March 31, 2016

Company name: Kenedix, Inc. (TSE 1st; stock code 4321)
Representative: Taisuke Miyajima, CEO & President

Company name: Shizen Energy Inc.

Notice of Establishment of Kenedix Shizen Energy Fund

Kenedix, Inc. and Shizen Energy Inc. have reached an agreement to jointly establish and manage the Kenedix Shizen Energy Fund. This fund will invest in renewable energy power plants in Japan, primarily focusing on solar power plants. An investment agreement has been signed today with several financial companies in Japan that will invest in this fund.

1. Profile of the Fund

Name	Kenedix Shizen Energy Fund
Amount of investment	Maximum of 8 billion yen (planned)
Total assets	Maximum of about 40 billion yen (planned)
Investment properties	Solar, wind, small hydro, biomass and other renewable energy power plants
Investors	Several financial companies in Japan
Management companies	Kenedix, Inc., Shizen Energy Inc.
Fund concept	(1) Achieve steady, long-term performance by using funds produced from the sale of electricity from renewable energy power plants. (2) Contribute to the diversification and growth of renewable energy power plants and the financial products market in Japan. (3) Play a role in invigoration of regional economies by promoting the development and the operation of renewable energy power plants based on strong ties to the local communities

2. Objective

In the "Kenedix Partners in Growth 2017" medium-term management plan that was established and announced on February 10, 2015, adding infrastructure and other new categories of assets under management is one of the initiatives for achieving growth in stable earnings centered on the Asset Management Business. Projects for renewable energy power plants are a new asset category for Kenedix. Establishing and managing the fund with Shizen Energy which is one of the leading companies in the renewable energy industry in Japan, adds a new sector to the Kenedix Asset Management Business and is expected to strengthen its profit structure.

Since its establishment in 2011, Shizen Energy has been involved with, and currently owning 14 solar power plant projects in Japan. Moreover, the Shizen Energy Group has participated in the planning, development, EPC (engineering, procurement and construction) and O&M (operation and maintenance) of solar power plant projects amounting to approximately 700 megawatts (as of the end of 2015). In addition to solar power plant projects, Shizen Energy's activities include wind, small hydroelectric and other types of renewable power plant projects, aiming to contribute to an increase of the renewable energy power generation in Japan. Shizen Energy also focuses on developing projects in cooperation with local communities. For example, in the city of Koshi in Kumamoto prefecture, Shizen Energy operates the Koshi Agriculture Boosting Project that has been adopted by an interest-free loan program (Project on Early Establishment of a Renewable Energy Model that Contributes to Local Communities *provisional translation) from the Ministry of Agriculture, Forestry and Fisheries of Japan in 2014 on the condition that a part of the project revenues will be spent on development of agriculture in the local region and for local use. With the backing of Kenedix, which is Japan's largest independent real estate asset management company, and Kenedix Shizen Energy Fund, Shizen Energy aims to spread high-quality renewable energy power plants that contribute to regional development from a long-term standpoint.

Reference

■ About Kenedix Group

Kenedix, Inc. was established in 1995. The company made a full-fledged entry into the real estate asset management business in 1999, and has developed its business through the application of advanced investment and financial approaches.

The company's Asset Management Business, which began with the management of private real estate funds, has expanded into the management of several J-REITs, and is currently expanding its scope of operations to include long-term core funds. Based on the asset management expertise Kenedix has accumulated to date, it has recently been cultivating such markets as overseas real estate and infrastructure assets. As Japan's largest independent real estate asset management company, going forward Kenedix plans to continue expanding its business by extending the scope of its operations in line with the needs of its client investors.

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・CEO & President: Taisuke Miyajima
・Phone: +81-3-5623-8400
・URL: http://www.kenedix.com/eng/
・Business: Asset management, property management, leasing operations, real estate investment businesses

■ About Shizen Energy Group

Shizen Energy Inc. was established in 2011. Our involvement in the solar power generation business has amounted to 700 megawatts (as of the end of 2015) as a Group. We also launched wind and small hydroelectric power generation business. Shizen Energy established juwi Shizen Energy Inc. (EPC, Engineering, Procurement and Construction) and juwi Shizen Energy Operation Inc. (O&M, Operation and Maintenance) in 2013 in collaboration with juwi AG of Germany, one of the world's largest EPC companies. Our strength lies in our ability to provide all necessary integrated services for renewable energy power plants from development to EPC and O&M within our Group.

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・Managing directors: Ken Isono, Kenji Kawado, Masaya Hasegawa
・Phone: +81-92-753-9834
・URL: http://www.shizenenergy.net/en/
・Business: Development and fundraising for solar, wind, small hydroelectric and the other renewable energy power plants. Holding and operating owned solar power plants.

3. Outlook

As for Kenedix, the impact of the establishment of this fund on the 2016 results of operations is negligible. There is no change in the 2016 consolidated forecast announced on February 10, 2016. 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.

For inquiries about this press release, please contact:

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