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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.

Announcement of New Medium-term Management Plan (Partners in Growth, Next 2020)

Kenedix has been taking numerous actions aimed at increasing corporate value following the 2015 announcement of the Kenedix Vision 2025, the Group's long-term vision, and the medium-term management plan, Partners in Growth 2017. During the three-year period after these announcements, Kenedix firmly established the Kenedix Model. The model, in which the company does not own real estate directly, is structured to create real estate investment opportunities for client investors and to offer asset management services that encompass everything from the management to the sale of real estate. Establishing this model gives Kenedix a strong foundation for sustained growth.

Interest in real estate investments has been growing worldwide due to monetary easing in recent years. The real estate sector expanded to include a broader spectrum of investor segments and the needs of these investors have become more diverse. As a result, expectations to Kenedix as a provider of real estate investment opportunities are now even greater than ever.

Kenedix was established in 1995 just as Japan's real estate securitization market was emerging. Progress at Kenedix since then has been backed by speed and flexibility in order to take the real estate industry in new directions. Today, structural changes in society and technological advances are occurring at a rapid pace. There are now signs of significant changes in the real estate industry on a scale that is similar to the rapid emergence of securitization in the 1990s. Kenedix regards these changes as a new opportunity for growth.

To build on the accomplishments of the past three years, Kenedix has established a medium-term management plan called Partners in Growth, Next 2020. This plan defines the three-year period starting in 2018 as a time to take the Kenedix Model to an even higher level.

The new medium-term management plan is structured to give Kenedix an even more powerful framework for earning profits. This is to be accomplished by heightening skills involving the establishment and management of real estate funds, a core Kenedix strength, serving an even broader spectrum of investors, and refining and reinforcing the Kenedix Model. Another theme of the plan is using capital productively and increasing shareholder distributions while maintaining the financial soundness for making investments with speed and flexibility. By taking these actions, Kenedix is aiming for more growth in corporate value as one of Japan's leading real estate asset management organizations.

Partners in Growth, Next 2020 (New Medium-term Management Plan)

A. Basic Policies

(1) Enlarge business domains with a focus on real estate asset management
(2) Make speedy, flexible and strategic investments
(3) Create opportunities in new growth fields linked to emerging social and economic trends
(4) Build a stronger infrastructure for achieving both sustained growth and social responsibility

B. Quantitative Targets

Index	Targets (consolidated)
ROE	3-year average of at least 10%
Total return ratio	3-year average of at least 50%

C. Major Initiatives

(1) Enlarge business domains with a focus on real estate asset management

- Create various investment opportunities in order to increase assets under management and stable earnings
- Expand client investor base in Japan and other countries and build deeper ties with these investors
- Establish a more powerful asset management infrastructure in order to upgrade real estate fund formation and management capabilities
- Strengthen real estate related services in order to add more value to asset management
- Seek opportunities for strategic mergers, acquisitions and alliances that can expand business domains

(2) Make speedy, flexible and strategic investments

- Make co-investments with client investors
- Make speedy and flexible investments that can contribute to the growth of funds managed by the Kenedix Group
- Make strategic investments for the growth of business activities in other countries and in growing market sectors
- Maintain a diversified and disciplined investment portfolio while reinforcing portfolio monitoring system
- Maintain financial soundness and transparency

(3) Create opportunities in new growth fields linked to emerging social and economic trends

- Expand operations in Asia
- Expand the outbound investment business in the United States
- Start and expand a business for the operation of hotels, *minpaku*, serviced apartments and other types of accommodations
- Launch businesses that combine expertise in real estate, finance and technology

(4) Build a stronger infrastructure for achieving both sustained growth and social responsibility

- Establish an internal infrastructure that can improve the productivity of people and the entire organization
- Maintain and enhance the diversity of the human resources that underpins the Kenedix Model
- Add more ways to perform work in a flexible manner that reflects social trends
- Promote environmental, social and governance (ESG) initiatives

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.

(Supplementary Reference Material)

■Mission Statement

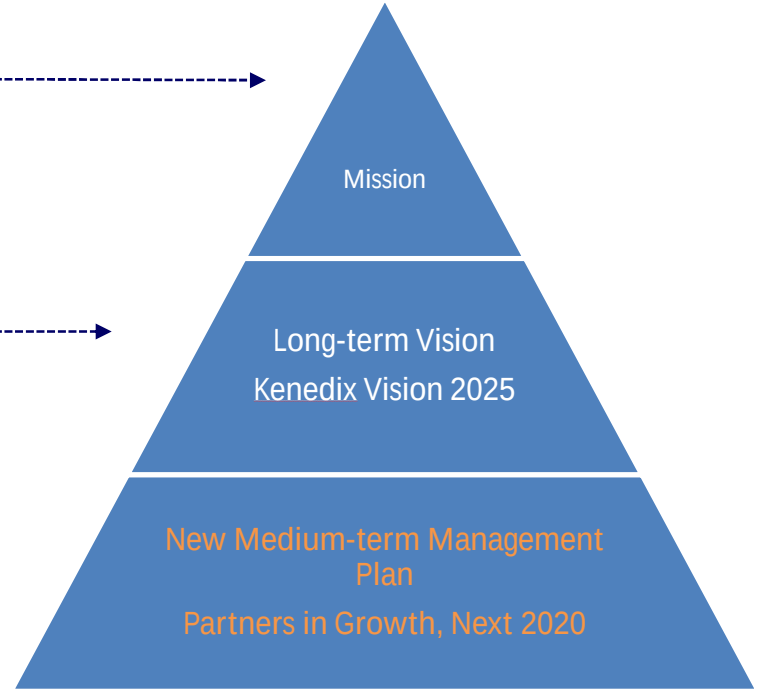
Kenedix is dedicated to realizing the full potential of real estate

■Long-term Vision

Kenedix Vision 2025
Delivering Growth via the Kenedix Model
AUM ¥4 trillion, Kenedix Group market cap* ¥2 trillion, ROE 15%

■New Medium-term Management Plan

Partners in Growth, Next 2020
Taking the Kenedix Model to an Even Higher Level



■Kenedix Model

1. Asset Management Business : Kenedix constantly provides client investors with high-grade investment opportunities and does not own real estate itself.
2. Real Estate Related Business : Kenedix manages and operates real estate with the goal of increasing the value of funds managed by Kenedix Group companies.
3. Real Estate Investment Business : Kenedix co-invests with client investors in funds managed by Kenedix Group companies.

Kenedix does not own real estate directly.
Properties are held by funds that are established and managed by the Kenedix Group.

* Includes the market value of REITs where Kenedix serves as the main sponsor