June 24, 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 Regarding the Introduction of Employee Stock Ownership Plan (J-ESOP)

The Board of Directors of Kenedix, Inc. (the "Company") approved a resolution at a meeting held today to introduce an Employee Stock Ownership Plan (J-ESOP) for the purpose of giving employees in positions above a certain level a stronger sense of participation in the company's management. To operate the J-ESOP, a trust (the "Trust") will be established in accordance with a contract that has been signed with Mizuho Trust & Banking Co., Ltd.

1. Background of introducing J-ESOP

   The Company has been considering for some time the use of an employee stock ownership plan (ESOP), which is widely used in the United States, as one element of its incentive plans for employees. A stock ownership plan allows employees to benefit with shareholders from growth in corporate value and is a medium to long-term form of compensation that can help recruit and retain skilled employees. As part of the process of establishing the new medium-term management plan called Partners in Growth 2017, which started in 2015, the Company decided to establish the J-ESOP as a compensation system that reflects the value of the Company's stock.

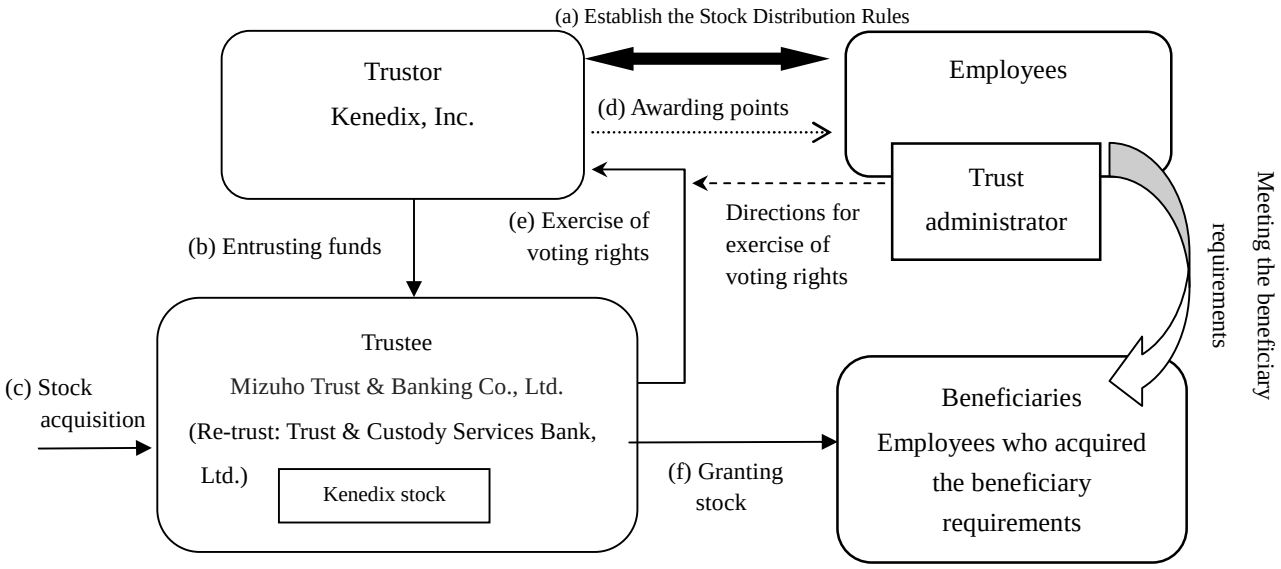
2. Overview of J-ESOP

   The J-ESOP will distribute the Company's stock to employees who meet the specified requirements in accordance with the Stock Distribution Rules that the Company has determined in advance.

   The Company will grant points to employees based on results of operations of the Company, each individual's contributions and other items. Once an employee has fulfilled the beneficiary requirements, the Company's stock will be distributed based on the number of points held. Stock to be distributed to employees will be purchased using funds in a trust established for this purpose and trust assets will be managed separately.

   The Company believes that the J-ESOP will give employees a stronger sense of participation in the management of business operations. In addition, the plan will allow employees to benefit with shareholders from growth in corporate value.

Structure of the J-ESOP



(1) In association with the establishment of the J-ESOP, the Company establishes the Stock Distribution Rules.
(2) The Company places funds in the Trust for the purchase of stock that will be distributed to employees based on the Stock Distribution Rules
(3) The Trust uses the funded amount as outlined at (2) above to acquire the Company's stock.
(4) The Company awards points to employees based on the Stock Distribution Rules.
(5) Voting rights will be exercised based on the direction from the trust administrator.
(6) The Trust grants the Company's stock to employees who acquire the beneficiary requirements based on the number of points they have accrued.

3. Overview of the Trust

(1)	Name of trust:	Employee Stock Ownership Plan (J-ESOP)
(2)	Trustor:	Kenedix, Inc.
(3)	Trustee:	Mizuho Trust & Banking Co., Ltd. Mizuho Trust & Banking will name Trust and Custody Services Bank, Ltd. a secondary trustee based on its comprehensive trust agreement with this bank
(4)	Beneficiary:	Individuals whose rights to receive assets go into effect based on the Stock Distribution Rules
(5)	Type of trust:	Money trust other than cash in trust (i.e. third party beneficiary trust)
(6)	Date of trust agreement:	July 2, 2015
(7)	Date of money trust:	July 2, 2015
(8)	Period of trust:	From July 2, 2015 until the end of a trust. (Trust shall continue without determining a specific timeline as long as the J-ESOP exists.)

4. The Company's stock held by the Trust
   (1) Class and number of shares to be acquired: Common stock of the Company
   (2) Amount entrusted for purchase of stock: 159,000,000 yen
   (3) Acquisition method of the Company's stock: Stock exchange purchases
   (4) Acquisition period: July 2, 2015 to July 8, 2015 (tentative)