to the growth of Kenedix businesses (with emphasis on investments in retail and healthcare facilities)
- Upgrade monitoring and risk management for the investment portfolio
- Proactively allocate funds anticipating market changes in advance

(3) Achieve the proper balance between financial soundness and shareholder distributions

Maintain the proper balance among financial soundness, the return on equity and shareholder distributions while taking into account the cycle of the real estate market.

- Hold non-consolidated debt to a suitable level for financial soundness
- Maintain the proper balance between real estate investments and equity
- Pay a dividend every year based on Base Earnings
- Increase retained earnings in preparation for flexible shareholder distributions

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.