September 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 of Sale of Fixed Assets and Associated Extraordinary Loss

On September 24, 2015, Kenedix, Inc. decided to sell the following office building held by its consolidated subsidiary.

1. Reason for sale

Kenedix will sell consolidated fixed assets which carry unrealized losses and show low profitability with a view to recover invested funds and restore the balance sheet to a more sound footing.

As reported in the consolidated forecast announced on February 10, 2015 and revised on August 7 2015, Kenedix expects to record an extraordinary loss of 2.8 billion yen in 2015. The primary reason for this loss was due to the plan to sell consolidated fixed assets which carry unrealized losses. The sale of the following office building is in line with this plan.

There is no change in the 2015 consolidated forecast in association with the sale of the aforementioned asset. In addition, there is no change in the estimated extraordinary loss of 2.8 billion yen in the forecast.

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
KSS Gotanda Bldg.*1 (Shinagawa-ku, Tokyo)	1,030	2,514*2	-1,700*3	Office building*1 (Building with leasehold interests)

*1: Asset purchase date: March 2008

*2: As of September 30, 2015

*3: Estimated gain or loss on sales (net of expenses of approx. 0.2 billion yen). The above figures are estimates and may be revised.

*4: Current occupancy rate: 100% (Annual NOI: Approx. 80 million yen; Annual deprecation: Approx. 24 million yen)

3. Outline of subsidiary selling assets

Name	Y.K. KWO Third
Address	6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo
Representative	Director: Tadatsugu Ishimoto
Business	Selling, buying, leasing and brokerage of real estate
Established	March 10, 2004
Capital	3 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	September 30, 2015 (tentative)
Closing date	October 16, 2015 (tentative)

6. Outlook

Kenedix expects to record an extraordinary loss of approximately 1.7 billion yen in 2015 because of the sale of this property. There is no change in the 2015 consolidated forecast announced on August 7, 2015 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.