July 8, 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 Sale of Fixed Assets and Establishment of Private Fund

In connection with the February 18, 2015 press release titled "Notice of Change in Subsidiary and Acquisition of Assets," Kenedix, Inc. has decided to sell residential properties owned by Godo Kaisha KRF55 (the "SPC"), which is a consolidated subsidiary of Kenedix, to a new private fund (the "Core Fund") that has been established by Kenedix.

1. Summary and reason for the sale

In February 2015, Kenedix alone made a silent partnership (tokumei kumiai) investment in the SPC for the purpose of establishing the Core Fund. The SPC used this investment to acquire the real estate trust beneficiary right of a trust that owns several residential properties in the greater Tokyo area. These properties will be the seed assets of the Core Fund.

At this time, Kenedix has decided to add The Dai-ichi Life Insurance Co, Ltd. as a co-investor in order to establish the new Core Fund. The SPC will then sell the residential properties to this fund.

Making co-investments with client investors is one of the major initiatives of the medium-term management plan that Kenedix announced on February 10, 2015. Kenedix believes that establishing the Core Fund with Dai-ichi Life Insurance, one of Japan's largest life insurers, will enlarge the range of client investors and contribute to increase stable earnings mainly through growth of the Asset Management Business.

2. 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

3. Overview of assets to be sold

Location	Category	Selling price	Book value	Gain or loss on sales
Greater Tokyo area	Several residential properties	Not disclosed according to the agreement with the purchaser		

4. Summary of purchaser (new fund)

(1)	Name	Godo Kaisha KRF59	
(2)	Address	6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo	
(3)	Representative	Representative Partner: Ippan Shadan Hojin KRF59 Executor: Kazumasa Iizuka	
(4)	Business	Purchasing, holding, disposing, etc. of real estate or real estate trust beneficiary rights	
(5)	Established	June 1, 2015	
(6)	Total capitalization	Not disclosed according to the agreement	
(7)	Investors	The Dai-ichi Life Insurance Company, Limited Kenedix, Inc.	
(8)	Relationships between Kenedix and KRF59	Capital	No significant items
		Personnel	No significant items
		Business	No significant items
(9)	Results of operations and financial condition for the last three years	No figures are shown because KRF59 was established in June 2015.	

Kenedix plans to classify the new fund as investment securities in the consolidated financial statements.

5. Schedule

Resolution date	July 8, 2015
Date for sale of the properties	July 10, 2015 (planned)

6. Outlook

There is no change in the 2015 consolidated forecast announced on February 10, 2015. 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.

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.