

February 18, 2015

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 Assets**

The Board of Directors of Kenedix, Inc. approved a resolution on February 18, 2015 to make a silent partnership (tokumei kumiai) investment in Godo Kaisha KRF55 (the SPC), which is expected to become a consolidated subsidiary.

#### 1. Overview

KRF55 will use funds from the silent partnership investment by Kenedix alone to acquire the real estate trust beneficiary right of a trust that owns several residential properties located in the greater Tokyo area.

#### 2. Reason for the acquisition

Through this investment, Kenedix expects to earn returns on real estate investment while at the same time use these properties as seed assets for establishing a new fund. The investment will boost AUM and contribute to increase stable earnings mainly through the growth of the Asset Management Business.

#### 3. Summary of the SPC

(1) Name	Godo Kaisha KRF55	
(2) Address	6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo	
(3) Representative	Representative Partner: Ippan Shadan Hojin KRF55 Executor: Naoto Kasuya	
(4) Business	Purchasing, holding, disposing, etc. of real estate or real estate trust beneficiary rights	
(5) Established	January 19, 2015	
(6) Capital	1 million yen	
(7) Relationships between Kenedix and KRF55	Capital	No significant items.
	Personnel	No significant items.
	Business	No significant items.
(8) Results of operations and financial condition for the last three years	No figures are shown because KRF55 was established in January 2015.	

4. Amount and ratio of investment

Kenedix investment (ratio)	6,140 million yen (100%)
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5. Summary of real estate in trust

(1) Name	Not disclosed according to the agreement with the seller
(2) Location	Greater Tokyo area
(3) Category	Several residential properties

6. Schedule

Resolution date	February 18, 2015
Asset purchase date	February 20, 2015 (planned)

7. Outlook

Assuming that investments by Kenedix alone continue up to the end of the year, the Company expects to record an ordinary income of approximately 0.6 billion yen in 2015 from investment in the aforementioned SPC. There is no change in the 2015 consolidated forecast announced on February 10, 2015. 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.