June 30, 2017

Company name: Kenedix, Inc.
Representative: Taisuke Miyajima, CEO & President
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
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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 Operating Income Resulting from a Mezzanine Loan

Kenedix, Inc. expects to record operating income from the sale of underlying assets for a mezzanine loan.

1. Overview

Kenedix extended a mezzanine loan to a trustee that held loans receivable backed by office buildings. Kenedix now expects to record operating income of about 1,800 million yen in 2017 due to the sale of these office buildings.

This operating income figure is an estimate and may be revised.

Underlying assets:	Office buildings
Amount of loan:	3,000 million yen

2. Outlook

There is no change in the 2017 consolidated forecast announced on February 13, 2017. 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 Kenedix. 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. Kenedix 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.