November 24, 2017

Company name: Kenedix, Inc.
Representative: Taisuke Miyajima, CEO & President
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
Contact: Hikaru Teramoto,
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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 Change in Subsidiary Resulting from Involvements of Development Project Partners

Godo Kaisha KRF48 (the SPC), established to own land in Yokohama that Kenedix, Inc. plans to develop, will no longer be a consolidated subsidiary of Kenedix after the joint investment by third parties and the start of a joint business structure. Information about this land for development was announced in the March 30, 2017 release titled "Notice of Policy for Acquiring Office Building and Land for Development and Establishment of a Land Acquisition Subsidiary."

1. Summary

Land adjacent to the Mitsubishi Heavy Industries Yokohama Building, which is in the Minato Mirai district of Yokohama, was acquired by the SPC on March 30, 2017. Following this purchase, Kenedix has been looking for suitable partners for the development of this site. This process resulted in the selection of PanaHome and Kajima and these two companies are making investments in the SPC in order to establish a framework for a joint real estate development project.

These investments make PanaHome and Kajima the primary participants in the Yokohama development project with Kenedix. The SPC will no longer be a consolidated subsidiary of Kenedix following these investments.

Now that a framework has been established for starting work on this joint development project, the three companies will fully utilize their respective strengths in order to develop a highly appealing project for this site.

2. Summary of the SPC

(1)	Name	Godo Kaisha KRF48	
(2)	Address	2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo	
(3)	Representative	Representative Partner: Ippan Shadan Hojin Callisto Executor: Tadatsugu Ishimoto	
(4)	Business	Purchasing, holding, disposing, etc. of real estate or real estate trust beneficiary rights	
(5)	Established	March 10, 2014	
(6)	Capital	1 million yen (Kenedix, Inc. 100%)	
(7)	Relationships between Kenedix and the SPC	Capital	No significant items.
		Personnel	No significant items.
		Business	No significant items.
(8)	Results of operations and financial condition for the last three years	No financial data because KRF48 had no assets or other financial activity prior to the acquisition of the Yokohama land and the end of a financial reporting period has not been reached since the acquisition of this land. The acquisition price of this land acquired by KRF48 on March 30, 2017 was 16,100 million yen (net of taxes).	

3. Amount and ratio of investments in the SPC

Investments before change (As of March 31, 2017)	Kenedix, Inc.	7,440 million yen (100%)
Investments after change (As of December 1, 2017, tentative)	PanaHome Corporation Kajima Corporation Kenedix, Inc.	2,976 million yen (40%) note 1 2,232 million yen (30%) note 2 2,232 million yen (30%)

Notes: 1. PanaHome made an investment in the SPC on September 1, 2017, but the SPC remained a subsidiary of Kenedix.

2. Kajima plans to invest in the SPC on December 1, 2017.

Reference: Profiles of third parties (the development project partners) making joint investment in the SPC

Name	PanaHome Corporation
Address	1-4, Shinsenri-nishimachi, 1 Chome, Toyonaka, Osaka
Representative	Ryuji Matsushita, President, Chief Executive Officer
Business	Construction, remodeling and subcontracting for houses, apartment buildings and other residential structures, real estate business, sale of materials used in housing fixtures and equipment
Established	July 1, 1963
Capital	Approx. 28.4 billion yen

Name	Kajima Corporation
Address	3-1, Motoakasaka 1-chome, Minato-ku, Tokyo
Representative	Yoshikazu Oshimi, President, Representative Director
Business	Construction (civil engineering and building construction), real estate development, architectural design, civil engineering design, engineering, and other
Established	February 22, 1930
Capital	Approx. 81.4 billion yen

4. Schedule

Board of Directors' resolution (Contract date)	November 24, 2017
Completion of investments	December 1, 2017 (tentative)

5. 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 may 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 has no obligation to update forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by law.