19 December, 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 of Concerning Sponsor Participation in Malaysian REIT

Kenedix Asia Pte. Ltd. ("Kenedix Asia"), a subsidiary in Singapore of Kenedix, Inc. ("Kenedix"), through its 100% subsidiary KDA Capital Malaysia Sdn. Bhd. ("KDA Capital"), closed an agreement with Amanah Raya Berhad ("Amanah Raya"), the sponsor of AmanahRaya Real Estate Investment Trust ("AmanahRaya REIT"), to acquire 15.0% of the units of AmanahRaya REIT, a listed Real Estate Investment Trust ("REIT") in Malaysia, and 49.0% of the shares of AmanahRaya-REIT Managers Sdn. Bhd. ("ARRM"), the manager of AmanahRaya REIT.

1. Reason for acquisition of units and shares

One of the major initiatives of Kenedix's medium-term management plan, "Partners in Growth 2017", which was established and announced on February 10, 2015, is expanding overseas operations by developing relationships with foreign investors, making further overseas investments and engaging in other overseas business activities. In this connection, Kenedix established Kenedix Asia in May 2015. After its establishment, Kenedix Asia acquired a 9-story building complex that consists of office space and a serviced apartment in Hanoi, Vietnam, in December 2015, and acquired 20% of the shares of a real estate developer in Thailand in October 2016 that is currently developing an office building at the center of Bangkok.

Now, as part of increasing investment income and expanding our asset management business in Malaysia, Kenedix Asia has decided to acquire the units of AmanahRaya REIT, a listed Malaysian REIT, and the shares of ARRM, the manager of AmanahRaya REIT. AmanhRaya REIT has a real estate portfolio that consists of 14 properties mainly in and around Kuala Lumpur in Malaysia with total asset of RM1,006 million (approx. JPY26,163 million*). Amanah Raya, the sponsor of AmanahRaya REIT, is Malaysia's premier trust company and is owned by the Malaysian Government, with a history going back almost a century. It provides various types of financial services, such as asset management, in Malaysia.

Through the acquisition of the units and the shares, Kenedix will be the first Japanese corporation to sponsor a Malaysian REIT. As such, Kenedix is preparing to do our utmost in contributing to the expansion of the AmanahRaya REIT's unitholder value with our joint-sponsor, Amanah Raya.

Through further business development in Asian countries, Kenedix continues to dedicate ourselves to delivering growth in assets under management and increasing stable earnings through asset management business.

* Exchange rate: RM1 = JPY26.0 is used throughout this press release.

2. Summary of acquisition of the units of the REIT

(1) Summary of the REIT

Name	AmanahRaya Real Estate Investment Trust
Manager	AmanahRaya-REIT Managers Sdn. Bhd.
Date of Establishment	October 10, 2006
Date of Listing	February 26, 2007
Fiscal Year End	December 31
Listing	Main Market of Bursa Malaysia Securities Berhad
Sector	Office, Institutional (Education), Industrial, Hospitality and Retail
Total Asset Value	RM1,006 million (approx. JPY26,163 million) (As at end of September 2016)
Total Number of Properties	14 properties (As at end of September 2016)
Total Units Issued	573,219,858 units
Current Unit Price	RM0.915 (Closing price as of December15, 2016)
Equity Market Cap	RM525 million (approx. JPY13,637 million)
Distribution per Unit	RM0.063054 (Actual, for Fiscal year 2015)
Net Asset Value per Unit	Before income distribution: RM1.1875 (As at end of September 2016) After income distribution: RM1.1584 (As at end of September 2016)
Major Unitholders	1. AMANAH RAYA BERHAD (KUMPULAN WANG BERSAMA) 62.31% 2. PERBADANAN KEMAJUAN NEGERI SELANGOR 5.65% 3. CIMB GROUP NOMINEES (TEMPATAN) SDN BHD YAYASAN HASANAH (AYR-VCAM) 2.91% 4. CAHYA MATA SARAWAK BERHAD 0.87% 5. CITIGROUP NOMINESS (TEMPATAN) SDN BHD MCIS INSURANCE BERHAD (LIFE PAR FD) 0.70%

(2) Summary of the transaction

Total Number of Units to be Acquired	85,982,979 units (15.0% of total units issued)
Total Value of Units to be Acquired	RM85,982,979 (approx. JPY2,236 million)
Others	For the purpose of hedging of foreign currency risk, KDA Capital is to obtain debt financing for approximately half of the acquisition amount in Malaysian Ringgit from a financial institution in Malaysia.

