August 3, 2016

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 Concerning Submission of Letter of Intent for Acquisition of Shares Involving Changes in Subsidiary

Kenedix, Inc. has decided to submit a letter of intent for the acquisition of the shares of the target company. Details are as follows.

1. Reason for submitting letter of intent

The target company is engaged in planning, designing and execution of repair, restoration, interior decoration and renewal of office buildings in the Greater Tokyo area. Acquisition of the shares of the target company is expected to expand the operations of the real estate related business of the Kenedix Group.

The aforementioned deal is at the stage of submitting letter of intent for the acquisition of the shares of the target company due to the requests from the target company and advisor. The deal may not be realized depending on upcoming negotiations.

2. Profile of the target company

(1)	Name	Not disclosed.	
(2)	Address	Chiyoda-ku, Tokyo	
(3)	Representative	Not disclosed.	
(4)	Business	Interior construction	
(5)	Capital	20 million yen	
(6)	Established	1999	
(7)	Major shareholders and shareholding ratios	Individual 100% (As of August 3, 2016)	
(8)	Relationships between Kenedix and the target company	Capital	There is no significant capital relationship between the two companies, and there are no significant capital relationships between persons or companies affiliated with Kenedix, and persons or companies affiliated with the target company.
		Personnel	There is no significant personnel relationship between the two companies, and there are no significant personnel relationships between persons or companies affiliated with Kenedix, and persons or companies affiliated with the target company.
		Business	There is no significant business relationship between the

		two companies, and there are no significant business relationships between persons or companies affiliated with Kenedix, and persons or companies affiliated with the target company.
(9) Results of operations and financial condition for the last three years	Net sales of the target company in the most recent business year exceed 10% of the non-consolidated sales of Kenedix (15,210 million yen) in its most recent business year (21st period: January 1, 2015 – December 31, 2015). However, the operating income, ordinary income and net income of the target company do not exceed 10% of Kenedix's non-consolidated operating income (5,248 million yen), ordinary income (6,257 million yen) and net income (6,807 million yen), respectively.	

The name, address and other details of the issuer of the shares in this deal as well as its major shareholder, financial condition and results of operations cannot be disclosed due to a confidentiality agreement with the seller of the target company. Details will be disclosed when the announcement becomes possible.

3. Profile of the seller

Information about the seller of the shares in this deal cannot be disclosed due to a confidentiality agreement with the seller.

4. Number of shares to be acquired and acquisition amount

Not yet determined at this point. Plans call for Kenedix to enter into negotiations with the seller to acquire all the shares of the target company in the amount adequately determined by Kenedix. The total acquisition amount is not expected to exceed 10% of the total net assets (81,802 million yen) in the non-consolidated balance sheet of Kenedix for the most recent business year (21st period: January 1, 2015 – December 31, 2015).

5. Schedule

(1) Contract signing	Not yet determined
(2) Stock acquisition date	Not yet determined

6. Outlook

An announcement will be made promptly in the event the aforementioned letter of intent regarding this deal leads to an agreement with the seller to acquire the shares of the target company.

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.