3. Summary of acquisition of the shares of the manager

(1) Summary of the manager

Name	AmanahRaya-REIT Managers Sdn. Bhd
Address	Level 11, Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur
Representative	Noorbaizura Hermeyney, Chief Operating Officer & Principal Officer
Business	Providing Management and Administration Services for a REIT
Total Shares Issued	1,500,000 shares
Share Capital	RM1,500,000 (approx. JPY39 million)
Date of Establishment	May 8, 2009
Shareholder	Amanah Raya Berhad 100.0%

(2) Summary of the transaction

Total Number of Shares to be Acquired	735,000 shares	(49.0% of total shares issued)
Total Value of Shares to be Acquired	RM5,145,000	(approx. JPY134 million)

4. Details of the seller

Name	Amanah Raya Berhad
Address	Wisma AmanahRaya, No. 2, Jalan Ampang, 50508 Kuala Lumpur.
Representative	Adenan Md Yusof, Group Managing Director
Business	Trust Management, Legacy Management, Capital Market and Financial Services and Property Management.
Date of Establishment	May 1, 1921: Established as the Department of Public Trustee and Official Administrator May 29, 1995: Incorporated August 1, 1995: Commenced its operation as Amanah Raya Berhad
Shareholders	Minister of Finance (Incorporated) 99.99% Federal Commissioner of Lands 0.01%

5. Schedule

Agreement Signing Date	December 19, 2016
Closing Date	By the end of January 2017 (tentative)*

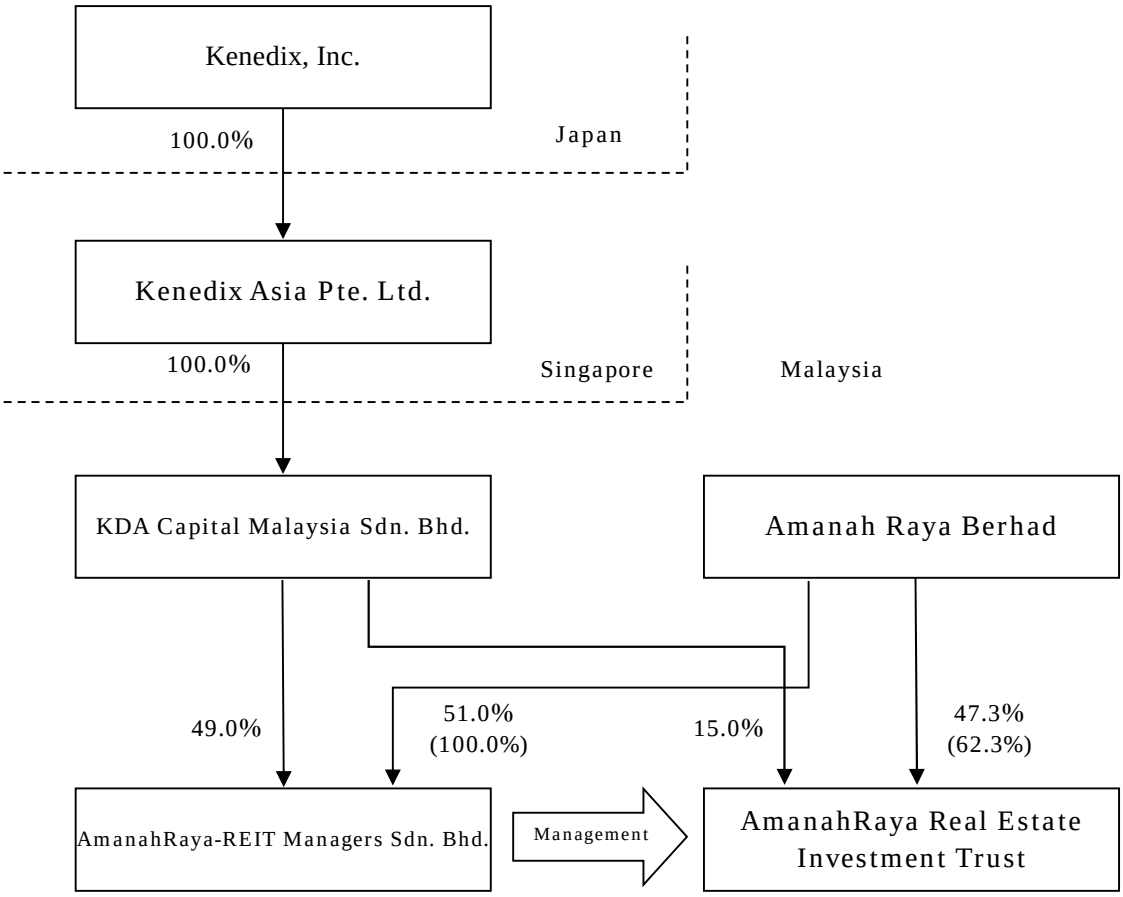
* The transfer of investment units and shares is to take place immediately after approval for participation as a sponsor is granted by the Securities Commission, the supervisory authority for REITs in Malaysia.

6. Outlook

The impact on the 2016 results of operations is expected to be 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 required due to changes in the operating environment, real estate markets or results of operations.

Cautionary Statement Concerning Forward-Looking Information
This press release contains forward-looking statements. These forward-looking statements can be identified by phrases that include words like"intends," "will" and other similar words and phrases, or 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.

Reference: Structure overview after the transaction



* The numbers in parentheses are the ratios of investment units and shares before the acquisition